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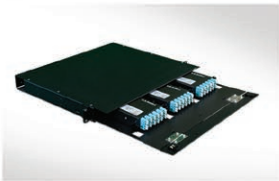
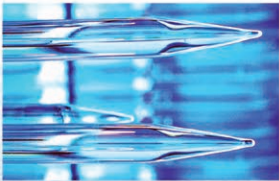
長飛光纖光纜股份有限公司

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)



INTERIM REPORT | 2016
中期報告

CONTENTS

目錄

DEFINITIONS 釋義	2
CORPORATE INFORMATION 公司資料	5
FINANCIAL HIGHLIGHTS 財務摘要	8
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME 合併綜合收益表	9
CONSOLIDATED STATEMENT OF FINANCIAL POSITION 合併財務狀況表	11
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 合併權益變動表	13
CONSOLIDATED CASH FLOW STATEMENT 合併現金流量表	14
NOTES TO UNAUDITED INTERIM FINANCIAL REPORT 未經審核中期財務報告附註	16
MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析	54
OTHER INFORMATION 其他資料	70

DEFINITIONS

釋義

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：

“Board” 「董事會」	the board of directors of the Company 本公司董事會
“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

DEFINITIONS (Continued)

釋義(續)

“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
“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 本公司及其附屬公司
“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
“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
“PRC” 「中國」	the People’s Republic of China, and for the purpose of this interim report, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan 中華人民共和國，但就本中期報告而言，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 (Continued)

釋義 (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
“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
“the Period” 「本期間」	the period for the six months ended 30 June 2016 截至二零一六年六月三十日止六個月期間
“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

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

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

LEGAL ADVISORS TO THE COMPANY

Simpson Thacher & Bartlett (as to Hong Kong law)
Commerce & Finance Law Offices (as to PRC law)

REGISTERED OFFICE

No.9 Guanggu Avenue,
East Lake High-tech Development Zone, Wuhan, Hubei Province
430073, the PRC

PRINCIPAL PLACE OF BUSINESS IN THE PRC

No.9 Guanggu Avenue,
East Lake High-tech Development Zone, Wuhan, Hubei Province
430073, the PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

H SHARE REGISTRAR

Tricor Investor Services Limited
Level 22, Hopewell Centre
183 Queen's Road East
Hong Kong

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

公司法律顧問

盛信律師事務所(香港法律)
通商律師事務所(中國法律)

註冊辦事處

中國湖北省武漢市
東湖高新技術開發區光谷大道9號
郵編430073

中國總部

中國湖北省武漢市
東湖高新技術開發區光谷大道9號
郵編430073

香港主要營業地點

香港
皇后大道東183號
合和中心54樓

H股股份過戶登記處

卓佳證券登記有限公司
香港
皇后大道東183號
合和中心22樓

CORPORATE INFORMATION (Continued)

公司資料(續)

LISTING LOCATION

The Stock Exchange of Hong Kong Limited

STOCK CODE

06869

CONTACT INFORMATION

INVESTOR RELATIONSHIP DEPARTMENT

Tel: +8627 6878 9088
Fax: +8627 6878 9089
Address of Headquarters: No.9 Guanggu Avenue
East Lake High-tech
Development Zone
Wuhan, Hubei Province
430073
the PRC
Email: ir@yofc.com

WEBSITE

www.yofc.com

上市地點

香港聯合交易所有限公司

股份代號

06869

聯繫方式

投資者關係部

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東湖高新技術開發區
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網址

www.yofc.com

FINANCIAL HIGHLIGHTS

財務摘要

For the six months ended 30 June 2016, the Group's operating results were as follows:

- Total revenue was approximately RMB3,677.6 million, increased by approximately RMB628.1 million, representing a 20.6% increase as compared to the same period of last year.
- Gross profit was approximately RMB807.3 million, increased by approximately RMB219.3 million, representing a 37.3% increase as compared to the same period of last year.
- Profit for the period attributable to equity shareholders of the Company was approximately RMB354.5 million, increased by approximately RMB49.8 million, representing a 16.3% increase as compared to the same period of last year.
- The Group's revenue from domestic customers increased by approximately 17.1%, as compared with the same period of last year. The Group's overseas revenue from overseas customers increased by approximately 67.1%, as compared with the same period of last year.
- No interim dividend was declared.

截至二零一六年六月三十日止六個月，本集團的經營成果如下：

- 總收入約為人民幣3,677.6百萬元，較去年同期增加約人民幣628.1百萬元，增幅約為20.6%。
- 毛利約為人民幣807.3百萬元，較去年同期增加約人民幣219.3百萬元，毛利增幅約為37.3%。
- 截至二零一六年六月三十日止六個月，本公司權益持有人應佔利潤約為人民幣354.5百萬元，較去年同期增加約人民幣49.8百萬元，增幅約為16.3%。
- 與去年同期比較，本集團來自國內客戶的收入增加約17.1%，本集團來自海外客戶的收入增加約67.1%。
- 中期股息並不宣派。

* For identification purpose only

* 僅供識別

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

合併綜合收益表

For the six months ended 30 June 2016 (Expressed in RMB)
截至二零一六年六月三十日止六個月(以人民幣列示)

		For the six months ended 30 June 截至六月三十日止六個月		
		Notes 附註	2016 二零一六年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2015 二零一五年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Revenue	收入	4	3,677,647	3,049,579
Cost of sales	銷售成本		(2,870,334)	(2,461,546)
Gross profit	毛利		807,313	588,033
Other income	其他收入	5	17,257	16,263
Selling expenses	銷售費用		(84,861)	(63,318)
Administrative expenses	管理費用		(298,582)	(231,641)
Profit from operations	經營利潤		441,127	309,337
Finance income	融資收入	6	7,863	40,536
Finance costs	融資成本	6	(108,209)	(36,028)
Net finance (costs)/income	淨融資(成本)/ 收入		(100,346)	4,508
Share of results of associates	應佔聯營公司業績		703	282
Share of results of joint ventures	應佔合營公司業績		54,357	33,012
Profit before taxation	除稅前利潤	7	395,841	347,139
Income tax	所得稅	8	(51,982)	(46,781)
Profit for the period	本期利潤		343,859	300,358
Other comprehensive income (item that may be reclassified subsequently to profit or loss):	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		12,456	46,859
Income tax relating to available-for-sale securities	可供出售證券相關 所得稅項		(1,868)	(7,029)
Exchange differences on translation of financial statements of overseas subsidiaries	外幣報表折算差額		6,041	-
Other comprehensive income for the period	本期其他綜合收益		16,629	39,830
Total comprehensive income for the period	本期綜合收益總額		360,488	340,188

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Continued)

合併綜合收益表(續)

For the six months ended 30 June 2016 (Expressed in RMB)
截至二零一六年六月三十日止六個月(以人民幣列示)

		For the six months ended 30 June 截至六月三十日止六個月	
		2016 二零一六年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2015 二零一五年 RMB'000 人民幣千元 (Unaudited) (未經審核)
		Notes 附註	
<hr/>			
Profit for the period attributable to:	應佔本期利潤：		
Equity shareholders of the Company	本公司權益持有人		
Non-controlling interests	非控股權益	354,514 (10,655)	304,736 (4,378)
Profit for the period	本期利潤	343,859	300,358
<hr/>			
Total comprehensive income for the period attributable to:	應佔本期綜合收益總額：		
Equity shareholders of the Company	本公司權益持有人		
Non-controlling interests	非控股權益	369,371 (8,883)	344,566 (4,378)
Total comprehensive income for the period	本期綜合收益總額	360,488	340,188
<hr/>			
Earnings per share (RMB)	每股盈利 (人民幣元)		
Basic and diluted	基本及攤薄	9	0.52
			0.48

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

合併財務狀況表

At 30 June 2016 (Expressed in RMB)
於二零一六年六月三十日(以人民幣列示)

		Notes	30 June 2016 二零一六年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2015 二零一五年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備		1,061,356	982,027
Construction in progress	在建工程		128,147	88,743
Intangible assets	無形資產		183,261	146,300
Lease prepayments	租賃預付款項		234,492	166,225
Interest in associates	於聯營公司權益		10,970	10,747
Interest in joint ventures	於合營公司權益		862,113	720,312
Other non-current assets	其他非流動資產		272,227	429,670
Deferred tax assets	遞延稅項資產		7,538	10,442
Total non-current assets	非流動資產總額		2,760,104	2,554,466
Current assets	流動資產			
Inventories	存貨	11	733,457	678,062
Trade and bills receivables	應收賬款及票據	12	2,654,136	2,119,178
Deposits, prepayments and other receivables	按金、預付款項及其他應收款項		303,048	177,117
Other financial assets	其他金融資產	13	237,944	6,861
Cash and cash equivalents	現金及現金等價物		1,502,400	2,047,125
Total current assets	流動資產總額		5,430,985	5,028,343
Current liabilities	流動負債			
Bank loans	銀行貸款	14	2,019,743	1,636,609
Trade and bills payables	應付賬款及票據	15	908,700	852,334
Accrued expenses and other payables	預提費用及其他應付款項		598,474	468,047
Income tax payable	應付所得稅		29,859	19,877
Total current liabilities	流動負債總額		3,556,776	2,976,867
Net current assets	淨流動資產		1,874,209	2,051,476

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

合併財務狀況表(續)

At 30 June 2016 [Expressed in RMB]
於二零一六年六月三十日(以人民幣列示)

			30 June 2016 二零一六年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2015 二零一五年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Total assets less current liabilities	總資產減流動負債		4,634,313	4,605,942
Non-current liabilities	非流動負債			
Bank loans	銀行貸款	14	552,769	820,820
Deferred income	遞延收益		80,321	53,447
Total non-current liabilities	非流動負債總額		633,090	874,267
Net assets	淨資產		4,001,223	3,731,675
Capital and reserves	股本及儲備			
Share capital	股本	16	682,115	682,115
Reserves	儲備		3,143,425	2,892,744
Total equity attributable to equity shareholders of the Company	本公司權益持有人應佔總權益		3,825,540	3,574,859
Non-controlling interests	非控股權益		175,683	156,816
Total equity	權益總額		4,001,223	3,731,675

Approved and authorised for issue by the Board on 26 August 2016.

董事會於二零一六年八月二十六日核准並許可刊發。

Wen Huiguo
文會國
Director
董事

Zheng Huili
鄭慧麗
Director
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

合併權益變動表

For the six months ended 30 June 2016 (Expressed in RMB)
截至二零一六年六月三十日止六個月(以人民幣列示)

		Attributable to equity shareholders of the Company 本公司權益持有人應佔								
		Share capital	Capital reserve	Statutory surplus reserve	Exchange reserve	Fair value reserve	Retained earnings	Total	Non-controlling interests	Total equity
		股本	資本公積	法定儲備	匯兌儲備	公允價值儲備	保留盈利	總計	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	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	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
Changes in equity:	權益變化：									
Profit for the period	本期利潤	-	-	-	-	-	304,736	304,736	(4,378)	300,358
Other comprehensive income	其他綜合收益	-	-	-	-	39,830	-	39,830	-	39,830
Total comprehensive income for the period	本期綜合收益總額	-	-	-	-	39,830	304,736	344,566	(4,378)	340,188
Appropriation	轉撥	-	-	24,011	-	-	(24,011)	-	-	-
Dividends declared	宣派股利	-	-	-	-	-	(106,151)	(106,151)	-	(106,151)
At 30 June 2015 (unaudited)	於二零一五年六月三十日 (未經審核)	639,463	1,341,461	115,478	-	65,176	890,634	3,052,212	93,315	3,145,527
At 1 January 2016	於二零一六年一月一日	682,115	1,550,098	168,547	1,796	68,751	1,103,552	3,574,859	156,816	3,731,675
Changes in equity:	權益變化：									
Profit for the period	本期利潤	-	-	-	-	-	354,514	354,514	(10,655)	343,859
Other comprehensive income	其他綜合收益	-	-	-	4,269	10,588	-	14,857	1,772	16,629
Total comprehensive income for the period	本期綜合收益總額	-	-	-	4,269	10,588	354,514	369,371	(8,883)	360,488
Appropriation	轉撥	-	-	26,534	-	-	(26,534)	-	-	-
Dividends declared	宣派股利	-	-	-	-	-	(118,690)	(118,690)	-	(118,690)
Capital contribution from non-controlling interests	非控股權益注資	-	-	-	-	-	-	-	27,750	27,750
At 30 June 2016 (unaudited)	於二零一六年六月三十日 (未經審核)	682,115	1,550,098	195,081	6,065	79,339	1,312,842	3,825,540	175,683	4,001,223

CONSOLIDATED CASH FLOW STATEMENT

合併現金流量表

For the six months ended 30 June 2016 (Expressed in RMB)
截至二零一六年六月三十日止六個月(以人民幣列示)

For the six months ended 30 June
截至六月三十日止六個月

		2016 二零一六年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2015 二零一五年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Cash flows from operating activities	經營活動的現金流		
Profit before taxation	除稅前利潤	395,841	347,139
Adjustments for:	調整項目：		
Depreciation	折舊	66,039	55,847
Amortisation	攤銷	11,475	1,217
Finance income	融資收入	(7,863)	(40,483)
Finance costs	融資成本	92,950	33,633
Dividend income from available-for-sale equity securities	可供出售股本證券股利收入	(5,405)	(156)
Gain on disposal of available-for-sale equity securities	出售可供出售股本證券投資收益	(2,897)	-
Share of results of associates	應佔聯營公司業績	(703)	(282)
Share of results of joint ventures	應佔合營公司業績	(54,357)	(33,012)
Unrealised profits on downstream transactions with joint ventures	與合營公司順流交易的未實現收益	2,633	1,179
Net loss on disposal of property, plant and equipment	出售物業、廠房及設備的虧損淨額	938	854
Changes in working capital:	營運資金的變動：		
(Increase)/decrease in inventories	存貨(增加)/減少	(55,395)	93,966
Increase in trade and other receivables	應收賬款及其他應收款項增加	(620,231)	(708,646)
Increase/(decrease) in trade and other payables and non-current liabilities	應付賬款及其他應付款項及非流動負債增加/(減少)	75,756	(110,869)
Cash used in operations	經營活動使用的現金	(101,219)	(359,613)
Income tax paid	已付所得稅	(39,096)	(21,106)
Net cash used in operating activities	經營活動使用的現金淨額	(140,315)	(380,719)

CONSOLIDATED CASH FLOW STATEMENT (Continued)

合併現金流量表(續)

For the six months ended 30 June 2016 (Expressed in RMB)
截至二零一六年六月三十日止六個月(以人民幣列示)

For the six months ended 30 June
截至六月三十日止六個月

		2016 二零一六年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2015 二零一五年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Cash flows from investing activities	投資活動的現金流		
Payment for property, plant and equipment	購買物業、廠房及設備	(262,114)	(75,004)
Payment for intangible assets	購買無形資產	(23,200)	(23,200)
Payment for lease prepayments	支付預付租賃款項	(70,303)	(2,786)
Payment for investment in a joint venture	投資於合營公司所付款項	(114,030)	(12,323)
Payment for available-for-sale debt securities	購買可供出售債務證券支付款項	(18,000)	(285,280)
Proceeds from matured available-for-sale debt securities	可供出售債務證券到期收回款項	8,000	59,510
Loans to a joint venture	給予合營公司貸款	(30,000)	-
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	2,436	-
Proceeds from disposal of available-for-sale equity securities	出售可供出售股本證券投資所得款項	19,497	-
Interest received	利息收入	4,061	12,246
Dividends received from associates	聯營公司的股利	480	-
Dividends received from joint ventures	合營公司的股利	8,518	9,290
Dividends received from available-for-sale equity securities	已收可供出售證券投資股利	5,405	156
Net cash used in investing activities	投資活動使用的淨現金	(469,250)	(317,391)
Cash flows from financing activities	融資活動的現金流		
Proceeds from new bank loans	新銀行貸款所得款項	1,870,647	2,264,083
Repayments of bank loans	償還銀行貸款	(1,820,397)	(2,165,100)
Contribution from non-controlling equity owners	非控股權益注資	27,750	-
Interest and other finance costs paid	已付利息及其他融資成本	(23,362)	(43,227)
Net cash generated from financing activities	融資活動產生的淨現金	54,638	55,756
Net decrease in cash and cash equivalents	現金及現金等價物的淨減少	(554,927)	(642,354)
Cash and cash equivalents at 1 January	於期初的現金及現金等價物	2,047,125	2,010,953
Effect of foreign exchange rate changes	外匯匯率變化的影响	10,202	(2,195)
Cash and cash equivalents at 30 June	於期末的現金及現金等價物	1,502,400	1,366,404

NOTES TO UNAUDITED INTERIM FINANCIAL REPORT

未經審核中期財務報告附註

1. CORPORATE INFORMATION

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

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

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

The Group is principally engaged in the research, development, production and sale of optical fibre preforms, optical fibres, optical fibre cables and related products.

一、 公司資料

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成立於中國的中外合資合營企業，於二零一三年十二月二十七日更名為長飛光纖光纜股份有限公司並在中國改制為外商投資股份有限公司。於同日，本公司股本折合為總股本479,592,598股普通股，每股面值人民幣1.00元。

二零一四年十二月十日，本公司H股於香港聯交所主板上市。於同日，本公司透過向香港及海外投資者公開發售本公司H股，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。

本公司於二零一五年十二月十八日完成向若干董事及經選定員工發行內資股及H股以及向四名獨立專業機構投資者非公開發售H股之事宜。本公司按每股7.15港元之認購價合共發行42,652,000股(包括H股及內資股)每股面值人民幣1.00元之股份。

本集團主要從事研究、開發、生產和銷售光纖預製棒、光纖、光纜及相關產品。

* For identification purpose only

* 僅供識別

2. BASIS OF PREPARATION

The unaudited interim financial report for the Period has neither been audited nor reviewed by the Company's auditors, but has been reviewed by the Company's audit committee, which has been prepared in accordance with the applicable disclosures provisions of the Hong Kong Listing Rules, including compliance with International Accounting Standard 34 "Interim Financial Reporting" adopted by the International Accounting Standard Board. The preparation of this unaudited interim financial report requires management to make judgements, estimates and assumptions that affect the application of the policies and reported amount of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates. The unaudited interim financial report was approved and authorised for issue by the Board on 26 August 2016.

The unaudited interim financial report does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual report for the year ended 31 December 2015.

The financial information relating to the financial year ended 31 December 2015 that is included in the unaudited financial report as comparative information does not constitute the Group's annual consolidated financial statements for that financial year but is derived from those financial statements.

二、編製基準

本未經審核中期財務報告以香港上市規則適用的披露規定，並符合國際會計準則理事會採納國際會計準則第34章《中期財務報告》作為編製基準，未經本公司核數師審核或審閱，但已由本公司審計委員會審閱。管理層需在編製未經審核中期財務報告時做出判斷、估計和假設。這些判斷、估計和假設會影響會計政策的應用和迄今為止資產與負債和收入與支出的匯報數額。實際結果可能有別於該估計。本未經審核中期財務報告於二零一六年八月二十六日獲得董事會批准及授權刊發。

本未經審核中期財務報告並未包含年度財務報表所要求的所有資料及披露內容，其應當與本集團截至二零一五年十二月三十一日止年度之年度報告配合閱覽。

本未經審核中期財務報告所載相關於二零一五年十二月三十一日止財政年度的比較財務資料是源自於但並不構成本集團於該財政年度編製的年度財務報表。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of this unaudited interim financial report are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2015, except for the adoption of new amendments issued by the International Accounting Standards Board that are mandatory for annual periods beginning on or after 1 January 2016. The adoption of these new amendments has had no significant financial effect on the financial position performance of the Group.

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.

三、 重大財務政策概要

本未經審核中期財務報告之編製基準所適用的財務政策，除若干由國際會計準則委員會修訂的強制適用於二零一六年一月一日起之年度報表的準則外，其餘均與本集團截至二零一五年十二月三十一日止之年度財務報表保持一致。上述修訂的準則之適用並未對本集團的財務狀況產生任何實質性影響。

四、 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。收入代表銷售商品的銷售價值，扣除增值稅。

NOTES TO UNAUDITED INTERIM FINANCIAL REPORT (Continued)

未經審核中期財務報告附註(續)

5. OTHER INCOME

五、其他收入

		For the six months ended 30 June 截至六月三十日止六個月	
		2016 二零一六年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2015 二零一五年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Dividend income from available-for-sale equity securities	可供出售證券投資 股利收入	5,405	156
Royalty fees	特許權使用費	2,950	2,950
Government grants	政府補助	6,795	13,177
Rental income from operating leases	經營租賃租金收益	400	422
Gain on disposal of available-for-sale equity securities	出售可供出售證券 的收益	2,897	-
Net loss on disposal of property, plant and equipment	出售物業、廠房及 設備虧損淨額	(938)	(854)
Net realised and unrealised loss on trading securities	買賣證券的已變現及 未變現淨虧損	(252)	-
Others	其他	-	412
		17,257	16,263

NOTES TO UNAUDITED INTERIM FINANCIAL REPORT (Continued)

未經審核中期財務報告附註(續)

6. NET FINANCE (COSTS)/INCOME

六、淨融資(成本)/收入

		For the six months ended 30 June 截至六月三十日止六個月	
		2016 二零一六年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2015 二零一五年 RMB'000 人民幣千元 (Unaudited) (未經審核)
(a) Finance income	(a) 融資收入		
Interest income	利息收入	7,863	15,191
Net foreign exchange gains	匯兌收益淨額	-	25,345
Finance income	融資收入	7,863	40,536
(b) Finance costs	(b) 融資成本		
Interest on bank loans	銀行貸款利息	(24,613)	(33,383)
Less: interest expenses capitalised into construction in progress	減：計入在建工程之資本化利息費用	381	1,276
Other finance costs	其他融資費用	(24,232)	(32,107)
Net foreign exchange losses	匯兌損失淨額	(409)	(1,526)
Bank charges	銀行手續費	(78,511)	-
Bank charges	銀行手續費	(5,057)	(2,395)
Finance costs	融資成本	(108,209)	(36,028)

7. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/
(crediting):

(a) STAFF COSTS

七、除稅前利潤

除稅前利潤已扣除／(計入)：

(a) 員工成本

		For the six months ended 30 June 截至六月三十日止六個月	
		2016 二零一六年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2015 二零一五年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Salaries, wages and other benefits	薪金、工資及 其他福利	212,644	168,214
Contributions to defined contribution retirement plan	定額退休供款計劃 的供款	22,685	18,643
		235,329	186,857

Pursuant to the relevant labour rules and regulations in the PRC, the Company and its subsidiaries in the PRC participated in defined contribution retirement scheme (the "Scheme") organised by the relevant local government authority for their employees. The Company and its subsidiaries in the PRC are required to make contributions to the Scheme 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 has no other material obligation to make payments in respect of pension benefits associated with this scheme other than the annual contribution described above.

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員工參與由中國當地政府主管部門組織的定額退休供款計劃(「計劃」)。本公司及其於中國的附屬公司須按員工基本薪金的20%向計劃作出供款。當地政府機關負責全部應付退休員工的退休福利。除上述年度供款以外，本集團並無其他與這項計劃相關的其他重大退休福利支付責任。

NOTES TO UNAUDITED INTERIM FINANCIAL REPORT (Continued)

未經審核中期財務報告附註(續)

7. PROFIT BEFORE TAXATION (Continued)

七、除稅前利潤(續)

(b) OTHER ITEMS

(b) 其他項目

		For the six months ended 30 June 截至六月三十日止六個月	
		2016 二零一六年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2015 二零一五年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Amortisation	攤銷		
- lease prepayments	- 租賃預付款項	2,037	1,217
- intangible assets	- 無形資產	9,438	-
Depreciation	折舊		
- property, plant and equipment held for use under operating leases	- 使用於經營租賃的物業、廠房及設備	434	171
- other property, plant and equipment	- 其他物業、廠房及設備	65,605	55,676
Research and development costs	研究和開發支出	101,357	83,245
Cost of inventories	存貨成本	2,875,276	2,469,975

8. INCOME TAX IN THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

八、合併綜合收益表內的所得稅

Taxation in the consolidated statements of comprehensive income represents:

合併綜合收益表內的所得稅指：

		For the six months ended 30 June 截至六月三十日止六個月	
		2016 二零一六年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2015 二零一五年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Current tax	即期稅項		
Provision for the period	期內撥備	49,078	42,679
Deferred tax	遞延稅項		
Origination and reversal of temporary differences	暫時性差異的產生 及轉回	2,904	4,102
		51,982	46,781

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

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。

8. INCOME TAX IN THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Continued)

Pursuant to the corporate income tax law and the relevant approval documents, the Company was qualified as an approved high-tech enterprise and is entitled to a preferential income tax rate of 15% during the Period, subject to the fulfillment of the recognition criteria. An approval document was issued by the relevant authority in 2014 which stated that the Company is qualified as an approved high-tech enterprise for another three years from 2015 to 2017.

Taxation for overseas subsidiaries is charged at the appropriate current rates of taxation ruling in the relevant countries and regions.

9. 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 RMB354,514,000 (six months ended 30 June 2015: RMB304,736,000) and the weighted average of 682,114,598 ordinary shares (six months ended 30 June 2015: 639,462,598 shares) in issue during the Period.

(b) DILUTED EARNINGS PER SHARE

The Company did not have any potential dilutive shares throughout the Period. Accordingly, diluted earnings per share are the same as basic earnings per share.

八、合併綜合收益表內的所得稅 (續)

根據企業所得稅法及有關批准文件，本公司獲認為「高新技術企業」，且於本期間滿足條件後可享有15%的優惠所得稅稅率。於二零一四年，相關當局發出批文，指本公司於二零一五年至二零一七年三年間仍被認為「高新技術企業」。

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。

九、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股權益持有人應佔利潤人民幣354,514,000元(截至二零一五年六月三十日止六個月：人民幣304,736,000元)以及期內已發行加權平均普通股682,114,598股(截至二零一五年六月三十日止六個月：639,462,598股)計算。

(b) 每股攤薄盈利

於期內，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。

10. 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 Period. No operating segments have been aggregated to form the following reportable segments.

- Optical fibres and 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 basis:

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.

十、分部報告

本集團通過產品管理業務。截至二零一六年六月三十日止六個月，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。

- 光纖及光纖預製棒：此分部生產光纖及光纖預製棒，並用於外銷。
- 光纖：此分部生產光纖，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、材料及其他相關產品。

(a) 分部業績

為評估分部業績、在分部間分配資源，本集團高級行政管理層按以下基準對各可呈報分部的應佔業績進行監控：

收入和費用乃參考各可呈報分部產生的收入和發生的開支分配給各可呈報分部。用於衡量可呈報分部利潤的指標為毛利。

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。

NOTES TO UNAUDITED INTERIM FINANCIAL REPORT (Continued)

未經審核中期財務報告附註(續)

10. SEGMENT REPORTING (Continued)

十、分部報告(續)

(a) SEGMENT RESULTS (Continued)

(a) 分部業績(續)

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 Period is set out below:

截至二零一六年六月三十日止六個月，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：

		For the six months ended 30 June 2016 (Unaudited) 截至二零一六年六月三十日止六個月(未經審核)			
		Optical fibres and preforms 光纖及光纖預製棒 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	1,920,608	1,574,229	174,489	3,669,326
Elimination of revenue relating to downstream transactions with joint ventures	與合營公司順流交易收入抵銷	8,576	-	(255)	8,321
Revenue from external customers	外部客戶收入	1,929,184	1,574,229	174,234	3,677,647
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	669,559	109,821	30,566	809,946
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	(2,633)	-	-	(2,633)
Reportable segment profit (gross profit)	可呈報分部利潤(毛利)	666,926	109,821	30,566	807,313

NOTES TO UNAUDITED INTERIM FINANCIAL REPORT (Continued)

未經審核中期財務報告附註(續)

10. SEGMENT REPORTING (Continued)

十、分部報告(續)

(a) SEGMENT RESULTS (Continued)

(a) 分部業績(續)

For the six months ended 30 June 2015 (Unaudited)
截至二零一五年六月三十日止六個月(未經審核)

		Optical fibres and preforms 光纖及 光纖預製棒 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	1,871,222	1,047,541	141,524	3,060,287
Elimination of revenue relating to downstream transactions with joint ventures	與合營公司順流交易收入抵銷	(11,175)	-	467	(10,708)
Revenue from external customers	外部客戶收入	1,860,047	1,047,541	141,991	3,049,579
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	509,167	74,496	5,549	589,212
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	(1,179)	-	-	(1,179)
Reportable segment profit (gross profit)	可呈報分部利潤(毛利)	507,988	74,496	5,549	588,033

10. SEGMENT REPORTING (Continued)

(b) GEOGRAPHICAL INFORMATION

The following table sets out information about the geographical location of the Group's revenue from external customers. The geographical location of customers is based on the location at which the goods are delivered.

十、分部報告(續)

(b) 地區信息

下表載列本集團外部客戶收入有關地理位置資訊。客戶的地理位置是根據交付商品的位置確定。

		For the six months ended 30 June 截至六月三十日止六個月	
		2016 二零一六年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2015 二零一五年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Mainland China (place of domicile)	中國大陸 (所在地)	3,320,265	2,835,767
Others	其他	357,382	213,812
		3,677,647	3,049,579

The geographical location of the Group's non-current assets is in the PRC, The Republic of Indonesia and The Republic of South Africa during the Period.

於本期間，本集團非流動資產處於中國、印尼及南非。

NOTES TO UNAUDITED INTERIM FINANCIAL REPORT (Continued)

未經審核中期財務報告附註(續)

11. INVENTORIES

The Group's inventories in the consolidated statement of financial position comprise:

		30 June 2016 二零一六年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2015 二零一五年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Raw materials and spare parts	原材料及備件	339,740	330,155
Work in progress	在產品	58,596	56,346
Finished goods	產成品	335,121	291,561
		733,457	678,062

合併財務狀況表中本集團的存貨包括：

12. TRADE AND BILLS RECEIVABLES

		30 June 2016 二零一六年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2015 二零一五年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Trade receivables	應收賬款		
– related parties	– 關聯方	319,105	227,179
– third parties	– 第三方	2,119,805	1,732,005
Bills receivable	應收票據	225,990	174,051
Less: allowance for doubtful debts	減：呆賬撥備	(10,764)	(14,057)
		2,654,136	2,119,178

All of the trade and bills receivables are expected to be recovered within one year.

本集團的所有應收賬款及票據預計將於一年之內收回。

12. TRADE AND BILLS RECEIVABLES

十二、應收賬款及票據(續)

(Continued)

AGEING ANALYSIS

賬齡分析

The ageing analysis of trade and bills receivables, based on the invoice date and net of allowance for doubtful debts, of the Group is as follows:

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:

		30 June 2016 二零一六年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2015 二零一五年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Within 3 months	三個月內	1,878,777	1,671,587
3 to 6 months	三至六個月	398,455	176,609
6 months to 1 year	六個月至一年	284,659	142,975
1 to 2 years	一至兩年	68,162	111,313
2 to 3 years	二至三年	23,484	12,146
Over 3 years	三年以上	599	4,548
		2,654,136	2,119,178

During the Period, the Group's customers included certain joint ventures, three state-owned telecommunications network operators (the "Three State-owned Telecommunications Operators") and other third parties. The Group generally required the Three State-owned Telecommunications Operators to make 70%–80% payment upon receipt 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 customers 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.

於本期間，本集團的客戶包括部分合營公司、三家國有電信運營商(「三家國有電信運營商」)及其他第三方。本集團一般要求三家國有電信運營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紀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。

13. OTHER FINANCIAL ASSETS

十三、其他金融資產

		30 June 2016 二零一六年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2015 二零一五年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Trading securities	交易性證券		
– listed in the PRC	– 在中國境內上市	8,158	1,861
Available-for-sale debt securities	可供出售債務證券		
– unlisted	– 非上市	15,050	5,000
Time deposits with original maturity within one year	一年內到期的定期存款	214,736	–
		237,944	6,861

Available-for-sale debt securities represents wealth management products issued by certain stated-owned or listed commercial banks in the PRC. As at 30 June 2016, 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內或上市商業銀行發行的理財產品。於二零一六年六月三十日，可供出售債務證券並無逾期或減值。

14. BANK LOANS

十四、銀行貸款

The Group's bank loans are unsecured and they are repayable as follows:

本集團的銀行貸款為無擔保，其還款時間呈列如下：

		30 June 2016 二零一六年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2015 二零一五年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Within 1 year	一年內	2,019,743	1,636,609
After 1 year but within 2 years	一年後但兩年內	39,894	325,012
After 2 years but within 5 years	兩年後但五年內	470,875	453,808
After 5 years	五年後	42,000	42,000
		552,769	820,820
		2,572,512	2,457,429

Certain of the Group's bank loans are subject to the fulfillment 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. As at 30 June 2016, none of the covenants relating to bank loans had been breached.

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。於二零一六年六月三十日，本集團無違反相關契約的情況。

15. TRADE AND BILLS PAYABLES

十五、應付賬款及票據

		30 June 2016 二零一六年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2015 二零一五年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Trade payables	應付賬款		
- related parties	- 關聯方	141,984	132,460
- third parties	- 第三方	654,113	658,254
Bills payable	應付票據	112,603	61,620
		908,700	852,334

All trade and bills payables are expected to be settled within one year or are repayable on demand.

預計所有應付賬款及票據將在一年內或按要求償還。

AGEING ANALYSIS

賬齡分析

The ageing analysis of the Group's trade and bills payables, based on invoice date, is as follows:

本集團的應付賬款及票據按發票日的賬齡分析如下：

		30 June 2016 二零一六年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2015 二零一五年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Within 1 year	一年內	903,022	846,567
Over 1 year but within 2 years	一年後但兩年內	1,892	2,685
Over 2 years but within 3 years	兩年後但三年內	1,130	534
Over 3 years	三年後	2,656	2,548
		908,700	852,334

16. SHARE CAPITAL

On 10 December 2014, the Company issued a total number of 159,870,000 H shares to Hong Kong and overseas investors with a par value of RMB1.00 each through global initial public offering at a price of HK\$7.39 per share. The aggregate net proceeds from the global initial public offering amounted to RMB892,409,000 (equivalent to HK\$1,130,633,000). Accordingly, the Company's paid-up capital and capital reserves increased by RMB159,870,000 and RMB732,539,000, respectively, net of all relevant share issuing expenses.

On 18 December 2015, the Company completed (i) the issuance of 30,783,000 domestic shares to a limited partnership, which is wholly and beneficially owned by four directors and certain senior management members of the Company, and three other limited partnerships owned by selected employees of the Company, and the issuance of 1,205,000 H shares to two directors of the Company under the 2015 Core Employee Stock Ownership Scheme adopted by the Company (the "Employee Stock Ownership Scheme"); and (ii) the private placement of 10,664,000 H shares to four independent professional institutional investors, at a subscription price of HK\$7.15 per share, all with the par value of RMB1.00 per share. The aggregate net proceeds from the above mentioned issuances and the private placement amounted to RMB189,512,000 (equivalent to HK\$228,578,000) and RMB61,777,000 (equivalent to HK\$73,892,000), respectively. Accordingly, the Company's paid-up capital and capital reserves increased by RMB42,652,000 and RMB208,637,000 respectively, net of all relevant share issuing expenses.

十六、股本

於二零一四年十二月十日，本公司按每股7.39港元之價格進行全球首次公開發售，向香港及海外投資者合共發行159,870,000股每股面值人民幣1.00元的H股。全球首次公開發售總所得款項淨額為人民幣892,409,000元(相當於1,130,633,000港元)。據此，本公司之繳足股本及股本儲備分別增加人民幣159,870,000元及人民幣732,539,000元，已扣除發行費用。

於二零一五年十二月十八日，本公司按每股認購價7.15港元及每股面值人民幣1.00元完成了(i)根據二零一五年核心員工持股計劃(「員工持股計劃」)，向四家有限合夥企業發行30,783,000股內資股，其中一家有限合夥企業由本公司四名董事及部分高級管理層成員持有，其他三家有限合夥企業由被挑選參與的員工持有，向本公司兩名董事發行1,205,000股H股；以及(ii)向四家獨立專業機構投資者配售10,664,000股H股。上述發行及配售所得款項淨額合共分別為人民幣189,512,000元(相當於228,578,000港元)以及人民幣61,777,000元(相當於73,892,000港元)。因此，本公司之繳足股本及股本儲備分別增加人民幣42,652,000元及人民幣208,637,000元，已扣除發行費用。

17. DIVIDENDS

十七、股利

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

於期內批准應付本公司權益持有人上個財政年度的股利：

		For the six months ended 30 June 截至六月三十日止六個月	
		2016 二零一六年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2015 二零一五年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Final dividend in respect of the previous financial year and approved during the Period	於期內批准的應付上一財政年度的末期股利每股人民幣		
RM0.174 per share (six months ended 30 June 2015: RM0.166 per share)	0.174元(截至二零一五年六月三十日止六個月：每股人民幣0.166元)	118,688	106,151

Dividends payable to equity shareholders of the Company attributable to the previous financial period and paid during the Period were RMB Nil (six months ended 30 June 2015: Nil).

截至二零一六年六月三十日止六個月支付本公司權益持有人的上個財政年度有關的股利為人民幣零元(截至二零一五年六月三十日止六個月：無)。

The Board did not declare any interim dividend for the current and prior periods.

董事會並無宣派當期及前期任何中期股息。

18. COMMITMENTS

十八、承擔

(a) CAPITAL COMMITMENTS OUTSTANDING AT 30 JUNE 2016 NOT PROVIDED FOR IN THE FINANCIAL STATEMENTS WERE AS FOLLOWS:

(a) 於二零一六年六月三十日未償付而又未在財務報表內提撥準備的資本承擔如下：

		30 June 2016 二零一六年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2015 二零一五年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Contracted for	已訂約		
– property, plant and equipment	– 物業、廠房及設備	465,142	202,009
– investment in joint ventures	– 於合營公司的投資	142,383	226,840
Authorised but not contracted	已授權但未訂約		
– property, plant and equipment	– 物業、廠房及設備	452,575	741,881
– lease prepayments	– 租賃預付款項	-	43,950
		1,060,100	1,214,680

18. COMMITMENTS (Continued)

十八、承擔(續)

(b) AT 30 JUNE 2016, THE TOTAL FUTURE MINIMUM LEASE PAYMENTS UNDER NON-CANCELLABLE OPERATING LEASES ARE PAYABLE AS FOLLOWS:

(b) 於二零一六年六月三十日，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：

		30 June 2016 二零一六年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2015 二零一五年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Within 1 year	一年內	5,934	5,293
After 1 year but within 5 years	一年後但五年內	1,654	2,710
		7,588	8,003

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。

19. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(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 Period, sales to the three major state-owned telecommunications network operators and the Group's joint ventures accounted for approximately 31% and 33% (the six months ended 30 June 2015: 28% and 29%) 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 30 June 2016, 25% and 65% (31 December 2015: 26% and 67%) 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.

十九、金融工具的金融風險管理和公允價值

(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。截至二零一六年六月三十日止六個月，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33% (截至二零一五年六月三十日止六個月：28%和29%)。

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。於二零一六年六月三十日，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25%及65% (二零一五年十二月三十一日：26%及67%)。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。

19. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

十九、金融工具的金融風險管理和公允價值(續)

(a) CREDIT RISK (Continued)

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade and other receivables are set out in Note 12.

(b) LIQUIDITY RISK

The Group is responsible for the 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.

(a) 信貸風險(續)

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載列於附註十二。

(b) 流動風險

本集團負責整體現金管理，包括現金盈餘的短期投資和籌措貸款以應付預計現金需求，當貸款超逾預定的水平時需獲得董事會批准。本集團的政策是定期監察流動資金需求以及履行借貸契約(如有)的情況，以確保維持足夠現金儲備和隨時可交易於市場的證券，以及來自主要金融機構的充足承諾融資額度，以滿足本集團短期及長期流動資金需求。

下表列出了於報告期末，本集團非衍生金融負債的剩餘合同期限，依據是合同未貼現現金流(包括根據合同利率計算的利息支付額，或如果採用浮動利率，即為根據報告期末的合同利率計算的利息支付額)，以及可能要求本集團支付的最早日期。

NOTES TO UNAUDITED INTERIM FINANCIAL REPORT (Continued)

未經審核中期財務報告附註(續)

19. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

十九、金融工具的金融風險管理和公允價值(續)

(b) LIQUIDITY RISK (Continued)

(b) 流動風險(續)

		30 June 2016 (Unaudited) 二零一六年六月三十日(未經審核)					
		Contractual undiscounted cash outflow 合約非貼現現金流量總額					Carrying amount 賬面金額 RMB'000 人民幣千元
		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	
Bank loans	銀行貸款	2,057,471	52,028	478,346	43,786	2,631,631	2,572,512
Trade and bills payables	應付賬款及票據	908,700	-	-	-	908,700	908,700
Accrued expenses and other payables	預提費用及其他應付款項	400,524	-	-	-	400,524	400,524
Total	合計	3,366,695	52,028	478,346	43,786	3,940,855	3,881,736

		31 December 2015 (Audited) 二零一五年十二月三十一日(經審核)					
		Contractual undiscounted cash outflow 合約非貼現現金流量總額					Carrying amount 賬面金額 RMB'000 人民幣千元
		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	
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

19. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

十九、金融工具的金融風險管理和公允價值(續)

(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.

(c) 利率風險

本集團的利率風險主要來自於銀行貸款。浮動利率銀行貸款使本集團暴露於現金流利率風險。

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。

下表詳列本集團於報告期末銀行貸款的利率概況。

		30 June 2016 (Unaudited) 二零一六年六月三十日 (未經審核)		31 December 2015 (Audited) 二零一五年十二月三十一日 (經審核)	
		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	0.81%-3.92%	1,390,395	0.90%-2.65%	1,027,187
Floating rate bank loans	浮動利率銀行貸款	1.60%-3.92%	1,182,117	0.72%-3.92%	1,430,242
			2,572,512		2,457,429

19. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

十九、金融工具的金融風險管理和公
允價值(續)

(c) INTEREST RATE RISK (Continued)

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 as follows:

(c) 利率風險(續)

於報告期末，假設所有其他變量保持不變，而利率整體上調/下調100個基點，則估計本集團的稅後利潤及保留盈利將分別(減少)/增加：

		30 June 2016 二零一六年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2015 二零一五年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
100 basis points increase	增加100個基點	(10,048)	(12,157)
100 basis points decrease	減少100個基點	10,048	12,157

Other components of consolidated equity would not be affected by the change in interest rates.

合併權益的其他組成部分不會受到利率變動的影響。

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 2015.

上述敏感度分析顯示假設於報告期末利率發生變動本集團的除稅後利潤(及保留盈利)及合併權益的其他組成部分的變化情況。該影響為對利息開支因利率改變而導致的年度化影響的估計。二零一五年敏感度分析按相同基準進行。

19. 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 shareholders.

十九、金融工具的金融風險管理和公允價值(續)

(d) 貨幣風險

本集團承受的貨幣風險主要來源於銷售、採購以及貸款產生的以外幣(即與經營所在地交易相關的與功能貨幣幣種不同的其他貨幣)計價的應收賬款、應付賬款及銀行貸款。與該風險相關的幣種主要包括美元、歐元及港幣。

(i) 確認的資產與負債

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。

19. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

十九、金融工具的金融風險管理和公
允價值(續)

(d) CURRENCY RISK (Continued)

(d) 貨幣風險(續)

(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.

The Group's exposures to foreign currencies (expressed in RMB'000)

(ii) 貨幣風險敞口

下表詳列本集團於報告期末有關以功能貨幣以外的貨幣計價之資產或負債所產生的貨幣風險敞口。就呈列目的而言，風險敞口之金額以人民幣列示，並以報告期末即時匯率換算。

本集團的外幣敞口
(以人民幣千元列賬)

		30 June 2016 二零一六年六月三十日 (Unaudited) (未經審核)			
		USD 美元	EUR 歐元	HKD 港幣	Others 其他
Trade and bills receivables	應收賬款及票據	162,207	-	-	-
Cash and cash equivalents	現金及現金等價物	206,642	78,919	42,907	9,045
Bank loans	銀行貸款	(240,282)	(1,411,230)	-	-
Trade and bills payables	應付賬款及票據	(48,183)	(144,790)	-	(224)
Net exposure	淨敞口	80,384	(1,477,101)	42,907	8,821

19. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

十九、金融工具的金融風險管理和公允價值(續)

(d) CURRENCY RISK (Continued)

(ii) Exposure to currency risk (Continued)

		31 December 2015 二零一五年十二月三十一日 (Audited) (經審核)			
		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	淨敞口	54,633	(1,798,486)	108,779	2,932

(iii) Sensitivity analysis

The followings are the foreign currency exchange rates applied:

(iii) 敏感度分析

下表呈列有關使用的外幣匯率：

		Average rate 平均匯率	Reporting date spot rate 報告日現匯匯率
		30 June 2016 二零一六年 六月三十日 (Unaudited) (未經審核)	31 December 2015 二零一五年 十二月三十一日 (Audited) (經審核)
USD	美元	6.5315	6.2307
EUR	歐元	7.2572	6.9460
HKD	港幣	0.8412	0.8037

19. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

十九、金融工具的金融風險管理和公允價值(續)

(d) CURRENCY RISK (Continued)

(d) 貨幣風險(續)

(iii) Sensitivity analysis (Continued)

A 5% strengthening of RMB against the following currencies as at the respective reporting period end dates would have increased the Group's profit after tax and retained earnings by the amounts shown below.

(iii) 敏感度分析(續)

於各報告期末人民幣對各貨幣增值5%會使稅後利潤及保留盈利增加的金額呈列如下。

		30 June 2016 二零一六年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2015 二零一五年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
USD	美元	(3,069)	(2,065)
EUR	歐元	62,571	76,223
HKD	港幣	(1,823)	(4,623)
Others	其他	(335)	(108)
		57,344	69,427

19. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(d) CURRENCY RISK (Continued)

(iii) Sensitivity analysis (Continued)

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.

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 2015.

十九、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)

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。

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。該分析是按二零一五年的同一基準進行。

19. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

十九、金融工具的金融風險管理和公允價值(續)

(e) FAIR VALUES

(e) 公允價值

(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.

(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。

19. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

十九、金融工具的金融風險管理和公允價值(續)

(e) FAIR VALUES (Continued)

- (i) Financial instruments carried at fair value (Continued)
Fair value hierarchy (Continued)

(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)

		30 June 2016 二零一六年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2015 二零一五年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Level 1	第1層級		
– listed available-for-sale equity securities	– 已上市的可供出售證券投資	118,631	106,175
– listed trading securities	– 已上市的交易性證券	8,158	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	15,050	5,000
		141,839	113,036

During the Period and the year ended 31 December 2015, 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.

截至二零一六年六月三十日止期間及二零一五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。

19. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

十九、金融工具的金融風險管理和公允價值(續)

(e) FAIR VALUES (Continued)

(e) 公允價值(續)

(i) Financial instruments carried at fair value (Continued)

Fair value hierarchy (Continued)

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 30 June 2016 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 30 June 2016 and 31 December 2015.

(i) 按公允價值計量的金融工具(續)

公允價值層級(續)

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。於二零一六年六月三十日，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二零一六年六月三十日和二零一五年十二月三十一日的公允價值分別不大。

20. MATERIAL RELATED PARTY TRANSACTIONS 二十、重大關聯方交易

(a) TRANSACTIONS WITH RELATED PARTIES

The Group had the following material transactions with related parties during the six months ended 30 June 2016:

(a) 與關聯方的交易

截至二零一六年六月三十日止六個月，本集團與關聯方進行的重大交易如下：

		For the six months ended 30 June 截至六月三十日止六個月	
		2016 二零一六年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2015 二零一五年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Sales of goods to	出售商品予		
- China Huaxin	- 中國華信	148	452
- subsidiaries and fellow subsidiary of Draka	- Draka的附屬公司及同系附屬公司	24,313	30,682
- joint ventures	- 合營公司	1,212,273	889,344
Purchase of goods from	購買商品自		
- subsidiaries of Draka	- Draka的附屬公司	44,252	8,452
- associate	- 聯營公司	13,496	15,958
- joint ventures	- 合營公司	1,258,452	985,583
Royalty fees income from	特許權使用費收益自		
- joint ventures	- 合營公司	2,950	2,950
Rental income from	租金收入自		
- associate	- 聯營公司	216	216
- joint venture	- 合營公司	184	184
Royalty fees to	特許權使用費予		
- subsidiary of Draka	- Draka的附屬公司	15,000	13,500
Loans to a joint venture	貸款予合營企業	30,000	-

Note: China Huaxin, Yangtze Communications and Draka are the Company's substantial shareholders. As at 30 June 2016, the Company was owned as to 26.36%, 17.58% and 26.36% (30 June 2015: 28.12%, 18.76% and 28.12%) by China Huaxin, Yangtze Communications and Draka, respectively.

附註：中國華信、長江通信和Draka為本公司的主要股東。於二零一六年六月三十日，中國華信、長江通信和Draka分別持有本公司26.36%、17.58%和26.36%的股權(二零一五年六月三十日：28.12%、18.76%和28.12%)。

NOTES TO UNAUDITED INTERIM FINANCIAL REPORT (Continued)

未經審核中期財務報告附註(續)

20. MATERIAL RELATED PARTY TRANSACTIONS (Continued) 二十、重大關聯方交易(續)

(b) OUTSTANDING BALANCES WITH RELATED PARTIES

The Group's outstanding balances with related parties are as follows:

(b) 與關聯方的餘額

本集團與關聯方的未償還結餘的詳情如下：

		30 June 2016 二零一六年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2015 二零一五年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Trade and bills receivables	應收賬款及票據		
- China Huaxin	- 中國華信	962	962
- subsidiary of Yangtze Communications	- 長江通信的附屬公司	187	187
- subsidiaries and fellow subsidiary of Draka	- Draka的附屬公司及同系附屬公司	23,310	22,154
- joint ventures	- 合營公司	294,646	203,876
		319,105	227,179
Deposits, prepayments and other receivables	按金、預付及其他應收款項		
- subsidiary of Yangtze Communications	- 長江通信的附屬公司	2,417	2,517
- subsidiary of Draka	- Draka的附屬公司	15,508	1,602
- joint ventures	- 合營公司	76,249	44,576
		94,174	48,695
Other non-current assets	其他非流動資產		
- joint ventures	- 合營公司	30,000	20,000
Trade and bills payables	應付賬款及票據		
- subsidiaries of Draka	- Draka的附屬公司	18,878	10,546
- associate	- 聯營公司	12,805	11,458
- joint ventures	- 合營公司	110,301	110,456
		141,984	132,460
Accrued expenses and other payables	預提費用及其他應付款項		
- China Huaxin	- 中國華信	31,290	-
- Yangtze Communications	- 長江通信	20,869	-
- Draka and subsidiaries of Draka	- Draka及Draka的附屬公司	77,272	30,982
- associate	- 聯營公司	432	432
- joint ventures	- 合營公司	6,440	25,544
		136,303	56,958
Deferred income	遞延收益		
- associate	- 聯營公司	4,536	4,752
- joint ventures	- 合營公司	11,317	14,267
		15,853	19,019

20. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

二十、重大關聯方交易(續)

(c) KEY MANAGEMENT PERSONNEL REMUNERATION

(c) 關鍵管理人員薪酬

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.

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。

Remuneration for key management personnel, including amounts paid to the Company's directors (including chief executive and supervisors) and certain of the highest paid employees, is as follows:

關鍵管理人員的薪酬，包括支付給本公司董事(包括行政總裁及監事)的金額以及支付給若干最高薪酬人士的金額，如下：

For the six months ended 30 June
截至六月三十日止六個月

		2016 二零一六年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2015 二零一五年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Short-term employee benefits	短期僱員福利	4,756	4,265
Post-employment benefits	離職後福利	343	332
		5,099	4,597

Total remuneration is included in "staff costs" (see Note 7(a)).

薪酬總額計入「員工成本」(參閱附註7(a))。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

OVERVIEW

During the first half of 2016, being one of the global leading optical fibre preform, optical fibre and optical fibre cable suppliers, the Group's revenue reached approximately RMB3,677.6 million for the Period, increased by approximately 20.6% as compared to the same period of 2015 of approximately RMB3,049.6 million. The Group's gross profit reached approximately RMB807.3 million, increased by approximately 37.3% as compared to the same period of 2015 of approximately RMB588.0 million. The Group's profit for the Period attributable to the equity shareholders of the Company amounted to approximately RMB354.5 million, increased by approximately 16.3% as compared to the same period of 2015 of approximately RMB304.7 million.

Basic earnings per share was RMB0.52 per share (six months ended 30 June 2015: RMB0.48 per share).

REVENUE

The Group's revenue for the Period was approximately RMB3,677.6 million, representing an increase of 20.6% as compared to the same period of 2015 of approximately RMB3,049.6 million.

By product segment, revenue of approximately RMB1,929.2 million was contributed from the Group's optical fibre preform and optical fibre segment, representing a growth of 3.7% as compared to the same period of 2015 of approximately RMB1,860.0 million and accounting for 52.5% of the Group's total revenue; while revenue of RMB1,574.2 million was contributed from the optical fibre cable segment, representing a growth of 50.3% as compared to the same period of 2015 of approximately RMB1,047.5 million and accounting for 42.8% of the Group's total revenue. The substantial growth in the Group's total revenue was mainly due to the ramp up of 4G infrastructure construction by the three state-owned telecommunications network operators and the ongoing national initiatives such as "Broadband China", "Internet plus" announced by the PRC government, which provide positive catalysts and bring in additional momentum, in particular, the demand for optical fibres and optical fibre cables.

綜述

於二零一六年上半年，作為世界領先的光纖預製棒、光纖及光纜供應商之一，本集團收入約達人民幣3,677.6百萬元，較二零一五年同期約人民幣3,049.6百萬元增長約20.6%。本集團的毛利約為人民幣807.3百萬元，較二零一五年同期約人民幣588.0百萬元增長約37.3%。本集團於本期間的本公司權益持有人應佔利潤約為人民幣354.5百萬元，較二零一五年同期約人民幣304.7百萬元增長約16.3%。

每股基本盈利為每股股份人民幣0.52元（截至二零一五年六月三十日止六個月：每股股份人民幣0.48元）。

收入

本集團的收入於本期間約為人民幣3,677.6百萬元，較二零一五年同期約人民幣3,049.6百萬元增長20.6%。

按產品分部劃分，約人民幣1,929.2百萬元收入來自本集團的光纖預製棒及光纖分部，較二零一五年同期約人民幣1,860.0百萬元增長3.7%及佔本集團總收入52.5%；而人民幣1,574.2百萬元收入乃來自光纜分部，較二零一五年同期約為人民幣1,047.5百萬元增長50.3%及佔本集團總收入42.8%。本集團總收入造出可觀升幅，主要受惠於三家國有電信運營商繼續大力發展4G網絡基礎建設，以及中國政府持續推進實施「寬帶中國」、「互聯網+」等國家戰略，上述因素尤其對光纖和光纜的需求起到促進作用，並帶來額外動力。

管理層討論及分析(續)

REVENUE (Continued)

Revenue of approximately RMB174.2 million was contributed from others, representing an increase of 22.7% as compared to the same period of 2015 of approximately RMB142.0 million and accounting for 4.7% of the Group's total revenue because of the development of the Company's new business including indoor cabling, cloud computing and network construction and services.

By geographical segment, revenue of approximately RMB3,320.3 million was from customers in the PRC, representing an increase of 17.1% as compared to the same period of 2015 of approximately RMB2,835.8 million and accounting for 90.3% of the Group's total revenue, while revenue of approximately RMB357.3 million was from customers in overseas, representing an increase of 67.1% as compared to the same period of 2015 of approximately RMB213.8 million and accounting for approximately 9.7% of the Group's total revenue. The increase in oversea sales was mainly driven by the increase of optical cables and indoor wiring, mainly from the Company continued to steadily implement the internationalisation strategy.

COST OF SALES

The Group's cost of sales for the Period was approximately RMB2,870.3 million, representing an increase of 16.6% as compared to the same period of 2015 of approximately RMB2,461.5 million and accounting for 78.0% of the Group's revenue. The increase in cost of sales was in line with the increase in the Group's revenue.

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

收入(續)

其他產品服務貢獻收入約為人民幣174.2百萬元，較二零一五年同期約人民幣142.0百萬元增長22.7%，及佔本集團總收入4.7%。其他收入增長主要是隨著本公司新業務，包括室內佈線、雲計算及網絡工程建設及服務的發展實現增長。

按地區分部劃分，約人民幣3,320.3百萬元的收入來自中國客戶，較二零一五年同期約2,835.8百萬元增長17.1%及佔本集團總收入90.3%，而約人民幣357.3百萬元的收入乃來自海外客戶，較二零一五年同期約213.8百萬元增長67.1%及佔本集團總收入約9.7%。海外銷售增長的主要驅動是光纜和室內布線的增長，主要源於本公司持續穩定的推行國際化戰略。

銷售成本

本集團的銷售成本於本期間約為人民幣2,870.3百萬元，較二零一五年同期約人民幣2,461.5百萬元增長16.6%，佔本集團收入的78.0%。銷售成本升幅與本集團收入增長相符。

本集團的銷售成本包括(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)直接勞工成本。

管理層討論及分析(續)

COST OF SALES (Continued)

For the Period, the Group's total raw material costs was approximately RMB2,619.2 million, representing an increase of 16.5% as compared to approximately RMB2,247.7 million during the first half of 2015.

For the Period, the Group's manufacturing overheads and direct labour costs amounted to approximately RMB251.1 million, representing an increase of 17.4% as compared to RMB213.8 million during the first half of 2015.

GROSS PROFIT AND GROSS PROFIT MARGIN

For the Period, the Group reported a gross profit of RMB807.3 million, representing an increase of 37.3% as compared to RMB588.0 million during the first half of 2015, the gross profit margin slightly increased from 19.3% during the first half of 2015 to 22.0% during the first half of 2016. The increase in gross profit margin was mainly due to the changes in sales structure and the increase in average selling price of optical fibres and optical fibre preforms from the fourth quarter of 2015.

SELLING EXPENSES

The Group's selling expenses for the Period were approximately RMB84.9 million, representing an increase of 34.1% as compared to RMB63.3 million during the first half of 2015. The increase was mainly due to more optical fibres and optical fibre cables were sold during the Period which resulted in much more transportation costs both domestically and globally.

ADMINISTRATIVE EXPENSES

The Group's administrative expenses for the Period were approximately RMB298.6 million, representing an increase of 28.9% as compared to RMB231.6 million during the first half of 2015. The increase was mainly because the subsidiaries that founded in the past 12 months started their construction or official operation during the first half of 2016 which resulted in much more administrative expenses.

銷售成本(續)

於本期間，本集團的原材料成本總額約為人民幣2,619.2百萬元，較二零一五年上半年的人民幣2,247.7百萬元增加16.5%。

於本期間，本集團的生產間接成本以及直接勞工成本約為人民幣251.1百萬元，較二零一五年上半年的人民幣213.8百萬元增加17.4%。

毛利及毛利率

於本期間，本集團的毛利為人民幣807.3百萬元，較二零一五年上半年的人民幣588.0百萬元增加37.3%，同時毛利率由二零一五年上半年的19.3%提升至二零一六年上半年的22.0%。毛利率的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。

銷售費用

本集團的銷售費用於本期間約為人民幣84.9百萬元，較二零一五年上半年的人民幣63.3百萬元增加34.1%。增幅主要源於本期間售出較多光纖及光纜，從而產生了更多的國內外運輸費用。

管理費用

本集團的管理費用於本期間約為人民幣298.6百萬元，較二零一五年上半年的人民幣231.6百萬元增加28.9%。增幅主要源於過去12個月新成立的附屬公司陸續於二零一六年上半年開始建設和投入正式運營，從而產生較多管理費用。

NET FINANCE (COSTS)/INCOME

The Group's net finance costs for the Period increased by RMB104.9 million compared to the same period of last year, of which an increase of RMB103.9 million was due to the foreign exchange losses of the re-measurement of foreign currency debt, mainly in foreign currency bank loans. Since January 2016, the depreciation in exchange rate of RMB against the US Dollar and the Euro is 2.1% and 3.9% respectively, however, during the same period of last year, the exchange rate of RMB against the US Dollar is basically stable, while the appreciation in exchange rate of RMB against the Euro is 7.9%. During the Period, the Group has restructured its bank loan by borrowing more RMB loans in order to decrease the foreign exchange losses from the exchange depreciation of RMB against the US Dollar and the Euro. As at 30 June 2016, 35.8% of the bank loans are in form of RMB, 54.9% are in Euro and 9.3% are in US Dollar.

The effective interest rates of the Group's bank loans during the Period ranged from 0.77% to 3.92% per annum (the first half of 2015: 0.91% to 4.50% per annum).

SHARE OF RESULTS OF ASSOCIATES AND JOINT VENTURES

During the Period, there was a substantial improvement in the share of profits from the associates and joint ventures, which increased from approximately RMB33.3 million in the first half of 2015 to approximately RMB55.1 million in the first half of 2016, the increase was mainly due to the significant growth in the Chinese market for the optical fibre demands.

淨融資(成本)/收入

本集團於本期間的淨融資成本較去年同期增加人民幣104.9百萬元，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增加人民幣103.9百萬元。自二零一六年一月以來，人民幣對美元及歐元的匯率分別貶值2.1%及3.9%，而去年同期人民幣對美元匯率基本穩定，人民幣對歐元的匯率升值7.9%。於本期間，本集團已對銀行借款作出結構調整，通過借貸較多人民幣來減少人民幣對美元和歐元匯率貶值導致匯兌淨損失。於二零一六年六月三十日，人民幣、歐元和美元所佔的銀行借款的比例分別為35.8%、54.9%和9.3%。

本集團銀行貸款於本期間的實際利率介乎年利率0.77%至3.92%(截至二零一五年六月三十日止六個月：年利率0.91%至4.50%)。

應佔聯營公司及合營公司業績

於本期間，本公司應佔聯營公司及合營公司利潤得以顯著增長，由二零一五年上半年的約人民幣33.3百萬元增長至二零一六年上半年的約人民幣55.1百萬元，這主要得益於中國市場對光纖需求的顯著增長。

INCOME TAX

The Group's income tax for the Period was RMB52.0 million, increased by approximately 11.1% as compared to RMB46.8 million during the first half of 2015. Besides, the effective tax rate decreased from 13.5% in 2015 to 13.1% in 2016. 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%.

PRODUCTION CAPACITIES

During the Period, the wholly-owned optical fibre cable subsidiary established in Lanzhou with an initial designed annual production capacities of 2 million fkm has entered into full production, which further enhanced our production capacity of optical fibre cables.

CAPITAL EXPENDITURES

For the Period, the Group incurred a total capital expenditure of approximately RMB355.6 million for the purchases of property, plant and equipment, intangible assets and lease prepayments, which were primarily related to the expansion of our production capacity in the three main products both domestically and overseas as well as the improvement in production efficiency of our existing production capacity in optical fibre preforms and optical fibres.

所得稅

本集團的所得稅於本期間為人民幣52.0百萬元，較二零一五年上半年的人民幣46.8百萬元增長11.1%。此外，實際稅率由二零一五年的13.5%下降至二零一六年的13.1%。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。

產能

於本期間，本公司在蘭州建立的產能約為年產二百萬芯公里全資光纜子公司已全面投產，進一步提高了我們的光纜產能。

資本支出

於本期間，本集團產生資本支出總額約為人民幣355.6百萬元，涉及購買物業、廠房及設備、無形資產及租賃預付款項，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。

管理層討論及分析(續)

USE OF PROCEEDS FROM THE GLOBAL OFFERING

全球發售所得款項用途

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 end of 30 June 2016, the net proceeds from the Global Offering had been fully utilised in accordance with the percentage of uses as set out in the section headed "Future Plans and Use of Proceeds" in the Prospectus.

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)。截至二零一六年六月三十日止，全球發售之所得款項淨額已根據招股章程內「未來計劃及所得款項用途」一節所載的用途按百分比被完全利用。

	Planned use of net proceeds	Planned Percentage	Actual use of net proceeds 已使用款項			Unused proceeds 尚未使用款項	
			Up to 31 December 2015 截至 二零一五年 十二月 三十一日止	Up to 24 March 2016* 截至 二零一六年 三月 二十四日止*	Up to 30 June 2016 截至 二零一六年 六月 三十日止	As at 30 June 2016 於 二零一六年 六月三十日	
Use of proceeds from the Global Offering 全球發售所得款項 淨額之用途	計劃 使用款項	計劃 使用比例	(in RMB millions, except for percentage) (人民幣百萬元，百分比除外)				
Global purchase of raw materials and equipment	全球範圍內的原材料和設備採購	20%	178.5	178.5	178.5	178.5	-
Constructing the phase I project of YOFC Science & Technology Park in Wuhan to expand production capacity	建設武漢長飛科技園一期項目以擴大產能	27%	241.0	186.8	239.9	241.0	-
Research and development projects on alternative optical fibre preform production processes	研發替代光纖預製棒生產工序項目	13%	116.0	116.0	116.0	116.0	-
Establishment of overseas production bases	設立海外生產基地	10%	89.2	56.2	56.2	89.2	-
Repayment of bank loans	償還銀行貸款	20%	178.5	178.5	178.5	178.5	-
Replenishment of working capital to improve the liquidity and gearing ratio of the Company	補充營運資金以改善本公司的流動資金和負債率	10%	89.2	89.2	89.2	89.2	-
Total	合計	100%	892.4	805.2	858.3	892.4	-

* date of 2015 annual report

* 2015年年度報告日期

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. The aggregate net proceeds from the Private Placement (after deducting underwriting fees and related issuing expenses) amounted to approximately RMB251.3 million (equivalent to approximately HK\$302.5 million). As stated in the circular and announcements of the Company in relation to the Private Placement, the aggregate net proceeds from the subscription of H shares and domestic shares by the connected persons and employees' limited partnerships amounted to (i) RMB189.5 million (equivalent to approximately HK\$228.6 million) would 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 the aggregate net proceeds from the placing of H shares amounted to (ii) RMB61.8 million (equivalent to approximately HK\$73.9 million) would be used to support the development of the business of the Group, in particular, to expand the production capacity both domestically and overseas, and as general working capital, respectively.

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)。根據本公司關於非公開配售發佈的股東通函及公告,其中關連人士及員工有限合夥認購H股及內資股所得款項(i)人民幣189.5百萬元(相當於約228.6百萬港元)將用於潛江長飛科技園二期項目之建設,以拓展本公司光纖預製棒之產能,以及H股配售所得款項(ii)人民幣61.8百萬元(相當於約73.9百萬港元)將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。

USE OF PROCEEDS FROM THE PRIVATE PLACEMENT (Continued)

Up to the end of 30 June 2016, the aggregate net proceeds from the Private Placement amounting to RMB91.0 million (equivalent to approximately HK\$109.6 million) has been used to (i) contribute capital of RMB63.0 million (equivalent to approximately HK\$76.0 million) to Yangtze Optical Fibre (Qianjiang) Co., Ltd., a wholly owned subsidiary, which is responsible for the Phase II project of YOFC Science & Technology Park in Qianjiang, as at 30 June 2016, the paid-up capital has been used to purchase land and build plant; (ii) for capacity expansion in overseas (a) contribute capital of RMB10.5 million (equivalent to approximately HK\$12.6 million) to PT. Yangtze Optical Fibre Indonesia, a non-wholly owned subsidiary in Indonesia, as at 30 June 2016, the paid-up capital has been used to purchase fibre drawing equipment; (b) contribute capital of RMB16.5 million (equivalent to approximately HK\$19.8 million) to Yangtze Optics Africa Holdings Proprietary Limited, a non-wholly owned subsidiary in South Africa, as at 30 June 2016, the paid capital has not been used; and (iii) pay RMB1.0 million (equivalent to approximately HK\$1.2 million) as general working capital for operating expenses. The unutilised net proceeds of RMB160.3 million (equivalent to approximately HK\$192.9 million) have been deposited into short-term demand deposits in a bank account maintained by the Group. Going forward, the Company will continue to utilise the remaining net proceeds for the purposes consistent with those set out in the circular and announcements of the Company in relation to the Private Placement, and make disclosure on the details of usage.

非公開配售所得款項用途(續)

截至二零一六年六月三十日止，源於非公開配售之所得款項淨額總額約人民幣91.0百萬元(相當於約109.6百萬港元)已根據股東通函及公告所載的上述用途用於(i)向長飛光纖潛江有限公司投入資本金人民幣63.0百萬元(相當於約76.0百萬港元)，該全資子公司負責發展潛江長飛科技園二期項目，截至二零一六年六月三十日止，該資本金已用於購買土地和廠房建設；(ii)為發展本集團國外產能(a)向在印尼成立的非全資控股子公司長飛光纖印尼有限公司投入資本金人民幣10.5百萬元(相當於約12.6百萬港元)，截至二零一六年六月三十日止，該資本金已用於購買拉絲設備；(b)向在南非成立的非全資控股子公司長飛光纖非洲控股有限公司投入資本金人民幣16.5百萬元(相當於約19.8百萬港元)，截至二零一六年六月三十日止，該資本金尚未使用；以及(iii)作為一般營運資金用於支付相關經營費用人民幣1.0百萬元(相當於約1.2百萬港元)。未動用所得款項淨額約人民幣160.3百萬元(相當於約192.9百萬港元)已存放在本集團之銀行賬戶作為短期活期存款。日後，本公司將依據關於非公開配售的股東通函及公告所載的用途使用尚未動用的所得款項淨額並披露使用的具體情況。

USE OF PROCEEDS FROM THE PRIVATE PLACEMENT (Continued) 非公開配售所得款項用途(續)

	Planned Percentage	Planned use of net proceeds	Actual use of net proceeds 已使用款項			Unused proceeds 尚未使用款項	
			Up to 31 December 2015	Up to 24 March 2016*	Up to 30 June 2016	Up to 26 August 2016 (the date of this report)	As at 30 June 2016/ as at date of this report
			截至二零一五年十二月三十一日止 (in RMB millions, except for percentage) (人民幣百萬元, 百分比除外)	截至二零一六年三月二十四日止*	截至二零一六年六月三十日止	截至二零一六年八月二十六日止 (本報告日期)	於二零一六年六月三十日/ 於本報告日期
Use of proceeds from the Private Placement 非公開配售所得款項淨額之用途	計劃使用比例	計劃使用款項					
Constructing the phase II project of YOFC Science & Technology Park in Qianjiang to expand preform capacity	75%	189.5	-	63.0	63.0	63.0	126.5/126.5
Supporting the development and capacity expansion of the Group and supplement working capital	25%	61.8	-	-	28.0	28.0	33.8/33.8
Total	合計	100%	251.3	-	63.0	91.0	160.3/160.3

* date of 2015 annual report

* 2015年年度報告日期

管理層討論及分析(續)

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 30 June 2016 was 26.7% (31 December 2015: 11.0%).

CASH FLOW ANALYSIS

The following table sets forth the selected cash flow data derived from the consolidated cash flow statement for the six months ended 30 June 2016.

負債資本比率

本集團以負債資本比率監察負債狀況，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。本集團於二零一六年六月三十日的負債資本比率為26.7%（二零一五年十二月三十一日：11.0%）。

現金流量分析

下表載列摘錄自截至二零一六年六月三十日止六個月之合併現金流量表之選定現金流量數據。

		For the six months ended 30 June 截至六月三十日止六個月	
		2016 二零一六年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2015 二零一五年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Net cash used in operating activities	經營活動使用的淨現金	(140,315)	(380,719)
Net cash used in investing activities	投資活動使用的淨現金	(469,250)	(317,391)
Net cash generated from financing activities	融資活動產生的淨現金	54,638	55,756
Net decrease in cash and cash equivalents	現金及現金等價物減少淨額	(554,927)	(642,354)

The Group's net cash used in operating activities decreased by approximately RMB240.4 million, which was mainly because the increase in revenue was greater than the increase in trade and bills receivables.

本集團經營活動使用的淨現金減少約人民幣240.4百萬元，乃主要由於本集團於本期間之收入增加大於應收賬款及票據增加額。

CASH FLOW ANALYSIS (Continued)

The Group's net cash used in investing activities increased by approximately RMB151.9 million, which was mainly due to the construction of Phase II project of YOFC Science & Technology Park in Qianjiang as well as several other domestic and overseas projects.

The Group's net cash generated from financing activities was stable, which was mainly because the increase of the Group's borrowing level during the first half of 2016 was comparable with the increase recorded during the same period in 2015.

NET CURRENT ASSETS

As at 30 June 2016, the Group's net current assets was RMB1,874.2 million, representing a decrease of RMB177.3 million from RMB2,051.5 million as at 31 December 2015. The decrease in net current assets was mainly due to the repayment of part of our long term loans denominated in US Dollar during the Period for the purpose of minimizing the exchange risk exposure.

BANK LOANS

As at 30 June 2016, the Group's bank loans were RMB2,572.5 million, representing an increase of RMB115.1 million from approximately RMB2,457.4 million as at 31 December 2015. Most of the Group's bank loans were floating rate loans and were either denominated in US Dollars or Euro or RMB, of which US Dollars and Euro loans accounted for 64.2% of the Group's bank loans as at 30 June 2016.

After the Renminbi fixing reform on 11 August 2015, the RMB was getting weaker against US Dollars and Euro. The Group lowered the proportions of US Dollars and Euro loans by way of replacing US Dollar and Euro loans with RMB loans. As a result, the proportions of US Dollars and Euro loans decreased from 92.4% as at 31 December 2015 to 64.2% as at 30 June 2016, while the proportion of RMB loans increased from 7.6% as at 31 December 2015 to 35.8% as at 30 June 2016.

現金流量分析(續)

本集團投資活動使用的淨現金增加約人民幣151.9百萬元，乃主要由於開始建造潛江長飛科技園二期項目及若干國內其他地方和海外項目所致。

本集團融資活動產生的淨現金保持穩定，乃主要由於本集團自二零一六年上半年借貸水平的提升與二零一五年同期借貸水平的提升相當。

淨流動資產

於二零一六年六月三十日，本集團淨流動資產為人民幣1,874.2百萬元，較二零一五年十二月三十一日的人民幣2,051.5百萬元減少人民幣177.3百萬元。淨流動資產減少乃主要由於為降低滙率風險，本公司於本期間內償還了部分美元長期借款。

銀行貸款

於二零一六年六月三十日，本集團之銀行貸款為人民幣2,572.5百萬元，較於二零一五年十二月三十一日約人民幣2,457.4百萬元增加人民幣115.1百萬元。本集團大部分銀行貸款均為浮動利率貸款，以美元或歐元或人民幣計值。其中美元及歐元貸款佔本集團於二零一六年六月三十日之銀行貸款的64.2%。

自二零一五年八月十一日的人民幣匯率改革之後，人民幣對美元及歐元之匯率持續下跌。本集團通過以人民幣貸款替換美元及歐元貸款的措施，降低了美元及歐元貸款水準。因此，我們的美元及歐元貸款比例從二零一五年十二月三十一日的92.4%下降至二零一六年六月三十日的64.2%，而人民幣貸款比例從二零一五年十二月三十一日的7.6%上升至二零一六年六月三十日的35.8%。

管理層討論及分析(續)

COMMITMENTS AND CONTINGENCIES

承擔及或然事項

As at 30 June 2016, the Group had the following outstanding commitments:

於二零一六年六月三十日，本集團之未結算資本承擔如下：

		30 June 2016 二零一六年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2015 二零一五年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
.....			
Contracted for	已訂約		
– property, plant and equipment	– 物業、廠房及設備	465,142	202,009
– investment in joint ventures	– 對合營公司的投資	142,383	226,840
<hr/>			
Authorised but not contracted	已授權但未訂約		
– property, plant and equipment	– 物業、廠房及設備	452,575	741,881
– lease prepayments	– 租賃預付款項	–	43,950
<hr/>			
		1,060,100	1,214,680

As at 30 June 2016, the Group did not have any material contingent liability.

於二零一六年六月三十日，本集團並無任何重大或然負債。

CHARGE ON ASSETS

As at 30 June 2016, the Group did not pledge any of its assets to secure any banking facility or bank loan.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES

Most of the revenues and expenses are settled in RMB 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 RMB, US Dollars, Euro and HK Dollars.

Owing to the RMB devaluation since August 2015 and RMB's weakness has been gathering speed, RMB 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 exchange losses. During the Period, the Group suffered from the unfavourable fluctuations in exchange rate movements between RMB and US Dollars or Euro, which resulted in net foreign exchange losses of RMB78.5 million.

During the Period, the Group entered into several currency structured forward contracts to reduce our foreign currency risks. The Group will closely monitor the ongoing movements on exchange rates and will consider entering into other hedging arrangements to minimise our foreign currency exposures in 2016.

資產抵押

於二零一六年六月三十日，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。

匯率波動影響

本集團大部分的收入及支出均以人民幣結算，而本集團若干銷售、採購和金融負債則以美元及歐元計值。本集團大多數銀行存款都是人民幣、美元、歐元和港幣方式存置。

由於人民幣自二零一五年八月以來的貶值和人民幣的疲軟一直在加快，人民幣對其他外幣的匯率不再像過去那樣堅挺。因此，這可能帶來因採購成本和外匯負債的重新計量而導致的匯兌損失。於本期間，本集團遭受人民幣與美元或歐元之間不利的匯率波動，從而導致了人民幣78.5百萬元的匯兌淨損失。

於本期間，本集團訂立了若干貨幣結構性遠期合約，以減低外匯風險。本集團將密切監察持續的匯率變動，並會考慮訂立其他對沖安排，以盡量減少本集團二零一六年的外匯風險。

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2016, the Group had approximately 3,282 full-time employees (31 December 2015: 2,802 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 promotion. 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 the PRC.

To further enhance the Company's corporate structure, incentivise the Company's management and core personnel team as well as establish a sound mid-to-long-term incentive plan, the Company implemented the ESOP on 18 December 2015. The target participants are core personnel playing a crucial role in the Company's overall operation and mid-to-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).

OFF-BALANCE SHEET ARRANGEMENTS

As at 30 June 2016, the Company entered into non-recourse trade receivables factoring arrangements with commercial banks in the PRC with a carrying amount of approximately RMB4.0 million (31 December 2015: RMB62.8 million). In addition, as at 30 June 2016, the Company discounted and endorsed certain bank bills receivable with a carrying amount of approximately RMB247.5 million (31 December 2015: RMB245.4 million) to certain commercial banks in the PRC and its suppliers.

僱員及薪酬政策

於二零一六年六月三十日，本集團約有3,282名全職僱員(二零一五年：2,802名全職僱員)。本集團設計了一項年度評核制度，以評核僱員的績效。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平相當。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。

為進一步完善本公司的法人治理結構，激勵本公司管理層及核心員工隊伍，建立健全中長期激勵機制，於二零一五年十二月十八日，本公司實施員工持股計劃，計劃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)。

資產負債表外安排

於二零一六年六月三十日，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4.0百萬元(二零一五年十二月三十一日：人民幣62.8百萬元)。此外，於二零一六年六月三十日，本公司將賬面值約為人民幣247.5百萬元(二零一五年十二月三十一日：人民幣245.4百萬元)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 JOINT VENTURES IN THE PRC

CLOUD TERMINAL BUSINESS JV

On 2 March 2016, the Company established a joint venture namely Wuhan E3cloud Information Technologies Co., Ltd. ("E3cloud") in Wuhan, Hubei with EverPro. The main products and services of E3cloud include developing, manufacturing, sales, rental of cloud-client multi-user software and hardware system (including cloud-client hardware, cloud-client virtualization operating system, cloud-client controlling platform, server/PC, and network equipment, etc), software and hardware development and service of the industrial applications based on the cloud-client multi-user operating system. The total paid-up capital of this joint venture was RMB82.5 million and this joint venture is held as to 36% by the Company and 64% by Everpro. For the Period, a total of RMB5 million was contributed by the Company to E3cloud. The joint venture plans to introduce strategic investors to strengthen its software development ability. The financial results of E3cloud have been consolidated in the Group's financial statements as a non-wholly owned subsidiary since its commencement of operation.

The establishment of E3cloud did not constitute notifiable transactions or connected transactions of the Company under Chapter 14 and Chapter 14A of the Hong Kong Listing Rules.

Other than those mentioned above, there were no other significant investments held, material acquisitions, or disposal of subsidiaries during the Period. Save as those disclosed in this report, there was no plan authorised by the Board for other material investments or additions of capital assets as at the date of this report.

於中國成立合營企業

雲終端業務合營企業

於二零一六年三月二日，本公司與長芯盛在湖北武漢共同成立一家合營企業武漢芯光雲信息技術有限責任公司(「芯光雲」)，合營企業提供的主要產品和服務包括雲終端多用戶軟硬件系統(包括雲終端硬件、雲終端操作系統、雲終端管控平臺、服務器/PC機、網絡設備等)的開發、製造、銷售和租賃，以及主要基於雲終端多用戶系統的行業應用軟、硬件產品開發及服務。芯光雲由本公司和長芯盛分別持有36%及64%之股權，其繳足股本為人民幣82.5百萬元，本公司已於本期間以現金注資人民幣5.0百萬元。合營企業正計劃引入戰略投資者以進一步提升合營企業的軟件開發能力。芯光雲之財務業績已自營業之日起於本集團財務報表綜合入賬作為非全資附屬公司。

根據香港上市規則第14章及第14A章，成立芯光雲不構成本公司之須予公佈交易或關連交易。

除上述事項外，本期間並無任何其他重大投資、重大收購或附屬公司處置。除於本報告的披露外，於本報告日期並無任何其他經董事會授權之重大投資或固定資產擴充計劃。

OUTLOOK

In 2016, the launch of the “Broadband China” national strategy by the Chinese Government and FTTH by the three state-owned telecommunications network 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 anti-dumping duties imposed on imported preforms against those foreign suppliers from Japan and United States since August 2015, China market is in shortage of supply in optical fibre preforms and optical fibres starting from the last few months of 2015. Currently, the shortage situation has not been mitigated. As a result, the Company expects that the optical fibres and optical fibre cables market in the PRC in the second half of 2016 will remain promising.

In the second half of 2016, the Company will try its best endeavour to ensure the operation of PT. Yangtze Optical Fibre Indonesia, Yangtze Optical Fibre (Qianjiang) Co., Ltd. and Ally First Optical Fibre and Cable Co., Ltd. as or ahead of scheduled, and to ensure the successful implementation of the capacity expansion projects, in order to seize the domestic and overseas market opportunities.

At the same time, the Group has participated in network construction projects and the provision of technological services on cabling network, and has entered into other business segments with potential for growth.

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 of these can enhance our competitiveness in the market as well as enrich our product mix and then ultimately raise our profitability and hence create higher value for shareholders.

展望

於二零一六年，中國政府持續推行「寬帶中國」戰略，加上國有電信運營商持續推出光纖到戶，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從二零一五年八月起針對源自日本及美國的國外光纖預製棒供應商徵收反傾銷關稅，使得中國市場自二零一五年最後數月起，經歷了光纖預製棒及光纖之供應短缺，目前該供應短缺狀況並未緩解。因此，我們預期二零一六年下半年中國的光纖及光纜市場前景仍將持續向好。

於二零一六年下半年，本公司將竭盡所能，務求如期甚至提前完成長飛光纖印尼有限公司、長飛光纖潛江有限公司以及浙江聯飛光纖光纜有限公司之投產工作，確保產能擴張計劃的順利實施，以緊抓國內外市場良機。

與此同時，本集團已開始參與網絡建設項目及提供線纜網絡之技術支援，並涉足其他具增長潛力之業務分部。

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提高我們的收益，最終為股東創造最大收益。

OTHER INFORMATION

其他資料

DIVIDEND

The Board resolved not to declare any interim dividend for the Period.

股息

董事會決議不宣派本期間的任何中期股息。

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

As at 30 June 2016, the interests and short positions of the Directors, Supervisors or the chief executive of the Company 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) were as follows:

董事、監事及主要行政人員於股份、相關股份及債權證之權益及淡倉

於二零一六年六月三十日，董事、監事或本公司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、相關股份或債權證中擁有任何記錄於本公司根據證券及期貨條例第352條的規定須予備存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）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 ¹¹	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 ¹¹	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 ¹¹	0.10%	0.21%	Long position 好倉

OTHER INFORMATION (Continued)

其他資料(續)

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

董事、監事及主要行政人員於股份、相關股份及債權證之權益及淡倉(續)

Name	Capacity	Class of Share	Number of Shares interested	Approximate percentage of interest in the Company	Approximate percentage of the relevant 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 (continued)						
董事(續)						
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
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 30 June 2016, 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) 於二零一六年六月三十日，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。

OTHER INFORMATION (Continued)

其他資料(續)

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

Save as disclosed above, as at 30 June 2016, 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.

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

As at 30 June 2016, 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:

董事、監事及主要行政人員於股份、相關股份及債權證之權益及淡倉(續)

除上文所披露者外，於二零一六年六月三十日，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、相關股份或債權證中擁有任何記錄於本公司根據證券及期貨條例第352條的規定須予備存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。

主要股東及其他人士於股份及相關股份之權益及淡倉

於二零一六年六月三十日，下列人士(董事、監事或本公司主要行政人員除外)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條須予備存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

OTHER INFORMATION (Continued)

其他資料(續)

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

主要股東及其他人士於股份及相關股份之權益及淡倉(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
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
Prismian 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
Prismian 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
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	31,783,000	4.66%	9.04%	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	28,201,000	4.13%	8.02%	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

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

主要股東及其他人士於股份及相關股份之權益及淡倉(續)

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 31,783,000 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 30 June 2016, 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31,783,000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) 於二零一六年六月三十日，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。

OTHER INFORMATION (Continued)

其他資料(續)

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the Period.

AUDIT COMMITTEE

The Company established the audit committee with written terms of reference in compliance with the Corporate Governance Code contained in Appendix 14 to the Hong Kong Listing Rules. As at the date of this report, the audit committee of the Company comprises three members, namely Mr. Ngai Wai Fung, Mr. Ip Sik On Simon and Mr. Li Zhuo, the independent non-executive directors of the Company. Mr. Ngai Wai Fung is the chairman of the audit committee.

The audit committee has reviewed and discussed with the management the accounting principles and practices adopted by the Group as well as the internal controls and financial report matters, including the review of unaudited interim financial report of the Group for the six months ended 30 June 2016.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

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

The Company has adopted all the code provisions set out in the CG Code. The Company has complied with all the code provisions under the CG Code for the six months ended 30 June 2016.

購回、出售或贖回本公司之上市證券

本公司或其任何附屬公司於本期間概無購回、出售或贖回本公司的任何上市證券。

審計委員會

本公司根據香港上市規則附錄十四所載之企業管治守則成立審計委員會，並制定書面職權範圍。於本報告日期，本公司審計委員會由三名成員組成，包括本公司獨立非執行董事魏偉峰先生、葉錫安先生及李卓先生。其中魏偉峰先生擔任審計委員會主席。

審計委員會已聯同本公司管理層審閱及討論本集團所採納的會計原則及常規，並審閱及討論內部監控及財務申報事宜，包括審閱截至二零一六年六月三十日止六個月之未經審核中期財務報告。

遵守企業管治守則

作為於中國註冊成立並於香港聯交所上市的公司，本公司已遵守香港上市規則之相關條文，亦遵守中國公司法及香港及中國的適用法律、法規及監管規定，作為本公司企業管治之基礎。

本公司已採納企業管治守則內所有守則條文。本公司於截至二零一六年六月三十日止期間內已遵守企業管治守則內所有的守則條文。

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

The Company has adopted the Company Securities Dealing Regulations on Directors, Supervisors and Related Employees (the "Company's Code") as its own code regarding securities transactions by directors and supervisors 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, all Directors and Supervisors have confirmed that they have complied with the required standard set out in the Model Code and the Company's Code regarding securities transactions throughout the six months ended 30 June 2016.

CHANGES IN DIRECTORS' AND SUPERVISORS' BIOGRAPHICAL DETAILS

Changes in Directors' or Supervisors' biographical details which are required to be disclosed pursuant to rule 13.51B(1) of the Hong Kong Listing Rules are as follows:

1. Mr. Ma Jie serves as a director of RFS Radio Frequency Systems Co., Ltd. and the chairman of Zhongying Youchuang Information Technology Co., Ltd. respectively, both of them are subsidiaries of China Huaxin (one of the substantial shareholders of the Company).
2. Dr. Ngai Wai Fung serves as an independent director of SPI Energy Co., Ltd (whose shares are listed on the NASDAQ Stock Market (stock code: Nasdaq: SPI)) since May 2016. Besides, Dr. Ngai has been appointed as Finance Expert Consultant by Ministry of Finance of PRC since June 2016.

遵守董事及監事進行證券交易的標準守則

本公司已採納了一套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，本公司全體董事及監事確認彼等於截至二零一六年六月三十日止整個期間內均遵守標準守則及本公司守則中有關證券交易的準則規定。

董事和監事履歷變動

董事或監事履歷詳情須根據香港上市規則第13.51B(1)條作出披露的變動如下：

1. 馬杰先生現分別擔任中國華信(本公司主要股東之一)的附屬公司安弗施無線射頻系統公司董事及中盈優創資訊科技有限公司董事長。
2. 魏偉峰博士自2016年5月起擔任SPI Energy Co., Ltd (其股份於納斯達克股票交易所上市(股份代碼:Nasdaq: SPI))的獨立董事。此外，魏博士自2016年6月起獲中國財政部任聘為會計諮詢專家。

YOFCC 长飞

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