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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)

INSIDE INFORMATION
SELECTED UNAUDITED FINANCIAL INFORMATION
FOR THE THREE MONTHS ENDED 31 MARCH 2016

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 Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

In order to further enhance the transparency of the Group and to provide more up to date information to the shareholders of the Company, including shareholders which are publicly listed companies, investors and general public so that they can better appraise the financial position of the Group and where applicable, fulfill their financial reporting requirements, the board of directors (the “**Board**”) of the Company is pleased to announce the following selected unaudited consolidated financial information of the Group prepared in accordance with International Financial Reporting Standards for the three months ended 31 March 2016:

	2016	2015
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue for the three months ended 31 March	1,676,200	1,424,038
Gross profit for the three months ended 31 March	373,323	251,849
Profit for the three months ended 31 March	133,682	133,227
Profit attributable to equity shareholders of the Company for the three months ended 31 March	138,173	135,251
Total assets as at 31 March [#]	7,963,294	6,703,829
Total equity as at 31 March	3,883,347	3,063,189
Total equity attributable to equity shareholders of the Company as at 31 March	3,711,756	2,967,520

[#] *Total assets represented the aggregate of the total non-current assets and the total current assets.*

* *For identification purposes only*

BUSINESS REVIEW

Revenue

During the three months ended 31 March 2016, the Group's revenue increased by approximately 17.7% when compared with the same period of last year. Strong domestic demand for optical fibre cables during the first three months was mainly due to the construction of the 4G infrastructure network and fibre-to-the-home (FTTH) by the State-owned Telecommunication Operators. The segmental revenue on optical fibre cables increased by approximately 62.7% (from RMB443.0 million in 2015 to RMB720.9 million in 2016) when compared with the same period of last year. Owing to our new production capacities for optical fibre preforms and optical fibres are still under construction, the segmental revenue on optical fibres and preforms slightly dropped by approximately 6.6% (from RMB936.3 million in 2015 to RMB874.1 million in 2016) when compared with the same period of last year, which was mainly due to the combined effects of more optical fibres were retained for the production of our own optical fibre cables rather than for sales and there were favourable price adjustments on both optical fibre and preforms.

Gross profit

For the first three months of 2016, the Group's gross profit also increased by approximately 48.2% when compared with the same period of last year, which was mainly due to the favourable price adjustments on both optical fibres and preforms and the release of additional optical fibre cable capacities starting from the second half of 2015 as a result of the completion of Phase I of the YOFC Science & Technology Park and the cable plant in Shenyang. Our reliance on some independent third parties' cable capacities was lesser.

Selling and administrative expenses

Selling expenses increased by approximately RMB8.3 million because more transportation costs were incurred as a result of more optical fibre cables were sold out during the first three months of 2016. On the other hand, administrative expenses increased by approximately RMB21.7 million because the number of subsidiaries as at 31 March 2016 was 12 while there were only 4 subsidiaries as at 31 March 2015. As a result, more administrative expenses were incurred during the first three months of 2016.

Net finance costs

Net finance costs increased by approximately RMB100.3 million because the Group incurred foreign exchange loss of RMB66.9 million for the first three months ended 31 March 2016 while there was a foreign exchange gain of RMB33.9 million for the same period of the last year. Since the Renminbi fixing reform on 11 August 2015, Renminbi continuously depreciated against some major foreign currencies, in particular, Euro, during the first three months of 2016 and our major imported raw materials and outstanding loans are either settled or denominated in Euro, which resulted in foreign exchange loss.

The Group will closely monitor the foreign exchange exposure resulted from our imported raw materials and foreign currency borrowings by entering into hedging arrangements to minimise the foreign exchange exposure.

Shareholders of the Company, potential investors and readers are reminded that the selected financial information for the three months ended 31 March 2016 presented herein has not been audited and the Company does not intend to conduct an audit or review of the Group's financial results as at and for the three months ended 31 March 2016. **Shareholders of the Company, potential investors and readers are advised to exercise caution in dealing in securities of the Company.**

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
Wen Huiguo
Chairman

Wuhan, PRC, 22 April 2016

As at the date of this announcement, the Board comprises Wen Huiguo and Frank Franciscus Dorjee, as executive directors; Ma Jie, Yao Jingming, Philippe Claude Vanhille, Yeung Kwok Ki Anthony, Xiong Xiangfeng and Zheng Huili, as non-executive directors; Ngai Wai Fung, Ip Sik On Simon, Li Ping and Li Zhuo, as independent non-executive directors.

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