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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)

2024 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 2024 first quarterly report of the Group as of 31 March 2024 (the “**First 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 not been audited, which has been approved by the board of directors of the Company (the “**Board**”).

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 the First 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 consider and approve the First Quarterly Report.
- 1.3 Ma Jie, the legal representative of the Company, Zhuang Dan, the person in charge of the accounting affairs, and 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 First Quarterly Report is unaudited.

* For identification purpose only

II. CORPORATE INFORMATION

2.1 Major financial data

(Expressed in Renminbi “RMB”)

Items	For the reporting period	Increase or decrease compared to the same period of last year (%)
Operating income	2,386,939,536	(25.29)
Net profit for the period attributable to equity shareholders of the Company	57,920,130	(75.97)
Net profit for the period attributable to equity shareholders of the Company excluding non-recurring items	24,424,437	(89.36)
Net cash used in operating activities	104,046,501	Not applicable
Basic earnings per share (RMB/per share)	0.08	(75.00)
Diluted earnings per share (RMB/per share)	0.08	(75.00)
Weighted average return on equity (%)	0.51	Decreased by 1.84 percentage points

	As at the end of the reporting period	As at the end of the same period of last year	Increase or decrease compared to the same period of last year (%)
Total assets	29,267,803,682	29,142,343,893	0.43
Total equity attributable to equity shareholders of the Company	11,340,625,311	11,307,108,305	0.30

2.2 Non-recurring items and amount

Applicable Not applicable

(Expressed in RMB)

Items	For the reporting period (January-March) (Unaudited)	Note
Losses from disposal of non-current assets	1,978,066	
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)	37,049,414	
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	1,201,027	
Other non-operating income and expenses other than the above items	3,733,492	
Impact on non-controlling interests (after tax)	(3,385,899)	
Income tax effect	(7,080,408)	
Total	<u>33,495,692</u>	

2.3 Changes and reasons of main accounting data and financial indicators

Items	Change proportion (%)	Main reason
Net profit for the period attributable to equity shareholders of the Company	(75.97)	Mainly due to the decrease in gross profit caused by the decrease in revenue
Net profit for the period attributable to equity shareholders of the Company excluding non-recurring items	(89.36)	Mainly due to the decrease in gross profit caused by the decrease in revenue
Basic earnings per share (RMB/per share)	(75.00)	Mainly due to the decrease in gross profit caused by the decrease in revenue
Diluted earnings per share (RMB/per share)	(75.00)	Mainly due to the decrease in gross profit caused by the decrease in revenue

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

27,264

Name of shareholders (full name)	Shareholding of top ten shareholders					Nature of shareholders
	Shareholding as the end of the reporting period	Percentage (%)	Restricted shareholding	Pledged or locked-up Status	Number	
China Huaxin Post and Telecom Technologies Co., Ltd.	179,827,794	23.73	0	Nil	0	State-owned legal person Overseas
Draka Comteq B.V.	179,827,794	23.73	0	Nil	0	legal person Overseas
HKSCC Nominees Limited	171,614,849	22.64	0	Nil	0	legal person
Wuhan Yangtze Communications Industry Group Co., Ltd.	119,937,010	15.82	0	Nil	0	State-owned legal person
Ningbo Ruitu Business Management Consulting Partnership Enterprise	7,253,055	0.96	0	Nil	0	Others
China Resources Shengtuotou Trust Co., Ltd. – China Resources Trusts • ShengLi No. 5 Single Fund Trust	5,276,676	0.70	0	Nil	0	Others Overseas
Hong Kong Securities Clearing Company Limited	4,371,834	0.58	0	Nil	0	legal person
Ningbo Ruiying Business Management Consulting Partnership Enterprise	3,963,200	0.52	0	Nil	0	Others
Shanghai Zhentou Asset Management Co., Ltd – Zhentou Chuangxin No. 45 private security investment fund	2,565,345	0.34	0	Nil	0	Others
Shannxi International Trust Co., Ltd – Shannguotou • Fortune No. 59 Single Fund Trust	2,066,466	0.27	0	Nil	0	Others

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	171,614,849	Overseas listed foreign shares		171,614,849
Wuhan Yangtze Communications Industry Group Co., Ltd.	119,937,010	RMB ordinary shares		119,937,010
Ningbo Ruitu Business Management Consulting Partnership Enterprise	7,253,055	RMB ordinary shares		7,253,055
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	4,371,834	RMB ordinary shares		4,371,834
Ningbo Ruiying Business Management Consulting Partnership Enterprise	3,963,200	RMB ordinary shares		3,963,200
Shanghai Zhentou Asset Management Co., Ltd – Zhentou Chuangxin No. 45 private security investment fund	2,565,345	RMB ordinary shares		2,565,345
Shanxi International Trust Co., Ltd – Shanguotou • Fortune No. 59 Single Fund Trust	2,066,466	RMB ordinary shares		2,066,466

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, and Ningbo Ruiying 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.
Explanation of holders of preferred shares with resumed voting right and the number of shares held	Not applicable

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 brought to the attention of the shareholders of the Company

√ Applicable Not applicable

On 1 August 2023 (Central European Time), the Company and its indirectly wholly-owned subsidiary, YOFC International (Germany) GmbH, entered into the share purchase agreement with RFS Holding GmbH and plan to acquire the entire equity interest in Radio Frequency Systems GmbH and Radio Frequency Systems (Suzhou) Co., Ltd., both wholly owned subsidiaries of RFS Holding GmbH. For further details, please refer to the Company's circular dated 20 September 2023. The acquisition was approved on the extraordinary general meeting of the Company held on October 13, 2023.

On 2 April 2024, Radio Frequency Systems GmbH and Radio Frequency Systems (Suzhou) Co., Ltd. have become subsidiaries of the Company. Pursuant to the Share Purchase Agreement, the consideration still needs further conformation by both parties.

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, 29 April 2024

As at the date of this announcement, the Board comprises Mr. Zhuang Dan as executive director; Mr. Ma Jie, Mr. Guo Tao, Mr. Philippe Claude Vanhille, Mr. Pier Francesco Facchini, Mr. Iuri Longhi, Mr. Xiong Xiangfeng and Mr. Mei Yong, as non-executive directors; Mr. Bingsheng Teng, Mr. Song Wei, Dr. Wong Tin Yau, Kelvin and Ms. Li Chang'ai, as independent non-executive directors.

* For identification purpose only

V. APPENDIX

5.1 Financial statements

Consolidated Balance Sheet As at 31 March 2024

Prepared by: Yangtze Optical Fibre and Cable Joint Stock Limited Company*

Unit: Yuan Currency: RMB Auditor's opinion: unaudited

Items	31 March 2024	31 December 2023
Current assets:		
Cash at bank and on hand	4,202,692,451	3,895,836,574
Financial assets held for trading	1,139,561,084	1,048,211,393
Bills receivable	650,052,063	726,336,662
Accounts receivable	4,888,709,304	5,197,048,639
Receivables under financing	273,910,535	141,157,180
Prepayments	161,144,090	125,173,815
Other receivables	178,313,535	163,517,268
Inventories	3,018,384,183	2,941,352,651
Other current assets	271,746,019	317,660,688
Total current assets	14,784,513,264	14,556,294,870
Non-current assets:		
Long-term equity investments	3,181,127,522	3,303,333,932
Investments in other equity instruments	59,119,029	70,065,449
Other non-current financial assets	52,177,562	51,655,870
Fixed assets	6,742,881,915	6,731,878,425
Construction in progress	1,156,246,034	965,535,668
Right-of-use assets	74,066,712	82,388,148
Intangible assets	1,589,006,696	1,610,640,981
Goodwill	896,910,942	896,910,942
Long-term deferred expenses	75,842,181	62,809,995
Deferred tax assets	369,121,217	344,103,613
Other non-current assets	286,790,608	466,726,000
Total non-current assets	14,483,290,418	14,586,049,023
Total assets	29,267,803,682	29,142,343,893

Items	31 March 2024	31 December 2023
Current liabilities:		
Short-term loans	2,188,434,236	1,749,536,836
Bills payable	1,287,465,106	1,368,353,135
Accounts payable	1,594,699,670	1,787,840,959
Contract liabilities	477,251,036	498,602,106
Employee benefits payable	490,382,156	538,427,393
Taxes payable	129,623,938	187,029,917
Other payables	1,175,833,999	1,670,745,115
Non-current liabilities due within one year	962,735,525	1,262,096,142
Other current liabilities	23,290,621	19,406,181
Total current liabilities	8,329,716,287	9,082,037,784
Non-current liabilities:		
Long-term loans	5,648,516,371	4,855,183,468
Lease liabilities	54,137,269	60,730,739
Deferred income	445,818,332	430,985,306
Deferred tax liabilities	232,895,108	238,142,674
Other non-current liabilities	81,911,798	77,766,485
Total non-current liabilities	6,463,278,878	5,662,808,672
Total liabilities	14,792,995,165	14,744,846,456
Shareholders' equity:		
Share capital	757,905,108	757,905,108
Capital reserve	3,069,415,882	3,066,048,015
Other comprehensive income	44,455,041	72,226,032
Surplus reserve	711,564,222	711,564,222
Retained earnings	6,757,285,058	6,699,364,928
Total equity attributable to shareholders of the Company	11,340,625,311	11,307,108,305
Non-controlling interests	3,134,183,206	3,090,389,132
Total equity	14,474,808,517	14,397,497,437
Total liabilities and shareholders' equity	29,267,803,682	29,142,343,893

Legal representative of the
Company:

Ma Jie

Person in charge of accounting
affairs:

Zhuang Dan

Head of the accounting
department:

Jinpei Yang

Consolidated Income Statement
For the three months ended 31 March 2024

Prepared by: Yangtze Optical Fibre and Cable Joint Stock Limited Company*

Unit: Yuan Currency: RMB Auditor's opinion: unaudited

Items	For the first quarter of 2024	For the first quarter of 2023
I. Operating income	2,386,939,536	3,195,125,742
Including: operating income	2,386,939,536	3,195,125,742
II. Total operating costs	2,313,251,760	2,950,496,310
Including: Operating costs	1,747,298,442	2,382,058,668
Taxes and surcharges	21,703,657	15,973,612
Selling and distribution expenses	109,123,795	110,935,862
General and administrative expenses	241,198,984	227,107,988
Research and development expenses	156,132,152	181,210,521
Financial expenses	37,794,730	33,209,659
Including: Interest expenses	59,133,352	53,610,378
Interest revenue	29,384,679	25,182,665
Add: Other income	39,483,143	18,620,633
Investment income	(44,737,463)	15,861,633
Including: Income from investment in associates and joint ventures	(50,051,092)	14,015,506
Gains from changes in fair value	1,201,027	2,637,034
Credit losses	(10,259,148)	(23,586,472)
Impairment losses	(20,051,387)	(12,790,715)
Losses from disposals of assets	1,978,066	490,005
III. Operating profit	41,302,014	245,861,550
Add: Non-operating income	4,197,647	2,193,019
Less: Non-operating expenses	464,155	4,653,381
IV. Profit before income tax	45,035,506	243,401,188
Less: Income tax expenses	11,739,334	23,283,753

Items	For the first quarter of 2024	For the first quarter of 2023
V. Net profit for the period	33,296,172	220,117,435
1. Shareholders of the Company	57,920,130	241,038,277
2. Non-controlling interests	(24,623,958)	(20,920,842)
VI. Other comprehensive income, net of tax	(30,674,768)	20,066,638
(一) Other comprehensive income (net of tax) attributable to shareholders of the Company	(27,770,991)	20,657,684
1. Items that will not be reclassified to profit or loss	(9,304,457)	13,750,429
(1) Changes in fair value of investments in other equity instruments	(9,304,457)	13,750,429
2. Items that may be reclassified subsequently to profit or loss	(18,466,534)	6,907,255
(1) Translation differences arising from translation of foreign currency financial statements	(18,466,534)	6,907,255
(二) Other comprehensive income (net of tax) attributable to non-controlling interests	(2,903,777)	(591,046)
VII. Total comprehensive income for the period	2,621,404	240,184,073
(一) Total comprehensive income attributable to shareholders of the Company	30,149,139	261,695,961
(二) Total comprehensive income attributable to non- controlling interests	(27,527,735)	(21,511,888)
VIII. Earnings per share:		
(一) Basic earnings per share (RMB/per share)	0.08	0.32
(二) Diluted earnings per share (RMB/per share)	0.08	0.32

Legal representative of the Company:	Person in charge of accounting affairs:	Head of the accounting department:
Ma Jie	Zhuang Dan	Jinpei Yang

Consolidated statement of Cash Flows
For the three months ended 31 March 2024

Prepared by: Yangtze Optical Fibre and Cable Joint Stock Limited Company*

Unit: Yuan Currency: RMB Auditor's opinion: unaudited

Items	For the first quarter of 2024	For the first quarter of 2023
I. Cash flows from operating activities:		
Proceeds from sale of goods and rendering of services	2,571,038,904	3,348,061,060
Refund of taxes	104,176,259	47,309,426
Proceeds from other operating activities	100,893,091	110,317,366
Sub-total of cash inflows	2,776,108,254	3,505,687,852
Payment for goods and services	2,045,010,309	2,989,766,785
Payment to and for employees	399,064,740	373,229,283
Payment of various taxes	125,814,881	144,508,522
Payment for other operating activities	102,171,823	51,743,504
Sub-total of cash outflows	2,672,061,753	3,559,248,094
Net cash outflow from operating activities	104,046,501	(53,560,243)
II. Cash flows from investing activities:		
Proceeds from disposal of investments	206,701,101	140,345,965
Investments returns received	102,310,111	19,918,645
Net proceeds from disposal of fixed assets, intangible assets and other long-term assets	1,014,173	5,139,606
Sub-total of cash inflows	310,025,385	165,404,216
Payment for acquisition of fixed assets, intangible assets and other long-term assets	276,931,137	605,078,361
Payment for acquisition of investments	271,196,856	258,212,819
Net cash paid for acquiring subsidiaries and other business units	-	35,615,573
Payment for other investing activities	200,000	21,523,598
Sub-total of cash outflows	548,327,993	920,430,351
Net cash outflow from investing activities	(238,302,608)	(755,026,135)

Items	For the first quarter of 2024	For the first quarter of 2023
III. Net cash outflow from investing activities		
Proceeds from investors	85,071,516	399,813
Including: Cash received by subsidiaries from absorbing minority shareholder investments	85,071,516	399,813
Proceeds from borrowings	1,877,238,508	1,412,734,646
Proceeds from other investing activities		
Sub-total of cash inflows	1,962,310,024	1,413,134,459
Repayments of borrowings	944,225,592	586,632,150
Payment for dividends, profit distributions or interest	56,614,133	40,379,818
Payment for other financing activities	518,542,625	4,265,286
Sub-total of cash outflows	1,519,382,350	631,277,254
Net cash inflow from financing activities	442,927,674	781,857,205
IV. Effect of foreign exchange rate changes on cash and cash equivalents	(1,815,691)	(8,743,714)
V. Net increase in cash and cash equivalents	306,855,877	(35,472,886)
Add: Cash and cash equivalents at the beginning of the period	3,774,557,783	4,211,073,257
VI. Cash and cash equivalents at the end of the period	4,081,413,660	4,175,600,371

Legal representative of the Company:	Person in charge of accounting affairs:	Head of the accounting department:
Ma Jie	Zhuang Dan	Jinpei Yang

5.2 Auditor's report

Applicable Not applicable