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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)

2020 THIRD 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 2020 third 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 Ma Jie, the legal representative of the Company, Zhuang Dan, the person in charge of the accounting affairs, and Liang Guanning, 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”)

	As at 30 September 2020 (Unaudited)	As at 31 December 2019 (Audited)	Increase/decrease compared to the end of last year (%)
Total assets	15,997,558,305	13,775,899,595	16.13
Total equity attributable to equity shareholders of the Company	8,912,183,421	8,788,220,362	1.41
	For the nine months ended 30 September 2020 (Unaudited)	For the nine months ended 30 September 2019 (Unaudited)	Increase/decrease compared to the same period of last year (%)
Net cash (used in)/generated from operating activities	(204,632,410)	236,275,021	Not applicable
Operating income	5,442,440,539	5,216,472,806	4.33
Net profit for the period attributable to shareholders of the Company	405,917,946	653,231,470	(37.86)
Net profit for the period attributable to shareholders of the Company excluding non-recurring items	370,438,827	477,606,741	(22.44)
Weighted average return on equity (%)	4.59	7.76	Decrease 3.17 percentage
Basic earnings per share (RMB)	0.54	0.86	(37.21)
Diluted earnings per share (RMB)	0.54	0.86	(37.21)

Non-recurring items and amount

✓ Applicable □ Not applicable

(Expressed in RMB)

Items	For the nine months ended 30 September 2020 (Unaudited)	Note
Gains or losses from disposal of non-current assets	2,501,828	
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)	38,681,888	
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	107,615	
Other non-operating income and expenses other than the above items	1,385,425	
Other items accorded with the definition of non-recurring profit or loss	2,356,024	
Impact on non-controlling interests (after tax)	(2,704,278)	
Income tax effect	(6,849,383)	
Total	35,479,119	

2.2 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

29,887

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	179,827,794	Nil	0	State-owned legal person
Draka Comteq B.V.	179,827,794	23.73	0	Nil	0	Overseas legal person
HKSCC Nominees Limited	171,517,349	22.63	0	Nil	0	Overseas legal person
Wuhan Yangtze Communications Industry Group Co., Ltd.	119,937,010	15.82	119,937,010	Nil	0	State-owned legal person
Ningbo Ruitu Business Management Consulting Partnership Enterprise	12,616,290	1.66	0	Nil	0	Others
China Resources Shengtuotou Trust Co., Ltd. – China Resources Trust Shengli No.5 Single Fund Trust	7,031,537	0.93	0	Nil	0	Others
Ningbo Ruiying Business Management Consulting Partnership Enterprise	6,553,700	0.86	0	Nil	0	Others
Hong Kong Securities Clearing Company Ltd	3,507,469	0.46	0	Nil	0	Others
Ningbo Ruiqi Business Management Partnership Enterprise	2,465,345	0.33	0	Nil	0	Others
Ningbo Ruiyue Business Management Partnership Enterprise	1,698,910	0.22	0	Nil	0	Others

Shareholding of top ten unrestricted shareholders

Name of shareholders	Number of unrestricted tradable shares held	Class and number of shares	
		Class	Number
Draka Comteq B.V.	179,827,794	Overseas listed foreign shares	179,827,794
HKSCC Nominees Limited	171,534,349	Overseas listed foreign shares	171,534,349
Ningbo Ruitu Business Management Consulting Partnership Enterprise China Resources Shengtuotou Trust Co., Ltd.	12,616,290	RMB ordinary shares	12,616,290
– China Resources Trust · Shengli No.5 Single Fund Trust	7,031,537	RMB ordinary shares	7,031,537
Ningbo Ruiying Business Management Consulting Partnership Enterprise	6,553,700	RMB ordinary shares	6,553,700
Hong Kong Securities Clearing Company Ltd Partnership Enterprise	3,507,469	RMB ordinary shares	3,507,469
Ningbo Ruiqi Business Management Consulting Partnership Enterprise	2,465,345	RMB ordinary shares	2,465,345
Ningbo Ruiyue Business Management Consulting Partnership Enterprise	1,698,910	RMB ordinary shares	1,698,910
China Merchants Bank Co., Ltd. – Bosera China Equity State-owned Enterprise Structural Adjustment ETF Fund	831,300	RMB ordinary shares	831,300
Agricultural Bank of China Limited – China Asset Management China Equity State-owned Enterprise Structural Adjustment ETF Fund	774,000	RMB ordinary shares	774,000

Explanation of associations or actions in concert among the above shareholders

There is a common general partner among Ningbo Ruitu Business Management Consulting Partnership Enterprise, Ningbo Ruiying Business Management Consulting Partnership Enterprise, Ningbo Ruiqi Business Management Consulting Partnership Enterprise, and Ningbo Ruiyue Business Management Consulting Partnership Enterprise

Explanation of holders of preferred shares with resumed voting right and the number of shares held

Not applicable

2.3 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

III. SIGNIFICANT EVENTS

3.1 Significant changes in major financial statements and financial indicators and the reasons thereof

Applicable Not applicable

3.1.1 Analysis of changes in major items in consolidated balance sheet

(1) Financial assets held for trading

Financial assets held for trading as at 30 September 2020 increased by approximately RMB240.83 million, representing a 2,432.02% increase. The main reason was the investment in Hangzhou Semiconductor Wafer Co., Ltd. amounted to RMB250.00 million during the Period;

(2) Receivables under financing

Receivables under financing as at 30 September 2020 increased by approximately RMB41.43 million, representing a 43.50% increase. The main reason was the decrease of discounted receivables under financing during the Period;

(3) Prepayments

Prepayments as at 30 September 2020 increased by approximately RMB42.65 million, representing a 35.25% increase. The main reason were the increase of prepayments for equipment used in telecom system integration engineering projects and the consolidation of prepayments from Sunstar Communication Technology Company Limited;

(4) Other receivables

Other receivables as at 30 September 2020 increased by approximately RMB61.61 million, representing a 56.21% increase. The main reason were outstanding equity investment guarantee and the increase of dividend from joint venture;

(5) Inventories

Inventories as at 30 September 2020 increased by approximately RMB731.84 million, representing a 41.13% increase. The main reason were the increase of optical fibre preform and optical fibre inventories prepared for a recovering domestic demand, and the consolidation of inventories from Sunstar Communication Technology Company Limited;

(6) Construction in progress

Construction in progress as at 30 September 2020 increased by approximately RMB57.62 million, representing a 54.95% increase. The main reason was the investment in headquarter building and other construction projects;

(7) Other non-current assets

Other non-current assets as at 30 September 2020 increased by approximately RMB51.53 million, representing a 40.86% increase. The main reason was the additional costs of RMB88.68 million from overseas system integration engineering project of YOFC Perú S.A.C.;

(8) Short-term loans

Short-term loans as at 30 September 2020 increased by approximately RMB507.21 million, representing a 56.64% increase. The main reason was the increase of bank loans to satisfy the operation and investment needs;

(9) Long-term bank loans

Long-term bank loans as at 30 September 2020 increased by approximately RMB299.90 million, representing a 714.05% increase. The main reason was the increase of long-term bank loans to optimize the Company's debt structure;

(10) Deferred income

Deferred income as at 30 September 2020 increased by approximately RMB89.67 million, representing a 53.77% increase. The main reason was that during the period, some government grants related to assets passed evaluation and were transferred to deferred income.

3.1.2 Analysis of changes in major item in consolidated income statement

During the Period, the Group's operating income and operating costs increased by 4.33% and 3.24%, respectively, as compared to the same period of 2019 with no substantial change. The gross profit, gross profit margin, taxes and surcharges, selling and distribution expenses, general and administration expenses and other major financial information were relatively stable as compared to the same period of 2019. The financial expenses for the Period increased by RMB70.92 million, which was mainly because the exchange losses increased by approximately RMB64.09 million as compared to the same period of 2019. Impairment losses increased by 30.49%, which was mainly because the increase in provision for decline in inventories as compared to the same period of 2019; Credit losses increased by 187.18%, which was mainly because the increase in provision for bad and doubtful debts as compared to the same period of 2019; Investment income decreased by 93.16%, which was mainly because the worsened profitability in major joint ventures as compared to the same period of 2019; Other income decreased by 80.20%, which was mainly because the decrease in government grants for special fund as compared to the same period of 2019.

3.1.3 Analysis of changes in major item in consolidated statement of cash flow

- (1) The net cash used by the Group's operating activities increased by RMB440.91 million, which was mainly due to receipt in advance of RMB566.37 million for overseas broadband network installation projects while no significant expenditures occurred during the same period of 2019.
- (2) The net cash used by the Group's investment activities increased by RMB191.54 million, which was mainly because the increase in investments in financial assets held for trading and associates amounted to approximately RMB269.85 million as compared to the same period of 2019.
- (3) The net cash generated from financing activities of the Group increased by RMB1,319.46 million, which was mainly because the newly bank borrowings of approximately RMB807.11 million and the issue of corporate bonds amounted to approximately RMB500.00 million in order to meet the capital needs in operating and investment activities.

3.2 Analysis of description of significant events and their impacts and solutions

Applicable Not applicable

3.3 Undertaking not performed in time during the reporting period

Applicable Not applicable

3.4 Warnings on any potential loss in accumulated net profit for the period from the beginning of the years to the end of next reporting period or any material change from the corresponding period last year and the record therefor

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, 30 October 2020

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

IV. APPENDIX

4.1 Financial statements

Consolidated Balance Sheet As at 30 September 2020

Entity: Yangtze Optical Fibre and Cable Joint Stock Limited Company

(Expressed in RMB yuan)

Items	30 September 2020 (Unaudited)	31 December 2019 (Audited)
Current assets:		
Cash at bank and on hand	2,141,729,182	2,123,861,315
Financial assets held for trading	250,735,672	9,902,598
Bills receivable	217,707,830	232,508,205
Accounts receivable	3,900,408,885	3,123,505,778
Receivables under financing	136,665,285	95,235,940
Prepayments	163,647,009	120,994,458
Other receivables	171,211,314	109,599,839
Including: Interest receivable	—	—
Dividends receivable	5,723,738	522,213
Inventories	2,511,186,495	1,779,342,250
Other current assets	281,616,434	256,866,780
Total current assets	9,774,908,106	7,851,817,163
Non current assets:		
Long-term receivables	16,000,000	16,000,000
Long-term equity investments	1,617,814,729	1,495,444,610
Investments in other equity instruments	43,421,670	57,172,099
Fixed assets	3,664,350,168	3,650,781,975
Construction in progress	162,471,147	104,852,760
Right-of-use assets	53,285,311	64,400,158
Intangible assets	348,902,639	307,136,373
Goodwill	20,027,705	—
Long-term deferred expenses	5,335,814	5,046,886
Deferred tax assets	113,414,183	97,148,174
Other non-current assets	177,626,833	126,099,397
Total non-current assets	6,222,650,199	5,924,082,432
Total assets	15,997,558,305	13,775,899,595

Items	30 September 2020 (Unaudited)	31 December 2019 (Audited)
Current liabilities:		
Short-term loans	1,402,785,851	895,576,208
Bills payable	744,104,453	574,793,263
Accounts payable	1,592,839,272	1,261,607,902
Contract liabilities	276,124,234	262,900,550
Employee benefits payable	182,162,781	219,940,848
Taxes payable	103,303,519	103,566,255
Other payables	519,273,662	410,686,340
Including: Interest payable	–	–
Dividends payable	2,286,289	–
Non-current liabilities due within one year	40,972,012	40,179,239
Total current liabilities	4,861,565,784	3,769,250,605
Non-current liabilities:		
Long-term loans	341,900,000	42,000,000
Debenture payable	500,159,066	–
Lease liabilities	39,918,370	48,585,433
Deferred income	256,441,983	166,769,940
Other non-current liabilities	772,482,974	807,160,850
Total non-current liabilities	1,910,902,393	1,064,516,223
Total liabilities	6,772,468,177	4,833,766,828
Shareholders' equity:		
Share capital	757,905,108	757,905,108
Capital reserve	3,357,009,550	3,364,035,212
Less: Treasury shares	33,653,461	33,653,461
Other comprehensive income	3,864,595	37,779,996
Surplus reserve	636,629,870	612,010,760
Retained earnings	4,190,427,759	4,050,142,747
Total equity attributable to equity shareholders of the Company	8,912,183,421	8,788,220,362
Non-controlling interests	312,906,707	153,912,405
Total shareholders' equity	9,225,090,128	8,942,132,767
Total liabilities and shareholders' equity	15,997,558,305	13,775,899,595

Legal representative of
the Company:

Ma Jie

The person in charge of
accounting affairs:

Zhuang Dan

The head of
the accounting department:

Liang Guanning

Balance Sheet
As at 30 September 2020

Entity: Yangtze Optical Fibre and Cable Joint Stock Limited Company

(Expressed in RMB yuan)

Items	30 September 2020 (Unaudited)	31 December 2019 (Audited)
Current assets:		
Cash at bank and on hand	1,191,317,280	1,279,401,817
Financial assets held for trading	250,735,672	9,902,598
Bills receivable	193,278,454	224,188,743
Accounts receivable	3,850,734,652	3,107,330,529
Receivables under financing	132,699,344	80,806,788
Prepayments	58,698,518	84,638,833
Other receivables	1,199,427,850	1,759,897,269
Including: Interest receivable	–	–
Dividends receivable	8,010,027	522,213
Inventories	1,447,165,188	1,212,347,120
Other current assets	101,336,735	96,469,423
Total current assets	8,425,393,693	7,854,983,120
Non-current assets:		
Long-term receivables	98,600,000	98,600,000
Long-term equity investments	2,823,053,143	2,594,472,969
Investments in other equity instruments	43,211,670	56,962,099
Fixed assets	1,169,681,353	1,173,724,449
Construction in progress	92,322,083	37,162,813
Right-of-use assets	19,143,816	22,489,308
Intangible assets	113,586,113	109,468,950
Deferred tax assets	46,413,018	40,370,545
Other non-current assets	17,404,878	89,515,089
Total non-current assets	4,423,416,074	4,222,766,222
Total assets	12,848,809,767	12,077,749,342

Items	30 September 2020 (Unaudited)	31 December 2019 (Audited)
Current liabilities:		
Short-term loans	1,053,495,074	784,605,321
Bills payable	1,040,882,473	689,110,593
Accounts payable	1,047,379,516	1,597,990,041
Contract liabilities	251,595,107	255,609,622
Employee benefits payable	141,772,390	175,874,487
Taxes payable	36,701,813	65,339,958
Other payables	473,321,215	492,931,362
Including: Interest payable	–	–
Dividends payable	–	–
Non-current liabilities due within one year	24,049,454	25,389,651
Total current liabilities	4,069,197,042	4,086,851,035
Non-current liabilities:		
Long-term loans	341,900,000	42,000,000
Debenture payable	500,159,066	–
Lease liabilities	17,531,658	18,905,820
Deferred income	160,901,757	109,418,576
Other non-current liabilities	32,402,433	56,158,835
Total non-current liabilities	1,052,894,914	226,483,231
Total liabilities	5,122,091,956	4,313,334,266
Shareholders' equity:		
Share capital	757,905,108	757,905,108
Capital reserve	3,390,495,983	3,381,585,532
Less: Treasury shares	33,653,461	33,653,461
Other comprehensive income	9,385,846	21,073,711
Surplus reserve	636,629,870	612,010,760
Retained earnings	2,965,954,465	3,025,493,426
Total shareholders' equity	7,726,717,811	7,764,415,076
Total liabilities and shareholders' equity	12,848,809,767	12,077,749,342

Legal representative of
the Company:

Ma Jie

The person in charge of
accounting affairs:

Zhuang Dan

The head of
the accounting department:

Liang Guanning

Consolidated Income Statement
For the nine months ended 30 September 2020

Entity: Yangtze Optical Fibre and Cable Joint Stock Limited Company

(Expressed in RMB yuan)

Items	For the nine months ended 30 September 2020 (Unaudited)	For the nine months ended 30 September 2019 (Unaudited)
I. Operating income	5,442,440,539	5,216,472,806
Less: Operating costs	4,086,860,790	3,958,502,953
Taxes and surcharges	12,331,456	16,776,915
Selling and distribution expenses	232,048,667	237,697,892
General and administrative expenses	302,979,665	307,486,939
Research and development expenses	264,359,073	234,287,427
Financial expenses	68,917,800	(1,997,414)
Including: Interest expenses	33,760,964	46,276,724
Interest income	18,237,998	38,205,817
Add: Other income	38,681,888	195,388,932
Investment income	6,970,101	101,945,699
Including: Income from investment in associates and joint ventures	4,948,254	100,135,069
Gains from changes in fair value	107,615	103,460
Credit losses	(65,720,153)	(22,884,655)
Impairment losses	(22,770,564)	(17,449,605)
Gains from asset disposals	2,501,828	7,644,817
II. Operating profit	434,713,803	728,466,742
Add: Non-operating income	2,970,324	1,584,618
Less: Non-operating expenses	1,584,899	657,265
III. Profit before income tax	436,099,228	729,394,095
Less: Income tax expenses	30,159,161	91,879,779

Items	For the nine months ended 30 September 2020 (Unaudited)	For the nine months ended 30 September 2019 (Unaudited)
IV. Net profit for the period	405,940,067	637,514,316
(1) Net profit classified by continuity of operations:		
1. Net profit from continuing operations	405,940,067	637,514,316
2. Net profit from discontinued operations	–	–
(2) Net profit classified by ownership		
1. Shareholders of the Company	405,917,946	653,231,470
2. Non-controlling interests	22,121	(15,717,154)
V. Other comprehensive income, net of tax	(41,027,411)	17,629,977
Other comprehensive income (net of tax) attributable to shareholders of the Company	(33,915,401)	17,017,810
(1) Items that will not be reclassified to profit or loss	(11,687,865)	1,466,712
1. Changes in fair value of investments in other equity instruments	(11,687,865)	1,466,712
(2) Items that may be reclassified subsequently to profit or loss	(22,227,536)	15,551,098
1. Translation differences arising from translation of foreign currency financial statements	(22,227,536)	15,551,098
Other comprehensive income (net of tax) attributable to non-controlling interests	(7,112,010)	612,167
VI. Total comprehensive income for the period	364,912,656	655,144,293
Total comprehensive income attributable to equity shareholders of the Company	372,002,545	670,249,280
Total comprehensive income attributable to non-controlling interests	(7,089,889)	(15,104,987)
VII. Earnings per share:		
(1) Basic earnings per share	0.54	0.86
(2) Diluted earnings per share	0.54	0.86

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:

Liang Guanning

Income Statement
For the nine months ended 30 September 2020

Entity: Yangtze Optical Fibre and Cable Joint Stock Limited Company

(Expressed in RMB)

Items	For the nine months ended 30 September 2020 (Unaudited)	For the nine months ended 30 September 2019 (Unaudited)
I. Operating income	5,058,260,715	5,549,264,353
Less: Operating costs	4,263,213,923	4,750,151,373
Taxes and surcharges	5,674,598	10,237,997
Selling and distribution expenses	178,231,578	186,165,757
General and administrative expenses	193,400,139	195,749,826
Research and development expenses	162,528,078	169,632,204
Financial expenses	21,743,952	(21,083,474)
Including: Interest expenses	33,052,066	51,073,769
Interest income	26,307,602	63,642,374
Add: Other income	23,387,562	187,493,865
Investment income	18,547,981	103,376,979
Including: Income from investment in associates and joint ventures	8,520,529	103,109,379
Gains from changes in fair value	107,615	374,840
Credit losses	(56,473,302)	(12,740,511)
Impairment losses	(22,686,557)	(14,681,266)
Losses from asset disposals	2,002,928	7,364,024
II. Operating profit	198,354,674	529,598,601
Add: Non-operating income	445,760	62,620
Less: Non-operating expenses	696,510	30,701
III. Profit before income tax	198,103,924	529,630,520
Less: Income tax expenses	(7,990,049)	57,528,072

Items	For the nine months ended 30 September 2020 (Unaudited)	For the nine months ended 30 September 2019 (Unaudited)
IV. Net profit for the period	206,093,973	472,102,448
(1) Net profit from continuing operations	206,093,973	472,102,448
(2) Net profit from discontinued operations	—	—
V. Other comprehensive income, net of tax	(11,687,865)	1,466,712
(1) Items that will not be reclassified to profit or loss	(11,687,865)	1,466,712
1. Changes in fair value of investments in other equity instruments	(11,687,865)	1,466,712
VI. Total comprehensive income for the period	194,406,108	473,569,160

Legal representative of
the Company:

Ma Jie

The person in charge of
accounting affairs:

Zhuang Dan

The head of
the accounting department:

Liang Guanning

Consolidated Statement of Cash Flow
For the nine months ended 30 September 2020

Entity: Yangtze Optical Fibre and Cable Joint Stock Limited Company

(Expressed in RMB)

Items	For the nine months ended 30 September 2020 (Unaudited)	For the nine months ended 30 September 2019 (Unaudited)
I. Cash flows from operating activities:		
Proceeds from sale of goods and rendering of services	4,191,622,441	4,754,491,188
Refund of taxes	113,532,927	139,035,615
Proceeds from other operating activities	112,193,617	228,822,642
Sub-total of cash inflows	4,417,348,985	5,122,349,445
Payment for goods and services	(3,709,047,412)	(3,772,857,625)
Payment to and for employees	(581,288,927)	(707,468,410)
Payment of various taxes	(187,066,341)	(248,255,331)
Payment for other operating activities	(144,578,715)	(157,493,058)
Sub-total of cash outflows	(4,621,981,395)	(4,886,074,424)
Net cash (outflow)/inflow from operating activities	(204,632,410)	236,275,021
II. Cash flows from investing activities:		
Proceeds from disposal of investments	9,177,380	582,452,123
Investments returns received	24,255,463	83,967,041
Net proceeds from disposal of fixed assets	6,267,058	33,770,851
Proceeds from other investing activities	8,362,515	–
Sub-total of cash inflows	48,062,416	700,190,015
Payment for acquisition of fixed assets, intangible assets and other long-term assets	(512,231,434)	(636,304,922)
Payment for acquisition of investments	(269,858,704)	(606,370,639)
Payment for other investing activities	–	–
Sub-total of cash outflows	(782,090,138)	(1,242,675,561)
Net cash outflow from investing activities	(734,027,722)	(542,485,546)

Items	For the nine months ended 30 September 2020 (Unaudited)	For the nine months ended 30 September 2019 (Unaudited)
III. Cash flow from financing activities:		
Proceeds from investors	39,200,000	–
Including: proceeds from non-controlling shareholders of a subsidiary	39,200,000	–
Proceeds from borrowings	3,235,700,132	1,017,489,942
Sub-total of cash inflows	3,274,900,132	1,017,489,942
Repayments of borrowings	(1,934,164,985)	(1,068,737,556)
Payment for dividends, profit distributions or interest	(337,171,521)	(229,639,421)
Payment for other financing activities	(9,944,660)	(44,950,520)
Sub-total of cash outflows	(2,281,281,166)	(1,343,327,497)
Net cash inflow/(outflow) from financing activities	993,618,966	(325,837,555)
IV. Effect of foreign exchange rate changes on cash and cash equivalents	(10,799,548)	8,847,472
V. Net increase/(decrease) in cash and cash equivalents	44,159,286	(623,200,608)
Add: Cash and cash equivalents at the beginning of the period	2,088,466,320	2,627,976,441
VI. Cash and cash equivalents at the end of the period	2,132,625,606	2,004,775,833
Legal representative of the Company:	The person in charge of accounting affairs:	The head of the accounting department:
Ma Jie	Zhuang Dan	Liang Guanning

Statement of Cash Flow
For the nine months ended 30 September 2020

Entity: Yangtze Optical Fibre and Cable Joint Stock Limited Company

(Expressed in RMB yuan)

Items	For the nine months ended 30 September 2020 (Unaudited)	For the nine months ended 30 September 2019 (Unaudited)
I. Cash flows from operating activities:		
Proceeds from sale of goods and rendering of services	3,470,290,713	4,564,343,501
Refund of taxes	94,986,738	139,035,615
Proceeds from other operating activities	51,219,923	212,826,728
Sub-total of cash inflows	3,616,497,374	4,916,205,844
Payment for goods and services	(4,185,726,554)	(4,723,614,250)
Payment to and for employees	(277,152,084)	(508,156,842)
Payment of various taxes	(21,079,096)	(178,688,892)
Payment for other operating activities	(188,162,505)	(227,766,068)
Sub-total of cash outflows	(4,672,120,239)	(5,638,226,052)
Net cash outflow from operating activities	(1,055,622,865)	(722,020,208)
II. Cash flows from investing activities:		
Proceeds from disposal of investments	807,951,177	2,300,000
Investments returns received	14,127,544	126,581,631
Net proceeds from disposal of fixed assets	2,757,966	3,228,240
Proceeds from other investing activities	70,851,000	650,963,560
Sub-total of cash inflows	895,687,687	783,073,431
Payment for acquisition of fixed assets, intangible assets and other long-term assets	(150,885,512)	(166,695,611)
Payment for acquisition of investments	(631,904,310)	(926,266,115)
Sub-total of cash outflows	(782,789,822)	(1,092,961,726)
Net cash inflow/(outflow) from investing activities	112,897,865	(309,888,295)

Items	For the nine months ended 30 September 2020 (Unaudited)	For the nine months ended 30 September 2019 (Unaudited)
III. Cash flow from financing activities:		
Proceeds from borrowings	2,856,263,754	894,415,012
Proceeds from other financing activities	–	444,088,017
Sub-total of cash inflows	2,856,263,754	1,338,503,029
Repayments of borrowings	(1,778,987,484)	(1,031,237,556)
Payment for dividends, profit distributions or interest	(271,213,944)	(236,436,852)
Payment for other financing activities	(2,571,729)	(33,653,461)
Sub-total of cash outflows	(2,052,773,157)	(1,301,327,869)
Net cash inflow from financing activities	803,490,597	37,175,160
IV. Effect of foreign exchange rate changes on cash and cash equivalents	(4,462,569)	2,725,502
V. Net decrease in cash and cash equivalents	(143,696,972)	(992,007,841)
Add: Cash and cash equivalents at the beginning of the period	1,275,752,672	2,172,045,025
VI. Cash and cash equivalents at the end of the period	1,132,055,700	1,180,037,184

Legal representative of
the Company:

The person in charge of
accounting affairs:

The head of
the accounting department:

Ma Jie

Zhuang Dan

Liang Guanning

4.2 Auditor's report

Applicable Not applicable