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Yangtze Optical Fibre and Cable Joint Stock Limited Company*

長飛光纖光纜股份有限公司

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 6869)

2023 FIRST QUARTERLY REPORT

This announcement is issued by Yangtze Optical Fibre and Cable Joint Stock Limited Company* 長飛光纖光纜股份有限公司 (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to the Inside Information Provision under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09(2)(a) and Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The 2023 first quarterly report (unaudited, the “**Quarterly Report**”) contained in this announcement has been prepared in accordance with China Accounting Standards of Business Enterprises and the requirements on preparation and disclosure of quarterly report issued by China Securities Regulatory Commission, and has been approved by the board of directors (the “**Board**”) of the Company.

I. IMPORTANT NOTICE

- 1.1 The Board, board of supervisors, directors, supervisors and senior management officers of the Company undertake the authenticity, accuracy and completeness of the contents contained in this Quarterly Report without false representation, misleading statement or material omission, and they jointly and severally accept full responsibility.
- 1.2 All directors of the Company have attended the board meeting to approve the Quarterly Report.
- 1.3 Mr. Ma Jie, the legal representative of the Company, Mr. Zhuang Dan, the person in charge of the accounting affairs, and Mr. Jinpei Yang, the head of the accounting department (accounting director) warrant that the financial statements contained in this Quarterly Report are authentic, accurate and complete.
- 1.4 The Quarterly Report of the Company is unaudited.

* For identification purpose only

II. CORPORATE INFORMATION

2.1 Major financial data

(Expressed in Renminbi “RMB”)

	31 March 2023 (Unaudited)	31 December 2022 (Audited)	Increase percentage (%)
Total assets	28,915,899,006	28,203,306,647	2.53
Total equity attributable to equity shareholders of the Company	10,413,300,647	10,144,245,884	2.65
For the three months ended 31 March			
	2023 (Unaudited)	2022 (Unaudited)	Increase percentage (%)
Operating income	3,195,125,742	2,981,678,053	7.16
Net profit for the period attributable to equity shareholders of the Company	241,038,277	203,577,445	18.40
Net profit for the period attributable to equity shareholders of the Company excluding non-recurring items	229,482,052	157,326,423	45.86
Net cash used in operating activities	(53,560,243)	(277,078,031)	Not applicable
Basic earnings per share (RMB/share)	0.32	0.27	18.52
Diluted earnings per share (RMB/share)	0.32	0.27	18.52
Weighted average return on equity (%)	2.35	2.06	Increased by 0.29 percentage points

2.2 Non-recurring items and amount

✓ Applicable □ Not applicable

(Expressed in RMB)

Items	For the three months ended 31 March 2023 (Unaudited)	Note
Losses from disposal of non-current assets	(766,393)	
Government grants accounted into current gains or losses (other than government grants closely related to the businesses of the Company, and in a fixed or quantifiable amount in conformity with the common standards of the State)	17,421,020	
Changes in fair value of financial assets and liabilities held for trading, and disposal of financial assets and liabilities held for trading and available-for-sale financial assets, other than those held for effective hedging related to normal operations	3,018,801	
Non-recurring profit from investment income from associates and joint ventures	14,099,918	
Other non-operating income and expenses other than the above items	1,153,256	
Other items accorded with the definition of non-recurring profit or loss	–	
Impact on non-controlling interests (after tax)	(17,984,121)	
Income tax effect	(5,386,256)	
Total	11,556,225	

2.3 Changes and reasons of main accounting data and financial indicators

Item	Change proportion (%)	Main reason
Net profit for the period attributable to equity shareholders of the Company excluding non-recurring items	45.86	Mainly due to the internationalization and diversified expansion of the Company during the reporting period, as well as an increase in sales of related main products

III. INFORMATION OF SHAREHOLDERS

3.1 Total number of shareholders, the shareholding of top ten shareholders and top ten tradable shareholders (or unrestricted shareholders) as at the end of the reporting period

Unit: share

Total number of shareholders 21,208 Total number of preferred shareholders with restored voting rights at the end of the reporting period (if any) 0

Name of shareholders	Nature of shareholders	Shareholding of top ten shareholders			Pledged or locked-up	
		Number of Shareholding	Percentage (%)	Restricted shareholding	Status	Number
China Huaxin Post and Telecom Technologies Co., Ltd.	State-owned legal person	179,827,794	23.73	0	Nil	0
Draka Comteq B.V.	Overseas legal person	179,827,794	23.73	0	Nil	0
HKSCC Nominees Limited	Overseas legal person	171,612,349	22.64	0	Nil	0
Wuhan Yangtze Communications Industry Group Co., Ltd.	State-owned legal person	119,937,010	15.82	0	Nil	0
Ningbo Ruitu Business Management Consulting Partnership Enterprise	Others	7,914,855	1.04	0	Nil	0
China Resources Shengtuotou Trust Co., Ltd. – China Resources Trusts • ShengLi No. 5-Single Fund Trust	Others	5,276,676	0.70	0	Nil	0
Hong Kong Securities Clearing Company Limited	Overseas legal person	4,714,035	0.62	0	Nil	0
Ningbo Ruiying Business Management Consulting Partnership Enterprise	Others	4,572,500	0.60	0	Nil	0
Shannxi International Trust Co., Ltd – Shannguotou • Leying No. 56 Single Fund Trust	Others	2,721,210	0.36	0	Nil	0
Ningbo Ruiqi Business Management Partnership Enterprise	Others	1,748,245	0.23	0	Nil	0

Shareholding of top ten unrestricted shareholders

Name of shareholders	Number of unrestricted tradable shares held	Class	Class and number of shares	Number
China Huaxin Post and Telecom Technologies Co., Ltd.	179,827,794	RMB ordinary shares		179,827,794
Draka Comteq B.V.	179,827,794	Overseas listed foreign shares		179,827,794
HKSCC Nominees Limited	171,612,349	Overseas listed foreign shares		171,612,349
Wuhan Yangtze Communications Industry Group Co., Ltd.	119,937,010	RMB ordinary shares		119,937,010
Ningbo Ruitu Business Management Consulting Partnership Enterprise	7,914,855	RMB ordinary shares		7,914,855
China Resources Shengtuotou Trust Co., Ltd. – China Resources Trusts • ShengLi No. 5-Single Fund Trust	5,276,676	RMB ordinary shares		5,276,676
Hong Kong Securities Clearing Company Limited	4,714,035	RMB ordinary shares		4,714,035
Ningbo Ruiying Business Management Consulting Partnership Enterprise	4,572,500	RMB ordinary shares		4,572,500
Shannxi International Trust Co., Ltd – Shannguotou • Leying No. 56 Single Fund Trust	2,721,210	RMB ordinary shares		2,721,210
Ningbo Ruiqi Business Management Consulting Partnership Enterprise	1,748,245	RMB ordinary shares		1,748,245

Explanation of associations or actions in concert among the above shareholders

There are related relationship for common executive partners among Ningbo Ruitu Business Management Consulting Partnership Enterprise, Ningbo Ruiying Business Management Consulting Partnership Enterprise, Ningbo Ruiqi Business Management Consulting Partnership Enterprise. In addition, the Company does not know whether the other shareholders mentioned above are related to each other or are acting in concert.

3.2 Total number of and top ten holders of preference shares and their unrestricted shareholdings as at the end of the reporting period

Applicable Not applicable

IV. OTHER REMINDERS

Other important information about the Company's operation in the reporting period that needs to be reminded of investors' attention

Applicable Not applicable

By order of the Board
Yangtze Optical Fibre and Cable Joint Stock Limited Company*
長飛光纖光纜股份有限公司
Ma Jie
Chairman

Wuhan, PRC, 28 April 2023

As at the date of this announcement, the Board comprises Mr. Zhuang Dan as executive director; Mr. Ma Jie, Mr. Philippe Claude Vanhille, Mr. Guo Tao, Mr. Pier Francesco Facchini, Mr. Frank Franciscus Dorjee, Mr. Xiong Xiangfeng and Ms. Lai Zhimin, as non-executive directors; Mr. Bingsheng Teng, Mr. Liu Deming, Mr. Song Wei and Dr. Wong Tin Yau, Kelvin, as independent non-executive directors.

* For identification purpose only

V. APPENDIX

5.1 Financial statements

Consolidated Balance Sheet As at 31 March 2023

Entity: Yangtze Optical Fibre and Cable Joint Stock Limited Company

(Expressed in RMB)

Items	31 March 2023 (Unaudited)	31 December 2022 (Audited)
Current assets:		
Cash at bank and on hand	4,264,416,382	4,323,893,889
Financial assets held for trading	1,352,208,999	1,347,947,294
Bills receivable	620,162,518	698,622,284
Accounts receivable	5,087,721,853	5,035,236,390
Receivables under financing	186,819,249	133,861,169
Prepayments	235,242,367	188,716,783
Other receivables	168,352,397	182,451,824
Including: Interest receivable	–	–
Dividends receivable	–	57,980
Inventories	3,220,087,164	3,158,718,111
Other current assets	411,970,502	345,419,744
Total current assets	15,546,981,431	15,414,867,488
Non-current assets:		
Long-term equity investments	1,977,397,993	1,828,164,430
Investments in other equity instruments	63,055,426	46,878,451
Other non-current financial assets	60,577,780	60,203,752
Fixed assets	5,742,196,289	5,749,362,064
Construction in progress	1,954,192,755	1,644,132,850
Right-of-use assets	58,772,972	55,116,615
Intangible assets	1,691,827,232	1,732,371,560
Goodwill	865,351,043	835,888,454
Long-term deferred expenses	30,659,570	26,924,819
Deferred tax assets	302,772,222	272,648,375
Other non-current assets	622,114,293	536,747,789
Total non-current assets	13,368,917,575	12,788,439,159
Total assets	28,915,899,006	28,203,306,647

Items	31 March 2023 (Unaudited)	31 December 2022 (Audited)
Current liabilities:		
Short-term loans	1,477,593,670	1,754,882,426
Bills payable	1,173,364,939	1,430,934,823
Accounts payable	1,952,355,322	2,031,652,081
Contract liabilities	826,640,178	816,649,511
Employee benefits payable	494,490,694	451,529,826
Taxes payable	136,439,309	154,138,414
Other payables	606,275,155	641,517,585
Including: Interest payable	–	–
Dividend payable	–	–
Non-current liabilities due within one year	790,352,778	732,895,951
Other current liabilities	63,195,148	61,057,878
Total current liabilities	7,520,707,193	8,075,258,495
Non-current liabilities:		
Long-term loans	4,994,131,657	3,950,988,482
Lease liabilities	42,821,741	40,204,695
Long-term payables	685,308,430	673,846,130
Deferred income	406,596,772	412,445,638
Deferred tax liabilities	250,142,164	257,758,846
Other non-current liabilities	252,837,617	255,743,147
Total non-current liabilities	6,631,838,381	5,590,986,938
Total liabilities	14,152,545,574	13,666,245,433
Shareholders' equity:		
Share capital	757,905,108	757,905,108
Capital reserve	2,945,955,746	2,938,596,940
Less: Treasury stock	33,653,461	33,653,461
Other comprehensive income	38,411,464	17,753,780
Surplus reserve	674,929,332	674,929,332
Retained earnings	6,029,752,458	5,788,714,185
Total equity attributable to shareholders of the Company	10,413,300,647	10,144,245,884
Non-controlling interests	4,350,052,785	4,392,815,330
Total equity	14,763,353,432	14,537,061,214
Total liabilities and shareholders' equity	28,915,899,006	28,203,306,647

Legal representative
of the Company:

Ma Jie

The person in charge
of accounting affairs:

Zhuang Dan

The head of the
accounting department:

Jinpei Yang

Consolidated Income Statement
As at 31 March 2023

Entity: Yangtze Optical Fibre and Cable Joint Stock Limited Company

(Expressed in RMB)

Items	For the three months ended 31 March	
	2023 (Unaudited)	2022 (Unaudited)
I. Operating income	3,195,125,742	2,981,678,053
Less: Operating costs	2,382,058,668	2,372,401,284
Taxes and surcharges	15,973,612	14,400,278
Selling and distribution expenses	110,935,862	84,752,032
General and administrative expenses	227,107,988	150,891,227
Research and development expenses	181,210,521	139,289,734
Financial expenses	33,209,659	13,276,505
Including: Interest expenses	53,610,378	30,248,100
Interest revenue	25,182,665	8,989,146
Add: Other income	18,620,633	18,265,232
Investment income	15,861,633	33,990,122
Including: Income from investment in associates and joint ventures	14,015,506	(1,161,845)
Gains from changes in fair value	2,637,034	795,298
Credit losses	(23,586,472)	(27,583,988)
Impairment losses	(12,790,715)	(10,901,302)
Gains/(losses) from asset disposals	490,005	(661,874)
II. Operating profit	245,861,550	220,570,481
Add: Non-operating income	2,193,019	1,066,606
Less: Non-operating expenses	4,653,381	439,342
III. Profit before income tax	243,401,188	221,197,745
Less: Income tax expenses	23,283,753	10,815,422

For the three months ended 31 March

Items	2023	2022
	(Unaudited)	(Unaudited)
IV. Net profit for the period	220,117,435	210,382,323
(1) Net profit classified by continuity of operations		
1. Net profit from continuing operations	220,117,435	210,382,323
2. Net profit from discontinued operations	–	–
(2) Net profit classified by ownership		
1. Shareholders of the Company	241,038,277	203,577,445
2. Non-controlling interests	(20,920,842)	6,804,878
V. Other comprehensive income, net of tax	20,066,638	15,805,664
Other comprehensive income (net of tax) attributable to shareholders of the Company	20,657,684	14,434,022
(1) Items that will not be reclassified to profit or loss	13,750,429	(2,795,920)
1. Changes in fair value of investments in other equity instruments	13,750,429	(2,795,920)
(2) Items that may be reclassified subsequently to profit or loss	6,907,255	17,229,942
1. Translation differences arising from translation of foreign currency financial statements	6,907,255	17,229,942
Other comprehensive income (net of tax) attributable to non-controlling interests	(591,046)	1,371,642
VI. Total comprehensive income for the period	240,184,073	226,187,987
Total comprehensive income attributable to shareholders of the Company	261,695,961	218,011,467
Total comprehensive income attributable to non-controlling interests	(21,511,888)	8,176,520
VII. Earnings per share:		
(1) Basic earnings per share (RMB/share)	0.32	0.27
(2) Diluted earnings per share (RMB/share)	0.32	0.27

For the business combination under common control effected in the current period, the net profit recognized by the merged party before the combination was RMB0, and the net profit recognized by the merged party in the previous reporting period was RMB0.

Legal representative
of the Company:

Ma Jie

The person in charge
of accounting affairs:

Zhuang Dan

The head of the
accounting department:

Jinpei Yang

Consolidated statement of Cash Flow
For the three months ended 31 March 2023

Entity: Yangtze Optical Fibre and Cable Joint Stock Limited Company

(Expressed in RMB)

Items	For the three months ended 31 March	
	2023 (Unaudited)	2022 (Unaudited)
I. Cash flows from operating activities:		
Proceeds from sale of goods and rendering of services	3,348,061,060	2,268,758,566
Refund of taxes	47,309,426	31,528,568
Proceeds from other operating activities	110,317,366	45,220,127
Sub-total of cash inflows	3,505,687,852	2,345,507,261
Payment for goods and services	(2,989,766,785)	(2,168,225,711)
Payment to and for employees	(373,229,283)	(292,567,176)
Payment of various taxes	(144,508,522)	(63,179,647)
Payment for other operating activities	(51,743,504)	(98,612,758)
Sub-total of cash outflows	(3,559,248,094)	(2,622,585,292)
Net cash outflow from operating activities	(53,560,243)	(277,078,031)
II. Cash flows from investing activities:		
Proceeds from disposal of investments	140,345,965	575,000,000
Investments returns received	19,918,645	13,121,201
Net proceeds from disposal of fixed assets	5,139,606	–
Proceeds from other investing activities	–	31,905,367
Sub-total of cash inflows	165,404,216	620,026,568
Payment for acquisition of fixed assets, intangible assets and other long-term assets	(605,078,361)	(207,653,101)
Payment for acquisition of investments	(258,212,819)	(778,423,400)
Payment for acquisition of subsidiaries and other operating entities	(35,615,573)	–
Payment for other investing activities	(21,523,598)	–
Sub-total of cash outflows	(920,430,351)	(986,076,501)
Net cash outflow from investing activities	(755,026,135)	(366,049,933)

For the three months ended 31 March

Items	2023 (Unaudited)	2022 (Unaudited)
III. Cash flow from financing activities:		
Proceeds from investors	399,813	25,000,000
Including: proceeds for non-controlling shareholders of subsidiaries	399,813	25,000,000
Proceeds from borrowings	1,412,734,646	1,882,241,037
Sub-total of cash inflows	1,413,134,459	1,907,241,037
Repayments of borrowings	(586,632,150)	(606,301,073)
Payment for dividends, profit distributions or interest	(40,379,818)	(34,805,662)
Payment for other financing activities	(4,265,286)	(4,212,573)
Sub-total of cash outflows	(631,277,254)	(645,319,308)
Net cash inflow from financing activities	781,857,205	1,261,921,729
IV. Effect of foreign exchange rate changes on cash and cash equivalents	(8,743,714)	(2,124,083)
V. Net increase in cash and cash equivalents	(35,472,886)	616,669,682
Add: Cash and cash equivalents at the beginning of the period	4,211,073,257	2,750,079,562
VI. Cash and cash equivalents at the end of the period	4,175,600,371	3,366,749,244

Legal representative
of the Company:

The person in charge
of accounting affairs:

The head of the
accounting department:

Ma Jie

Zhuang Dan

Jinpei Yang

5.2 Auditor's report

Applicable Not applicable