



長飛光纖光纜股份有限公司

YANGTZE OPTICAL FIBRE AND CABLE JOINT STOCK LIMITED COMPANY

(於中華人民共和國註冊成立的股份有限公司)
(a joint stock limited company incorporated in the People's Republic of China with limited liability)
(STOCK CODE 股份代號: 6869)



ANNUAL REPORT | 2015
年報 |

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CORPORATE PROFILE

公司簡介

Yangtze Optical Fibre and Cable Joint Stock Limited Company* is the largest optical fibre preform and optical fibre supplier and the second largest optical cable supplier in the world. The Company primarily manufactures and sells optical fibre preforms, optical fibres and optical fibre cables with various standard specifications that are widely used in the telecommunications industry. The Company also designs and produces specialty optical fibres and cables, including specialty integration systems, engineering design and service that are customised to customers' specifications. The Company has the most comprehensive optical fibre and cable product portfolios, and provides a wide range of optical fibre and cable products with 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 50 countries and regions.

The Company, formerly known as Yangtze Optical Fibre and Cable Company Ltd, was established in Wuhan, Hubei Province in May 1988 as a sino-foreign equity joint venture. On 27 December 2013, the Company was converted into a foreign invested joint stock limited liability company, and was renamed to Yangtze Optical Fibre and Cable Joint Stock Limited Company*. The substantial shareholders of the Company include China Huaxin, Draka and Yangtze Communications.

The H shares of the Company were successfully listed on the Main Board of the Hong Kong Stock Exchange on 10 December 2014. On 18 December 2015, the Company completed the Private Placement. As of 31 December 2015, the total number of issued shares of the Company was increased from 639,462,598 shares to 682,114,598 shares, among which 351,566,794 shares were H shares and 330,547,804 shares were domestic shares.

長飛光纖光纜股份有限公司為全球第一大光纖預製棒及光纖供應商和全球第二大光纖供應商，主要生產和銷售通信行業廣泛採用的各種標準規格的光纖預製棒、光纖及光纜，也設計及定制客戶所需規格的特種光纖及光纜，包括集成系統、工程設計與服務。本公司擁有最完備的光纖及光纜產品組合，為全球通信行業及其他行業（包括公用事業、運輸、石油化工及醫療）提供各種光纖光纜產品及相關解決方案，在全球50多個國家和地區提供優質的產品與服務。

本公司為一九八八年五月在湖北省武漢市註冊成立的中外合資企業，前稱長飛光纖光纜有限公司。本公司於二零一三年十二月二十七日改制為外資股份有限公司，更名為長飛光纖光纜股份有限公司。本公司的主要股東包括中國華信、Draka及長江通信。

本公司的H股於二零一四年十二月十日在香港聯交所主板成功掛牌上市。本公司於二零一五年十二月十八日完成非公開配售。於二零一五年十二月三十一日，本公司的已發行股份總數從639,462,598股增加至682,114,598股，其中351,566,794股為H股，330,547,804股為內資股。

* For identification purposes only

FINANCIAL HIGHLIGHTS

財務摘要

For the year ended 31 December 2015, the Group's operating results were as follows:

- Total revenue was RMB6,731.1 million, increased by approximately 18.6%.
- Gross profit and gross profit margin were RMB1,304.2 million and 19.4%, respectively.
- Profit for the year attributable to equity shareholders of the Company was RMB570.7 million, increased by approximately 22.4%.
- The Group's revenue from domestic business increased by approximately 17.5%, when compared with the prior year. The Group's overseas revenue increased by approximately 33.0%, when compared with the prior year.
- The Board recommended a final dividend of RMB0.174 (before tax) per share.

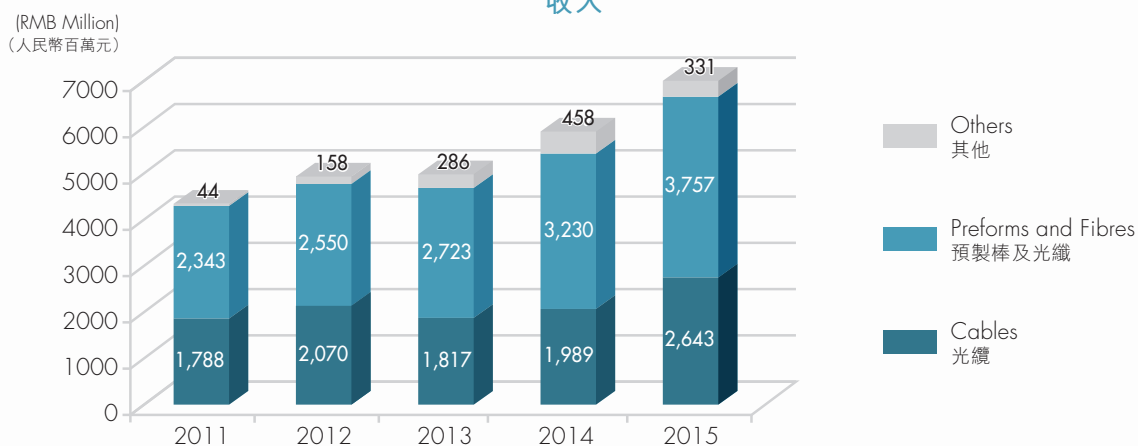
截至二零一五年十二月三十一日止年度，本集團的經營業績如下：

- 總收入為人民幣6,731.1百萬元，增幅約為18.6%。
- 毛利及毛利率分別為人民幣1,304.2百萬元及19.4%。
- 本公司權益持有人應佔年內利潤為人民幣570.7百萬元，增幅約為22.4%。
- 與去年比較，本集團來自國內業務的收入增加約為17.5%。與去年比較，本集團來自海外業務的收入增加約為33.0%。
- 董事會建議派發末期股息每股人民幣0.174元(除稅前)。

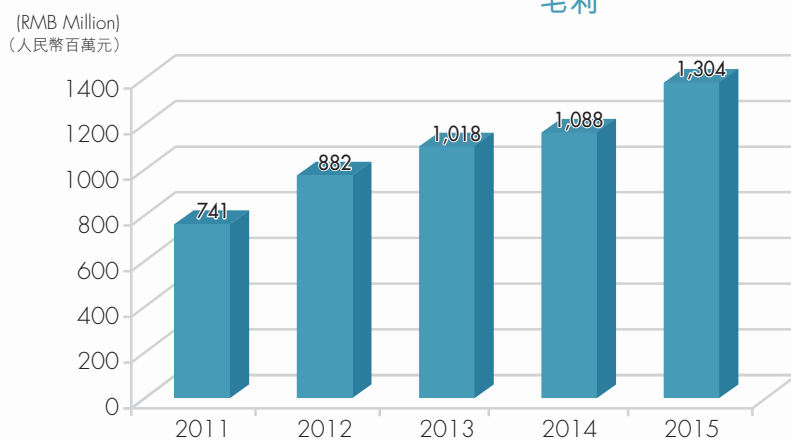
FINANCIAL HIGHLIGHTS (Continued)

財務摘要 (續)

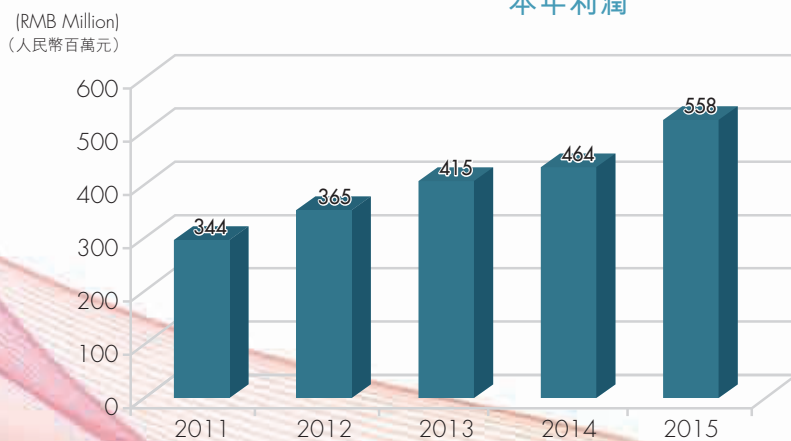
REVENUE 收入



GROSS PROFIT 毛利



PROFIT FOR THE YEAR 本年利潤



FINANCIAL HIGHLIGHTS (Continued)

財務摘要(續)

FIVE-YEAR FINANCIAL SUMMARY

五年財務摘要

		Year ended December 31 截至十二月三十一日止年度				
		2011 二零一一年	2012 二零一二年	2013 二零一三年	2014 二零一四年	2015 二零一五年
Operating Result		經營業績				
Gross profit margin	毛利率	17.8%	18.5%	21.1%	19.2%	19.4%
Net profit margin	淨利率	8.2%	7.6%	8.6%	8.2%	8.3%
Return on equity ⁽¹⁾	股本回報率 ⁽¹⁾	22.9%	22.1%	25.5%	21.0%	16.8%
Financial Position		財務狀況				
Net cash from operating activities (RMB'000)	經營活動產生的現金淨額(人民幣千元)	594,461	496,196	431,146	200,177	550,820
Total assets (RMB'000)	資產總額(人民幣千元)	3,496,859	4,008,444	5,007,731	6,591,116	7,582,809
Total non-current assets (RMB'000)	非流動資產總額(人民幣千元)	1,495,734	1,684,782	1,713,461	1,979,214	2,554,466
Total current assets (RMB'000)	流動資產總額(人民幣千元)	2,001,125	2,323,662	3,294,270	4,611,902	5,028,343
Total liabilities (RMB'000)	負債總額(人民幣千元)	1,952,605	2,257,246	3,498,079	3,679,625	3,851,134
Total non-current liabilities (RMB'000)	非流動負債總額(人民幣千元)	448,761	184,848	897,859	1,095,358	874,267
Total current liabilities (RMB'000)	流動負債總額(人民幣千元)	1,503,844	2,072,398	2,600,220	2,584,267	2,976,867
Net Assets (RMB'000)	淨資產(人民幣千元)	1,544,254	1,751,198	1,509,652	2,911,491	3,731,675
Gearing ratio	負債資本比率(倍)	51.6%	43.0%	47.4%	16.3%	11.0%
Working Capital Cycles		營運資金週期				
Average trade and bills receivables turnover days ⁽²⁾	平均應收賬款及票據週轉天數 ⁽²⁾	111.8	99.6	110.8	104.6	104.8
Average trade and bills payable turnover days ⁽³⁾	平均應付帳款及票據週轉天數 ⁽³⁾	40.1	47.2	66.0	56.2	52.2
Average inventory turnover days ⁽⁴⁾	平均存貨週轉天數 ⁽⁴⁾	32.9	34.6	55.6	56.4	46.3
Operating Efficiency (percentage of revenue)		營運效率(佔收入百分比)				
Selling expenses	銷售費用	2.2%	2.0%	2.3%	2.2%	2.4%
Administrative expenses	管理費用	9.0%	9.0%	9.1%	7.8%	8.2%
Net finance costs	淨融資成本	0.5%	1.3%	0.8%	0.8%	1.9%
Effective tax rate	實際稅率	8.6%	9.0%	11.7%	13.2%	11.7%

(1) Calculated using the profit for the year divided by average total equity on an annualised basis, multiplied by 100%.

(2) Average trade and bills receivables turnover days are based on the average balance of trade and bills receivables divided by revenue for the relevant year and multiplied by 365 days. Average balance is calculated as the average of the beginning balance and ending balance of a given year.

(3) Average trade and bills payable turnover days are based on the average balance of trade and bills payable divided by cost of sales for the relevant year and multiplied by 365 days. Average balance is calculated as the average of the beginning balance and ending balance of a given year.

(4) Average inventory turnover days are based on the average balance of inventory divided by cost of sales for the relevant year and multiplied by 365 days. Average balance is calculated as the average of the beginning balance and ending balance of a given year.

(1) 以本年利潤除以年度平均權益總額乘以100%計算。

(2) 平均應收賬款及票據週轉天數按應收賬款及票據的平均結餘除以相關年度的收入再乘以365天計算。特定年度的平均結餘按年初結餘與年末結餘的平均數計算。

(3) 平均應付賬款及票據週轉天數按應付賬款及票據的平均結餘除以相關年度的銷售成本再乘以365天計算。特定年度的平均結餘按年初結餘與年末結餘的平均數計算。

(4) 平均存貨週轉天數按平均存貨結餘除以相關年度的銷售成本再乘以365天計算。特定年度的平均結餘按年初結餘與年末結餘的平均數計算。

CHAIRMAN'S STATEMENT

董事長報告



Dear shareholders,

2015 was the first full financial year after the listing of the Company's H shares, and was also the last financial year of the Company's previous five-year plan. The Company has exceeded the annual operation targets, comprehensively achieved every goal set by the Board, and consequently delivered satisfactory results to our shareholders and the society. The major achievements are reflected in the following areas:

Firstly, we reached record high on operation results: the Company, by focusing on manufacturing and operation, seizing every market opportunity, exploring organic growth potentials and making every efforts to fulfill various demands from our customers, has comprehensively completed operation targets in year 2015. Our production and sales both reached historical highs of 91.13 million fkm and 122.69 million fkm, respectively. Our revenue increased by 18.6%, the net profit increased by 20.3%, and our earnings per share was RMB0.89. Because of our favourable operation results, the Company's shares had been included in Morgan Stanley Capital International Global Small Cap Indexes.

尊敬的各位股東：

二零一五年是本公司H股上市後的第一個完整財年，也是公司上一個五年計劃的收官之年，公司超額完成了年度經營計劃，全面實現了董事會確定的各項工作目標。為股東和社會交出了一份靚麗的成績單，主要業績體現在以下幾方面：

第一、經營業績創新高：公司以生產經營為中心，把握住市場機遇，通過全力內部挖潛，在千方百計均衡滿足各客戶需求的基礎上，全面完成了二零一五年經營任務，產量和銷量再創歷史新高，分別達到了91.13百萬芯公里和122.69百萬芯公里；營業收入增長18.6%，淨利潤增長20.3%，每股盈利為人民幣0.89元。得益於穩健良好的業績表現，公司股票還被納入摩根士丹利資本國際(MSCI)全球小型股中國指數。

Secondly, we expanded our production bases to new locations: Taking advantage of "One Belt, One Road" national initiative, we have completed our domestic industrial layout by establishing new production bases in Wuhan Science & Technology Parks; Qianjiang Science & Technology Park, Hubei Province; Shenyang, Tieling, Liaoning Province; Lanzhou, Gansu Province and Lin'an, Zhejiang Province. Among which, the full operation of cable production lines in Wuhan Science & Technology Park has greatly improved our delivery capabilities to our local and overseas customers. In addition, the production base for perform's raw materials, preforms and optical fibres in Qianjiang Science & Technology Park, Hubei Province is under construction. This production base will further strengthen the Company's leading position in optical fibre preform and optical fibre industry and can provide strong support for our forthcoming development as well as our strategic target "To become global No. 1". Meanwhile, 2015 was the year of internationalisation for the Company. We reached out to global markets by establishing group companies on optical fibre and optical fibre cable in Myanmar, Indonesia and South Africa. Besides, our 22 overseas sales representative offices have already successfully conducted their businesses in overseas. In 2015, our overseas sales volume and revenue have rapidly increased by 26.0% and 33.0%, respectively, which marked a milestone to become a multinational group.

Thirdly, we set optimised policies for corporate management: our corporate management has significantly been changed and improved. After listing, the Company has reformed, adjusted and improved itself on compliance related matters pursuant to the relevant requirements for listed companies. Also, we were awarded with several social honours such as "China Best Corporate Citizenship Award" as well as "National Quality Benchmarking". Meanwhile, we have carried out several new policies for employees, such as "Vacancy Fill-up Competition", optimised remuneration system that closely linked their individual income with their individual performance, introduced the mixed ownership system in certain of our subsidiaries. More importantly, the Company has successfully implemented the ESOP to motivate more than 150 core employees in the technology and management positions. Through subscription of shares, they have become shareholders of the Company. All the abovementioned new policies reflects significant improvement on the corporate management and have generated positive effect not only in 2015 but also in the future. Especially, the ESOP and the mixed ownership system in certain of our subsidiaries will significantly improve the enthusiasm and creativity of employees, thereby maximising the full potential of employees.

第二、生產基地辟新址：借助中國「一帶一路」國家戰略，在武漢科技園、湖北潛江科技園、遼寧瀋陽鐵嶺、甘肅蘭州、浙江臨安建立新的生產基地，已基本完成國內產業佈局。其中，武漢科技園中光纖生產線的全面投產已大大提高對國內外客戶的交付能力，在建的湖北潛江科技園內預製棒原材料-預製棒-光纖生產基地將進一步夯實公司在光纖預製棒和光纖上的領導地位，可為今後的大發展和實現「全球第一」的戰略目標提供強有力的支撐。同時，二零一五年作為公司的國際化年，公司也真正走向國際市場：在緬甸、印尼、南非設立了光纖光纜集團公司，建立的22家海外辦事處已駐本地開展業務。在二零一五年，國際銷量和營業收入均得到快速增長，分別增長26.0%和33.0%，揭開公司打造跨國集團的序幕。

第三、企業管理立新規：企業管理有了重大的改變和進步。上市後，根據上市公司的要求，實行合規的改革、調整和改進，逐步走向規範化，並獲得「中國最佳企業公民綜合大獎」和「全國質量標杆」等社會榮譽；同時，推出一些針對員工新機制，如推行「幹部競聘上崗」，建立了個人收入與業績緊密掛鉤的分配機制，在子公司中試點了混合所有制，更重要的是本公司成功實施了員工持股計劃，對150多名企業技術和管理骨幹實行了股權激勵，讓大家成為企業的股權擁有者之一。這些反映了公司在管理上的重大改進，產生的積極作用，不僅體現在二零一五年，更將體現在以後，特別是股權激勵和在某些附屬公司實行的混合所有制，將為全面調動員工的積極性和創造性以最大限度的發揮員工的潛能產生至關重要的作用。

Fourthly, we gained some new achievements on technology development: the Company has been focusing on investments in research and development so as to effectively implement the Company's business development strategy. In 2015, we implemented new self-developed preform manufacturing technology, which marked a pivotal point in our multi-processes strategy. Meanwhile, the Company announced new products such as FullBand® Ultra and FarBand® Ultra Low Loss Fibre, Cable for Extremely Cold Area, Fibre Perimeter Monitor System (FPMS), Pre-terminated Cable System for iCONEC Data Centre, FTTD Integrated Solutions based on Air-blown Cabling, FIBBR HDMI Data Cable, etc. These products contributed to the whole value chain and related diversification development. As the first company in China to have a global leading technology in ultra Low Loss Fibre production, we announced two Ultra Low Loss Fibre products with Ultra-high speed (Single channel transmission rate exceeding 400Gb/s), Ultra-high capacity and can be used in Ultra-long distance in March 2015 in the 40th Optical Fiber Communication Conference & Exposition in the U.S ("OFC") and were highly recognised by the industry.

Fifthly, our high quality products earned "new honours": 2015 cumulative quality goals fulfillment rate reached 93%, an increase of 7% compared to 2014, and we were awarded with three international quality awards (including "ESQR's Quality Achievement Award 2015 in the Gold CATEGORY" by European Quality Association, Gold Medal by ICQCC, "Inspirational company of the BIZZ 2015" by World Confederation of Business (WORLDCOB)), five national quality awards (including Nomination of China Quality Award which is the highest national award in quality, "National Quality Benchmarking" by Ministry of Industry and Information Technology ("MIIT"), "15th National Quality Award Encouragement Award" and "National Advanced Enterprise of Performance Excellence Model" National Excellent QC Group and National Excellent Lean Six Sigma Projects by China Quality Association), and three local quality awards (including "The Sixth Yangtze River quality Award" by Hubei Government, "Hubei Famous Brand" and "Wuhan Famous Brand" by Hubei and Wuhan Bureau of Quality and Technical Supervision).

第四、技術開發結新果：本公司專注在研發領域的長期投入，以支撐公司經營發展戰略的有效實施。在二零一五年，自主開發的新型預製棒製造工藝投入使用，使公司多工藝路線戰略正式落地；同時，公司先後推出了全貝超強®和遠貝超強®兩款超低損耗光纖、極寒地區用光纜、周界安防光纖傳感系統、iCONEC數據中心用預端接光纜系統、基於氣吹敷設的FTTD綜合解決方案以及菲伯爾(FIBBR) HDMI數據線等，推動了公司全產業鏈和相關多元化發展，尤其作為世界首屈一指和國內首家掌握超低衰減光纖技術的企業，於二零一五年三月在第40屆美國光纖通訊展覽會及研討會(「美國OFC」)上正式發佈的可用於超高速率(單信道傳輸速率可達400Gb/s及以上)、超大容量和超長距離的兩款超低損耗光纖產品，得到了業內的高度認可。

第五、產品質量獲新譽：二零一五年累計的質量目標綜合達成率為93%，相對於二零一四年提高了7%，且獲得3項國際質量獎項(包括歐洲質量研究協會頒發的2015質量進步獎、北極星QC小組獲得在韓國舉辦的國際QC小組大賽金獎和世界商業聯盟頒發的「管理與質量獎」、5項國家級質量獎項(包括國內質量領域最高獎項中國質量獎之提名獎、中國工信部授予「全國質量標杆」榮譽稱號、中國質量協會頒發的二零一五年「第十五屆全國質量獎鼓勵獎」和「全國追求卓越績效模式先進企業」、全國優秀質量管理小組和全國優秀精益六西格瑪項目獎)和3項地方質量獎項(包括第六屆湖北省「長江質量獎」、省市質監局分別頒發的「湖北名牌」獎牌和「武漢名牌」獎牌)。

CHAIRMAN'S STATEMENT (Continued)

董事長報告(續)

Looking ahead, with more countries in the world seriously promoting the "National Broadband" strategy, the development of 4G network, the launch of infrastructure construction of 5G network, and especially the "Internet +" and the extension of internet infrastructure to all villages initiated by Chinese government, the market demand of global optical fibre and cable will keep growing, as a result, 2016 will be another prosperous year for the telecommunications industry. Facing the promising market situation, the Company will seize those opportunities to accelerate the construction of various investment projects and to ensure all these projects can be completed on schedule and commence mass production as soon as possible. Meanwhile, 2016 is the opening year of our next five-year development plan, the Company will accelerate our innovation on technology, management and business model to achieve our global No. 1 strategic target. We will simultaneously formulate and implement, once formulated, our five-year strategic development plan as well as seek new business opportunities in order to ensure our sustainability and to enhance our profitability.

Finally, on behalf of the Board, I would like to express my sincere gratitude to the management team and staff for their outstanding contribution for our company. I would also like to thank our shareholders, clients, suppliers, business partners and the public community. We will make continuous efforts to create value for clients, create profit for shareholders, create welfare for employees, and make contributions for the industry.

Wen Huiguo
Chairman

Wuhan, China
24 March 2016

展望未來，隨著全球眾多國家「寬帶戰略」繼續深入推進，持續大力發展4G網絡和啟動試點5G網絡基礎設施建設，尤其是在中國政府倡導的「互聯網+」和寬帶進農村行動計劃的推動下，國內外光纖光纜市場需求將繼續保持穩定增長，二零一六年仍將是通信行業繼續蓬勃發展的一年。面對喜人的市場形勢，公司將牢牢抓住這一市場機遇，加速推進各投資項目建設，確保早投產早見效。同時，二零一六年作為公司下一個五年發展計劃的開局之年，公司將加快推進技術創新、管理創新和商業模式創新，在夯實光纖光纜主業以實現「全球第一」戰略目標的同時，制定好公司未來五年發展戰略規劃並實施，尋求新的發展機會，確保公司的可持續經營和盈利能力不斷增強。

最後，我謹代表董事會對管理團隊和各位員工為本公司做出的突出貢獻表示感謝！向長期關心和支持本公司的股東、廣大客戶、供應商、合作夥伴、社會各界表示最衷心的感謝！我們將努力持續為客戶創價值、為股東創效益、為員工謀福利和為行業做貢獻。

文會國
主席

中國武漢
二零一六年三月二十四日

GENERAL MANAGER'S REPORT

總經理報告



Dear shareholders,

It is my honour to report to you our operating performance for 2015.

FINANCIAL PERFORMANCE

In 2015, the Group's total revenue was RMB6,731.1 million, increased by 18.6% compared with last year. The sustainable growth of our revenue was mainly due to the continuous demand growth of domestic telecom operators, thus resulting in significant boost to our performance in domestic market. In the meantime, through continuous implementation of our internationalisation strategy and fast expansion in the overseas market, the export volume of our optical fibre and optical fibre cable had a significant growth. The annual sales volume of our three major businesses namely, optical fibre preform, optical fibre and optical fibre cable, reported double-digit growth. In 2015, our profit for the year was RMB558.2 million, increased by 20.3% compared with last year, and the basic earnings per share was RMB0.89.

尊敬的各位股東：

我很榮幸地向各位報告本公司二零一五年的經營業績：

財務表現

二零一五年，本集團實現總收入人民幣6,731.1百萬元，同比增長18.6%。收入的持續增長主要得益於本公司抓住了國內電信運營商需求旺盛的機遇，國內業績明顯提升。同時，我們堅持實施國際化戰略，大力拓展海外市場，光纖光纜出口大幅增長。全年公司光纖預製棒、光纖和光纜三大主營業務銷量全部實現雙位數增長。二零一五年，全年利潤為人民幣558.2百萬元，同比增長20.3%，每股基本盈利為人民幣0.89元。

BUSINESS DEVELOPMENT

In 2015, our optical fibre preform and optical fibre business grew by 16.3% compared with last year, which accounted for 55.8% of our total revenue. During the reporting period, domestic market demand was high, and the Ministry of Commerce of China ruled that those companies from United States and Japan had dumped optical fibre preform on the Chinese market. By taking this opportunity, sales volume of optical fibre preform and optical fibre had a sound increase. Simultaneously, we have established an optical fibre preform joint venture with Shin-Etsu Chemical Co., Ltd ("Shin-Etsu") in Qianjiang, Hubei Province, which owns the global leading preform technology. We had already started small-scale production of our self-developed VAD preforms. Therefore, we have basically mastered the three major preform processes in the world. Besides, YOFC established an optical fibre plant in Lin'an, Zhejiang Province, to strengthen our vertically integrated business model.

In 2015, the revenue of optical fibre cable increased by 32.9% compared with last year and accounted for 39.3% of our total revenue. During the year, under the guidance of "Broadband China" strategy, the three major telecom operators continued to build 4G network, FTTH as well as rural broadband, thus resulting in the continuous growth of the Chinese cable market demand and market shortage. On one hand, we increased our cable sales volume by taking advantage of this trend. On the other hand, we set up two wholly-owned cable plants in Lanzhou, Gansu Province and Shenyang Tieling, Liaoning Province so as to strengthen our competitive advantage in the domestic market.

In 2015, the revenue of other businesses and services decreased by 27.6% compared with last year and accounted for 4.9% of our total revenue. With the emergence of data center construction, we established a subsidiary called Shenzhen YOFC Connectivity Technologies Co., Ltd., in order to provide components and cabling solution services for data center. In 2015, the performance of our cabling and components business was outstanding, which increased by 144.6% compared with last year.

業務發展

二零一五年，光纖預製棒及光纖業務收入同比增長16.3%，佔總收入的55.8%。報告期內，國內市場需求旺盛，加之中國商務部裁定原產於美國和日本的光纖預製棒對中國存在傾銷。本公司抓住此市場機遇，大幅提高光纖預製棒和光纖銷量。同時，本公司與全球預製棒領先企業日本信越化學在湖北潛江成立光纖預製棒合資企業，自主研發的光纖預製棒VAD製備工藝也已經小規模量產，我們已基本掌握全球三大主流光纖預製棒製備工藝。此外，本公司還在浙江臨安成立光纖生產基地，進一步強化垂直整合業務發展模式。

二零一五年，光纜收入同比增長32.9%，佔總收入的39.3%。全年，在「寬帶中國戰略」指引下，中國三大電信運營商持續規模投資建設4G移動網絡、光纖到戶和農村寬帶等，中國光纜市場需求持續增長，市場供給短缺。本公司一方面抓住此市場機遇，擴大銷量；另一方面，在甘肅蘭州和遼寧瀋陽鐵嶺新建兩個全資光纜生產基地，完善國內產能佈局，夯實市場競爭優勢。

二零一五年，其它產品及服務收入同比下降27.6%，佔總收入4.9%。隨著中國數據中心建設的興起，本公司成立控股子公司深圳長飛智連，經營用於數據中心建設的綜合佈線解決方案及組件業務，二零一五年業績表現出色，綜合線纜及組件業務收入同比增長144.6%。

MARKET DEVELOPMENT

Our company continued strengthening our optical fibre preform, optical fibre and optical fibre cable businesses and had maintained a leading position in the domestic telecom operators' market. Meanwhile, we continued implementing the internationalisation strategy to further expand our overseas market. Moreover, we actively promoted our new products, developed the market of specialty fibre applications, expanded clientele as well as increased our market share.

We endeavoured on the implementation of our internationalisation strategy in 2015 by establishing an optical fibre plant in Indonesia, which was the first optical fibre company in Southeast Asia. We also established optical fibre and optical fibre cable plant in South Africa. We added 14 new overseas sales offices and we explored our sales and provide services to our customers through localisation. The overseas business had a rapid growth, and the export volume of optical fibre and optical fibre cable increased by 26.0% compared with last year. Our presence in Myanmar had started operation in 2015 and achieved good results.

In 2015, we set up the Specialty Product Business Unit to develop this business based on product line. For the whole year, the revenue of specialty product business increased by 46.5% as compared to last year. In the meantime, we acquired the controlling stake in NK Wuhan, which enabled us to win orders on radio frequency copper coaxial cables during the central bidding process of China Mobile and China Tower and enabled us to re-enter into the communication power cable market of telecom operators after ten years.

In 2015, we launched our ultra low-loss fibres, G.652 and G.654 in OFC, one of the top three conferences in global optical fibre and optical fibre cable industry. We also held a new product introduction meeting in Beijing for Chinese telecom operators. In China Unicom's backbone network, our G.654 fibre was the first in the world being used on land network connection. At the same time, we held approximately 30 exhibitions in China and abroad to promote our products and expand the market.

市場拓展

本公司在持續鞏固光纖預製棒、光纖和光纜業務，保持在國內電信運營商市場的領先地位的同時，持續實施國際化戰略，深度拓展海外市場。此外，本公司還積極進行新產品推廣，拓展特種光纖應用市場和通信電纜市場，擴大客戶範圍和市場空間。

二零一五年，本公司堅持實施國際化戰略，在印尼成立東南亞地區第一個光纖企業，在南非籌建光纖光纜企業，並新增14個海外辦事處，探索銷售與客戶服務本地化。海外業績大幅提升，光纖和光纜出口量同比增長26.0%，於二零一五年投產運營的長飛緬甸光纜公司也取得出色業績。

二零一五年，本公司成立特種產品事業部，構建基於產品線的業務發展模式。全年特種產品業務銷售收入同比增長46.5%。同時，本公司收購並控股的武漢安凱，中標中國移動和中國鐵塔饋線集採，時隔十多年重新進入中國電信運營商通信電纜市場。

二零一五年，本公司在全球三大光纖光纜峰會—美國OFC上發佈了超低衰減G.652和G.654光纖，還在北京召開了針對中國電信運營商的新產品推介會，本公司的G.654光纖全球首次用於陸地網路連接，在中國聯通一級幹線上使用。同時，在國內外舉辦展會近三十次，推廣公司產品，拓展市場。

FOCUS ON INTELLIGENT MANUFACTURING AND ENHANCE THE BRAND'S GLOBAL INFLUENCE

In 2015, YOFC, as the only company representing Hubei Province and the optical fibre and cable industry, was selected as one of the first 46 pilot demonstration companies on intelligent manufacturing by the MIIT. Such nomination offered us a good foundation to fully implement the intelligent manufacturing. At the same time, we continuously implementing management improvement and cost reduction projects, so as to improve our operational efficiency and cost effectiveness.

In 2015, we organised the first CRU APAC Optical Fibre and Cable Conference in Wuhan, which was one of the top three conferences for the global optical fibre and cable industry. Meanwhile, we got 11 domestic and overseas quality awards, such as Golden Award of International QC Group, Management and Quality Award from WORLDCOB, the National Quality Benchmarking and Yangtze Quality Award. We also received the Best Corporate Citizenship Award from 21ST CENTURY BUSINESS HERALD in China. All of these further enhanced our brand's global influence.

OUTLOOK FOR 2016

In 2016, under the roadmap of the new five-year strategic development plan, YOFC will grasp every to market opportunity, further strengthen our leading position in optical fibre preform, optical fibre and cable business, continuously implement internationalisation strategy, deepen diversification, ensure the implementation of strategic plan, optimise management system and further strengthen our research and development. Lastly, YOFC will keep developing rapidly and create higher value for our shareholders and customers. Our objectives are as follows:

Strengthen our leading position in optical fibre preform, optical fibre and cable business: With strong market demand and shortage in supply, we will seize the opportunities by making good use of competitive advantage on our supply of resources, enhancing and developing our customer relationship, and further increasing the sales volume and market share in China. Furthermore, we will speed up the construction of the following projects, YOFC & Shin-Etsu preform joint venture, our self-developed VAD project, optical fibre project in Lin'an, optical fibre cable plant in Lanzhou, which will all enhance our productivity and supply capability.

聚焦智能製造，提升品牌全球影響力

二零一五年，本公司作為湖北省和光纖光纜行業唯一代表被中國工業和信息化部評選為首批46家智能製造試點示範企業之一，為本公司全面實施「智能製造」奠定了良好基礎。同時，本公司還在持續不斷地實施管理改進和降成本項目，提升經營效率和效益。

二零一五，本公司將CRU引進並且與CRU聯合舉辦CRU亞太光纖光纜大會成功引進到中國武漢舉辦，本次大會為全球三大光纖光纜峰會之一。同時，本公司先後獲得國際QC小組大賽金獎、世界商業聯盟頒發的「管理與品質獎」、「全國質量標杆」榮譽稱號、長江質量獎等11個國內外質量獎項，並獲得二十一世紀經濟報道頒發的「中國最佳企業公民綜合大獎」等社會榮譽，公司品牌全球影響力進一步得到提升。

二零一六年展望

二零一六年，本公司將在新的五年發展戰略規劃路線圖下，狠抓市場機遇，進一步擴大預製棒光纖光纜業務領先優勢，持續實施國際化戰略，深化相關多元化發展，確保戰略項目落地、優化管理體系和強化技術研發，推動公司快速發展，為股東和客戶創造更高價值，主要工作如下：

擴大光纖預製棒，光纖及光纜領先優勢：狠抓市場需求旺盛和供給短缺的機遇，利用供給資源競爭優勢，鞏固和拓展客戶關係，進一步擴大國內市場的銷量和份額。此外，本公司還將加快建設長飛信越光纖預製棒合資項目、自主VAD項目、臨安光纖項目、蘭州光纜生產基地等，繼續提升產能優勢和供給能力。

Deepen internationalisation: On one hand, YOFC will speed up the optical fibre project in Indonesia and the optical fibre and optical fibre cable project in South Africa, seek investment opportunities in emerging markets and improve the overseas strategic layout. On the other hand, YOFC will further strengthen our overseas sales team, increase distribution channels, improve localisation of sales and customer service, and continuously expand the export volume of our optical fibre and optical fibre cable.

Speed up the diversification development: YOFC will enlarge the scale of cabling business, specialty product business and active optical cable business as well as explore to develop communication power cable and network technology service business. Moreover, YOFC will continue to seek opportunities in new markets to ensure the sustainable growth of our revenue and profit.

Enhance research and development: YOFC will continue to self-develop new preform technologies. We will use integrated product development management to optimise the research and development system so as to release more new products, which have market potential and competitiveness, thus enhancing the competitiveness of the Company.

Optimise operation management: We will keep implementing the cost reduction projects to improve the production and operational efficiency. We will also improve and optimise our operation process as well as enhance our projects' execution and supervision processes to improve our management's efficiency.

Zhuang Dan
General Manager

Wuhan, China
24 March 2016

深化國際化：一方面，加快建設印尼光纖和南非光纖光纜兩個項目，尋求其他新興區域市場的投資機會，完善海外戰略佈局。另一方面，進一步強化海外業務團隊力量，豐富海外銷售渠道，提升銷售和客戶服務本地化，繼續快步擴大光纖和光纜出口。

加快相關多元化發展：擴大綜合佈線業務、特種光纖業務、有源光纜等業務規模，探索發展通信電纜和網路技術服務業務，尋求新興領域進入機會，促進公司收入和利潤持續增長。

強化技術研發：持續自主研發預製棒新工藝；探索引進集成產品開發管理優化研發體系，推出更多有市場潛力和競爭力的新產品，夯實本公司競爭力。

優化運營管理：持續實施降成本項目，提升生產經營效益；改造和優化運營流程，強化流程執行和項目監管，提升管理效率。

莊丹
總經理

中國武漢
二零一六年三月二十四日

MAJOR PRODUCTS AND SOLUTIONS

主要產品及服務

Optical Fibre Preform 光纖預製棒



- Feed materials from which optical fibres are drawn
- The most technological part within the entire value chain
- 光纖拉絲原材料
- 整個產業鏈中技術含量最高的部分

Optical Fibre 光纖



- Solid strands of hair-thin, high quality glass
- Electrical signals are converted into light waves and transmitted through optical fibre
- 頭髮絲粗細、高品質傳輸工具
- 電信號轉化為光波後在光纖中傳輸

Optical Fibre Cable 光纜



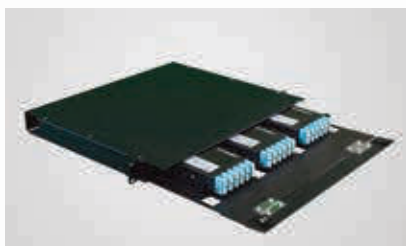
- Optical fibres bundled together into cables
- Bundled fibres were encased in protective jackets
- 光纖集中後成絞製成光纜
- 成絞後的光纖在外添加保護層

Specialty Fibre and Cable 特種光纖光纜



- Specialty fibres are custom designed for demanding applications and environment such as mining, aerospace, and medical industries
- We also provide integrated service solution using specialty fibre and cable
- 特種光纖根據客戶需求製成，可以用於極端環境，例如礦業、航天、醫療等領域
- 我們也可提供特種光纖光纜的綜合服務

Cabling Solutions 綜合佈線



- Wire and cables, connectors and modules are applied as an integrated system in data centers, industrial control, FTTx, etc.
- 整合線纜和光纜，連接器和連接模塊等，形成佈線系統，用於數據中心、工業控制、光纖接入等領域

Active Optical Cables (AOC) 有源光纜(AOC)



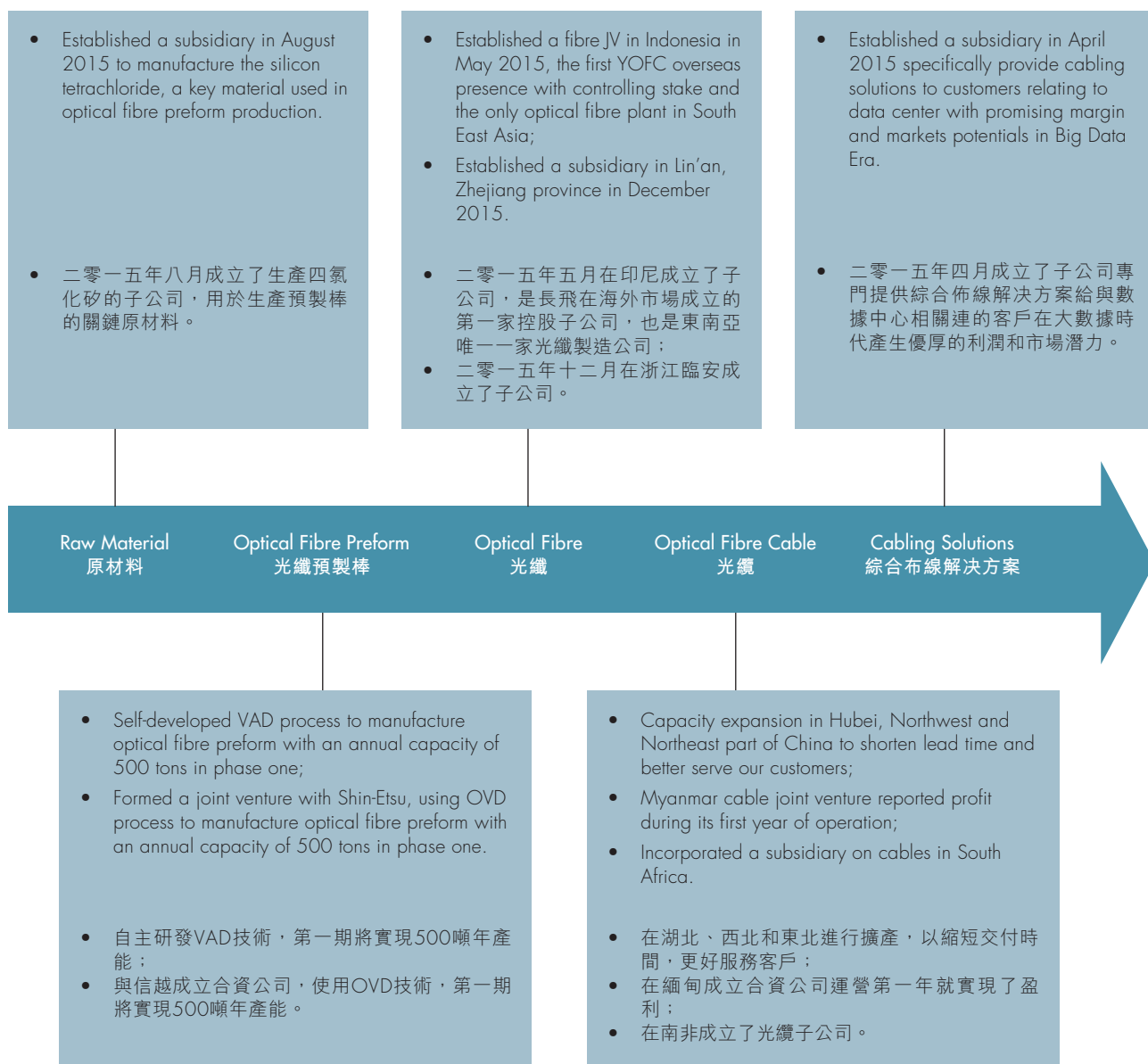
- AOC are primarily used to connect between consumer electronic devices, and between devices in personal computing and in data centers
- AOC can significantly enhance transmission speed and save energy
- AOC主要用於連接消費電子產品，及數據中心的傳輸
- AOC可以顯著提高傳輸速度，節約大量能源

KEY MILESTONES IN 2015

2015年里程碑

With favourable market sentiment and our relentless endeavours, we have attained several milestones and further solidified our positions in the whole value chain.

由於良好的市場情況和我們不懈的努力，我們實現了里程碑式的發展，並鞏固了我們在全產業鏈中的地位。



KEY MILESTONES IN 2015 (Continued)

2015年里程碑(續)

Beyond traditional boundaries, we seek new frontiers and better corporate governance to benefit our shareholders.

在傳統領域之外，我們尋求新的增長機遇並完善了公司治理結構以回饋股東。

Technology Breakthroughs 技術突破

- With self-developed VAD and the joint venture with Shin-Etsu, YOFC is the only company to master all three preform manufacturing processes;
- In March 2015, YOFC led the future trend of ultral low attenuation and released the FullBand® and FarBand® fibre. These products meet the demands for transmitting signal with high speed, high capacity and extended networking distances.
- 擁有自主研發VAD及與信越合資技術，長飛是全球唯一一家同時掌握三種預製棒製棒技術的公司；
- 二零一五年三月，長飛領先未來趨勢，發佈了超低損耗全貝超強®及遠貝超強®光纖，用於高速、大容量及遠距離信號傳輸。

New businesses 新業務

- Launch of "FIBBR" brand in September 2015 and we are the first company launching the HDMI 4K high resolution cables;
- We get into the integrated system and cabling solution business and network construction projects business as well as the provision of technological services on cabling network business.
- 於二零一五年九月發布了菲伯爾品牌，我們是第一家發布高清4K連接線的公司；
- 進入綜合佈線和網絡工程業務，以及提供綜合佈線技術服務。

Honours 名譽

- Our shares had been included in Morgan Stanley Capital International Global Small Cap Index (MSCI) in May 2015 after less than six months of the listing of the H shares of the Company;
- In July 2015, we were being selected as a pilot demonstration company in Made in China 2025. YOFC is the only company selected from Hubei province and represented the industry;
- High quality products are what we always deliver. In 2015, we collected three international quality awards; five national quality awards and three local quality awards.
- 我們的H股上市不到六個月即於二零一五年五月被納入摩根士丹利全球小型股指數；
- 二零一五年七月，我們被選為中國製造二零二五示範項目。長飛是湖北省唯一一家及行業唯一一家入選公司；
- 我們始終致力於提供高質量產品。二零一五年我們得到了3項國際質量獎、5項國內質量獎及3項地方質量獎。

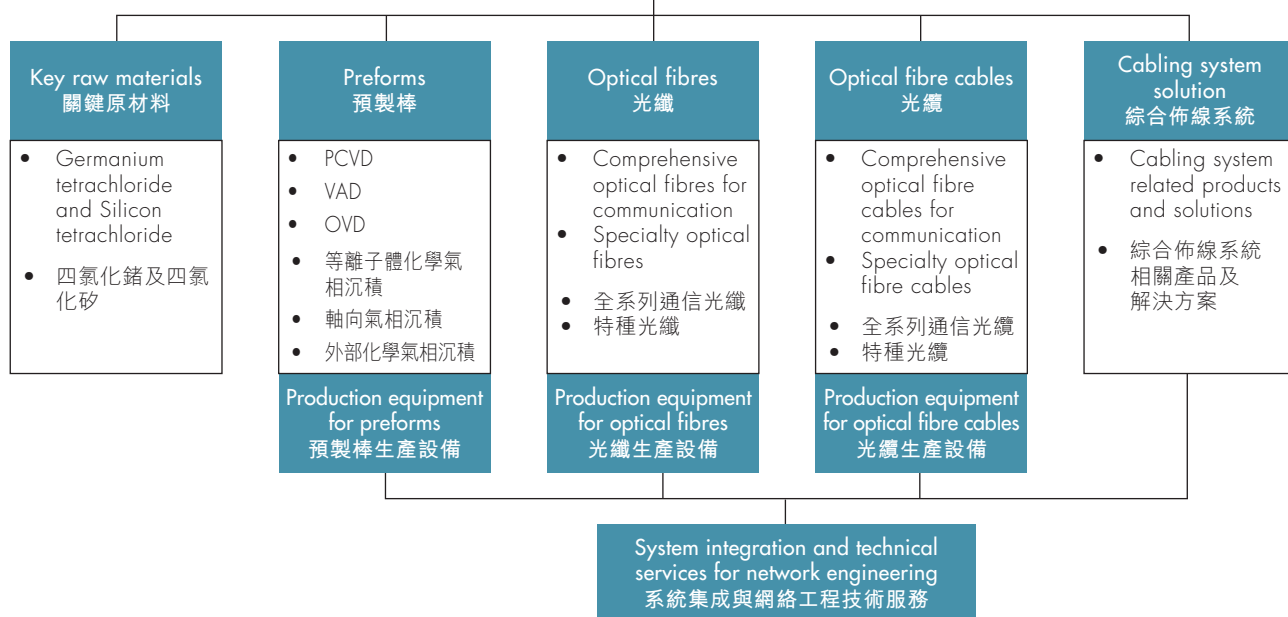
ESOP 員工持股計劃

- In December 2015, we completed the ESOP. The ESOP shares represent approximately 4.69% of the existing issued shares as enlarged;
- The ESOP will incentivise the management and core employees and further enhance the corporate governance structure;
- The proceeds will be used to expand the optical fibre preform production capacity and to support the development of our business.
- 長飛於二零一五年十二月完成了員工持股計劃。員工持股佔現有股份比例為4.69%；
- ESOP將激勵管理層及核心員工，進一步完善公司治理結構；
- 發行所得款項將用於預製棒產能的擴張及支持公司業務的發展。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

The full value chain of our optical fibre preform, optical fibre and cable businesses
本集團的光纖預製棒，光纖及光纜業務全產業鏈



		Revenue in 2015 (RMB million) 二零一五年 收入 (人民幣百萬元)	Percentage of revenue 收入佔比	Year-on-year growth of revenue 收入同比增長
Optical fibre preforms and fibres	光纖預製棒及光纖	3,756.5	55.8%	16.3%
Optical fibre cables	光纜	2,643.3	39.3%	32.9%
Other products and services	其他產品及服務	331.3	4.9%	(27.6%)
Total	總計	6,731.1	100.0%	18.6%

INDUSTRY LEADER – “SMART CONNECTIONS, BETTER LIFE”
行業領導者 – 「聯接改變生活」

Value Chain Extension
全產業鏈

- Upstream (Silicon and Germanium Tetrachloride)
- Downstream (Cabling Solution)
- 上游(四氯化矽及四氯化鎳)
- 下游(綜合佈線解決方案)

Multi-Processes
多工藝路線

- PCVD
- VAD
- OVD
- 等離子體化學氣相沉積
- 軸向氣相沉積
- 外部化學氣相沉積

Internationalisation
國際化

- Asia (Indonesia and Myanmar)
- Africa (South Africa)
- Others (22 overseas offices)
- 亞洲(印尼及緬甸)
- 非洲(南非)
- 其他(22海外辦事處)

Diversification
相關多元化

- USB3.0 AOC
- HDMI AOC (Fibbr)
- Cloud Computing
- Radio Frequency Copper Coaxial Cables
- USB3.0有源光纜
- HDMI光纖連接線(「菲伯爾」)
- 雲計算
- 射頻同軸電纜

OVERVIEW

2015 was the first full financial year after the Listing Date. Being one of the global leading optical fibre preform, optical fibre and optical fibre cable suppliers, the Group continued its growing momentum by utilising its available proceeds from the listing, the Private Placement conducted during the year as well as internal generated resources to expand its production capacities through building new plants both locally and overseas as well as through an acquisition and co-operations with our strategic partners.

In 2015 and onwards, we still commit ourselves to extensive applications of optical fibre technology so as to become the leader of information transmission and intelligent connections and create additional value to our stakeholders.

During the year under review, the Group's revenue reached another year of record high to approximately RMB6,731.1 million, increased by approximately 18.6% as compared to 2014 of approximately RMB5,676.8 million. The Group reported a gross profit of RMB1,304.2 million, increased by approximately 19.9% as compared to 2014 of approximately RMB1,087.6 million. Excluding the finance costs and tax, the Group's profit before interests (net finance costs) and tax ("EBIT") increased significantly from RMB581.9 million in 2014 to RMB756.9 million in 2015, representing an increase of 30.1%. The Group's profit for the year attributable to the equity shareholders of the Company amounted to approximately RMB570.7 million, increased by approximately 22.4% as compared to 2014 of approximately RMB466.3 million.

綜述

二零一五年乃是本公司上市日期後的第一個完整財務年度。作為世界領先的光纖預製棒、光纖及光纜供應商之一，本集團通過利用上市所獲款項、本年度非公開配售以及內部產生之資源以通過國內外新建工廠、收購以及同我們的戰略夥伴進行合作等方式擴張產能，從而延續本集團的增長勢頭。

於二零一五年度及以後，我們依舊致力於光纖技術的廣泛應用以成為信息傳輸及智慧連接領域的領導者，為我們的股東創造額外價值。

於本年度，本集團收入再創新高，約為人民幣6,731.1百萬元，較二零一四年約人民幣5,676.8百萬元增長約18.6%。本集團毛利為人民幣1,304.2百萬元，較二零一四年約人民幣1,087.6百萬元增長約19.9%。除去財務費用及稅費，本集團息(淨融資成本)稅前利潤(「息稅前利潤」)由二零一四年人民幣581.9百萬元顯著增長至二零一五年人民幣756.9百萬元，增幅為近30.1%。本集團的本年度公司權益持有人應佔利潤約為人民幣570.7百萬元，較二零一四年約人民幣466.3百萬元增長約22.4%。

OVERVIEW (Continued)

Basic earnings per share was RMB0.89 per share (2014: RMB0.95 per share), which was calculated based on the enlarged weighted average number of shares issued, further details of which are set out in note 11 to the audited consolidated financial statements as set out in this annual report.

On the other hand, the Company managed to generate positive cash flows from operating activities, further details of which are explained in the section headed "cash flow analysis" below.

2015 was another year of great significance to the Group. Apart from our satisfactory financial results, we also made some great achievements and earned certain recognitions during 2015, including three international quality awards, five national quality awards and three local quality awards. Our shares had been included in Morgan Stanley Capital International Global Small Cap Indexes on 29 May 2015 after less than six months of the listing of the Company. The Company together with an international research company with headquarter based in United Kingdom called CRU jointly hosted the first Asia Pacific Optical Fibre and Cable Conference in Wuhan, China from 14 to 16 October 2015. This conference marked a milestone for China's optical fibre and cable business and our leading position in the industry. During 2015, we followed our footprints and our four major strategies namely, value chain extension, multi-processes, internationalisation, and diversification to implement our development and expansion plans. During 2015, we brought in eight new subsidiaries and two joint ventures through our own establishments, an acquisition and co-operations with local and global strategic partners and set up more presences in both China and overseas. Another 14 (2014: 8) overseas sales representative offices were newly opened in 2015 and the Group now has 22 overseas sales representative offices. Further details of our new subsidiaries and joint ventures are discussed below. Upon completion of all these investments, the Group's competitive advantage will become more solid and the Group's market position can be further strengthened.

綜述(續)

基於增加後的加權平均已發行股份股數計算，每股基本盈利為每股股份人民幣0.89元（二零一四年：每股股份人民幣0.95元），詳情載於本年報經審核合併財務報表之附註11。

另外，本公司得以從營運活動產生現金流正數，詳情見下文「現金流量分析」一節的闡釋。

二零一五年是本集團又一極具意義的年度。除財務業績理想外，我們亦於二零一五年獲得許多顯著成就和若干的認可，包括三項國際質量獎、五項全國質量獎及三項本地質量獎。本公司上市後不到六個月，我們的股票即於二零一五年五月二十九日被納入摩根士丹利資本國際全球小型股中國指數。於二零一五年十月十四日至十六日，本公司攜手CRU（一家總部位於英國的國際研究所）於中國武漢聯合主辦第一屆亞太光纖光纜大會。該大會的召開是中國光纖光纜業務的里程碑，充分展示了我們於該行業的領先地位。於二零一五年，我們遵循著全產業鏈、多工藝路線、國際化以及相關多元化的四大戰略以貫徹實施我們的發展擴張計劃。於二零一五年，我們透過自行成立、收購及與本地和全球戰略合作夥伴成立了八間附屬公司及兩間合營公司，並在中國及海外實施了進一步的擴張，新設了14個海外銷售辦事處（二零一四年：8個）即本集團現有22個海外銷售辦事處。有關我們新設附屬公司及合營公司之詳情於下文中討論。於該些投資項目完成之際，本集團的競爭優勢將更為堅實，市場地位將更加穩固。

REVENUE

The Group's revenue for the year ended 31 December 2015 was approximately RMB6,731.1 million, representing an increase of 18.6% as compared to 2014 of approximately RMB5,676.8 million.

By product segment, a total revenue of approximately RMB3,756.5 million was contributed from our optical fibre preform and optical fibre segment, representing a growth of 16.3% as compared to 2014 of approximately RMB3,229.7 million and accounting for 55.8% (2014: 56.9%) of the Group's revenue; while a total revenue of RMB2,643.3 million was contributed from our optical fibre cable segment, representing a much higher growing momentum of 32.9% as compared to 2014 of approximately RMB1,989.4 million and accounting for 39.3% (2014: 35.0%) of the Group's revenue. The significant growth in the Group's revenue during 2015 was mainly due to the ramp up of 4G infrastructure construction by the State-owned Telecommunication Operators and the ongoing "Broadband China" initiatives announced by the Chinese government. These two factors had mainly driven up the demand for optical fibres and optical fibre cables during 2015. The recent shortage of supply of optical fibres and anti-dumping against imported preforms brought in additional momentum for growth in revenue, in particular, on the average selling price for both optical fibres and optical fibre preforms starting from the last quarter of 2015.

A total revenue of approximately RMB331.3 million was contributed from others, representing a decrease of 27.6% as compared to 2014 of approximately RMB457.7 million and accounting for 4.9% (2014: 8.1%) of the Group's revenue because of the significant decrease in sales of fibre drawing tower equipment despite the significant growth in sales of indoor cabling system. It is expected that this segment will catch up once again when our new businesses, such as active optical cables, indoor cabling, cloud computing and provision of services on internet constructions, grow.

收入

截至二零一五年十二月三十一日止年度的本集團收入約為人民幣6,731.1百萬元，較二零一四年約人民幣5,676.8百萬元增長18.6%。

按產品分部劃分，總額約人民幣3,756.5百萬元收入來自我們的光纖預製棒及光纖分部，較二零一四年約人民幣3,229.7百萬元增長16.3%及佔本集團收入55.8%（二零一四年：56.9%）；而總額人民幣2,643.3百萬元收入乃來自我們的光纖分部，較二零一四年約人民幣1,989.4百萬元增長32.9%及佔本集團收入39.3%（二零一四年：35.0%）。本集團收入造出可觀升幅，主要受惠於國有電信運營商繼續大力發展4G網絡基礎設施的建設以及中國政府持續推進實施「寬帶中國戰略」，這兩點因素尤其對二零一五年光纖和光纖的需求起促進作用。對進口預製棒進行的反傾銷及最近出現光纖供應的短缺的情況，特別是從二零一五年第四季度開始的光纖預製棒和光纖平均銷售價格上漲進一步促進了本公司銷售收入的增長。

其他產品服務貢獻總收入約人民幣331.3百萬元，儘管室內佈線收入有所增長，仍較二零一四年約人民幣457.7百萬元減少27.6%及佔本集團收入4.9%（二零一四年：8.1%），主要由於光纖拉絲設備銷售的顯著減少。預計其他收入將隨著本公司新業務，包括有源光纖、室內佈線、雲計算及網路工程建設及服務的發展實現增長。

REVENUE (Continued)

By geographical segment, a total revenue of approximately RMB6,201.5 million was from customers in China, representing an increase of 17.5% (2014: 17.7%) as compared to 2014 of approximately RMB5,278.7 million and accounting for 92.1% of the Group's revenue. During 2015, the revenue for optical fibre cable in China grew by 30.1% while the optical fibre and optical fibre preform in China grew by 17.5%. Another key product type which reported a significant growth in revenue is the indoor cabling system. Its revenue in 2015 had been doubled. For overseas sales, a total revenue of approximately RMB529.6 million was reported in 2015, representing an increase of 33.0% (2014: 16.2%) as compared to 2014 of approximately RMB398.1 million and accounting for approximately 7.9% of the Group's revenue. The key drivers for the growth in overseas sales were the optical fibre cable and indoor cabling system. The former grew by 58% while the later grew by 5 times during 2015 when compared with those numbers in 2014.

During 2015, the Group had achieved strong business development in both local and overseas telecommunications operator market, which is one of the key stimulators for the significant growth in the Group's revenue.

COST OF SALES

The Group's cost of sales for the year ended 31 December 2015 was approximately RMB5,426.9 million, representing an increase of 18.3% as compared to 2014 of approximately RMB4,589.2 million and accounting for 80.6% of the Group's revenue. The increase in cost of sales was in line with the increase in sales volume.

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

In 2015, the Group's total raw material costs was approximately RMB4,918.4 million, representing an increase of 18.6% as compared to approximately RMB4,146.6 million in 2014.

For the year ended 31 December 2015, the Group's manufacturing overheads and direct labour costs amounted to approximately RMB508.5 million, representing an increase of 14.9% as compared to RMB442.6 million in 2014.

收入(續)

按地區分部劃分，總額約人民幣6,201.5百萬元收入來自中國客戶，較二零一四年約人民幣5,278.7百萬元增長17.5%(二零一四年：17.7%)及佔本集團收入92.1%。二零一五年光纖於中國的銷售收入增長了30.1%，而光纖預製棒及光纖於中國的銷售收入增長了17.5%。室內佈線是另一個快速增長的業務，其二零一五年銷售收入實現了翻倍。總額約人民幣529.6百萬元收入乃來自海外客戶，較二零一四年約人民幣398.1百萬元增長33.0%(二零一四年：16.2%)及佔本集團收入約7.9%。海外銷售增長的主要驅動是光纖和室內佈線的增長，其中光纖銷售額增長58%，而室內佈線業務在二零一五年比二零一四年增長了5倍。

二零一五年，本集團在國內外電信運營商市場的業務均有長足發展，彼為推動本集團收入增長的主要動力源之一。

銷售成本

本集團截至二零一五年十二月三十一日止年度的銷售成本約為人民幣5,426.9百萬元，較二零一四年約人民幣4,589.2百萬元增長18.3%，佔本集團收入的80.6%。銷售成本升幅與我們的銷售額增長相符。

本集團銷售成本包括(i)原材料成本；(ii)生產間接費用(包括機器及設備折舊、易耗品、租金開支、水電及其他生產間接費用)；及(iii)直接人工成本。

二零一五年，本集團原材料成本總額約為人民幣4,918.4百萬元，較二零一四年約人民幣4,146.6百萬元增長18.6%。

截至二零一五年十二月三十一日止年度，本集團的生產間接成本及直接人工成本約為人民幣508.5百萬元，較二零一四年約人民幣442.6百萬元增加14.9%。

GROSS PROFIT AND GROSS PROFIT MARGIN

For the year ended 31 December 2015, the Group reported a gross profit of RMB1,304.2 million, representing an increase of 19.9% as compared to RMB1,087.6 million in 2014 and the gross profit margin was kept at 19.4% in 2015 (2014: 19.2%). The slight increase in gross profit margin in 2015 was mainly due to the change in sales mix as well as the upward adjustment in average selling price for both optical fibre and preform starting from the last quarter of 2015. During 2015, we still had to engage those joint ventures as well as some independent third parties to manufacture optical fibre cables prior to our completion of all our optical fibre cable plants both locally and overseas. Although more optical fibre cable sales were transacted in 2015, part of these sales orders was satisfied by purchases from outsiders. This part of sales generated a relatively low gross profit margin than our self-produced optical fibre cables. Approximately 69.6% of optical fibre cable sales was not self-produced by ourselves but purchased from outsiders. Besides, the decrease in average selling price of optical fibre during the first half of 2015 eroded away some of the contributions from the recent upward adjustment in selling price on both optical fibres and preforms starting from the last quarter of 2015.

OTHER INCOME

Other income was RMB87.2 million in 2015, representing 2.8 times of RMB31.6 million in 2014. The increase was mainly because more government grants were recognised during the year and the gain on a bargain purchase of RMB30.0 million was recognised from the business combination of NK Wuhan.

SELLING EXPENSES

The Group's selling expenses for the year ended 31 December 2015 were RMB163.0 million, representing an increase of 31.2% as compared to RMB124.3 million in 2014. The increase was mainly due to the set up of more overseas sales representative offices and the increase in freight charges incurred for both local and overseas sales.

毛利及毛利率

截至二零一五年十二月三十一日止年度，本集團的毛利為人民幣1,304.2百萬元，較二零一四年的人民幣1,087.6百萬元增長19.9%，而毛利率則保持為19.4%（二零一四年：19.2%）。毛利率的細微增長主要由於銷售構成的變化以及自二零一五年第四季度起光纖及光纖預製棒的平均售價之上調。於二零一五年，在我們所有海內外光纖廠建成之前，我們仍需依賴於合營企業以及部分獨立第三方以生產光纖。儘管於二零一五年我們交易了更多的光纖，但部分銷售訂單是通過外部採購得以滿足。該部分的銷售毛利率較自產光纖相對略低。約69.6%的光纖銷售來源於外部採購而非自產。另外，二零一五年上半年光纖平均售價的下跌亦抵銷了自二零一五年第四季度起光纖及光纖預製棒平均售價上調所帶來的部分貢獻。

其他收益

二零一五年，其他收益為人民幣87.2百萬元，約為二零一四年人民幣31.6百萬元的2.8倍。增幅主要由於年內確認為收益的政府補助增加，及通過議價收購武漢安凱所產生的收益人民幣30.0百萬元。

銷售費用

本集團截至二零一五年十二月三十一日止年度的銷售費用為人民幣163.0百萬元，較二零一四年的124.3百萬元增長31.2%。增幅主要源於在海外設立更多的銷售辦事處以及在海內外銷售中產生的貨運費用增加。

ADMINISTRATIVE EXPENSES

The Group's administrative expenses for the year ended 31 December 2015 were RMB551.5 million, representing an increase of 25.0% as compared to RMB441.2 million in 2014. The increase was mainly due to the increase in research and development expenses, the increase in staff costs and the increase in royalty fee payable to Draka, a company incorporated in the Netherlands, a substantial shareholder of the Company, as well as more expenses were incurred by the Group because of the increase in the number of consolidated subsidiaries.

NET FINANCE COSTS

The Group's net finance costs for the year ended 31 December 2015 were RMB124.9 million, representing an increase of 164.6% as compared to RMB47.2 million in 2014. The increase was mainly due to foreign exchange loss of RMB84.7 million so arising from the re-measurement of those foreign currency liabilities, which are mostly foreign currency denominated bank loans. Since the 11 August fixing reform in 2015, the Renminbi's middle price against US Dollars and Euro depreciated by 4.2% and 4.9%, respectively.

The interest rates of the bank loans in 2015 ranged from 0.72% to 3.92% per annum (2014: 1.54% to 4.43% per annum), while the annual effective interest rate for the borrowings in 2015 was 2.57% (2014: 3.10%).

INCOME TAX

The Group's income tax for the year ended 31 December 2015 was RMB73.8 million, representing an increase of 4.4% as compared to RMB70.7 million. On the other hand, the effective tax rate decreased from 13.2% in 2014 to 11.7% in 2015. In 2014, the Company continued to be recognised as an approved high-tech enterprise for another three years starting from 2015 to 2017 and was entitled to a preferential tax rate of 15%.

管理費用

本集團截至二零一五年十二月三十一日止年度的管理費用為人民幣551.5百萬元，較二零一四年的人民幣441.2百萬元增長25.0%。增幅主要源於研發費用、員工成本、應付給Draka（一家位於荷蘭的公司，為本公司的主要股東）專利費的增加，以及由於附屬公司數量增加導致的本集團相關費用增加。

淨融資成本

本集團截至二零一五年十二月三十一日止年度的淨融資成本為124.9百萬元，較二零一四年的人民幣47.2百萬元增長164.6%。增幅主要源於對外幣債務（主要是外幣銀行貸款）重新計量後的外匯損失人民幣84.7百萬元。自二零一五年八月十一日匯率改革以來，人民幣對美元及歐元的中間價分別貶值4.2%及4.9%。

銀行貸款的利率於二零一五年介乎年利率0.72%至3.92%（二零一四年：年利率1.54%至4.43%），而二零一五年借貸之實際年利率為2.57%（二零一四年：3.10%）。

所得稅

本集團截至二零一五年十二月三十一日止年度的所得稅為人民幣73.8百萬元，較二零一四年的人民幣70.7百萬元增長4.4%。此外，實際稅率由二零一四年的13.2%下降至二零一五年的11.7%。於二零一四年，本公司繼續獲認定為由二零一五年起至二零一七年三年之高新技術企業，並享有15%的優惠稅率。

EXPANSION OF PRODUCTION CAPACITIES

During 2015, we had continuously upgraded our existing production facilities so as to maximise their annual production capacities and production efficiencies in order to cope with the strong orders demand from both locally and globally. All the existing production capacities for the three major products at headquarter in Wuhan had been fully utilised throughout the year. Hence, we are in need of additional capacities to cope with the upcoming growing demands in 2016 and onwards. The existing annual designed production capacities of the production base located in Wuhan as well as those newly added annual designed production capacities that had been completed during 2015 and to be completed onwards both locally and globally for optical fibre preforms, optical fibres and optical fibre cables will be increased by 44.7%, 62.8% and 134.0%, respectively, when compared with the production capacities of these three major products in 2014.

CAPITAL EXPENDITURES

During the year, the Group incurred a total capital expenditure of approximately RMB322.3 million (2014: RMB390.1 million) for the purchases of property, plant and equipment, construction in progress and lease prepayments, which were primarily related to the production capacity expansion of our three major products and the improvement in production efficiency of our existing production capacity on optical fibre preforms and optical fibres both locally and globally.

產能擴大

於二零一五年，我們持續對我們現有的生產設備進行升級以最大限度提高其產能及效率，從而應對強勁的海內外訂單需求。於武漢總部針對三大產品的現有產能已於年內全面利用，因此我們急需額外的產能以應對二零一六年及以後即將到來的更多需求。與二零一四年光纖預製棒、光纖及光纜的產能相比，武漢生產基地此三大產品的現有年設計產能以及國內外已於二零一五年新增的及即將新增的年設計產能分別增加44.7%、62.8%及134.0%。

資本支出

年內本集團產生資本支出總額約為人民幣322.3百萬元(二零一四年：人民幣390.1百萬元)，涉及購買物業、廠房及設備、在建工程及租賃預付款項，主要與提升三大產品在國內外的產能以及提高現有光纖預製棒及光纖設備的生產效率有關。

USE OF PROCEEDS FROM THE GLOBAL OFFERING

On 10 December 2014, the Company's H shares were listed on the Main Board of the Hong Kong Stock Exchange. A total of 159,870,000 H Shares with nominal value of RMB1.00 each of the Company were issued at HK\$7.39 per share for a total of approximately RMB932.5 million (equivalent to approximately HK\$1,181.4 million). The net proceeds from the abovementioned offering of the Company's H shares (after deducting underwriting fees and related listing expenses) amounted to approximately RMB892.4 million (equivalent to approximately HK\$1,130.6 million). Up to the year ended 31 December 2015, the net proceeds from the initial public offering had not yet been fully utilised. As at the date of this annual report, a total amount of approximately RMB858.3 million (equivalent to approximately HK\$1,087.4 million) from the net proceeds from the listing had been utilised in accordance with the percentage of uses as set out in the section headed "Future Plans and Use of Proceeds" in the Prospectus. The unutilised net proceeds have been deposited into short-term demand deposits in a bank account maintained by the Group. In 2016 and the upcoming years, the Company will continue to utilise the remaining net proceeds from the initial public offering for the purpose consistent with those set out in the Prospectus.

USE OF PROCEEDS FROM THE PRIVATE PLACEMENT

The Company issued an aggregate of 11,869,000 H shares and 30,783,000 domestic shares by way of private placement on 18 December 2015. Details of the Private Placement are set out in notes 31 and 32 to the audited consolidated financial statements in this annual report. The aggregate net proceeds from the Private Placement (after deducting underwriting fees and related issuing expenses) amounted to RMB251.3 million (equivalent to approximately HK\$302.5 million) will be used to construct the Phase II project of YOFC Science & Technology Park in Qianjiang to expand the optical fibre preform production capacity of the Group and to support the development of the business of the Group, in particular, for capacity expansion both domestically and overseas, and as general working capital, respectively.

As at the date of this annual report, the Company had applied part of the net proceeds, which was consistent with the purpose of uses mentioned above.

全球發售所得款項用途

本公司H股於二零一四年十二月十日在香港聯交所主板上市，按每股H股7.39港元之價格合共發行159,870,000股每股面值人民幣1.00元之H股，總額約為人民幣932.5百萬元(相當於約1,181.4百萬港元)。上述本公司H股上市所得款項淨額(經扣除承銷費用及有關上市開支後)約為人民幣892.4百萬元(相當於約1,130.6百萬港元)。截至二零一五年十二月三十一日止年度，該首次公開發售之所得款項淨額尚未被完全利用。於本年報報告日期，我們的上市所得款項淨額中合共約為人民幣858.3百萬元(相當於約1,087.4百萬港元)已根據招股章程內「未來計劃及所得款項用途」一節所載的用途進行利用。未動用所得款項淨額已存放在本集團之銀行賬戶作為短期活期存款。在二零一六年及以後，本公司將依據招股章程內所載之目的利用首次公開發售之剩餘所得款項淨額。

非公開配售所得款項用途

本公司於二零一五年十二月十八日以非公開配售的方式發行了11,869,000股H股及30,783,000股內資股。非公開配售詳情載於本年報經審核合併財務報表之附註31及32。非公開配售所得款項淨額(經扣除承銷費用及有關發行開支後)合共約為人民幣251.3百萬元(相當於約302.5百萬港元)將用於長飛光纖光纜潛江科技園第二期項目之建設，以拓展本公司光纖預製棒之產能，及用於支持本集團業務的發展，尤其是支持國內外的產能擴充，以及作為一般營運資金。

於本年報報告日期，本公司已依據上述用途使用了部分所得款項淨額。

GEARING RATIO

The Group monitors its leverage using a 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 31 December 2015 was 11.0% (2014: 16.3%).

CASH FLOW ANALYSIS

The following table sets forth the selected cash flow data derived from the consolidated cash flow statement for the year ended 31 December 2015.

	2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Net cash generated from operating activities 經營活動產生的淨現金	550,820	200,177
Net cash used in investing activities 投資活動使用的淨現金	(507,833)	(316,705)
Net cash (used in)/generated from financing activities 融資活動(使用)/產生的淨現金	(33,179)	1,222,305
Net increase in cash and cash equivalents 現金及現金等價物增加淨額	9,808	1,105,777

The Group's net cash generated from operating activities increased by approximately RMB350.6 million, which was mainly due to the increase in profit before taxation by RMB97.3 million and the positive change in working capital of RMB240.4 million.

The Group's net cash used in investing activities increased by approximately RMB191.1 million, which was mainly due to the commencement of the construction of Phase II YOFC Science & Technology Park in Qianjiang and some other local and overseas projects.

負債資本比率

本集團以負債資本比率監控負債狀況，比率以債務淨額除以權益總額計算。債務淨額包括所有銀行貸款減現金及現金等價物。本集團於二零一五年十二月三十一日的負債資本比率為11.0%(二零一四年：16.3%)。

現金流量分析

下表載列摘錄自截至二零一五年十二月三十一日止年度之合併現金流量表之選定現金流量數據。

本集團經營活動產生的淨現金增加約人民幣350.6百萬元，乃主要由於除稅前利潤增加人民幣97.3百萬元及營運資金正變動人民幣240.4百萬元所致。

本集團投資活動使用的淨現金增加約人民幣191.1百萬元，乃主要由於開始建造潛江長飛科技園二期項目及若干其他地方和海外項目所致。

CASH FLOW ANALYSIS (Continued)

The Group's net cash generated from financing activities decreased by approximately RMB1,255.5 million, which was mainly due to the cash inflows generated from the listing of the Company completed on 10 December 2014 and more bank loans were obtained in 2014. During 2015, the level of bank loans maintained at the same level of the prior year and the net proceeds received from the Private Placement was less than the net proceeds received from the listing.

Cash and cash equivalents as at 31 December 2015 were cash at banks and in hand, which were mainly in Renminbi, US Dollars, Euro, and HK Dollars.

NET CURRENT ASSETS

As at 31 December 2015, the Group's net current assets was RMB2,051.5 million, increased slightly by RMB23.8 million from RMB2,027.6 million as at 31 December 2014. The slight increase in net current assets was mainly due to the combined effect of (i) the increase in trade and bills receivable by approximately RMB374.1 million being caused by the increase in revenue arising from the increasing demand for optical fibres and optical fibre cables as a result of the 4G infrastructure construction and the "Broadband China" national strategy; (ii) increase in trade and bills payables by approximately RMB152.4 million; and (iii) increase in current portion of bank loans of approximately RMB171.4 million.

現金流量分析(續)

本集團融資活動產生的淨現金減少約人民幣1,255.5百萬元，乃主要由於二零一四年十二月十日本公司上市完成產生的現金流入及二零一四年取得更多銀行貸款所致。於二零一五年，銀行貸款水平維持在去年相同水平，而非公開配售所得之款項淨額少於上市所得之款項淨額。

截至二零一五年十二月三十一日的現金及現金等價物為銀行存款及現金，主要貨幣為人民幣、美元、歐元及港元。

淨流動資產

於二零一五年十二月三十一日，本集團淨流動資產為人民幣2,051.5百萬元，較二零一四年十二月三十一日的人民幣2,027.6百萬元略微增加人民幣23.8百萬元。淨流動資產的略微增加乃主要由於下列各項之綜合影響所致：(i) 4G基建工程及「寬帶中國」戰略令市場對光纖及光纜的需求攀升，使得收入增加，並導致應收賬款及票據增加約人民幣374.1百萬元；(ii)應付賬款及票據增長約人民幣152.4百萬元；及(iii)流動銀行貸款增加約人民幣171.4百萬元。

BANK LOANS

As at 31 December 2015, the Group's bank loans were RMB2,457.4 million, representing a slight decrease of RMB26.7 million from approximately RMB2,484.1 million as at 31 December 2014. As at 31 December 2015, 41.8% of the Group's bank loans were fixed rate loans and 58.2% were floating rate loans. Out of the Group's bank loans, 69.8% was Euro loans, 22.6% was US Dollars loans, and the remaining balance of 7.6% was Renminbi loans.

Starting from 2014, market generally expects that US Dollars will be getting strong and the rise in interest rate by the Federal Reserve will become more frequent. Borrowing US Dollars loan will then become more costly. After the Renminbi fixing reform on 11 August 2015 and market expectation towards the rise of interest rate by the Federal Reserve becoming strong and Renminbi was getting weaker against US Dollars, the Group then had taken actions to lower down the level of US Dollars loans in October and November 2015 by using Euro loans to replace US Dollars loans. As a result, the percentage of the US Dollars loans decreased from 87.7% in 2014 to 22.6% in 2015, while the percentage of Euro loans increased from 12.3% in 2014 to 69.8% in 2015.

COMMITMENTS AND CONTINGENCIES

As at 31 December 2015, the Group's outstanding capital commitments in relation to property, plant and equipment amounted to approximately RMB943.9 million (2014: approximately RMB360.4 million), lease prepayment amounted to approximately RMB44.0 million (2014: approximately RMB52.2 million), and investment in equity securities amounted to approximately RMB226.8 million (2014: approximately RMB45.1 million). Out of total outstanding commitments as at 31 December 2015 of approximately RMB1,214.7 million (2014: RMB457.7 million), a total amount of approximately RMB428.9 million (2014: approximately RMB85.9 million) had been contracted for and the remaining balance of approximately RMB785.8 million (2014: approximately RMB371.8 million) had been authorised by the Board but not yet contracted for.

As at 31 December 2015, the Group did not have any material contingent liability.

銀行貸款

於二零一五年十二月三十一日，本集團之銀行貸款為人民幣2,457.4百萬元，較二零一四年十二月三十一日約人民幣2,484.1百萬元略微減少人民幣26.7百萬元。於二零一五年十二月三十一日，本集團銀行貸款之41.8%為定息貸款及58.2%為浮息貸款。本集團銀行貸款中，69.8%為歐元貸款，22.6%為美元貸款，而餘額7.6%為人民幣貸款。

自二零一四年起，市場普遍認為美元將升值，而且美國聯邦儲備局將頻繁提高利率，借貸美元屆時將花費更多。於二零一五年八月十一日的人民幣匯率改革之後，市場對美國聯邦儲備局提高利率的預期更加強烈，而且人民幣對美元之匯率已開始下跌。本集團通過以歐元貸款替換美元貸款的措施，降低了於二零一五年十月份及十一月份的美元貸款水準。因此，我們的美元貸款比例從二零一四年的87.7%下降至二零一五年的22.6%，而歐元貸款比例從二零一四年的12.3%增加至二零一五年的69.8%。

承擔及或然事項

於二零一五年十二月三十一日，本集團就物業、廠房及設備之未結算資本承擔約為人民幣943.9百萬元(二零一四年：約人民幣360.4百萬元)、租賃預付款項約人民幣44.0百萬元(二零一四年：約人民幣52.2百萬元)及股本證券投資約人民幣226.8百萬元(二零一四年：約人民幣45.1百萬元)。於二零一五年十二月三十一日之未結算承擔總額約為人民幣1,214.7百萬元(二零一四年：人民幣457.7百萬元)中，合共約人民幣428.9百萬元(二零一四年：約人民幣85.9百萬元)已訂約，而餘額約人民幣785.8百萬元(二零一四年：約人民幣371.8百萬元)則已獲董事會授權惟尚未訂約。

於二零一五年十二月三十一日，本集團並無任何重大或然負債。

CHARGE ON ASSETS

As at 31 December 2015, the Group did not charge any of its assets to secure any banking facility or bank loan.

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 revenues and expenses are settled in Renminbi while some of the Group's sales, purchases and financial liabilities are denominated in US Dollars and Euro. Most of the bank deposits are in Renminbi, US Dollars, Euro and HK Dollars.

As at 31 December 2015, the Group did not enter into any foreign exchange contracts, interest or currency swaps or other financial derivatives. Owing to the surprise Renminbi devaluation in mid-August 2015 and Renminbi's weakness has been gathering speed, Renminbi against other foreign currencies was no longer as strong as in the past. As a result, this might bring up cost of purchases and the re-measurement of our foreign currency liabilities would result in foreign currency losses. Starting from 11 August 2015, the Group suffered from the unfavourable fluctuations in exchange rate movements between Renminbi and US Dollars or Euro, which resulted in foreign exchange losses of RMB84.7 million in 2015.

The Group will closely monitor the ongoing movements on exchange rates and will consider entering into hedging arrangements to minimise our foreign currency exposures in 2016 in view that high volatility in Renminbi will be the theme for 2016.

資產抵押

於二零一五年十二月三十一日，本集團並無抵押其任何資產以取得任何銀行融資或銀行貸款。

融資及財務政策

本集團實施穩健的融資及財務政策，目標是在保持優良財務狀況及合理財務成本的同時，最小化本集團的財務風險。本集團定期檢查融資需求以確保有足夠的財務資源可以支持集團運營及未來投資和擴張計畫的需求。

匯率波動影響

本集團大部分收益及開支均以人民幣結算，而本集團若干銷售、採購及金融負債則以美元及歐元計值。本集團大部分銀行存款以人民幣、美元、歐元及港元方式存置。

於二零一五年十二月三十一日，本集團並無訂立任何遠期外匯合約、利息或貨幣掉期或其他衍生金融工具。由於二零一五年八月中旬預期外的人民幣貶值以及下跌加劇，人民幣對其他外幣的匯率不再具有優勢。因此，該因素可能導致我們的採購成本增加，且對外幣債務重新計量會導致匯兌損失。自二零一五年八月十一日起，本集團遭遇人民幣對美元及歐元的有利匯率波動，導致二零一五年的匯兌損失人民幣84.7百萬元。

鑒於人民幣的高度波動性將會是二零一六年的主題，本集團將密切關注當前的外匯波動且將考慮採取套期保值以減少我們於二零一六年的匯兌損失。

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2015, the Group had approximately 2,802 full-time employees (2014: 1,805 full-time employees). 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 receive are competitive with market rates. The Company has been in compliance with the relevant national and local labour and social welfare laws and regulations in China.

On 19 October 2015, the Company approved to adopt the ESOP, pursuant to which target participants of the scheme may subscribe for scheme units and the target participants of the scheme are core personnel playing a crucial role in the Company's overall performance and mid and long-term development, including directors, supervisors, senior management personnel, middle-level cadres and key employees of the Group (excluding independent non-executive directors and external supervisors). Details of the Private Placement completed on 18 December 2015 are set out in notes 31 and 32 to the financial statements as set out in this annual report.

OFF-BALANCE SHEET ARRANGEMENTS

As at 31 December 2015, the Company entered into non-recourse trade receivables factoring arrangements with a commercial bank in China with a carrying amount of approximately RMB62.8 million (2014: RMB332.8 million). In addition, as at 31 December 2015, the Company discounted and endorsed certain bank bills receivable with a carrying amount of approximately RMB245.4 million (2014: RMB422.7 million) to certain commercial banks in China and its suppliers.

僱員及薪酬政策

於二零一五年十二月三十一日，本集團約有2,802名全職僱員(二零一四年：1,805名全職僱員)。本集團設計了一項年度評核制度，以評核僱員的表現。有關制度構成釐定僱員應否獲加薪、花紅或升職之基準。其僱員獲得之薪金及花紅與市場水準相當。本公司一直遵守中國相關國家及地方勞工及社會福利法律及法規。

於二零一五年十月十九日，本公司批准採納員工持股計劃，據此，計劃目標參與者可認購計劃份額，而計劃目標參與者為對本公司整體表現及中長期發展極為重要的核心人員，包括本集團董事、監事、高級管理人員、中級幹部及主要僱員(不包括獨立非執行董事及外部監事)。二零一五年十二月十八日之非公開配售詳情載於本年報財務報表之附註31及32。

資產負債表外安排

於二零一五年十二月三十一日，本公司與中國的商業銀行訂立無追索權應收賬款保理合同，賬面值約為人民幣62.8百萬元(二零一四年：人民幣332.8百萬元)。此外，於二零一五年十二月三十一日，本公司將賬面值約為人民幣245.4百萬元(二零一四年：人民幣422.7百萬元)的若干應收銀行票據交予中國若干商業銀行安排貼現或背書轉讓予供應商。

FORMATION OF OVERSEAS PRESENCES

MYANMAR

In December 2014, the Company agreed to jointly establish an optical fibre cable joint venture in Myanmar (the "Myanmar JV") with a local partner in Myanmar to promote and develop optical fibre cables. The Myanmar JV is held as to 50% by the Company and as to 50% by the local partner in Myanmar. The initial paid-up capital of the Myanmar JV is US Dollars 4 million and the Company had already paid up its portion in full. During the year, the Myanmar JV had commenced its operations and the financial results of the Myanmar JV had been consolidated in the Group's financial statements as a joint venture from the date of its establishment.

INDONESIA

In January 2015, the Company and PT. Monas Permata Persada ("PT Monas") agreed to establish a joint venture (the "Indonesia JV") in Indonesia to promote and develop optical fibre manufacturing, sales and its related business. The Indonesia JV is held as to 70% by the Company and 30% by PT Monas. The paid-up capital of the Indonesia JV is US Dollars 10 million and the Company had paid up its portion in full. During the year, the Indonesia JV had started the construction of its production facilities and is expected to be completed during the second half of 2016. The financial results of the Indonesia JV had been consolidated in the Group's financial statements as a non-wholly owned subsidiary after its establishment.

AFRICA

In December 2015, the Board approved the establishment of an optical fibre cable plant in Africa. In January 2016, Yangtze Optics Africa Holdings Proprietary Limited (the "Africa JV") and Yangtze Optics Africa Cable Proprietary Limited were registered and the latter is a wholly-owned subsidiary of the Africa JV. The paid-up capital of the Africa JV is US Dollars 10 million and the Africa JV is held as to 74.9% by the Group and 25.1% by the local partner in Africa. The financial results of the Africa JV will be consolidated in the Group financial statements as a non-wholly owned subsidiary from the date of its establishment.

於海外組建實體

緬甸

於二零一四年十二月，本公司與一家緬甸當地的合作方於緬甸成立光纜合營企業(「緬甸合營企業」)，藉以推廣及發展光纜。緬甸合營企業由本公司及當地合作方各持有50%。緬甸合營企業之初始應繳足股本為4百萬美元，本公司已繳足相應份額的資金。自緬甸合營企業成立後，其已投入運營且其財務業績已於本集團財務報表按合營企業入賬。

印度尼西亞

於二零一五年一月，本公司與於印度尼西亞註冊成立之有限公司PT. Monas Permata Persada(「PT Monas」)訂立合營企業協議，於印尼成立合營企業(「印尼合營企業」)，藉以推廣及發展光纖製造、銷售及其相關業務。印尼合營企業由本公司及PT Monas分別持有70%及30%，其應繳足股本為10百萬美元，本公司已按其於印尼合營企業之持股量繳足資金。於本年度，印尼合營企業已投入建造其生產設備且預期將於二零一六年下半年完成。印尼合營企業成立後，其財務業績已於本集團財務報表按非全資附屬公司入賬。

非洲

於二零一五年十二月，董事會批准在非洲成立一家光纜廠。於二零一六年一月，長飛光纖非洲控股有限公司(「非洲合營企業」)及長飛光纖非洲光纜有限公司已成功註冊，其中後者是非洲合營企業的全資附屬公司。非洲合營企業的應繳足股本為10百萬美元，本集團持有非洲合營企業74.9%，於非洲的當地合作方持有25.1%。非洲合營企業成立後，其財務業績將於本集團財務報表按非全資附屬公司入賬。

FORMATION OF NEW PRESENCES IN CHINA

CABLING SOLUTIONS JV

On 15 April 2015, the Company established a joint venture namely Shenzhen YOFC Connectivity Technologies Co., Ltd. with some ex-employees of the Company to promote and develop cabling system related products and solutions by making use of the Company's existing optical network distribution platform (the "Cabling Solutions JV"). Products manufactured by the Cabling Solutions JV include indoor cables, connectors, components and modules as well as integrated solutions which shall be applied for use in data centre, data centre interconnection, industrial control, and FTTx including fibre-to-the residence or home (FTTH), building (FTTB), desk (FTTD) or Antenna (FTTA). The Cabling Solutions JV is held as to 75% by the Company and the remaining 25% by certain ex-employees of the Company (all of whom are not connected persons of the Company as defined under the Hong Kong Listing Rules). The Cabling Solutions JV's paid-up capital was RMB30 million. The Company had contributed its part in full as at 31 December 2015 and the portion contributed by those ex-employees of the Company was subsequently paid up in full during 2016. The Cabling Solutions JV had commenced its operation with effect on 1 July 2015. The state of affairs and the financial results of the Cabling Solutions JV had been consolidated in the Group's financial statements as a non-wholly owned subsidiary since its commencement of operation.

SHENYANG AND LANZHOU CABLE PLANT

On 16 June 2015 and 13 July 2015, the Company established two wholly-owned subsidiaries namely Yangtze Optical Fibre and Cable Shenyang Co., Ltd. ("YOFC Shenyang") and Yangtze Optical Fibre and Cable Lanzhou Co., Ltd. ("YOFC Lanzhou"), respectively, so as to better serve our customers in the north eastern and north western part of China and to align with "One Belt, One Road" national strategy. Each of these subsidiaries is involved in the manufacture and distribution of optical fibre cables with an initial designed annual production capacities of 2 million fkm each. The paid-up capital of YOFC Shenyang and YOFC Lanzhou are RMB20 million and RMB30 million, respectively. A total of RMB15.2 million was contributed by the Company to YOFC Shenyang and the paid up capital to YOFC Lanzhou had been fully paid up by the Company during the year. The remaining balance of RMB4.8 million capital contribution to YOFC Shenyang was subsequently paid up in full in 2016.

於中國組建新實體

終端業務合營企業

於二零一五年四月十五日，本公司和若干本公司前僱員於深圳成立一家合營企業深圳長飛智連技術有限公司(「終端業務合營企業」)，以利用本公司現有之綜合佈線平台推進及發展綜合佈線系統相關產品及解決方案。終端業務合營企業生產的產品包括室內光纜、連接器、器件、組件以及綜合解決方案，應用於數據中心、數據中心互聯、工業控制及光纖接入(包括光纖到戶(FTTH)、光纖到樓(FTTB)、光纖到桌(FTTD)、光纖到天線(FTTA))。終端業務合營企業由本公司及上述本公司前僱員分別持有75%及25%(依照香港上市規則之定義，上述僱員皆不屬於本公司之關連人士)。終端業務合營企業的應繳足股本為人民幣30百萬元。本公司已於二零一五年十二月三十一日全額注資及本公司該等前僱員的注資部份其後於二零一六年全額繳足。終端業務合營企業已於二零一五年七月一日投入運營。自其開展運營後，其運營狀況及財務業績已於本集團財務報表按非全資附屬公司入賬。

沈陽及蘭州光纜廠

本公司於二零一五年六月十六日及二零一五年七月十三日成立兩家全資附屬公司，分別為長飛光纖光纜沈陽有限公司(「長飛沈陽」)及長飛光纖光纜蘭州有限公司(「長飛蘭州」)，以更好的服務於我們於中國東北部及西北部的客戶以及響應「一帶一路」戰略。該兩家附屬公司皆擁有2百萬芯公里的首期設計年產能，以生產及分銷光纜。長飛沈陽及長飛蘭州的應繳足股本分別為人民幣20百萬元及人民幣30百萬元。本公司向長飛沈陽注資合共人民幣15.2百萬元，及向長飛蘭州的應繳足股本已於本年內由本公司全額繳足。向長飛沈陽的注資餘額人民幣4.8百萬元其後已於二零一六年全額繳足。

FORMATION OF NEW PRESENCES IN CHINA

(Continued)

YOFC QIANJIANG

On 28 July 2015, the Company established another wholly-owned subsidiary called Yangtze Optical Fibre (Qianjiang) Co., Ltd. ("YOFC Qianjiang") for the capacity expansion for optical fibre preform and optical fibre. The total paid-up capital of YOFC Qianjiang as at 31 December 2015 was RMB280 million and was subsequently increased to RMB404 million on 1 March 2016. The Company will fulfill its capital contribution according to the construction plan.

HUBEI FLYING JV

On 12 August 2015, the Company established a joint venture called Hubei Flying Optical Fibre Material Co., Ltd. (the "Hubei Flying JV") with a partner originating from Sichuan to manufacture silicon tetrachloride so as to cope with the future consumption of silicon tetrachloride by the Group as a result of our preform capacity expansion in Qianjiang. The planned annual production capacity would be 10,000 tons high purity silicon tetrachloride and the construction would be divided into two phases. The total paid-up capital of this joint venture was RMB60 million and this joint venture was held as to 87% by the Company and 13% by that joint venture partner. As at 31 December 2015, both parties have not yet paid their respective portion of capital contribution. The financial results of the Hubei Flying JV will be consolidated in the Group's financial statements as a non-wholly owned subsidiary since its commencement of operations.

PREFORM JV

On 18 August 2015, the Company and Shin-Etsu jointly established a joint venture in Qianjiang (the "Preform JV") so as to promote and develop optical fibre preform manufacturing, sales and its related businesses by using alternative preform production technology. The Preform JV is held as to 49% by the Company and 51% by Shin-Etsu and the paid-up capital of the Preform JV is JPY8,000 million and each party will make their respective contribution in cash in accordance with their respective equity holdings in the Preform JV during 2016. The Preform JV has already commenced the design of the relevant production base during 2015. The financial results of the Preform JV will be consolidated in the Group's financial statements as a joint venture after its establishment.

於中國組建新實體(續)

長飛潛江

二零一五年七月二十八日，本公司成立了另一家全資附屬公司長飛光纖潛江有限公司(「長飛潛江」)，以擴大光纖預製棒及光纖的產能。長飛潛江於二零一五年十二月三十一日的應繳足股本為人民幣280百萬元，其後於二零一六年三月一日增至人民幣404百萬元。本公司將根據建設計劃履行其注資。

湖北飛菱合營企業

於二零一五年八月十二日，本公司建立了一家名為湖北飛菱光纖材料有限公司的合資公司(「湖北飛菱合營企業」)。合資方為來自四川的一家公司。湖北飛菱將進行四氯化矽的製造，其產品將用於公司在潛江的光纖預製棒擴產項目的未來需求。湖北飛菱合營企業計劃的年產能為1萬噸高純度四氯化矽，其建設將分為兩個階段。湖北飛菱合營企業的應繳足股本為人民幣60百萬元，由本公司及合作方分別持有87%及13%。於二零一五年十二月三十一日，雙方均未交付各自的注資份額。湖北飛菱合營企業投入運營後，其財務業績將於本集團財務報表按非全資附屬公司入賬。

預製棒合營企業

於二零一五年八月十八日，本公司與信越化學工業株式會社(「信越化學」)於中國湖北潛江共同成立一家合營企業(「預製棒合營企業」)，以通過使用預製棒生產替代技術推進及發展光纖預製棒生產、銷售及相關業務。預製棒合營企業由本公司及信越化學分別持有49%及51%，其應繳足股本為8,000百萬日圓，各訂約方將於二零一六年內按彼等於預製棒合營企業之持股量分別以現金注資。預製棒合營企業於二零一五年已展開相關生產基地設計的初始階段。預製棒合營企業成立後，其財務業績將於本集團財務報表按合營公司入賬。

FORMATION OF NEW PRESENCES IN CHINA

(Continued)

NEW FIBRE JV

On 8 December 2015, the Company established a joint venture namely Ally First Optical Fibre and Cable Co., Ltd. (the "New Fibre JV") with six local cable manufacturing partners in Zhejiang to set up an optical fibre production base in Lin'an, Zhejiang. The New Fibre JV is held as to 51% by the Company and the remaining 49% is held by a number of local partners in Lin'an. The paid-up capital of the New Fibre JV is RMB186.0 million and a total amount of RMB47.5 million had been paid up by the Company before 31 December 2015. The financial results of the New Fibre JV had been consolidated in the Group's financial statements as a non-wholly owned subsidiary after its establishment.

The establishment of all the above joint ventures and subsidiaries as disclosed under the sections headed "Formation of Overseas Presences" and "Formation of New Presences in China" did not constitute notifiable transactions or connected transactions of the Company under Chapter 14 and Chapter 14A of the Hong Kong Listing Rules.

ACQUISITION

NK WUHAN

On 25 December 2015, the Company completed the acquisition of 60% equity interests in NK Wuhan from NK China Investments B.V. ("NK China") at a consideration of RMB18 million. The consideration for the acquisition was determined after arm's length negotiation between the Company and NK China with reference to NK Wuhan's business prospect and its latest financial position. Upon completion, a gain on bargain purchase of RMB30.0 million was resulted.

Since NK China is an indirectly wholly-owned subsidiary of Prysmian S.p.A., thus a fellow subsidiary of Draka, NK China is defined as a connected person of the Company under Chapter 14A of the Hong Kong Listing Rules and this transaction constituted a connected transaction of the Company. The Company confirms that it has complied with the disclosure requirements in accordance with Chapter 14A of the Hong Kong Listing Rules.

於中國組建新實體(續)

新光纖合營企業

於二零一五年十二月八日，本公司與六家當地合作方在浙江臨安共同成立了一家合營企業浙江聯飛光纖光纜有限公司(「新光纖合營企業」)作為光纖生產基地。新光纖合營企業由本公司及臨安當地若干合作方分別持有51%及49%，其應繳足股本為人民幣186.0百萬元，其中合共人民幣47.5百萬元已由本公司於二零一五年十二月三十一日前繳付。新光纖合營企業成立後，其財務業績已於本集團財務報表按非全資附屬公司入賬。

於「於海外組建實體」及「於中國組建新實體」各節項下所披露之上述所有合資公司及附屬公司的建立，根據香港上市規則第14章及第14A章，並不構成須予公佈的交易或關連交易。

收購

武漢安凱

於二零一五年十二月二十五日，本公司完成於NK China Investments B.V.(「NK China」)收購武漢安凱之60%股權，現金代價為人民幣18百萬元。本次收購的對價由本公司及NK China基於武漢安凱的商業前景及最新財務狀況，經過公平合理的協商得出。交易完成後將產生通過議價收購所產生的購買收益人民幣30.0百萬元。

NK China是Prysmian S.p.A.的間接全資附屬公司，因此是Draka的同系附屬公司。故在香港上市規則第14A章項下，NK China屬於本公司的關連人士，該交易構成本公司的關連交易。本公司確認已遵守香港上市規則第14A章項下之披露規定。

ACQUISITION (Continued)

NK WUHAN (Continued)

NK Wuhan is principally engaged in the manufacture and sales of radio frequency copper coaxial cables and related products. The acquisition is part of the Group's continued growth strategy and it can enhance the Group's competitiveness in the cable industry in China and enable the Group to have a more diversified products mix. Further details of the acquisition are set out in the Company's announcement dated 18 June 2015. Upon completion of the acquisition, the financial results of NK Wuhan had been consolidated in the Group's financial statements as a non-wholly owned subsidiary.

收購(續)

武漢安凱(續)

武漢安凱的主要業務為生產和銷售射頻同軸電纜及相關產品。此收購是本集團持續增長策略的一部分，且可以增強本集團在中國線纜行業的競爭力，並使本集團產品多元化。該收購的詳情載於本公司日期為二零一五年六月十八日之公告內。於該收購完成之時，武漢安凱之財務業績已於本集團財務報表按非全資附屬公司入賬。

<p>EXISTING 原來業務</p>	<ul style="list-style-type: none"> • Yangtze Optical Fibre and Cable Shenyang Co., Ltd. (100% owned) • Yangtze Optical Fibre and Cable Lanzhou Co., Ltd. (100% owned) • Ally First Optical Fiber and Cable Co., Ltd. (51% owned) • 長飛光纖光纜瀋陽有限公司(100%) • 長飛光纖光纜蘭州有限公司(100%) • 浙江聯飛光纖光纜有限公司(51%)
<p>VALUE CHAIN 全產業鏈</p>	<ul style="list-style-type: none"> • Hubei Flying Optical Fibre Material Co., Ltd. (87% owned) • Shenzhen YOFC Connectivity Technologies Co., Ltd. (75% owned) • 湖北飛菱光纖材料有限公司(87%) • 深圳長飛智連技術有限公司(75%)
<p>MULTI-PROCESSES 多工藝路線</p>	<ul style="list-style-type: none"> • Yangtze Optical Fibre (Qianjiang) Co., Ltd. (100% owned) • Shin-Etsu YOFC (Hubei) Optical Preform Co., Ltd. (49% owned) • 長飛光纖潛江有限公司(100%) • 長飛信越(湖北)光棒有限公司(49%)
<p>INTERNATIONALISATION 國際化</p>	<ul style="list-style-type: none"> • Yangtze Optics Africa Holdings Proprietary Limited (74.9% owned) • PT. Yangtze Optical Fibre Indonesia (70% owned)# • YOFC-Yadanarbon Fibre Co., Ltd. (50% owned)# • 長飛光纖非洲控股有限公司(74.9%)
<p>DIVERSIFICATION 相關多元化</p>	<ul style="list-style-type: none"> • EverPro Technologies Company Limited (69.23% owned) • NK Wuhan Cable Co., Ltd. (80% owned) • 長芯盛(武漢)科技有限公司(69.23%) • 武漢安凱電纜有限公司(80%)

No official Chinese names.

沒有官方中文名稱

OUTLOOK

In 2016, the launch of the “Broadband China” national strategy by the Chinese Government, the roll-out of 4G LTE licenses and fibre-to-the-home (FTTH) by the State-owned Telecommunication Operators are still continuing. Together with some other new initiatives announced by the Chinese Government during 2015 such as “Internet +”, raising network speed, lowering data tariffs, the enhancement of network capabilities as well as the extension of internet infrastructure to all villages, the Group would align our strategies in line with the national strategies in the coming years and deploy more resources to maximise the shareholders’ return in the years to come.

In 2016, the Group will put every effort to execute and implement all our production capacity expansion plans on all of our three major products streams and to make sure that all these expansion plans can be completed on schedule or even ahead of our predetermined schedules so as to grasp all the available market opportunities both locally and globally.

Our strategic goal remains unchanged which is to become the market leader of the industry and to solidify our existing leading market position. The Group will focus on its four key strategies namely value chain extension, the continuous development of multi-processes production technologies on optical fibre preforms, internationalisation, and diversification in order to have a continuous success in our businesses. All these can enhance our competitiveness in the market as well as enrich our product mix and then ultimately improve our profitability.

The completion of arbitration on anti-dumping on imported preforms on 19 August 2015 creates certain degree of barrier to those foreign suppliers from Japan and United States selling preforms into the China market. It is because anti-dumping duties ranging from 8% to 42% have been imposed against them starting from August 2015. Starting from the last few months of 2015, China market is in shortage of supply on optical fibre preforms and optical fibres. There was an indication in the last quarter of 2015 that the selling prices of optical fibre preforms and optical fibres started to increase and the upward adjustments in selling prices on these two products are expected to be continued in 2016.

展望

於二零一六年，中國政府持續推行「寬帶中國」戰略，發出4G LTE牌照，加上國有電信運營商持續推出光纖到戶(光纖到戶)，再加上中國政府於二零一五年宣佈的一系列重大舉措，例如「互聯網+」、提速降費、強化網絡能力保障以及互聯網基礎設施延伸至所有農村，本集團未來將於我們的戰略緊密聯繫國家戰略並利用更多資源為股東創造最大收益。

於二零一六年，本集團將致力於執行並實施我們所有針對三大產品的產能擴張計劃，並確保所有上述擴產計劃能如期甚至提前完成，以緊抓國內外市場良機。

本集團的戰略目標依然是成為行業領袖並鞏固目前的市場領先地位。本集團將持續致力於我們的四大戰略，即全產業鏈、多工藝路線、國際化及相關多元化，從而獲得業務上的持續成功。上述戰略均有助於增強我們的市場競爭力，以及豐富我們的產品以最終提高我們的收益。

於二零一五年八月十九日結束的進口預製棒反傾銷仲裁，對國外供應商在中國市場銷售預製棒製造了一定程度上的障礙，因從二零一五年八月起針對上述源自日本及美國的國外供應商徵收8%至42%的反傾銷關稅。自二零一五年最後數月起，中國市場經歷了光纖預製棒及光纖之供應短缺。於二零一五年第四季度，光纖預製棒及光纖的售價出現上漲的趨勢並有望於二零一六年持續。

OUTLOOK (Continued)

With the deployment of "One Belt, One Road" national strategy in the coming years, the construction of internet infrastructure network between the PRC and its neighbouring countries as well as African countries has become a heat topic in discussion. In order to align with this fundamental strategy, we have already built our presences in China and overseas so as to capture the relevant opportunities to be created from it. This strategy can create further demand for optical fibres and optical fibre cables. With our presences in China, Indonesia and Africa, the Group shall be ready to be involved in the "One Belt, One Road" strategy and bring in additional income to the stakeholders.

The Group through EverPro was involved in AOC business. During 2015, EverPro had put its primary focus on research and market development. On research and development side, EverPro had made some great achievements by (i) improving its existing integrated circuits development platform; (ii) introducing a newly developed HDMI AOC cables equipped with specialty fibres offering to consumer market for application to 4K super high resolution TV; and (iii) developing new AOC series with 10G, 40G, 100G, and 400G which are all applicable to data centre. Cloud computing would be the next step for EverPro to explore in 2016. On marketing side, EverPro had announced its new brand called "FIBBR" in September 2015 and is the first company launching the HDMI 4K super high resolution optical cables into the market. FIBBR's products are now available for sale in department stores, supermarkets and online electronic consumer platforms in both China and US namely jd.com, TMALL.com, Walmart, Frys and Neweggs. After years of marketing, EverPro's AOC related products have been well accepted by both local and global customers and some of them have already passed through their respective product certifications and are ready for bulk purchases from EverPro. Provision of cloud computing or "zero client" solution to schools (zero client solution is a desktop virtualisation solution containing 1 PC or server, a set of high speed USB3.0 AOCs and zero client stations as well as a variety of peripherals that provides up to 20 users PC-like working environment simultaneously with lower cost, less IT management and maintenance effort and significantly reduced energy consumption by sharing computing resources) have marked another milestone in 2015 with more than 30 schools in China having used our products and solutions. With our continued effort spent on EverPro, this segment will become another sales and profitability stimulator to the Group in the coming future.

展望(續)

未來於「一帶一路」戰略的部署下，中國與鄰國以及非洲國家間的互聯網基礎設施建設已成為討論熱點。為了呼應該基本戰略，本集團已於中國及海外展開相關業務以抓住相關機遇。該戰略可為光纖光纜創造進一步的需求。藉助我們於中國、印度尼西亞及非洲的發展，本集團已準備好參與「一帶一路」戰略並為股東帶來附加收益。

本集團已通過長芯盛開展有源光纜相關業務。於二零一五年，長芯盛主要致力於研發以及市場推廣。於研發部分，長芯盛作出如下顯著成績：(i)完善了現有芯片開發設計平台；(ii)開發了面向消費市場的HDMI光纖連接線等產品，完美支持4K超高清視頻遠距離傳輸；及(iii)新開發了10G/40G/100G/400G等系列數據中心有源光纜產品，皆可運用於數據中心。下一步長芯盛將於二零一六年著手開發雲計算產品。於市場部分，長芯盛於二零一五年九月份對外發佈全新品牌「菲伯爾」，為市場上首家發佈HDMI 4K超高清連接線的公司。現菲伯爾產品已成功進入美國Walmart、Frys、Neweggs和中國京東、天貓、工貿等百貨公司超市和電商平台。歷經多年營銷，長芯盛的AOC相關產品已被國內外客戶廣泛接受，部分產品已通過客戶的產品驗證，且已預備於長芯盛批量採購。而面向學校的雲計算或「零客戶端」解決方案(零客戶端解決方案為一種桌面虛擬化解決方案，包含一台電腦或服務器，一套高速USB3.0數據傳輸系統及零終端客戶端，以及不同的外圍設備，可同時為20位用戶提供類電腦工作環境，兼具更低成本、更少IT管理及維護以及通過共用運作資源顯著減少能源消耗的優點)已為中國30多家學校所採用，是二零一五年另一個里程碑。憑藉本集團於長芯盛的持續努力，於未來該分部將成為本集團另一銷售及獲利之助長者。

OUTLOOK (Continued)

Other than the above, the Group has already set up new entities or business units to expand its specialty fibre and cable business, integrated system and cabling solution business and network construction projects business as well as the provision of technological services on cabling network business. All these can enable the Group to further diversify its business and equip with better resources with strong potential for growth, then finally create higher value for its shareholders.

During 2015, the Chinese government had introduced a ten-year plan on Made in China 2025 ("MiC 2025") which aims at improving China's manufacturing process with comprehensive upgrading. MiC 2025 draws inspiration from Germany's industrie 4.0 as China aims to make use of advanced technologies like the Internet of Things, cloud computing and big data to upgrade the manufacturing processes. YOFC, being selected as one of the intelligent manufacturing pilot companies among the first 46 companies being announced by the Ministry of Industry and Information Technology of the People's Republic of China for participating in MiC 2025. The Group, as a whole, will use its best endeavour deploying its resources for MiC 2025.

展望(續)

此外，本集團已設立新實體或業務單元以擴大其特種光纖光纜業務、綜合佈線系統網絡業務、網絡工程建設業務以及網絡佈線技術服務業務，確保本集團的進一步業務多元化以及配備具有強勁增長潛力的更佳資源，以最終為其股東創造更高價值。

於二零一五年，中國政府發佈了「中國製造2025」的十年規劃，旨在綜合提升中國製造工藝。「中國製造2025」靈感來源於德國工業4.0，中國將利用先進技術例如物聯網、雲計算以及大數據以對製造工藝進行升級。本公司有幸被中華人民共和國工業和信息化部納入首批46家智能製造試點企業之一，本集團將為「中國製造2025」竭盡所能。

DIRECTORS', SUPERVISORS' AND SENIOR MANAGEMENT'S PROFILES

董事、監事及高級管理人員簡歷

DIRECTORS

EXECUTIVE DIRECTORS

Mr. Wen Huiguo, age 62, is an executive Director and authorised representative of the Company and the Chairman of the Board. He is also the Chairman of the Strategy Committee of the Company and is primarily responsible for overall management of the Company's investment strategies and business development. Mr. Wen has over 40 years of management experience in the telecommunications industry of China. He was appointed as an executive director of the Company on 19 December 2013. He joined the board of directors of YOFC as a director on 15 October 2008. Mr. Wen has also been a member of the management committee of China Huaxin, one of the substantial shareholders of the Company, since June 2011. Prior to joining the Company, from June 2000 to October 2008, he served as the general manager of Hunan Branch of China Telecom. Mr. Wen graduated from Beijing University of Posts and Telecommunications with a major in signal carrier and obtained an executive master of business administration from Peking University. Mr. Wen is a senior engineer of professor level who is entitled to receive special allowance from the State Council and the winner of National Labor Medal issued by All China Federation of Trade Unions. He is also a representative of the Tenth and Eleventh National People's Congress.

Mr. Frank Franciscus Dorjee, age 55, is an executive Director of the Company, the Vice-Chairman of the Board and is a member of the Nomination and Remuneration Committee of the Company. He is primarily responsible for overall management of the Company's investment strategies and business development. He was appointed as an executive Director of the Company on 19 December 2013. He joined the board of directors of YOFC as a director on 24 January 2011. He has also been a member of the supervisory board and chairman of the audit committee of Randstad Holding NV, a company listed on the Euronext Amsterdam (Stock Code: RAND), since April 2014. Mr. Dorjee once joined the board of directors of Oman Cables Industry (SAOG), a company listed on the Muscat Securities Market (Stock Code: OCAI) in March 2012 and had been serving as the vice-chairman of the board of directors for the period from July 2012 to 1 December 2014. Mr. Dorjee consecutively served at KPMG Accountant N.V. and Van der Moolen Holding N.V., which was a Dutch equity trading firm and one of the

董事

執行董事

文會國先生，62歲，現任本公司執行董事、授權代表和董事長以及戰略委員會主席，主要負責本公司投資策略及業務發展的全面管理。文先生在中國電信行業擁有逾四十年管理經驗。文先生於二零一三年十二月十九日獲委任為本公司執行董事，於二零零八年十月十五日加入我們的前身長飛董事會出任董事。文先生自二零一一年六月起亦一直為中國華信（本公司主要股東之一）的管理委員會委員。文先生加入本公司前，於二零零零年六月至二零零八年十月，擔任中國電信股份有限公司湖南分公司的總經理。文先生畢業於北京郵電大學，獲得載波通信專業學士學位，並於之後獲得北京大學工商管理碩士（EMBA）學位。文先生為教授級高級工程師，享受國務院特殊津貼，並曾榮獲中華全國總工會頒發的全國五一勞動獎章，亦曾為第十及第十一屆全國人大代表。

范•德意先生，55歲，本公司執行董事、副董事長及提名及薪酬委員會委員，主要負責本公司投資策略及業務發展的全面管理。范•德意先生於二零一三年十二月十九日獲委任為本公司執行董事。范•德意先生於二零一一年一月二十四日加入我們的前身長飛董事會出任董事。范•德意先生自二零一四年四月起擔任Randstad Holding NV（阿姆斯特丹證券交易所上市公司（股份代號：RAND））的監事會成員及審核委員會主席。范•德意先生曾於二零一二年三月加入Oman Cables Industry (SAOG)（馬斯喀特證券市場上市公司（股份代號：OCAI））董事會，並自二零一二年七月至二零一四年十二月一日出任董事會副主席。范•德意先生先後於KPMG Accountant N.V.及Van der Moolen Holding N.V.（荷蘭股權交易公司及紐約證券交易所的特許證券商之一）、德拉克控股（Draka

DIRECTORS', SUPERVISORS' AND SENIOR MANAGEMENT'S PROFILES (Continued)

董事、監事及高級管理人員簡歷(續)

DIRECTORS (Continued)

EXECUTIVE DIRECTORS (Continued)

specialists on the New York Stock Exchange, Draka Holding N.V. and Prysmian S.p.A. (a company listed on the Borsa Italiana S.p.A., Italy's main stock exchange (Stock Code: PRY)), which indirectly holds 100% equity interest in Draka, one of the substantial shareholders of the Company, for senior management level positions. Mr. Dorjee consecutively obtained a bachelor's degree in economics and law, a master's degree in business economics, a master's degree in tax law and a master's degree in tax economics from University of Amsterdam. He has been a certified public accountant registered at the Nederlands Instituut van Register accountants since March 1987.

NON-EXECUTIVE DIRECTORS

Mr. Ma Jie, age 45, joined the Board as a non-executive Director on 19 December 2013. He is responsible for providing strategic advice and making recommendations on the operations and management of the Company. He joined the board of directors of YOFC as a director on 12 August 2011. Mr. Ma has been serving as the vice chairman of the management committee and the executive deputy general manager of China Huaxin, one of the substantial shareholders of the Company, since June 2011 and since January 2013, respectively. He also serves as a non-executive director of Alcatel-Lucent Shanghai Bell Co., Ltd. and Alcatel-Lucent Enterprise Holding, subsidiaries of China Huaxin. He once served as a director of Zhongying Youchuang Information Technology Co., Ltd. and a director of China Credit Information Technology Company Limited. Prior to these positions, Mr. Ma held several management level positions in Alcatel-Lucent Shanghai Bell Co., Ltd. Mr. Ma graduated from Nankai University with a bachelor's degree in economics and a doctorate in economics respectively. He also obtained an executive master of business administration from a joint program of Washington University in Saint Louis and Fudan University.

董事(續)

執行董事(續)

Holding N.V.)及Prysmian S.p.A.(為於意大利主要證券交易所Borsa Italiana S.p.A.上市的公司(股份代號:PRY)並間接持有Draka(本公司的主要股東之一)之全部股權)任高管職務。范•德意先生於阿姆斯特丹大學獲得經濟學與法學學士學位,商業經濟學碩士學位,稅法碩士學位及稅收經濟學碩士學位。范•德意先生於一九八七年三月起於荷蘭皇家註冊會計師協會註冊成為註冊會計師。

非執行董事

馬杰先生,45歲,於二零一三年十二月十九日加入董事會出任非執行董事,負責對本公司的經營與管理提供具有戰略意義的意見及建議。馬先生於二零一一年八月十二日加入我們的前身長飛的董事會出任董事。馬先生自二零一一年六月及二零一三年一月起分別擔任中國華信(本公司主要股東之一)管理委員會副主任及常務副總經理。馬先生亦分別擔任中國華信附屬公司上海貝爾股份有限公司及阿爾卡特朗訊企業控股董事。彼曾擔任中盈優創資訊科技有限公司董事及中信國檢資訊技術有限公司董事。在此之前,馬先生曾先後擔任上海貝爾股份有限公司的多個管理職位。馬先生畢業於南開大學,分別獲得經濟學學士學位及經濟學博士學位,亦獲得聖路易士華盛頓大學和復旦大學的聯合EMBA學位。

DIRECTORS (Continued)

NON-EXECUTIVE DIRECTORS (Continued)

Mr. Yao Jingming, age 51, joined the Board as a non-executive Director on 9 June 2015. He is responsible for providing strategic advice and making recommendations on the operations and management of the Company. He was appointed as a supervisor of the Company on December 19, 2013 and had been responsible for supervising the performance of duties by the directors and senior management at the Company until 27 March 2015. Mr. Yao has nearly 30 years of management experience in the communications industry. Mr. Yao has been serving as the deputy general manager of China Huaxin, the substantial shareholder of the Company, where he is in charge of technology, strategy and international mergers and acquisitions since February 2013. He also holds positions in two subsidiaries of China Huaxin, including serving as a director of Shanghai Fortune Communications Technology Development Co., Ltd. (上海富欣通信技術發展有限公司) since December 2012 and the general manager and a director of Shanghai Sincere Technology Co., Ltd. (上海信輝科技有限公司) since July 2013. Prior to these positions, from July 1986 to January 2013, Mr. Yao held various positions in Alcatel-Lucent Shanghai Bell Co., Ltd., a subsidiary of China Huaxin, including consecutively serving as a software engineer, the software development manager, the manager of technology development department and the manager of customer service department from July 1986 to September 2000, the general manager of the switching network division primarily responsible for marketing, products management and research and development from October 2000 to June 2002, the vice president of the company primarily responsible for operation and daily management of the voice network division from July 2002 to December 2003, the executive vice president of the company from January 2004 to January 2013, during which period, he was in charge of the management and operation of the fixed communication network group, the cable network group and the communications network group from January 2004 to January 2009, in charge of solutions and market from January 2009 to March 2010, in charge of quality and reform from April 2010 to February 2011, and in charge of international business from February 2011 to January 2013. Mr. Yao obtained his bachelor's degree in computer science from Shanghai Jiaotong University (上海交通大學) in June 1986, an executive master of business administration from China Europe International Business School (中歐國際工商學院) in April 2001, and a doctorate in business administration from the Hong Kong Polytechnic University in October 2008.

董事 (續)

非執行董事 (續)

姚井明先生，51歲，於二零一五年六月九日加入董事會出任非執行董事，負責對本公司的經營與管理提供具有戰略意義的意見及建議。此前彼於二零一三年十二月十九日至二零一五年三月二十七日擔任本公司監事，負責監督本公司董事及高級管理層的履責情況。姚先生有近三十年的通信行業管理經驗。姚先生自二零一三年二月一直擔任本公司的主要股東中國華信副總經理，負責技術、策略及國際併購。彼亦於中國華信兩間附屬公司任職，包括自二零一二年十二月起擔任上海富欣通信技術發展有限公司之董事，及自二零一三年七月起擔任上海信輝科技有限公司總經理及董事。任職該等職位前，姚先生亦於一九八六年七月至二零一三年一月在中國華信附屬公司上海貝爾股份有限公司擔任多個職務，包括自一九八六年七月至二零零零年九月先後擔任軟件工程師、軟件開發經理、技術開發部經理及客戶服務部經理，自二零零零年十月至二零零二年六月先後擔任交換網絡事業部總經理，主要負責市場營銷、產品管理及研發，自二零零二年七月至二零零三年十二月擔任該公司副總裁，主要負責語音網絡事業部營運及日常管理，自二零零四年一月至二零一三年一月擔任該公司執行副總裁，在此期間，彼於二零零四年一月至二零零九年一月負責固定通信網絡集團、有線網絡集團及通信網絡集團的管理及營運，二零零九年一月至二零一零年三月負責解決方案和市場，二零一零年四月至二零一一年二月負責質量及變革，二零一一年二月至二零一三年一月負責國際業務。姚先生於一九八六年六月獲得上海交通大學計算機學士學位，於二零零一年四月獲得中歐國際工商學院的工商管理碩士學位，並於二零零八年十月獲得香港理工大學工商管理博士學位。

DIRECTORS (Continued)

NON-EXECUTIVE DIRECTORS (Continued)

Mr. Philippe Claude Vanhille, age 51, joined the Board as a non-executive Director on 19 December 2013. He is responsible for providing strategic advice and making recommendations on the operations and management of the Company. He joined the board of directors of YOFC as a director on 23 May 2013. Mr. Vanhille has over 23 years of experience in optical fibre and cable industry. He has been serving as the senior vice-president of Telecom Business of the Prysmian Group since May 2013, where he is primarily responsible for the global telecom business of the Prysmian group, and an executive director of Draka, one of the substantial shareholders of the Company, since June 2013. Mr. Vanhille concurrently also holds several positions in certain subsidiaries of Prysmian S.p.A.. Mr. Vanhille obtained a master's degree in mechanical engineering from I.N.S.A. Lyon, France and graduated from Institut Francais de Gestion, Aix-en-Provence, France with a master's degree in management.

Mr. Yeung Kwok Ki Anthony, age 70, joined the Board as a non-executive Director on 19 December 2013. He is responsible for providing strategic advice and making recommendations on the operations and management of the Company. He joined the board of directors of YOFC as a director on 1 January 1997 and served as the secretary of the board of directors of YOFC from January 1992 to December 1996. Mr. Yeung has over 30 years of experience in financial management. Mr. Yeung is a practising certified public accountant recognised by the Hong Kong Institute of Certified Public Accountants and also a senior member of the major global accountancy institutions. Mr. Yeung is a member of the election committee of the Hong Kong government. Mr. Yeung has served as the founder and chairman of K K Yeung Management Consultants Ltd. since May 1983, and the founder and senior partner of K K Yeung Partnership, CPA (Practising) since November 1985. Mr. Yeung has also served as the founder and chairman of Wall Street Resources Ltd. since February 1977. Mr. Yeung has been serving as an independent non-executive director as well as a member of the audit committee, the remuneration committee and the nomination committee of Integrated Waste Solutions Group Holdings Limited, a company listed on the Main Board of The Stock Exchange of Hong Kong Limited (Stock code: 923) since 1 March 2016. Mr. Yeung has been serving as a director of Oman Cables Industry (SAOG), a company listed on the Muscat Securities Market (Stock Code: OCAI), for the period from April 2013 to 6 March 2015. Mr. Yeung had also served as a director of many Hong Kong and overseas listed companies.

董事 (續)

非執行董事 (續)

菲利普·范希爾先生，51歲，於二零一三年十二月十九日加入董事會出任非執行董事，負責對本公司的經營與管理提供具有戰略意義的意見及建議。范希爾先生於二零一三年五月二十三日加入我們的前身長飛董事會出任董事。范希爾先生有逾二十三年光纖光纜業經驗。范希爾先生自二零一三年五月起擔任普睿司曼集團電信事業部高級副總裁，主要負責普睿司曼集團的全球電信業務，自二零一三年六月起擔任Draka(本公司主要股東之一)執行董事。范希爾先生亦同時在Prysmian S.p.A.(股份代號：PRY)若干附屬公司擔任多個職位。范希爾先生從法國國立里昂應用科學學院獲得機械工程碩士學位，並於之後畢業於法國艾克斯·普羅旺斯的法國高等管理學院(Institut Francais de Gestion)，獲得管理碩士學位。

楊國琦先生，70歲，於二零一三年十二月十九日加入董事會出任非執行董事，負責對本公司的經營與管理提供具有戰略意義的意見及建議。楊先生於一九九七年一月一日加入我們的前身長飛董事會出任董事，並於一九九二年一月至一九九六年十二月擔任長飛的董事會秘書。楊先生有逾三十年的財務管理經驗。楊先生獲香港會計師公會認可為執業會計師，亦是多個主要國際會計團體的資深會員。楊先生為香港政府選舉委員會委員。楊先生為楊國琦管理顧問有限公司的創辦人，自一九八三年五月起擔任該公司董事長，並為楊國琦合夥人會計師行(註冊會計師事務所)的創辦人，自一九八五年十一月起成為該會計師行的高級合夥人，亦為華爾街資源有限公司創辦人，自一九七七年二月起擔任該公司主席。楊先生自二零一六年三月一日起至今擔任綜合環保集團有限公司(為香港聯合交易所主板上市公司(股份代號：923))獨立非執行董事、審計委員會委員、薪酬委員會委員以及提名委員會委員。楊先生曾自二零一三年四月至二零一五年三月六日擔任Oman Cables Industry (SAOG)(於馬斯喀特證券市場上市的公司(股份代號：OCAI))的董事，楊先生還曾擔任多家香港及海外上市公司的董事。

DIRECTORS (Continued)

NON-EXECUTIVE DIRECTORS (Continued)

Mr. Xiong Xiangfeng, age 51, joined the Board as a non-executive Director on 19 December 2013. He is responsible for providing strategic advice and making recommendations on the operations and management of the Company. He joined the board of directors of YOFC as a director on 5 August 2013. Mr. Xiong has over 29 years of experience in optical fibre and cable industry. Mr. Xiong has served as the president of Yangtze Communications, one of the substantial shareholders of the Company, since April 2013. Mr. Xiong also holds positions in certain subsidiaries of Yangtze Communications since April 2013. Prior to joining the Company, he had consecutively served at many management positions at Wuhan Research Institute of Posts and Telecommunications from July 1986 to April 2013. He had also held directors and supervisors positions at several subsidiaries of FiberHome Telecommunication Technologies Co., Ltd., a company listed on Shanghai Stock Exchange (Stock Code: 600498). Mr. Xiong obtained his bachelor's degree in photoelectric imaging technology from East China Institute of Engineering, currently known as Nanjing University of Science and Technology and an executive master's degree in business administration from Wuhan University.

Ms. Zheng Huili, age 56, joined the Board as a non-executive Director on 19 December 2013. She is responsible for providing strategic advice and making recommendations on the operations and management of the Company. She joined the board of directors of YOFC as a director on 12 April 2006. Ms. Zheng has over 26 years of experience in company operation and management. Currently she also serves as the deputy secretary of the Party committee of the Company. Ms. Zheng has also served as the deputy secretary of the Party committee and the general secretary of the discipline committee of Yangtze Communications, one of the substantial shareholders of the Company, since December 2005 and June 2006, respectively. Prior to joining the Company, Ms. Zheng worked at many management positions at Huazhong Information and Technology Group Co., Ltd. (formerly known as Huazhong Information and Technology Principal Company Limited). Ms. Zheng graduated from the Party School of the Chinese Communist Party Wuhan Municipal Committee with a bachelor's degree and obtained a master's degree in business administration from

董事(續)

非執行董事(續)

熊向峰先生，51歲，於二零一三年十二月十九日加入董事會出任非執行董事，負責對本公司的經營與管理提供具有戰略意義的意見及建議。熊先生於二零一三年八月五日加入我們的前身長飛董事會出任董事。熊先生有逾二十九年光纖光纜行業經驗。熊先生自二零一三年四月起擔任長江通信(本公司主要股東之一)的總裁。熊先生自二零一三年四月起亦兼任長江通信若干附屬公司職位。加入本公司前，熊先生於一九八六年七月至二零一三年四月曾先後擔任武漢郵電科學研究院的多個管理職位。熊先生亦曾兼任烽火通信(為上交所上市公司，股份代碼：600498)若干附屬公司的董事、監事職位。熊先生於華東工學院(現稱南京理工大學)獲得光電成像技術學士學位，並於武漢大學獲得EMBA學位。

鄭慧麗女士，56歲，於二零一三年十二月十九日加入董事會出任非執行董事，負責對本公司的經營與管理提供具有戰略意義的意見及建議。鄭女士於二零零六年四月十二日加入我們的前身長飛的董事會出任董事。鄭女士有逾二十六年的公司營運及管理經驗。鄭女士現亦擔任本公司黨委副書記。鄭女士自二零零五年十二月及二零零六年六月起分別擔任長江通信(本公司主要股東之一)黨委副書記及紀委書記。加入本公司前，鄭女士於華中信息技術集團有限公司(前稱華中信息技術總公司)先後擔任多個管理職務。鄭女士於中共武漢市委黨校完成大學本科學習，並獲得亞洲(澳門)國際公開大學(現稱澳門城市大學)MBA學位，為高級經濟師與高級政工師。鄭女士於一九九八年十二月至今為武漢

董事、監事及高級管理人員簡歷(續)

DIRECTORS (Continued)

NON-EXECUTIVE DIRECTORS (Continued)

Asia International Open University (Macau) (currently known as the City University of Macau). Ms. Zheng is a senior economist and senior political analyst. She has been a member of Wuhan Economic Professional Qualification Assessment Committee since December 1998. She has also been a member of the tenth, eleventh and twelfth of the executive committee of the Women's Federation of Wuhan and the eleventh and twelfth Party representative of Wuhan since July 2006.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. Ngai Wai Fung, age 54, joined the Board as an independent non-executive Director on 24 September 2014. He is the Chairman of the Audit Committee and the Nomination and Remuneration Committee of the Company and is responsible for providing independent advice on the operations and management of the Company. Since January 2011 to present, Dr. Ngai is the chief executive officer of SW Corporate Services Group Limited, a specialty corporate and compliance services provider to companies in pre-IPO and post-IPO stages. Prior to that, he was the director and head of listing services of an independent integrated corporate services provider from June 2005 to September 2010. Dr. Ngai has over 20 years of senior management experience including acting as the executive director, chief financial officer and company secretary, most of which are in the areas of finance, accounting, internal control and regulatory compliance, corporate governance and secretarial work for listed issuers including major red chip companies. He had led or participated in a number of significant corporate finance projects including listings, merges and acquisitions as well as issuance of debt securities. Dr. Ngai is the Immediate Past President of the Hong Kong Institution of Chartered Secretaries, a member of the Qualification and Examination Board of the Hong Kong Institution of Certified Public Accounts from January 2013 to present and the Adjunct Professor of Law of Hong Kong Shue Yan University from September 2012 to present and a member of the General Committee of The Chamber of Hong Kong Listed Companies from June 2014 to present. Dr. Ngai was appointed by the Chief Executive of The Hong Kong Special Administrative Region as a member of the Working Group on Professional Services under the Economic Development Commission since January 2013 to present. He is a fellow of the Association of Chartered Certified Accountants in the United Kingdom since March 2012 to present, a member of the Hong Kong Institute

董事(續)

非執行董事(續)

市經濟專業高級職務任職資格評審委員會委員，從二零零六年七月至今一直擔任武漢市婦聯第十屆、第十一屆和第十二屆執行委員會委員，及為武漢市第十一及十二屆黨代表。

獨立非執行董事

魏偉峰博士，54歲，於二零一四年九月二十四日加入董事會出任獨立非執行董事，為審計委員會和提名及薪酬委員會主席，負責對本公司的經營與管理提供獨立意見。自二零一一年一月至今，魏博士擔任信永永方圓企業服務集團有限公司行政總裁，該公司專門為上市前及上市後的公司提供企業及合規服務。在此之前，彼於二零零五年六月至二零一零年九月出任一家獨立運作綜合企業服務供應商的董事兼上市服務主管。魏博士擁有超過二十年高層管理經驗，曾擔任執行董事、首席財務官和公司秘書，其中絕大部分經驗涉及上市發行人(包括大型紅籌公司)的財務、會計、內部控制和法規遵守，以及企業管治和秘書工作。魏博士曾領導、參與大量重要的企業融資項目，包括上市、收購合併及債券發行。彼亦為香港特許秘書公會前任會長，於二零一三年一月至今為香港會計師公會專業資格及考試評議會委員會成員，以及於二零一二年九月至今為香港樹仁大學法律系兼任教授及於二零一四年六月至今為香港上市公司商會常務委員會委員。魏博士於二零一三年一月獲香港特別行政區行政長官委任為經濟發展委員會專業服務業工作小組非官守成員至今。彼自二零一二年三月至今為英國特許公認會計師公會資深會員、自二零零七年七月至今為香港會計師公會會員、自二零零零年十一月至今為特許秘書及行政人員公會資深會員、自二零零零年十一月至今為香港特許秘書公會資深會員、自二零一零年二月起為香港董事學會資深會員以及自二零一二年十一月至今為香港證券及投資學會會員。魏博士於二零一一年六月獲中國上海的上海財經大學頒授金融學博

DIRECTORS (Continued)

INDEPENDENT NON-EXECUTIVE DIRECTORS (Continued)

of Certified Public Accountants since July 2007 to present, a fellow of the Institute of Chartered Secretaries and Administrators since November 2000 to present, a fellow of the Hong Kong Institute of Chartered Secretaries since November 2000 to present, a fellow of Hong Kong Institute of Directors since February 2010 and a member of Hong Kong Securities and Investment Institute since November 2012 to present. Dr. Ngai obtained a Doctoral degree in Finance at Shanghai University of Finance and Economics* (上海財經大學) in Shanghai, PRC in June 2011, a Master's degree in Corporate Finance at Hong Kong Polytechnic University in Hong Kong in November 2002, a Master's degree in Business Administration at Andrews University in Berrien Springs, Michigan, USA in August 1992 and a Bachelor's degree in Law at University of Wolverhampton in Wolverhampton, the United Kingdom in October 1994. Dr. Ngai is currently the independent non-executive director of Topsearch International (Holdings) Limited (Stock Code: 2323.HK), Bosideng International Holdings Limited (Stock Code: 3998.HK), Powerlong Real Estate Holdings Limited (Stock Code: 1238.HK), BaWang International (Group) Holding Limited (Stock Code: 1338.HK), Biostime International Holdings Limited (Stock Code: 1112.HK), SITC International Holdings Company Limited (Stock Code: 1308.HK), China Coal Energy Company Limited (Stock Code: 1898.HK), Beijing Capital Juda Limited (Stock Code: 1329.HK), China Railway Group Limited (Stock Code: 390.HK), BBMG Corporation (English translation denotes for identification purposes only) (Stock Code: 2009.HK) and TravelSky Technology Limited (Stock Code: 696.HK). Dr. Ngai is also an independent director of LDK Solar Co., Ltd. (Stock Code: LDKYQ). Apart from LDK Solar Co., Ltd., which is listed on OTC Pink Limited Information, all the above companies are listed on the Main Board of the Hong Kong Stock Exchange. He was the independent non-executive director of China Life Insurance Company Limited (Stock Code: 2628.HK) from December 2006 to May 2009, Frashion Properties (China) Limited (Stock Code: 817.HK) from May 2007 to June 2011, China Railway Construction Corporation Limited (Stock Code: 1186.HK) from November 2007 to October 2014 and Sany Heavy Equipment International Holdings Company Limited (Stock Code: 631.HK) from November 2009 to December 2015.

董事(續)

獨立非執行董事(續)

士學位，並於二零零二年十一月取得香港的香港理工大學頒授企業融資碩士學位，於一九九二年八月取得美國密茲根州Berrien Springs安德魯大學工商管理碩士學位及於一九九四年十月取得英國華瑞漢普頓的華瑞漢普頓大學法律學士學位。魏博士目前為至卓國際(控股)有限公司(股份代號：2323.HK)、波司登國際控股有限公司(股份代號：3998.HK)、寶龍地產控股有限公司(股份代號：1238.HK)、霸王國際(集團)控股有限公司(股份代號：1338.HK)、合生元國際控股有限公司(股份代號：1112.HK)、海豐國際控股有限公司(股份代號：1308.HK)、中國中煤能源股份有限公司(股份代號：1898.HK)、首創鉅大有限公司(股份代號：1329.HK)、中國中鐵股份有限公司(股份代號：390.HK)、北京金隅股份有限公司(股份代碼：2009.HK)、中國民航信息網絡股份有限公司(股份代碼：696.HK)的獨立非執行董事及LDK Solar Co., Ltd. (股份代碼：LDKYQ)的獨立董事。除LDK Solar Co., Ltd.於OTC Pink Limited Information上市外，上述公司均於香港聯交所主板上市。彼曾於二零零六年十二月至二零零九年五月、二零零七年五月至二零一一年六月、二零零七年十一月至二零一四年十月及二零零九年十一月至二零一五年十二月分別擔任中國人壽保險股份有限公司(股份代號：2628.HK)、方興地產(中國)有限公司(股份代號：817.HK)、中國鐵建股份有限公司(股份代號：1186.HK)及三一重裝國際控股有限公司(股份代號：631.HK)的獨立非執行董事。

DIRECTORS (Continued)

INDEPENDENT NON-EXECUTIVE DIRECTORS (Continued)

Mr. Ip Sik On Simon, age 67, joined the Board as an independent non-executive Director on 24 September 2014. He is a member of the Audit Committee and the Nomination and Remuneration Committee of the Company and is responsible for providing independent advice on the operations and management of the Company. Mr. Ip is a solicitor and Notary Public. He is currently the chairman of The Hong Kong Jockey Club and the president of Riding for the Disabled Association Ltd.. He has been an independent non-executive director of Hang Lung Group Limited (Stock Code: 0010.HK) since July 1998. Mr. Ip practised with Johnson Stokes & Master (a Hong Kong based law firm, now known as Mayer Brown JSM) since March 1972 and was subsequently admitted as a partner in April 1977 and continued in this capacity until his retirement from legal practice in September 2004. He was the Senior Partner and Chairman of Johnson Stokes & Master for eight years. Mr. Ip was the president of the Law Society of Hong Kong from May 1987 to May 1989, a Legislative Council member from 1991 to 1995 representing the Legal Functional Constituency, and the founding chairman of the Council of the Hong Kong Institute of Education from April 1994 to April 2003. Mr. Ip received an honorary Doctor of Education from Hong Kong Institute of Education in 2003, an honorary Doctor of Laws from the City University of Hong Kong in November 2009 and an honorary Doctor of Laws from the Hong Kong University of Science & Technology in 2011. Mr. Ip has been admitted as a solicitor in England & Wales since December 1971 and in Hong Kong since April 1972. He is an honorary court member of the Hong Kong University of Science and Technology, an honorary lecturer in the Department of Professional Legal Education of the University of Hong Kong since September 2012, an honorary research fellow of the Faculty of Law of Tsinghua University, the co-chairman of the international advisory board of the School of Law of the City University of Hong Kong and a member of the advisory board of the Hong Kong AIDS Foundation. He was also an honorary fellow of the Management Society for Healthcare Professionals from 1984 to 2004.

Mr. Li Ping, age 62, joined the Board as an independent non-executive Director on 24 September 2014 and is a member of the Strategy Committee of the Company. He is responsible for providing independent advice on the operations and management of the Company. Mr. Li has extensive experience in the management of listed companies and has over 30 years of experience in operation and management in China's telecommunications industry. Mr. Li has been serving as the

董事 (續)

獨立非執行董事 (續)

葉錫安先生，67歲，於二零一四年九月二十四日加入董事會任獨立非執行董事，為審計委員會和提名及薪酬委員會委員，負責對本公司的經營與管理提供獨立意見。葉先生為律師及公證人。葉先生目前擔任香港賽馬會主席及殘疾人馬術協會有限公司主席。葉先生自一九九八年七月起出任恒隆集團有限公司(股份代號：0010.HK)獨立非執行董事。葉先生自一九七二年三月起在Johnson Stokes & Master(香港律師事務所，現稱孖士打律師行(Mayer Brown JSM))執業，隨後於一九七七年四月成為合夥人直至二零零四年九月退休。葉先生曾擔任Johnson Stokes & Master的首席合夥人和主席長達八年。葉先生於一九八七年五月至一九八九年五月擔任香港律師會會長，於一九九一年至一九九五年擔任立法會議員(代表法律界功能界別)，及於一九九四年四月至二零零三年四月擔任香港教育學院校董會創校主席。葉先生於二零零三年獲香港教育學院頒授榮譽教育學博士榮銜，於二零零九年十一月獲香港城市大學頒授榮譽法學博士榮銜及於二零一一年獲香港科技大學頒授榮譽法學博士榮銜。葉先生於一九七一年十二月獲認可為英格蘭及威爾士律師及於一九七二年四月獲認可為香港律師。葉先生為香港科技大學顧問委員會榮譽成員、自二零一二年九月起擔任香港大學法律專業學系名譽講師，亦是清華大學法學院名譽研究員、香港城市大學法律學院國際顧問委員會聯席主席兼香港愛滋病基金會顧問委員會會員。葉先生亦於一九八四年至二零零四年擔任醫療管理學會名譽會員。

李平先生，62歲，於二零一四年九月二十四日加入董事會出任獨立非執行董事，為戰略委員會委員，負責對本公司的經營與管理提供獨立意見。李先生有豐富的上市公司管理和三十多年中國電信業經營管理經驗。李先生自二零零六年八月至二零一四年十月擔任中國通信服務股份有限公司(香港聯交所上市公司，股份代號：552)的董事長及執行

DIRECTORS (Continued)

INDEPENDENT NON-EXECUTIVE DIRECTORS (Continued)

chairman and executive director of China Communication Service Co., Ltd., a company listed on the Hong Kong Stock Exchange (Stock Code: 552), for the period from August 2006 to October 2014. Prior to these positions, he once served as the executive vice president of China Telecom Corporation Limited, a company listed on the Hong Kong Stock Exchange (Stock Code: 728), from September 2002 to June 2013. Prior to joining China Telecom, he served as the vice chairman and the chief operating officer of China Mobile Limited, a company listed on the New York Stock Exchange (Stock Code: CHL) and the Hong Kong Stock Exchange (Stock Code: 941) from September 1997 to August 2000 as well as the deputy Directorate General of Telecommunications of the Ministry of Posts and Telecommunications of China, the predecessor of the Ministry of Industry and Information Technology of China. Mr. Li graduated from Beijing University of Posts and Telecommunications in radio communication major, and graduated from New York State University at Buffalo with a master in business administration in October 1989.

Mr. Li Zhuo, age 46, joined the Board as an independent non-executive Director on 24 September 2014. He is a member of the Audit Committee and the Strategy Committee of the Company and is responsible for providing independent advice on the operations and management of the Company. Mr. Li is currently a professor of economics, the dean of the Department of International Economics, and the director of the Center of International Business Studies of Wuhan University. From July 1989 to August 1992, Mr. Li worked at Xiangfan Branch of China National Real Estate Development Group Corporation. He later worked at Guangzhou Branch of the People's Bank of China. Mr. Li has been working at Wuhan University since 1998 and consecutively held the positions of lecturer till 2001, assistant professor till 2006 and professor of Wuhan University since 2006. He also served as a visiting scholar of University of Illinois at Urbana-Champaign from July 2002 to July 2003 and University of Paris III in 2007. Mr. Li graduated from Hubei University of Technology with a bachelor's degree in industrial and civil construction. He also obtained a master's degree in international economics and a doctorate in international economics from Wuhan University respectively. Mr. Li is the Prominent Researcher in the New Century recognized by the Ministry of Education in October 2010.

董事 (續)

獨立非執行董事 (續)

董事。在此之前，李先生於二零零二年九月至二零一三年六月擔任中國電信股份有限公司(香港聯交所上市公司，股份代號：728)執行副總裁。加入中國電信前，李先生曾於一九九七年九月至二零零零年八月擔任中國移動有限公司(紐約證券交易所上市公司，證券代碼：CHL；香港聯交所上市公司，股份代號：941)副董事長兼首席營運官以及中國郵電部(中國工業和資訊化部的前身)電信總局副局長。李先生畢業於北京郵電大學無線電通信專業，並於一九八九年十月獲得紐約州立大學布法羅分校工商管理碩士學位。

李卓先生，46歲，於二零一四年九月二十四日加入董事會出任獨立非執行董事，為審計委員會和戰略委員會成員，負責對本公司的經營與管理提供獨立意見。李先生目前擔任武漢大學經濟學教授、國際經濟系院長及國際商業研究中心主任。於一九八九年七月至一九九二年八月，李先生於中國房地產開發集團公司襄樊分公司任職。李先生其後於中國人民銀行廣州分行任職。李先生自一九九八年起任職於武漢大學，分別擔任講師及助理教授直至二零零一年及二零零六年，並自二零零六年起擔任武漢大學教授。於二零零二年七月至二零零三年七月及二零零七年，彼亦分別為伊利諾大學香檳分校(University of Illinois at Urbana-Champaign)及巴黎第三大學(University of Paris III)的訪問學者。李先生畢業於湖北工業大學，獲得工業與民用建築學士學位，亦分別獲得武漢大學國際經濟學碩士學位及國際經濟學博士學位。李先生於二零一零年十月獲教育部認可為新世紀傑出研究員。

SUPERVISORS

Mr. Jiang Zhikang, age 53, was appointed as the Chairman of the Board of Supervisors as well as the staff supervisor representative of the Company on 19 December 2013. He is responsible for supervising the performance of duties by the Directors and senior management at the Company. Mr. Jiang has worked at the Company since May 1990, consecutively serving as an engineer, a chief engineer, the manager assistant of the fibre department, and the manager of the industrialisation department. He was assigned by the Company to serve as the vice general manager and the general manager of NK Wuhan from April 2004 to March 2006 and April 2006 to April 2012, respectively. From May 2012 to January 2016, Mr. Jiang had been serving as the general manager of the operation management center of the Company. Since February 2016, Mr. Jiang has been serving as the general manager of the manufacturing center of the Company. Prior to joining the Company, Mr. Jiang started to work at Wuhan Research Institute of Posts & Telecommunication since March 1988 and served as an assistant engineer from December 1988 to April 1990. Mr. Jiang graduated from Sichuan Radio & TV University and graduated from Wuhan University with an executive master of business administration.

Mr. Liu Deming, age 59, was appointed as an independent supervisor of the Company on 9 June 2015. He is a professor of Huazhong University of Science and Technology (華中科技大學), a member of the expert committee of China Next Generation Internet (中國下一代互聯網), an executive director of Chinese Society for Optical Engineering (中國光學工程學會), the director of the expert committee of Optical Communication and Information Networking (光通信與資訊網路), the director of the National Engineering Laboratory for Next Generation Internet Access System (下一代互聯網接入系統國家工程實驗室), and the general secretary of Wuhan Internet of Things Industry Association (武漢物聯網產業協會). Mr. Liu went to University of Duisburg-Essen in Germany for visiting study from 1994 to 1996, obtained a doctorate from Huazhong University of Science and Technology in 1999, and went to Nanyang Technological University in Singapore for visiting study from 1999 to 2000. Since 2000, he has been the director of Department of Optoelectronic Engineering (currently known as School of Optical and Electronic Information) of Huazhong University of Science and Technology. Mr. Liu has long been engaged in teaching and research work in the areas of optical fibre communication and sensing, he has undertaken several national key projects, including the National 973 Project (國

監事

江志康先生，53歲，於二零一三年十二月十九日獲委任為本公司監事會主席兼職工監事代表，負責監督本公司董事與高級管理層的履責情況。江先生自一九九零年五月起任職於本公司，先後任工程師、主任工程師、光纖部經理助理及工業化部經理。彼分別自二零零四年四月至二零零六年三月及自二零零六年四月至二零一二年四月獲本公司指派擔任武漢安凱的副總經理及總經理。自二零一二年五月至二零一六年一月，江先生出任本公司運營管理中心總經理。自二零一六年二月至今，江先生出任本公司製造中心總經理。加入本公司前，江先生於一九八八年三月起任職於武漢郵電科學研究院，並於一九八八年十二月至一九九零年四月擔任助理工程師。江先生畢業於四川廣播電視大學電子專業，並於武漢大學獲得EMBA學位。

劉德明先生，59歲，於二零一五年六月九日獲委任為本公司獨立監事。劉先生現為華中科技大學教授，中國下一代互聯網專家委專家，中國光學工程學會常務理事、光通信與資訊網路專家委主任，下一代互聯網接入系統國家工程實驗室主任，武漢物聯網產業協會秘書長。劉先生1994-1996年赴德國杜伊斯堡大學訪問進修，1999年於華中科技大學獲得博士學位，1999-2000年赴新加坡南洋理工大學訪問進修，2000年起擔任華中科技大學光電子工程系(現光學與電子信息學院)主任。劉先生長期從事光纖通信與傳感教學科研工作，先後主持了國家973項目、863項目、國家自然科學基金重點項目和重大項目課題等國家級重大重點項目，取得多項重

SUPERVISORS (Continued)

家973項目), "863 Project" (863項目) as well as the key projects and the key project topics of the National Science Foundation (國家自然科學基金). He has obtained several major achievements, including winning the National Technological Invention Award (twice), the gold medal (once) and the silver medal (twice) of the Geneva International Invention Award, and the first prize (thrice) and the second prize (four times) of the provincial award. Mr. Liu owns more than 100 invention patents applications (among which, 50 have been granted) and has published more than 200 SCI papers and five textbooks and academic works.

Ms. Li Chang'ai, age 51, was appointed as an independent supervisor of the Company on 9 June 2015. She has been teaching at the School of Accountancy of Hubei University of Economics (湖北經濟學院會計學院) since 1988 and is currently a professor (level II). She is also a director of the Accounting Society of China (中國會計學會), an executive director of Accounting Society of Hubei Province (湖北省會計學會), an executive director of Audit Society of Hubei Province (湖北省審計學會) and a special auditor of Audit Bureau of Wuhan (武漢市審計局). Ms. Li currently also serves as an independent director of Hubei Mailyard Share Co., Ltd. (湖北美爾雅股份有限公司), a company listed on the Shanghai Stock Exchange (Stock Code: 600107), and an independent director of Ningbo Xianfeng New Material Co., Ltd. (寧波先鋒新材料股份有限公司), a company listed on the Shenzhen Stock Exchange (Stock Code: 300163). Ms. Li obtained her bachelor's degree in economics, master's degree in economics and doctorate in management from Zhongnan University of Economics and Law (中南財經政法大學). Ms. Li has published over 70 academic papers on a number of journals. Ms. Li was awarded "National Advanced Accounting Worker" in 2008. She is also a Chinese certified public accountant (non-practicing) and a senior member of the Accounting Society of China (中國會計學會) and obtained an independent director qualification certificate in 2008.

監事(續)

要成果，獲得國家技術發明獎2項，日內瓦國際發明金獎1項、銀獎2項，省部級一等獎3項、二等獎4項，申請發明專利100餘項(其中授權50餘項)，發表SCI收錄期刊論文200餘篇，出版教材和學術著作5部。

李長愛女士，51歲，於二零一五年六月九日獲委任為本公司獨立監事。李女士於一九八八年開始於湖北經濟學院會計學院任教至今，現任湖北經濟學院會計學院教授(二級)。她同時兼任中國會計學會理事、湖北省會計學會常務理事、湖北省審計學會常務理事及武漢市審計局特約審計員。李女士現還擔任湖北美爾雅股份有限公司(上海證券交易所上市公司，證券代碼：600107)獨立董事及寧波先鋒新材料股份有限公司(深圳證券交易所上市公司，證券代碼：300163)獨立董事。李女士先後於中南財經政法大學獲經濟學學士學位、經濟學碩士學位及管理學博士學位。李女士在許多刊物上公開發表專業學術論文70餘篇。她於二零零八年被評定為「全國先進會計工作者」。她亦是中國註冊會計師(非執業)及中國會計學會資深會員，並於二零零八年取得獨立董事資格證書。

SENIOR MANAGEMENT'S PROFILES

SENIOR MANAGEMENT

Mr. Zhuang Dan, age 45, is the General Manager of our Company. He is primarily responsible for strategic development and planning, and day-to-day management of our Company. Mr. Zhuang has more than 18 years of experience in the optical fibre and cable industry. He joined our Company in March 1998 and served consecutively as the manager assistant of the finance department, the manager of the finance department, and the chief financial officer. Since September 2011, Mr. Zhuang has been the General Manager of our Company. Mr. Zhuang obtained a bachelor's degree in auditing and a master's degree in accounting from Wuhan University, a doctorate in accounting from Zhongnan University of Finance and Economics, and a postdoctoral certificate in business administration from Shanghai University of Finance and Economics. Currently, he is a deputy to the People's Congress of Hubei Province and a member of the Financial and Economic Committee of the People's Congress of Hubei Province. He has received special government allowance awarded by the State Council.

Mr. Jan Bongaerts, age 50, is the First Deputy General Manager of our Company. He is responsible for strategic development, business development, sourcing and day-to-day management of our Company. He has more than 18 years of experience in the optical fibre and cable industry. Prior to joining our Company, from July 1998, Mr. Bongaerts worked at Draka Holding N.V., consecutively serving as the manager of the optical fibre market and sales department, the deputy manager of the optical fibre procurement department, the director of the optical fibre business department, a member of management committee and a member of enterprise procurement team. He served as the director of the optical fibre sales and marketing department and a member of management committee of the business department of Prysmian S.p.A. from January 2011 to December 2013. Since January 2014, Mr. Bongaerts has been the First Deputy General Manager of our Company. Mr. Bongaerts obtained a master's degree in business administration from Open University of the Netherlands and an executive master of business administration from Maastricht University the Netherlands.

高級管理人員簡歷

高級管理層

莊丹先生，45歲，本公司總經理，主要負責本公司的戰略發展與規劃及日常管理。莊先生有逾十八年光纖光纜業經驗。莊先生於一九九八年三月加入本公司，並先後擔任財務部經理助理、財務部經理及財務總監。自二零一一年九月起，莊先生出任本公司總經理。莊先生於武漢大學獲得審計專業學士學位、會計專業碩士學位及於中南財經大學獲得會計專業博士學位並上海財經大學獲得工商管理博士後證書。莊先生現為湖北省人民代表大會代表兼湖北省人民代表大會財政經濟委員會委員。享受國務院政府特殊津貼。

揚幫卡先生，50歲，本公司第一副總經理，主要負責本公司的戰略發展、業務發展、採購及日常管理。揚幫卡先生有逾十八年光纖光纜業經驗。加入本公司前，揚幫卡先生自一九九八年七月起任職於Draka Holding N.V.，先後擔任光纖市場及銷售部經理、光纖採購部副總經理、光纖商務總監及管理委員會成員兼企業採購小組成員。彼於二零一一年一月至二零一三年十二月擔任Prysmian S.p.A.光纖銷售及營銷部總監及商務部管理委員會成員。自二零一四年一月起，揚幫卡先生揚幫卡本公司首任第一副總經理。揚幫卡先生於二零零三年三月自荷蘭公開大學獲得工商管理碩士學位，並於一九九九年九月自荷蘭馬斯特裏赫特大學獲得EMBA學位。

SENIOR MANAGEMENT'S PROFILES (Continued)

SENIOR MANAGEMENT (Continued)

Mr. Zhang Mu, age 60, is the Deputy General Manager and the general manager of the strategic center of our Company. He is primarily responsible for strategic development of our Company and overseeing the human resources and performance improvement of our Company. Mr. Zhang has more than 31 years of experience in the optical fibre and cable industry. He has worked at our Company since October 1988, consecutively serving as a processing engineer of the optical fibre department, the assistant manager of the optical fibre department, the manager of the optical fibre department, the assistant general manager of our Company and the Deputy General Manager of our Company since April 1998. Prior to joining our Company, he started to work at Wuhan Research Institute of Posts and Telecommunications since 1980 and served as an assistant engineer from June 1982 to September 1988. Mr. Zhang graduated from Hubei Institute of Science & Construction Material (currently known as Wuhan University of Technology), obtained a master's degree in economics from Huazhong University of Technology (currently known as Huazhong University of Science and Technology) and a master degree in business administration from China Europe International Business School.

Mr. Yan Changkun, age 52, is the Deputy General Manager and the general manager of the operation management center of our Company. He is primarily responsible for management of the manufacturing processes and production facilities of our Company and participating in the Company's critical business negotiations. Mr. Yan has more than 26 years of experience in the optical fibre and cable industry. He has worked at our Company since October 1991, consecutively serving as a sales representative, the technology manager, the manager of the business department, the sales director, and the general manager of the optical fibre business unit. Mr. Yan has been the Deputy General Manager of our Company since November 2012. Mr. Yan obtained a bachelor's degree in telecommunications and a master's degree in digital communications from Nanjing Institute of Communication Engineering.

高級管理人員簡歷(續)

高級管理層(續)

張穆先生，60歲，本公司副總經理及戰略中心總經理，主要負責本公司的戰略發展及人力資源與業績提升的監管。張先生有逾三十一年光纖光纜業經驗。彼自一九八八年十月起任職於本公司，先後任光纖部工藝工程師、光纖部經理助理、光纖部經理、公司總經理助理及自一九九八年四月起任本公司副總經理。加入本公司前，張先生自一九八零年起任職於武漢郵電科學研究院，於一九八二年六月至一九八八年九月擔任助理工程師。張先生畢業於湖北建材工業學院(現稱武漢理工大學)，於華中理工大學(現稱華中科技大學)獲得經濟學碩士學位，並於中歐國際工商學院獲得工商管理碩士學位。

閻長鵬先生，52歲，本公司副總經理及運營管理中心總經理，主要負責管理本公司的生產流程與生產設備及參與本公司重大業務磋商。閻先生有逾二十六年光纖光纜業經驗。彼自一九九一年十月起任職於本公司，先後任銷售代表、技術經理、商務部經理、銷售總監及光纖事業部總經理。閻先生自二零一二年十一月起出任本公司副總經理。閻先生自南京郵電學院先後獲得電信專業學士學位及數字通信專業碩士學位。

SENIOR MANAGEMENT'S PROFILES (Continued)

SENIOR MANAGEMENT (Continued)

Mr. Yu Jianwu, age 60, is the Chief Marketing and Strategic Officer of our Company and the general manager of YOFC Shanghai, one of our Joint Ventures. He is primarily responsible for management of operational related matters of our Company and overseeing the operation and management of YOFC Shanghai. Mr. Yu has over 27 years of experience in the optical fibre and cable industry. He has been with our Company since August 1990. He consecutively served as an engineer, a master engineer, the manager of the engineering department, and the manager of the logistic department. From December 2001 to May 2006, he served as the general manager of Shantou Aoxing, one of our Joint Ventures. He also served as the operation director of our Company from May 2006 to September 2012 and the general manager of the optical fibre cable business unit of our Company from January 2011 to September 2012. Mr. Yu has been the general manager of YOFC Shanghai since October 2012 and the Chief Marketing and Strategic Officer of our Company since December 2013. Prior to joining our Company, from February 1982 to August 1990, Mr. Yu worked at Wuhan Marine Machinery Plant (currently known as Wuhan Marine Machinery Co., Ltd.), consecutively serving as a technician, a team leader, a designer and the deputy director of the technology department. Mr. Yu obtained his bachelor's degree in mechanical engineering from Shanghai Jiaotong University.

Mr. Zhang Yanxiang, age 51, is the Chief Sales Officer and the general manager of the sales center of our Company. He is primarily responsible for overseeing the overall sales strategies and bidding processes of our Company. Mr. Zhang has over 23 years of experience in the optical fibre and cable industry. He has been with our Company since April 1992. He had consecutively served as a regional manager, the manager of the business department, the general manager of the Beijing branch of our Company and a member of the management committee from October 1999 to May 2001. He served as the general manager of YOFC Shanghai, one of our Joint Ventures, from June 2001 to September 2012. He also served as the general manager of the optical fibre cable business department of our Company from October 2012 to December 2013. Since then, Mr. Zhang has been the Chief Sales Officer and the general manager of the sales center of our Company. Mr. Zhang obtained a bachelor's degree in telecommunications from Lanzhou Jiaotong University and a master's degree in business administration from Fordham University.

高級管理人員簡歷(續)

高級管理層(續)

喻建武先生，60歲，本公司市場與戰略總監兼本公司合營公司長飛上海總經理，主要負責管理本公司經營相關事宜及監察長飛上海的經營與管理。喻先生有逾二十七年光纖光纜業經驗。喻先生自一九九零年八月起一直任職於本公司，先後任工程部工程師、工程部主任工程師、工程部經理及材料部經理。自二零零一年十二月至二零零六年五月，喻先生擔任本公司合營公司汕頭奧星的總經理。二零零六年五月至二零一二年九月任本公司營運總監及於二零一一年一月至二零一二年九月任本公司光纜事業部總經理。喻先生自二零一二年十月起出任長飛上海總經理，並自二零一三年十二月起出任本公司市場與戰略總監。加入本公司前，於一九八二年二月至一九九零年八月，喻先生任職於武漢船用機械廠(現稱武漢船用機械有限責任公司)，先後任技術員、項目組長、設計所設計師及技術處副處長。喻先生於上海交通大學獲得機械工程專業學士學位。

張雁翔先生，51歲，本公司銷售總監及銷售中心總經理，主要負責監察本公司整體銷售策略及投標程式。張先生有逾二十三年光纖光纜業經驗。張先生自一九九二年四月起一直任職本公司，先後擔任區域經理、商務部經理以及北京分公司總經理，並於一九九九年十月至二零零一年五月擔任管理委員會成員。張先生於二零零一年六月至二零一二年九月擔任本公司合營公司長飛上海總經理，亦於二零一二年十月至二零一三年十二月擔任本公司光纜事業部總經理。自此，張先生出任本公司銷售總監及銷售中心總經理。張先生於蘭州交通大學獲得電信專業學士學位，並於Fordham University獲得工商管理碩士學位。

SENIOR MANAGEMENT'S PROFILES (Continued)

SENIOR MANAGEMENT (Continued)

Mr. Luo Jie, age 50, is the Chief Technology Officer of our Company, and director of the State Key Laboratory, and general manager of Yangtze Optical Fibre (Qianjiang) Co., Ltd. He is primarily responsible for overseeing the overall research and development related matters and projects of our Company. Mr. Luo has over 26 years of experience in the optical fibre and cable industry. He has worked at our Company since November 2000, consecutively serving as the manager, department management and the general manager of the research and development department. Mr. Luo has been the Chief Technology Officer of our Company since December 2013. Prior to joining our Company, Mr. Luo started to work at Wuhan Research Institute of Posts and Telecommunications since January 1989 and served as an engineer and a senior engineer from January 1992 to December 1996 and from December 1996 to September 2000, respectively. Mr. Luo obtained his bachelor's degree in material engineering, a master's degree in material engineering from Wuhan University of Technology, and a doctorate in electromagnetics and microwave from Beijing University of Posts and Telecommunications. In 2015, he has been elected to the national talent project and has been awarded "Young Expert with Outstanding Contributions" by the Ministry of Human Resources and Social Security of China.

Mr. Leung King Yu, age 43, is the Chief Financial Officer and the general manager of the financial center of our Company. He is primarily responsible for overseeing the overall financial and accounting related matters of our Company. Mr. Leung has over 20 years of financial and accounting related experience. Prior to joining our Company, he had worked at the audit and assurance department of Ernst & Young, an international accounting firm, for more than 17 years. He retired from the partnership at Ernst & Young and joined our Company in September 2012. Since then, Mr. Leung has been the Chief Financial Officer and the general manager of the financial center of our Company. Mr. Leung obtained a bachelor's degree in accountancy from the Hong Kong Polytechnic University. He has been a fellow member of the Chartered Association of Certified Accountants since December 2003 and an associate member of the Hong Kong Institute of Certified Public Accountants since July 1999.

高級管理人員簡歷(續)

高級管理層(續)

羅杰先生，50歲，本公司技術總監兼國家重點實驗室主任及長飛光纖潛江有限公司總經理，主要負責全面監管本公司研發相關事宜及各項目。羅先生有逾二十六年光纖光纜業經驗。羅先生自二零零零年十一月起任職於本公司，先後擔任研發部經理及總經理。羅先生自二零一三年十二月起出任本公司技術總監。加入本公司前，羅先生自一九八九年一月起任職於武漢郵電科學研究院，先後於一九九二年一月至一九九六年十二月及一九九六年十二月至二零零零年九月擔任工程師及高級工程師。羅先生於武漢工業大學（現稱武漢理工大學）獲得材料工程專業學士學位及材料工程專業碩士學位，於北京郵電大學獲得電磁場及微波技術專業博士學位。二零一五年，入選國家人力資源和社會保障部百千萬人才工程之「有突出貢獻中青年專家」。

梁擎宇先生，43歲，本公司財務總監及財務中心總經理，主要負責監管本公司整體財務及會計相關事宜。梁先生有逾二十年財務及會計經驗。加入本公司前，梁先生曾於國際會計師事務所安永會計師事務所的審計及核證部供職逾十七年，於二零一二年九月以合夥人身份離任並加入本公司。自此，梁先生出任本公司財務總監及財務中心總經理。梁先生於香港理工大學會計學士學位。梁先生自二零零三年十二月起及一九九九年七月起分別為英國特許公認會計師公會資深會員及香港會計師公會會員。

SENIOR MANAGEMENT'S PROFILES (Continued)

SENIOR MANAGEMENT (Continued)

Mr. Han Qingrong, age 39, the Secretary of the Board and the general manager of Shenzhen YOFC Connectivity Technologies Co., Ltd. Mr. Han has more than 15 years of experience in optical fibre and cable industry. He has been with our Company since December 2000. He had consecutively served as the PCVD craft engineer, the fibre R&D engineer, the fibre R&D manager, the manager of the strategy and marketing department, the deputy general manager of the specialty product business unit, and the deputy general manager of the cable business unit. He has served as the Secretary of the Board since December 2011. Mr. Han obtained a bachelor's degree in silicate engineering, a master's degree in biomedical engineering, and a doctorate in materials physics and chemistry from Wuhan University of Technology. Mr. Han also successfully completed the course of Designing and Executing Strategy jointly offered by Harvard Business School and Guanghua School of Management at Peking University.

高級管理人員簡歷(續)

高級管理層(續)

韓慶榮先生，39歲，為本公司董事會秘書及深圳長飛智連技術有限公司總經理。韓先生有逾十五年光纖光纜業經驗。韓先生二零零零年十二月加入本公司，曾先後擔任PCVD工藝工程師、光纖研發工程師、光纖研發經理、戰略與市場部經理、特種產品事業部副總經理、光纜事業部副總經理等職。韓先生自二零一一年十二月擔任本公司董事會秘書。韓先生自武漢工業大學(現稱武漢理工大學)先後獲得矽酸鹽工程專業學士學位、生物醫藥工程專業碩士學位及材料物理及化學專業博士學位。韓先生亦成功完成哈佛大學商學院與北京大學光華管理學院聯合舉辦的戰略設計與戰略執行課程。

REPORT OF THE BOARD OF DIRECTORS

董事會報告

The Board is pleased to present its report together with the audited consolidated financial statements for the year ended 31 December 2015.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Company is one of the leading optical fibre preform, optical fibre and optical fibre cable suppliers in the world. The Company and its subsidiaries are principally engaged in the manufacture and sales of optical fibre preforms, optical fibres and optical fibre cables with various standard specifications that are widely used in the telecommunications industry and the provision of other related products and services.

Detailed analysis of the Company's principal subsidiaries, associates and joint ventures are set out in notes 17, 18 and 19 to the financial statements.

FINANCIAL POSITION AND RESULTS

The Group's financial position as at 31 December 2015 and the Groups' profit for the year ended 31 December 2015 are set out on pages 125 and 126 and on page 124 of this annual report, respectively.

DIVIDEND

The Board proposed the distribution of a final dividend for the year ended 31 December 2015 of RMB0.174 (before considering tax impact) per share totaling RMB118.7 million. If the profit distribution plan is approved by the shareholders at the forthcoming annual general meeting to be held on 7 June 2016, the final dividend will be distributed on 29 July 2016 to shareholders whose names appear on the register of members of the Company on 20 June 2016. Dividend payable to holders of domestic shares will be paid in RMB, whereas dividend payable to holders of the H shares will be declared in RMB and paid in Hong Kong dollars (other than dividends in respect of the H shares held by Draka, which will be paid in Euro), the exchange rate of which will be calculated based on the average exchange rate published by The People's Bank of China during the week prior to the annual general meeting to be held on 7 June 2016.

董事會欣然呈列其報告及截至二零一五年十二月三十一日止年度的經審核合併財務報表。

主要業務及業務回顧

本公司是世界領先的光纖預製棒、光纖及光纜供應商之一。本公司及其附屬公司主要從事生產及銷售電信行業廣泛採用的各種標準規格的光纖預製棒、光纖及光纜，亦提供其他相關產品及服務。

有關本公司主要附屬公司、聯營公司及合營公司的詳細分析載於財務報表之附註17、18及19。

財務狀況及業績

本集團於二零一五年十二月三十一日的財務狀況及本集團截至二零一五年十二月三十一日止年度的利潤分別載於本年報第125及126頁及第124頁。

股息

董事會建議就截至二零一五年十二月三十一日止年度派發末期股息每股人民幣0.174元（不計及稅務影響），合共人民幣118.7百萬元。倘利潤分配預案於即將在二零一六年六月七日舉行的股東週年大會上獲股東批准，則末期股息將於二零一六年七月二十九日派付予二零一六年六月二十日名列本公司股東名冊的股東。內資股股東的股息以人民幣宣派和支付，而H股股東的股息則將以人民幣宣派，以港元支付（惟Draka所持H股的股息將以歐元支付），匯率將按照本公司擬於二零一六年六月七日舉行之股東週年大會前一個星期內中國人民銀行公佈的平均匯率計算。

In accordance with the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得稅法》) and its implementation rules effective on 1 January 2008, where a PRC domestic enterprise distributes dividends for financial periods beginning from 1 January 2008 to non-resident enterprise shareholders, it is required to withhold 10% enterprise income tax for such non-resident enterprise shareholders. Therefore, as a PRC domestic enterprise, the Company will, after withholding 10% of the final dividend as enterprise income tax, distribute the final dividend to non-resident enterprise shareholders, i.e. any shareholders who hold the Company's shares in the name of non-individual shareholders, including but not limited to HKSCC Nominees Limited, other nominees, trustees, or holders of H shares registered in the name of other organisations and groups.

Pursuant to the PRC Individual Income Tax Law (《中華人民共和國個人所得稅法》), the Implementation Regulations of the PRC Individual Income Tax Law (《中華人民共和國個人所得稅法實施條例》), the Notice of the State Administration of Taxation in relation to the Administrative Measures on Preferential Treatment Entitled by Non-residents under Tax Treaties (Tentative) (Guo Shui Fa [2009] No. 124) (《國家稅務總局關於印發〈非居民享受稅收協定待遇管理辦法(試行)〉的通知》(國稅發[2009]124號)) (the "Tax Treaties Notice"), the Notice of the State Administration of Taxation on the Questions Concerning the Levy and Administration of Individual Income Tax After the Repeal of Guo Shui Fa [1993] No. 45 (Guo Shui Han [2011] No. 348) (《國家稅務總局關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》(國稅函[2011]348號)), other relevant laws and regulations and other regulatory documents, the Company shall, as a withholding agent, withhold and pay individual income tax for the individual holders of H shares in respect of the dividend to be distributed to them. However, the individual holders of H shares may be entitled to certain tax preferential treatments pursuant to the tax treaties between the PRC and the countries (regions) in which the individual holders of H shares are domiciled and the tax arrangements between Mainland China, Hong Kong or Macau. For individual holders of H shares in general, the Company will withhold and pay individual income tax at the rate of 10% on behalf of the individual holders of H shares in the distribution of the dividend. However, the tax rates applicable to individual holders of H Shares overseas may vary depending on the tax treaties between the PRC and the countries (regions) in which the individual holders of H shares are domiciled, and the Company will withhold and pay individual income tax on behalf of the individual holders of H shares in the distribution of the dividend accordingly.

根據二零零八年一月一日起實施的《中華人民共和國企業所得稅法》及其實施條例，凡中國境內企業向非居民企業股東派發二零零八年一月一日起財政期間的股息時，需按10%的稅率為該非居民企業代扣代繳企業所得稅。故此，作為中國境內企業，本公司將在代扣代繳末期股息中10%企業所得稅後向非居民企業股東(即任何以非個人股東名義持有本公司股份的股東，包括但不限於以香港中央結算(代理人)有限公司、或其他代理人、受托人、或其他組織及團體名義登記的H股股東)派發末期股息。

根據《中華人民共和國個人所得稅法》、《中華人民共和國個人所得稅法實施條例》、《國家稅務總局關於印發〈非居民享受稅收協定待遇管理辦法(試行)〉的通知》(國稅發[2009]124號)(「稅收協定通知」)及《國家稅務總局關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》(國稅函[2011]348號)、其他相關法律法規和其他規管文件，本公司作為扣繳義務人，向H股個人股東派發股息時，應代扣及代繳股息的個人所得稅。但是H股個人股東可根據其居民身份所屬國家(地區)與中國簽訂的稅收協定及內地與香港或澳門之間所作稅收安排的規定，享受相關稅收優惠。就H股個人股東而言，本公司派發股息時一般按10%的稅率代扣代繳個人所得稅。然而，適用於H股海外個人股東的稅率或會根據中國與H股個人股東居民身份所屬國家(地區)簽訂的稅收協定而有所不同，而本公司於派付股息時將據此為H股個人股東代扣及代繳任何個人所得稅。

The Company will identify the country of domicile of the individual holders of H shares according to their registered address on the H share register of members of the Company on 20 June 2016 (the "Registered Address"). If the domicile of an individual holders of H shares is not the same as the Registered Address or if the individual holders of H shares would like to apply for a refund of the additional amount of tax finally withheld and paid, the individual holders of H shares shall notify and provide relevant supporting documents to the Company on or before 14 June 2016. Upon examination of the supporting documents by the relevant tax authorities, the Company will follow the guidance given by the tax authorities to implement the relevant tax withholding provisions and arrangements. Individual holders of H shares may either personally or appoint a representative to attend to the procedures in accordance with the requirements under the Tax Treaties Notice if they do not provide the relevant supporting documents to the Company within the time period stated above.

The Company assumes no responsibility and disclaims all liabilities whatsoever in relation to the tax status or tax treatment of the individual holders of H shares and for any claims arising from or in connection with any delay in or inaccurate determination of the tax status or tax treatment of the individual holders of H shares or any disputes over the withholding mechanism or arrangements.

Shareholders are recommended to consult their tax advisors regarding the PRC, Hong Kong and other tax implications arising from or in connection with their holding and disposal of the H Shares of the Company.

The Board is not aware that any shareholder of the Company has waived or agreed to waive any dividends.

FINANCIAL SUMMARY

A summary of the Group's results, assets, liabilities for the last five financial years are set out in the Financial Highlights on page 5 of this annual report. This summary does not form part of the audited consolidated financial statements.

本公司將根據二零一六年六月二十日名列本公司H股股東名冊的H股個人股東的登記地址(「登記地址」)確定其所在國家。如H股個人股東的住所與登記地址不符或希望申請退還最終多扣繳的稅款，H股個人股東須於二零一六年六月十四日或該日之前通知本公司並提供相關證明文件，證明文件經相關稅務機關審核後，本公司會遵照稅務機關的指引執行與代扣稅款相關的規定和安排。如H股個人股東在上述期限前未能向本公司提供相關證明文件，可按稅收協定通知的有關規定自行或委託代理人辦理有關手續。

對於H股個人股東的納稅身份或稅務待遇及因H股個人股東的納稅身份或稅務待遇未能及時確定或不準確確定而引致或相關的任何申索或對於代扣機制或安排的任何爭議，本公司概不負責，亦不承擔任何責任。

有關就彼等持有及出售本公司H股而產生或涉及之中國、香港及其他引申稅務，股東應諮詢彼等之稅務顧問。

董事會並不知悉本公司任何股東已放棄或同意放棄任何股息。

財務概要

本集團過去五個財政年度之業績、資產及負債概要載於本年報第5頁之財務概要。本概要並不構成經審核合併財務報表之部分。

MAJOR CUSTOMERS AND SUPPLIERS

The end customers of the Group are primarily telecommunication network operators in China or overseas. The customers of the Group also include optical fibre and cable manufacturers to whom the Group sells preforms and optical fibres.

For the year ended 31 December 2015, the Group's sales to its five largest customers and its largest customer accounted for 45.6% and 11.2% (2014: 40.6% and 20.7%) of the Group's total revenue from sales of goods, respectively.

The Group procures various raw materials from third-party suppliers located in and outside of the PRC including glass substrate tubes, silica jacket cylinders, chemical gases, optical fibre preforms, optical fibres, polyethylene and other polymers sheathing materials, steel and aluminum for the production of its products.

For the year ended 31 December 2015, the Group's purchases from its five largest suppliers and its largest supplier accounted for 50.1% and 16.5% (2014: 53.7% and 17.0%) of the Group's total purchases.

During the year, none of the Directors, their close associates nor the shareholder of the Company (which, to the best knowledge of the Directors, owned more than 5% of the Company's issued capital) had any interest in any of the Group's five largest customers and suppliers.

PROPERTY, PLANT AND EQUIPMENT AND CONSTRUCTION IN PROGRESS

Details of movements in the property, plant and equipment and construction in progress during the year ended 31 December 2015 are set out in notes 13 and 14 to the financial statements in this annual report.

主要客戶及供應商

本集團的終端客戶主要為中國或海外電信網絡運營商。本集團客戶亦包括光纖及光纜製造商，本集團向該等製造商銷售預製棒及光纖。

截至二零一五年十二月三十一日止年度，本集團向五大客戶及最大客戶作出之銷售分別佔本集團出售商品所得總收入的45.6%及11.2%(二零一四年：40.6%及20.7%)。

本集團向中國境內外第三方供應商採購多種原材料，包括玻璃襯管、硅質套管、化學氣體、光纖預製棒、光纖、聚乙烯和其他聚合物護套材料、鋼及鋁，以供生產產品。

截至二零一五年十二月三十一日止年度，本集團向五大供應商及最大供應商作出之採購分別佔本集團總採購的50.1%及16.5%(二零一四年：53.7%及17.0%)。

年內，概無董事、彼等之緊密聯繫人或本公司股東(據董事所知，擁有本公司已發行股本逾5%)於本集團任何五大客戶及供應商中擁有任何權益。

物業、廠房及設備及在建工程

截至二零一五年十二月三十一日止年度的物業、廠房及設備及在建工程的變動詳情載於本年報財務報表之附註13及14。

SHARE CAPITAL

Reference is made to the poll results announcement dated 19 October 2015, in which the Company announced that, among other things, the resolutions approving the ESOP and the plan of non-public issuance of domestic shares and H shares of the Company were duly passed by the shareholders of the Company. The ESOP was adopted in order to further enhance the Company's corporate governance structure, incentivise the Company's management and core personnel team and to establish a sound mid- to long-term incentive plan that provides for both incentives and restrictions. The Private Placement was proposed for the purpose of implementing the ESOP and the placing of H shares to independent institutional investors. The Private Placement, which contemplates the entering into of two H Share subscription agreements between the Company and two Directors; 12 limited partnership units subscription agreements between the Company and various Directors, Supervisors, and senior management members and the H share placing agreement with a placing agent, is conditional upon the following conditions having been fulfilled:

- the Listing Committee granting listing of, and permission to deal in, all the H shares to be issued under the Private Placement;
- the passing by shareholders of resolutions approving the ESOP and the Private Placement at the general meeting and class meetings of the Company;
- the passing by independent shareholders of resolutions approving the H share subscription agreements or the limited partnership units subscription agreements (as the case may be) and other arrangements contemplated thereunder;
- the granting of a general mandate to the Board to allot and issue new shares that is capable and sufficient to cover the allotment and issue of new H shares under the H share placing agreement; and
- all necessary PRC government and regulatory approvals and consents regarding the subscription of H shares under the H share subscription agreements, the subscription of the new domestic limited partnership units and the issue and placing of the H shares under the H share placing agreement and other arrangements contemplated thereunder having been obtained by the Company.

股本

茲提述日期為二零一五年十月十九日的表決結果公告，當中，本公司宣佈(其中包括)批准核心員工持股計劃及非公開發行本公司內資股及H股的計劃的決議案由本公司股東正式通過。採納員工持股計劃乃為進一步加強本公司的企業管治架構、鼓勵本公司管理層及核心員工團隊以及建立良好的中長期獎勵計劃以提供鼓勵及作出限制。非公開配售乃為實施員工持股計劃及配售H股予獨立機構投資者而建議。根據非公開配售，本公司及兩名董事擬訂立兩份H股認購協議；本公司及多名董事、監事以及高級管理層人員擬訂立12份有限合夥企業認購協議，以及與配售代理訂立H股配售協議，須待以下條件獲達成後方告作實：

- 上市委員會批准根據非公開配售將發行的所有H股上市及買賣；
- 股東於本公司股東大會及類別股東大會上通過決議案批准員工持股計劃及非公開發售；
- 獨立股東通過決議案批准H股認購協議或有限公司合夥企業單位認購協議(按情況而定)及據此擬進行的其他安排；
- 授予董事會一般授權以配發及發行新股，有關股份能夠及足以涵蓋根據H股配售協議配發及發行新H股；及
- 有關根據H股認購協議認購H股、新內資有限合夥企業認購事項及根據H股配售協議及據此擬進行的其他安排發行及配售H股的所有必要中國政府及監管批文及同意已由本公司取得。

All the conditions were completed on 18 December 2015.

The subscription of H shares and domestic shares by the Directors and senior management of the Company and the independent placees were also completed on 18 December 2015, details of which are set out below:

- an aggregate of 10,664,000 H shares have been successfully allotted and issued by the Company at the placing price of HK\$7.15 per H Share to four placees who are independent professional institutional investors, namely Prudence Investment Management (Hong Kong) Limited, Pine River Capital Management L.P., Swift Mind Investments Limited and Value Partners Group. The placing price of HK\$7.15 represents a discount of approximately 16.76% to the closing price of HK\$8.59 per H share as quoted on the Hong Kong Stock Exchange on 10 December 2015, being the date of the placing agreement. The net price is approximately HK\$6.93 per placing share;
- an aggregate of 1,205,000 H shares have been successfully allotted and issued by the Company at the subscription price of HK\$7.15 per H share to Mr. Frank Franciscus Dorjee and Mr. Yeung Kwok Ki Anthony. The subscription price of HK\$7.15 per H share is fixed on same date as the H share placing as mentioned above and is the same as the subscription price under the H share placing. The net price is approximately HK\$7.04 per H share being subscribed; and
- an aggregate of 30,783,000 domestic shares have been successfully allotted and issued by the Company at the subscription price of HK\$7.15 per domestic share to the four limited partnerships established and owned by Directors and selected employees of the Company under the ESOP, namely Wuhan Ruitu Management Consulting Limited Partnership, Wuhan Ruiteng Management Consulting Limited Partnership, Wuhan Ruihong Management Consulting Limited Partnership, and Wuhan Ruiyue Management Consulting Limited Partnership. The subscription price represents approximately 85% of the average closing price of the H shares for the 90 trading days immediately before 10 June 2015, the date when the Private Placement was first announced by the Company. The closing price of H shares of the Company on 10 June 2015 was HK\$10.94. The net price is approximately HK\$7.15 per domestic share being subscribed.

所有條件已於二零一五年十二月十八日完成。

由本公司董事及高級管理層以及獨立承配人認購H股及內資股亦已於二零一五年十二月十八日完成，有關詳情載列如下：

- 本公司已成功配發及發行合共10,664,000股H股予四名承配人(均為獨立專業機構投資者，分別為方圓投資管理(香港)有限公司、松河資產管理有限合夥公司、捷敏投資有限公司及惠理集團)，配售價為每股H股7.15港元。配售價7.15港元較二零一五年十二月十日(為配售協議日期)於香港聯交所所報每股H股收市價8.59港元折讓約16.76%。淨價格約為每股配售股份6.93港元；
- 本公司已成功配發及發行合共1,205,000股H股予范•德意先生及楊國琦先生，認購價為每股H股7.15港元。認購價每股H股7.15港元於上文所述H股配售同一日期釐定，並與H股配售項下的認購價相同。淨價格約為每股所認購H股7.04港元；及
- 本公司已成功配發及發行合共30,783,000股內資股予四間有限合夥企業(根據員工持股計劃由本公司董事及經選定員工成立及擁有，分別為武漢睿圖管理諮詢合夥企業(有限合夥)、武漢睿騰管理諮詢合夥企業(有限合夥)、武漢睿鴻管理諮詢合夥企業(有限合夥)及武漢睿越管理諮詢合夥企業(有限合夥))，認購價為每股內資股7.15港元。認購價相當於H股於緊接二零一五年六月十日前90個交易日(為本公司首次宣佈非公開配售日期)平均收市價的約85%。本公司H股於二零一五年六月十日的收市價為10.94港元。淨價格約為每股所認購內資股7.15港元。

The aggregate nominal value of the H shares issued, with a par value of RMB1.00 each, is approximately RMB11.9 million whereas the aggregate nominal value of the domestic shares issued, with a par value of RMB1.00 each, is approximately RMB30.8 million.

The gross proceeds from the issuance of domestic shares and H shares amounted to approximately HK\$220.1 million and HK\$84.9 million, respectively, and the aggregate net proceeds from the issuance of domestic shares and H shares, after deduction of the fees, commissions and expenses, amounted to approximately HK\$220.1 million and HK\$82.4 million, respectively, and such amount will be used to construct the Phase II project of YOFC Science & Technology Park in Qianjiang to expand the optical fibre preform production capacity of the Company and to support the development of the business of the Group, in particular for capacity expansion both domestically and overseas, and as general working capital.

Details of movements in the share capital of the Company during the year ended 31 December 2015 are set out in notes 31 and 32 to the financial statements of this annual report.

DISTRIBUTABLE RESERVES

As at 31 December 2015, the Company's reserves available for distribution, calculated in accordance with the provisions of Companies Law in the PRC, amounted to approximately RMB1,124.7 million (31 December 2014: approximately RMB733.8 million).

BANK LOANS

Details of bank loans of the Group as at 31 December 2015 are set out in note 26 to the financial statements of this annual report.

已發行H股的總面值(每股面值人民幣1.00元)約為人民幣11.9百萬元，而已發行內資股的總面值(每股面值人民幣1.00元)約為人民幣30.8百萬元。

發行內資股及H股的所得款項總額合計分別約為220.1百萬港元及84.9百萬港元，而發行內資股及H股的所得款項淨額(經扣除費用、佣金及開支後)合計分別約為220.1百萬港元及82.4百萬港元，該等款項將用於長飛光纖光纜潛江科技園第二期項目之建設，以拓展本公司光纖預製棒之產能，並用於支持本集團業務的發展，尤其是支持國內外的產能擴充，並作為一般營運資金。

本公司於截至二零一五年十二月三十一日止年度的股本之變動詳情載於本年報財務報表之附註31及32。

可分派儲備

於二零一五年十二月三十一日，本公司可供分派儲備乃根據中國公司法之條文計算，約為人民幣1,124.7百萬元(二零一四年十二月三十一日：約為人民幣733.8百萬元)。

銀行貸款

本集團於二零一五年十二月三十一日的銀行貸款詳情載於本年報財務報表之附註26。

BUSINESS REVIEW

OVERVIEW

During the year, the Group focused on its four main strategies namely value chain extension, multi-processes, internationalisation and diversification and to further strengthen and solidify our market leader position in the industry. In 2015, the Group had brought in eight new subsidiaries and two new joint ventures through its own establishments, an acquisition and co-operations with local and global strategic partners, which are all in alignment with our strategic roadmap.

Other than production capacity expansions on our existing three major products, the Group had extended our value chain by engaging in the production and development of highly purity silicon tetrachloride and the provision of indoor cabling solution, which are examples of upstream and downstream value chain extension.

Regarding the techniques used for the production of optical fibre preform, the Group's research and development team continued to put their efforts on streamlining the existing PCVD technique as well as continuing the development of the VAD technique. Through the joint venture with Shin-Etsu, the Group will be equipped with OVD technique in the manufacture of optical fibre preforms as well. All these form part of our multi-processes strategy.

Among these 10 newly added entities, one new subsidiary is located in Indonesia and one new joint venture is located in Myanmar, which are involved in the production and distribution of optical fibres and optical fibre cables, respectively. At the same time, the Group had set up additional 14 sales representative offices in overseas to make the total number of overseas sales offices to 22. All these are in alignment with our internationalisation strategy.

Through the acquisition of additional 60% equity interests in NK Wuhan, the Group had taken part in the manufacture and sales of radio frequency copper coaxial cables and related products. A new business unit on network construction and provision of technical support was set up during the year. Other than the participation in active optical cable business starting from last year, all these marked our new roadmap for the diversification.

業務回顧

概覽

本年度，本集團集中於其四個主要策略，即價值鏈延伸、多邊加工、國際化及多元化，並進一步加強及鞏固我們於行業的市場領先地位。於二零一五年，本集團通過其自行成立、收購事項及與本地和全球戰略合作夥伴，成立了八間新增附屬公司及兩間新增合營企業，此等舉措均符合我們的策略藍圖。

除了我們現有有三個主要產品的產能擴張外，本集團已通過參與高純度四氯化矽生產及發展以及提供室內綜合佈線解決方案延伸我們的價值鏈，此乃延伸上游及下游全產業鏈的例子。

就光纖預製棒的生產技術而言，本集團研發團隊繼續致力於精簡現有PCVD技術以及繼續發展VAD技術。透過與信越的合營企業，本集團將擁有OVD技術以投入光纖預製棒的製造。所有該等研發措施均是我們多工藝路線策略的一部份。

該十間新增公司中，一間新增附屬公司位於印尼及一間新增合營企業位於緬甸，該等公司分別從事生產及分銷光纖及光纜。同時，本集團已額外設立14個海外辦事處，令海外銷售辦事處總數增至22個。此等舉措均與我們的國際化策略一致。

通過收購武漢安凱的額外60%股權，本集團涉足射頻同軸電纜及相關產品生產及銷售。網絡建設項目及提供技術支援的新業務部門於年內成立。除了自去年開始參與有源光纜業務外，所有該等事項均為我們相關多元化策略奠下新藍圖。

FINANCIAL KEY PERFORMANCE INDICATORS**Operating performance**

2015 was the best year of performance for YOFC when compared with the past four years. During the year, the Group's revenue increased by 18.6% from RMB5,676.8 million in 2014 to RMB6,731.1 million in 2015. Such increase was mainly driven by the increase in sales volume for optical fibre cables as a result of 4G infrastructure construction and the "Broadband China" national strategy, of which such segment reported a growth rate of 32.9% and was outperforming the market average growth rate of 30.1%. Optical fibre cables are the final products that we delivered to state-owned telecommunication operators. On the other hand, the Group's optical fibre preform and optical fibre segment also reported a growth rate of 16.3% growth even all its capacity expansion plans for this segment in both China and overseas are still in progress. For the year ended 31 December 2015, the net profit attributable to equity shareholders of the Company also increased by 22.4% from RMB466.3 million in 2014 to RMB570.7 million in 2015. Between 2013 and 2014, the growth rate on net profit attributable to equity shareholders of the Company was just 12.4%. These two key performance indicators proved that the industry itself is quite promising and with room for growth in the years to come and so for the Group.

Financial performance

As at 31 December 2015, the Group's financial position remained solid not because of additional funds raised through the Private Placement conducted during the year but because of its strong treasury and fund management. The level of indebtedness as at 31 December 2015 slightly decreased and maintained at RMB2,457.4 million (31 December 2014: RMB2,484.1 million) while the gearing ratio (which is calculated based on the net debts divided by total equity) was 11.0% (31 December 2014: 16.3%) as at 31 December 2015. For the year ended 31 December 2015, the Group generated positive operating cashflows amounted to RMB550.8 million (2014: RMB200.2 million). Improvement in operating cashflows was mainly due to better credit control and more efforts put on debt collection process. The Group's average trade and bills receivables turnover days for 2015 maintained at the same level of 104.8 days (2014: 104.6 days) even the Group's revenue grew by 18.6%. Average inventory turnover days for 2015 was shortened from 56.4 days in 2014 to 46.3 days in 2015 because of better inventory control and on-time production and purchasing without requiring the Group to tie up its working capital.

財務主要表現指標**營運表現**

相比過往四年，二零一五年是本公司表現最優的一年。年內，本集團收入由二零一四年人民幣5,676.8百萬元增加18.6%至二零一五年人民幣6,731.1百萬元。該增幅乃主要由光纜銷量因4G基礎建設及國內「寬帶中國戰略」增加所推動，其中有關分部錄得增長率32.9%，高於市場平均增長率30.1%。光纜為我們交付予國有電信運營商的最終產品。另一方面，本集團的光纖預製棒及光纖分部亦錄得16.3%的增長率，雖然其就該分部於中國及海外的所有產能擴張計劃仍在進行中。截至二零一五年十二月三十一日止年度，本公司權益持有人應佔純利亦增加22.4%，由二零一四年人民幣466.3百萬元增加至二零一五年人民幣570.7百萬元。於二零一三年至二零一四年，本公司權益持有人應佔純利僅為12.4%。從該兩項主要表現指標可見，行業本身前景樂觀且未來存在增長空間，因此本集團亦然。

財務表現

於二零一五年十二月三十一日，本集團的財務狀況維持穩健，此並非因為透過年內進行的非公開配售籌集額外資金所致，而是歸功於其強大財務及資金管理。二零一五年十二月三十一日的債務水平輕微減少及維持於人民幣2,457.4百萬元(二零一四年十二月三十一日：人民幣2,484.1百萬元)，而二零一五年十二月三十一日的資產負債比率(按淨債務除以總權益計算)為11.0%(二零一四年十二月三十一日：16.3%)。截至二零一五年十二月三十一日止年度，本集團產生正向經營現金流人民幣550.8百萬元(二零一四年：人民幣200.2百萬元)。經營現金流改善乃主要由於更好的信貸監控及更多精力投入債務收款過程。本集團於二零一五年的平均應收賬款及票據周轉天數維持於相同水平，為104.8天(二零一四年：104.6天)，而本集團收入亦增加18.6%。二零一五年的平均存貨周轉天數由二零一四年的56.4天縮短至二零一五年的46.3天，此乃由於更好的存貨監控及按時生產及收購而無需本集團縮緊其營運資金。

FUTURE DEVELOPMENT

The Group will focus on its four major strategies to complete our targeted goals and missions. The Group will further extend our value chain so as to make itself more competitive in terms of production costs and efficiency. Resources and efforts put on research and development activities will be continuing. The Group will soon be equipped with the existing three technologies in producing optical fibre preforms namely PCVD, VAD and OVD, which is our multi-processes strategy. Internationalisation and diversification are the remaining two strategies that the Group will continue to explore. As at 31 December 2015, the Group had already built three overseas presences. It is expected that more overseas presences either in the form of production base or the product distribution channel will be set up to strengthen and increase our market share in overseas. Continuous development on active optical cable business will be one of the key driving forces for the Group's business growth. Proactive participations in different aspects will be the Group's intention in the near future such as the provision of solution on network construction and the provision of indoor cabling solutions. Last but not least, the Group will ensure that all newly built production capacities or investment projects will be completed and be ready for use as scheduled.

PRINCIPAL RISKS AND UNCERTAINTIES

A number of factors that may affect the results and business operations of the Group, some of which are inherent to optical fibre and cable business and some are from external sources. Major risks and uncertainties are summarised below.

(I) INDUSTRY RISK

Our success depends highly on those national strategies, initiatives, incentives and other favourable policies announced or implemented by the Chinese government towards the telecommunication industry. In this connection, we have to keep ourselves abreast of all these strategies and initiatives such that the Group can plan ahead its capacity expansion plans, adjust its sales and marketing strategies and then grasp the maximum benefits from all these opportunities.

未來發展

本集團將專注於其四個主要策略，完成所訂目標及任務。本集團將進一步延伸價值鏈，增加自身在生產成本及效率方面的競爭力。投入研發活動的資源及工作將延續。本集團很快會擁有生產光纖預製棒的現有三種技術，即PCVD、VAD及OVD，此乃我們多工藝路線策略。國際化及相關多元化為本集團將繼續探索的餘下兩個策略。於二零一五年十二月三十一日，本集團已成立三個海外實體。其預期會設立更多海外實體(以生產基地方式或通過產品分銷渠道)，藉此加強及增加我們的海外市場份額。有源光纜業務持續發展將是本集團業務增長的主要驅動力之一。積極參與不同領域乃本集團近期意向，例如提供網絡建設解決方案及提供室內綜合佈線解決方案。最後，本集團將確保所有新增產能或投資項目將按計劃完成及投入使用。

主要風險及不確定因素

多項因素或會影響本集團業績及業務營運，其中若干因素乃光纖及光纜業務的固有特點，若干因素則來自外部來源。主要風險及不確定因素概述如下。

(I) 行業風險

我們的成功很大程度上取決於中國政府對電信行業宣佈或實施的國家策略、措施、計劃及其他政策紅利。就此而言，本集團必須跟進所有該等策略及計劃，方能提前訂立產能擴張計劃、調整銷售及營銷策略，從而自該等機遇發掘最大利益。

(II) INTENSE COMPETITION

We are now operating in a highly competitive environment and competing with both local and global competitors. The Group competes with its competitors on various factors such as product variety, product performance, customer service, quality, price, new product innovation, timely delivery, global presence and brand recognition. If we do not respond timely to our customers' needs, our competitors' reactions, technologies advancement and industrial and market change, the Group's sales orders or its customer demand for its products may decline and our revenue and profits will be affected. The Company's market leader position will also be affected.

(III) FOREIGN EXCHANGE RISK

The Group has to import glass substrate tubes, silica jacket cylinders and various chemical gases from overseas for use in the production of optical fibre preforms. All these purchases from overseas have to be settled in US Dollars or Euro, which resulted in the Group facing foreign exchange risk exposure. The Renminbi exchange rate fixing reform on 11 August 2015 led to unexpected devaluation of Renminbi against US Dollars and Euro and resulted in foreign exchange loss to the Group. This foreign exchange risk impact has set off part of the profits earned. It is therefore crucial for the Group to enter into some hedging arrangements in order to minimise this exposure and its impacts towards the Group's profit.

(IV) REPUTATIONAL RISK

The Company is one of the leading optical fibre preform, optical fibre and optical fibre cable suppliers in the world and is operating under the brand name of "YOFC". YOFC was recognised as the "Most Valuable Brand in Communications Industry in China" by China Communications Industry Association in November 2012, the Most Competitive Enterprise in Optical Fibre and Optical Fibre Cable Industry in both China and one of the most valuable enterprises in the World in the industry. Should there be any negative impact towards the brand, the Group would lose its high ranking when participating in the central bidding organised by the three state-owned telecommunication operators in China. To safeguard and manage the brand, it is important that the Group continues to uphold its brand value, corporate image, product quality and safety as well as maintain high ethical business standard. In addition, it is also crucial that communication with our shareholders, customers and other stakeholders is accurate, transparent and reliable.

(II) 激烈競爭

我們現時的經營環境競爭極為激烈，競爭對手來自本地，亦來自全球。本集團在多方面與競爭對手競爭，如產品種類、產品表現、客戶服務、質量、價格、產品創新、及時付運、全球份額及品牌知名度等。倘我們未能及時回應客戶需求、競爭對手的回應、技術發展以及工業及市場變動，本集團的銷售訂單或其客戶對產品的需求可能減少，而我們的收入及溢利將受到影響，本公司的市場領先地位亦會受到衝擊。

(III) 外匯風險

本集團須向海外進口玻璃襯管、矽質套管及多種化學氣體，用於生產光纖預製棒。該等海外採購全部以美元或歐元付款，因此本集團面臨外匯風險。二零一五年八月十一日的人民幣匯率改革令人民幣兌美元和歐元出現未可預期的貶值，導致本集團產生匯兌虧損。該外匯風險的影響抵銷了我們所賺取的部分溢利。因此，本集團訂立若干對沖安排以盡量減低該風險及該風險對本集團溢利的影響至關重要。

(IV) 聲譽風險

本公司為全球領先的光纖預製棒、光纖及光纖供應商，以「長飛」品牌名稱經營業務。長飛於二零一二年十一月獲中國通信工業協會評為「中國通信工業最有價值的品牌」、「中國光纖光纜最具競爭力企業」及「全球光纖光纜最具競爭力企業」。倘品牌遭受任何負面影響，本集團於參與中國三大國有電信運營商舉辦的中央招標時將失去其高排位。為保障及管理品牌，本集團繼續秉持品牌價值、企業形象、產品品質及安全、同時維持高商業道德標準，實為重要。此外，與股東、客戶及其他相關方進行準確、透明及可靠的溝通，亦十分關鍵。

Further details of the risks associated with our business and our industry and the uncertainties which we face are discussed in the section headed "Risk Factors" in the Prospectus.

KEY RELATIONSHIPS

(I) EMPLOYEES

Skilled and professional personnel are one of the valuable assets of the Group and the Group regards people development as highly important. The Group has built up itself to be an attractive employer for committed employees.

The Group strives to motivate employees with a clear career path, opportunities for developing their talent and improvement of their skills. The Group has engaged an independent human resource consultancy firm to assist the Group in retaining our skilled and committed employees. With the assistance of that consultancy firm, the Group has developed its own successor training programme and other in-house training courses. Besides, the Group has conducted employee engagement survey once a year and members of the senior management have seriously considered those feedbacks from employees so as to enhance the overall harmony, productivity, loyalty and morale. Further details regarding employees, staff costs and emolument policy of the Group are discussed in the section headed "Management Discussion & Analysis – Employees and Remuneration Policy" and in the paragraphs below headed "Emolument Policy" of this report.

(II) SUPPLIERS

The Group has developed long term relationship with its key suppliers both in China and overseas and taken great care to ensure that all these suppliers deliver high quality raw materials and share our commitment to offer high quality products to our customers. The Group has to make use of some independent third party optical fibre cable manufacturers to produce optical fibre cables when our production capacity on optical fibre cable has been fully utilised. The Group has carefully selected these manufacturers so as to ensure that they can deliver the same quality standard as required by the Company and their quality controls are effectively executed in accordance with the Company's requirements. Further details of our major suppliers are set out in the paragraphs above headed "Major Customers and Suppliers" of this report.

有關我們業務及行業涉及的風險以及我們面臨的不確定因素的更多討論詳述於招股章程內「風險因素」一節。

主要關係

(I) 僱員

技術嫻熟及專業的員工是本集團寶貴財富之一，本集團高度重視人才發展。本集團已將自身發展為敬業僱員眼中具吸引力的僱主。

本集團盡力向僱員提供明確職業道路、發展彼等才能及完善彼等技術的機會，以鼓勵彼等。本集團聘有獨立人力資源顧問公司，協助本集團留任嫻熟及敬業的僱員。憑藉顧問公司的幫助，本集團已發展自有的繼任者培訓計劃及其他內部培訓課程。此外，本集團每年進行一次僱員調查，而高級管理層人員已認真考慮僱員的該等反饋意見，以求促進整體和諧、生產力、忠誠度及士氣。有關本集團僱員、員工成本及薪酬政策的更多詳情於本報告「管理層討論及分析－僱員及薪酬政策」一節及下文「薪酬政策」各段論述。

(II) 供應商

本集團已與其中國及海外的主要供應商發展長期關係，並努力確保所有該等供應商交付高品質原材料及與我們一樣致力提供高質量產品予客戶。倘光纖產能已完全動用，則本集團必須通過若干獨立第三方光纖製造商生產光纖。本集團審慎選擇該等製造商以確保彼等所提供的質量標準符合本公司要求，且彼等的質量控制已根據本公司規定有效執行。有關主要供應商的更多詳情載於本報告「主要客戶及供應商」各段。

(III) CUSTOMERS

The Group is committed to deliver good and high quality products to our customers. The Group stayed connected with our customers through its 30 sales representative offices located in the capital cities of most provinces across China, which are monitored by eight regional sales and customer service offices located in Beijing, Shanghai, Guangzhou, Shijiazhuang, Shenyang, Wuhan, Chengdu and Xi'an. All these regional sales offices are strategically positioned to serve each of the key regions in China and the local subsidiaries of the three state-owned telecommunication network operators located in each of these regions. We have also increased our overseas sales offices from 8 in 2014 to 22 in 2015 so as to provide quality and value-added after sale customer services to our customers in overseas. Further details of our major suppliers are set out in the paragraphs above headed "Major Customers and Suppliers" of this report.

ENVIRONMENTAL POLICIES

The Group is subject to environmental protection laws and regulations promulgated by the Chinese Government. The Group's production facilities discharge pollutants such as industrial gaseous waste and waste water as well as industrial solid wastes and hazardous wastes. The Group has implemented stringent waste treatment procedures in all its production facilities. The Group has also engaged professional waste management company to dispose of industrial solid waste and has its own procedures in place and designated special staff to treat and dispose of any hazardous wastes. We also strive to minimise our environmental impact by saving energies like power, gas and water and encourage the recycling of office supplies and other materials. The Group is in strict compliance with the relevant environmental regulations and rules and possesses all necessary permission and approval from the relevant authorities in China. The Group has registered each batch of its hazardous wastes with the Ministry of Environmental Protection in accordance with the requirements of applicable laws and regulations.

(III) 客戶

本集團致力於向客戶交付良好及優質的產品。本集團透過位於中國大部分省份的省會城市的30個銷售代辦處與客戶保持聯繫，該等代辦處由位於北京、上海、廣州、石家莊、沈陽、武漢、成都及西安的8個地區的銷售及客戶服務辦事處監控。所有該等地區銷售辦事處均策略性地選址，以服務中國各主要地區及駐於該等地區的三大國有電信網絡運營商的本地附屬公司。我們亦已將海外銷售辦事處由二零一四年的8個增加至二零一五年的22個，藉此提供優質及增值售後服務予海外客戶。有關主要供應商的更多詳情載於本報告上文「主要客戶及供應商」各段。

環境政策

本集團受限於中國政府頒佈的環保法律及法規。本集團的生產設施排放工業廢氣及污水、工業固體垃圾及有害垃圾等廢品。本集團已於其所有生產設施實施嚴格廢物處理程序。本集團亦委聘專業廢品管理公司處理工業固體垃圾及設有內部程序以及委派專門僱員處理及清理任何有害廢品。我們亦努力節省電力、氣體及水源等能源，務求減少環境影響，並鼓勵回收辦公用品及其他材料。本集團嚴格遵守相關環境法規及規則，且持有中國相關機構的所有必要許可及批准。本集團亦遵守適用法律及法規的規定，於環境保護部就各批次的有害廢品作登記。

COMPLIANCE WITH LAWS AND REGULATIONS

The Company was established in the PRC and its H shares are listed on the Main Board of the Hong Kong Stock Exchange and the Group's operations are mainly carried out in China and in overseas. All its establishments and operations in China or outside China shall comply with relevant laws and regulations in the countries where they operate. During the year ended 31 December 2015 and up to the date of this report, the Group is in compliance with all the relevant laws and regulations in China, Hong Kong and in the countries where the Group has its establishment or operations in all material respects.

RIGHTS TO ACQUIRE THE COMPANY'S SECURITIES AND EQUITY-LINKED AGREEMENTS

Save for the subscription of domestic shares and H shares of the Company pursuant to the ESOP as described in the paragraphs headed "Share Capital" and "Connected Transactions" of this report, at no time during the year was the Company, or any of its holding companies or subsidiaries, or any of its fellow subsidiaries, a party to any arrangement to enable the Directors, Supervisors or chief executive of the Company or their respective associates or close associates (as respectively defined under the Hong Kong Listing Rules) to have any right to subscribe for securities of the Company or any of its associated corporations as defined in the SFO or to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate, nor did the Company enter into any other equity-linked agreement.

CHARITABLE CONTRIBUTIONS

During the year, the Group made charitable contributions totalling RMB80,000 (2014: RMB792,500).

遵守法律及法規

本公司於中國成立，其H股於香港聯交所主板上市，而本公司業務主要於中國及海外經營。其於中國或中國境外的所有實體及業務均須遵守經營所在國家的相關法律及法規。於截至二零一五年十二月三十一日止年度及直至本報告日期，本集團已在所有重大方面遵守中國、香港及本集團擁有實體或業務的國家的所有相關法律及法規。

收購本公司證券之權利及股本關連協議

除了根據本董事會報告「股本」及「關連交易」各段所述的員工持股計劃認購本公司內資股及H股外，本公司或其任何控股公司或附屬公司或其任何同系附屬公司於年內任何時間概無訂立任何安排，致使本公司之董事、監事或主要行政人員或彼等各自之聯繫人或緊密聯繫人(相關定義見香港上市規則)擁有任何權利可認購本公司或其任何相聯法團(定義見證券及期貨條例)之證券或可透過收購本公司或任何其他團體公司之股份或債券獲取利益，本公司亦無訂立任何其他股本關連協議。

慈善捐獻

年內，本集團合共作出人民幣80,000元(二零一四年：人民幣792,500元)之慈善捐獻。

DIRECTORS

The Directors and the Supervisors of the Company during the year and up to the date of this annual report were:

EXECUTIVE DIRECTORS

Mr. Wen Huiguo (*the Chairman*)

Mr. Frank Franciscus Dorjee (*the Vice-Chairman*)

NON-EXECUTIVE DIRECTORS

Mr. Ma Jie

Mr. Yao Jingming

(appointment effective on 9 June 2015)

Mr. Philippe Claude Vanhille

Mr. Yeung Kwok Ki Anthony

Mr. Xiong Xiangfeng

Ms. Zheng Huili

Mr. Sun Jiming

(resignation effective on 9 June 2015)*

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Ngai Wai Fung

Mr. Ip Sik On Simon

Mr. Li Ping

Mr. Li Zhuo

SUPERVISORS

Mr. Jiang Zhikang

Mr. Liu Deming

(appointment effective on 9 June 2015)

Ms. Li Chang'ai

(appointment effective on 9 June 2015)

Mr. Yao Jingming

(resignation effective on 9 June 2015)

Ms. Yu Jiaxuan

(resignation effective on 9 June 2015)

* Mr. Sun Jiming resigned due to changes in work arrangement.

董事

於年內直至本年報日期的本公司董事及監事如下：

執行董事

文會國先生(主席)

范•德意先生(副主席)

非執行董事

馬杰先生

姚井明先生(於二零一五年六月九日獲委任)

菲利普•范希爾先生

楊國琦先生

熊向峰先生

鄭慧麗女士

孫姬明先生(於二零一五年六月九日辭任)*

獨立非執行董事

魏偉峰先生

葉錫安先生

李平先生

李卓先生

監事

江志康先生

劉德明先生(於二零一五年六月九日獲委任)

李長愛女士(於二零一五年六月九日獲委任)

姚井明先生(於二零一五年六月九日辭任)

虞嘉萱女士(於二零一五年六月九日辭任)

* 孫姬明先生已因工作安排變動辭任。

BOARD OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Biographical details of the Directors, the Supervisors and senior management of the Group are set out on pages 41 to 56 of this annual report.

CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of the independent non-executive Directors annual confirmation of independence pursuant to Rule 3.13 of the Hong Kong Listing Rules and the Company considers all independent non-executive Directors are independent pursuant to the Hong Kong Listing Rules.

DIRECTORS' AND SUPERVISORS' SERVICE CONTRACTS AND LETTER OF APPOINTMENTS

Each of the executive Directors and non-executive Directors has entered into a service contract with the Company on 14 November 2014, except for Mr. Yao Jingming whose service contract with the Company was entered into on 9 June 2015. Each of the independent non-executive Directors has signed a letter of appointment on 14 November 2014. Pursuant to our Articles of Association, the term of office of the Directors shall be 3 years. The principal particulars of these service contracts and letters of appointment are (a) for a term commencing from their respective effective date of appointment until the day on which the next general meeting of the shareholders for re-election of Directors is held, and (b) are subject to termination in accordance with their respective terms.

Each of the Supervisors has entered into a service contract with the Company on 14 November 2014, except for Mr. Liu Deming and Ms. Li Chang'ai whose service contracts with the Company were entered into on 9 June 2015. As required under the Opinions on Further Promotion of Standardising Operations and Intensifying Reform of Overseas Listed Companies (Guojingmaogai No. [1999]230), the Company shall have a number of external Supervisors comprising one half or more of the board of Supervisors, among whom, two or more shall be independent Supervisors. The Company has fulfilled this requirement since 9 June 2015.

董事會、監事及高級管理層

本集團董事、監事及高級管理層之履歷詳情載於本年報第41至56頁。

獨立非執行董事之獨立性確認

本公司接獲各獨立非執行董事根據香港上市規則第3.13條發出之年度獨立性確認書，並認為，根據香港上市規則，全體獨立非執行董事為獨立人士。

董事及監事之服務合約及委任函

執行董事及非執行董事各自已於二零一四年十一月十四日與本公司訂立服務合約，惟姚井明先生與本公司的服務合約乃於二零一五年六月九日訂立。各獨立非執行董事已於二零一四年十一月十四日簽署委任函。根據本公司之章程，董事之任期應為3年。該等服務合約及委任函主要包括(a)董事的任期由彼等各自的委任生效日期開始直至就重選董事而舉行下屆股東大會之日期為止；及(b)可根據各自條款予以終止。

各監事已於二零一四年十一月十四日與本公司訂立服務合約，惟劉德明先生及李長愛女士與本公司的服務合約乃於二零一五年六月九日訂立。誠如《關於進一步促進境外上市公司規範運作和深化改革的意見》(國經貿企改[1999]230號)規定，本公司監事會成員中一半或以上須為外部監事，而其中兩名或以上須為獨立監事。本公司於二零一五年六月九日起符合該規定。

None of the Directors and the Supervisors had entered into any service contract with the Company or its subsidiaries which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

DIRECTORS' AND SUPERVISORS' INTERESTS IN TRANSACTION, ARRANGEMENT OR CONTRACTS OF SIGNIFICANCE

None of the Directors and the Supervisors, or any entity connected with them had a material interest, either directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year ended 31 December 2015 or subsisted at the end of the year ended 31 December 2015.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year ended 31 December 2015.

EMOLUMENT POLICY

A nomination and remuneration committee was set up for, among others, reviewing and making recommendations on remuneration policy and scheme for Directors, Supervisors, senior management and employees, taking into account salaries paid by comparable companies, time commitment and responsibilities of the Directors and performance of the Group.

The Company has not adopted any share award scheme or share option scheme. On 19 October 2015, the Company approved to adopt the ESOP, pursuant to which target participants of the scheme may subscribe for scheme units and the target participants of the scheme are core personnel playing a crucial role in the Company's overall performance and mid and long-term development, including Directors, Supervisors, senior management personnel, middle-level cadres and key employees of the Group (excluding independent non-executive Directors and external Supervisors).

董事及監事概無與本公司或其附屬公司訂立任何可於一年內在毋須支付賠償(法定補償除外)的情況下終止的服務合約。

董事及監事於重大交易、安排或合約之權益

董事及監事，或任何與其關連的實體概無於本公司或其任何附屬公司於截至二零一五年十二月三十一日止年度訂立或於截至二零一五年十二月三十一日止年度仍存續且對本集團業務屬重大的任何交易、安排或合約中直接或間接擁有重大權益。

管理合約

於截至二零一五年十二月三十一日止年度，本公司概無訂立或訂有與本公司全部或任何主要部分業務的管理及行政有關的合約。

薪酬政策

本公司已成立提名與薪酬委員會，以(其中包括)檢討董事、監事、高級管理層及僱員的薪酬政策及計劃，並就此提供建議，當中會考慮可比較公司支付的薪金、董事的投入時間及責任，以及本集團的表現。

本公司並無採納任何股份獎勵計劃或購股權計劃。於二零一五年十月十九日，本公司批准採納員工持股計劃，根據該計劃，目標參與者可認購計劃單位，而該計劃的目標參與者為在本公司整體表現及中長期發展中擔任關鍵職務的核心員工，包括本集團董事、監事、高級管理人員、中層管理人員及主要僱員(不包括獨立非執行董事及外部監事)。

REMUNERATION OF DIRECTORS, SUPERVISORS AND FIVE HIGHEST PAID INDIVIDUALS

Details of the remuneration of the Directors and the Supervisors (including the past Directors, the past Supervisors and the chief executive) and five highest paid individuals are set out in notes 9 and 10 to the financial statements.

PENSION SCHEMES

Particulars of the pension schemes of the Group are set out in note 7 to the financial statements.

CHANGES TO INFORMATION IN RESPECT OF DIRECTORS AND SUPERVISORS

Save as disclosed in the section headed "Directors', Supervisors' and Senior Management's Profiles" in this annual report, during the year ended 31 December 2015, there were no changes in the information which are required to be disclosed and has been disclosed by the Directors and the Supervisors pursuant to paragraph (a) to (e) and (g) of Rule 13.51(2) of the Hong Kong Listing Rules.

董事、監事及五名最高薪酬人士的薪酬

董事及監事(包括前任董事、前任監事及行政總裁)及五名最高薪酬人士的薪酬詳情載於財務報表之附註9及10。

退休金計劃

本集團之退休金計劃詳情載於財務報表之附註7。

董事及監事的資料變動

除在本年報「董事、監事及高級管理人員簡歷」一節中披露外，截至二零一五年十二月三十一日止年度，概無任何資料變動須由董事及監事根據香港上市規則第13.51(2)條(a)至(e)及(g)段作出披露及經已披露。

INTERESTS AND SHORT POSITIONS OF DIRECTORS, SUPERVISORS AND THE CHIEF EXECUTIVE IN THE SHARES, UNDERLYING SHARES AND DEBENTURES

董事、監事及主要行政人員於股份、相關股份及債券之權益及淡倉

As at 31 December 2015, the interests and short positions of the Directors, Supervisors or the chief executive in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code (for this purpose, the relevant provisions of the SFO will be interpreted as if they applied to the Supervisors and the chief executive) were as follows:

於二零一五年十二月三十一日，董事、監事或主要行政人員於本公司及其任何相關法團（定義見證券及期貨條例第XV部）之股份、相關股份或債券中擁有任何記錄於本公司根據證券及期貨條例第352條的規定存置之登記冊的權益及淡倉；或須根據標準守則另外通知本公司及香港聯交所的權益及淡倉（就此而言，證券及期貨條例有關條文之詮釋將視為適用於監事及主要行政人員）如下：

Name	Capacity	Class of Share	Number of Shares interested	Approximate percentage of interest in the Company	Approximate percentage of the relevant classes of Shares of the Company	Nature of interest
股東名稱	身份	股份類別	擁有權益之股份數目	佔本公司權益之概約百分比	佔本公司相關類別股份之概約百分比	權益性質
Directors						
董事						
Mr. Wen Huiguo 文會國先生	Beneficial owner 實益擁有人	Domestic Share 內資股	2,350,000 ⁽¹⁾	0.34%	0.71%	Long position 好倉
Mr. Frank Franciscus Dorjee 范•德意先生	Beneficial owner 實益擁有人	H Share H股	500,000	0.07%	0.14%	Long position 好倉
Mr. Yao Jingming 姚井明先生	Beneficial owner 實益擁有人	Domestic Share 內資股	500,000 ⁽¹⁾	0.07%	0.15%	Long position 好倉
Mr. Yeung Kwok Ki Anthony 楊國琦先生	Beneficial owner 實益擁有人	H Share H股	705,000	0.10%	0.20%	Long position 好倉
Mr. Xiong Xiangfeng 熊向峰先生	Beneficial owner 實益擁有人	Domestic Share 內資股	705,000 ⁽¹⁾	0.10%	0.21%	Long position 好倉
Ms. Zheng Huili 鄭慧麗女士	Beneficial owner 實益擁有人	Domestic Share 內資股	705,000 ⁽¹⁾	0.10%	0.21%	Long position 好倉

REPORT OF THE BOARD OF DIRECTORS (Continued)

董事會報告(續)

Name	Capacity	Class of Share	Number of Shares interested	Approximate percentage of interest in the Company	Approximate percentage of the relevant classes of Shares of the Company	Nature of interest
股東名稱	身份	股份類別	擁有權益之股份數目	佔本公司權益之概約百分比	佔本公司相關類別股份之概約百分比	權益性質
Supervisor						
監事						
Mr. Jiang Zhikang 江志康先生	Beneficial owner 實益擁有人	Domestic Share 內資股	723,000 ⁽¹⁾	0.11%	0.22%	Long position 好倉
General Manager						
總經理						
Mr. Zhuang Dan 莊丹先生	Beneficial owner 實益擁有人	Domestic Share 內資股	2,350,000 ⁽¹⁾	0.34%	0.71%	Long position 好倉

Note:

附註：

(1) Denotes the number of underlying domestic shares represented by the units in Wuhan Ruitu Management Consulting Partnership Enterprise (Limited Partnership) held by the relevant Directors, Supervisor and Mr. Zhuang. Wuhan Ruitu Management Consulting Partnership Enterprise (Limited Partnership) was established under the PRC laws on 4 December 2015 for the purpose of holding domestic shares for the Directors and senior management members of the Company under the ESOP.

(1) 指相關董事、監事及莊先生所持的武漢睿圖管理諮詢合夥企業(有限合夥)企業份額所代表的相關內資股數目。武漢睿圖管理諮詢合夥企業(有限合夥)於二零一五年十二月四日根據中國法律成立，成立目的為根據員工持股計劃為董事及高級管理人員持有內資股。

(2) As at 31 December 2015, the total number of issued shares of the Company was 682,114,598, among which 351,566,794 were H shares and 330,547,804 were domestic shares.

(2) 於二零一五年十二月三十一日，本公司已發行股份總數為682,114,598股，其中351,566,794股為H股及330,547,804股為內資股。

Save as disclosed above, as at 31 December 2015, none of the Directors, Supervisors nor the chief executive of the Company had any interests or short positions in any of the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO or as otherwise be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

除上文所披露者外，於二零一五年十二月三十一日，概無董事、監事或本公司主要行政人員於本公司或其任何相關法團(定義見證券及期貨條例第XV部)之股份、相聯股份或債券中擁有任何記錄於本公司根據證券及期貨條例第352條的規定存置之登記冊的權益及淡倉；或須根據標準守則另外通知本公司及香港聯交所的權益及淡倉。

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES

主要股東及其他人士於股份及相關股份之權益及淡倉

As at 31 December 2015, the following persons (other than Directors, Supervisors or chief executive of the Company) had interests and short positions in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

於二零一五年十二月三十一日，下列人士(本公司董事、監事或主要行政人員)於本公司股份及相關股份中擁有本公司根據證券及期貨條例第336條須予存置的登記冊所記錄的權益及淡倉：

Name of Shareholders	Capacity	Class of Share	Number of Shares interested	Approximate percentage of interest in the Company	Approximate percentage of the relevant classes of Shares of the Company	Nature of interest
股東名稱	身份	股份類別	擁有權益之股份數目	佔本公司權益之概約百分比	佔本公司相關類別股份之概約百分比	權益性質
China Huaxin 中國華信	Beneficial owner 實益擁有人	Domestic Share 內資股	179,827,794	26.36%	54.40%	Long position 好倉
China Reform Holdings Corporation Ltd ⁽¹⁾ 中國國新控股有限責任公司 ⁽¹⁾	Interest of a controlled corporation 受控法團權益	Domestic Share 內資股	179,827,794	26.36%	54.40%	Long position 好倉
Yangtze Communications 長江通信	Beneficial owner 實益擁有人	Domestic Share 內資股	119,937,010	17.58%	36.28%	Long position 好倉
Draka	Beneficial owner 實益擁有人	H Share H股	179,827,794	26.36%	51.15%	Long position 好倉
Draka Holding B.V. ⁽²⁾	Interest of a controlled corporation 受控法團權益	H Share H股	179,827,794	26.36%	51.15%	Long position 好倉
Prysmian S.p.A. ⁽³⁾	Interest of a controlled corporation 受控法團權益	H Share H股	179,827,794	26.36%	51.15%	Long position 好倉
Prysmian Cavi e Sistemi S.r.l. ⁽³⁾	Interest of a controlled corporation 受控法團權益	H Share H股	179,827,794	26.36%	51.15%	Long position 好倉

REPORT OF THE BOARD OF DIRECTORS (Continued)

董事會報告(續)

Name of Shareholders	Capacity	Class of Share	Number of Shares interested	Approximate percentage of interest in the Company	Approximate percentage of the relevant classes of Shares of the Company	Nature of interest
股東名稱	身份	股份類別	擁有權益之股份數目	佔本公司權益之概約百分比	佔本公司相關類別股份之概約百分比	權益性質
Value Partners Group Limited ⁽⁴⁾ 惠理集團有限公司 ⁽⁴⁾	Interest of a controlled corporation 受控法團權益	H Share H股	27,273,000	4.00%	7.76%	Long position 好倉
Value Partners High-Dividend Stocks Fund 惠理高息股票基金	Beneficial owner 實益擁有人	H Share H股	27,903,500	4.09%	7.94%	Long position 好倉
Integrated Asset Management (Asia) Limited ⁽⁵⁾	Beneficial owner 實益擁有人	H Share H股	20,000,000	2.93%	5.69%	Long position 好倉
Yam Tak Cheung ⁽⁵⁾ 任德章 ⁽⁵⁾	Interest of a controlled corporation 受控法團權益	H Share H股	20,000,000	2.93%	5.69%	Long position 好倉

Notes:

- (1) China Huaxin is wholly-owned by China Reform Holdings Corporation Ltd. China Reform Holdings Corporation Ltd is therefore deemed to be interested in 179,827,794 Domestic Shares held by China Huaxin.
- (2) Draka is a wholly-owned subsidiary of Draka Holding B.V.. Draka Holding B.V. is therefore deemed to be interested in 179,827,794 H Shares held by Draka.
- (3) Draka Holding B.V. is held as to 52.165% by Prysmian S.p.A. and 47.835% by Prysmian Cavi e Sistemi S.r.L., a wholly-owned subsidiary of Prysmian S.p.A.. As set out in note (2) above, each of Prysmian S.p.A. and Prysmian Cavi e Sistemi S.r.L. is therefore deemed to be interested in 179,827,794 H Shares held by Draka.
- (4) Value Partners Group Limited is deemed to be interested in 27,273,000 H Shares held by Value Partners Limited. Value Partners Limited is wholly-owned by Value Partners Hong Kong Limited, which is a wholly-owned subsidiary of Value Partners Group Limited.
- (5) Integrated Asset Management (Asia) Limited is wholly-owned by Mr. Yam Tak Cheung and Mr. Yam Tak Cheung is therefore deemed to be interested in 20,000,000 H Shares held by Integrated Asset Management (Asia) Limited.
- (6) As at 31 December 2015, the total number of issued shares of the Company was 682,114,598, among which 351,566,794 were H shares and 330,547,804 were domestic shares.

附註:

- (1) 中國華信由中國國新控股有限責任公司全資擁有，中國國新控股有限責任公司因而被視為於中國華信持有之179,827,794股內資股中擁有權益。
- (2) Draka為Draka Holding B.V.的全資附屬公司，Draka Holding B.V.因而被視為於Draka持有之179,827,794股H股中擁有權益。
- (3) Draka Holding B.V.由Prysmian S.p.A.持有52.165%，及由Prysmian S.p.A.之全資附屬公司Prysmian Cavi e Sistemi S.r.L.持有47.835%。誠如上文附註(2)所載，Prysmian S.p.A.及Prysmian Cavi e Sistemi S.r.L.因而各自被視為於Draka持有的179,827,794股H股中擁有權益。
- (4) 惠理集團有限公司被視為擁有惠理基金管理公司持有之27,273,000股H股之權益。惠理基金管理公司由惠理基金管理香港有限公司全資擁有，而惠理基金管理香港有限公司則為惠理集團有限公司之全資附屬公司。
- (5) Integrated Asset Management (Asia) Limited為任德章先生全資擁有，任德章先生因而被視為於Integrated Asset Management (Asia) Limited持有的20,000,000股H股中擁有權益。
- (6) 於二零一五年十二月三十一日，本公司已發行股份總數為682,114,598股，其中351,566,794股為H股及330,547,804股為內資股。

PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Save for the issue of H shares and domestic shares of the Company under the Private Placement as described in the paragraph above headed "Share Capital" of this report, the Company and its subsidiaries did not purchase, sell or redeem any of listed securities of the Company during the year ended 31 December 2015.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association of the Company or the Companies Law in the PRC, which would oblige the Company to offer new shares on a pro rata basis to the existing shareholders.

SUFFICIENCY OF PUBLIC FLOAT

As at the latest practicable date prior to the issue of this annual report and based on information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained the minimum public float of 25% as required under the Hong Kong Listing Rules.

INDEMNITY OF DIRECTORS

A permitted indemnity provision (as defined under section 469 of the Hong Kong Companies Ordinance) for the benefit of Directors, Supervisors and officers of the Company was in force in 2015 and is still in force up to the date of this report.

購買、出售及贖回本公司之上市證券

除本董事會報告上文「股本」一段所述之根據非公開配售發行本公司H股及內資股外，本公司及其附屬公司於截至二零一五年十二月三十一日止年度概無購買、出售及贖回本公司任何上市證券。

優先購買權

本公司章程或中國公司法概無有關優先購買權的條文，規定本公司必須按現有股東之持股比例向現有股東發售新股份。

公眾持股量水平

於刊發本年報前的最後可行日期，根據本公司公開可得之資料及據董事所知，本公司已按香港上市規則要求將公眾持股量維持於最低25%的水平。

董事彌償

以董事、監事及本公司高級員工為受益人的一項經許可彌償條款(定義見香港公司條例第469條)於二零一五年生效，且截至本報告日期仍然生效。

DIRECTORS' INTEREST IN COMPETING BUSINESS

During the year ended 31 December 2015, none of the Directors or their respective close associates had engaged in or had any interest in any business which competes or may compete, either directly or indirectly, with the businesses of the Group except for Mr. Philippe Claude Vanhille who has been serving as the senior vice-president of telecom business of the Prysmian group and primarily responsible for its global telecom business. He holds/held several positions in certain subsidiaries of Prysmian S.p.A. (together with its close associates, the "Prysmian Group") as more particularly described below. The Prysmian Group produces a complete range of optical fibres, optical and copper cables and accessories for connectivity systems. The Prysmian Group has similar business serving the telecom sector as the Company and therefore competes with the Company. In relation to the competing interest of Mr. Philippe Claude Vanhille, although he is involved in the high level decision making of the Company's important strategic and policy matters, he is not involved in the daily management and business operation of the Company. Further, the Board operates in accordance with the Company's Articles of Association which require Mr. Vanhille not to be entitled to vote on (nor be counted in the quorum in relation to) any resolution of the Board in respect of any contract, transaction or arrangement in which Mr. Vanhille or any of his close associates is materially interested. During the year, given his position in the Prysmian Group, Mr. Vanhille was required to abstain from voting on the board resolutions in relation to the acquisition of 60% interests in NK Wuhan and the revision of the annual caps for the continuing connected transactions with the Prysmian Group and YOFC Shanghai, further details of which are set out in the section below headed "Connected Transactions".

Name of company

公司名稱

Draka

Draka Comteq Fibre B.V.

Draka Comteq France S.A.S.

Draka Comteq Iberica S.L.U.

Fibre Ottiche Sud S.r.l.

NK Wuhan Cable Co., Ltd.

Prysmian Cables and Systems USA LLC

Precision Fibre Optics Ltd.

董事於競爭業務的權益

截至二零一五年十二月三十一日止年度，董事或彼等各自的緊密聯繫人概無從事任何與本集團業務競爭或可能競爭(不論直接或間接)的業務或於有關業務中擁有任何權益，惟菲利普·范希爾先生擔任普睿司曼集團電訊業務高級副總裁，主要負責其全球電訊業務。彼於Prysmian S.p.A.(連同其緊密聯繫人統稱「普睿司曼集團」)旗下若干附屬公司擔任／曾擔任多個職位(更多詳情載於下文)。普睿司曼集團生產各類光纖、光纜及銅線電纜以及連接系統配件。普睿司曼集團與本公司有類似的電信業務，因此與本公司構成競爭。就菲利普·范希爾先生的競爭權益而言，雖然彼參與本公司重大策略及政策事宜的高層決策，惟彼並非參與本公司的日常管理與業務營運。此外，董事會根據本公司章程行事，其中規定范希爾先生不得就范希爾先生自身或其任何緊密聯繫人有重大權益的任何合約、交易或安排有關的任何董事會決議案投票(亦不計入相關法定人數)。年內，由於彼於普睿司曼集團的職位，范希爾先生須就有關收購武漢安凱60%權益及修訂與普睿司曼集團和長飛上海的持續關連交易年度上限的董事會決議案放棄投票，更多詳情載於下文「關連交易」一節。

Nature of interests

權益性質

Executive Director

執行董事

Non-executive Director

非執行董事

Member of Comité de Contrôle

Comité de Contrôle成員

Non-executive Director (position no longer held since May 2015)

非執行董事(於二零一五年五月離任)

Chairman of the Board of Directors

董事會主席

Non-executive Director (position no longer held since December 2015)

非執行董事(於二零一五年十二月離任)

Non-executive Director

非執行董事

Non-executive Director

非執行董事

The independent non-executive Directors have reviewed the list of directorships provided by Mr. Vanhille and note that there is no change in details previously so disclosed in the Prospectus and the 2014 annual report except for the resignation from the directorship of Draka Comteq Iberica S.L.U and NK Wuhan during the year. The Company has put in place corporate governance measures to manage the conflict of interests arising from the competing interests of Mr. Vanhille and to safeguard the interests of the Company, details of which are set out in the Corporate Governance Report on pages 96 to 119 of this annual report.

COMPLIANCE WITH SANCTIONS UNDERTAKINGS

As disclosed in the Prospectus, the Company and the Directors have undertaken to the Hong Kong Stock Exchange that they will not use the proceeds from the Global Offering, as well as any other funds raised through the Hong Kong Stock Exchange, to finance or facilitate, directly or indirectly, activities or business with, or for the benefit of any sanction countries such as Cuba, Iran, North Korea, Sudan and Syria (collectively, "Sanctioned Countries") or certain targeted persons or entities, including, without limitation, those named on the US specially designated nationals list or the US foreign sanctions evaders list and any entity owned or controlled by any of the foregoing (collectively, "Sanctioned Persons" and together with Sanctioned Countries, "Sanctioned Targets"). The Company and the Directors have also undertaken to the Hong Kong Stock Exchange that they will not engage in any future business dealings with or relating to Sanctioned Targets, in each case except to the extent that economic sanctions are lifted against such Sanctioned Targets. The Directors confirmed that both the Company and the Directors were in compliance with the Sanctions Undertakings as at the date of this annual report. At the same time, the Company has already implemented internal control measures to ensure the compliance with the Sanction Undertakings. For details of the internal control measures, please refer to the section "Corporate Governance Report" in this annual report. In light of the small volume (both in terms of dollar volume and as a percentage of the Company's total sales) of the Company's past dealings with Sanctioned Targets and Myanmar (Burma) and the above-mentioned undertakings made to the Hong Kong Stock Exchange, the Company is of the view that the Company's business activities and operations are very unlikely to subject any of the shareholders and investors, the Hong Kong Stock Exchange, the Listing Committee of the Hong Kong Stock Exchange, Hong Kong Securities Clearing Company Limited and HKSCC Nominees Limited to any liability under United States economic sanctions, European Union economic sanctions and United Nations economic sanctions.

獨立非執行董事已審閱范希爾先生提供的董事職位列表，並知悉先前於招股章程及二零一四年年報所披露之詳情並無變動，惟於年內辭任Draka Comteq Iberica S.L.U及武漢安凱董事除外。本公司已採納若干企業管治措施，以處理范希爾先生的競爭權益所產生的利益衝突，以及保護本公司利益，有關詳情載於本年報第96至119頁之企業管治報告。

制裁承諾之合規情況

誠如招股章程所披露，本公司及董事已向香港聯交所承諾，不會動用全球發售所得款項及其他透過香港聯交所籌集的資金直接或間接資助或促進與任何受制裁國家(例如古巴、伊朗、朝鮮、蘇丹及敘利亞)(統稱「受制裁國家」)或若干目標人士或實體(包括但不限於美國指定國家名單或美國對外制裁逃稅名單所列的人士或實體，或由前述任何人士或實體擁有或控制的任何實體)(統稱「受制裁人士」，連同受制裁國家為「受制裁目標」)的任何活動或業務，或為彼等之利益行事。本公司及董事亦向香港聯交所承諾，除非對受制裁目標的經濟制裁解除，否則日後不會與受制裁目標進行或與之相關的任何業務交易。董事確認於本年報日期，本公司及董事均遵守制裁承諾。與此同時，本公司已實施內部監控措施，以確保遵守制裁承諾。有關內部監控措施的詳情，請參閱本年報「企業管治報告」一節。鑒於本公司與受制裁目標及緬甸的過往交易額甚小(以成交金額及佔本公司總銷售百分比而言)及前述向香港聯交所作出的若干承諾，本公司認為本公司的業務活動及運營不大可能致令任何股東及投資者、香港聯交所、香港聯交所上市委員會、香港中央結算有限公司及香港中央結算(代理人)有限公司承擔美國經濟制裁、歐盟經濟制裁或聯合國經濟制裁的任何責任。

CONNECTED TRANSACTIONS

NON-EXEMPT ONE-OFF CONNECTED TRANSACTIONS

ACQUISITION OF 60% INTERESTS IN NK WUHAN

On 18 June 2015, the Company entered into an equity transfer agreement with NK China Investments B.V. ("NK China") for the acquisition of 60% equity interests in NK Wuhan at a consideration of RMB18 million. On the same date, the Company and NK China also entered into the framework agreement pursuant to which the Company agreed to provide to NK China a bank guarantee of RMB18 million to secure the payment of the consideration. At the date of the equity transfer agreement, NK China was an indirect wholly-owned subsidiary of Prysmian S.p.A., thus a fellow subsidiary of Draka, and was therefore an associate of Draka and a connected person of the Company. Accordingly, the acquisition and the provision of bank guarantee constituted a connected transaction and a continuing connected transaction for the Company under Chapter 14A of the Hong Kong Listing Rules. As all the relevant percentage ratios under the Hong Kong Listing Rules in respect of the acquisition (after taking into account the indemnification provided by the Company to NK China of a maximum amount of RMB10 million when calculating the consideration ratio) and the provision of bank guarantee are more than 0.1% but less than 5%, the acquisition and the provision of bank guarantee are subject to the reporting and announcement requirements but are exempt from the circular and independent shareholders' approval under the Hong Kong Listing Rules.

On 25 December 2015, the acquisition was completed and the bank guarantee was released. Further details of this acquisition and the arrangements in respect of this acquisition are set out in the Company's announcement dated 18 June 2015 and are disclosed in note 17 to the financial statements.

關連交易

非豁免一次過關連交易

收購武漢安凱60%股權

於二零一五年六月十八日，本公司與NK China Investments B.V. (「NK China」)訂立股權轉讓協議，以收購武漢安凱60%股權，代價為人民幣18百萬元。同日，在同一天，本公司與NK China亦訂立了框架協議，據此，本公司同意向NK China提供人民幣18百萬元的銀行保函以保證代價的支付。於股權轉讓協議日期，NK China是Prysmian S.p.A.的間接全資附屬公司，因此是Draka的同系附屬公司，也屬於Draka的聯繫人及本公司的關連人士。故在香港上市規則第14A章項下，收購及提供銀行保函構成本公司的關連交易及持續關連交易。由於收購(在計算代價比率時，已考慮本公司向NK China提供的最高人民幣10,000,000元的責任賠償金)以及提供銀行保函的所有香港上市規則項下的相關百分比率均高於0.1%但低於5%，收購及提供銀行保函須根據香港上市規則遵守申報及公佈要求，而可豁免遵守通函及獨立股東批准的要求。

於二零一五年十二月二十五日，收購經已完成及銀行保函已獲解除。此次收購及其安排之更多詳情載於本公司日期為二零一五年六月十八日之公佈及於財務報表之附註17披露。

CONNECTED H SHARE SUBSCRIPTION AND CONNECTED DOMESTIC SHARE SUBSCRIPTION

The Company considers that the adoption of the ESOP can further enhance the Company's corporate governance structure, incentivise the Company's management and core personnel team and it is a sound mid- to long-term incentive plan that provides for both incentives and restrictions. The purpose of the Private Placement, which involves, among other things, the Connected H Share Subscription and the Connected Domestic Share Subscription (as respectively defined below), is to implement the ESOP and the placing of the H shares to independent institutional investors.

On 28 July 2015, the Company entered into two H share subscription agreements (the "H Share Subscription Agreements") with each of the two Directors (the "Connected H Share Subscribers") pursuant to which the Connected H Share Subscribers have conditionally agreed to subscribe for in cash, and the Company has conditionally agreed to allot and issue, a total of 1,205,000 new H shares of the Company (the "Connected H Share Subscription"). The name and positions of the Connected H Share Subscribers, the number of H shares subscribed by the Connected H Share Subscribers (the "Subscribed H Shares") under the H Share Subscription Agreements and the total subscription price as subsequently determined are set out below:

Name 姓名	Position 職位	Number of Subscribed H Shares 已認購H股數目	Total Subscription Price 總認購價
Frank Franciscus Dorjee 范•德意	Executive Director of the Company 本公司執行董事	500,000	HK\$3,575,000 3,575,000港元
Yeung Kwok Ki Anthony 楊國琦	Non-executive Director the Company 本公司非執行董事	705,000	HK\$5,040,750 5,040,750港元

The subscription price for the Subscribed H Shares was subsequently determined to be HK\$7.15 per Subscribed H Share. Pursuant to the H Share Subscription Agreements, each of the two Connected H Share Subscribers undertakes to the Company that, without the prior written consent of the Company, he will not, and, where applicable, will procure that his nominee(s) will not, at any time during the period of 24 months following the date of completion of the subscription of the Subscribed H Shares, directly or indirectly, dispose of any of the Subscribed H Shares and any shares or other securities of the Company deriving from the Subscribed H Shares, including but not limited to any bonus issue or capitalisation issue.

有關連H股認購及有關連內資股認購

本公司認為採納員工持股計劃可進一步完善本公司企業管治架構、激勵本公司管理層及核心員工隊伍，其兼具獎勵及限制，實屬健全的中長期激勵機制。非公開配售(其中包括有關連H股認購及有關連內資股認購(定義分別見下文))旨在實行員工持股計劃及配售H股予獨立機構投資者。

於二零一五年七月二十八日，本公司與兩名董事(「有關連H股認購人」)分別訂立兩份H股認購協議(「H股認購協議」)，據此，有關連H股認購人已有條件地同意以現金認購，而本公司已有條件地同意配發及發行合共1,205,000股新H股(「有關連H股認購」)。有關連H股認購人之姓名及職位，有關連H股認購人士根據H股認購協議所認購之H股數目(「已認購H股」)以及其後確定的總認購價列載如下：

各已認購H股之認購價其後釐定為每股已認購H股7.15港元。根據H股認購協議，兩名有關連H股認購人士各自向本公司承諾，未獲得本公司事先書面同意前，彼將不會及在適用情況下，將不會促使其代名人於已認購H股認購完成日期後24個月期間任何時間，直接或間接出售任何已認購H股及從已認購H股獲得(包括但不限於任何紅股發行或資本化發行)之本公司任何股份或其他證券。

On 28 July 2015, the Company entered into eleven (11) limited partnership unit subscription agreements with each of Mr. Wen Huiguo, Mr. Yao Jingming, Mr. Xiong Xiangfeng, Ms. Zheng Huili, Mr. Zhuang Dan, Mr. Jan Bongaerts, Mr. Zhang Mu, Mr. Yan Changkun, Mr. Luo Jie, Mr. Yu Jianwu and Mr. Zhang Yanxiang (collectively and together with Mr. Jiang Zhikang, the "Connected Domestic Share Subscribers"), and on 29 August 2015, the Company entered into a limited partnership unit subscription agreement with Mr. Jiang Zhikang. Pursuant to the limited partnership unit subscription agreements entered between the Company and the Connected Domestic Share Subscribers (the "LP Unit Subscription Agreements"), the Connected Domestic Share Subscribers have conditionally agreed to indirectly subscribe for new domestic shares of the Company by subscribing for units (the "New Domestic Shares LP Units") in the Limited Partnership (as defined below) representing a total of 14,252,000 underlying domestic shares and the Company has conditionally agreed to allot and issue a total of 14,252,000 domestic shares (the "Subscribed Domestic Shares") to the Limited Partnership (as defined below) as part of the new domestic shares to be issued under the ESOP, at a price of HK\$7.15 per underlying domestic share. The limited partnership established under the laws of the PRC on 4 December 2015, namely Wuhan Ruitu Management Consulting Partnership Enterprise (Limited Partnership), for the purpose of holding, among others, the Subscribed Domestic Shares, is herein referred to as the "Limited Partnership". The names and positions of the Connected Domestic Share Subscribers and the number of underlying new domestic shares represented by the New Domestic Shares LP Units subscribed by the Connected Domestic Share Subscribers under the LP Unit Subscription Agreements are set out below:

於二零一五年七月二十八日，本公司與文會國先生、姚井明先生、熊向峰先生、鄭慧麗女士、莊丹先生、揚幫卡先生、張穆先生、閻長鵬先生、羅杰先生、喻建武先生及張雁翔先生(連同江志康先生統稱為「有關連內資股認購人」)各自訂立十一(11)份有限合夥企業份額認購協議，及於二零一五年八月二十九日，本公司與江志康先生訂立有限合夥企業份額認購協議。根據本公司與有關連內資股認購人訂立之有限合夥企業份額認購協議(「有限合夥企業份額認購協議」)，有關連內資股認購人已有條件地同意藉認購有限合夥企業(定義見下文)之份額而間接認購新內資股(「新內資股有限合夥企業份額」)，合共代表14,252,000股相關內資股，而本公司已同意配發及發行合共14,252,000股內資股(「已認購內資股」)予有限合夥企業(定義見下文)，作為將根據員工持股計劃發行之新內資股之一部分，每股相關內資股作價7.15港元。有限合夥企業於二零一五年十二月四日根據中國法律成立，名為武漢睿圖管理諮詢合夥企業(有限合夥)，旨在(其中包括)持有已認購內資股，本文稱為「有限合夥企業」。有關連內資股認購人之姓名及職位以及有關連內資股認購人根據有限合夥企業份額認購協議所認購之新內資股有限合夥企業份額代表之相關新內資股之數目列載如下：

Name	Position	Number of Underlying New Domestic Shares represented by the New Domestic Shares LP Units 新內資股有限合夥企業份額代表之相關新內資股數目	Total Subscription Price 總認購價
姓名	職位		
Wen Huiguo 文會國	Chairman of the Board and Executive Director of the Company 董事會主席及本公司執行董事	2,350,000	HK\$16,802,500 16,802,500港元
Yao Jingming 姚井明	Non-executive Director of the Company 本公司非執行董事	500,000	HK\$3,575,000 3,575,000港元
Xiong Xiangfeng 熊向峰	Non-executive Director of the Company 本公司非執行董事	705,000	HK\$5,040,750 5,040,750港元
Zheng Huili 鄭慧麗	Non-executive Director of the Company 本公司非執行董事	705,000	HK\$5,040,750 5,040,750港元

REPORT OF THE BOARD OF DIRECTORS (Continued)

董事會報告(續)

Name	Position	Number of Underlying New Domestic Shares represented by the New Domestic Shares LP Units 新內資股有限合夥企業份額代表之相關新內資股數目	Total Subscription Price 總認購價
姓名	職位		
Zhuang Dan 莊丹	General Manager, director of Yangtze Optical Fibre and Cable Company (Hong Kong) Limited, EverPro, EverProsper Technologies Company Limited, Yangtze Optical Fibre and Cable (Shanghai) Co., Ltd., Yangtze Zhongli Optical Fibre and Cable (Jiangsu) Co., Ltd., Yangtze Optical Fibre and Cable Sichuan Co., Ltd., Yangtze Optical Fibre and Cable Shenyang Co., Ltd., Yangtze Optical Fibre and Cable Lanzhou Co., Ltd. and PT Yangtze Optical Fibre Indonesia 總經理、長飛光纖光纜(香港)有限公司、長芯盛、長芯盛(香港)科技有限公司、長飛光纖光纜(上海)有限公司、江蘇長飛中利光纖光纜有限公司、長飛光纖光纜四川有限公司、長飛光纖光纜沈陽有限公司、長飛光纖光纜蘭州有限公司及長飛光纖印度尼西亞有限公司之董事	2,350,000	HK\$16,802,500 16,802,500港元
Jan Bongaerts 揚幫卡	First Deputy General Manager, director of Yangtze Optical Fibre and Cable Company (Hong Kong) Limited, Yangtze Zhongli Optical Fibre and Cable (Jiangsu) Co., Ltd. (江蘇長飛中利光纖光纜有限公司) and PT Yangtze Optical Fibre Indonesia (長飛光纖印度尼西亞有限公司) 第一副總經理、長飛光纖光纜(香港)有限公司、江蘇長飛中利光纖光纜有限公司及長飛光纖印度尼西亞有限公司之董事	2,350,000	HK\$16,802,500 16,802,500港元

REPORT OF THE BOARD OF DIRECTORS (Continued)

董事會報告(續)

Name	Position	Number of Underlying New Domestic Shares represented by the New Domestic Shares LP Units 新內資股有限合夥企業份額代表之相關新內資股數目	Total Subscription Price 總認購價
姓名	職位		
Zhang Mu 張穆	Deputy General Manager and the general manager of the strategic center, director of EverPro, EverProsper Technologies Company Limited, Yangtze Optical Fibre and Cable (Shanghai) Co., Ltd., Yangtze Optical Fibre and Cable Shenyang Co., Ltd. and PT Yangtze Optical Fibre Indonesia and supervisor of Yangtze Zhongli Optical Fibre and Cable (Jiangsu) Co., Ltd. 副總經理及戰略中心總經理、長芯盛、長芯盛(香港)科技有限公司、長飛光纖光纜(上海)有限公司、長飛光纖光纜沈陽有限公司及長飛光纖印度尼西亞有限公司之董事，以及江蘇長飛中利光纖光纜有限公司之監事	1,015,000	HK\$7,257,250 7,257,250港元
Yan Changkun 閻長鵬	Deputy General Manager and the general manager of the manufacturing center, director of EverPro, Yangtze Optical Fibre and Cable Lanzhou Co., Ltd. and PT Yangtze Optical Fibre Indonesia 副總經理及製造中心總經理、長芯盛、長飛光纖光纜蘭州有限公司及長飛光纖印度尼西亞有限公司之董事	972,000	HK\$6,949,800 6,949,800港元
Luo Jie 羅杰	Chief Technology Officer, supervisor of EverPro Technologies Company Limited 技術總監、長芯盛(武漢)科技有限公司之監事	863,000	HK\$6,170,450 6,170,450港元
Yu Jianwu 喻建武	Chief Marketing and Strategic Officer, director of Yangtze Optical Fibre and Cable (Shanghai) Co., Ltd. 市場與戰略總監、長飛光纖光纜(上海)有限公司之董事	872,000	HK\$6,234,800 6,234,800港元

REPORT OF THE BOARD OF DIRECTORS (Continued)

董事會報告(續)

Name	Position	Number of Underlying New Domestic Shares represented by the New Domestic Shares LP Units 新內資股有限合夥企業份額代表之相關新內資股數目	Total Subscription Price 總認購價
姓名	職位		
Zhang Yanxiang 張雁翔	Chief Sales Officer and the general manager of the sales center, director of Yangtze Zhongli Optical Fibre and Cable (Jiangsu) Co., Ltd. and Yangtze Optical Fibre and Cable Sichuan Co., Ltd. 銷售總監及銷售中心總經理、江蘇長飛中利光纖光纜有限公司及長飛光纖光纜四川有限公司之董事	847,000	HK\$6,056,050 6,056,050港元
Jiang Zhikang 江志康	Supervisor of the Company and the general manager of the operation management center of the Company 本公司監事及本公司運營管理中心總經理	723,000	HK\$5,169,450 5,169,450港元

Pursuant to the LP Unit Subscription Agreements, each of the 12 Connected Domestic Share Subscribers undertakes to the Company that, without the prior written consent of the Company, he/she will not, and, where applicable, will procure that his/her nominee(s) will not, at any time during the period of 24 months following the date of completion of the subscription by the Connected Domestic Share Subscribers of the New Domestic Shares LP Units and the issue and allotment of the Subscribed Domestic Shares to the Limited Partnership by the Company, directly or indirectly, dispose of any of the New Domestic Shares LP Units, the Subscribed Domestic Shares and any shares or other securities of the Company deriving from the Subscribed Domestic Shares, including but not limited to any bonus issue or capitalisation issue.

根據有限合夥企業份額認購協議，十二名有關連內資股認購人士各自向本公司承諾，未獲得本公司之事先書面同意，彼將不會及在適用情況下，將不會促使其代名人於有關連內資股認購人士認購新內資股有限合夥企業份額及本公司發行及配發已認購內資股予有限合夥企業完成日期後二十四個月期間任何時間，直接或間接出售任何新內資股有限合夥企業份額、已認購內資股及從已認購內資股獲得(包括但不限於任何紅股發行或資本化發行)之任何本公司股份或其他證券。

The Connected H Share Subscribers include two Directors, namely Mr. Frank Franciscus Dorjee and Mr. Yeung Kwok Ki Anthony. The Connected Domestic Share Subscribers include four Directors, namely Mr. Wen Huiguo, Mr. Yao Jingming, Mr. Xiong Xiangfeng and Ms. Zheng Huili, seven senior management members of the Company, namely Mr. Zhuang Dan, Mr. Jan Bongaerts, Mr. Zhang Mu, Mr. Yan Changkun, Mr. Luo Jie, Mr. Yu Jianwu and Mr. Zhang Yanxiang, who are directors and/or supervisors of the subsidiaries of the Company and a supervisor of the Company, namely Mr. Jiang Zhikang. The Limited Partnership is wholly and beneficially owned by four Directors and certain senior management members of the Company. The Connected H Share Subscribers, the Connected Domestic Share Subscribers and the Limited Partnership are connected persons of the Company under the Hong Kong Listing Rules and the transactions contemplated under the H Share Subscription Agreements and the LP Unit Subscription Agreements constitute connected transactions of the Company and are subject to the annual reporting, annual review, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules. The H Share Subscription Agreements and the LP Unit Subscription Agreements were approved by independent shareholders at the extraordinary general meeting of the Company held on 19 October 2015.

Further details of the relevant share subscriptions are set out in notes 31 and 32 to the financial statements.

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

The continuing connected transactions of the Company are also related party transactions, which are disclosed in note 36 to the audited consolidated financial statements in accordance with International Accounting Standards 24 "Related Party Disclosure."

Summarised below are the nature of transactions, the annual caps and the transaction amount of the continuing connected transactions for 2015:

有關連H股認購人士包括兩名董事，即范•德意先生及楊國琦先生。有關連內資股認購人士包括四名董事，即文會國先生、姚井明先生、熊向峰先生及鄭慧麗女士，以及七名本公司高級管理層成員，即莊丹先生、揚幫卡先生、張穆先生、閔長鷗先生、羅杰先生、喻建武先生及張雁翔先生，彼等均為本公司附屬公司之董事及／或監事，以及本公司監事江志康先生。有限合夥企業由四名董事及本公司若干高級管理層成員全資及實益擁有。根據香港上市規則，有關連H股認購人士、有關連內資股認購人士及有限合夥企業為本公司關連人士，而據H股認購協議及有限合夥企業份額認購協議擬進行之交易，構成本公司之關連交易，須遵守香港上市規則第十四A章之年度申報、年度審閱、公告、通函及獨立股東批准規定。H股認購協議及有限合夥企業份額認購協議已在本公司於二零一五年十月十九日舉行之臨時股東大會上獲獨立股東批准。

相關股份認購之更多詳情載於財務報表之附註31及32。

非豁免持續關連交易

本公司的持續關連交易亦為關聯方交易，其已根據國際會計準則第24號「關聯方披露」於經審核合併財務報表之附註36披露。

下文概述二零一五年持續關連交易之交易性質、年度上限及交易金額：

SALES OF OPTICAL FIBRES AND OPTICAL FIBRE CABLES TO CHINA HUAXIN AND ITS ASSOCIATES (COLLECTIVELY THE "HUAXIN GROUP")

China Huaxin is a substantial shareholder of the Company and is therefore a connected person of the Company under the Hong Kong Listing Rules. China Huaxin also held 50% equity interests in Alcatel-Lucent Shanghai Bell Co., Ltd ("Shanghai Bell") and therefore Shanghai Bell is an associate of China Huaxin and is also a connected person of the Company under the Hong Kong Listing Rules.

The Company entered into a framework agreement with China Huaxin on 13 November 2014 to regulate the sales of optical fibres and optical fibre cables with the Huaxin Group (the "Huaxin Sales Framework Agreement"). Pursuant to the Huaxin Sales Framework Agreement, the pricing terms of each sales transaction shall be determined with reference to the prevailing tender price announced by the state-owned telecommunications operators in the PRC and where such tender price is not available or inapplicable, the price shall be determined on a fair and reasonable basis which is equivalent or comparable to those offered to or quoted by third parties independent of the Company for similar products.

The Huaxin Sales Framework Agreement became effective on 10 December 2014 and is valid until either (i) the expiry of a period of three years or (ii) the date on which China Huaxin ceases to be our connected person, whichever comes earlier. The parties to the Huaxin Sales Framework Agreement may negotiate to extend the agreement for a further term of three years within two months before the expiry of the three-year term of the agreement unless the agreement is terminated earlier due to China Huaxin ceasing to be the connected person of the Company.

During the year, the annual caps of the continuing connected transactions with China Huaxin and Shanghai Bell for 2015 as permitted by the Hong Kong Stock Exchange were RMB10,000,000 and RMB15,000,000, respectively, and the actual transaction amount for 2015 with China Huaxin and Shanghai Bell was RMB590,000 and RMB3,023,000, respectively and the annual caps have been kept.

向中國華信及聯營公司(統稱「華信集團」)出售光纖及光纜

中國華信為本公司的主要股東，因而為本公司於香港上市規則下的關連人士。中國華信亦持有上海貝爾股份有限公司(「上海貝爾」) 50%股權，因此，根據香港上市規則，上海貝爾為中國華信的聯繫人，亦為本公司之關連人士。

本公司於二零一四年十一月十三日與中國華信訂立框架協議(「華信銷售框架協議」)，規管本公司與華信集團的光纖及光纜銷售。根據華信銷售框架協議，各項銷售的定價條款須參考中國固有電信營運商當時公佈的投標價。倘無法取得投標價或投標價不適用，則定價須公平合理，即等於或接近本公司獨立第三方購買或出售同類產品的報價。

華信銷售框架協議於二零一四年十二月十日生效，並於下述日期前有效(以較早者為準)：(i)三年期限屆滿或(ii)中國華信不再為本公司的關連人士當日。華信銷售框架協議訂約方可於有關協議三年期限屆滿前兩個月內磋商續期三年，惟協議因中國華信不再為本公司的關連人士而提前終止則除外。

年內，與中國華信及上海貝爾就二零一五年的持續關連交易經香港聯交所批准的年度上限分別為人民幣10,000,000元及人民幣15,000,000元，而與中國華信及上海貝爾就二零一五年的實際交易金額則分別為人民幣590,000元及人民幣3,023,000元，及年度上限保持不變。

OPTICAL FIBRE TECHNOLOGY COOPERATION AGREEMENT (THE "TCA")

Draka is a substantial shareholder of the Company and is therefore a connected person of the Company under the Hong Kong Listing Rules.

The Company entered into the TCA with Draka on 13 October 2008, which was further revised on 27 August 2013 and 30 May 2014. The TCA came into effect on 1 June 2008 and shall expire on 22 July 2024 unless terminated earlier by one party by written notice in case of breach of contract by other party, provided that in the case of any breach capable of being made good, the agreement shall not be terminated unless and until such breaching party has failed to make good the breach within sixty days after it has been served with a written notice specifying the breach and requiring it to make the breach good. The TCA sets out the terms and conditions of the cooperation between the Company and Draka in relation to the joint development of optical fibre technology, the grant of a license over Draka's patents, the geographical delineation of sales market and the provision of technical services. Further details of the terms and conditions of the cooperation between the Company and Draka are set out in the Prospectus.

Pursuant to the TCA, with respect to the grant of license, the Company has agreed to pay to Draka semi-annual royalty fee equivalent to 1.3% of the net selling price of each optical fibre product manufactured under the licensed patents that the Company sells or disposes of. The Company is not required to pay any royalty fees if the relevant products are sold to Draka or its affiliates. If either party wishes to use any improvements, upgrades, modifications made in the working methods, manufacturing processes and manufacturing equipment that the other party applies or uses in its mass production of optical fibre products, then it may file a request with other party and, if the other party accepts such request, additional royalties shall be payable as agreed upon the parties.

During the year, the annual cap for the royalty fee paid or payable to Draka for 2015 as permitted by the Hong Kong Stock Exchange was RMB31,000,000 and the actual transaction amount with Draka for 2015 was RMB30,982,000 and the annual cap has been kept.

The Company has obtained a waiver from the Hong Kong Stock Exchange from strict compliance with the requirement of limiting the term of the TCA to three years or less. For details of the waiver, please refer to the Prospectus.

光纖技術合作協議(「光纖技術合作協議」)

Draka為本公司主要股東，因而為本公司於香港上市規則下的關連人士。

本公司與Draka於二零零八年十月十三日訂立光纖技術合作協議，其後於二零一三年八月二十七日及二零一四年五月三十日進一步修訂。光纖技術合作協議於二零零八年六月一日生效，並將於二零二四年七月二十二日屆滿，除非一方違約，則另一方可發出書面通知提前終止協議，前提是屬可糾正的違約行為而違約方於收到說明其違約並要求糾正違約行為的書面通知後六十日內仍未糾正違約行為。光纖技術合作協議列載本公司與Draka就共同開發光纖技術，許可使用Draka專利，銷售市場的地區劃分，以及提供技術服務的合作條款及條件。本公司與Draka之合作條款及條件之更多詳情載於招股章程。

根據光纖技術合作協議，就授出許可而言，本公司同意向Draka每半年支付一次專利費，金額相當於本公司銷售或出售根據許可專利製造的各光纖產品的淨售價的1.3%。倘相關產品乃出售予Draka或其聯屬人士，則本公司毋須支付任何專利費。倘任何一方擬使用另一方已於光纖產品大量生產時運用或使用的任何工作方式、生產工藝及生產設備之改良、升級或調整項目，可向另一方提出要求，如該方接納該要求，則須支付雙方協定之額外專利費。

年內，向Draka支付或應付經香港聯交所批准的專利費的年度上限為人民幣31,000,000元，而於二零一五年與Draka之實際交易金額為人民幣30,982,000元，及年度上限保持不變。

本公司已向香港聯交所取得豁免，不須嚴格遵守有關光纖技術合作協議的期限為三年或以下的規定。有關豁免的詳情，請參閱招股章程。

SALES AND PURCHASES OF OPTICAL FIBRES, OPTICAL FIBRE CABLES, RAW MATERIALS, EQUIPMENT AND COMPONENTS TO AND FROM PRYSMIAN AND ITS ASSOCIATES (THE "PRYSMIAN GROUP") AND YOFC SHANGHAI

Draka Comteq Frances S.A.S ("Draka France"), Draka Comteq Fibre B.V. ("Draka Fibre"), Singapore Cable Manufacturers Pte Ltd. ("Draka Singapore"), Prysmian Wuxi Cable Co., Ltd ("Prysmian Wuxi") and Prysmian Draka Brasil S.A. ("Prysmian Brazil") are indirect subsidiaries either of Draka Holding B.V. or Prysmian S.p.A. and thus they are all fellow subsidiaries of Draka, and is therefore an associate of Draka and are connected persons of the Company under the Hong Kong Listing Rules.

YOFC Shanghai is held as to 75% by the Company and 25% by Draka, the substantial shareholder of the Company and is therefore a connected person of the Company under the Hong Kong Listing Rules.

During the year, the Group sells and purchases optical fibres, optical fibre cables, raw materials, equipment and components to certain members of the Prysmian Group and YOFC Shanghai in the ordinary and usual course of business.

The Company entered into two framework agreements with Prysmian S.p.A. and two framework agreements with YOFC Shanghai, respectively, on 13 November 2014 to regulate each sales and purchases transaction with the Prysmian Group and YOFC Shanghai. Pursuant to the terms of these framework agreements, the pricing of each sales transaction shall be consistent with the following guidelines:

- (i) the prevailing tender price announced by local telecommunications operators at the place where the relevant purchaser is located (the "Local Tender Price"); or
- (ii) the latest average export (from China) price made available to public by the General Administration of Custom of the PRC, at the time of the relevant transaction (the "Export Price");

where neither the Local Tender Price nor the Export Price is available, the pricing terms shall be consistent with the prevailing tender price announced by the state-owned telecommunications operators in the PRC (the "PRC Tender Price") and where none of the Local Tender Price, the Export Price or the PRC Tender Price is available or applicable, the price shall be determined on a fair and reasonable basis which is equivalent or comparable to those offered to or quoted by third parties independent of the Company for similar products.

與PRYSMIAN及其聯系人(「普睿司曼集團」)及長飛上海買賣光纖、光纜、原材料、設備及組件

Draka Comteq Frances S.A.S. (「Draka France」)、Draka Comteq Fibre B.V. (「Draka Fibre」)、Singapore Cable Manufacturers Pte Ltd. (「Draka Singapore」)、Prysmian Wuxi Cable Co., Ltd. (「無錫普睿司曼」)及Prysmian Draka Brasil S.A. (「Prysmian Brazil」)為Draka Holding B.V.或Prysmian S.p.A.的間接附屬公司，因此均為Draka的同系附屬公司，故根據香港上市規則為Draka的聯繫人及本公司的關連人士。

長飛上海由本公司及本公司主要股東Draka分別擁有75%及25%股權，故根據香港上市規則為本公司的關連人士。

年內，本集團在一般日常業務中向普睿司曼集團若干成員公司及長飛上海出售及向其購買光纖、光纜、原材料、設備及組件。

本公司於二零一四年十一月十三日分別與Prysmian S.p.A.及長飛上海訂立兩份框架協議，以規管與普睿司曼集團及長飛上海的銷售。根據該等框架協議，各項銷售的定價條款須與以下指引相符：

- (i) 按相關買方所在的當地電信營運商公佈的當時投標價(「當地投標價」)定價；或
- (ii) 按相關交易進行時中國海關總署公開的最新中國平均出口價格(「出口價格」)定價；

倘並無當地投標價或出口價格，則按國有電信營運商公佈的當時投標價(「中國投標價」)定價，倘並無當地投標價、出口價格或中國投標價，則價格須公平合理釐定，而有關價格須相當於本公司獨立第三方就相似產品所付或所報的價格或與之相若。

With respect to the pricing of each purchase transaction, it shall be consistent with the following guidelines:

- (i) the latest average import (into China) price made available to public by the General Administration of Customs of the PRC at the time of the relevant transaction; or
- (ii) the prevailing tender price announced by the state-owned telecommunications operators in the PRC;

where none of the above is available or applicable, the price shall be determined on a fair and reasonable basis which is equivalent or comparable to those offered to or quoted by third parties independent of the Company for similar products.

Each of the above mentioned framework agreements entered into between the Company and Prysmian S.p.A. or YOFC Shanghai became effective on 10 December 2014 and is valid either (i) until the expiry of a period of three years or (ii) the date on which Draka ceased to be a connected person of the Company, whichever comes earlier. The parties to these framework agreements may negotiate to extend the agreement for a further term of three years within two months before the expiry of the three-year term of the agreement unless the agreement is terminated earlier due to Draka ceasing to be our connected person.

During the year, the annual caps for the continuing connected transactions with the Prysmian Group and YOFC Shanghai were revised and approved by independent shareholders at an extraordinary general meeting of the Company held on 5 August 2015, further details in relation to the reasons for revision of annual caps for the continuing connected transactions with the Prysmian Group and YOFC Shanghai are set out in the Company's circular despatched to shareholders dated 19 June 2015.

The revised annual caps of the continuing connected transactions with respect to sales transactions with each of Draka Fibre, Draka Singapore, Prysmian Wuxi, Prysmian Brazil and YOFC Shanghai for 2015 as approved by the independent shareholders of the Company were RMB2,000,000, RMB24,000,000, RMB120,000,000, RMB13,000,000 and RMB243,000,000, respectively, and the actual transaction amount for 2015 with Draka Fibre, Draka Singapore, Prysmian Wuxi, Prysmian Brazil and YOFC Shanghai was RMBNil, RMB13,594,000, RMB57,941,000, RMBNil and RMB242,746,000, respectively.

各項採購的定價條款須與以下指引相符：

- (i) 按相關交易進行時中國海關總署公開的最新中國平均進口價格定價；或
- (ii) 按中國國有電信營運商公佈的現行投標價；

倘無法得悉上述各項或上述各項不適用，則價格須公平合理釐定，而有關價格須相當於本公司獨立第三方就相似產品所付或所報的價格或與之相若。

上述由本公司與Prysmian S.p.A.或長飛上海訂立的各框架協議將於二零一四年十二月十日生效並於以下日期前有效(以較早者為準)：(i)三年期限屆滿或(ii) Draka不再屬本公司的關連人士當日。該等框架協議的訂約方可於有關協議三年期限屆滿前兩個月內磋商再續期三年，惟有關協議因Draka不再屬於我們的關連人士而提早終止則除外。

年內，與普睿司曼集團及長飛上海之持續關連交易之年度上限業已修訂並於本公司在二零一五年八月五日舉行的股東特別大會獲獨立股東批准，有關修訂與普睿司曼集團及長飛上海之持續關連交易之年度上限原因之更多詳情載於本公司向股東寄發日期為二零一五年六月十九日之通函。

Draka Fibre、Draka Singapore、無錫普睿司曼、Prysmian Brazil及長飛上海於二零一五年有關銷售的持續關連交易經修訂年度上限分別為人民幣2,000,000元、人民幣24,000,000元、人民幣120,000,000元、人民幣13,000,000元及人民幣243,000,000元(經本公司獨立股東批准)，而於二零一五年與Draka Fibre、Draka Singapore、無錫普睿司曼、Prysmian Brazil及長飛上海的實際交易金額分別為人民幣零元、人民幣13,594,000元、人民幣57,941,000元、人民幣零元及人民幣242,746,000元。

The revised annual caps of the continuing connected transactions with respect to purchases transactions with each of Draka Fibre, Draka France, Prysmian Wuxi and YOFC Shanghai for 2015 as approved by the independent shareholders of the Company were RMB42,000,000, RMB36,000,000, RMB12,000,000 and RMB272,000,000, respectively, and the actual transaction amount for 2015 with Draka France, Draka Fibre, Prysmian Wuxi and YOFC Shanghai was RMB27,746,000, RMB11,699,000, RMB5,481,000 and RMB224,493,000, respectively.

In respect of the sale transactions with Huaxin Group and the transactions under the TCA, the Company has obtained a waiver from the Hong Kong Stock Exchange from strict compliance with the announcement requirement under Rule 14A.35 of the Hong Kong Listing Rules. In respect of the purchase and sale transactions with the Prysmian Group and YOFC Shanghai, the Company has obtained a waiver from the Hong Kong Stock Exchange from strict compliance with the announcement, circular and independent shareholders' approval requirements under Rule 14A.35, 14A.36, 14A.46 and 14A.53(3) of the Hong Kong Listing Rules.

The independent non-executive Directors have reviewed each of the above-mentioned continuing connected transactions and confirmed that the transactions have been entered into:

- (1) in the ordinary and usual course of business of the Group;
- (2) on normal commercial terms or better; and
- (3) according to the agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

Draka Fibre、Draka France、無錫普睿司曼及長飛上海於二零一五年有關採購的持續關連交易經修訂年度上限分別為人民幣42,000,000元、人民幣36,000,000元、人民幣12,000,000元及人民幣272,000,000元(經本公司獨立股東批准)，而於二零一五年與Draka France、Draka Fibre、無錫普睿司曼及長飛上海的實際交易金額分別為人民幣27,746,000元、人民幣11,699,000元、人民幣5,481,000元及人民幣224,493,000元。

就與華信集團的買賣交易及光纖技術合作協議下的交易而言，本公司已向香港聯交所取得豁免，不須嚴格遵守上市規則第14A.35條規則項下的公告規定。就與普睿司曼集團及長飛上海的買賣交易而言，本公司已向香港聯交所取得豁免，不須嚴格遵守香港上市規則第14A.35條、第14A.36條、第14A.46條及第14A.53(3)條規則項下的公告、通函及獨立股東批准規定。

獨立非執行董事已審閱上述各項持續關連交易，並確認該等交易：

- (1) 在本集團一般及日常業務中訂立；
- (2) 按照一般或更佳商業條款進行；及
- (3) 乃根據規管該等交易的協議條款進行，而交易條款屬公平合理，並符合股東的整體利益。

Pursuant to Rule 14A.56 of the Hong Kong Listing Rules, the Board engaged the auditor of the Company to conduct a limited assurance engagement on the above continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has reported their conclusion to the Board stating that:

- a. nothing has come to the auditor's attention that causes the auditor to believe that the disclosed continuing connected transactions have not been approved by the Board;
- b. for transactions involving the provision of goods or services by the Group, nothing has come to the auditors' attention that causes the auditor to believe that the disclosed continuing connected transactions were not, in all material respects, in accordance with the pricing policies of the Group;
- c. nothing has come to the auditor's attention that causes the auditor to believe that the disclosed continuing connected transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and
- d. with respect to the aggregate amount of each of continuing connected transactions set out above, nothing has come to the auditor's attention that causes the auditor to believe that the disclosed continuing connected transactions have exceeded the 2015 annual caps as disclosed above.

The auditor has issued their unqualified letter containing their findings and conclusions in respect of the abovementioned transactions in accordance with Rule 14A.56 of the Hong Kong Listing Rules. The Company has provided a copy of the said letter to the Hong Kong Stock Exchange.

In respect of the above-mentioned continuing connected transactions, the Directors also confirmed that the Company was in compliance with the compliance requirements under Chapter 14A of the Hong Kong Listing Rules.

根據香港上市規則第14A.56條，董事會已委聘本公司核數師按照香港會計師公會所頒佈的香港核證工作準則第3000號「歷史財務資料審計或審閱以外之核證工作」及參考實務說明第740號「關於香港上市規則所述持續關連交易的核數師函件」就上述持續關連交易履行有限核證工作。核數師已將彼等的結果向董事會匯報，當中指出：

- a. 核數師並無注意到任何事項令彼等相信上文所披露的持續關連交易未獲董事會批准；
- b. 就本集團提供貨品或服務所涉及的交易而言，核數師並無注意到任何事項令彼等相信上文所披露的持續關連交易在所有重大方面未有按照本集團的定價政策進行；
- c. 核數師並無注意到任何事項令彼等相信上文所披露的持續關連交易在所有重大方面未有按照規管該等交易的相關協議所進行；及
- d. 就各項非豁免持續關連交易之總金額而言，核數師並無注意到任何事項令彼等相信持續關連交易之金額超出上文披露的二零一五年度上限。

核數師已根據香港上市規則第14A.56條發出載有彼等對上述交易的調查結果與結論的無保留意見函件。本公司已向香港聯交所提供上述函件的副本。

就上述持續關連交易而言，董事亦確認本公司已遵循香港上市規則第14A章的合規規定。

AUDIT COMMITTEE

The audit committee of the Company has reviewed the accounting principles and policies adopted by the Group and discussed the Group's risk management, internal controls and financial reporting matters with the management. The audit committee has reviewed the audited consolidated financial statements of the Group for the year ended 31 December 2015.

POST BALANCE SHEET EVENTS

The material post balance sheet events are disclosed in note 38 to the financial statements.

AUDITORS

The Company has appointed KPMG and KPMG Huazhen LLP (collectively "KPMG") as the international and the domestic auditors of the Company for the year ended 31 December 2015. KPMG retire and a resolution for their reappointment as both international and domestic auditors of the Company will be proposed at the forthcoming annual general meeting, which will be held on 7 June 2016.

By order of the Board

Wen Huiguo
Chairman

Wuhan, China
24 March 2016

審計委員會

本公司審計委員會已審閱本集團所採納的會計原則及政策，並與管理層討論本集團風險管理、內部監控及財務申報事宜。審核委員會已審閱本集團截至二零一五年十二月三十一日止年度的經審核合併財務報表。

資產負債表期後事項

重大資產負債表期後事項披露於財務報表之附註38。

核數師

本公司已委聘畢馬威會計師事務所及畢馬威華振會計師事務所(統稱「畢馬威」)為本公司截至二零一五年十二月三十一日止年度的國際及本地核數師。畢馬威已退任，而有關其續任為本公司國際及本地核數師的決議案將提呈予將於二零一六年六月七日舉行的應屆股東週年大會。

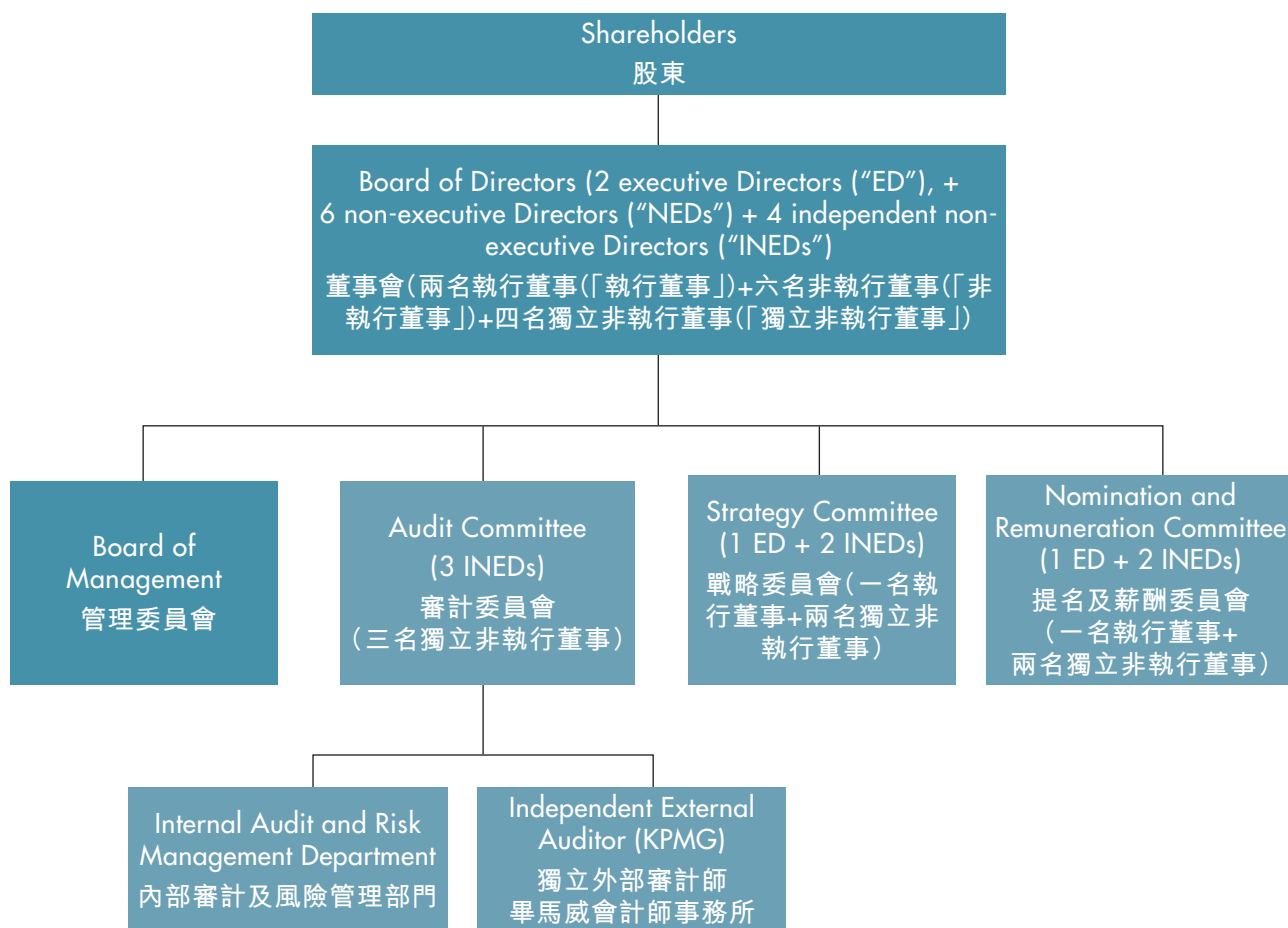
承董事會命

文會國
主席

中國武漢
二零一六年三月二十四日

CORPORATE GOVERNANCE REPORT

企業管治報告



The Board is pleased to present the corporate governance report of the Company.

CORPORATE GOVERNANCE

The Group is committed to maintaining high level of corporate governance. The Board is responsible for performing corporate governance duties, including: (a) formulating, developing and reviewing the corporate governance policies and practices of the Company; (b) reviewing and monitoring the training and continuous professional development of the Directors and senior management; (c) reviewing and monitoring the policies and practices for the compliance of legal and regulatory requirements by the Company; (d) developing, reviewing and monitoring the code of conduct and compliance manual for employees and the Directors; and (e) reviewing the compliance with the CG Code by the Company and the disclosure in the corporate governance report. The Board believes that an effective corporate governance system can safeguard the interests of the shareholders of the Company and promote the value and accountability of the Company.

The Company has adopted all the code provisions in the CG Code which are applicable to the Company and the manner in which the principles and code provisions in the CG Code were applied during the year ended 31 December 2015 and up to the date of this annual report is explained in this Corporate Governance Report. The Company has complied with all the code provisions under the CG Code during the year.

The Board will continue to review and improve the Company's corporate governance system to ensure its compliance with the CG Code.

董事會欣然呈列本公司之企業管治報告。

企業管治

本集團致力維持高水平的企業管治。董事會負責履行企業管治職務，包括：(a)制定、發展及檢討本公司的企業管治政策及常規；(b)檢討及監察董事及高級管理人員的培訓及持續專業發展；(c)檢討及監察本公司在遵守法律及監管規定方面的政策及常規；(d)發展、檢討及監察僱員及董事的操守準則及合規手冊；及(e)檢討本公司遵守企業管治守則的情況及在企業管治報告內的披露。董事會相信，有效的企業管治系統可保障本公司股東權益及提升企業價值和問責性。

本公司已採納企業管治守則內所有適用於本公司的守則條文，而本公司於截至二零一五年十二月三十一日止年度對企業管治守則之原則及守則條文之應用方式於本企業管治報告闡述。本公司於年內已遵守企業管治守則之所有守則條文。

董事會將繼續檢討並提升本公司的企業管治系統，以確保符合企業管治守則。

BOARD

DUTIES AND DIVISION OF RESPONSIBILITY

The Board shall act in the interests of the shareholders of the Company and shall be accountable to the shareholders of the Company. The Board shall be responsible for the implementation of the resolutions approved at general meetings of the shareholders; formulation of the Company's investment strategies and business development plans, formulation of annual financial budgets and final accounts, formulation of profit distribution plans and loss recovery plans and the provision of strategic advice and making recommendations on the operations and management of the Company. The Company has established three Board committees to oversee specific matters of the Company, namely (i) the Audit Committee, (ii) the Nomination and Remuneration Committee, and (iii) the Strategy Committee. The Board has delegated the relevant duties to the respective committees, which are contained in the terms of reference of the relevant committees. The management of the Company will provide sufficient information to the Board and the Board committees when appropriate to facilitate the Directors in making decision.

The Board is responsible for decision making on important strategic matters of the Company. The senior management of the Company is authorised to manage the daily operation of the Company.

CHAIRMAN OF THE BOARD AND CHIEF EXECUTIVE OFFICER

The Company does not have the position of chief executive officer, the duties of which are performed by the general manager. Mr. Wen Huiguo is the Chairman of the Board while Mr. Zhuang Dan is the general manager of the Company. They have clear division of duties. Mr. Wen Huiguo shall oversee the works of the Board and monitor the implementation of the resolutions approved by the Board while Mr. Zhuang Dan is primarily responsible for strategic development and planning, and day-to-day management of the Company. There is no financial, business, family or other relationship between the Directors, the Supervisors, the Chairman of the Board, the general manager of the Company and the senior management of the Company.

董事會

職責與分工

董事會為本公司股東利益行事，向本公司股東負責。董事會負責以下事項：執行股東大會上批准之決議；制訂本公司的投資策略及業務發展規劃；制訂年度財政預算及最終賬目；制訂利潤分配方案及虧損補償計劃及提供策略性意見及就本公司運營及管理提出建議等。就監督本公司特定事務之方面，本公司已成立三個董事委員會，即(i)審計委員會，(ii)提名與薪酬委員會，及(iii)戰略委員會。董事會已向各委員會授出相關職權，有關職權載於各自之職權範圍中。本公司管理層適時向董事會及董事委員會提供足夠資訊，以便董事作出決定。

董事會負責就本公司重要策略性事宜作出決策。本公司高級管理層則獲授權管理本公司的日常營運。

董事會主席及行政總裁

本公司未設行政總裁一職，惟其職務由總經理履行。董事會主席為文會國先生，本公司總經理為莊丹先生。彼等之間有明確職責分工。文會國先生監管董事會的工作及檢查董事會所批准之決議的執行情況，而莊丹先生主要負責策略性發展、規劃及本公司日常管理。各董事、監事、董事會主席、本公司總經理和本公司高級管理人員之間均不存在任何財務、業務、家屬或其他關係。

COMPOSITION OF THE BOARD

As at the date of this annual report, the Board comprises 12 Directors, including two executive Directors namely, Mr. Wen Huiguo (the Chairman) and Mr. Frank Franciscus Dorjee (the Vice-Chairman), six non-executive Directors namely, Mr. Ma Jie, Mr. Yao Jingming, Mr. Philippe Claude Vanhille, Mr. Yeung Kwok Ki Anthony, Mr. Xiong Xiangfeng and Ms. Zheng Huili, and four independent non-executive Directors namely, Mr. Ngai Wai Fung, Mr. Ip Sik On Simon, Mr. Li Ping and Mr. Li Zhuo. With effect from 9 June 2015, Mr. Yao Jingming replaced Mr. Sun Jiming as a non-executive director of the Company after Mr. Sun Jiming resigned from the position on 13 May 2015.

Particulars of the Directors are set out in the section "Directors', Supervisors' and Senior Management's Profiles" in this annual report.

During the year and up to the date of this annual report, the Board has complied with the requirement of Rule 3.10 (1) and 3.10 (2) of the Hong Kong Listing Rules to have not less than three independent non-executive Directors, including at least an independent non-executive Director who has the relevant professional qualification or accounting or related financial management expertise. In accordance with Rule 3.10A of the Hong Kong Listing Rules, at least one-third of the Directors shall be independent non-executive directors. The Company had four independent non-executive Directors during the year, representing one-third of the total number of Directors and was in compliance with the relevant requirement.

In accordance with the Articles of Association of the Company, the Directors (including non-executive Directors) are elected by shareholders at a general meeting for a term of three years, which is renewable upon re-election and re-appointment.

POSITIONS IN OTHER COMPANIES HELD BY DIRECTORS

Other than those disclosed in the section headed "Directors', Supervisors' and Senior Management's Profiles" in this annual report, none of the Directors holds any directorship in other listed companies.

TIME COMMITMENT OF DIRECTORS

In addition to attending meetings of the Board, the Directors shall also review reports of the management and regular reports of the Company, inspect the operation of the Company and understand all matters of the Company through various channels so as to effectively perform their duties. After making particular enquiries, the Board is of the view that the Directors had devoted sufficient time and efforts to perform their duties.

董事會組成

於本年報日期，董事會由12名董事組成，包括兩名執行董事文會國先生(主席)及范•德意先生(副主席)，六名非執行董事馬杰先生、姚井明先生、菲利普•范希爾先生、楊國琦先生、熊向峰先生及鄭慧麗女士，及四名獨立非執行董事魏偉峰先生、葉錫安先生、李平先生及李卓先生。孫姬明先生於二零一五年五月十三日辭任本公司非執行董事，其後，自二零一五年六月九日起，姚井明先生代替孫姬明先生出任該職位。

各董事之履歷載於本年報「董事、監事及高級管理人員簡歷」一節。

於年內及截至本年報日期期間，董事會一直遵守香港上市規則第3.10(1)條及第3.10(2)條有關委任最少三名獨立非執行董事，而最少一名獨立非執行董事具備合適專業資格或為會計或相關金融管理專才的規定。根據香港上市規則第3.10A條，獨立非執行董事必須佔董事會成員人數至少三分之一。本公司於年內內有四名獨立非執行董事，佔董事會全部成員人數的三分之一，故本公司已遵守有關規定。

根據本公司章程，董事(包括非執行董事)於股東大會獲股東膺選，任期三年，可於膺選連任及重新委任時續期。

董事擔任其他公司之職務

除於本年報「董事、監事及高級管理人員簡歷」一節所披露者外，概無董事在任何其他上市公司擔任任何董事職務。

董事投入時間

董事除出席董事會會議外，還應審閱管理層報告及本公司的定期報告、實地考察公司業務及通過多種途徑瞭解本公司所有事務，從而有效地履行董事職責。董事會經作出具體查詢後，認為董事付出了充足時間和精力履行董事職責。

TRAINING AND PROFESSIONAL DEVELOPMENT OF DIRECTORS

During the year, all existing Directors had participated in a formal and comprehensive training program organised by the compliance advisor with respect to the latest developments on the Hong Kong Listing Rules and other applicable laws and regulations so as to refresh all Directors' knowledge and skills towards legal and regulatory requirements and to ensure compliance and enhance their awareness of good corporate governance practices. Training will be provided to the Directors when necessary to ensure that the existing and any newly appointed Directors understand the business and operation of the Group, and their duties and obligations under the Hong Kong Listing Rules and the applicable laws and regulations.

INSURANCE FOR DIRECTORS

The Company pays much attention to the prevention of risks in relation to the liabilities of the Directors. The Board has resolved to maintain liability insurance for all the Directors, which has been in place since 10 December 2014. Directors' liability insurance policy has been renewed for another year from 24 November 2015.

MEETINGS OF THE BOARD

Pursuant to code provision A.1.1 of the CG Code, the Board should meet regularly at least four times a year at approximately quarterly intervals. Notice of at least 14 days should be given of regular board meeting. According to the Articles of Association of the Company, in the event of any of the following circumstances, the Chairman will convene extraordinary meeting: (i) when it is proposed by two or more Directors; and (ii) when it is proposed by the general manager of the Company.

All Directors are provided with all relevant information for matters to be discussed at the Board meetings in a timely manner, and they may seek independent professional advice and services from the company secretary and senior management of the Company. Upon reasonable request to the Board, the Directors may seek independent professional advice, as and when necessary, at the Company's expenses.

董事培訓及專業發展

於年內，全體現任董事均參與一項正式及全面的培訓，其由合規顧問舉辦，內容主要關於香港上市規則及其他適用法律及法規的最新發展，讓全體董事更新有關法律及法規規定的知識及技能，並確保合規及加強彼等對良好企業管治常規的意識。本公司於有需要時會為董事安排培訓，以確保現任及任何新委任董事理解本集團業務及營運情況及香港上市規則及適用法律及規例要求下董事之職責與義務。

董事投保

本公司非常重視董事責任風險防範。董事會已決議為全體董事購買責任保險，並自二零一四年十二月十日起實施。董事的責任保險已於二零一五年十一月二十四日再次重續一年。

董事會會議

根據企業管治守則第A.1.1條守則條文，董事會須每年定期舉行至少四次會議，約每個季度舉行一次，並須就定期董事會會議發出至少14日的通知。根據本公司章程，倘發生任何下列情況，主席將召開特別會議：(i)兩名或以上董事提議召開特別會議；及(ii)本公司總經理提議召開特別會議。

全體董事均可及時獲取董事會會議待討論事項的所有相關資料，並可向本公司公司秘書及高級管理層尋求獨立專業意見與服務。在向董事會提出合理要求後，董事可於適當情況下尋求獨立專業意見，費用由本公司承擔。

During the year, the Board had held eleven meetings to discuss the overall strategic related matters including new investments and possible acquisitions as well as the operational and financial performance of the Group. All these matters did not constitute notifiable transactions or connected transactions of the Company under Chapter 14 and Chapter 14A of the Hong Kong Listing Rules except for (1) the acquisition of additional 60% equity interests in NK Wuhan from NK China, a connected person which is a wholly-owned subsidiary of the Prysmian Group, (2) the revision of annual caps for the continuing connected transactions with the Prysmian Group and YOFC Shanghai in respect of 2015 and 2016 and (3) the ESOP and the Private Placement of which the latter two had been further approved at the extraordinary general meetings held separately during 2015.

The table below sets out the details of meeting attendance of each member of the Board during the year.

於年內，董事會舉行十一次會議，討論整體策略相關事宜，包括本集團新投資及可能收購事項以及經營及財務表現。所有該等事項並不構成本公司於香港上市規則第14及14A章項下之須予公佈交易或關連交易，惟(1)向NK China增購武漢安凱60%股權(NK China為關連人士及普睿司曼集團之全資附屬公司)，(2)修訂二零一五年及二零一六年與普睿司曼集團及長飛上海之持續關連交易的年度上限，及(3)建議員工持股計劃及非公開配售除外，其中後兩項已於二零一五年內分別舉行的臨時股東大會上獲進一步批准。

下表列載董事會各成員於年內出席會議的詳情。

Name		Number of board meetings requiring attendance	Number of board meetings attended in person (Note)	Number of board meetings attended by proxy	Number of general meetings* attended in person
姓名		要求出席會議次數	親身出席會議次數(附註)	委任代表出席會議次數	親身出席股東大會次數
Executive Directors					
Mr. Wen Huiguo	文會國先生	11	11	0	3/3
Mr. Frank Franciscus Dorjee	范•德意先生	11	11	0	2/3
Non-executive Directors					
Mr. Ma Jie	馬杰先生	11	11	0	0/3
Mr. Yao Jingming [#]	姚井明先生 [#]	7 ⁽¹⁾	7	0	0/2
Mr. Philippe Claude Vanhille	菲利浦•范希爾先生	11	9	2	0/3
Mr. Yeung Kwok Ki Anthony	楊國琦先生	11	11	0	1/3
Mr. Xiong Xiangfeng	熊向峰先生	11	11	0	0/3
Ms. Zheng Huili	鄭慧麗女士	11	11	0	3/3
Mr. Sun Jiming [#]	孫姬明先生 [#]	3 ⁽²⁾	2	0	0/1
Independent Non-executive Directors					
Mr. Ngai Wai Fung	魏偉峰先生	11	11	0	0/3
Mr. Ip Sik On Simon	葉錫安先生	11	9	0	0/3
Mr. Li Ping	李平先生	11	10	1	0/3
Mr. Li Zhuo	李卓先生	11	11	0	3/3

Note: Attendance includes on-site attendance and attendance through electronic means such as telephone conference.

附註：出席包括在場及通過電子方式(如電話會議)出席。

Mr. Yao Jingming was appointed as non-executive director of the Company with effect from 9 June 2015 to replace Mr. Sun Jiming after Mr. Sun had resigned as non-executive director of the Company on 13 May 2015.

孫姬明先生於二零一五年五月十三日起辭任本公司非執行董事，其後，於二零一五年六月九日，姚井明先生獲委任為本公司非執行董事，代替孫姬明先生。

* During the year, the Company had three general meetings.

* 年內，本公司舉行了三次股東大會。

(1) Since 9 June 2015.

(1) 自二零一五年六月九日起。

(2) Up to 12 May 2015.

(2) 直至二零一五年五月十二日。

The Chairman also held meetings with the non-executive Directors (including independent non-executive Directors) without the presence of executive Directors during the year.

BOARD COMMITTEES

The Board has three committees, namely the Audit Committee, the Nomination and Remuneration Committee, and the Strategy Committee.

AUDIT COMMITTEE

The major duties of the Audit Committee are to (1) make recommendations to the Board on the appointment, reappointment and removal of external auditors; (2) to review and monitor the external auditors' independence and objectivity and the effectiveness of the audit process in accordance with applicable standards; (3) to develop and implement policy on engaging external auditors to supply non-audit services; (4) to monitor integrity, accuracy and fairness of the Company's financial statements including annual reports and interim reports and if prepared for publication, quarterly reports; (5) to review the Company's financial controls, internal control and risk management systems; (6) to review the Group's financial and accounting policies and practices; and (7) to review arrangements which employees of the Company can use, in confidence, to raise concerns about possible improprieties in financial reporting, internal control and other matters.

The Company has updated the terms of reference of the Audit Committee reflecting the changes to the CG Code in respect of the Company's risk management and internal control systems, and which became effective on 1 January 2016. The terms of reference of the Audit Committee are posted on the websites of the Company and the Hong Kong Stock Exchange.

The Audit Committee consists of three independent non-executive Directors, namely Mr. Ngai Wai Fung, Mr. Ip Sik On Simon and Mr. Li Zhuo. Mr. Ngai Wai Fung acts as the chairman of the Audit Committee.

Five audit committee meetings were held during the year at which the proposals in relation to (a) 2014 annual results announcement for the year ended 31 December 2014, (b) three quarterly voluntary disclosures of inside information on selected financial information for the three months ended 31 March 2015 and for the nine months ended 30 September 2014 and 2015, and (c) 2015 interim results announcement for the six months ended 30 June 2015 were discussed and approved. The Audit Committee also assessed the risk management and internal control measures of the Company.

本年度，主席亦與非執行董事(包括獨立非執行董事)在並無執行董事出席之情況下舉行會議。

董事委員會

董事會轄下設有審計委員會、提名與薪酬委員會及戰略委員會3個委員會。

審計委員會

審計委員會的主要職責包括：(1)就委聘、續聘及罷免外聘核數師向董事會提供建議；(2)按照適用標準審閱及監察外聘核數師的獨立性、客觀性以及審核過程的有效性；(3)就委聘外聘核數師提供非審計服務制訂及實施政策；(4)監察本公司財務報表(包括年報、中期報告及季度報告(倘編製以供刊發))之一致性、準確性及公平性；(5)審閱本公司之財務監控、內部監控及風險管理制度；(6)審閱本集團財務及會計政策及常規；及(7)審閱本公司僱員能夠以保密方式提出有關財務報告、內部監控及其他事宜之可能不當行為之安排。

本公司已更新審計委員會的職權範圍，以反映企業管治守則下有關本公司風險管理及內部監控系統的變動，有關變動已於二零一六年一月一日生效。審計委員會之職權範圍可於本公司及香港聯交所網站上查閱。

審計委員會由三名獨立非執行董事組成，包括魏偉峰先生、葉錫安先生及李卓先生。魏偉峰先生擔任審計委員會主席。

年內舉行五次審計委員會會議，會上討論及批准有關以下事項之建議(a)截至二零一四年十二月三十一日止年度的二零一四年度業績公告；(b)就截至二零一五年三月三十一日止三個月及截至二零一四年及二零一五年九月三十日止九個月的主要財務資料發佈三份季度自願內幕消息披露；及(c)截至二零一五年六月三十日止六個月的二零一五中期業績公告。審計委員會亦對本公司風險管理及內部監控措施作出評估。

The table below sets out the details of meeting attendance of each member of the Audit Committee during the year.

下表列載審計委員會各成員於年內出席會議的詳情。

Name of Director		Number of meetings requiring attendance 要求出席會議次數	Number of meetings attended in person (Note) 親身出席會議次數(附註)	Number of meetings attended by proxy 委任代表出席會議次數
董事姓名				
Mr. Ngai Wai Fung (Chairman)	魏偉峰先生(主席)	5	5	0
Mr. Ip Sik On Simon	葉錫安先生	5	5	0
Mr. Li Zhuo	李卓先生	5	5	0

Note: Attendance includes on-site attendance and attendance through electronic means such as telephone conference.

附註：出席包括在場及通過電子方式(如電話會議)出席。

The Audit Committee has reviewed and discussed the annual results of the Group for the year ended 31 December 2015. The Audit Committee has also reviewed with the management and the Company's auditors, KPMG, the accounting principles and practices adopted by the Group and discussed internal control and financial reporting matters including the audit of the consolidated financial statements for the year ended 31 December 2015 as set out in this annual report. The Audit Committee is of the view that the audited consolidated financial statements are prepared in accordance with the applicable accounting standards and requirements and all the relevant and required disclosures are adequate.

審計委員會已審閱及討論本集團截至二零一五年十二月三十一日止年度之全年業績。審計委員會亦已聯同管理層及本公司核數師畢馬威會計師事務所一起審閱本集團所採納的會計原則及常規，並討論內部監控及財務申報事宜，包括審核本年報所載截至二零一五年十二月三十一日止年度之合併財務報表。審計委員會認為，該等經審核綜合財務報表的編製符合適用的會計準則及規定，並已充分作出一切相關及所需披露。

NOMINATION AND REMUNERATION COMMITTEE

The major duties of the Nomination and Remuneration Committee are to (1) review the structure, size and composition (including the skill, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy; (2) to identify suitable candidates and make recommendation to the Board on the appointment and succession planning for Directors, general manager and other senior management; (3) to assess the independence of the independent non-executive directors; (4) to make recommendations to the Board on the Company's policy and structure for all Directors' and Senior Management's remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy; (5) to assess the performance of the Directors and Senior Management and evaluate and assess their performance; (6) to consider and decide the remuneration packages of all executive Directors and Senior Management under authorisation of the Board; (7) to supervise the implementation of the remuneration system of the Company.

提名與薪酬委員會

提名與薪酬委員會的主要職責包括：(1)至少每年審閱一次董事會之架構、規模及組成(包括技能、知識及經驗)並就任何建議變動向董事會提出建議以配合本公司企業策略；(2)就董事、總經理及其他高級管理層之委任及繼任計劃物色合適候選人並向董事會作出推薦；(3)評估獨立非執行董事之獨立性；(4)就涉及全體董事及高級管理層薪酬之本公司政策及架構以及制定正式及透明程序以發展薪酬政策向董事會提出建議；(5)評估董事及高級管理層之表現並評核彼等之表現；(6)考慮並決定所有執行董事及高級管理層之薪酬待遇(經董事會授權)；(7)監督本公司薪酬制度的執行。

The Nomination and Remuneration Committee has adopted the model described in code provision B.1.2(c)(i) of the CG Code in its terms of reference, i.e. the Committee has the delegated responsibility to determine the remuneration packages of individual executive directors and senior management.

In recommending candidates for appointment to the Board, the Nomination and Remuneration Committee will consider candidates on merit against objective criteria and with due regards to the benefits of diversity on the Board.

The terms of reference of the Nomination and Remuneration Committee are posted on the websites of the Company and the Hong Kong Stock Exchange.

The Nomination and Remuneration Committee consists of two independent non-executive Directors namely, Mr. Ngai Wai Fung and, Mr. Ip Sik On Simon and one executive Director, Mr. Frank Franciscus Dorjee. Mr. Ngai Wai Fung, an independent non-executive Director, acts as the chairman of the Nomination and Remuneration Committee.

Two meetings of the Nomination and Remuneration Committee were held during the year to review the remuneration packages of employees of the Company as well as the nomination of a director to replace Mr. Sun Jiming and the change of composition of the Strategy committee.

The table below sets out the details of meeting attendance of each member of the Nomination and Remuneration Committee during the year.

Name of Director		Number of meetings requiring attendance	Number of meetings attended in person (Note)	Number of meetings attended by proxy
董事名稱		要求出席會議次數	親身出席會議次數(附註)	委任代表出席會議次數
Mr. Ngai Wai Fung (Chairman)	魏偉峰先生(主席)	2	2	0
Mr. Ip Sik On Simon	葉錫安先生	2	1	0
Mr. Frank Franciscus Dorjee	范•德意先生	2	2	0

Note: Attendance includes on-site attendance and attendance through electronic means such as telephone conference.

提名與薪酬委員會已就其職權範圍採納企業管治守則第B.1.2(c)(i)條守則條文所訂的標準，即委員會負責釐定各執行董事及高級管理層的薪酬組合。

在向董事會推薦候選人時，提名與薪酬委員會將參照客觀標準並基於董事會多元化的益處考慮候選人資格。

提名與薪酬委員會的職權範圍可於本公司及香港聯交所網站上查閱。

提名與薪酬委員會由兩名獨立非執行董事魏偉峰先生及葉錫安先生，及一名執行董事范•德意先生組成。提名與薪酬委員會主席由獨立非執行董事魏偉峰先生擔任。

於年內，提名與薪酬委員會已召開兩次會議以審閱本公司僱員之薪酬組合以及委任新董事作為替代孫姬明先生及戰略委員會內成員變動。

下表列載提名與薪酬委員會各成員於年內出席會議的詳情。

附註：出席包括在場及通過電子方式(如電話會議)出席。

CORPORATE GOVERNANCE REPORT (Continued)

企業管治報告(續)

In accordance with code provision B.1.5 of the CG Code, the remuneration of the Directors, Supervisors and senior management for the year ended 31 December 2015 can be classified into the following ranges:

根據企業管治守則之守則條文B.1.5，現把截至二零一五年十二月三十一日止年度董事、監事及高級管理人員之薪酬可分類為以下組別：

Band (Notes) 組別(註)	Remuneration (RMB) 薪酬(人民幣元)	Number of persons 人數
1	0-500,000	15
2	500,001-1,000,000	1
3	1,000,001-1,500,000	3
4	1,500,001-2,000,000	1
5	2,000,001-2,500,000	2
6	2,500,001-3,000,000	3
7	3,000,001-3,500,000	-
8	3,500,001-4,000,000	1
9	4,000,001-4,500,000	-
10	4,500,001-5,000,000	1

Notes:

Band 1 includes ten Directors, four Supervisors and one senior management member.

Band 2 includes one Director.

Band 3 includes one Director, one Supervisor and one senior management member.

Band 4 includes one senior management member.

Band 5 includes two senior management members.

Band 6 includes three senior management members.

Band 8 includes one Director.

Band 10 includes one senior management.

Further details of the remuneration of the Directors, the Supervisors and the five highest-paid employees are disclosed in notes 9 and 10 to the financial statements as required under Appendix 16 to the Hong Kong Listing Rules.

註：

第1組別包括十名董事、四名監事及一名高級管理人員。

第2組別包括一名董事。

第3組別包括一名董事、一名監事及一名高級管理人員。

第4組別包括一名高級管理人員。

第5組別包括二名高級管理人員。

第6組別包括三名高級管理人員。

第8組別包括一名董事。

第10組別包括一名高級管理人員。

根據香港上市規則附錄16須予披露有關董事、監事及五名最高薪酬僱員之進一步酬金詳情載於財務報表之附註9及10。

BOARD DIVERSITY

The Board has adopted a Board Diversity Policy to enhance its effectiveness. In designing the Board's composition, Board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge, length of services and time to be devoted as a director of the Company. The Company will also take into account factors relating to its own business model and specific needs from time to time. The Board strives to ensure that it has the appropriate balance of skills, experience and diversity of perspectives that are required to support the execution of its business strategies and in order for the Board to be effective. At the committee meeting held on 18 March 2016, the Nomination and Remuneration Committee has reviewed the composition of the Board in accordance with the Hong Kong Listing Rules and concluded that the composition of the Board is in accordance with the Board Diversity Policy in terms of age, educational background, industry experience, geographical location and duration of service. Members of the Board as at the date of this report are set out in the following table:

董事會多元化

董事會採納了董事會多元化政策，以提升其效率。釐定董事會成員構成時將從多個方面考慮董事會多元化，包括但不限於性別、年齡、文化及教育背景、專業經驗、技能、知識、服務年期及擔任本公司董事將貢獻之時間。本公司亦會考慮有關其自身業務模式及特別需求的不時因素。董事會致力確保在技能、經驗及不同觀點方面保持適當平衡，以滿足執行業務策略及讓董事會有效行事的需要。於二零一六年三月十八日舉行之委員會會議，提名與薪酬委員會已按香港上市規則要求對董事會成員構成進行檢討，並認為董事會成員在年齡、教育背景、行業經驗、地區、服務年期等方面，符合董事會多元化政策的要求。於本報告日期之董事會成員詳情載列於下表：

Name 姓名	Age 年齡	Education 教育	Industry experience 行業經驗	Geographical location 地區	Duration of service (joined since) 加入本集團的日期
Executive Directors 執行董事					
Wen Huiguo (Chairman) 文會國(主席)	62	Master 碩士	Telecommunication 通訊	Wuhan, China 中國武漢	October 2008 二零零八年十月
Frank Fanciscus Dorjee (Vice-Chairman) 范·德意(副主席)	55	Master 碩士	Telecommunication, Finance and accounting 通訊、財務及會計	Netherlands 荷蘭	January 2011 二零一一年一月
Non-executive Directors 非執行董事					
Ma Jie 馬杰	45	Doctorate 博士	Telecommunication 通訊	Beijing, China 中國北京	August 2011 二零一一年八月
Yao Jingming 姚井明	51	Doctorate 博士	Telecommunication 通訊	Beijing, China 中國北京	June 2015 二零一五年六月
Philippe Claude Vanhille 菲利浦·范希爾	51	Master 碩士	Telecommunication 通訊	Italy 意大利	May 2013 二零一三年五月
Yeung Kwok Ki Anthony 楊國琦	70	University graduate 本科	Accounting and audit 會計及審計	Hong Kong, China 中國香港	January 1992 一九九二年一月
Xiong Xiangfeng 熊向峰	51	Master 碩士	Telecommunication 通訊	Wuhan, China 中國武漢	August 2013 二零一三年八月
Zheng Huili 鄭慧麗	56	Master 碩士	Telecommunication 通訊	Wuhan, China 中國武漢	April 2006 二零零六年四月
Independent non-executive Directors 獨立非執行董事					
Ngai Wai Fung 魏偉峰	54	Doctorate 博士	Finance and accounting 財務及會計	Hong Kong, China 中國香港	September 2014 二零一四年九月
Ip Sik On Simon 葉錫安	67	Doctorate 博士	Legal 法律	Hong Kong, China 中國香港	September 2014 二零一四年九月
Li Ping 李平	62	Master 碩士	Telecommunication 通訊	Beijing, China 中國北京	September 2014 二零一四年九月
Li Zhuo 李卓	46	Doctorate 博士	Education 教育	Wuhan, China 中國武漢	September 2014 二零一四年九月

STRATEGY COMMITTEE

The major duties of the Strategy Committee are (1) to carry out research and give advice on the plan of long-term development strategies of the Company; (2) to carry out research and give advice on the major investment and financing plans which shall be submitted to the Board for approval in accordance with the Articles of Association of the Company; (3) to carry out research and give advice on the major projects of capital operations and asset management which shall be submitted to the Board for approval in accordance with the Articles of Association of the Company; (4) to carry out research and give advice on the other major matters that will impact the development of the Company; (5) to examine the implementation of the above matters; and (6) to perform other matters as authorised by the Board.

The terms of reference of the Strategy Committee are posted on the websites of the Company and the Hong Kong Stock Exchange.

The Strategy Committee consists of two independent non-executive Directors, namely Mr. Li Ping and Mr. Li Zhuo and one executive Director, Mr. Wen Huiguo. During the year, Mr. Li Zhuo replaced Mr. Ngai Wai Fung as a member of the Strategy Committee with effect from 27 March 2015. Mr. Wen Huiguo, the Chairman of the Board, acts as chairman of the Strategy Committee.

Four meetings of the Strategy Committee were held during the year at which the feasibilities of some new investments, capacity expansions and possible acquisitions and mergers were discussed.

The table below sets out the details of meeting attendance of each member of the Strategy Committee during the year.

Name of Director		Number of meetings requiring attendance	Number of meetings attended in person (Note)	Number of meetings attended by proxy
董事姓名		要求出席會議次數	親身出席會議次數(附註)	委任代表出席會議次數
Mr. Wen Huiguo (Chairman)	文會國先生(主席)	4	4	0
Mr. Li Ping	李平先生	4	4	0
Mr. Li Zhuo [#]	李卓先生 [#]	3 ⁽¹⁾	3	0
Mr. Ngai Wai Fung [#]	魏偉峰先生 [#]	1 ⁽²⁾	0	0

Note: Attendance includes on-site attendance and attendance through electronic means such as telephone conference.

Mr. Li Zhuo, an independent non-executive director of the Company, was appointed as a member of Strategy Committee to replace Mr. Ngai Wai Fung with effect from 27 March 2015.

(1) Since 27 March 2015.

(2) Up to 26 March 2015.

戰略委員會

戰略委員會的主要職責包括：(1)對本公司長期發展戰略規劃進行研究並提出建議；(2)對本公司章程規定須提呈董事會批准的重大投資及融資方案進行研究並提出建議；(3)對本公司章程規定須提呈董事會批准的重大資本運作、資產管理項目進行研究並提出建議；(4)對其他將影響本公司發展的重大事項進行研究並提出建議；(5)對以上事項的實施進行檢查；及(6)履行董事會授權的其他事項。

戰略委員會的職權範圍可於本公司及香港聯交所網站上查閱。

戰略委員會由兩名獨立非執行董事李平先生及李卓先生，及一名執行董事文會國先生組成。於年內，自二零一五年三月二十七日起，獨立非執行董事李卓先生替代魏偉峰先生擔任戰略委員會委員。董事會主席文會國先生擔任戰略委員會主席。

年內舉行四次戰略委員會會議，會上討論若干新投資、產能擴張及可能併購事項是否可行。

下表列載戰略委員會各成員於年內出席會議的詳情。

Number of meetings requiring attendance	Number of meetings attended in person (Note)	Number of meetings attended by proxy
要求出席會議次數	親身出席會議次數(附註)	委任代表出席會議次數
4	4	0
4	4	0
3 ⁽¹⁾	3	0
1 ⁽²⁾	0	0

附註：出席包括在場及通過電子方式(如電話會議)出席。

自二零一五年三月二十七日起，本公司獨立非執行董事李卓先生獲委任為戰略委員會成員，代替魏偉峰先生。

(1) 自二零一五年三月二十七日起。

(2) 直至二零一五年三月二十六日。

DIRECTORS

APPOINTMENT AND RE-ELECTION OF DIRECTORS

Directors (including non-executive Directors and independent non-executive Directors) shall be elected by the shareholders in general meeting for a term of three years. Upon the expiration of the current term of office, a Director is eligible for re-election and re-appointment. The Chairman and Vice-Chairman of the Board shall be elected and removed by more than one-half of the Directors. The Chairman and Vice-Chairman of the Board shall have a term of three years and shall be renewable upon re-election. Each of the Directors has entered into a service contract or letter of appointment with the Company on 14 November 2014 except for Mr. Yao Jingming whose service contract with the Company as the non-executive Director of the Company was entered into on 9 June 2015. Pursuant to the Articles of Association of the Company, the term of office of the Directors shall be 3 years. The principal particulars of these service contracts are (a) for a term commencing from their respective effective date of appointment until the day on which the next general meeting of the shareholders for re-election of Directors is held, and (b) are subject to termination in accordance with their respective terms.

None of the Directors and Supervisors has entered into a service contract with the Company or any member of the Company which is not determinable by the relevant employer within one year without payment of compensation (except statutory compensation).

NOMINATION OF DIRECTORS

In accordance with the Articles of Association of the Company, the intention to nominate a candidate as a Director and the written notice of such candidate regarding his/her willingness to accept the nomination shall be given to the Company on or after the date of notice of the relevant general meeting of the Shareholders but not later than 7 days prior to the date selected for holding that general meeting for approval of the nomination.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has four independent non-executive Directors and as at the date of this annual report, none of them has served as independent non-executive Director for more than six years. The number and qualification of the independent non-executive Directors are in compliance with the requirements of the Hong Kong Listing Rules to have at least three independent non-executive Directors representing one-third of the Board and the Articles of Association of the Company. Their independence is further guaranteed as none of the independent non-executive Directors has any business and financial relationship with the Company or its subsidiaries and has no management function in the Company.

董事

董事委任及重選

董事(包括非執行董事及獨立非執行董事)由股東於股東大會選舉產生,任期三年。董事任期屆滿後,可連選連任及重獲委任。董事會主席及副主席須由過半數董事選舉和罷免。董事會主席及副主席任期三年,可以於膺選連任時續期。各董事已於二零一四年十一月十四日與本公司訂立服務合約或委任函,惟本公司非執行董事姚井明先生與本公司的服務合約乃於二零一五年六月九日訂立。根據本公司章程,董事任期為三年。該等服務合約之主要詳情為(a)任期由其各自委任生效日期起直至就重選董事召開下屆股東大會之日期止及(b)可根據各自條款予以終止。

概無董事及監事已與本公司或本公司任何成員公司訂立相關僱主在一年內尚不支付賠償(法定賠償除外)則不得終止的服務合約。

董事提名

根據本公司章程,提名候選人出任董事之意向及該候選人就彼接受提名之書面通知須於相關股東大會通告日期或之後提交予本公司,惟不得遲於就批准提名舉行股東大會之選定日期前7天。

獨立非執行董事的獨立性

本公司現有四名獨立非執行董事,於本年報日期,彼等任職均未超過六年。獨立非執行董事人數及資歷均符合香港上市規則有關董事會至少三分之一成員(即三名)為獨立非執行董事的規定以及本公司章程的規定。由於獨立非執行董事均不擁有本公司或其附屬公司任何業務和財務關係,也不在本公司擔任管理職務,彼等之獨立性得到進一步保障。

All of the four independent non-executive Directors have given his written confirmation of their independence in accordance with the independence guidelines set out in Rule 3.13 of the Hong Kong Listing Rules. Having confirmed, the Board considers that all independent non-executive Directors are independent.

SECURITIES TRANSACTIONS BY DIRECTORS, SUPERVISORS AND THE RELATED EMPLOYEES

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 on terms no less exacting than the required standard set out in the Model Code. Having made specific enquiries in writing of 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 year ended 31 December 2015.

DIRECTORS' COMPETING INTEREST

Details of the Directors' competing interest have been disclosed in the section headed "Report of the Board of Directors – Directors' Interest in Competing Business" on pages 80 and 81 of this annual report. To address any potential competing interest of the Directors, the Company has implemented the following corporate governance measures to safeguard the interests of the Company and the shareholders of the Company:

- (a) each of the Directors is required to attend training sessions to strengthen his/her awareness of his/her fiduciary duties as a Director which require, among others, that he/she acts for the benefit and in the best interests of the Company when a potential conflict of interest arises;
- (b) any conflicted Director must abstain from voting (and not being counted in the quorum in relation) to any resolution of the Board in respect of any contract, transaction or arrangement in which such conflicted Director or any of his/her close associates is materially interested;
- (c) the independent non-executive Directors will review the competing interests held by any Directors who are involved in business in competition with the Company, and such Directors must provide all the information necessary for the review to the independent non-executive Directors; and
- (d) the decisions on matters reviewed by the independent non-executive Directors will be disclosed in the annual reports of the Company.

本公司四名獨立非執行董事均根據香港上市規則第3.13條所載之獨立指引，各自就其於獨立性向本公司作出書面確認。董事會經確認後認為，全體獨立非執行董事均為獨立人士。

董事、監事及相關僱員的證券交易

本公司已採納了一套條款不低於標準守則之規定的本公司的董事、監事及有關僱員進行證券交易的標準守則(「本公司守則」)，作為有關董事及監事的證券交易的自身守則。經向本公司各董事及監事作出書面特定查詢後，所有本公司董事及監事均確認彼等於截至二零一五年十二月三十一日止整個年度內已遵守標準守則及本公司守則有關證券交易的準則規定。

董事競爭權益

有關董事競爭權益的詳情已於本年報第80及81頁「董事會報告—董事於競爭業務的權益」一節披露。為處理任何董事的潛在競爭權益，本公司已實施下列企業管治措施以維護本公司及本公司股東的利益：

- (a) 每一位董事均須參與培訓課程以加強彼身為董事的受信意識，其中要求彼在可能產生利益衝突時以本公司利益及最佳利益行事；
- (b) 任何涉及存在利益衝突的董事須在有關其本身或其任何緊密聯繫人持有重大權益的任何合約、交易或安排的任何董事會決議案中放棄投票(亦不計入相關法定人數)；
- (c) 獨立非執行董事將審查任何涉及與本公司業務構成競爭的董事所持有的競爭權益，而該等董事須向獨立非執行董事提供審查所需之一切資料；及
- (d) 有關獨立非執行董事所審查事宜的決定將於本公司的年報披露。

DIRECTORS' RESPONSIBILITY ON FINANCIAL STATEMENTS

The Directors acknowledge their responsibility to prepare the audited consolidated financial statements for the year ended 31 December 2015 to give a true and fair view of the affairs of the Company and the Group. According to code provision C.1.1 of the CG Code, the management shall provide necessary explanation and information to the Board so that the Board can have a preliminary assessment of the financial statements before they are submitted to the Board for approval. The Company has also provided monthly reports on the results, positions and prospects of the Group to all members of the Board.

The statement of the independent auditors of the Company about their reporting responsibilities on the financial statements is set out in the Independent Auditor's Report on pages 122 to 123 of this annual report.

SHAREHOLDERS' MEETING

The Company is committed to ensure that all shareholders of the Company, are treated equally and are able to exercise all their rights. General meeting of the Shareholders is the highest authority of the Company and performs its duties in accordance with all applicable laws.

To safeguard the interests and rights of the shareholders, all major matters of the Company shall be proposed as separate resolutions at the general meeting for consideration in accordance with the applicable laws and the Hong Kong Listing Rules. The rights of the shareholders and voting procedures of the general meeting shall be contained in the relevant circular in accordance with the Articles of Association of the Company and the Hong Kong Listing Rules, which shall be despatched to the Shareholders within a specified period of time and shall be posted on the websites of the Hong Kong Stock Exchange and the Company.

During the year, one annual general meeting and two extraordinary general meetings were held by the Company to approve, among other things, financial statements, appointment of new director and supervisors, revisions to the annual caps of the continuing connected transactions and the ESOP. The Company's circular dated 24 April 2015, 19 June 2015 and 2 September 2015 were despatched to shareholders for review before the relevant shareholders' meetings were held.

董事對財務報表之責任

董事深知彼等就編製截至二零一五年十二月三十一日止年度之經審核綜合財務報表以對本公司及本集團事務真實公允地發表意見的責任。根據企業管治守則的守則條文C.1.1，管理層須向董事會提供必要的解釋及資料，致使董事會於財務報表提呈董事會批准前可對財務報表作出初步評核。本公司亦每月向董事會全體成員提供有關本集團業績、狀況及前景的報告。

本公司獨立核數師有關彼等對財務報表所負申報責任的聲明，載於本年報第122至123頁的獨立核數師報告內。

股東大會

本公司致力確保本公司所有股東享有平等待遇及能充分行使其權利。股東大會是本公司的最高權力機構，並根據所有適用法律行使職權。

為保障股東權益和權利，根據適用法律及香港上市規則，須就本公司各項重大事宜於股東大會上提呈獨立決議案審議。股東權利及於股東大會的有關投票表決程序將按照本公司章程以及香港上市規則載於相關的通函內，而通函亦將於指定期限內寄發予股東，並登載於香港聯交所和本公司網站。

年內，本公司舉行一次股東週年大會及兩次臨時股東大會，以批准(其中包括)財務報表、委任新董事及監事、修訂持續關連交易年度上限及僱員持股計劃。本公司日期為二零一五年四月二十四日、二零一五年六月十九日及二零一五年九月二日的通函於相關股東大會舉行前已寄發予股東閱覽。

CONTROL SYSTEM

BOARD OF SUPERVISORS

The Board of Supervisors is the supervisory authority of the Company and shall be accountable to the general meeting of the shareholders. Supervisors shall act independently to protect the legal interests of the Shareholders and the Company in accordance with the laws.

The major functions and powers of the Board of Supervisors are (1) to examine the financial affairs of the Company; (2) to supervise the performance of Directors and other senior management members, and monitor as to whether they had acted in violation of any laws, administrative regulations, Articles of Association of the Company or the resolutions of general meetings in the performance of duties; (3) to request Directors and senior management members to rectify actions which are harmful to the Company's interests; and (4) to exercise other powers, functions and duties as conferred by the laws, administrative regulations and the Articles of Association of the Company.

The board of Supervisors consists of three members, including two Supervisors elected by the shareholders (Mr. Liu Deming and Ms. Li Chang'ai) and one Supervisor elected by employees (Mr. Jiang Zhikang). Mr. Jiang Zhikang acts as chairman of the board of Supervisors. Mr. Liu Deming and Ms. Li Chang'ai were appointed by the shareholders at a general meeting held on 9 June 2015 and they replaced Mr. Yao Jingming and Ms. Yu Jiaxuan who resigned from their positions on 27 March 2015. Mr. Yao Jingming and Ms. Yu Jiaxuan still continued their duties as Supervisors until the date the appointment of Mr. Liu Deming and Ms. Li Chang'ai as Supervisors was approved because the number of Supervisors had fallen below the number provided by the Articles of Association of the Company immediately after their resignation.

Supervisors who are representatives of the Shareholders shall be elected and removed by shareholders at general meeting. Supervisors who are representatives of employees shall be subject to democratic election by staff and the number of employee representative Supervisors of the Company shall not be less than one-third of the Supervisors. Each Supervisor shall have a term of three years from the date of approval by shareholders' general meeting or employee conference. The term of office of a Supervisor shall be renewable upon re-election and re-appointment.

監控機制

監事會

監事會是本公司的監督機構，對股東大會負責。監事會依法獨立行使監督權，保障股東及本公司的合法利益不受侵害。

監事會的主要職能及權力為：(1)審查本公司財務狀況；(2)監督董事及其他高級管理層成員履行職責，並檢查彼等於履行職責時是否有違反任何法律、行政法規、本公司章程或股東大會決議；(3)要求董事及高級管理層成員糾正有損本公司利益的任何行為；及(4)行使法律、行政法規及本公司章程賦予的其他權力、職能及職責。

監事會由三名成員組成，包括：股東推薦出任的兩名監事（劉德明先生及李長愛女士）及職工代表監事一名（江志康先生）。江志康先生為現屆監事會主席。劉德明先生及李長愛女士於二零一五年六月九日舉行的股東大會獲股東委任，彼等代替於二零一五年三月二十七日辭任的姚井明先生及虞嘉萱女士。姚井明先生及虞嘉萱女士繼續監事責任，直至劉德明先生及李長愛女士的委任獲批准，因為緊隨彼等辭任後，監事人數跌至低於本公司章程規定之人數。

股東代表出任的監事由股東大會選舉和罷免，職工代表監事通過職工民主選舉產生，本公司職工監事代表人數不得少於監事人數的三分之一。每屆監事任期三年，監事之任期由股東大會或職工代表大會決議通過之日開始。監事任期可於膺選連任及重獲委任時續期。

Particulars of the Supervisors are set out in the section "Directors', Supervisors' and Senior Management's Profiles" of this annual report.

During the year, two meetings were held by the board of Supervisors. The work of the board of Supervisors is set out in the Report of the Board of Supervisors in this annual report.

INTERNAL CONTROL AND RISK MANAGEMENT

The Board shall have the decision on all operation matters and is committed to establish and improve the internal control system. It shall also supervise the implementation of the internal control system to safeguard the investment of the shareholders and the assets of the Group.

The Company has adopted a number of rules and regulations to govern its daily operation and business since its establishment as a joint venture company so as to create a well-organised internal control and business environment for the development of the Company's businesses. Some major measures are as follows:

- stringent authority delegation, approval procedures, division and supervision system to ensure the security and proper use of funds;
- collective decision and comprehensive assessment are required for major investments and the proposal, evaluation, decision and implementation procedures are under strict control to minimise investment risks;
- strong segregation of duties within each department and intra-department on all sales, procurement, contracting, inspection and delivery, collection and payment applications so as to prevent abuse of power;
- strict control on the size, structure and sources of funding as well as the use of significant amount of fund to minimise finance costs and ensure the efficient use of funds; and
- highly regulated procedures for connected transactions to specify the preliminary examination by independent non-executive Directors before submitting for approval by the Board.

監事的履歷詳情載列於本年報之「董事、監事及高級管理人員簡歷」一節。

於年內，監事會召開兩次會議。有關監事會的工作情況載列於本年報之「監事會報告」一節。

內部監控及風險管理

董事會執行一切營運決策權，並致力建立及改善內部監控措施，以及監管內部監控系統的實施，以保障股東投資與本集團資產。

本公司自成立為合營公司以來，已採納多項規則及法規以監管日常營運及業務，旨在為本公司業務發展創造井井有條的內部監控及業務環境，主要措施如下：

- 強化授權、批准程序、分權及監督制度，確保資金使用安全合理；
- 通過落實重大投資決策的集體決策及全面評估程序，強化立項、評估、決策及執行的決策程序，嚴控對外投資風險；
- 各部門及部門之間就所有銷售、採購、合約、檢查及物流、交付及支付應用方面分工明確，以避免濫用職權；
- 加強對集資規模、結構及渠道及大量資金使用的控制，以降低資金成本，確保資金的有效使用；及
- 詳細規定關連交易相關程序，明確獨立非執行董事在關連交易提交董事會表決前的預先審核責任。

During the year, the above procedures were effectively implemented and the effectiveness of the internal control system of the Group was reviewed to ensure that a sound system is maintained and operated by the management in compliance with the agreed procedures and standards. The review was made by discussions with the management of the Company, its external and internal auditors and the assessment conducted by the Audit Committee. The Board believes that the existing internal control system is adequate and effective, in particular, for financial reporting and listing rules compliance.

The Audit Committee will continue to review and evaluate the effectiveness of the internal control system of the Group and to report the findings to the Board. The Board will review and evaluate the internal control system at least once a year to ensure that no material internal control loophole exists.

On 19 December 2014, the Hong Kong Stock Exchange published the Consultation Conclusions on Risk Management and Internal Control: Review of the Corporate Governance Code and Corporate Governance Report. The Company as well as the Board have formed an assessment and have decided that the Audit Committee shall also take up the risk management function. At the same time, the Company had set up its own in-house internal audit and risk management department which primarily carries out the analysis and independent appraisal of the adequacy and effectiveness of the Company's risk management and internal control systems, and report its findings to the Board on, at least, an annual basis. Up to the date of this report, the internal audit and risk management department has two personnels. During the year, the Company has engaged KPMG Advisory (China) Limited as its independent advisor to conduct a review of the effectiveness of the existing internal control and risk management systems for the year ending 31 December 2016. Preliminary assessment has been carried out by KPMG Advisory (China) Limited.

The Company has continuously monitored and evaluated its business and taken measures to monitor its exposure to risks related to transactions with Sanctions Targets (as defined in the Report of the Board of the Directors in this annual report). To protect the interests of the Company and the shareholders and to comply with the Company's sanction undertakings to the Hong Kong Stock Exchange, the Company has implemented the following internal control policies and procedures:

- (a) the legal and marketing department of the Company continuously monitors new sanctions law or any change to the existing sanctions laws and seeks advice from external legal counsel as necessary, to confirm that the Company's business activities do not subject us to risks relating to Sanctions Targets;

年內，本集團已有效實施上述控制措施，並檢討內部監控系統，確保管理層遵從協定的程序及準則妥善維持並經營系統。該檢討乃通過與本公司管理層、其外部及內部核數師討論及審計委員會進行評估而作出。董事會認為現有內部監控系統屬充足及有效，尤其是財務申報及上市規則合規方面。

審計委員會將持續檢討及評估本集團之內部控制系統的有效性，並向董事會彙報結果，而董事會則每年最少對本集團之內部監控系統進行一次進一步檢討和評估，並確保無重大監控失誤。

於二零一四年十二月十九日，香港聯交所頒佈有關風險管理及內部監控：審閱企業管治守則及企業管治報告的諮詢結論。本公司和董事會已達成評估意見，並決定審計委員會亦須承擔風險管理職能。同時，本公司已設立其自有內部審計及風險管理部門，其主要對本公司風險管理及內部監控系統是否充足及有效進行分析及獨立評估，並至少每年一次向董事會匯報其結論。截至本報告日期，內部審核及風險管理部門有兩名人員。於年內，本公司已委聘畢馬威企業諮詢(中國)有限公司為獨立顧問，以於截至二零一六年十二月三十一日止年度檢討現有內部監控及風險管理制度的效力。畢馬威企業諮詢(中國)有限公司已進行初步評估。

本公司已持續監察和評估其業務，並採取措施監察與受制裁目標(定義見本年報的董事會報告)交易相關的風險。為保障本公司與股東的利益及遵守本公司向香港聯交所作出的制裁承諾，本公司已實施以下內部監控政策及程序：

- (a) 本公司的法律及市場推廣部會持續監察新制裁法律或現行制裁法律的任何變更，必要時會向外聘法律顧問徵求意見，以確認本公司的業務活動不會使本公司涉及有關受制裁目標的風險；

- (b) the senior management of the Company, including the general manager, first deputy manager, deputy general managers and chief financial officer reviews and approves the Company's future business opportunities and determines whether such business involves any Sanctions Targets;
- (c) the strategic center of the Company checks and ensures that the relevant employees who are involved in overseas businesses understand and comply with the internal control policies and procedures as to economic sanctions and the undertakings and regular training or update have been provided to such employees;
- (d) the legal and marketing department of the Company prepares regular overseas sales status reports and other information related to the overseas customers and economic sanctions and Sanctions Targets for review by the Board; and
- (e) if the sales personnel believe that any potential transaction would put the Company, the shareholders and investors, the Hong Kong Stock Exchange, the Listing Committee of the Hong Kong Stock Exchange, Hong Kong Securities Clearing Company Limited and HKSCC Nominees Limited to risks of being subject to transactions with Sanctions Targets, such transaction will need to be submitted to the Board for approval.
- (b) 本公司的高級管理人員(包括總經理、第一副總經理、副總經理及財務總監)會審閱並批准本公司日後的業務機會，以及釐定有關業務是否涉及任何受制裁目標；
- (c) 本公司的戰略中心會檢查並確保從事海外業務的相關僱員瞭解並遵守有關經濟制裁的內部監控政策及程序和承諾，並向有關僱員提供定期培訓或更新相關資訊；
- (d) 本公司的法律及市場推廣部會定期編製海外銷售狀況報告及有關海外客戶與經濟制裁及受制裁目標的其他資料供董事會審閱；及
- (e) 倘銷售人員認為任何潛在交易會導致本公司、股東及投資者、香港聯交所、香港聯交所上市委員會、香港中央結算有限公司及香港中央結算(代理人)有限公司承受涉及與受限制目標交易的風險，則有關交易須呈交董事會審批。

AUDITORS AND THEIR REMUNERATION

KPMG and KPMG Huazhen LLP (collectively referred to as "KPMG") were appointed by the Company as the international auditors and the PRC auditors of the Company for 2015, respectively. Their respective appointment shall expire upon the conclusion of the 2015 annual general meeting. The Board is authorised to determine the remuneration of the auditors which is in line with the market practice.

For the year ended 31 December 2015, the fees paid or payable to KPMG for annual audit services RMB3.10 million. Besides, the fees paid or payable to KPMG in relation to non-audit services were RMB1.52 million in relation to agreed upon procedures work on interim reports, internal control advisory, due diligence work and certain other services.

Save as disclosed above, for the year ended 31 December 2015, the Group did not pay any fee to KPMG and KPMG Huazhen for non-audit services.

核數師及其酬金

本公司委聘畢馬威會計師事務所為本公司二零一五年度國際核數師，以及畢馬威華振會計師事務所(統稱為「畢馬威」)為本公司二零一五年度中國核數師。彼等各自之聘用期至本公司二零一五年度股東週年大會結束時止，並授權董事會根據市場慣例確定核數師酬金。

截至二零一五年十二月三十一日止年度，就年度審計服務已付或應付畢馬威酬金為人民幣3.10百萬元。此外，就非審計服務已付畢馬威的費用為人民幣1.52百萬元，其與對期間報告執行商定程序、內控諮詢、盡職調查工作及其他服務有關。

除上述披露外，於截至二零一五年十二月三十一日止年度，本集團未向畢馬威及畢馬威華振支付其他非審計服務費用。

COMPANY SECRETARY

Mr. Han Qingrong, secretary of the Board, is responsible for advising the Board on corporate governance matters and ensuring that the Board's policies and procedures, and the applicable laws, rules and regulations are followed.

The Company has appointed Ms. Cheng Pik Yuk of Tricor Services Limited, external service provider, as the Company's company secretary on 3 June 2014. For the purpose of code provision F.1.1 of the CG Code, Ms. Cheng Pik Yuk keeps close contact with Mr. Han Qingrong, being the person with sufficient seniority at the Company.

Particulars of Mr. Han Qingrong are set out in the section "Directors', Supervisors' and Senior Management's Profiles" in this annual report.

Both Mr. Han Qingrong and Ms. Cheng Pik Yuk has confirmed that each of them has received not less than 15 hours of relevant professional training during the year ended 31 December 2015 as required under Rule 3.29 of the Hong Kong Listing Rules.

SHAREHOLDERS' RIGHTS AND INVESTOR RELATIONSHIP

CONVENING OF EXTRAORDINARY GENERAL MEETING

In accordance with the Articles of Association of the Company, the Shareholders of the Company may demand to convene, chair, attend (in person or by proxy) the general meeting of the Shareholders and exercise voting rights thereat.

Shareholder(s) individually or jointly holding 10% or more of the Company's shares with voting rights may request in writing to hold an extraordinary general meeting or a class shareholders' meeting. The Board shall convene such meeting as soon as practicable after receipt of the demand. The following procedures shall be followed when shareholders demand the convening of an extraordinary general meeting or a class shareholders' meeting:

- (1) Shareholder(s), individually or jointly, holding 10% or more of the Company's shares carrying voting rights may sign one or more written requests of the same form stating the object of the meeting and demanding the Board to convene an extraordinary general meeting or a class shareholders' meeting. Upon receipt of the request, the Board shall convene the extraordinary general meeting or class shareholders' meeting as soon as practicable. The number of shares of the Company held by the abovementioned shareholder(s) shall be calculated as at the date when the Shareholder(s) put forward such written request.

公司秘書

董事會秘書韓慶榮先生負責就企業管治事宜向董事會提出建議及確保董事會政策及程序以及符合適用法律、法規及規例。

本公司於二零一四年六月三日委任外部服務供應商卓佳專業商務有限公司之鄭碧玉女士為本公司的公司秘書。就企業管治守則之守則條文F.1.1的目的而言，鄭碧玉女士與韓慶榮先生(為於本公司內具有足夠高職位的人士)維持緊密聯繫。

韓慶榮先生的履歷詳情載列於本年報之「董事、監事及高級管理人員簡歷」一節。

韓慶榮先生及鄭碧玉女士確認彼等各自於截至二零一五年十二月三十一日止年度已根據香港上市規則第3.29條的規定接受不少於15小時之相關專業培訓。

股東權利及投資者關係

股東召開臨時股東大會程序

按本公司章程規定，本公司股東可依法請求召集、主持、參加(親身或者委派代表)參加股東大會，並行使相應的表決權。

單獨或合計持有本公司的有表決權的股份10%或以上的股東以書面形式要求召開臨時股東大會或類別股東大會時，董事會應在收到書面要求後儘快召開有關股東大會。股東要求召集臨時股東大會或者類別股東大會，應當按照下列程序辦理：

- (一) 單獨或合計持有本公司的有表決權的股份10%或以上的股東，可以簽署一份或者數份同樣格式內容的書面要求，闡明會議的議題及提請董事會召集臨時股東大會或者類別股東大會。董事會在收到前述書面要求後應當儘快召集臨時股東大會或者類別股東大會。前述股東所持本公司股份數目按股東提出書面要求日計算。

(2) In the event that the Board fails to issue a notice to convene a meeting within 30 days from the date of receipt of such request, the shareholder(s) shall be entitled to propose to the Board of Supervisors in writing for the purpose of convening an extraordinary general meeting or a class shareholders' meeting. The Board of Supervisors may convene such meeting on its own within 4 months upon receipt of such request by the Board; if the Board of Supervisors does not convene and chair such meeting, shareholder(s) individually or jointly holding 10% or more of the Company's shares carrying the right to vote for more than consecutive 90 days may convene such meeting on their own and in which case, the procedures for convening such meeting should follow those provided for convening a general meeting by the Board as closely as practicable.

If shareholders convene a meeting due to the failure by the Board to duly convene the same upon receiving the abovementioned written requests, all reasonable expenses so incurred shall be borne by the Company, by deducting from such sums owed by the Company to the Director who is in breach of his duty.

To safeguard shareholder interest and rights, separate resolutions are and will be proposed at general meetings on each substantial issue, including the election of individual Directors.

The procedures for shareholder to propose a person for election as director is available on the Company's website (www.yofc.com). Shareholders may lodge written proposal at the registered office of the Company, No. 9 Guanggu Avenue, East Lake High-tech Development Zone, Wuhan, Hubei Province, the PRC, for the attention of the Company Secretary, provided that the minimum length of period, during which such written notice is given, shall be at least seven days and that the lodgement of such notice shall commence no earlier than the day after the dispatch of the notice of the general meeting appointed for such election and end no later than seven days prior to the date of such general meeting.

(二) 如果董事會在收到前述書面要求後三十日內沒有發出召集會議的通告，股東有權以書面形式向監事會提議召開臨時股東大會或者類別股東大會。監事會可以在董事會收到該要求後四個月內自行召集會議；監事會不召集和主持的，連續九十日以上單獨或合計持有本公司10%或以上股份的股東可以自行召集，召集的程序應當盡可能與董事會召集股東會議的程序相同。

股東因董事會於收到前述書面要求後未能舉行會議而自行召開會議的，其所發生的合理費用，應當由本公司承擔，並從本公司應付失職董事的款項中扣除。

為保障股東權益及權利，會就各重大事項(包括選舉個別董事)而於股東大會上提呈單獨決議案。

股東提議董事人選的程序可於本公司網站(www.yofc.com)查閱。股東可在本公司註冊辦事處(地址為中國湖北省武漢市東湖高新技術開發區光谷大道9號)提交書面建議，以提呈予公司秘書注意，惟前提是發出有關書面通知的最短期間須不少於七天，且遞交有關通知的日期不得早於就有關選舉舉行的股東大會通告寄發日期的後一日及不得遲於有關股東大會日期前七天。

In order to ensure that other shareholders would have sufficient time to receive and consider the information of the nominated candidate(s), shareholders are urged to submit their nominations as early as practicable in advance of the relevant general meeting and, in any case, not less than 12 business days (as defined in the Hong Kong Listing Rules, i.e. day(s) on which the Hong Kong Stock Exchange is open for business of dealing in securities) before the date scheduled for holding the relevant general meeting, so that the Company can complete the verification procedure with the Company's share registrar, and procure the publication of an announcement and/or the dispatch of a supplementary circular to shareholders in compliance with the applicable requirements under the Listing Rules. In the event that any such nomination is received by the Company later than the 12th business day before the date of holding the relevant general meeting, the Company will need to consider whether to adjourn the relevant meeting so as to give shareholders a notice of at least 10 business days of the proposal in accordance with the Hong Kong Listing Rules.

ENQUIRIES TO THE BOARD

According to the Articles of Association of the Company, shareholders of the Company shall have access to the Articles of Association, the personal particulars of the Company's Directors, Supervisors and senior management, minutes of general meetings and published financial statements.

Request for information, materials or enquiries to the Board shall be forwarded to the Company's board secretary at the same address as set out in the section of Corporate Information under the heading "Contact Information" of this annual report or sent to the mail box ir@yofc.com. A shareholder is required to provide written proof of his/her holding of shares in the Company (including the class and number of shares) for verification when submitting the enquiry.

PROPOSAL AT THE GENERAL MEETING OF THE SHAREHOLDERS

Shareholder(s) holding an aggregate of 3% or more of the Company's shares with voting rights are entitled to propose ad hoc motions in writing to the Company and the ad hoc motions by the shareholders should be proposed 10 days prior to the holding of the general meeting and be submitted or delivered in writing to the Board. Contact details of the Board are set out in the paragraph headed "Enquiries to the Board" above.

Shareholders attending the general meeting are entitled to speak. Shareholders who require to speak shall make registration before voting.

為確保其他股東將有充足時間收到及考慮提名人選的資料，股東應於相關股東大會前在可行情況下盡早提交其提名，無論如何須不少於計劃舉行相關股東大會的日期前12個營業日(定義見香港上市規則)(即香港聯交所開門進行證券買賣業務的日子)，故此本公司可於本公司股份過戶登記處完成核實程序，及根據上市規則下適用規定刊發公告及/或向股東寄發補充通函。倘本公司於舉行相關股東大會日期前12個營業日後收到有關提名，本公司將需考慮是否延遲相關大會，以根據香港上市規則就該建議向股東發出至少10個工作日的提前通告。

向董事會提出查詢

按本公司章程規定，本公司股東可查閱包括章程、本公司董事、監事和高級管理人員的個人資料、股東大會的會議記錄及已刊發的財務報表等資料。

股東查閱有關信息、索取資料或者向董事會提出查詢請求，可向本公司之董事會秘書提出查詢(地址與本年報公司資料一節「聯繫方式」目下所載地址相同)，或電郵至ir@yofc.com。股東應當在提出請求時向本公司提供證明其持有本公司股份(包括股份種類以及持股數量)的書面文件以供本公司核實。

在股東大會提出提案的程序

單獨或合計持有本公司3%或以上有表決權股份的股東，有權以書面形式向本公司提出臨時提案，而股東應於舉行股東大會十日前提出臨時提案及以書面形式提交或遞交予董事會。董事會的聯系信息載於上文「向董事會提出查詢」一段。

股東出席股東大會有權發言。要求發言的股東應當在表決前向本公司進行發言登記。

AMENDMENT OF CONSTITUTIONAL DOCUMENTS

The current Articles of Association of the Company were adopted by the Company on 6 May 2014 at the 2013 general meeting and became effective from the Listing Date, the date on which the H shares of the Company were listed on the Hong Kong Stock Exchange. During the year and up to the date of this report, no changes have been made to the Articles of Association except for those amendments made on number of shares issued as a result of the Private Placement. The Articles of Association are available on the website of the Company (www.yofc.com) and that of the Hong Kong Stock Exchange.

COMMUNICATION WITH INVESTORS AND INVESTOR RELATIONSHIP

Through non-deal roadshow presentations around the globe, its investor relations mailbox and frequent update of information on the Company's website and other communication channels, the Company maintains close relationship with investors worldwide in a timely and efficient manner. Moreover, through corporate visits and various other channels, the Company maintains proactive and frank exchanges with investors and analysts. The Company has attached great importance to listening and accepting reasonable suggestions and opinions from shareholders and investors. It strives to continuously enhance its operating results, present a true picture of the Company's financial and operational status to shareholders and investors, actively facilitate the internal communications in respect of the feedback from the capital market, and continuously perfect and enrich the system aiming to canvass information in relation to investor relations. The management over investor relations involves an all-faceted interactive communication process.

The Company considers that effective communication with shareholders is essential for enhancing investor relations and understanding of the Group's business, performance and strategies. The Company also recognises the importance of timely and non-selective disclosure of information, which will enable shareholders and investors to make the informed investment decisions. In 2016, the Company will further step up communications and exchanges with investors, in a bid to increase their understanding of the Company, whilst canvassing the support and attention from investors, so that they may provide more valuable opinions. The Company will also put great efforts on its investor relations management to bolster the Company's position in domestic and overseas capital markets.

The annual general meeting of the Company provides an opportunity for shareholders to communicate directly with the Directors. The Chairman of the Board, the general manager of the Company, the chairman of each of the Board Committees (or their respective duly appointed delegates) and the external auditor of the Company, KPMG, would attend the annual general meeting to answer shareholders' questions.

章程文件修訂

本公司於二零一四年五月六日在二零一三年股東大會上採納現行的章程，並於上市日期（本公司之H股在香港聯交所主板上市之日）生效。與本年度及直至本報告日期期間，除了因非公開配售而對已發行股份數目所作之修訂外，章程並無變動。章程可於本公司網站(www.yofc.com)及香港聯交所網站供查閱。

與投資者的溝通及投資者關係

本公司透過於世界各地進行的非交易路演、其投資者關係信箱及頻繁更新本公司網站資訊以及其他溝通渠道，本公司及時並有效維持與全球各地投資者的緊密聯繫。此外，本公司透過公司訪問及各類其他渠道，積極及真誠與投資者及分析師交流。本公司十分重視聆聽並接受股東及投資者的合理建議和意見，致力持續改善其營運業績、向股東及投資者呈列本公司的真實財務與營運狀況、積極促進有關來自資本市場的反饋意見的內部溝通，以及持續優化及加強系統，旨在宣揚有關投資者關係的資料。投資者關係管理涉及全面互動溝通程序。

本公司認為與股東之有效溝通，對改善投資者關係及瞭解本集團業務、表現及戰略甚為重要。本公司亦確認適時及非選擇性披露資料之重要性，將有助股東及投資者作出知情投資決定。於二零一六年，本公司將進一步加強與投資者的溝通及交流，藉以提高彼等對本公司的瞭解，同時爭取投資者的支持及關注，使彼等向本公司提供寶貴意見。本公司亦將致力管理投資者關係，以提高本公司於國內及海外資本市場的地位。

本公司股東週年大會為股東提供直接與董事溝通的機會。董事會主席、本公司總經理、各董事委員會主席(或其各自適當委任的代表)及本公司外聘核數師畢馬威會計師事務所出席股東週年大會，以回答股東提問。

To promote effective communication, the Company adopted a shareholders' communication policy which aims at establishing a two-way relationship and communication between the Company and its shareholders and maintains a website at www.yofc.com, where up-to-date information on the Company's business operations and developments, financial information, corporate governance practices and other information are available for public access. The Company also maintained frequent contacts with shareholders and investors through various channels such as meetings, conference calls, roadshows and emails. For example, the Company has set up an investor relationship mail box ir@yofc.com to collect constructive feedbacks and advice through emails and answer enquiries from shareholders and investors. In addition, the Company has arranged on-site visits to the Group's projects and non-deal roadshows for investors and research analysts.

INFORMATION DISCLOSURE

The Company strictly complies with the legal and regulatory disclosure requirement to allow local and overseas investors to have prompt and full access to information of the operation and development of the Company by organising various investor relationship activities. In the future, the Company will maintain regular communication with local and overseas investors through telephone, mail and personal interview. The Company will also voluntarily and promptly disclose information of the Company on the websites of the Hong Kong Stock Exchange and the Company in accordance with the requirement of the Hong Kong Listing Rules. The Company will maintain its good corporate governance reputation by enhancing the transparency of the Company.

The Company has an investor relationship department to strengthen and regulate the communication between the Company and its investors and potential investors as well as improve the understanding of the Company by the investors.

Corporate governance is a permanent strategic system of the Company. The Company will further improve its risk management and internal control in accordance with the regulatory requirements of the jurisdiction in which its shares are listed and the chances in the capital market as well as the expectation of investors. The Company will continue to review and improve its corporate governance and enhance the transparency of information disclosure to ensure the stable and healthy development of the Company and the increase in shareholders' value.

2015 ANNUAL GENERAL MEETING

All shareholders are encouraged to attend the forthcoming annual general meeting and exercise their rights to vote. Notice of the annual general meeting will be despatched to the Shareholders together with this annual report and posted on the websites of the Hong Kong Stock Exchange and the Company.

為推動有效溝通，本公司採納股東通訊政策，旨在建立本公司與其股東的雙向關係及溝通，並設有網站www.yofc.com，以供公眾人士查閱有關本公司業務營運及發展、財務資料、企業管治常規及其他資料的最新消息。本公司亦透過會面、會議、路演及電郵等各種渠道與股東及投資者保持緊密聯繫，例如，本公司已設立投資者關係郵箱 ir@yofc.com 以透過電子郵件收集建設性回饋及意見及回覆股東及投資者的提問。此外，本公司為投資者及研究分析師安排本集團項目的實地考察及安排非交易路演。

資料披露

本公司在嚴格履行法定及監管信息披露義務的基礎上，通過組織多種形式的投資者關係活動，使境內外投資者能夠及時和充分地獲取有關本公司的運營和發展狀況的資料。於未來的日子裏，本公司將通過電話、信件、私人會面等方式與境內外投資者保持日常聯繫，並通過香港聯交所及本公司網站根據香港上市規則的規定主動及時披露信息。通過增強本公司的信息透明度，本公司將維持良好的企業管治形象。

本公司設有投資者關係部門，以加強及規管本公司與其投資者及潛在投資者之間的通訊聯繫，讓投資者對本公司有所瞭解。

本公司歷來將公司治理作為一項長期的戰略體系，未來本公司將根據其股份上市地的規管要求、資本市場機遇及投資者的期望，強化風險管理和內部控制，不斷檢討和提高企業管治水平，增強信息披露透明度，以確保本公司的穩健發展及股東價值的持續提升。

二零一五年股東週年大會

謹此鼓勵全體股東出席即將舉行的股東週年大會及行使彼等的投票權。股東週年大會通告連同本年報將寄發予股東並刊載於香港聯交所及本公司網站。

REPORT OF THE BOARD OF SUPERVISORS

監事會報告

Dear Shareholders,

During the reporting period, all members of the Board of Supervisors conscientiously performed their supervisory duties and earnestly safeguarded the interests of the shareholders and the Company in accordance with the requirements of the relevant laws and regulations such as the PRC Company Law and the Articles of Association of the Company.

During the reporting period, the information of the Board of Supervisors Meetings is as below:

Meeting 會議屆次	Date 召開時間	Resolution 會議決議	Remark 備註
4th meeting of the 1st Term of the Board of Supervisors 第一屆監事會第四次會議	March 26th, 2015 二零一五年三月二十六日	Resolutions on 4th meeting of the 1st Term of the Board of Supervisors 第一屆監事會第四次會議決議	No 無
5th meeting of the 1st Term of the Board of Supervisors 第一屆監事會第五次會議	November 19th, 2015 二零一五年十一月十九日	Resolutions on 5th meeting of the 1st Term of the Board of Supervisors 第一屆監事會第五次會議決議	No 無

During the reporting period, the other issues that the Board of Supervisors has noticed are as below:

The Board of Supervisors is of the opinion that, all members of the Board and senior management of the Company have complied with the laws and regulations, and performed their duties in accordance with the Articles of Association of the Company in 2015. In addition, they have also safeguarded the interests of the shareholders, earnestly carried out various resolutions of the general meetings and the board meetings, and operated strictly in accordance with the regulatory requirements for a listed company. The Board of Supervisors was not aware of any violation of relevant national laws and regulations and the Articles of Association, or any acts which would violate the interests of the Company.

The Board of Supervisors carefully reviewed the financial statements of the Company for 2015 which were audited by external auditors who have issued an unqualified opinion, and is intended to be submitted by the Board to the general meeting, and other relevant information. The Board of Supervisors is of the opinion that the financial statements give an objective and true view of the Company's financial position and operating results.

尊敬的各位股東：

本報告期內，監事會全體成員按照《中華人民共和國公司法》和公司章程等有關規定，恪盡職守，認真履行監督職責，切實維護股東權益和企業利益。

本報告期內，監事會會議召開情況如下：

本報告期內，監事會關注到的其他事項如下：

本監事會認為，二零一五年度公司董事會全體成員及高級管理人員遵紀守法、履行公司章程規定的職責，維護股東權益，認真執行股東大會和董事會的各項決議，嚴格按照上市公司規範進行運作。監事會未發現有違反國家法律、法規和公司章程以及損害公司利益的行為。

本監事會認真審核了董事會擬提交股東大會、按照相關規定編製並經外部審計師出具無保留意見的二零一五年度財務報告等資料。監事會認為該報告客觀、真實地反映了公司財務狀況和經營成果。

REPORT OF THE BOARD OF SUPERVISORS (Continued)

監事會報告(續)

In 2016, to safeguard the interests of the shareholders and the interests of the Company and emphasize the fulfillment of the promises made to the shareholders, the Board of Supervisors will continue to perform its supervisory duties diligently over the major decisions and key operating activities in accordance with the PRC Company Law and the Articles of Association of the Company.

By order of the Board of Supervisors
Jiang Zhi Kang
Chairman of the Board of Supervisors

Wuhan, China
24 March 2016

二零一六年，本監事會將繼續嚴格依照《中華人民共和國公司法》和公司章程的有關規定，以維護股東權益和公司利益為己任，以監督公司落實對股東所作承諾為重點，進一步加強對重大決策和重要經營活動的監督檢查力度，認真履行好職責。

承監事會命
江志康
監事會主席

中國武漢
二零一六年三月二十四日

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



To the shareholders of
Yangtze Optical Fibre and Cable Joint Stock Limited Company
(Incorporated in the People's Republic of China with limited liability)

We have audited the consolidated financial statements of Yangtze Optical Fibre and Cable Joint Stock Limited Company (the "Company") and its subsidiaries (together the "Group") set out on pages 124 to 230, which comprise the consolidated statements of financial position as at 31 December 2015, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards promulgated by the International Accounting Standards Board and the disclosure requirements of the Hong Kong Companies Ordinance and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

致長飛光纖光纜股份有限公司各股東

(於中華人民共和國註冊成立的有限公司)

本核數師(以下簡稱「我們」)已審核刊於第124至第230頁長飛光纖光纜股份有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)的合併財務報表，此合併財務報表包括於二零一五年十二月三十一日的合併財務狀況表與截至該日止年度的合併綜合收益表、合併權益變動表和合併現金流量表，以及主要會計政策概要及其他附註解釋資料。

董事就合併財務報表須承擔的責任

貴公司董事須負責根據國際會計準則理事會頒佈的《國際財務報告準則》及香港《公司條例》之披露規定編製真實而公允的合併財務報表，並對其認為為使合併財務報表的編製不存在由於欺詐或錯誤而導致的重大錯誤陳述所必需的內部控制負責。

核數師的責任

我們的責任是根據我們的審核對該等合併財務報表發表意見。我們僅向整體股東報告。除此以外，我們的報告不可用作其他用途。我們概不就本報告的內容，對任何其他人士負責或承擔法律責任。

我們已根據香港會計師公會頒佈的《香港審計準則》進行審計。該等準則要求我們遵守道德規範，並規劃及執行審計，以對合併財務報表是否不存在任何重大錯誤陳述獲取合理保證。

INDEPENDENT AUDITOR'S REPORT (Continued)

獨立核數師報告(續)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2015 and of the Group's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

KPMG

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

24 March 2016

審計涉及執程序以獲取有關合併財務報表所載金額及披露資料的審計憑證。所選定的程序取決於核數師的判斷，包括評估由於欺詐或錯誤而導致合併財務報表存在重大錯誤陳述的風險。在評估該等風險時，核數師考慮與該公司編製真實而公允的合併財務報表相關的內部控制，以設計適當的審計程序，但目的並非對公司的內部控制的有效性發表意見。審計亦包括評價董事所採用會計政策的恰當性及作出的會計估計的合理性，以及評價合併財務報表的整體列報方式。

我們相信，我們所獲得的審計憑證是充足和適當地為我們的審計意見提供基礎。

意見

我們認為，該等合併財務報表已根據《國際財務報告準則》真實而公允地反映貴集團於二零一五年十二月三十一日的財務狀況及截至該日止年度的財務表現和現金流量，並已按照香港《公司條例》之披露規定妥為編製。

畢馬威會計師事務所

執業會計師

香港中環
遮打道10號
太子大廈8樓

二零一六年三月二十四日

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

合併綜合收益表

For the year ended 31 December 2015 (Expressed in Renminbi)
截至二零一五年十二月三十一日止年度(以人民幣列示)

		Note 附註	2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Revenue	收入	4	6,731,114	5,676,782
Cost of sales	銷售成本		(5,426,904)	(4,589,224)
Gross profit	毛利		1,304,210	1,087,558
Other income	其他收益	5	87,196	31,633
Selling expenses	銷售費用		(162,994)	(124,271)
Administrative expenses	管理費用		(551,452)	(441,173)
Profit from operations	經營利潤		676,960	553,747
Finance income	融資收入	6	31,475	52,041
Finance costs	融資成本	6	(156,371)	(99,244)
Net finance costs	淨融資成本		(124,896)	(47,203)
Share of results of associates	應佔聯營公司業績		268	(1,021)
Share of results of joint ventures	應佔合營公司業績		79,690	29,215
Profit before taxation	除稅前利潤	7	632,022	534,738
Income tax	所得稅	8	(73,788)	(70,701)
Profit for the year	本年利潤		558,234	464,037
Other comprehensive income for the year (item that may be reclassified subsequently to profit or loss):	本年其他綜合收益 (可重新分類至損益的 項目):			
Available-for-sale securities	可供出售證券		51,065	22,648
Income tax relating to available-for-sale securities	可供出售證券相關所得稅項		(7,660)	(3,398)
Exchange differences on translation of financial statements of overseas subsidiaries	外幣報表 折算差額		2,566	-
Other comprehensive income for the year	本年其他綜合收益		45,971	19,250
Total comprehensive income for the year	本年綜合收益總額		604,205	483,287
Profit for the year attributable to:	應佔本年利潤:			
Equity shareholders of the Company	本公司權益持有人		570,722	466,344
Non-controlling interests	非控股權益		(12,488)	(2,307)
Profit for the year	本年利潤		558,234	464,037
Total comprehensive income for the year attributable to:	應佔本年綜合收益總額:			
Equity shareholders of the Company	本公司權益持有人		615,923	485,594
Non-controlling interests	非控股權益		(11,718)	(2,307)
Total comprehensive income for the year	本年綜合收益總額		604,205	483,287
Earnings per share (RMB)	每股盈利(人民幣元)			
Basic and diluted	基本及攤薄	11	0.89	0.95

The notes on pages 131 to 230 form part of these financial statements. Details of dividends payable to equity shareholders of the Company attributable to the profit for the year are set out in Note 32(b).

第131至第230頁的附註屬本財務報表的一部分。本公司就本年利潤應付權益持有人股利的詳情載列於附註32(b)。

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

合併財務狀況表

At 31 December 2015 (Expressed in Renminbi)
於二零一五年十二月三十一日(以人民幣列示)

		Note	2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
		附註		
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	13	982,027	782,530
Construction in progress	在建工程	14	88,743	93,888
Intangible assets	無形資產	15	146,300	151,019
Lease prepayments	租賃預付款項	16	166,225	117,788
Interest in associates	於聯營公司權益	18	10,747	28,712
Interest in joint ventures	於合營公司權益	19	720,312	655,003
Other non-current assets	其他非流動資產	20	429,670	124,310
Deferred tax assets	遞延稅項資產	29(b)	10,442	25,964
Total non-current assets	非流動資產總額		2,554,466	1,979,214
Current assets	流動資產			
Inventories	存貨	21	678,062	697,461
Trade and bills receivables	應收賬款及票據	22	2,119,178	1,745,118
Deposits, prepayments and other receivables	按金、預付款項及其他應收款項	23	177,117	152,530
Other financial assets	其他金融資產	24	6,861	5,840
Cash and cash equivalents	現金及現金等價物	25	2,047,125	2,010,953
Total current assets	流動資產總額		5,028,343	4,611,902
Current liabilities	流動負債			
Bank loans	銀行貸款	26	1,636,609	1,465,229
Trade and bills payables	應付賬款及票據	27	852,334	699,903
Accrued expenses and other payables	預提費用及其他應付款項	28	468,047	411,956
Income tax payable	應付所得稅	29(a)	19,877	7,179
Total current liabilities	流動負債總額		2,976,867	2,584,267
Net current assets	淨流動資產		2,051,476	2,027,635
Total assets less current liabilities	總資產減流動負債		4,605,942	4,006,849
Non-current liabilities	非流動負債			
Bank loans	銀行貸款	26	820,820	1,018,878
Deferred income	遞延收益	30	53,447	76,480
Total non-current liabilities	非流動負債總額		874,267	1,095,358
Net assets	淨資產		3,731,675	2,911,491

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

合併財務狀況表(續)

At 31 December 2015 (Expressed in Renminbi)
於二零一五年十二月三十一日(以人民幣列示)

		Note 附註	2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Capital and reserves	股本及儲備			
Share capital	股本	32	682,115	639,463
Reserves	儲備		2,892,744	2,174,335
Total equity attributable to equity shareholders of the Company	本公司權益持有人應佔權益總額		3,574,859	2,813,798
Non-controlling interests	非控股權益		156,816	97,693
Total equity	權益總額		3,731,675	2,911,491

Approved and authorised for issue by the board of directors on 24 March 2016.

董事會於二零一六年三月二十四日核准並許可發出。

Wen Huiguo
文會國
Director
董事

Zheng Huili
鄭慧麗
Director
董事

The notes on pages 131 to 230 form part of these financial statements.

第131至第230頁的附註屬本財務報表的一部分。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

合併權益變動表

For the year ended 31 December 2015 (Expressed in Renminbi)
截至二零一五年十二月三十一日止年度(以人民幣列示)

		Attributable to equity shareholders of the Company 本公司權益持有人應佔部分							
		Share capital	Capital reserve	Statutory surplus reserve	Fair value reserve	Retained earnings	Total	Non-controlling interests	Total equity
		股本	資本公積	法定儲備	公允價值儲備	保留盈利	總額	非控股權益	權益總額
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
		(Note 32(c))	(Note 32(d))	(Note 32(d))	(Note 32(d))	(Note 32(d))	(Note 32(d))	(Note 32(d))	(Note 32(d))
		(附註32(c))	(附註32(d))	(附註32(d))	(附註32(d))	(附註32(d))	(附註32(d))	(附註32(d))	(附註32(d))
At 1 January 2014	於二零一四年一月一日	479,593	608,922	-	6,096	415,041	1,509,652	-	1,509,652
Total comprehensive income	綜合收益總額								
Profit for the year	本年利潤	-	-	-	-	466,344	466,344	(2,307)	464,037
Other comprehensive income	其他綜合收益	-	-	-	19,250	-	19,250	-	19,250
Total comprehensive income	綜合收益總額	-	-	-	19,250	466,344	485,594	(2,307)	483,287
Transactions with equity shareholders of the Company	與本公司權益持有人的交易								
<i>Contribution and distributions:</i>	<i>出資及分派:</i>								
Issue of new shares, net of issuing expenses (Note 32(c)(i))	發行新股(扣除發行費用) (附註32(c)(i))	159,870	732,539	-	-	-	892,409	-	892,409
Appropriation	轉撥	-	-	91,467	-	(91,467)	-	-	-
Dividends declared	宣派股利	-	-	-	-	(73,857)	(73,857)	-	(73,857)
Capital contribution from non-controlling equity owners	非控股權益持有人注資	-	-	-	-	-	-	100,000	100,000
Total transactions with equity shareholders of the Company	與本公司權益持有人的交易總額	159,870	732,539	91,467	-	(165,324)	818,552	100,000	918,552
At 31 December 2014	於二零一四年十二月三十一日	639,463	1,341,461	91,467	25,346	716,061	2,813,798	97,693	2,911,491

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

合併權益變動表(續)

For the year ended 31 December 2015 (Expressed in Renminbi)

截至二零一五年十二月三十一日止年度(以人民幣列示)

		Attributable to equity shareholders of the Company 本公司權益持有人應佔							Non-controlling interests 非控股權益	Total equity 權益總額
		Share capital 股本	Capital reserve 資本公積	Statutory surplus reserve 法定儲備	Exchange reserve 匯兌儲備	Fair value reserve 公允價值儲備	Retained earnings 保留盈利	Total 總計		
		RMB'000 人民幣千元 (Note 32(c) (附註32(c))	RMB'000 人民幣千元 (Note 32(d) (附註32(d))	RMB'000 人民幣千元 (Note 32(d) (附註32(d))	RMB'000 人民幣千元 (Note 32(d) (附註32(d))	RMB'000 人民幣千元 (Note 32(d) (附註32(d))	RMB'000 人民幣千元 (Note 32(d) (附註32(d))	RMB'000 人民幣千元 (Note 32(d) (附註32(d))	RMB'000 人民幣千元	RMB'000 人民幣千元
At 1 January 2015	於二零一五年一月一日	639,463	1,341,461	91,467	-	25,346	716,061	2,813,798	97,693	2,911,491
Total comprehensive income	綜合收益總額									
Profit for the year	本年利潤	-	-	-	-	-	570,722	570,722	(12,488)	558,234
Other comprehensive income	其他綜合收益	-	-	-	1,796	43,405	-	45,201	770	45,971
Total comprehensive income	綜合收益總額	-	-	-	1,796	43,405	570,722	615,923	(11,718)	604,205
Transactions with equity shareholders of the Company	與本公司權益持有人的交易									
<i>Contribution and distributions:</i>	<i>出資及分派:</i>									
Shares issued under the Employee Stock Ownership Scheme (Note 31(b)(ii))	根據員工持股計劃發行的股份(附註31(b)(ii))	31,988	157,524	-	-	-	-	189,512	-	189,512
Placing of shares (Note 31(b)(iii))	股份配售(附註31(b)(iii))	10,664	51,113	-	-	-	-	61,777	-	61,777
Appropriation	轉撥	-	-	77,080	-	-	(77,080)	-	-	-
Dividends declared	宣派股利	-	-	-	-	-	(106,151)	(106,151)	-	(106,151)
Capital contribution from non-controlling equity owners	非控股權益持有人注資	-	-	-	-	-	-	-	54,183	54,183
Total contribution and distributions	出資及分派總額	42,652	208,637	77,080	-	-	(183,231)	145,138	54,183	199,321
<i>Changes in ownership interests:</i>	<i>所有者權益變動:</i>									
Acquisition of a subsidiary (Note 17(ii))	收購一家附屬公司(附註17(ii))	-	-	-	-	-	-	-	16,658	16,658
Total transactions with equity shareholders of the Company	與本公司權益持有人的交易總額	42,652	208,637	77,080	-	-	(183,231)	145,138	70,841	215,979
At 31 December 2015	於二零一五年十二月三十一日	682,115	1,550,098	168,547	1,796	68,751	1,103,552	3,574,859	156,816	3,731,675

The notes on pages 131 to 230 form part of these financial statements.

第131至第230頁的附註屬本財務報表的一部分。

CONSOLIDATED CASH FLOW STATEMENT

合併現金流量表

For the year ended 31 December 2015 (Expressed in Renminbi)
截至二零一五年十二月三十一日止年度(以人民幣列示)

	Note 附註	2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Cash flows from operating activities			
Profit before taxation		632,022	534,738
Adjustments for:			
Depreciation		116,032	113,648
Amortisation		8,452	328
Finance income		(31,475)	(31,656)
Finance costs		145,299	91,252
Dividend income from available-for-sale equity securities		(156)	(3,655)
Share of results of associates		(268)	1,021
Share of results of joint ventures		(79,690)	(29,215)
Unrealised profits on downstream transactions with joint ventures		3,529	(25,307)
Net loss on disposal of property, plant and equipment		2,189	3,422
Net gain on disposal of available-for-sale securities		(4,915)	-
Gain on the remeasurement to fair value of pre-existing interest	17(ii)	(425)	-
Gain on bargain purchase	17(ii)	(29,974)	-
Changes in working capital:			
Decrease in inventories		34,583	23,842
Increase in trade and other receivables and other financial assets		(384,186)	(236,044)
Increase/(decrease) in trade and other payables and non-current liabilities		193,740	(184,022)
Cash generated from operations		604,757	258,352
Income tax paid		(53,937)	(58,175)
Net cash generated from operating activities		550,820	200,177

CONSOLIDATED CASH FLOW STATEMENT (Continued)

合併現金流量表(續)

For the year ended 31 December 2015 (Expressed in Renminbi)

截至二零一五年十二月三十一日止年度(以人民幣列示)

	Note 附註	2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Cash flows from investing activities			
投資活動產生的現金流			
Payment for property, plant and equipment		(281,551)	(180,463)
Payment for intangible assets		-	(83,519)
Deposit paid for intangible assets		(23,200)	-
Payment for lease prepayments		(37,570)	(84,278)
Payment for investment in a joint venture		(12,323)	-
Payment for available-for-sale debt securities		(93,070)	(397,200)
Payment for available-for-sale equity securities		(210)	-
Bank deposits placed		(205,000)	-
Loans to a joint venture		(20,000)	-
Proceeds from disposal of property, plant and equipment		25	-
Proceeds from matured available-for-sale debt securities		93,910	391,360
Proceeds from disposal of available-for-sale equity securities		12,780	-
Net cash inflow from acquisition of a subsidiary	17(ii)	14,217	-
Interest received		25,541	9,299
Dividends received from associates		-	2,400
Dividends received from joint ventures		18,462	22,041
Dividends received from available-for-sale equity securities		156	3,655
Net cash used in investing activities		(507,833)	(316,705)
Cash flows from financing activities			
融資活動的現金流			
Proceeds from new bank loans		4,728,089	3,161,823
Repayments of bank loans		(4,861,632)	(2,276,281)
Proceeds from issue of new shares, net of issuing expenses	32(c)	251,289	892,409
Payment for listing expenses		(16,784)	-
Contribution from non-controlling equity owners		54,183	100,000
Dividends paid to equity shareholders of the Company		(106,151)	(573,857)
Interest and other finance costs paid		(82,173)	(81,789)
Net cash (used in)/generated from financing activities		(33,179)	1,222,305
Net increase in cash and cash equivalents		9,808	1,105,777
Cash and cash equivalents at 1 January		2,010,953	906,378
Effect of foreign exchange rate changes		26,364	(1,202)
Cash and cash equivalents at 31 December	25	2,047,125	2,010,953

The notes on pages 131 to 230 form part of these financial statements.

第131至第230頁的附註屬本財務報表的一部分。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

1 CORPORATE INFORMATION AND ORGANISATION

Yangtze Optical Fibre and Cable Joint Stock Limited Company (the "Company") was formerly known as Yangtze Optical Fibre and Cable Company Ltd. and was established in the People's Republic of China (the "PRC") on 31 May 1988 as a sino-foreign equity joint venture. The Company was converted to a joint stock limited liability company in the PRC on 27 December 2013 (the "Conversion") and was renamed as Yangtze Optical Fibre and Cable Joint Stock Limited Company. The Company converted its equity into 479,592,598 ordinary shares with a par value of RMB1.00 each on 27 December 2013.

The Company issued 159,870,000 H shares with par value of RMB1.00 each at a price of HKD7.39 per share by way of a global initial public offering of the Company's H shares to Hong Kong and overseas investors. The Company's shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited since 10 December 2014.

The Company completed the private placement of 30,783,000 domestic shares and 11,869,000 H shares on 18 December 2015. Please refer to Note 31 for further details.

The Company and its subsidiaries (the "Group") are principally engaged in the research, development, production and sale of preforms, optical fibres, optical fibre cables and related products.

2 SIGNIFICANT ACCOUNTING POLICIES

(a) STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with all applicable International Financial Reporting Standards ("IFRSs"), which collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards ("IASs") and Interpretations promulgated by the International Accounting Standards Board ("IASB") and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules"). A summary of the significant accounting policies adopted by the Group is set out below.

1 公司信息和組織結構

長飛光纖光纜股份有限公司(「本公司」)前身為長飛光纖光纜有限公司，為一家於一九八八年五月三十一日在中華人民共和國(「中國」)成立的中外合資經營企業。本公司於二零一三年十二月二十七日改制為在中國的股份制有限責任公司(「改制」)，並更名為長飛光纖光纜股份有限公司。本公司於二零一三年十二月二十七日將其權益折合為總股本479,592,598股普通股，每股面值人民幣1.00元。

本公司透過全球公開發售本公司H股，向香港及海外投資者按每股7.39港元之價格發行159,870,000股每股面值人民幣1.00元之H股。本公司股份自二零一四年十二月十日起在香港聯合交易所有限公司主板上市。

本公司於二零一五年十二月十八日完成30,783,000股內資股及11,869,000股H股的非公開配售。詳情請參見附註31。

本公司及其附屬公司(「本集團」)主要從事研究、開發、生產和銷售預製棒、光纖、光纜及相關產品。

2 主要會計政策

(a) 合規聲明

本財務報表是按照國際會計準則理事會頒布的所有適用的《國際財務報告準則》(此統稱包含所有適用的個別《國際財務報告準則》、《國際會計準則》和詮釋)和香港《公司條例》之披露規定編製。本財務報表同時符合適用的《香港聯合交易所有限公司證券上市規則》(「上市規則」)披露規定。以下是本集團採用的主要會計政策概要。

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) STATEMENT OF COMPLIANCE (Continued)

The IASB has issued certain new and revised IFRSs that are first effective or available for early adoption for the current accounting period of the Group and the Company. Note 2(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

(b) BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The consolidated financial statements for the year ended 31 December 2015 comprise the Company and its subsidiaries and the Group's interest in associates and joint ventures.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that securities held for trading and financial instruments classified as available-for-sale (see Note 2(g)) are stated at their fair value as explained in the accounting policies set out below.

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in Note 3.

2 主要會計政策(續)

(a) 合規聲明(續)

國際會計準則理事會頒布了若干新訂和經修訂的《國際財務報告準則》。這些準則在本集團和本公司當前的會計期間開始生效或可供提早採用。在與本集團有關的範圍內初始應用這些新訂和經修訂的準則所引致當前和以往會計期間的任何會計政策變動，已於本財務報表內反映，有關資料載列於附註2(c)。

(b) 財務報表的編制基準

截至二零一五年十二月三十一日止年度的合併財務報表涵蓋本公司和各附屬公司以及本集團所持有各聯營公司和合營公司的權益。

財務報表以歷史成本作為編製基準，惟在如下會計政策中解釋的交易性證券和分類為可供出售金融工具(見附註2(g))以公允價值呈列除外。

管理層需在編製符合《國際財務報告準則》的財務報表時作出會對會計政策的應用，以及資產、負債、收入和支出的報告數額構成影響的判斷、估計和假設。這些估計和相關假設是根據以往經驗和管理層因應當時情況認為合理的多項其他因素作出的，其結果構成了管理層在無法依循其他途徑即時得知資產與負債的賬面值時所作出判斷的基礎。實際結果可能有別於估計數額。

管理層會不斷審閱各項估計和相關假設。如果會計估計的修訂只是影響某一期間，其影響便會在該期間內確認；如果修訂對當前和未來期間均有影響，則在作出修訂的期間和未來期間確認。

有關管理層在應用《國際財務報告準則》時所作出對本財務報表有重大影響的判斷，以及估計數額主要的不確定因素的討論內容，載列於附註3。

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) CHANGES IN ACCOUNTING POLICIES

The IASB has issued the following amendments to IFRSs that are first effective for the current accounting period of the Group:

- Amendments to IAS 19, *Employee benefits: Defined benefit plans: Employee contributions*
- Annual Improvements to IFRSs 2010-2012 Cycle
- Annual Improvements to IFRSs 2011-2013 Cycle

None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

(d) SUBSIDIARIES AND NON-CONTROLLING INTERESTS

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

2 主要會計政策(續)

(c) 會計政策變更

國際會計準則理事會頒布了以下經修訂的《國際財務報告準則》。這些準則於本集團的本會計期間首次生效。

- 《國際會計準則》第19號修訂—「僱員福利：界定福利計劃：僱員供款」
- 《國際財務報告準則》的年度改進(二零一零年至二零一二年週期)
- 《國際財務報告準則》的年度改進(二零一一年至二零一三年週期)

上述修訂並未對本集團於當前或以往期間編製或呈列的業績及財務狀況產生重大影響。本集團並無採用任何在當前會計期間尚未生效的新準則或詮釋。

(d) 附屬公司和非控股權益

附屬公司是指受本集團控制的實體。當本集團因參與實體業務而承擔可變動回報的風險或因此享有可變動回報，且有能力透過向實體施加權力而影響該等回報時，則本集團控制該實體。在評估本集團是否擁有上述權力時，僅考慮(本集團和其他方所持有的)實質權利。

於附屬公司的投資由控制開始當日至控制終止當日在合併財務報表中合併計算。集團內部往來的結餘、交易和現金流量，以及集團內部交易所產生的任何未實現利潤，會在編製合併財務報表時全數抵銷。集團內部交易所引致未實現虧損的抵銷方法與未實現收益相同，但抵銷額只限於沒有證據顯示已出現減值的部分。

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) SUBSIDIARIES AND NON-CONTROLLING INTERESTS (Continued)

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at the non-controlling interests' proportionate share of the subsidiary's net identifiable assets.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity shareholders of the Company. Loans from holders of non-controlling interests and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position in accordance with Notes 2(n) or (o) depending on the nature of the liability.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see Note 2(g)) or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture (see Note 2(e)).

2 主要會計政策(續)

(d) 附屬公司和非控股權益(續)

非控股權益是指並非由本公司直接或間接擁有的附屬公司權益，而本集團並沒有與這些權益的持有人訂立任何可導致本集團整體就這些權益而承擔符合金融負債定義的合約義務的額外條款。就每項企業合併而言，本集團可選擇按附屬公司的可辨別資產淨值的公允價值或非控股權益所佔附屬公司可辨別資產淨值的比例計量任何非控股權益。

非控股權益在合併財務狀況表內的權益項目中，與本公司權益持有人應佔的權益分開列示。非控股權益所佔本集團業績的權益，會按照本年度損益總額和綜合收益總額在非控股權益與本公司權益持有人之間作出分配的形式，在合併綜合收益表中列示。來自非控股權益持有人的貸款和對這些持有人的其他合約義務是按負債的性質，根據附註2(n)或(o)在合併財務狀況表內列為金融負債。

本集團於附屬公司的權益變動，如不會導致喪失控制權，便會按權益交易列賬，並在綜合權益項目中調整控股及非控股權益的數額，以反映相對權益的變動，但不會調整商譽，亦不會確認損益。

當本集團喪失於附屬公司的控制權時，按出售有關附屬公司的全部權益列賬，由此產生的收益或虧損在損益中確認。在喪失控制權日期所保留有關附屬公司的權益，按公允價值確認，此筆金額在初始確認金融資產(參閱附註2(g))時當作公允價值，或(如適用)在初始確認於聯營公司或合營公司的投資(參閱附註2(e))時當作成本。

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) SUBSIDIARIES AND NON-CONTROLLING INTERESTS (Continued)

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see Note 2(k)), unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

(e) ASSOCIATES AND JOINT VENTURES

An associate is an entity in which the Group or the Company has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

A joint venture is an arrangement whereby the Group or the Company and other parties contractually agree to share control of the arrangement, and have rights to the net assets of the arrangement.

An investment in an associate or a joint venture is accounted for in the consolidated financial statements under the equity method, unless it is classified as held for sale (or included in a disposal group that is classified as held for sale). Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair values of the investee's identifiable net assets over the cost of the investment (if any). Thereafter, the investment is adjusted for the post acquisition change in the Group's share of the investee's net assets and any impairment loss relating to the investment (see Notes 2(f) and (k)). Any acquisition-date excess over cost, the Group's share of the post-acquisition, post-tax results of the investees and any impairment losses for the year are recognised in the consolidated statement of profit or loss, whereas the Group's share of the post-acquisition post-tax items of the investees' other comprehensive income is recognised in the consolidated statement of comprehensive income.

2 主要會計政策(續)

(d) 附屬公司和非控股權益(續)

本公司財務狀況表所示於附屬公司的投資，是按成本減去減值虧損(參閱附註2(k))後入賬，但劃歸為持有待售(或已計入劃歸為持有待售的處置組合)的投資除外。

(e) 聯營公司與合營公司

聯營公司是指本集團或本公司對其有重大影響，但沒有控制或共同控制其管理層的實體；重大影響包括參與其財務和經營決策。

合營公司是一項安排，據此本集團或本公司與其他方協定分享對此項安排的控制權，並享有此項安排的資產淨值。

於聯營公司或合營公司的投資是按權益法記入合併財務報表，但劃歸為持有待售(或已計入劃歸為持有待售的處置組合)的投資除外。按照權益法，有關投資以成本初始入賬，並就本集團於收購日所佔被投資公司可辨別淨資產的公允價值超過投資成本的數額(如有)作出調整，然後就本集團所佔被投資公司淨資產的收購後變動以及與這些投資有關的任何減值虧損作出調整(參閱附註2(f)和(k))。於收購日超過成本的任何數額、本集團年內所佔被投資公司的收購後稅後業績和任何減值虧損在綜合損益表中確認，而本集團所佔被投資公司的收購後稅後其他綜合收益項目則在合併綜合收益表中確認。

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) ASSOCIATES AND JOINT VENTURES (Continued)

When the Group's share of losses exceeds its interest in the associate or the joint venture, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method together with the Group's long-term interests that in substance form part of the Group's net investment in the associate or the joint venture.

Unrealised profits and losses resulting from transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in the investee, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

If an investment in an associate becomes an investment in a joint venture or vice versa, retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method.

In all other cases, when the Group ceases to have significant influence over an associate or joint control over a joint venture, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former investee at the date when significant influence or joint control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see Note 2(g)).

In the Company's statement of financial position, investments in associates and joint venture are stated at cost less impairment losses (see Note 2(k)), unless classified as held for sale (or included in a disposal group that is classified as held for sale).

2 主要會計政策(續)

(e) 聯營公司與合營公司(續)

當本集團對聯營公司或合營公司承擔的虧損額超過其所佔權益時，本集團所佔權益便會減少至零，並且不再確認額外虧損；但如本集團須履行法定或推定義務，或代被投資公司作出付款則除外。就此而言，本集團所佔權益是以按照權益法計算投資的賬面金額，以及實質上構成本集團在聯營公司或合營公司投資淨額一部分的長期權益為準。

本集團與聯營公司和合營公司之間交易所產生的未實現損益，均按本集團於被投資公司所佔的權益比率抵銷；但如有未實現虧損證明已轉讓資產出現減值，則會即時在損益中確認。

如果於聯營公司的投資變為於合營公司的投資或於合營公司的投資變為於聯營公司的投資，則毋須重新計量保留權益。反之，有關投資繼續以權益法核算。

在所有其他情況下，當本集團不再對聯營公司有重大影響力或對合營公司實施共同控制時，按出售有關被投資公司的全部權益列賬，由此產生的收益或虧損在損益中確認。在喪失重大影響力或共同控制權日期所保留有關前被投資公司的權益，按公允價值確認，此筆金額在初始確認金融資產(參閱附註2(g))時當作公允價值。

本公司財務狀況表所示於聯營公司和合營公司的投資，是按成本減去減值虧損(參閱附註2(k))後入賬，但劃歸為持有待售(或已計入劃歸為持有待售的處置組合)的投資除外。

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) GOODWILL

Goodwill represents the excess of

- (i) the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the Group's previously held equity interest in the acquiree; over
- (ii) the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

When (ii) is greater than (i), then this excess is recognised immediately in profit or loss as a gain on a bargain purchase.

Goodwill is stated at cost less accumulated impairment losses. Goodwill arising on a business combination is allocated to each cash-generating unit, or groups of cash generating units, that is expected to benefit from the synergies of the combination and is tested annually for impairment (see Note 2(k)).

On disposal of a cash generating unit during the year, any attributable amount of purchased goodwill is included in the calculation of the profit or loss on disposal.

(g) OTHER INVESTMENTS IN DEBT AND EQUITY SECURITIES

The Group's and the Company's policies for investments in debt and equity securities, other than investments in subsidiaries, associates and joint ventures, are as follows:

Investments in debt and equity securities are initially stated at fair value, which is their transaction price unless it is determined that the fair value at initial recognition differs from the transaction price and that fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets. Cost includes attributable transaction costs, except where indicated otherwise below. These investments are subsequently accounted for as follows, depending on their classification:

2 主要會計政策(續)

(f) 商譽

商譽是指(i)超過(ii)的數額：

- (i) 所轉讓代價的公允價值、於被收購方的非控股權益數額及本集團以往持有被收購方股本權益的公允價值三者合計；
- (ii) 被收購方可辨別資產和負債於收購日計量的公允價值淨額。

當(ii)大過於(i)時，超出的數額即時在損益中確認為議價收購的收益。

商譽是按成本減去累計減值虧損後列賬。企業合併產生的商譽會分配至預期可透過合併的協同效益獲利的每個現金產出單元或現金產出單元組別，並且每年接受減值測試(參閱附註2(k))。

當年內處置的現金產出單元的任何應佔購入商譽均包括在處置項目的損益內。

(g) 其他債務和權益證券投資

本集團和本公司有關債務和權益證券投資(於附屬公司、聯營公司和合營公司的投資除外)的政策如下：

除非確定初始確認債務和權益證券投資的公允價值與其交易價格不同，而該公允價值是以相同資產或負債於活躍市場的報價為證或以僅使用可觀察市場數據的估值技術為依據，否則，這些投資是以公允價值(即交易價格)初始列賬。除非在下文另有列明，成本包括應佔交易成本。這些投資其後按所屬分類以下列方式入賬：

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) OTHER INVESTMENTS IN DEBT AND EQUITY SECURITIES (Continued)

Investments in securities held for trading are classified as current assets. Any attributable transaction costs are recognised in profit or loss as incurred. At the end of each reporting period the fair value is remeasured, with any resultant gain or loss being recognised in profit or loss. The net gain or loss recognised in profit or loss does not include any dividends or interest earned on these investments as these are recognised in accordance with the policies set out in Notes 2(t)(iii) and (iv).

Dated debt securities that the Group and/or the Company have the positive ability and intention to hold to maturity are classified as held-to-maturity securities. Held-to-maturity securities are stated at amortised cost less impairment losses.

Investments in securities which do not fall into any of the above categories are classified as available-for-sale securities. At the end of each reporting period the fair value is remeasured, with any resultant gain or loss being recognised in other comprehensive income and accumulated separately in equity in the fair value reserve. As an exception to this, investments in equity securities that do not have a quoted price in an active market for an identical instrument and whose fair value cannot otherwise be reliably measured are recognised in the statement of financial position at cost less impairment losses (see Note 2(k)). Dividend income from equity securities and interest income from debt securities calculated using the effective interest method are recognised in profit or loss in accordance with the policies set out in Notes 2(t)(iii) and (iv). Foreign exchange gains and losses resulting from changes in the amortised cost of debt securities are also recognised in profit or loss.

When the investments are derecognised or impaired (see Note 2(k)), the cumulative gain or loss recognised in equity is reclassified to profit or loss. Investments are recognised/derecognised on the date the Group commits to purchase/sell the investments or they expire.

2 主要會計政策(續)

(g) 其他債務和權益證券投資(續)

交易性證券投資劃歸為流動資產。任何應佔交易成本於產生時在損益中確認。本集團會在每個報告期末重新計量公允價值，由此產生的任何收益或虧損均在損益中確認。在損益中確認的淨收益或虧損不包括從這些投資賺取的股利或利息，有關股利或利息已按照附註2(t)(iii)和(iv)所載列的政策確認。

本集團及／或本公司有明確的能力和意願持有至到期的有期債務證券，劃歸為「持有至到期證券」。持有至到期證券是以攤銷成本減去減值虧損後入賬。

不屬以上任何一個分類的證券投資劃歸為可供出售證券。本集團會在每個報告期末重新計量公允價值，由此產生的任何收益或虧損均在其他綜合收益中確認，並且在權益中的公允價值儲備分開累計。例外情況是，當權益證券投資並無相同工具在活躍市場的報列市價，而且不能可靠地計量公允價值時，便會以成本減去減值虧損(參閱附註2(k))後在財務狀況表中確認。權益證券股利收入和以實際利率法計算得出的債務證券利息收入，會分別按照附註2(t)(iii)和(iv)所載列的政策在損益中確認。債務證券的攤銷成本變動所產生的匯兌損益也在損益中確認。

這些投資在終止確認或減值(參閱附註2(k))時，累計收益或虧損會由權益重新分類為損益。本集團會在承諾購入／出售投資或投資到期當日確認／終止確認有關投資。

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (see Note 2(k)).

The cost of self-constructed items of property, plant and equipment includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads and borrowing costs (see Note 2(v)).

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight line method over their estimated useful lives as follows:

- Buildings	20 years
- Machinery and equipment	8-16 years
- Office equipment	4-8 years
- Motor vehicles	5-8 years

Freehold land is not depreciated.

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

2 主要會計政策(續)

(h) 物業、廠房及設備

物業、廠房及設備以成本減去累計折舊和減值虧損(參閱附註2(k))後入賬。

自建物業、廠房及設備項目的成本包括材料成本、直接人工、拆卸與搬運有關項目的成本和項目所在場地清理費的初始估計金額(以適用者為準),以及適當比例的生產間接費用和借貸成本(參閱附註2(v))。

報廢或處置物業、廠房及設備項目所產生的損益以處置所得款項淨額與項目賬面金額之間的差額釐定,並於報廢或處置日在損益中確認。

物業、廠房及設備項目的折舊是以直線法在以下預計可用期限內沖銷其成本(已扣除估計殘值(如有))計算:

- 建築物	20年
- 機器及設備	8-16年
- 辦公設備	4-8年
- 車輛	5-8年

永久業權土地不計提折舊。

如果物業、廠房及設備項目的組成部分有不同的可用期限,有關項目的成本或估值會按照合理的基準分配至各個部分,而且每個部分會分開計提折舊。本集團會每年審閱資產的可用期限和殘值(如有)。

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) INTANGIBLE ASSETS (OTHER THAN GOODWILL)

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the Group has sufficient resources and the intention to complete development. The expenditure capitalised includes the costs of materials, direct labour, and an appropriate proportion of overheads and borrowing costs, where applicable. Capitalised development costs are stated at cost less accumulated amortisation and impairment losses (see Note 2(k)). Other development expenditure is recognised as an expense in the period in which it is incurred.

Other intangible assets that are acquired by the Group are stated at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses (see Note 2(k)). Expenditure on internally generated goodwill and brands is recognised as an expense in the period in which it is incurred.

Amortisation of intangible assets with finite useful lives is charged to profit or loss on a straight-line basis over the assets' estimated useful lives. The following intangible asset with finite useful life is amortised from the date it is available for use and its useful life is as follows:

– Patents	8 years
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Both the period and method of amortisation are reviewed annually.

Intangible assets are not amortised while their useful lives are assessed to be indefinite. Any conclusion that the useful life of an intangible asset is indefinite is reviewed annually to determine whether events and circumstances continue to support the indefinite useful life assessment for that asset. If they do not, the change in the useful life assessment from indefinite to finite is accounted for prospectively from the date of change and in accordance with the policy for amortisation of intangible assets with finite lives as set out above.

2 主要會計政策(續)

(i) 無形資產(商譽除外)

研究活動的費用在其產生的期間內確認為支出。如果某項產品或程序在技術和商業上可行，而且本集團有充足的資源和意向完成開發工作，開發活動的費用便會予以資本化。資本化費用包括材料成本、直接人工，以及適當比例的間接費用和在適當情況下的借貸成本。資本化開發成本按成本減去累計攤銷和減值虧損(參閱附註2(k))後列賬。其他開發費用則在其產生的期間內確認為支出。

本集團購入的其他無形資產按成本減去累計攤銷(適用於預計可用而有既定的期限)和減值虧損(參閱附註2(k))後入賬。內部產生的商譽和品牌的開支在其產生的期間內確認為支出。

有既定可用期限的無形資產攤銷按直線法於資產的預計可用期限內在損益中列支。以下有既定可用期限的無形資產由可供使用當日起，在預計可用期限內攤銷：

– 專利	8年
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本集團會每年審閱攤銷的期限和方法。

本集團不會攤銷可用期限未定的無形資產，並會每年審閱關於無形資產可用期限未定的任何結論，以釐定有關事項和情況是否繼續支持該資產可用期限未定的評估結論。如否的話，由未定轉為有既定可用期限的評估變動會自變動日期起，根據上文所載有既定期限的無形資產的攤銷政策提早入賬。

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) LEASED ASSETS

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

(i) Classification of assets leased to the Group

Assets that are held by the Group under leases which transfer to the Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases.

(ii) Operating lease charges

Where the Group has the use of assets held under operating leases, payments made under the leases are charged to profit or loss in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

The cost of acquiring land held under an operating lease is amortised on a straight-line basis over the period of the lease term.

2 主要會計政策(續)

(i) 租賃資產

如果本集團把一項安排，包括一項交易或一系列交易，確定為在一段商定期間轉讓一項或一些特定資產的使用權，以換取一筆或多筆付款，則這項安排便包含租賃。確定時是以對有關安排的實質所作評估為準，而不管這項安排是否涉及租賃的法律形式。

(i) 本集團租賃資產的分類

對於本集團以租賃持有的資產，如果租賃使所有權的絕大部分風險和回報轉移至本集團，有關的資產便會劃歸為以融資租賃持有；如果租賃不會使所有權的絕大部分風險和回報轉移至本集團，則劃歸為經營租賃。

(ii) 經營租賃費用

如果本集團是以經營租賃獲得資產的使用權，則根據租賃作出的付款會在租賃期所涵蓋的會計期間內，以等額在損益中列支；但如有其他基準能更清楚地反映租賃資產所產生的收益模式則除外。租賃所涉及的激勵措施均在損益中確認為租賃淨付款總額的組成部分。或有租金在其產生的會計期間內在損益中列支。

以經營租賃持有土地的收購成本是按直線法在租賃期內攤銷。

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) IMPAIRMENT OF ASSETS

(i) Impairment of investments in debt and equity securities and other receivables

Investments in debt and equity securities and other current and non-current receivables that are stated at cost or amortised cost or are classified as available-for-sale securities are reviewed at the end of each reporting period to determine whether there is objective evidence of impairment. Objective evidence of impairment includes observable data that comes to the attention of the Group about one or more of the following loss events:

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the debtor will enter bankruptcy or other financial reorganisation;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; and
- a significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

If any such evidence exists, any impairment loss is determined and recognised as follows:

- For investments in associates and joint ventures accounted for under the equity method in the consolidated financial statements (see Note 2(e)), the impairment loss is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with Note 2(k)(ii). The impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount in accordance with Note 2(k)(ii).

2 主要會計政策(續)

(k) 資產減值

(i) 債務與權益證券投資和其他應收款的減值

本集團於報告期末審閱債務與權益證券投資，及已按成本或攤銷成本入賬的或已劃歸為可供出售證券的其他流動與非流動應收款，以確定是否有客觀的減值證據。減值的客觀跡象包括本集團注意到有關以下一宗或多宗損失事件的可觀察數據：

- 債務人出現重大的財務困難；
- 違反合約，如拖欠利息或本金付款；
- 債務人很可能面臨破產或其他財務重組；
- 技術、市場、經濟或法律環境出現對債務人構成負面影響的重大變動；及
- 於權益工具的投資的公允價值顯著或長期跌至低於成本。

如有任何這類證據存在，便會釐定減值虧損並按以下方式確認：

- 就按權益法在合併財務報表中核算於聯營公司及合營公司的投資(參閱附註2(e))而言，計量減值虧損的辦法是按附註2(k)(ii)將該項投資的可收回數額與其賬面金額作一比較。如果按附註2(k)(ii)用以釐定可收回數額的估計數額出現了正面的變化，有關的減值虧損便會轉回。

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) IMPAIRMENT OF ASSETS (Continued)

(i) Impairment of investments in debt and equity securities and other receivables (Continued)

- For unquoted equity securities carried at cost, the impairment loss is measured as the difference between the carrying amount of the financial asset and the estimated future cash flows, discounted at the current market rate of return for a similar financial asset where the effect of discounting is material. Impairment losses for equity securities carried at cost are not reversed.
- For trade and other current receivables and other financial assets carried at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of these assets), where the effect of discounting is material. This assessment is made collectively where these financial assets share similar risk characteristics, such as similar past due status, and have not been individually assessed as impaired. Future cash flows for financial assets which are assessed for impairment collectively are based on historical loss experience for assets with credit risk characteristics similar to the collective group.

If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

2 主要會計政策(續)

(k) 資產減值(續)

(i) 債務與權益證券投資和其他應收款的減值(續)

- 就以成本列賬的非上市權益證券而言，減值虧損是以金融資產的賬面金額與以同類金融資產的當時市場回報率折現(如果折現會造成重大的影響)的預計未來現金流量之間的差額計量。以成本列賬的權益證券的減值虧損不可轉回。
- 就以攤銷成本列賬的應收賬款和其他流動應收款，以及其他金融資產而言，如折現影響重大，減值虧損是以資產的賬面金額與其初始實際利率(即在初始確認有關資產時計算的實際利率)折現的預計未來現金流量現值之間的差額計量。如該等金融資產具備類似的風險特徵，例如類似的逾期情況及並未個別地被評估為減值，則有關的評估會同時進行。共同評估減值的金融資產的未來現金流量是根據與該共同組別具有類似信貸風險特徵的資產的過往虧損情況計算。

如果減值虧損在其後的期間減少，而且客觀上與減值虧損確認後發生的事件有關，則應通過損益轉回減值虧損。減值虧損的轉回不應使資產的賬面金額超過其在以往年度沒有確認任何減值虧損而應已釐定的數額。

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) IMPAIRMENT OF ASSETS (Continued)

(i) Impairment of investments in debt and equity securities and other receivables (Continued)

- For available-for-sale securities, the cumulative loss that has been recognised in the fair value reserve is reclassified to profit or loss. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that asset previously recognised in profit or loss.

Impairment losses recognised in profit or loss in respect of available-for-sale equity securities are not reversed through profit or loss. Any subsequent increase in the fair value of such assets is recognised in other comprehensive income.

Impairment losses in respect of available-for-sale debt securities are reversed if the subsequent increase in fair value can be objectively related to an event occurring after the impairment loss was recognised. Reversals of impairment losses in such circumstances are recognised in profit or loss.

Impairment losses are written off against the corresponding assets directly, except for impairment losses recognised in respect of trade debtors and bills receivable, whose recovery is considered doubtful but not remote. In this case, the impairment losses for doubtful debts are recorded using an allowance account. When the Group is satisfied that recovery is remote, the amount considered irrecoverable is written off against trade debtors and bills receivable directly and any amounts held in the allowance account relating to that debt are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

2 主要會計政策(續)

(k) 資產減值(續)

(i) 債務與權益證券投資和其他應收款的減值(續)

- 就可供出售證券而言，已在公允價值儲備中確認的累計虧損會重新分類為損益。在損益中確認的累計虧損是以購買成本(扣除任何本金償還和攤銷額)與當時公允價值之間的差額，並減去以往就該資產在損益中確認的任何減值虧損後計算。

可供出售證券投資已在損益中確認的減值虧損不會通過損益轉回。這些資產公允價值其後的任何增額會直接在其他綜合收益中確認。

如果可供出售債務證券公允價值其後的增額客觀上與減值虧損確認後發生的事件有關，則應轉回減值虧損。在此情況下轉回的減值虧損均在損益中確認。

減值損失會直接沖銷相應的資產，但就以計入應收賬款和其他應收款的應收賬款及應收票據確認的減值損失而言，其可收回性被視為可疑，但不是可能性極低則除外。在這種情況下，呆賬減值損失會採用準備賬來記錄。當本集團認為收回的可能性極低時，被視為不可收回的數額便會直接沖銷應收賬款及應收票據，與該債項有關而在準備賬內持有的任何數額也會轉回。其後收回早前計入準備賬的數額會在準備賬轉回。準備賬的其他變動和其後收回早前直接沖銷的數額均在損益中確認。

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) IMPAIRMENT OF ASSETS (Continued)

(ii) Impairment of other assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment;
- construction in progress;
- intangible assets;
- lease prepayments;
- goodwill; and
- investments in subsidiaries, associates and joint ventures in the Company's statement of financial position.

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill, intangible assets that are not yet available for use and intangible assets that have indefinite useful lives, the recoverable amount is estimated annually whether or not there is any indication of impairment.

- Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

2 主要會計政策(續)

(k) 資產減值(續)

(ii) 其他資產的減值

本集團於報告期末審閱內部和外來的信息，以確定以下資產是否出現減值跡象，或是以往確認的減值虧損(與商譽有關則除外)已經不再存在或可能已經減少：

- 物業、廠房及設備；
- 在建工程；
- 無形資產；
- 租賃預付款項；
- 商譽；及
- 本公司財務狀況表中列示的於附屬公司、聯營公司和合營公司的投資。

如果出現任何這類跡象，便會估計資產的可收回數額。此外，就商譽和尚未可供使用的無形資產與可用期限未定的無形資產而言，不論是否有任何減值跡象存在，本集團也會每年估計其可收回數額。

- 計算可收回數額

資產的可收回數額是其公允價值(已扣除出售成本)與使用價值兩者中的較高額。在評估使用價值時，預計未來現金流量會按照能反映當時市場對貨幣時間值和資產特定風險的評估的稅前折現率，折現至其現值。如果資產所產生的現金流入基本上並非獨立於其他資產所產生的現金流入，則以能產生獨立現金流入的最小資產類別(即現金產出單元)來釐定可收回數額。

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) IMPAIRMENT OF ASSETS (Continued)

(ii) Impairment of other assets (Continued)

- Recognition of impairment losses

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable), or value in use (if determinable).

- Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

2 主要會計政策(續)

(k) 資產減值(續)

(ii) 其他資產的減值(續)

- 確認減值虧損

當資產或所屬現金產出單元的賬面金額高於其可收回數額時，減值虧損便會在損益中確認。就現金產出單元確認的減值虧損會作出分配，首先減少已分配至該現金產出單元(或該組單元)的任何商譽的賬面金額，然後按比例減少該單元(或該組單元)內其他資產的賬面金額；但資產的賬面值不得減少至低於其個別公允價值減去出售成本(如能計量)後所得數額或其使用價值(如能釐定)。

- 轉回減值虧損

就商譽以外的資產而言，如果用以釐定可收回數額的估計數額出現正面的變化，有關的減值虧損便會轉回；但商譽的減值虧損不會轉回。

所轉回的減值虧損以在以往年度沒有確認任何減值虧損而應已釐定的資產賬面金額為限。所轉回的減值虧損在確認轉回的年度內計入損益中。

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) IMPAIRMENT OF ASSETS (Continued)

(iii) Interim financial reporting and impairment

Under the Listing Rules, the Group is required to prepare an interim financial report in compliance with IAS 34, Interim financial reporting, in respect of the first six months of the financial year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the financial year (see Notes 2(k)(i) and (ii)).

Impairment losses recognised in an interim period in respect of goodwill, available-for-sale equity securities and unquoted equity securities carried at cost are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the financial year to which the interim period relates. Consequently, if the fair value of an available-for-sale equity security increases in the remainder of the annual period, or in any other period subsequently, the increase is recognised in other comprehensive income and not profit or loss.

(l) INVENTORIES

Inventories are carried at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2 主要會計政策(續)

(k) 資產減值(續)

(iii) 中期財務報告和減值

根據上市規則，本集團須就財政年度的首六個月編製符合《國際會計準則》第34號「中期財務報告」規定的中期財務報告。本集團在中期期末採用了在財政年度終結時會採用的相同減值測試、確認和轉回條件(參閱附註2(k)(i)和(ii))。

商譽、可供出售證券投資和以成本列賬的非上市權益證券已在中期確認的減值虧損不會在其後轉回。即使僅在該中期所屬的財政年度終結時才評估減值並確認沒有虧損或所確認的虧損較少，也不會轉回減值虧損。因此，如果在年度剩餘期間或之後其他期間可供出售證券投資的公允價值上升，有關的增額會在其他綜合收益而非損益中確認。

(l) 存貨

存貨是以成本和可變現淨值兩者中的較低額入賬。

成本是以加權平均成本法計算，其中包括所有採購成本、加工成本和使存貨處於當前地點和狀況的其他成本。

可變現淨值是以日常業務過程中的估計售價減去完成生產和銷售所需的估計成本後所得數額。

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) INVENTORIES (Continued)

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

(m) TRADE AND OTHER RECEIVABLES

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less allowance for impairment of doubtful debts (see Note 2(k)(i)), except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less allowance for impairment of doubtful debts.

(n) INTEREST-BEARING BORROWINGS

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in profit or loss over the period of the borrowings, together with any interest and fees payable, using the effective interest method.

(o) TRADE AND OTHER PAYABLES

Trade and other payables are initially recognised at fair value. Except for financial guarantee liabilities measured in accordance with Note 2(s)(i), trade and other payable are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(p) CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

2 主要會計政策(續)

(l) 存貨(續)

出售存貨時，其賬面金額在相關收入獲確認的期間內確認為支出。存貨數額撇減至可變現淨值和存貨的所有虧損都是在出現減值或虧損的期間內確認為支出。存貨的任何減值轉回會在轉回的期間內沖減列作支出的存貨額。

(m) 應收賬款及其他應收款

應收賬款和其他應收款按公允價值初始確認，其後以實際利率法按攤銷成本減去呆賬減值準備(參閱附註2(k)(i))後所得數額入賬；但如應收款為提供予關聯方並不設固定還款期的免息貸款或其折現影響並不重大則除外。在此情況下，應收款會按成本減去呆賬減值準備後所得數額入賬。

(n) 帶息借款

帶息借款按公允價值減去應佔交易成本後初始確認。初始確認後，帶息借款以攤銷成本列賬，而初始確認的數額與贖回價值之間的任何差異，連同任何應付利息和費用，均以實際利息法於借款期內在損益中確認。

(o) 應付賬款和其他應付款

應付賬款和其他應付款按公允價值初始確認。除按附註2(s)(i)計算的財務擔保，應付賬款和其他付款其後按攤銷成本入賬。若折現影響不重大則按成本入賬。

(p) 現金及現金等價物

現金及現金等價物包括銀行存款和現金、存放於銀行和其他金融機構的活期存款，以及短期和高流動性的投資。這些投資可以隨時換算為已知的現金額、價值變動方面的風險不大，並在購入時為三個月內到期。

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) EMPLOYEE BENEFITS

(i) Short term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

(ii) Share-based payments

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for the differences between expected and actual outcomes.

(iii) Termination benefits

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when it recognises restructuring costs involving the payment of termination benefits.

2 主要會計政策(續)

(q) 僱員福利

(i) 短期僱員福利和定額供款退休計劃的供款

薪金、年度獎金、有薪年假、定額供款退休計劃的供款和非貨幣福利成本在僱員提供相關服務的年度內計提。如果延遲付款或結算會造成重大的影響，則這些數額會以現值列賬。

(ii) 以股份為基礎的支付

授予僱員以權益結算的以股份為基礎的支付安排，於獎勵的整個歸屬期內以授予日的公允價值確認為支出，權益亦會相應增加。已確認為支出的數額會作出調整，以反映預期符合相關服務和非市場績效條件的獎勵數目。最終確認為開支的數額則按歸屬日符合相關服務和非市場績效條件的獎勵數目計算。就附設不能歸屬條件的以股份支付的獎勵而言，通過計量以股份支付的授予日公允價值來反映有關條件，並在期後無需調整預期及實際結果之間的差額。

(iii) 辭退福利

辭退福利會在本集團不再能夠撤回所提供的辭退福利或確認涉及辭退福利付款的重組成本(以較早者為準)時確認。

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(r) INCOME TAX

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

2 主要會計政策(續)

(r) 所得稅

本年度所得稅包括當期稅項和遞延稅項資產與負債的變動。當期稅項和遞延稅項資產與負債的變動均在損益中確認，但如果是在其他綜合收益或直接在權益中確認的相關項目，則相關稅款分別在其他綜合收益或直接在權益中確認。

當期稅項是按本年度應稅所得，根據已執行或在報告期末實質上已執行的稅率計算的預期應付稅項，加上以往年度應付稅項的任何調整。

遞延稅項資產與負債分別由可抵扣和應稅暫時差異產生。暫時差異是指資產與負債在財務報表上的賬面金額跟這些資產與負債的計稅基礎的差異。遞延稅項資產也可以由未利用可抵扣虧損和未利用稅款抵減產生。

除了某些有限的例外情況外，所有遞延稅項負債和遞延稅項資產(只限於很可能獲得能利用該遞延稅項資產來抵扣的未來應稅利潤)都會確認。支持確認由可抵扣暫時差異所產生遞延稅項資產的未來應稅利潤包括因轉回目前存在的應稅暫時差異而產生的數額；但這些轉回的差異必須與同一稅務機關和同一應稅實體有關，並預期在可抵扣暫時差異預計轉回的同一年間或遞延稅項資產所產生可抵扣虧損可向後期或向前期結轉的期間內轉回。在決定目前存在的應稅暫時差異是否足以支持確認由未利用可抵扣虧損和稅款抵減所產生的遞延稅項資產時，亦會採用同一準則，即差異是否與同一稅務機關和同一應稅實體有關，以及是否預期在能夠使用未利用可抵扣虧損和稅款抵減撥回的同一期間內轉回。

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(r) INCOME TAX (Continued)

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or

2 主要會計政策(續)

(r) 所得稅(續)

不確認為遞延稅項資產與負債的暫時差異源自以下有限的例外情況：不可在稅務方面獲得扣減的商譽；不影響會計或應稅利潤的資產或負債的初始確認(如屬企業合併的一部分則除外)；以及投資於附屬公司(如屬應稅差異，只限於本集團可以控制轉回的時間，而且在可預見的將來不大可能轉回的暫時差異；或如屬可抵扣差異，則只限於很可能在將來轉回的差異)。

已確認遞延稅額是按照資產與負債賬面金額的預期實現或結算方式，根據已執行或於報告期末實質上已執行的稅率計量。遞延稅項資產與負債均不折現計算。

本集團會於報告期末審閱遞延稅項資產的賬面金額。如果本集團預期不再可能獲得足夠的應稅利潤以抵扣相關的稅務利益，該遞延稅項資產的賬面金額便會調低；但是如果日後有可能獲得足夠的應稅利潤，有關減額便會轉回。

因分派股利而額外產生的所得稅是在支付相關股利的責任確立時確認。

當期和遞延稅項結餘及其變動額會分開列示，並且不予抵銷。當期和遞延稅項資產只會在本公司或本集團有法定行使權以當期稅項資產抵銷當期稅項負債，並且符合以下附帶條件的情況下，才可以分別抵銷當期和遞延稅項負債：

- 當期稅項資產與負債：本公司或本集團計劃按淨額基準結算，或同時變現該資產和結算該負債；或

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(r) INCOME TAX (Continued)

- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
 - the same taxable entity; or
 - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

(s) FINANCIAL GUARANTEES ISSUED, PROVISIONS AND CONTINGENT LIABILITIES

(i) Financial guarantees issued

Financial guarantees are contracts that require the issuer (i.e. the guarantor) to make specified payments to reimburse the beneficiary of the guarantee (the "holder") for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Where the Group issues a financial guarantee, the fair value of the guarantee is initially recognised as deferred income within trade and other payables. The fair value of financial guarantees issued at the time of issuance is determined by reference to fees charged in an arm's length transaction for similar services, when such information is obtainable, or is otherwise estimated by reference to interest rate differentials, by comparing the actual rates charged by lenders when the guarantee is made available with the estimated rates that lenders would have charged, had the guarantees not been available, where reliable estimates of such information can be made. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the Group's policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognised in profit or loss on initial recognition of any deferred income.

2 主要會計政策(續)

(r) 所得稅(續)

- 對於遞延稅項資產與負債：這些資產與負債必須與同一稅務機關就以下其中一項徵收的所得稅有關：
 - 同一應稅實體；或
 - 不同的應稅實體。這些實體計劃在日後每個預計有大額遞延稅項負債需要結算或大額遞延稅項資產可以收回的期間內，按淨額基準實現當期稅項資產和結算當期稅項負債，或同時變現該資產和結算該負債。

(s) 已作出財務擔保、準備和或有負債

(i) 已作出財務擔保

財務擔保是指那些規定發行人(即擔保人)根據債務工具的條款支付指定款項，以補償受擔保人的受益人(「持有人」)因某一特定債務人不能償付到期債務而產生的損失的合約。

如果本集團作出財務擔保，擔保的公允價值在應付賬款和其他應付款中初始確認為遞延收益。在作出財務擔保時擔保的公允價值，是參照類似服務在公平交易中所收取的費用(如可獲得)而釐定，或參照利率差額作出估計，方法是比較在有擔保的情況下貸方所收取的實際利率與假設並無擔保的情況下貸方所應收取的估計利率(如能可靠地估計)。就作出擔保而已收或應收的對價而言，對價會按照本集團適用於該類資產的政策確認。如果沒有已收或應收對價，即期支出會在任何遞延收益初始確認時於損益中確認。

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(s) FINANCIAL GUARANTEES ISSUED, PROVISIONS AND CONTINGENT LIABILITIES

(Continued)

(i) Financial guarantees issued (Continued)

The amount of the guarantee initially recognised as deferred income is amortised in profit or loss over the term of the guarantee as income from financial guarantees issued. In addition, provisions are recognised in accordance with Note 2(s)(iii) if and when (i) it becomes probable that the holder of the guarantee will call upon the Group under the guarantee, and (ii) the amount of that claim on the Group is expected to exceed the amount currently carried in trade and other payables in respect of that guarantee i.e. the amount initially recognised, less accumulated amortisation.

(ii) Contingent liabilities assumed in business combinations

Contingent liabilities assumed in a business combination which are present obligations at the date of acquisition are initially recognised at fair value, provided the fair value can be reliably measured. After their initial recognition at fair value, such contingent liabilities are recognised at the higher of the amount initially recognised, less accumulated amortisation where appropriate, and the amount that would be determined in accordance with Note 2(s)(iii). Contingent liabilities assumed in a business combination that cannot be reliably fair valued or were not present obligations at the date of acquisition are disclosed in accordance with Note 2(s)(iii).

(iii) Other provisions and contingent liabilities

Provisions are recognised for other liabilities of uncertain timing or amount when the Group or the Company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

2 主要會計政策(續)

(s) 已作出財務擔保、準備和或有負債(續)

(i) 已作出財務擔保(續)

初始確認為遞延收益的擔保數額會在擔保期內於損益中攤銷為已作出財務擔保的收入。此外，如果(i)擔保的持有人可能根據這項擔保向本集團提出申索，以及(ii)向本集團提出的申索數額預期高於應付賬款和其他應付款現時就這項擔保入賬的數額(即初始確認的數額減去累計攤銷後所得數額)，準備便會根據附註2(s)(iii)確認。

(ii) 透過企業合併承擔的或有負債

如果公允價值能夠可靠地計量時，透過企業合併承擔的或有負債(即在收購日屬於現有負債)會以公允價值初始確認。以公允價值初始確認後，這些或有負債會以初始確認的數額減去累計攤銷(如適用)後所得數額和可能根據附註2(s)(iii)釐定的數額兩者中的較高額予以確認。如果不能可靠地計量公允價值或在收購日不屬於現有負債，透過企業合併承擔的或有負債會根據附註2(s)(iii)披露。

(iii) 其他準備和或有負債

如果本集團或本公司須就已發生的事件承擔法定或推定義務，因而預期會導致含有經濟效益的資源外流，在可以作出可靠的估計時，本集團或本公司便會就該時間或數額不確定的其他負債計提準備。如果貨幣時間值重大，則按預計所需支出的現值計提準備。

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(s) FINANCIAL GUARANTEES ISSUED, PROVISIONS AND CONTINGENT LIABILITIES

(Continued)

(iii) Other provisions and contingent liabilities

(Continued)

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(t) REVENUE RECOGNITION

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in profit or loss as follows:

(i) Sale of goods

Revenue is recognised when goods are delivered at the customers' premises or collected by the customer which is taken to be the point in time when the customer has accepted the goods and the related risks and rewards of ownership. Revenue excludes value added tax and other sales taxes and is after deduction of any trade discounts.

(ii) Rental income from operating leases

Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable. Contingent rentals are recognised as income in the accounting period in which they are earned.

2 主要會計政策(續)

(s) 已作出財務擔保、準備和或有負債(續)

(iii) 其他準備和或有負債(續)

如果含有經濟效益的資源外流的可能性較低，或是無法對有關數額作出可靠的估計，便會將該義務披露為或有負債，但資源外流的可能性極低則除外。如果本集團的義務須視乎某宗或多宗未來事件是否發生才能確定是否存在，亦會披露為或有負債，但資源外流的可能性極低則除外。

(t) 收入確認

收入是按已收或應收價款的公允價值計量。如果經濟效益可能會流入本集團，而收入和成本(如適用)又能夠可靠地計量時，收入便會根據下列基準在損益中確認：

(i) 銷售貨品

收入在貨品送達客戶場地或被客戶領取，而且客戶接收貨品和所有權的相關風險與回報時確認。收入不包括增值稅或其他銷售稅，並已扣除任何營業折扣。

(ii) 經營租賃的租金收入

經營租賃的應收租金收入在租賃期所涵蓋的期間內以等額在損益中確認；但如有其他基準能更清楚地反映使用租賃資產所得的利益模式則除外。經營租賃協議所涉及的激勵措施均在損益中確認為應收租賃淨付款總額的組成部分。或有租金在賺取的會計期間內確認為收入。

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(t) REVENUE RECOGNITION (Continued)

(iii) Dividends

- dividend income from unlisted investments is recognised when the shareholder's right to receive payment is established.
- dividend income from listed investments is recognised when the share price of the investment goes ex-dividend.

(iv) Interest income

Interest income is recognised as it accrues using the effective interest method.

(v) Government grants

Government grants are recognised in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are recognised initially as deferred income and consequently are effectively recognised in profit or loss on a systematic basis over the useful life of the asset by way of reduced depreciation expense.

(u) TRANSLATION OF FOREIGN CURRENCIES

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates.

2 主要會計政策(續)

(t) 收入確認(續)

(iii) 股利

- 非上市投資的股利收入在股東收取款項的權利確立時確認。
- 上市投資的股利收入在投資項目的股價除息時確認。

(iv) 利息收入

利息收入是在產生時按實際利息法確認。

(v) 政府補助

當可以合理地確定本集團將會收到政府補助並履行該補助的附帶條件時，便會在財務狀況表內將政府補助初始確認。用於彌補本集團已產生開支的補助，會在開支產生的期間有系統地在損益中確認為收入。用於彌補本集團資產成本的補助，初始確認為遞延收益，隨後會按該資產的可用期限通過降低折舊開支方式有系統地在損益中實際確認。

(u) 外幣換算

年內的外幣交易按交易日的外幣匯率換算。以外幣為單位的貨幣資產與負債則按於報告期末的外幣匯率換算。匯兌盈虧在損益中確認。

以歷史成本計量的外幣非貨幣資產與負債是按交易日的外幣匯率換算。

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(u) TRANSLATION OF FOREIGN CURRENCIES

(Continued)

The results of foreign operations which have a functional currency other than RMB are translated into RMB at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position items are translated into RMB at the closing foreign exchange rates at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve.

(v) BORROWING COSTS

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

(w) DERECOGNITION OF NON-DERIVATIVE FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by the Group is recognised as a separate asset or liability.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

2 主要會計政策(續)

(u) 外幣換算(續)

以人民幣以外的貨幣為功能貨幣的境外經營的業績按與交易日的外幣匯率相若的匯率換算為人民幣。財務狀況表項目則按於報告期末的收市外幣匯率換算為人民幣。所產生的匯兌差額在其他綜合收益中確認，並在權益中的匯兌儲備分開累計。

(v) 借貸成本

與收購、建造或生產需要長時間才可以投入擬定用途或銷售的資產直接相關的借貸成本，則予以資本化為該資產成本的一部分。其他借貸成本於產生期間列支。

屬於合資格資產成本一部分的借貸成本在資產產生開支、借貸成本產生和使資產投入擬定用途或銷售所必須的準備工作進行期間開始資本化。在使合資格資產投入擬定用途或銷售所必須的絕大部分準備工作中止或完成時，借貸成本便會暫停或停止資本化。

(w) 非衍生金融資產及金融負債的終止確認

當收取某項金融資產所得現金流的權利已經屆滿，或本集團已轉讓其收取該項資產所得現金流量的權利並已轉讓該項資產之絕大部分風險及回報，或本集團並無轉讓或保留該項資產絕大部分風險及回報，且未保留該項資產的控制權時，本集團將該項金融資產終止確認。本集團由於終止確認該項金融資產所產生或保留的任何權益單獨確認為資產或負債。

金融負債的現時義務免除、取消或過期時，本集團終止確認金融負債。

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(w) DERECOGNITION OF NON-DERIVATIVE FINANCIAL ASSETS AND FINANCIAL LIABILITIES (Continued)

Financial assets and financial liabilities are offset and net amount presented in the statement of financial position when, and only when, the Group has a legally enforceable right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(x) RELATED PARTIES

- (i) A person, or a close member of that person's family, is related to the Group if that person:
- (a) has control or joint control over the Group;
 - (b) has significant influence over the Group; or
 - (c) is a member of the key management personnel of the Group or the Group's parent.
- (ii) An entity is related to the Group if any of the following conditions applies:
- (a) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (b) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (c) Both entities are joint ventures of the same third party.
 - (d) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (e) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

2 主要會計政策(續)

(w) 非衍生金融資產及金融負債的終止確認(續)

僅當本集團具有抵銷已確認金額的法定權利，且計畫同時變現該金融資產和清償該金融負債並以淨額結算時，金融資產和金融負債相互抵銷後以淨額在財務狀況表內列示。

(x) 關聯方

- (i) 如屬以下人士，即該人士或該人士的近親是本集團的關聯方：
- (a) 控制或共同控制本集團；
 - (b) 對本集團有重大影響力；或
 - (c) 是本集團或本集團母公司的關鍵管理人員。
- (ii) 如符合下列任何條件，即企業實體是本集團的關聯方：
- (a) 該實體與本集團隸屬同一集團（即各母公司、附屬公司和同系附屬公司彼此間有關聯）。
 - (b) 一家實體是另一實體的聯營公司或合營公司（或另一實體所屬集團旗下成員公司的聯營公司或合營公司）。
 - (c) 兩家實體是同一第三方的合營公司。
 - (d) 一家實體是第三方實體的合營公司，而另一實體是第三方實體的聯營公司。
 - (e) 該實體是為本集團或作為本集團關聯方的任何實體的僱員福利而設的離職後福利計劃。

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) RELATED PARTIES (Continued)

- (ii) An entity is related to the Group if any of the following conditions applies: (Continued)
- (f) The entity is controlled or jointly controlled by a person identified in (i).
 - (g) A person identified in (i)(a) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (h) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(y) SEGMENT REPORTING

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

2 主要會計政策(續)

(x) 關聯方(續)

- (ii) 如符合下列任何條件，即企業實體是本集團的關聯方：(續)
- (f) 實體受到上述第(i)項內所認定人士控制或共同控制。
 - (g) 上述第(i)(a)項內所認定人士對該實體有重大影響力或是該實體(或該實體母公司)的關鍵管理人員。
 - (h) 向本集團或本集團母公司提供關鍵管理人員服務的實體或其所屬集團的任何成員公司。

一名人士的近親是指與有關實體交易並可能影響該人士或受該人士影響的家庭成員。

(y) 分部報告

本集團最高層管理人員定期取得用以對本集團各項業務及經營地域進行資源分配及表現評估的財務資料，而經營分部和財務報表所呈示各分部項目的數額會從中確定。

個別重要的經營分部不會合計以供財務報告之用，但如該等經營分部的產品和服務性質、生產工序性質、客戶類別或階層、分銷產品或提供服務的方法以至監管環境的本質等經濟特性均屬類似，則作別論。個別不重要的經營分部如果符合以上大部分特性，則可以合計。

3 ACCOUNTING JUDGEMENTS AND ESTIMATES

(a) JUDGEMENTS

In preparing these financial statements, management has made accounting judgements in applying the Group's accounting policies. Information about judgements made in applying the accounting policies that have the most significant effects on the amounts recognised in the financial statements is disclosed in the following notes:

- Lease classification (Note 2(j) and Note 35)
- Derecognition of non-derivative financial assets and financial liabilities (Note 2(w) and Note 33)

(b) ASSUMPTIONS AND ESTIMATION UNCERTAINTIES

Note 34 contains information about the assumptions and their risk factors relating to fair value measurements in the acquisition of subsidiary, share-based payment arrangements and financial instruments. Other key sources of estimation uncertainty are as follows:

- (i) **Impairment losses for bad and doubtful debts**
The Group estimates impairment losses for bad and doubtful debts resulting from the inability of the customers and other debtors to make the required payments. The Group bases the estimates on the aging of the receivable balance, debtors' credit-worthiness, and historical write-off experience. If the financial condition of the customers and debtors were to deteriorate, actual write-offs would be higher than estimated.
- (ii) **Provision for diminution in value of inventories**
When making estimates of net realisable value of inventories, the Group takes into consideration the use of inventories held on hand and other information available to form the underlying assumptions, including the inventories' market prices and the Group's historical operating costs. The actual selling price, the costs of completion and the costs necessary to make the sale and relevant taxes may vary based on the changes in market conditions and product saleability, manufacturing technology and the actual use of the inventories, resulting in the changes in provision for diminution in value of inventories. The net profit or loss may then be affected in the period when the provision for diminution in value of inventories is adjusted.

3 會計判斷和估計

(a) 判斷

在編製本財務報表時，管理層就採用本集團的會計政策作出會計判斷。管理層作出的對財務報表內確認金額構成最重大影響的會計政策判斷載列於下列附註：

- 租賃分類(附註2(j)和附註35)
- 非衍生金融資產及金融負債的終止確認(附註2(w)和附註33)

(b) 假設及估計的不確定因素

附註34載有關於收購附屬公司、以股份為基礎的支付安排和金融工具的公允價值計量的假設和風險因素的資料。其他主要的估計數額不確定因素如下：

- (i) **呆壞賬減值虧損**
本集團對因客戶及其他債務人無法按規定付款而造成的呆壞賬減值虧損進行估計。本集團的估計乃基於應收結餘的賬齡、債務人的信用及以往的呆壞賬沖銷經驗而作出。倘客戶及債務人的財政狀況惡化，實際的沖銷金額可能高於估計數字。
- (ii) **存貨跌價準備**
當對存貨的可變現淨值進行估計時，本集團將現有存貨的使用與其他可用的資訊一併考慮來形成基本假設，包括存貨的市場價格及本集團過往的營運成本等資訊。實際銷售價格、完工成本與必要的銷售費用，以及相關稅費可能因市場環境和產品的可銷售性、製造工藝和實際使用的存貨的變化而不同，從而導致計提的存貨跌價準備出現變化。當對計提的存貨跌價準備進行調整時，淨利潤或虧損則可能會受到影響。

3 ACCOUNTING JUDGEMENTS AND ESTIMATES

(Continued)

(b) ASSUMPTIONS AND ESTIMATION UNCERTAINTIES (Continued)

(iii) Impairment losses of non-current assets

In considering the impairment losses that may be required for certain of the Group's assets which include property, plant and equipment, intangible assets, lease prepayments, investments in joint ventures and associates and unquoted equity investments, recoverable amount of the asset needs to be determined. The recoverable amount is the greater of the fair value less costs to sell and the value in use. It is difficult to precisely estimate selling price because quoted market prices for these assets may not be readily available. In determining the value in use, expected cash flows generated by the asset are discounted to their present value, which requires significant judgement relating to items such as level of sale volume, selling price and amount of operating costs. The Group uses all readily available information in determining an amount that is reasonable approximation of recoverable amount, including estimates based on reasonable and supportable assumptions and projections of items such as sales volume, selling price and amount of operating costs.

(iv) Depreciation

Property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives of the assets, after taking into account the estimated residual value. The Group reviews the estimated useful lives of the assets regularly. The useful lives are based on the Group's historical experience with similar assets and taking into account anticipated technological changes. The depreciation expense for future periods is adjusted if there are significant changes from previous estimates.

3 會計判斷和估計(續)

(b) 假設及估計的不確定因素(續)

(iii) 非流動資產減值虧損

當考慮對本集團若干資產(包括物業、廠房及設備、無形資產、租賃預付款項、對合營公司、聯營公司的投資及非上市權益投資)計提減值虧損時,則須確定該等資產之可收回金額。可收回金額為公允價值減銷售成本或使用價值之較高者。由於並未能可靠取得該等資產之市場報價,因此難以準確估計售價。於確定使用價值時,該資產產生之預期現金流量將折現至其現值,而此需對銷量水準、售價以及營運成本金額等項目作出重要的判斷。本集團以所有現有數據以確定可收回金額之合理近似金額,包括根據合理及有證據支持的假設及預測對銷量、售價及營運成本金額進行估計。

(iv) 折舊

物業、廠房及設備在考慮其估計剩餘價值後,於預計可用期限內按直線法進行折舊。本集團定期審閱資產的預計可用期限。預計可用期限是本集團根據對同類資產的歷史經驗並考慮預期的技術轉變計算得出。倘與過往估計相比發生重大變化,則會對未來期間的折舊費用進行調整。

3 ACCOUNTING JUDGEMENTS AND ESTIMATES

(Continued)

(b) ASSUMPTIONS AND ESTIMATION UNCERTAINTIES (Continued)

(v) Income tax

The Company files income tax with local tax authority. Judgement is required in determining the provision for taxation in respect of certain calculations (such as the additional qualified tax deduction relating to research and development costs) for which the ultimate tax determination is only certain when approval from the local tax authority is obtained. For the 15% preferential tax rate available for an approved high-tech enterprise (see Note 8), in determining the applicable tax rate for calculation of current income tax and deferred income tax, after receiving the substantive approvals, the Company uses the expected tax rate that would probably be approved by the tax authority according to the tax rules and regulations enacted at the reporting period end date. If the final tax outcome were different from the amount originally recorded, the difference would have impact on the current income tax and deferred income tax provision in the period in which the final tax outcome became available.

4 REVENUE

The Group is principally engaged in the manufacturing and sales of optical fibre preforms, optical fibres, optical fibre cables and other related products and services. Revenue represents the sales value of goods supplied to customers, net of value added tax.

During the year ended 31 December 2015, the Group had two customers (2014: one) with whom transactions have exceeded 10% of the Group's annual revenue. Sales to these customers (including sales to entities, which are under the common control by these customers) during the year ended 31 December 2015 are as follows:

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Customer 1	客戶1	751,437	1,208,736 Less than 10% of the Group's annual revenue 低於本集團 年度收入的10%
Customer 2	客戶2	727,169	年度收入的10%

3 會計判斷和估計(續)

(b) 假設及估計的不確定因素(續)

(v) 所得稅

本公司向當地稅務機關申報所得稅。確定稅項撥備的某些計算(如合規定的研究開發費用的加計扣除)時需要做出判斷,因為最終的稅務決定只有得到當地稅務機關批准時才能確定。對於經核准的高新技術企業適用的15%優惠稅率(參見附註8),在確定計算當期所得稅和遞延所得稅的適用稅率時,在獲得實質批准後,本公司將使用稅務機關根據於報告期末日頒佈的稅務法規最有可能獲得批准的預期稅率計算。如果最終稅務結果與最初確認的金額不同,當最終稅務結果確定時,差異將對當期所得稅及遞延所得稅金額產生影響。

4 收入

本集團主要從事光纖預製棒、光纖、光纜和其他相關產品的生產及銷售和服務。收入代表銷售商品予客戶的銷售價值(已扣除增值稅)。

截至二零一五年十二月三十一日止年度,本集團有兩名客戶(二零一四年:一名)的個別交易額超過本集團年度收入的10%。銷售予該些客戶的交易額(包括銷售予受到該些客戶共同控制的實體)於截至二零一五年十二月三十一日止年度呈列如下:

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

5 OTHER INCOME

5 其他收益

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Dividend income from available-for-sale equity securities	可供出售證券投資的股利收入	156	3,655
Royalty fees	特許權使用費	5,900	6,300
Government grants	政府補助	47,788	24,080
Rental income from operating leases	經營租賃租金收益	822	822
Net loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損淨額	(2,189)	(3,422)
Gain on the remeasurement to fair value of pre-existing interest (Note 17(ii))	重新計量先前存在的權益公允價值的收益(附註17(ii))	425	-
Gain on a bargain purchase (Note 17(ii))	議價收購收益(附註17(ii))	29,974	-
Gain on disposal of available-for-sale equity securities	出售可供出售證券投資的收益	4,915	-
Net realised and unrealised loss on trading securities	交易性證券的已實現及未實現虧損淨額	(595)	-
Others	其他	-	198
		87,196	31,633

6 NET FINANCE COSTS

6 淨融資成本

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
<hr/>			
(a) Finance income	(a) 融資收入		
Interest income	利息收入	31,475	9,299
Net foreign exchange gains	匯兌收益淨額	-	42,742
<hr/>			
Finance income	融資收入	31,475	52,041
<hr/>			
(b) Finance costs	(b) 融資成本		
Interest on bank loans	銀行貸款利息	(64,786)	(68,632)
Less: interest expenses capitalised into construction in progress*	減：計入在建工程之資本化利息費用*	1,087	1,500
<hr/>			
		(63,699)	(67,132)
Net foreign exchange losses	匯兌損失淨額	(84,664)	-
Other finance costs	其他融資費用	(1,099)	(24,120)
Bank charges	銀行手續費	(6,909)	(7,992)
<hr/>			
Finance costs	融資成本	(156,371)	(99,244)
<hr/>			

* The borrowing costs have been capitalised at a rate of 2.52% (2014: 3.24%) per annum.

* 借貸成本已按年利率2.52%(二零一四年：3.24%)資本化。

7 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

(a) STAFF COSTS#

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Salaries, wages and other benefits	薪金、工資和其他福利	425,802	355,484
Contributions to defined contribution retirement plan	定額退休供款計劃的供款	41,710	35,229
		467,512	390,713

Pursuant to the relevant labour rules and regulations in the PRC, the Company and its subsidiaries in the PRC participated in defined contribution retirement schemes organised by the relevant local government authorities for their employees. The Company and its subsidiaries in the PRC are required to make contributions to the defined contribution retirement schemes at 20% of basic salaries of the employees. The local government authority is responsible for the entire pension obligations payable to retired employees.

The Group also participated in a social security scheme for its employees of the subsidiary in Indonesia according to the relevant regulation. Under such social security scheme, the Group is required to make contributions to the social security scheme at 6% of the employees' relevant income. Contributions to the scheme vest immediately.

The Group has no other material obligation for the payment of pension benefits beyond the annual contributions described above.

7 除稅前利潤

除稅前利潤已扣除/(計入)：

(a) 員工成本#

根據中國有關勞動規則及規例，本公司及其於中國的附屬公司為其僱員參與由中國當地政府主管部門組織的定額退休供款計劃(「退休計劃」)。本公司及其於中國的附屬公司須按僱員基本薪金的20%向退休計劃作出供款。當地政府機關負責全部應付退休僱員的退休福利。

根據相關法規的要求，本集團為其於印度尼西亞附屬公司的員工參與社會保障計劃。根據該社會保障計劃，本集團須按僱員相關收入的6%向社會保障計劃供款。向該計劃支付的供款即時生效。

除上述年度供款以外，本集團並無其他與退休福利付款相關的重大支付責任。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

7 PROFIT BEFORE TAXATION (Continued)

(b) OTHER ITEMS

Amortisation	攤銷
– lease prepayments	– 租賃預付款項
– intangible assets	– 無形資產
Depreciation [#]	折舊 [#]
– property, plant and equipment held for use under operating leases	– 用作經營租賃的物業、廠房及設備
– other property, plant and equipment	– 其他物業、廠房及設備
Operating lease charges: minimum lease payments	經營租賃費用：最低租賃付款額
Write-back of provision for impairment losses	減值虧損撥備轉回
– trade receivables	– 應收賬款
Auditors' remuneration	核數師酬金
– audit services	– 核數服務
– other services	– 其他服務
Research and development costs [#]	研究及開發成本 [#]
Cost of inventories [#] (Note 21(b))	存貨成本 [#] (附註21(b))

[#] Cost of inventories and research and development costs include RMB315,592,000 and RMB71,863,000 (2014: RMB266,255,000 and RMB57,482,000) respectively relating to staff costs, amortisation and depreciation expenses, of which the amounts are also included in the respective total amounts disclosed separately above or in Note 7(a) for each of these types of expenses.

7 除稅前利潤(續)

(b) 其他項目

2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
3,733	328
4,719	–
345	461
115,687	113,187
17,069	8,896
(135)	(4,802)
3,100	2,980
1,518	140
196,891	153,713
5,447,344	4,605,552

[#] 存貨成本及研究及開發成本包括分別與員工成本、攤銷及折舊費用有關的人民幣315,592,000元和人民幣71,863,000元(二零一四年：人民幣266,255,000元和人民幣57,482,000元)。有關數額亦已分別包含於上表或附註7(a)列示的各類開支總額中。

8 INCOME TAX IN THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

8 合併綜合收益表所示的所得稅

(a) TAXATION IN THE CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME REPRESENTS:

(a) 合併綜合收益表內的所得稅指：

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Current tax	即期稅項		
Provision for the year	年內撥備	66,635	66,489
Deferred tax	遞延稅項		
Origination and reversal of temporary differences	暫時性差異的產生及轉回	7,153	4,212
		73,788	70,701

(b) RECONCILIATION BETWEEN TAX EXPENSE AND ACCOUNTING PROFIT AT APPLICABLE TAX RATES:

(b) 稅項開支與會計利潤按照適用稅率計算的調節：

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Profit before taxation	除稅前利潤	632,022	534,738
Notional tax on profit before taxation at PRC corporate income tax rate of 25%	除稅前利潤按照中國企業法定稅率25%計算的名義稅項	158,006	133,685
Tax rate differentials	稅率差異	(47,042)	(43,453)
Effect of non-deductible expenses	不可扣減開支的影響	199	5,340
Effect of non-taxable income	非應稅收入的影響	(7,639)	(914)
Effect attributable to the additional qualified tax deduction relating to research and development costs	合資格研究及開發成本加計扣除的影響	(21,011)	(18,689)
Effect of share of results of associates and joint ventures	應佔聯營與合營公司業績的影響	(19,990)	(7,049)
Effect of unrecognised tax losses	未確認稅務虧損的影響	11,265	1,781
Actual tax expense	實際稅項開支	73,788	70,701

8 INCOME TAX IN THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Continued)

(b) RECONCILIATION BETWEEN TAX EXPENSE AND ACCOUNTING PROFIT AT APPLICABLE TAX RATES: (Continued)

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

Pursuant to the corporate income tax law and the relevant approval documents, the Company obtained the "high-tech enterprise" status in October 2014 for 3 years. According to the approval documents, the Company is an approved high-tech enterprise and is entitled to a preferential income tax rate of 15% during the year, subject to the fulfilment of the recognition criteria. Accordingly, the Company's provision for PRC corporate income tax for the year is calculated at 15% (2014: 15%).

Taxation for overseas subsidiaries is charged at the appropriate current rates of taxation ruling in the relevant countries and regions.

8 合併綜合收益表所示的所得稅(續)

(b) 稅項開支與會計利潤按照適用稅率計算的調節：(續)

本公司及其於中國的附屬公司須按25%的法定稅率繳納中國企業所得稅。

根據企業所得稅法及有關批准文件，本公司於二零一四年十月獲得了為期三年的「高新技術企業」資格。依據相關批准文件，本公司被認定為高新技術企業，並於本年度享受15%的優惠稅率。因此，本公司本年度按優惠稅率15%計提企業所得稅(二零一四年：15%)。

海外附屬公司之稅項乃按相關國家及地區現行適當稅率徵收。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

9 DIRECTORS' REMUNERATION

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

9 董事酬金

依照《香港公司法》第383節第一條以及公司法規第二部分「有關董事酬金披露信息」所披露的董事酬金詳情如下：

		2015 二零一五年				
		Directors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Total
		袍金	薪金、津貼及其他福利	酌情花紅	退休福利計劃供款	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Directors	董事					
Wen Huiquo	文會國	-	902	2,830	22	3,754
Frank Franciscus Dorjee	范·德意	468	-	-	-	468
Ma Jie	馬杰	468	-	-	-	468
Yao Jingming (appointed on 9 June 2015)	姚井明(於二零一五年六月九日獲委任)	284	-	-	-	284
Philippe Claude Vanhille	菲利普·范希爾	468	-	-	-	468
Yeung Kwok Ki	楊國琦	468	-	-	-	468
Xiong Xiangfeng	熊向峰	468	-	-	-	468
Zheng Huili (Note)	鄭慧麗(註)	468	-	-	-	468
Sun Jiming (resigned on 9 June 2015)	孫姬明(於二零一五年六月九日離任)	184	-	-	-	184
Independent non-executive directors	獨立非執行董事					
Ngai Wai Fung	魏偉峰	468	-	-	-	468
Ip Sik On Simon	葉錫安	628	-	-	-	628
Li Ping	李平	468	-	-	-	468
Li Zhuo	李卓	468	-	-	-	468
General manager	總經理					
Zhuang Dan	莊丹	-	914	3,770	71	4,755
Supervisors	監事					
Jiang Zhikang	江志康	-	697	450	71	1,218
Liu Deming (appointed on 9 June 2015)	劉德明(於二零一五年六月九日獲委任)	104	-	-	-	104
Li Chang'ai (appointed on 9 June 2015)	李長愛(於二零一五年六月九日獲委任)	104	-	-	-	104
Yao Jingming (resigned on 9 June 2015)	姚井明(於二零一五年六月九日離任)	74	-	-	-	74
Yu Jiakuan (resigned on 9 June 2015)	虞嘉萱(於二零一五年六月九日離任)	74	-	-	-	74
		5,664	2,513	7,050	164	15,391

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

9 DIRECTORS' REMUNERATION (Continued)

9 董事酬金(續)

		2014 二零一四年				
		Directors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Total
		袍金	薪金、津貼及其他福利	酌情花紅	退休福利計劃供款	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Directors		董事				
Wen Huiquo	文會國	-	894	1,050	21	1,965
Frank Franciscus Dorjee	范·德意	37	-	-	-	37
Ma Jie	馬杰	37	-	-	-	37
Sun Jiming	孫姬明	37	-	-	-	37
Philippe Claude Vanhille	菲利普·范希爾	37	-	-	-	37
Yeung Kwok Ki	楊國琦	37	-	-	-	37
Xiong Xiangfeng	熊向峰	37	-	-	-	37
Zheng Huili (Note)	鄭慧麗(註)	37	-	-	-	37
Independent non-executive directors		獨立非執行董事				
Ngai Wai Fung (appointed on 24 September 2014)	魏偉峰(於二零一四年九月二十四日獲委任)	37	-	-	-	37
Ip Sik On Simon (appointed on 24 September 2014)	葉錫安(於二零一四年九月二十四日獲委任)	50	-	-	-	50
Li Ping (appointed on 24 September 2014)	李平(於二零一四年九月二十四日獲委任)	37	-	-	-	37
Li Zhuo (appointed on 24 September 2014)	李卓(於二零一四年九月二十四日獲委任)	37	-	-	-	37
General manager		總經理				
Zhuang Dan	莊丹	-	906	1,050	67	2,023
Supervisors		監事				
Jiang Zhikang	江志康	-	696	400	67	1,163
Yao Jingming	姚井明	15	-	-	-	15
Yu Jiaxuan	虞嘉萱	15	-	-	-	15
		450	2,496	2,500	155	5,601

Note: Zheng Huili has been working with the Company and also serves as deputy secretary of the party committee during both the current and prior years. Remuneration paid to Zheng Huili in her position other than as director of the Company for the year ended 31 December 2015 is RMB881,000 (2014: RMB1,298,000).

註：鄭慧麗於本年度及以前年度在本公司工作並擔任黨委副書記。2015年度因上述職位而非董事所獲的酬金為人民幣881,000元(2014年：人民幣1,298,000元)。

10 INDIVIDUALS WITH HIGHEST EMOLUMENTS

The number of directors, chief executive, supervisors, non-directors and non-supervisors included in the five highest paid individuals during the year are set forth below:

		2015 二零一五年	2014 二零一四年
Directors, chief executive and supervisors	董事、行政總裁及監事	2	2
Non-directors and non-supervisors	非董事及非監事	3	3
		5	5

The emoluments of the directors (including chief executive and supervisors) are disclosed in Note 9. The aggregate of the emoluments in respect of the remaining highest paid individuals are as follows:

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Salaries and other emoluments	薪金和其他酬金	2,515	2,558
Discretionary bonuses	酌情花紅	5,700	2,600
Retirement scheme contributions	退休計劃供款	189	180
		8,404	5,338

10 最高酬金人士

於本年度內，五名最高酬金人士內的董事、行政總裁、監事、非董事及非監事人數如下：

董事(包括行政總裁及監事)的酬金詳情載於附註9。其餘最高酬金人士的酬金總額如下：

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

10 INDIVIDUALS WITH HIGHEST EMOLUMENTS

(Continued)

The emoluments of the non-directors and non-supervisors with the highest emoluments are within the following bands:

2015:	二零一五年:	
HKD3,000,001 to HKD3,500,000 (RMB2,441,001 to RMB2,813,000)	3,000,001港元至3,500,000港元 (人民幣2,441,001元至人民幣2,813,000元)	1
HKD3,500,001 to HKD4,000,000 (RMB2,813,001 to RMB3,215,000)	3,500,001港元至4,000,000港元 (人民幣2,813,001元至人民幣3,215,000元)	2
		3
2014:	二零一四年:	
HKD2,000,001 to HKD2,500,000 (RMB1,585,001 to RMB1,981,000)	2,000,001港元至2,500,000港元 (人民幣1,585,001元至人民幣1,981,000元)	3

10 最高酬金人士(續)

最高酬金人士中的非董事及非監事的酬金在以下範圍內:

11 EARNINGS PER SHARE

(a) BASIC EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB570,722,000 (2014: RMB466,344,000) and the weighted average of 640,981,710 ordinary shares (2014: 488,790,598 shares) in issue during the year, calculated as follows:

Weighted average number of ordinary shares

		2015 二零一五年	2014 二零一四年
Issued ordinary shares at 1 January	於一月一日已發行普通股	639,462,598	479,592,598
Effect of new shares issued under the public offering (Note 32(c)(i))	公開發行新股的影響 (附註32(c)(i))	-	9,198,000
Effect of shares issued under the Employee Stock Ownership Scheme (Note 31(b)(i))	根據員工持股計劃發行 股份的影響(附註31(b)(i))	1,139,299	-
Effect of placing of shares (Note 31(b)(ii))	股份配售的影響(附註31(b)(ii))	379,813	-
Weighted average number of ordinary shares at 31 December	於十二月三十一日加權平均 普通股股數	640,981,710	488,790,598

(b) DILUTED EARNINGS PER SHARE

The Company did not have any potential dilutive shares during both the current and prior years. Accordingly, diluted earnings per share are the same as basic earnings per share.

11 每股盈利

(a) 每股基本盈利

每股基本盈利是基於本公司普通權益持有人應佔利潤人民幣570,722,000元(二零一四年: 人民幣466,344,000元)以及年內已發行加權平均普通股640,981,710股(二零一四年: 488,790,598股)計算, 計算如下:

加權平均普通股股數

(b) 每股攤薄盈利

於本年度及過往年度, 本公司不存在潛在稀釋性股份。因此, 每股攤薄盈利與每股基本盈利一致。

12 SEGMENT REPORTING

The Group manages its businesses by products. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following two reportable segments for the year. No operating segments have been aggregated to form the following reportable segments.

- Optical fibres and optical fibre preforms: this segment produces optical fibres and optical fibre preforms which are sold to external parties.
- Optical fibre cables: this segment produces optical fibre cables which are sold to external parties.

The Group combined other business activities that are not reportable in "Others". Revenue included in this category is mainly from sales of equipment, raw materials and other related products.

(a) SEGMENT RESULTS

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results attributable to each reportable segment on the following bases:

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments. The measure used for reporting segment results is gross profit.

The Group's assets, liabilities, other operating expenses, such as selling and administrative expenses, finance income and finance costs, and share of results of associates and joint ventures, are not measured under individual segments. Accordingly, neither information on segment assets and liabilities nor information concerning capital expenditure, interest income and interest expense, etc. is presented.

12 分部報告

本集團通過產品管理業務。年內，本集團按照分配資源、評估業績用途而向本集團最高級行政管理層進行內部匯報所一致的方式列報以下兩個可呈報分部。概無合併任何經營分部，以組成以下報告分部。

- 光纖及預製棒：此分部生產光纖及光纖預製棒，並用於外銷。
- 光纜：此分部生產光纜，並用於外銷。

本集團將其他非報告分部合併以「其他」呈列。此部分的收入主要來源於銷售設備、原材料及其他相關產品。

(a) 分部業績

本集團高層行政管理人員按下列基準監察各個報告分部應佔的業績，以便評估分部表現及進行分部間資源分配：

分配至報告分部的收益及支出，已經參照該等分部所產生的銷售和該等分部所產生的費用。衡量報告分部業績的指標是毛利。

本集團的資產、負債、其他經營開支，如銷售及管理費用，融資收入和融資成本，以及應佔聯營和合營公司業績並未由各個分部考量。因此，未呈列分部資產和分部負債，亦或資本支出、利息收入和利息支出等資料。

12 SEGMENT REPORTING (Continued)

(a) SEGMENT RESULTS (Continued)

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the year is set out below:

12 分部報告(續)

(a) 分部業績(續)

年內，提供給本集團最高級行政管理層用作進行資源分配並對分部業績作出評估的關於本集團可呈報分部的資訊如下：

		2015 二零一五年			
		Optical fibres and optical fibre preforms 光纖及預製棒 RMB'000 人民幣千元	Optical fibre cables 光纜 RMB'000 人民幣千元	Others 其他 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Reportable segment revenue	可呈報分部收入				
Gross revenue from external customers	外部客戶收入	3,756,593	2,643,275	332,102	6,731,970
Elimination of revenue relating to downstream transactions with joint ventures	與合營公司順流交易收入抵銷	(116)	-	(740)	(856)
Revenue from external customers	外部客戶收入	3,756,477	2,643,275	331,362	6,731,114
Reportable segment profit (gross profit)	可呈報分部利潤(毛利)				
Segment profit before elimination of unrealised profits	抵銷未實現利潤前的分部利潤	1,113,007	158,497	36,235	1,307,739
Elimination of unrealised profits on downstream transactions with joint ventures	抵銷與合營公司的未實現順流交易利潤	(3,529)	-	-	(3,529)
Reportable segment profit (gross profit)	可呈報分部利潤(毛利)	1,109,478	158,497	36,235	1,304,210

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

12 SEGMENT REPORTING (Continued)

(a) SEGMENT RESULTS (Continued)

		2014 二零一四年			
		Optical fibres and optical fibre preforms 光纖及 預製棒 RMB'000 人民幣千元	Optical fibre cables 光纜 RMB'000 人民幣千元	Others 其他 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Reportable segment revenue	可呈報分部收入				
Gross revenue from external customers	外部客戶收入	3,197,335	1,989,433	457,021	5,643,789
Elimination of revenue relating to downstream transactions with joint ventures	與合營公司順流交易收入抵銷	32,317	-	676	32,993
Revenue from external customers	外部客戶收入	3,229,652	1,989,433	457,697	5,676,782
Reportable segment profit (gross profit)	可呈報分部利潤(毛利)				
Segment profit before elimination of unrealised profits	抵銷未實現利潤前的分部利潤	815,727	173,908	72,616	1,062,251
Elimination of unrealised profits on downstream transactions with joint ventures	抵銷與合營公司的未實現順流交易利潤	25,307	-	-	25,307
Reportable segment profit (gross profit)	可呈報分部利潤(毛利)	841,034	173,908	72,616	1,087,558

(b) RECONCILIATIONS OF REPORTABLE SEGMENT RESULTS TO CONSOLIDATED PROFIT BEFORE TAXATION:

(b) 分部報告業績與合併除稅前利潤的調節：

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Segment results	分部業績	1,304,210	1,087,558
Other income	其他收益	87,196	31,633
Selling expenses	銷售費用	(162,994)	(124,271)
Administrative expenses	管理費用	(551,452)	(441,173)
Net finance costs	淨融資成本	(124,896)	(47,203)
Share of results of associates and joint ventures	應佔聯營公司和合營公司業績	79,958	28,194
Consolidated profit before taxation	合併除稅前利潤	632,022	534,738

12 SEGMENT REPORTING (Continued)

(c) GEOGRAPHICAL INFORMATION

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's property, plant and equipment, construction in progress, intangible assets, lease prepayments, interests in associates and joint ventures and other prepayments ("specified non-current assets"). The geographical location of customers is based on the location at which the services were provided or the goods delivered. The geographical location of the specified non-current assets is based on the physical location of the asset, in the case of property, plant and equipment, the location of the operation to which they are allocated, in the case of intangible assets, lease prepayments and other prepayments, and the location of operations, in the case of interests in associates and joint ventures.

12 分部報告(續)

(c) 地區資料

下表列示(i)本集團來自外部客戶的收入及(ii)本集團的物業、廠房及設備、在建工程、無形資產、租賃預付款項、於聯營公司和合營公司的權益及其他預付款項(「特定非流動資產」)等所在地的資料。客戶所在地是按提供服務或商品的地點劃分。至於特定非流動資產所在地方面，物業、廠房及設備是基於資產的實際所在地劃分，無形資產、租賃預付款項及其他預付款項是基於所分配到的營運地點劃分，而於聯營公司和合營公司的權益則是基於營運地點劃分。

		Revenues from external customers 來自外部客戶的收入		Specified non-current assets 特定非流動資產	
		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Mainland China (place of domicile)	中國大陸(所在地)	6,201,465	5,278,671	2,151,277	1,869,336
Others	其他	529,649	398,111	34,488	-
		6,731,114	5,676,782	2,185,765	1,869,336

13 PROPERTY, PLANT AND EQUIPMENT

13 物業、廠房及設備

		Land and buildings 土地和 建築物 RMB'000 人民幣千元	Machinery and equipment 機器和 設備 RMB'000 人民幣千元	Office equipment 辦公設備 RMB'000 人民幣千元	Motor vehicles 車輛 RMB'000 人民幣千元	Total 總額 RMB'000 人民幣千元
Cost:	成本：					
At 1 January 2014	於二零一四年一月一日	240,355	1,756,290	84,211	8,678	2,089,534
Additions	增置	2,239	27,462	6,443	139	36,283
Transferred from construction in progress	由在建工程轉入	8,762	34,109	836	-	43,707
Disposals	處置	-	(19,303)	(10,274)	-	(29,577)
At 31 December 2014	於二零一四年十二月三十一日	251,356	1,798,558	81,216	8,817	2,139,947
At 1 January 2015	於二零一五年一月一日	251,356	1,798,558	81,216	8,817	2,139,947
Additions	增置	39,488	62,425	9,163	1,337	112,413
Through acquisition of a subsidiary	通過收購一家附屬公司	17,700	9,189	446	-	27,335
Transferred from construction in progress	由在建工程轉入	105,796	70,569	1,630	-	177,995
Disposals	處置	-	(1,664)	(3,257)	(83)	(5,004)
At 31 December 2015	於二零一五年十二月三十一日	414,340	1,939,077	89,198	10,071	2,452,686
Accumulated depreciation and impairment losses:	累計折舊和減值虧損：					
At 1 January 2014	於二零一四年一月一日	120,028	1,103,248	42,759	3,576	1,269,611
Charge for the year	本年度計提	10,083	92,903	9,689	973	113,648
Written back on disposals	處置時撥回	-	(16,157)	(9,685)	-	(25,842)
At 31 December 2014	於二零一四年十二月三十一日	130,111	1,179,994	42,763	4,549	1,357,417
At 1 January 2015	於二零一五年一月一日	130,111	1,179,994	42,763	4,549	1,357,417
Charge for the year	本年度計提	11,213	93,899	9,899	1,021	116,032
Written back on disposals	處置時撥回	-	(1,471)	(1,245)	(74)	(2,790)
At 31 December 2015	於二零一五年十二月三十一日	141,324	1,272,422	51,417	5,496	1,470,659
Net book value:	賬面淨值：					
At 31 December 2015	於二零一五年十二月三十一日	273,016	666,655	37,781	4,575	982,027
At 31 December 2014	於二零一四年十二月三十一日	121,245	618,564	38,453	4,268	782,530

ASSETS LEASED OUT UNDER OPERATING LEASES:

The Group leased out certain properties under operating leases. The aggregate net book value of these assets which leased out by the Group as at 31 December 2015 amounted to RMB5,477,000 (2014: RMB6,467,000).

以經營租賃租出的資產

本集團以經營租賃租出若干物業。於二零一五年十二月三十一日，本集團所出租資產的賬面淨值總額為人民幣5,477,000元(二零一四年：人民幣6,467,000元)。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

14 CONSTRUCTION IN PROGRESS

14 在建工程

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
At 1 January	於一月一日	93,888	40,030
Additions	增置	172,334	97,565
Through acquisition of a subsidiary	通過收購一家附屬公司	516	-
Transferred to property, plant and equipment	轉入物業、廠房及設備	(177,995)	(43,707)
At 31 December	於十二月三十一日	88,743	93,888

15 INTANGIBLE ASSETS

15 無形資產

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Patents	專利權		
Cost:	成本：		
At 1 January	於一月一日	151,019	-
Additions	增置	-	151,019
At 31 December	於十二月三十一日	151,019	151,019
Accumulated amortisation:	累計攤銷：		
At 1 January	於一月一日	-	-
Additions	增置	4,719	-
At 31 December	於十二月三十一日	4,719	-
Net book value:	賬面淨值：		
At 31 December	於十二月三十一日	146,300	151,019

16 LEASE PREPAYMENTS

16 租賃預付款項

Lease prepayments comprise interests in leasehold land held for own use under operating leases located in the PRC as follows:

租賃預付款項包括以經營租賃項持作自用的在中國的租賃土地權益，呈列如下：

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Land use rights held under medium-term leases	中期租賃持有的土地使用權	166,225	117,788

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

17 INVESTMENT IN SUBSIDIARIES

The particulars of the Company's subsidiaries at 31 December 2015 are set out below:

17 於附屬公司的投資

於二零一五年十二月三十一日，本公司附屬公司的詳情載列如下：

Name of company 公司名稱	Place and date of incorporation/ establishment 註冊/ 成立地點和日期	Issued/registered and paid-up capital 已發行/ 註冊和繳足資本	Proportion of ownership interest		Principal activities 主營業務
			Group's effective interest 本集團的 有效權益	Held by the Company 由本公司 持有	
Yangtze Optical Fibre and Cable Company (Hong Kong) Limited	Hong Kong 17 July 2013	HKD80,000	100.00%	100.00%	Trading of raw materials
	香港 二零一三年七月十七日	港幣80,000	100.00%	100.00%	原材料貿易
EverPro Technologies Company Limited	PRC 9 December 2013	RMB325,000,000	69.23%	69.23%	Production and sales of optical fibres, optical fibre cables and related products
長芯盛(武漢)科技 有限公司	中國 二零一三年十二月九日	人民幣325,000,000	69.23%	69.23%	光纖光纜及相關器件的 生產及銷售
EverProsper Technologies Company Limited 長芯盛(香港)科技 有限公司	Hong Kong 6 June 2014	RMB6,800,000	69.23%	–	Trading of raw materials
	香港 二零一四年六月六日	人民幣6,800,000	69.23%	–	原材料貿易
Shenzhen YOFC Connectivity Technologies Co., Ltd. 深圳長飛智連技術 有限公司	PRC 15 April 2015	RMB27,004,668	75.00%	75.00%	Production and sales of premises distributed system
	中國 二零一五年四月十五日	人民幣27,004,668	75.00%	75.00%	綜合佈線系統生產及 銷售
PT. Yangtze Optical Fibre Indonesia	Indonesia 22 May 2015	USD8,800,000	70.00%	70.00%	Production and sales of optical fibres and related products
	印度尼西亞 二零一五年五月二十二日	美元8,800,000	70.00%	70.00%	光纖及相關器件的生產 及銷售

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

17 INVESTMENT IN SUBSIDIARIES (Continued)

17 於附屬公司的投資(續)

Name of company 公司名稱	Place and date of incorporation/ establishment 註冊/ 成立地點和日期	Issued/registered and paid-up capital 已發行/ 註冊和繳足資本	Proportion of ownership interest		Principal activities 主營業務
			Group's effective interest 本集團的 有效權益	Held by the Company 由本公司 持有	
Yangtze Optical Fibre and Cable Shenyang Co., Ltd. 長飛光纖光纜瀋陽 有限公司	PRC 16 June 2015 中國 二零一五年六月十六日	RMB15,180,000 人民幣15,180,000	100.00%	100.00%	Production and sales of optical fibre cables and related products 光纜及相關器件的生產 及銷售
Yangtze Optical Fibre and Cable Lanzhou Co., Ltd. 長飛光纖光纜蘭州 有限公司	PRC 13 July 2015 中國 二零一五年七月十三日	RMB30,000,000 人民幣30,000,000	100.00%	100.00%	Production and sales of optical fibre cables and related products 光纜及相關器件的生產 及銷售
Yangtze Optical Fibre (Qianjiang) Co., Ltd. 長飛光纖潛江有限公司	PRC 28 July 2015 中國 二零一五年七月二十八日	RMB23,500,000 人民幣23,500,000	100.00%	100.00%	Production and sales of optical fibre cables and related products 光纜及相關器件的生產 及銷售
Ally First Optical Fiber and Cable Co., Ltd. 浙江聯飛光纖光纜 有限公司	PRC 8 December 2015 中國 二零一五年十二月八日	RMB85,690,000 人民幣85,690,000	51.00%	51.00%	Production and sales of optical fibre cables and related products 光纜及相關器件的生產 及銷售
NK Wuhan Cable Co., Ltd. (note ii) 武漢安凱電纜有限公司 (附註ii)	PRC 1 December 1999 中國 一九九九年十二月一日	RMB73,351,200 人民幣73,351,200	80.00%	80.00%	Production and sales of copper cable and related products 銅線及相關器件的生產 及銷售

17 INVESTMENT IN SUBSIDIARIES (Continued)

Notes:

- (i) The English translation of the names of the PRC subsidiaries is for identification only. Their official names are in Chinese.
- (ii) On 18 June 2015, the Company and NK China Investments B.V. ("NK China") entered into an equity transfer agreement, pursuant to which the Company agreed to acquire 60% equity interest in NK Wuhan Cable Co., Ltd. ("NK Wuhan"), previously held as to 20% by the Company, at a cash consideration of RMB18,000,000. The Company also agreed to undertake to fully indemnify NK China or any former and current directors of NK Wuhan appointed by NK China ("NK Directors") for any liabilities or obligations arising from any third party claim against NK China in its capacity as an equity holder of NK Wuhan and/or against NK Directors by reason of their being a director of NK Wuhan, up to a maximum aggregate amount of RMB10,000,000, within 36 months from 25 December 2015, the date of issuance of the new business licence of NK Wuhan. The acquisition was completed on 25 December 2015. As a result, the Company's equity interest in NK Wuhan increased from 20% to 80% and NK Wuhan became a subsidiary of the Company.

The following summarises the consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

Identifiable assets acquired and liabilities assumed:

		RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備	27,335
Construction in progress	在建工程	516
Lease prepayments	租賃預付款項	14,600
Inventories	存貨	15,184
Cash and cash equivalents	現金及現金等價物	32,217
Others	其他	(6,562)
Total identifiable net assets acquired	所收購的可辨認淨資產總額	83,290

Measurement of fair value

The valuation techniques used for measuring the fair value of material assets acquired were as follows.

Market comparison technique and cost technique have been adopted for measuring the fair value of property, plant and equipment and lease prepayment. The valuation model considers quoted market prices for similar items when they are available, and depreciated replacement cost when appropriate. Depreciated replacement cost reflects adjustments for physical deterioration as well as functional and economic obsolescence.

Market comparison technique has been adopted for measuring the fair value of inventories. The fair value is determined based on the estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

17 於附屬公司的投資(續)

註：

- (i) 中國附屬公司的英文名稱僅供識別，其法定名稱為中文。
- (ii) 於二零一五年六月十八日，本公司與NK China Investments B.V. (「NK China」) 簽訂股權轉讓協議，據此，本公司同意收購武漢安凱電纜有限公司(「武漢安凱」)的60%股權(本公司之前持有20%股權)，現金對價為人民幣18,000,000元。本公司還同意完全承擔NK China或任何由NK China任命的武漢安凱前任和現任董事(「NK董事」)因第三方向NK China作為武漢安凱的權益持有人或向作為武漢安凱董事的NK董事提出索賠而引起的任何負債或義務，最高總額為人民幣10,000,000元，自武漢安凱獲得新的營業執照日(二零一五年十二月二十五日)起三十六個月內到期。收購事項於二零一五年十二月二十五日完成。因此，本公司於武漢安凱的權益從20%增加至80%，武漢安凱成為本公司的附屬公司。

所轉讓的對價及於收購日期所收購的資產和所承擔的負債的確認金額呈列如下：

所收購的可辨別資產及所承擔的負債：

	RMB'000 人民幣千元
Property, plant and equipment	27,335
Construction in progress	516
Lease prepayments	14,600
Inventories	15,184
Cash and cash equivalents	32,217
Others	(6,562)
Total identifiable net assets acquired	83,290

公允價值計量

計量所收購的重大資產的公允價值的估值技術如下。

物業、廠房及設備及租賃預付款的公允價值採用市場比較法和成本法計量。估值模型參考同類項目的市場報價(可供使用時)和已折舊重置成本(適用時)。已折舊重置成本反映對實際退化以及功能及經濟報廢的調整。

存貨的公允價值採用市場比較法計量，以正常業務過程中估計售價減估計完工及銷售成本，以及基於完成出售存貨所需的努力定出的合理毛利率釐定。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

17 INVESTMENT IN SUBSIDIARIES (Continued)

Notes: (Continued)

Consideration transferred:

		RMB'000 人民幣千元
Cash	現金	18,000
Fair value of previously held equity interest classified as an associate	先前以合營公司分類所持有權益的公允價值	18,658
Total consideration transferred	轉讓的對價總額	36,658

Goodwill:

		RMB'000 人民幣千元
Consideration transferred	轉讓的對價	36,658
Non-controlling interest, based on their proportionate interest in the recognised amounts of the assets and liabilities	非控股權益(按其佔資產及負債已確認金額的比例計算)	16,658
Fair value of identifiable net assets	可辨認淨資產的公允價值	(83,290)
Gain on bargain purchase	議價購買收益	(29,974)

The Group believes that the major reason for this bargain purchase is that NK Wuhan had incurred loss for several years and the original controlling shareholder of NK Wuhan is a connected person of the Group. As a result, the Group was able to reach a relatively low consideration with NK China and a gain was incurred accordingly.

本集團認為該議價購買的主要原因在於武漢安凱近幾年發生虧損，原來控股股東為本集團關連人士。因此，本集團能夠與安凱中國達成相對較低的對價，並產生收益。

Analysis of net inflow of cash and cash equivalents in respect of the acquisition of a subsidiary is as follows:

		RMB'000 人民幣千元
Cash and cash equivalents	現金及現金等價物	32,217
Cash consideration	現金對價	(18,000)
Net inflow of cash and cash equivalents	現金及現金等價物流入淨額	14,217

有關收購一家附屬公司的現金及現金等價物流入淨額的分析如下：

Further details of the acquisition of additional 60% equity interest in NK Wuhan were set out in the Company's announcement dated 18 June 2015.

有關收購武漢安凱額外60%股權之詳情，載於本公司日期為二零一五年六月十八日之公告內。

(iii) The Group did not have material non-controlling interest during both the current and prior years.

(iii) 本集團於本年度及過往年度並無重大非控股權益。

(iv) All these non-wholly owned subsidiaries of the Group are established in the PRC under contractual joint venture arrangements.

(iv) 本集團採用合同式合營公司在中國註冊成立非全資控股附屬公司。

(v) All subsidiaries of the Group established in the PRC are in the form of limited liability company.

(v) 本集團在中國成立的附屬公司均為有限責任公司。

18 INTEREST IN ASSOCIATES

18 聯營公司權益

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Share of net assets	應佔淨資產	10,747	28,712

The particulars of the Company's associate, which is an unlisted corporate entity, at 31 December 2015 are set out below:

於二零一五年十二月三十一日，本公司聯營公司(該公司為非上市公司實體)的詳情載列如下：

Name of company 公司名稱	Place of establishment and business 成立及業務地點	Registered and paid-up capital 已註冊和繳足資本詳情	Proportion of ownership interest		Principal activities 主營業務
			Group's effective interest 本集團的有效權益	Held by the Company 由本公司持有	
Wuhan Yunjingfei Optical Fibre Material Co., Ltd.	PRC	RMB45,000,000	20.00%	20.00%	Production and sales high purity germanium tetrachloride for the optical fibres
武漢雲晶飛光纖材料有限公司	中國	人民幣45,000,000	20.00%	20.00%	織用高純四氯化錳的生產和銷售

Notes:

- (i) During the year, the Company acquired additional 60% interests in NK Wuhan. Together with the original 20% equity interests in NK Wuhan, NK Wuhan has become a subsidiary of the Group upon the completion of the acquisition on 25 December 2015. Further details are set out in Note 17.
- (ii) The English translation of the name is for identification only. The official name of the entity is in Chinese.
- (iii) The above associate is accounted for using the equity method in the consolidated financial statements.
- (iv) At 31 December 2015 and 2014, the Group's associates is not regarded as individually material.

註：

- (i) 於年內，本公司收購武漢安凱之額外60%股權，連同原持有的武漢安凱之20%股權，在二零一五年十二月二十五日完成收購後，武漢安凱成為本集團之附屬公司，有關詳情見附註17。
- (ii) 英文名稱僅供識別。該企業法定名稱為中文。
- (iii) 上述聯營公司按權益法在合併財務報表中列賬。
- (iv) 於二零一五年及二零一四年十二月三十一日，本集團聯營公司不被視為個別重大。

19 INTEREST IN JOINT VENTURES

19 合營公司權益

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Share of net assets	應佔淨資產	705,914	640,605
Goodwill	商譽	18,528	18,528
		724,442	659,133
Less: impairment loss	減：減值虧損	(4,130)	(4,130)
		720,312	655,003

The following list contains the particulars of joint ventures, all of which are unlisted corporate entities, at 31 December 2015:

於二零一五年十二月三十一日，合營公司(全部均為非上市公司實體)的詳情如下：

Name of company 公司名稱	Place of establishment and business 成立及業務地點	Registered and paid-up capital 已註冊和繳足資本詳情	Proportion of ownership interest 所有者權益比例		Principal activities 主營業務
			Group's effective interest 本集團的有效權益	Held by the Company 由本公司持有	
Yangtze Optical Fibre and Cable (Shanghai) Co., Ltd. (note iii) 長飛光纖光纜(上海)有限公司 (附註iii)	PRC 中國	RMB100,300,000 人民幣100,300,000	75.00%	75.00%	Production and sales of optical fibre cables 生產及銷售光纜
Yangtze Zhongli Optical Fibre and Cable (Jiangsu) Co., Ltd. (note iii) 江蘇長飛中利光纖光纜有限公司 (附註iii)	PRC 中國	RMB92,880,000 人民幣92,880,000	51.00%	51.00%	Production and sales of optical fibre cables 生產及銷售光纜

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

19 INTEREST IN JOINT VENTURES (Continued)

19 合營公司權益(續)

Name of company 公司名稱	Place of establishment and business 成立及業務地點	Registered and paid-up capital 已註冊和繳足資本詳情	Proportion of ownership interest		Principal activities 主營業務
			Group's effective interest 本集團的有效權益	Held by the Company 由本公司持有	
Yangtze Optical Fibre and Cable Sichuan Co., Ltd. (Note iii) 長飛光纖光纜四川有限公司(附註iii)	PRC 中國	RMB53,800,000 人民幣53,800,000	51.00%	51.00%	Production and sales of optical fibre cables 生產及銷售光纜
Tianjin YOFC XMKJ Optical Communications Co., Ltd. 天津長飛鑫茂光通信有限公司	PRC 中國	RMB220,000,000 人民幣220,000,000	49.00%	49.00%	Production and sales of optical fibres 生產及銷售光纖
Yangtze (Wuhan) Optical and System Co., Ltd. 長飛(武漢)光系統股份有限公司	PRC 中國	RMB47,500,000 人民幣47,500,000	46.32%	46.32%	Production and sales of optical devices and related products 生產及銷售光學設備及相關產品
Shantou Hi-Tech Zone Ao Xing Optical Communication Equipment Co., Ltd. 汕頭高新區奧星光通信設備有限公司	PRC 中國	RMB170,558,817 人民幣170,558,817	42.42%	42.42%	Production and sales of optical fibre cables 生產及銷售光纜
Shenzhen SDGI Optical Fibre Co., Ltd. 深圳特發信息光纖有限公司	PRC 中國	RMB206,518,320 人民幣206,518,320	35.36%	35.36%	Production and sales of precise optical fibres 生產及銷售光纖

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

19 INTEREST IN JOINT VENTURES (Continued)

Name of company 公司名稱	Place of establishment and business 成立及業務地點	Registered and paid-up capital 已註冊和繳足資本詳情	Proportion of ownership interest 所有者權益比例		Principal activities 主營業務
			Group's effective interest 本集團的有效權益	Held by the Company 由本公司持有	
Tianjin YOFC XMKJ Optical Cable Co., Ltd. 天津長飛鑫茂光纜有限公司	PRC 中國	RMB100,000,000 人民幣100,000,000	20.00%	20.00%	Production and sales of optical fibre cables 生產及銷售光纜
Wuhan Guangyuan Electronic Technology Co., Ltd. 武漢光源電子科技有限公司	PRC 中國	RMB5,000,000 人民幣5,000,000	20.00%	20.00%	Products and sales of precise mould and electronic devices 生產及銷售精密模具及電子設備
YOFC-Yadanarbon Fibre Co., Ltd.	Myanmar	USD4,000,000	50.00%	50.00%	Production and sales of optical fibre cables 生產及銷售光纜
	緬甸	美元4,000,000	50.00%	50.00%	

Notes:

- (i) The English translation of the names of the PRC entities is for identification only. Their official names are in Chinese.
- (ii) All of the above joint ventures are accounted for using the equity method in the consolidated financial statements.
- (iii) Pursuant to the Articles of Association of Yangtze Optical Fibre and Cable (Shanghai) Co., Ltd. ("YOFC Shanghai"), Yangtze Zhongli Optical Fibre and Cable (Jiangsu) Co., Ltd. ("YOFC Jiangsu") and Yangtze Optical Fibre and Cable Sichuan Co., Ltd. ("YOFC Sichuan"), unanimous consent of all investors is required for decisions of the entities' financing and operating activities. Accordingly, the Company has joint control over these entities and investments in YOFC Shanghai, YOFC Jiangsu and YOFC Sichuan are accounted for in the consolidated financial statements under the equity method.

註：

- (i) 中國實體的英文名稱僅供識別，其法定名稱為中文。
- (ii) 上述合營公司均按權益法在合併財務報表中列賬。
- (iii) 根據長飛光纖光纜(上海)有限公司(「長飛上海」)、江蘇長飛中利光纖光纜有限公司(「長飛江蘇」)及長飛光纖光纜四川有限公司(「長飛四川」)的公司章程細則，其財務及營運決策須獲得全體投資者一致同意通過。因此，本公司及其他投資者共同控制該等實體，於長飛上海、長飛江蘇及長飛四川的投資按權益法在合併財務報表中列賬。

19 合營公司權益(續)

19 INTEREST IN JOINT VENTURES (Continued)

Notes: (Continued)

- (iv) The Group sold optical fibre preforms and optical fibres to certain joint ventures for the production of optical fibres and optical fibre cables. In addition, the Group also purchased optical fibres and optical fibre cables from certain joint ventures. Further details of transactions with joint ventures are disclosed in Note 36.
- (v) Summarised financial information of the Group's material joint ventures and reconciliation to the carrying amounts in the consolidated financial statements are as follows:
- (a) Yangtze Optical Fibre and Cable (Shanghai) Co., Ltd.

19 合營公司權益(續)

註：(續)

- (iv) 本集團向部分合營公司銷售光纖預製棒及光纖用於其光纖和光纜的製造。同時，本集團亦從部分合營公司採購光纖及光纜。與合營公司相關交易詳情於附註36呈列。
- (v) 主要合營公司的財務資料概要及其與合併財務報表內賬面金額的調節如下：
- (a) 長飛光纖光纜(上海)有限公司

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Gross amounts	總額		
Current assets	流動資產	386,660	332,309
Non-current assets	非流動資產	92,266	86,023
Current liabilities	流動負債	(215,057)	(173,167)
Non-current liabilities	非流動負債	(210)	(315)
Equity	權益	263,659	244,850
Included in the above assets and liabilities:	下列項目已計入上述資產和負債中：		
Cash and cash equivalents	現金及現金等價物	23,327	18,005
Revenue	收入	664,160	544,877
Profit from continuing operations	持續經營利潤	31,527	28,855
Total comprehensive income	綜合收益總額	31,527	28,855
Dividend received	已收股利	4,000	7,466
Included in the above profit:	下列項目已計入上述利潤中：		
Depreciation and amortisation	折舊和攤銷	(11,220)	(10,603)
Interest income	利息收入	148	237
Interest expense	利息支出	-	(783)
Income tax expense	所得稅支出	(5,656)	(5,073)
Reconciled to the Group's interest in joint venture	與本集團所持合營公司權益的調節		
Gross amounts of net assets	淨資產總額	263,659	244,850
Group's effective interest	本集團的有效權益	75.00%	75.00%
Group's share of net assets	本集團應佔的淨資產	197,744	183,638
Elimination of unrealised profits on downstream transactions	抵消未實現順流交易利潤	(7,741)	(9,470)
Carrying amount in the consolidated financial statements	在合併財務報表的賬面金額	190,003	174,168

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

19 INTEREST IN JOINT VENTURES (Continued)

Notes: (Continued)

(v) Summarised financial information of the Group's material joint ventures and reconciliation to the carrying amounts in the consolidated financial statements are as follows: (Continued)

(b) Yangtze Zhongli Optical Fibre and Cable (Jiangsu) Co., Ltd.

19 合營公司權益(續)

註：(續)

(v) 主要合營公司的財務資料概要及其與合併財務報表內賬面金額的調節如下：(續)

(b) 江蘇長飛中利光纖光纜有限公司

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Gross amounts	總額		
Current assets	流動資產	556,536	503,513
Non-current assets	非流動資產	46,362	36,761
Current liabilities	流動負債	(355,758)	(307,302)
Equity	權益	247,140	232,972
Included in the above assets and liabilities:	下列項目已計入上述資產和負債中：		
Cash and cash equivalents	現金及現金等價物	30,773	50,933
Current financial liabilities (excluding trade and other payables and provisions)	流動金融負債(不包括應付賬款及其他應付款和準備)	(30,000)	(52,000)
Revenue	收入	770,542	565,745
Profit from continuing operations	持續經營利潤	30,869	33,402
Total comprehensive income	綜合收益總額	30,869	33,402
Dividend received	已收股利	7,653	5,938
Included in the above profit:	下列項目已計入上述利潤中：		
Depreciation and amortisation	折舊和攤銷	(4,523)	(4,510)
Interest income	利息收入	1,050	718
Interest expense	利息支出	(2,330)	(2,117)
Income tax expense	所得稅支出	(5,409)	(5,991)
Reconciled to the Group's interest in joint venture	與本集團所持合營公司權益的調節		
Gross amounts of net assets	淨資產總額	247,140	232,972
Group's effective interest	本集團的有效權益	51.00%	51.00%
Group's share of net assets	本集團應佔淨資產	126,041	118,816
Elimination of unrealised profits on downstream transactions	抵消未實現順流交易利潤	(6,097)	(8,245)
Carrying amount in the consolidated financial statements	在合併財務報表的賬面金額	119,944	110,571

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

19 INTEREST IN JOINT VENTURES (Continued)

Notes: (Continued)

(v) Summarised financial information of the Group's material joint ventures and reconciliation to the carrying amounts in the consolidated financial statements are as follows: (Continued)

(c) Tianjin YOFC XMKJ Optical Communications Co., Ltd.

19 合營公司權益(續)

註：(續)

(v) 主要合營公司的財務資料概要及其與合併財務報表內賬面金額的調節如下：(續)

(c) 天津長飛鑫茂光通信有限公司

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Gross amounts	總額		
Current assets	流動資產	267,597	254,993
Non-current assets	非流動資產	463,874	491,410
Current liabilities	流動負債	(351,385)	(374,034)
Non-current liabilities	非流動負債	(84,548)	(118,382)
Equity	權益	295,538	253,987
Included in the above assets and liabilities:	下列項目已計入上述資產和負債中：		
Cash and cash equivalents	現金及現金等價物	18,409	12,694
Current financial liabilities (excluding trade and other payables and provisions)	流動金融負債(不包括應付賬款及其他應付款和準備)	(180,000)	(242,666)
Non-current financial liabilities (excluding trade and other payables and provisions)	非流動金融負債(不包括應付賬款及其他應付款和準備)	-	(112,834)
Revenue	收入	838,281	526,014
Profit/(loss) from continuing operations	持續經營利潤/(虧損)	41,551	(32,684)
Total comprehensive income	綜合收益總額	41,551	(32,684)
Included in the above profit/(loss):	下列項目已計入上述利潤/(虧損)中：		
Depreciation and amortisation	折舊和攤銷	(42,309)	(42,667)
Interest income	利息收入	3,395	1,045
Interest expense	利息支出	(15,529)	(18,728)
Income tax expense	所得稅支出	-	(6,197)
Reconciled to the Group's interest in joint venture	與本集團持有合營公司權益的調節		
Gross amounts of net assets	淨資產總額	295,538	253,987
Group's effective interest	本集團的有效權益	49.00%	49.00%
Group's share of net assets	本集團應佔淨資產	144,814	124,454
Elimination of unrealised profits on downstream transactions	抵銷未實現順流交易利潤	(14,543)	(8,536)
Carrying amount in the consolidated financial statements	在合併財務報表的賬面金額	130,271	115,918

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

19 INTEREST IN JOINT VENTURES (Continued)

Notes: (Continued)

(v) Summarised financial information of the Group's material joint ventures and reconciliation to the carrying amounts in the consolidated financial statements are as follows: (Continued)

(d) Shantou Hi-Tech Zone Ao Xing Optical Communication Equipment Co., Ltd.

19 合營公司權益(續)

註：(續)

(v) 主要合營公司的財務資料概要及其與合併財務報表內賬面金額的調節如下：(續)

(d) 汕頭高新區奧星光通信設備有限公司

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Gross amounts	總額		
Current assets	流動資產	272,327	301,436
Non-current assets	非流動資產	52,352	56,636
Current liabilities	流動負債	(106,808)	(150,914)
Non-current liabilities	非流動負債	(3,000)	-
Equity	權益	214,871	207,158
Included in the above assets and liabilities:	下列項目已計入上述資產和負債中：		
Cash and cash equivalents	現金及現金等價物	3,567	9,570
Revenue	收入	484,271	427,984
Profit from continuing operations	持續經營利潤	16,613	13,523
Total comprehensive income	綜合收益總額	16,613	13,523
Dividend received	股利收入	3,775	6,875
Included in the above profit:	下列項目已計入上述利潤中：		
Depreciation and amortisation	折舊和攤銷	(7,996)	(8,194)
Interest income	利息收入	1,063	595
Interest expense	利息支出	-	(136)
Income tax expense	所得稅支出	(2,936)	(2,558)
Reconciled to the Group's interest in joint venture	與本集團持有合營公司權益的調節		
Gross amounts of net assets	淨資產總額	214,871	207,158
Group's effective interest	本集團的有效權益	42.42%	42.42%
Group's share of net assets	本集團應佔淨資產	91,148	87,876
Elimination of unrealised profits on downstream transactions	抵銷未實現順流交易利潤	(7,119)	(6,701)
Carrying amount in the consolidated financial statements	在合併財務報表的賬面金額	84,029	81,175

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

19 INTEREST IN JOINT VENTURES (Continued)

Notes: (Continued)

(v) Summarised financial information of the Group's material joint ventures and reconciliation to the carrying amounts in the consolidated financial statements are as follows: (Continued)

(e) Shenzhen SDGI Optical Fibre Co., Ltd.

19 合營公司權益(續)

註：(續)

(v) 主要合營公司的財務資料概要及其與合併財務報表內賬面金額的調節如下：(續)

(e) 深圳特發信息光纖有限公司

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Gross amounts	總額		
Current assets	流動資產	262,546	241,282
Non-current assets	非流動資產	135,226	149,485
Current liabilities	流動負債	(150,871)	(156,582)
Non-current liabilities	非流動負債	(10,415)	(14,020)
Equity	權益	236,486	220,165
Included in the above assets and liabilities:	下列項目已計入上述資產和負債中：		
Cash and cash equivalents	現金及現金等價物	25	5,665
Current financial liabilities (excluding trade and other payables and provisions)	流動金融負債(不包括應付賬款及其他應付款和準備)	(2,425)	(2,425)
Non-current financial liabilities (excluding trade and other payables and provisions)	非流動金融負債(不包括應付賬款及其他應付款和準備)	(3,395)	(5,820)
Revenue	收入	414,780	355,151
Profit from continuing operations	持續經營利潤	16,321	7,281
Total comprehensive income	綜合收益總額	16,321	7,281
Included in the above profit:	下列項目已計入上述利潤中：		
Depreciation and amortisation	折舊和攤銷	(13,108)	(13,123)
Interest income	利息收入	132	270
Interest expense	利息支出	(641)	(1,017)
Income tax expense	所得稅支出	(1,031)	(3,333)
Reconciled to the Group's interest in joint venture	與本集團持有合營公司權益的調節		
Gross amounts of net assets	淨資產總額	236,486	220,165
Group's effective interest	本集團的有效權益	35.36%	35.36%
Group's share of net assets	本集團應佔淨資產	83,621	77,850
Goodwill	商譽	10,627	10,627
Elimination of unrealised profits on downstream transactions	抵銷未實現順流交易利潤	(3,631)	(104)
Carrying amount in the consolidated financial statements	在合併財務報表的賬面金額	90,617	88,373

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

19 INTEREST IN JOINT VENTURES (Continued)

Notes: (Continued)

- (vi) The aggregate financial information, of other individually immaterial joint ventures, is as follows:

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Aggregate carrying amount of individually immaterial joint ventures in the consolidated financial statements	合併財務報表中個別不重大合營公司的賬面金額總額	105,448	84,798
Aggregate amounts of the Group's share of those joint ventures'	本集團應佔該等合營公司股份的總額		
Profit/(loss) from continuing operations	持續經營利潤/(虧損)	7,124	(1,757)
Total comprehensive income	綜合收益總額	7,124	(1,757)

20 OTHER NON-CURRENT ASSETS

- Available-for-sale equity securities
– Unlisted
– Listed in the PRC (Note 34(e)(i))

- Prepayments for property, plant and equipment, intangible assets and lease prepayments
Bank deposits
Interest receivable
Loans to a joint venture (note)

- 可供出售證券投資
– 非上市
– 在中國上市(附註34(e)(i))

- 預付物業、廠房及設備、無形資產和租賃預付款項
定期存款
應收利息
給予合營公司貸款(附註)

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Available-for-sale equity securities – Unlisted – Listed in the PRC (Note 34(e)(i))	可供出售證券投資 – 非上市 – 在中國上市(附註34(e)(i))	21,150 106,175	28,805 55,109
Prepayments for property, plant and equipment, intangible assets and lease prepayments	預付物業、廠房及設備、無形資產和租賃預付款項	127,325 71,411	83,914 40,396
Bank deposits	定期存款	205,000	–
Interest receivable	應收利息	5,934	–
Loans to a joint venture (note)	給予合營公司貸款(附註)	20,000	–
		429,670	124,310

Note: At 31 December 2015, loans to a joint venture of RMB20,000,000, through an entrusted loan arrangement with a bank, were unsecured, bearing interest at 4.75%-5.00% per annum and repayable in 2017.

附註：於二零一五年十二月三十一日，通過一家銀行委託貸款形式給予合營公司的貸款人民幣20,000,000元為無抵押貸款，分別按年利率4.75%至5.00%計息，並於二零一七年償還。

19 合營公司權益(續)

註：(續)

- (vi) 其他個別不重大的合營公司的財務資料總額呈列如下：

20 其他非流動資產

21 INVENTORIES

(a) INVENTORIES IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION COMPRISE:

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Raw materials and spare parts	原材料和備件	330,155	380,790
Work in progress	在製品	56,346	64,704
Finished goods	製成品	291,561	251,967
		678,062	697,461

(b) THE ANALYSIS OF THE AMOUNT OF INVENTORIES RECOGNISED AS AN EXPENSE AND INCLUDED IN PROFIT OR LOSS IS AS FOLLOWS:

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Carrying amount of inventories sold	出售存貨的賬面數額	5,426,904	4,589,224
Write-down of inventories	存貨數額撇減	20,440	16,328
		5,447,344	4,605,552

21 存貨

(a) 合併財務狀況表所示的存貨包括：**(b) 確認為支出並計入損益的存貨數額分析如下：**

22 TRADE AND BILLS RECEIVABLES

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Trade receivables	應收賬款		
– related parties	– 關聯方	227,179	212,867
– third parties	– 第三方	1,732,005	1,281,985
Bills receivable	應收票據	174,051	264,458
Less: allowance for doubtful debts	減：呆賬撥備	(14,057)	(14,192)
		2,119,178	1,745,118

All of the trade and bills receivables are expected to be recovered within one year.

所有應收賬款及票據預期將於一年內收回。

22 應收賬款及票據

22 TRADE AND BILLS RECEIVABLES (Continued)

(a) AGEING ANALYSIS

As of the end of the reporting period, the ageing analysis of trade and bills receivables, based on the invoice date and net of allowance for doubtful debts, is as follows:

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Within 3 months	三個月內	1,671,587	929,542
3 to 6 months	三至六個月	176,609	239,966
6 months to 1 year	六個月至一年	142,975	270,018
1 to 2 years	一至二年	111,313	234,010
2 to 3 years	二至三年	12,146	66,523
Over 3 years	超過三年	4,548	5,059
		2,119,178	1,745,118

During the years ended 31 December 2015 and 2014, the Group's customers included state-owned telecommunication network operators (the "State-owned Telecommunication Operators"), other independent third parties and certain joint ventures. The Group generally required the State-owned Telecommunication Operators to make 70%-80% payment upon delivery of goods and pay the remaining balance in one year. In addition, the Group granted credit periods of 30 to 90 days to those long standing third party customers with good payment history and the joint ventures. The credit period of individual customer is considered on a case-by-case basis and set out in the sales contracts, as appropriate. Normally, the Group does not obtain collateral from customers.

22 應收賬款及票據(續)

(a) 賬齡分析

於報告期末，本集團按發票日之應收賬款及票據(扣除呆賬撥備)之賬齡分析如下：

	2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Within 3 months	1,671,587	929,542
3 to 6 months	176,609	239,966
6 months to 1 year	142,975	270,018
1 to 2 years	111,313	234,010
2 to 3 years	12,146	66,523
Over 3 years	4,548	5,059
	2,119,178	1,745,118

於截至二零一五年及二零一四年十二月三十一日止年度，本集團的客戶包括國有電信營運商(「國有電信營運商」)、其他獨立第三方及若干合營公司。本集團一般要求國有電信營運商於收到貨物時支付70%-80%貨款並在一年內支付其餘部分。同時，本集團向長期合作並具有良好支付記錄的第三方客戶及合營公司授予30至90天的信用期。個別客戶的信用期均單獨考量並於銷售合同中相應註明。本集團通常不會向客戶收取擔保物。

22 TRADE AND BILLS RECEIVABLES (Continued)

(b) IMPAIRMENT OF TRADE AND BILLS RECEIVABLES

Impairment losses in respect of trade and bills receivables are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade and bills receivables directly (see Note 2(k)(i)).

The movement in the allowance for doubtful debts during the year, including both specific and collective loss components, is as follows:

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
At 1 January	於一月一日	14,192	18,994
Impairment loss recognised	已確認的減值虧損	1,377	8,759
Amounts written back	轉回金額	(1,512)	(13,561)
At 31 December	於十二月三十一日	14,057	14,192

At 31 December 2015, the Group's trade and bills receivables that were individually determined to be impaired amounted to RMB53,344,000 (2014: RMB16,372,000). The individually impaired receivables related to customers that were in financial difficulties and management assessed that only a portion of the receivables is expected to be recovered. Consequently, specific allowances for doubtful debts of RMB14,057,000 (2014: RMB6,054,000) were recognised.

22 應收賬款及票據(續)

(b) 應收賬款及票據減值

應收賬款及票據的減值虧損會採用準備賬來記錄，除非本集團認為收回款項的可能性極低，在此情況下，減值虧損將直接沖銷應收賬款及票據(參見附註2(k)(i))。

本年度呆賬撥備(包括特定和整體虧損部分)的變動如下：

於二零一五年十二月三十一日，本集團已個別釐定為減值的應收賬款及票據為人民幣53,344,000元(二零一四年：人民幣16,372,000元)。個別減值的應收賬款與客戶遇上財政困難有關，管理層評估只能收回其中一部分應收款。因此，本集團就此確認呆賬特定準備金額人民幣14,057,000元(二零一四年：人民幣6,054,000元)。

22 TRADE AND BILLS RECEIVABLES (Continued)

(c) TRADE AND BILLS RECEIVABLES THAT ARE NOT IMPAIRED

The ageing analysis of trade and bills receivables that are neither individually nor collectively considered to be impaired are as follows:

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Neither past due nor impaired	沒有逾期或減值	1,352,688	1,112,321
Less than 3 months past due	逾期三個月以內	425,924	287,631
3 to 6 months past due	逾期三至六個月	134,036	130,897
6 months to 1 year past due	逾期六個月至一年	99,513	120,383
1 to 2 years past due	逾期一至二年	55,129	75,935
2 to 3 years past due	逾期二至三年	10,365	7,633
Over 3 years past due	逾期三年以上	2,236	-
		727,203	622,479
		2,079,891	1,734,800

Receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

22 應收賬款及票據(續)

(c) 沒有減值的應收賬款及票據

並未被個別或整體視為減值的應收賬款及票據的賬齡分析如下：

	2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Neither past due nor impaired	1,352,688	1,112,321
Less than 3 months past due	425,924	287,631
3 to 6 months past due	134,036	130,897
6 months to 1 year past due	99,513	120,383
1 to 2 years past due	55,129	75,935
2 to 3 years past due	10,365	7,633
Over 3 years past due	2,236	-
	727,203	622,479
	2,079,891	1,734,800

沒有逾期或減值的應收款最近均沒有拖欠記錄的眾多客戶有關。

已逾期但未減值的應收款涉及素來與本集團有良好業務往來的眾多獨立客戶。管理層認為，根據以往經驗，由於信貸質量並沒有重大改變，而有關餘款仍被視為可以全數收回，因此無須就有關餘款計提任何減值準備。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

23 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

23 按金、預付款項及其他應收款項

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Prepayments for raw materials	採購原材料的預付款項	48,642	13,605
Amounts due from related parties	應收關聯方款項	2,778	6,306
Value-added tax recoverable	待抵扣增值稅項	32,351	27,290
Dividends receivable from joint ventures	應收合營公司股利	44,315	39,602
Net receivables under factoring arrangement (Note 33)	保理安排下應收淨額 (附註33)	8,827	45,728
Deposits	按金	10,128	7,974
Others	其他	30,076	12,025
		177,117	152,530

Amounts due from related parties are unsecured, interest free and have no fixed terms of repayment.

應收其他關聯方款項為無抵押、免息及無固定還款期。

24 OTHER FINANCIAL ASSETS

24 其他金融資產

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Trading securities:	交易性證券：		
– listed in the PRC (Note 34(e)(i))	– 在中國境內上市(附註34(e)(i))	1,861	–
Available-for-sale debt securities:	可供出售債務證券		
– unlisted (Note 34(e)(i))	– 非上市(附註34(e)(i))	5,000	5,840
		6,861	5,840

Available-for-sale debt securities represents wealth management products issued by certain stated-owned or listed commercial banks in the PRC. At 31 December 2015, the available-for-sale debt securities were neither past due nor impaired.

可供出售債務證券是指若干中國國有或上市商業銀行發行的理財產品。於二零一五年十二月三十一日，可供出售債務證券並無逾期或減值。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

25 CASH AND CASH EQUIVALENTS

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Cash at bank and in hand	銀行存款和現金	2,047,125	2,010,953

26 BANK LOANS

At 31 December 2015, the bank loans were unsecured and repayable as follows:

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Within 1 year	一年內	1,636,609	1,465,229
After 1 year but within 2 years	一年後但二年內	325,012	982,164
After 2 years but within 5 years	二年後但五年內	453,808	36,714
After 5 years	五年後	42,000	-
		820,820	1,018,878
		2,457,429	2,484,107

Certain of the Group's bank loans are subject to the fulfilment of covenants relating to the Group's assets/liabilities ratio, as are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants, the bank loans would become payable on demand. The Group regularly monitors its compliance with these covenants. Further details of the Group's management of liquidity risk are set out in Note 34(b). As at 31 December 2015, none of the covenants relating to bank loans had been breached (2014: Nil).

25 現金及現金等價物

於二零一五年十二月三十一日，本集團的銀行貸款為無擔保，其還款時間呈列如下：

本集團部分銀行貸款須遵守若干與本集團的資產／負債比率相關的財務契約，此類財務契約常見於金融機構的借款安排中。若本集團違反了契約，銀行貸款將可以被要求立即償還。本集團定期監控對相關契約的遵守情況。有關本集團流動資金風險管理工作的詳情，載列於附註34(b)。於二零一五年十二月三十一日，有關備用信貸的契約並無被違反(二零一四年：零)。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

27 TRADE AND BILLS PAYABLES

27 應付賬款及票據

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Trade payables	應付賬款		
– related parties	– 關聯方	132,460	166,188
– third parties	– 第三方	658,254	515,946
Bills payable	應付票據	61,620	17,769
		852,334	699,903

All trade and bills payables are expected to be settled within one year or are repayable on demand.

所有應付賬款及票據預期將於一年內償還或按要求償還。

The ageing analysis of trade and bills payables, based on invoice date, is as follows:

應付賬款及票據按發票日期的賬齡分析如下：

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Within 1 year	一年內	846,567	687,958
Over 1 year but within 2 years	一年後但二年內	2,685	3,873
Over 2 years but within 3 years	二年後但三年內	534	967
Over 3 years	三年後	2,548	7,105
		852,334	699,903

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

28 ACCRUED EXPENSES AND OTHER PAYABLES

28 預提費用及其他應付款項

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Receipt in advance	預收款項		
– related parties	– 關聯方	19,644	61
– third parties	– 第三方	80,632	80,920
Interest payable	應付利息	5,909	22,197
Payables for staff related costs	應付員工的相關成本	121,864	105,740
Payables for acquisition of property, plant and equipment and lease prepayments	購買物業、廠房及設備、租賃預付款項的應付款項	66,702	37,989
Other tax payables	其他應付稅項	53,628	61,632
Payables for sales commission	應付銷售佣金	19,017	18,171
Payables for royalty fees	應付特許權使用費		
– related parties	– 關聯方	30,982	25,631
– third parties	– 第三方	1,290	1,068
Deferred income (Note 30)	遞延收益(附註30)	7,332	7,332
Others	其他	61,047	51,215
		468,047	411,956

All accrued expenses and other payable are expected to be settled within one year or are repayable on demand.

所有預提費用及其他應付款項將於一年內償還或按要求償還。

29 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

29 合併財務狀況表所示的所得稅

(a) CURRENT TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION REPRESENTS:

(a) 財務狀況表當期所得稅：

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
At 1 January	於一月一日	(7,179)	1,135
Provision for the year	本年度撥備	(66,635)	(66,489)
Income tax paid	已繳所得稅	53,937	58,175
At 31 December	於十二月三十一日	(19,877)	(7,179)
Representing:	代表：		
Income tax payable	應付所得稅	(19,877)	(7,179)

29 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

(b) DEFERRED TAX ASSETS AND LIABILITIES RECOGNISED

The components of deferred tax assets/(liabilities) are as follows:

		Provision for impairment of assets	Deferred income	Available-for-sale securities	Unrealised profits	Fair value adjustment on business combination	Others	Total
		資產減值準備	遞延收益	可供出售證券	未實現的利潤	公允價值調整	其他	合計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2014	於二零一四年一月一日	7,977	13,748	(3,409)	9,321	-	5,937	33,574
(Charged)/credited to profit or loss	在損益(列支)/計入	(1,252)	(1,402)	-	513	-	(2,071)	(4,212)
Charged to reserve	在儲備列支	-	-	(3,398)	-	-	-	(3,398)
At 31 December 2014	於二零一四年十二月三十一日	6,725	12,346	(6,807)	9,834	-	3,866	25,964
At 1 January 2015	於二零一五年一月一日	6,725	12,346	(6,807)	9,834	-	3,866	25,964
Credited/(charged) to profit or loss	在損益計入/(列支)	634	(3,229)	-	(3,272)	-	(1,286)	(7,153)
Charged to reserve	在儲備列支	-	-	(7,660)	-	-	-	(7,660)
Through business combination	企業合併所取得	-	-	-	-	(709)	-	(709)
At 31 December 2015	於二零一五年十二月三十一日	7,359	9,117	(14,467)	6,562	(709)	2,580	10,442

(c) DEFERRED TAX ASSETS NOT RECOGNISED

In accordance with the accounting policy set out in Note 2(r), the Group has not recognised deferred tax assets in respect of cumulative tax losses of certain subsidiaries amounting to RMB45,062,000 (2014: RMB7,126,000) as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdictions of the subsidiaries. The unutilised tax losses in these subsidiaries can be carried forward up to five years from the year in which the loss was originated to offset future taxable profits. At 31 December 2015, the Group's unutilised tax losses will be expired in 2019 to 2020.

29 合併財務狀況表所示的所得稅(續)

(b) 已確認遞延稅項資產和負債

遞延稅項資產/(負債)的組成部分如下:

(c) 未確認的遞延稅項資產

按照附註2(r)所載列的會計政策，由於有關附屬公司的稅務機關不大可能獲得可供利用有關虧損的未來應稅利潤，因此本集團尚未就部份附屬公司為數人民幣45,062,000元(二零一四年：人民幣7,126,000元)的累積稅項虧損確認遞延稅項資產。附屬公司的未利用稅項虧損可以在發生虧損年起計，最多不超過五年，用作抵消未來應稅利潤。於二零一五年十二月三十一日，本集團的未利用稅項虧損將於二零一九年至二零二零年期間到期。

30 DEFERRED INCOME

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Government grants	政府補助	35,428	52,129
Royalty fees	特許權使用費	20,167	26,067
Rental income	租金收入	5,184	5,616
Less: within one year (Note 28)	減：一年以內(附註28)	(7,332)	(7,332)
		53,447	76,480

30 遞延收益

31 EMPLOYEE STOCK OWNERSHIP SCHEME AND PRIVATE PLACEMENT OF DOMESTIC SHARES AND H SHARES

Pursuant to the resolutions regarding the Employee Stock Ownership Scheme and private placement of domestic shares and H shares passed at the extraordinary general meeting held on 19 October 2015, the Company completed the private placement of 30,783,000 domestic shares and 11,869,000 H shares (the "Private Placement"), for the purpose of implementing the Employee Stock Ownership Scheme, on 18 December 2015.

(a) EMPLOYEE STOCK OWNERSHIP SCHEME

Key terms of the Employee Stock Ownership Scheme (the "Scheme") are set out below:

- Target participants of the Scheme shall be core personnel playing a crucial role in the Company's overall performance and mid and long-term development.
- Units of the Scheme which equate equal portions of entitlements to the Scheme divided in accordance with the number of the shares of the Company held. Each scheme unit corresponds to one share of the Company.
- Shares to be subscribed for under the Scheme shall be derived from the Private Placement. 30,783,000 domestic shares and 1,205,000 H shares shall be subscribed for by the Scheme.

31 員工持股計劃和非公開配售內資股及H股

根據經二零一五年十月十九日臨時股東大會審議通過的有關員工持股計劃和非公開配售內資股及H股的決議，於二零一五年十二月十八日，本公司為實施員工持股計劃目的，完成非公開配售30,783,000股內資股和11,869,000股H股(「非公開配售」)。

(a) 員工持股計劃

員工持股計劃(「本計劃」)的關鍵條款載列如下：

- 本計劃的目標參與者應為在本公司的整體業績及中長期發展中起重要作用的核心人員。
- 計劃份額等於本計劃下各等份權益並根據本公司持有的股份數量劃分。每個計劃份額相當於本公司一股股份。
- 本計劃下的股份應通過非公開配售認購。本計劃應認購30,783,000股內資股和1,205,000股H股。

31 EMPLOYEE STOCK OWNERSHIP SCHEME AND PRIVATE PLACEMENT OF DOMESTIC SHARES AND H SHARES (Continued)

(a) EMPLOYEE STOCK OWNERSHIP SCHEME

(Continued)

- A total of four limited partnerships will be established to hold the domestic shares to be issued under the Scheme. The number of limited partners to limited partnership 1 shall be 12 and shall include directors and senior management personnel of the Group. Limited partnership 1 shall hold 14,252,000 domestic shares under the Scheme. The number of limited partners to the remaining three limited partnerships shall be 143 and shall include other key management personnel and core employees. The remaining three limited partnership shall hold 16,531,000 domestic shares under the Scheme.
- The limited partnership to be established by the general manager shall be the general partner of the above four limited partnerships.
- 1,205,000 H shares offered by the Company under the Private Placement shall be subscribed by the Company's two foreign directors.
- The issuing price for the domestic shares and H shares is HKD7.15 per share.
- The term of the Scheme is ten years. The lock-up period is the first 24 months of the term and the shares are free from lock-up in the following 96 months (the "Post Lock-up Period"). During the lock-up period, the limited partnerships and foreign directors shall not sell or transfer the shares held by them.
- The scheme holder shall enjoy the initial units under the Scheme based on his/her capital contribution.

31 員工持股計劃和非公開配售內資股及H股(續)

(a) 員工持股計劃(續)

- 本公司將成立四家有限合夥企業以持有本計劃發行的內資股。有限合夥企業1應包含12名有限合夥人及本集團的董事和高級管理人員。有限合夥企業1應持有本計劃下14,252,000股內資股。其餘三家有限合夥企業應包含143名有限合夥人及其他關鍵管理人員和核心員工。其餘三家有限合夥企業應持有本計劃下16,531,000股內資股。
- 總經理擬建立的有限合夥企業應為上述四家有限合夥企業的普通合夥人。
- 本公司通過私募配售提供的1,205,000股H股應由本公司的兩名外籍董事認購。
- 內資股和H股的發行價格為每股7.15港元。
- 本計劃為期十年。禁售期為本計劃的前二十四個月，剩餘的九十六個月可自由出售相關股票(「解鎖期」)。於禁售期內，有限合夥企業及外籍董事不得銷售或轉讓其持有的股票。
- 計劃持有人根據其出資額享有本計劃下的初步份額。

31 EMPLOYEE STOCK OWNERSHIP SCHEME AND PRIVATE PLACEMENT OF DOMESTIC SHARES AND H SHARES (Continued)

(a) EMPLOYEE STOCK OWNERSHIP SCHEME

(Continued)

- During the Post Lock-up Period, the management committee of the Scheme determine whether the scheme holder is eligible for vesting, the actual amount that ultimately could be vested to such scheme holder and the corresponding amount of the capital contribution to the limited partnership.
- If a scheme holder resigns from the Company, the general partner of the relevant limited partnership is entitled to purchase or designate another person to purchase the shares held by the scheme holder at a consideration of the actual capital contribution made by such scheme holder (without interest) (the "Repurchase Condition").
- Upon approval by the Board, the management committee shall be responsible for the implementation of repurchase and granting of scheme units that have been reserved under the Scheme as authorised by the Board.

(b) PRIVATE PLACEMENT

(i) Shares issued under the Scheme

An aggregate of 30,783,000 domestic shares have been allotted and issued by the Company on 18 December 2015 at the subscription price of HKD7.15 per share to Wuhan Ruitu Management Consulting Partnership Enterprise (Limited Partnership) ("Limited Partnership") and the three other limited partnerships established and owned by selected employees of the Company under the Scheme. The Limited Partnership is wholly and beneficially owned by four directors and certain senior management of the Company.

An aggregate of 1,205,000 H shares have been allotted and issued by the Company on 18 December 2015 at the subscription price HKD7.15 per share to the Company's two foreign directors.

31 員工持股計劃和非公開配售內資股及H股(續)

(a) 員工持股計劃(續)

- 於解鎖期內，本計劃的管理委員會確定計劃持有人是否符合歸屬條件、最終可歸屬該計劃持有人的實際金額以及對有限合夥企業的相應出資額。
- 倘計劃持有人從本公司辭職，相關有限合夥企業的一般合夥人有權以該計劃持有人的實際出資額(不計利息)為對價購買或指定另一名人士購買該計劃持有人持有的股票(「回購條件」)。
- 經董事會批准後，管理委員會須負責回購及授予經董事會授權的本計劃保留的計劃份額。

(b) 非公開配售

- (i) 根據員工持股計劃發行的股份於二零一五年十二月十八日，本公司以認購價每股7.15港元的價格發行及配發合共30,783,000股內資股予武漢睿圖管理諮詢合夥企業(有限合夥企業)(「有限合夥企業」)及三間其他有限合夥企業(根據員工持股計劃由本公司經選定員工成立及擁有)。有限合夥企業由本公司的4名董事和若干高級管理人員全資和實益擁有。

於二零一五年十二月十八日，本公司以認購價每股7.15港元的價格發行及配發合共1,205,000股H股予本公司的兩名外籍董事。

31 EMPLOYEE STOCK OWNERSHIP SCHEME AND PRIVATE PLACEMENT OF DOMESTIC SHARES AND H SHARES (Continued)

(b) PRIVATE PLACEMENT (Continued)

(ii) Placing

In addition, in order to meet the minimum public float requirements under the Listing Rules, an aggregate of 10,664,000 H shares have been allotted and issued by the Company on 18 December 2015 at the placing price of HKD7.15 per share to four independent professional institutional investors.

(c) FAIR VALUE MEASUREMENT

The fair value of the 30,783,000 domestic shares and 1,205,000 H shares issued under the Scheme on 18 December 2015 is determined to be HKD7.15 per share which is equal to the issue price of the shares. Accordingly, no equity-settled share-based payment expense is recognised.

The fair value was valued by the directors with reference to a valuation report issued by an independent appraiser based on a binomial option pricing model.

Fair value of domestic shares and H shares

Fair value at measurement date	HKD7.15
Share price at measurement date	HKD8.50
Exercise price	HKD7.15
Discount rate	16.00%
Volatility	30.32%
Risk-free interest rate	0.46%

The volatility is based on the historic volatilities of comparable companies. Changes in the subjective input assumptions could materially affect the fair value estimate.

31 員工持股計劃和非公開配售內資股及H股(續)

(b) 非公開配售(續)

(ii) 配售

此外，為了符合《上市規則》最低公眾持股量的規定，於二零一五年十二月十八日，本公司以認購價每股7.15港元的價格發行及配發合共10,664,000股H股予四名獨立專業機構投資者。

(c) 公允價值計量

於二零一五年十二月十八日，根據本計劃發行的30,783,000股內資股和1,205,000股H股的公允價值釐定為每股7.15港元，等同於股票的發行價格。因此，並無確認以權益結算的以股份為基礎的支付費用。

公允價值是由董事參考獨立估值師根據二項期權定價模式出具的估值報告進行估值。

內資股及H股的公允價值

評估基準日公允價值	7.15港元
評估基準日市場價值	8.50港元
認購價格	7.15港元
折扣率	16.00%
波動率	30.32%
無風險利率	0.46%

波動率是根據可比較公司歷史波幅確定，具有主觀成分的輸入值假設如有變動，可能重大影響公允價值的估計。

32 CAPITAL, RESERVES AND DIVIDENDS

32 資本、儲備和股利

(a) MOVEMENTS IN COMPONENTS OF EQUITY

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statements of changes in equity. Details of the changes in the Company's individual components of equity are set out below:

(a) 權益組成部分的變動

本集團綜合權益的每個組成部分的期初與期末結餘的調節，載列於合併權益變動表。本公司個別權益組成部分的變動詳情如下：

		Share capital	Capital reserve	Statutory surplus reserve	Fair value reserve	Retained earnings	Total equity
		股本	資本公積	法定儲備	公允價值儲備	保留盈利	權益總額
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
		(Note 32(c))	(Note 32(d))	(Note 32(d))	(Note 32(d))		
		(附註32(c))	(附註32(d))	(附註32(d))	(附註32(d))		
At 1 January 2014	於二零一四年一月一日	479,593	608,922	-	6,096	263,535	1,358,146
Changes in equity:	權益變動：						
Total comprehensive income for the year	本年度綜合收益總額	-	-	-	19,250	425,592	444,842
Appropriation	轉撥	-	-	91,467	-	(91,467)	-
Dividends declared	宣派股利	-	-	-	-	(73,857)	(73,857)
Issue of new shares, net off issue expenses (Note 32(c)(i))	發行新股(扣除發行費用) (附註32(c)(i))	159,870	732,539	-	-	-	892,409
At 31 December 2014	於二零一四年十二月三十一日	639,463	1,341,461	91,467	25,346	523,803	2,621,540
At 1 January 2015	於二零一五年一月一日	639,463	1,341,461	91,467	25,346	523,803	2,621,540
Changes in equity:	權益變動：						
Total comprehensive income for the year	本年度綜合收益總額	-	-	-	43,405	475,108	518,513
Appropriation	轉撥	-	-	77,080	-	(77,080)	-
Dividends declared	宣派股利	-	-	-	-	(106,151)	(106,151)
Shares issued under the Employee Stock Ownership Scheme (Note 31(b)(i))	根據員工持股計劃發行的股份 (附註31(b)(i))	31,988	157,524	-	-	-	189,512
Placing of shares (Note 31(b)(iii))	股份配售(附註31(b)(iii))	10,664	51,113	-	-	-	61,777
At 31 December 2015	於二零一五年十二月三十一日	682,115	1,550,098	168,547	68,751	815,680	3,285,191

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

32 CAPITAL, RESERVES AND DIVIDENDS (Continued)

32 資本、儲備和股利(續)

(b) DIVIDENDS

- (i) Dividends payable to equity shareholders of the Company attributable to the year

(b) 股利

- (i) 年度應付予本公司權益持有人的股利

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Final dividend proposed after the end of reporting period of RMB0.174 per ordinary share (2014: RMB0.166 per ordinary share)	於報告期末後提議分派的末期股利每股普通股人民幣0.174元(二零一四年：每股普通股人民幣0.166元)	118,688	106,151

The final dividends proposed after the end of the reporting period have not been recognised as a liability at the end of the reporting period.

於報告期末後提議分派的末期股利並未於報告期末確認為負債。

- (ii) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved during the year

- (ii) 於年度內批准應付本公司權益持有人上個財政年度的股利

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Final dividend declared in respect of the previous financial year	宣告的有關上個財政年度的末期股利	106,151	73,857

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

32 CAPITAL, RESERVES AND DIVIDENDS (Continued)

32 資本、儲備和股利(續)

(c) SHARE CAPITAL

(c) 股本

		2015 二零一五年		2014 二零一四年	
		Number of shares 股份數目	RMB'000 人民幣千元	Number of shares 股份數目	RMB'000 人民幣千元
		'000 千股		'000 千股	
Authorised:	已授權:				
Ordinary shares of RMB1.00 each	普通股(每股面值人 民幣1.00元)	682,115	682,115	639,463	639,463
Ordinary shares, issued and fully paid:	已發行及繳足普通 股:				
At 1 January	於一月一日	639,463	639,463	479,593	479,593
Shares issued under the public offering (note i)	公開發行的股份 (附註i)	-	-	159,870	159,870
Shares issued under the private placement (note ii)	非公開股份配售 (附註ii)	42,652	42,652	-	-
At 31 December	於十二月三十一日	682,115	682,115	639,463	639,463

(i) Shares issued under the public offering

In December 2014, the Company issued 159,870,000 H shares with par value of RMB1.00 each at a price of HKD7.39 per share by way of global initial public offering of the Company's H shares to Hong Kong and overseas investors. The Company raised approximately HKD1,130,633,000 (equivalent to RMB892,409,000) in total, net of share issuing expenses. The excess of the net proceeds over the nominal value of the shares issued were credited to capital reserve.

(i) 公開發行的股份

於二零一四年十二月，本公司通過全球首次公開發行的形式以每股7.39港元(每股面值人民幣1.00元)對香港及海外投資者發行159,870,000股H股。除去上市發行費用，本公司共募集港幣約1,130,633,000港元(折合人民幣892,409,000元)。上述募集資金超過股票面值的金額計入本公司的資本公積。

32 CAPITAL, RESERVES AND DIVIDENDS (Continued)

(c) SHARE CAPITAL (Continued)

(ii) Private placement

Pursuant to the resolutions passed at the extraordinary general meeting held on 19 October 2015, the Company completed the private placement of 30,783,000 domestic shares and 11,869,000 H shares on 18 December 2015. The Company raised approximately RMB251,289,000 in total, net of issuing expenses. The excess of the net proceeds over the nominal value of the shares issued were credited to capital reserve. Further details of the private placement are set out in Note 31.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

(d) NATURE AND PURPOSES OF RESERVES

(i) Capital reserve

Capital reserve represents the Company's share premium, being the excess of the net proceeds/consideration received over the nominal value of the shares issued.

(ii) Statutory surplus reserve

According to the Company's Articles of Association, when distributing each year's after-tax profits, the Company is required to transfer 10% of its net profit to its statutory surplus reserve until the statutory surplus reserve balance reaches 50% or more of the Company's registered capital.

The transfer to this reserve must be made before distribution of a dividend to shareholders.

(iii) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in Note 2(u).

32 資本、儲備和股利(續)

(c) 股本(續)

(ii) 非公開配售

根據經二零一五年十月十九日臨時股東會議審議通過的決議，於二零一五年十二月十八日，本公司完成非公開配售 30,783,000 股內資股和 11,869,000 股 H 股的私募融資。除去上市發行費用，本公司共募集人民幣 251,289,000 元。上述募集資金超過股票面值的金額計入本公司的資本公積。有關非公開配售的詳情載列於附註 31。

普通股股東有權收取不時宣派的股利，並且有權在本公司大會上按照每持有一股可投一票的比例參與投票。所有普通股在分佔本公司剩餘資產方面享有同等權益。

(d) 儲備的性質和用途

(i) 資本公積

資本公積主要是指本公司的股本溢價，即所募集資金／對價超出股票面值的金額。

(ii) 法定儲備

根據本公司章程，本公司分配每年稅後利潤時，需將其淨利潤的 10% 轉為本公司的法定儲備，直至法定儲備總額達到本公司註冊資本的 50% 或以上。

該儲備必須在向股東分派股利之前提取。

(iii) 匯兌儲備

匯兌儲備包含換算境外經營的財務報表所產生的一切外匯差異。匯兌儲備按照附註 2(u) 所載列的會計政策處理。

32 CAPITAL, RESERVES AND DIVIDENDS (Continued)

(d) NATURE AND PURPOSES OF RESERVES

(Continued)

(iv) Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of available-for-sale securities held at the end of the reporting period and is dealt with in accordance with the accounting policy in Note 2(g).

(e) DISTRIBUTABILITY OF RESERVES

According to the Company's Articles of Association, net profit as reported in the statutory financial statements prepared in accordance with the accounting rules and regulations of the PRC can only be distributed as dividends after allowances have been made for the following:

- (i) Making up prior years' cumulative losses, if any;
- (ii) Allocations to the statutory surplus reserve as set out in Note 32(d)(ii) above; and
- (iii) Allocations to the discretionary surplus fund if approved by the shareholders.

The distributable profits are the lesser of the net profit of the year as determined in accordance with the accounting rules and regulations of the PRC, and the net profit determined in accordance with IFRSs. As at 31 December 2015, the aggregate amount of reserves available for distribution to equity shareholders of the Company was RMB1,124,692,000 (2014: RMB733,833,000).

After the end of the reporting period the directors proposed a final dividend of RMB0.174 (2014: RMB0.166 per ordinary share) per ordinary share, amounting to RMB118,688,000 (2014: RMB106,151,000) (Note 32(b)). This dividend has not been recognised as a liability at the end of the reporting period.

32 資本、儲備和股利(續)

(d) 儲備的性質和用途(續)

(iv) 公允價值儲備

公允價值儲備包含於報告期末所持可供出售證券的公允價值累計變動淨額，並按照附註2(g)所載列的會計政策處理。

(e) 儲備的可分派程度

根據本公司章程，按中國會計準則及法規編製的法定財務報表中所呈報的稅後淨利潤僅可在作出下列準備後作為股利分派：

- (i) 彌償過往年度的累計虧損(如有)；
- (ii) 分配至上文附註32(d)(ii)所載的法定儲備；及
- (iii) 股東批准，分配至任意儲備。

本公司用於支付股利的稅後淨利潤將為根據中國會計準則及法規釐定的淨利潤；及根據國際財務報告準則釐定的淨利潤(以較少者為準)。於二零一五年十二月三十一日，本公司的儲備中可向股東分派的金額為人民幣1,124,692,000元(二零一四年：人民幣733,833,000元)。

於報告期後，董事會建議分派末期股利每股普通股人民幣0.174元(二零一四年：每股普通股人民幣0.166元)，共計人民幣118,688,000元(二零一四年：人民幣106,151,000元)(附註32(b))。該末期股利並未於報告期末確認為負債。

32 CAPITAL, RESERVES AND DIVIDENDS (Continued)

(f) CAPITAL MANAGEMENT

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

The Group monitors its capital structure on the basis of adjusted net debt-to-equity ratio. For this purpose, adjusted net debt is defined as total borrowings less cash and cash equivalents and bank deposits. The adjusted net debt-to-equity ratio at 31 December 2015 and 2014 was as follows:

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Borrowings	貸款		
– current bank loans	– 流動銀行貸款	1,636,609	1,465,229
– non-current bank loans	– 非流動銀行貸款	820,820	1,018,878
Less: cash and cash equivalents bank deposits	減：現金及現金等價物 定期存款	(2,047,125) (205,000)	(2,010,953) –
Adjusted net debt	經調整淨債務	205,304	473,154
Equity	權益	3,731,675	2,911,491
Adjusted net debt-to-equity ratio	經調整淨負債對資本比率	6%	16%

The Group is not subject to externally imposed capital requirements.

32 資本、儲備和股利(續)

(f) 管理資本

本集團管理資本的主要目的是保障本集團可持續經營，從而藉着訂定與風險水平相稱的產品和服務價格並以合理成本獲得融資的方式，繼續為股東提供回報，並為其他利益相關者帶來利益。

本集團積極定期檢討和管理其資本架構，以在維持較高借貸水平可能帶來較高股東回報與穩健資本狀況所提供的優勢和保障兩者之間取得平衡，並因應經濟狀況轉變而調整資本架構。

本集團以經調整淨負債對資本比率監管其資本架構。就此而言，經調整淨負債的定義是總債務減去現金及現金等價物和銀行存款後所得的數額。於二零一五年及二零一四年十二月三十一日，經調整淨負債對資本比率如下：

本集團均無須遵守外間訂立的資本規定。

33 TRANSFERS OF FINANCIAL ASSETS

(a) TRANSFERRED FINANCIAL ASSETS THAT ARE DERECOGNISED IN THEIR ENTIRETY**(i) Factoring arrangement**

As part of its normal business, the Group entered into trade receivables factoring arrangement (the "Factoring Arrangement"), mainly took place in the second half of the year, and transferred certain of its trade receivables to banks in the PRC. As at 31 December 2015, the Group transferred certain trade receivables to banks under Factoring Arrangement ("Trade Receivables under Factoring") with carrying amounts of RMB62,815,000 (2014: RMB332,828,000).

Pursuant to the terms of the Factoring Arrangement, 100% of the trade receivable shall be transferred to the bank. The bank shall pay a consideration equal to 90% of trade receivable factored immediately. By the end of the period of the Factoring Arrangement, normally 12 months, the bank shall pay the remaining 10% of the trade receivable. In the opinion of the directors, the Group has transferred substantially all risks and rewards relating to the Trade Receivables under Factoring, and accordingly, it has derecognised the full amounts of the Trade Receivables under Factoring.

Trade Receivables under Factoring had a remaining maturity of 12 months at 31 December 2015. As at 31 December 2015, the maximum exposure of loss from the Group's continuing involvement in the Trade Receivables under Factoring equal to the remaining 10% of the trade receivable which amounted to RMB8,827,000 (2014: RMB45,728,000) (Note 23). In the opinion of the directors, the fair values of the Group's continuing involvement in the Trade Receivables under Factoring are not materially different from their carrying amounts at 31 December 2015 and 2014.

During the year ended 31 December 2015, total losses recognised on the date of transfer of the Trade Receivables under Factoring amounted to RMB1,610,000 (2014: RMB14,010,000). Income and expenses recognised from the continuing involvement, both during the year or cumulatively, are not significant.

33 金融資產的轉移

(a) 全額終止確認的被轉讓金融資產**(i) 保理安排**

作為其正常業務的一部分，本集團進行應收賬款保理安排（「保理安排」），相關交易一般於每年下半年發生，並向中國的銀行轉讓若干應收賬款。於二零一五年十二月三十一日，本集團根據保理安排向銀行轉讓若干應收賬款（「保理應收賬款」），其賬面金額為人民幣62,815,000元（二零一四年：人民幣332,828,000元）。

根據保理安排的條款，100%的應收賬款將移交給銀行。銀行須立即支付相當於進行保理應收賬款90%的金額。保理安排到期時（一般為12個月），銀行應支付應收賬款的其餘10%。董事認為，本集團已實質上轉移了所有保理應收賬款相關的風險和報酬，因此，全額終止確認了保理應收賬款。

於二零一五年十二月三十一日，保理應收賬款為十二個月內到期。於二零一五年十二月三十一日，本集團持續參與保理應收賬款的最大損失（等同於應收賬款的其餘10%）為人民幣8,827,000元（二零一四年：人民幣45,728,000元）（附註23）。董事認為，於二零一五年及二零一四年十二月三十一日，本集團持續參與的保理應收賬款的公允價值與賬面金額差別不大。

截至二零一五年十二月三十一日止年度，本集團於保理應收賬款轉移日確認的虧損為人民幣1,610,000元（二零一四年：人民幣14,010,000元）。因持續參與而確認的收益及費用（於本年度或累計金額）並不重大。

33 TRANSFERS OF FINANCIAL ASSETS (Continued)

(a) TRANSFERRED FINANCIAL ASSETS THAT ARE DERECOGNISED IN THEIR ENTIRETY (Continued)**(ii) Derecognised bills**

The Group discounted or endorsed certain bank bills receivable to certain banks in the PRC or the Group's suppliers during the year ("Derecognised Bills") which were derecognised at 31 December 2015. The carrying amount of such discounted bills at 31 December 2015 was RMB55,245,000 (2014: RMB297,721,000). The carrying amount of such endorsed bills at 31 December 2015 was RMB190,183,000 (2014: RMB124,948,000). The Derecognised Bills had a remaining maturity within 6 months at 31 December 2015. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Derecognised Bills have a right of recourse against the Group if the banks default payment. Accordingly, the Group has continuing involvement in the Derecognised Bills. In the opinion of the directors, the Group has transferred substantially all risks and rewards relating to the Derecognised Bills, and accordingly, it has derecognised the full amount of the Derecognised Bills.

The maximum exposure to loss from the Group's continuing involvement in the Derecognised Bills equal to their full amount. In the opinion of the directors, the fair value of the Group's continuing involvement in the Derecognised Bills is not significant.

During the year ended 31 December 2015, total losses recognised on the date of transfer of the discounted bills amounted to RMB2,350,000 (2014: RMB10,110,000). No gain or loss was recognised on the date of transfer of the endorsed bills. No income or expenses were recognised from the continuing involvement, both during the year or cumulatively.

33 金融資產的轉移(續)

(a) 全額終止確認的被轉讓金融資產(續)**(ii) 終止確認票據**

本集團將本年度若干應收銀行票據貼現或背書予中國的若干銀行或本集團供應商(「終止確認票據」)並於二零一五年十二月三十一日將其終止確認。於二零一五年十二月三十一日，貼現票據的賬面金額為人民幣55,245,000元(二零一四年：人民幣297,721,000元)。於二零一五年十二月三十一日，背書票據的賬面金額為人民幣190,183,000元(二零一四年：人民幣124,948,000元)。於二零一五年十二月三十一日，終止確認票據剩餘期限為六個月內。根據中華人民共和國票據法，倘銀行違約付款，終止確認票據持有人對本集團附有追索權。因此，本集團持續參與終止確認票據。董事認為，本集團已實質上轉移了終止確認票據所有風險和報酬，因此，本集團全額終止確認該些票據。

本集團持續參與終止確認票據的最高損失相當於其全部金額。董事認為，持續參與終止確認票據的公允價值並不重大。

截至二零一五年十二月三十一日止年度，本集團於貼現票據轉讓當日確認的虧損總額為人民幣2,350,000元(二零一四年：人民幣10,110,000元)。於背書票據轉移日，本集團並無於背書票據轉讓當日確認的收益或虧損。本集團並無因持續參與確認的收益或費用(於本年度或累計金額)。

33 TRANSFERS OF FINANCIAL ASSETS (Continued)

(b) TRANSFERRED FINANCIAL ASSETS THAT ARE NOT DERECOGNISED IN THEIR ENTIRETY

In addition to the Derecognised Bills as disclosed in Note 33(a)(ii) above, the Group had certain discounted bills and endorsed bills with carrying amounts of RMB4,622,000 and RMB42,331,000 at 31 December 2015 (2014: Nil and RMB44,185,000) respectively. In the opinion of the directors, the Group has retained the substantial risks and rewards, which include default risks relating to such discounted bills and endorsed bills, and accordingly, it continued to recognise the full carrying amounts of discounted bills and endorsed bills and the associated bank loans and trade payables settled. Subsequent to the endorsement, the Group did not retain any rights on the use of the discounted bills and endorsed bills, including the sale, transfer or pledge of the discounted bills and endorsed bills to any other third parties. At 31 December 2015, the aggregate carrying amount of the discounted bills and trade payables settled by the endorsed bills during the year to which the banks or the suppliers have recourse were RMB4,622,000 and RMB42,331,000 (2014: Nil and RMB44,185,000). In the opinion of the directors, the difference between the fair value of the transferred assets and the associated liabilities is not significant.

34 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business. The Group is also exposed to equity price risk arising from its equity investments in other entities. The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

33 金融資產的轉移(續)

(b) 已轉移但未整體終止確認的金融資產

除了上述附註33(a)(ii)中列示的終止確認票據外，於二零一五年十二月三十一日，本集團持有若干貼現票據和背書票據，其賬面金額分別為人民幣4,622,000元和人民幣42,331,000元(二零一四年：零和人民幣44,185,000元)。董事認為，本集團實質上保有貼現票據和背書票據所有的風險和報酬，包括該貼現票據和背書票據的違約風險，因此，本集團繼續全額確認貼現票據和背書票據及其相關的銀行貸款和已結算應付賬款。於背書轉讓後，本集團不再保有貼現票據和背書票據的任何使用權，包括將貼現票據和背書票據銷售、轉讓或質押給其他第三方。於二零一五年十二月三十一日，本年度通過背書票據結算且銀行或供應商附有追索權的貼現票據和應付賬款的賬面金額共計為人民幣4,622,000元和42,331,000元(二零一四年：零和44,185,000元)。董事認為，已轉移資產及其相關負債的公允價值差異並不重大。

34 金融工具的金融風險管理和公允價值

本集團須在正常業務過程中承受信貸、流動資金、利率和貨幣風險。本集團亦須承受在其他實體的權益投資中所產生的股價風險。本集團對這些風險的承擔額以及為管理這些風險所採用的金融風險管理政策和慣常做法載列於下文。

34 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(a) CREDIT RISK

The Group's credit risk is primarily attributable to cash at bank, available-for-sale debt securities and trade and other receivables. Management has a credit policy in place and the exposure to these credit risks are monitored on an ongoing basis.

Substantially all of the Group's cash at bank and available-for-sale debt securities are deposited in or purchased from the stated-owned/controlled or listed PRC banks which the directors assessed the credit risk to be insignificant.

The Group's major customers included the three major state-owned telecommunications network operators in the PRC and the Group's joint ventures. During the year ended 31 December 2015, sales to the three major state-owned telecommunications network operators and the Group's joint ventures accounted for approximately 31% and 28% (2014: 29% and 24%) of the Group's total revenue respectively.

The Group has certain concentration of credit risk. Significant concentrations of credit risk arise primarily when the Group has significant exposure to individual customers. As at 31 December 2015, 26% and 67% (2014: 35% and 73%) of trade receivables was due from the Group's largest customer and the Group's five largest customers, respectively. Entities which are known to the Group to be under common control with the customer are considered a single customer in the above analysis.

The Group does not provide any guarantee which would expose the Group to credit risk.

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade and other receivables are set out in Notes 22 and 23.

34 金融工具的金融風險管理和公允價值(續)

(a) 信貸風險

本集團的信貸風險主要來自銀行存款、可供出售債務證券及應收賬款和其他應收款。管理層已制定適當的信貸政策，並且不斷監察這些信貸風險的額度。

本集團主要的銀行存款和可供出售債務證券均存放於或購買自中國國有/控制或者上市的銀行，而董事評估認為其信貸風險並不重大。

本集團主要客戶包括中國三家國有電信網絡營運商和本集團的合營公司。截至二零一五年十二月三十一日止年度，對三家國有電信網絡營運商和本集團的合營公司的銷售分別佔本集團總收入的31%和28%(二零一四年：29%和24%)。

本集團面臨若干集中信貸風險。顯著的集中信貸風險主要於本集團面臨個別客戶的重大風險時產生。於二零一五年十二月三十一日，本集團應收最大客戶及前五大客戶的款項分別佔應收賬款總額的26%及67%(二零一四年：35%及73%)。在上述分析中，本集團已知的與客戶處於共同控制下的實體被認為是單一客戶。

本集團沒有提供任何其他可能令本集團承受信貸風險的擔保。

有關本集團承受因應收賬款及其他應收款所產生的信貸風險的進一步定量披露內容分別載列於附註22和23。

34 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(b) LIQUIDITY RISK

The Company is responsible for the Group's overall cash management, including the short term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to approval by the board of directors when the borrowings exceed certain predetermined levels of authority. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants (if any), to ensure that it maintains sufficient reserves of cash and readily realisable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following tables show the remaining contractual maturities at the end of the reporting period of the Group's non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group can be required to pay.

		2015 二零一五年					
		Contractual undiscounted cash outflow 合約非貼現現金流量總額					
		Within 1 year or on demand 一年內 或即期 RMB'000 人民幣千元	More than 1 year but less than 2 years 一年以上 但兩年以下 RMB'000 人民幣千元	More than 2 years but less than 5 years 兩年以上 但五年以下 RMB'000 人民幣千元	More than 5 years 五年以上 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元	Carrying amount 賬面金額 RMB'000 人民幣千元
Bank loans	銀行貸款	1,668,203	340,028	469,544	44,045	2,521,820	2,457,429
Trade and bills payables	應付賬款及票據	852,334	-	-	-	852,334	852,334
Accrued expenses and other payables	預提費用及其他應付款項	274,430	-	-	-	274,430	274,430
Total	合計	2,794,967	340,028	469,544	44,045	3,648,584	3,584,193

34 金融工具的金融風險管理和公允價值(續)

(b) 流動資金風險

本公司負責本集團的整體現金管理，包括現金盈餘的短期投資和籌借貸款以應付預計現金需求(如果借款額超過某些預設授權上限，便需尋求董事會的批核)。本集團的政策是定期監察流動資金需求，以及是否符合借款契諾的規定(如有)，以確保維持充裕的現金儲備和可供隨時變現的有價證券，同時獲得大型金融機構承諾提供足夠的備用資金，以滿足短期和較長期的流動資金需求。

下表載列了本集團的非衍生金融負債於報告期末的剩餘合約期限。該等金融負債是以訂約未折現現金流量(包括以訂約利率或(如屬浮息)按於報告期末的利率計算的利息付款)以及本集團須支付的最早日期為準。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

34 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(b) LIQUIDITY RISK (Continued)

34 金融工具的金融風險管理和公允價值(續)

(b) 流動資金風險(續)

2014
二零一四年

		Contractual undiscounted cash outflow 合約非貼現現金流量總額					
		Within 1 year or on demand 一年內 或即期 RMB'000 人民幣千元	More than 1 year but less than 2 years 一年以上 但兩年以下 RMB'000 人民幣千元	More than 2 years but less than 5 years 兩年以上 但五年以下 RMB'000 人民幣千元	More than 5 years 五年以上 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元	Carrying amount 賬面金額 RMB'000 人民幣千元
Bank loans	銀行貸款	1,512,787	1,000,945	37,139	-	2,550,871	2,484,107
Trade and bills payables	應付賬款及票據	699,903	-	-	-	699,903	699,903
Accrued expenses and other payables	預提費用及其他應付款項	221,723	-	-	-	221,723	221,723
Total	合計	2,434,413	1,000,945	37,139	-	3,472,497	3,405,733

34 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(c) INTEREST RATE RISK

The Group's interest rate risk arises primarily from bank loans. Bank loans issued at variable rates expose the Group to cash flow interest rate risk.

The Group regularly reviews and monitors the mix of fixed and variable rate bank loans in order to manage its interest rate risks.

The following table details the interest rate profile of the Group's bank loans at the end of the reporting period.

		2015 二零一五年		2014 二零一四年	
		Effective interest rate 有效利率 %	Carrying amount 賬面金額 RMB'000 人民幣千元	Effective interest rate 有效利率 %	Carrying amount 賬面金額 RMB'000 人民幣千元
Fixed rate bank loans	固定利率銀行貸款	0.90%-2.65%	1,027,187	1.95%-2.65%	293,690
Floating rate bank loans	浮動利率銀行貸款	0.72%-3.92%	1,430,242	1.54%-4.43%	2,190,417
At 31 December	於十二月三十一日		2,457,429		2,484,107

At the end of the reporting period, it is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variables held constant, would have (decreased)/increased the Group's profit after tax and retained earnings by approximately RMB12,157,000 (2014: RMB18,484,000).

Other components of consolidated equity would not be affected by the change in interest rates.

The sensitivity analysis above indicates the instantaneous change in the Group's profit after tax (and retained earnings) and other components of consolidated equity that would arise assuming that the change in interest rates had occurred at the end of the reporting period. The impact is estimated as an annualised impact on interest expense of such a change in interest rates. The sensitivity analysis is performed on the same basis for 2014.

34 金融工具的金融風險管理和公允價值(續)

(c) 利率風險

本集團的利率風險主要源自銀行借款。本集團因浮動利率貸款而須承受現金流量利率風險。

為了管理本集團的利率風險，本集團定期審查並監控固定利率及浮動利率貸款的組合。

下表詳述本集團銀行貸款於報告期末的利率概況。

於報告期末，估計當利率上升/下降100個基點，加上所有其他變數保持不變，本集團稅後利潤及保留盈利應將因此(減少)/增加約人民幣12,157,000元(二零一四年：人民幣18,484,000元)。

綜合權益的其他組成部分不會受到利率變動的影響。

以上敏感度分析假設利率變動於報告期末已經發生，本集團的稅後利潤(和保留盈利)以及綜合權益的其他組成部分會因此即時變動。本集團的稅後利潤(和保留盈利)以及綜合權益的其他組成部分所受到的影響，是基於每年有關利率變動對利息支出的影響作出估計。以上分析是按二零一四年的同一基準進行。

34 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(d) CURRENCY RISK

The Group is exposed to currency risk primarily through sales, purchases and borrowings which give rise to receivables, payables and bank loans that are denominated in foreign currency, i.e. a currency other than the functional currency of the operations in which the transactions relate. The currencies giving rise to this risk are primarily United States dollars ("USD"), Euros ("EUR") and Hong Kong dollars ("HKD").

(i) Recognised assets and liabilities

The Group did not hedge its foreign currency exposure.

RMB is not a freely convertible currency and the PRC government may at its discretion restrict access to foreign currencies for current account transactions in the future. Changes in the foreign exchange control system may prevent the Group from satisfying sufficient foreign currency demands and the Group may not be able to pay dividends in foreign currencies to its shareholder.

(ii) Exposure to currency risk

The following table details the Group's exposure at the end of the reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity in which they relate. For presentation purposes, the amounts of the exposure are shown in RMB, translated using the spot rate at the end of the reporting period.

34 金融工具的金融風險管理和公允價值(續)

(d) 貨幣風險

本集團所承受的貨幣風險主要源於產生以外幣計價的應收款、應付款及銀行貸款的銷售、採購以及借款。所指外幣是與這些交易有關的業務功能貨幣以外的貨幣。引致這種風險的貨幣主要包括美元、歐元及港幣。

(i) 已確認資產與負債

本集團未就外幣風險進行對沖。

人民幣並非自由兌換貨幣，中國政府可自行安排未來對來往賬戶交易採用外幣的限制。關於外匯控制政策的變化，可能妨礙本集團滿足對外幣的需求，從而導致本集團可能無法向股東以外幣支付股利。

(ii) 貨幣風險額度

下表詳述本集團於報告期末以相關實體的功能貨幣以外的貨幣計值的已確認資產或負債所產生的貨幣風險。就呈列目的而言，風險額度的金額以人民幣列示，並以報告期末即時匯率換算。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

34 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(d) CURRENCY RISK (Continued)

(ii) Exposure to currency risk (Continued)

The Group's exposures to foreign currencies (expressed in RMB'000)

		2015 二零一五年			
		USD 美元	EUR 歐元	HKD 港幣	Others 其他
Trade and bills receivables	應收賬款及票據	154,708	-	-	-
Cash and cash equivalents	現金及現金等價物	593,724	65,476	108,779	3,431
Bank loans	銀行貸款	(481,527)	(1,716,021)	-	-
Trade and bills payables	應付賬款及票據	(212,272)	(147,941)	-	(499)
Net exposure	風險淨額	54,633	(1,798,486)	108,779	2,932

		2014 二零一四年			
		USD 美元	EUR 歐元	HKD 港幣	Others 其他
Trade and bills receivables	應收賬款及票據	66,228	-	-	-
Cash and cash equivalents	現金及現金等價物	40,655	30,390	376,863	-
Bank loans	銀行貸款	(2,178,431)	(305,676)	-	-
Trade and bills payables	應付賬款及票據	(81,676)	(134,669)	-	(181)
Net exposure	風險淨額	(2,153,224)	(409,955)	376,863	(181)

34 金融工具的金融風險管理和公允價值(續)

(d) 貨幣風險(續)

(ii) 貨幣風險額度(續)

本集團的外幣風險額度(以人民幣千元列示)

34 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(d) CURRENCY RISK (Continued)

(iii) Sensitivity analysis

The followings are the foreign currency exchange rates applied:

		Average rate 平均匯率		Reporting date spot rate 報告日現匯匯率	
		2015 二零一五年	2014 二零一四年	2015 二零一五年	2014 二零一四年
USD	美元	6.2307	6.1453	6.4936	6.1190
EUR	歐元	6.9460	8.1255	7.0952	7.4556
HKD	港幣	0.8037	0.7923	0.8378	0.7889

A 5% strengthening of RMB against the following currencies as at the respective reporting period end dates would have increased/(decreased) the Group's profit after tax and retained earnings by the amounts shown below. Other components of equity would not be affected by the strengthening of RMB against foreign currencies.

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
USD	美元	(2,065)	90,961
EUR	歐元	76,223	16,053
HKD	港幣	(4,623)	(16,016)
Others	其他	(108)	8
		69,427	91,006

A 5% weakening of RMB against the above currencies as at the respective reporting period end dates would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

34 金融工具的金融風險管理和公允價值(續)

(d) 貨幣風險(續)

(iii) 敏感度分析

下表呈列所使用的外幣匯率：

於各報告期末人民幣對以下貨幣增值5%會使稅後利潤及保留盈利增加/(減少)的金額呈列如下。權益的其他組成部分不會受到人民幣相對於外幣增值的影響。

於各報告期末人民幣相對於上述貨幣5%的貶值，假設所有其他變量保持不變，則對上述貨幣產生金額相同但方向相反的影響，影響金額如上表呈列。

34 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(d) CURRENCY RISK (Continued)

(iii) Sensitivity analysis (Continued)

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at the end of the reporting period. The analysis excludes differences that would result from the translation of the financial statements of foreign operations into the Group's presentation currency.

The 5% change represents management's assessment of reasonably possible changes in foreign exchange rates over the period until the next annual reporting period end date. The analysis is performed on the same basis for 2014.

(e) FAIR VALUES

(i) Financial instruments carried at fair value

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the respective reporting period end dates on a recurring basis, categorised into the three-level fair value hierarchy as defined in IFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

34 金融工具的金融風險管理和公允價值(續)

(d) 貨幣風險(續)

(iii) 敏感度分析(續)

以上敏感度分析是假設匯率於報告期末有所改變而釐定，並已應用於重新計量本集團於報告期末所持有的使本集團須承擔外幣風險的金融工具。該分析不包括以本集團的列報貨幣換算境外經營的財務報表所產生的差異。

5%變動代表管理層於此期間至下一年度報告期末日對外匯率可能變化的合理評估。該分析是按二零一四年的同一基準進行。

(e) 公允價值

(i) 按公允價值計量的金融工具

公允價值層級

下表呈列本集團經常性的於報告期末所計量的金融工具公允價值。該等金融工具已歸入《國際財務報告準則》第13號「公允價值計量」所界定的三個公允價值層級。本集團參照以下估值方法所採用的輸入值的可觀察程度和重要性，從而釐定公允價值計量數值所應歸屬的層級：

- 第一層級估值：只使用第一層級輸入值(即相同資產或負債於計量日期在活躍市場的未經調整報價)來計量公允價值。
- 第二層級估值：使用第二層級輸入值(即未達第一層級的可觀察輸入值)並捨棄重大不可觀察輸入值來計量公允價值。不可觀察輸入值是指欠缺市場數據的輸入值。
- 第三層級估值：採用重大不可觀察輸入值來計量公允價值。

34 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(e) FAIR VALUES (Continued)

(i) Financial instruments carried at fair value

(Continued)

Fair value hierarchy (Continued)

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Level 1	第1層級		
- listed available-for-sale equity securities	- 已上市的可供出售證券投資	106,175	55,109
- listed trading securities	- 已上市的交易性證券	1,861	-
Level 3	第3層級		
- unlisted available-for-sale debt securities	- 未上市的可供出售債務證券	5,000	5,840
		113,036	60,949

During the years ended 31 December 2015 and 2014, there were no transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

The fair values of available-for-sale debt securities are determined using the discounted cash flow analysis. The significant unobservable input in the fair value measurement is the discount rate. As the maturities of the Group's available-for-sale debt securities are less than 12 months, the directors are of the opinion that the impact of discounting would be insignificant. Any increase/decrease in the discount rate at 31 December 2015 would not have significant impact on the Group's other comprehensive income.

(ii) Fair value of financial instruments carried at other than fair value

The carrying amounts of the Group's financial instruments carried at cost or amortised cost are not materially different from their fair value at 31 December 2015 and 2014.

34 金融工具的金融風險管理和公允價值(續)

(e) 公允價值(續)

(i) 按公允價值計量的金融工具

(續)

公允價值層級(續)

截至二零一五年及二零一四年十二月三十一日止年度，並無任何公允價值轉入第三層級或自第三層級轉出。本集團的政策是在公允價值層級之間出現轉移的報告期完結時確認有關變動。

可供出售債務證券的公允價值採用貼現現金流量分析法釐定。公允價值計量的重大不可觀察輸入值是貼現率。由於本集團的可供出售債務證券到期期限為十二個月以下，董事認為貼現影響並不重大。於二零一五年十二月三十一日，貼現率上升/下降對本集團的其他綜合收益不會有重大影響。

(ii) 非按公允價值列賬的金融工具的公允價值

本集團按成本或攤銷成本入賬的金融工具的賬面金額與其於二零一五年和二零一四年十二月三十一日的公允價值分別不大。

35 COMMITMENTS

35 承擔

(a) CAPITAL COMMITMENTS OUTSTANDING AT 31 DECEMBER 2015 NOT PROVIDED FOR IN THE FINANCIAL STATEMENTS WERE AS FOLLOWS:

(a) 於二零一五年十二月三十一日未償付而又未在財務報表內提撥準備的資本承擔如下：

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Contracted for	已訂約		
– property, plant and equipment	– 物業、廠房及設備	202,009	85,884
– investment in joint ventures	– 於合營公司的投資	226,840	–
Authorised but not contracted	已授權但未訂約		
– property, plant and equipment	– 物業、廠房及設備	741,881	274,480
– lease prepayments	– 預付租賃款項	43,950	52,200
– investment in joint ventures	– 於合營公司的投資	–	45,134
		1,214,680	457,698

(b) AT 31 DECEMBER 2015, THE TOTAL FUTURE MINIMUM LEASE PAYMENTS UNDER NON-CANCELLABLE OPERATING LEASES ARE PAYABLE AS FOLLOWS:

(b) 於二零一五年十二月三十一日，根據不可解除的經營租賃在日後應付的最低租賃付款總額如下：

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Within 1 year	一年內	5,293	2,526
After 1 year but within 5 years	一年後但五年內	2,710	1,152
		8,003	3,678

The Group leases certain buildings through non-cancellable operating leases. These operating leases do not contain provisions for contingent lease rentals. None of the rental agreements contain escalation provisions that may require higher future rental payments.

本集團通過不可解除的經營租賃租用若干樓宇。這些經營租賃並沒有或有租賃租金的條款。租賃協議並無載有可能會在未來要求更高租金的遞增條文。

36 MATERIAL RELATED PARTY TRANSACTIONS

36 重大關聯方交易

(a) TRANSACTIONS WITH RELATED PARTIES

The Group had the following material transactions with related parties during the year ended 31 December 2015:

(a) 與關聯方交易

截至二零一五年十二月三十一日止年度，本集團與關聯方進行的重大交易如下：

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Sales of goods to	出售商品予		
– China Huaxin	– 中國華信	590	1,450
– subsidiary of Yangtze Communications	– 長江通信的附屬公司	–	11
– subsidiaries and fellow subsidiary of Draka	– Draka的附屬公司及同系附屬公司	71,535	62,300
– joint ventures	– 合營公司	1,960,457	1,534,820
Purchase of goods from	購買商品自		
– subsidiaries of Draka	– Draka的附屬公司	44,926	18,788
– associate	– 聯營公司	30,683	26,330
– joint ventures	– 合營公司	2,140,560	1,647,548
Royalty fees income from	特許權使用費收入自		
– joint ventures	– 合營公司	5,900	6,300
Rental income from	租金收入自		
– associate	– 聯營公司	432	432
– joint venture	– 合營公司	368	368
Rental expense to	租金費用予		
– associate	– 聯營公司	360	–
Royalty fees to	特許權使用費予		
– subsidiary of Draka	– Draka的附屬公司	30,982	25,631
Loans to a joint venture	貸款予合營企業	20,000	–
Consideration paid for the acquisition of NK Wuhan to	支付收購武漢安凱的對價予		
– subsidiary of Draka (Note 17(ii))	– Draka的附屬公司(附註17(ii))	18,000	–

Note: China Huaxin Post and Telecommunication Economy Development Center ("China Huaxin"), Wuhan Yangtze Communications Industry Group Co., Ltd. ("Yangtze Communications") and Draka Comteq B.V. ("Draka") are the Company's shareholders. As at 31 December 2015, the Company was owned as to 26.37%, 17.58% and 26.37% (2014: 28.12%, 18.76% and 28.12%) by China Huaxin, Yangtze Communications and Draka, respectively.

註：中國華信郵電經濟開發中心(「中國華信」)，武漢長江通信產業集團股份有限公司(「長江通信」)和Draka Comteq B.V.(「Draka」)為本公司的股東。於二零一五年十二月三十一日，中國華信、長江通信和Draka分別持有本公司26.37%、17.58%和26.37%的股權(二零一四年：28.12%、18.76%和28.12%)。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

36 MATERIAL RELATED PARTY TRANSACTIONS

(Continued)

(b) OUTSTANDING BALANCES WITH RELATED PARTIES

The Group's outstanding balances with related parties are as follows:

36 重大關聯方交易(續)

(b) 與關聯方的餘額

本集團與關聯方的未償還餘額詳情如下：

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Trade and bills receivables	應收賬款及票據		
– China Huaxin	– 中國華信	962	764
– subsidiary of Yangtze Communications	– 長江通信的附屬公司	187	186
– subsidiaries and fellow subsidiary of Draka	– Draka的附屬公司及同系附屬公司	22,154	7,879
– joint ventures	– 合營公司	203,876	204,038
		227,179	212,867
Deposits, prepayments and other receivables	按金、預付款及其他應收款項		
– subsidiary of Yangtze Communications	– 長江通信的附屬公司	2,517	2,517
– subsidiary of Draka	– Draka的附屬公司	1,602	3,729
– joint ventures	– 合營公司	44,576	39,662
		48,695	45,908
Other non-current assets	其他非流動資產		
– joint venture	– 合營公司	20,000	–
Trade and bills payables	應付賬款及票據		
– subsidiaries of Draka	– Draka的附屬公司	10,546	1,824
– associate	– 聯營公司	11,458	13,052
– joint ventures	– 合營公司	110,456	151,312
		132,460	166,188

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

36 MATERIAL RELATED PARTY TRANSACTIONS

(Continued)

(b) OUTSTANDING BALANCES WITH RELATED PARTIES (Continued)

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Accrued expenses and other payables	預提費用及其他應付款項		
– subsidiaries of Draka	– Draka的附屬公司	30,982	25,652
– associate	– 聯營公司	432	432
– joint ventures	– 合營公司	25,544	5,940
		56,958	32,024
Deferred income	遞延收益		
– associate	– 聯營公司	4,752	5,184
– joint ventures	– 合營公司	14,267	20,167
		19,019	25,351

(c) KEY MANAGEMENT PERSONNEL REMUNERATION

Key management personnel are those persons holding positions with authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including the Company's directors.

Remuneration for key management personnel, including amounts paid to the Company's directors (including chief executive and supervisors) as disclosed in Note 9 and certain of the highest paid employees as disclosed in Note 10, is as follows:

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Short-term employee benefits	短期僱員福利	31,145	17,036
Post-employment benefits	離職後福利	688	650
		31,833	17,686

Total remuneration is included in "staff costs" (see Note 7(a)).

36 重大關聯方交易(續)

(b) 與關聯方的餘額(續)

(c) 關鍵管理人員薪酬

關鍵管理人員指其所處職位具有權力與責任、可直接或間接地規劃、領導以及控制本集團的活動的個人，包括本公司的董事。

本集團關鍵管理人員的酬金，包括附註9所披露已付本公司董事(包括行政總裁及監事)的款項和附註10所披露部分酬金最高的僱員如下：

酬金總額已計入「員工成本」中(參見附註7(a))。

36 MATERIAL RELATED PARTY TRANSACTIONS

(Continued)

(d) APPLICABILITY OF THE LISTING RULES RELATING TO CONNECTED TRANSACTIONS

For the year ended 31 December 2015, the following related party transactions as disclosed in Note 36(a) above constitute connected transaction or continuing connected transactions as defined in Chapter 14A of the Listing Rules. The Company confirms that it has complied with the disclosure requirements in accordance with Chapter 14A of the Hong Kong Listing Rules. The disclosures required by Chapter 14A of the Listing Rules are provided in section "Connected Transactions" of the Directors' Report.

Sales of goods to

- China Huaxin
- subsidiary of Yangtze Communications
- subsidiaries and fellow subsidiary of Draka
- YOFC Shanghai, a joint venture

Purchase of goods from

- subsidiaries of Draka
- YOFC Shanghai

Royalty fees to

- subsidiary of Draka

Consideration paid for the acquisition of NK Wuhan to

- subsidiary of Draka

In addition, certain related party transactions above constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules. However, these transactions are exempt from the disclosure requirements in Chapter 14A of the Listing Rules as they are below the de minimis threshold under 14A.76(1) of the Listing Rules.

36 重大關聯方交易(續)

(d) 與關連交易有關的《上市規則》的適用性

根據《上市規則》第14A章的定義，截至二零一五年十二月三十一日止年度，上述在附註36(a)中披露的以下關聯方交易構成關連交易及持續關連交易。本公司確認已遵守香港上市規則第14A章項下之披露規定。本集團已按照《上市規則》第14A章規定，於董事會報告書「關連交易」章節中作出披露。

出售商品予

- 中國華信
- 長江通信的附屬公司
- Draka的附屬公司及同系附屬公司
- 長飛上海，一家合營公司

購買商品自

- Draka的附屬公司
- 長飛上海

特許權使用費予

- Draka的附屬公司

支付收購武漢安凱的對價予

- Draka的附屬公司

除此之外，根據《上市規則》第14A章定義，若干上述關聯方交易構成持續關連交易。但根據《上市規則》第14A.76(1)條的規定，該等交易符合最低豁免水平的交易，獲豁免毋須按照《上市規則》第14A章的規定披露該等交易。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

37 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION

37 公司層面財務狀況表

		Note 附註	2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備		871,836	780,060
Construction in progress	在建工程		42,738	81,341
Lease prepayments	租賃預付款項		114,127	117,788
Investment in subsidiaries	於附屬公司的投資		443,161	225,063
Interest in associates	於聯營公司權益		9,000	28,866
Interest in joint ventures	於合營公司權益		482,487	470,165
Other non-current assets	其他非流動資產		425,851	112,673
Deferred tax assets	遞延稅項資產		10,644	25,342
Total non-current assets	非流動資產總額		2,399,844	1,841,298
Current assets	流動資產			
Inventories	存貨		608,413	697,065
Trade and bills receivables	應收賬款及票據		2,065,842	1,738,977
Deposits, prepayments and other receivables	按金、預付款項及其他應收款項		192,871	140,407
Other financial assets	其他金融資產		1,861	-
Cash and cash equivalents	現金及現金等價物		1,782,808	1,863,299
Total current assets	流動資產總額		4,651,795	4,439,748
Current liabilities	流動負債			
Bank loans	銀行貸款		1,377,957	1,177,364
Trade and bills payables	應付賬款及票據		1,068,875	978,027
Accrued expenses and other payables	預提費用及其他應付款項		437,843	408,599
Income tax payable	應付所得稅		7,506	1,658
Total current liabilities	流動負債總額		2,892,181	2,565,648
Net current assets	淨流動資產		1,759,614	1,874,100
Total assets less current liabilities	總資產減流動負債		4,159,458	3,715,398
Non-current liabilities	非流動負債			
Bank loans	銀行貸款		820,820	1,018,878
Deferred income	遞延收益		53,447	74,980
Total non-current liabilities	非流動負債總額		874,267	1,093,858
Net assets	淨資產		3,285,191	2,621,540
Capital and reserves	股本及儲備	32		
Share capital	股本		682,115	639,463
Reserves	儲備		2,603,076	1,982,077
Total equity	權益總額		3,285,191	2,621,540

38 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

After the end of the reporting period the directors proposed a final dividend. Further details are disclosed in Note 32(b).

39 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2015

Up to the date of issue of these financial statements, the IASB has issued a few amendments and new standards which are not yet effective for the year ended 31 December 2015 and which have not been adopted in these financial statements. These include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after		在以下日期或之後開始的會計期間生效
Annual Improvements to IFRSs 2012-2014 Cycle	1 January 2016	國際財務報告準則二零一二年至二零一四年度週期的年度改進	二零一六年一月一日
IFRS 14, <i>Regulatory deferral accounts</i>	1 January 2016	國際財務報告準則第14號 「監管遞延賬目」	二零一六年一月一日
Amendments to IFRS 11, <i>Accounting for acquisitions of interests in joint operations</i>	1 January 2016	國際財務報告準則第11號 「收購共同營運權益安排的會計處理」的修訂	二零一六年一月一日
Amendments to IAS 16 and IAS 38, <i>Clarification of acceptable methods of depreciation and amortisation</i>	1 January 2016	國際會計準則第16號和國際會計準則第38號「可接受折舊及攤銷方法之澄清」的修訂	二零一六年一月一日
Amendments to IAS 16 and IAS 41, <i>Agriculture: Bearer plants</i>	1 January 2016	國際會計準則第16號和國際會計準則第41號「農業：生產性植物」的修訂	二零一六年一月一日
Amendments to IAS 27, <i>Equity method in separate financial statements</i>	1 January 2016	國際會計準則第27號「於獨立財務報表採用權益法核算」的修訂	二零一六年一月一日
Amendments to IFRS 10, IFRS 12 and IAS 28, <i>Investment entities: Applying the consolidation exception</i>	1 January 2016	國際財務報告準則第10號、國際財務報告準則第12號及國際會計準則第28號「投資實體：應用合併入賬的例外情況」的修訂	二零一六年一月一日
Amendments to IAS 1, <i>Disclosure initiative</i>	1 January 2016	國際會計準則第1號「披露倡議」的修訂	二零一六年一月一日
Amendments to IAS 7, <i>Disclosure initiative</i>	1 January 2017	國際會計準則第7號「披露倡議」的修訂	二零一七年一月一日
Amendments to IAS 12, <i>Income taxes – Recognition of deferred tax assets for unrealised losses</i>	1 January 2017	國際會計準則第12號「所得稅—就未實現虧損確認遞延稅項資產」的修訂	二零一七年一月一日
IFRS 15, <i>Revenue from contracts with customers</i>	1 January 2018	國際財務報告準則第15號 「客戶合同收入」	二零一八年一月一日
IFRS 9, <i>Financial instruments (2014)</i>	1 January 2018	國際財務報告準則第9號 「金融工具」(2014)	二零一八年一月一日
IFRS 16, <i>Leases</i>	1 January 2019	國際財務報告準則第16號「租賃」	二零一九年一月一日

38 期後非調整事項

董事於報告期末後建議分派末期股利。有關詳情載於附註32(b)。

39 已頒布但尚未在截至二零一五年十二月三十一日止年度生效的修訂、新準則和詮釋可能帶來的影響

截至本財務報表刊發日，國際會計準則理事會已頒布數多項在截至二零一五年十二月三十一日止年度尚未生效，亦沒有在本財務報表採用的修訂和新準則。這些準則變化包括下列可能與本集團有關的項目。

39 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2015 (Continued)

The Group is in the process of making an assessment of what the impact of these amendments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Group's results of operations and financial position.

39 已頒布但尚未在截至二零一五年十二月三十一日止年度生效的修訂、新準則和詮釋可能帶來的影響(續)

本集團正在評估這些修訂對初始採用期間的影響。截至目前為止，本集團相信，採納這些修訂不大可能會對本集團的營運表現和財務狀況構成重大影響。

CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

Mr. Wen Huiguo (*Chairman*)
Mr. Frank Franciscus Dorjee

NON-EXECUTIVE DIRECTORS

Mr. Ma Jie
Mr. Yao Jingming
Mr. Philippe Claude Vanhille
Mr. Yeung Kwok Ki Anthony
Mr. Xiong Xiangfeng
Ms. Zheng Huili

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Ngai Wai Fung
Mr. Ip Sik On Simon
Mr. Li Ping
Mr. Li Zhuo

BOARD COMMITTEES

AUDIT COMMITTEE

Mr. Ngai Wai Fung (*Chairman*)
Mr. Ip Sik On Simon
Mr. Li Zhuo

NOMINATION AND REMUNERATION COMMITTEE

Mr. Ngai Wai Fung (*Chairman*)
Mr. Ip Sik On Simon
Mr. Frank Franciscus Dorjee

STRATEGY COMMITTEE

Mr. Wen Huiguo (*Chairman*)
Mr. Li Ping
Mr. Li Zhuo

BOARD OF SUPERVISORS

Mr. Jiang Zhikang
(*Chairman, employee representative supervisor*)
Mr. Liu Deming
Ms. Li Chang'ai

REGISTERED NAME OF THE COMPANY IN CHINESE

長飛光纖光纜股份有限公司

NAME OF THE COMPANY IN ENGLISH

Yangtze Optical Fibre and Cable Joint Stock Limited Company

董事會

執行董事

文會國先生(*董事長*)
范•德意先生

非執行董事

馬杰先生
姚井明先生
菲利普•范希爾先生
楊國琦先生
熊向峰先生
鄭慧麗女士

獨立非執行董事

魏偉峰先生
葉錫安先生
李平先生
李卓先生

董事委員會

審計委員會

魏偉峰先生(*主席*)
葉錫安先生
李卓先生

提名及薪酬委員會

魏偉峰先生(*主席*)
葉錫安先生
范•德意先生

戰略委員會

文會國先生(*主席*)
李平先生
李卓先生

監事會

江志康先生
(*主席、職工代表監事*)
劉德明先生
李長愛女士

公司中文註冊名稱

長飛光纖光纜股份有限公司

公司英文名稱

Yangtze Optical Fibre and Cable Joint
Stock Limited Company

CORPORATE INFORMATION (Continued)

公司資料(續)

LEGAL REPRESENTATIVE OF THE COMPANY

Mr. Wen Huiguo

AUTHORISED REPRESENTATIVES

Mr. Wen Huiguo
Ms. Cheng Pik Yuk

SECRETARY OF THE BOARD

Mr. Han Qingrong

COMPANY SECRETARY

Ms. Cheng Pik Yuk

INTERNATIONAL AUDITORS

KPMG

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Commerce & Finance Law Offices (as to PRC law)

COMPLIANCE ADVISOR

Messis Capital Limited

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公司法定代表人

文會國先生

授權代表

文會國先生
鄭碧玉女士

董事會秘書

韓慶榮先生

公司秘書

鄭碧玉女士

國際核數師

畢馬威會計師事務所

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通商律師事務所(中國法律)

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合和中心22樓

CORPORATE INFORMATION (Continued)

公司資料(續)

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STOCK CODE

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上市地點

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股份代碼

06869

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DEFINITIONS AND GLOSSARY OF TECHNICAL TERMS

釋義及技術詞彙

In this report, unless the context otherwise requires, the following terms shall have the meanings set out below:

於本報告中，除文義另有所指外，以下詞彙具有下列載涵義：

“AOC” 「有源光纜」	active optical cables 有源光纜
“Board” 「董事會」	the board of directors of the Company 本公司董事會
“Board of Supervisors” 「監事會」	the board of supervisors of the Company 本公司監事會
“CG Code” 「企業管治守則」	the Corporate Governance Code as set out in Corporate Governance Code and Corporate Governance Report contained in Appendix 14 to the Hong Kong Listing Rules 香港上市規則附錄十四內企業管治守則及企業管治報告列載之企業管治守則
“China Huaxin” 「中國華信」	China Huaxin Post and Telecommunication Economy Development Center, an entity incorporated in the PRC, one of the substantial shareholders of the Company 中國華信郵電經濟開發中心，於中國註冊成立的企業，為本公司主要股東之一
“Company” 「本公司」	Yangtze Optical Fibre and Cable Joint Stock Limited Company*, a joint stock limited company incorporated in the PRC with limited liability, the H shares of which are listed on the Main Board of the Hong Kong Stock Exchange 長飛光纖光纜股份有限公司，於中國註冊成立的股份有限公司，其H股於香港聯交所主板上市
“Director(s)” 「董事」	director(s) of the Company 本公司董事
“Draka” 「Draka」	Draka Comteq B.V., a company incorporated in the Netherlands, one of the substantial shareholders of the Company Draka Comteq B.V.，於荷蘭註冊成立的公司，為本公司主要股東之一
“ESOP” 「員工持股計劃」	the 2015 Core Employee Stock Ownership Scheme of the Company approved on 19 October 2015 於二零一五年十月十九日獲批准的二零一五年核心員工持股計劃
“EverPro” 「長芯盛」	EverPro Technologies Company Limited, a company established in the PRC and one of the subsidiaries of the Company 長芯盛(武漢)科技有限公司，一間於中國成立之公司，為本公司附屬公司之一
“fkm” 「芯公里」	fibre kilometers, which represent kilometers of optical fibres. For optical fibre preforms, means the kilometers of optical fibres that can be drawn from optical fibre preforms. For optical fibre cables, means the kilometers of optical fibres contained in optical fibre cables 光纖長度單位芯公里。就光纖預製棒而言，指光纖預製棒可拉出光纖的長度單位。就光纜而言，指光纜所含光纖的長度單位

DEFINITIONS AND GLOSSARY OF TECHNICAL TERMS (Continued)

釋義及技術詞彙(續)

“FTTH” 「光纖到戶」	fibre-to-the-home 光纖到戶
“Global Offering” 「全球發售」	the issue of H shares of the Company by way of Hong Kong public offering and international offering in 2014 本公司於二零一四年以香港公開發售及國際發售方式發行H股
“Group”, “the Group”, “us” or “we” 「本集團」或「我們」	the Company and its subsidiaries (i.e. the entities listed as subsidiaries of the Company in Note 17 to the audited consolidated financial statements in this annual report) 本公司及其附屬公司(即本年報經審核合併財務報表附註17列為本公司附屬公司之實體)
“Hong Kong” 「香港」	the Hong Kong Special Administrative Region of the PRC 中國香港特別行政區
“Hong Kong Listing Rules” 「香港上市規則」	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited 香港聯合交易所有限公司證券上市規則
“Hong Kong Stock Exchange” 「香港聯交所」	The Stock Exchange of Hong Kong Limited 香港聯合交易所有限公司
“Listing Date” 「上市日期」	10 December 2014 二零一四年十二月十日
“Model Code” 「標準守則」	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Hong Kong Listing Rules 香港上市規則附錄十所載之上市發行人董事進行證券交易之標準守則
“NK Wuhan” 「武漢安凱」	NK Wuhan Cable Co., Ltd. 武漢安凱電纜有限公司
“OVD” 「OVD」	outside vapor deposition 外部化學氣相沉積
“PCVD” 「PCVD」	plasma activated chemical vapor deposition 等離子體化學氣相沉積
“PRC” 「中國」	the People’s Republic of China, and for the purpose of this annual report, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan 中華人民共和國，但就本年報而言，不包括香港、澳門及台灣
“Private Placement” 「非公開配售」	the private placement of 30,783,000 new domestic shares of the Company and 11,869,000 new H shares of the Company for the purpose of implementing the ESOP and the placing of H shares of the Company to independent institutional investors 非公開配售30,783,000股本公司新內資股及11,869,000股本公司新H股，以執行員工持股計劃及對獨立機構投資者配售H股

DEFINITIONS AND GLOSSARY OF TECHNICAL TERMS (Continued)

釋義及技術詞彙(續)

“Prospectus” 「招股章程」	the prospectus of the Company dated 26 November 2014 in connection with the Global Offering 本公司日期為二零一四年十一月二十六日之招股章程，內容關於全球發售
“Relevant Period” 「有關期間」	the period from the Listing Date to 31 December 2014 上市日期至二零一四年十二月三十一日止期間
“RIC” 「RIC」	rod-in-cylinder 大套管真空拉絲
“RMB” 「人民幣」	Renminbi, the lawful currency of the PRC 人民幣，中國法定貨幣
“SFO” or “Securities and Futures Ordinance” 「證券及期貨條例」	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time 香港法例第571章證券及期貨條例，經不時修訂或補充
“Supervisor(s)” 「監事」	supervisor(s) of the Company 本公司監事
“VAD” 「VAD」	vapor axial deposition 軸向氣相沉積
“Yangtze Communications” 「長江通信」	Wuhan Yangtze Communications Industry Group Co., Ltd, a company incorporated in PRC, one of the substantial shareholders of the Company 武漢長江通信產業集團股份有限公司，一間於中國註冊成立的公司，為本公司主要股東之一
“YOFC” 「長飛」	Yangtze Optical Fibre and Cable Company Ltd, a company incorporated in the PRC as a sino-foreign equity joint venture, the predecessor of the Company 長飛光纖光纜有限公司，於中國註冊成立的中外合資合營企業，為本公司的前身
“YOFC Shanghai” 「長飛上海」	Yangtze Optical Fibre and Cable (Shanghai) Co., Ltd., a company established in the PRC and one of the joint venture of the Company. It is owned as to 75% by the Company and 25% by Draka 長飛光纖光纜(上海)有限公司，一間於中國成立的公司，為本公司合營公司之一。由本公司及Draka分別擁有75%及25%

YOFC 长飞
Delivering Signals Smartly

