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**Smart Link Better Life.**

**長飛光纖光纜股份有限公司**

**Yangtze Optical Fibre and Cable Joint Stock Limited Company\***

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

**(Stock Code: 6869)**

## **UPDATED FINANCIAL INFORMATION FOR THE THREE MONTHS ENDED MARCH 31, 2018**

The board of directors (the “**Board**”) of Yangtze Optical Fibre and Cable Joint Stock Limited Company\* (長飛光纖光纜股份有限公司) (the “**Company**”) announced the reviewed but unaudited financial information of the Company and its subsidiaries (the “**Group**”) for the three months ended March 31, 2018 (the “**Reporting Period**”) which was submitted to the China Securities Regulatory Commission for the purposes of the Company’s listing on the Shanghai Stock Exchange.

## Consolidated Balance Sheet

31 March 2018

(Expressed in Renminbi “RMB”)

	<b>31 March 2018 (Unaudited)</b>	<b>31 December 2017</b>
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	1,433,801,162	1,799,513,559
Trading financial assets	57,919,478	4,599,225
Available-for-sale financial assets	—	37,513,923
Bills receivable	426,244,039	588,546,632
Trade receivables	2,489,562,019	1,834,657,244
Prepayments for raw materials	84,648,404	74,833,629
Dividends receivable	522,213	13,373,336
Other receivables	92,832,898	98,349,552
Inventories	959,354,290	730,468,166
Other current assets	66,130,304	47,040,053
<b>Total current assets</b>	<b>5,611,014,807</b>	<b>5,228,895,319</b>
<b>Non-current assets:</b>		
Other investments in equity instruments	81,498,592	—
Available-for-sale financial assets	—	101,234,501
Long-term receivables	20,000,000	20,000,000
Long-term equity investments	1,280,699,302	1,241,866,472
Fixed assets	1,898,548,209	1,921,458,636
Construction in progress	229,900,265	164,473,273
Intangible assets	324,900,377	328,050,231
Long-term deferred expenses	1,875,296	2,081,726
Deferred tax assets	64,416,450	55,242,983
Other non-current assets	145,023,443	104,460,862
<b>Total non-current assets</b>	<b>4,046,861,934</b>	<b>3,938,868,684</b>
<b>Total assets</b>	<b>9,657,876,741</b>	<b>9,167,764,003</b>

	<b>31 March 2018 (Unaudited)</b>	<b>31 December 2017</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current liabilities:</b>		
Current bank loans	<b>556,919,334</b>	495,013,000
Bills payable	<b>272,954,228</b>	293,832,710
Trade payables	<b>1,167,208,015</b>	1,051,927,402
Receipts in advance	—	241,566,904
Contract liabilities	<b>196,557,844</b>	—
Employee benefits payable	<b>262,828,819</b>	304,003,980
Taxes payable	<b>187,186,678</b>	188,455,821
Interest payable	<b>9,725,997</b>	8,189,813
Other payables	<b>374,197,156</b>	350,815,468
Non-current liabilities due within one year	<b>13,818,333</b>	13,818,333
<b>Total current liabilities</b>	<b>3,041,396,404</b>	2,947,623,431
<b>Non-current liabilities:</b>		
Non-current bank loans	<b>476,830,000</b>	481,290,000
Deferred income	<b>80,268,527</b>	83,223,111
Other non-current liabilities	<b>266,512,883</b>	169,799,283
<b>Total non-current liabilities</b>	<b>823,611,410</b>	734,312,394
<b>Total liabilities</b>	<b>3,865,007,814</b>	3,681,935,825

	<b>31 March 2018 (Unaudited)</b>	<b>31 December 2017</b>
<b>Shareholders' equity:</b>		
Share capital	<b>682,114,598</b>	682,114,598
Capital reserve	<b>1,552,025,859</b>	1,551,725,933
Other comprehensive income	<b>41,806,373</b>	66,464,721
Surplus reserve	<b>402,047,041</b>	402,047,041
Retained earnings	<b>2,910,191,527</b>	2,535,966,730
	<hr/>	<hr/>
Total equity attributable to equity shareholders of the parent company	<b>5,588,185,398</b>	5,238,319,023
Non-controlling interests	<b>204,683,529</b>	247,509,155
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<b>Total equity</b>	<b>5,792,868,927</b>	5,485,828,178
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<b>Total liabilities and shareholders' equity</b>	<b>9,657,876,741</b>	9,167,764,003
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## Balance Sheet of Parent Company

31 March 2018

(Expressed in Renminbi “RMB”)

	<b>31 March 2018 (Unaudited)</b>	<b>31 December 2017</b>
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	1,033,734,809	1,430,201,714
Trading financial assets	7,019,478	4,599,225
Bills receivable	410,637,186	582,931,872
Trade receivables	2,432,112,498	1,800,051,280
Prepayments for raw materials	69,258,697	60,504,029
Dividends receivable	522,213	13,373,336
Other receivables	265,819,497	257,473,789
Inventories	653,900,229	524,109,364
<b>Total current assets</b>	<b>4,873,004,607</b>	<b>4,673,244,609</b>
<b>Non-current assets:</b>		
Other investments in equity instruments	81,288,592	—
Available-for-sale financial assets	—	101,024,501
Long-term receivables	359,000,000	359,000,000
Long-term equity investments	2,158,897,994	2,060,065,163
Fixed assets	986,959,340	992,648,685
Construction in progress	37,021,049	31,448,673
Intangible assets	108,533,393	109,140,798
Deferred tax assets	33,402,599	28,151,433
Other non-current assets	36,504,946	40,552,786
<b>Total non-current assets</b>	<b>3,801,607,913</b>	<b>3,722,032,039</b>
<b>Total assets</b>	<b>8,674,612,520</b>	<b>8,395,276,648</b>

	<b>31 March 2018 (Unaudited)</b>	<b>31 December 2017</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current liabilities:</b>		
Current bank loans	539,919,334	478,013,000
Bills payable	272,154,228	308,832,446
Trade payables	1,281,623,672	1,286,860,076
Receipt in advance	—	134,778,345
Contract liabilities	183,493,437	—
Employee benefits payable	246,093,253	272,680,696
Taxes payable	167,652,023	173,338,541
Interest payable	9,702,864	8,163,676
Other payables	195,958,842	215,621,041
Non-current liabilities due within one year	10,923,800	10,923,800
<b>Total current liabilities</b>	<b>2,907,521,453</b>	2,889,211,621
<b>Non-current liabilities:</b>		
Non-current bank loans	458,130,000	462,590,000
Deferred income	34,469,456	36,700,407
Other non-current liabilities	91,999,283	93,199,283
<b>Total non-current liabilities</b>	<b>584,598,739</b>	592,489,690
<b>Total liabilities</b>	<b>3,492,120,192</b>	3,481,701,311
<b>Shareholders' equity:</b>		
Share capital	682,114,598	682,114,598
Capital reserve	1,550,098,130	1,550,098,130
Other comprehensive income	41,751,230	60,685,225
Surplus reserve	402,047,041	402,047,041
Retained earnings	2,506,481,329	2,218,630,343
<b>Total equity</b>	<b>5,182,492,328</b>	4,913,575,337
<b>Total liabilities and shareholders' equity</b>	<b>8,674,612,520</b>	8,395,276,648

## Consolidated Income Statement

For the period from 1 January 2018 to 31 March 2018

(Expressed in Renminbi “RMB”)

	Period from 1 January 2018 to 31 March 2018 (Unaudited)	Period from 1 January 2017 to 31 March 2017 (Unaudited)
<b>I. Revenue</b>	<b>2,465,268,661</b>	1,822,819,787
II. Less: Cost of sales	<b>1,768,982,702</b>	1,306,855,636
Taxes and surcharges	<b>12,386,874</b>	12,907,440
Selling expenses	<b>64,144,234</b>	50,962,917
Administrative expenses	<b>207,590,277</b>	198,954,443
Financial expenses	<b>9,000,447</b>	9,070,664
Impairment losses	<b>15,005,309</b>	16,636,544
Add: Gains from changes in fair value	<b>64,114</b>	66,544
Investment income	<b>39,470,930</b>	23,494,338
Including: Income from investment in associates and joint ventures	<b>38,832,831</b>	23,205,631
Losses from asset disposals	<b>(478,303)</b>	(1,314,524)
Other income	<b>2,946,183</b>	2,382,333
<b>III. Operating profit</b>	<b>430,161,742</b>	252,060,834
Add: Non-operating income	<b>404,329</b>	186,527
Less: Non-operating expenses	<b>292,775</b>	1,461,554
<b>IV. Profit before taxation</b>	<b>430,273,296</b>	250,785,807
Less: Income tax	<b>53,191,329</b>	34,915,652
<b>V. Profit for the period</b>	<b>377,081,967</b>	215,870,155
Profit for the period attributable to equity shareholders of the parent company	<b>372,066,325</b>	221,191,200
Non-controlling interests	<b>5,015,642</b>	(5,321,045)

Period from 1 January 2018 to 31 March 2018 (Unaudited)	Period from 1 January 2017 to 31 March 2017 (Unaudited)
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**VI. Other comprehensive income,  
net of tax**

(I) Other comprehensive income that may  
be not be reclassified subsequently to  
profit or loss

Other comprehensive income  
(net of tax) attributable to the  
shareholders of the parent company:

1. Gains or losses arising from  
changes in fair value of other  
equity instrument investment

(16,973,503)	—
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Other comprehensive income  
(net of tax) attributable to  
non-controlling interests

1. Gains or losses arising from  
changes in fair value of other equity  
instrument investment

(188,596)	—
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(II) Other comprehensive income that  
may be reclassified subsequently  
to profit or loss

Other comprehensive income  
(net of tax) attributable to  
the shareholders of the parent company:



	<b>Period from 1 January 2018 to 31 March 2018 (Unaudited)</b>	<b>Period from 1 January 2017 to 31 March 2017 (Unaudited)</b>
1.Gains or losses arising from changes in fair value of available-for-sale financial assets	—	(8,635,406)
2.Exchange differences on translation of financial statement of overseas subsidiaries	(5,526,373)	584,767
Other comprehensive income (net of tax) attributable to non-controlling interests		
1.Gains or losses arising from changes in fair value of available-for-sale financial assets	—	(73,198)
2.Exchange differences on translation of financial statements of overseas subsidiaries	(3,308,841)	275,647
	<u>351,084,654</u>	<u>208,021,965</u>
<b>VII. Total comprehensive income</b>		
Total comprehensive income attributable to equity shareholders of the parent company	349,566,449	213,140,561
Total comprehensive income attributable to non-controlling interests	1,518,205	(5,118,596)
<b>VIII. Earnings per share:</b>		
(1) Basic earnings per share	<u>0.55</u>	<u>0.32</u>
(2) Diluted earnings per share	<u>0.55</u>	<u>0.32</u>

## Income Statement of Parent Company

For the period from 1 January 2018 to 31 March 2018

(Expressed in Renminbi “RMB”)

	Period from 1 January 2018 to 31 March 2018 (Unaudited)	Period from 1 January 2017 to 31 March 2017 (Unaudited)
<b>I. Revenue</b>	<b>2,673,337,792</b>	2,003,332,036
Less: Cost of sales	<b>2,165,170,668</b>	1,486,286,162
Taxes and surcharges	<b>11,119,984</b>	11,143,259
Selling expenses	<b>50,864,259</b>	42,430,705
Administrative expenses	<b>149,228,270</b>	153,573,924
Financial (net income)/expenses	<b>(208,464)</b>	6,356,965
Impairment losses	<b>13,849,243</b>	16,524,300
Add: Gains from changes in fair value	<b>64,114</b>	66,544
Investment income	<b>39,056,195</b>	470,463
Including: Income from investment in associates and joint ventures	<b>38,832,831</b>	314,362
Losses from asset disposals	<b>(478,303)</b>	(1,642,857)
Other income	<b>1,659,250</b>	1,670,000
<b>II. Operating profit</b>	<b>323,615,088</b>	287,580,871
Add: Non-operating income	<b>240,382</b>	2,824
Less: Non-operating expenses	<b>39,534</b>	—
<b>III. Profit before taxation</b>	<b>323,815,936</b>	287,583,695
Less: Income tax	<b>38,123,422</b>	36,565,944
<b>IV. Profit for the period</b>	<b>285,692,514</b>	251,017,751

	<b>Period from 1 January 2018 to 31 March 2018 (Unaudited)</b>	<b>Period from 1 January 2017 to 31 March 2017 (Unaudited)</b>
<b>V. Other comprehensive income, net of tax</b>		
(I) Other comprehensive income that may be not be reclassified subsequently to profit or loss		
Gains or losses arising from changes in fair value of other equity instrument investment	<b>(16,775,523)</b>	—
(II) Other comprehensive income that may be reclassified subsequently to profit or loss		
Gains or losses arising from changes in fair value of available-for-sale financial assets	—	(8,708,605)
<b>VI. Total comprehensive income for the period</b>	<b><u>268,916,991</u></b>	<b><u>242,309,146</u></b>

## Consolidated Statement of Cash Flow

For the period from 1 January 2018 to 31 March 2018

(Expressed in Renminbi “RMB”)

	<b>Period from 1 January 2018 to 31 March 2018 (Unaudited)</b>	<b>Period from 1 January 2017 to 31 March 2017 (Unaudited)</b>
<b>I. Cash flows from operating activities:</b>		
Proceeds from sale of goods and rendering of services	<b>1,573,047,383</b>	640,985,297
Proceeds from other operating activities	<b>13,125,971</b>	42,812,096
Sub-total of cash inflows	<b>1,586,173,354</b>	683,797,393
Payment for goods and services	<b>(1,304,602,745)</b>	(511,627,460)
Payment to and for employees	<b>(373,721,724)</b>	(306,676,328)
Payment of various taxes	<b>(131,293,268)</b>	(54,558,630)
Payment for other operating activities	<b>(42,397,732)</b>	(27,780,857)
Sub-total of cash outflows	<b>(1,852,015,469)</b>	(900,643,275)
Net cash used in operating activities	<b>(265,842,115)</b>	(216,845,882)

	<b>Period from 1 January 2018 to 31 March 2018 (Unaudited)</b>	<b>Period from 1 January 2017 to 31 March 2017 (Unaudited)</b>
<b>II. Cash flows from investing activities:</b>		
Investment returns received	<b>18,301,944</b>	18,321,039
Proceeds from disposal of fixed assets	<b>7,262,560</b>	1,526,853
Proceeds from repayment of loan by non-controlling interests	—	3,461,006
Proceeds from matured loans to a joint venture	<b>10,000,000</b>	—
Proceeds from other investments	<b>207,147,951</b>	61,282,607
Sub-total of cash inflows	<b>242,712,455</b>	84,591,505
Payment for acquisition of fixed assets and intangible assets	<b>(152,771,575)</b>	(229,225,173)
Payment for other investment activities	<b>(223,006,139)</b>	(41,759,842)
Sub-total of cash outflows	<b>(375,777,714)</b>	(270,985,015)
Net cash flows used in investing activities	<b>(133,065,259)</b>	(186,393,510)

	<b>Period from 1 January 2018 to 31 March 2018 (Unaudited)</b>	<b>Period from 1 January 2017 to 31 March 2017 (Unaudited)</b>
<b>III. Cash flows from financing activities:</b>		
Proceeds from disposal of investments	—	14,917,166
Including: Proceeds for non-controlling shareholders received by subsidiaries	—	14,917,166
Proceeds from new bank loans	<u>245,597,834</u>	<u>745,409,543</u>
Sub-total of cash inflows	<u>245,597,834</u>	<u>760,326,709</u>
Repayments of bank loans	(181,000,000)	(931,544,885)
Payment for dividends, profit distributions or interest	(9,085,510)	(13,122,180)
Payment for other financing activities	<u>(31,302,217)</u>	<u>—</u>
Sub-total of cash outflows	<u>(221,387,727)</u>	<u>(944,667,065)</u>
Net cash flows from/(used in) financing activities	<u>24,210,107</u>	<u>(184,340,356)</u>
<b>IV. Effect of exchange rate changes     on cash and cash equivalents</b>	<u>8,984,870</u>	<u>511,041</u>
<b>V. Net decrease in cash     and cash equivalents</b>	(365,712,397)	(587,068,707)
<b>Add: Cash and cash equivalents at the     beginning of the period</b>	<u>1,799,513,559</u>	<u>1,627,575,026</u>
<b>VI. Cash and cash equivalents at the end     of the period</b>	<u>1,433,801,162</u>	<u>1,040,506,319</u>

## Statement of Cash Flow of Parent Company

For the period From 1 January 2018 to 31 March 2018

(Expressed in Renminbi “RMB”)

	<b>Period from 1 January 2018 to 31 March 2018 (Unaudited)</b>	<b>Period from 1 January 2017 to 31 March 2017 (Unaudited)</b>
<b>I. Cash flows from operating activities:</b>		
Proceeds from sale of goods and rendering of services	<b>1,604,565,244</b>	528,450,514
Proceeds for other operating activities	<b>6,391,624</b>	25,749,850
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Sub-total of cash inflows	<b>1,610,956,868</b>	554,200,364
	<hr/>	<hr/>
Payment for goods and services	<b>(1,542,399,106)</b>	(514,980,296)
Payment to and for employees	<b>(296,084,368)</b>	(271,601,234)
Payment of various taxes	<b>(98,630,607)</b>	(51,321,220)
Payment for other operating activities	<b>(39,988,731)</b>	(79,152,019)
	<hr/>	<hr/>
Sub-total of cash outflows	<b>(1,977,102,812)</b>	(917,054,769)
	<hr/>	<hr/>
Net cash flows used in operating activities	<b>(366,145,944)</b>	(362,854,405)
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	<b>Period from 1 January 2018 to 31 March 2018 (Unaudited)</b>	<b>Period from 1 January 2017 to 31 March 2017 (Unaudited)</b>
<b>II. Cash flows from investing activities:</b>		
Investment returns received	<b>20,864,084</b>	19,235,676
Net proceeds from disposal of fixed assets, intangible assets, and other long-term assets	<b>6,800,707</b>	148,776
Proceeds from matured loans to a subsidiary	—	15,000,000
Proceeds from matured loans to a joint venture	<b>10,000,000</b>	—
Proceeds from other investments	<b>100,089,564</b>	—
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Sub-total of cash inflows	<b>137,754,355</b>	34,384,452
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Payment for acquisition of fixed assets and intangible assets	<b>(67,861,628)</b>	(102,390,100)
Payment for investment in subsidiaries	<b>(60,000,000)</b>	(26,230,000)
Payment for other investment activities	<b>(102,356,139)</b>	(3,609,842)
Sub-total of cash outflows	<b>(230,217,767)</b>	(132,229,942)
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Net cash flows used in investing activities	<b>(92,463,412)</b>	(97,845,490)
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	<b>Period from 1 January 2018 to 31 March 2018 (Unaudited)</b>	<b>Period from 1 January 2017 to 31 March 2017 (Unaudited)</b>
<b>III. Cash flows from financing activities:</b>		
Proceeds from new bank loans	<u>245,597,834</u>	<u>745,409,543</u>
Sub-total of cash inflows	<u>245,597,834</u>	<u>745,409,543</u>
Repayments of bank loans	<u>(181,000,000)</u>	<u>(911,711,385)</u>
Payment for dividends or interest	<u>(8,630,886)</u>	<u>(13,099,402)</u>
Sub-total of cash outflows	<u>(189,630,886)</u>	<u>(924,810,787)</u>
Net cash flows from/(used in) financing activities	<u>55,966,948</u>	<u>(179,401,244)</u>
<b>IV. Effect of exchange rate changes on cash and cash equivalents</b>	<u>6,175,503</u>	<u>559,907</u>
<b>V. Net decrease in cash and cash equivalents</b>	<u>(396,466,905)</u>	<u>(639,541,232)</u>
<b>Add: Cash and cash equivalents at the beginning of the period</b>	<u>1,430,201,714</u>	<u>1,313,385,602</u>
<b>VI. Cash and cash equivalents at the end of the period</b>	<u><u>1,033,734,809</u></u>	<u><u>673,844,370</u></u>

The aforesaid reviewed but unaudited financial information for the Reporting Period of the Group was prepared in accordance with the relevant management accounts and the Generally Accepted Accounting Principles in the People's Republic of China (the "PRC"), has been reviewed but not audited by the auditors of the Company, and was approved by the Board on May 15, 2018.

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, July 19, 2018

*As at the date of this announcement, the board of directors of the Company comprises Zhuang Dan and Frank Franciscus Dorjee, as executive directors; Ma Jie, Yao Jingming, Philippe Claude Vanhille, Pier Francesco Facchini, 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.*

*\* For identification purposes only*