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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)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

FINANCIAL HIGHLIGHTS

- Total revenue was approximately RMB6,384.5 million, increased by approximately RMB1,036.4 million, representing an approximately 19.4% increase as compared to the same period of last year.
- Gross profit was approximately RMB1,806.6 million, increased by approximately RMB314.5 million, representing an approximately 21.1% increase as compared to the same period of last year.
- Profit attributable to equity shareholders of the Company was approximately RMB295.7 million, decreased by approximately RMB82.0 million, representing an approximately 21.7% decrease as compared to the same period of last year.
- The Group's revenue from domestic customers increased by approximately 2.9%, as compared to the same period of last year. The Group's revenue from overseas customers increased by approximately 52.8%, as compared to the same period of last year.
- The Board did not recommend any interim dividend for the Period.

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**” or “**YOFC**”) is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2025 (the “**Period**”), together with the comparative figures of the same period of last year as follows:

* For identification purposes only

Consolidated Income Statement*For the six months ended 30 June 2025**(Expressed in Renminbi “RMB”)*

		For the six months ended 30 June	
	<i>Notes</i>	2025	2024
		(Unaudited)	(Unaudited)
I. Operating income	<i>4</i>	6,384,474,727	5,348,087,711
II. Less: Operating costs	<i>4</i>	4,577,897,997	3,856,020,124
Taxes and surcharges		50,990,325	44,172,442
Selling and distribution expenses		240,711,173	219,835,419
General and administrative expenses		538,892,315	495,501,174
Research and development expenses		385,828,877	347,612,011
Financial expenses	<i>5</i>	77,998,848	88,168,850
Including: Interest expenses		123,899,619	120,260,640
Interest revenue		24,916,372	53,449,610
Add: Other income	<i>6</i>	97,111,504	88,404,855
Investment losses		(93,695,050)	(111,660,521)
Including: Losses from investment in associates and joint ventures		(136,542,425)	(118,388,698)
(Losses)/gains from changes in fair value		(4,205,846)	2,706,075
Credit losses		(140,587,749)	(63,616,097)
Impairment losses		(58,513,900)	(43,116,543)
Gains/(losses) from disposal of assets		623,122	(6,293,809)
III. Operating profit		312,887,273	163,201,651
Add: Non-operating income		78,205,731	199,854,803
Less: Non-operating expenses		4,772,623	15,949,888
IV. Profit before income tax		386,320,381	347,106,566
Less: Income tax expenses	<i>7</i>	39,907,206	19,155,492
V. Net profit for the period		346,413,175	327,951,074
Net profit for the period attributable to equity		295,743,225	377,748,853
Non-controlling interests		50,669,950	(49,797,779)

	<i>Notes</i>	For the six months ended 30 June	
		2025 (Unaudited)	2024 (Unaudited)
VI. Other comprehensive income, net of tax		11,735,035	(53,241,851)
Other comprehensive income (net of tax) attributable to shareholders of the Company		1,429,028	(52,700,655)
(1) Items that cannot be reclassified subsequently to profit or loss		11,421,733	(21,679,843)
1. Changes in fair value of investments in other equity instruments		11,421,733	(21,679,843)
(2) Items that may be reclassified subsequently to profit or loss		(9,992,705)	(31,020,812)
1. Other comprehensive income recognised under the equity method		(408,070)	–
2. Cash flow hedge reserve		284,475	–
3. Translation differences arising from translation of foreign currency financial statements		(9,869,110)	(31,020,812)
Other comprehensive income (net of tax) attributable to non-controlling		10,306,007	(541,196)
VII. Total comprehensive income for the period		358,148,210	274,709,223
Total comprehensive income attributable to equity shareholders of the Company		297,172,253	325,048,198
Total comprehensive income attributable to non-controlling interests		60,975,957	(50,338,975)
VIII. Earnings per share:			
(1) Basic earnings per share	8	0.39	0.50
(2) Diluted earnings per share	8	0.39	0.50

Consolidated Balance Sheet
At 30 June 2025
(Expressed in Renminbi “RMB”)

	<i>Notes</i>	30 June 2025 (Unaudited)	31 December 2024 (Audited)
ASSETS:			
Current assets:			
Cash at bank and on hand		2,531,380,005	3,292,561,410
Financial assets held for trading		1,731,322,682	1,437,470,518
Bills receivable	<i>10</i>	452,538,293	698,669,573
Accounts receivable	<i>11</i>	5,645,278,922	5,261,588,627
Receivables under financing	<i>12</i>	254,461,508	136,084,824
Prepayments		215,509,642	128,663,832
Other receivables		125,223,711	117,413,239
Inventories		3,247,183,584	3,175,767,390
Other current assets		324,245,789	368,907,962
Total current assets		<u>14,527,144,136</u>	<u>14,617,127,375</u>
Non-current assets:			
Long-term receivables		1,579,111	2,034,634
Long-term equity investments		2,355,178,708	2,793,658,026
Investments in other equity instruments		77,444,597	55,221,345
Other non-current financial assets		22,567,168	53,754,103
Fixed assets		9,092,327,450	8,457,953,448
Construction in progress		2,000,014,423	2,082,556,415
Right-of-use assets		49,184,632	77,928,103
Intangible assets		1,714,071,517	1,707,185,779
Goodwill		931,214,501	931,214,501
Long-term deferred expenses		80,210,332	76,997,949
Deferred tax assets		594,026,126	528,382,387
Other non-current assets		388,818,029	342,705,860
Total non-current assets		<u>17,306,636,594</u>	<u>17,109,592,550</u>
Total assets		<u>31,833,780,730</u>	<u>31,726,719,925</u>

	<i>Notes</i>	30 June 2025 (Unaudited)	31 December 2024 (Audited)
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Short-term loans	13	1,965,485,376	2,000,409,684
Bills payable	14	987,122,427	1,173,208,011
Accounts payable	15	2,049,781,564	1,960,566,791
Contract liabilities		269,207,811	270,205,028
Employee benefits payable		376,277,726	360,036,136
Taxes payable		166,024,243	277,024,243
Other payables		2,162,282,626	1,727,644,743
Non-current liabilities due within one year		2,702,103,106	2,551,031,336
Other current liabilities		25,032,736	24,920,005
Total current liabilities		10,703,317,615	10,345,045,977
Non-current liabilities:			
Long-term loans	16	4,833,258,088	4,790,701,086
Lease liabilities		91,015,167	108,610,402
Deferred income		521,841,138	432,186,877
Deferred tax liabilities		258,020,987	273,272,050
Other non-current liabilities		218,068,165	195,611,644
Total non-current liabilities		5,922,203,545	5,800,382,059
Total liabilities		16,625,521,160	16,145,428,036
SHAREHOLDERS' EQUITY:			
Share capital		757,905,108	757,905,108
Capital reserve		3,126,027,835	3,147,307,600
Less: Treasury stock		197,319,684	—
Other comprehensive income		27,702,897	26,273,869
Special reserve		675,047	250,841
Surplus reserve		733,422,825	733,422,825
Retained earnings		7,056,446,554	6,963,821,898
Total equity attributable to shareholders of the Company		11,504,860,582	11,628,982,141
Non-controlling interests		3,703,398,988	3,952,309,748
Total shareholders' equity		15,208,259,570	15,581,291,889
Total liabilities and shareholders' equity		31,833,780,730	31,726,719,925

Notes:

1. CORPORATE INFORMATION

Yangtze Optical Fibre and Cable Company Ltd. 長飛光纖光纜有限公司 was established in the People's Republic of China (the "PRC" or "China") on 31 May 1988 as a sino-foreign equity joint venture. On 27 December 2013, it was renamed as Yangtze Optical Fibre and Cable Joint Stock Limited Company* 長飛光纖光纜股份有限公司 and was converted into a foreign invested joint stock limited liability company in the PRC. On the same date, the Company's equity was converted into 479,592,598 ordinary shares with a par value of RMB1.00 each.

The Company's H shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") on 10 December 2014. On the same date, the Company issued a total number of 159,870,000 H shares with a par value of RMB1.00 each at a price of HK\$7.39 per H share by way of public offering of the Company's H shares to Hong Kong and overseas investors.

On 18 December 2015, the Company completed the issuance of domestic shares and H shares to certain directors and selected employees and the private placement of H shares to four independent professional institutional investors. A total number of 42,652,000 shares (including H shares and domestic shares) with a par value of RMB1.00 each were issued at a subscription price of HK\$7.15 per share.

The China Securities Regulatory Commission has approved the initial public offering of A shares by the Company and the A shares of the Company were listed on the Shanghai Stock Exchange on 20 July 2018. The Company issued 75,790,510 A shares to the public at the issue price of RMB26.71 per A share and 330,547,804 domestic shares were converted into A shares. Upon the issue of A shares, the total number of issued shares of the Company became 757,905,108 shares (comprising 351,566,794 H shares and 406,338,314 A shares). The total proceeds from the issue of the A shares amounted to RMB2,024,364,522 and the net proceeds (after deducting issue expenses) amounted to RMB1,894,337,174.

The Company is a global leading supplier of optical fibre preforms, optical fibres, optical fibre cables and other relevant products in telecommunication industry. The Company primarily manufactures and sells optical fibre preforms, optical fibres, optical fibre cables, optical components and modules and other relevant products with various standard specifications that are widely used in the telecommunications industry. The Company also designs and produces specialty optical fibres and cables, integration systems, engineering design and service that are customised to customers' specifications. The Company has comprehensive product portfolios and provides a wide range of products and relevant solutions for the global telecommunications industry and other sectors, including utilities, transportation, petrochemical and healthcare. The Company provides high-quality products and services in more than 100 countries and regions.

2. PREPARATION BASIS OF THE FINANCIAL STATEMENTS

The financial statements are prepared in accordance with the Accounting Standards for Business Enterprises – Basic Standards issued by the Ministry of Finance of the People's Republic of China and the specific accounting standards and application guidelines, interpretations and other relevant regulations promulgated and subsequently promulgated by the Ministry of Finance of the People's Republic of China and "Regulation on the Preparation of Information Disclosures by Companies Issuing Securities, No. 15: General Requirements for Financial Reports" as revised by the China Securities Regulatory Commission. The Company prepares the financial statements based on the going-concern basis.

3. REVENUE

The Group is principally engaged in the manufacturing and sales of optical fibre preforms, optical fibres, optical fibre cables, optical components and modules and other related products and services. Revenue is recognised when the Group satisfies the performance obligation in the contract by transferring the control over relevant goods or services to the customers.

4. OPERATING INCOME AND COSTS

Items	For the six months ended 30 June			
	2025 (Unaudited)		2024 (unaudited)	
	Income	Cost	Income	Cost
Principal activities	6,298,158,567	4,495,972,142	5,232,365,238	3,757,956,805
Other operating activities	86,316,160	81,925,855	115,722,473	98,063,319
Total	<u>6,384,474,727</u>	<u>4,577,897,997</u>	<u>5,348,087,711</u>	<u>3,856,020,124</u>
Including: Operating income generated from contract	6,384,474,727	4,577,897,997	5,348,087,711	3,856,020,124

Details of operating income

	For the six months ended 30 June			
	2025 (Unaudited)		2024 (Unaudited)	
	Income	Cost	Income	Cost
Revenue from principal activities:				
– Optical communication products	3,846,811,829	2,709,069,267	3,538,517,683	2,333,280,665
– Optical transmission components	1,443,809,240	856,578,627	933,712,457	721,956,367
– Others	1,007,537,498	930,324,248	760,135,098	702,719,773
Sub-total	6,298,158,567	4,495,972,142	5,232,365,238	3,757,956,805
Revenue from other operating activities:				
– Materials	78,820,558	77,328,722	86,224,832	79,803,469
– Others	7,495,602	4,597,133	29,497,641	18,259,850
Sub-total	86,316,160	81,925,855	115,722,473	98,063,319
Total	<u>6,384,474,727</u>	<u>4,577,897,997</u>	<u>5,348,087,711</u>	<u>3,856,020,124</u>

5. FINANCIAL EXPENSES

Items	For the six months ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)
Interest expenses on loans and payables	128,634,330	121,517,746
Interest on lease liabilities	1,464,737	1,988,586
Less: Borrowing costs capitalised*	(6,199,448)	(3,245,692)
Interest income from deposits	(24,916,372)	(53,449,610)
Net exchange (gains)/losses	(32,752,234)	14,107,047
Other financial expenses	11,767,835	7,250,773
Total	<u>77,998,848</u>	<u>88,168,850</u>

* The interest rate per annum, at which the borrowing costs were capitalized for the Period by the Group was 0.13% (the first half of 2024: 0.244%).

6. OTHER INCOME

Item	For the six months ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)
Government grants related to assets	23,888,271	22,361,955
Government grants related to income	73,223,233	66,042,900
Total	<u>97,111,504</u>	<u>88,404,855</u>

7. INCOME TAX EXPENSES

	For the six months ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)
Income tax expenses for the period based on tax laws and regulations	116,749,012	56,423,134
Changes in deferred income tax	(72,151,212)	(44,998,474)
Tax filling differences	(4,690,594)	7,730,832
Total	<u>39,907,206</u>	<u>19,155,492</u>

- (1) The analysis of changes in deferred income tax is as follows:

Item	For the six months ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)
Originations and reversals of temporary differences	<u>(72,151,212)</u>	<u>(44,998,474)</u>

- (2) Reconciliation between income tax and accounting profit is as follows:

Item	For the six months ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)
Profit before income tax	386,320,381	347,106,566
Income tax expenses calculated at tax rate of 25%	96,580,095	86,776,642
Effect of tax rate differences	(55,343,784)	(77,446,012)
Effect of tax filling difference	(4,690,594)	7,730,832
Effect of non-taxable income	52,989,368	27,993,122
Effect of non-deductible cost, expense and loss	4,835,033	3,404,672
Effect of temporary differences from using the former unrecognised deferred tax assets	(19,911,497)	(24,374,601)
Additional qualified tax deduction relating to research and development costs	(79,195,720)	(56,508,426)
Effect of deductible temporary differences or deductible tax losses for which no deferred tax asset was recognized this period	<u>44,644,305</u>	<u>51,579,263</u>
Income tax expenses for the period	<u><u>39,907,206</u></u>	<u><u>19,155,492</u></u>

The Company and its subsidiaries in the PRC are subject to PRC enterprise income tax at the statutory tax rate of 25%.

According to the High-tech Enterprise Certificate No. GR202342002827 issued by Hubei Provincial Department of Science and Technology, Hubei Provincial Department of Finance, and Hubei Provincial Tax Service, State Taxation Administration, the Company was entitled to High Tech Enterprise qualification, and enjoyed a preferential tax rate of 15% with preferential tax treatments in deductions from research and development costs from 14 November 2023 to 14 November 2026.

According to the High-tech Enterprise Certificate No. GR202442005848 issued by Hubei Provincial Department of Science and Technology, Hubei Provincial Department of Finance, and Hubei Provincial Tax Service, State Taxation Administration, EverPro Technologies Company Limited, a subsidiary of the Company, was entitled to High Tech Enterprise qualification and enjoyed a preferential tax rate of 15% from 24 December 2024 to 24 December 2027.

According to the High-tech Enterprise Certificate No. GR202342002604 issued by Hubei Provincial Department of Science and Technology, Hubei Provincial Department of Finance, and Hubei Provincial Tax Service, State Taxation Administration, Yangtze Optical Fibre (Qianjiang) Co., Ltd., a subsidiary of the Company, was entitled to High Tech Enterprise qualification, and enjoyed a preferential tax rate of 15% with preferential tax treatments in deductions from research and development costs from 26 October 2023 to 26 October 2026.

According to the High-tech Enterprise Certificate No. GR202342000569 issued by Hubei Provincial Department of Science and Technology, Hubei Provincial Department of Finance, and Hubei Provincial Tax Service, State Taxation Administration, Hubei Flying Optical Fibre Material Co., Ltd., a subsidiary of the Company, was entitled to High Tech Enterprise qualification and enjoyed a preferential tax rate of 15% with preferential tax treatments in deductions from research and development costs from 16 October 2023 to 16 October 2026.

According to the High-tech Enterprise Certificate No. GR202442000265 issued by Hubei Provincial Department of Science and Technology, Hubei Provincial Department of Finance, and Hubei Provincial Tax Service, State Taxation Administration, Yangtze Gas Qianjiang Company Limited., a subsidiary of the Company, was entitled to High Tech Enterprise qualification and enjoyed a preferential tax rate of 15% from 27 November 2024 to 27 November 2027.

According to the High-tech Enterprise Certificate No. GR202242000976 issued by Hubei Provincial Department of Science and Technology, Hubei Provincial Department of Finance, and Hubei Provincial Tax Service, State Taxation Administration, Polytech Qianjiang Company Limited., a subsidiary of the Company, was entitled to High Tech Enterprise qualification and enjoyed a preferential tax rate of 15% from 1 December 2022 to 1 December 2025.

According to the High-tech Enterprise Certificate No. GR202433000263 issued by Zhejiang Science and Technology Department, Zhejiang Provincial Department of Finance, Zhejiang Provincial Tax Service and State Taxation Administration, Ally First Optical Fibre and Cable Co., Ltd., a subsidiary of the Company, was entitled to High Tech Enterprise qualification, and enjoyed the preferential tax rate of 15% from 6 December 2024 to 6 December 2027.

According to the High-tech Enterprise Certificate No. GR202351001128 issued by Sichuan Science and Technology Department, Sichuan Provincial Department of Finance, Sichuan Provincial Tax Service, State Taxation Administration, Sunstar Communication Technology Company Limited, a subsidiary of the Company, was entitled to High Tech Enterprise qualification, and enjoyed a preferential tax rate of 15% with preferential tax treatments in deductions from research and development costs from 16 October 2023 to 16 October 2026..

According to the High-tech Enterprise Certificate No. GR202251003732 issued by Sichuan Science and Technology Department, Sichuan Provincial Department of Finance, Sichuan Provincial Tax Service, State Taxation Administration from 2 November 2022 to 2 November 2025, a subsidiary of the Company, Finetop Science & Technology Company Limited, was entitled to High Tech Enterprise qualification, and enjoyed the preferential tax rate of 15%.

According to the High-tech Enterprise Certificate No. GR202242003230 issued by the Hubei Provincial Department of Science and Technology, the Hubei Provincial Department of Finance and the Hubei Provincial Taxation Bureau of the State Administration of Taxation, from 9 November 2022 to 9 November 2025, the Company's subsidiary, Yangtze (Wuhan) Optical Systems Co., Ltd., enjoys the qualification of high-tech enterprise and enjoys a preferential tax rate of 15%.

According to the High-tech Enterprise Certificate No. GR202412003276, issued by Tianjin Municipal Science and Technology Bureau, Tianjin Finance Bureau and the Tianjin Municipal Tax Service, State Taxation Administration, a subsidiary of the Company, Yangtze Optical Fibre and Cable (Tianjin) Company Limited., enjoys the qualification of high-tech enterprise and enjoys a preferential tax of 15%; from 3 December 2024 to 3 December 2027.

According to the High-tech Enterprise Certificate No. GR202332001816 issued by Jiangsu Municipal Science and Technology Bureau, Jiangsu Finance Bureau and the Jiangsu Municipal Tax Service, State Taxation Administration, Yangtze Optical Cable (Suzhou) Company Limited, a subsidiary of the Company, was entitled to High Tech Enterprise qualification, and enjoyed a preferential tax rate of 15% with preferential tax treatments in deductions from research and development costs from 6 November 2023 to 6 November 2026.

According to the High-tech Enterprise Certificate No. GR202232012705 issued by Jiangsu Municipal Science and Technology Bureau, Jiangsu Finance Bureau and the Jiangsu Municipal Tax Service, State Taxation Administration, Yangtze (Jiangsu) Marine Technology Company Limited, a subsidiary of the Company, was entitled to High Tech Enterprise qualification, and enjoyed a preferential tax rate of 15% with preferential tax treatments in deductions from research and development costs from 12 December 2022 to 12 December 2025.

According to the High-tech Enterprise Certificate No. GR 202442001324 issued by the Hubei Provincial Department of Science and Technology, the Hubei Provincial Department of Finance and the Hubei Provincial Tax Service, State Taxation Administration from 27 November 2024 to 27 November 2027, the Company's subsidiary, YOFC Quartz Technology (Wuhan) Company Limited., enjoys the qualification of high-tech enterprise and enjoys a preferential tax rate of 15%.

According to the High-tech Enterprise Certificate No. GR202333009634 issued by Zhejiang Municipal Science and Technology Bureau, Zhejiang Finance Bureau and the Zhejiang Provincial Tax Service, State Taxation Administration, EverProX Technologies Company Limited, a subsidiary of the Company, was entitled to High Tech Enterprise qualification, and enjoyed a preferential tax rate of 15% from 8 December 2023 to 8 December 2026.

According to Issues Concerning Tax Policies on Further Implementing the Strategy of Western Development issued by the Ministry of Finance, General Administration of Customs and State Administration of Taxation [Cai Shui (2011) No. 58], Chengdu Rongbo Communication Technology Company Limited, a subsidiary of the Company, is an enterprise under the preferred industry set up in the western region, which was entitled to preferential tax rate of 15% for the Period.

According to the High-tech Enterprise Certificate No. GR202342008441 issued by Hubei Provincial Department of Science and Technology, Hubei Provincial Department of Finance, Hubei Provincial State Revenue and Hubei Provincial Local Taxation Bureau from 8 December 2023 to 8 December 2026, Everfoton Technologies Corporation Limited, a subsidiary of the Company, enjoys the qualification of high-tech enterprise and enjoys a preferential tax of 15%.

Taxes on overseas subsidiaries were calculated according to the prevailing appropriate tax rates in the relevant countries and regions.

8. EARNINGS PER SHARE

(1) Basic earnings per share

Basic earnings per share is calculated as dividing consolidated net profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding:

Item	For the six months ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)
Consolidated net profit attributable to ordinary shareholders of the Company	<u>295,743,225</u>	<u>377,748,853</u>
Less: Forfeitable cash dividends declared to restricted shareholders in employee share ownership plan during the period whose shares are expected to unlock in the future	–	–
Adjusted consolidated net profit attributable to ordinary shareholders of the Company	<u>295,743,225</u>	<u>377,748,853</u>
Weighted average number of ordinary shares outstanding	<u>755,905,108</u>	<u>757,905,108</u>
Basic earnings per share (RMB/share)	<u>0.39</u>	<u>0.50</u>

Weighted average number of ordinary shares is calculated as follows:

	For the six months ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)
Issued ordinary shares at the end of the period	757,905,108	757,905,108
Effect from restricted shares in employee share ownership plan	(2,000,000)	—
Weighted average number of ordinary shares at the end of the period	<u>755,905,108</u>	<u>757,905,108</u>

(2) Diluted earnings per share

Diluted earnings per share is calculated as dividing consolidated net profit attributable to ordinary shareholders of the Company (diluted) by the weighted average number of ordinary shares outstanding (diluted):

Item		For the six months ended	
		2025 (Unaudited)	2024 (Unaudited)
Consolidated net profit attributable to ordinary shareholders of the Company (diluted)	(a)	<u>295,743,225</u>	<u>377,748,853</u>
Weighted average number of ordinary shares outstanding (diluted)	(b)	<u>755,905,108</u>	<u>757,905,108</u>
Diluted earnings per share (RMB/share)		<u>0.39</u>	<u>0.50</u>

(a) Consolidated net profit attributable to ordinary shareholders of the Company (diluted) is calculated as follows:

Item	For the six months ended	
	2025 (Unaudited)	2024 (Unaudited)
Consolidated net profit attributable to ordinary shareholders (Basic earnings per share)	295,743,225	377,748,853
Diluted adjustments:		
Forfeitable cash dividends declared to restricted H shareholders in employee share ownership plan during the period whose shares are expected to unlock in the future (note)	<u>—</u>	<u>—</u>
Consolidated net profit attributable to ordinary shareholders (diluted)	<u>295,743,225</u>	<u>377,748,853</u>

Note: When calculating diluted earnings per share during the lock-in period of restricted shares, consolidated net profit attributable to ordinary shareholders of the Company (diluted) shall add the cash dividends (with dilution) distributed to the shareholders of the expected unlocking restricted shares in the future that have been deducted when calculating the consolidated net profit (dilution) attributable to ordinary shareholders of the Company.

- (b) Weighted average number of the Company's ordinary shares (diluted) is calculated as follows:

Item	2025 (Unaudited)	2024 (Unaudited)
Weighted average number of ordinary shares at the end of the period	<u>757,905,108</u>	<u>757,905,108</u>
Diluted adjustments:		
Effect from restricted shares in employee share ownership plan	(2,000,000)	–
Weighted average number of ordinary shares (diluted) at the end of the period	<u>755,905,108</u>	<u>757,905,108</u>

9. SEGMENT REPORTING

The Group determines the two reporting segments, optical communication products segments and transmission components segment, based on the internal organizational structure, management requirements and internal reporting system. Each reporting segment is a separate business segment that provides different products. The management of the Group will regularly review the financial information of different segments to determine the allocation of resources and to evaluate their sales performance.

- Optical communication products-mainly including optical fibre preforms, optical fibres, optical cables and leaky cables, RF cables and other wires and cables related products and services used in the telecom and datacom industries.
- Optical transmission components-mainly including optical components and modules, active optical cables, passive preassembled jumper cables, high-speed copper datacom cables and other components related products and services used in the telecom and datacom industries.

(1) Information of profit or loss and assets of reporting segments

In order to evaluate the performance of each segment and allocate resources, the management of the Group will regularly review the assets, income, expenses and operating results attributable to each segment. The preparation of such information is based on the followings:

Segment assets include all tangible assets, intangible assets, other long-term assets and accounts receivables attributable to each segment.

Segment operating results refer to the revenue from external customers generated by each segment, less the operating costs incurred by each segment. The Group did not allocate other expenses such as selling and management expenses and financial expenses to each segment.

The information disclosed in each of the following reporting segments of the Group is that the management of the Group used the following data in measuring profit/(loss) and assets of the reporting segments, or did not use the following data but provided it regularly to the management of the Group:

Items	For the six months ended 30 June 2025 (Unaudited)					
	Optical communication products segment	Optical transmission components segment	Others	Offset between segments	Unallocated Amounts	Total
Operating income from external transactions	3,846,811,829	1,443,809,240	1,093,853,658	-	-	6,384,474,727
Inter-segment revenue	179,235,981	17,575,654	216,103,647	(412,915,282)	-	-
Segment profit	1,220,824,622	589,380,567	142,707,880	(146,336,339)	-	1,806,576,730
Including: Depreciation and amortisation expenses	(320,144,704)	(105,178,545)	(157,682,973)	-	-	(583,006,222)
Taxes and surcharges	-	-	-	-	50,990,325	50,990,325
Selling and distribution expenses	-	-	-	-	240,711,173	240,711,173
General and administration expenses	-	-	-	-	538,892,315	538,892,315
Research and development expenses	-	-	-	-	385,828,877	385,828,877
Financial expenses	-	-	-	-	77,998,848	77,998,848
Impairment losses	-	-	-	-	(58,513,900)	(58,513,900)
Credit losses	-	-	-	-	(140,587,749)	(140,587,749)
Losses from changes in fair value	-	-	-	-	(4,205,846)	(4,205,846)
Investment losses	-	-	-	-	(93,695,050)	(93,695,050)
Including: Losses from investment in associates and joint ventures	-	-	-	-	(136,542,428)	(136,542,428)
Gains from asset disposals	-	-	-	-	623,122	623,122
Other income	-	-	-	-	97,111,504	97,111,504
Operating profit/(loss)	1,220,824,622	589,380,567	142,707,880	(146,336,339)	(1,493,689,457)	312,887,273
Non-operating income	-	-	-	-	78,205,731	78,205,731
Non-operating expenses	-	-	-	-	4,772,623	4,772,623
Profit/(loss) before income tax	1,220,824,622	589,380,567	142,707,880	(146,336,339)	(1,420,256,349)	386,320,381
Income tax expenses	-	-	-	-	39,907,206	39,907,206
Net profit/(loss) for the period	1,220,824,622	589,380,567	142,707,880	(146,336,339)	(1,460,163,555)	346,413,175

For the six months ended 30 June 2024 (Unaudited)						
Items	Optical communication products segment	Optical transmission components segment	Others	Offset between segments	Unallocated Amounts	Total
Operating income from external transactions	3,538,517,683	933,712,457	875,857,571	–	–	5,348,087,711
Inter-segment revenue	86,013,491	45,470,499	184,592,815	(316,076,805)	–	–
Segment profit	1,249,689,177	222,616,217	159,447,281	(139,685,088)	–	1,492,067,587
Including: Depreciation and amortisation expenses	(263,197,939)	(107,514,579)	(76,311,751)	–	–	(447,024,269)
Taxes and surcharges	–	–	–	–	44,172,442	44,172,442
Selling and distribution expenses	–	–	–	–	219,835,419	219,835,419
General and administration expenses	–	–	–	–	495,501,174	495,501,174
Research and development expenses	–	–	–	–	347,612,011	347,612,011
Financial expenses	–	–	–	–	88,168,850	88,168,850
Impairment losses	–	–	–	–	(43,116,543)	(43,116,543)
Credit losses	–	–	–	–	(63,616,097)	(63,616,097)
Gains from changes in fair value	–	–	–	–	2,706,075	2,706,075
Investment losses	–	–	–	–	(111,660,521)	(111,660,521)
Including: losses from investment in associates and joint ventures	–	–	–	–	(118,388,698)	(118,388,698)
Losses from asset disposals	–	–	–	–	(6,293,809)	(6,293,809)
Other income	–	–	–	–	88,404,855	88,404,855
Operating profit/(loss)	1,249,689,177	222,616,217	159,447,281	(139,685,088)	(1,328,865,936)	163,201,651
Non-operating income	–	–	–	–	199,854,803	199,854,803
Non-operating expenses	–	–	–	–	15,949,888	15,949,888
Profit/(loss) before income tax	1,249,689,177	222,616,217	159,447,281	(139,685,088)	(1,144,961,021)	347,106,566
Income tax expenses	–	–	–	–	19,155,492	19,155,492
Net profit/(loss) for the period	1,249,689,177	222,616,217	159,447,281	(139,685,088)	(1,164,116,513)	327,951,074

30 June 2025 (Unaudited)						
Items	Optical communication products segment	Optical transmission components segment	Others	Offset between segments	Unallocated Amounts	Total
Total assets	13,736,144,607	3,498,542,380	16,144,398,230	(1,545,304,488)	–	31,833,780,730
Other items:						
– Long-term equity investment in associates and joint ventures	628,391,879	–	1,726,786,829	–	–	2,355,178,708
31 December 2024 (Audited)						
Items	Optical communication products segment	Optical transmission components segment	Others	Offset between segments	Unallocated Amounts	Total
Total assets	12,989,638,459	3,284,020,332	16,490,028,905	(1,036,967,771)	–	31,726,719,925
Other items:						
– Long-term equity investment in associates and joint ventures	924,390,148	–	1,869,267,878	–	–	2,793,658,026

10. BILLS RECEIVABLE

(1) Bills receivable by category

Type	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Bank acceptance bills	296,910,992	568,777,361
Commercial acceptance bills	155,627,301	129,892,212
Total	<u>452,538,293</u>	<u>698,669,573</u>

The aforementioned bills receivable were due within one year.

(2) Bills receivable pledged at the end of the period

As at 30 June 2025, the Group's bills receivables pledged was nil (31 December 2024: nil).

(3) Bills receivable endorsed or discounted at the end of the period and undue at the balance sheet date:

Type	Amount derecognized at the end of the period (Unaudited)	Amount not derecognized at the end of the period (Unaudited)
Bank acceptance bills	–	78,725,993
Commercial acceptance bills	–	75,723
Total	<u>–</u>	<u>78,801,716</u>

As at 30 June 2025, the Group continued to recognize discounted bills and endorsed bills of RMB60,411,210 and RMB18,390,506 respectively (31 December 2024: RMB136,652,763 and RMB91,009,828). With respect to this portion of discounted bills or endorsed bills, the Board believed that the Group still retains virtually all its risks and rewards, including the risk of default on discounted and endorsed bills. Therefore, the Group continued to fully recognised this portion of the discounted and endorsed instruments. The bills, at the same time, confirmed the related payment due to the bank borrowings generated by discounting and the settlement of the endorsed bills. After discounts and endorsements were transferred, the Group no longer retained any right to use discounted and endorsed bills, including the sale, transfer or pledge of discounted and endorsed bills to the third party. As at 30 June 2025, the carrying amounts of the bills settled by the discounted and endorsed bills that continue to be recognized were RMB60,411,210 and RMB18,390,506 respectively (31 December 2024: RMB136,652,763 and RMB91,009,828). The Board believed that there is no significant difference in the fair value of the transferred assets and related liabilities.

11. ACCOUNTS RECEIVABLE

(1) Accounts receivable by customer are as follows:

Type	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Due from related parties	517,153,319	398,581,809
Due from third parties	5,898,372,858	5,506,681,891
Sub-total	6,415,526,177	5,905,263,700
Less: allowance for doubtful debts	770,247,255	643,675,073
Total	5,645,278,922	5,261,588,627

(2) Ageing analysis of accounts receivable:

Ageing	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Within 1 year (1 year inclusive)	4,909,585,664	4,220,388,945
1 to 2 years (2 years inclusive)	591,735,657	800,246,695
2 to 3 years (3 years inclusive)	472,007,406	445,926,961
Over 3 years	442,197,450	438,701,099
Sub-total	6,415,526,177	5,905,263,700
Less: allowance for doubtful debts	770,247,255	643,675,073
Total	5,645,278,922	5,261,588,627

The ageing of accounts receivable is calculated from the date of recognition.

(3) Analysis of accounts receivable by category:

Category	Book value		30 June 2025 (Unaudited) Allowance for doubtful debts		Carrying amount
	Amount	Proportion	Amount	Proportion	
Individually assessed for impairment customers – credit losses incurred	187,657,837	2.93%	138,979,675	74.06%	48,678,162
Collectively assessed for impairment by group					
– Group 1	517,153,319	8.06%	311,912	0.06%	516,841,407
– Group 2	1,814,466,780	28.28%	267,628,689	14.75%	1,546,838,091
– Group 3	3,896,248,241	60.73%	363,326,979	9.33%	3,532,921,262
Total	6,415,526,177	100.00%	770,247,255	12.01%	5,645,278,922

Category	31 December 2024 (Audited)				Carrying amount
	Book value		Allowance for doubtful debts		
	Amount	Proportion	Amount	Proportion	
Individually assessed for impairment customers					
– credit losses incurred	148,854,748	2.52%	108,939,908	73.19%	39,914,840
Collectively assessed for impairment by group					
– Group 1	398,581,809	6.75%	823,580	0.21%	397,758,229
– Group 2	2,106,440,155	35.67%	220,648,961	10.47%	1,885,791,194
– Group 3	3,251,386,988	55.06%	313,262,624	9.63%	2,938,124,364
Total	5,905,263,700	100.00%	643,675,073	10.90%	5,261,588,627

- (a) Reasons for making doubtful debts provisions with single accounts receivable in the first half of 2025: For accounts receivable, the Group usually measure loss provisions based on a combination of credit risk characteristics. If the credit risk characteristics of a certain customer are significantly different from those of other customers in the portfolio, or if there is a significant change in the credit risk characteristics of that customer, a provision for losses shall be made for the receivables from that customer on a single basis.

- (b) Standard and explanation of making doubtful debts provisions by group in the first half of 2025:

According to the historical experience of the Group, there are differences in the losses of different segmented customer groups. Therefore, the Group divided our customers into the following groups:

- Group 1: Related parties;
- Group 2: Telecommunication network operators in China and other companies with good credit records;
- Group 3: Other customers outside of the above groups.

- (c) Expected credit loss assessment for accounts receivable:

The management measures loss allowances for accounts receivable at an amount equal to lifetime expected credit loss, which is calculated using a provision matrix. As the Group's historical credit loss experience indicates different loss patterns for different customer segments, the loss allowance based on past due status is further distinguished between the Group's different customer bases.

30 June 2025 (Unaudited)

Customers group 1	Expected credit loss rate (%)	Book value	Allowance for doubtful debts
No overdue and overdue within 1 year (1 year inclusive)	0.02	503,348,212	86,647
Overdue 1 to 2 years (2 years inclusive)	0.21	6,872,273	14,432
Overdue 2 to 3 years (3 years inclusive)	0.68	6,768,023	46,023
Overdue over 3 years	100.00	164,811	164,811
Total		<u>517,153,319</u>	<u>311,912</u>

Customers group 2	Expected credit loss rate (%)	Book value	Allowance for doubtful debts
No overdue and overdue within 1 year (1 year inclusive)	1.54	1,299,069,843	20,005,676
Overdue 1 to 2 years (2 years inclusive)	17.84	226,213,496	40,356,488
Overdue 2 to 3 years (3 years inclusive)	55.16	182,687,144	100,770,228
Overdue over 3 years	100.00	106,496,297	106,496,297
Total		<u>1,814,466,780</u>	<u>267,628,689</u>

Customers group 3	Expected credit loss rate (%)	Book value	Allowance for doubtful debts
No overdue and overdue within 1 year (1 year inclusive)	2.59	3,335,180,828	86,385,305
Overdue 1 to 2 years (2 years inclusive)	21.34	284,015,630	60,601,247
Overdue 2 to 3 years (3 years inclusive)	53.70	131,113,569	70,402,213
Overdue over 3 years	100.00	145,938,214	145,938,214
Total		<u>3,896,248,241</u>	<u>363,326,979</u>

31 December 2024 (Audited)

Customers group 1	Expected credit loss rate (%)	Book value	Allowance for doubtful debts
No overdue and overdue within 1 year (1 year inclusive)	0.02	386,352,727	91,066
Overdue 1 to 2 years (2 years inclusive)	0.21	6,375,618	13,389
Overdue 2 to 3 years (3 years inclusive)	0.68	5,169,491	35,153
Overdue over 3 years	100.00	683,973	683,972
Total		<u>398,581,809</u>	<u>823,580</u>

Customers group 2	Expected credit loss rate (%)	Book value	Allowance for doubtful debts
No overdue and overdue within 1 year (1 year inclusive)	1.51	1,611,287,160	24,323,027
Overdue 1 to 2 years (2 years inclusive)	17.84	317,818,910	56,698,894
Overdue 2 to 3 years (3 years inclusive)	55.16	84,092,429	46,385,384
Overdue over 3 years	100.00	93,241,656	93,241,656
Total		<u>2,106,440,155</u>	<u>220,648,961</u>

Customers group 3	Expected credit loss rate (%)	Book value	Allowance for doubtful debts
No overdue and overdue within 1 year (1 year inclusive)	2.19	2,706,926,234	59,284,159
Overdue 1 to 2 years (2 years inclusive)	21.43	310,622,218	66,576,376
Overdue 2 to 3 years (3 years inclusive)	53.30	99,435,129	52,998,682
Overdue over 3 years	100.00	134,403,407	134,403,407
Total		<u>3,251,386,988</u>	<u>313,262,624</u>

Expected credit loss rates are calculated based on the actual credit loss experiences in the past 5 years and is adjusted based on the differences among the economic conditions of the period of historic data collection, the current economic conditions and the Group's view of economic conditions over the expected lives.

(4) Changes of allowance for doubtful debts during the period:

	30 June 2025 (unaudited)	31 December 2024 (Audited)
Balance at the beginning of the period	643,675,073	509,860,980
Addition during the period	150,297,365	154,403,226
Reversal during the period	(10,247,785)	(17,590,472)
Written-off during the period	(13,477,398)	(2,998,661)
Balance at the end of the period	<u>770,247,255</u>	<u>643,675,073</u>

During the Period, the Group did not have significant recoveries or reversals for accounts receivable that had been fully impaired or provided with a relatively large proportion of allowance for doubtful debts collected or reversed.

(5) **Five largest accounts receivable by debtors at the end of the period:**

As at 30 June 2025, the subtotal of five largest accounts receivable of the Group is RMB1,404,030,351 (31 December 2024: RMB1,606,143,555), representing 21.88% of the total balance of accounts receivable (31 December 2024: 27.20%). The corresponding allowance for doubtful debts is RMB195,874,851 (31 December 2024: RMB136,701,906).

12. RECEIVABLES UNDER FINANCING

Item	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Bills receivable	<u>254,461,508</u>	<u>136,084,824</u>

There is no change in fair value of receivables under financing of the Group in the first half of 2025. The accumulated impairment losses recognized in other comprehensive income is nil.

Receivables under financing endorsed or discounted at the end of the year and undue at the balance sheet date:

Type	Amount derecognized at 30 June 2025 (Unaudited)	Amount not yet derecognized at 30 June 2025 (Unaudited)
Bank acceptance bills	<u>352,543,025</u>	<u>—</u>

During the Period, the Group discounted certain bank bills receivable from certain banks in China or endorsed them to the Group's suppliers ("**Derecognized Bills**") and derecognized them on 30 June 2025. The carrying amounts of undue bills receivable that have been discounted and derecognized on 30 June 2025 is RMB183,159,445 (31 December 2024: RMB259,585,753). As at 30 June 2025, the carrying amounts of undue bills receivable that have been endorsed and derecognized were RMB169,383,580 (31 December 2024: RMB322,699,238). As at 30 June 2025, the remaining period of the derecognized bills was 1 to 7 months.

According to the Bill Law of the People's Republic of China, if the acceptance bank of bills receivable that is discounted or endorsed by the Group refuses to pay, the holder has recourse to the Group. The Board believed that for the endorsed bills that were derecognized, the Group had substantially transferred almost all the risks and rewards of the bills. Therefore, the Group had derecognized these bills in full.

Due to the recourse rights of the bearer, the Group continued to be involved in the derecognition of the bills and the continued exposure to the maximum risk exposure resulting in the loss of the Group amounted to its full amount.

13. SHORT-TERM LOANS

Item	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Unsecured loans	<u>1,965,485,376</u>	<u>2,000,409,684</u>
Total	<u>1,965,485,376</u>	<u>2,000,409,684</u>

As at 30 June 2025, the guaranteed loans tendered by the intercompany of the Group included in the above unsecured loans were RMB280,159,500 (31 December 2024: RMB34,596,000).

As at 30 June 2025, the Group did not have any overdue loans not yet repaid.

14. BILLS PAYABLE

Item	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Commercial acceptance bills	<u>442,485,945</u>	<u>582,549,594</u>
Bank acceptance bills	<u>544,636,482</u>	<u>590,658,417</u>
Total	<u>987,122,427</u>	<u>1,173,208,011</u>

The Group did not have any bills payable due and unpaid.

The above amounts are bills payable due within one year.

15. ACCOUNTS PAYABLE

(1) Information of accounts payables

Items	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Due to related parties	<u>262,445,720</u>	<u>225,111,246</u>
Due to third parties	<u>1,787,335,844</u>	<u>1,735,455,545</u>
Total	<u>2,049,781,564</u>	<u>1,960,566,791</u>

(2) The ageing analysis of accounts payable, based on invoice date, is as follows:

Items	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Within 1 year (1 year inclusive)	1,749,797,165	1,689,044,081
1 to 2 years (2 years inclusive)	236,874,414	212,136,184
2 to 3 years (3 years inclusive)	22,978,937	16,744,582
Over 3 years	40,131,048	42,641,944
Total	<u>2,049,781,564</u>	<u>1,960,566,791</u>

Accounts payable over 1 year are paid for goods and spare parts for system integration projects, and the Group continues to trade with the responding parties.

16. LONG-TERM LOANS

Items	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Unsecured loans	7,500,296,241	7,300,044,880
Less: non-current bank loans due within one year	2,667,038,153	2,509,343,794
Total	<u>4,833,258,088</u>	<u>4,790,701,086</u>

As at 30 June 2025, there was no overdue long-term loans. The above bank loans were fixed rate loans of which interest rate was 1.03%-4.00% (the first half of 2024: 1.03%-4.00%), the interest rate of floating rate loan is the quoted interest rate of one-year loan market minus 1.20% to the quoted interest rate of one-year loan market minus 0.55%.

The Group's bank loans (including short-term loans and long-term loans) by repayment time were listed as follows:

Items	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Within 1 year (1 year inclusive)	4,632,523,529	4,509,753,478
1 to 2 years (2 years inclusive)	1,981,422,933	1,853,795,138
2 to 5 years (5 years inclusive)	2,732,135,155	2,769,364,812
Over 5 years	119,700,000	167,541,136
Total	<u>9,465,781,617</u>	<u>9,300,454,564</u>

17. DIVIDENDS

Dividends payable to equity shareholders of the Company attributable to the previous financial year approved during the Period

	For the six months ended 30 June 2025 (Unaudited)	2024 (Unaudited)
The approved final dividend payable for the previous financial year during the Period was RMB0.268 per share (For the first half of 2024: RMB0.514 per share)	<u>203,118,569</u>	<u>389,563,226</u>

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

During the first half of 2025, the Group's operating income was approximately RMB6,384.5 million, increased by approximately 19.4% as compared to the same period of 2024 of approximately RMB5,348.1 million. The Group reported a gross profit of approximately RMB1,806.6 million, increased by approximately 21.1% as compared to the same period of 2024 of approximately RMB1,492.1 million. The Group's net profit for the period attributable to the equity shareholders of the Company amounted to approximately RMB295.7 million, decreased by approximately 21.7% as compared to the same period of 2024 of approximately RMB377.7 million. The Group's net profit for the period attributable to the equity shareholders of the Company deduction of non-recurring profit and loss amounted to approximately RMB137.6 million, increased by approximately 14.8% as compared to the same period of 2024 of approximately RMB119.9 million.

Basic earnings per share for the Period was RMB0.39 per share (the first half of 2024: RMB0.50 per share), which was calculated based on the weighted average number of shares issued, further details of which are set out in note 8 to the financial information of this announcement.

Operating income

During the Period, the Group's operating income was approximately RMB6,384.5 million, increased by approximately 19.4% as compared to the same period of 2024 of approximately RMB5,348.1 million.

By product segment, a total revenue of approximately RMB3,846.8 million was derived from optical communication products segment, representing an increase of approximately 8.7% as compared to the same period of 2024 of approximately RMB3,538.5 million and accounting for approximately 60.3% (the first half of 2024: 66.2%) of the Group's revenue; and a total revenue of approximately RMB1,443.8 million was contributed by optical transmission components segment, representing an increase of approximately 54.6% as compared to the same period of 2024 of approximately RMB933.7 million and accounting for approximately 22.6% (the first half of 2024: 17.5%) of the Group's revenue.

A total revenue of approximately RMB1,093.9 million was contributed by other products and services, representing an increase of approximately 24.9% as compared to the same period of 2024 of approximately RMB875.9 million and accounting for approximately 17.1% (the first half of 2024: 16.4%) of the Group's revenue.

By geographical segment, a total revenue of approximately RMB3,685.8 million was contributed by domestic customers, representing an increase of approximately 2.9% (the first half of 2024: decrease of 20.0%) as compared to the same period of 2024 of approximately RMB3,581.8 million and accounting for approximately 57.7% of the Group's revenue. For overseas market, a total revenue of approximately RMB2,698.7 million was recorded, representing an increase of approximately 52.8% (the first half of 2024: decrease of 27.6%) as compared to the same period of 2024 of approximately RMB1,766.2 million and accounting for approximately 42.3% of the Group's revenue.

Cost of sales

During the Period, the Group's cost of sales was approximately RMB4,577.9 million, representing an increase of approximately 18.7% as compared to the same period of 2024 of approximately RMB3,856.0 million and accounting for approximately 71.7% of the Group's revenue.

The Group's cost of sales included (i) raw material costs; (ii) manufacturing overheads (including depreciation on machinery and equipment, consumables, rental expenses, utilities, transportation costs and other manufacturing overheads); and (iii) direct labour costs.

During the Period, the Group's total raw material costs were approximately RMB3,437.9 million, representing an increase of approximately 14.1% as compared to approximately RMB3,012.5 million in the same period of 2024.

During the Period, the Group's manufacturing overheads and direct labour cost amounted to approximately RMB1,140.0 million, representing an increase of approximately 35.2% as compared to approximately RMB843.5 million in the same period of 2024.

Gross profit and gross profit margin

During the Period, the Group reported a gross profit of approximately RMB1,806.6 million, representing an increase of approximately 21.1% as compared to approximately RMB1,492.1 million in the same period of 2024 and the gross profit margin increased to 28.3% in the first half of 2025 (for the first half of 2024: 27.9%).

Selling and distribution expenses

During the Period, the Group's selling and distribution expenses were approximately RMB240.7 million, representing an increase of approximately 9.5% as compared to approximately RMB219.8 million in the same period of 2024.

General and administrative expenses

During the Period, the Group's general and administrative expenses were approximately RMB538.9 million, representing an increase of approximately 8.8% as compared to approximately RMB495.5 million in the same period of 2024.

Research and development expenses

During the Period, the Group's research and development expenses were approximately RMB385.8 million, representing an increase of approximately 11.0% as compared to approximately RMB347.6 million in the same period of 2024.

Financial expenses

During the Period, the Group's financial expenses were approximately RMB78.0 million, representing a decrease of approximately 11.5% as compared to approximately RMB88.2 million in the same period of 2024.

The annual effective interest rate of the bank loans for the period ranged from 1.03% to 7.80% per annum (for the first half of 2024: 1.03% to 4.00% per annum).

Other income

During the Period, the Group's other income was approximately RMB97.1 million, representing an increase of approximately RMB8.7 million as compared to approximately RMB88.4 million in the same period of 2024, which was mainly because the government grants related to income increased by approximately RMB7.2 million, and the government grants related to assets increased by approximately RMB1.5 million during the Period.

(Losses)/gains from changes in fair value

During the Period, the Group's losses from changes in fair value was approximately RMB4.2 million, while gains from changes in fair value was approximately RMB2.7 million.

Income tax expenses

During the Period, the Group's income tax expenses were approximately RMB39.9 million, representing an increase of approximately RMB20.7 million as compared to approximately RMB19.2 million in the same period of 2024. Details of the preferential tax treatments of the Company and certain subsidiaries were set out in note 7 to the financial information contained in this announcement.

Capital expenditures

During the Period, the Group incurred capital expenditures of approximately RMB537.4 million (for the first half of 2024: approximately RMB559.9 million) in total, which was mainly due to the overseas localized capacity expansion, continuous layout in diversified projects, and optimization of domestic optical fibre preforms and optical fibres capacity.

Gearing ratio

During the Period, the Group monitors its leverage using gearing ratio, which is net debts divided by total equity. Net debts include all bank loans less cash and cash equivalents. The Group's gearing ratio as at 30 June 2025 was 48.6% (31 December 2024: 41.4%).

Cash flow analysis

The following table sets forth the selected cash flow data derived from the consolidated cash flow statement for the six months ended 30 June 2025.

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
Net cash generated from operating activities	842,247,404	213,556,282
Net cash used in investing activities	(1,045,169,804)	(1,066,768,947)
Net cash (used in)/generated from financing activities	(540,954,050)	630,281,190
Effect of foreign exchange rate changes on cash and the equivalents	5,112,968	(3,436,392)
Net (decrease) in cash and cash equivalents	<u>(738,763,482)</u>	<u>(226,367,867)</u>

The net cash generated from the Group's operating activities increased by approximately RMB628.7 million, which was mainly because on one hand, the Company intensified its efforts in accounts receivable collection during the Period, effectively accelerating capital recovery; on the other hand, overseas business revenue grew at a higher rate than domestic revenue, while overseas customers generally have shorter payment terms compared to domestic customers.

Net cash used in the Group's investing activities decreased by approximately RMB21.6 million, which was mainly due to the decrease in capital expenditures during the Period as compared with the same period of last year.

During the Period, net cash used in the Group's financing activities was approximately RMB541.0 million, while net cash generated from the Group's financing activities was approximately RMB630.3 million in the same period of last year, which was mainly because on one hand, during the Period, the net cash flow from operating activities increased significantly compared to the same period last year, resulting in reduced financing needs; on the other hand, the acquisition of treasury shares resulted in the increase in cash outflows for financing activities of approximately RMB197.3 million.

Cash and cash equivalents as at 30 June 2025 were cash at banks and on hand, which were mainly denominated in RMB, US Dollars and EURO.

Net current assets

As at 30 June 2025, the Group's net current assets was approximately RMB3,823.8 million, representing a decrease of approximately RMB448.3 million as compared to approximately RMB4,272.1 million as at 31 December 2024. The decrease in net current assets was mainly because (1) cash on hand and at bank decreased by approximately RMB761.2 million; (2) bills receivable, receivables under financing and accounts receivable increased by approximately RMB255.9 million; and (3) bills payable and accounts payable decreased by approximately RMB96.9 million.

Bank loans

As at 30 June 2025, the Group's bank loans were approximately RMB9,465.8 million, representing an increase of approximately 1.8% as compared to approximately RMB9,300.5 million as at 31 December 2024. As at 30 June 2025, among the Group's bank loans, 0.04% were EURO loans, and the remaining 99.96% were mainly RMB loans.

Capital commitments and contingent liabilities

As at 30 June 2025, the Group's outstanding capital commitments on fixed assets were approximately RMB1,944.0 million (31 December 2024: approximately RMB2,067.9 million) and outstanding capital commitments on equity investment was nil (31 December 2024: nil). Out of the total amount of unsettled commitments as at 30 June 2025 of approximately RMB1,944.0 million (31 December 2024: approximately RMB2,067.9 million), a total amount of approximately RMB813.9 million (31 December 2024: approximately RMB819.6 million) were contracted, and the balance of approximately RMB1,130.1 million (31 December 2024: approximately RMB1,248.3 million) were authorized by the Board but not yet contracted.

As at 30 June 2025, the Group did not have any contingent liability.

Funding and treasury policy

The Group adopts a conservative approach on its funding and treasury policy, which aims to maintain an optimal financial position and the most economic finance costs as well as minimise the Group's financial risks. The Group regularly reviews the funding requirements to ensure adequate financial resources to support its business operations and future investments and expansion plans as and when needed.

Exposure to fluctuations in exchange rates

Most of the Group's revenues and expenses are settled in RMB, USD and EURO while some of the Group's sales, purchases and financial liabilities are denominated in USD, EURO, IDR, BRL, PEN, PLN, MXN, SGD, PHP, ZAR, GBP, NZD and AUD. Most of the bank deposits are in RMB, USD and EURO.

During the Period, due to the appreciation of emerging market currencies against major currencies such as the USD, the Group realized net foreign exchange gains of approximately RMB32.8 million.

Employees and remuneration policies

As at 30 June 2025, the Group had 9,926 full-time employees (31 December 2024: 9,616 full-time employees). During the Period, the staff costs of the Group were approximately RMB1,020.4 million (for the first half of 2024: RMB792.8 million). The Group has designed an annual evaluation system to assess the performance of its employees. Such system forms the basis of determining whether an employee should be entitled to salary increments, bonuses or promotions. The salaries and bonuses that the employees received are competitive with market rates. The Company has been in compliance with the relevant national and local labor and social welfare laws and regulations in China.

The Group arranges external training courses, seminars and technical courses for employees to enhance their professional knowledge and skills, their understanding of market development and management and operational skills.

On 30 June 2025, the shareholders of the Company resolved to adopt the 2025 Employee Share Ownership Plan of the Company (the “**2025 ESOP**”) at the annual general meeting of the shareholders of the Company for the year ended 31 December 2024. The purposes of the 2025 ESOP are, among other things, to incentivize core employees and promote the long-term, sustainable and healthy development of the Company. The total number of underlying Shares under the 2025 ESOP was 6 million A shares. The participants of the 2025 ESOP include directors (excluding independent directors), supervisors, senior management officers and core personnel of the Company, its subsidiaries and branch offices, as well as other personnel deemed necessary by the Board to be motivated. The total number of participants under the proposed 2025 ESOP shall not be more than 218. For further details, please refer to the Company’s announcements dated 28 March 2025 and 7 August 2025.

Off-balance sheet arrangements

As at 30 June 2025, the Company discounted and endorsed certain bank bills receivable with a carrying amount of approximately RMB352.5 million (31 December 2024: approximately RMB582.3 million) to certain commercial banks in China and its suppliers.

ACQUISITION, DISPOSAL AND FORMATION OF NEW PRESENCES

Yangtze Optical Fiber Material (Hubei) Co., Ltd.

In February 2025, the Company acquired 51% equity interest of Yangtze Optical Fiber Material (Hubei) Co., Ltd. (“**YOFC Material**”), and upon the completion of the acquisition, YOFC Material has become wholly owned by the Company. The financial results of YOFC Material has been consolidated in the financial statements of the Group since February 2025.

YOFC Material was established on 18 August 2015 and it mainly engages in the the production and sales of optical fibre preforms and related products.

Penta Laser (Zhejiang) Co., Ltd.

On 28 March 2025, the Company (as the purchaser), Ot-las S.r.l. (a controlled subsidiary of El.En. S.p.A., as the vendor) and El.En. S.p.A. (as the guarantor) entered into the share purchase agreement, pursuant to which, the Company has conditionally agreed to purchase and Ot-las S.r.l. has conditionally agreed to sell an aggregate of 28,698,288 shares of Penta Laser (Zhejiang) Co., Ltd. (“PLZ”), representing approximately 59.1837% of the total share capital of PLZ immediately after the completion of the proposed acquisition, at a consideration of RMB239,959,832 in cash. As at 30 June 2025, the proposed acquisition has not been completed, PLZ had not become a subsidiary of the Company and its financial results have not been consolidated into the Group’s consolidated financial statements.

PLZ was established on 24 December 2012, mainly engaged in the R&D, production, and sales of high-power laser processing equipment. Its products are widely used in cutting, welding, and new energy vehicle applications, among other fields.

The aforementioned transactions did not constitute notifiable transactions or connected transactions of the Company under Chapter 14 and Chapter 14A of the Hong Kong Listing Rules.

OUTLOOK

Description of the industry and main business of the Company during the Period

The Company is a world-leading enterprise engaged in the research, development, innovation and manufacturing of optical fibre preforms, optical fibres, optical cables and data communication-related products. It has established a complete industrial chain integrating communications industry-related products and services, including optical communication products, optical transmission components, integrated cabling, and communications network engineering, as well as a diversified and international business model, providing products and services to more than 100 countries and regions around the world. In the field of optical communication products, the Company provides upstream and downstream products and services in the cable industry chain, such as optical fibre preforms, optical fibres, optical cables, leaky cables, RF cables and other wires and cables related products and services used in the telecom and datacom industries. In the field of optical transmission components, the Company provides optical components, optical modules, active optical cables, passive preassembled jumper cables, high-speed copper datacom cables and other components related products and services used in the telecom and datacom industries.

In the first half of 2025, the domestic telecommunications market operated steadily. In terms of mobile network, the penetration rate of 5G users continued to increase and the large-scale applications were continuously improved. As of the end of June 2025, the number of 5G base stations in China has reached 4.55 million, and the number of 5G mobile phone users has reached 1.118 billion, with a user penetration rate of over 79%. The proportion of administrative villages connected to 5G signals has exceeded 90%. In terms of fixed network, as of the end of June 2025, the number of domestic fixed Internet broadband access households with access rates of 100Mbps and above has reached 651 million, accounting for more than 95% of the total number of households. Among them, the number of fixed Internet broadband access households with access rates of 1Gbps and above has reached 226 million, accounting for one-third of the total number of households. China has built the world’s largest information and communication network with advanced technology, and the intensity of subsequent construction will slow down. In recent years, the total capital expenditure of major domestic telecommunications operators has continued to decline. The total capital expenditure of China Mobile, China Telecom and China Unicom in 2024 was approximately RMB318.9 billion, representing a year-on-year decrease of approximately 9.7%. In 2025, the guidance for the capital expenditure of China Mobile, China Telecom and China Unicom is approximately RMB289.8 billion, representing a decrease of approximately 9.1% from the actual capital expenditure in 2024.

In overseas markets, the current international macroeconomic situation is complicated and the trade protectionist measures adopted by major economies frequently present both opportunities and challenges for the construction of telecommunications networks. According to a report issued by CRU in May 2025, the capital expenditures of the world's top ten telecommunications operators has declined slightly in 2024 compared with that in 2023, while the global optical fibre and cable market demand has shown a steady trend after shrinking since 2023. CRU expects a moderate year-on-year growth of approximately 1.9% in global demand for optical cables in 2025.

In the data center market, the rapid development of generative artificial intelligence and the rapid iteration of AI large models have created a huge demand for computing power, and the construction of computing power data centers is in the ascendant. According to information released by the four major North American cloud service providers including Microsoft, Google, META and Amazon, the total capital expenditure of these companies in the second quarter of 2025 was approximately US\$95.8 billion, representing a year-on-year increase of approximately 64%. The demand outlook for the whole year is optimistic. The continuous construction of data centers at home and abroad will drive the steady growth of related products.

Discussion and analysis of operating conditions

1. *Quality and efficiency improvement of main business*

In the new stage of high-quality development of the telecommunications industry, common single-mode optical fibre and cable products required in the telecommunications market are faced with the dual pressures of continuous contraction of effective demand and continuous decline of average unit price. In the first half of 2025, the Company's optical communication products segment achieved a total revenue of approximately RMB3.85 billion, representing a year-on-year increase of 8.7%, but its gross profit margin was approximately 29.6%, representing a decrease of 4.5 percentage points as compared to the same period of last year. In China Mobile's centralized procurement for common optical cable in June 2025, the total volume was approximately 99 million fibre kilometers, which decreased by approximately 10% compared to the previous procurement, while the average price was approximately RMB48 per fibre kilometer, representing a decrease of approximately 26% compared to the previous procurement. The Company ranked third and had gain approximately 14% of the total volume, which was lower than the last two procurements, in which the Company ranked first and had approximately 20% of the total volume.

On the one hand, the Company continues to improve the production process to optimize manufacturing cost, and on the other hand, it seizes the structural opportunities in the market to vigorously expand the application of new optical fibre products. In addition to its large-scale application in the upgrade of long-distance communication trunk lines, G.654.E optical fibre, which can meet the requirements of ultra-high speed, ultra-large capacity and ultra-long-haul transmission, is also being applied to the deployment scenarios of metropolitan area access network and direct optical fibre connection of computing data center clusters. In June 2025, China Mobile conducted centralized procurement of G.654.E optical cable products, with a total centralized procurement of 3,138,600 fibre-kilometers, representing an increase of approximately 156% compared to its previous total centralized procurement demand in September 2023. The Company won 50% of the bids in this centralized procurement. At the same time, with the expansion of the scale of data center clusters, the requirements on effective transmission distance, latency and other performances of the optical fibres and optical cable products used therein have increased significantly. The Company's medium to high-end multi-mode optical fibres products, and its subsidiary EverProX's optical transmission components applied in the data center market, such as MPO patch cords and AOCs, have both achieved growth in performance.

Since among the total demands for optical fibre and cable, the proportion from common single-mode optical fibres and cables, which are used in telecom markets, was substantially higher than that from other new types of optical fibre and cable products, the continuous decline of both demanded volume and average price poses significant challenge to the principal business of the Company.

2. *Development driven by technological innovation*

Technological innovation and intelligent manufacturing are the Company's core strategic initiatives. The Company has long insisted on investing more than 5% of its operating income in R&D, with no upper limit. Our relentless commitment to technological innovation has enabled us to maintain a leading technology level in the industry. At the International Optical Fibre Communication Conference and Exhibition (國際光纖通訊博覽會及研討會) (OFC) in April 2025, the Company, in cooperation with well-known domestic and foreign research institutions, published 18 high-quality papers, including five papers published as the first complete unit and one PDP paper. These papers relate to breakthroughs in quantum transport in hollow-core optical fibres, multi-core optical fibres and few-mode optical fibres, high-capacity and long-haul transmission of hollow-core optical fibres and multi-core optical fibres and few-mode optical fibres, new multi-band fibre amplifiers, etc. as well as the international cutting-edge research direction, showcasing the Company's technological research and development achievements to the global optical communication academic community.

At the same time, the Company continues to promote the business expansion of cutting-edge products. At present, artificial intelligence is driving the global industry to open a new round of technological revolution like never before, and its development will also become an important driver for the growth of the optical fibre and cable industry. In response to the needs of artificial intelligence development and computing power data center construction, the Company has promoted the research and development and industrial application of new optical fibres with a forward-looking layout, and has driven the development of optical fibre networks towards the "three ultras", namely ultra-large capacity, ultra-low latency and ultra-low loss networks, to support the construction of artificial intelligence infrastructure. The Company has also made substantial progress in the testing and verification process of hollow-core optical fibre, which is a disruptive product in the industry. In August 2025, the hollow-core optical fibre provided by the Company enabled China Mobile to complete China's first anti-resonant hollow-core optical fibre line with fully independent intellectual property rights in the Guangdong-Hong Kong-Macao Greater Bay Area. This line mainly serves data transmission between the Shenzhen and Hong Kong stock exchanges. It reduces the transmission delay of Shenzhen-Hong Kong cross-border securities transactions to 1 millisecond, and achieves a fibre loss of 0.09dB/km, setting a new global record for the lowest loss of commercial fibre optic fibre and cables. As a cutting-edge product in the industry, the application of hollow-core optical fibre is still in the early stage, and it has not yet achieved large-scale sales, stable price and profit level, nor has it affected the operating results of the Company. The Company will continue to improve the preparation process and technology, break through the obstacles of construction, operation and maintenance, promote the maturity of the upstream and downstream systems of the industrial chain, and drive the large-scale commercialization of hollow-core optical fibres.

3. *Resolute promotion of international strategic layout*

Demand in the global optical fibre and cable industry remains stable, while the trade environment is becoming increasingly complex. The Company remains steadfast in its internationalization strategy and is continuously optimizing its business and production capacity to mitigate trade protectionism risks. After the initial completion of the localized production capacity layout for global customers, the Company has comprehensively improved its international operation capabilities, and promoted the benchmarking and synergy among domestic and foreign production bases in various aspects such as production costs, raw material procurement, product research and development, and quality control to optimise operating efficiency. The Company also achieved continued market expansion in the Southeast Asian markets for its telecommunications network engineering projects.

In the first half of 2025, revenue from overseas business of the Company has reached approximately RMB2.70 billion, representing a year-on-year increase of approximately 52.8%, and its revenue structure has become more diversified. On the basis of stabilizing at more than 30% for four consecutive years from 2021 to 2024, revenue from overseas business of the Company has been further increased to 42.3% of its total revenue in the first half of 2025.

4. *In-depth development of the diversified strategic direction*

After completing the initial layouts of its diversification strategy, the Company has further developed relevant business directions. In the field of optical transmission components, the Company's subsidiary EverProX achieved rapid business growth in the data communication, consumer and industrial interconnection markets. In the first half of 2025, the Company's optical transmission components segment achieved revenue of approximately RMB1.44 billion, representing a year-on-year increase of 54.6%, and achieved a gross profit margin of approximately 40.7%, representing an increase of 18 percentage points as compared to the same period last year.

In other diversified directions, the Company continues to make business progresses. In the field of industrial laser, YOFC Everfoton continued to enhance its core competitiveness and achieved an increase in business scale and an improvement in profitability in the first half of 2025. The Company completed the acquisition of Penta Laser (Zhejiang) Co., Ltd. (奔腾激光(浙江)股份有限公司) in July 2025, which will enable the integration and coordinated development of the laser and laser equipment businesses in the industrial laser industry chain. In the field of high-purity quartz materials, the optical quartz component R&D and industrialization project has progressed smoothly. The project will utilize its independently developed technologies and equipment to expand the application of high-end quartz materials in optics and other fields by extending its manufacturing platform of fibre-grade high-purity synthetic quartz. In the field of submarine cables and marine engineering, the Company has quickly completed the integration of the Yangtze (Jiangsu) Marine Technology Company Limited, a platform for manufacturing submarine cables, and is expected to achieve rapid business expansion. In the field of third-generation semiconductors, YOFC Advanced Semiconductor's production base in Wuhan has completed the first wafer production in May 2025, under which a comprehensive process flow and a complete process platform have been established. YOFC Advanced Semiconductor has also built the first fully automated crane handling plant (Auto3) in the silicon carbide industry to achieve efficient use of production resources and maximize manufacturing efficiency. Currently, the aforementioned diversified businesses were at an early development stage and investment phase, and have not contributed to the operating results of the Company.

5. Synergetic growth of capital market

In August 2025, the Company completed the issuance of the first tranche of science and technology innovation bonds in 2025 with a scale of RMB500 million and a bond maturity of three years with an AAA credit rating at an interest rate of 1.9%. This Bond is the first science and technology innovation bond in the optical fibre and cable industry in China, and the subscription multiple and the issuance rate have reflected the market's high recognition of the Company's stable financial position and business development trend.

From April to May 2025, the Company repurchased a total of 6 million A shares of the Company through the trading system of the Shanghai Stock Exchange by way of centralized bidding transactions, and in August 2025, the non-trading transfer of such shares to the Company's securities account of "Yangtze Optical Fibre and Cable Joint Stock Limited Company – 2025 Employee Share Ownership Plan" was completed. The Company has rapidly promoted share repurchases to reward investors, and the smooth implementation of the 2025 Employee Share Ownership Plan has helped further improve the Company's long-term and effective incentive and restraint mechanism, enhance the cohesion of employees and the core competitiveness of the Company, mobilize the enthusiasm and creativity of employees, and promote the long-term, sustainable and healthy development of the Company.

DIVIDEND

The Board did not recommend any interim dividend for the Period.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

On March 28, 2025, the Board resolved to adopt the repurchase plan of A Shares through centralized bidding for the purpose of implementing the 2025 ESOP. During the Period, the Company repurchased 6,000,000 A shares on the Shanghai Stock Exchange for an aggregate consideration of RMB197,297,993 (before transaction expenses). Details of the A Shares repurchased are as follows:

Month of purchase in Period	No. of A Shares purchased	Purchase consideration per share		Aggregate consideration paid RMB
		Highest price paid RMB	Lowest price paid RMB	
April 2025	4,000,000	33.08	29.83	126,546,446
May 2025	2,000,000	36.94	33.47	70,751,547
Total	<u>6,000,000</u>			<u>197,297,993</u>

Save as disclosed above, during the six months ended 30 June 2025, there were no purchase, sales or redemption of the Company's listed securities (including the sale of treasury shares) by the Company or its subsidiaries.

IMPORTANT EVENTS AFTER THE PERIOD

There were no important events affecting the Group, which occurred after the Period and up to the date of this announcement.

AUDIT COMMITTEE

The Company established the audit committee of the Company (“**Audit Committee**”) with written terms of reference in compliance with the Corporate Governance Code (the “**CG Code**”) contained in Appendix C1 to the Hong Kong Listing Rules. As at the date of this announcement, the Audit Committee comprises three members, namely Mr. Song Wei, Ms. Li Chang'ai and Mr. TSANG Hin Fun Anthony, the independent non-executive directors of the Company. Mr. Song Wei is the chairman of the Audit Committee.

The Audit Committee has reviewed and discussed the unaudited interim results of the Group for the six months ended 30 June 2025.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

As a company incorporated in the PRC and dual listed on the Shanghai Stock Exchange and the Hong Kong Stock Exchange, the Company has to comply with the relevant provisions of the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange and the Hong Kong Listing Rules and to abide by the PRC Company Law and the applicable laws, regulations and regulatory requirements of Hong Kong and the PRC as the basis for the Company's corporate governance.

The Company has adopted all the code provisions set out in the CG Code and has complied with all the code provisions under the CG Code for the six months ended 30 June 2025.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

The Company has adopted the Company Securities Dealing Regulations on Directors, Supervisors and Related Employees (the “**Company's Code**”) as its own code regarding securities transactions by directors and supervisors of the Company on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) contained in Appendix C3 to the Hong Kong Listing Rules. Having made specific enquiries in writing to the directors and supervisors of the Company, all directors and supervisors of the Company have confirmed that they have complied with the required standard set out in the Model Code and the Company's Code regarding securities transactions throughout the six months ended 30 June 2025.

INTERIM REPORT

The interim report of the Company will be despatched to the requesting shareholders of the Company and published on the websites of Hong Kong Stock Exchange (www.hkexnews.hk) and the Company (www.yofc.com), respectively before the end of September 2025.

FORWARD-LOOKING STATEMENTS

The Company would also like to caution readers about the forward-looking nature of certain of the above statements. These forward-looking statements are subject to risks and uncertainties and assumptions, some of which are beyond our control. Potential risks and uncertainties include those concerning the continued growth of the telecommunications industry in China, the development of the regulatory environment and our ability to successfully execute our business strategies. In addition, these forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. The Company does not intend to update these forward-looking statements. Actual results may differ materially from the information contained in the forward-looking statements as a result of a number of factors.

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 August 2025

As at the date of this announcement, the Board comprises Mr. Zhuang Dan as executive director; Mr. Ma Jie, Mr. Guo Tao, Mr. Pier Francesco Facchini, Mr. Lars Frederick Persson, Mr. Hamavand Rayomand Shroff, Mr. Xiong Xiangfeng and Mr. Mei Yong as non-executive directors; and Mr. Bingsheng Teng, Mr. Song Wei, Ms. Li Chang'ai and Mr. Tsang Hin Fun Anthony as independent non-executive directors.

* For identification purposes only