

長飛光纖光纜股份有限公司

YANGTZE OPTICAL FIBRE AND CABLE JOINT STOCK LIMITED COMPANY

30 NEW
30 FUTURE
YOFC 30th Anniversary

(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: 06869)

年報 ANNUAL REPORT

2017



CONTENTS 目錄

2	Corporate Profile 公司簡介
3	Financial Highlights 財務摘要
7	Chairman's Statement 董事長報告
10	President's Report 總裁報告
15	Major Products and Solutions 主要產品及服務
17	Key Milestones in 2017 2017年里程碑
18	Management Discussion and Analysis 管理層討論及分析
34	Directors', Supervisors' and Senior Management's Profiles 董事、監事及高級管理人員簡歷
60	Report of the Board of Directors 董事會報告
89	Corporate Governance Report 企業管治報告
121	Report of the Board of Supervisors 監事會報告
123	Auditor's Report 審計報告
131	Consolidated Balance Sheet 合併資產負債表
134	Balance Sheet 母公司資產負債表
137	Consolidated Income Statement 合併利潤表
139	Income Statement 母公司利潤表
141	Consolidated Statement of Cash Flow 合併現金流量表
145	Statement of Cash Flow 母公司現金流量表
149	Consolidated Statement of Changes in Shareholders' Equity 合併權益變動表
151	Statement of Changes in Shareholders' Equity 母公司權益變動表
153	Notes to the Financial Statements 財務報表附註
423	Corporate Information 公司資料
426	Definitions and Glossary of Technical Terms 釋義及技術詞彙

Corporate Profile

公司簡介

Yangtze Optical Fibre and Cable Joint Stock Limited Company* is a leading supplier of optical fibre preforms, optical fibres and optical cables in the world. The Company primarily manufactures and sells optical fibre preforms, optical fibres and optical fibre cables with various standard specifications that are widely used in the telecommunications industry. The Company also designs and produces specialty optical fibres and cables, integration systems, engineering design and service that are customised to customers' specifications. The Company has the most comprehensive optical fibre and cable product portfolios, and provides a wide range of optical fibre and cable products with relevant solutions for the global telecommunications industry and other sectors, including utilities, transportation, petrochemical and healthcare. The Company provides high-quality products and services in more than 60 countries and regions.

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

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

長飛光纖光纜股份有限公司為全球領先的光纖預製棒、光纖和光纜供應商，主要生產和銷售通信行業廣泛採用的各種標準規格的光纖預製棒、光纖及光纜，也設計及定制客戶所需規格的特種光纖及光纜、集成系統、工程設計與服務。本公司擁有完備的光纖及光纜產品組合，為全球通信行業及其他行業（包括公用事業、運輸、石油化工及醫療）提供各種光纖光纜產品及相關解決方案，在全球60多個國家和地區提供優質的產品與服務。

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

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

* For identification purposes only

Financial Highlights 財務摘要

For the year ended 31 December 2017, the Group's operating results were as follows:

- Total revenue was RMB10,366.1 million, increased by approximately 27.8%.
- Gross profit and gross profit margin were RMB2,789.2 million and 26.9%, respectively.
- Profit for the year attributable to equity shareholders of the Company was RMB1,268.4 million, increased by approximately 76.9%.
- The Group's revenue from domestic business increased by approximately 24.3%, when compared with the prior year. The Group's overseas revenue increased by approximately 65.0%, when compared with the prior year.
- The Board did not recommend the payment of a final dividend for the year ended 31 December 2017.

截至二零一七年十二月三十一日止年度，本集團的經營業績如下：

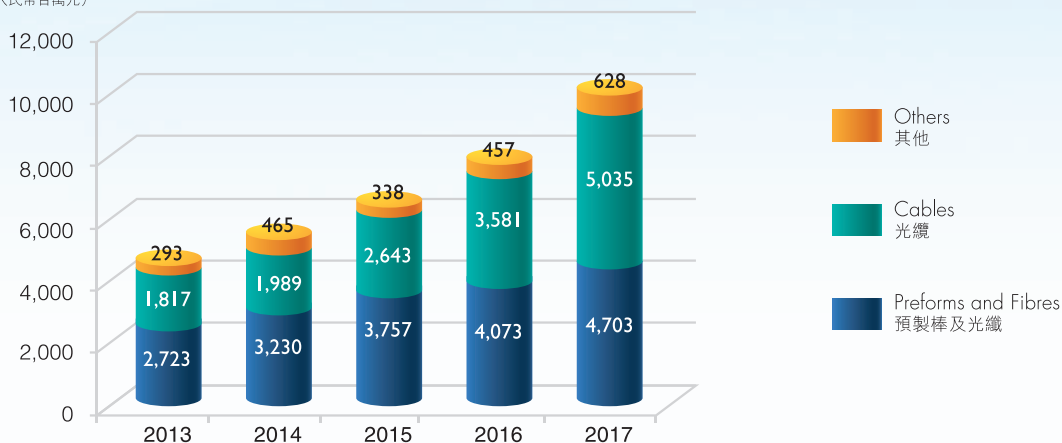
- 總收入為人民幣 10,366.1 百萬元，增幅約為 27.8%。
- 毛利及毛利率分別為人民幣 2,789.2 百萬元及 26.9%。
- 本公司權益持有人應佔年內利潤為人民幣 1,268.4 百萬元，增幅約為 76.9%。
- 與去年比較，本集團來自國內業務的收入增加約為 24.3%。與去年比較，本集團來自海外業務的收入增加約為 65.0%。
- 董事會不建議派發截至二零一七年十二月止年度之末期股利。

Financial Highlights

財務摘要

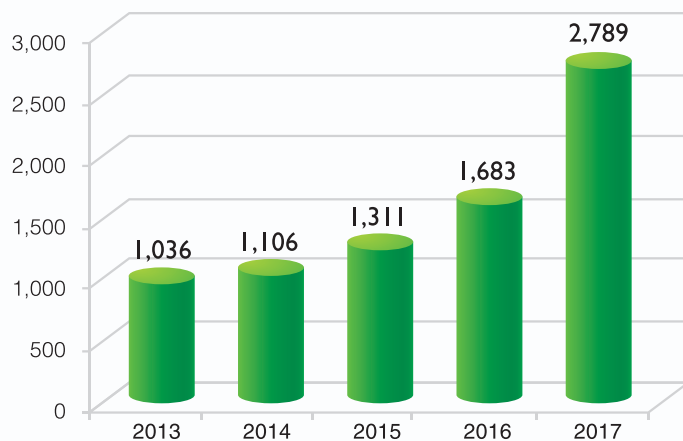
REVENUE 收入

(RMB Million)
(人民幣百萬元)



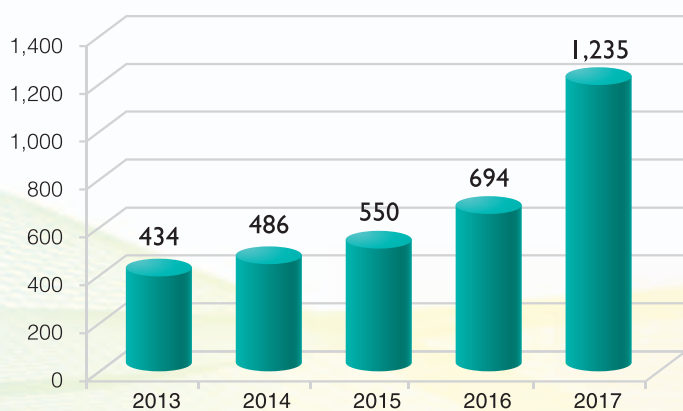
GROSS PROFIT 毛利

(RMB Million)
(人民幣百萬元)



PROFIT FOR THE YEAR 本年利潤

(RMB Million)
(人民幣百萬元)



Financial Highlights

財務摘要

FIVE-YEAR FINANCIAL SUMMARY

五年財務摘要

		Year ended December 31 截至十二月三十一日止年度				
		2013	2014	2015	2016	2017
		二零一三年	二零一四年	二零一五年	二零一六年	二零一七年
Operating Result	經營業績					
Gross profit margin	毛利率	21.4%	19.5%	19.5%	20.7%	26.9%
Net profit margin	淨利率	9.0%	8.5%	8.2%	8.6%	11.9%
Return on equity(1)	股本回報率(1)	26.6%	22.1%	16.7%	17.1%	24.9%
Financial Position	財務狀況					
Net cash from operating activities (RMB' 000)	經營活動產生的現金 淨額(人民幣千元)	431,145	200,178	553,275	1,307,219	1,737,870
Total assets (RMB' 000)	資產總額(人民幣千元)	5,007,731	6,571,616	7,555,554	8,166,344	9,167,764
Total non-current assets (RMB' 000)	非流動資產總額 (人民幣千元)	1,713,461	1,982,623	2,559,113	3,544,549	3,938,869
Total current assets (RMB' 000)	流動資產總額 (人民幣千元)	3,294,270	4,588,993	4,996,441	4,621,795	5,228,895
Total liabilities (RMB' 000)	負債總額(人民幣千元)	3,498,078	3,679,625	3,851,132	3,742,796	3,681,936
Total non-current liabilities (RMB' 000)	非流動負債總額 (人民幣千元)	897,859	1,095,358	874,266	1,107,032	734,312
Total current liabilities (RMB' 000)	流動負債總額 (人民幣千元)	2,600,219	2,584,267	2,976,866	2,635,764	2,947,625
Net Assets (RMB' 000)	淨資產(人民幣千元)	1,509,653	2,891,991	3,704,422	4,423,548	5,485,828
Gearing ratio	負債資本比率(倍)	47.4%	16.4%	11.1%	7.4%	-15.0%
Working Capital Cycles	營運資金週期					
Average trade and bills receivables turnover days(2)	平均應收賬款及 票據周轉天數(2)	110.6	103.7	103.2	93.3	78.9
Average trade and bills payable turnover days(3)	平均應付帳款及 票據周轉天數(3)	66.2	56.3	52.2	49.2	53.6
Average inventory turnover days(4)	平均存貨周轉天數(4)	55.8	56.6	46.3	37.5	33.1
Operating Efficiency (percentage of revenue)	營運效率(佔收入百分比)					
Selling expenses	銷售費用	2.2%	2.1%	2.4%	2.5%	2.9%
Administrative expenses	管理費用	8.0%	7.1%	7.3%	8.2%	9.3%
Financial expenses	財務費用	0.8%	0.9%	1.9%	1.4%	0.8%
Effective tax rate	實際稅率	11.3%	12.7%	11.6%	12.6%	14.7%

Financial Highlights

財務摘要

- (1) Calculated using the profit for the year divided by average total equity on an annualised basis, multiplied by 100%.
- (2) Average trade and bills receivables turnover days are based on the average balance of trade and bills receivables divided by revenue for the relevant year and multiplied by 365 days. Average balance is calculated as the average of the beginning balance and ending balance of a given year.
- (3) Average trade and bills payable turnover days are based on the average balance of trade and bills payable divided by cost of sales for the relevant year and multiplied by 365 days. Average balance is calculated as the average of the beginning balance and ending balance of a given year.
- (4) Average inventory turnover days are based on the average balance of inventory divided by cost of sales for the relevant year and multiplied by 365 days. Average balance is calculated as the average of the beginning balance and ending balance of a given year.
- (5) The above charts and summary table are based on the information in the financial statements of the Company prepared in accordance with the CASBE and audited by KPMG Huazhen LLP.

Reference is made to the announcement of the Company dated 17 January 2018 in relation to the alignment in the disclosure of financial statements in accordance with the CASBE in domestic and international market. Since the date on which the H shares of the Company became listed on the Hong Kong Stock Exchange, the Company has been preparing its financial statements under both the CASBE and the IFRS and has made disclosure of financial information based on the IFRS. In view of the Arrangement and the continuing convergence between CASBE and IFRS and in order to facilitate the application process with the China Securities Regulatory Commission in relation to the proposed A share offering, to align the financial disclosure of the Company in both markets as well as to improve the efficiency and reduce the cost of disclosure, the Board has passed a resolution on 17 January 2018 to make disclosure of financial information of the Company based on the financial statements which are prepared under the CASBE. Accordingly, the financial information in this report are based on the financial statements which are prepared under the CASBE.

- (1) 以本年利潤除以年度平均權益總額乘以 100% 計算。
- (2) 平均應收賬款及票據週轉天數按應收賬款及票據的平均結餘除以相關年度的營業收入再乘以 365 天計算。特定年度的平均結餘按年初結餘與年末結餘的平均數計算。
- (3) 平均應付賬款及票據週轉天數按應付賬款及票據的平均結餘除以相關年度的營業成本再乘以 365 天計算。特定年度的平均結餘按年初結餘與年末結餘的平均數計算。
- (4) 平均存貨週轉天數按平均存貨結餘除以相關年度的營業成本再乘以 365 天計算。特定年度的平均結餘按年初結餘與年末結餘的平均數計算。
- (5) 以上圖表及摘要表格按本公司根據中國企業會計準則編製的財務報表所載信息列示，前述財務報表由畢馬威華振會計師事務所(特殊普通合伙)審核。

茲提述本公司日期為二零一八年一月十七日關於在境內外市場統一按照中國企業會計準則披露財務報表的公告。自本公司H股於香港聯交所上市之日以來，本公司一直根據中國企業會計準則及國際財務報告準則編製其財務報表，並按國際財務報告準則所編製的財務報表作出關於財務資料的披露。考慮到該安排及中國企業會計準則及國際財務報告準則的持續趨同，為推進就建議A股發行向中國證券監督管理委員會申請的程序，統一本公司兩地的財務披露，以及為改善效率及減省披露成本，董事會於二零一八年一月十七日通過一項決議案，本公司根據中國企業會計準則所編製的財務報表作出關於財務資料的披露。故此，本報告所載財務信息乃根據本公司按中國企業會計準則編製的財務報表而準備。

Chairman's Statement

董事長報告



Dear Shareholders,

2017 marks another milestone for the Company. With the further implementation of Broadband China and the competition for the preparation of 5G from various countries, the optical fibre and cable market remained strong. In 2017, the demand of optical fibre and cable from the three Chinese telecom operators reached 238 million FKM, and the total global demand was approximately 500 million FKM. With such a favorable market, the Company persisted in innovation and development and realized continuously growth of operating results. Our revenue exceeded RMB10 billion and our net profit also reached another new high and set a historical record.

In 2017, we continued innovation of manufacturing processes. Whilst optimizing VAD process, our OVD process made preliminary results, and we principally mastered the three main processes globally to produce the optical fibre preform, namely PCVD, VAD and OVD. Currently, our PCVD process is in a global leading position, our VAD process has realized scaled production, and our OVD process is progressing fast in industrialization.

各位股東：

二零一七年是本公司里程碑的一年。隨著「寬帶中國」戰略持續深入推進及全球各國爭相角逐5G，光纖光纜市場需求持續旺盛。二零一七年，中國三大電信運營商光纖光纜集採總量達2.38億芯公里，全球市場需求直奔5億芯公里。在良好的市場環境下，公司堅持創新驅動發展，自主創新，推動業績持續增長，營業收入超過人民幣100億元，淨利潤達到新高，創造了歷史上最好的經營業績。

二零一七年，我們持續強化工藝創新，在不斷提升VAD核心技術工藝的同時，OVD平台初步定型，基本自主掌握了PCVD、VAD、OVD全球三大主要預製棒製備工藝。目前，我們的PCVD工藝水平全球領先，自主VAD已經實現規模化生產，OVD也在積極進行產業化。

Chairman's Statement

董事長報告

During the year, we also emphasized the research and development of new products. The Ultra Low Loss G.652 and G.654 optical fibre, which would be used in next generation ultra speed telecom trunk line, have initially realized scaled production. Our technology and implementation of such products leads the global markets, and the products could save the investments of telecom operators. The production efficiency of OM4+ and OM5 multi-mode optical fibre, which would be deployed in data centers, improved significantly, which greatly increased the Company's manufacturing capability and competitiveness in the multi-mode optical fibre market.

In 2017, we further promoted smart manufacturing. As a demonstration company selected in the first batch of smart manufacturing by Ministry of Industry and Information Technology of Made in China 2025, the Company established a leading group of smart manufacturing and made a series of explorations and efforts in our headquarter in Wuhan and in Qianjiang YOFC S&T Park. The smart manufacturing plant project in Qianjiang and the optical cable project in Wuhan YOFC S&T Park have achieved substantive results. Moreover, the Company has signed an agreement with Lenovo. The two parties would establish an industrial internet joint laboratory to promote front research of industrial internet and realize transfer of research results of relevant fields.

Looking ahead, with the global informationalization, many countries are promoting the construction of broadband network and 5G mobile networks, and the demand for optical fibre and cable is expected to remain prosperous. 2018 marks the 30th anniversary of our Company. At the new starting line, the Company will fulfill our mission of "Smart Link Better Life" and our core values of "Client Focus, Accountability, Innovation, Stakeholder Benefits", provide outstanding products and solutions in information transmission and smart links for global customers, and create a future of Internet of Everything with every stakeholders.

二零一七年，我們高度重視新產品研發，應用於下一代超高速通信幹線的ULL G.652、G.654光纖已初步具備規模化生產能力，技術水平和工程應用推廣全球領先。該等新產品將大幅節約電信運營商的投資。應用於數據中心的OM4+、OM5多模光纖產出率明顯提升，大幅提升公司在多模光纖領域的製造水平和市場競爭力。

二零一七年，我們堅持推進智能製造，作為「中國製造2025」首批「工信部智能製造試點示範企業」，本公司成立智能製造領導小組，在武漢本部及潛江長飛科技園進行了一系列探索和努力。其中，潛江智能製造聯合體及武漢長飛科技園光纜智能製造項目已取得了階段性的成果。此外，公司還與聯想集團簽署合作協議，雙方將合作成立工業互聯網聯合實驗室，共同推進工業互聯網技術前沿領域的研究，實現相關領域技術研究與科研成果轉化。

展望未來，在全球信息化建設浪潮推動下，各國都在全力推進建設寬帶網絡和5G移動網絡，光纖光纜市場需求預計將持續旺盛。二零一八年為本公司成立三十周年，本公司將以此為新起點，秉承「智慧聯接美好生活」的使命，以「客戶責任創新共贏」為企業核心價值觀，為全球客戶提供信息傳輸與智慧聯接領域的優質產品和解決方案，與各方合作夥伴共創萬物互聯的美好未來！

Chairman's Statement 董事長報告

At last, on behalf of the Board of Directors, I hereby express my sincere gratitude for the outstanding contribution made by the management and each employee of the Company, and also for the concern and supports from the shareholders, customers, suppliers, business partners and the community.

Ma Jie
Chairman

Wuhan, China
23 March 2018

最後，我謹代表董事會對管理團隊和各位員工為本公司做出的突出貢獻表示感謝！向長期關心和支持本公司的廣大股東、客戶、供應商、合作夥伴、社會各界表示最衷心的感謝！

主席
馬杰

中國武漢
二零一八年三月二十三日

President's Report

總裁報告



Dear shareholders,

It is my honor to report to you our operating performance for 2017.

FINANCIAL PERFORMANCE

In 2017, the Group total revenue was RMB10,366.1 million, increased by 27.8% compared with last year. The continuous growth of our revenue was mainly due to the prosperous global optical fibre and cable market. We seized the opportunity and utilized our advantages in supply to increase our sales performance in both domestic and overseas markets. In 2017, our profit for the year was RMB1,234.6 million, increased by 78.0% compared with last year, and the basic earnings per share was RMB1.86.

BUSINESS DEVELOPMENT

In 2017, the revenue of our optical fibre preform and optical fibre businesses grew by 15.5% compared with last year and accounted for 45.4% of total revenue. During 2017, the demand in domestic market remained strong, but the supply was insufficient. The first phase of our Qianjiang YOFC S&T Park began operation on time. Our self-developed VAD project, the OVD project in the joint venture with Shin-Etsu, and the optical fibre project all finished expansion and reached full capacity, which significantly improved our technology and supply. With this competitive advantage, the Company took the opportunity to solidify our relationship with customers and steadily increased the sales volume of optical fibre preform and optical fibre, and further strengthened our leading position in the global optical fibre and cable industry.

尊敬的各位股東：

我很榮幸地向各位報告本公司二零一七年的經營業績：

財務表現

二零一七年，本集團的營業收入人民幣10,366.1百萬元，同比增長27.8%。收入的持續增長主要得益於本公司抓住了全球光纖光纜市場需求旺盛的機遇，利用供給優勢，持續提升國內和國外兩個市場的銷售業績。二零一七年，全年淨利潤為人民幣1,234.6百萬元，同比增長78.0%，每股基本盈利為人民幣1.86元。

業務發展

二零一七年，光纖預製棒及光纖業務收入同比增長15.5%，佔總收入的45.4%。報告期內，國內市場需求旺盛，中國市場供給不足。本公司投資建設的潛江長飛科技園一期全面投產，園內的自主VAD項目、長飛與信越合資的OVD項目、自主光纖項目等項目的一期都達產，光纖預製棒技術和自主供給能力大幅提升。憑藉供給優勢，公司抓住市場機遇，鞏固客戶關係，穩步提升光纖預製棒和光纖銷量，進一步鞏固了全球光纖光纜行業領導者的地位。

In 2017, the revenue of optical fibre cable grew by 40.6% compared with last year and accounted for 48.6% of total revenue. Throughout the year, with the further implementation of Broadband China strategy, the Chinese telecom operators continued to build fixed network in large scale and prepare for the 5G deployment. Moreover, with the increasing demands from broadcasting companies, the optical fibre cable market remained strong. The Company expanded optical fibre cable capacity in Lanzhou and Shenyang to optimize capacity layout, and took this market opportunity to solidify and extend customer base. We won top two shares in the central bidding of Chinese telecom operators for consecutively two times and won shares in the procurement projects of multiple provincial broadcasting companies. The domestic revenue for optical fibre cable increased by 34.5%, compared with 2016. In the meantime, the Company seized the supply shortage opportunity and explored overseas markets. The overseas revenue for optical fibre cable increased by 89.3% compared with last year.

In 2017, the revenue of other products and services increased by 37.3% compared with last year and accounted for 6.0% of the total revenue. With the information era coming, those countries with under-developed telecom infrastructure were promoting their network construction, thus the overseas consulting and services businesses had significant potential. Our consulting and services businesses also grew rapidly. Moreover, with the rapid informationalization of military, electric and other fields, the specialty optical fibre business of our Company realized stable growth.

MARKET DEVELOPMENT

The Company not only solidified our leading position in the domestic optical fibre and cable market, but also further implemented internationalization strategy and continued to expand in overseas markets, developed relevant diversification businesses and products, improved customer base and market opportunities, and promoted the continuous and sustainable growth of the Company.

In 2017, the Company continued to implement internationalization strategy. On the one hand, the overseas layout was optimized. The optical fibre cable project in Indonesia has already begun trial operation, which enabled us to further explore the local market. On the other hand, the overseas sales teams were optimized, and the localized sales strategy were widely implemented. YOFC Thailand and YOFC Philippines were established. Within 2017, the overseas sales revenue increased significantly by 65.0% compared with last year.

二零一七年，光纜收入同比增長40.6%，佔總收入的48.6%。報告期內，隨著「寬帶中國」戰略深入推進，中國電信運營商持續規模建設寬帶網絡，積極佈局5G移動網絡建設，加之廣播電視寬帶網絡大規模建設，光纜市場需求持續旺盛。本公司一方面在瀋陽和蘭州進行光纜擴產，完善產能佈局；另一方面，抓住此市場機遇，鞏固和拓展客戶關係，連續以前兩名中標中國電信運營商光纖光纜集採，成功入圍多家省廣電公司光纜採購項目，國內光纜銷售收入同比增長34.5%。同時，本公司抓住全球市場供給不足的機遇，積極拓展海外最終客戶，海外光纜銷售收入同比增長89.3%。

二零一七年，其它產品及服務收入同比增長37.3%，佔總收入6.0%。隨著信息化浪潮席卷全球，通信基礎設施水平相對較低的國家正在推動網絡建設，海外網絡諮詢服務市場空間非常大，本公司的諮詢服務業務正在快速增長。同時，隨著軍工、電力等領域信息化建設的加快，本公司應用於傳感傳能領域的特種光纖業務保持穩定增長。

市場拓展

本公司在鞏固國內光纖光纜市場領先地位的基礎上，深化實施國際化，繼續進行地域拓展；大力開拓和發展多元化業務和新產品，擴大客戶範圍和市場空間，推動公司持續健康增長。

二零一七年，本公司持續實施國際化戰略。一方面，完善海外佈局，長飛印尼光纜項目已經開始試生產，公司已經深耕佈局前景可期的印尼市場。另一方面，加強海外營銷服務團隊，開始實施營銷實體本地化，相繼成立泰國公司和菲律賓公司。報告期內，公司海外銷售收入同比大幅度增長65.0%。

President's Report

總裁報告

During the year, the Company focused more on the relevant diversification businesses. Following the Full Value Chain strategy, the Hubei Flying, which produces silicon tetrachloride, began operation. With a secured raw material supply, the Company explored further upstream. As for downstream, we set a professional team and realized ground breaking in 2016. In 2017 we earned sound orders in Philippines, Indonesia, and other overseas markets. In the meantime, we established a submarine cable joint venture with Baosheng group to enter into the submarine cable market. Moreover, the Company was expanding OPGW and other businesses to explore and develop new growth opportunities.

In 2017, the Company persisted in the strategy of innovation-driven development and developed new-product markets. The ULL G654 optical fibre was successfully implemented in two trunk lines - the world's first and the world's longest, which built a solid foundation for our market position. The Company was also the first to promote high-end OM5 optical fibre, which would support the exploration of the market for data centers.

QUALITY ACHIEVEMENTS TO LEAD THE INDUSTRY

In 2017, to implement the strategy of Quality Power, the Company strengthened quality management and emphasized both scale and efficiency. We continued to provide high quality products and were widely recognized among customers. We were the only one in the industry that won the "China Quality Award" and won the ICQCC International Quality Management Group Gold Award successively. We were repeatedly covered by authoritative media programs such as "News Report", "Dialogue" of CCTV, which demonstrated our increasing influence. At the same time, the Company won the "Excellent Supply Partner Award" at Huawei's core partner conference and was endorsed and recognized many times by provincial and municipal companies of China Mobile, China Unicom and China Telecom.

二零一七年，本公司加大多元化業務市場拓展。按照「全產業鏈」戰略路線，上游四氯化矽項目湖北飛菱竣工投產，在夯實原材料供應的基礎上，開始拓展上游市場。下游通過構建全專家團隊，繼去年實現零的突破後，在菲律賓、印度尼西亞等市場斬獲項目大單。同時，與寶勝集團強強合作，計劃成立海纜合資公司，開始進入海纜市場。此外，公司正在全力拓展 OPGW 等業務市場，挖掘和培育新的業務增長機會。

二零一七年，本公司堅持創新驅動發展戰略，大力開拓新產品市場。公司 ULL G654 光纖成功應用於世界首條 ULL G654 陸地幹線—中國聯通濟青線—哈巴線和世界最長的 ULL G654 陸地幹線—中國移動京寧線一級幹線，為搶佔市場先機打下了良好基礎。公司率先推出高端 OM5 光纖，為進一步開拓數據中心互聯市場提供了支撐。

貫徹質量強國戰略，引領行業發展

二零一七年，響應「質量強國」戰略，本公司強化大質量經營管理，規模與效率並重，持續不斷地為客戶提供優質產品，獲得廣泛認可。公司成為光纖光纜行業唯一榮獲「全國質量獎」的企業，連續獲得 ICQCC 國際質量管理小組金獎，被中央電視台《新聞聯播》、《對話》等權威媒體欄目多次報道，質量品牌影響力持續提升。同時，公司在華為核心合作夥伴大會上榮獲「最佳供應保障獎」，受到中國移動、中國聯通、中國電信等的省市公司的多次表彰與贊許。

In 2017, the Company won the Class Two Award of National Science and Technology Progress again, Class One Award of Science and Technology of China Institute of Electronics, and Class Two Award of National Science and Technology Progress of Hubei Province, which endorsed the leading position of the Company in terms of technology.

In 2017, the Company was incorporated into Hang Seng Small Cap Index and was rebalanced into Shenzhen-Hong Kong Connect. The stock price increased by 140%. The capital market recognized our performance and leading position in the industry. China Securities Regulatory Commission has received our application of A shares listing in June 2017.

OUTLOOK FOR 2018

In 2018, the Company will focus on medium to long-term development strategies, implement the five strategies to realize a healthy growth, and create value for shareholders and customers, specifically as follows:

Promote the organic growth of optical fibre preform, optical fibre and optical cable business: the Company will steadily implement the expansion projects of optical fibre preform and optical fibre, and increase our production efficiency to optimize supply. The Company will enhance customer relations, enlarge overseas customers and strengthen our sales basis to ensure sustainable growth in the long term.

Strengthen technology innovation and intelligent manufacturing: the Company will optimize innovation and R&D mechanism, integrate internal and external technological resources and develop more potentially competitive products and solutions. We will also enhance our intelligent manufacturing ability to further lower costs.

Deepen the internationalization strategy: we will ensure the solid operation of the four overseas production bases and optimize overseas layout. In the meantime, we will strengthen our localized sales platforms and marketing abilities to promote a continuous growth in the overseas markets.

二零一七年，本公司再次獲得國家科技進步二等獎，獲得中國電子學會科學技術一等獎、湖北省科技進步二等獎等多個技術大獎，彰顯了公司的技術引領地位。

二零一七年，本公司被納入恒生綜合中小型股指數成分股、恒生港股通指數系列成分股，進入深港通名單，股價增長超過140%，資本市場對長飛業績表現及行業領導力表現出充分肯定。中國證監會也於二零一七年六月正式受理公司首次公開發行A股股票的申請。

二零一八年展望

二零一八年，本公司將緊密圍繞中長期發展戰略，深度執行五大戰略舉措，推動公司健康增長，為股東和客戶創造價值，具體如下：

棒纖纜業務內涵增長：穩步推進光纖預製棒、光纖項目的投產運營，提升資源利用效率，進一步穩固供給優勢。夯實國內客戶關係，擴大海外客戶面，強化銷售基礎，為長期持續增長打好基礎。

技術創新與智能製造：完善大研發創新機制，整合集團內外部技術力量，推出更多有市場潛力和競爭優勢的產品和解決方案；繼續提升智能製造水平，擴大成本優勢。

國際化戰略：在確保海外四大生產基地穩健運營的基礎上，繼續完善海外產能佈局。同時，強化海外本地實體銷售平台，加強海外營銷能力，推動海外業務規模持續增長。

President's Report

總裁報告

Develop diversification: the Company will continue to develop consulting and services businesses and specialty products. We will closely follow national policies and the development trend in the industry, actively design and explore new business opportunities, and find new directions to ensure a revenue and profit growth.

Capital operation: We will optimize our financing operations to facilitate our businesses development and the rapid growth of our Company.

Zhuang Dan

Executive Director and President

Wuhan, China

23 March 2018

發展多元化：持續推動諮詢服務業務、特種產品業務做大做強。並緊跟國家政策和行業技術發展趨勢，主動設計和開發新的業務機會，尋找新的增長點，促進公司收入和利潤持續增長。

資本運營：加強資本運作水平，推動業務發展和公司快速增長。

莊丹

執行董事兼總裁

中國武漢

二零一八年三月二十三日

Major Products and Solutions

主要產品及服務

Optical Fibre Preform

光纖預製棒



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

Optical Fibre

光纖



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

Optical Fibre Cable

光纜



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

Major Products and Solutions

主要產品及服務

Specialty Fibre and Cable

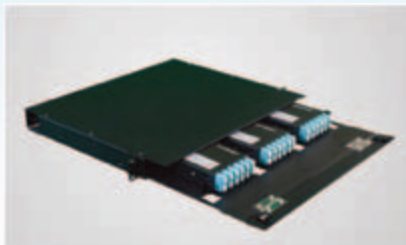
特種光纖光纜



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

Cabling Solutions

綜合佈線



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

Active Optical Cables (AOC)

有源光纜 (AOC)



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

Key Milestones In 2017

2017年里程碑

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

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

Technology Breakthroughs 技術突破

- The Ultra Low Loss G.652 and G.654 optical fibres, which would be used in next generation ultra speed telecom trunk line, have initially realized scaled production;
- The production efficiency of OM4+ and OM5 multi-mode optical fibres, which would be deployed in data centers, improved significantly. It would greatly increased YOFC's manufacturing capability and competitiveness in the multi-mode optical fibre market.
- 應用於下一代超高速通信幹線的ULL G.652、G.654光纖已初步具備規模化生產能力；
- 應用於數據中心的OM4+、OM5多模光纖產出率明顯提升，大幅提升長飛公司在多模光纖領域的製造水平和市場競爭力。

Honours 榮譽

- YOFC won the class two "2017 National Science and Technology Progress Award";
- In November 2017, we were awarded with the 17th "China Quality Award".
- 長飛公司榮獲二零一七年度國家科學技術進步二等獎；
- 二零一七年十一月，長飛公司榮獲第十七屆「全國質量獎」。

Internationalisation 國際化

- In November 2017, the plant construction of PT. Yangtze Optics Indonesia was completed. We are able to produce optical cables locally;
- Sales companies in Thailand and Philippines have been established, which optimized YOFC's localized production and sales ability abroad. Our overseas revenue has increased significantly.
- 二零一七年十一月，長飛印尼光通信有限公司完成廠房建設，將實現光纖產品的本地化生產；
- 我們在泰國、菲律賓成立銷售公司，海外本地化生產和銷售服務能力進一步提升，公司海外業務收入持續快速增長。

Influence 影響力

- YOFC was rebalanced into Shenzhen-Hong Kong Connect, and China Securities Regulatory Commission has received the application of YOFC's proposed A share offering;
- In November 2017, YOFC co-hosted the World Optical Fibre & Cable Conference, with CRU (British Commodity Research Institute) in Optics Valley of China for the second time.
- 長飛公司被納入深港通名單，且中國證券監督管理委員會已受理長飛公司建議A股發行申請；
- 二零一七年十一月，長飛公司第二次與CRU(英國商品研究所)在中國光穀聯合主辦世界光纖光纜大會。

Management Discussion and Analysis

管理層討論及分析

OVERVIEW

During 2017, whilst consolidating its advantage in optical fibre preforms, optical fibres and optical cables, and maintaining its leading position in domestic telecommunications market, the Group had also been deepening the internationalisation strategy and constantly expanding in overseas markets. Meanwhile, the Group continued to extend to both upstream and downstream of the industry chain, actively expand diversified services, promote its new products and increase the scope of customers and market place enthusiastically.

During the year under review, the Group's revenue reached another year of record high to approximately RMB10,336.1 million, increased by approximately 27.8% as compared to 2016 of approximately RMB8,111.5 million. The Group reported a gross profit of RMB2,789.2 million, increased by approximately 65.8% as compared to 2016 of approximately RMB1,682.6 million. Excluding the financial expenses and income tax, the Group's EBIT increased significantly from RMB905.5 million in 2016 to RMB1,525.0 million in 2017, representing an increase of approximately 68.4%. The Group's profit for the year attributable to the equity shareholders of the Company amounted to approximately RMB1,268.4 million, increased by approximately 76.9% as compared to 2016 of approximately RMB717.1 million.

Basic earnings per share was RMB1.86 per share (2016: RMB1.05 per share), which was calculated based on the weighted average number of shares issued, further details of which are set out in note V.47 to the audited consolidated financial statements as set out in this annual report.

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

綜述

二零一七年，本集團在持續鞏固光纖預製棒、光纖和光纜業務優勢，保持國內電信市場領先地位的同時，深化實施國際化戰略，不斷拓展海外市場。同時，本集團還繼續向產業鏈上下游延伸，積極拓展多元化業務，大力推廣新產品，擴大客戶範圍和市場空間。

於本年度，本集團營業收入再創新高，約為人民幣10,366.1百萬元，較二零一六年約人民幣8,111.5百萬元增長約27.8%。本集團毛利為人民幣2,789.2百萬元，較二零一六年約人民幣1,682.6百萬元增長約65.8%。除去財務費用及稅費，本集團息稅前利潤由二零一六年人民幣905.5百萬元顯著增長至二零一七年人民幣1,525.0百萬元，增幅約為68.4%。本集團的本年度歸屬於母公司股東的淨利潤約為人民幣1,268.4百萬元，較二零一六年約人民幣717.1百萬元增長約76.9%。

基於加權平均已發行股份股數計算，基本每股盈利為每股股份人民幣1.86元(二零一六年：每股股份人民幣1.05元)，詳情載於本年報經審核的合併財務報表之附註五、47。

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

Management Discussion and Analysis

管理層討論及分析

In 2017, the Group achieved remarkable financial results whilst earning distinguished performance and recognition. After many years, the Company won the Class Two Award of National Science and Technology Progress again, and Class One Award of Science and Technology of China Institute of Electronics, which endorsed the leading position of the Company in terms of technology. We were the only one in the industry that won the "National Quality Award" and won the ICQCC International Quality Management Group Gold Award successively. We were repeatedly covered by authoritative media programs such as "News Report", "Dialogue" of CCTV. We successfully held CRU Global Optical Fibre and Cable Conference consecutively, which continued to enhance the influence of the quality brand. At the same time, the Company won the "Excellent Supply Partner Award" at Huawei's core partner conference and was endorsed and recognized many times by provincial and municipal companies of China Mobile, China Unicom and China Telecom.

REVENUE

The Group's revenue for the year ended 31 December 2017 was approximately RMB10,366.1 million, representing an increase of 27.8% as compared to 2016 of approximately RMB8,111.5 million.

By product segment, a total revenue of approximately RMB4,702.9 million was contributed from our optical fibre preform and optical fibre segment, representing a growth of 15.5% as compared to 2016 of approximately RMB4,073.1 million and accounting for 45.4% (2016: 50.2%) of the Group's revenue; while a total revenue of RMB5,034.9 million was contributed by our optical fibre cable segment, representing a much higher growing momentum of 40.6% as compared to 2016 of approximately RMB3,580.7 million and accounting for 48.6% (2016: 44.1%) of the Group's 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 Telecommunication Operators and the ongoing national initiatives such as "Broadband China", "internet plus" announced by the PRC government, which provided positive catalysts and brought additional momentum, in particular, the demand for optical fibres and optical fibre cables.

二零一七年，本集團在取得可觀財務業績的同時，也獲得了顯著的成績與認可。公司時隔多年再次獲得國家科技進步二等獎，獲得中國電子學會科學技術一等獎，技術引領地位獲得認可。行業唯一榮獲「全國質量獎」，連續獲得ICQCC國際質量管理小組金獎，被中央電視台《新聞聯播》、《對話》等權威媒體欄目多次報道，連續成功主辦CRU全球光纖光纜大會，質量品牌影響力持續提升。同時，公司在華為核心合作夥伴大會上榮獲「最佳供應保障獎」，受到中國移動、中國聯通、中國電信等的省市公司的多次表彰與讚許。

收入

截至二零一七年十二月三十一日止年度的本集團營業收入約為人民幣10,366.1百萬元，較二零一六年約人民幣8,111.5百萬元增長27.8%。

按產品分部劃分，總額約人民幣4,702.9百萬元的收入來自我們的光纖預製棒及光纖分部，較二零一六年約人民幣4,073.1百萬元增長15.5%及佔本集團收入45.4%(二零一六年：50.2%)；而總額人民幣5,034.9百萬元的收入乃來自我們的光纜分部，對比二零一六年約人民幣3,580.7百萬元呈現40.6%的較高增長勢頭及佔本集團收入48.6%(二零一六年：44.1%)。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網絡基礎設施的建設，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。

Management Discussion and Analysis

管理層討論及分析

A total revenue of approximately RMB628.3 million was contributed by others, representing an increase of 37.3% as compared to 2016 of approximately RMB457.7 million and accounting for 6.0% (2016: 5.7%) of the Group's revenue. The increase was mainly attributable to the increase in income from RF cables significantly growing by 98.3% as compared with 2016.

By geographical segment, a total revenue of approximately RMB9,205.8 million was contributed by domestic customers, representing an increase of 24.3% (2016: 19.3%) as compared to 2016 of approximately RMB7,408.5 million and accounting for 88.8% of the Group's revenue. During 2017, the domestic revenue for optical fibre cables grew by 34.5% while the optical fibre preforms and optical fibres grew by 15.3%. For overseas market, a total revenue of approximately RMB1,160.3 million was reported in 2017 representing an increase of 65.0% (2016: 32.7%) as compared to 2016 of approximately RMB703.0 million and accounting for approximately 11.2% of the Group's revenue. The growth in overseas revenue was mainly driven by optical fibre cables, which showed an increase of 78.0% in revenue.

During 2017, the Group had achieved strong business development in both domestic and overseas telecommunications operator markets which is one of the key stimulators for the significant growth in the Group's revenue.

其他產品服務貢獻總收入約人民幣628.3百萬元，較二零一六年約人民幣457.7百萬元增長37.3%及佔本集團收入6.0%(二零一六年：5.7%)，主要由於集團電纜收入較二零一六年大幅增長98.3%。

按地區分部劃分，總額約人民幣9,205.8百萬元的收入來自國內客戶，較二零一六年約人民幣7,408.5百萬元增長24.3%(二零一六年：19.3%)及佔本集團收入88.8%。二零一七年光纜於國內的銷售收入增長了34.5%，而光纖預製棒及光纖於中國的銷售收入增長了15.3%。於二零一七年總額約人民幣1,160.3百萬元的收入乃來自海外客戶，較二零一六年約人民幣703.0百萬元增長65.0%(二零一六年：32.7%)及佔本集團收入約11.2%。海外銷售增長的主要驅動是光纜的增長，海外銷售收入增長中有78.0%來源於光纜。

二零一七年，本集團在國內外電信運營商市場的業務均有長足發展，彼為推動本集團收入增長的主要動力源之一。

Management Discussion and Analysis

管理層討論及分析

COST OF SALES

The Group's cost of sales for the year ended 31 December 2017 was approximately RMB7,576.9 million, representing an increase of 17.9% as compared to 2016 of approximately RMB6,428.9 million and accounting for 73.1% of the Group's revenue. The increase in cost of sales was lower than our growth in revenue, which was mainly due to the higher increase in selling price of optical fibre preforms, optical fibres and optical cables than the increase in costs of major raw materials during the year.

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

In 2017, the Group's total raw material costs was approximately RMB6,735.7 million, representing an increase of 16.2% as compared to approximately RMB5,797.4 million in 2016.

For the year ended 31 December 2017, the Group's manufacturing overheads and direct labour costs amounted to approximately RMB838.6 million, representing an increase of 33.2% as compared to RMB629.8 million in 2016.

GROSS PROFIT AND GROSS PROFIT MARGIN

For the year ended 31 December 2017, the Group reported a gross profit of RMB2,789.2 million, representing an increase of 65.8% as compared to RMB1,682.6 million in 2016 and the gross profit margin increased to 26.9% in 2017 (2016: 20.7%). The increase in gross profit margin was mainly due to the changes in sales structure and upward adjustment in the average selling prices of optical fibre preforms, optical fibres and optical cables.

銷售成本

本集團截至二零一七年十二月三十一日止年度的營業成本約為人民幣7,576.9百萬元，較二零一六年約人民幣6,428.9百萬元增長17.9%，佔本集團收入的73.1%。營業成本升幅低於我們的營業收入增長，主要由於本年預製棒、光纖、光纜的銷售價格上漲幅度高於主要原材料的上漲幅度。

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

二零一七年，本集團原材料成本總額約為人民幣6,735.7百萬元，較二零一六年約人民幣5,797.4百萬元增長16.2%。

截至二零一七年十二月三十一日止年度，本集團的生產間接成本及直接人工成本約為人民幣838.6百萬元，較二零一六年的人民幣約629.8百萬元增長33.2%。

毛利及毛利率

截至二零一七年十二月三十一日止年度，本集團的毛利為人民幣2,789.2百萬元，較二零一六年的人民幣1,682.6百萬元增長65.8%，而毛利率則上升至26.9%(二零一六年：20.7%)。毛利率的增長主要由於銷售構成的變化，光纖、光纖預製棒及光纜的平均售價之上調。

Management Discussion and Analysis

管理層討論及分析

SELLING EXPENSES

The Group's selling expenses for the year ended 31 December 2017 were RMB304.9 million, representing an increase of 52.9% as compared to RMB199.4 million in 2016. The increase was mainly due to the increase in salary expenditures due to the increase in sales staff and more optical cables were sold during the year which resulted in a higher transportation costs.

ADMINISTRATIVE EXPENSES

The Group's administrative expenses for the year ended 31 December 2017 were RMB968.1 million, representing an increase of 46.2% as compared to RMB662.2 million in 2016. The increase was mainly because of the increase in research and development expenses, staff costs, as well as administrative expenses incurred by the newly established subsidiaries.

FINANCIAL COSTS

The Group's financial expenses for the year ended 31 December 2017 were RMB78.2 million, representing a decrease of 30.3% as compared to RMB112.2 million in 2016, which was mainly because of foreign exchange loss from the re-measurement of those foreign currency liabilities, mostly in foreign currency denominated bank loans. During the year, the Group continued to restructure its bank loan by borrowing more RMB loans in order to decrease the net foreign exchange losses from the exchange depreciation of RMB against the foreign currencies. As at 31 December 2017, 81.5% of the bank loans was in RMB, 10% was in US Dollar and 8.5% was in HK Dollar.

The interest rates of the bank loans in 2017 ranged from 1.20% to 5.00% per annum (2016: 0.10% to 4.75% per annum), while the annual effective interest rate for the borrowings in 2017 was 4.03% (2016: 2.48%).

銷售費用

本集團截至二零一七年十二月三十一日止年度的銷售費用為人民幣304.9百萬元，較二零一六年的人民幣199.4百萬元增長52.9%。增幅主要源於銷售人員的增加導致的薪酬支出的上漲以及本年度內售出較多光纜而產生了更多的運輸費用。

管理費用

本集團截至二零一七年十二月三十一日止年度的管理費用為人民幣968.1百萬元，較二零一六年的人民幣662.2百萬元增長46.2%。增幅主要源於研發費用、員工成本以及新成立的附屬公司所產生的管理費用。

財務費用

本集團截至二零一七年十二月三十一日止年度的財務費用為78.2百萬元，較二零一六年的人民幣112.2百萬元減少30.3%。降幅主要源於對外幣債務(主要是外幣銀行貸款)重新計量後的外匯損失減少。於本年度，本集團繼續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外幣匯率貶值導致匯兌淨損失的可能。於二零一七年十二月三十一日，人民幣、美元和港幣所佔的銀行借款的比例分別為81.5%、10.0%和8.5%。

銀行貸款的利率於二零一七年介乎年利率1.20%至5.00%(二零一六年：年利率0.10%至4.75%)，而二零一七年借貸之實際年利率為4.03%(二零一六年：2.48%)。

Management Discussion and Analysis

管理層討論及分析

INCOME TAX

The Group's income tax for the year ended 31 December 2017 was RMB212.3 million, representing an increase of 113.2% as compared to RMB99.6 million in 2016. On the other hand, the effective tax rate increased from 12.6% in 2016 to 14.7% in 2017. Details of the preferential tax treatments of the Company and certain subsidiaries were set out in note IV.2 to the financial statements contained in this annual report.

CAPITAL EXPENDITURES

During the year, the Group incurred capital expenditures of approximately RMB494.7 million (2016: RMB977.5 million) in total, involving the purchase of fixed assets, construction-in-progress, intangible assets, which were mainly related to the enhanced production capacities of three major products at home and abroad as well as the enhanced production efficiency of existing optical fibre preforms and optical fibre equipment.

In terms of capital operations, the Company is proceeding with the initial public offering and listing of A shares. If successfully implemented, the Company will become the first company in the industry and Hubei province to be publicly listed on two stock markets. In the future, we will be able to fully capitalise on the advantages of the financial markets of Hong Kong and Mainland, so as to create value for shareholders and promote the realization of strategic goals.

所得稅

本集團截至二零一七年十二月三十一日止年度的所得稅為人民幣212.3百萬元，較二零一六年的人民幣99.6百萬元增長113.2%。此外，實際稅率由二零一六年的12.6%上升至二零一七年的14.7%。本公司和若干附屬公司稅收優惠詳情載於本年報所載財務信息之附註四、2。

資本支出

年內本集團產生資本支出總額約為人民幣494.7百萬元(二零一六年：人民幣977.5百萬元)，涉及購買固定資產、在建工程、無形資產，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。

在資本運營方面，公司正有序推進首次公開發行A股股票並上市的進程。若成功實施，公司將成為行業內及湖北省內第一家於兩地市場公開上市的企業，未來將可以充分利用兩地金融市場的優勢，為股東創造價值的同時促進戰略目標的實現。

Management Discussion and Analysis

管理層討論及分析

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.

Up to the end of 31 December 2017, the aggregate net proceeds from the Private Placement amounting to RMB251.3 million (equivalent to approximately HK\$302.5 million) has been used to (i) contribute capital of RMB189.5 million (equivalent to approximately HK\$228.6 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 31 December 2017, 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 31 December 2017, the paid-up capital has been used to purchase fibre drawing equipment; (b) contribute capital of RMB33.1 million (equivalent to approximately HK\$39.6 million) to Yangtze Optics Africa Holdings Proprietary Limited, a non-wholly owned subsidiary in South Africa, as at 31 December 2017, the paid capital has been used to purchase optical cable equipment; and (c) pay RMB18.2 million (equivalent to approximately HK\$21.7 million) as general working capital for operating expenses. Up to 31 December 2017, the net proceeds from the Private Placement had been fully utilised in accordance with the uses as set out in the circular and announcements of the Company in relation to the Private Placement.

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。

截至二零一七年十二月三十一日止,源於非公開配售之所得款項淨額總額約人民幣251.3百萬元(相當於約302.5百萬港元)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189.5百萬元(相當於約228.6百萬港元),該全資子公司負責發展潛江長飛科技園二期項目,截至二零一七年十二月三十一日止,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)。截至二零一七年十二月三十一日止,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33.1百萬元(相當於約39.6百萬港元),截至二零一七年十二月三十一日止,該資本金已用於購買光纖設備;以及(c)作為一般營運資金用於支付相關經營費用人民幣18.2百萬元(相當於約21.7百萬港元)。截至二零一七年十二月三十一日止,非公開配售之所得款項淨額已根據關於非公開配售的股東通函及公告所載的用途被完全使用。

Management Discussion and Analysis

管理層討論及分析

				Actual use of net proceeds		Unused proceeds	
				已使用款項	尚未使用款項	As at	As at
				As at	As at	As at	As at
				31 December	24 March	31 December	31 December
				2016	2017#	2017	2017
			Planned	截至	截至	截至	於
		Planned	use of net	二零一六年	二零一七年	二零一七年	二零一七年
		Percentage	proceeds	十二月	三月	十二月	十二月
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	十一日止	二十四日止#	三十一日止	月三十一日

(in RMB million, except for percentage)
(人民幣百萬元，百分比除外)

Constructing the phase II project of YOFC Science & Technology Park in Qianjiang to expand preform capacity	建設潛江長飛科技園二期項目以擴大預製棒產能	75%	189.5	189.5	189.5	189.5	—
Supporting the development and capacity expansion of the Group and supplement working capital	支持本集團擴充產能及補充營運資金	25%	61.8	52.8	52.8	61.8	—
Total	合計	100%	251.3	242.3	242.3	251.3	—

Date of 2016 annual report

2016年年度報告日期

GEARING RATIO

The Group monitors its leverage using gearing ratio, which is net debts divided by total equity. Net debts include all bank loans less cash and cash equivalents. The Group's gearing ratio as at 31 December 2017 was -15.0% (2016: 7.4%).

負債資本比率

本集團以負債資本比率監控負債狀況，比率以債務淨額除以權益總額計算。債務淨額包括所有銀行貸款減現金及現金等價物。本集團於二零一七年十二月三十一日的負債資本比率為-15.0%(二零一六年：7.4%)。

Management Discussion and Analysis

管理層討論及分析

CASH FLOW ANALYSIS

The following table sets forth the selected cash flow data derived from the consolidated cash flow statement for the year ended 31 December 2017.

		2017	2016
		二零一七年	二零一六年
		人民幣元	人民幣元
Net cash generated from operating activities	經營活動產生的淨現金	1,737,869,941	1,307,218,835
Net cash used in investing activities	投資活動使用的淨現金	(380,963,679)	(1,101,037,334)
Net cash used in financing activities	融資活動使用的淨現金	(980,582,610)	(857,817,661)
Effect of foreign exchange rate changes on cash and the equivalents	匯率變動對現金及現金等價物的影響	(4,385,119)	32,086,493
Net increase/(decrease) in cash and cash equivalents	現金及現金等價物增加/(減少)淨額	371,938,533	(619,549,667)

The net cash generated from the Group's operating activities increased by approximately RMB430.7 million, which was mainly due to the increase in revenue of the Group during the year that was greater than the net increase in trade and bills receivable and trade and bills payable.

The net cash used by the Group's investment activities decreased by approximately RMB720.1 million, which was mainly due to the investment in capacity expansion projects domestically and abroad in 2016, and the major projects had commenced operation in 2017 with cash to pay for the construction of fixed assets and intangible assets and investment in the joint venture decreased significantly from the previous year.

Net cash used by the Group's financing activities increased by approximately RMB122.8 million, which was mainly due to the increase in cash paid for distributing dividends over the previous year and the decrease in the cash received by subsidiaries as a result of absorption of minority shareholders' investments compared to the previous year.

現金流量分析

下表載列摘錄自截至二零一七年十二月三十一日止年度之合併現金流量表之選定現金流量數據。

本集團經營活動產生的淨現金增加約人民幣430.7百萬元，乃主要由於本集團於本年之收入增加大於應收賬款及票據與應付帳款及票據之淨增加額。

本集團投資活動使用的淨現金減少約人民幣720.1百萬元，乃主要由於二零一六年對國內外產能擴充項目進行投資，至二零一七年主要項目已相繼投入運營，構建固定資產和無形資產支付的現金及投資合營公司支付的現金較上年大幅減少。

本集團融資活動使用的淨現金增加約人民幣122.8百萬元，乃主要由於分配股利支付的現金較上年增加及子公司吸收少數股東投資收到的現金較上年減少所致。

Management Discussion and Analysis

管理層討論及分析

Cash and cash equivalents as at 31 December 2017 were cash at banks and in hand, which were mainly in RMB, US Dollars, South African Rand, Euro, HK Dollars and Indonesian Rupiah.

NET CURRENT ASSETS

As at 31 December 2017, the Group's net current assets was RMB2,281.3 million, increased slightly by RMB295.3 million from RMB1,986.0 million as at 31 December 2016. The increase in net current assets was mainly due to (1) current bank loans and non-current bank loans due within one year decreased, which resulted in an increase in net current assets by approximately RMB389.9 million; (2) accounts receivable and bills increased by approximately RMB365.2 million, and accounts payable and bills payable increased by approximately RMB465.3 million, which resulted in a decrease in net current assets by RMB100.1 million.

BANK LOANS

As at 31 December 2017, the Group's bank loans were RMB978.3 million, representing a significant decrease of RMB778.1 million from approximately RMB1,756.4 million as at 31 December 2016. As at 31 December 2017, 28.4% of the Group's bank loans were floating-rate loans and 71.6% were fixed-rate loans. Among the Group's bank loans, 8.5% were Hong Kong dollar loans, 10.0% were US dollar loans, and the remaining 81.5% were RMB loans.

After the RMB fixing reform on 11 August 2015, the exchange rate of RMB against US Dollars and Euro showed a decreasing trend. The Group lowered the proportions of US Dollar and Euro loans by way of replacing US Dollar and Euro loans with RMB loans. As a result, the proportion of our foreign currency loans decreased from 36.3% as at 31 December 2016 to 18.5% as at 31 December 2017, while the proportion of RMB loans increased from 63.7% as at 31 December 31 2016 to 81.5% as at 31 December 2017.

於二零一七年十二月三十一日的現金及現金等價物為銀行存款及現金，主要貨幣為人民幣、美元、南非蘭特、歐元、港元及印尼盧比。

淨流動資產

於二零一七年十二月三十一日，本集團淨流動資產為人民幣2,281.3百萬元，較二零一六年十二月三十一日之人民幣1,986.0百萬元增加人民幣295.3百萬元。淨流動資產的增加乃主要由(1)短期借款及一年內到期的長期借款減少致淨流動資產增加約人民幣389.9百萬元；(2)應收賬款及票據增加約人民幣365.2百萬元，而應付帳款及票據增加約人民幣465.3百萬元，致淨流動資產減少100.1百萬元。

銀行貸款

於二零一七年十二月三十一日，本集團之銀行貸款為人民幣978.3百萬元，較二零一六年十二月三十一日約人民幣1,756.4百萬元大幅減少人民幣778.1百萬元。於二零一七年十二月三十一日，本集團銀行貸款之28.4%為浮息貸款及71.6%為定息貸款。本集團銀行貸款中，8.5%為港幣貸款，10.0%為美元貸款，而餘額81.5%為人民幣貸款。

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總體呈下跌趨勢。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平。因此，我們的外幣貸款比例從二零一六年十二月三十一日的36.3%下降至二零一七年十二月三十一日的18.5%，而人民幣貸款比例從二零一六年十二月三十一日的63.7%上升至二零一七年十二月三十一日的81.5%。

Management Discussion and Analysis

管理層討論及分析

COMMITMENTS AND CONTINGENCIES

As at 31 December 2017, the Group's outstanding capital commitments on fixed assets were approximately RMB2,495.1 million (2016: approximately RMB928.5 million), intangible assets of approximately RMB nil million (2016: approximately RMB16.9 million), and equity investment of approximately RMB325.5 million (2016: approximately RMB16.7 million). Out of the total amount of unsettled commitments as at 31 December 2017 of approximately RMB2,820.6 million (2016: RMB962.1 million), a total of approximately RMB551.7 million (2016: approximately RMB196.3 million) were contracted, and the balance of approximately RMB2,268.9 million (2016: approximately RMB765.8 million) were authorized but not yet contracted by the Board.

As at 31 December 2017, the Group did not have any material contingent liability.

CHARGE ON ASSETS

As at 31 December 2017, except for the Group's houses and buildings with a book value of RMB49.4 million and land use rights with a book value of RMB26.3 million that were pledged as collaterals to secure loans of RMB18.7 million, the Group did not secure other assets to obtain any bank financing or bank loans.

FUNDING AND TREASURY POLICY

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

承擔及或然事項

於二零一七年十二月三十一日，本集團就固定資產之未結算資本承擔約為人民幣2,495.1百萬元(二零一六年：約人民幣928.5百萬元)、無形資產約人民幣零百萬元(二零一六年：約人民幣16.9百萬元)及權益投資約人民幣325.5百萬元(二零一六年：約人民幣16.7百萬元)。於二零一七年十二月三十一日之未結算承擔總額約為人民幣2,820.6百萬元(二零一六年：人民幣962.1百萬元)中，合共約人民幣551.7百萬元(二零一六年：約人民幣196.3百萬元)已訂約，而餘額約人民幣2,268.9百萬元(二零一六年：約人民幣765.8百萬元)則已獲董事會授權惟尚未訂約。

於二零一七年十二月三十一日，本集團並無任何重大或然負債。

資產抵押

於二零一七年十二月三十一日，除本集團以帳面價值人民幣49.4百萬元的房屋及建築物和帳面價值人民幣26.3百萬元的土地使用權作為抵押取得借款人民幣18.7百萬元，本集團無其他通過抵押資產以取得任何銀行融資或銀行貸款。

融資及財務政策

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

Management Discussion and Analysis

管理層討論及分析

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, Euro and HK Dollars. Most of the bank deposits are in RMB, US Dollars, Euro and HK Dollars.

During the year, the Group suffered mainly from the unfavourable fluctuations in exchange rate movements between RMB and US Dollars or Euro, which resulted in net foreign exchange losses of RMB28.2 million.

During the year, 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.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2017, the Group had approximately 4,075 full-time employees (2016: 3,500 full-time employees). The Group has designed an annual evaluation system to assess the performance of its employees. Such system forms the basis of determining whether an employee should be entitled to salary increments, bonuses or promotions. The salaries and bonuses that the employees received are competitive with market rates. The Company has been in compliance with the relevant national and local labour and social welfare laws and regulations in China.

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

匯率波動影響

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

於本年度，本集團主要因人民幣對美元或歐元的有利匯率波動，從而導致了人民幣28.2百萬元的匯兌淨損失。

於本年度，本集團訂立了若干貨幣結構性遠期合約，以減低外匯風險。本集團將密切關注持續的匯率變動，並會考慮其他對沖安排。

僱員及薪酬政策

於二零一七年十二月三十一日，本集團約有4,075名全職僱員(二零一六年：約3,500名全職僱員)。本集團設計了一項年度考核制度，以考核僱員的表現。有關制度構成釐定僱員應否獲加薪、花紅或升職之基準。其僱員獲得之薪金及花紅與市場水平相當。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。

本集團安排員工參加外間的培訓課程、研討會及專業技術課程，藉以提升員工的專業知識及技能，並加深彼等對市場發展的認識及改善其管理及業務技能。

Management Discussion and Analysis

管理層討論及分析

OFF-BALANCE SHEET ARRANGEMENTS

As at 31 December 2017, the Company did not enter into any non-recourse trade receivables factoring arrangements with a commercial bank in China (2016: RMB Nil). In addition, as at 31 December 2017, the Company discounted and endorsed certain bank bills receivable with a carrying amount of approximately RMB225.1 million (2016: RMB293.8 million) to certain commercial banks in China and its suppliers.

FORMATION OF NEW OVERSEAS PRESENCES

PT. Yangtze Optics Indonesia

On 13 April 2017, the Company established a joint venture namely PT. Yangtze Optics Indonesia ("YOI") in Indonesia with PT Fiber Optik Teknologi Indonesia ("PT FOTI"). Its business scope is engaged in optical fibre cable industry business activities. The total paid-up capital of this joint venture was USD14 million and this joint venture is held as to 70% by the Company and 30% by PT FOTI. During the year, a total of USD9.8 million was contributed by the Company to YOI.

YOI, headquartered in Jakarta Indonesia, is the second joint venture enterprise after PT. Yangtze Optical Fibre Indonesia which was invested by the Company in Indonesia in 2015. Its plant is located in Karawang, West Java. After the project is built up, its annual production capacity of optical fibre cable is up to 2.0 million fibre kilometers.

資產負債表外安排

於二零一七年十二月三十一日，本公司未與中國的商業銀行訂立無追索權應收賬款保理合同(二零一六年：人民幣零元)。此外，於二零一七年十二月三十一日，本公司將賬面值約為人民幣225.1百萬元(二零一六年：人民幣293.8百萬元)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。

於海外組建新實體

長飛印尼光通信有限公司

於二零一七年四月十三日，本公司與印度尼西亞PT. Fiber Optik Teknologi Indonesia(「PT FOTI」)在印尼成立一家合資企業長飛印尼光通信有限公司(「長飛印尼光通信」)，合資企業的經營範圍為與光纜產業相關的業務。長飛印尼光通信由本公司和PT FOTI分別持有70%及30%之股權，其繳足股本為美元14百萬元，本公司已在本年以現金注資美元9.8百萬元。

長飛印尼光通信是本公司繼二零一五年成立的長飛光纖印尼有限公司之後在印尼的第二家合資企業，公司總部位於印尼首都雅加達，工廠位於西爪哇省卡拉旺，項目建成之後將會形成年產2百萬芯公里的光纜生產能力。

Management Discussion and Analysis

管理層討論及分析

In response to “the Belt and Road” Initiative, the Company has accelerated its layout of globalization. YOI is a milestone for the Company to march towards the world, marking that the Company has accelerated its strategy of internationalization and globalization. Indonesia, with a population of 260.0 million, is the world’s fourth largest country in terms of population. In recent years, Indonesia was stable in political situation and economic development. Indonesian government has launched national broadband plan to boost the development of internet and broadband sharply. Therefore, it can be expected that Indonesia will come to its climax of building the optical networks, with huge market demands on optical fibres and cables. The establishment of YOI will complete the Company’s closed loop of optical fibre and cable industry in Indonesia. Based on integrating the shareholders’ resources, the new company will be rooted in Indonesia and radiated towards surrounding countries and regions, and is to be one of the most influential manufacturers of optical fibre cable in Indonesia and ASEAN region.

YOFC International (Philippines) Corporation

On 5 December 2017, Yangtze Optical Fibre and Cable Company (Hong Kong) Limited (“YOFC Hong Kong”), a subsidiary of the Company, established YOFC International (Philippines) Corporation (“YOFC Philippines”) in the Philippines. The scope of business was to engage in sales of optical fibres and cables and related packaged engineering services. YOFC Philippines is 100% owned by YOFC Hong Kong and its paid-up share capital is 10.2 million Philippine peso, YOFC Hong Kong had contributed 10.2 million Philippine peso in cash during the year.

Pursuant to Chapter 14 and 14A of the Hong Kong Listing Rules, the establishment of YOI and YOFC Philippines does not constitute a notifiable transaction or connected transaction of the Company.

響應國家「一帶一路」倡議，上市後的長飛公司加速了全球化佈局。長飛印尼光通信是本公司走向海外的又一里程碑，標誌著長飛國際化，全球化戰略步伐進一步加快。印尼擁有2.6億人口，是全球第四大人口國，近年來政局穩定，經濟發展平穩。印尼政府推出國家寬帶計劃，大幅推動互聯網和寬帶發展。因此，可以預期印尼將會迎來光網絡建設高峰，光纖光纜市場需求巨大。長飛印尼光通信的成立將使本公司在印尼擁有完善的光纖光纜產業閉環。新公司將在整合雙方股東資源的基礎上，立足印尼，輻射周邊國家和地區，必將成為印尼和東盟地區最具影響力的光纜製造商。

長飛國際(菲律賓)有限公司

於二零一七年十二月五日，本公司之附屬公司長飛光纖光纜(香港)有限公司(「長飛香港」)在菲律賓成立長飛國際(菲律賓)有限公司(「長飛菲律賓」)，經營範圍為光纖光纜銷售及相關總包工程服務。長飛菲律賓由長飛香港持有100%之股權，其繳足股本為菲律賓比索10.2百萬元，長飛香港已在本年以現金注資菲律賓比索10.2百萬元。

根據香港上市規則第14章及第14A章，成立長飛印尼光通信及長飛菲律賓不構成本公司之須予公佈的交易或關連交易。

Management Discussion and Analysis

管理層討論及分析

OUTLOOK

The Group's strategic goals remain to be an industry leader and consolidate its current market position. In 2018, centering on the mid-to-long term strategic plan, the Group will continue to achieve sustainable growth by implementing the five strategic initiatives including the organic growth of optical fibre preforms, optical fibres and optical fibre cables, internationalization, technological innovation and smart manufacturing, related diversification, and synergy in capital operations, so as to create more value for shareholders and customers.

In 2017, major countries and telecom operators around the world had announced 5G construction and commercial plans, and 5G technology standards were gradually launched. In 2018, 5G will move from the laboratory to the actual deployment. It is expected that it will realise the scale for commercialization in the coming two to three years. The investment in global communications infrastructure construction will remain high, and the demand for optical fibres and optical fibre cables will continue to be strong.

In the face of strong market demand, the Group had seized the opportunity to deploy strategic layout ahead. In 2017, the Group had newly built and expanded production capacities in Qianjiang, Lin'an, Lanzhou and Shenyang. The autonomy and flexibility in supply had increased significantly. In 2018, the Group is planning to implement the Phase II and Phase III projects of YOFC Qianjiang Science and Technology Park, and further facilitate the implementation of smart manufacturing projects, which will consolidate production capacity and optimize supply capacity. At the same time, with its sound brand influence and production capacity layout, the Company won the first share bid in the central purchasing of optical fibre and optical cable by China Mobile in January 2018. China Mobile is the largest customer in the global optical fibre and optic cable industry. It was the third consecutive time that the Company won the first share bid in the central purchasing of optical fiber and optical cable, which laid a solid foundation for reinforcing its market position of the Group and creating good operating performance.

展望

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地位。二零一八年，圍繞中長期戰略規劃，本集團將繼續通過實施棒纖纜主業內涵增長、國際化、技術創新和智能製造、相關多元化、資本運營協同成長五大戰略舉措，實現持續增長，為股東和客戶創造更高的價值。

二零一七年，全球主要國家和電信運營商紛紛發佈5G建設和商用規劃，5G技術標準也逐漸出台。二零一八年，5G將從實驗室走向實際部署，預計未來二到三年將實現規模商業化。全球通信基礎設施建設投資將保持高位，光纖光纜市場需求將持續旺盛。

面對旺盛的市場需求，本集團抓住機遇已實現提前佈局。二零一七年，本集團已在潛江、臨安、蘭州、瀋陽進行了產能新建和擴充，供給的自主性、靈活性大幅增強。二零一八年，本集團將籌劃實施長飛潛江科技園二期和三期項目，並進一步推進實施智能製造項目，強化生產製造能力和優化供給能力。同時，憑藉良好的品牌影響力及產能佈局，公司在二零一八年一月以份額第一名中標中國移動的光纖光纜集採。中國移動是全球光纖光纜行業最大的客戶，而公司已連續三次以份額第一名中標其光纖光纜集採，為穩固集團市場地位，創造良好經營業績奠定了堅實的基礎。

Management Discussion and Analysis

管理層討論及分析

While maintaining its position in the domestic market, the Group will continue to deepen its internationalization strategies. On the one hand, we will continue to tap into countries along the “One Belt One Road” initiatives, so as to explore high-potential markets, seek suitable partners, and improve the layout of overseas operations. On the other hand, we strengthened the operation of overseas sales entities, focused on marketing localization and sales to end customers, so as to promote the continued rapid growth of overseas sales.

In 2018, the Group will continue to implement the innovation-driven development strategy and upgrade the proprietary developed VAD and OVD process level and industrialization scale. We will coordinate the use of three major process capabilities, develop new products with market potential, and provide customers with the best products and solutions. At the same time, a series of smart manufacturing projects will be implemented in an orderly manner, which will reduce production costs and improve customized demand response capabilities. Furthermore, the Company will also use its best endeavours to explore new scopes such as submarine cables, actively tap into new growth points, thereby facilitating the sustainable growth of the Group's revenue and profits.

In terms of capital operations, the Company is proceeding with the initial public offering and listing of A shares. If successfully implemented, the Company will become the first company in the industry and Hubei province to be publicly listed on two stock markets. In the future, we will be able to fully capitalise on the advantages of the financial markets of Hong Kong and Mainland, so as to create value for shareholders and promote the realization of strategic goals.

在穩固國內市場地位的同時，本集團將繼續深化推進國際化戰略。一方面，沿著「一帶一路」沿線國家，繼續挖掘高潛力市場，尋找合適的合作夥伴，完善海外產業佈局。另一方面，強化海外銷售實體運營，注重營銷本地化和對最終客戶的銷售，推動海外銷售規模持續快速增長。

二零一八年，本集團將繼續貫徹執行創新驅動發展戰略，提升自主VAD和OVD工藝水平和產業化規模，協調利用三大工藝能力，開發具有市場潛力的新產品，為客戶提供最優的產品和解決方案。同時，有序實施一系列智能製造項目，降低生產成本，提升定制化需求響應能力。此外，公司還將全力開拓、海纜等新領域，主動挖掘新的增長點，促進集團收入和利潤持續增長。

在資本運營方面，公司正有序推進首次公開發行A股股票並上市的進程。若成功實施，公司將成為行業內及湖北省內第一家於兩地市場公開上市的企業，未來將可以充分利用兩地金融市場的優勢，為股東創造價值的同時促進戰略目標的實現。

Directors', Supervisors' and Senior Management's Profiles

董事、監事及高級管理人員簡歷

EXECUTIVE DIRECTORS

Mr. Zhuang Dan (莊丹), age 47, has been appointed as an executive Director of the Company with effect from 24 January 2017. Mr. Zhuang has been the president of the Company since September 2011. He is primarily responsible for strategic development and planning, and day-to-day management of the Company. Mr. Zhuang has more than 19 years of experience in the optical fibre and cable industry. He joined the Company in March 1998 and served as the manager assistant of the finance department primarily responsible for financial management from March 1998 to April 2000, the manager of the finance department primarily responsible for financial management and providing comprehensive management and strategic decisions to the Company from April 2000 to November 2001, and the chief financial officer primarily responsible for overseeing the overall financial and accounting related matters from November 2001 to September 2011, consecutively. Mr. Zhuang obtained a bachelor's degree in auditing from Wuhan University (武漢大學) in July 1992, a master's degree in accounting from Wuhan University in June 1995, a doctorate in accounting from Zhongnan University of Finance and Economics (中南財經大學) in June 1998, and a postdoctoral certificate in business administration from Shanghai University of Finance and Economics (上海財經大學) in April 2001. Currently, he is a deputy to the 13th session of the People's Congress of Hubei Province. He has received special government allowance awarded by the State Council of the PRC.

執行董事

莊丹先生，47歲，於二零一七年一月二十四日獲委任為本公司執行董事。莊先生於二零一一年九月起為本公司總裁，主要負責本公司的戰略發展與規劃及日常管理。莊先生有逾19年光纖光纜業從業經驗。彼於一九九八年三月加入本公司，於一九九八年三月至二零零零年四月任財務部經理助理(主要負責財務管理)，於二零零零年四月至二零零一年十一月任財務部經理(主要負責財務管理及向本公司提供全面管理及戰略決策)及於二零零一年十一月至二零一一年九月任財務總監(主要負責監察整體財務及會計相關事宜)。莊先生於一九九二年七月從武漢大學獲得審計專業學士學位，於一九九五年六月從武漢大學獲得會計專業碩士學位及於一九九八年六月從中南財經大學獲得會計專業博士學位並於二零零一年四月從上海財經大學獲得工商管理博士後證書。莊先生現為湖北省第十三屆人民代表大會代表。彼獲中國國務院頒發政府特殊津貼。

Directors', Supervisors' and Senior Management's Profiles

董事、監事及高級管理人員簡歷

EXECUTIVE DIRECTORS (Cont'd)

Mr. Frank Franciscus Dorjee (范•德意), age 57, has been an executive Director since 19 December 2013. He has also been the Vice Chairman of the Board during the first session of the Board and is a member of the Nomination and Remuneration Committee of the Company. He is primarily responsible for overall management of the Company's investment strategies and business development. He joined the board of directors of YOFC as a director on 24 January 2011. Mr. Dorjee once joined the board of directors of Oman Cables Industry (SAOG), a company listed on the Muscat Securities Market (Stock Code: OCAI) in March 2012 and had been serving as the vice-chairman of the board of directors for the period from July 2012 to 1 December 2014. He has also been a member of the supervisory board and chairman of the audit committee of Randstad Holding N.V., a company listed on the Euronext Amsterdam (Stock Code: RAND), since April 2014. Since September 2016, he has also been a member of the board of Supervisors and the chairman of the audit committee of Koole Terminal BV (Zaandam, the Netherlands), an international storage company providing logistic solutions. He has also been member of the supervisory board of Fotowatio Renewable Ventures since July 2017, a leading a leading global developer of renewable utility-scale projects. Since August 2017, he has also been a member of the Supervisory Board and the Chairman of the Audit Committee of Beacon Rail Lux Holdings S.A.R.L., a rolling stock leasing company serving the Pan European and North American markets. Prior to these positions, Mr. Dorjee joined KPMG Accountant N.V. in 1986, an international accounting firm, and was appointed partner in January 1995. He joined Van der Moolen Holding N.V., which was a Dutch equity trading firm and one of the specialists on the New York Stock Exchange, in October 2000 and served as the chief financial officer and a member of the executive board primarily responsible for overall financial affairs until February 2005. From March 2005 to December 2009, he acted as the chief financial officer and a member of the board of management of Draka Holding N.V., a company then holding 100% equity interest in Draka, one of the substantial shareholders of the Company, where he was primarily responsible for overall financial affairs. He further served as the chief executive officer and chairman of the board of management of Draka Holding N.V. from January 2010 to February 2011, where he was primarily responsible for overall financial affairs. Mr. Dorjee also served as the chief strategic officer primarily responsible for corporate development affairs and a member of the board of directors of Prysmian S.p.A. from March 2011 to February 2014. Prysmian S.p.A. indirectly holds 100% equity interest in Draka, one of the substantial shareholders of the Company, and is a company listed on the Milan Stock Exchange (Stock Code: PRYMY). Mr. Dorjee studied at the University of Amsterdam from September 1979 until March 1986 and obtained a bachelor's degree in economics and law in July 1984, a master's degree in business economics in July 1984, a master's degree in tax law in March 1986 and a master's degree in tax economics in March 1986. He has been a certified public accountant registered at the Nederlands Instituut van Register accountants since March 1987.

執行董事(續)

范•德意先生，57歲，於二零一三年十二月十九日起為執行董事。彼亦為本公司第一屆董事會的副董事長及提名及薪酬委員會成員。彼主要負責本公司投資策略及業務發展的全面管理。彼於二零一一年一月二十四日加入長飛董事會出任董事。德意先生曾於二零一二年三月加入Oman Cables Industry (SAOG)(馬斯喀特證券市場上市公司(股份代號：OCAI)董事會，並於二零一二年七月至二零一四年十二月一日出任董事會副主席。彼亦自二零一四年四月起擔任Randstad Holding N.V.(阿姆斯特丹證券交易所上市公司(股份代號：RAND)的監事會成員及審核委員會主席。於二零一六年九月起，彼亦為Koole Terminal BV(荷蘭讚丹)(一間提供物流解決方案的國際儲存公司)的監事會成員及審核委員會主席。於二零一七年七月起，彼亦為Fotowatio Renewable Ventures(一間全球領先可再生能源項目開發商)的監事會成員。於二零一七年八月起，彼亦為Beacon Rail Lux Holdings S.A.R.L.(一間服務於泛歐洲及北美地區的軌道車輛租賃公司)的監事會成員及審核委員會主席。在此之前，德意先生於一九八六年加入國際會計師事務所KPMG Accountant N.V.，並於一九九五年一月獲委任為合夥人。彼於二零零零年十月加入Van der Moolen Holding N.V.(一間荷蘭股權交易公司及紐約證券交易所的特許證券商之一)，擔任財務總監及執行董事會成員直至二零零五年二月，主要負責整體財務事宜。彼於二零零五年三月至二零零九年十二月擔任德拉克控股(Draka Holding N.V.)財務總監及管理委員會成員，主要負責整體財務事宜，而德拉克控股當時持有Draka全部股權，Draka則為本公司的主要股東之一。彼於二零一零年一月至二零一一年二月升任德拉克控股首席執行官兼管理委員會主席，主要負責整體財務事宜。德意先生亦於二零一一年三月至二零一四年二月出任Prysmian S.p.A.戰略總監(主要負責企業發展事宜)兼董事。Prysmian S.p.A.間接持有Draka全部股權(Draka為本公司的主要股東之一)，且為於米蘭證券交易所上市的公司(股份代號：PRYMY)。德意先生於一九七九年九月至一九八六年三月在阿姆斯特丹大學就讀，於一九八四年七月獲得經濟學與法學學士學位及商業經濟學碩士學位，於一九八六年三月獲得稅法碩士學位及稅收經濟學碩士學位。彼於一九八七年三月於荷蘭皇家註冊會計師協會註冊成為註冊會計師。

Directors', Supervisors' and Senior Management's Profiles

董事、監事及高級管理人員簡歷

NON-EXECUTIVE DIRECTORS

Mr. Ma Jie (馬杰), age 47, has been a non-executive Director since 19 December 2013. He has been elected as the Chairman of the Board and has been appointed as the chairman and a member of the Strategy Committee of the Company with effect from 24 January 2017. He is responsible for providing strategic advice and making recommendations on the operations and management of the Company. He joined the board of directors of YOFC as a director on 12 August 2011. Mr. Ma has been serving as a director of the board and the general manager of China Huaxin, one of the substantial shareholders of the Company, since October 2017. Prior to these positions, he was the vice chairman of the management committee and the executive deputy general manager primarily responsible for overall business operation and management of China Huaxin, since June 2011 and since January 2013, respectively. He has also held positions in several subsidiaries of China Huaxin, including serving as a non-executive director of Alcatel-Lucent Shanghai Bell Co., Ltd. (上海貝爾股份有限公司) since November 2012, a member of the Advisory Council of RFS Radio Frequency Systems Holdings Ltd. (安弗施無線射頻系統控股有限公司) since November 2012, a director since November 2012 and currently the chairman of Unihub China Information Technology Co., Ltd (中盈優創資訊科技有限公司), the chairman of Shanghai Huaxin Network Ltd (上海華信富欣網絡科技有限公司) (currently known as Shanghai Huaxin Infotech Ltd (上海華信長安網絡科技有限公司)) since April 2014, a director of Alcatel-Lucent Enterprise Holding (currently known as ALE Holding) since October 2014, and a director of Huaxin Capital Investment Management Ltd (華信長安資本投資管理有限公司) since February 2016.

非執行董事

馬杰先生，47歲，於二零一三年十二月十九日起出任非執行董事。馬先生自二零一七年一月二十四日起獲推選為本公司董事會主席並獲委任為本公司戰略委員會主席。馬先生負責對本公司的經營與管理提供具有戰略意義的意見及建議。彼於二零一一年八月十二日加入長飛董事會出任董事。馬先生自二零一七年十月起擔任中國華信(本公司的主要股東之一)董事會董事及總經理。在此之前，馬先生自二零一一年六月及二零一三年一月起曾分別擔任中國華信管理委員會副主任及常務副總經理，二零一七年十月中國華信郵電經開發中心更名為中國華信郵電科技有限公司，彼擔任董事及總經理，主要負責整體業務經營及管理。彼亦於中國華信多個附屬公司擔任職位，包括自二零一二年十一月起任上海貝爾股份有限公司非執行董事，自二零一二年十一月起任安弗施無線射頻系統控股有限公司諮詢理事會成員，自二零一二年十一月起任中盈優創資訊科技有限公司董事長；自二零一四年四月起擔任上海華信富欣網絡科技有限公司(現更名為上海華信長安網絡科技有限公司)董事長，自二零一四年十月起擔任Alcatel-Lucent Enterprise Holding(現更名為ALE Holding)董事，並自二零一六年二月起任華信長安資本投資管理有限公司董事。

Directors', Supervisors' and Senior Management's Profiles

董事、監事及高級管理人員簡歷

NON-EXECUTIVE DIRECTORS (Cont'd)

Prior to the current positions, Mr. Ma held several management level positions in Alcatel-Lucent Shanghai Bell Co., Ltd. from July 1998 to June 2011, including serving as the consultant of strategic consulting and investment development primarily responsible for providing strategic and investment advices to the chairman from July 1998 to December 1999, the director of human resources primarily responsible for overseeing the human resources related matters from January 2000 to June 2002, the vice-president primarily responsible for overall management of human resources from July 2002 to August 2006, and the executive vice-president primarily responsible for overall management of human resources from September 2006 to June 2011. Mr. Ma had been serving as a director of Alcatel-Lucent Shanghai Bell Software Co., Ltd. (上海貝爾軟件有限公司) from November 2012 to December 2017. Mr. Ma also held positions in several other subsidiaries of China Huaxin, including serving as a director of China Credit Information Technology Company Limited (中國國檢信息技術有限公司) from August 2011 to September 2014 and a director of Shanghai Fortune Communications Technology Development Co., Ltd. (上海富欣通信技術發展有限公司) from March 2003 to September 2014. Mr. Ma graduated from Nankai University (南開大學) with a bachelor's degree in economics and a doctorate in economics in July 1993 and July 1998, respectively. He also obtained an executive master of business administration from a joint program of Washington University in Saint Louis and Fudan University (復旦大學) in March 2005.

Mr. Yao Jingming (姚井明), age 53, has been a non-executive Director since 9 June 2015. He is responsible for providing strategic advice and making recommendations on the operations and management of the Company. He was appointed as a supervisor of the Company on 19 December 2013 and had been responsible for supervising the performance of duties by the directors and senior management at the Company until 9 June 2015. Mr. Yao has over 30 years of management experience in the communications industry. Mr. Yao has been concurrently serving as the deputy general manager of China Huaxin, one of the substantial shareholders of the Company, where he is in charge of technology, strategy and international mergers and acquisitions since February 2013. He also holds positions in two subsidiaries of China Huaxin, including serving as a director of Shanghai Fortune Communications Technology Development Co., Ltd. (上海富欣通信技術發展有限公司) since December 2012 and the general manager and a director of Shanghai Sincere Technology Co., Ltd. (上海信輝科技有限公司) since July 2013.

非執行董事(續)

任職現有職位之前，馬先生於一九九八年七月至二零一一年六月曾擔任上海貝爾股份有限公司的多個管理層職位，包括於一九九八年七月至一九九九年十二月擔任戰略諮詢與投資發展顧問(主要負責向董事長提供戰略與投資建議)，於二零零零年一月至二零零二年六月擔任人力資源部總監(主要負責監察人力資源相關事宜)，於二零零二年七月至二零零六年八月擔任副總裁(主要負責全面管理人力資源)，於二零零六年九月至二零一一年六月擔任執行副總裁(主要負責全面管理人力資源)於二零一二年十一月至二零一七年十二月擔任上海貝爾軟件有限公司董事。馬先生亦曾於中國華信多間其他附屬公司工作，包括於二零一一年八月至二零一四年九月在中國國檢信息技術有限公司擔任董事，於二零零三年三月至二零一四年九月間在上海富欣通信技術發展有限公司擔任董事。馬先生畢業於南開大學，分別於一九九三年七月及一九九八年七月獲得經濟學學士學位及經濟學博士學位。彼亦於二零零五年三月從聖路易華盛頓大學和復旦大學的聯合項目取得高級管理人員工商管理碩士學位。

姚井明先生，53歲，於二零一五年六月九日起為非執行董事。彼負責對本公司的經營與管理提供具有戰略意義的意見及建議。彼於二零一三年十二月十九日獲委任為本公司監事，負責監督本公司董事及高級管理層的履責情況，直至二零一五年六月九日為止。姚先生有逾30年的通信行業管理經驗。姚先生自二零一三年二月同時擔任中國華信(本公司的主要股東之一)副總經理，負責技術、策略及國際併購。彼亦於中國華信兩間附屬公司任職，包括自二零一二年十二月起擔任上海富欣通信技術發展有限公司之董事，及自二零一三年七月起擔任上海信輝科技有限公司總經理及董事。

Directors', Supervisors' and Senior Management's Profiles

董事、監事及高級管理人員簡歷

NON-EXECUTIVE DIRECTORS (Cont'd)

Prior to the current positions, from July 1986 to January 2013, Mr. Yao held various positions in Alcatel-Lucent Shanghai Bell Co., Ltd., a subsidiary of China Huaxin, including consecutively serving as a software engineer, the software development manager, the manager of technology development department and the manager of customer service department from July 1986 to September 2000, the general manager of the switching network division primarily responsible for marketing, products management and research and development from October 2000 to June 2002, the vice president of the company primarily responsible for operation and daily management of the voice network division from July 2002 to December 2003, the executive vice president of the company from January 2004 to January 2013, during which period, he was in charge of the management and operation of the fixed communication network group, the cable network group and the communications network group from January 2004 to January 2009, in charge of solutions provision and marketing from January 2009 to March 2010, in charge of quality control and reform from April 2010 to February 2011, and in charge of international business from February 2011 to January 2013. Mr. Yao obtained his bachelor's degree in computer science from Shanghai Jiaotong University (上海交通大學) in June 1986, an executive master of business administration from China Europe International Business School (中歐國際工商學院) in April 2001, and a doctorate in business administration from the Hong Kong Polytechnic University in October 2008.

非執行董事(續)

任職現有職位前，姚先生亦於一九八六年七月至二零一三年一月在中國華信附屬公司上海貝爾股份有限公司擔任多個職務，包括自一九八六年七月至二零零零年九月先後擔任軟件工程師、軟件開發經理、技術開發部經理及客戶服務部經理，自二零零零年十月至二零零二年六月先後擔任交換網絡事業部總經理，主要負責市場營銷、產品管理及研發，自二零零二年七月至二零零三年十二月擔任該公司副總裁，主要負責語音網絡事業部營運及日常管理，自二零零四年一月至二零一三年一月擔任該公司執行副總裁，在此期間，彼於二零零四年一月至二零零九年一月負責固定通信網絡組、有線網絡組及通信網絡組的管理及營運，二零零九年一月至二零一零年三月負責提供解決方案和營銷，二零一零年四月至二零一一年二月負責質量管理及改革，二零一一年二月至二零一三年一月負責國際業務。姚先生於一九八六年六月獲得上海交通大學計算機科學學士學位，於二零零一年四月獲得中歐國際工商學院的高級管理人員工商管理碩士學位，並於二零零八年十月獲得香港理工大學工商管理博士學位。

Directors', Supervisors' and Senior Management's Profiles

董事、監事及高級管理人員簡歷

NON-EXECUTIVE DIRECTORS (Cont'd)

Mr. Philippe Claude Vanhille (菲利普·范希爾), age 54, has been a non-executive Director since 19 December 2013. He has been elected as the Vice Chairman of the Board and appointed as a member of the Strategy Committee of the Company with effect from 24 January 2017. He is responsible for providing strategic advice and making recommendations on the operations and management of the Company. He joined the board of directors of YOFC as a director on 23 May 2013. Mr. Vanhille has over 25 years of experience in optical fibre and cable industry. He has been serving as the senior vice-president of Telecom Business Unit of the Prysmian Group since May 2013, where he is primarily responsible for the global telecom business of the Prysmian Group, and an executive director of Draka, one of the substantial shareholders of the Company, since June 2013. Mr. Vanhille concurrently also holds several positions in certain subsidiaries of Prysmian S.p.A., a company listed on the Milan Stock Exchange (Stock Code: PRYMY), including serving as a non-executive director of Draka Comteq Fibre B.V. since January 2013, a member of the Comité de Controle of Draka Comteq France S.A.S. since June 2013, the chairman of the board of directors of Fibre Ottiche Sud S.r.l. since October 2011, a non-executive director of Prysmian Cables and Systems USA LLC since June 2013 and a non-executive director of Precision Fibre Optics Ltd., a joint venture owned as to 50% by the Prysmian Group, since June 2013. He has also been serving as the chairman of Telecom committee of Europacable (European Trade Association) since May 2013.

非執行董事(續)

菲利普·范希爾先生，54歲，於二零一三年十二月十九日起為非執行董事。彼自二零一七年一月二十四日起獲推選為董事會副主席並獲委任為本公司戰略委員會成員。彼負責對本公司的經營與管理提供具有戰略意義的意見及建議。彼於二零一三年五月二十三日加入長飛董事會出任董事。范希爾先生有逾25年光纖光纜業從業經驗。彼自二零一三年五月起擔任普睿司曼集團電信事業部高級副總裁，主要負責普睿司曼集團的全球電信業務，自二零一三年六月起擔任Draka(本公司的主要股東之一)執行董事。范希爾先生亦同時在Prysmian S.p.A(一家於米蘭證券交易所上市的公司(股份代號：PRYMY)若干附屬公司擔任多個職位，包括於二零一三年一月起擔任Draka Comteq Fibre B.V.非執行董事；於二零一三年六月起擔任Draka Comteq France S.A.S.的Comité de Controle成員；於二零一一年十月起擔任Fibre Ottiche Sud S.r.l.董事會主席及於二零一三年六月起擔任Prysmian Cables and Systems USA LLC非執行董事；於二零一三年六月起擔任Precision Fibre Optics Ltd(普睿司曼集團擁有50%股份的合營公司)非執行董事。彼亦自二零一三年五月起擔任Europacable (European Trade Association)通信委員會主席。

Directors', Supervisors' and Senior Management's Profiles

董事、監事及高級管理人員簡歷

NON-EXECUTIVE DIRECTORS (Cont'd)

Prior to the current positions, Mr. Vanhille acted as a R&D engineer for Renault S.A. from October 1989 to February 1991, where he was primarily responsible for improving Formula 1 engine parts. He moved to the cable industry in 1991 with Alcatel Cable France S.A.. Over the past 22 years he held a number of senior operations and general management positions within the cable industry for Alcatel Cable France S.A. and Draka Holding N.V., a company then listed on the Euronext Amsterdam (Stock Code: DRAK), and subsequently in the energy, copper telecom and optical fibre sectors. He was head of Optical Fibre Business Unit of Draka Holding N.V. at the time of the acquisition of Draka Holding N.V. by Prysmian S.p.A. in 2011. He also concurrently served as a non-executive director of Shenzhen SDG Information Draka Optical Fibre Co., Ltd. (深圳特發信息德拉克光纖有限公司, currently known as Shenzhen SDGI) from January 2008 to June 2009. From July 2011 to May 2013, he further served as a vice president of Optical Fibre Business Unit of the Prysmian Group, where he was primarily responsible for the global optical fibre business of the Prysmian Group, and a director of Draka Comteq France S.A.S.. Mr. Vanhille obtained a master's degree in mechanical engineering from I.N.S.A. Lyon, France in June 1989 and graduated from Institut Francais de Gestion, Aix-en-Provence, France in June 1997 with a master's degree in management.

非執行董事(續)

任職現有職位之前，范希爾先生於一九八九年十月至一九九一年二月擔任雷諾汽車 (Renault S.A.) 的研發工程師，主要負責改進 F1 車隊引擎部件。彼於一九九一年轉投光纖業，任職於 Alcatel Cable France S.A.。過往 22 年，彼曾為 Alcatel Cable France S.A. 及德拉克控股 (Draka Holding N.V.) (當時在阿姆斯特丹證券交易所上市的公司 (股份代號：DRAK) 效力，擔任多個光纖業的高級營運及總管職位，其後又轉投能源、銅纜及光纖業。二零一一年 Prysmian S.p.A. 收購德拉克控股 (Draka Holding N.V.) 時，彼擔任德拉克控股 (Draka Holding N.V.) 光纖事業部總監。二零零八年一月至二零零九年六月，彼亦兼任深圳特發信息德拉克光纖有限公司 (現稱為深圳特發) 的非執行董事。彼於二零一一年七月至二零一三年五月擔任普睿司曼集團光纖事業部副總監，主要負責普睿司曼集團的全球光纖業務，並兼任 Draka Comteq France S.A.S. 董事。范希爾先生於一九八九年六月從法國國立里昂應用科學學院獲得機械工程碩士學位，並於一九九七年六月畢業於法國艾克斯·普羅旺斯的法國高等管理學院 (Institut Francais de Gestion)，獲得管理碩士學位。

Directors', Supervisors' and Senior Management's Profiles

董事、監事及高級管理人員簡歷

NON-EXECUTIVE DIRECTORS (Cont'd)

Mr. Pier Francesco Facchini (皮埃爾 • 法奇尼), age 50, has been appointed as a non-executive Director of the Company with effect from 24 January 2017. He is currently the chief financial officer, the IT director and an executive director of Prysmian S.p.A., a company listed on the Milan Stock Exchange (Stock Code: PRYMY) and the holding company of Draka (one of the substantial shareholders of the Company), and he has been a member of the board of directors of Prysmian S.p.A. since February 2007. Mr. Facchini also holds a number of positions in the subsidiaries of Prysmian S.p.A.. He is currently the president of the Comité de Controle of Draka Comteq France S.A.S., and holds the same position at Prysmian Cables et Systemes France S.A.S. He is the chairman of the Board of Commissioners in P.T. Prysmian Cables Indonesia and the chairman of the board of directors of Prysmian Treasury S.r.l. Mr. Facchini is also a member of the board of directors in several subsidiaries of Prysmian S.p.A., including Prysmian Cables Spain S.A., Prysmian Cavi e Sistemi S.r.l., Prysmian Treasury S.r.l. and Prysmian (China) Investment Company Ltd.. He is also the chairman of supervisory board of Prysmian MKM Magyar Kabel Muvek KFT. Since November 2017, He has also been a director, vice president and treasurer of Alisea Corp.

非執行董事(續)

皮埃爾 • 法奇尼先生，50歲，於二零一七年一月二十四日獲委任為本公司非執行董事，其現為Prysmian S.p.A.（一家於米蘭證券交易所上市的公司（股份代號：PRYMY）及Draka（本公司主要股東之一）的控股公司）的財務總監、信息科技董事及執行董事，彼於二零零七年二月起為Prysmian S.p.A.董事會成員。法奇尼先生在Prysmian S.p.A.附屬公司擔任多個職位。彼現任Draka Comteq France S.A.S.的Comité de Controle的總裁及在Prysmian Cables et Systemes France S.A.S.擔任同樣職位。彼為P.T. Prysmian Cables Indonesia的專員理事會擔任主席及Prysmian Treasury S.r.l.的董事會主席。法奇尼先生亦為數間Prysmian S.p.A.的附屬公司的董事會成員，包括Prysmian Cables Spain S.A.、Prysmian Cavi e Sistemi S.r.l.、Prysmian Treasury S.r.l.及Prysmian (China) Investment Company Ltd.。彼亦為Prysmian MKM Magyar Kabel Muvek KFT的監事會主席。於二零一七年十一月起，法奇尼先生擔任Alisea公司董事、副總裁及司庫。

Directors', Supervisors' and Senior Management's Profiles

董事、監事及高級管理人員簡歷

NON-EXECUTIVE DIRECTORS (Cont'd)

Mr. Facchini has over 25 years of working experience in the management of financial matters for companies in various industries. From September 1991 to April 1995, Mr. Facchini worked in Nestlé Italiana S.p.A., a subsidiary of the food and beverage multinational, where he held different posts including assistant to the finance & administration director, deputy treasurer and internal auditor. From May 1995 to April 2001, Mr. Facchini worked for Panalpina Group, a multinational company operating in the transportation and freight forwarding industry. Mr. Facchini first served as the finance director of Panalpina Trasporti Mondiali S.p.A. from May 1995 to April 1996, and then as the finance director of Panalpina Korea Ltd. from May 1996 to December 1997. In the Panalpina Group, he also held the position of regional controller for the APAC region, based in Singapore, from September 1998 to April 2001. In May 2001, Mr. Facchini was appointed as the finance & control director of the Financial and Consumer Services Business Unit in Fiat Auto S.p.A., an automobile manufacturer, where he worked until April 2003. From May 2003 to December 2006, Mr. Facchini acted as the chief financial officer at Benetton Group, a fashion and apparel company, where he had the ultimate responsibility for the group's financial and legal matters. Mr. Facchini obtained a doctoral degree in business administration from Università Bocconi, Milan, Italy, in March 1991. He was granted the professional qualification as a certified chartered accountant by the Ministry of University, Research and Development in Italy in 1994.

Mr. Xiong Xiangfeng (熊向峰), age 53, has been a non-executive Director since 19 December 2013. He is responsible for providing strategic advice and making recommendations on the operations and management of the Company. He joined the board of directors of YOFC as a director on 5 August 2013. Mr. Xiong has over 30 years of experience in optical fibre and cable industry. Mr. Xiong has served as the president of Yangtze Communications, one of the substantial shareholders of the Company and a company listed on the Shanghai Stock Exchange (Stock Code: 600345), since April 2013, where he was primarily responsible for the overall management of the company and a director since May 2014. Mr. Xiong has also held several positions in certain subsidiaries of Yangtze Communications since April 2013, and is currently the Director of Wuhan YOFC Cables and the chairman of the board of directors of Wuhan YCIG Zhilian Technology Company Limited. (武漢長江通信智聯技術有限公司).

非執行董事(續)

法奇尼先生於管理各行各業的公司的財務事宜擁有逾25年工作經驗。於一九九一年九月至一九九五年四月，法奇尼先生於Nestlé Italiana S.p.A.(一個跨國餐飲企業的附屬公司)任職，彼曾擔任多個職位，包括財務及行政總監助理、副司庫及內部核數師。於一九九五年五月至二零零一年四月，法奇尼先生於Panalpina Group任職，該跨國公司於運輸業及船務轉運業中經營。自一九九五年五月至一九九六年四月，法奇尼先生先於Panalpina Trasporti Mondiali S.p.A.任職財務總監，並由一九九六年五月至一九九七年十二月出任Panalpina Korea Ltd.財務總監。自一九九八年九月至二零零一年四月，彼在Panalpina Group擔任亞太地區總監，工作地點在新加坡。於二零零一年五月，法奇尼先生獲委任為汽車製造商Fiat Auto S.p.A.的財務及消費者服務業務部門的財務及監控總監，並留任至二零零三年四月。於二零零三年五月至二零零六年十二月，法奇尼先生擔任時裝公司Benetton Group的財務總監，對該集團的財務及法律事宜最終負責。法奇尼先生於一九九一年三月在意大利米蘭博科尼大學取得工商管理博士學位。在一九九四年，彼獲意大利大學的研發部頒授特許公認會計師的專業資格。

熊向峰先生，53歲，於二零一三年十二月十九日起為非執行董事，負責對本公司的經營與管理提供具有戰略意義的意見及作出建議。彼於二零一三年八月五日加入長飛董事會出任董事。熊先生有逾30年光纖光纜行業經驗。自二零一三年四月起彼擔任長江通信(本公司的主要股東之一及一家於上海證券交易所上市的公司(股票代碼：600345))總裁，主要負責該公司整體管理，自二零一四年五月起同時擔任長江通信的董事。熊先生自二零一三年四月起亦兼任長江通信若干附屬公司的多個職位，彼現任武漢長飛通用電纜有限公司董事及武漢長江通信智聯技術有限公司董事長。

Directors', Supervisors' and Senior Management's Profiles

董事、監事及高級管理人員簡歷

NON-EXECUTIVE DIRECTORS (Cont'd)

Prior to the current positions, Mr. Xiong worked at Wuhan Research Institute of Posts and Telecommunications (武漢郵電科學研究院) and consecutively served as the secretary of Youth League committee primarily responsible for handling matters in relation to the Youth League from January 1989 to December 1992, the principal staff of office primarily responsible for administration management from December 1992 to February 1995, the deputy director of office primarily responsible for administration management from February 1995 to March 1997, the deputy director of the optical fibre and cable department primarily responsible for production and operation of the optical fibre and cable and the general manager of the cable plant primarily responsible for management and operation of the plant from March 1997 to December 1999. Since December 1999, Mr. Xiong served various positions in FiberHome Telecommunication Technologies Co., Ltd. (烽火通信科技股份有限公司), a company listed on the Shanghai Stock Exchange (Stock Code: 600498), including the secretary of the board of directors from December 1999 to March 2002, the vice president and the secretary of the board of directors from April 2002 to April 2005, the vice president, the deputy Party secretary, the secretary of the board of directors and the chairman of labour union from May 2005 to March 2010 and the vice president, the deputy Party secretary and the chairman of labour union from April 2010 to April 2013. Mr. Xiong was the chairman of the board of directors of Wuhan NEC Fibre Optic communications Industry Co., Ltd. (武漢日電光通信工業有限公司) and Yangtze Acmiconductor Lighting Joint Stock Limited Company (長江半導體照明科技股份有限公司), from April 2014 to August 2017 and from March 2016 to October 2017 respectively. Mr. Xiong obtained his bachelor's degree in photoelectric imaging technology from East China Institute of Engineering (華東工學院, currently known as Nanjing University of Science and Technology (南京理工大學)) in July 1986 and a master's degree in business administration from Wuhan University (武漢大學) in June 2009.

Ms. Zheng Huili (鄭慧麗), age 58, has been a non-executive Director since 19 December 2013. She is responsible for providing strategic advice and making recommendations on the operations and management of the Company. She joined the board of directors of YOFC as a director on 12 April 2006. Ms. Zheng has over 27 years of experience in company operation and management. Currently she also serves as the deputy secretary of the Party committee of the Company.

非執行董事(續)

任職現有職位前，熊先生先後於一九八九年一月至一九九二年十二月任武漢郵電科學研究院團委書記(主要負責處理共青團相關事宜)，於一九九二年十二月至一九九五年二月任院辦主任科員(主要負責行政管理)，於一九九五年二月至一九九七年三月任院辦副主任(主要負責行政管理)，於一九九七年三月至一九九九年十二月任光纖光纜部副主任(主要負責生產與經營光纖光纜)兼電纜廠廠長(主要負責管理與經營廠房)。自一九九九年十二月起熊先生開始擔任烽火通信科技股份有限公司(該公司於上海證券交易所上市，股票代碼：600498)的多個職位，於一九九九年十二月至二零零二年三月任董事會秘書，二零零二年四月至二零零五年四月任副總裁及董事會秘書，二零零五年五月至二零一零年三月任副總裁、黨委副書記、董事會秘書及工會主席，二零一零年四月至二零一三年四月任副總裁、黨委副書記及工會主席。熊先生亦曾於二零一四年四月至二零一七年八月任職武漢日電光通信工業有限公司董事長及於二零一六年三月至二零一七年十月任武漢長江半導體照明科技股份有限公司董事長。熊先生於一九八六年七月獲得華東工學院(現稱南京理工大學)光電成像技術學士學位，並於二零零九年六月獲得武漢大學工商管理碩士學位。

鄭慧麗女士，58歲，於二零一三年十二月十九日起為非執行董事，負責對本公司的經營與管理提供具有戰略意義的意見及作出建議。彼於二零零六年四月十二日加入長飛董事會出任董事。鄭女士有逾27年的企業營運及管理經驗。彼現時亦擔任本公司黨委副書記。

Directors', Supervisors' and Senior Management's Profiles

董事、監事及高級管理人員簡歷

NON-EXECUTIVE DIRECTORS (Cont'd)

Prior to the current positions, Ms. Zheng worked at Huazhong Information and Technology Group Co., Ltd. (華中信息技術集團有限公司) (formerly, Huazhong Information and Technology Principal Company Limited (華中信息技術總公司)), a company mainly engaged in the operation and management of state-owned assets, from April 1988 to October 2005, consecutively serving as the deputy director of human resources primarily responsible for overall human resources management from April 1988 to February 1993, the director of human resources primarily responsible for overall human resources management from March 1993 to October 2005, the minister of organization department of the Party Committee primarily responsible for training, selection and appointment of senior management personnels from June 1997 to October 2005, a member of the Party committee from July 1997 to October 2005, where she was primarily responsible for Party related matters and also participated in the operation, management and decision-making of development strategies of the company, the general secretary of the discipline committee from December 1999 to October 2005, where she was primarily responsible for disciplinary inspection and also participated in the operation, management and decision-making of development strategies of the company, and the deputy secretary of the Party committee primarily responsible for assisting the secretary of the Party committee with the Party related matters and participating in the decision-making of operation, management and development strategies of the company from March 2003 to October 2005. Ms. Zheng also served as the deputy secretary of the Party committee and the general secretary of the discipline committee of Yangtze Communications, one of the substantial shareholders of the Company and a company listed on the Shanghai Stock Exchange (Stock Code: 600345), where she was primarily responsible for disciplinary inspection, from December 2005 to July 2016 and from June 2006 to July 2016, respectively. Ms. Zheng graduated from the Party School of the Chinese Communist Party Wuhan Municipal Committee (中共武漢市委黨校) with a bachelor's degree in June 1998 and obtained a master's degree in business administration from Asia International Open University (Macau) (currently, the City University of Macau) in October 2000. Ms. Zheng is a senior economist (高級經濟師) and senior political analyst (高級政工師). She was the winner of the Wuhan Labor Medal (武漢市五一勞動獎章) issued by All Wuhan Federation of Trade Unions (武漢市總工會) in April 1997. She has been a member of Wuhan Economic Professional Qualification Assessment Committee (武漢市經濟專業高級職務任職資格評審委員會) since December 1998. She has also been a member of the tenth, eleventh and twelfth executive committee of the Women's Federation of Wuhan (武漢市婦聯) since July 2006.

非執行董事(續)

任職現有職位之前，鄭女士於一九八八年四月至二零零五年十月任職於華中信息技術集團有限公司(前稱華中信息技術總公司，主要從事國有資產營運及管理)，先後於一九八八年四月至一九九三年二月擔任勞動人事副處長(主要負責人力資源全面管理)、於一九九三年三月至二零零五年十月擔任勞動人事處長(主要負責人力資源全面管理)、於一九九七年六月至二零零五年十月擔任黨委組織部部長(主要負責培訓、甄選及委任高級管理人員)，於一九九七年七月至二零零五年十月擔任黨委委員(主要負責黨務工作及參與公司營運，管理及發展策略的決策)，於一九九九年十二月至二零零五年十月擔任紀委書記(主要負責紀檢工作及參與公司營運、管理及發展策略的決策)及於二零零三年三月至二零零五年十月擔任黨委副書記(主要負責協助黨委書記處理相關黨務及參與公司營運、管理及發展策略的決策)。鄭女士自二零零五年十二月至二零一六年七月及自二零零六年六月至二零一六年七月分別擔任長江通信(本公司的主要股東之一及一家於上海證券交易所上市的公司(股票代碼：600345))黨委副書記及紀委書記，主要負責紀檢。鄭女士於一九九八年六月於中共武漢市委黨校畢業獲得學士學位，並於二零零零年十月獲得亞洲(澳門)國際公開大學(現稱澳門城市大學)工商管理碩士學位。鄭女士為高級經濟師與高級政工師。鄭女士於一九九七年四月獲武漢市總工會頒發武漢市五一勞動獎章，於一九九八年十二月至今為武漢市經濟專業高級職務任職資格評審委員會委員，彼從二零零六年七月至今一直擔任武漢市婦聯第十屆、第十一屆和第十二屆執行委員會委員。

Directors', Supervisors' and Senior Management's Profiles

董事、監事及高級管理人員簡歷

INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. Ngai Wai Fung (魏偉峰), age 56, has been an independent non-executive Director since 24 September 2014. He is the Chairman of the Audit Committee of the Company and is responsible for providing independent advice on the operations and management of the Company. Dr. Ngai has been the director and the chief executive officer of SW Corporate Services Group Limited, a specialty corporate and compliance services provider to companies in pre-IPO and post-IPO stages, since January 2011.

In addition, Dr. Ngai currently holds directorships in the following companies listed on the Hong Kong Stock Exchange and other securities markets:

獨立非執行董事

魏偉峰博士，56歲，於二零一四年九月二十四日起為獨立非執行董事。彼為本公司審計委員會主席，負責對本公司的經營與管理提供獨立意見。魏博士自二零一一年一月起擔任信永方圓企業服務集團有限公司(專注向首次公開發售前後的公司提供企業(管理)及合規服務的公司)的董事兼行政總裁。

此外，魏博士目前擔任下列於香港聯交所及其他證券市場上市公司的董事：

Company Name (English) 公司名稱(英文)	Company Name (Chinese) 公司名稱(中文)	Securities Market 證券市場	Stock Code 股份代號	Position Held 職位	Appointment Date 委任日期
Bosideng International Holdings Limited	波司登國際控股有限公司	Hong Kong Stock Exchange 香港聯交所	3998	independent non-executive director and the chairman of the audit committee 獨立非執行董事兼審核委員會主席	September 2007 二零零七年九月
Powerlong Real Estate Holdings Limited	寶龍地產控股有限公司	Hong Kong Stock Exchange 香港聯交所	1238	independent non-executive director and the chairman of the audit committee 獨立非執行董事兼審核委員會主席	June 2008 二零零八年六月
BaWang International (Group) Holding Limited	霸王國際(集團)控股有限公司	Hong Kong Stock Exchange 香港聯交所	1338	independent non-executive director, the chairman of the audit committee and a member of the nomination committee and the remuneration committee 獨立非執行董事、審核委員會主席兼提名委員會和薪酬委員會成員	December 2008 二零零八年十二月

Directors', Supervisors' and Senior Management's Profiles

董事、監事及高級管理人員簡歷

Company Name (English) 公司名稱(英文)	Company Name (Chinese) 公司名稱(中文)	Securities Market 證券市場	Stock Code 股份代號	Position Held 職位	Appointment Date 委任日期
Health and Happiness (H&H) International Holdings Limited (Formerly known as Biostime International Holdings Limited)	健合(H&H)國際控股有限公司 (前稱為合生元國際控股有限公司)	Hong Kong Stock Exchange 香港聯交所	1112	independent non-executive director, the chairman of the audit committee and a member of the nomination committee and the remuneration committee 獨立非執行董事、審核委員會主席、提名委員會和薪酬委員會成員	July 2010 二零一零年七月
SITC International Holdings Company Limited	海豐國際控股有限公司	Hong Kong Stock Exchange 香港聯交所	1308	independent non-executive director and a member of the audit committee, the remuneration committee and the nomination committee 獨立非執行董事兼審核委員會、薪酬委員會和提名委員會成員	September 2010 二零一零年九月
LDK Solar Co., Ltd.	—	OTC Pink Limited Information	LDKYQ	independent director and a member of the audit committee, the compensation committee and the corporate governance and nomination committee 獨立董事兼審核委員會、薪酬委員會和公司管治及提名委員會成員	July 2011 二零一一年七月

Directors', Supervisors' and Senior Management's Profiles

董事、監事及高級管理人員簡歷

Company Name (English) 公司名稱(英文)	Company Name (Chinese) 公司名稱(中文)	Securities Market 證券市場	Stock Code 股份代號	Position Held 職位	Appointment Date 委任日期
Beijing Capital Grand Limited (formerly known as Beijing Capital Juda Limited)	首創鉅大有限公司	Hong Kong Stock Exchange 香港聯交所	1329	independent non-executive director, the chairman of the audit committee and a member of the remuneration committee and the nomination committee 獨立非執行董事、審核 委員會主席兼薪酬委員會 和提名委員會成員	December 2013 二零一三年 十二月
BMG Corporation	北京金隅集團 股份有限公司 (前稱為：北京 金隅股份有限 公司)	Hong Kong Stock Exchange Shanghai Stock Exchange 香港聯交所 上海證券交易所	2009 601992	independent non-executive director and a member of the audit committee, the remuneration and nomination committee and the strategic committee 獨立非執行董事、審核 委員會、薪酬與提名 委員會及戰略與投資 委員會成員	November 2015 二零一五年 十一月

Directors', Supervisors' and Senior Management's Profiles

董事、監事及高級管理人員簡歷

Company Name (English) 公司名稱(英文)	Company Name (Chinese) 公司名稱(中文)	Securities Market 證券市場	Stock Code 股份代號	Position Held 職位	Appointment Date 委任日期
TravelSky Technology Limited	中國民航信息網絡股份有限公司	Hong Kong Stock Exchange 香港聯交所	696	independent non-executive director, the chairman of the audit and risk management committee and a member of the remuneration and evaluation committee 獨立非執行董事、審核及風險管理委員會主席及薪酬與考核委員會成員	January 2016 二零一六年一月
SPI Energy Co., Ltd	—	NASDAQ Stock Market 納斯達克股票市場	SPI	independent director, the chairman of the audit committee and a member of the compensation committee 獨立董事、審核委員會主席及薪酬委員會成員	May 2016 二零一六年五月
China Communications Construction Company Limited	中國交通建設股份有限公司	Hong Kong Stock Exchange Shanghai Stock Exchange 香港聯交所 上海證券交易所	1800 601800	Independent non-executive director, the chairman of the audit and internal control committee, a member of the remuneration and appraisal committee; a member of the nomination committee 獨立非執行董事：審計與內控委員會主席；薪酬與考核委員會成員；提名委員會成員	November 2017 二零一七年十一月

Directors', Supervisors' and Senior Management's Profiles

董事、監事及高級管理人員簡歷

INDEPENDENT NON-EXECUTIVE DIRECTORS (Cont'd)

Dr. Ngai has over 20 years of senior management experience acting as the executive director, chief financial officer and company secretary, most of which are in the areas of finance, accounting, internal control and regulatory compliance, corporate governance and secretarial work for listed issuers including major red chip companies. He had led or participated in a number of significant corporate finance projects including listings, mergers and acquisitions as well as issuance of debt securities. Dr. Ngai served as an independent non-executive director of China Railway Construction Corporation Limited (中國鐵建股份有限公司), a company listed on the Hong Kong Stock Exchange (Stock Code: 1186) and the Shanghai Stock Exchange (Stock Code: 601186), from November 2007 to October 2014, an independent non-executive director of Sany Heavy Equipment International Holdings Company Limited (三一重裝國際控股有限公司), a company listed on the Hong Kong Stock Exchange (Stock Code: 631), from November 2009 to December 2015, an independent non-executive director of China Coal Energy Company Limited (中國中煤能源股份有限公司), a company listed on the Hong Kong Stock Exchange (Stock Code: 1898) and the Shanghai Stock Exchange (Stock Code: 601898), from December 2010 to June 2017, an independent non-executive director of China Railway Group Limited (中國中鐵股份有限公司), a company listed on the Hong Kong Stock Exchange (Stock Code: 390) and the Shanghai Stock Exchange (Stock Code: 601390).

Dr. Ngai graduated from University of Wolverhampton with a bachelor's degree in law in Wolverhampton, the United Kingdom, in October 1994. He received a master's degree in business administration from Andrews University in Michigan, USA in August 1992, a master's degree in corporate finance from Hong Kong Polytechnic University in Hong Kong in November 2002, and a doctoral degree in economics from Shanghai University of Finance and Economics (上海財經大學) in Shanghai, PRC, in June 2011. Dr. Ngai has been a fellow of the Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Chartered Secretaries since November 2000 and had been a president (between 2014 and 2015) of The Hong Kong Institute of Chartered Secretaries. Dr. Ngai has been a member of the Hong Kong Securities and Investment Institute since February 2012, a member of the Hong Kong Institute of Certified Public Accountants since July 2007, a fellow of the Hong Kong Institute of Directors since February 2010, and a fellow of the Association of Chartered Certified Accountants in the United Kingdom since March 2012. He has been a member of Qualification and Examination board of the Hong Kong Institute of Certified Public Accountants since January 2013 and a member of the General Committee of The Chamber of Hong Kong Listed Companies since June 2014. Dr. Ngai has been appointed as a Finance Expert Consultant by the Ministry of Finance of the PRC since June 2016. He had been the Adjust Professor of law of Hong Kong Shui Yan University and a member of the Working Group on Professional Services under the Economic Development Commission of The Hong Kong Special Administrative Region (between January 2013 and March 2018).

獨立非執行董事(續)

魏博士有逾20年擔任執行董事、財務總監及公司秘書的高級管理層經驗，多數涉及上市發行人(包括大型紅籌公司)的財務、會計、內控及監管合規、企業管治及秘書工作範疇。彼曾領導或參與多個重大企業財務項目，包括上市、合併及收購以及發行債務證券。魏博士自二零零七年十一月至二零一四年十月擔任中國鐵建股份有限公司(香港聯交所及上海證券交易所上市公司，股份代號分別為1186及601186)獨立非執行董事，於二零零九年十一月至二零一五年十二月擔任三一重裝國際控股有限公司(香港聯交所上市公司，股份代號為631)獨立非執行董事。於二零一零年十二月至二零一七年六月擔任中國中煤能源股份有限公司(香港聯交所及上海證券交易所上市公司，股份代號分別為1898及601898)獨立非執行董事，於二零一四年六月至二零一七年六月擔任中國中鐵股份有限公司(香港聯交所及上海證券交易所上市公司)股份代號分別為390及601390)獨立非執行董事。

魏博士於一九九四年十月畢業於英國伍爾弗漢普頓的伍爾弗漢普頓大學，獲得法律學士學位。彼於一九九二年八月在美國密歇根州安德魯大學取得工商管理碩士學位，於二零零二年十一月在香港的香港理工大學取得企業融資碩士學位及於二零一一年六月在中國上海的上海財經大學取得經濟學博士學位。魏博士自二零零零年十一月起為特許秘書及行政人員公會資深會員及香港特許秘書公會資深會員，曾為香港特許秘書公會會長(二零一四年至二零一五年)。魏博士為香港證券及投資學會會員(自二零一二年二月起)、香港會計師公會會員(自二零零七年七月起)、香港董事學會資深會員(自二零一零年二月起)及英國特許公認會計師公會資深會員(自二零一二年三月起)。自二零一三年一月起彼為香港會計師公會專業資格及考試評議會委員及自二零一四年六月起為香港上市公司商會常務委員會成員。魏博士於二零一六年六月起獲委任為中國財務部的會計諮詢專家。彼亦曾是香港樹仁大學兼任法學教授及香港特別行政區經濟發展委員會專業服務工作小組非官守成員(二零一三年一月至二零一八年三月)。

Directors', Supervisors' and Senior Management's Profiles

董事、監事及高級管理人員簡歷

INDEPENDENT NON-EXECUTIVE DIRECTORS (Cont'd)

Dr. Ip Sik On Simon (葉錫安), age 69, has been an independent non-executive Director since 24 September 2014. He is a member of the Audit Committee and the Nomination and Remuneration Committee of the Company and is responsible for providing independent advice on the operations and management of the Company. Dr. Ip is a solicitor and Notary Public. He is currently the chairman of The Hong Kong Jockey Club and the president of Riding for the Disabled Association Ltd.. He has been an independent non-executive director of Hang Lung Group Limited (Stock Code: 0010) since July 1998. Dr. Ip practised with Johnson Stokes & Master (a Hong Kong-based law firm, now known as Mayer Brown JSM) since March 1972 and was subsequently admitted as a partner in April 1977 and continued in this capacity until his retirement from legal practice in September 2004. He was the Senior Partner and Chairman of Johnson Stokes & Master for eight years. Dr. Ip was the president of the Law Society of Hong Kong from May 1987 to May 1989, a Legislative Councillor from 1991 to 1995 representing the Legal Functional Constituency, and the founding chairman of the Council of the Hong Kong Institute of Education (now known as The Education University of Hong Kong) from April 1994 to April 2003. Dr. Ip received an honorary Doctor of Education from Hong Kong Institute of Education in 2003, an honorary Doctor of Laws from the City University of Hong Kong in November 2009 and an honorary Doctor of Laws from the Hong Kong University of Science & Technology in 2011. Dr. Ip has been admitted as a solicitor in England & Wales since December 1971 and in Hong Kong since April 1972. He is an honorary court member of the Hong Kong University of Science and Technology, an honorary lecturer in the Department of Professional Legal Education of the University of Hong Kong since September 2012, an honorary research fellow of the Faculty of Law of Tsinghua University (清華大學), the co-chairman of the international advisory board of the School of Law of the City University of Hong Kong and a member of the advisory board of the Hong Kong AIDS Foundation. He was also an honorary fellow of the Management Society for Healthcare Professionals from 1984 to 2004.

獨立非執行董事(續)

葉錫安博士，69歲，於二零一四年九月二十四日起為獨立非執行董事。彼為本公司審計委員會及提名及薪酬委員會成員，負責對本公司的經營與管理提供獨立意見。葉博士為律師及公證人。彼目前擔任香港賽馬會主席及殘疾人馬術協會有限公司主席。彼自一九九八年七月起出任恒隆集團有限公司(股份代號：0010)獨立非執行董事。葉博士自一九七二年三月起在Johnson Stokes & Master（一家香港律師事務所，現稱孖士打律師行(Mayer Brown JSM)執業，隨後於一九七七年四月成為合夥人直至二零零四年九月自其法律專業退休。彼曾擔任Johnson Stokes & Master的高級合夥人及主席長達八年。葉博士於一九八七年五月至一九八九年五月擔任香港律師會會長，於一九九一年至一九九五年擔任立法會議員(代表法律界功能界別)，及於一九九四年四月至二零零三年四月擔任香港教育學院(現稱香港教育大學)校董會創校主席。葉博士於二零零三年獲香港教育學院頒授榮譽教育學博士榮銜，於二零零九年十一月獲香港城市大學頒授榮譽法學博士榮銜及於二零一一年獲香港科技大學頒授榮譽法學博士榮銜。葉博士於一九七一年十二月獲認可為英格蘭及威爾士律師及於一九七二年四月獲認可為香港律師。彼為香港科技大學顧問委員會榮譽成員，自二零一二年九月起擔任香港大學法律專業學系名譽講師，亦是清華大學法學院名譽研究員、香港城市大學法律學院國際顧問委員會聯席主席兼香港愛滋病基金會顧問委員會會員。彼亦於一九八四年至二零零四年擔任醫療管理學會名譽會員。

Directors', Supervisors' and Senior Management's Profiles

董事、監事及高級管理人員簡歷

INDEPENDENT NON-EXECUTIVE DIRECTORS (Cont'd)

Mr. Li Ping (李平), age 64, has been an independent non-executive Director since 24 September 2014 and is a member of the Strategy Committee of the Company. He has been appointed as the Chairman and a member of the Nomination and Remuneration Committee with effect from 24 January 2017. He is responsible for providing independent advice on the operations and management of the Company. Mr. Li has extensive administrative experience in the management of listed companies and has over 40 years of experience in operation and working in China's telecommunications industry. Mr. Li has been serving as the chairman and an executive director of China Communication Service Co., Ltd. (中國通信服務股份有限公司), a company listed on the Hong Kong Stock Exchange (Stock Code: 552), for the period from August 2006 to October 2014. Prior to these positions, he once served as the executive vice president of China Telecom Corporation Limited (中國電信股份有限公司), a company listed on the Hong Kong Stock Exchange (Stock Code: 728), the vice chairman and chief operating officer of China Mobile Limited (中國移動有限公司), a company listed on the New York Stock Exchange (Stock Code: CHL) and the Hong Kong Stock Exchange (Stock Code: 941) and the Deputy Directorate General of Telecommunications of the Ministry of Posts and Telecommunications of the PRC (中國郵電部, the predecessor of the Ministry of Industry and Information Technology of the PRC (中國工業和信息化部)). Mr. Li graduated from Beijing University of Posts and Telecommunications (北京郵電大學) majoring in radio communication in October 1975 and graduated from the University at Buffalo School of Management of the State University of New York, USA, with a master in business administration in January 1989.

獨立非執行董事(續)

李平先生，64歲，於二零一四年九月二十四日起為獨立非執行董事，為本公司戰略委員會成員。彼自二零一七年一月二十四日起獲委任為提名及薪酬委員會主席。彼負責對本公司的經營與管理提供獨立意見。李先生有豐富的上市公司管理行政經驗，且有逾40年中國電信業經營從業經驗。李先生自二零零六年八月至二零一四年十月期間擔任中國通信服務股份有限公司(香港聯交所上市公司，股份代號：552)的董事長及執行董事。在此之前，他曾擔任中國電信股份有限公司(香港聯交所上市公司，股份代號：728)執行副總裁，中國移動有限公司(紐約證券交易所上市公司，證券代碼：CHL；亦為香港聯交所上市公司，股份代號：941)副董事長兼首席營運官以及中國郵電部(中國工業和信息化部的前身)電信總局副局長。李先生於一九七五年十月畢業於北京郵電大學，主修無線電通信專業，並於一九八九年一月獲得美國紐約州立大學布法羅商學院工商管理碩士學位。

Directors', Supervisors' and Senior Management's Profiles

董事、監事及高級管理人員簡歷

INDEPENDENT NON-EXECUTIVE DIRECTORS (Cont'd)

Dr. Li Zhuo (李卓), age 48, has been an independent non-executive Director since 24 September 2014. He is a member of the Audit Committee and Strategy Committee of the Company and is responsible for providing independent advice on the operations and management of the Company. Dr. Li is currently a professor of economics and the deputy director of the Centers Researches bases of The Ministry of Education, Center for Economic Development Research of Wuhan University (武漢大學). From July 1989 to August 1992, Mr. Li worked at Xiangfan Branch of China National Real Estate Development Group Corporation (中國房地產開發集團公司襄樊分公司), a company engaged in real estate development and property assets management. He later worked at Guangzhou Branch of the People's Bank of China (中國人民銀行廣州分行). Dr. Li has been working at Wuhan University since 1998 and consecutively held the positions of lecturer and assistant professor until 2001 and until 2006, respectively. Since 2006, he has been a professor of Wuhan University. He also served as a visiting scholar of University of Illinois at Urbana-Champaign from July 2002 to July 2003 and University of Paris III in 2007. Dr. Li graduated from Hubei University of Technology (湖北工業大學) with a bachelor's degree in industrial and civil construction in 1989. He also obtained a master's degree in international economics and a doctorate in international economics from Wuhan University in June 1995 and in June 1998, respectively. Dr. Li is the Prominent talent in the New Century recognized by the Ministry of Education of the PRC in October 2010.

獨立非執行董事(續)

李卓博士，48歲，於二零一四年九月二十四日起為獨立非執行董事，為本公司審計委員會及戰略委員會成員。彼負責對本公司的經營與管理提供獨立意見。李博士目前擔任武漢大學經濟學教授、教育部重點研究基地「武漢大學經濟發展研究中心」副主任。於一九八九年七月至一九九二年八月，李博士於從事房地產開發及物業資產管理的中國房地產開發集團公司襄樊分公司任職。彼其後於中國人民銀行廣州分行任職。李博士自一九九八年起任職於武漢大學，擔任講師直至二零零一年及擔任助理教授直至二零零六年。李博士自二零零六年起擔任武漢大學教授。彼於二零零二年七月至二零零三年七月為伊利諾大學香檳分校(University of Illinois at Urbana-Champaign)訪問學者，於二零零七年為巴黎第三大學(University of Paris III)的訪問學者。李博士於一九八九年畢業於湖北工業大學，獲得工業與民用建築學士學位。彼亦於一九九五年六月及一九九八年六月分別獲得武漢大學國際經濟學碩士學位及國際經濟學博士學位。李博士於二零一零年十月獲中國教育部認可為新世紀優秀人才。

Directors', Supervisors' and Senior Management's Profiles

董事、監事及高級管理人員簡歷

SUPERVISORS (Cont'd)

Mr. Wang Ruichun (王瑞春), age 42, has been appointed as the employee representative Supervisor and the chairman of the Board of Supervisors on 24 January 2017. He is responsible for supervising the performance of duties by the Directors and senior management of the Company. Mr. Wang joined our Group in January 2002, consecutively serving as fibre process engineer of the fibre department (specialising in plasma activated chemical vapor deposition ("PCVD") technology process management and process development) from January 2002 to March 2005, chief engineer of the fibre department (responsible for fibre process management and quality enhancement related work) from April 2005 to April 2006, technical manager of the fibre department (overseeing the overall technical aspect in relation to optical fibre preforms and optical fibres) from May 2006 to January 2010, manager of the technical support department of the optical fibre manufacturing center (responsible for the technical and management-related work for optical fibres and optical fibre preforms) from February 2010 to January 2012, deputy general manager of the fibre business unit (overseeing the work in relation to optical fibre production and technology) from February 2012 to December 2012, deputy general manager and director of optical fibre technology of the optical fibre manufacturing center (overseeing the work in relation to optical fibre production and technology) from January 2013 to January 2014, general manager of the research and development center (responsible for the research and development of technology and products) from January 2014 to February 2018, and general manager of Yangtze Optical Fibre (Qianjiang) Co., Ltd. since March 2018. Prior to joining our Group, Mr. Wang worked at Changzhou Huichang Electronics Co., Ltd. (常州惠昌電子有限公司) where he was engaged in the development of negative temperature coefficient ("NTC") ceramics and sensors, from July 1998 to August 1999, and worked at the research institute of inorganic non-metallic materials of Zhejiang University (浙江大學無機非金屬材料研究所), where he was engaged in the research of high resolution liquid crystal light valve photoconductive layer, from September 1999 to January 2002. Mr. Wang obtained a bachelor's degree majoring in inorganic non-metallic materials in July 1998, and a master's degree in material science, majoring in the study of photoelectric film materials and liquid crystal light valves in March 2002, from Zhejiang University (浙江大學), the PRC, respectively.

監事(續)

王瑞春先生，42歲，於二零一七年一月二十四日獲委任為本公司職工代表監事兼監事會主席。彼負責監督本公司董事與高級管理層的履責情況。王先生於二零零二年一月加入本集團，分別於二零零二年一月至二零零五年三月於光纖部擔任工藝工程師，從事工藝控制與工藝開發(專注於等離子體化學氣相沉積(「PCVD」)技術)，於二零零五年四月至二零零六年四月於光纖部擔任主任工程師，分管光纖工藝控制與質量改進相關工作，於二零零六年五月至二零一零年一月於光纖部擔任技術經理，分管整體光纖預製棒與光纖相關技術方面的工作，於二零一零年二月至二零一二年一月擔任光纖製造中心技術支持部經理，分管光纖與預製棒技術與管理相關工作，於二零一二年二月至二零一二年十二月擔任光纖事業部副總經理，分管相關光纖生產與技術相關工作，於二零一三年一月至二零一四年一月擔任光纖製造中心副總經理兼光纖技術總監，分管相關光纖生產與技術相關工作，於二零一四年一月至二零一八年二月擔任研發中心總經理，負責技術與產品研發，及自二零一八年三月起擔任長飛光纖潛江公司總經理。在加入本集團之前，王先生於一九九八年七月至一九九九年八月於常州惠昌電子有限公司從事負溫度係數(「NTC」)陶瓷與傳感器的開發，並於一九九九年九月至二零零二年一月於浙江大學無機非金屬材料研究所從事高分辨液晶光閥光導層的研究。王先生自中國浙江大學分別於一九九八年七月獲得無機非金屬材料學士學位，並於二零零二年三月獲得材料學碩士學位，主修光電薄膜材料及液晶光閥研究。

Directors', Supervisors' and Senior Management's Profiles

董事、監事及高級管理人員簡歷

SUPERVISORS (Cont'd)

Mr. Liu Deming (劉德明), age 61, has been an independent Supervisor of the Company since 9 June 2015. He is a professor of Huazhong University of Science and Technology (華中科技大學), a member of the Expert Committee of China Next Generation Internet (中國下一代互聯網專家委員會), an executive director of Chinese Society for Optical Engineering (中國光學工程學會), the director of the Expert Committee of Optical Communication and Information Networking (光通信與信息網絡專家委員會), the director of the National Engineering Laboratory for Next Generation Internet Access System (下一代互聯網接入系統國家工程實驗室), and the general secretary of Wuhan Internet of Things Industry Association (武漢物聯網產業協會). Mr. Liu went to University of Duisburg-Essen in Germany for visiting study from 1994 to 1996, obtained a doctorate from Huazhong University of Science and Technology in 1999, and went to Nanyang Technological University in Singapore for visiting study from 1999 to 2000. Since 2000, he has been the director of Department of Optoelectronic Engineering (currently known as School of Optical and Electronic Information) of Huazhong University of Science and Technology. Mr. Liu has long been engaged in teaching and research work in the areas of optical fibre communication and sensing. During the past 31 years, Mr. Liu has undertaken more than 20 national key projects, including the National 973 Project (國家973項目), "863 Project" (863項目), the key projects and the key project topics of the National Science Foundation (國家自然科學基金), and the National Key Scientific Instrument and Equipment Development Project (國家重大科學儀器開發專項). He has obtained several major achievements, including winning the National Technological Invention Award (twice), the first prize (thrice) and the second prize (four times) of the provincial award, and the gold medal (once) and the silver medal (twice) of the Geneva International Invention Award. Mr. Liu has filed more than 100 invention patents applications in the United States and China (among which, 50 have been granted) and has published more than 200 SCI papers and five textbooks and academic works.

監事(續)

劉德明先生，61歲，於二零一五年六月九日起擔任本公司的獨立監事。彼現為華中科技大學教授、中國下一代互聯網專家委員會成員、中國光學工程學會常務理事、光通信與信息網絡專家委員會主任、下一代互聯網接入系統國家工程實驗室主任、武漢物聯網產業協會秘書長。劉先生一九九四年至一九九六年赴德國杜伊斯堡大學訪問進修，一九九九年於華中科技大學獲得博士學位，一九九九年至二零零零年赴新加坡南洋理工大學訪問進修，二零零零年起擔任華中科技大學光電子工程系(現光學與電子信息學院)主任。劉先生長期從事光纖通信與傳感領域教學科研工作，在過去的31年間先後主持了國家973項目、863項目、國家自然科學基金重點項目和重大項目課題以及國家重大科學儀器開發專項等20多項國家級重大重點項目，取得多項重要成果，先後獲得國家技術發明獎2項、省部級一等獎3項和二等獎4項以及日內瓦國際發明金獎1項和銀獎2項，申請美國和中國發明專利超過100項(其中50項已獲授權)，發表SCI收錄期刊論文超過200篇，出版教材和學術著作5部。

Directors', Supervisors' and Senior Management's Profiles

董事、監事及高級管理人員簡歷

SUPERVISORS (Cont'd)

Ms. Li Chang'ai (李長愛), age 54, has been an independent Supervisor since 9 June 2015. She has been teaching at the School of Accountancy of Hubei University of Economics (湖北經濟學院會計學院) since 1988 and is currently a professor (level II). She is also a director of the Accounting Society of China (中國會計學會), an executive director of Accounting Society of Hubei Province (湖北省會計學會), an executive director of Audit Society of Hubei Province (湖北省審計學會) and a special auditor of Audit Bureau of Wuhan (武漢市審計局). Ms. Li had served as an independent director of Ningbo Xianfeng New Material Co., Ltd. (寧波先鋒新材料股份有限公司), a company listed on the Shenzhen Stock Exchange (Stock Code: 300163) from April 2011 to March 2017, as an independent director of Hubei Mailyard Share Co., Ltd. (湖北美爾雅股份有限公司), a company listed on the Shanghai Stock Exchange (Stock Code: 600107) from May 2010 to May 2016 and also as an independent director of Wuhan Hitek Biopharmaceutical Co., Ltd. (武漢海特生物製藥股份有限公司), a company listed on Shenzhen Stock Exchange (Stock Code: 300683), since August 2017. Ms. Li obtained her bachelor's degree in economics, master's degree in economics and doctorate in management from Zhongnan University of Economics and Law (中南財經政法大學). Ms. Li has published over 70 academic papers on a number of journals. Ms. Li was awarded "National Advanced Accounting Worker" in 2008. She is also a Chinese certified public accountant (non-practicing) and a senior member of the Accounting Society of China (中國會計學會) and obtained an independent director qualification certificate in 2008.

監事(續)

李長愛女士，54歲，於二零一五年六月九日起擔任獨立監事。彼於一九八八年開始於湖北經濟學院會計學院任教至今，現任湖北經濟學院會計學院教授(二級)。彼同時兼任中國會計學會理事、湖北省會計學會常務理事、湖北省審計學會常務理事及武漢市審計局特約審計員。李女士於二零一一年四月至二零一七年三月擔任寧波先鋒新材料股份有限公司(深圳證券交易所上市公司，證券代碼：300163)獨立董事，於二零一零年五月至二零一六年五月擔任湖北美爾雅股份有限公司(上海證券交易所上市公司，證券代碼：600107)獨立董事，及於二零一七年八月起今擔任武漢海特生物製藥股份有限公司(深圳證券交易所上市公司，證券代碼：300683)獨立董事。李女士先後於中南財經政法大學獲經濟學學士學位、經濟學碩士學位及管理學博士學位。李女士在許多刊物上公開發表專業學術論文70餘篇。彼於二零零八年被評定為「全國先進會計工作者」。彼亦是中國註冊會計師(非執業)及中國會計學會資深會員，並於二零零八年取得獨立董事資格證書。

Directors', Supervisors' and Senior Management's Profiles

董事、監事及高級管理人員簡歷

SENIOR MANAGEMENT

Mr. Jan Bongaerts, age 52, is the vice president of our Company. He is responsible for strategic development, business development, sourcing and day-to-day management of our Company. He has more than 20 years of experience in the optical fibre and cable industry. Prior to joining our Company, from July 1998, Mr. Bongaerts worked at Draka Holding N.V., consecutively serving as the manager of the optical fibre market and sales department, the deputy manager of the optical fibre procurement department, the director of the optical fibre business department, a member of management committee and a member of enterprise procurement team. He served as the director of the optical fibre sales and marketing department and a member of management committee of the business department of Prysmian S.p.A. from January 2011 to December 2013. Since January 2014, Mr. Bongaerts has been the first deputy general manager of our Company. Mr. Bongaerts obtained a master's degree in business administration from Open University of the Netherlands and an executive master of business administration from Maastricht University the Netherlands.

Mr. Yan Changkun, age 55, is the vice president and the general manager of the operation management center of our Company. He is primarily responsible for management of the supply chain and quality control system of our Company and participating in the Company's critical business negotiations. Mr. Yan has more than 25 years of experience in the optical fibre and cable industry. He has worked at our Company since October 1991, consecutively serving as a sales representative, the technology manager, the manager of the business department, the sales director, and the general manager of the optical fibre business department. Mr. Yan has been the deputy general manager of our Company since November 2012. Mr. Yan obtained a bachelor's degree in telecommunications and a master's degree in digital communications from Nanjing Institute of Communication Engineering.

Ms. Zhou Lijing, age 45, the vice president and the secretary of the board of our Company. Ms. Zhou has more than 19 years of experience in optical fiber and cable industry. She has worked at our Company since February 1999, consecutively serving as a sales representative, the logistic manager, the manager of international business, the deputy general manager of sales center. Ms. Zhou has been the vice president of our Company since January 2017. Ms. Zhou obtained a bachelor's degree in Economics from Huazhong University of Science and Technology.

高級管理層

揚幫卡先生，52歲，本公司副總裁，主要負責本公司的戰略發展、業務發展、採購及日常管理。揚幫卡先生有逾20年光纖光纜業經驗。加入本公司前，揚幫卡先生自一九九八年七月起任職於Draka Holding N.V.，先後擔任光纖市場及銷售部經理、光纖採購部副總經理、光纖商務總監及管理委員會成員兼企業採購小組成員。彼於二零一一年一月至二零一三年十二月擔任Prysmian S.p.A.光纖銷售及營銷部總監及商務部管理委員會成員。自二零一四年一月起，揚幫卡先生揚幫卡本公司首任第一副總經理。揚幫卡先生於二零零三年三月自荷蘭開爾大學獲得工商管理碩士學位，並於一九九九年九月自荷蘭馬斯特裏赫特大學獲得EMBA學位。

閻長鵬先生，55歲，本公司副總裁及運營管理中心總經理，主要負責管理本公司的供應鏈與質保體系。閻先生有逾25年光纖光纜業經驗。彼自一九九一年十月起任職於本公司，先後任銷售代表、技術經理、商務部經理、銷售總監及光纖事業部總經理。閻先生自二零一二年十一月起出任本公司副總經理。閻先生自南京郵電學院先後獲得電信專業學士學位及數字通信專業碩士學位。

周理晶女士，45歲，為本公司副總裁及董事會秘書。周女士有逾19年光纖光纜業經驗。周女士一九九九年二月加入本公司，曾先後擔任銷售代表、供應鏈經理、國際業務經理、光纖事業部銷售總監及銷售中心副總經理。周女士自二零一七年一月起出任本公司副總裁。周女士於華中理工大學(現稱華中科技大學)獲經濟學學士學位。

Directors', Supervisors' and Senior Management's Profiles

董事、監事及高級管理人員簡歷

SENIOR MANAGEMENT (Cont'd)

Mr. Liang Guanning, age 37, is the chief financial officer and the general manager of the financial center of our Company. He is primarily responsible for overseeing the overall financial and accounting related matters of our Company. He joined the company since February 2017. Mr. Liang has fifteen years of financial and accounting related experience. Prior of joining our Company, from July 2002 to August 2008, Mr. Liang worked at KPMG China and Singapore. His last position with KPMG is audit manager. From September 2008 to December 2010, Mr. Liang worked at GCL-Poly Energy Holdings Limited (Stock code: 3800) as finance manager and Senior Finance Manager of its subsidiary GCL Solar. From January 2011 to September 2012, He was the financial controller of China Mass Media (NYSE: CMM, privatized in November 2012). From September 2012 to April 2015, He was the Finance Director at SINA Corporation (NASDAQ: SINA). From May 2015 to November 2016 He was the finance director at Weibo Corporation (NASDAQ: WB), a subsidiary of SINA Corporation. Mr. Liang obtained a bachelor degree in management from Sun Yat- Sen University and is a fellow member of Chartered Certified Accountant.

Mr. Luo Jie, age 52, is the chief technology officer and general manager of R&D center of our Company, and director of the state key laboratory. He is primarily responsible for overseeing the overall research and development related matters and projects of our Company. Mr. Luo has over 29 years of experience in the optical fibre and cable industry. He has worked at our Company since November 2000, consecutively serving as the manager, department management and the general manager of the research and development department. Mr. Luo has been the Chief Technology Officer of our Company since February 2010. Prior to joining our Company, Mr. Luo started to work at Wuhan Research Institute of Posts and Telecommunications since January 1989 and served as an engineer and a senior engineer from January 1992 to December 1996 and from December 1996 to September 2000, respectively. Mr. Luo obtained his bachelor's degree in material engineering, a master's degree in material engineering from Wuhan University of Technology, and a doctorate in electromagnetics and microwave from Beijing University of Posts and Telecommunications. In 2015, he has been elected to the national talent project and has been awarded "Young Expert with Outstanding Contributions" by the Ministry of Human Resources and Social Security of China.

高級管理層(續)

梁冠寧先生，37歲，本公司財務總監及財務中心總經理，主要負責監管本公司整體財務及會計相關事宜。梁先生有15年財務及會計經驗。梁先生於二零一七年二月加入公司。加入本公司之前，梁先生於二零零二年七月起至二零零八年八月供職於中國及新加坡畢馬威會計師，離職時任審計經理職務。於二零零八年九月至二零一零年十二月，梁先生擔任保利協鑫能源控股有限公司(股份代碼：3800.HK)的財務經理，及其子公司協鑫太陽能的高級財務經理。於二零一一年一月至二零一二年九月擔任廣告之傳媒集團財務總監(紐交所：CMM，二零一二年十一月私有化)。於二零一二年九月至二零一五年四月擔任新浪公司(納斯達克：SINA)的財務總監。並於二零一五年五月至二零一六年十一月擔任新浪子公司新浪微博(納斯達克：WB)的財務總監。梁先生於中山大學獲得管理學學士學位，並且是英國特許公認會計師公會資深會員。

羅傑先生，52歲，本公司技術總監、研發中心總經理兼國家重點實驗室主任，主要負責全面監管本公司研發相關事宜及各項目。羅先生有逾29年光纖光纜業經驗。羅先生自二零零零年十一月起任職於本公司，先後擔任研發部經理及總經理。羅先生自二零一零年二月起出任本公司技術總監。加入本公司前，羅先生自一九八九年一月起任職於武漢郵電科學研究院，先後於一九九二年一月至一九九六年十二月及一九九六年十二月至二零零零年九月擔任工程師及高級工程師。羅先生於武漢工業大學(現稱武漢理工大學)獲得材料工程專業學士學位及材料工程專業碩士學位，於北京郵電大學獲得電磁場及微波技術專業博士學位。二零一五年，入選國家人力資源和社會保障部百千萬人才工程之「有突出貢獻中青年專家」。

Directors', Supervisors' and Senior Management's Profiles

董事、監事及高級管理人員簡歷

SENIOR MANAGEMENT (Cont'd)

Mr. Zheng Xin, age 50, is the Chief Sales Officer and the general manager of the sales center of our Company. He is primarily responsible for overseeing the overall sales strategies and bidding processes of our Company. Mr. Zheng has over 19 years of experience in the optical fibre and cable industry. He has been with our Company since December 1998. He had consecutively served as a regional manager, the manager of Beijing office and the manager of cable sales department, the vice general manager of the cable business department, the vice general manager of the sales center of our Company and a member of the management committee since October 2007. He served as the general manager of YOFC Jiangsu, one of our Joint Ventures, from February 2014 to January 2017. Since then, Mr. Zheng has been the Chief Sales Officer and the general manager of the sales center of our Company. Mr. Zheng obtained a bachelor's degree in applied physics from national university of defense technology and a master's degree in business administration from China People's University.

Mr. Jiang Zhikang, age 56, is the Chief Marketing and Strategic Officer and the general manager of the manufacturing center of our Company. He is primarily responsible for management of the manufacturing processes and production facilities of our Company and participating in the Company's critical business negotiations. He was appointed as the Chairman of Board of Supervisors as well as the staff supervisor representative of the Company on 19 December 2013 and had been responsible for supervising the performance of duties by the directors and senior management at the company until 24 January 2017. Mr. Jiang has worked at the Company since May 1990, consecutively serving as an engineer, a chief engineer, the manager assistant of the fibre department, and the manager of the industrialisation department. He was assigned by the Company to serve as the vice general manager and the general manager of NK Wuhan, one of the Company's associates at that moment, from April 2004 to March 2006 and April 2006 to April 2012, respectively. From May 2012 to January 2016, Mr. Jiang had been serving as the general manager of the operation management center of the Company. Since February 2016, Mr. Jiang has been serving as the general manager of the manufacturing center of the Company. Prior to joining the Company, Mr. Jiang started to work at Wuhan Research Institute of Posts & Telecommunication since March 1988 and served as an assistant engineer from December 1988 to April 1990. Mr. Jiang graduated from Sichuan Radio & TV University and graduated from Wuhan University with an executive master of business administration.

高級管理層(續)

鄭昕先生，50歲，本公司銷售總監及銷售中心總經理，主要負責監察本公司整體銷售策略及投標程式。鄭先生有逾19年光纖光纜業經驗。鄭先生自一九九八年十二月起一直任職本公司，先後擔任區域經理、北京辦事處總經理以及光纜銷售部經理、光纜事業部副總經理、銷售中心副總經理，並於二零零七年十月至今擔任管理委員會成員。鄭先生於二零一四年三月至二零一七年一月擔任本公司合營公司江蘇長飛中利光纖光纜有限公司總經理。自此，鄭先生出任本公司銷售總監及銷售中心總經理。鄭先生於國防科技大學獲得應用物理專業學士學位，並於中國人民大學獲得工商管理碩士學位。

江志康先生，56歲，本公司市場與戰略總監兼製造中心總經理，主要負責管理本公司的生產與生產設備及參與本公司重大業務磋商，彼於二零一三年十二月十九日獲委任為本公司監事會主席兼職工監事代表，負責監督本公司董事與高級管理層的履責情況，直至二零一七年一月二十四日為止。江先生自一九九零年五月起任職於本公司，先後任工程師、主任工程師、光纖部經理助理及工業化部經理。彼分別自二零零四年四月至二零零六年三月及自二零零六年四月至二零一二年四月獲本公司指派擔任武漢安凱電纜有限公司(彼時為本公司其中一家聯營公司)的副總經理及總經理。自二零一二年五月至二零一六年一月，江先生出任本公司運營管理中心總經理。自二零一六年二月至今，江先生出任本公司製造中心總經理。加入本公司前，江先生於一九八八年三月起任職於武漢郵電科學研究院，並於一九八八年十二月至一九九零年四月擔任助理工程師。江先生畢業於四川廣播電視大學電子專業，並於武漢大學獲得EMBA學位。

Directors', Supervisors' and Senior Management's Profiles

董事、監事及高級管理人員簡歷

SENIOR MANAGEMENT (Cont'd)

Ms. Zhou Rongrong, age 49, is the human resources director of our Company. She is primarily responsible for overseeing the human resources strategy and human resources management of our company. She joined our company since May 2017. Ms. Zhou has over 20 years of human resources related experience. From 1988 to 1997, Ms. Zhou worked in Jin Chang Bureau as officer. From 1997 to 2003, Ms. Zhou worked as human resources manager in Black & Decker (Suzhou) Power Tools Co. Ltd, Andrew Telecommunications (China) Co. Ltd, Wyeth Whitehall pharmaceutical Co. Ltd. From 2003 to 2006, Ms. Zhou worked as human resources director in SGMW Automotive. From 2006 to 2015, Ms. Zhou worked as AP human resources director for American Standard, TE Connectivity Global Automotive Business Unit. From 2016 to 2017, Ms. Zhou worked as human resources director in NBHX Electronic Co. Ltd. Ms. Zhou obtained her bachelor degree Industrial Engineering from Nanjing Forest University, and master degree in MBA from South Australia University. Ms. Zhou also holds Senior Economist Professional Certification.

高級管理層(續)

周蓉蓉女士，49歲，本公司人力資源總監，主要負責管理本公司的人力資源戰略及人力資源管理。周女士於二零一七年五月加入公司。周女士有逾20年人力資源相關經驗。加入本公司前，周女士於1988年至1997年在蘇州市金閶區商業局公務員；1997年至2003年曾分別擔任百得(蘇州)電動工具有限公司公司、安德魯(中國)通信器材有限公司、惠氏白宮(蘇州)製藥有限公司人力資源經理；2003年至2006年任上汽通用五菱汽車股份有限公司人力資源部長；2006年至2015年曾分別在美標衛浴供應鏈、泰科電子全球汽車事業部任亞太區人力資源總監；2015年至2017年任寧波華翔電子有限公司人力資源總監。周女士於南京林業大學獲得工業工程學士學位，並於南澳大學獲得工商管理碩士學歷，並且是高級經濟師。

Report of the Board of Directors

董事會報告

The Board is pleased to present its report together with the audited consolidated financial statements for the year ended 31 December 2017.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

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

Detailed analysis of the Company's principal subsidiaries, associates and joint ventures are set out in notes 7 to the financial statements.

FINANCIAL POSITION AND RESULTS

The Group's financial position as at 31 December 2017 and the Groups' profit for the year ended 31 December 2017 are set out on pages 131 to 133 and on page 137 and 138 of this annual report, respectively.

DIVIDEND

The Board did not recommend the payment of a final dividend for the year ended 31 December 2017 (2016: RMB0.255 (before tax) per share).

董事會欣然呈列其報告及截至二零一七年十二月三十一日止年度的經審核合併財務報表。

主要業務及業務回顧

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

有關本公司主要附屬公司、聯營公司及合營公司的詳細分析載於財務報表之附註七。

財務狀況及業績

本集團於二零一七年十二月三十一日的財務狀況及本集團截至二零一七年十二月三十一日止年度的利潤分別載於本年報第131至133頁及第137及138頁。

股息

董事會不建議派發截至二零一七年十二月三十一日止年度之末期股利(二零一六年：每股人民幣0.255元(除稅前))。

Report of the Board of Directors

董事會報告

MAJOR CUSTOMERS AND SUPPLIERS

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

For the year ended 31 December 2017, the Group's sales to its five largest customers and its largest customer accounted for 51.1% and 27.8% (2016: 49.7% and 21.1%) of the Group's total revenue from sales of goods, respectively.

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

For the year ended 31 December 2017, the Group's purchases from its five largest suppliers and its largest supplier accounted for 51.5% and 16.4% (2016: 50.8% and 17.8%) of the Group's total purchases, respectively.

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

PROPERTY, PLANT AND EQUIPMENT AND CONSTRUCTION IN PROGRESS

Details of movements in the property, plant and equipment and construction in progress during the year ended 31 December 2017 are set out in notes V.13 and V.14 to the financial statements in this annual report.

主要客戶及供應商

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

截至二零一七年十二月三十一日止年度，本集團向五大客戶及最大客戶作出之銷售分別佔本集團出售商品所得總收入的51.1%及27.8%(二零一六年：49.7%及21.1%)。

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

截至二零一七年十二月三十一日止年度，本集團向五大供應商及最大供應商作出之採購分別佔本集團總採購的51.5%及16.4%(二零一六年：50.8%及17.8%)。

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

物業、廠房及設備及在建工程

截至二零一七年十二月三十一日止年度的物業、廠房及設備及在建工程的變動詳情載於本年報財務報表之附註五、13及五、14。

Report of the Board of Directors

董事會報告

SHARE CAPITAL

Details of movements in the share capital of the Company during the year ended 31 December 2017 are set out in note V.30 to the financial statements of this annual report.

DISTRIBUTABLE RESERVES

As at 31 December 2017, the Company's reserves available for distribution, calculated in accordance with the provisions of Companies Law in the PRC, amounted to approximately RMB2,279.3 million (31 December 2016: approximately RMB1,673.7 million).

BANK LOANS

Details of bank loans of the Group as at 31 December 2017 are set out in note VIII.3 to the financial statements of this annual report.

BUSINESS REVIEW

OVERVIEW

During the year, the Group focused on its five main strategies namely organic growth on preform, fibre and cable, technology innovation and intelligent manufacturing, internationalisation, diversification and capital synergy growth, and solidify our market leader position in the industry. In 2017, the Group had set up two new subsidiaries through its own establishments and co-operations with strategic partners, which are in alignment with our strategic roadmap.

The domestic subsidiaries established previously had put into operation successively and realised the production capability expansion on main products. Regarding the techniques used for the production of optical fibre preform, the Group's research and development team continued to put their efforts on improving the existing PCVD technique as well as continuing the development of the VAD and OVD technique. Meanwhile, the intelligent plant located in Qianjiang Science and Technology Park began operation. All these form part of our innovation and intelligent manufacturing strategy.

股本

本公司於截至二零一七年十二月三十一日止年度的股本之變動詳情載於本年報財務報表之附註五、30。

可分派儲備

於二零一七年十二月三十一日，本公司可供分派儲備乃根據中國公司法之條文計算，約為人民幣2,279.3百萬元(二零一六年十二月三十一日：約為人民幣1,673.7百萬元)。

銀行貸款

本集團於二零一七年十二月三十一日的銀行貸款詳情載於本年報財務報表之附註八、3。

業務回顧

概覽

本年度，本集團集中於五大主要戰略，即棒纖纜內涵增長、技術創新與智能製造、國際化、相關多元化及資本運營協同成長戰略，進一步加強和鞏固我們於行業的市場領先地位。於二零一七年，本集團通過其自行成立、及與戰略合作夥伴，成立了二家新增附屬公司，此舉符合我們的戰略藍圖。

前期成立的國內附屬公司，在本年度相繼投產，實現了主要產品的產能擴張。就光纖預製棒的生產技術而言，本集團研發團隊繼續致力於提升現有PCVD技術以及發展VAD和OVD技術。同時，潛江科技園智能工廠投入運營。所有該等措施均是我們技術創新和智能製造路線戰略的一部分。

Report of the Board of Directors

董事會報告

In addition to the domestic capacity's expansion of main products, two subsidiaries located in Indonesia and South Africa, which are involved in the production and distribution of optical fibres and optical cables respectively, had commenced operation. All these are in alignment with our internationalisation strategy.

During the year, the Board approved the proposal of the registration and issuance of short to medium-term debt financing instruments in the PRC for the first time, and proposed to apply for the offering of A shares. All these marked our new roadmap for capital synergy growth.

The proposal regarding the debt financing instruments has been approved by the shareholders on 24 January 2017 and details of such proposal are set out in the announcement of the Company dated 23 December 2016 and the circular of the Company dated 9 January 2017. As of the latest practicable date prior to the issue of this annual report, we have not entered into any agreement or arrangement pursuant to which any debt financing instruments are to be issued. The proposed A share offering is subject to certain conditions, including but not limited to the market conditions, the shareholders' approval at the general meetings and class meetings of the Company to be convened, as well as the approvals of the China Securities Regulatory Commission and/or other relevant regulatory authorities, and accordingly, may or may not proceed. Further details of the proposed A share offering as well as the related proposals are set out in the circular of the Company dated 20 April 2017. The Company will update the shareholders and investors on the progress of the issue of the debt financing instruments and the proposed A share offering from time to time by way of disclosure in announcements and periodic reports pursuant to the applicable PRC laws, regulations and regulatory requirements as well as the requirements under the Hong Kong Listing Rules.

除了我們現有主要產品的國內產能擴張，位於印尼和南非的海外附屬公司亦已全面投產，該等公司分別從事生產及分銷光纖及光纜。此等措施均與我們的國際化戰略一致。

本年度，董事會通過了在中國首次發行中短期債務融資工具的議案，以及擬申請A股首次發行。該等舉措均為我們資本運營協同成長戰略奠下藍圖。

關於債務融資工具的議案已經在二零一七年一月二十四日取得股東批准，議案的詳情載於本公司日期為二零一六年十二月二十三日的公告以及二零一七年一月九日的股東通函。截至出具本年報前的最後實際可行日期止，我們並沒訂立任何協議或安排而據此需要發行任何債務融資工具。建議A股發行受限於一些先決條件，包括但不限於市場狀況、在本公司將舉行的股東大會以及類別股東大會上取得股東批准，以及獲中國證券監督管理委員會及／或其他相關監管機構批准，因此，A股發行未必會達至完成。關於建議A股發行的議案以及其他有關議案載於本公司日期為二零一七年四月二十日的股東通函。本公司將根據適用的中國法律法規、監管規定以及香港上市規則規定不時就發行債務融資工具以及建議A股發行的進展向股東及投資者以公告及定期報告的方式提供披露。

Report of the Board of Directors

董事會報告

FINANCIAL KEY PERFORMANCE INDICATORS

Operating performance

2017 was the best year of performance for YOFC when compared with the past five years. During the year, the Group's revenue increased by 27.8% from RMB8,111.5 million in 2016 to RMB10,366.1 million in 2017. Such increase was mainly driven by the increase in sales volume for optical fibre cables as a result of 4G infrastructure construction and the "Broadband China" national strategy, of which such segment reported a growth rate of 40.6%. Optical fibre cables are the final products that we delivered to state-owned telecommunication operators. On the other hand, the Group's optical fibre preform and optical fibre segment also reported a growth rate of 15.5% growth even all its capacity expansion plans for this segment in both China and overseas are still in progress. For the year ended 31 December 2017, the net profit attributable to equity shareholders of the Company also increased by 76.9% from RMB717.1 million in 2016 to RMB1,268.40 million in 2017. These two key performance indicators proved that the industry itself is quite promising and with room for growth in the years to come and so for the Group.

財務主要表現指標

營運表現

相比過往五年，二零一七年是本公司表現最優的一年。年內，本集團收入由二零一六年人民幣8,111.5百萬元增加27.8%至二零一七年人民幣10,366.1百萬元。該增幅乃主要由光纜銷量因4G基礎建設及國內「寬帶中國戰略」增加所推動，其中有關分部錄得增長率40.6%。光纜為我們交付予國有電信運營商的最終產品。另一方面，本集團的光纖預製棒及光纖分部亦錄得15.5%的增長率，雖然其就該分部於中國及海外的所有產能擴張計劃仍在進行中。截至二零一七年十二月三十一日止年度，本公司權益持有人應佔純利亦增加76.9%，由二零一六年人民幣717.1百萬元增加至二零一七年人民幣1,268.4百萬元。從該兩項主要表現指標可見，行業本身前景樂觀且未來存在增長空間，因此本集團亦然。

Report of the Board of Directors

董事會報告

Financial performance

As at 31 December 2017, the Group's financial position remained solid because of its strong treasury and fund management. The level of indebtedness as at 31 December 2017 decreased to RMB978.3 million (31 December 2016: RMB1,756.4 million) while the gearing ratio (which is calculated based on the net debts divided by total equity) was -15.0% (31 December 2016: 7.4%) as at 31 December 2017. For the year ended 31 December 2017, the Group generated positive operating cashflows amounted to RMB1,737.9 million (2016: RMB1,307.2million). Improvement in operating cashflows was mainly due to better credit control and more efforts put on debt collection process. The Group's average trade and bills receivables turnover days for 2017 reduced to 78.9 days (2016: 93.3 days) even the Group's revenue grew by 27.8%. Average inventory turnover days for 2017 was shortened from 37.5 days in 2016 to 33.1 days in 2017 because of better inventory control and on-time production and purchasing without requiring the Group to tie up its working capital.

財務表現

於二零一七年十二月三十一日，本集團的財務狀況維持穩健，歸功於其強大財務及資金管理。二零一七年十二月三十一日的債務水平減少至人民幣978.3百萬元(二零一六年十二月三十一日：人民幣1,756.4百萬元)，而二零一七年十二月三十一日的資產負債比率(按淨債務除以總權益計算)為-15.0%(二零一六年十二月三十一日：7.4%)。二零一七年十二月三十一日止年度，本集團產生正向經營現金流人民幣1,737.9百萬元(二零一六年：人民幣1,307.2百萬元)。經營現金流改善乃主要由於更好的信貸監控及更多精力投入債務收款過程。本集團於二零一七年的平均應收賬款及票據周轉天數縮短至78.9天(二零一六年：93.3天)，而本集團收入亦增加27.8%。二零一七年的平均存貨周轉天數由二零一六年的37.5天縮短至二零一七年的33.1天，此乃由於更好的存貨監控及按時生產及採購而無需本集團縮緊其營運資金。

Report of the Board of Directors

董事會報告

FUTURE DEVELOPMENT

The Group will focus on its five major strategies to complete its targeted goals and missions. The Group will further continue its organic growth so as to make itself more competitive in terms of production costs and efficiency. Resources and efforts put on research and development activities will be continuing. The Group are equipped with the existing three technologies in producing optical fibre preforms namely PCVD, VAD and OVD, the Group will realise the optimal match of these 3 processes in the future and reach the target of intelligent manufactory step by step, which is our technology innovation and intelligence manufactory strategy. Internationalisation, diversification and capital synergy growth are the remaining 3 strategies that the Group will continue to explore. As at 31 December 2017, the Group had already built ten overseas presences. It is expected that more overseas presences either in the form of production base or the product distribution channel will be set up to strengthen and increase our market share overseas. Continuous development on tele-communication business and active optical cable business will be the key driving forces for the Group's business growth. Proactive participations in different aspects will be the Group's intention in the near future such as special product, service, materials and their applications. At the same time, the Group will actively explore development and corporation on capital market. Last but not least, the Group will ensure that all newly built production capacities or investment projects will be completed and be ready for use as scheduled.

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

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

未來發展

本集團將專注於五個主要策略，完成所訂目標及任務。本集團將進一步實現棒纖纜的內涵增長，增加自身在生產成本及效率方面的競爭力。投入研發活動的資源及工作將延續。本集團擁有了生產光纖預製棒的現有三種技術，PCVD、VAD和OVD，未來將實現三種工藝技術的最佳匹配，並且在生產製造過程中逐步實現智能製造的階段目標，此乃我們技術創新和智能製造策略。國際化、相關多元化和資本運營協同成長為我們繼續探索的三個策略。於二零一七年十二月三十一日，本集團已成立十個海外實體。其預期會設立更多海外實體（以生產基地方式或通過產品分銷渠道），借此加強及增加我們的海外市場份額。通信網絡集成和有源光纜業務持續發展將是本集團業務增長的主要驅動力之一。積極參與不同領域乃本集團近期意向，例如特種產品、服務和材料與應用領域，同時積極探索資本的市場合作和發展。最後，本集團將確保所有新增產能或投資項目將按計劃完成及投入使用。

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

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

Report of the Board of Directors

董事會報告

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

The Group has to import glass substrate tubes, silica jacket cylinders and various chemical gases from overseas for use in the production of optical fibre preforms. All these purchases from overseas have to be settled in US Dollars or Euro, which resulted in the Group facing foreign exchange risk exposure. It is therefore crucial for the Group to enter into some hedging arrangements in order to minimise this exposure and its impacts towards the Group's profit.

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

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

本集團須向海外進口玻璃襯管、矽質套管及多種化學氣體，用於生產光纖預製棒。該等海外採購全部以美元或歐元付款，因此本集團面臨外匯風險。本集團訂立若干對沖安排以盡量減低該風險及該風險對本集團溢利的影響至關重要。

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

Report of the Board of Directors

董事會報告

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

The support of stakeholders such as employees, suppliers, customers and communities is indispensable for the development of the Group, and therefore we are committed to establish stronger and better relationship with stakeholders to make concerted efforts in realising sustainable development. During the year, we conducted surveys with stakeholders on environmental, social and governance issues. The result of the surveys will be applied as the basis for preparing our environmental, social and governance report to be released independently and will also serve as an important reference for formulating our sustainable development strategies in the future.

We always firmly believe that human resources is the most important resource, and therefore we attach high importance to talent development and listen intently to feedbacks from employees. We offer room for growth, development and improvement for employees through well-established performance management and promotion systems. At the same time, we introduce different measures to safeguard the occupational health and safety of employees and enrich their leisure time through a wide range of cultural and physical activities, including Chinese New Year's Evening Gala and Sports Day. All such efforts are aiming to create a diversified, tolerant, healthy and contented corporate environment for our employees.

We strive to establish long-term, reliable and mutually beneficial cooperative relationship with our major suppliers and various business partners both in China and overseas. We make all-out efforts to ensure that all suppliers deliver high-quality raw materials and that they are on the same page with us in terms of providing high-quality products to customers. While promoting localisation of suppliers and raw materials, we select suppliers in a prudent manner and assess their performance based on four major factors, namely quality, cost, delivery and services, in order to make sure that their quality standards are in line with the Group's requirements. Meanwhile, we also encourage suppliers to improve environmental, social and governance performance with us with a goal to grow and develop together.

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

本集團的發展離不開僱員、供應商、客戶及社區等權益人的支持，我們致力於與權益人建立更強更好的關係，一起為實現可持續發展而共同努力。在本年度就環境、社會及管治事宜，我們向利益相關方進行了調研，並將調研結果作為我們即將獨立發佈的環境、社會及管治報告的編製依據，也為未來我們制定可持續發展戰略提供了重要參考依據。

我們一直堅信人力是第一資源的人才理念，高度重視人才發展，積極考慮員工反饋意見。我們通過完善績效管理和晉升制度，為員工的成長、發展和提升提供空間。同時我們制定各項措施保障員工的職業健康與安全，通過舉辦春晚、運動會等文體活動，豐富員工業餘生活，努力為員工營造一個多元化、包容性、健康幸福的企業環境。

我們致力於與中國及海外的主要供應商及各業務夥伴建立長久、信任的、互惠共贏的合作關係，努力確保所有供應商交付高質量原材料，及與我們一樣致力於提供高質量產品予客戶。我們審慎選擇供應商，推動供應商本地化及材料本地化，並依據質量、成本、交付、服務四大主要指標對供應商進行評估考核，確保所提供的質量標準符合公司要求。同時，我們亦會推動供應商與我們共同提升環境、社會及管治方面的表現，達至與供應商共同成長與發展的目標。

Report of the Board of Directors

董事會報告

We adhere to the core values of “Customer-centric, Accountability, Innovation and Stakeholder Benefits” and we are dedicated to living up to customer’s expectations. We offer excellent after-sales services and actively coordinate and handle customers’ complaints. We also conduct customer satisfaction survey every year to get customers’ suggestions and opinions. We wish that such interactive communication model can play a key role in improving our products and service quality continuously.

We put core corporate value into practice and never shy away from social responsibilities. We actively contribute to the society through education, disaster relief, social welfare and community care activities.

We always embrace the principle of sustainable development and continuously put more efforts in environmental protection to deliver social and environmental benefits and contribute to the sustainable development of the society. We strictly follow the relevant requirements of environmental protection laws and regulations. Our emission standard for pollutants is even stricter than the national and local emission limits. We set up energy consumption targets every year and integrate the mode of reducing energy consumption and green production into the entire operation of the Group. The Company has already obtained the ISO14001:2004 Environmental Management Certificate and was selected as an Advanced Clean Production Unit by the Environmental Protection Bureau of Wuhan.

The Group principally operates in China and overseas. We strictly observe all relevant laws and regulations of China, Hong Kong and countries where the Group has business entities and operation. During the reporting period, there were no material non-compliances in relation to the relevant national environmental, social and governance laws and regulations of China, Hong Kong and countries where the Group has business entities and operation.

At no time during the year was the Company, or any of its holding companies or subsidiaries, or any of its fellow subsidiaries, a party to any arrangement to enable the Directors, Supervisors or chief executive of the Company or their respective associates or close associates (as respectively defined under the Hong Kong Listing Rules) to have any right to subscribe for securities of the Company or any of its associated corporations as defined in the SFO or to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate, nor did the Company enter into any other equity-linked agreement.

我們堅守「客戶、責任、創新、共贏」的核心價值觀，努力實現客戶的價值預期。我們提供良好的售後服務，積極協調處理客戶投訴，同時每年開展客戶滿意度調查，傾聽客戶的建議和意見，通過這種雙向溝通的模式，不斷改進產品、提升服務水平。

我們深入貫徹企業核心價值觀，勇於承擔社會責任，以專業、透明的運營方式從事社會公益事業。我們通過支持教育、救災、公益、社區關愛等活動，積極回饋社會。

我們始終秉持可持續發展理念，不斷加大環保投入來實現社會及環境效益，為實現社會的可持續發展貢獻力量。我們嚴格遵守環境保護相關的法律及法規要求，各項污染物排放均優於國家和地方的排放標準。我們每年都會對能源的消耗設定目標，將降低能耗、綠色生產的模式貫穿於公司生產的全過程。公司目前已經通過ISO14001：2004環境管理體系認證，並榮獲武漢市環保局評選的清潔生產先進單位。

本集團業務主要於中國及海外經營，我們嚴格遵守中國、香港及本集團擁有實體或業務的國家的所有相關法律及法規。在本報告期內，本集團在環境、社會及管治相關方面未發生違反中國、香港及本集團擁有實體或業務的國家相關法律及法規的重大事件。

本公司或其任何控股公司或附屬公司或其任何同系附屬公司於年內任何時間概無訂立任何安排，致使本公司之董事、監事或主要行政人員或彼等各自之聯繫人或緊密聯繫人（相關定義見香港上市規則）擁有任何權利可認購本公司或其任何相聯法團（定義見證券及期貨條例）之證券或可透過收購本公司或任何其他團體公司之股份或債券獲取利益，本公司亦無訂立任何其他股本關連協議。

Report of the Board of Directors

董事會報告

During the year, the Group made charitable contributions totalling RMB426,000 (2016: RMB498,000).

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

Directors

Mr. Zhuang Dan

(appointment effective on 24 January 2017)

Mr. Wen Huiguo

(retirement effective on 24 January 2017)

Mr. Frank Franciscus Dorjee

Mr. Ma Jie

Mr. Yao Jingming

Mr. Philippe Claude Vanhille

Mr. Pier Francesco Facchini

(appointment effective on 24 January 2017)

Mr. Yeung Kwok Ki Anthony

(retirement effective on 24 January 2017)

Mr. Xiong Xiangfeng

Ms. Zheng Huili

Dr. Ngai Wai Fung

Dr. Ip Sik On Simon

Mr. Li Ping

Dr. Li Zhuo

Supervisors

Mr. Wang Ruichun

(appointment effective on 24 January 2017)

Mr. Jiang Zhikang

(retirement effective on 24 January 2017)

Mr. Liu Deming

Ms. Li Chang'ai

Biographical details of the current Directors, Supervisors and senior management of the Group are set out on pages 34 to 59 of this annual report.

年內，本集團合共作出人民幣426,000元(二零一六年：人民幣498,000元)之慈善捐獻。

於年內直至本年報日期的本公司董事及監事如下：

董事

莊丹先生

(於二零一七年一月二十四日獲委任)

文會國先生

(於二零一七年一月二十四日退任)

范•德意先生

馬杰先生

姚井明先生

菲利普•范希爾先生

皮埃爾•法奇尼先生

(於二零一七年一月二十四日獲委任)

楊國琦先生

(於二零一七年一月二十四日退任)

熊向峰先生

鄭慧麗女士

魏偉峰博士

葉錫安博士

李平先生

李卓博士

監事

王瑞春先生

(於二零一七年一月二十四日獲委任)

江志康先生

(於二零一七年一月二十四日退任)

劉德明先生

李長愛女士

本集團現任董事、監事及高級管理層之履歷詳情載於本年報第34至59頁。

Report of the Board of Directors

董事會報告

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

Each of the executive Directors and non-executive Directors has entered into a service contract with the Company on 24 January 2017. Each of the independent non-executive Directors has signed a letter of appointment on 24 January 2017. Pursuant to the Articles of Association, the term of office of the Directors shall be 3 years. The principal particulars of these service contracts and letters of appointment are (a) for a term commencing from their respective effective date of appointment until the day on which the next general meeting of the shareholders for re-election of Directors is held, and (b) are subject to termination in accordance with their respective terms.

Each of the Supervisors has entered into a service contract with the Company on 24 January 2017. As required under the Opinions on Further Promotion of Standardising Operations and Intensifying Reform of Overseas Listed Companies (Guojingmaogai No. [1999]230), the Company shall have a number of external Supervisors comprising one half or more of the Board of Supervisors, among whom, two or more shall be independent Supervisors. The Company has fulfilled this requirement since 9 June 2015.

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

None of the Directors and the Supervisors, or any entity connected with them had a material interest, either directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year ended 31 December 2017 or subsisted at the end of the year ended 31 December 2017.

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

執行董事及非執行董事各自已於二零一七年一月二十四日與本公司訂立服務合約。各獨立非執行董事已於二零一七年一月二十四日簽署委任函。根據本公司之章程，董事之任期應為3年。該等服務合約及委任函主要包括(a)董事的任期由彼等各自的委任生效日期開始直至就重選董事而舉行下屆股東大會之日期為止；及(b)可根據各自條款予以終止。

各監事已於二零一七年一月二十四日與本公司訂立服務合約。誠如《關於進一步促進境外上市公司規範運作和深化改革的意見》(國經貿企改[1999]230號)規定，本公司監事會成員中一半或以上須為外部監事，而其中兩名或以上須為獨立監事。本公司於二零一五年六月九日起符合該規定。

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

董事及監事，或任何與其關連的實體概無於本公司或其任何附屬公司於截至二零一七年十二月三十一日止年度訂立或於截至二零一七年十二月三十一日止年度仍存續且對本集團業務屬重大的任何交易、安排或合約中直接或間接擁有重大權益。

Report of the Board of Directors

董事會報告

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year ended 31 December 2017.

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

The Company has not adopted any share award scheme or share option scheme. On 19 October 2015, the Company approved to adopt the Employee Stock Ownership Scheme, pursuant to which target participants of the scheme may subscribe for scheme units and the target participants of the scheme are core personnel playing a crucial role in the Company's overall performance and mid and long-term development, including Directors, Supervisors, senior management personnel, middle-level cadres and key employees of the Group (excluding independent non-executive Directors and external Supervisors). Pursuant to the scheme, a total of 30,783,000 Domestic Shares and 1,205,000 H Shares were issued in 2015, representing 4.69% of the total number of issued Shares of the Company as at the date of this annual report. The number of H Shares and Domestic Shares issued to the Directors participating in the scheme as well as the limited partnerships established under the scheme were disclosed in the 2015 annual report. No further Shares may be issued under the scheme.

Details of the remuneration of the Directors and the Supervisors (including the past Directors, the past Supervisors and the chief executive) and five highest paid individuals are set out in note XIV.3 to the financial statements.

Save as disclosed in the section headed "Directors', Supervisors' and Senior Management's Profiles" in this annual report, during the year ended 31 December 2017, there were no changes in the information which are required to be disclosed by the Directors and the Supervisors pursuant to paragraph (a) to (e) and (g) of Rule 13.51(2) of the Hong Kong Listing Rules.

於截至二零一七年十二月三十一日止年度，本公司概無訂立或訂有與本公司全部或任何主要部分業務的管理及行政有關的合約。

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

本公司並無採納任何股份獎勵計劃或購股權計劃。於二零一五年十月十九日，本公司批准採納員工持股計劃，根據該計劃，目標參與者可認購計劃單位，而該計劃的目標參與者為在本公司整體表現及中長期發展中擔任關鍵職務的核心員工，包括本集團董事、監事、高級管理人員、中層管理人員及主要僱員(不包括獨立非執行董事及外部監事)。根據該計劃，合共30,783,000股內資股及1,205,000股H股已於二零一五年發行，佔本公司於本年報日期已發行股份總數4.69%。發行予參與該計劃的董事的H股及內資股數目以及根據該計劃成立的有限合夥企業於二零一五年年報內披露。概不會根據該計劃進一步發行股份。

董事及監事(包括前任董事、前任監事及行政總裁)及五名最高薪酬人士的薪酬詳情載於財務報表之附註十四、3。

除在本年報「董事、監事及高級管理人員簡歷」一節中披露外，截至二零一七年十二月三十一日止年度，概無任何資料變動須由董事及監事根據香港上市規則第13.51(2)條(a)至(e)及(g)段作出披露。

Report of the Board of Directors

董事會報告

As at 31 December 2017, the interests and short positions of the Directors, Supervisors or the chief executive in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code (for this purpose, the relevant provisions of the SFO will be interpreted as if they applied to the Supervisors and the chief executive) were as follows:

於二零一七年十二月三十一日，董事、監事及最高行政人員於本公司及其任何相聯法團（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條的規定須存置之登記冊的權益及淡倉；或須根據標準守則另外通知本公司及香港聯交所的權益及淡倉（就此而言，證券及期貨條例有關條文之詮釋將視為適用於監事及最高行政人員）如下：

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

Report of the Board of Directors

董事會報告

Name of Shareholder 股東名稱	Capacity 身份	Class of Share 股份類別	Number of Shares interested 擁有權益之 股份數目	Approximate percentage of interest in the Company 佔本公司權益 之概約百分比	Approximate percentage of the relevant class of Shares of the Company 佔本公司相關 類別股份之 概約百分比	Nature of interest of interest 權益性質
Supervisor						
監事						
Mr. Wang Ruichun 王瑞春先生	Beneficial owner 實益擁有人	Domestic Share 內資股	617,000 ⁽¹⁾	0.09%	0.19%	Long position 好倉

Notes:

- (1) Denotes the number of underlying domestic shares represented by the units in Wuhan Ruitu Management Consulting Partnership Enterprise (Limited Partnership) or Wuhan Ruiteng Management Consulting Partnership Enterprise (Limited Partnership) (as the case may be) held by the relevant Directors and Supervisor. Wuhan Ruitu Management Consulting Partnership Enterprise (Limited Partnership) and Wuhan Ruiteng Management Consulting Partnership Enterprise (Limited Partnership) were established under the PRC laws on 4 December 2015 and 7 December 2015, respectively, for the purpose of holding domestic shares for the Directors, Supervisors and senior management members of the Company under the Employee Stock Ownership Scheme.
- (2) As at 31 December 2017, 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) 指相關董事及監事所持的武漢睿圖管理諮詢合夥企業(有限合夥)或武漢睿騰管理諮詢合夥企業(有限合夥)(視情況而定)的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)及武漢睿騰管理諮詢合夥企業(有限合夥)分別於二零一五年十二月四日及二零一五年十二月七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、監事及高級管理人員持有內資股。
- (2) 於二零一七年十二月三十一日，本公司已發行股份總數為682,114,598股，其中351,566,794股為H股及330,547,804股為內資股。

Report of the Board of Directors

董事會報告

Save as disclosed above, as at 31 December 2017, 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.

As at 31 December 2017, 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:

除上文所披露者外，於二零一七年十二月三十一日，概無董事、監事或本公司最高行政人員於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)之股份、相關股份或債券證中擁有任何記錄於本公司根據證券及期貨條例第352條的規定須存置之登記冊的權益及淡倉；或須根據標準守則另外通知本公司及香港聯交所的權益及淡倉。

於二零一七年十二月三十一日，下列人士(本公司董事、監事或最高行政人員除外)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條須予存置之登記冊所記錄的權益及淡倉：

Name of Shareholder 股東名稱	Capacity 身份	Class of Share 股份類別	Number of Shares interested 擁有權益之 股份數目	Approximate percentage of interest in the Company 佔本公司權益 之概約百分比	Approximate percentage of the relevant classes of Shares of the Company 佔本公司相關 類別股份之 概約百分比	Nature of interest 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	26.37%	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	26.37%	54.40%	Long position 好倉
Yangtze Communications 長江通信	Beneficial owner 實益擁有人	Domestic Share 內資股	119,937,010	17.58%	36.28%	Long position 好倉
Draka	Beneficial owner 實益擁有人	H Share H股	179,827,794	26.37%	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	26.37%	51.15%	Long position 好倉

Report of the Board of Directors

董事會報告

Name of Shareholder 股東名稱	Capacity 身份	Class of Share 股份類別	Number of Shares interested 擁有權益之 股份數目	Approximate percentage of interest in the Company 佔本公司權益 之概約百分比	Approximate percentage of the relevant class of Shares of the Company 佔本公司相關 類別股份之 概約百分比	Nature of interest of interest 權益性質
Prysmian S.p.A. ⁽³⁾	Interest of a controlled corporation 受控法團權益	H Share H股	179,827,794	26.37%	51.15%	Long position 好倉
Prysmian Cavi e Sistemi S.r.L. ⁽³⁾	Interest of a controlled corporation 受控法團權益	H Share H股	179,827,794	26.37%	51.15%	Long position 好倉

Notes:

- (1) China Huaxin is wholly-owned by China Reform Holdings Corporation Ltd. China Reform Holdings Corporation Ltd is therefore deemed to be interested in 179,827,794 Domestic Shares held by China Huaxin.
- (2) Draka is a wholly-owned subsidiary of Draka Holding B.V.. Draka Holding B.V. is therefore deemed to be interested in 179,827,794 H Shares held by Draka.
- (3) Draka Holding B.V. is held as to 52.165% by Prysmian S.p.A. and 47.835% by Prysmian Cavi e Sistemi S.r.L., a wholly-owned subsidiary of Prysmian S.p.A.. As set out in note (2) above, each of Prysmian S.p.A. and Prysmian Cavi e Sistemi S.r.L. is therefore deemed to be interested in 179,827,794 H Shares held by Draka.
- (4) As at 31 December 2017, 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) 於二零一七年十二月三十一日，本公司已發行股份總數為 682,114,598 股，其中 351,566,794 股為 H 股及 330,547,804 股為內資股。

Report of the Board of Directors

董事會報告

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

The Company and its subsidiaries had not purchase, sell or redeem any of the listed securities of the Company during the year ended 31 December 2017.

PRE-EMPTIVE RIGHTS

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

SUFFICIENCY OF PUBLIC FLOAT

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

INDEMNITY OF DIRECTORS

A permitted indemnity provision (as defined under section 469 of the Hong Kong Companies Ordinance) for the benefit of Directors, Supervisors and officers of the Company was in force in 2017 and is still in force up to the date of this report.

購回、出售或贖回本公司之上市證券

本公司及其附屬公司於截至二零一七年十二月三十一日止年度概無購回、出售或贖回本公司任何上市證券。

優先購買權

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

公眾持股量

於刊發本年報前的最後實際可行日期，根據本公司公開可得之資料及據董事所知，本公司之公眾持股量維持於香港上市規則最低要求 25% 的水平。

董事彌償

以董事、監事及本公司高級員工為受益人的一項經許可彌償條款(定義見香港公司條例第 469 條)於二零一七年生效，且截至本報告日期仍然生效。

Report of the Board of Directors

董事會報告

DIRECTORS' INTEREST IN COMPETING BUSINESS

During the year ended 31 December 2017, none of the Directors or their respective close associates had engaged in or had any interest in any business which competes or may compete, either directly or indirectly, with the businesses of the Group except for Mr. Philippe Claude Vanhille and Mr. Pier Francesco Facchini. Mr. Philippe Claude Vanhille has been serving as the senior vice-president of telecom business of the Prysmian group and primarily responsible for its global telecom business. Mr. Pier Francesco Facchini has been serving as the chief financial officer, the IT director and an executive director of Prysmian S.p.A., and he has been a member of the board of directors of Prysmian S.p.A. since February 2007. Mr. Vanhille and Mr. Facchini hold several positions in certain subsidiaries of Prysmian S.p.A. (together with its close associates, the "Prysmian Group") as more particularly described below. The Prysmian Group produces a complete range of optical fibres, optical and copper cables and accessories for connectivity systems. The Prysmian Group has similar business serving the telecom sector as the Company and therefore competes with the Company. In relation to the competing interest of Mr. Vanhille and Mr. Facchini, although they are involved in the high level decision making of the Company's important strategic and policy matters, they are not involved in the daily management and business operation of the Company. Further, the Board operates in accordance with the Company's Articles of Association which require Mr. Vanhille and Mr. Facchini not to be entitled to vote on (nor be counted in the quorum in relation to) any resolution of the Board in respect of any contract, transaction or arrangement in which Mr. Vanhille, Mr. Facchini or any of their close associates is materially interested. During the year, given their positions in the Prysmian Group, Mr. Vanhille and Mr. Facchini were required to abstain from voting on the board resolutions in relation to the renewal of the continuing connected transactions with the Prysmian Group and YOFC Shanghai, further details of which are set out in the section below headed "Connected Transactions".

董事於競爭業務的權益

截至二零一七年十二月三十一日止年度，董事或彼等各自的緊密聯繫人概無從事任何與本集團業務競爭或可能競爭(不論直接或間接)的業務或於有關業務中擁有任何權益，惟菲利普·范希爾先生及皮埃爾·法奇尼先生除外。菲利普·范希爾先生擔任普睿司曼集團電訊業務高級副總裁，主要負責其全球電訊業務。皮埃爾·法奇尼先生為Prysmian S.p.A.的財務總監、信息科技董事及執行董事，彼於二零零七年二月起為Prysmian S.p.A.董事會成員。范希爾先生及法奇尼先生於Prysmian S.p.A.(連同其緊密聯繫人統稱「普睿司曼集團」)旗下若干附屬公司擔任／曾擔任多個職位(更多詳情載於下文)。普睿司曼集團生產各類光纖、光纜及銅線電纜以及連接系統配件。普睿司曼集團與本公司有類似的電信業務，因此與本公司構成競爭。就范希爾先生及法奇尼先生的競爭權益而言，雖然彼參與本公司重大策略及政策事宜的高層決策，惟彼並非參與本公司的日常管理及業務營運。此外，董事會根據本公司章程行事，其中規定范希爾先生及法奇尼先生不得就其自身或其任何緊密聯繫人有重大權益的任何合約、交易或安排有關的任何董事會決議案投票(亦不計入相關法定人數)。年內，由於他們於普睿司曼集團的職位，范希爾先生及法奇尼先生須就有關重續與普睿司曼集團和長飛上海的持續關連交易上限的董事會決議案放棄投票，更多詳情載於下文「關連交易」一節。

Report of the Board of Directors

董事會報告

Name of company 公司名稱	Nature of interests 權益性質
	Mr. Philippe Claude Vanhille 菲利普 • 范希爾先生
Draka	Executive Director 執行董事
Draka Comteq Fibre B.V.	Non-executive Director 非執行董事
Draka Comteq France S.A.S.	Member of Comité de Contrôle Comité de Contrôle 成員
Fibre Ottiche Sud S.r.l.	Chairman of the Board of Directors 董事會主席
Prysmian Cables and Systems USA LLC	Non-executive Director 非執行董事
Precision Fibre Optics Ltd.	Non-executive Director 非執行董事
	Mr. Pier Francesco Facchini 皮埃爾 • 法奇尼先生
Prysmian S.p.A.	Chief Financial Officer, IT Director and Executive Director 財務總監、信息科技董事及執行董事
Draka Comteq France S.A.S.	President of Comité de Contrôle Comité de Contrôle 總裁
Prysmian Cables et Systemes France S.A.S.	President of Comité de Contrôle Comité de Contrôle 總裁
P.T. Prysmian Cables Indonesia	Chairman of the Board of Commissioners 專員理事會主席
Prysmian Cables Spain S.A.	Member of the Board of Directors 董事會成員
Prysmian Cavi e Sistemi S.r.l.	Member of the Board of Directors 董事會成員
Prysmian (China) Investment Company Ltd.	Member of the Board of Directors 董事會成員
Prysmian MKM Magyar Kabel Muvek KFT	Chairman of the Supervisory Board 監事會主席
Prysmian Treasury S.r.l.	Chairman of the Board of Directors 董事會主席

Report of the Board of Directors

董事會報告

The independent non-executive Directors have reviewed the list of directorships provided by Mr. Vanhille and Mr. Facchini. The Company has put in place corporate governance measures to manage the conflict of interests arising from the competing interests of Mr. Vanhille and Mr. Facchini and to safeguard the interests of the Company, details of which are set out in the Corporate Governance Report on pages 89 to 120 of this annual report.

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

獨立非執行董事已審閱范希爾先生提供的董事職位列表。本公司已採納若干企業管治措施，以處理范希爾先生及法奇尼先生的競爭權益所產生的利益衝突，以及保護本公司利益，有關詳情載於本年報第89至120頁之企業管治報告。

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

Report of the Board of Directors

董事會報告

The continuing connected transactions of the Company are also related party transactions, which are disclosed in note 10 to the audited consolidated financial statements in accordance with International Accounting Standards 24 “Related Party Disclosure.”

Summarised below are the nature of transactions, the annual caps and the transaction amount of the continuing connected transactions for 2017:

Optical fibre technology cooperation agreement (the “TCA”)

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

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

As the TCA will not expire until July 22, 2024 and the Company will continue carrying out the transactions contemplated thereunder in the ordinary and usual course of business of the Group, the Board has approved to renew the annual caps for the three years ending December 31, 2017, 2018 and 2019. Details of such new annual caps are set out in the Company’s announcement dated 11 November 2016.

本公司的持續關連交易亦為關聯方交易，其已根據國際會計準則第24號「關聯方披露」於經審核合併財務報表之附註十披露。

下文概述二零一七年持續關連交易之交易性質、年度上限及交易金額：

光纖技術合作協議(「光纖技術合作協議」)

Draka為本公司主要股東，因而為本公司於香港上市規則下的關連人士。

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

由於光纖技術合作協議將不會於二零二四年七月二十二日前屆滿，而本公司將繼續在本集團的一般日常業務中進行其項下擬進行之交易，董事會已批准重續截至二零一七年、二零一八年及二零一九年十二月三十一日止三個年度之年度上限。該等新年度上限之詳情載於本公司日期為二零一六年十一月十一日的公告內。

Report of the Board of Directors

董事會報告

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

During the year, the annual cap for the royalty fee paid or payable to Draka for 2017 was RMB41,000,000 and the actual transaction amount with Draka for 2017 was RMB40,618,459 and the annual cap has been kept.

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

Sales and purchases of optical fibres, optical fibre cables, raw materials, equipment and components to and from Prysmian and its associates (the "Prysmian Group") and YOFC Shanghai

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

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

年內，向Draka支付或應付專利費的年度上限為人民幣41,000,000元，而於二零一七年與Draka之實際交易金額為人民幣40,618,459元，及年度上限保持不變。

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

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

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

Report of the Board of Directors

董事會報告

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

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

The Company entered into two framework agreements with Prysmian S.p.A. and two framework agreements with YOFC Shanghai, respectively, on 11 November 2016 to regulate each sales and purchases transaction with the Prysmian Group and YOFC Shanghai. Pursuant to the terms of these framework agreements, the pricing of each sales transaction shall be consistent with the following guidelines:

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

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

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

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

本公司於二零一六年十一月十一日分別與Prysmian S.p.A.及長飛上海訂立兩份框架協議，以規管與普睿司曼集團及長飛上海的銷售。根據該等框架協議，各項銷售的定價條款須與以下指引相符：

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

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

Report of the Board of Directors

董事會報告

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

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

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

Each of the above mentioned framework agreements entered into between the Company and Prysmian S.p.A. or YOFC Shanghai became effective on 1 January 2017 and is valid either (i) until the expiry of a period of three years or (ii) the date on which Draka ceased to be a connected person of the Company, whichever comes earlier. The parties to these framework agreements may negotiate to extend the agreement for a further term of three years within two months before the expiry of the three-year term of the agreement unless the agreement is terminated earlier due to Draka ceasing to be our connected person.

The continuing connected transactions as contemplated under these framework agreements as well as the annual caps relating thereto were approved by independent shareholders at an extraordinary general meeting of the Company held on 24 January 2017. Details of the framework agreements and the annual caps relating thereto are set out in the Company's announcement dated 11 November 2016 and the Company's circular dated 9 December 2016.

各項採購的定價條款須與以下指引相符：

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

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

上述由本公司與Prysmian S.p.A.或長飛上海訂立的各框架協議將於二零一七年一月一日生效並於以下日期前有效(以較早者為準)：(i)三年期限屆滿或(ii)Draka不再屬本公司的關連人士當日。該等框架協議的訂約方可於有關協議三年期限屆滿前兩個月內磋商再續期三年，惟有關協議因Draka不再屬於我們的關連人士而提早終止則除外。

此等框架協議項下擬進行之持續關連交易以及相關年度上限已於本公司在二零一七年一月二十四日舉行的股東特別大會上獲獨立股東批准。框架協議及相關年度上限之詳情載於本公司日期為二零一六年十一月十一日的公告及本公司日期為二零一六年十二月九日的通函內。

Report of the Board of Directors

董事會報告

The annual caps of the continuing connected transactions with respect to sales transactions with each of Prysmian Group and YOFC Shanghai for 2017 as approved by the independent shareholders of the Company were RMB229,000,000 and RMB408,000,000, respectively, and the actual transaction amount for 2017 with Prysmian Group and YOFC Shanghai was RMB91,528,540 and RMB380,600,338, respectively.

The annual caps of the continuing connected transactions with respect to purchases transactions with each of Prysmian Group and YOFC Shanghai for 2017 were RMB270,000,000 and RMB830,000,000, respectively, and the actual transaction amount for 2017 with Prysmian Group and YOFC Shanghai was RMB62,069,455 and RMB356,819,999, respectively.

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

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

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

- a. nothing has come to the auditor's attention that causes the auditor to believe that the disclosed continuing connected transactions have not been approved by the Board;

與普睿司曼集團及長飛上海於二零一七年有關銷售的持續關連交易年度上限分別為人民幣229,000,000元及人民幣408,000,000元，而於二零一七年與普睿司曼集團及長飛上海的實際交易金額分別為人民幣91,528,540元及人民幣380,600,338元。

與普睿司曼集團及長飛上海於二零一七年有關採購的持續關連交易年度上限分別為人民幣270,000,000元及人民幣830,000,000元，而於二零一七年與普睿司曼集團及長飛上海的實際交易金額分別為人民幣62,069,455元及人民幣356,819,999元。

獨立非執行董事已審閱上述各項持續關連交易，並確認該等交易：

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

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

- a. 核數師並無注意到任何事項令彼等相信上文所披露的持續關連交易未獲董事會批准；

Report of the Board of Directors

董事會報告

- b. for transactions involving the provision of goods or services by the Group, nothing has come to the auditors' attention that causes the auditor to believe that the disclosed continuing connected transactions were not, in all material respects, in accordance with the pricing policies of the Group;
- c. nothing has come to the auditor's attention that causes the auditor to believe that the disclosed continuing connected transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and
- d. with respect to the aggregate amount of each of continuing connected transactions set out above, nothing has come to the auditor's attention that causes the auditor to believe that the disclosed continuing connected transactions have exceeded the 2017 annual caps as disclosed above.
- b. 就本集團提供貨品或服務所涉及的交易而言，核數師並無注意到任何事項令彼等相信上文所披露的持續關連交易在所有重大方面未有按照本集團的定價政策進行；
- c. 核數師並無注意到任何事項令彼等相信上文所披露的持續關連交易在所有重大方面未有按照規管該等交易的相關協議所進行；及
- d. 就各項非豁免持續關連交易之總金額而言，核數師並無注意到任何事項令彼等相信持續關連交易之金額超出上文披露的二零一七年年度的上限。

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

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

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

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

The audit committee of the Company has reviewed the accounting principles and policies adopted by the Group and discussed the Group's risk management, internal controls and financial reporting matters with the management. The audit committee has reviewed the audited consolidated financial statements of the Group for the year ended 31 December 2017.

本公司審計委員會已審閱本集團所採納的會計原則及政策，並與管理層討論本集團風險管理、內部監控及財務申報事宜。審核委員會已審閱本集團截至二零一七年十二月三十一日止年度的經審核合併財務報表。

The material post balance sheet events are disclosed in note 13 to the financial statements.

重大資產負債表期後事項披露於財務報表之附註十三。

Report of the Board of Directors

董事會報告

The Company has appointed KPMG and KPMG Huazhen LLP as the international and the domestic auditors respectively of the Company for the year ended 31 December 2017.

As the financial statements to be disclosed by the Company under the Listing Rules shall be prepared under the China Accounting Standards for Business Enterprises, the Board has proposed to cease the re-appointment of KPMG as the international auditors of the Company. Resolutions regarding the cessation of re-appointment of KPMG as the international auditors and the appointment of KPMG Huazhen LLP as the only auditors of the Company will be proposed at the aforesaid annual general meeting.

ALIGNMENT IN THE DISCLOSURE OF FINANCIAL STATEMENTS IN ACCORDANCE WITH THE CASBE AND FINANCIAL INFORMATION PREPARED UNDER IFRS AND FINANCIAL STATEMENTS UNDER CASBE

Since the passing of the resolution at the meeting of the Board held on 17 January 2018, the Company has disclosed its financial statements in accordance with the CASBE and related regulations. Accordingly, the annual report of the Company for the year 2016 contains the financial statements prepared under the IFRS whereas this report contains the financial statements prepared under the CASBE.

There are no differences between the net profit and net assets in the consolidated financial statements of the financial report for the year 2016 which have each been prepared in accordance with CASBE and IFRS by the Company.

本公司已委聘畢馬威會計師事務所及畢馬威華振會計師事務所為本公司截至二零一七年十二月三十一日止年度的國際及本地核數師。

鑑於本公司日後根據上市規則披露的財務報表是根據中國企業會計準則編製的，董事會建議終止重新委任畢馬威會計師事務所為本公司的國際核數師，而有關終止續任畢馬威會計師事務所為本公司的國際核數師以及重新委任畢馬威華振會計師事務所為本公司的唯一核數師的決議案將提呈予應屆股東週年大會。

統一按照中國企業會計準則披露財務報表以及中國企業會計準則及國際財務報告準則準備的財務信息

在二零一八年一月十七日舉行的董事會批准之日起，本公司根據中國企業會計準則及相關規定披露其財務報表。故此，本公司二零一六年的年度報告載有按國際財務報告準則所編製的財務報表，而本報告載有按中國企業會計準則所編製的財務報表。

本公司按中國企業會計準則及國際財務報告準則各自編製的二零一六年度財務報告中合併財務報表所列示的淨利潤和淨資產並無任何差異。

Report of the Board of Directors

董事會報告

In respect of the proposed A share offering, the Company has to prepare a prospectus which contains the financial statements of the Group for the years ended 31 December 2015, 2016 and 2017 prepared under the CASBE. In the course of preparing such A share prospectus, the Company made corrections in relation to the prior period accounting errors and made adjustments to the prior years' consolidated financial statements of the Company in accordance with the Enterprise Accounting Principles No. 28 — Accounting Policy, Change in Accounting Estimates and Corrections of Errors and other relevant laws and regulations. For further details, please refer to notes III.10 and XIV.I to the financial statements and the announcement of the Company dated 27 March 2018.

By order of the Board

Ma Jie

Chairman

Wuhan, China

23 March 2018

就建議A股發行，本公司需要準備招股說明書，該招股書說明書擬載有本集團截至二零一五年、二零一六年及二零一七年十二月三十一日止年度根據中國企業會計準則準備的財務報表。本公司在準備A股招股說明書的過程中，根據《企業會計準則第28號－會計政策、會計估計變更及差錯更正》等相關法律法規，對前期會計差錯進行更正，並對本公司相關年度的合併財務報表進行調整，詳情請見財務報表附註三、10、附註十四、I以及本公司日期為二零一八年三月二十七日的公告。

承董事會命

馬杰

主席

中國武漢

二零一八年三月二十三日

Corporate Governance Report

企業管治報告

CORPORATE GOVERNANCE

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

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

The Company has adopted all the code provisions in the CG Code which are applicable to the Company and the manner in which the principles and code provisions in the CG Code were applied and implemented during the year ended 31 December 2017 and up to the date of this annual report is explained in this Corporate Governance Report. The Company has complied with all the code provisions under the CG Code during the year.

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

企業管治

董事會欣然呈列本公司之企業管治報告。

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

本公司已採納企業管治守則內所有適用於本公司的守則條文，而本公司於截至二零一七年十二月三十一日止年度並直至本年報日期對企業管治守則之原則及守則條文之應用及執行方式於本企業管治報告闡述。本公司於年內已遵守企業管治守則之所有守則條文。

董事會將繼續檢討並提升本公司的企業管治系統，以確保符合企業管治守則。

Corporate Governance Report

企業管治報告

BOARD

DUTIES AND DIVISION OF RESPONSIBILITY

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

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

Mr. Ma jie is the Chairman of the Board while Mr. Zhuang Dan is president of the Company. The Chairman of the Board and the president of the Company have clear division of duties. The Chairman of the Board oversees the works of the Board and monitors the implementation of the resolutions approved by the Board while the president is primarily responsible for strategic development and planning, and day- to-day management of the Company. There is no financial, business, family or other relationship between the Directors, the Supervisors, the Chairman of the Board, the president of the Company and the senior management of the Company.

董事會

職責分工

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

董事會負責就本公司重要戰略性事宜作出決策。本公司高級管理層則獲許可管理本公司的日常營運。

馬杰先生為本公司董事會主席，而本公司總裁為莊丹先生。董事會主席及本公司總裁之間有明確職責分工。董事會主席監管董事會的工作及檢查董事會所批准之決議的執行情況，而本公司總裁主要負責戰略性發展、規劃及本公司日常管理。各董事、監事、董事會主席、本公司總裁和本公司高級管理人員之間均不存在任何財務、業務、家屬或其他關係。

COMPOSITION OF THE BOARD

During the year, the Board comprises 12 Directors, including two executive Directors namely, Mr. Zhuang Dan and Mr. Frank Franciscus Dorjee, six non-executive Directors namely, Mr. Ma Jie(chairman), Mr. Yao Jingming, Mr. Philippe Claude Vanhille(vice-chairman), Mr. Pier Francesco Facchini, Mr. Xiong Xiangfeng and Ms. Zheng Huili, and four independent non-executive Directors namely, Dr. Ngai Wai Fung, Dr. Ip Sik On Simon, Mr. Li Ping and Dr. Li Zhuo.

Particulars of the current Directors are set out in the section “Directors’, Supervisors’ and Senior Management’s Profiles” in this annual report.

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

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

董事會組成

於年內，董事會由12名董事組成，包括兩名執行董事莊丹先生及范•德意先生，六名非執行董事馬杰先生(主席)、姚井明先生、菲利普•范希爾先生(副主席)、皮埃爾•法奇尼先生，熊向峰先生及鄭慧麗女士，及四名獨立非執行董事魏偉峰博士、葉錫安博士、李平先生及李卓博士。

各現任董事之履歷載於本年報「董事、監事及高級管理人員簡歷」一節。

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

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

Corporate Governance Report

企業管治報告

POSITION IN OTHER COMPANY HELD BY DIRECTORS

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

TIME COMMITMENT OF DIRECTORS

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

TRAINING AND PROFESSIONAL DEVELOPMENT OF DIRECTORS

During the year, all the incumbent Directors had already participated in a formal and comprehensive training program with respect to the latest developments on the Hong Kong Listing Rules and other applicable laws and regulations so as to refresh all Directors’ knowledge and skills towards legal and regulatory requirements and to ensure compliance and enhance their awareness of good corporate governance practices. Training will also be provided to the Directors when necessary to ensure that they understand the business and operation of the Group, and their duties and obligations under the Hong Kong Listing Rules and the applicable laws and regulations. Every newly appointed Director will also receive formal, comprehensive and tailored induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of director’s responsibilities and obligations under the Hong Kong Listing Rules and relevant statutory requirements. Such induction shall be supplemented by visits to the Company’s key plant sites and meetings with senior management of the Company.

INSURANCE FOR DIRECTORS

The Company pays much attention to the prevention of risks in relation to the liabilities of the Directors. The Board has resolved to maintain liability insurance for all the Directors, which has been in place since 10 December 2014. Directors’ liability insurance policy has been renewed for another year from 24 November 2017.

董事擔任其他公司之職務

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

董事投入時間

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

董事培訓及專業發展

於年內，全體任期內董事均參與一項正式及全面的培訓，內容主要關於香港上市規則及其他適用法律及法規的最新發展，讓全體董事更新有關法律及法規規定的知識及技能，並確保合規及加強彼等對良好企業管治常規的意識。本公司也會於有需要時會為董事安排培訓，以確保董事理解本集團業務及營運情況及香港上市規則及適用法律及規例要求下董事之職責與義務。每名新任董事均於首次獲委任時獲提供正式、全面及針對性入職指導，確保新董事可適當掌握本公司業務及營運，並完全了解於香港上市規則及相關法規下之董事職責及責任。有關指導應以考察本公司的主要廠房及與本公司的高級管理人員會面作為補充。

董事投保

本公司非常重視董事責任風險防範。董事會已決議為全體董事購買責任保險，並自二零一四年十二月十日起實施。董事的責任保險已於二零一七年十一月二十四日再次重續一年。

MEETINGS OF THE BOARD

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

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

During the year, the Board had held eleven meetings to discuss the overall strategic related matters including new investments and possible acquisitions as well as the operational and financial performance of the Group. All these matters were not subject to any disclosure, shareholders' approval or other compliance requirements under the Hong Kong Listing Rules or shareholders' approval requirements under the Articles of Association of the Company except for (1) the proposal for A share offering, (2) proposal on the 2017 annual transaction amounts for the related party transactions with Kaile Technology and its subsidiaries during the ordinary and usual course of business, which had been further approved at the extraordinary general meeting held on 22 May, 23 May and 27 October of 2017

董事會會議

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

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

於年內，董事會舉行11次會議，討論整體戰略相關事宜，包括本集團的新投資及可能收購事項及經營及財務表現。所有該等事項並不受限於香港上市規則項下的任何公告、股東批准或其他合規規定或本公司章程項下的股東批准規定，惟建議發行A股、關於2017年度與凱樂科技及其附屬公司日常關聯交易額度除外，上述事項均已於二零一七年五月二十二日、五月二十三日及十月二十七日舉行的臨時股東大會上獲進一步批准。

Corporate Governance Report

企業管治報告

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

下表列載董事會各成員於年內出席會議的詳情。

Director	董事	Number of board meetings requiring attendance 要求出席董事會會議次數	Number of board meetings attended in person (Note) 親身出席董事會會議次數(附註)	Number of board meetings attended by proxy 委任代表出席董事會會議次數	Number of general meetings attended* 出席股東大會會議次數*
Executive Directors		執行董事			
Mr. Zhuang Dan [#]	莊丹先生 [#]	10	10	0	5
Mr. Frank Franciscus Dorjee	范•德意先生	11	11	0	5
Mr. Wen Huiguo [#]	文會國先生 [#]	1	1	0	0
Non-executive Directors		非執行董事			
Mr. Ma Jie	馬杰先生	11	11	0	5
Mr. Yao Jingming	姚井明先生	11	9	2	5
Mr. Philippe Claude Vanhille	菲利普•范希爾先生	11	10	1	5
Mr. Pier Francesco Facchini [#]	皮埃爾•法奇尼先生 [#]	10	9	1	5
Mr. Xiong Xiangfeng	熊向峰先生	11	11	0	5
Ms. Zheng Huili	鄭慧麗女士	11	11	0	5
Mr. Yeung Kwok Ki Anthony [#]	楊國琦先生 [#]	1	1	0	0
Independent Non-executive Directors		獨立非執行董事			
Dr. Ngai Wai Fung	魏偉峰博士	11	11	0	5
Dr. Ip Sik On Simon	葉錫安博士	11	10	1	5
Mr. Li Ping	李平先生	11	10	1	5
Dr. Li Zhuo	李卓博士	11	11	0	5

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

附註：出席包括在場及通過電子方式(如電話會議)出席。

[#] Mr. Zhuang Dan and Mr. Pier Francesco Facchini have been elected and appointed as an executive Director and a non-executive Director as new members of the second session of the Board. Mr. Wen Huiguo and Mr. Yeung Kwok Ki Anthony had retired with effect on 24 January 2017.

[#] 文會國先生及楊國琦先生自二零一七年一月二十四日起不再擔任本公司執行董事及非執行董事。莊丹先生和皮埃爾•法奇尼先生分別獲推選及委任為執行董事和非執行董事，作為第二屆董事會的新成員。

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

* 年內，本公司舉行了五次股東大會。

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

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

BOARD COMMITTEES

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

AUDIT COMMITTEE

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

The Company has updated the terms of reference of the Audit Committee, and which became effective on 24 March 2017. Details of the terms of reference of the Audit Committee are posted on the websites of the Company and the Hong Kong Stock Exchange for reference.

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

董事委員會

董事會轄下設有審計委員會、提名及薪酬委員會及戰略委員會3個委員會。

審計委員會

審計委員會的主要職責包括：(1)就委聘、續聘及罷免外聘核數師向董事會提供建議；(2)按適用的標準檢查及監察外聘審計師是否獨立、客觀、專業、勤勉盡責及審計程序是否有效；(3)就委聘外聘核數師提供非審計服務制訂及實施政策及評估由外聘審計師提供非審計服務對其獨立性的影響；(4)監察本公司財務報表(包括年報、中期報告及季度報告(倘編製以供刊發))並審閱報表及報告所載有關財務申報的重大意見之一致性、準確性及公平性；(5)審閱本公司之財務監控、內部監控及風險管理制度及公司年度內部審計工作計劃及內部審計工作報告；(6)審閱本集團財務及會計政策及常規；及(7)審閱本公司僱員能夠以保密方式提出有關財務報告、內部監控及其他事宜之可能不當行為之安排。

本公司已於二零一七年三月二十四日更新審計委員會的工作細則，具體內容可於本公司及香港聯交所網站上查閱。

審計委員會由三名獨立非執行董事組成，包括魏偉峰博士、葉錫安博士及李卓博士。魏偉峰博士擔任審計委員會主席。

Corporate Governance Report

企業管治報告

Six audit committee meetings were held during the year with respect to the discussions and approval of (a) 2016 annual results announcement for the year ended 31 December 2016, (b) two quarterly voluntary disclosures of inside information on selected unaudited financial information for the three months ended 31 March 2017 and for the nine months ended 30 September 2017, and (c) 2017 interim results announcement for the six months ended 30 June 2017. (d) 2017 interim internal control assessment report of 30 June 2017. The Audit Committee also assessed the risk management system of the Company.

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

Director	董事	Number of meetings requiring attendance	Number of meetings attended in person	Number of meetings attended by proxy
		要求出席會議次數	親身出席會議次數	委任代表出席會議次數
Dr. Ngai Wai Fung (Chairman)	魏偉峰博士(主席)	6	6	0
Dr. Ip Shek On Simon	葉錫安博士	6	6	0
Dr. Li Zhuo	李卓博士	6	6	0

The Audit Committee has reviewed and discussed the annual results of the Group for the year ended 31 December 2017. The audit committee has also reviewed with the management and the Company's auditors, KPMG, the accounting principles and practices adopted by the Group and discussed risk management and internal control and the audit of the consolidated financial statements for the year ended 31 December 2017 as set out in this annual report. The Audit Committee is of the view that the audited consolidated financial statements are prepared in accordance with the applicable accounting standards and requirements and all the relevant and required disclosures are adequate.

年內舉行六次審計委員會會議，以討論及批准(a)截至二零一六年十二月三十一日止的二零一六年度財務報告；(b)截至二零一七年三月三十一日止三個月及截至二零一七年九月三十日止九個月的主要未經審核財務資料發佈兩份季度自願內幕消息披露；(c)截至二零一七年六月三十日止六個月的二零一七年中業績公告；(d)截至二零一七年六月三十日內部控制自評價報告。審計委員會亦對本公司風險管理系統作出評估。

下表列載審計委員會各成員於年內出席會議的詳情。

審計委員會已審閱及討論本集團截至二零一七年十二月三十一日止年度之全年業績。審計委員會亦已聯同管理層及本公司核數師畢馬威會計師事務所一起審閱本集團所採納的會計原則及常規，並討論風險管理及內部監控事宜，並審核本年報所載截至二零一七年十二月三十一日止年度之合併財務報表。審計委員會認為，該等經審核綜合財務報表的編製符合適用的會計準則及規定，並已充分作出一切相關及所需披露。

Nomination and Remuneration Committee

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

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

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

The Company has updated the terms of reference of the Nomination and Remuneration Committee, and which became effective on 24 March 2017. Details of the terms of reference of the Nomination and Remuneration Committee are posted on the websites of the Company and the Hong Kong Stock Exchange for reference.

During the year, the Nomination and Remuneration Committee consisted of two independent non-executive Directors namely, Mr. Li Ping and, Dr. Ip Sik On Simon and one executive Director, Mr. Frank Franciscus Dorjee. Mr LiPing an independent non-executive Director, acted as the chairman of the Nomination and Remuneration Committee.

提名及薪酬委員會

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

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

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

本公司已於二零一七年三月二十四日更新提名及薪酬委員會的工作細則，相關內容可於本公司及香港聯交所網站上查閱。

提名及薪酬委員會由兩名獨立非執行董事李平先生[#]及葉錫安博士，及一名執行董事范•德意先生組成。提名及薪酬委員會主席由獨立非執行董事李平先生[#]擔任。

Corporate Governance Report

企業管治報告

Two meetings of the Nomination and Remuneration Committee were held during the year to review the remuneration packages of employees of the Company and candidates for appointment to the second session of the Board.

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

於年內，提名及薪酬委員會已召開兩次會議以審閱本公司僱員之薪酬組合及本公司第二屆董事會候選人。

下表列載提名及薪酬委員會各成員於年內出席會議的詳情。

Director	董事	Number of meetings requiring attendance 要求出席會議次數	Number of meetings attended in person 親身出席會議次數	Number of meetings attended by proxy 委任代表出席會議次數
Mr. Li Ping (Chairman) [#]	李平博士(主席) [#]	2	2	0
Dr. Ip Sik On Simon	葉錫安博士	3	3	0
Mr. Frank Franciscus Dorjee	范•德意先生	3	3	0
Mr. Ngai Wai Fung	魏偉峰博士	1	1	0

[#] Mr. Li Ping, an independent non-executive director of the Company, was appointed as a member and the chairman of Nomination and Remuneration Committee to replace Dr. Ngai Wai Fung with effect from 24 January 2017.

[#] 自二零一七年一月二十四日起，本公司獨立非執行董事李平先生獲委任為提名及薪酬委員會成員兼主席，代替魏偉峰博士。

Corporate Governance Report

企業管治報告

In accordance with code provision B.1.5 of the CG Code, the remuneration of the Directors, Supervisors and senior management for the year ended 31 December 2017 can be classified into the following ranges:

根據企業管治守則之守則條文B.1.5，截至二零一七年十二月三十一日止年度董事、監事及高級管理人員之薪酬可分類為以下組別：

Band (Notes) 組別 (註)	Remuneration (RMB) 薪酬 (人民幣元)	Number of persons 人數
1	0–500,000	18
2	500,001–1,000,000	1
3	1,000,001–1,500,000	2
4	1,500,001–2,000,000	3
5	2,000,001–3,000,000	3
6	3,000,001–4,000,000	1
7	4,000,001–5,000,000	0
8	5,000,001–6,000,000	0
9	6,000,001–6,500,000	1

Notes:

Band 1 includes twelve Directors, two Supervisors, and four senior management members.

Band 2 includes one senior management member.

Band 3 includes two senior management members.

Band 4 includes one Director, one Supervisor and one senior management member.

Band 5 includes three senior management member.

Band 6 includes one senior management members.

Band 9 includes one Director.

Further details of the remuneration of the Directors, the Supervisors and the five highest-paid employees are disclosed in notes XIV.3 to the financial statements as required by the Appendix 16 to the Hong Kong Listing Rules.

註：

第1組別包括十二名董事及兩名監事及四名高級管理人員。

第2組別包括一名高級管理人員。

第3組別包括兩名高級管理人員。

第4組別包括一名董事、一名監事及一名高級管理人員。

第5組別包括三名高級管理人員。

第6組別包括一名高級管理人員。

第9組別包括一名董事。

根據香港上市規則附錄16須予披露有關董事、監事及五名最高薪酬僱員之進一步酬金詳情載於財務報表之附註十四、3。

Corporate Governance Report

企業管治報告

BOARD DIVERSITY

The Board has adopted a Board Diversity Policy to enhance its effectiveness. In designing the Board's composition, Board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge, length of services and time to be devoted as a director of the Company. The Company will also take into account factors relating to its own business model and specific needs from time to time. The Board strives to ensure that it has the appropriate balance of skills, experience and diversity of perspectives that are required to support the execution of its business strategies and in order for the Board to be effective. At the committee meeting held on 22 December 2016 and 6 January 2017, the Nomination and Remuneration Committee has reviewed the composition of the Board in accordance with the Hong Kong Listing Rules and concluded that the composition of the Board during the year as well as the second session of the Board as proposed by then is in accordance with the Board Diversity Policy in terms of age, educational background, industry experience, geographical location and duration of service. Members of the Board during the year are set out in the following table:

董事會多元化

董事會採納了董事會多元化政策，以提升其效率。釐定董事會成員構成時將從多個方面考慮董事會多元化，包括但不限於性別、年齡、文化及教育背景、專業經驗、技能、知識、服務年期及擔任本公司董事將貢獻之時間。本公司亦會考慮有關其自身業務模式及特別需求的不時因素。董事會致力確保在技能、經驗及不同觀點方面保持適當平衡，以滿足執行業務策略及讓董事會有效行事的需求。於二零一六年十二月二十二日及二零一七年一月六日舉行之委員會會議，提名及薪酬委員會已按香港上市規則要求對董事會成員構成進行檢討，並認為年內的董事會以及當時建議的第二屆董事會的成員在年齡、教育背景、行業經驗、地區、服務年期等方面，符合董事會多元化政策的要求。於年內董事會成員詳情載列於下表：

Name 姓名	Age 年齡	Education 教育	Industry experience 行業經驗	Geographical location 地區	Duration of service (joined since) 加入本集團的日期
Executive Directors 執行董事					
Zhuang Dan 莊丹	47	Doctorate 博士	Telecommunication, Finance and accounting 通訊、財務及會計	Wuhan, China 中國武漢	March 1998 一九九八年三月
Frank Franciscus Dorjee 范•德意	57	Master 碩士	Telecommunication, Finance and accounting 通訊、財務及會計	Netherlands 荷蘭	January 2011 二零一一年一月

Corporate Governance Report

企業管治報告

Name 姓名	Age 年齡	Education 教育	Industry experience 行業經驗	Geographical location 地區	Duration of service (joined since) 加入本集團的日期
Non-executive Directors					
非執行董事					
Ma Jie (Chairman) 馬杰(主席)	47	Doctorate 博士	Telecommunication 通訊	Beijing, China 中國北京	August 2011 二零一一年八月
Yao Jingming 姚井明	53	Master 碩士	Telecommunication 通訊	Beijing, China 中國北京	June 2015 二零一五年六月
Philippe Claude Vanhille (Vice-Chairman) 菲利普•范希爾(副主席)	53	Master 碩士	Telecommunication 通訊	Italy 意大利	May 2013 二零一三年五月
Pier Francesco Facchini 皮埃爾•法奇尼	50	Doctorate 博士	Finance and accounting 財務及會計	Italy 意大利	January 2017 二零一七年一月
Xiong Xiangfeng 熊向峰	53	Master 碩士	Telecommunication 通訊	Wuhan, China 中國武漢	August 2013 二零一三年八月
Zheng Huii 鄭慧麗	58	Master 碩士	Telecommunication 通訊	Wuhan, China 中國武漢	April 2006 二零零六年四月
Independent non-executive Directors					
獨立非執行董事					
Ngai Wai Fung 魏偉峰	56	Doctorate 博士	Finance and accounting 財務及會計	Hong Kong, China 中國香港	September 2014 二零一四年九月
Ip Sik On Simon 葉錫安	69	Doctorate 博士	Legal 法律	Hong Kong, China 中國香港	September 2014 二零一四年九月
Li Ping 李平	64	Master 碩士	Telecommunication 通訊	Beijing, China 中國北京	September 2014 二零一四年九月
Li Zhuo 李卓	48	Doctorate 博士	Education 教育	Wuhan, China 中國武漢	September 2014 二零一四年九月

Corporate Governance Report

企業管治報告

STRATEGY COMMITTEE

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

The Company has updated the terms of reference of the Strategy Committee, which became effective on 24 March 2017. The terms of reference of the Strategy Committee are posted on the websites of the Company and the Hong Kong Stock Exchange.

During the year, the Strategy Committee consisted of two independent non-executive Directors, namely Mr. Li Ping and Dr. Li Zhuo and one executive Director, Mr. Ma Jie, non-executive Director, replaced Mr. Wen Huiguo as member and chairman of the Strategy Committee, and Mr. Philippe Claude Vanhille, non-executive Director, was appointed as member of the Strategy Committee.

Four Strategy Committee meetings were held during the year with respect to discussions on the feasibilities of some new investments, capacity expansions and A share offering.

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

Director	董事	Number of meetings requiring attendance	Number of meetings attended in person	Number of meetings attended by proxy
		要求出席會議次數	親身出席會議次數	委任代表出席會議次數
Mr. Ma Jie (Chairman)	馬杰先生(主席)	2	2	0
Mr. Philippe Claude Vanhille	菲利普·范希爾先生	2	2	0
Mr. Li Ping	李平先生	4	4	0
Dr. Li Zhuo	李卓博士	4	4	0

戰略委員會

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

本公司已於二零一七年三月二十四日更新戰略委員會的工作細則，相關內容可於本公司及香港聯交所網站上查閱。

於年內，戰略委員會由兩名獨立非執行董事李平先生及李卓博士，及董事會主席兼非執行董事馬杰先生組成，而非執行董事兼董事會副主席菲利普·范希爾先生獲委任為董事會戰略委員會成員。

年內舉行四次戰略委員會會議，以討論若干新投資、產能擴張及A股發行申請。

下表列載戰略委員會各成員於年內出席會議的詳情。

DIRECTORS

APPOINTMENT AND RE-ELECTION OF DIRECTORS

Directors (including non-executive Directors and independent non-executive Directors) shall be elected by the shareholders in general meeting for a term of three years. Upon the expiration of the current term of office, a Director is eligible for re-election and re-appointment. The Chairman and Vice Chairman of the Board shall be elected and removed by more than one-half of the Directors. The Chairman and Vice Chairman of the Board shall have a term of three years and shall be renewable upon re-election. Each of the current Directors has entered into a service contract with the Company on 24 January 2017. Pursuant to the Articles of Association of the Company, the term of office of the Directors shall be 3 years. The principal particulars of these service contracts are (a) for a term commencing from their respective effective date of appointment until the day on which the next general meeting of the shareholders for re-election of Directors is held, and (b) are subject to termination in accordance with their respective terms.

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

NOMINATION OF DIRECTORS

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

董事

董事委任及重選

董事(包括非執行董事及獨立非執行董事)由股東於股東大會選舉產生，任期三年。董事任期屆滿後，可連選連任及重獲委任。董事會主席及副主席須由過半數董事選舉和罷免。董事會主席及副主席任期三年，可以於膺選連任時續期。於本年報日期，各董事已於二零一七年一月二十四日與本公司訂立服務合約。根據本公司章程，董事任期為三年。該等服務合約之主要詳情為(a)任期由其各自委任生效日期起直至就重選董事而召開之下屆股東大會之日期止及(b)可根據各自條款予以終止。

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

董事提名

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

Corporate Governance Report

企業管治報告

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

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

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

SECURITIES TRANSACTIONS BY DIRECTORS, SUPERVISORS AND THE RELATED EMPLOYEES

The Company has adopted the Company Securities Dealing Regulations on Directors, Supervisors and Related Employees (the "Company's Code") as its own code regarding securities transactions by Directors and Supervisors on terms no less exacting than the required standard set out in the Model Code. Having made specific enquiries in writing of the Directors and Supervisors of the Company, all Directors and Supervisors of the Company have confirmed that they have complied with the required standard set out in the Model Code and the Company's Code regarding securities transactions throughout the year ended 31 December 2017.

獨立非執行董事的獨立性

本公司現有四名獨立非執行董事，於本年報日期，彼等任職均未超過六年。獨立非執行董事人數及資歷均符合香港上市規則有關董事會至少有三分之一成員（即三名）為獨立非執行董事的規定以及本公司章程的規定。由於獨立非執行董事均不擁有本公司或其附屬公司任何業務和財務關係，也不在本公司擔任管理職務，彼等之獨立性得到進一步保障。

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

董事、監事及有關僱員的證券交易

本公司已採納了一套條款不低於標準守則之規定的本公司的董事、監事及有關僱員進行證券交易的標準守則（「本公司守則」），作為有關董事及監事的證券交易的自身守則。經向本公司各董事及監事作出書面特定查詢後，所有本公司董事及監事均確認彼等於截至二零一七年十二月三十一日止整個年度內已遵守標準守則及本公司守則有關證券交易的準則規定。

DIRECTORS' INTEREST

Details of the Directors' competing interest have been disclosed in the section headed "Report of the Board of the Directors – Directors' Interest in Competing Business" on pages 60 to 88 of this annual report. To address any potential competing interest of the Directors, the Company has implemented the following corporate governance measures to safeguard the interests of the Company and the shareholders of the Company:

- (a) each of the Directors is required to attend training sessions to strengthen his/her awareness of his/her fiduciary duties as a Director which require, among others, that he/she acts for the benefit and in the best interests of the Company when a potential conflict of interest arises;
- (b) any conflicted Director must abstain from voting (nor being counted in the quorum in relation) to any resolution of the Board in respect of any contract, transaction or arrangement in which such conflicted Director or any of his/her close associates is materially interested;
- (c) the independent non-executive Directors will review the competing interests held by any Directors who are involved in business in competition with the Company, and such Directors must provide all the information necessary for the review to the independent non-executive Directors; and
- (d) the decision on matters reviewed by the independent non-executive Directors will be disclosed in the annual reports of the Company.

DIRECTORS' RESPONSIBILITY ON FINANCIAL STATEMENTS

The Directors acknowledge their responsibility to prepare the audited consolidated financial statements for the year ended 31 December 2017 to give a true and fair view of the affairs of the Company and the Group. According to code provision C.1.1 of the CG Code, the management shall provide necessary explanation and information to the Board so that the Board can have a preliminary assessment of the financial statements before they are submitted to the Board for approval. The Company will also provide monthly reports on the results, positions and prospects of the Group to all members of the Board.

董事權益

有關董事競爭權益的詳情已於本年報第60至88頁「董事會報告－董事於競爭業務的權益」一節披露。為處理任何董事的潛在競爭權益，本公司已實施下列企業管治措施以維護本公司及本公司股東的利益：

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

董事對財務報表的責任

董事深知彼等就編製截至二零一七年十二月三十一日止年度之經審核綜合財務報表以對本公司及本集團事務真實公允地發表意見的責任。根據企業管治守則的守則條文C.1.1，管理層須向董事會提供必要的解釋及數據，致使董事會於財務報表提呈董事會批准前可對財務報表作出初步評核。本公司亦會每月向董事會全體成員提供有關本集團業績、狀況及前景的報告。

Corporate Governance Report

企業管治報告

The statement of the independent auditors of the Company about their reporting responsibilities on the financial statements is set out in the Independent Auditor's Report on pages 123 to 130 of this annual report.

SHAREHOLDERS' MEETING

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

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

During the year, one annual general meeting was held by the Company to approve the relevant matters. The Company's circular dated 6 April 2017 was despatched to shareholders for review before the shareholders' meeting was held.

CONTROL SYSTEM

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

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

本公司獨立核數師有關彼等對財務報表所負申報責任的聲明，載於本年報第123至130頁的獨立核數師報告內。

股東大會

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

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

年內，本公司舉行一次股東週年大會，以批准相關事宜。本公司日期為二零一七年四月六日的通函於股東大會舉行前已寄發予股東閱覽。

監控機制

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

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

Corporate Governance Report

企業管治報告

The board of Supervisors consists of three members, including two Supervisors elected by the shareholders (Mr. Liu Deming and Ms. Li Chang'ai) and one Supervisor elected by the employees (Mr. Wang Ruichun as the Chairman of the Board of Supervisor). Mr. Wang Ruichun was appointed by the employees' representatives conference held on 24 January 2017 to replace Mr. Jiang Zhikang to act as chairman of the Board of Supervisors.

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

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

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

INTERNAL CONTROL AND RISK MANAGEMENT

The Group has adopted various risk management and internal control policies and procedures which aim at establishing an effective risk management and internal control system to safeguard the investment of shareholders and the assets of the Group.

I. Risk management and internal control duties

The management of the Group is responsible for designing, implementing and maintaining the risk management and internal control measures. The Board is responsible for ensuring that the Group's risk management and internal control system is sound and effective. Under the supervision of the Audit Committee on the whole risk management and internal control system of the Group, we ensure that the investments of shareholders and the Group's assets are well protected.

於年內監事會由三名成員組成，包括：股東推薦出任的兩名監事（劉德明先生及李長愛女士）及職工代表監事一名（王瑞春先生）。王瑞春先生為監事會主席。王瑞春先生於二零一七年一月二十四日舉行的職工代表大會獲推選及委任為本公司職工代表監事。據此，江志康先生於二零一七年一月二十四日起退任其職工代表監事之職位。

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

監事的履歷詳情載列於本年報之「董事、監事及高級管理人員簡歷」一節。

於年內，監事會召開三次會議。有關監事會的工作情況載列於本年報之「監事會報告」一節。

風險管理及內部監控

本集團已採取一系列風險管理及內部監控政策及程序，旨在建立有效的風險管理及內部監控系統，以保障股東投資與本集團資產。

I. 風險管理及內部監控的職責

本集團管理層負責設計、實施和維持風險管理及內部監控措施，董事會負責確保本集團的風險管理及內部監控系統健全且有效，透過審計委員會監督集團的整體風險管理程序和內部監控系統，以保障股東投資與本集團資產。

Corporate Governance Report

企業管治報告

The Board is responsible for assessing and determining the nature and level of risk that the Group is willing to bear in order to achieve its strategic goals. It also has the duty to review and approve the overall targets, risk appetite, risk tolerance, risk assessment standards and basic risk management policies of the Group to ensure that the Group's risk management policies and systems are in line with its development strategy and overall risk tolerance as well as ensuring that the Group has established and maintained an appropriate and effective risk management and internal control system. However, such system is designed to, within the acceptable risk level, manage the risks encountered by the Group rather than eliminating the risks arising from the Group's failure to achieve business objectives; the system can only provide reasonable but not absolute assurance against material misstatement or loss.

The Audit Committee of the Board is mainly responsible for reviewing the Group's accounting policies, financial position and financial reporting procedures as well as its internal control system and internal audit function. It is also mainly responsible for reviewing and monitoring the existing and potential risks faced by the Group.

The Company has established the Internal Audit and Risk Management Department which is under the direct leadership of the Audit Committee of the Board. It is specifically responsible for carrying out the daily operations related to the Group's risk management and internal control issues, monitoring the Group's control measures targeting at material risks in a continuous manner and conducting analysis and independent assessment on the competence and effectiveness of the Group's risk management and internal control system. The internal auditors can, without restriction, review the Group's material operational and management control measures, including financial control, operational control and compliance control measures, and report to the management of the Group, or directly to the Audit Committee of the Board on any material defects in risk management and internal control measures.

董事會負責評估及確定集團達成戰略目標所願意接納的風險性質及程度，審批集團風險管理的總體目標、風險偏好、風險容忍度、風險評估標準及風險管理基本政策，確保集團風險管理政策和制度與本集團發展戰略、整體風險承受能力相匹配，確保本集團設立及維持合適及有效的風險管理及內部監控系統。然而，該等風險管理及內部監控系統旨在於可接受的風險範圍內管理本集團風險，而非消除不能達成本集團業務目標的風險，只能就不存在重大失實陳述或損失提供合理而非絕對保證。

董事會審計委員會主要負責檢查本集團會計政策、財務狀況和財務報告程序，檢查內部監控系統和內部審計功能，檢查、監督本集團存在的或潛在的各種風險。

本公司已建立內部審計及風險控制部，接受董事會審計委員會直接領導，專門負責與本集團風險和內部監控相關的日常工作，持續監察本集團針對重大風險之監控措施，並對本集團風險管理及內部監控系統是否足夠和有效做出分析及獨立評估。內部審計人員可在不受限制的情況下審閱本集團在運營及管理方面的重要監控措施，包括財務監控、運作監控及合規監控，並就其發現的重大風險管理及內部監控措施缺失，向管理層或直接向董事會審計委員會報告。

2. Establishment of the risk management and internal control system

The Group has established a risk management and internal control system covering risk identification, assessment, response and control with a systematic approach. During the course of establishing and implementing the risk management and internal control system, the Group takes into account the opinions of experienced external consultants to build up the basic risk management procedures. In addition, internal control systems are also established on the entity level and transaction level to effectively respond to the risks.

The risk management and internal control system, which covers all the businesses and transactions of the Group, is founded on clear division of duties, stringent authorisation and approval, comprehensive operational management and control and effective assessment and accountability system. Targeting at crucial risk management and internal control issues, the Group has established clear written policies and procedures to standardise employees' behavior. The Board and the management have always emphasised to the employees that, irrespective of their seniority, each employee is an integral part of the risk management and internal control system, and therefore shall duly assume their respective responsibilities.

The Group strengthens its counterbalance function through the risk management and internal control system. No one can have unrestricted power and manipulate any single transaction, activity or procedure to cover non-compliance behavior. The Group has also formulated anti-fraud policies which clearly demonstrate our determination in preventing, reporting and detecting fraudulent behavior. Such policies clearly set out the responsibilities of the Board, the management, Internal Audit and Risk Management Department and employees of different levels in combating fraudulent activities as well as the relevant whistle-blowing, investigation and reporting mechanism for fraudulent activities.

2. 風險管理及內部監控系統的建立情況

本集團採用體系化的方法建立了風險管理及內部監控系統。本集團已建立了一套覆蓋風險識別、評估、應對和監控的風險管理系統。本集團在建立和實施風險管理及內部監控系統的過程中，借鑒富有經驗的外聘諮詢顧問的意見，建立了風險管理的基本流程，並在公司層面及交易層面，建立內部監控系統，以有效應對風險。

本集團的風險管理及內部監控系統基於清晰的職責分工、嚴格的授權審批、全面的運營管理控制和有效的考評問責機制而建立，涵蓋集團所有業務和交易。針對風險管理和內部監控的重要環節，本集團已制定清晰的書面政策和程序，規範員工行為。董事會和管理層向員工強調，不論職位高低，每位員工都是風險管理及內部監控系統的重要一環，必須履行相應的職責。

本集團在風險管理及內部監控系統中強化制衡機制，任何人不得隻手遮天，操縱任何一項交易、活動或程序，以隱瞞違規行為。本集團亦制定了反舞弊政策，表明本集團防止、舉報和偵測舞弊行為的決心。該政策列明瞭董事會、管理層、內部審計及風險控制部，以及各級員工在反舞弊過程中應承擔的責任，以及對舞弊行為進行舉報、調查和報告的相關機制。

Corporate Governance Report

企業管治報告

In terms of risk identification, under the unified organisation and guidance of the Internal Audit and Risk Management Department and based on practical business experience, each subsidiary and department of the Group identified risks on the strategic, operational, compliance and reporting levels according to the Group's development objectives and strategies in 2018. These subsidiaries and departments also classified risks into different categories, created a list of risks and identified responsible departments for handling various risks.

With respect to risk assessment and response, each subsidiary and department of the Group carried out annual risk assessment based on systematic methods. Based on the risk assessment criteria approved by the Board, these subsidiaries and departments compile a comprehensive annual risk assessment report which include two major parts, the first of which is the assessment on existing risks with reference to their possibility and level of influence as well as the effectiveness of the risk response measures while the second part is the assessment on the level of other risks. During the course of risk assessment, the management of the Group identifies control measures that can be further adopted in response to different risks and directs the relevant departments to implement such measures in order to strengthen risk response capability and limit the influence of other risks to level acceptable to the Group. The annual risk assessment report will be submitted to the Audit Committee of the Board for approval upon consideration and approval by the management committee.

Through implementing the risk identification, assessment and management procedures, the Group reviews the change in nature and severity of major risks and the Group's capability in responding to fluctuation in external risks on a yearly basis.

For the handling and publication of inside information, the Group is well aware of its responsibility under the Securities and Futures Ordinance and the Hong Kong Listing Rules and that the general principle is inside information shall be disclosed once decision was made. The procedures and internal control measures for handling and disclosing inside information are set out as follows:

- the Group conducts its affairs with close regard to the disclosure requirements under the Hong Kong Listing Rules and the "Guidelines on Disclosure of Inside Information" published by the Securities and Future Commission;

在風險識別方面，本集團各子公司／部門結合集團二零一八年發展目標和發展戰略，基於業務實踐，在內部審計及風險控制部的統一組織及指導下，識別戰略、經營、合規、報告層面的風險，並對風險進行分類，形成風險清單，明確風險責任部門。

在風險評估和應對方面，本集團各子公司／部門管理層按照體系化的方法開展了年度風險評估，基於經董事會批准的風險評估標準，從風險發生的可能性和影響程度對固有風險進行評估，並評估風險應對措施的有效性，對剩餘風險水平進行評估，形成年度全面風險評估報告。在風險評估過程中，本集團管理層對風險應對過程中應進一步採取的管控措施進行了梳理，並落實至相關風險責任部門，以強化風險應對效果，將剩餘風險控制在在本集團可接受的範圍之內。年度全面風險評估報告經管理委員會審議後報董事會審計委員會批准。

通過實施識別、評估及管理風險的程序，本集團已每年檢討重大風險的性質及嚴重程度的轉變、以及本集團應對內外部風險波動的能力。

在處理及發布內幕消息方面，本集團知悉其根據香港證券及期貨條例及香港上市規則所應履行的責任，整體原則是內幕消息必須在有所決定後實時公佈。處理及發布內幕消息的程序及內部監控措施如下：

- 本集團處理事務時會充分考慮香港上市規則項下的披露規定以及香港證券及期貨事務監察委員會頒布的「內幕消息披露指引」；

Corporate Governance Report

企業管治報告

- the Group has made extensive disclosure of information to the public through channels such as the press, company's website or periodic reports to implement its policy on fair disclosure;
- the Group strictly prohibits unauthorised use of classified or inside information and assigns departments and personnel specifically responsible for disclosing and handling inside information; and
- the Group has established a monitoring mechanism for the disclosure of inside information.

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

- (a) the legal department of the Company continuously monitors new sanctions law or any change to the existing sanctions laws and seeks advice from external legal counsel as necessary, to confirm that the Company's business activities do not subject us to risks relating to Sanctions Targets;
- (b) the senior management of the Company, including the president, vice president and chief financial officer reviews and approves the Company's future business opportunities and determines whether such business involves any Sanctions Targets;
- (c) the strategic centre of the Company checks and ensures that the relevant employees who are involved in overseas businesses understand and comply with the internal control policies and procedures as to economic sanctions and the undertakings and regular training or update have been provided to such employees;

- 本集團透過新聞媒體、公司網站或定期報告等途徑向公眾廣泛披露資料，以實施其公平披露政策；
- 本集團已嚴格禁止未經授權使用機密或內幕消息，並指定專門的部門和人員負責內幕消息的披露和管理；及
- 建立了有關內幕消息披露的監督機制。

本集團已持續監察和評估自身業務，並採取措施監察與受制裁目標交易相關的風險。為保障本集團與股東的利益及遵守本集團香港向聯交所作出的制裁承諾，本集團已實施以下內部控制政策及程序：

- (a) 本集團的法律事務組會持續監察新制裁法律或現行制裁法律的任何變更，必要時會向外聘法律顧問徵求意見，以確認本集團的業務活動不會使本集團涉及有關受制裁目標的風險；
- (b) 本集團的高級管理人員(包括總裁、副總裁及財務總監)會審閱並批准本集團日後的業務機會，以及釐定有關業務是否涉及任何受制裁目標；
- (c) 本集團的戰略中心會檢查並確保從事海外業務的相關僱員了解並遵守有關經濟制裁的內部控制政策及程序和承諾，並向有關僱員提供定期培訓或更新相關信息；

Corporate Governance Report

企業管治報告

- (d) the strategic centre and sales centre of the Company prepares regular overseas sales status reports and other information related to the overseas customers and economic sanctions and Sanctions Targets for review by the Board; and
- (e) if the management believe that any potential transaction would put the Company, the shareholders and investors, the Hong Kong Stock Exchange, the Listing Committee of the Hong Kong Stock Exchange, Hong Kong Securities Clearing Company Limited and HKSCC Nominees Limited to risks of being subject to transactions with Sanctions Targets, such transaction will need to be submitted to the Board for approval.

3. The review procedure of risk management and internal control system

Our Internal Audit and Risk Management Department has the following characteristics to monitor the Group's control measures targeting at material risks on a continuous basis:

- Independent of the operational management;
- Fully authorised to inspect all data and operational data of the Group;
- Made up of experienced and competent internal auditors; and
- Promotes risk-oriented auditing and focuses on areas involving material risks or changes.

- (d) 本集團的戰略中心和銷售中心會定期編製海外銷售狀況報告及有關海外客戶與經濟制裁及受制裁目標的其他數據供管理層審閱；及
- (e) 倘管理層認為任何潛在交易會導致本集團、股東及投資者、香港聯交所、香港聯交所上市委員會、香港中央結算有限公司及香港中央結算(代理人)有限公司承受涉及與受限制目標交易的風險，則有關交易須呈交董事會審批。

3. 對風險管理及內部監控系統的檢討程序

我們具以下特點的內部審計及風險控制部門，持續監察本集團針對重大風險之監控措施：

- 獨立於營運管理層；
- 獲充分授權可查閱集團所有數據和營運數據；
- 內部審計部員工資歷深厚、精明幹練；及
- 推行風險導向的審計工作，專注存在重大風險或曾作出重大變動的範疇。

Corporate Governance Report

企業管治報告

The Internal Audit and Risk Management Department coordinates with various units/departments of the Group to carry out comprehensive risk assessment on a yearly basis. The department formulates annual working plans based on the results of risk assessment for the consideration and approval by the Audit Committee of the Board. The Internal Audit and Risk Management Department carries out analysis and independent assessment on the competence and effectiveness of the Group's risk management and internal control system, which include analysis and assessment on the areas of internal environment, risk assessment, control activities, information and communication in accordance with the requirements of the Hong Kong Listing Rules and the "Basic Standard on Corporate Internal Control". The department plays a leading role in carrying out the testing and evaluation of internal control system, which forms the basis of self-evaluation report on internal control issued by the Board.

In addition, the Internal Audit and Risk Management Department carries out special projects in accordance with management needs and the special requests raised by the Board and the management of the Company. Without jeopardising independence, the department offers management consultancy services for our operational and management activities and offers remedial opinions for problems identified during the course of auditing or assessment. Under the supervision of the Internal Audit and Risk Management Department, the relevant units and departments acknowledge and make commitments on the plan, methods and time frame of the remedial measures; it also keeps track on the progress of addressing the related problems to ensure that the remedial plans are well executed.

In order to enhance the effectiveness of the Board on assessing the risk management and internal control system of the Group, the Internal Audit and Risk Management Department in total made 2 reports on internal control to the Audit Committee during 2017 and carried out further works according to the instructions of the Audit Committee. The reports include the results and proposed remedial measure of the risk assessment for the year 2017, the internal control assessment report of 30 June 2017.

內部審計及風險控制部組織集團內機構／部門開展年度全面風險評估，並按照風險評估的結果訂立年度工作計劃，該計劃需經董事會審計委員會審批。內部審計及風險控制部對本集團風險管理及內部監控系統是否足夠和有效做出分析及獨立評估，包括按照香港上市規則及《企業內部控制基本規範》的要求，從內部環境、風險評估、控制活動、信息及溝通，以及內部監控等方面，組織開展對內部監控系統的測試和評價工作，為董事會出具內部控制自我評價報告提供依據。

此外，內部審計及風險控制部根據本公司董事會以及管理層提出的特定要求或管理需要開展特設項目，在不損害獨立性的前提下，為經營管理活動提供管理建議或諮詢服務。針對在審計或評價過程中提出的問題發現和改進建議，內部審計及風險控制部監督相關機構和部門明確並承諾落實改進措施的計劃、方法及時限，並定期對問題的整改情況進行跟進，確保改進計劃能得到執行。

為有助於董事會評核本集團風險管理及內部控制系統的有效程度，內部審計及風險控制部於二零一七年共計2次向審計委員會匯報監控結果，並根據審計委員會的指示開展進一步工作。匯報內容包括二零一七年度風險評估的結果和建議的應對措施，以及截至二零一七年六月三十日的內控自評價報告。

Corporate Governance Report

企業管治報告

4. Effectiveness of Risk Management and Internal Control System

Through the annual review of the risk management and internal control system, the Board considers that for the financial year ended 31 December 2017, the risk management and internal control system of the Group is effective. No significant control failings or weaknesses and no material or important internal control defects have occurred or identified which will materially affect the financial and operational performance of the Group.

AUDITORS AND THEIR REMUNERATION

KPMG and KPMG Huazhen (Special General Partnership) (collectively referred to as "KPMG") are appointed by the Company as the international auditors and the PRC auditors of the Company for 2017, respectively. Their respective appointment shall expire upon the conclusion of the 2017 annual general meeting. The Board is authorised to determine the remuneration of the auditors which is in line with the market practice.

For the year ended 31 December 2017, the fees paid or payable to KPMG for annual audit services RMB3.66 million. Besides, the fees paid or payable to KPMG in relation to non-audit services were RMB1 million in relation to the interim review and corporate governance compliance advisory services.

Save as disclosed above, for the year ended 31 December 2017, the Group did not pay any fee to KPMG and KPMG Huazhen for non-audit services.

COMPANY SECRETARY

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

4. 風險管理及內部監控系統的有效性

通過對風險管理及內部監控系統的年度檢討，本公司董事會認為，於截至2017年12月31日止會計年度，本集團的風險管理及內部監控系統是有效的。本集團未發生重大監控失誤，未發現對本集團的財務表現及經營情況產生重大影響的重大或重要內控缺陷。

核數師及其酬金

本公司委聘畢馬威會計師事務所為本公司二零一七年度國際核數師，以及畢馬威華振會計師事務所(特殊普通合伙)(統稱為「畢馬威」)為本公司二零一七年度中國核數師。彼等各自之聘用期至本公司二零一七年度股東週年大會結束時止，並授權董事會根據市場慣例確定核數師酬金。

截至二零一七年十二月三十一日止年度，就年度審計服務已付或應付畢馬威酬金為人民幣3.66百萬元。此外，就非審計服務已付或應付畢馬威的費用為人民幣1百萬元，其與中期審核及企業管治守則合規諮詢服務有關。

除上述披露外，於截至二零一七年十二月三十一日止年度，本集團未向畢馬威及畢馬威華振支付其他非審計服務費用。

公司秘書

董事會秘書周理晶女士負責就企業管治事宜向董事會提出建議及確保董事會政策及程序以及符合適用法律、法規及規例。

Corporate Governance Report

企業管治報告

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

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

Both Ms. Zhou Lijing and Ms. Cheng Pik Yuk have confirmed that each of them has received not less than 15 hours of relevant professional training during the year ended 31 December 2017 as required under Rule 3.29 of the Hong Kong Listing Rules.

SHAREHOLDERS' RIGHTS AND INVESTOR RELATIONSHIP

CONVENING OF EXTRAORDINARY GENERAL MEETING

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

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

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

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

周理晶女士的履歷詳情載列於本年報之「董事、監事及高級管理人員簡歷」一節。

時任公司秘書周理晶女士及鄭碧玉女士確認彼等各自於截至二零一七年十二月三十一日止年度已根據香港上市規則第3.29條的規定接受不少於15小時之相關專業培訓。

股東權利及投資者關係

股東召開臨時股東大會程序

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

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

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

Corporate Governance Report

企業管治報告

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

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

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

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

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

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

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

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

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

ENQUIRIES TO THE BOARD

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

Request for information, materials or enquiries to the Board shall be forwarded to the Company's board secretary or sent to the mail box ir@yofc.com. A shareholder is required to provide written proof of his/her holding of shares in the Company (including the class and number of Shares) for verification when submitting the enquiry.

PROPOSAL AT THE GENERAL MEETING OF THE SHAREHOLDERS

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

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

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

向董事會提出查詢

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

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

在股東大會提出提案的程序

單獨或合計持有本公司3%或以上有表決權股份的股東，有權以書面形式向本公司提出臨時提案，而股東應於舉行股東大會十日前提出臨時提案及以書面形式提交或遞交予董事會。

股東出席股東大會有關發言。要求發言的股東應當在表決前向本公司進行發言登記。

Corporate Governance Report

企業管治報告

AMENDMENT OF CONSTITUTIONAL DOCUMENTS

As a result of, among others, the transfer of Shares among certain holders of the Domestic Shares, and the Company's intention to create a senior management member position, the Board made certain amendments to the Articles of Association on 24 March 2017. These amendments were approved at the 2016 general meeting held on 22 May 2017. Details of the proposed amendments to the Articles of Association are set out in the circular of the Company dated 6 April 2017. The latest Articles of Association are available on the website of the Company (www.yofc.com) and that of the Hong Kong Stock Exchange.

COMMUNICATION WITH INVESTORS AND INVESTOR RELATIONSHIP

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

章程文件修訂

二零一七年三月二十四日，由於若干內資股股東之間發生股份轉讓，及本公司增設高級管理人員崗位等事宜，公司建議對公司章程做出若干修訂，該等修訂已在二零一七年五月二十二日召開的二零一六年股東大會上批准通過。章程的建議修訂載於公司日期為二零一七年四月六日的股東通函。最新的章程可於本公司網站(www.yofc.com)及香港聯交所網站供查閱。

與投資者的溝通及投資者關係

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

Corporate Governance Report

企業管治報告

The Company considers that effective communication with shareholders is essential for enhancing investor relations and understanding of the Group's business, performance and strategies. The Company also recognises the importance of timely and non-selective disclosure of information, which will enable shareholders and investors to make the informed investment decisions. In 2018, the Company will further step up communications and exchanges with investors, in a bid to increase their understanding of the Company, whilst canvassing the support and attention from investors, so that they may provide more valuable opinions. The Company will also put great efforts on its investor relations management to bolster the Company's position in domestic and overseas capital markets.

The annual general meeting of the Company provides an opportunity for shareholders to communicate directly with the Directors. The Chairman of the Board, the president of the Company, the chairman of each of the Board Committees and the external auditor of the Company, KPMG, will attend the annual general meeting to answer shareholders' questions.

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

本公司認為與股東之有效溝通，對改善投資者關係及瞭解本集團業務、表現及戰略甚為重要。本公司亦確認適時及非選擇性披露數據之重要性，將有助股東及投資者作出知情投資決定。於二零一八年，本公司將進一步加強與投資者的溝通及交流，藉以提高彼等對本公司的瞭解，同時爭取投資者的支持及關注，使彼等向本公司提供寶貴意見。本公司亦將致力管理投資者關係，以提高本公司於國內及海外資本市場的地位。

本公司股東週年大會為股東提供直接與董事溝通的機會。董事會主席、本公司總裁、各董事委員會主席及本公司外聘核數師畢馬威會計師事務所將出席股東週年大會，以回答股東提問。

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

Corporate Governance Report

企業管治報告

INFORMATION DISCLOSURES

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

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

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

2017 ANNUAL GENERAL MEETING

All shareholders are encouraged to attend the forthcoming annual general meeting and exercise their rights to vote. Further details of business to be transacted at the annual general meeting are set out in the Company's circular which has been despatched to the Shareholders on 6 April 2018 and 20 April 2018 and posted on the websites of the Hong Kong Stock Exchange and the Company.

資料披露

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

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

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

二零一七股東週年大會

謹此鼓勵全體股東出席即將舉行的股東週年大會及行使彼等的投票權。載有更多有關股東週年大會事項的詳情的本公司通函，已於二零一八年四月六日及四月二十日寄發予股東並刊載於香港聯交所及本公司網站。

Report of the Board of Supervisors

監事會報告

Dear Shareholders,

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

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

Meeting 會議屆次	Date 召開時間	Resolution 會議決議	Remark 備註
1st meeting of 2nd Term Board of Supervisors	24 January 2017	Resolutions on 1st meeting of 2nd Term Board of Supervisors	No
第二屆監事會第一次會議	二零一七年一月二十四日	第二屆監事會第一次會議決議	無
2nd meeting of 2nd Term Board of Supervisors	24 March 2017	Resolutions on 2nd meeting of 2nd Term Board of Supervisors	No
第二屆監事會第二次會議	二零一七年三月二十四日	第二屆監事會第二次會議決議	無
3rd meeting of 2nd Term Board of Supervisors	17 August 2017	Resolutions on 3rd meeting of 2nd Term Board of Supervisors	No
第二屆監事會第三次會議	二零一七年八月十七日	第二屆監事會第三次會議決議	無

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

The Board of Supervisors is of the opinion that, all members of the Board of Directors and senior management of the Company have complied with the laws and regulations, and performed their duties in accordance with the Articles of Association of the Company in 2017. In addition, they have also safeguarded the interests of the shareholders, earnestly carried out various resolutions of the general meetings and the board meetings, and operated strictly in accordance with the regulatory requirements for a listed company. The Board of Supervisors was not aware of any violation of relevant national laws and regulations and the Articles of Association, or any acts which would violate the interests of the Company.

尊敬的各位股東：

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

本報告期內，監事會會議召開情況如下：

本報告期內，監事會關注到的其他事項如下：

本監事會認為，二零一七年度公司董事會全體成員及高級管理人員遵紀守法、履行公司章程規定的職責，維護股東權益，認真執行股東大會和董事會的各項決議，嚴格按照上市公司規範進行運作，未發現有違反國家法律、法規和公司章程以及損害公司利益的行為。

Report of the Board of Supervisors

監事會報告

The Board of Supervisors carefully reviewed the financial statements of the Company for 2017 which were audited by external auditors who have issued an unqualified opinion, and is intended to be submitted by the Board of Directors to the general meeting, and other relevant information. The Board of Supervisors is of the opinion that the financial statements give an objective and true view of the Company's financial position and operating results.

In 2018, to safeguard the interests of the shareholders and the interests of the Company and emphasise the fulfillment of the promises made to the shareholders, the Board of Supervisors will continue to perform its supervisory duties diligently over the major decisions and key operating activities in accordance with the PRC Company Law and the Articles of Association of the Company.

本監事會認真審核了董事會擬提交股東大會、按照相關規定編製並經外部審計師出具無保留意見的二零一七年度財務報告等資料，認為該報告客觀、真實地反映了公司財務狀況和經營成果。

二零一八年，本監事會將繼續嚴格依照《中華人民共和國公司法》和公司章程的有關規定，以維護股東權益和公司利益為己任，以監督公司落實對股東所作承諾為重點，進一步加強對重大決策和重要經營活動的監督檢查力度，認真履行好職責。

By order of the Board of Supervisors

Wang Ruichun

Chairman of the Board of Supervisors

Wuhan, PRC

22 March 2018

承監事會命

王瑞春

監事會主席

中國武漢

二零一八年三月二十二日

KPMG Huazhen Shen Zi No. 1802580.

The Shareholders of Yangtze Optical Fibre and Cable Joint Stock Limited Company:

OPINION

We have audited the accompanying financial statements of Yangtze Optical Fibre and Cable Joint Stock Limited Company ("YOFC"), which comprise the consolidated and company balance sheets as at 31 December 2017, the consolidated and company income statements, the consolidated and company cash flow statements, the consolidated and company statements of changes in shareholders' equity for the year then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated and company financial position of YOFC as at 31 December 2017, and the consolidated and company financial performance and cash flows of YOFC for the year then ended in accordance with Accounting Standards for Business Enterprises issued by the Ministry of Finance of the People's Republic of China.

BASIS FOR OPINION

We conducted our audit in accordance with China Standards on Auditing for Certified Public Accountants ("CSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of YOFC in accordance with the China Code of Ethics for Certified Public Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

畢馬威華振審字第 1802580 號

長飛光纖光纜股份有限公司全體股東：

審計意見

我們審計了後附的長飛光纖光纜股份有限公司(以下簡稱「長飛公司」)財務報表，包括 2017 年 12 月 31 日的合併及母公司資產負債表，2017 年度的合併及母公司利潤表、合併及母公司現金流量表、合併及母公司股東權益變動表以及相關財務報表附註。

我們認為，後附的財務報表在所有重大方面按照中華人民共和國財政部頒佈的企業會計準則(以下簡稱「企業會計準則」)的規定編製，公允反映了長飛公司 2017 年 12 月 31 日的合併及母公司財務狀況以及 2017 年度的合併及母公司經營成果和現金流量。

形成審計意見的基礎

我們按照中國註冊會計師審計準則(以下簡稱「審計準則」)的規定執行了審計工作。審計報告的「註冊會計師對財務報表審計的責任」部分進一步闡述了我們在這些準則下的責任。按照中國註冊會計師職業道德守則，我們獨立於長飛公司，並履行了職業道德方面的其他責任。我們相信，我們獲取的審計證據是充分、適當的，為發表審計意見提供了基礎。

Auditor's Report

審計報告

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of trade receivables

應收賬款壞賬準備

Refer to Note 9 & 10 of the accounting policy to the financial statements and Note 4 to the consolidated financial statements. 請參閱財務報表附註「三、公司重要會計政策、會計估計」9和10所述的會計政策及「五、合併財務報表項目註釋」4。

The Key Audit Matter

關鍵審計事項

At 31 December 2017, the balance of trade receivables of YOFC and its subsidiaries ("YOFC Group") amounted to RMB1,888 million, against which provisions for doubtful debts of RMB53 million were recorded. The balance of trade receivables of YOFC Group mainly comprised amounts due from the major state-owned telecommunications companies and independent third parties.

The recoverability of YOFC Group's trade receivables is very dependent on the financial condition of the telecommunications industry customers.

2017年12月31日，長飛公司及其子公司(以下簡稱「長飛集團」)的應收賬款餘額為人民幣1,888百萬元，已計提的應收賬款壞賬準備金額為人民幣53百萬元，主要包括應收中國電信網絡運營商及獨立第三方款項。

長飛集團應收賬款的可收回性主要取決於電信行業客戶的財務狀況。

關鍵審計事項

關鍵審計事項是我們根據職業判斷，認為對2017年度財務報表審計最為重要的事項。這些事項的應對以對財務報表整體進行審計並形成審計意見為背景，我們不對這些事項單獨發表意見。

How the matter was addressed in our audit

在審計中如何應對該事項

Our audit procedures to assess the valuation of trade receivables included the following:

- obtaining an understanding of and assessing the design, implementation and operating effectiveness of management's key internal controls relating to credit control, debt collection and making provisions for doubtful debts;
- assessing the categorisation of items in the trade receivables ageing report by comparing the total amount in the ageing report with the general ledger and by comparing, on a sample basis, individual items in the ageing report with the underlying sales invoices;

與評價應收賬款壞賬準備相關的審計程序中包括以下程序：

- 了解並評價管理層與客戶授信額度、應收賬款收回及壞賬準備計提相關的關鍵財務報告內部控制的設計和運行有效性；
- 將應收賬款賬齡分析報告中的合計餘額與總帳金額進行核對。選取樣本，將賬齡分析報告中的特定項目與相關簽收單進行核對，評價應收賬款賬齡分析報告中賬齡區間劃分是否恰當；

Valuation of trade receivables

應收賬款壞賬準備

Refer to Note 9 & 10 of the accounting policy to the financial statements and Note 4 to the consolidated financial statements.
請參閱財務報表附註「三、公司重要會計政策、會計估計」9和10所述的會計政策及「五、合併財務報表項目註釋」4。

The Key Audit Matter

關鍵審計事項

Management's assessment of the need for provisions for trade receivables includes a specific element based on individual debtors and a collective element based on groups of debtors with similar credit risk characteristics. Provisions are determined based on management's estimate of the expected credit losses to be incurred, which is estimated by taking into account a number of factors including the ageing of the balances, the credit-worthiness of the customers, historical write-off experience and relevant current factors relating to the collectively assessed debtors. All of these factors involve a significant degree of management judgement.

We identified the valuation of trade receivables as a key audit matter because of the significance of the balance of trade receivables to the consolidated financial statements and because of the inherent uncertainty in management's exercise of judgement in determining the level of provisions for doubtful debts.

管理層運用個別方式和組合方式對應收賬款壞賬準備進行評估。運用個別方式評估時，管理層對各單項應收賬款分別進行減值測試；運用組合方式評估時，管理層根據具有類似信用風險特徵的應收賬款的以往損失經驗，並根據反映當前經濟狀況的可觀察數據估計減值損失金額。在估計預期壞賬損失時，管理層考慮了多種因素，包括應收賬款的賬齡、客戶的信用狀況、歷史付款記錄和期後還款計劃等。以上這些因素均涉及重大的管理層判斷。

由於財務報表中應收賬款的金額重大，並且管理層在評估壞賬準備時進行的判斷存在固有不確定性，我們將應收賬款壞賬準備識別為關鍵審計事項。

How the matter was addressed in our audit

在審計中如何應對該事項

- obtaining an understanding of the basis of management's judgements about the recoverability of individual material trade receivables balances and evaluating these judgements with reference to the debtors' financial condition, the ageing of overdue balances and the historical settlement experience;
- assessing the assumptions and estimates made by the management for the provisions for doubtful debts calculated based on a collective assessment by performing a retrospective review of the historical accuracy of these estimates and recalculating YOFC Group's provision with reference to YOFC Group's policy for collective assessment;
- comparing material cash receipts from customers subsequent to the financial year end relating to trade receivables as at 31 December 2017 with bank slips and other relevant underlying documentation;
- 了解管理層就個別重大應收賬款可收回性的判斷基礎，詢問並了解客戶財務狀況、逾期賬齡及過往結算情況，以評價管理層計提應收賬款壞賬準備所作判斷的合理性；
- 通過檢查過往已計提減值的應收賬款的後續實際核銷或轉回的情況，評價管理層評估應收賬款減值損失的歷史準確性，根據長飛集團應收賬款壞賬準備計提政策，檢查應收賬款壞賬準備金額的計算；
- 對於2017年12月31日後單項金額重大的應收賬款回款，將其與銀行進賬單進行核對；

Auditor's Report

審計報告

Valuation of trade receivables

應收賬款壞賬準備

Refer to Note 9 & 10 of the accounting policy to the financial statements and Note 4 to the consolidated financial statements.
請參閱財務報表附註「三、公司重要會計政策、會計估計」9和10所述的會計政策及「五、合併財務報表項目註釋」4。

The Key Audit Matter

關鍵審計事項

How the matter was addressed in our audit

在審計中如何應對該事項

- assessing the disclosures in the consolidated financial statements in respect of assessing impairment of trade receivables and credit risk management with reference to the requirements of the prevailing accounting standards.
- 評價財務報表的相關披露是否符合企業會計準則的要求。

OTHER INFORMATION

YOFC's management is responsible for the other information. The other information comprises all the information included in 2017 annual report of YOFC, other than the financial statements and our auditor's report thereon. We obtained the section "Management Discussion and Analysis" of the 2017 Annual Report of the Company prior to the date of this auditor's report and expect the remaining other information to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

其他信息

長飛公司管理層對其他信息負責。其他信息包括長飛公司2017年年度報告中涵蓋的信息，但不包括財務報表和我們的審計報告。我們於審計報告日前獲得2017年度報告的「管理層討論和分析」部分，剩餘的其他資料將於該日期後獲得。

我們對財務報表發表的審計意見不涵蓋其他信息，我們也不對其他信息發表任何形式的鑒證結論。

結合我們對財務報表的審計，我們的責任是閱讀其他信息，在此過程中，考慮其他信息是否與財務報表或我們在審計過程中了解到的情況存在重大不一致或者似乎存在重大錯報。

基於我們已執行的工作，如果我們確定其他信息存在重大錯報，我們應當報告該事實。在這方面，我們無任何事項需要報告。

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Accounting Standards for Business Enterprises, and for the design, implementation and maintenance of such internal control necessary to enable that the financial statements are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing YOFC's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate YOFC or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing YOFC's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with CSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

管理層和治理層對財務報表的責任

管理層負責按照企業會計準則的規定編製財務報表，使其實現公允反映，並設計、執行和維護必要的內部控制，以使財務報表不存在由於舞弊或錯誤導致的重大錯報。

在編製財務報表時，管理層負責評估長飛公司的持續經營能力，披露與持續經營相關的事項(如適用)，並運用持續經營假設，除非長飛公司計劃進行清算、終止運營或別無其他現實的選擇。

治理層負責監督長飛公司的財務報告過程。

註冊會計師對財務報表審計的責任

我們的目標是對財務報表整體是否不存在由於舞弊或錯誤導致的重大錯報獲取合理保證，並出具包含審計意見的審計報告。合理保證是高水平的保證，但並不能保證按照審計準則執行的審計在某一重大錯報存在時總能發現。錯報可能由於舞弊或錯誤導致，如果合理預期錯報單獨或匯總起來可能影響財務報表使用者依據財務報表作出的經濟決策，則通常認為錯報是重大的。

Auditor's Report

審計報告

As part of an audit in accordance with CSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of YOFC's internal control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on YOFC's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause YOFC to cease to continue as a going concern.
- 在按照審計準則執行審計工作的過程中，我們運用職業判斷，並保持職業懷疑。同時，我們也執行以下工作：
- 識別和評估由於舞弊或錯誤導致的財務報表重大錯報風險，設計和實施審計程序以應對這些風險，並獲取充分、適當的審計證據，作為發表審計意見的基礎。由於舞弊可能涉及串通、偽造、故意遺漏、虛假陳述或凌駕於內部控制之上，未能發現由於舞弊導致的重大錯報的風險高於未能發現由於錯誤導致的重大錯報的風險。
 - 了解與審計相關的內部控制，以設計恰當的審計程序，但目的並非對內部控制的有效性發表意見。
 - 評價管理層選用會計政策的恰當性和作出會計估計及相關披露的合理性。
 - 對管理層使用持續經營假設的恰當性得出結論。同時，根據獲取的審計證據，就可能導致對長飛公司持續經營能力產生重大疑慮的事項或情況是否存在重大不確定性得出結論。如果我們得出結論認為存在重大不確定性，審計準則要求我們在審計報告中提請報表使用者注意財務報表中的相關披露；如果披露不充分，我們應當發表非無保留意見。我們的結論基於截至審計報告日可獲得的信息。然而，未來的事項或情況可能導致長飛公司不能持續經營。

Auditor's Report

審計報告

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within YOFC to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- 評價財務報表的總體列報、結構和內容(包括披露)，並評價財務報表是否公允反映相關交易和事項。
- 就長飛公司中實體或業務活動的財務信息獲取充分、適當的審計證據，以對財務報表發表審計意見。我們負責指導、監督和執行集團審計，並對審計意見承擔全部責任。

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

我們與治理層就計劃的審計範圍、時間安排和重大審計發現等事項進行溝通，包括溝通我們在審計中識別出的值得關注的內部控制缺陷。

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, related safeguards.

我們還就已遵守與獨立性相關的職業道德要求向治理層提供聲明，並與治理層溝通可能被合理認為影響我們獨立性的所有關係和其他事項，以及相關的防範措施(如適用)。

Auditor's Report

審計報告

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

從與治理層溝通的事項中，我們確定哪些事項對2017年度財務報表審計最為重要，因而構成關鍵審計事項。我們在審計報告中描述這些事項，除非法律法規禁止公開披露這些事項，或在極少數情形下，如果合理預期在審計報告中溝通某事項造成的負面後果超過在公眾利益方面產生的益處，我們確定不應在審計報告中溝通該事項。

KPMG Huazhen LLP

Certified Public Accountants
Registered in the People's
Republic of China

畢馬威華振
會計師事務所
(特殊普通合夥)
中國註冊會計師

Wang Ting (Engagement Partner)

王婷(項目合夥人)

Beijing, China

Zhang Jingjing
12 March 2018

中國北京
張京京
2018年3月12日

Consolidated Balance Sheet

合併資產負債表

(Expressed in Renminbi "RMB")

(金額單位：人民幣元)

			31 December 2017 2017年 12月31日	31 December 2016 2016年 12月31日
		Note 附註		
ASSETS	資產			
Current assets:	流動資產：			
Cash and cash equivalents	貨幣資金	V.1 五、1	1,799,513,559	1,627,575,026
Financial assets at fair value through profit or loss	以公允價值計量且其變動計入當期損益的金融資產	V.2 五、2	4,599,225	5,603,139
Available-for-sale financial assets	可供出售金融資產	V.10 五、10	37,513,923	38,197,931
Bills receivable	應收票據	V.3 五、3	588,546,632	176,070,852
Trade receivables	應收賬款	V.4 五、4	1,834,657,244	1,881,955,496
Prepayments for raw materials	預付款項	V.5 五、5	74,833,629	49,067,606
Dividends receivable	應收股利	V.6 五、6	13,373,336	29,010,123
Other receivables	其他應收款	V.7 五、7	98,349,552	110,589,342
Inventories	存貨	V.8 五、8	730,468,166	644,377,555
Other current assets	其他流動資產	V.9 五、9	47,040,053	59,348,372
Total current assets	流動資產合計		5,228,895,319	4,621,795,442
Non-current assets:	非流動資產：			
Available-for-sale financial assets	可供出售金融資產	V.10 五、10	101,234,501	119,406,637
Long-term receivables	長期應收款	V.11 五、11	20,000,000	33,422,826
Long-term equity investments	長期股權投資	V.12 五、12	1,241,866,472	1,052,595,439
Fixed assets	固定資產	V.13 五、13	1,921,458,636	1,321,032,102
Construction in progress	在建工程	V.14 五、14	164,473,273	466,280,757
Intangible assets	無形資產	V.15 五、15	328,050,231	443,165,999
Long-term deferred expenses	長期待攤費用		2,081,726	679,554
Deferred tax assets	遞延所得稅資產	V.16 五、16	55,242,983	57,964,454
Other non-current assets	其他非流動資產	V.17 五、17	104,460,862	50,000,817
Total non-current assets	非流動資產合計		3,938,868,684	3,544,548,585
Total assets	資產總計		9,167,764,003	8,166,344,027

Notes to financial statements set out on pages 153 to 422 form part of these financial statements.

刊載於第153頁至第422頁的財務報表附註為本財務報表的組成部分。

Consolidated Balance Sheet

合併資產負債表

(Expressed in Renminbi "RMB")

(金額單位：人民幣元)

			31 December 2017	31 December 2016
		Note 附註	2017年 12月31日	2016年 12月31日
LIABILITIES AND SHAREHOLDERS' EQUITY	負債和股東權益			
Current liabilities:	流動負債：			
Current bank loans	短期借款	V.18 五、18	495,013,000	644,712,505
Bills payable	應付票據	V.19 五、19	293,832,710	85,282,636
Trade payables	應付賬款	V.20 五、20	1,051,927,402	795,198,250
Receipt in advance	預收款項	V.21 五、21	241,566,904	156,902,903
Employee benefits payable	應付職工薪酬	V.22 五、22	304,003,980	229,255,582
Taxes payable	應交稅費	V.23 五、23	188,455,821	124,367,512
Interest payable	應付利息	V.24 五、24	8,189,813	7,843,788
Other payables	其他應付款	V.25 五、25	350,815,468	339,861,709
Non-current liabilities due within one year	一年內到期的非流動負債	V.26 五、26	13,818,333	252,338,731
Total current liabilities	流動負債合計		2,947,623,431	2,635,763,616
Non-current liabilities:	非流動負債：			
Non-current bank loans	長期借款	V.27 五、27	481,290,000	869,578,800
Deferred income	遞延收益	V.28 五、28	83,223,111	88,043,444
Other non-current liabilities	其他非流動負債	V.29 五、29	169,799,283	149,410,083
Total non-current liabilities	非流動負債合計		734,312,394	1,107,032,327
Total liabilities	負債合計		3,681,935,825	3,742,795,943

Notes to financial statements set out on pages 153 to 422 form part of these financial statements.

刊載於第153頁至第422頁的財務報表附註為本財務報表的組成部分。

Consolidated Balance Sheet

合併資產負債表

(Expressed in Renminbi "RMB")

(金額單位：人民幣元)

			31 December 2017	31 December 2016
		Note	2017年	2016年
		附註	12月31日	12月31日
LIABILITIES AND SHAREHOLDERS' EQUITY (Cont'd)	負債和股東權益(續)			
Shareholders' equity:	股東權益：			
Share capital	股本	V.30 五、30	682,114,598	682,114,598
Capital reserve	資本公積	V.31 五、31	1,551,725,933	1,551,725,933
Other comprehensive income	其他綜合收益	V.32 五、32	66,464,721	88,442,644
Surplus reserve	盈餘公積	V.33 五、33	402,047,041	269,944,893
Retained earnings	未分配利潤	V.34 五、34	2,535,966,730	1,573,654,930
Total equity attributable to equity shareholders of the Company	歸屬於母公司股東權益合計		5,238,319,023	4,165,882,998
Non-controlling interests	少數股東權益		247,509,155	257,665,086
Total equity	股東權益合計		5,485,828,178	4,423,548,084
Total liabilities and shareholders' equity	負債和股東權益總計		9,167,764,003	8,166,344,027

The financial statements were approved by the Board of Directors on 12 March 2018.

此財務報表已於2018年3月12日獲董事會批准。

Legal representative of the Company:	The person in charge of accounting affairs:	The head of the accounting department:	(Seal of the Company)
法定代表人：	主管會計工作的公司負責人：	會計機構負責人：	(公司蓋章)
Ma Jie	Zhuang Dan	Liang Guanning	
馬杰	莊丹	梁冠寧	
(Signature and Seal)	(Signature and Seal)	(Signature and Seal)	
(簽名和蓋章)	(簽名和蓋章)	(簽名和蓋章)	

Notes to financial statements set out on pages 153 to 422 form part of these financial statements.

刊載於第153頁至第422頁的財務報表附註為本財務報表的組成部分。

Balance Sheet

母公司資產負債表

(Expressed in Renminbi "RMB")

(金額單位：人民幣元)

		31 December 2017 2017年 12月31日	31 December 2016 2016年 12月31日
	Note 附註		
ASSETS	資產		
Current assets:	流動資產：		
Cash and cash equivalents	貨幣資金	1,430,201,714	1,313,385,602
Financial assets at fair value through profit or loss	以公允價值計量且其變動計入 當期損益的金融資產	4,599,225	5,603,139
Bills receivable	應收票據	582,931,872	145,856,978
Trade receivables	應收賬款	1,800,051,280	1,811,028,887
Prepayments for raw materials	預付款項	60,504,029	41,268,512
Dividends receivable	應收股利	13,373,336	29,010,123
Other receivables	其他應收款	257,473,789	321,024,037
Inventories	存貨	524,109,364	559,387,009
Other current assets	其他流動資產	—	1,098,549
Total current assets	流動資產合計	4,673,244,609	4,227,662,836
Non-current assets:	非流動資產：		
Available-for-sale financial assets	可供出售金融資產	101,024,501	119,196,637
Long-term receivables	長期應收款	359,000,000	239,400,000
Long-term equity investments	長期股權投資	2,060,065,163	1,898,131,518
Fixed assets	固定資產	992,648,685	969,551,392
Construction in progress	在建工程	31,448,673	42,357,108
Intangible assets	無形資產	109,140,798	111,693,934
Deferred tax assets	遞延所得稅資產	28,151,433	28,303,229
Other non-current assets	其他非流動資產	40,552,786	11,612,136
Total non-current assets	非流動資產合計	3,722,032,039	3,420,245,954
Total assets	資產總計	8,395,276,648	7,647,908,790

Notes to financial statements set out on pages 153 to 422 form part of these financial statements.

刊載於第153頁至第422頁的財務報表附註為本財務報表的組成部分。

Balance Sheet

母公司資產負債表

(Expressed in Renminbi "RMB")

(金額單位：人民幣元)

		31 December 2017	31 December 2016
	Note 附註	2017年 12月31日	2016年 12月31日
LIABILITIES AND SHAREHOLDERS' EQUITY	負債和股東權益		
Current liabilities:	流動負債：		
Current bank loans	短期借款	478,013,000	589,879,005
Bills payable	應付票據	308,832,446	85,282,636
Trade payables	應付賬款	1,286,860,076	813,735,169
Receipt in advance	預收款項	134,778,345	186,579,117
Employee benefits payable	應付職工薪酬	272,680,696	215,995,475
Taxes payable	應交稅費	173,338,541	99,281,965
Interest payable	應付利息	8,163,676	7,744,303
Other payables	其他應付款	215,621,041	199,774,789
Non-current liabilities due within one year	一年內到期的非流動負債	10,923,800	249,489,398
Total current liabilities	流動負債合計	2,889,211,621	2,447,761,857
Non-current liabilities:	非流動負債：		
Non-current bank loans	長期借款	462,590,000	869,578,800
Deferred income	遞延收益	36,700,407	23,686,667
Other non-current liabilities	其他非流動負債	93,199,283	131,050,083
Total non-current liabilities	非流動負債合計	592,489,690	1,024,315,550
Total liabilities	負債合計	3,481,701,311	3,472,077,407

Notes to financial statements set out on pages 153 to 422 form part of these financial statements.

刊載於第153頁至第422頁的財務報表附註為本財務報表的組成部分。

Balance Sheet

母公司資產負債表

(Expressed in Renminbi "RMB")

(金額單位：人民幣元)

		31 December 2017	31 December 2016
	Note 附註	2017年 12月31日	2016年 12月31日
LIABILITIES AND SHAREHOLDERS' EQUITY (Cont'd)	負債和股東權益(續)		
Shareholders' equity:	股東權益：		
Share capital	股本	682,114,598	682,114,598
Capital reserve	資本公積	1,550,098,130	1,550,098,130
Other comprehensive income	其他綜合收益	60,685,225	76,131,540
Surplus reserve	盈餘公積	402,047,041	269,944,893
Retained earnings	未分配利潤	2,218,630,343	1,597,542,222
Total equity	股東權益合計	4,913,575,337	4,175,831,383
Total liabilities and shareholders' equity	負債和股東權益總計	8,395,276,648	7,647,908,790

The financial statements were approved by the Board of Directors on 12 March 2018.

此財務報表已於2018年3月12日獲董事會批准。

Legal representative
of the Company:

法定代表人：

Ma Jie

馬杰

(Signature and Seal)

(簽名和蓋章)

The person in charge
of accounting affairs:

主管會計工作的公司負責人：

Zhuang Dan

莊丹

(Signature and Seal)

(簽名和蓋章)

The head of the
accounting department:

會計機構負責人：

Liang Guanning

梁冠寧

(Signature and Seal)

(簽名和蓋章)

(Seal of the Company)

(公司蓋章)

Notes to financial statements set out on pages 153 to 422 form part of these financial statements.

刊載於第153頁至第422頁的財務報表附註為本財務報表的組成部分。

Consolidated Income Statement

合併利潤表

(Expressed in Renminbi "RMB")

(金額單位：人民幣元)

		Note 附註	2017 2017年	2016 2016年
I. Revenue	一、營業收入	V.35 五、35	10,366,083,659	8,111,495,124
II. Less: Cost of sales	二、減：營業成本	V.35 五、35	7,576,882,915	6,428,917,515
Taxes and surcharges	稅金及附加	V.36 五、36	63,717,191	37,590,996
Selling expenses	銷售費用	V.37 五、37	304,884,581	199,431,553
Administrative expenses	管理費用	V.38 五、38	968,067,388	662,230,345
Financial expenses	財務費用	V.39 五、39	78,156,390	112,211,093
Impairment losses	資產減值損失	V.40 五、40	117,329,577	13,274,078
Add: Gains/(losses) from changes in fair value	加：公允價值變動收益/ (損失)	V.41 五、41	240,422	(99,303)
Investment income	投資收益	V.42 五、42	161,089,680	113,415,382
Including: Income from investment in associates and joint ventures	其中：對聯營企業和 合營企業的 投資收益		159,121,150	105,040,139
Losses from asset disposals	資產處置損失	V.43 五、43	(2,729,458)	(2,080,737)
Other income	其他收益	V.44 五、44	31,055,191	—
III. Operating profit	三、營業利潤		1,446,701,452	769,074,886
Add: Non-operating income	加：營業外收入	V.45 五、45	1,703,021	26,440,810
Less: Non-operating expenses	減：營業外支出	V.45 五、45	1,530,284	2,222,865
IV. Profit before taxation	四、利潤總額		1,446,874,189	793,292,831
Less: Income tax	減：所得稅費用	V.46 五、46	212,295,105	99,592,660
V. Profit for the year	五、淨利潤		1,234,579,084	693,700,171
Profit for the year attributable to equity shareholders of the Company	歸屬於母公司股東的淨利潤		1,268,353,170	717,093,240
Non-controlling interests	少數股東損益		(33,774,086)	(23,393,069)

Notes to financial statements set out on pages 153 to 422 form part of these financial statements.

刊載於第153頁至第422頁的財務報表附註為本財務報表的組成部分。

Consolidated Income Statement

合併利潤表

(Expressed in Renminbi "RMB")

(金額單位：人民幣元)

	Note 附註	2017 2017年	2016 2016年
VI. Other comprehensive income, net of tax (Other comprehensive income that may be reclassified subsequently to profit or loss)	六、其他綜合收益的稅後淨額—以後將重分類進損益的其他綜合收益		
Other comprehensive income (net of tax) attributable to the shareholders of the Company	歸屬母公司股東的其他綜合收益的稅後淨額：		
1. Gains or losses arising from changes in fair value of available-for-sale financial assets	1. 可供出售金融資產公允價值變動損益	(15,010,600)	7,483,924
2. Exchange differences on translation of financial statement of overseas subsidiaries	2. 外幣財務報表折算差額	(6,967,323)	10,411,440
Other comprehensive income (net of tax) attributable to non-controlling interests	歸屬於少數股東的其他綜合收益的稅後淨額：		
1. Gains or losses arising from changes in fair value of available-for-sale financial assets	1. 可供出售金融資產公允價值變動損益	(197,587)	43,921
2. Exchange differences on translation of financial statements of overseas subsidiaries	2. 外幣財務報表折算差額	(2,823,794)	4,013,141
VII. Total comprehensive income for the year	七、綜合收益總額	1,209,579,780	715,652,597
Total comprehensive income attributable to equity shareholders of the Company	歸屬於母公司股東的綜合收益總額	1,246,375,247	734,988,604
Total comprehensive income attributable to non-controlling interests	歸屬於少數股東的綜合收益總額	(36,795,467)	(19,336,007)
VIII. Earnings per share:	八、每股收益：		
(1) Basic earnings per share	(一) 基本每股收益	V.47 五、47 1.86	1.05
(2) Diluted earnings per share	(二) 稀釋每股收益	V.47 五、47 1.86	1.05

The financial statements were approved by the Board of Directors on 12 March 2018.

此財務報表已於2018年3月12日獲董事會批准。

Legal representative
of the Company:

法定代表人：

Ma Jie

馬杰

(Signature and Seal)

(簽名和蓋章)

The person in charge

of accounting affairs:

主管會計工作的公司負責人：

Zhuang Dan

莊丹

(Signature and Seal)

(簽名和蓋章)

The head of the

accounting department:

會計機構負責人：

Liang Guanning

梁冠寧

(Signature and Seal)

(簽名和蓋章)

(Seal of the Company)

(公司蓋章)

Notes to financial statements set out on pages 153 to 422 form part of these financial statements.

刊載於第153頁至第422頁的財務報表附註為本財務報表的組成部分。

Income Statement

母公司利潤表

(Expressed in Renminbi "RMB")

(金額單位：人民幣元)

		Note 附註	2017 2017年	2016 2016年
I. Revenue	一、營業收入	XV.4 十五、4	11,316,121,982	8,256,718,693
Less: Cost of sales	減：營業成本	XV.4 十五、4	9,131,872,358	6,608,115,859
Taxes and surcharges	稅金及附加		55,524,185	35,722,360
Selling expenses	銷售費用		246,397,446	170,725,516
Administrative expenses	管理費用		732,170,041	559,037,130
Financial expenses	財務費用		60,096,106	109,081,779
Impairment losses	資產減值損失		194,718,033	9,927,843
Add: Gains/(losses) from changes in fair value	加：公允價值變動 收益/(損失)		240,422	(99,303)
Investment income	投資收益	XV.5 十五、5	159,611,732	110,195,252
Including: Income from investment in associates and joint ventures	其中：對聯營企業和合營 企業的投資收益		159,121,150	101,892,791
Losses from asset disposals	資產處置損失		(3,053,879)	(3,256,751)
Other income	其他收益		24,481,378	—
II. Operating profit	二、營業利潤		1,076,623,466	870,947,404
Add: Non-operating income	加：營業外收入		88,072	22,065,924
Less: Non-operating expenses	減：營業外支出		103,268	1,637,838
III. Profit before taxation	三、利潤總額		1,076,608,270	891,375,490
Less: Income tax	減：所得稅費用		149,478,779	103,591,518
IV. Profit for the year	四、淨利潤		927,129,491	787,783,972
Profit for the year of continuing operations	持續經營淨利潤		927,129,491	787,783,972
Profit for the year of discontinued operations	終止經營淨利潤		—	—

Notes to financial statements set out on pages 153 to 422 form part of these financial statements.

刊載於第153頁至第422頁的財務報表附註為本財務報表的組成部分。

Income Statement

母公司利潤表

(Expressed in Renminbi "RMB")

(金額單位：人民幣元)

	Note 附註	2017 2017年	2016 2016年
V. Other comprehensive income, net of tax (Other comprehensive income that may be reclassified subsequently to profit or loss)	五、其他綜合收益的稅後淨額—以後將重分類進損益的其他綜合收益		
Gains or losses arising from changes in fair value of available-for-sale financial assets	可供出售金融資產公允價值變動損益	(15,446,315)	7,379,396
VI. Total comprehensive income for the year	六、綜合收益總額	911,683,176	795,163,368

The financial statements were approved by the Board of Directors on 12 March 2018.

此財務報表已於2018年3月12日獲董事會批准。

Legal representative
of the Company:

法定代表人：

Ma Jie

馬杰

(Signature and Seal)

(簽名和蓋章)

The person in charge of
accounting affairs:

主管會計工作的公司負責人：

Zhuang Dan

莊丹

(Signature and Seal)

(簽名和蓋章)

The head of the
accounting department:

會計機構負責人：

Liang Guanning

梁冠寧

(Signature and Seal)

(簽名和蓋章)

(Seal of the Company)

(公司蓋章)

Notes to financial statements set out on pages 153 to 422 form part of these financial statements.

刊載於第153頁至第422頁的財務報表附註為本財務報表的組成部分。

Consolidated Statement of Cash Flow

合併現金流量表

(Expressed in Renminbi "RMB")

(金額單位：人民幣元)

		Note	2017	2016
		附註	2017年	2016年
I. Cash flows from operating activities:	一、經營活動產生的現金流量：			
Proceeds from sale of goods and rendering of services	銷售商品、提供勞務收到的現金		8,538,517,363	6,104,586,817
Proceeds from other operating activities	收到其他與經營活動有關的現金	V.49(1) 五、49(1)	126,871,017	285,383,651
Sub-total of cash inflows	經營活動現金流入小計		8,665,388,380	6,389,970,468
Payment for goods and services	購買商品、接受勞務支付的現金		(5,432,119,618)	(4,087,133,919)
Payment to and for employees	支付給職工以及為職工支付的現金		(815,870,476)	(549,796,528)
Payment of various taxes	支付的各項稅費		(417,547,554)	(270,760,527)
Payment for other operating activities	支付其他與經營活動有關的現金	V.49(2) 五、49(2)	(261,980,791)	(175,060,659)
Sub-total of cash outflows	經營活動現金流出小計		(6,927,518,439)	(5,082,751,633)
Net cash inflow from operating activities	經營活動產生的現金流量淨額	V.50(1) 五、50(1)	1,737,869,941	1,307,218,835

Notes to financial statements set out on pages 153 to 422 form part of these financial statements.

刊載於第153頁至第422頁的財務報表附註為本財務報表的組成部分。

Consolidated Statement of Cash Flow

合併現金流量表

(Expressed in Renminbi "RMB")

(金額單位：人民幣元)

	Note 附註	2017 2017年	2016 2016年
II. Cash flows from investing activities:	二、投資活動產生的現金流量：		
Proceeds from matured available-for-sale debt securities	可供出售債務工具到期收到的現金	342,300,000	265,100,000
Proceeds from disposal of available-for-sale equity securities	處置可供出售權益工具收回的現金	—	19,497,278
Proceeds from disposal of financial assets at fair value through profit or loss	處置以公允價值計量且其變動計入當期損益的金融資產收到的現金	1,244,336	—
Proceeds from matured bank deposits	定期存款到期收到的現金	205,000,000	—
Investment returns received	取得投資收益收到的現金	79,266,562	55,681,325
Net cash inflow from acquisition of a subsidiary	投資子公司收到的現金	—	—
Proceeds from disposal of property, plant and equipment	處置固定資產收回的現金淨額	1,381,888	7,254,048
Proceeds from repayment of loan by non-controlling interests	收回少數股東借款收到的現金	3,691,155	—
Proceeds from matured loans to a joint venture	收回合營公司委託貸款收到的現金	40,000,000	—
Sub-total of cash inflows	投資活動現金流入小計	672,883,941	347,532,651
Payment for acquisition of fixed assets and intangible assets	購建固定資產和無形資產支付的現金	(618,899,620)	(852,552,354)
Payment for investment in a joint venture	投資合營公司支付的現金	(63,648,000)	(244,075,860)
Payment for available-for-sale debt securities	購買可供出售債務工具支付的現金	(341,300,000)	(298,100,000)
Payment for financial assets at fair value through profit or loss	購買以公允價值計量且其變動計入當期損益的金融資產支付的現金	—	(3,841,771)
Loans to joint venture	向合營公司提供委託貸款	(30,000,000)	(50,000,000)
Payment for available-for-sale equity securities	購買非上市公司股權	—	—

Notes to financial statements set out on pages 153 to 422 form part of these financial statements.

刊載於第153頁至第422頁的財務報表附註為本財務報表的組成部分。

Consolidated Statement of Cash Flow

合併現金流量表

(Expressed in Renminbi "RMB")

(金額單位：人民幣元)

	Note 附註	2017 2017年	2016 2016年
Sub-total of cash outflows	投資活動現金流出小計	(1,053,847,620)	(1,448,569,985)
Net cash outflow from investing activities	投資活動產生的現金流量淨額	(380,963,679)	(1,101,037,334)
III. Cash flow from financing activities:	三、籌資活動產生的現金流量：		
Proceeds from disposal of investments	吸收投資收到的現金	26,639,536	93,251,289
Including: Proceeds for non-controlling shareholders	其中：子公司吸收少數股東 投資收到的現金	26,639,536	93,251,289
Proceeds from new bank loans	取得借款收到的現金	1,164,360,000	3,498,707,730
Sub-total of cash inflows	籌資活動現金流入小計	1,190,999,536	3,591,959,019
Repayments of bank loans	償還債務支付的現金	(1,938,789,363)	(4,274,946,917)
Payment for dividends, profit distributions or interest	分配股利、利潤或償付利息 支付的現金	(232,792,783)	(174,829,763)
Sub-total of cash outflows	籌資活動現金流出小計	(2,171,582,146)	(4,449,776,680)

Notes to financial statements set out on pages 153 to 422 form part of these financial statements.

刊載於第153頁至第422頁的財務報表附註為本財務報表的組成部分。

Consolidated Statement of Cash Flow

合併現金流量表

(Expressed in Renminbi "RMB")

(金額單位：人民幣元)

		Note 附註	2017 2017年	2016 2016年
Net cash outflow from financing activities	籌資活動產生的現金流量淨額		(980,582,610)	(857,817,661)
IV. Effect of exchange rate changes on cash and cash equivalents	四、匯率變動對現金及現金等價物的影響		(4,385,119)	32,086,493
V. Net increase in cash and cash equivalents ("(") for decreases)	五、現金及現金等價物淨增加/(減少)額	V.50(1) 五、50(1)	371,938,533	(619,549,667)
Add: Cash and cash equivalents at the beginning of the year	加：年初現金及現金等價物餘額		1,427,575,026	2,047,124,693
VI. Cash and cash equivalents at the end of the year	六、年末現金及現金等價物餘額	V.50(3) 五、50(3)	1,799,513,559	1,427,575,026

The financial statements were approved by the Board of Directors on 12 March 2018.

此財務報表已於2018年3月12日獲董事會批准。

Legal representative
of the Company:

法定代表人：

Ma Jie

馬杰

(Signature and Seal)

(簽名和蓋章)

The person in charge
of accounting affairs:

主管會計工作的公司負責人：

Zhuang Dan

莊丹

(Signature and Seal)

(簽名和蓋章)

The head of the
accounting department:

會計機構負責人：

Liang Guanning

梁冠寧

(Signature and Seal)

(簽名和蓋章)

(Seal of the Company)

(公司蓋章)

Notes to financial statements set out on pages 153 to 422 form part of these financial statements.

刊載於第153頁至第422頁的財務報表附註為本財務報表的組成部分。

Statement of Cash Flow

母公司現金流量表

(Expressed in Renminbi "RMB")

(金額單位：人民幣元)

	Note 附註	2017 2017年	2016 2016年
I. Cash flows from operating activities:	一、經營活動產生的現金流量：		
Proceeds from sale of goods and rendering of services	銷售商品、提供勞務收到的現金	8,804,277,441	6,044,420,895
Proceeds for other operating activities	收到其他與經營活動有關的現金	90,985,173	166,530,381
Sub-total of cash inflows	經營活動現金流入小計	8,895,262,614	6,210,951,276
Payment for goods and services	購買商品、接受勞務支付的現金	(6,174,500,448)	(4,199,371,153)
Payment to and for employees	支付給職工以及為職工支付的現金	(658,684,635)	(468,167,998)
Payment of various taxes	支付的各項稅費	(336,651,784)	(240,114,121)
Payment for other operating activities	支付其他與經營活動有關的現金	(237,086,138)	(129,896,021)
Sub-total of cash outflows	經營活動現金流出小計	(7,406,923,005)	(5,037,549,293)
Net cash flows from operating activities	經營活動產生的現金流量淨額	1,488,339,609	1,173,401,983

Notes to financial statements set out on pages 153 to 422 form part of these financial statements.

刊載於第153頁至第422頁的財務報表附註為本財務報表的組成部分。

Statement of Cash Flow

母公司現金流量表

(Expressed in Renminbi "RMB")

(金額單位：人民幣元)

	Note 附註	2017 2017年	2016 2016年
II. Cash flows from investing activities:	二、投資活動產生的現金流量：		
Proceeds from disposal of financial assets at fair value through profit or loss	處置以公允價值計量且其變動 計入當期損益的金融資產 收到的現金	1,244,336	—
Proceeds from disposal of available-for-sale equity securities	處置可供出售權益工具 收回的現金	—	19,497,278
Proceeds from matured bank deposits	定期存款到期收到的現金	205,000,000	—
Investment returns received	取得投資收益收到的現金	170,724,785	59,913,994
Proceeds from disposal of fixed assets, intangible assets, and other long-term assets	處置固定資產、無形資產和 其他長期資產收回的 現金淨額	914,677	358,640
Net cash inflow from acquisition of a subsidiary	收回子公司委託貸款 收到的現金	123,000,000	57,000,000
Proceeds from matured loans to a joint venture	收回合營公司委託貸款 收到的現金	40,000,000	—
Sub-total of cash inflows	投資活動現金流入小計	540,883,798	136,769,912
Payment for acquisition of fixed assets and intangible assets	購建固定資產和無形資產 支付的現金	(182,729,915)	(230,271,371)
Payment for investment in subsidiaries	投資子公司支付的現金	(152,276,512)	(401,687,899)
Payment for investment in joint ventures	投資合營公司支付的現金	(63,648,000)	(244,075,860)
Payment for financial assets at fair value through profit or loss	購買以公允價值計量且其變動 計入當期損益的金融資產 支付的現金	—	(3,841,771)
Loans to subsidiaries	向子公司提供委託貸款	(286,600,000)	(350,000,000)
Loans to a joint venture	向合營公司提供委託貸款	(30,000,000)	(50,000,000)

Notes to financial statements set out on pages 153 to 422 form part of these financial statements.

刊載於第153頁至第422頁的財務報表附註為本財務報表的組成部分。

Statement of Cash Flow

母公司現金流量表

(Expressed in Renminbi "RMB")

(金額單位：人民幣元)

	Note 附註	2017 2017年	2016 2016年
Sub-total of cash outflows	投資活動現金流出小計	(715,254,427)	(1,279,876,901)
Net cash outflow from investing activities	投資活動產生的現金流量淨額	(174,370,629)	(1,143,106,989)
III. Cash flow from financing activities:	三、籌資活動產生的現金流量：		
Proceeds from new bank loans	取得借款收到的現金	1,144,360,000	2,678,391,032
Sub-total of cash inflows	籌資活動現金流入小計	1,144,360,000	2,678,391,032
Repayments on bank loans	償還債務支付的現金	(1,900,401,563)	(3,237,422,176)
Payment for dividends, profit distributions or interest	分配股利或償付利息 支付的現金	(232,323,118)	(171,468,135)
Sub-total of cash outflows	籌資活動現金流出小計	(2,132,724,681)	(3,408,890,311)

Notes to financial statements set out on pages 153 to 422 form part of these financial statements.

刊載於第153頁至第422頁的財務報表附註為本財務報表的組成部分。

Statement of Cash Flow

母公司現金流量表

(Expressed in Renminbi "RMB")

(金額單位：人民幣元)

	Note 附註	2017 2017年	2016 2016年
Net cash outflow from financing activities	籌資活動產生的現金流量淨額	(988,364,681)	(730,499,279)
V. Effect of rate changes on cash and cash equivalents	四、匯率變動對現金及現金等價物的影響	(3,788,187)	25,781,634
V. Net increase in cash and cash equivalents ("(") for decreases)	五、現金及現金等價物淨增加/(減少)額	321,816,112	(674,422,651)
Add: Cash and cash equivalents at the beginning of the year	加：年初現金及現金等價物餘額	1,108,385,602	1,782,808,253
VI. Cash and cash equivalents at the end of the year	六、年末現金及現金等價物餘額	1,430,201,714	1,108,385,602

The financial statements were approved by the Board of Directors on 12 March 2018.

此財務報表已於2018年3月12日獲董事會批准。

Legal representative
of the Company:

法定代表人：

Ma Jie

馬杰

(Signature and Seal)

(簽名和蓋章)

The person in charge
of accounting affairs:

主管會計工作的公司負責人：

Zhuang Dan

莊丹

(Signature and Seal)

(簽名和蓋章)

The head of the
accounting department:

會計機構負責人：

Liang Guanning

梁冠寧

(Signature and Seal)

(簽名和蓋章)

(Seal of the Company)

(公司蓋章)

Notes to financial statements set out on pages 153 to 422 form part of these financial statements.

刊載於第153頁至第422頁的財務報表附註為本財務報表的組成部分。

Consolidated Statement of Changes in Shareholders' Equity

合併權益變動表

For the year ended 31 December 2017
截至二零一七年十二月三十一日止年度
(Expressed in Renminbi "RMB")
(金額單位：人民幣元)

Attributable to equity shareholders of the Company

歸屬於母公司股東權益

	Note 附註	Share capital 股本	Capital reserve 資本公積	Other comprehensive income			Sub-total 小計	Non-controlling interests 少數股東權益	Total equity 股東權益合計
				其他綜合收益	Surplus reserve 盈餘公積	Retained earnings 未分配利潤			
I. Balance at the beginning of the year	一、本年年初餘額	682,114,598	1,551,725,933	88,442,644	269,944,893	1,573,654,930	4,165,882,998	257,665,086	4,423,548,084
II. Changes in equity during the year	二、本年增減變動金額								
(I) Total comprehensive income	(一) 綜合收益總額	—	—	(21,977,923)	—	1,268,353,170	1,246,375,247	(36,795,467)	1,209,579,780
(II) Capital contributed by shareholders	(二) 股東投入資本								
1. Capital contributed by non-controlling interests	1. 少數股東投入資本	—	—	—	—	—	—	26,639,536	26,639,536
(III) Appropriation of profit	(三) 利潤分配								
1. Appropriation for surplus reserve	1. 提取盈餘公積	—	—	—	132,102,148	(132,102,148)	—	—	—
2. Distribution to shareholders	2. 對股東的分配	—	—	—	—	(173,939,222)	(173,939,222)	—	(173,939,222)
III. Balance at the end of the year	三、本年年末餘額	682,114,598	1,551,725,933	66,464,721	402,047,041	2,535,966,730	5,238,319,023	247,509,155	5,485,828,178

The financial statements were approved by the Board of Directors on 12 March 2018.

此財務報表已於2018年3月12日獲董事會批准。

Legal representative
of the Company:

法定代表人：

Ma Jie
馬杰

(Signature and Seal)
(簽名和蓋章)

The person in charge
of accounting affairs:

主管會計工作的公司負責人：

Zhuang Dan
莊丹

(Signature and Seal)
(簽名和蓋章)

The head of the
accounting department:

會計機構負責人：

Liang Guanning
梁冠寧

(Signature and Seal)
(簽名和蓋章)

(Seal of the Company)

(公司蓋章)

Notes to financial statements set out on pages 153 to 422 form part of these financial statements.

刊載於第153頁至第422頁的財務報表附註為本財務報表的組成部分。

Consolidated Statement of Changes in Shareholders' Equity

合併權益變動表

For the year ended 31 December 2016
截至二零一六年十二月三十一日止年度
(Expressed in Renminbi "RMB")
(金額單位：人民幣元)

		Attributable to equity shareholders of the Company								
		歸屬於母公司股東權益								
		Share	Capital	Other	Surplus	Retained	Non-controlling		Total	
		capital	reserve	comprehensive	reserve	earnings	Sub-total	interests	equity	
		股本	資本公積	其他	盈餘公積	未分配利潤	小計	少數	股東	
		附註		綜合收益				股東權益	權益合計	
I. Balance at the beginning of the year	一、本年年初餘額	682,114,598	1,550,098,130	70,547,280	164,971,299	1,080,223,224	3,547,954,531	156,467,407	3,704,421,938	
II. Changes in equity for the year	二、本年增減變動金額									
(i) Total comprehensive income	(一) 綜合收益總額	—	—	17,895,364	—	717,093,240	734,988,604	(19,336,007)	715,652,597	
(II) Capital contributed by shareholders	(二) 股東投入資本									
1. Capital contributed by non-controlling interests	1. 少數股東投入資本		1,627,803	—	—	—	1,627,803	120,533,686	122,161,489	
(III) Appropriation of profit	(三) 利潤分配									
1. Appropriation for surplus reserve	1. 提取盈餘公積	—	—	—	104,973,594	(104,973,594)	—	—	—	
2. Distribution to shareholders	2. 對股東的分配	—	—	—	—	(118,687,940)	(118,687,940)	—	(118,687,940)	
III. Balance at the end of the year	三、本年年末餘額	682,114,598	1,551,725,933	88,442,644	269,944,893	1,573,654,930	4,165,882,998	257,665,086	4,423,548,084	

The financial statements were approved by the Board of Directors on 12 March 2018.

此財務報表已於2018年3月12日獲董事會批准。

Legal representative of the Company:

法定代表人：

Ma Jie
馬杰

(Signature and Seal)
(簽名和蓋章)

The person in charge of accounting affairs:

主管會計工作的公司負責人：

Zhuang Dan
莊丹

(Signature and Seal)
(簽名和蓋章)

The head of the accounting department:

會計機構負責人：

Liang Guanning
梁冠寧

(Signature and Seal)
(簽名和蓋章)

(Seal of the Company)

(公司蓋章)

Notes to financial statements set out on pages 153 to 422 form part of these financial statements.

刊載於第153頁至第422頁的財務報表附註為本財務報表的組成部分。

Statement of Changes in Shareholders' Equity

母公司權益變動表

For the year ended 31 December 2017 (Expressed in RMB)
截至二零一七年十二月三十一日止年度(以人民幣列示)

		Share capital	Capital reserve	Other comprehensive income	Surplus reserve	Retained earnings	Total equity
		股本	資本公積	其他綜合收益	盈餘公積	未分配利潤	股東權益合計
I. Balance at the beginning of the year	一、本年年初餘額	682,114,598	1,550,098,130	76,131,540	269,944,893	1,597,542,222	4,175,831,383
II. Changes in equity during the year	二、本年增減變動金額						
(I) Total comprehensive income	(一)綜合收益總額	—	—	(15,446,315)	—	927,129,491	911,683,176
(II) Appropriation of profits	(二)利潤分配						
1. Appropriation for surplus reserve	1.提取盈餘公積	—	—	—	132,102,148	(132,102,148)	—
2. Distribution to shareholders	2.對股東的分配	—	—	—	—	(173,939,222)	(173,939,222)
III. Balance at the end of the year	三、本年年末餘額	682,114,598	1,550,098,130	60,685,225	402,047,041	2,218,630,343	4,913,575,337

The financial statements were approved by the Board of Directors on 12 March 2018.

此財務報表已於2018年3月12日獲董事會批准。

Legal representative
of the Company:

法定代表人：

Ma Jie

馬杰

(Signature and Seal)

(簽名和蓋章)

The person in charge

of accounting affairs:

主管會計工作的公司負責人：

Zhuang Dan

莊丹

(Signature and Seal)

(簽名和蓋章)

The head of the

accounting department:

會計機構負責人：

Liang Guanning

梁冠寧

(Signature and Seal)

(簽名和蓋章)

(Seal of the Company)

(公司蓋章)

Notes to financial statements set out on pages 153 to 422 form part of these financial statements.

刊載於第153頁至第422頁的財務報表附註為本財務報表的組成部分。

Statement of Changes in Shareholders' Equity

母公司權益變動表

For the year ended 31 December 2016 (Expressed in RMB)
截至二零一六年十二月三十一日止年度(以人民幣列示)

		Share capital	Capital reserve	Other comprehensive income	Surplus reserve	Retained earnings	Total equity
		股本	資本公積	其他綜合收益	盈餘公積	未分配利潤	股東權益合計
I. Balance at the beginning of the year	一、本年年初餘額	682,114,598	1,550,098,130	68,752,144	164,971,299	1,033,419,784	3,499,355,955
II. Changes in equity during the year	二、本年增減變動金額						
(I) Total comprehensive income	(一)綜合收益總額	—	—	7,379,396	—	787,783,972	795,163,368
(II) Appropriation of profits	(二)利潤分配						
1. Appropriation for surplus reserve	1.提取盈餘公積	—	—	—	104,973,594	(104,973,594)	—
2. Distribution to shareholders	2.對股東的分配	—	—	—	—	(118,687,940)	(118,687,940)
III. Balance at the end of the year	三、本年年末餘額	682,114,598	1,550,098,130	76,131,540	269,944,893	1,597,542,222	4,175,831,383

The financial statements were approved by the Board of Directors on 12 March 2018.

此財務報表已於2018年3月12日獲董事會批准。

Legal representative of the Company: 法定代表人：	The person in charge of accounting affairs: 主管會計工作的公司負責人：	The head of the accounting department: 會計機構負責人：	(Seal of the Company) (公司蓋章)
Ma Jie 馬杰	Zhuang Dan 莊丹	Liang Guanning 梁冠寧	
(Signature and Seal) (簽名和蓋章)	(Signature and Seal) (簽名和蓋章)	(Signature and Seal) (簽名和蓋章)	

Notes to financial statements set out on pages 153 to 422 form part of these financial statements.

刊載於第153頁至第422頁的財務報表附註為本財務報表的組成部分。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

I. CORPORATE INFORMATION

Yangtze Optical Fibre and Cable Joint Stock Limited Company (hereinafter referred to as the “Company”) is a sino-foreign joint venture company established in Wuhan, Hubei Province, the People’s Republic of China, with its headquarter in Wuhan. The Company issued 159,870,000 H shares at HK\$7.39 per share (at a nominal value of RMB1.00 per share) in December 2014 and was listed on the Hong Kong Stock Exchange. As of 31 December 2017, the percentage of shareholdings in the Company were held by China Huaxin Posts and Telecom Technologies Co., Ltd., Wuhan Yangtze Communications Industry Group Co., Ltd. and Draka Comteq B.V. as to 26.37%, 17.58% and 26.37%, respectively.

The Company and its subsidiaries (hereinafter referred to as the “Group”) are principally engaged in the research, development, production and sale of optical fiber preforms, optical fibers, optical cables and related products. Please see Note VII for related information of the subsidiaries of the Company.

II. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Company have been prepared on a going concern basis.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

I. Statement of compliance with the corporate accounting standards

The financial statements have been prepared in accordance with the requirements of “Accounting Standards for Business Enterprises” issued by the Ministry of Finance. These financial statements provide a true and complete presentation of the consolidated financial position and financial position as at 31 December 2016 and 31 December 2017, the consolidated results of operations and results of operations and the consolidated cash flows and cash flows of the Company for the year 2016 and 2017.

一、公司基本情況

長飛光纖光纜股份有限公司(以下簡稱「本公司」)是在中華人民共和國湖北省武漢市成立的中外合資股份有限公司，總部位於武漢市。本公司於2014年12月以每股港幣7.39元(每股面值人民幣1.00元)發行H股159,870,000股並在香港聯合交易所上市。截止2017年12月31日，本公司投資者中國華信郵電科技有限公司、武漢長江通信產業集團股份有限公司和Draka Comteq B.V.的持股比例分別為26.37%、17.58%和26.37%。

本公司及子公司(以下簡稱「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。本公司子公司的相關信息參見附註七。

二、財務報表的編製基礎

本公司以持續經營為基礎編製財務報表。

三、公司重要會計政策、會計估計

I、遵循企業會計準則的聲明

本財務報表符合中華人民共和國財政部(以下簡稱「財政部」)頒佈的企業會計準則的要求，真實、完整地反映了本公司2016年12月31日及2017年12月31日的合併財務狀況和財務狀況、2016年度及2017年度的合併經營成果和經營成果及合併現金流量和現金流量。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Cont'd)

2. Accounting period

The accounting period commences on 1 January and ends on 31 December each year.

3. Operating cycle

The Company takes the period from the acquisition of assets for processing to the realization of cash or cash equivalents as a normal operating cycle. The operating cycles of the Company are shorter than one year. Where the normal operating cycle is shorter than one year, the assets realised within one year from the balance sheet date or the liabilities due for settlement within one year from the balance sheet date are categorized as current assets or current liabilities

4. Functional currency

The functional currency of the Company is Renminbi ("RMB"). The Company presents the financial statements in RMB. The functional currency is determined by the Company and its subsidiaries on the basis of the currency in which major income and costs are denominated and settled. Certain subsidiaries of the Company use currency other than the functional currency of the Company as their functional currencies. When preparing this financial statement, the foreign currency financial statements of these subsidiaries were translated in accordance with Notes III. 8.

三、公司重要會計政策、會計估計 (續)

2、會計期間

會計年度自公曆1月1日起至12月31日止。

3、營業週期

本公司將從購買用於加工的資產起至實現現金或現金等價物的期間作為正常營業週期。本公司營業週期短於一年。正常營業週期短於一年的，自資產負債表日起一年內變現的資產或自資產負債表日起一年內到期應予以清償的負債歸類為流動資產或流動負債。

4、記帳本位幣

本公司的記帳本位幣為人民幣，編製財務報表採用的貨幣為人民幣。本公司及子公司選定記帳本位幣的依據是主要業務收支的計價和結算幣種。本公司的部分子公司採用本公司記帳本位幣以外的貨幣作為記帳本位幣，在編製本財務報表時，這些子公司的外幣財務報表按照附註三、8進行了折算。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Cont'd)

5. Accounting treatment for business combination under common control and not under common control

A business combination involving enterprises not under common control is a business combination in which all of the combining enterprises are not ultimately controlled by the same party or parties both before and after the business combination. Where (1) the aggregate of the acquisition-date fair value of assets transferred (including the acquirer's previously held equity interest in the acquiree), liabilities incurred or assumed, and equity securities issued by the acquirer, in exchange for control of the acquiree, exceeds (2) the acquirer's interest in the acquisition-date fair value of the acquiree's identifiable net assets, the difference is recognised as goodwill. If (1) is less than (2), the difference is recognised in profit or loss for the period. The direct costs incurred by the Group for the business combination are included in the current profits and losses. Any difference between the fair value and the carrying amount of the assets transferred as consideration is recognised in profit or loss. The acquiree's identifiable asset, liabilities and contingent liabilities, if the recognition criteria are met, are recognised by the Group at their acquisition-date fair value. The acquisition date is the date on which the acquirer obtains control of the acquiree.

三、公司重要會計政策、會計估計 (續)

5、非同一控制下企業合併的會計處理方法

參與合併的各方在合併前後不受同一方或相同的多方最終控制的，為非同一控制下的企業合併。本集團作為購買方，為取得被購買方控制權而付出的資產（包括購買日之前所持有的被購買方的股權）、發生或承擔的負債以及發行的權益性證券在購買日的公允價值之和，減去合併中取得的被購買方可辨認淨資產於購買日公允價值份額的差額，如為正數則確認為商譽；如為負數則計入當期損益。本集團為進行企業合併發生的各項直接費用計入當期損益。付出資產的公允價值與其賬面價值的差額，計入當期損益。本集團在購買日按公允價值確認所取得的被購買方符合確認條件的各項可辨認資產、負債及或有負債。購買日是指購買方實際取得對被購買方控制權的日期。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Cont'd)

6. Preparation of consolidated financial statements

(1) General principles

The scope of consolidated financial statements is based on control and the consolidated financial statements comprise the Company and its subsidiaries. Control exists when the investor has all of following: power over the investee; exposure, or rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered. The financial position, financial performance and cash flows of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Non-controlling interests are presented separately in the consolidated balance sheet within shareholders' equity. Net profit or loss attributable to non-controlling shareholders is presented separately in the consolidated income statement below the net profit line item. Total comprehensive income attributable to non-controlling shareholders is presented separately in the consolidated income statement below the total comprehensive income line item.

When the amount of loss for the period attributable to the non-controlling shareholders of a subsidiary exceeds the non-controlling shareholders' portion of the opening balance of owners' equity of the subsidiary, the excess is still allocated against the non-controlling interests.

三、公司重要會計政策、會計估計 (續)

6、合併財務報表的編製方法

(1) 總體原則

合併財務報表的合併範圍以控制為基礎予以確定，包括本公司及本公司控制的子公司。控制，是指本集團擁有對被投資方的權力，通過參與被投資方的相關活動而享有可變回報，並且有能力運用對被投資方的權力影響其回報金額。在判斷本集團是否擁有對被投資方的權力時，本集團僅考慮與被投資方相關的實質性權利(包括本集團自身所享有的及其他方所享有的實質性權利)。子公司的財務狀況、經營成果和現金流量由控制開始日起至控制結束日止包含於合併財務報表中。

子公司少數股東應佔的權益、損益和綜合收益總額分別在合併資產負債表的股東權益中和合併利潤表的淨利潤及綜合收益總額項目後單獨列示。

如果子公司少數股東分擔的當期虧損超過了少數股東在該子公司期初所有者權益中所享有的份額的，其餘額仍沖減少數股東權益。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Cont'd)

6. Preparation of consolidated financial statements (Cont'd)

(1) General principles (Cont'd)

When the accounting period or accounting policies of a subsidiary are different from those of the Company, the Company makes necessary adjustments to the financial statements of the subsidiary based on the Company's own accounting period or accounting policies. Intra-group balances and transactions, and any unrealised profit or loss arising from intra-group transactions, are eliminated when preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains, unless they represent impairment losses that are recognised in the financial statements.

(2) Subsidiaries acquired through a business combination

Where a subsidiary was acquired during the reporting period, through a business combination involving enterprises not under common control, the identifiable assets and liabilities of the acquired subsidiaries are included in the scope of consolidation from the date that control commences, based on the fair value of those identifiable assets and liabilities at the acquisition date.

三、公司重要會計政策、會計估計 (續)

6、合併財務報表的編製方法(續)

(1) 總體原則 (續)

當子公司所採用的會計期間或會計政策與本公司不一致時，合併時已按照本公司的會計期間或會計政策對子公司財務報表進行必要的調整。合併時所有集團內部交易及餘額，包括未實現內部交易損益均已抵銷。集團內部交易發生的未實現損失，有證據表明該損失是相關資產減值損失的，則全額確認該損失。

(2) 合併取得子公司

對於通過非同一控制下企業合併取得的子公司，在編製合併當期財務報表時，以購買日確定的被購買子公司各項可辨認資產、負債的公允價值為基礎自購買日起將被購買子公司納入本公司合併範圍。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Cont'd)

6. Preparation of consolidated financial statements (Cont'd)

(3) Disposal of subsidiaries

When the Group loses control of a subsidiary, any gains or losses arising from the disposal are included in the investment gains for the period in which control was lost. The remaining equity investment is remeasured at its fair value at the date when control is lost. Any resulting gains or losses are recognized as investment income of the period when control is lost.

(4) Change in non-controlling interests

Where the Company acquires a non-controlling interest from a subsidiary's non-controlling shareholders or disposes of a portion of an interest in a subsidiary without a change in control, the difference between the investment cost of newly acquired long-term equity investment and the Company's share of its subsidiary's identifiable net assets and the difference between the consideration received for disposal of long-term equity investment and the Company's share of subsidiary's identifiable net assets are adjusted to the capital reserve (share premium) in the consolidated balance sheet. If the credit balance of capital reserve (share premium) is insufficient, any excess is adjusted to retained earnings.

三、公司重要會計政策、會計估計 (續)

6、合併財務報表的編製方法(續)

(3) 處置子公司

本集團喪失對原有子公司控制權時，由此產生的任何處置收益或損失，計入喪失控制權當期的投資收益。對於剩餘股權投資，本集團按照其在喪失控制權日的公允價值進行重新計量，由此產生的任何收益或損失，也計入喪失控制權當期的投資收益。

(4) 少數股東權益變動

本公司因購買少數股權新取得的長期股權投資成本與按照新增持股比例計算應享有子公司的淨資產份額之間的差額，以及在不喪失控制權的情況下因部分處置對子公司的股權投資而取得的處置價款與處置長期股權投資相對應享有子公司淨資產的差額，均調整合併資產負債表中的資本公積(股本溢價)，資本公積(股本溢價)不足沖減的，調整留存收益。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Cont'd)

7. Determination of cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits, and short-term, highly liquid investments, which are readily convertible into known amounts of cash and are subject to an insignificant risk of change in value.

8. Foreign currency transactions and translation of financial statements

When the Group receives capital in foreign currencies from investors, the capital is translated to Renminbi at the spot exchange rate at the date of the receipt. Other foreign currency transactions are, on initial recognition, translated to Renminbi at the approximate exchange rates of the spot exchange rate on the dates of the transactions. The approximate exchange rate of the spot exchange rate is the average exchange rate of the period determined by the system in a reasonable way and similar to the spot exchange rate on the transaction date.

Monetary items denominated in foreign currencies are translated to Renminbi at the spot exchange rate at the balance sheet date. The resulting exchange differences are recognized in profit or loss, except those arising from the principals and interests on foreign currency borrowings specifically for the purpose of acquisition, construction of qualifying assets for capitalization (see Note III.15). Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the foreign exchange rate resulting from transactions.

三、公司重要會計政策、會計估計 (續)

7、現金及現金等價物的確定標準

現金和現金等價物包括庫存現金、可以隨時用於支付的存款以及持有期限短、流動性強、易於轉換為已知金額現金、價值變動風險很小的投資。

8、外幣業務和外幣報表折算

本集團收到投資者以外幣投入資本時按當日即期匯率折合為人民幣，其他外幣交易在初始確認時按交易發生日的即期匯率的近似匯率折合為人民幣。即期匯率的近似匯率是按照系統合理的方法確定的、與交易發生日即期匯率近似的當期平均匯率。

於資產負債表日，外幣貨幣性項目採用該日的即期匯率折算。除與購建符合資本化條件資產有關的專門借款本金和利息的匯兌差額(參見附註三、15)外，其他匯兌差額計入當期損益。以歷史成本計量的外幣非貨幣性項目，仍採用交易發生日的即期匯率折算。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Cont'd)

8. Foreign currency transactions and translation of financial statements (Cont'd)

When translating the financial statements of overseas operations, the assets and liabilities items in the balance sheet are translated at the spot exchange rate on the balance sheet date. Other than “undistributed profits” and “other comprehensive income - foreign currency translation differences”, other items under shareholders’ equity are converted using the spot exchange rate at the time of occurrence. Income and expense items in the income statement are translated using the approximate exchange rate of the spot exchange rate on the transaction date. The translation difference in the foreign currency financial statements resulting from the above conversion is shown in other comprehensive income.

9. Financial instruments

Financial instruments of the Group comprise of Cash and cash equivalent, equity investment except for long-term equity investment (see Note III. 12), receivables, payables, loans, and share capital, etc.

三、公司重要會計政策、會計估計 (續)

8、外幣業務和外幣報表折算(續)

對境外經營的財務報表進行折算時，資產負債表中的資產和負債項目，採用資產負債表日的即期匯率折算，股東權益項目除「未分配利潤」及「其他綜合收益－外幣報表折算差額」項目外，其他項目採用發生時的即期匯率折算。利潤表中的收入和費用項目，採用交易發生日的即期匯率的近似匯率折算。按照上述折算產生的外幣財務報表折算差額，在其他綜合收益中列示。

9、金融工具

本集團的金融工具包括貨幣資金、除長期股權投資(參見附註三、12)以外的股權投資、應收款項、應付款項、借款及股本等。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Cont'd)

9. Financial instruments (Cont'd)

(1) Recognition and measurement of financial assets and financial liabilities

A financial asset or financial liability is recognized in the balance sheet when the Group becomes a party to the contractual provisions of a financial instrument.

The Group classifies financial assets and liabilities into different categories at initial recognition, based on the purpose of acquiring assets or assuming liabilities: financial assets and financial liabilities measured at fair value through profit or loss for the period, loans, receivables, investments held to maturity, available-for-sale financial assets and other financial liabilities. During the reporting period, the Group did not hold held-to-maturity investments and financial liabilities measured at fair value through profit or loss for the period.

三、公司重要會計政策、會計估計 (續)

9、金融工具(續)

(1) 金融資產及金融負債的確認和計量

金融資產和金融負債在本集團成為相關金融工具合同條款的一方時，於資產負債表內確認。

本集團在初始確認時按取得資產或承擔負債的目的，把金融資產和金融負債分為不同類別：以公允價值計量且其變動計入當期損益的金融資產和金融負債、貸款及應收款項、持有至到期投資、可供出售金融資產和其他金融負債。本集團在報告期內不持有持有至到期投資以及以公允價值計量且其變動計入當期損益的金融負債。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Cont'd)

9. Financial instruments (Cont'd)

(1) Recognition and measurement of financial assets and financial liabilities (Cont'd)

Financial assets and financial liabilities are measured initially at fair value and any attributable transaction costs are included in their initial costs. For financial assets or financial liabilities that are measured at fair value through profit or loss, the relevant transaction costs are directly charged to the current profit or loss; For other types of financial assets or financial liabilities, subsequent to initial recognition financial assets and liabilities are measured as follows:

- Financial assets at fair value through profit or loss (including trading financial assets)

The Group holds such financial assets and derivatives for the purpose of selling or repurchasing in the near future.

After initial recognition, financial assets at fair value through profit or loss are measured at fair value, and gains or losses arising from changes in fair value are charged to profit or loss for the period.

三、公司重要會計政策、會計估計 (續)

9、金融工具(續)

(1) 金融資產及金融負債的確認和計量 (續)

在初始確認時，金融資產及金融負債均以公允價值計量。對於以公允價值計量且其變動計入當期損益的金融資產或金融負債，相關交易費用直接計入當期損益；對於其他類別的金融資產或金融負債，相關交易費用計入初始確認金額。初始確認後，金融資產和金融負債的後續計量如下：

- 以公允價值計量且其變動計入當期損益的金融資產(包括交易性金融資產)

本集團持有為了近期内出售或回購的金融資產及衍生工具屬於此類。

初始確認後，以公允價值計量且其變動計入當期損益的金融資產以公允價值計量，公允價值變動形成的利得或損失計入當期損益。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Cont'd)

9. Financial instruments (Cont'd)

(1) Recognition and measurement of financial assets and financial liabilities (Cont'd)

– Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Subsequent to initial recognition, receivables are stated at amortized cost using the effective interest method.

– Available-for-sale financial assets

Non-derivative financial assets designated as available-for-sale at initial recognition and financial assets not classified in other categories are classified as available-for-sale financial assets by the Group.

三、公司重要會計政策、會計估計 (續)

9、金融工具(續)

(1) 金融資產及金融負債的確認和計量 (續)

– 應收款項

應收款項是指在活躍市場中沒有報價、回收金額固定或可確定的非衍生金融資產。

初始確認後，應收款項以實際利率法按攤余成本計量。

– 可供出售金融資產

本集團將在初始確認時即被指定為可供出售的非衍生金融資產以及沒有歸類到其他類別的金融資產分類為可供出售金融資產。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Cont'd)

9. Financial instruments (Cont'd)

(1) Recognition and measurement of financial assets and financial liabilities (Cont'd)

– Available-for-sale financial assets (Cont'd)

Available-for-sale investments in equity instruments whose fair value cannot be measured reliably are measured at cost subsequent to initial recognition. Other available-for-sale financial assets are measured at fair value after initial recognition. Gains or losses arising from changes in fair value, except exchange losses arising from impairment losses and foreign currency monetary financial assets, are included in profit or loss for the period, and other gains or losses are calculated as other comprehensive income will be transferred out when available-for-sale financial assets are derecognized and included in the profit or loss for the period. Cash dividends from available-for-sale investments in equity instruments are recognized in profit or loss for the period when the investee announces distribution of dividends. Interest on available-for-sale financial assets calculated using the effective interest method is included in profit or loss for the period (see note III 22(3)).

三、公司重要會計政策、會計估計 (續)

9、金融工具(續)

(1) 金融資產及金融負債的確認和計量 (續)

– 可供出售金融資產 (續)

對公允價值不能可靠計量的可供出售權益工具投資，初始確認後按成本計量；其他可供出售金融資產，初始確認後以公允價值計量，公允價值變動形成的利得或損失，除減值損失和外幣貨幣性金融資產形成的匯兌差額計入當期損益外，其他利得或損失計入其他綜合收益，在可供出售金融資產終止確認時轉出，計入當期損益。可供出售權益工具投資的現金股利，在被投資單位宣告發放股利時計入當期損益。按實際利率法計算的可供出售金融資產的利息，計入當期損益(參見附註三、22(3))。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Cont'd)

9. Financial instruments (Cont'd)

(1) Recognition and measurement of financial assets and financial liabilities (Cont'd)

– Other financial liabilities

Financial liabilities other than the financial liabilities at fair value through profit or loss are classified as other financial liabilities.

Other financial liabilities include financial guarantee contract liabilities. The financial guarantee contract refers to the agreement between the Group as a guarantor and the creditor, and when the debtor fails to perform the obligation, the Group performs the contract or assumes the liability in accordance with the contract. The subsequent measurement shall be made for the higher of the balance of the financial guarantee contract liabilities after the initial recognition amount less accumulated amortization and the estimated amount determined based on the principle of contingencies (see Note III.21).

In addition to the above, other financial liabilities are measured at amortized cost using the effective interest method after initial recognition.

三、公司重要會計政策、會計估計 (續)

9、金融工具(續)

(1) 金融資產及金融負債的確認和計量 (續)

– 其他金融負債

其他金融負債是指除以公允價值計量且其變動計入當期損益的金融負債以外的金融負債。

其他金融負債包括財務擔保合同負債。財務擔保合同指本集團作為保證人與債權人約定，當債務人不履行債務時，本集團按照約定履行債務或者承擔責任的合同。財務擔保合同負債以初始確認金額扣除累計攤銷額後的餘額與按照或有事項原則(參見附註三、21)確定的預計負債金額兩者之間較高者進行後續計量。

除上述以外的其他金融負債，初始確認後採用實際利率法按攤余成本計量。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Cont'd)

9. Financial instruments (Cont'd)

(2) Presentation of financial assets and financial liabilities

Financial assets and financial liabilities are presented separately in the balance sheet and shall not be offset. However, a financial asset and a financial liability shall be offset and the net amount presented in the balance sheet when both of the following conditions are satisfied:

- the Group has a legal right to offset the recognized amounts and the legal right is currently enforceable;
- the Group intends either to settle on a net basis, or to realize the financial asset and settle the financial liability simultaneously.

(3) Derecognition of financial assets and financial liabilities

A financial asset is derecognized if the Group's contractual rights to the cash flows from the financial asset expire or if the Group transfers substantially all the risks and rewards of ownership of the financial asset to another party.

三、公司重要會計政策、會計估計 (續)

9、金融工具(續)

(2) 金融資產及金融負債的列報

金融資產和金融負債在資產負債表內分別列示，沒有相互抵銷。但是，同時滿足下列條件的，以相互抵銷後的淨額在資產負債表內列示：

- 本集團具有抵銷已確認金額的法定權利，且該種法定權利是當前可執行的；
- 本集團計劃以淨額結算，或同時變現該金融資產和清償該金融負債。

(3) 金融資產和金融負債的終止確認

當收取某項金融資產的現金流量的合同權利終止或將所有權上幾乎所有的風險和報酬轉移時，本集團終止確認該金融資產。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Cont'd)

9. Financial instruments (Cont'd)

(3) Derecognition of financial assets and financial liabilities (Cont'd)

Where a transfer of a financial asset in its entirety meets the criteria of the derecognition, the difference between the two amounts below is recognized in profit or loss:

- carrying amount of the financial asset transferred;
- the sum of the consideration received from the transfer and any cumulative gains or loss that has been recognized directly in equity.

The Group derecognizes a financial liability (or part of it) only when the underlying present obligation (or part of it) is discharged.

(4) Impairment of financial assets

The carrying amounts of financial assets are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. If any such evidence exists, impairment loss is provided.

三、公司重要會計政策、會計估計 (續)

9、金融工具(續)

(3) 金融資產和金融負債的終止確認(續)

金融資產整體轉移滿足終止確認條件的，本集團將下列兩項金額的差額計入當期損益：

- 所轉移金融資產的賬面價值；
- 因轉移而收到的對價，與原直接計入股東權益的公允價值變動累計額之和。

金融負債的現時義務全部或部分已經解除的，本集團終止確認該金融負債或其一部分。

(4) 金融資產的減值

本集團在資產負債表日對以公允價值計量且其變動計入當期損益的金融資產以外的金融資產的賬面價值進行檢查，有客觀證據表明該金融資產發生減值的，計提減值準備。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Cont'd)

9. Financial instruments (Cont'd)

(4) Impairment of financial assets (Cont'd)

Objective evidence that a financial asset is impaired includes, but is not limited to the following:

- (a) significant financial difficulty of the issuer or borrower;
- (b) a breach of contract by the borrower, such as a default or delinquency in interest or principal payments;
- (c) strong probability that the borrower will enter bankruptcy or go through another type of financial reorganisation;
- (d) the financial assets cannot continue to be traded in an active market due to the significant financial difficulties of the issuer;
- (e) significant adverse changes have taken place in the technical, market, economic, or legal environment in which the issuer of equity instruments operates, making it impossible for equity instrument investors to recover investment costs;
- (f) the fair value of equity instrument investment dropped significantly or non-transiently (that is, the fair value continued to drop).

三、公司重要會計政策、會計估計 (續)

9、金融工具(續)

(4) 金融資產的減值 (續)

金融資產發生減值的客觀證據，包括但不限於：

- (a) 發行方或債務人發生嚴重財務困難；
- (b) 債務人違反了合同條款，如償付利息或本金發生違約或逾期等；
- (c) 債務人很可能倒閉或進行其他財務重組；
- (d) 因發行方發生重大財務困難，該金融資產無法在活躍市場繼續交易；
- (e) 權益工具發行方經營所處的技術、市場、經濟或法律環境等發生重大不利變化，使權益工具投資人可能無法收回投資成本；
- (f) 權益工具投資的公允價值發生嚴重下跌或非暫時性下跌(即公允價值持續下跌)等。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Cont'd)

9. Financial instruments (Cont'd)

(4) Impairment of financial assets (Cont'd)

Please refer to Note III.10 for the method of impairment of receivables. The method of impairment of other financial assets are set out as follows:

– Available-for-sale financial assets

Available-for-sale financial assets are assessed for impairment losses using individual methods and combinations. When the available-for-sale financial assets are impaired, even if the financial assets are not derecognized, the Group will accrue the accumulated losses from the decline in fair value that had been directly included in shareholders' equity from shareholders' equity and be charged to profit or loss for the current period.

For available-for-sale debt instruments for which impairment losses have been recognized, if the fair value has risen during the subsequent accounting period and it is objectively related to the events that occurred after the original impairment loss was confirmed, the Group will reverse the impairment losses that have been recognized previously and charge to profit or loss for the period. Impairment losses on available-for-sale equity instrument investments are not reversed through profit or loss. However, equity instrument investments that do not have a quoted price in an active market and whose fair value cannot be reliably measured cannot be reversed.

三、公司重要會計政策、會計估計 (續)

9、金融工具(續)

(4) 金融資產的減值 (續)

有關應收款項減值的方法，參見附註三、10，其他金融資產的減值方法如下：

– 可供出售金融資產

可供出售金融資產運用個別方式和組合方式評估減值損失。可供出售金融資產發生減值時，即使該金融資產沒有終止確認，本集團將原直接計入股東權益的因公允價值下降形成的累計損失從股東權益轉出，計入當期損益。

對於已確認減值損失的可供出售債務工具，在隨後的會計期間公允價值已上升且客觀上與確認原減值損失後發生的事項有關的，本集團將原確認的減值損失予以轉回，計入當期損益。可供出售權益工具投資發生的減值損失，不通過損益轉回。但是，在活躍市場中沒有報價且其公允價值不能可靠計量的權益工具投資，不得轉回。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Cont'd)

9. Financial instruments (Cont'd)

(5) Equity instruments

The consideration received from the issuance of equity instruments net of transaction costs is recognized in shareholders' equity.

10. Impairment of receivables

Receivables (including account receivables and other receivables) are assessed for impairment both on an individual basis and on a collective group basis.

Where impairment is assessed on an individual basis, an impairment loss in respect of a receivable is calculated as the excess of its carrying amount over the present value of the estimated future cash flows (exclusive of future credit losses that have not been incurred) discounted at the original effective interest rate. The Group discounts the carrying amount of the receivables to its present value and the discounted amount is recognized as impairment loss of asset, all impairment losses are recognized in profit or loss.

The assessment is made collectively where receivables share similar credit risk characteristics (including those having not been individually assessed as impaired), based on their historical loss experiences, and adjusted by the observable figures reflecting present economic conditions.

If, after an impairment loss has been recognized on receivables, there is objective evidence of a recovery in value of the financial asset which can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss. A reversal of an impairment loss will not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognized in prior years.

三、公司重要會計政策、會計估計 (續)

9、金融工具(續)

(5) 權益工具

本公司發行權益工具收到的對價扣除交易費用後，計入股東權益。

10、應收款項的壞賬準備

應收款項(包含應收賬款及其他應收款)按下述原則運用個別方式和組合方式評估減值損失。

運用個別方式評估時，當應收款項的預計未來現金流量(不包括尚未發生的未來信用損失)按原實際利率折現的現值低於其賬面價值時，本集團將該應收款項的賬面價值減記至該現值，減記的金額確認為資產減值損失，計入當期損益。

當運用組合方式評估應收款項的減值損失時，減值損失金額是根據具有類似信用風險特徵的應收款項(包括以個別方式評估未發生減值的應收款項)的以往損失經驗，並根據反映當前經濟狀況的可觀察數據進行調整確定的。

在應收款項確認減值損失後，如有客觀證據表明該金融資產價值已恢復，且客觀上與確認該損失後發生的事項有關，本集團將原確認的減值損失予以轉回，計入當期損益。該轉回後的賬面價值不超過假定不計提減值準備情況下該金融資產在轉回日的攤余成本。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Cont'd)

10. Impairment of receivables (Cont'd)

(1) Significant single trade receivables which being made single doubtful debt provision:

Judgment basis or criteria for receivables that are individually significant
單項金額重大的判斷依據或金額標準

Method for making single doubtful debt provision with significant single account receivables

單項金額重大並單獨計提
壞賬準備的計提方法

(2) Insignificant single receivables which are provided for bad and doubtful debts:

Reasons for making single doubtful debts provisions with single account receivables not significant

單項金額不重大但單獨計提
壞賬準備的理由

Doubtful debt provision method

壞賬準備的計提方法

三、公司重要會計政策、會計估計 (續)

10、應收款項的壞賬準備(續)

(1) 單項金額重大並單獨計提壞賬準備的應收款項：

Receivables with individual amounts greater than RMB5 million are considered significant.

單項金額大於人民幣500萬元的應收款項視為重大。

Each individual item is tested separately for impairment. When there is objective evidence that it is impaired, provision for doubtful debts is made based on the difference between the present value of the future cash flow and its book value. If there is no impairment, it shall be consolidated into the credit risk feature combination with the aging, and doubtful debt provision shall be charged according to the age analysis method.

各單項分別進行減值測試，當存在客觀證據表明其發生了減值的，根據未來現金流量的現值低於其賬面價值的差額，計提壞賬準備。未發生減值的，合併到以賬齡為信用風險特徵組合中，按照賬齡分析法計提壞賬準備。

(2) 單項金額不重大但單獨計提壞賬準備的應收款項：

Evidence shows that payments that are difficult to recover have special recovery risks.

有證據表明難以收回的款項，存在特殊的回收風險。

Each individual item is tested separately for impairment. When there is objective evidence that it is impaired, provision for doubtful debts is made based on the difference between the present value of the future cash flow and its book value. If there is no impairment, it shall be consolidated into the credit risk feature combination with the aging, and doubtful debt provision shall be charged according to the age analysis method.

各單項分別進行減值測試，當存在客觀證據表明其發生了減值的，根據未來現金流量的現值低於其賬面價值的差額，計提壞賬準備。未發生減值的，合併到以賬齡為信用風險特徵組合中，按照賬齡分析法計提壞賬準備。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Cont'd)

10. Impairment of receivables (Cont'd)

(3) Trade receivables with doubtful debt provision made according to credit risk characteristics of portfolios

For the above receivables that have not been impaired in the individual tests (1) and (2), the Group will also include them in the trade receivables portfolio with similar credit risk characteristics before performing impairment test.

Name of portfolio 組合名稱	Basis for judging the portfolio 確定組合的依據
Portfolio 1 組合 1	Receivables – Related parties 應收款項－關聯方
Portfolio 2 組合 2	Receivables – Operators under China Telecom network and other companies with good credit records 應收款項－中國電信網絡運營商及其他信用記錄良好的企業
Portfolio 3 組合 3	Receivables – Receivables other than the above portfolios 1 and 2 應收款項－除上述組合 1 及組合 2 以外其他的應收款項

Method to make doubtful debt provision according to credit risk characteristics of portfolios
按信用風險特徵組合計提壞賬準備的計提方法

Portfolio 1 組合 1	Ageing analysis method 賬齡分析法
Portfolio 2 組合 2	Ageing analysis method 賬齡分析法
Portfolio 3 組合 3	Ageing analysis method 賬齡分析法

三、公司重要會計政策、會計估計 (續)

10、應收款項的壞賬準備(續)

(3) 按信用風險特徵組合計提壞賬準備的應收款項

對於上述(1)和(2)中單項測試未發生減值的應收款項，本集團也會將其包括在具有類似信用風險特徵的應收賬款組合中再進行減值測試。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Cont'd)

10. Impairment of receivables (Cont'd)

(3) Account receivables with doubtful debt provision made according to credit risk characteristics of portfolios (Cont'd)

As of the end of 2017, the Group continued to refine and improve the management of receivables based on its experience accumulated in practice. According to the industry characteristics of the Group, and with reference to the proportion of provision for doubtful debts of accounts receivable of listed companies in the same industry, the Group amended the proportion of provision for doubtful debts using aging analysis method in the portfolio as follows, and the provision for doubtful debts of the accounts was retrospectively adjusted according to the following accrual ratios. Please refer to Note XIV.1 for details.

三、公司重要會計政策、會計估計 (續)

10、應收款項的壞賬準備(續)

(3) 按信用風險特徵組合計提壞賬準備的應收款項 (續)

截至2017年底，本集團根據在實踐中逐步積累的經驗，不斷細化和完善對於應收款項的管理。根據本集團所處行業特點，並參考同行業上市公司的應收賬款壞賬準備計提比例，本集團將組合中採用賬齡分析法計提壞賬準備的比例修訂如下，並對2016年應收款項的壞賬準備按照下述計提比例進行了追溯調整，詳見附註十四、1。

Accrual ratios for account receivables (%)

應收款項計提比例 (%)

	Ageing 賬齡	Portfolio 1 組合 1	Portfolio 2 組合 2	Portfolio 3 組合 3
Within 1 year (1 year inclusive)	1年以內(含1年)	3%	1%	3%
1 - 2 years (2 years inclusive)	1 - 2年(含2年)	10%	5%	10%
2 - 3 years (3 years inclusive)	2 - 3年(含3年)	30%	10%	30%
3 - 4 years (4 years inclusive)	3 - 4年(含4年)	100%	30%	100%
4 - 5 years (5 years inclusive)	4 - 5年(含5年)	100%	50%	100%
More than 5 years	5年以上	100%	100%	100%

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Cont'd)

11. Inventories

(1) Classification and cost

Inventories include raw material, work in process, semi-finished goods and finished good.

Inventories are initially measured at cost. Cost of inventories comprises all costs of purchase, costs of conversion and other expenses that to help deliver the inventories to the current location and situation. In addition to the purchasing cost of raw materials, work in progress and finished goods include direct labour costs and an appropriate allocation of production overheads.

(2) Determination of cost of inventories

The actual cost of inventories is calculated using the weighted average method.

Consumables including low-value consumables and packaging materials are amortized in full when received for use. The amounts of the amortization are included in the cost of the related assets or profit or loss.

(3) The underlying factors in the determination of net realizable value of inventories and the basis of provision for diminution in value of inventories

Inventories are measured at the lower of cost and net realizable value at the balance sheet date.

三、公司重要會計政策、會計估計 (續)

11、存貨

(1) 存貨的分類和成本

存貨包括原材料、在產品、半成品、產成品。

存貨按成本進行初始計量。存貨成本包括採購成本、加工成本和使存貨達到目前場所和狀態所發生的其他支出。除原材料採購成本外，在產品及產成品還包括直接人工和按照適當比例分配的生產製造費用。

(2) 發出存貨的計價方法

發出存貨的實際成本採用加權平均法計量。

低值易耗品及包裝物等周轉材料採用一次轉銷法進行攤銷，計入相關資產的成本或者當期損益。

(3) 存貨可變現淨值的確定依據及存貨跌價準備的計提方法

資產負債表日，存貨按照成本與可變現淨值孰低計量。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Cont'd)

11. Inventories (Cont'd)

(3) *The underlying factors in the determination of net realizable value of inventories and the basis of provision for diminution in value of inventories (Cont'd)*

Net realizable value is the estimated selling price in the normal course of business less the estimated costs to completion and the estimated expenses and the related taxes necessary to make the sale. The net realizable value of materials held for use in the production of inventories is measured based on the net realizable value of the finished goods in which they will be incorporated. The net realizable value of the quantity of inventory held to satisfy sales or service contracts is based on the contract price. If the quantities of inventories specified in sales contracts are less than the quantities held by the Group, the net realizable value of the excess portion of inventories shall be based on general selling prices.

Any excess of the cost over the net realizable value of each item of inventories is recognized as a provision for diminution in the value of inventories and charged to profit or loss.

三、公司重要會計政策、會計估計 (續)

11、存貨(續)

(3) *存貨可變現淨值的確定依據及存貨跌價準備的計提方法 (續)*

可變現淨值，是指在日常活動中，存貨的估計售價減去至完工時估計將要發生的成本、估計的銷售費用以及相關稅費後的金額。為生產而持有的原材料，其可變現淨值根據其生產的產成品的可變現淨值為基礎確定。為執行銷售合同或者勞務合同而持有的存貨，其可變現淨值以合同價格為基礎計算。當持有存貨的數量多於相關合同訂購數量的，超出部分的存貨的可變現淨值以一般銷售價格為基礎計算。

按存貨類別計算的成本高於其可變現淨值的差額，計提存貨跌價準備，計入當期損益。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Cont'd)

11. Inventories (Cont'd)

(4) Inventory system

The Group maintains a perpetual inventory system.

12. Long-term equity investments

(1) Investment cost of long-term equity investments

(a) Long-term equity investments acquired through a business combination

- For a long-term equity investment obtained through a business combination not involving enterprises under common control, the initial cost comprises the aggregate of the fair value of assets transferred, liabilities incurred or assumed, and equity securities issued by the Company, in exchange for control of the acquiree.

三、公司重要會計政策、會計估計 (續)

11、存貨(續)

(4) 存貨的盤存制度

本集團存貨盤存制度為永續盤存制。

12、長期股權投資

(1) 長期股權投資投資成本確定

(a) 通過企業合併形成的長期股權投資

- 對於非同一控制下企業合併形成的對子公司的長期股權投資，本公司按照購買日取得對被購買方的控制權而付出的資產、發生或承擔的負債以及發行的權益性證券的公允價值，作為該投資的初始投資成本。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Cont'd)

12. Long-term equity investments (Cont'd)

(1) Investment cost of long-term equity investments (Cont'd)

(b) Long-term equity investments acquired other than through a business combination

- A long-term equity investment acquired other than through a business combination is initially recognised at the amount of cash paid if the Group acquires the investment by cash, or at the fair value of the equity securities issued if an investment is acquired by issuing equity securities. For the long-term equity investment obtained by issuing equity securities, the Group uses the fair value of the issuing equity securities as the initial investment cost.

三、公司重要會計政策、會計估計 (續)

12、長期股權投資(續)

(1) 長期股權投資投資成本確定(續)

(b) 其他方式取得的長期股權投資

- 對於通過企業合併以外的其他方式取得的長期股權投資，在初始確認時，對於以支付現金取得的長期股權投資，本集團按照實際支付的購買價款作為初始投資成本；對於發行權益性證券取得的長期股權投資，本集團按照發行權益性證券的公允價值作為初始投資成本。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Cont'd)

12. Long-term equity investments (Cont'd)

(2) Subsequent measurement of long-term equity investment

(a) Investments in subsidiaries

Unless the investment meets the conditions for holding for sale, in the Company's separate financial statements, long-term equity investments in subsidiaries are accounted for using the cost method for subsequent measurement. Except for cash dividends or profit distributions declared but not yet distributed that have been included in the price or consideration paid in obtaining the investments, the Company recognises its share of the cash dividends or profit distributions declared by the investee as investment income in the current period.

The investments in subsidiaries are stated in the balance sheet at cost less accumulated impairment losses.

For the impairment of the investments in subsidiaries, refer to Note III.19.

三、公司重要會計政策、會計估計 (續)

12、長期股權投資(續)

(2) 長期股權投資後續計量及 損益確認方法

(a) 對子公司的投資

在本公司個別財務報表中，本公司採用成本法對子公司的長期股權投資進行後續計量，除非投資符合持有待售的條件。對被投資單位宣告分派的現金股利或利潤由本公司享有的部分確認為當期投資收益，但取得投資時實際支付的價款或對價中包含的已宣告但尚未發放的現金股利或利潤除外。

對子公司的投資按照成本減去減值準備後在資產負債表內列示。

對子公司投資的減值測試方法及減值準備計提方法參見附註三、19。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Cont'd)

12. Long-term equity investments (Cont'd)

(2) Subsequent measurement of long-term equity investment (Cont'd)

(a) Investments in subsidiaries (Cont'd)

In the Group's consolidated financial statements, investments in subsidiaries are accounted for in accordance with the policies described in Note III.6.

(b) Investment in joint ventures and associates

A joint venture is an arrangement whereby the Group and other parties have joint control (see Note III.12(3)) and rights to the net assets of the arrangement.

An associate is an enterprise over which the Group has significant influence (see Note III.12(3)).

An investment in a joint venture or an associate is accounted for using the equity method for subsequent measurement, unless the investment meets the conditions for holding for sale, an investment in a joint venture or an associate is accounted for using the equity method for subsequent measurement.

三、公司重要會計政策、會計估計 (續)

12、長期股權投資(續)

(2) 長期股權投資後續計量及損益確認方法(續)

(a) 對子公司的投資(續)

在本集團合併財務報表中，對子公司按附註三、6進行處理。

(b) 對合營企業和聯營企業的投資

合營企業指本集團與其他合營方共同控制(參見附註三、12(3))且僅對其淨資產享有權利的一項安排。

聯營企業指本集團能夠對其施加重大影響(參見附註三、12(3))的企業。

後續計量時，對合營企業和聯營企業的長期股權投資採用權益法核算，除非投資符合持有待售的條件。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Cont'd)

12. Long-term equity investments (Cont'd)

(2) Subsequent measurement of long-term equity investment (Cont'd)

(b) Investment in joint ventures and associates (Cont'd)

Under the equity method:

- Where the initial cost of a long-term equity investment exceeds the Group's interest in the fair value of the investee's identifiable net assets at the date of acquisition, the investment is initially recognised at cost. Where the initial investment cost is less than the Group's interest in the fair value of the investee's identifiable net assets at the date of acquisition, the investment is initially recognised at the investor's share of the fair value of the investee's identifiable net assets, and the difference is recognised in profit or loss.

三、公司重要會計政策、會計估計 (續)

12、長期股權投資(續)

(2) 長期股權投資後續計量及損益確認方法(續)

(b) 對合營企業和聯營企業的投資(續)

本集團在採用權益法核算時的具體會計處理包括：

- 對於長期股權投資的初始投資成本大於投資時應享有被投資單位可辨認淨資產公允價值份額的，以前者作為長期股權投資的成本；對於長期股權投資的初始投資成本小於投資時應享有被投資單位可辨認淨資產公允價值份額的，以後者作為長期股權投資的成本，長期股權投資的成本與初始投資成本的差額計入當期損益。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Cont'd)

12. Long-term equity investments (Cont'd)

(2) Subsequent measurement of long-term equity investment (Cont'd)

(b) Investment in joint ventures and associates (Cont'd)

- After the acquisition of the investment, the Group recognises its share of the investee's profit or loss and other comprehensive income as investment income or losses and other comprehensive income respectively, and adjusts the carrying amount of the investment accordingly. Once the investee declares any cash dividends or profit distributions, the carrying amount of the investment is reduced by that amount attributable to the Group. Changes in the Group's share of the investee's owners' equity, other than those arising from the investee's net profit or loss, other comprehensive income or profit distribution ("other changes in owners' equity"), is recognised directly in the Group's equity, and the carrying amount of the investment is adjusted accordingly.

三、公司重要會計政策、會計估計 (續)

12、長期股權投資(續)

(2) 長期股權投資後續計量及損益確認方法(續)

(b) 對合營企業和聯營企業的投資(續)

- 取得對合營企業和聯營企業投資後，本集團按照應享有或應分擔的被投資單位實現的淨損益和其他綜合收益的份額，分別確認投資損益和其他綜合收益並調整長期股權投資的賬面價值；按照被投資單位宣告分派的利潤或現金股利計算應分得的部分，相應減少長期股權投資的賬面價值。對合營企業或聯營企業除淨損益、其他綜合收益和利潤分配以外所有者權益的其他變動(以下簡稱「其他所有者權益變動」)，本集團按照應享有或應分擔的份額計入股東權益，並同時調整長期股權投資的賬面價值。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Cont'd)

12. Long-term equity investments (Cont'd)

(2) Subsequent measurement of long-term equity investment (Cont'd)

(b) Investment in joint ventures and associates (Cont'd)

- In calculating its share of the investee's net profits or losses, other comprehensive income and other changes in owners' equity, the Group recognises investment income and other comprehensive income after making appropriate adjustments to align the accounting policies or accounting periods with those of the Group based on the fair value of the investee's identifiable net assets at the date of acquisition. Unrealised profits and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's interest in the associates or joint ventures. Unrealised losses resulting from transactions between the Group and its associates or joint ventures are eliminated in the same way as unrealised gains but only to the extent that there is no impairment.

三、公司重要會計政策、會計估計 (續)

12、長期股權投資(續)

(2) 長期股權投資後續計量及損益確認方法(續)

(b) 對合營企業和聯營企業的投資(續)

- 在計算應享有或應分擔的被投資單位實現的淨損益、其他綜合收益及其他所有者權益變動的份額時，本集團以取得投資時被投資單位可辨認淨資產公允價值為基礎，按照本集團的會計政策或會計期間進行必要調整後確認投資收益和其他綜合收益等。本集團與聯營企業及合營企業之間內部交易產生的未實現損益按照應享有的比例計算歸屬於本集團的部分，在權益法核算時予以抵銷。內部交易產生的未實現損失，有證據表明該損失是相關資產減值損失的，則全額確認該損失。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Cont'd)

12. Long-term equity investments (Cont'd)

(2) Subsequent measurement of long-term equity investment (Cont'd)

(b) Investment in joint ventures and associates (Cont'd)

- The Group discontinues recognising its share of further losses of the investee after the carrying amount of the long-term equity investment and any long-term interest that in substance forms part of the Group's net investment in the joint venture or associate is reduced to zero, except to the extent that the Group has an obligation to assume additional losses. If the joint venture or associate subsequently reports net profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

For the impairment of the investments in joint ventures and associates, refer to Note III.19.

三、公司重要會計政策、會計估計 (續)

12、長期股權投資(續)

(2) 長期股權投資後續計量及損益確認方法(續)

(b) 對合營企業和聯營企業的投資(續)

- 本集團對合營企業或聯營企業發生的淨虧損，除本集團負有承擔額外損失義務外，以長期股權投資的賬面價值以及其他實質上構成對合營企業或聯營企業淨投資的長期權益減記至零為限。合營企業或聯營企業以後實現淨利潤的，本集團在收益分享額彌補未確認的虧損分擔額後，恢復確認收益分享額。

本集團對合營企業和聯營企業投資的減值測試方法及減值準備計提方法參見附註三、19。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Cont'd)

12. Long-term equity investments (Cont'd)

(3) *Criteria for determining the existence of joint control or significant influence over an investee*

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities (activities with significant impact on the returns of the arrangement) require the unanimous consent of the parties sharing control.

The following factors are usually considered when assessing whether the Group can exercise joint control over an investee:

- Whether no single participant party is in a position to control the investee's related activities unilaterally;
- Whether strategic decisions relating to the investee's related activities require the unanimous consent of all participant parties that sharing of control.

Significant influence is the power to participate in the financial and operating policy decisions of an investee but does not have control or joint control over those policies.

三、公司重要會計政策、會計估計 (續)

12、長期股權投資(續)

(3) *確定對被投資單位具有共同控制、重大影響的判斷標準*

共同控制指按照相關約定對某項安排所共有的控制，並且該安排的相關活動(即對安排的回報產生重大影響的活動)必須經過分享控制權的參與方一致同意後才能決策。

本集團在判斷對被投資單位是否存在共同控制時，通常考慮下述事項：

- 是否任何一個參與方均不能單獨控制被投資單位的相關活動；
- 涉及被投資單位相關活動的決策是否需要分享控制權參與方一致同意。

重大影響指本集團對被投資單位的財務和經營政策有參與決策的權力，但並不能夠控制或者與其他方一起共同控制這些政策的制定。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Cont'd)

13. Fixed assets

(1) Recognition criteria for fixed assets

Fixed assets represent the tangible assets held by the Group for use in the production of goods, rendering of services or for operation and administrative purposes with useful lives over one accounting year.

The initial cost of a purchased fixed asset comprises the purchase price, related taxes, and any directly attributable expenditure for bringing the asset to working condition for its intended use. The initial cost of self-constructed assets is measured in accordance with the policy set out in Note III.14.

Where parts of an item of fixed asset have different useful lives or provide benefits to the Group in different patterns thus necessitating use of different depreciation rates or methods, each part is recognized as a separate fixed asset.

三、公司重要會計政策、會計估計 (續)

13、固定資產

(1) 固定資產確認條件

固定資產指本集團為生產商品或經營管理而持有的，使用壽命超過一個會計年度的有形資產。

外購固定資產的初始成本包括購買價款、相關稅費以及使該資產達到預定可使用狀態前所發生的可歸屬於該項資產的支出。自行建造固定資產按附註三、14確定初始成本。

對於構成固定資產的各組成部分，如果各自具有不同使用壽命或者以不同方式為本集團提供經濟利益，適用不同折舊率或折舊方法的，本集團分別將各組成部分確認為單項固定資產。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Cont'd)

13. Fixed assets (Cont'd)

(1) Recognition criteria for fixed assets (Cont'd)

The subsequent costs including the cost of replacing part of an item of fixed assets are recognized in the carrying amount of the item if the recognition criteria are satisfied. When capital expenditure related to expenditure is likely to flow into the Group, capitalization is included in the cost of fixed assets, and the carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of fixed assets are recognized in profit or loss of the period as incurred.

Fixed assets are stated in the balance sheet at cost less accumulated depreciation and impairment losses.

三、公司重要會計政策、會計估計 (續)

13、固定資產 (續)

(1) 固定資產確認條件 (續)

對於固定資產的後續支出，包括與更換固定資產某組成部分相關的支出，在與支出相關的經濟利益很可能流入本集團時資本化計入固定資產成本，同時將被替換部分的賬面價值扣除；與固定資產日常維護相關的支出在發生時計入當期損益。

固定資產以成本減累計折舊及減值準備後在資產負債表內列示。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Cont'd)

13. Fixed assets (Cont'd)

(2) Depreciation method for fixed assets

Fixed assets are depreciated using the straight-line method over their estimated useful lives on the basis of cost less estimated net residual value and accumulated impairment loss.

The depreciation period, residual value rate and annual depreciation rate of each type of fixed assets are as follows:

Type 類別	Useful life (year) 使用壽命(年)	Residual value rate (%) 殘值率(%)	Annual depreciation rate (%) 年折舊率(%)
Buildings and structures 房屋及建築物	20 years 20年	10%	4.50%
Machinery equipment 機器設備	8 – 20 years 8 - 20年	0%	5.00% - 12.50%
Office equipment and other equipment 辦公設備及其他設備	4 – 8 years 4 - 8年	0%	12.50% - 25.00%
Transportation equipment 運輸工具	5 – 8 years 5 - 8年	10%	11.25% - 18.00%

No depreciation is provided for the land permanently held by the Group.

Useful lives, estimated residual values and depreciation methods are reviewed at least each year-end.

三、公司重要會計政策、會計估計 (續)

13、固定資產(續)

(2) 固定資產的折舊方法

本集團將固定資產的成本扣除預計淨殘值和累計減值準備後在其使用壽命內按年限平均法計提折舊。

各類固定資產的使用壽命、殘值率和年折舊率分別為：

本集團永久持有的土地不計提折舊。

本集團至少在每年年度終了對固定資產的使用壽命、預計淨殘值和折舊方法進行覆核。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Cont'd)

13. Fixed assets (Cont'd)

(3) For the method of impairment testing and provision for impairment, refer to Note III.19.

(4) Disposal of fixed assets

The carrying amount of a fixed asset shall be derecognized:

- on disposal; or
- when no future economic benefits are expected to be generated from its use or disposal.

Gains or losses arising from the retirement or disposal of an item of fixed asset are determined as the difference between the net disposal proceeds and the carrying amount of the item, and are recognized in profit or loss on the date of retirement or disposal.

三、公司重要會計政策、會計估計 (續)

13、固定資產 (續)

(3) 減值測試方法及減值準備計提方法參見附註三、19。

(4) 固定資產處置

固定資產滿足下述條件之一時，本集團會予以終止確認。

- 固定資產處於處置狀態；
- 該固定資產預期通過使用或處置不能產生經濟利益。

報廢或處置固定資產項目所產生的損益為處置所得款項淨額與項目賬面金額之間的差額，並於報廢或處置日在損益中確認。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Cont'd)

14. Construction in progress

The cost of self-constructed fixed assets includes the cost of materials, direct labour, borrowing costs that meet the criteria for capitalization (see Note III.15), and any other costs directly attributable to bringing the asset to working condition for its intended use.

A self-constructed fixed asset is included in construction in progress before it is transferred to fixed assets when it is ready for its intended use. No depreciation is provided against construction in progress.

Construction in progress is stated in the balance sheet at cost less provision for impairment (see Note III.19).

15. Borrowing costs

Borrowing costs incurred directly attributable to the acquisition, construction of a qualifying asset are capitalized as part of the cost of the asset. Other borrowing costs are recognized as financial expenses in the income statement when incurred.

三、公司重要會計政策、會計估計 (續)

14、在建工程

自行建造的固定資產的成本包括工程用物資、直接人工、符合資本化條件的借款費用(參見附註三、15)和使該項資產達到預定可使用狀態前所發生的必要支出。

自行建造的固定資產於達到預定可使用狀態時轉入固定資產，此前列於在建工程，且不計提折舊。

在建工程以成本減減值準備(參見附註三、19)在資產負債表內列示。

15、借款費用

本集團發生的可直接歸屬於符合資本化條件的資產的購建的借款費用，予以資本化並計入相關資產的成本，其他借款費用均於發生當期確認為財務費用。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Cont'd)

15. Borrowing costs (Cont'd)

During the capitalization period, the amount of interest (including amortization of any discount or premium on borrowing) to be capitalized in each accounting period is determined as follows:

- Where funds are borrowed specifically for the acquisition, construction of a qualifying asset, the amount of interest to be capitalized is the interest expense calculated using effective interest rates during the period less any interest income earned from depositing the borrowed funds or any investment income on the temporary investment of those funds before being used on the asset.
- Where funds are borrowed generally and used for the acquisition, construction of a qualifying asset, the amount of interest to be capitalized on such borrowings is determined by applying a capitalization rate to the weighted average of the excess amounts of cumulative expenditures on the asset over the above amounts of specific borrowings. The capitalization rate is the weighted average of the interest rates applicable to the general-purpose borrowings.

三、公司重要會計政策、會計估計 (續)

15、借款費用(續)

在資本化期間內，本集團按照下列方法確定每一會計期間的利息資本化金額(包括折價或溢價的攤銷)：

- 對於為購建符合資本化條件的資產而借入的專門借款，本集團以專門借款按實際利率計算的當期利息費用，減去將尚未動用的借款資金存入銀行取得的利息收入或進行暫時性投資取得的投資收益後的金額確定專門借款應予資本化的利息金額。
- 對於為購建符合資本化條件的資產而佔用的一般借款，本集團根據累計資產支出超過專門借款部分的資產支出的加權平均數乘以所佔用一般借款的資本化率，計算確定一般借款應予資本化的利息金額。資本化率是根據一般借款加權平均的實際利率計算確定。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Cont'd)

15. Borrowing costs (Cont'd)

The effective interest rate is determined as the rate that exactly discounts estimated future cash flow through the expected life of the borrowing or, when appropriate, a shorter period to the initially recognized amount of the borrowings.

During the capitalization period, exchange differences related to the principal and interest on a specific purpose borrowing denominated in foreign currency are capitalized as part of the cost of the qualifying asset. The exchange differences related to the principal and interest on foreign currency borrowings other than a specific-purpose borrowing are recognized as a financial expense in profit and loss in the period they are incurred.

The capitalization period is the period from the date of commencement of capitalization of borrowing costs to the date of cessation of capitalization, excluding any period over which capitalization is suspended. Capitalization of borrowing costs commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities of acquisition that are necessary to prepare the asset for its intended use are in progress, and ceases when the assets become ready for their intended use. Capitalization of borrowing costs is suspended when the acquisition, construction activities are interrupted abnormally and the interruption lasts for over three months.

三、公司重要會計政策、會計估計 (續)

15、借款費用(續)

本集團確定借款的實際利率時，是將借款在預期存續期間或適用的更短期間內的未來現金流量，折現為該借款初始確認時確定的金額所使用的利率。

在資本化期間內，外幣專門借款本金及其利息的匯兌差額，予以資本化，計入符合資本化條件的資產的成本。而除外幣專門借款之外的其他外幣借款本金及其利息所產生的匯兌差額作為財務費用，計入當期損益。

資本化期間是指本集團從借款費用開始資本化時點到停止資本化時點的期間，借款費用暫停資本化的期間不包括在內。當資本支出和借款費用已經發生及為使資產達到預定可使用狀態所必要的購建活動已經開始時，借款費用開始資本化。當購建符合資本化條件的資產達到預定可使用狀態時，借款費用停止資本化。對於符合資本化條件的資產在購建過程中發生非正常中斷、且中斷時間連續超過3個月的，本集團暫停借款費用的資本化。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Cont'd)

16. Intangible assets

Intangible assets are stated in the balance sheet at cost less accumulated amortization (limited to intangible assets with finite useful life) and impairment losses (see Note III.19). For intangible assets with finite useful life, intangible asset's cost less estimated net residual value and accumulated impairment losses is amortized on the straight-line method over its estimated useful life.

The respective amortization periods for such intangible assets are as follows:

Item 項目	Amortization period 攤銷年限(年)
Land use rights 土地使用權	50 years 50年
Unpatented technology 非專利技術	20 years 20年
Trademark rights 商標權	10 years 10年
Patents 專利權	8 years 8年

An intangible asset is regarded as having an indefinite useful life and is not amortised when there is no foreseeable limit to the period over which the asset is expected to generate economic benefits for the Group. As at the balance sheet date, the Group did not have any intangible assets with indefinite useful lives.

三、公司重要會計政策、會計估計 (續)

16、無形資產

無形資產以成本減累計攤銷(僅限於使用壽命有限的無形資產)及減值準備(參見附註三、19)後在資產負債表內列示。對於使用壽命有限的無形資產，本集團將無形資產的成本扣除預計淨殘值和累計減值準備後按直線法在預計使用壽命期內攤銷。

各項無形資產的攤銷年限為：

本集團將無法預見未來經濟利益期限的無形資產視為使用壽命不確定的無形資產，並對這類無形資產不予攤銷。截至資產負債表日，本集團沒有使用壽命不確定的無形資產。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Cont'd)

16. Intangible assets (Cont'd)

Expenditures on an internal research and development project are classified into expenditures on the research phase and expenditures on the development phase. Expenditures on research phase are recognized in profit or loss when incurred. Expenditures on development phase are capitalized if development costs can be measured reliably, the product or process is technically and commercially feasible, and the Group intends to and has sufficient resources to complete development. Capitalized development costs are stated at cost less impairment losses in the balance sheet (see Note III.19). Other development expenditures are recognized as expenses in the period in which they are incurred.

17. Goodwill

The initial cost of Goodwill caused by business combination not under common control is the excess of combination cost and the fair value of obtained identifiable net assets obtained from the acquiree. If the merger cost is less than the fair value of the identifiable net assets of the acquiree obtained in the merger, the review of the fair value of the identifiable assets, liabilities, and contingent liabilities of the acquiree and the measurement of the merger costs is reviewed first. Where the merger cost after review is still less than the fair value of the identifiable net assets of the acquiree obtained in the merger, it shall be recorded in the profit or loss for the period.

Goodwill is not amortized. Goodwill is stated at cost less accumulated impairment losses in the balance sheet (see Note III.19). Goodwill is transferred when its related assets or assets group is disposed, and recognized in profit or loss for the period.

三、公司重要會計政策、會計估計 (續)

16、無形資產(續)

本集團內部研究開發項目的支出分為研究階段支出和開發階段支出。研究階段的支出，於發生時計入當期損益。開發階段的支出，如果開發形成的某項產品或工序等在技術和商業上可行，而且本集團有充足的資源和意向向完成開發工作，並且開發階段支出能夠可靠計量，則開發階段的支出便會予以資本化。資本化開發支出按成本減減值準備(參見附註三、19)在資產負債表內列示。其他開發費用則在其產生的期間內確認為費用。

17、商譽

因非同一控制下企業合併形成的商譽，其初始成本是合併成本大於合併中取得的被購買方可辨認淨資產公允價值份額的差額。合併成本小於合併中取得的被購買方可辨認淨資產公允價值份額的，首先對取得的被購買方各項可辨認資產、負債及或有負債的公允價值以及合併成本的計量進行覆核，覆核後合併成本仍小於合併中取得的被購買方可辨認淨資產公允價值份額的，計入當期損益。

本集團對商譽不攤銷，以成本減累計減值準備(參見附註三、19)在資產負債表內列示。商譽在其相關資產組或資產組組合處置時予以轉出，計入當期損益。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Cont'd)

18. Long-term deferred expenses

Long-term deferred expenses are amortized in equal installments over the period that it enjoys benefits. Amortization periods for expenditures are:

Item 項目	Amortization period 攤銷期限
Operating lease rental improvement expenditure 經營租入固定資產改良支出	3 years 3年

19. Impairment of assets other than inventories and financial assets

The carrying amounts of the following assets are reviewed at each balance sheet date based on the internal and external sources of information to determine whether there is any indication of impairment:

- Fixed assets
- Construction in progress
- Intangible assets
- Long-term equity investment
- Long-term deferred expenses
- Other non-current assets, etc.

三、公司重要會計政策、會計估計 (續)

18、長期待攤費用

長期待攤費用在受益期限內分期平均攤銷。各項費用的攤銷期限分別為：

Item 項目	Amortization period 攤銷期限
Operating lease rental improvement expenditure 經營租入固定資產改良支出	3 years 3年

19、除存貨及金融資產外的其他資產減值

本集團在資產負債表日根據內部及外部信息以確定下列資產是否存在減值的跡象，包括：

- 固定資產
- 在建工程
- 無形資產
- 長期股權投資
- 長期待攤費用
- 其他非流動資產等

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Cont'd)

19. Impairment of assets other than inventories and financial assets (Cont'd)

If any indication exists that an asset may be impaired, the recoverable amount of the asset is estimated. In addition, whether impairment evidence exists, the Group estimates the recoverable amount of intangible assets that have not reached the usable status at least once a year, and estimates the recoverable amount of intangible assets with goodwill and useful life at the end of each year. The Group amortizes the book value of goodwill based on benefits from the synergies of the business combination on its related asset or combination of assets, and on this basis conducts impairment test for goodwill annually.

The recoverable amount of an asset, asset group or set of asset groups is the higher of its fair value (see Note III.20) less costs to sell and its present value of expected future cash flows.

An asset group is composed of assets directly relating to cash-generation, which is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or asset groups.

三、公司重要會計政策、會計估計 (續)

19、除存貨及金融資產外的其他資產減值(續)

本集團對存在減值跡象的資產進行減值測試，估計資產的可收回金額。此外，無論是否存在減值跡象，本集團至少每年對尚未達到可使用狀態的無形資產估計其可收回金額，於每年年度終了對商譽及使用壽命不確定的無形資產估計其可收回金額。本集團依據相關資產組或者資產組組合能夠從企業合併的協同效應中的受益情況分攤商譽賬面價值，並在此基礎上進行商譽減值測試。

可收回金額是指資產(或資產組、資產組組合，下同)的公允價值(參見附註三、20)減去處置費用後的淨額與資產預計未來現金流量的現值兩者之間較高者。

資產組由創造現金流入相關的資產組成，是可以認定的最小資產組合，其產生的現金流入基本上獨立於其他資產或者資產組。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Cont'd)

19. Impairment of assets other than inventories and financial assets (Cont'd)

The present value of expected future cash flows of an asset is determined by discounting the future cash flows, estimated to be derived from continuing use of the asset and from its ultimate disposal, to their present value using a pre-tax discount rate.

If the result of the recoverable amount estimation indicates the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is recognized as an impairment loss and charged to profit or loss for the current period. A provision for impairment loss of the asset is recognized accordingly. For impairment losses related to an asset group or a set of asset groups, first reduce the carrying amount of any goodwill allocated to the asset group or set of asset groups, and then reduce the carrying amount of the other assets in the asset group or set of asset groups on a pro rata basis. However, the carrying amount of an impaired asset will not be reduced below the highest of its individual fair value less costs to sell (if determinable), the present value of expected future cash flows (if determinable) and zero.

Once an impairment loss is recognized, it is not reversed in a subsequent period.

三、公司重要會計政策、會計估計 (續)

19、除存貨及金融資產外的其他資產減值(續)

資產預計未來現金流量的現值，按照資產在持續使用過程中和最終處置時所產生的預計未來現金流量，選擇恰當的稅前折現率對其進行折現後的金額加以確定。

可收回金額的估計結果表明，資產的可收回金額低於其賬面價值的，資產的賬面價值會減記至可收回金額，減記的金額確認為資產減值損失，計入當期損益，同時計提相應的資產減值準備。與資產組或者資產組組合相關的減值損失，先抵減分攤至該資產組或者資產組組合中商譽的賬面價值，再根據資產組或者資產組組合中除商譽之外的其他各項資產的賬面價值所佔比重，按比例抵減其他各項資產的賬面價值，但抵減後的各資產的賬面價值不得低於該資產的公允價值減去處置費用後的淨額(如可確定的)、該資產預計未來現金流量的現值(如可確定的)和零三者之中最高者。

資產減值損失一經確認，在以後會計期間不會轉回。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Cont'd)

20. Fair value measurement

Unless otherwise stated, the Group measures the fair value according to the following principles:

Fair value is the price which the market participants can receive from sale of an asset or shall pay for the transfer a liability in an orderly transaction occurring on the measurement date.

When estimating fair value, the Group considers the characteristics (including status and location of assets, restrictions on the sale or use of assets, etc.) considered by market participants when they determine the price of relevant assets or liabilities on the measurement date, and adopts valuation techniques which are applicable in the current situation and supported by sufficient available data and other information. The valuation techniques mainly include market approach, income approach and cost approach.

21. Provisions

A provision is recognized for an obligation related to a contingency if the Group has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

三、公司重要會計政策、會計估計 (續)

20、公允價值的計量

除特別聲明外，本集團按下述原則計量公允價值：

公允價值是指市場參與者在計量日發生的有序交易中，出售一項資產所能收到或者轉移一項負債所需支付的價格。

本集團估計公允價值時，考慮市場參與者在計量日對相關資產或負債進行定價時考慮的特徵(包括資產狀況及所在位置、對資產出售或者使用的限制等)，並採用在當前情況下適用並且有足夠可利用數據和其他信息支持的估值技術。使用的估值技術主要包括市場法、收益法和成本法。

21、預計負債

如果與或有事項相關的義務是本集團承擔的現時義務，且該義務的履行很可能導致經濟利益流出本集團，以及有關金額能夠可靠地計量，則本集團會確認預計負債。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Cont'd)

21. Provisions (Cont'd)

A provision is initially measured at the best estimate of the expenditure required to settle the related present obligation. Where the effect of time value of money is material, provisions are determined by discounting the expected future cash flows. Factors pertaining to a contingency such as the risks, uncertainties and time value of money are taken into account as a whole in reaching the best estimate. Where there is a continuous range of possible outcomes for the expenditure required, and each possible outcome in that range is as likely as any other, the best estimate is the mid-point of that range. Otherwise, the best estimate is determined based on the following circumstances:

- Where the contingency involves a single item, the best estimate is the most likely outcome.
- Where the contingency involves multiple items, the best estimate is determined by weighting all possible outcomes by their associated probabilities.

The Group reviewed the carrying amount of a provision at the balance sheet date and adjusted the carrying amount to the current best estimate.

三、公司重要會計政策、會計估計 (續)

21、預計負債(續)

預計負債按照履行相關現時義務所需支出的最佳估計數進行初始計量。對於貨幣時間價值影響重大的，預計負債以預計未來現金流量折現後的金額確定。在確定最佳估計數時，本集團綜合考慮了與或有事項有關的風險、不確定性和貨幣時間價值等因素。所需支出存在一個連續範圍，且該範圍內各種結果發生的可能性相同的，最佳估計數按照該範圍內的中間值確定；在其他情況下，最佳估計數分別下列情況處理：

- 或有事項涉及單個項目的，按照最可能發生金額確定。
- 或有事項涉及多個項目的，按照各種可能結果及相關概率計算確定。

本集團在資產負債表日對預計負債的賬面價值進行覆核，並按照當前最佳估計數對該賬面價值進行調整。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Cont'd)

22. Revenue

Revenue is the gross inflow of economic benefits arising in the course of the Group's ordinary activities when the inflows result in increase in shareholder's equity, other than increase relating to contributions from shareholders. Revenue is recognized in profit or loss when it is probable that the economic benefits will flow to the Group, the revenue and costs can be measured reliably and the following respective conditions are met.

(1) Sale of goods

Revenue from sale of goods is recognized when all of the general conditions stated above and the following conditions are satisfied:

- The significant risks and rewards of ownership of goods have been transferred to the buyers;
- The Group retains neither continuing managerial involvements to the degree usually associated with ownership nor effective control over the goods sold.

Revenue from the sale of goods is measured at the fair value of the considerations received or receivable under the sales contract or agreement.

The Group's merchandise sales are mainly direct sales.

三、公司重要會計政策、會計估計 (續)

22、收入

收入是本集團在日常活動中形成的、會導致股東權益增加且與股東投入資本無關的經濟利益的總流入。收入在其金額及相關成本能夠可靠計量、相關的經濟利益很可能流入本集團並且同時滿足以下不同類型收入的其他確認條件時，予以確認。

(1) 銷售商品收入

當同時滿足上述收入的一般確認條件以及下述條件時，本集團確認銷售商品收入：

- 本集團將商品所有權上的主要風險和報酬已轉移給購貨方；
- 本集團既沒有保留通常與所有權相聯繫的繼續管理權，也沒有對已售出的商品實施有效控制。

本集團按已收或應收的合同或協議價款的公允價值確定銷售商品收入金額。

本集團的商品銷售類型主要為直接銷售。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Cont'd)

22. Revenue (Cont'd)

(1) Sale of goods (Cont'd)

(a) Domestic product sales

The Group's domestic merchandise sales are mainly sales of optical fiber preforms, optical fibers, optical cables and related products. The Group is generally responsible for the delivery of the goods to the designated place of delivery. After the goods are delivered to the customer for acceptance and a receipt is obtained, the major risks and rewards of ownership of the goods are transferred to the purchaser. The Group confirms the income from sales of goods.

(b) Overseas sales

The overseas sales of the Group's products mainly consisted of sales of optical fiber preforms, optical fibres, optical fibre cables and related products to overseas exports. The Group generally enters into offshore price terms with its customers, and the major risks and rewards of the goods and the ownership of the goods at the time of offshore declaration have been transferred to the purchaser. The Group confirms the income from sales of goods.

三、公司重要會計政策、會計估計 (續)

22、收入(續)

(1) 銷售商品收入(續)

(a) 境內商品銷售

本集團境內商品銷售主要為光纖預製棒、光纖、光纜及相關產品的銷售。本集團一般負責將貨物運送至指定交貨地點，將貨物交付客戶驗收並取得簽收單後，與商品所有權上的主要風險和報酬已轉移給購貨方，本集團確認銷售商品收入。

(b) 境外商品銷售

本集團境外商品銷售主要為向境外出口銷售光纖預製棒、光纖、光纜及相關產品。本集團與客戶一般簽訂離岸價格條款，在貨物離岸報關時與商品所有權上的主要風險和報酬已轉移給購貨方，本集團確認銷售商品收入。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Cont'd)

22. Revenue (Cont'd)

(2) Rendering of labour services

The Group provides labor services mainly to provide short-term technical services. After the Group completes technical service contents and obtains customer acceptance orders, it provides income from labor services based on the fair value of the contract or agreement price received or receivable.

(3) Interest income

Interest income is recognized on a time proportion basis with reference to the principle and the applicable effective interest rate.

(4) Royalty income of unpatented technologies

The royalty income of unpatented technologies is calculated according to the charging time and method agreed in the relevant contract or agreement.

23. Employee benefits

(1) Short-term employee benefits

Employee wages or salaries, bonuses, social security contributions such as medical insurance, work injury insurance, maternity insurance and housing fund, measured at the amount incurred or at the applicable benchmarks and rates, are recognised as a liability as the employee provides services, with a corresponding charge to profit or loss or included in the cost of assets where appropriate.

三、公司重要會計政策、會計估計 (續)

22、收入(續)

(2) 提供勞務收入

本集團提供勞務主要為提供短期技術服務，本集團在完成技術服務內容，取得客戶驗收單後按已收或應收的合同或協議價款的公允價值確定提供勞務收入。

(3) 利息收入

利息收入是按借出貨幣資金的時間和實際利率計算確定的。

(4) 技術使用費收入

技術使用費收入按照有關合同或協議約定的收費時間和方法計算確定。

23、職工薪酬

(1) 短期薪酬

本集團在職工提供服務的會計期間，將實際發生或按規定的基準和比例計提的職工工資、獎金、醫療保險費、工傷保險費和生育保險費等社會保險費和住房公積金，確認為負債，並計入當期損益或相關資產成本。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Cont'd)

23. Employee benefits (Cont'd)

(2) Post-employment benefits – defined contribution plans

Pursuant to the relevant laws and regulations of the People's Republic of China, the Group participated in a defined contribution basic pension insurance in the social insurance system established and managed by government organisations. The Group makes contributions to basic pension insurance plans based on the applicable benchmarks and rates stipulated by the government. Basic pension insurance contributions are recognised as part of the cost of assets or charged to profit or loss as the related services are rendered by the employees.

三、公司重要會計政策、會計估計 (續)

23、職工薪酬(續)

(2) 離職後福利－設定提存計劃

本集團所參與的設定提存計劃是按照中國有關法規要求，本集團職工參加的由政府機構設立管理的社會保障體系中的基本養老保險。基本養老保險的繳費金額按國家規定的基準和比例計算。本集團在職工提供服務的會計期間，將應繳存的金額確認為負債，並計入當期損益或相關資產成本。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Cont'd)

23. Employee benefits (Cont'd)

(3) Termination benefits

When the Group terminates the employment with employees before the employment contracts expire, or provides compensation under an offer to encourage employees to accept voluntary redundancy, a provision is recognised with a corresponding expense in profit or loss at the earlier of the following dates:

- When the Group cannot unilaterally withdraw the offer of termination benefits because of an employee termination plan or a curtailment proposal;
- When the Group has a formal detailed restructuring plan involving the payment of termination benefits and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

三、公司重要會計政策、會計估計 (續)

23、職工薪酬(續)

(3) 辭退福利

本集團在職工勞動合同到期之前解除與職工的勞動關係，或者為鼓勵職工自願接受裁減而提出給予補償的建議，在下列兩者孰早日，確認辭退福利產生的負債，同時計入當期損益：

- 本集團不能單方面撤回因解除勞動關係計劃或裁減建議所提供的辭退福利時；
- 本集團有詳細、正式的涉及支付辭退福利的重組計劃；並且，該重組計劃已開始實施，或已向受其影響的各方通告了該計劃的主要內容，從而使各方形成了對本集團將實施重組的合理預期時。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Cont'd)

24. Government grants

Government grants are transfers of monetary assets or non-monetary assets from the government to the Group at no consideration except for the capital contribution from the government as an investor in the Group.

A government grant is recognized when there is reasonable assurance that the grant will be received and that the Group will comply with the conditions attaching to the grant.

If a government grant is in the form of a transfer of a monetary asset, it is measured at the amount that is received or receivable. If a government grant is in the form of a transfer of a non-monetary asset, it is measured at its fair value.

In addition to the government subsidy for the following policy-based discount, a government grant obtained by the Group for acquisition or construction or in the form of long-term asset is deemed to be related to an asset. A government grant obtained by the Group other than asset-related government grants is deemed to be related to income. A government grant related to an asset is recognized initially as deferred income and amortized to profit or loss in the same period according to a reasonable, systematic approach by instalments over the useful life of the asset. A government grant related to income that compensates the Group for expenses or losses to be incurred in the subsequent periods is recognized initially as deferred income and recognized in profit or loss in the same period in which the cost expenses or losses are recognized. A government grant that compensates the Group for cost expenses or losses incurred is recognized in profit or loss immediately.

三、公司重要會計政策、會計估計 (續)

24、政府補助

政府補助是本集團從政府無償取得的貨幣性資產或非貨幣性資產，但不包括政府以投資者身份向本集團投入的資本。

政府補助在能夠滿足政府補助所附條件，並能夠收到時，予以確認。

政府補助為貨幣性資產的，按照收到或應收的金額計量。政府補助為非貨幣性資產的，按照公允價值計量。

本集團取得的、除下述政策性貼息的政府補助外、用於購建或以其他方式形成長期資產的政府補助作為與資產相關的政府補助。本集團取得的與資產相關之外的其他政府補助作為與收益相關的政府補助。與資產相關的政府補助，本集團將其確認為遞延收益，並在相關資產使用壽命內按照合理、系統的方法分期計入當期損益。與收益相關的政府補助，如果用於補償本集團以後期間的相關成本費用或損失的，本集團將其確認為遞延收益，並在確認相關成本費用或損失的期間，計入當期損益；如果用於補償本集團已發生的相關成本費用或損失的，則直接計入當期損益。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Cont'd)

24. Government grants (Cont'd)

The accounting treatment for the policy-based concessional loan discounts obtained by the Group was as follows:

- The finance department allocated the interest-subsidy funds to the loan bank. If the lending bank provides loans to the Company at a policy-based preferential interest rate, the borrowing amount actually received was used as the book value of the loan, and the relevant loan was calculated according to the loan principal and the policy preferential interest rate. cost.
- If the finance department directly distributed the discount interest funds to the Group, the corresponding discount would be used to offset the relevant borrowing costs.

25. Income tax

Current and deferred tax is recognised in profit or loss except to the extent that they relate to business combinations or items recognised directly in equity (including other comprehensive income).

Current tax is the expected income tax payable calculated at the applicable tax rate on taxable income for the year, plus any adjustment to income tax payable in respect of previous years.

三、公司重要會計政策、會計估計 (續)

24、政府補助(續)

本集團取得政策性優惠貸款貼息的會計處理方法為：

- 財政將貼息資金撥付給貸款銀行，由貸款銀行以政策性優惠利率向公司提供貸款的，以實際收到的借款金額作為借款的入帳價值，按照借款本金和該政策性優惠利率計算相關借款費用。
- 財政將貼息資金直接撥付給本集團的，將對應的貼息沖減相關借款費用。

25、所得稅

除因企業合併和直接計入所有者權益(包括其他綜合收益)的交易或者事項產生的所得稅外，本集團將當期所得稅和遞延所得稅計入當期損益。

當期所得稅是按本年度應稅所得額，根據稅法規定的稅率計算的預期應交所得稅，加上以往年度應付所得稅的調整。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Cont'd)

25. Income tax (Cont'd)

At the balance sheet date, current tax assets and liabilities are offset if the Group has a legally enforceable right to set them off and also intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities and their tax bases, which include the deductible tax losses and tax credits carried forward to subsequent years. Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilized.

Deferred tax is not recognized for the temporary differences arising from the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting profit nor taxable profit (or deductible loss). Deferred tax is not recognised for taxable temporary differences arising from the initial recognition of goodwill.

At the balance sheet date, the carrying amount of deferred tax assets and liabilities are measured based on the expected manner of recovery or settlement of the carrying amount of the assets and liabilities, using tax rates that are expected to be applied in the period when the asset is recovered or the liability is settled in accordance with tax laws.

三、公司重要會計政策、會計估計 (續)

25、所得稅(續)

資產負債表日，如果本集團擁有以淨額結算的法定權利並且意圖以淨額結算或取得資產、清償負債同時進行時，那麼當期所得稅資產及當期所得稅負債以抵銷後的淨額列示。

遞延所得稅資產與遞延所得稅負債分別根據可抵扣暫時性差異和應納稅暫時性差異確定。暫時性差異是指資產或負債的賬面價值與其計稅基礎之間的差額，包括能夠結轉以後年度的可抵扣虧損和稅款抵減。遞延所得稅資產的確認以很可能取得用來抵扣可抵扣暫時性差異的應納稅所得額為限。

如果不屬於企業合併交易且交易發生時既不影響會計利潤也不影響應納稅所得額(或可抵扣虧損)，則該項交易中產生的暫時性差異不會產生遞延所得稅。

資產負債表日，本集團根據遞延所得稅資產和負債的預期收回或結算方式，依據已頒佈的稅法規定，按照預期收回該資產或清償該負債期間的適用稅率計量該遞延所得稅資產和負債的賬面金額。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Cont'd)

25. Income tax (Cont'd)

The carrying amount of a deferred tax asset is reviewed at each balance sheet date. The carrying amount of a deferred tax asset is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the benefits of the deferred tax asset to be utilized. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

At the balance sheet date, deferred tax assets and liabilities are offset if all the following conditions are met:

- the taxable entity has the legal rights to settle the income tax assets and income tax liabilities for the current period by net amount;
- they relate to income taxes levied by the same tax authority on either the taxable entity has a legally enforceable right or set off current income tax assets against current income tax liabilities, and different taxable entities which either intend to settle the current income tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

三、公司重要會計政策、會計估計 (續)

25、所得稅(續)

資產負債表日，本集團對遞延所得稅資產的賬面價值進行覆核。如果未來期間很可能無法獲得足夠的應納稅所得額用以抵扣遞延所得稅資產的利益，則減記遞延所得稅資產的賬面價值。在很可能獲得足夠的應納稅所得額時，減記的金額予以轉回。

資產負債表日，遞延所得稅資產及遞延所得稅負債在同時滿足以下條件時以抵銷後的淨額列示：

- 納稅主體擁有以淨額結算當期所得稅資產及當期所得稅負債的法定權利；
- 遞延所得稅資產及遞延所得稅負債是與同一稅收徵管部門對同一納稅主體徵收的所得稅相關或者是對不同的納稅主體相關，但在未來每一具有重要性的遞延所得稅資產及負債轉回的期間內，涉及的納稅主體意圖以淨額結算當期所得稅資產和負債或是同時取得資產、清償負債。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Cont'd)

26. Operating and finance leases

A lease is classified as either a finance lease or an operating lease. A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of a leased asset to the lessee, irrespective of whether the legal title to the asset is eventually transferred or not. An operating lease is a lease other than a finance lease.

(1) Operating lease charges

Rental payments under operating leases are recognized as costs or expenses on a straight-line basis over the lease term.

(2) Assets leased out under operating leases

The fixed assets leased out under operating leases are depreciated in accordance with the depreciation policies described in Note III.13(2), and impairment provisions are made in accordance with the accounting policies described in Note III.19. Rental income from operating leases is recognised as income on a straight-line basis over the lease term. The initial direct costs incurred for assets leased out under operating leases are capitalized, and when the amount is large, it is charged to profit or loss for the period on the same basis as the rental income is recognized over the entire lease term. When the amount is small, it is directly charged to profit or loss for the period.

三、公司重要會計政策、會計估計 (續)

26、經營租賃、融資租賃

租賃分為融資租賃和經營租賃。融資租賃是指無論所有權最終是否轉移但實質上轉移了與資產所有權有關的全部風險和報酬的租賃。經營租賃是指除融資租賃以外的其他租賃。

(1) 經營租賃租入資產

經營租賃租入資產的租金費用在租賃期內按直線法確認為相關資產成本或費用。

(2) 經營租賃租出資產

經營租賃租出的固定資產按附註三、13(2)所述的折舊政策計提折舊，按附註三、19所述的會計政策計提減值準備。經營租賃的租金收入在租賃期內按直線法確認為收入。經營租賃租出資產發生的初始直接費用，金額較大時予以資本化，在整個租賃期內按照與確認租金收入相同的基礎分期計入當期損益；金額較小時，直接計入當期損益。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Cont'd)

27. Profit distributions to shareholders

Dividends or distributions of profits proposed in the profit appropriation plan which will be considered and approved after the balance sheet date, are not recognized as a liability at the balance sheet date but disclosed in the notes separately.

28. Related parties

If a party has the power to control, jointly control or exercise significant influence over another party, or where two or more parties are subject to common control, joint control or significant influence from another party, they are considered to be related parties. Related parties may be individuals or enterprises. Enterprises which is under common control only from the State and that have no other related party relationships are not regarded as related parties.

In addition, the Company also determines the related parties of the Group or the Company in accordance with the Measures for the Administration of Information Disclosure of Listed Companies promulgated by the Securities Regulatory Commission.

29. Segment reporting

The Group determines the operating segments on the basis of internal structure, management requirements and internal reporting system. If two or more operating segments having similar economic characteristics, and at the same time the nature of each product and service, the nature of production process, the type or class of customers for their products and services, the methods used to distribute their products or provide their services; the influence brought by law, administrative regulations on production of products and provision of services of each of the individual operating segment have the same or similar nature can be merged into one operating segment. The Group determines the reporting segment after considering the principle of materiality based on operating segments.

三、公司重要會計政策、會計估計 (續)

27、股利分配

資產負債表日後，經審議批准的利潤分配方案中擬分配的股利或利潤，不確認為資產負債表日的負債，在附註中單獨披露。

28、關聯方

一方控制、共同控制另一方或對另一方施加重大影響，以及兩方或兩方以上同受一方控制、共同控制的，構成關聯方。關聯方可為個人或企業。僅僅同受國家控制而不存在其他關聯方關係的企業，不構成關聯方。

此外，本公司同時根據證監會頒佈的《上市公司信息披露管理辦法》確定本集團或本公司的關聯方。

29、分部報告

本集團以內部組織結構、管理要求、內部報告制度為依據確定經營分部。如果兩個或多個經營分部存在相似經濟特徵且同時在各單項產品或勞務的性質、生產過程的性質、產品或勞務的客戶類型、銷售產品或提供勞務的方式、生產產品及提供勞務受法律及行政法規的影響等方面具有相同或相似性的，可以合併為一個經營分部。本集團以經營分部為基礎考慮重要性原則後確定報告分部。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Cont'd)

29. Segment reporting (Cont'd)

Inter-segment revenues are measured on the basis of actual transaction price for such transactions for segment reporting, and segment accounting policies are consistent with those used for the preparation of financial statements of the Group.

30. Significant accounting estimates and judgments

(1) Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Key assumptions and judgments on uncertainties related to estimates are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

三、公司重要會計政策、會計估計 (續)

29、分部報告(續)

本集團在編製分部報告時，分部間交易收入按實際交易價格為基礎計量。編製分部報告所採用的會計政策與編製本集團財務報表所採用的會計政策一致。

30、主要會計估計及判斷

(1) 估計

編製財務報表時，本集團管理層需要運用估計和假設，這些估計和假設會對會計政策的應用及資產、負債、收入及費用的金額產生影響。實際情況可能與這些估計不同。本集團管理層對估計涉及的關鍵假設和不確定因素的判斷進行持續評估，會計估計變更的影響在變更當期和未來期間予以確認。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Cont'd)

30. Significant accounting estimates and judgments (Cont'd)

(1) Estimates (Cont'd)

Aparting from the information of risk factors and fair value assumption of the Depreciation and amortization of assets other than fixed assets and intangible assets (see Note III, 13 and 16) and impairment of various types of assets (see notes V.4, 8, 12, 13, 14 and 15 and note XV.1 and 3), other key sources of estimation uncertainty are as follows:

- (i) Note V.16 - Confirmation of deferred income tax assets.

(2) Judgments

In preparing this financial statement, management used significant accounting judgments made by the Group's accounting policies. For the accounting policy judgments made by the management that have the most significant influence on the amounts recognized in the financial statements, refer to Note III. 9(3) Termination of Recognition of Financial Assets and Financial Liabilities and Note V.3 Bills receivable.

三、公司重要會計政策、會計估計 (續)

30、主要會計估計及判斷(續)

(1) 估計 (續)

除固定資產及無形資產等資產的折舊及攤銷(參見附註三、13和16)和各類資產減值(參見附註五、4、8、12、13、14和15以及附註十五、1和3)涉及的會計估計外，其他主要估計金額的不確定因素如下：

- (i) 附註五、16 - 遞延所得稅資產的確認。

(2) 判斷

在編製本財務報表時，管理層就採用本集團的會計政策作出重大會計判斷。管理層作出的對財務報表內確認金額構成最重大影響的會計政策判斷參見附註三、9(3)金融資產和金融負債的終止確認及附註五、3應收票據。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Cont'd)

31. Changes of accounting policies

(1) Description of and reasons for changes in accounting policies

In April and May 2017, the Ministry of Finance promulgated the "Enterprise Accounting Standards No. 42 - Non-current Assets for Sale, Disposal Groups, and Termination of Operations" (hereinafter referred to as "Guidelines 42") and the amended "Accounting Standards for Business Enterprises No. 16 - Government Subsidies (hereinafter referred to as "Guideline 16 (2017)"), of which Code No. 42 and Code No. 16 (2017) became effective on 28 May 2017 and 12 June 2017 respectively.

The major accounting policies following the adoption of the above accounting standards have been listed in Note III.

At the same time, the Ministry of Finance promulgated the "Circular on Revising the Format of Financial Statements for General Enterprises" issued by the Ministry of Finance in December 2017 (Accounting [2017] No. 30). The Group prepared its annual financial statements for the year 2017 in accordance with this regulation.

三、公司重要會計政策、會計估計 (續)

31、主要會計政策的變更

(1) 變更的內容及原因

財政部於2017年4月及5月分別頒佈了《企業會計準則第42號——持有待售的非流動資產、處置組和終止經營》(以下簡稱「準則42號」)和修訂的《企業會計準則第16號——政府補助》(以下簡稱「準則16號(2017)」)，其中準則42號自2017年5月28日起施行；準則16號(2017)自2017年6月12日起施行。

採用上述企業會計準則後的主要會計政策已在附註三中列示。

同時，財政部於2017年12月頒佈了《關於修訂印發一般企業財務報表格式的通知》(財會[2017] 30號)。本集團按照該規定編製2017年度財務報表。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Cont'd)

31. Changes of accounting policies (Cont'd)

(1) Description of and reasons for changes in accounting policies (Cont'd)

The main influences of the Group's adoption of the above accounting standards and requirements of the enterprise are as follows:

(i) Government subsidy

The Group re-examined the government grants that existed on 1 January 2017 in accordance with the provisions of the Standard No. 16 (2017), and adopted future applicable laws to change the relevant accounting policies.

The impact of adopting this standard on the Group is as follows:

- For income-related government grants, when they are included in the income statement, they are changed from non-operating income to other income, deducted borrowing costs, or included in non-operating income;

三、公司重要會計政策、會計估計 (續)

31、主要會計政策的變更(續)

(1) 變更的內容及原因 (續)

本集團採用上述企業會計準則及規定的主要影響如下：

(i) 政府補助

本集團根據準則16號(2017)的規定，對2017年1月1日存在的政府補助進行了重新梳理，採用未來適用法變更了相關會計政策。

採用該準則對本集團的影響如下：

- 對於與收益相關的政府補助，在計入利潤表時，由原計入營業外收入改為計入其他收益、沖減借款費用或計入營業外收入；

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Cont'd)

31. Changes of accounting policies (Cont'd)

(1) Description of and reasons for changes in accounting policies (Cont'd)

(i) Government subsidy (Cont'd)

- The government subsidy standard changes the amortization method of the deferred income of government subsidies originally related to assets from the average distribution within the service life of the relevant assets to a reasonable and systematic method of allocation. For the Group, a reasonable and systematic approach remains to be evenly distributed over the useful life of the relevant assets.

(ii) Income from disposal of assets

The Group prepared its financial statements for the year 2017 in accordance with the format of the financial statements as stipulated in [2017] No. 30, and adopted retrospective adjustment methods to adjust the presentation of comparative financial statements.

三、公司重要會計政策、會計估計 (續)

31、主要會計政策的變更(續)

(1) 變更的內容及原因 (續)

(i) 政府補助(續)

- 政府補助準則將原規定與資產相關政府補助的遞延收益的攤銷方式由在相關資產使用壽命內平均分配改為按照合理、系統的方法進行分配。對本集團而言，合理、系統的方法仍為在相關資產使用壽命內平均分配。

(ii) 資產處置收益

本集團根據財會[2017] 30號規定的財務報表格式編製2017年度財務報表，並採用追溯調整法對比較財務報表的列報進行了調整。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Cont'd)

31. Changes of accounting policies (Cont'd)

(1) Description of and reasons for changes in accounting policies

(Cont'd)

(ii) Income from disposal of assets (Cont'd)

According to the requirements of the document, the Group added "assets disposal gains/losses" items to the income statement to reflect the disposal gains or losses arising from the disposal of fixed assets, construction in progress and intangible assets. The above items were originally reflected in non-operating income and non-operating expenses.

(2) How the changes have impact on the financial statements

In addition to the above mentioned presentation adjustments, the above changes in the accounting standards and regulations of the enterprise have no significant impact on the financial statements.

三、公司重要會計政策、會計估計 (續)

31、主要會計政策的變更(續)

(1) 變更的內容及原因 (續)

(ii) 資產處置收益(續)

根據該文件要求，本集團在利潤表新增「資產處置收益／損失」項目，反映處置固定資產、在建工程及無形資產而產生的處置利得或損失。上述項目原在營業外收入及營業外支出反映。

(2) 變更對財務報表的影響

除上述列報調整外，上述企業會計準則及規定的變化對財務報表沒有重大影響。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

IV. TAXATION

I. Major taxes and tax rates

Types 稅種	Tax basis 計稅依據	Tax rates 稅率
Value added tax 增值稅	The amount of output tax calculated on the basis of sales revenue and taxable service income calculated in accordance with the tax law, after deducting the amount of input tax that can be deducted in the current period, the difference is the value-added tax payable. 按稅法規定計算的銷售貨物和應稅勞務收入為基礎計算銷項稅額，在扣除當期允許抵扣的進項稅額後，差額部分為應交增值稅	6% or 17%
Business tax 營業稅	Before 1 May 2016, tax was charged on business income. According to the fiscal and taxation [2016] No. 36 document jointly issued by the Ministry of Finance and the State Administration of Taxation, since 1 May 2016, all business taxpayers nationwide have been included in the scope of business tax for VAT reform pilots, and they have changed from paying business tax to paying value-added tax. 2016年5月1日前，按應稅營業收入計徵。根據財政部和國家稅務總局聯合發佈的財稅[2016] 36號文，自2016年5月1日起全國範圍內全部營業稅納稅人納入營業稅改徵增值稅試點範圍，由繳納營業稅改為繳納增值稅	5%
Enterprise income tax 企業所得稅	Calculated according to taxable income 按應納稅所得額計徵	Note 註

Note: The income tax rates applicable to the Company and subsidiaries located in Mainland China in 2016 and 2017 are 25%. The statutory tax rate of the subsidiaries established by the Company in Hong Kong in 2016 and 2017 is 16.5%. The statutory tax rate for the subsidiaries of the Company established in the Republic of Indonesia in 2016 and up to 2017 is 25%. The statutory tax rate for subsidiaries of the Company established in the Republic of South Africa in 2016 and 2017 is 28%. The statutory tax rate of the subsidiary established by the Company in the Kingdom of Thailand in 2017 is 20%. The statutory tax rate of the company's subsidiary in the Republic of the Philippines in 2017 is 30%. The statutory tax rate for the subsidiaries of the Company established in the State of Israel in 2017 is 24%.

四、稅項

I. 主要稅種及稅率

註：本公司及位於中國大陸的各子公司在2016年度及2017年度適用的所得稅稅率為25%。本公司於香港設立的子公司在2016年度及2017年度的法定稅率為16.5%。本公司於印度尼西亞共和國設立的子公司在2016年度及截至2017年度的法定稅率為25%。本公司於南非共和國設立的子公司在2016年度及2017年度的法定稅率為28%。本公司於泰國設立的子公司在2017年度的法定稅率為20%。本公司於菲律賓共和國設立的子公司在2017年度的法定稅率為30%。本公司於以色列國設立的子公司在2017年度的法定稅率為24%。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

IV. TAXATION (Cont'd)

2. Tax incentives

According to the High-tech Enterprise Certificate No. GR201442000078 issued by the Hubei Provincial Department of Science and Technology, Hubei Provincial Department of Finance, Hubei Provincial State Revenue and Hubei Provincial Local Taxation Bureau, the Company was entitled to High Tech Enterprise qualification from 14 October 2014 to 1 November 2017, and enjoyed a preferential tax rate of 15% with preferential tax treatments in deductions from research and development costs. According to the High-tech Enterprise Certificate No. GR201742002234 issued by Hubei Provincial Department of Science and Technology, Hubei Provincial Department of Finance, Hubei Provincial State Revenue and Hubei Provincial Local Taxation Bureau, from 30 November 2017 to 30 November 2020, the Company would be entitled to High Tech Enterprise qualification, and enjoyed a preferential tax rate of 15% with preferential tax treatments in deductions from research and development costs. Therefore, the Company was entitled to a preferential tax rate of 15% in 2016 and 2017.

According to the High-tech Enterprise Certificate No. GR201542000605 issued by Hubei Provincial Department of Science and Technology, Hubei Provincial Department of Finance, Hubei Provincial State Revenue and Hubei Provincial Local Taxation Bureau, EverPro Technologies Company Limited, a subsidiary of the Company, was entitled to High Tech Enterprise qualification and enjoyed a preferential tax rate of 15% from 28 October 2015 to 28 October 2018.

四、稅項(續)

2、稅收優惠

根據湖北省科學技術廳、湖北省財政廳、湖北省國家稅務局和湖北省地方稅務局核發的第 GR201442000078 號高新技術企業證書，自 2014 年 10 月 14 日至 2017 年 11 月 1 日本公司享有高新技術企業資格，並享受 15% 的稅收優惠稅率及研發費用加計扣除的稅收優惠。根據湖北省科學技術廳、湖北省財政廳、湖北省國家稅務局和湖北省地方稅務局核發的第 GR201742002234 號高新技術企業證書，自 2017 年 11 月 30 日至 2020 年 11 月 30 日本公司享有高新技術企業資格，並享受 15% 的稅收優惠稅率及研發費用加計扣除的稅收優惠，因此，本公司 2016 年度及 2017 年度按優惠稅率 15% 執行。

根據湖北省科學技術廳、湖北省財政廳、湖北省國家稅務局和湖北省地方稅務局核發的第 GR201542000605 號高新技術企業證書，自 2015 年 10 月 28 日至 2018 年 10 月 28 日，本公司的子公司長芯盛(武漢)科技有限公司享有高新技術企業資格，並享受 15% 的稅收優惠稅率。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

IV. TAXATION (Cont'd)

2. Tax incentives (Cont'd)

According to Article 2 of Notice on Issues Concerning Tax Policies on Further Implementing the Strategy of Western Development issued by the Ministry of Finance, General Administration of Customs and State Administration of Taxation [Cai Shui (2011) No.58], Yangtze Optical Fibre and Cable Lanzhou Co., Ltd., a subsidiary of the Company, is an enterprise under the preferred industry set up in the western region, which was entitled to a preferential tax rate of 15% from 1 January 2016 to 31 December 2018.

According to the High-tech Enterprise Certificate No. GR201744200547 issued by Shenzhen Science and Technology Innovation Committee, Shenzhen Finance Committee, Shenzhen State Administration of Taxation and Shenzhen Local Taxation Bureau, Shenzhen YOFC Connectivity Technologies Co., Ltd., a subsidiary of the Company, was entitled to High Tech Enterprise qualification, and enjoyed the preferential tax rate of 15% from 17 August 2017 to 17 August 2020.

According to the High-tech Enterprise Certificate No. GR201742000482 issued by Hubei Provincial Department of Science and Technology, Hubei Provincial Department of Finance, Hubei Provincial State Revenue and Hubei Provincial Local Taxation Bureau, Yangtze Optical Fibre (Qianjiang) Co., Ltd., a subsidiary of the Company, was entitled to High Tech Enterprise qualification and, and enjoyed the preferential tax rate of 15% from 28 November 2017 to 28 November 2020.

四、稅項(續)

2、稅收優惠(續)

根據《財政部、海關總署、國家稅務總局關於深入實施西部大開發戰略有關稅收政策問題的通知》財稅(2011) 58號第二條，自2016年1月1日至2018年12月31日，本公司的子公司長飛光纖光纜蘭州有限公司屬於設在西部地區的鼓勵類產業企業，享受15%的稅收優惠稅率。

根據深圳市科技創新委員會、深圳市財政委員會、深圳市國家稅務局和深圳市地方稅務局核發的第GR201744200547號高新技術企業證書，自2017年8月17日至2020年8月17日，本公司的子公司深圳長飛智連技術有限公司享有高新技術企業資格，並享受15%的稅收優惠稅率。

根據湖北省科學技術廳、湖北省財政廳、湖北省國家稅務局和湖北省地方稅務局核發的第GR201742000482號高新技術企業證書，自2017年11月28日至2020年11月28日，本公司的子公司長飛光纖潛江有限公司享有高新技術企業資格，並享受15%的稅收優惠稅率。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

IV. TAXATION (Cont'd)

2. Tax incentives (Cont'd)

According to the High-tech Enterprise Certificate No. GR201742001399 issued by Hubei Provincial Department of Science and Technology, Hubei Provincial Department of Finance, Hubei Provincial State Revenue and Hubei Provincial Local Taxation Bureau, Wuhan E3cloud Information Technologies Co., Ltd. (former named "Wuhan E3cloud Information Technology Co., Ltd."), a subsidiary of the Company, was entitled to High Tech Enterprise qualification, and enjoyed the preferential tax rate of 15% from 28 November 2017 to 28 November 2020.

According to the High-tech Enterprise Certificate No. GR201721000823 issued by Liaoning Science and Technology Department, Liaoning Provincial Department of Finance, Liaoning Provincial State Revenue Agency and Liaoning Provincial Local Taxation Bureau, Yangtze Optical Fibre and Cable Shenyang Co., Ltd., a subsidiary of the Company, was entitled to High Tech Enterprise qualification, and enjoyed the preferential tax rate of 15% from 1 December 2017 to 1 December 2020.

四、稅項(續)

2、稅收優惠(續)

根據湖北省科學技術廳、湖北省財政廳、湖北省國家稅務局和湖北省地方稅務局核發的第GR201742001399號高新技術企業證書，自2017年11月28日至2020年11月28日，本公司的子公司中標易雲信息技術有限公司(原名「武漢芯光雲信息技術有限責任公司」)享有高新技術企業資格，並享受15%的稅收優惠稅率。

根據遼寧省科學技術廳、遼寧省財政廳、遼寧省國家稅務局和遼寧省地方稅務局核發的第GR201721000823號高新技術企業證書，自2017年12月1日至2020年12月1日，本公司的子公司長飛光纖光纜瀋陽有限公司享有高新技術企業資格，並享受15%的稅收優惠稅率。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

I. Cash and cash equivalents

Item	項目	31 December	31 December
		2017	2016
		2017年	2016年
		12月31日	12月31日
Cash in hand	庫存現金	556,518	757,045
Cash at bank	銀行存款	1,798,957,041	1,421,817,981
Time deposits	定期存款	—	205,000,000
Total	合計	1,799,513,559	1,627,575,026
Including: total amount deposited overseas	其中：存放在境外的款項總額	42,384,736	40,835,120

On 31 December 2016, the time deposits of the Company were pledged to HSBC Bank (China) Co., Ltd. Wuhan Branch. Please refer to Note V.II for details.

As at 31 December 2016 and 31 December 2017, there were no restrictions on repatriation of funds deposited overseas by the Group.

五、合併財務報表項目註釋

1、貨幣資金

31 December	31 December
2017	2016
2017年	2016年
12月31日	12月31日
556,518	757,045
1,798,957,041	1,421,817,981
—	205,000,000
1,799,513,559	1,627,575,026
42,384,736	40,835,120

於2016年12月31日，本公司定期存款質押給滙豐銀行(中國)有限公司武漢分行，有關詳情，請見附註五、II。

於2016年12月31日及2017年12月31日，本集團存放在境外的資金均無匯回限制。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2. Financial assets at fair value through profit or loss

Type	種類	31 December 2017 2017年 12月31日	31 December 2016 2016年 12月31日
Trading financial assets	交易性金融資產		
Of which: Equity instrument investments	其中：權益工具投資	4,599,225	5,603,139
Total	合計	4,599,225	5,603,139

五、合併財務報表項目註釋(續)

2、以公允價值計量且其變動計入當期損益的金融資產

3. Bills receivable

(1) Bills receivable by category

Type	種類	31 December 2017 2017年 12月31日	31 December 2016 2016年 12月31日
Bank acceptance bills	銀行承兌匯票	579,044,400	176,070,852
Commercial acceptance bills	商業承兌匯票	9,502,232	—
Total	合計	588,546,632	176,070,852

3、應收票據

(1) 應收票據分類

The aforementioned bills receivable were due within one year.

上述應收票據均為一年內到期。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

3. Bills receivable (Cont'd)

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

Type	種類	Amount derecognized at the end of 2017 2017年年末 終止確認金額	Amount not derecognized at the end of 2017 2017年年末 未終止確認金額
Bank acceptance bills	銀行承兌匯票	225,113,959	18,822,252
Total	合計	225,113,959	18,822,252

Type	種類	Amount derecognized at the end of 2016 2016年年末 終止確認金額	Amount not derecognized at the end of 2016 2016年年末 未終止確認金額
Bank acceptance bills	銀行承兌匯票	293,778,323	45,268,646
Total	合計	293,778,323	45,268,646

五、合併財務報表項目註釋(續)

3、應收票據(續)

(2) 年末本集團已背書或已貼現且在資產負債表日尚未到期的應收票據：

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

3. Bills receivable (Cont'd)

(2) Bills receivable endorsed or discounted at the end of the year and undue at the balance sheet date: (Cont'd)

(a) Undue discounted or endorsed bank acceptance bills with full amount derecognised

In 2016 and 2017, the Group discounted certain bank bills receivable from certain banks in China or endorsed them to the Group's suppliers ("Derecognized Bills") and derecognized them on 31 December 2016 and 31 December 2017. The carrying amounts of the outstanding and non-receivable bills receivable that have been derecognised on 31 December 2016 and 31 December 2017 are RMB3,000,000 and RMB Nil respectively. The carrying amounts of undue bills receivable that have been endorsed and derecognized are RMB290,778,323 and RMB225,113,959 respectively. As at 31 December 2016 and 31 December 2017, the remaining period of the Derecognized Bills was 1 to 6 months.

五、合併財務報表項目註釋(續)

3、應收票據(續)

(2) 年末本集團已背書或已貼現且在資產負債表日尚未到期的應收票據：(續)

(a) 全額終止確認的未到期已貼現或已背書銀行承兌匯票

於2016年及2017年，本集團將若干應收銀行票據貼現於中國的若干銀行或背書於本集團供應商(「終止確認票據」)，並於2016年12月31日及2017年12月31日將其終止確認。2016年12月31日及2017年12月31日已貼現並已終止確認的未到期應收票據的賬面金額分別為人民幣3,000,000元及人民幣零元。已背書並已終止確認的未到期應收票據的賬面金額分別為人民幣290,778,323元及人民幣225,113,959元。於2016年12月31日及2017年12月31日，終止確認票據剩餘期限為1至6個月。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

3. Bills receivable (Cont'd)

(2) Bills receivable endorsed or discounted at the end of the year and undue at the balance sheet date: (Cont'd)

(a) Undue discounted or endorsed bank acceptance bills with full amount derecognised (Cont'd)

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

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

五、合併財務報表項目註釋(續)

3、應收票據(續)

(2) 年末本集團已背書或已貼現且在資產負債表日尚未到期的應收票據：(續)

(a) 全額終止確認的未到期已貼現或已背書銀行承兌匯票(續)

根據中華人民共和國票據法，如本集團貼現或背書的應收票據的承兌銀行拒絕付款，持票人對本集團擁有追索權。董事會認為，對於終止確認的已貼現或已背書票據，本集團已實質上轉移了該等票據幾乎所有的風險和報酬，因此，本集團全額終止確認這些票據。

因持票人的追索權本集團繼續涉入終止確認票據，繼續涉入導致本集團發生損失的最大風險敞口相當於其全部金額。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

3. Bills receivable (Cont'd)

(2) Bills receivable endorsed or discounted at the end of the year and undue at the balance sheet date: (Cont'd)

(a) Undue discounted or endorsed bank acceptance bills with full amount derecognised (Cont'd)

As of 31 December 2016 and 31 December 2017, the amount of the Group's expenses on the bill discounting date was RMB533,732 and RMB Nil. The Group did not recognise profit or loss on the bill endorsement date, nor did it recognize the profit or loss for the period or accumulated gains and losses due to continued involvement in the relevant bills.

五、合併財務報表項目註釋(續)

3、應收票據(續)

(2) 年末本集團已背書或已貼現且在資產負債表日尚未到期的應收票據：(續)

(a) 全額終止確認的未到期已貼現或已背書銀行承兌匯票(續)

截至2016年12月31日及2017年12月31日，本集團於票據貼現日確認的費用金額分別為人民幣533,732元及人民幣零元。本集團於票據背書日未確認損益，也並未因繼續涉入相關票據而確認當期或累計損益。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

3. Bills receivable (Cont'd)

(2) Bills receivable endorsed or discounted at the end of the year and undue at the balance sheet date: (Cont'd)

(b) Undue discounted or endorsed bank acceptance bills with full amount not derecognised

As at 31 December 2016 and 31 December 2017, apart from the the Derecognized Bills disclosed in note V.3(2) (a) above, the Group continued to recognise discounted bills and endorsed bills of RMB42,331,117, RMB nil and RMB Nil, RMB18,822,252. With respect to this portion of discounted or endorsed bills, the Board of Directors believed that the Group still retains virtually all its risks and rewards, including the risk of default on discounted and endorsed bills. Therefore, the Group continued to fully recognized this portion of the discounted and endorsed instruments. The bills, at the same time, confirmed the related payment due to the bank borrowings generated by discounting and the settlement of the endorsed bills. After discounts and endorsements were transferred, the Group no longer retained any right to use discounted and endorsed bills, including the sale, transfer or pledge of discounted or endorsed bills to the third party. As at 31 December 2016 and 31 December 2017, the carrying amounts of the bills of discounted bills and the accounts settled by the endorsed bills that continue to be recognized were RMB nil, RMB45,268,646, RMB nil, and RMB18,822,252, respectively. The board of directors believed that there is no significant difference in the fair value of the transferred assets and related liabilities.

五、合併財務報表項目註釋(續)

3、應收票據(續)

(2) 年末本集團已背書或已貼現且在資產負債表日尚未到期的應收票據：(續)

(b) 未全額終止確認的未到期已貼現或已背書銀行承兌匯票

於2016年12月31日及2017年12月31日，本集團除上述附註五、3(2)(a)中披露的終止確認票據外，繼續確認的已貼現票據和已背書票據人民幣42,331,117元、人民幣零元和人民幣零元、人民幣18,822,252元。針對這部分已貼現或已背書票據，董事會認為本集團實質上依然保留其幾乎所有的風險和報酬，包括承擔貼現及背書票據的違約風險，因此本集團繼續全額確認這部分已貼現和已背書票據，同時確認相關由於貼現產生的銀行借款和背書票據結算的應付款項。於貼現和背書轉讓後，本集團不再保留已貼現和已背書票據的任何使用權，包括將貼現和背書票據銷售、轉讓或質押給其他第三方。於2016年12月31日及2017年12月31日，繼續確認的已貼現票據和已背書票據結算的應付款項的賬面金額分別為人民幣零元和人民幣45,268,646元、人民幣零元和人民幣18,822,252元。董事會認為，已轉移資產及相關負債的公允價值差異不重大。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

4. Trade receivables

(1) Analysis of trade receivables by the type of customers:

Type	種類	31 December 2017 2017年 12月31日	31 December 2016 2016年 12月31日
Due from related parties	應收關聯公司	111,065,716	168,537,527
Due from third parties	應收第三方客戶	1,776,966,338	1,757,382,244
Sub-total	小計	1,888,032,054	1,925,919,771
Less: allowance for doubtful debts	減：壞賬準備	53,374,810	43,964,275
Total	合計	1,834,657,244	1,881,955,496

(2) Ageing analysis of trade receivables:

Ageing	賬齡	31 December 2017 2017年 12月31日	31 December 2016 2016年 12月31日
Within 1 year (1 year inclusive)	1年以內(含1年)	1,668,732,868	1,828,670,885
1-2 years (2 years inclusive)	1年至2年(含2年)	173,307,893	69,926,487
2-3 years (3 years inclusive)	2年至3年(含3年)	23,718,969	14,655,491
3-4 years (4 years inclusive)	3至4年(含4年)	8,474,785	2,816,380
4-5 years (5 years inclusive)	4至5年(含5年)	6,503,837	3,003,965
Over 5 years	5年以上	7,293,702	6,846,563
Sub-total	小計	1,888,032,054	1,925,919,771
Less: allowance for doubtful debts	減：壞賬準備	53,374,810	43,964,275
Total	合計	1,834,657,244	1,881,955,496

The ageing of trade receivables is calculated from the date of recognition.

賬齡自應收賬款確認日起開始計算。

五、合併財務報表項目註釋(續)

4、應收賬款

(1) 應收賬款按客戶類別分析如下：

Type	種類	31 December 2017 2017年 12月31日	31 December 2016 2016年 12月31日
Due from related parties	應收關聯公司	111,065,716	168,537,527
Due from third parties	應收第三方客戶	1,776,966,338	1,757,382,244
Sub-total	小計	1,888,032,054	1,925,919,771
Less: allowance for doubtful debts	減：壞賬準備	53,374,810	43,964,275
Total	合計	1,834,657,244	1,881,955,496

(2) 應收賬款按賬齡分析如下：

Ageing	賬齡	31 December 2017 2017年 12月31日	31 December 2016 2016年 12月31日
Within 1 year (1 year inclusive)	1年以內(含1年)	1,668,732,868	1,828,670,885
1-2 years (2 years inclusive)	1年至2年(含2年)	173,307,893	69,926,487
2-3 years (3 years inclusive)	2年至3年(含3年)	23,718,969	14,655,491
3-4 years (4 years inclusive)	3至4年(含4年)	8,474,785	2,816,380
4-5 years (5 years inclusive)	4至5年(含5年)	6,503,837	3,003,965
Over 5 years	5年以上	7,293,702	6,846,563
Sub-total	小計	1,888,032,054	1,925,919,771
Less: allowance for doubtful debts	減：壞賬準備	53,374,810	43,964,275
Total	合計	1,834,657,244	1,881,955,496

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

4. Trade receivables (Cont'd)

(3) Analysis of trade receivables by category

五、合併財務報表項目註釋(續)

4、應收賬款(續)

(3) 應收賬款分類披露

31 December 2017

2017年12月31日

	Type 類別	Note 註	Book value 賬面餘額		Allowance for doubtful debts 壞賬準備		Carrying amount 賬面價值
			Amount 金額	Proportion (%) 比例 (%)	Amount 金額	Proportion (%) 比例 (%)	
Individually significant and assessed for impairment individually	單項金額重大並單獨計提了壞賬準備的應收賬款	(a)	—	—	—	—	—
Collectively assessed for impairment based on credit risk characteristics	按信用風險特徵組合計提壞賬準備的應收賬款	(b)					
Group 1	組合1		111,065,716	6%	3,537,485	7%	107,528,231
Group 2	組合2		1,215,227,123	64%	19,842,884	37%	1,195,384,239
Group 3	組合3		554,217,110	29%	22,472,336	42%	531,744,774
Group Sub-total	組合小計		1,880,509,949	100%	45,852,705	86%	1,834,657,244
Individually insignificant but assessed for impairment individually	單項金額不重大但單獨計提了壞賬準備的應收賬款		7,522,105	0%	7,522,105	14%	—
Total	合計		1,888,032,054	100%	53,374,810	100%	1,834,657,244

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

4. Trade receivables (Cont'd)

(3) Analysis of trade receivables by category

五、合併財務報表項目註釋(續)

4、應收賬款(續)

(3) 應收賬款分類披露

31 December 2016

2016年12月31日

	Type 類別	Note 註	Book value 賬面餘額		Allowance for doubtful debts 壞賬準備		Carrying amount 賬面價值
			Amount 金額	Proportion (%) 比例(%)	Amount 金額	Proportion (%) 比例(%)	
Individually significant and assessed for impairment individually	單項金額重大並單獨計提了壞賬準備的應收賬款	(a)	—	—	—	—	—
Collectively assessed for impairment based on credit risk characteristics	按信用風險特徵組合計提壞賬準備的應收賬款	(b)					
Group 1	組合1		168,537,527	9%	5,301,849	12%	163,235,678
Group 2	組合2		1,466,289,007	76%	23,155,602	53%	1,443,133,405
Group 3	組合3		290,723,420	15%	15,137,007	34%	275,586,413
Group Sub-total	組合小計		1,925,549,954	100%	43,594,458	99%	1,881,955,496
Individually insignificant but assessed for impairment individually	單項金額不重大但單獨計提了壞賬準備的應收賬款		369,817	0%	369,817	1%	—
Total	合計		1,925,919,771	100%	43,964,275	100%	1,881,955,496

(a) During the reporting period, the Group did not have trade receivables that are individually significant and assessed for impairment individually.

(a) 本集團於報告期內各年末不存在單項金額重大並單獨計提了壞賬準備的應收賬款。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

4. Trade receivables (Cont'd)

(3) Analysis of trade receivables by category (Cont'd)

- (b) Trade receivables which are collectively assessed for impairment using the ageing analysis method at the end of the year:

31 December 2017

Ageing	賬齡	Book value 賬面餘額	Allowance for doubtful	
			debts 壞賬準備	Percentage 計提比例
Within 1 year	1年以內	1,812,874,834	30,866,986	2%
Over 1 year but within 2 years	1至2年	41,165,286	2,838,048	7%
Over 2 years but within 3 years	2至3年	7,948,137	1,314,838	17%
Over 3 years but within 4 years	3至4年	10,612,385	3,540,071	33%
Over 4 years but within 5 years	4至5年	1,316,530	699,986	53%
Over 5 years	5年以上	6,592,777	6,592,776	100%
Total	合計	1,880,509,949	45,852,705	2%

31 December 2016

Ageing	賬齡	Book value 賬面餘額	Allowance for doubtful	
			debts 壞賬準備	Percentage 計提比例
Within 1 year	1年以內	1,847,623,006	28,826,183	2%
Over 1 year but within 2 years	1至2年	50,886,690	3,827,263	8%
Over 2 years but within 3 years	2至3年	14,561,196	1,558,392	11%
Over 3 years but within 4 years	3至4年	2,628,534	913,214	35%
Over 4 years but within 5 years	4至5年	3,003,965	1,622,843	54%
Over 5 years	5年以上	6,846,563	6,846,563	100%
Total	合計	1,925,549,954	43,594,458	2%

Please refer to Note III.10 for the accounting policy for determining the group.

確定該組合依據的會計政策請參見附註三、10。

五、合併財務報表項目註釋(續)

4、應收賬款(續)

(3) 應收賬款分類披露(續)

- (b) 組合中，年末按賬齡分析法計提壞賬準備的應收賬款：

2017年12月31日

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

4. Trade receivables (Cont'd)

(4) Additions and recoveries or reversals of allowance for doubtful debts during the Reporting Period:

		31 December 2017	31 December 2016
	Note	2017年 12月31日	2016年 12月31日
	註		
Balance at the beginning of the year	年初餘額	43,964,275	45,956,798
Addition/(recoveries or reversals) during the year	本年計提/(轉回)	11,304,765	(1,788,414)
Written-off during the year	本年核銷 (b)	(1,894,230)	(204,109)
Balance at the end of the year	年末餘額	53,374,810	43,964,275

- (a) At the end of each reporting period, the Group assesses and calculates the balance of allowance for doubtful debts according to the accounting policies and accounting estimates of the Group's allowance for doubtful debts for trade receivables (see Note III.10). The impairment amount were accrued or reversed after comparing with the balance of allowance for doubtful debts of the previous fiscal year.

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

- (b) During the reporting period, the Group did not write-off trade receivables with significant individual amount.

五、合併財務報表項目註釋(續)

4、應收賬款(續)

(4) 報告期內計提及收回的壞賬準備情況：

	31 December 2017	31 December 2016
	2017年 12月31日	2016年 12月31日
Balance at the beginning of the year	43,964,275	45,956,798
Addition/(recoveries or reversals) during the year	11,304,765	(1,788,414)
Written-off during the year	(1,894,230)	(204,109)
Balance at the end of the year	53,374,810	43,964,275

- (a) 本集團於各報告期末按照本集團應收賬款壞賬準備的會計政策及會計估計(參見附註三、10)評估並計算壞賬準備餘額，將其與上一會計年度的壞賬準備餘額進行比較後，計提或轉回當年的壞賬準備金額。

本集團在報告期內不存在已全額計提或計提較大比例壞賬準備的應收賬款發生金額重大的收回或轉回的情況。

- (b) 本集團在報告期內無單項金額重大的應收賬款核銷。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

4. Trade receivables (Cont'd)

(5) Five largest trade receivables by debtors at the end of the year

As at 31 December 2016 and 31 December 2017, the subtotal of five largest trade receivables of the Group is RMB1,369,896,993 and RMB1,162,479,792, respectively, representing 71% and 62% of the total balance of trade receivables respectively. The corresponding allowance for doubtful debts is RMB23,523,449 and RMB23,872,307, respectively.

5. Prepayments for raw materials

(1) Prepayments for raw materials by category:

Item	項目	31 December	31 December
		2017	2016
		2017年	2016年
		12月31日	12月31日
Related party	預付關聯方	482,670	3,492,042
Third party	預付第三方	74,350,959	45,575,564
Total	合計	74,833,629	49,067,606

五、合併財務報表項目註釋(續)

4、應收賬款(續)

(5) 按欠款方歸集的年末餘額前五名的應收賬款情況

截至2016年12月31日及2017年12月31日，本集團餘額前五名的應收賬款合計分別為人民幣1,369,896,993元及人民幣1,162,479,792元。分別佔應收賬款年末餘額合計數的71%和62%。相應計提的壞賬準備年末餘額合計分別為23,523,449元及人民幣23,872,307元。

5、預付款項

(1) 預付款項分類列示如下：

Item	項目	31 December	31 December
		2017	2016
		2017年	2016年
		12月31日	12月31日
Related party	預付關聯方	482,670	3,492,042
Third party	預付第三方	74,350,959	45,575,564
Total	合計	74,833,629	49,067,606

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

5. Prepayments for raw materials

(2) Ageing analysis of prepayments for raw materials:

Ageing	賬齡	31 December 2017		31 December 2016	
		Amount	Percentage (%)	Amount	Percentage (%)
		金額	比例 (%)	金額	比例 (%)
Within 1 year (1 year inclusive)	1年以內(含1年)	73,867,013	99%	48,646,263	99%
Over 1 year but within 2 years (2 years inclusive)	1至2年(含2年)	897,612	1%	405,293	1%
Over 2 years but within 3 years (3 years inclusive)	2至3年(含3年)	67,324	0%	14,370	0%
Over 3 years	3年以上	1,680	0%	1,680	0%
Total	合計	74,833,629	100%	49,067,606	100%

The ageing of prepayments for raw materials is calculated starting from the date of recognition.

(3) Top five balances of prepayments for raw materials by prepaid item as at the end of the year

As at the end of 31 December 2016 and 31 December 2017, the Group's top five balances of prepayments for raw materials for the year totalled RMB26,375,658 and RMB35,040,599, respectively, accounting for 54% and 47% of the Group's total balance of prepayments for raw materials as at the end of the year.

五、合併財務報表項目註釋(續)

5、預付款項

(2) 預付款項按賬齡列示如下：

賬齡自預付款項確認日起開始計算。

(3) 按預付對象歸集的年末餘額前五名的預付款項情況

截至2016年12月31日及2017年12月31日，本集團餘額前五名的預付款項合計數分別為人民幣26,375,658元及人民幣35,040,599元。分別佔預付款項年末餘額合計數的54%和47%。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

6. Dividends receivable

(1) Dividends receivable by category:

Invested company	被投資單位	31 December 2017 2017年 12月31日	31 December 2016 2016年 12月31日
Yangtze Optical Fibre and Cable (Shanghai) Company Ltd.	長飛光纖光纜(上海)有限公司	12,851,123	10,406,910
Tianjin YOFC XMKJ Optical Communication Co., Ltd.	天津長飛鑫茂光通信有限公司	—	18,081,000
Wuhan Guangyuan Electronic Technology Co., Ltd.	武漢光源電子科技有限公司	522,213	522,213
Total	合計	13,373,336	29,010,123

五、合併財務報表項目註釋(續)

6、應收股利

(1) 應收股利分類：

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

6. Dividends receivable (Cont'd)

(2) Significant dividends receivable ageing over one year:

五、合併財務報表項目註釋(續)

6、應收股利(續)

(2) 重要的賬齡超過1年的應收股利：

	31 December 2017 2017年 12月31日	31 December 2016 2016年 12月31日	Unrecovered reason 未收回的原因	Whether occurred impairment 是否 發生減值
Invsted company 被投資單位				
Tianjin YOFC XMKJ Optical Communication Co., Ltd. 天津長飛鑫茂光通信有限公司	—	18,081,000	The invested company delayed the payment of dividends to shareholders of both parties, and the shareholders of both parties passed a resolution to stop dividends in May 2017. 被投資單位推遲向 雙方股東支付股利， 雙方股東於2017年 5月通過停止分紅的 決議	No 否
Total 合計	—	18,081,000		

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

7. Other receivables

(1) Analysis of other receivables by the type of customers:

Type of customer	客戶類別	31 December 2017 2017年 12月31日	31 December 2016 2016年 12月31日
Related companies	應收關聯公司	40,558,109	43,096,256
Non-related companies	應收非關聯公司	57,791,443	67,493,086
Sub-total	小計	98,349,552	110,589,342
Less: Allowance for doubtful debts	減：壞賬準備	—	—
Total	合計	98,349,552	110,589,342

(2) Ageing analysis of other receivables:

Ageing	賬齡	31 December 2017 2017年 12月31日	31 December 2016 2016年 12月31日
Within 1 year (1 year inclusive)	1年以內(含1年)	92,100,774	100,533,841
1-2 years (2 years inclusive)	1年至2年(含2年)	3,953,932	5,942,420
2-3 years (3 years inclusive)	2年至3年(含3年)	1,988,702	1,895,935
Over 3 years	3年以上	306,144	2,217,146
Sub-total	小計	98,349,552	110,589,342
Less: Allowance for doubtful debts	減：壞賬準備	—	—
Total	合計	98,349,552	110,589,342

The ageing of other receivables is calculated starting from the date of recognition.

賬齡自其他應收賬款確認日起開始計算。

五、合併財務報表項目註釋(續)

7、其他應收款

(1) 其他應收款按客戶類別分析如下：

	客戶類別	31 December 2017 2017年 12月31日	31 December 2016 2016年 12月31日
Related companies	應收關聯公司	40,558,109	43,096,256
Non-related companies	應收非關聯公司	57,791,443	67,493,086
Sub-total	小計	98,349,552	110,589,342
Less: Allowance for doubtful debts	減：壞賬準備	—	—
Total	合計	98,349,552	110,589,342

(2) 其他應收款按賬齡分析如下：

	賬齡	31 December 2017 2017年 12月31日	31 December 2016 2016年 12月31日
Within 1 year (1 year inclusive)	1年以內(含1年)	92,100,774	100,533,841
1-2 years (2 years inclusive)	1年至2年(含2年)	3,953,932	5,942,420
2-3 years (3 years inclusive)	2年至3年(含3年)	1,988,702	1,895,935
Over 3 years	3年以上	306,144	2,217,146
Sub-total	小計	98,349,552	110,589,342
Less: Allowance for doubtful debts	減：壞賬準備	—	—
Total	合計	98,349,552	110,589,342

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

7. Other receivables (Cont'd)

(3) Analysis of other receivables by nature of amounts:

Nature of amounts	款項性質	Note	31 December	31 December
			2017	2016
		註	2017年 12月31日	2016年 12月31日
Amount due from related companies	應收關聯公司	(a)	40,558,109	43,096,256
Wealth management products	理財產品	(b)	—	5,000,000
Amount due from loans of non-controlling interests	應收少數股東借款	(c)	12,906,155	13,284,541
Security deposits for tender	投標保證金		18,045,922	12,438,700
Interests receivable	應收利息		—	13,580,548
Others	其他		26,839,366	23,189,297
Sub-total	小計		98,349,552	110,589,342
Less: allowance for doubtful debts	減：壞賬準備		—	—
Total	合計		98,349,552	110,589,342

(a) As at 31 December 2016 and 31 December 2017, the Group provided principal entrusted loan principal of RMB40,000,000 and RMB40,000,000 respectively to the Group's joint venture, Yangtze Optical Fibre and Cable Sichuan Co., Ltd., and the loan interest rate range was 3.6% - 5.0% and 4.002% - 4.75% respectively.

(a) 於2016年12月31日及2017年12月31日，本集團向本集團的合營企業長飛光纖光纜四川有限公司提供委託貸款本金合計分別為人民幣40,000,000元和人民幣40,000,000元，貸款利率範圍分別為3.6% - 5.0%和4.002% - 4.75%。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

7. Other receivables (Cont'd)

(3) Analysis of other receivables by nature of amounts:(Cont'd)

- (b) The wealth management products were bank wealth management products purchased by the Group. As at 31 December 2016, the total value of the principal of the wealth management product was RMB5,000,000 and the annualized return was 2.4%.
- (c) The loans of non-controlling interests were the loans of holder of non-controlling interests in PT. Monaspermata Persada of PT.Yangtze Optical Fibre Indonesia, a subsidiary of the Group. The principal amount was US\$3,300,000 and the interest rate was 4.85%, which will expire in 2018.

五、合併財務報表項目註釋(續)

7、其他應收款(續)

(3) 其他應收款按款項性質分類情況(續)

- (b) 理財產品為本集團購買的銀行理財產品。於2016年12月31日，理財產品本金合計為人民幣5,000,000元，年化收益率為2.4%。
- (c) 少數股東借款為本集團應收子公司PT.Yangtze Optical Fibre Indonesia少數股東權益持有人PT Monaspermata Persada的借款。本金為3,300,000美元，利率為4.85%，將於2018年內到期。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

7. Other receivables (Cont'd)

(4) Top five other receivables by debtor as at the end of the year

31 December 2017

五、合併財務報表項目註釋(續)

7、其他應收款(續)

(4) 按欠款方歸集的年末餘額前五名的其他應收款情況

2017年12月31日

Name of company 單位名稱	Nature 款項的性質	Closing balance 年末餘額	Ageing 賬齡	Percentage of total	Balance of
				balance of other receivables at the end of the year (%) 佔其他應收款 年末餘額 合計數的比例 (%)	allowance for doubtful debts at the end of the year 壞賬準備 年末餘額
Yangtze Optical Fibre and Cable Sichuan Company Ltd. 長飛光纖光纜四川有限公司	Entrusted loan 委託貸款	40,210,117	Within 1 year 1年以內	41%	—
PT MONASPERMATA PERSADA PT MONASPERMATA PERSADA	Borrowing 借款	12,906,155	Within 1 year 1年以內	13%	—
China Mobile Communications Group 中國移動通信集團	Performance bond 履約保證金	6,553,159	Within 1 year 1年以內	7%	—
China Telecom Group Corporation 中國電信集團公司	Performance bond 履約保證金	4,127,180	Within 1 year 1年以內	4%	—
Shin-Etsu Chemical Industry Co., Ltd. 信越化學工業株式會社	Substitution expenses 代墊支出	4,040,349	Within 1 year 1年以內	4%	—
Total 合計		67,836,960		69%	—

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

7. Other receivables (Cont'd)

(4) Top five other receivables by debtor as at the end of the year (Cont'd)

31 December 2016

Name of company 單位名稱	Nature 款項的性質	Closing balance 年末餘額	Ageing 賬齡	Percentage of total	Balance of
				balance of other receivables at the end of the year (%) 佔其他應收款 年末餘額 合計數的比例 (%)	allowance for doubtful debts at the end of the year 壞賬準備 年末餘額
Yangtze Optical Fibre and Cable Sichuan Company Ltd. 長飛光纖光纜四川有限公司	Entrusted loan 委託貸款	40,224,458	Within 1 year 1年以內	37%	—
HSBC Bank (China) Co., Ltd. 滙豐銀行(中國)有限公司	Interests 利息	13,580,548	Within 1 year 1年以內	12%	—
PT MONASPERMATA PERSADA PT MONASPERMATA PERSADA	Borrowing 借款	13,284,541	Within 1 year 1年以內	12%	—
China Mobile Communications Group Beijing Co., Ltd. 中國移動通信集團 北京有限公司	Performance bond 履約保證金	4,312,298	Within 1 year 1年以內	4%	—
Wuhan Yangtze Optical Technology Co., Ltd. 武漢長光科技有限公司	Rent 房租	2,217,146	Over 3 years 3年以上	2%	—
Total 合計		73,618,991		67%	—

五、合併財務報表項目註釋(續)

7、其他應收款(續)

(4) 按欠款方歸集的年末餘額前五名的其他應收款情況(續)

2016年12月31日

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

8. Inventories

(1) Inventories by category

		31 December 2017 2017年12月31日		
		Provision for		Carrying amount
		Book value	diminution	
Inventories by categories	存貨種類	賬面餘額	跌價準備	賬面價值
Raw materials and spare parts	原材料及備件	330,431,263	(22,399,006)	308,032,257
Work in progress	在產品	85,671,988	(230,360)	85,441,628
Finished goods in stock	庫存商品	343,766,407	(6,772,126)	336,994,281
Total	合計	759,869,658	(29,401,492)	730,468,166

		31 December 2016 2016年12月31日		
		Provision for		Carrying amount
		Book value	diminution	
Inventories by categories	存貨種類	賬面餘額	跌價準備	賬面價值
Raw materials and spare parts	原材料及備件	264,392,804	(28,888,813)	235,503,991
Work in progress	在產品	78,866,407	(512,054)	78,354,353
Finished goods in stock	庫存商品	331,293,156	(773,945)	330,519,211
Total	合計	674,552,367	(30,174,812)	644,377,555

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

8. Inventories (Cont'd)

(2) Analysis of the movements of inventories for the year

Inventories by category	存貨種類	Opening			Closing
		balance on	Increase	Decrease	balance on
		1 January	during	during	31 December
		2017	during	during	2017
		2017年	the year	the year	2017年
		1月1日餘額	本年增加額	本年減少額	12月31日餘額
Raw materials and spare parts	原材料及備件	264,392,804	6,906,388,194	(6,840,349,735)	330,431,263
Work in progress	在產品	78,866,407	1,195,459,534	(1,188,653,953)	85,671,988
Finished goods in stock	庫存商品	331,293,156	7,474,153,325	(7,461,680,074)	343,766,407
Sub-total	小計	674,552,367	15,576,001,053	(15,490,683,762)	759,869,658
Less: provision for diminution in value of inventories	減：存貨跌價準備	30,174,812	16,174,892	(16,948,212)	29,401,492
Total	合計	644,377,555	15,559,826,161	(15,473,735,550)	730,468,166

五、合併財務報表項目註釋(續)

8、存貨(續)

(2) 存貨本年變動情況分析如下

Inventories by category	存貨種類	Opening			Closing
		balance on	Increase	Decrease	balance on
		1 January	during	during	31 December
		2016	during	during	2016
		2016年	the year	the year	2016年
		1月1日餘額	本年增加額	本年減少額	12月31日餘額
Raw materials and spare parts	原材料及備件	360,031,972	5,631,051,665	(5,726,690,833)	264,392,804
Work in progress	在產品	56,513,631	959,863,528	(937,510,752)	78,866,407
Finished goods in stock	庫存商品	293,568,145	6,348,280,933	(6,310,555,922)	331,293,156
Sub-total	小計	710,113,748	12,939,196,126	(12,974,757,507)	674,552,367
Less: provision for diminution in value of inventories	減：存貨跌價準備	32,051,772	15,062,492	(16,939,452)	30,174,812
Total	合計	678,061,976	12,924,133,634	(12,957,818,055)	644,377,555

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

8. Inventories (Cont'd)

(3) Provision for decline in inventories

Inventories by category	存貨種類	Opening balance on 1 January 2017 2017年 1月1日餘額	Charge for the year 本年計提	Reversal or written off during the year 本年轉銷	Closing balance on 31 December 2017 2017年 12月31日餘額
Raw materials and spare parts	原材料及備件	28,888,813	9,049,499	(15,539,306)	22,399,006
Work in progress	在產品	512,054	125,256	(406,950)	230,360
Finished goods in stock	庫存商品	773,945	7,000,137	(1,001,956)	6,772,126
Total	合計	30,174,812	16,174,892	(16,948,212)	29,401,492

Inventories by category	存貨種類	Opening balance on 1 January 2016 2016年 1月1日餘額	Charge for the year 本年計提	Reversal or written off during the year 本年轉銷	Closing balance on 31 December 2016 2016年 12月31日餘額
Raw materials and spare parts	原材料及備件	29,876,936	12,709,309	(13,697,432)	28,888,813
Work in progress	在產品	167,684	548,145	(203,775)	512,054
Finished goods in stock	庫存商品	2,007,152	1,805,038	(3,038,245)	773,945
Total	合計	32,051,772	15,062,492	(16,939,452)	30,174,812

The provision for decline in inventories mainly due to the obsolescence of the inventory or the decline in the sales price. Reversal or written off during the year was due to the fact that part of the inventory that had been provided for decline in previous years was transferred out of the corresponding provision for decline for sale this year.

The Group used the net realizable value and cost reduction method as the basis for accruing the provision for decline in inventories.

存貨跌價準備的計提主要是因為存貨陳舊過時或銷售價格下降。本年轉銷是由於部分在以前年度已計提跌價準備的存貨於本年因出售而轉出相應已計提的跌價準備。

本集團按照可變現淨值與成本孰低法作為計提存貨跌價準備的依據。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

9. Other current assets

Item	項目	31 December	31 December
		2017	2016
		2017年	2016年
		12月31日	12月31日
Deductible VAT input tax (Note)	待抵扣增值稅進項稅(註)	46,152,301	54,379,870
Pre-paid income tax	預交所得稅	887,752	4,831,293
Others	其他	—	137,209
Total	合計	47,040,053	59,348,372

五、合併財務報表項目註釋(續)

9、其他流動資產

10. Available-for-sale financial assets

(1) Information of available-for-sale financial assets:

10、可供出售金融資產

(1) 可供出售金融資產情況

Item	項目	31 December 2017		
		Book value	Provision for diminution in value	Carrying amount
		賬面餘額	跌價準備	賬面價值
Available-for-sale debt instrument	可供出售債務工具	37,513,923	—	37,513,923
Available-for-sale equity instrument	可供出售權益工具			
– measured at fair value	– 按公允價值計量的	96,684,388	—	96,684,388
– measured at cost	– 按成本計量的	7,089,492	(2,539,379)	4,550,113
Total	合計	141,287,803	(2,539,379)	138,748,424

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

10. Available-for-sale financial assets (Cont'd)

(1) Information of available-for-sale financial assets: (Cont'd)

Item	項目	Book value 賬面餘額	31 December 2016 2016年12月31日	
			Provision for diminution in value 跌價準備	Carrying amount 賬面價值
Available-for-sale debt instrument	可供出售債務工具	38,197,931	—	38,197,931
Available-for-sale equity instrument	可供出售權益工具			
– measured at fair value	– 按公允價值計量的	114,856,524	—	114,856,524
– measured at cost	– 按成本計量的	7,089,492	(2,539,379)	4,550,113
Total	合計	160,143,947	(2,539,379)	157,604,568

(2) Available-for-sale financial assets measured by cost at the end of the year:

31 December 2017

(2) 年末按公允價值計量的可供出售金融資產：

2017年12月31日

		Available-for-	Available-	Total
		sale equity instrument 可供出售 權益工具	for-sale debt instrument 可供出售 債務工具	
Cost of equity instrument and debt instrument	權益工具及債務工具的成本	9,727,032	37,000,000	46,727,032
Fair value	公允價值	96,684,388	37,513,923	134,198,311
Of which:	其中：			
Accumulated amount of fair value changes accrued to other comprehensive income	累計計入其他綜合收益的公允價值變動金額	86,957,356	513,923	87,471,279
Amount of impairment has been accrued	已計提減值金額	—	—	—

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

10. Available-for-sale financial assets (Cont'd)

(2) Available-for-sale financial assets measured by cost at the end of the year: (Cont'd)

31 December 2016

五、合併財務報表項目註釋(續)

10、可供出售金融資產(續)

(2) 年末按公允價值計量的可供出售金融資產：(續)

2016年12月31日

		Available-for-sale equity instrument 可供出售權益工具	Available-for-sale debt instrument 可供出售債務工具	Total 合計
Cost of equity instrument and debt instrument	權益工具及債務工具的成本	9,727,032	38,000,000	47,727,032
Fair value	公允價值	114,856,524	38,197,931	153,054,455
Of which:	其中：			
Accumulated amount of fair value changes accrued to other comprehensive income	累計計入其他綜合收益的公允價值變動金額	105,129,492	197,931	105,327,423
Amount of impairment has been accrued	已計提減值金額	—	—	—

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

10. Available-for-sale financial assets (Cont'd)

(3) Available-for-sale financial assets measured by cost at the end of the year:

(3) 年末按成本計量的可供出售金融資產：

Invested company 被投資單位	Carrying amount 賬面餘額				Impairment provision 減值準備				Proportion of shares held in the invested company (%) 在被投資 單位持股 比例(%)		Cash dividend for the year 本年 現金紅利
	I January 2017 2017年 1月1日		Addition during the year 本年增加		Decrease during the year 本年減少		31 December 2017 2017年 12月31日		I January 2017 2017年 1月1日		
Wuhan Steel Corporation 武漢鋼鐵股份有限公司	2,230,000	-	-	2,230,000	-	-	-	-	-	0.23%	156,100
Wuhan Changguang Technology Co., Ltd. 武漢長光科技有限公司	4,649,492	-	-	4,649,492	-	-	(2,539,379)	(2,539,379)	6.47%	-	-
Wuhan Zhuxin Consulting Co., Ltd. 武漢市樂心諮詢有限公司	210,000	-	-	210,000	-	-	-	-	7.00%	-	-
Total	7,089,492	-	-	7,089,492	-	-	(2,539,379)	(2,539,379)	-	-	156,100

Invested company 被投資單位	Carrying amount 賬面餘額				Impairment provision 減值準備				Proportion of shares held in the invested company (%) 在被投資 單位持股 比例(%)		Cash dividend for the year 本年 現金紅利
	I January 2016 2016年 1月1日		Addition during the year 本年增加		Decrease during the year 本年減少		31 December 2016 2016年 12月31日		I January 2016 2016年 1月1日		
Wuhan Steel Corporation 武漢鋼鐵股份有限公司	2,230,000	-	-	2,230,000	-	-	-	-	-	0.23%	178,400
Zhongjian Technology Fiber Co., Ltd. 中天科技光纖有限公司	16,600,000	-	(16,600,000)	-	-	-	-	-	-	-	5,226,783
Wuhan Changguang Technology Co., Ltd. 武漢長光科技有限公司	4,649,492	-	-	4,649,492	-	-	(2,539,379)	(2,539,379)	6.47%	-	-
Wuhan Zhuxin Consulting Co., Ltd. 武漢市樂心諮詢有限公司	210,000	-	-	210,000	-	-	-	-	7.00%	-	-
Total	23,689,492	-	(16,600,000)	7,089,492	-	-	(2,539,379)	(2,539,379)	-	-	5,405,183

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

10. Available-for-sale financial assets (Cont'd)

(4) Changes in the impairment of available-for-sale financial assets:

Impairment provision	減值準備	Available-for-sale equity instrument 可供出售權益工具	Available-for-sale debt instrument 可供出售債務工具	Total 合計
Balance as at 31 December 2016 and 31 December 2017	2016年12月31日、 2017年12月31日餘額	(2,539,379)	—	(2,539,379)

五、合併財務報表項目註釋(續)

10、可供出售金融資產(續)

(4) 可供出售金融資產減值變動情況如下：

11. Long-term receivables

11、長期應收款

Item	項目	Note 附註	31 December 2017 2017年 12月31日	31 December 2016 2016年 12月31日
Time deposits	定期存款	(a)	—	205,000,000
Interests from time deposits	定期存款利息		—	13,580,548
Amount due from entrusted loans	應收委託貸款		30,000,000	50,000,000
Amount due from loan of non-controlling interests	應收少數股東借款	V.7 (3)(c) 五、 7(3)(c)	—	3,422,826
Less: impairment provisions	減：減值準備		—	—
Sub-total	小計		30,000,000	272,003,374
Less: portion due within one year	減：一年內到期部分		10,000,000	238,580,548
Total	合計		20,000,000	33,422,826

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

11. Long-term receivables (Cont'd)

- (a) On 31 December 2016, the Company's fixed deposits of RMB205,000,000 was pledged to HSBC Bank (China) Co., Ltd. Wuhan Branch as the security of the Company's bank loan of EUR24,297,285 (equivalent amount in RMB: RMB177,535,398) (Note V.27).

On 31 December 2016, the fixed deposits were reclassified to Cash and cash equivalent (see Note V.1) and were recollected on 23 March 2017.

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

12. Long-term equity investments

- (1) Long-term equity investments by category:

Item	項目	31 December	31 December
		2017	2016
		2017年	2016年
		12月31日	12月31日
Investments in joint ventures	對合營企業的投資	1,234,462,447	1,045,637,607
Investments in associates	對聯營企業的投資	11,534,025	11,087,832
Sub-total	小計	1,245,996,472	1,056,725,439
Less: impairment provision	減：減值準備		
– joint ventures	– 合營企業	4,130,000	4,130,000
– associates	– 聯營企業	—	—
Total	合計	1,241,866,472	1,052,595,439

五、合併財務報表項目註釋(續)

11、長期應收款(續)

- (a) 於2016年12月31日，本公司定期存款人民幣205,000,000元質押給滙豐銀行(中國)有限公司武漢分行，作為本公司24,297,285歐元(等值人民幣金額：人民幣177,535,398元)(附註五、27)銀行借款的擔保。

於2016年12月31日，該定期存款重分類至貨幣資金(參見附註五、1)，並已於2017年3月23日到期收回。

五、合併財務報表項目註釋(續)

12、長期股權投資

- (1) 長期股權投資分類如下：

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

12. Long-term equity investments (Cont'd)

(2) The analysis of changes in long-term equity investments in 2016 and 2017 is as follows:

Invested companies	被投資單位	Balance on 1 January 2017 2017年 1月1日餘額	Additional investment 追加投資	Changes during the year 本年增減變動			Unrealized downstream transactions 未實現 順流交易	Balance on 31 December 2017 12月31日餘額	Balance of impairment provision at the end of the year 減值準備 年末餘額
				Share of net profit/(net loss) of the invested companies per shareholding ratio 按持股比例 享有的被投資 單位淨利潤/ (淨虧損)	Cash dividends or profits declared to be distributed 宣告發放現金 股利或利潤				
Joint ventures	合營企業								
Shantou Hi-Tech Zone Ao Xing Optical Communication Equipment Co., Ltd	汕頭高新區奧星光通信 設備有限公司	86,948,834	—	9,797,442	(5,055,813)	3,870,581	95,561,044	—	
Yangtze Optical Fibre and Cable Sichuan Co., Ltd	長飛光纖光纜四川有限公司	64,125,009	—	14,200,898	(4,590,000)	(2,095,824)	71,640,083	—	
Shenzhen SDGI Optical Fibre Co., Ltd.	深圳特發信息光纖有限公司	100,603,902	63,648,000	11,055,839	(4,372,887)	(2,244,498)	168,690,356	—	
Yangtze Zhongli Optical Fibre and Cable (Jiangsu) Co., Ltd.	江蘇長飛中利光纖光纜有限公司	129,585,572	—	21,461,696	(9,519,294)	(576,486)	140,951,488	—	
Yangtze Optical Fibre and Cable (Shanghai) Co., Ltd.	長飛光纖光纜(上海)有限公司	207,905,842	—	29,561,970	(12,851,123)	(7,781,249)	216,835,440	—	
Wuhan Guangyuan Electronic Technology Co., Ltd.	武漢光源電子科技有限公司	1,633,921	—	207,506	—	—	1,841,427	—	
Yangtze (Wuhan) Optical System Corporation.	長飛(武漢)光系統股份有限公司	36,720,207	—	643,318	—	(66,423)	37,297,102	—	
Tianjin YOFC XMKJ Optical Communication Co., Ltd.	天津長飛鑫茂光通信有限公司	162,236,295	—	51,381,752	2,891,000	863,325	217,372,372	—	
Tianjin YOFC XMKJ Communication Optical Cable Co., Ltd.	天津長飛鑫茂光纜有限公司	4,130,000	—	—	—	—	4,130,000	4,130,000	
Shin-Etsu YOFC (Hubei) Optical Preform Co., Ltd.	長飛信越(湖北)光棒有限公司	237,384,230	—	28,724,242	—	—	266,108,472	—	
YOFC - Yadanarbon Fibre Company Limited	YOFC - Yadanarbon Fibre Company Limited	14,363,795	—	(329,132)	—	—	14,034,663	—	
Sub-total	小計	1,045,637,607	63,648,000	166,705,531	(33,498,117)	(8,030,574)	1,234,462,447	4,130,000	

五、合併財務報表項目註釋(續)

12、長期股權投資(續)

(2) 長期股權投資在2016年度及2017年度的變動情況分析如下：

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

12. Long-term equity investments (Cont'd)

(2) The analysis of changes in long-term equity investments in 2016 and 2017 is as follows: (Cont'd)

五、合併財務報表項目註釋(續)

12、長期股權投資(續)

(2) 長期股權投資在2016年度及2017年度的變動情況分析如下：(續)

Invested companies	被投資單位	Balance on 1 January 2017 2017年 1月1日餘額	Changes during the year 本年增減變動				Balance on 31 December 2017 12月31日餘額	Balance of impairment provision at the end of the year 減值準備 年末餘額
			Additional investment 追加投資	Share of net profit/(net loss) of the invested companies per shareholding ratio 按持股比例 享有的被投資 單位淨利潤/ (淨虧損)	Cash dividends or profits declared to be distributed 宣告發放現金 股利或利潤	Unrealized downstream transactions 未實現 順流交易		
Associates	聯營企業							
Wuhan Yunjingfei Optical Fibre Material Co., Ltd.	武漢雲晶飛光纖材料有限公司	11,087,832	—	446,193	—	—	11,534,025	
Sub-total	小計	11,087,832	—	446,193	—	—	11,534,025	
Total	合計	1,056,725,439	63,648,000	167,151,724	(33,498,117)	(8,030,574)	1,245,996,472	

Note: In May 2017, Tianjin YOFC XMKJ Optical Communication Co., Ltd. announced the distribution of 2016 cash dividend of RMB31,000,000, of which the Company should be entitled to a dividend of RMB15,190,000. At the same time, with the resolutions passed by the shareholders of both parties, the joint venture company ceased to distribute the cash dividend declared in previous years of RMB36,900,000, and the Company reversed with a dividend of RMB18,081,000.

註：於2017年5月，天津長飛鑫茂光通信有限公司宣告發放2016年現金股利人民幣31,000,000元，其中本公司應享有股利人民幣15,190,000元。同時，經雙方股東決議通過，該合營公司停止分配以前年度宣告的現金股利人民幣36,900,000元，本公司沖回應享有股利人民幣18,081,000元。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

12. Long-term equity investments (Cont'd)

(2) The analysis of changes in long-term equity investments in 2016 and 2017 is as follows: (Cont'd)

Invested companies	被投資單位	Balance on 1 January 2016 2016年 1月1日餘額	Additional investment 追加投資	Changes during the year 本年增減變動			Balance on 31 December 2016年 12月31日餘額	Balance of impairment provision at the end of the year 減值準備 年末餘額
				Share of net profit/(net loss) of the invested companies per shareholding ratio 按持股比例 享有的被投資 單位淨利潤/ (淨虧損)	Cash dividends or profits declared to be distributed 宣告發放現金 股利或利潤	Unrealized downstream transactions 未實現 順流交易		
Joint ventures	合營企業							
Shantou Hi-Tech Zone Ao Xing Optical Communication Equipment Co., Ltd	汕頭高新區奧星光通信 設備有限公司	84,028,667	—	8,504,768	(5,055,813)	(528,788)	86,948,834	—
Yangtze Optical Fibre and Cable Sichuan Company Ltd.	長飛光纖光纜四川有限公司	53,385,436	—	10,207,991	—	531,582	64,125,009	—
Shenzhen SDGI Optical Fibre Co., Ltd.	深圳特發信息光纖有限公司	90,617,850	—	10,696,614	—	(710,562)	100,603,902	—
Yangtze Zhongli Optical Fibre and Cable (Jiangsu) Co., Ltd.	江蘇長飛中利光纖光纜有限公司	119,944,112	—	20,276,661	(8,490,542)	(2,144,659)	129,585,572	—
YOFC Shanghai Co., Ltd.	長飛光纖光纜(上海)有限公司	190,003,511	—	29,524,645	(10,406,912)	(1,215,402)	207,905,842	—
Wuhan Light Source Electronic Technology Co., Ltd.	武漢光源電子科技有限公司	2,371,532	—	(737,611)	—	—	1,633,921	—
YOFC Wuhan Optical System Co., Ltd.	長飛(武漢)光系統股份有限公司	35,831,102	—	869,646	—	19,459	36,720,207	—
Tianjin YOFC XMKJ Optical Communication Co., Ltd.	天津長飛鑫茂光通信有限公司	130,270,689	—	31,063,971	—	901,635	162,236,295	—
Tianjin YOFC XMKJ Optical Cable Co., Ltd.	天津長飛鑫茂光纜有限公司	4,130,000	—	—	—	—	4,130,000	4,130,000
Shin-Etsu YOFC (Hubei) Optical Preform Co., Ltd.	長飛信越(湖北)光棒有限公司	—	244,075,860	(6,691,630)	—	—	237,384,230	—
YOFC - Yadanarbon Fibre Company Limited	YOFC - Yadanarbon Fibre Company Limited	13,859,105	—	504,690	—	—	14,363,795	—
Sub-total	小計	724,442,004	244,075,860	104,219,745	(23,953,267)	(3,146,735)	1,045,637,607	4,130,000

五、合併財務報表項目註釋(續)

12、長期股權投資(續)

(2) 長期股權投資在2016年度及2017年度的變動情況分析如下：(續)

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

12. Long-term equity investments (Cont'd)

(2) The analysis of changes in long-term equity investments in 2016 and 2017 is as follows: (Cont'd)

五、合併財務報表項目註釋(續)

12、長期股權投資(續)

(2) 長期股權投資在2016年度及2017年度的變動情況分析如下：(續)

Invested companies	被投資單位	Balance on 1 January 2016 2016年 1月1日餘額	Additional investment 追加投資	Changes during the year 本年增減變動			Balance on 31 December 2016年 12月31日餘額	Balance of impairment provision at the end of the year 減值準備 年末餘額
				Share of net profit/(net loss) of the invested companies per shareholding ratio 按持股比例 享有的被投資 單位淨利潤/ (淨虧損)	Cash dividends or profits declared to be distributed 宣告發放現金 股利或利潤	Unrealized downstream transactions 未實現 順流交易		
Associates	聯營企業							
Wuhan Yunjingfei Optical Fibre Material Co., Ltd.	武漢雲晶飛光纖材料有限公司	10,747,438	—	820,394	(480,000)	—	11,087,832	
Sub-total	小計	10,747,438	—	820,394	(480,000)	—	11,087,832	
Total	合計	735,189,442	244,075,860	105,040,139	(24,433,267)	(3,146,735)	1,056,725,439	

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

13. Fixed assets

(1) Information on fixed assets

Item	項目	Land, building	Machinery	Office	Transportation	Total
		and structures	and equipment	equipment and other equipment	equipment	
		土地、房屋 及建築物	機器設備	辦公設備 及其他設備	運輸工具	合計
Cost	原值					
Opening balance on 1 January 2016	2016年1月1日餘額	414,339,884	1,939,076,594	89,197,791	10,071,417	2,452,685,686
Addition during the year	本年增加					
– Purchase	– 購置	41,857,500	208,251,418	25,330,637	3,012,280	278,451,835
– Transfer from construction in progress	– 在建工程轉入	93,465,008	102,398,729	1,432,574	—	197,296,311
Disposal or scrapped during the year	本年處置或報廢	(2,420,861)	(72,065,073)	(9,465,736)	(1,271,590)	(85,223,260)
Foreign exchange translation differences	外幣折算差額	3,154,687	1,845,003	121,238	60,788	5,181,716
Closing balance on 31 December 2016	2016年12月31日餘額	550,396,218	2,179,506,671	106,616,504	11,872,895	2,848,392,288
Addition during the year	本年增加					
– Purchase	– 購置	29,199,513	94,887,940	33,822,487	3,583,980	161,493,920
– Transfer from construction in progress	– 在建工程轉入	299,814,139	318,509,121	6,433,619	—	624,756,879
Disposal or scrapped during the year	本年處置或報廢	(263,290)	(46,435,129)	(2,135,293)	(887,072)	(49,720,784)
Foreign exchange translation differences	外幣折算差額	(4,303,788)	(2,746,905)	(1,357,049)	(174,863)	(8,582,605)
Closing balance on 31 December 2017	2017年12月31日餘額	874,842,792	2,543,721,698	143,380,268	14,394,940	3,576,339,698

五、合併財務報表項目註釋(續)

13、固定資產

(1) 固定資產情況

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

五、合併財務報表項目註釋(續)

13. Fixed assets (Cont'd)

13、固定資產(續)

(1) Information on fixed assets (Cont'd)

(1) 固定資產情況(續)

Item	項目	Land, building and structures 土地、房屋 及建築物	Machinery and equipment 機器設備	Office	Transportation equipment 運輸工具	Total 合計
				equipment and other equipment 辦公設備 及其他設備		
Accumulated depreciation	累計折舊					
Opening balance on 1 January 2016	2016年1月1日餘額	141,324,162	1,272,011,401	51,417,160	5,495,334	1,470,248,057
Charge for the year	本年計提	19,637,796	100,107,195	11,576,751	1,205,939	132,527,681
Disposal or scrapped during the year	本年處置或報廢	(1,358,742)	(64,957,694)	(8,401,000)	(1,171,039)	(75,888,475)
Foreign exchange translation differences	外幣折算差額	18,867	30,740	7,817	5,050	62,474
Closing balance on 31 December 2016	2016年12月31日餘額	159,622,083	1,307,191,642	54,600,728	5,535,284	1,526,949,737
Charge for the year	本年計提	37,031,809	118,830,198	15,817,582	1,575,974	173,255,563
Disposal or scrapped during the year	本年處置或報廢	(25,173)	(43,271,240)	(1,540,719)	(772,306)	(45,609,438)
Foreign exchange translation differences	外幣折算差額	(40,051)	(73,497)	(8,134)	(3,567)	(125,249)
Closing balance on 31 December 2017	2017年12月31日餘額	196,588,668	1,382,677,103	68,869,457	6,335,385	1,654,470,613

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

13. Fixed assets (Cont'd)

(1) Information on fixed assets (Cont'd)

Item	項目	Land, building	Machinery	Office	Transportation	Total
		and structures	and equipment	equipment and other equipment	equipment	
		土地、房屋 及建築物	機器設備	辦公設備 及其他設備	運輸工具	合計
Impairment provision	減值準備					
Opening balance on						
1 January 2016	2016年1月1日餘額	—	410,449	—	—	410,449
Addition during the year	本年增加	—	—	—	—	—
Closing balance on						
31 December 2016	2016年12月31日餘額	—	410,449	—	—	410,449
Addition during the year	本年增加	—	—	—	—	—
Closing balance on						
31 December 2017	2017年12月31日餘額	—	410,449	—	—	410,449
Carrying amount	賬面價值					
Carrying amount as at	2016年12月31日					
31 December 2016	賬面價值	390,774,135	871,904,580	52,015,776	6,337,611	1,321,032,102
Carrying amount as at	2017年12月31日					
31 December 2017	賬面價值	678,254,124	1,160,634,146	74,510,811	8,059,555	1,921,458,636

On 31 December 2017, the Group obtained RMB18,700,000 in borrowings (see note V.27) from buildings and structures with book value of RMB49,366,610 and land use rights with a book value of RMB26,288,153 (see note V.15) as collaterals.

於2017年12月31日，本集團以賬面價值人民幣49,366,610元的房屋及建築物及賬面價值人民幣26,288,153元的土地使用權(參見附註五、15)作為抵押取得借款人民幣18,700,000元(參見附註五、27)。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

13. Fixed assets (Cont'd)

(2) Fixed assets acquired under operating leases

五、合併財務報表項目註釋(續)

13、固定資產(續)

(2) 通過經營租賃租出的固定資產

Item	項目	31 December	31 December
		2017	2016
		2017年	2016年
		12月31日	12月31日
Buildings and structures	房屋建築物	6,343,188	6,904,650
Machinery and equipment	機器設備	26,557,750	28,543,702
Total	合計	32,900,938	35,448,352

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

13. Fixed assets (Cont'd)

(3) Fixed assets with pending certificates of ownership

31 December 2017

Item 項目
Yangtze Optical Fibre and Cable Shenyang Co., Ltd. - auxiliary room 長飛光纖光纜瀋陽有限公司輔助用房
Yangtze Optical Fibre and Cable Shenyang Co., Ltd. - activity rooms and open storage 長飛光纖光纜瀋陽有限公司活動室和露天倉庫
Yangtze Optical Fibre and Cable Joint Stock Limited Company - science park 6a excipient library 長飛光纖光纜股份有限公司科技園 6a 輔料庫
Wuhan YOFC Universal Cable Co., Ltd. - hydrogen station 武漢長飛通用電纜有限公司氫氣站
Yangtze Optical Fibre and Cable Joint Stock Limited Company - science park 12# guard room 長飛光纖光纜股份有限公司科技園 12# 門衛房
Yangtze Optical Fibre and Cable Joint Stock Limited Company - 4# hydrogen station 長飛光纖光纜股份有限公司 4# 氫氧站
Yangtze Optic Fibre Qianjiang Co., Ltd. - industrial park factory 長飛光纖潛江有限公司工業園廠房

Book value 賬面價值	Remarks 備註
--------------------	---------------

2,069,592	Obtained proof from related departments on continued use 已取得相關部門允許繼續使用的證明
2,319,543	Obtained the title certificate in January 2018 已於 2018 年 1 月取得產權證書
1,104,169	Has little effect on business activities 對經營活動影響不重大
595,554	Has little effect on business activities 對經營活動影響不重大
50,558	Has little effect on business activities 對經營活動影響不重大
12,558	Has little effect on business activities 對經營活動影響不重大
25,842,292	In progress 正在辦理中

五、合併財務報表項目註釋(續)

13、固定資產(續)

(3) 未辦妥產權證書的固定資產情況

2017年12月31日

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

13. Fixed assets (Cont'd)

(3) Fixed assets with pending certificates of ownership (Cont'd)

31 December 2016

Item 項目	Book value 賬面價值	Remarks 備註
Yangtze Optical Fibre and Cable Joint Stock Limited Company - science park 長飛光纖光纜股份有限公司科技園	100,158,008	Except for 6a excavator and 12# guard house, the rest were completed in 2017 除 6a 輔料庫、12# 門衛房外，其餘已於 2017 年辦妥
Yangtze Optical Fibre and Cable Lanzhou Co., Ltd. - No. 1 cable factory 長飛光纖光纜蘭州有限公司 1 號光纜廠房	21,674,024	Completed in 2017 已於 2017 年辦妥
Yangtze Optical Fibre and Cable Lanzhou Co., Ltd. - No. 6 building 長飛光纖光纜蘭州有限公司 6 號建築	6,768,765	Completed in 2017 已於 2017 年辦妥
YOFC Optic Fibre Qianjiang Co., Ltd. - management dormitory 長飛光纖潛江有限公司管理人員宿舍	5,337,248	Completed in 2017 已於 2017 年辦妥
Yangtze Optical Fibre and Cable Lanzhou Co., Ltd. - No. 9 auxiliary workshop 長飛光纖光纜蘭州有限公司 9 號輔助車間	4,032,673	Completed in 2017 已於 2017 年辦妥
Yangtze Optical Fibre and Cable Shenyang Co., Ltd. - auxiliary room 長飛光纖光纜瀋陽有限公司輔助用房	2,081,066	Obtained proof from related departments on continued use 已取得相關部門允許繼續使用的證明
Yangtze Optical Fibre and Cable Lanzhou Co., Ltd. - No. 10 packaging workshop 長飛光纖光纜蘭州有限公司 10 號包裝車間	1,798,166	Completed in 2017 已於 2017 年辦妥
Hubei Flying Optical Fibre Material Co., Ltd. - management dormitory 湖北飛菱光纖材料有限公司管理人員宿舍	1,512,906	Completed in 2017 已於 2017 年辦妥
Yangtze Optical Fibre and Cable Lanzhou Co., Ltd. - No. 13 thermal heat station 長飛光纖光纜蘭州有限公司 13 號熱力站	1,074,227	Completed in 2017 已於 2017 年辦妥
Wuhan YOFC Universal Cable Co., Ltd. - hydrogen station 武漢長飛通用電纜有限公司氫氣站	624,410	Completed in 2017 已於 2017 年辦妥
Yangtze Optical Fibre and Cable Joint Stock Limited Company - 4# hydrogen station 長飛光纖光纜股份有限公司 4# 氫氣站	12,558	Has little effect on business activities 對經營活動影響不重大

2016 年 12 月 31 日

五、合併財務報表項目註釋(續)

13、固定資產(續)

(3) 未辦妥產權證書的固定資產情況(續)

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

14. Construction in progress

(1) Information on construction in progress

五、合併財務報表項目註釋(續)

14、在建工程

(1) 在建工程情況

31 December 2017

2017年12月31日

Item	項目	Book value 賬面餘額	Impairment provision 減值準備	Carrying amount 賬面價值
Hubei Flying Optical Fibre Material Co., Ltd. - plant and equipment construction project	湖北飛菱光纖材料有限公司廠房及設備建設項目	20,226,415	—	20,226,415
YOFC Optic Fibre Qianjiang Co., Ltd. - plant and equipment construction project	長飛光纖潛江有限公司廠房及設備建設項目	51,260,025	—	51,260,025
Yangtze Optical Fibre and Cable Joint Stock Limited Company VAD/OVD - R&D project	長飛光纖光纜股份有限公司 VAD/OVD 研發項目	21,732,175	—	21,732,175
Yangtze Optical Fibre and Cable Shenyang Co., Ltd. - plant and equipment construction project	長飛光纖光纜瀋陽有限公司廠房及設備建設項目	2,417,094	—	2,417,094
Yangtze Optics Africa Holding (Pty) Ltd. - plant and equipment construction project	Yangtze Optics Africa Holding (Pty) Ltd. 廠房及設備建設項目	10,229,380	—	10,229,380
Yangtze Optical Fibre and Cable Joint Stock Limited Company - preform ramp equipment	長飛光纖光纜股份有限公司預製棒擴產設備	4,921,922	—	4,921,922
PT YANGTZE OPTICS INDONESIA - plant and equipment construction project	PT YANGTZE OPTICS INDONESIA 廠房及設備建設項目	43,178,138	—	43,178,138
YANGTZE OPTICAL FIBRE INDONESIA PT - plant and equipment construction project	YANGTZE OPTICAL FIBRE INDONESIA PT 廠房及設備建設項目	5,713,548	—	5,713,548
Others	其他	4,794,576	—	4,794,576
Total	合計	164,473,273	—	164,473,273

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

14. Construction in progress (Cont'd)

(1) Information on construction in progress (Cont'd)

五、合併財務報表項目註釋(續)

14、在建工程(續)

(1) 在建工程情況(續)

31 December 2016

2016年12月31日

Item	項目	Book value 賬面餘額	Impairment provision 減值準備	Carrying amount 賬面價值
Yangtze Optic Fibre (Qianjiang) Co., Ltd. - plant and equipment construction project	長飛光纖潛江有限公司廠房 及設備建設項目	255,719,221	—	255,719,221
Ally First Optical Fiber and Cable Co., Ltd - plant and equipment construction project	浙江聯飛光纖光纜有限公司 廠房及設備建設項目	103,600,976	—	103,600,976
Yangtze Optics Africa Holding (Pty) Ltd. - plant and equipment construction project	Yangtze Optics Africa Holding (Pty) Ltd. 廠房及設備 建設項目	29,161,249	—	29,161,249
Hubei Flying Optical Fibre Material Co., Ltd. - plant and equipment construction project	湖北飛菱光纖材料有限公司 廠房及設備建設項目	21,540,289	—	21,540,289
Yangtze Optical Fibre and Cable Joint Stock Limited Company VAD/OVD - R&D Projects	長飛光纖光纜股份有限公司 VAD/OVD 研發項目	26,084,464	—	26,084,464
Yangtze Optical Fibre and Cable Joint Stock Limited Company - preform ramp equipment	長飛光纖光纜股份有限公司 預製棒擴產設備	11,609,684	—	11,609,684
Others	其他	18,564,874	—	18,564,874
Total	合計	466,280,757	—	466,280,757

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

14. Construction in progress (Cont'd)

(2) Changes in major construction in progress projects in 2016 and 2017:

Item	項目	Opening balance on 1 January 2017 2017年 1月1日餘額	Addition during the year 本年增加 固定資產	Transfer to fixed assets during the year 本年轉入 固定資產	Foreign exchange translation differences 外幣 折算差額	Closing balance on 31 December 2017 2017年 12月31日 餘額	Accumulated amount of interests capitalised 利息資本化 累計金額	Of which:	Interest capitalization rate of the year (%) 本年利息 資本化率 (%)	Source of the fund 資金來源
								amount of interests capitalized during the year 其中： 本年利息 資本化金額		
Yangtze Optic Fibre (Qianjiang) Co., Ltd. - plant and equipment construction project	長飛光纖潛江有限公司廠房 及設備建設項目	255,719,221	162,373,784	(366,832,980)	—	51,260,025	1,469,850	1,469,850		
Ally First Optical Fiber and Cable Co., Ltd. - plant and equipment construction project	浙江聯飛光纖光纜有限公司 廠房及設備建設項目	103,600,976	50,847,301	(154,448,277)	—	—	—	—		
Hubei Flying Optical Fibre Material Co., Ltd. - plant and equipment construction project	湖北飛菱光纖材料有限公司 廠房及設備建設項目	21,540,289	24,806,327	(26,120,201)	—	20,226,415	387,919	—		
Yangtze Optical Fibre and Cable Shenyang Co., Ltd. - plant and equipment construction project	長飛光纖光纜瀋陽有限公司 廠房及設備建設項目	4,191,881	5,918,674	(7,693,461)	—	2,417,094	—	—		
Yangtze Optical Fibre and Cable Joint Stock Limited Company VAD/OVD - R&D Projects	長飛光纖光纜股份有限 公司VAD/OVD研發項目	26,084,464	9,075,931	(13,428,219)	—	21,732,176	—	—		
Yangtze Optics Africa Holding (Pty) Ltd. - plant and equipment construction project	Yangtze Optics Africa Holding (Pty) Ltd. 廠房及設備建設項目	29,161,249	11,684,460	(25,125,261)	(5,491,068)	10,229,380	—	—		
YANGTZE OPTICAL FIBRE INDONESIA PT - plant and equipment construction project	YANGTZE OPTICAL FIBRE INDONESIA PT 廠房及設備 建設項目	20,742	5,694,173	—	(1,367)	5,713,548	—	—		
Yangtze Optical Fibre and Cable Joint Stock Limited Company - preform ramp equipment	長飛光纖光纜股份有限公司 預製棒擴產設備	11,609,684	4,372,806	(11,060,568)	—	4,921,922	—	—		
Yangtze Optical Fibre and Cable Lanzhou Co., Ltd. - plant and equipment construction project	長飛光纖光纜蘭州有限公司 廠房及設備建設項目	828,974	8,042,968	(8,871,942)	—	—	—	—		

五、合併財務報表項目註釋(續)

14、在建工程(續)

(2) 重大在建工程項目於2016年度及2017年度變動情況：

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

14. Construction in progress (Cont'd)

(2) Changes in major construction in progress projects in 2016 and 2017: (Cont'd)

五、合併財務報表項目註釋(續)

14、在建工程(續)

(2) 重大在建工程項目於2016年度及2017年度變動情況：(續)

Item	項目	Opening balance on 1 January 2017 2017年 1月1日餘額	Addition during the year 本年增加 the year	Transfer to fixed assets during the year 本年轉入 固定資產	Foreign exchange translation differences 外幣 折算差額	Closing balance on 31 December 2017 2017年 12月31日 餘額	Accumulated amount of interests capitalised 利息資本化 累計金額	Of which:	Interest capitalization rate of the year (%) 本年利息 資本化率(%)	Source of the fund 資金來源
								amount of interests capitalized during the year 其中： 本年利息 資本化金額		
PT YANGTZE OPTICS INDONESIA	PT YANGTZE OPTICS INDONESIA									
- plant and equipment construction project	廠房及設備建設項目	—	43,178,138	—	—	43,178,138	—	—		
Others	其他	13,523,277	2,447,268	(11,175,970)	—	4,794,575	—	—		
										Self-owned funds, loans and proceeds 自有資金、 貸款及 募集資金
Total	合計	466,280,757	328,441,830	(624,756,879)	(5,492,435)	164,473,273	1,857,769	1,469,850	4.10%	

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

14. Construction in progress (Cont'd)

(2) Changes in major construction in progress projects in 2016 and 2017: (Cont'd)

Item	項目	Opening balance on 1 January 2016 2016年 1月1日餘額	Addition during the year 本年增加	Transfer to fixed assets during the year 本年轉入 固定資產	Foreign exchange translation differences 外幣 折算差額	Closing balance on 31 December 2016 12月31日 餘額	Accumulated amount of interests during the year capitalised 其中： 本年利息 資本化金額	Of which: amount of interests capitalized 其中： 本年利息 資本化金額	Interest capitalization rate of the year (%) 本年利息 資本化率(%)	Source of the fund 資金來源
Yangtze Optical Fibre (Qianjiang) Co., Ltd. - plant and equipment construction project	長飛光纖潛江有限公司廠房 及設備建設項目	—	261,076,559	(5,357,338)	—	255,719,221	3,011,314	3,011,314		
Ally First Optical Fiber and Cable Co., Ltd. - plant and equipment construction project	浙江聯飛光纖光纜有限公司 廠房及設備建設項目	—	103,600,976	—	—	103,600,976	2,256,059	2,256,059		
Yangtze Optics Africa Holding (Pty) Ltd. - plant and equipment construction project	Yangtze Optics Africa Holding (Pty) Ltd. 廠房及設備建設項目	—	26,160,111	—	3,001,138	29,161,249	—	—		
Hubei Flying Optical Fibre Material Co., Ltd. - plant and equipment construction project	湖北飛菱光纖材料有限公司廠房 及設備建設項目	—	22,877,539	(1,337,250)	—	21,540,289	387,919	387,919		
Yangtze Optical Fibre and Cable Joint Stock Limited Company VAD/OVD - R&D Projects	長飛光纖光纜股份有限公司 VAD/OVD 研發項目	20,850,690	9,365,356	(4,131,582)	—	26,084,464	—	—		
YANGTZE OPTICAL FIBRE INDONESIA PT - plant and equipment construction project	YANGTZE OPTICAL FIBRE INDONESIA PT 廠房及設備 建設項目	23,683,183	46,613,777	(71,825,831)	1,549,613	20,742	—	—		
Yangtze Optical Fibre and Cable Lanzhou Co., Ltd. - plant and equipment construction project	長飛光纖光纜蘭州有限公司 廠房及設備建設項目	21,550,174	22,758,403	(43,479,603)	—	828,974	—	—		
Yangtze Optical Fibre and Cable Joint Stock Limited Company - optical fiber drawing tower and screening machine	長飛光纖光纜股份有限公司 光纖拉絲塔及篩選機	15,580,258	2,456,597	(18,036,855)	—	—	—	—		

五、合併財務報表項目註釋(續)

14、在建工程(續)

(2) 重大在建工程項目於2016年度及2017年度變動情況：(續)

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

14. Construction in progress (Cont'd)

(2) Changes in major construction in progress projects in 2016 and 2017: (Cont'd)

五、合併財務報表項目註釋(續)

14、在建工程(續)

(2) 重大在建工程項目於2016年度及2017年度變動情況(續)

Item	項目	Opening balance on 1 January 2016 2016年 1月1日餘額	Addition during the year 本年增加	Transfer to fixed assets during the year 本年轉入 固定資產	Foreign exchange translation differences 外幣 折算差額	Closing balance on 31 December 2016 2016年 12月31日 餘額	Accumulated amount of interests capitalised 利息資本化 累計金額	Of which: amount of interests capitalized 其中: 本年利息 資本化金額		Interest capitalization rate of the year (%) 本年利息 資本化率(%)	Source of the fund 資金來源
								資本化金額	資本化率(%)		
Yangtze Optical Fibre and Cable Joint Stock Limited Company - production equipment upgrade	長飛光纖光纜股份有限公司 生產設備升級改造	4,051,077	1,677,748	(5,728,825)	—	—	—	—	—	—	—
Yangtze Optical Fibre and Cable Joint Stock Limited Company - preform ramp equipment	長飛光纖光纜股份有限公司 預製棒擴產設備	2,256,410	50,902,819	(41,549,545)	—	11,609,684	—	—	—	—	—
Others	其他	771,069	22,793,571	(5,849,482)	—	17,715,158	—	—	—	—	—
Total	合計	88,742,861	570,283,456	(197,296,311)	4,550,751	466,280,757	5,655,292	5,655,292	2.85%	—	Self-owned funds, loans and proceeds 自有資金、 貸款及 募集資金

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd) 五、合併財務報表項目註釋(續)

15. Intangible assets

15、無形資產

Item	項目	Land use rights 土地使用權	Patents 專利權	Unpatented technologies 非專利技術	Trademarks 商標權	Total 合計
Cost	賬面原值					
Opening balance on 1 January 2016	2016年1月1日餘額	193,799,013	151,018,868	—	—	344,817,881
Addition during the year	本年增加					
– Purchase	– 購置	70,803,288	—	58,000,000	—	128,803,288
– Contributed by non-controlling interests	– 少數股東投入	—	16,829,100	—	12,081,100	28,910,200
Closing balance on 31 December 2016	2016年12月31日餘額	264,602,301	167,847,968	58,000,000	12,081,100	502,531,369
Addition during the year	本年增加					
– Purchase	– 購置	—	4,793,718	—	—	4,793,718
Closing balance on 31 December 2017	2017年12月31日餘額	264,602,301	172,641,686	58,000,000	12,081,100	507,325,087
Accumulated amortization	累計攤銷					
Opening balance on 1 January 2016	2016年1月1日餘額	27,574,226	4,719,340	—	—	32,293,566
Charge for the year	本年計提	5,294,447	18,877,357	2,900,000	—	27,071,804
Closing balance on 31 December 2016	2016年12月31日餘額	32,868,673	23,596,697	2,900,000	—	59,365,370
Charge for the year	本年計提	6,627,745	19,323,711	2,900,000	1,208,110	30,059,566
Closing balance on 31 December 2017	2017年12月31日餘額	39,496,418	42,920,408	5,800,000	1,208,110	89,424,936

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

五、合併財務報表項目註釋(續)

15. Intangible assets (Cont'd)

15、無形資產(續)

Item	項目	Land	Patents	Unpatented	Trademarks	Total
		use rights 土地使用權	專利權	technologies 非專利技術	商標權	
Impairment provision	減值準備					
Opening balance on 1 January 2016	2016年1月1日餘額	—	—	—	—	—
Addition during the year	本年增加	—	—	—	—	—
Closing balance on 31 December 2016	2016年12月31日餘額	—	—	—	—	—
Addition during the year	本年增加	—	89,849,920	—	—	89,849,920
Closing balance on 31 December 2017	2017年12月31日餘額	—	89,849,920	—	—	89,849,920
Carrying amount	賬面價值					
Carrying amount as at 31 December 2016	2016年12月31日 賬面價值	231,733,628	144,251,271	55,100,000	12,081,100	443,165,999
Carrying amount as at 31 December 2017	2017年12月31日 賬面價值	225,105,883	39,871,358	52,200,000	10,872,990	328,050,231

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

15. Intangible assets (Cont'd)

The Group does not have intangible assets formed through internal research and development.

As at 31 December 2017, the Group secured loans of RMB18,700,000 (see note V.27) with buildings and buildings with a carrying value of RMB49,366,610 (see note V.13) and land use rights with a book value of RMB26,288,153 as collateral.

Due to technological progress and reduced market demand, the management believed that the AOC chip patent technology held by Changxin Sheng (Wuhan) Technology Co., Ltd., a subsidiary of the Group, showed signs of impairment. According to the outcome of the valuation report issued by American Valuation Co., Ltd., the recoverable amount of this intangible asset was lower than its carrying amount. Therefore, the Group made an impairment provision of RMB 89,849,920 for this intangible asset. The estimated recoverable amount was determined based on the higher one between the fair value of the intangible asset minus the disposal expenses and the present value of the estimated future cash flow of the asset. The present value of the future cash flow was obtained by using the excess income method, which referred to the financial forecast prepared by the management within the remaining service life of the intangible asset.

Land use right without certificate of property rights

As at 31 December 2017 and 31 December 2016, the Group did not have land use rights for property rights certificates not yet applied.

五、合併財務報表項目註釋(續)

15、無形資產(續)

本集團沒有通過內部研發形成的無形資產。

於2017年12月31日，本集團以賬面價值人民幣49,366,610元的房屋及建築物(參見附註五、13)和賬面價值人民幣26,288,153元的土地使用權作為抵押取得借款人民幣18,700,000元(參見附註五、27)。

由於技術進步和市場需求減少的影響，管理層認為本集團的子公司長芯盛(武漢)科技有限公司持有的AOC芯片專利技術存在減值跡象。根據美國評估有限公司出具的評估報告結果，該無形資產的可回收金額低於其賬面價值，故本集團對該無形資產計提減值人民幣89,849,920元。估計可收回金額是基於該無形資產的公允價值減去處置費用與資產預計未來現金流量的現值兩者之間較高者確定。其中預計未來現金流量的現值是利用超額收益法，參照管理層編製的於該無形資產剩餘使用年限內的財務預測取得的。

未辦妥產權證書的土地使用權情況

於2017年12月31日、2016年12月31日，本集團無未辦產權證書的土地使用權。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd) 五、合併財務報表項目註釋(續)

16. Deferred tax assets

(1) Deferred tax assets

16、遞延所得稅資產

(1) 遞延所得稅資產

Item	項目	31 December 2017 2017年12月31日		31 December 2016 2016年12月31日	
		Deductible temporary difference 可抵扣暫時性差異	Deferred tax assets 遞延所得稅資產	Deductible temporary difference 可抵扣暫時性差異	Deferred tax assets 遞延所得稅資產
Deferred tax assets:	遞延所得稅資產：				
Provision for impairment of assets	資產減值準備	77,086,409	11,947,120	74,800,795	11,438,735
Unrealized internal profits	內部交易未實現利潤	146,915,800	22,037,370	90,953,462	13,399,709
Other non-current liabilities	其他非流動負債	166,660,266	24,999,040	249,094,859	46,066,840
Deductible tax losses	可抵扣虧損	54,834,163	10,672,671	16,391,276	4,097,819
Others	其他	13,458,047	2,118,708	15,718,436	2,360,187
Sub-total	小計	458,954,685	71,774,909	446,958,828	77,363,290
Eliminations	互抵金額		(16,531,926)		(19,398,836)
Amount after eliminations	互抵後的金額		55,242,983		57,964,454

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd) 五、合併財務報表項目註釋(續)

16. Deferred tax assets (Cont'd)

16、遞延所得稅資產(續)

(1) Deferred tax assets (Cont'd)

(1) 遞延所得稅資產(續)

Item	項目	31 December 2017 2017年12月31日		31 December 2016 2016年12月31日	
		Deductible temporary difference 可抵扣 暫時性差異	Deferred tax liabilities 遞延 所得稅資產	Deductible temporary difference 可抵扣 暫時性差異	Deferred tax liabilities 遞延 所得稅資產
Deferred tax liabilities:	遞延所得稅負債：				
Available-for-sale financial assets	可供出售金融資產				
Changes in fair value	公允價值變動	(87,471,279)	(13,170,951)	(105,327,423)	(15,818,908)
Temporary differences arising from the adjustment of fair value of assets under enterprise mergers not in same control	非同一控制企業合併中資產公允價值調整產生的暫時性差異	(13,443,902)	(3,360,975)	(14,319,721)	(3,579,928)
Sub-total	小計	(100,915,181)	(16,531,926)	(119,647,144)	(19,398,836)
Eliminations	互抵金額		16,531,926		19,398,836
Amount after eliminations	互抵後的金額		—		—

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

16. Deferred tax assets (Cont'd)

(2) Breakdown of unrecognized deferred tax assets

Item	項目	31 December	31 December
		2017	2016
		2017年	2016年
		12月31日	12月31日
Deductible temporary difference	可抵扣暫時性差異	125,049,641	43,320,020
Deductible tax losses	可抵扣虧損	151,684,381	66,015,044
Total	合計	276,734,022	109,335,064

(3) Expiration of deductible tax losses for unrecognized deferred tax assets

Year	年份	31 December	31 December
		2017	2016
		2017年	2016年
		12月31日	12月31日
2019	2019年	2,037,900	2,642,421
2020	2020年	31,327,817	37,414,030
2021	2021年	12,651,772	25,958,593
2022	2022年	105,666,892	—
Total	合計	151,684,381	66,015,044

五、合併財務報表項目註釋(續)

16、遞延所得稅資產(續)

(2) 未確認遞延所得稅資產明細

31 December	31 December
2017	2016
2017年	2016年
12月31日	12月31日
125,049,641	43,320,020
151,684,381	66,015,044
276,734,022	109,335,064

(3) 未確認遞延所得稅資產的可抵扣虧損的到期情況

31 December	31 December
2017	2016
2017年	2016年
12月31日	12月31日
2,037,900	2,642,421
31,327,817	37,414,030
12,651,772	25,958,593
105,666,892	—
151,684,381	66,015,044

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

17. Others non-current assets

Item	項目	31 December	31 December
		2017	2016
		2017年	2016年
		12月31日	12月31日
Prepayments for equipment and intangible assets	預付設備及無形資產款項	99,857,205	36,266,179
Deductible VAT input tax	待抵扣增值稅進項稅	4,603,657	13,734,638
Total	合計	104,460,862	50,000,817

18. Current bank loans

Item	項目	31 December	31 December
		2017	2016
		2017年	2016年
		12月31日	12月31日
Unsecured loans	信用借款	495,013,000	644,712,505
Total	合計	495,013,000	644,712,505

As at 31 December 2016 and 31 December 2017, the Group did not have any overdue loans not yet paid.

於2016年12月31日及2017年12月31日，本集團沒有已逾期未償還的借款。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

19. Bills payable

五、合併財務報表項目註釋(續)

19、應付票據

Item	項目	31 December	31 December
		2017	2016
		2017年	2016年
		12月31日	12月31日
Commercial acceptance bills	商業承兌匯票	147,838,562	85,282,636
Bank acceptance bills	銀行承兌匯票	145,994,148	—
Total	合計	293,832,710	85,282,636

The Group did not have bills payable that were due and not yet paid.

本集團沒有已到期未支付的應付票據。

The above amounts were bills payable due within one year.

上述金額均為一年內到期的應付票據。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

20. Trade payables

Item	項目	31 December	31 December
		2017	2016
		2017年	2016年
		12月31日	12月31日
Due to related parties	應付關聯公司	232,189,978	186,609,739
Due to third parties	應付第三方供應商	819,737,424	608,588,511
Total	合計	1,051,927,402	795,198,250

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

本集團的應付賬款按發票日的賬齡分析如下：

Ageing	賬齡	31 December	31 December
		2017	2016
		2017年	2016年
		12月31日	12月31日
Within 1 year (1 year inclusive)	1年以內(含1年)	1,035,259,869	788,447,653
1 – 2 years (2 years inclusive)	1年至2年(含2年)	12,661,078	3,515,555
2 – 3 years (3 years inclusive)	2年至3年(含3年)	1,073,742	594,167
Over 3 years	3至以上	2,932,713	2,640,875
Sub-total	小計	1,051,927,402	795,198,250

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

五、合併財務報表項目註釋(續)

21. Receipt in advance

21、預收款項

Item	項目	31 December	31 December
		2017	2016
		2017年	2016年
		12月31日	12月31日
Advances from sales of optical fibre and optical fibre preform	光纖及光纖預製棒銷售預收款	26,696,670	21,474,296
Advances from sales of optical fibre cable	光纜銷售預收款	98,349,813	79,110,728
Other advances from customers	其他預收款項	116,520,421	56,317,879
Total	合計	241,566,904	156,902,903

22. Employee benefits payable

22、應付職工薪酬

(1) Employee benefits payable are as follows:

(1) 應付職工薪酬列示：

		Balance at		Balance at	
		1 January		31 December	
		2017	Addition	Paid	2017
		2017年	during	during	2017年
		1月1日	the year	the year	12月31日
		餘額	本年增加	本年減少	餘額
Short-term employee benefits	短期薪酬	228,198,908	834,768,594	(759,092,162)	303,875,340
Termination benefits – Defined contribution plan	離職後福利—設定提存計劃	1,056,674	55,850,280	(56,778,314)	128,640
Total	合計	229,255,582	890,618,874	(815,870,476)	304,003,980

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

22. Employee benefits payable (Cont'd)

(1) Employee benefits payable are as follows: (Cont'd)

		Balance at		Balance at	
		1 January		31 December	
		2016	Addition	Paid	2016
		2016年	during	during	2016年
		1月1日	the year	the year	12月31日
		餘額	本年增加	本年減少	餘額
Short-term employee benefits	短期薪酬	121,643,714	585,884,476	(479,329,282)	228,198,908
Termination benefits –	離職後福利 – 設定提存計劃				
Defined contribution plan		219,962	56,663,632	(55,826,920)	1,056,674
Total	合計	121,863,676	642,548,108	(535,156,202)	229,255,582

(2) Short-term employee benefits

(2) 短期薪酬

		Balance at		Balance at	
		1 January		31 December	
		2017	Addition	Paid	2017
		2017年	during	during	2017年
		1月1日	the year	the year	12月31日
		餘額	本年增加	本年減少	餘額
Salary, bonus, subsidy and grants	工資、獎金、津貼和補貼	220,189,494	727,523,060	(650,315,594)	297,396,960
Staff welfare	職工福利費	5,252,048	45,190,187	(46,702,458)	3,739,777
Social insurance	社會保險費				
Medical insurance	醫療保險費	556,882	20,139,606	(20,622,455)	74,033
Work injury	工傷保險費	40,259	1,587,166	(1,621,770)	5,655
Maternity insurance	生育保險費	40,757	1,338,716	(1,375,266)	4,207
Housing fund	住房公積金	431,824	26,684,145	(27,000,941)	115,028
Union expenses and employees	工會經費和職工教育經費				
education expenses		1,687,644	12,305,714	(11,453,678)	2,539,680
Total	合計	228,198,908	834,768,594	(759,092,162)	303,875,340

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

22. Employee benefits payable (Cont'd)

(2) Short-term employee benefits: (Cont'd)

		Balance at		Balance at	
		1 January		31 December	
		2016	Addition	Paid	2016
		2016年	during	during	2016年
		1月1日	the year	the year	12月31日
		餘額	本年增加	本年減少	餘額
Salary, bonus, subsidy and grants	工資、獎金、津貼和補貼	96,414,111	525,956,487	(402,181,104)	220,189,494
Staff welfare	職工福利費	23,847,023	5,354,160	(23,949,135)	5,252,048
Social insurance	社會保險費				
Medical insurance	醫療保險費	9,648	19,360,153	(18,812,919)	556,882
Work injury	工傷保險費	1,164	3,230,985	(3,191,890)	40,259
Maternity insurance	生育保險費	840	1,543,016	(1,503,099)	40,757
Housing fund	住房公積金	(16,345)	20,986,270	(20,538,101)	431,824
Union expenses and employees education expenses	工會經費和職工教育經費	1,387,273	9,453,405	(9,153,034)	1,687,644
Total	合計	121,643,714	585,884,476	(479,329,282)	228,198,908

(3) Termination benefits – Defined contribution plan

(3) 離職後福利 – 設定提存計劃

		Balance at		Balance at	
		1 January		31 December	
		2017	Addition	Paid	2017
		2017年	during	during	2017年
		1月1日	the year	the year	12月31日
		餘額	本年增加	本年減少	餘額
Basic retirement insurance premiums	基本養老保險	987,901	54,048,941	(54,914,091)	122,751
Unemployment insurance	失業保險費	68,773	1,801,339	(1,864,223)	5,889
Total	合計	1,056,674	55,850,280	(56,778,314)	128,640

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

22. Employee benefits payable (Cont'd)

(3) Termination benefits – Defined contribution plan (Cont'd)

		Balance at 1 January 2016 2016年 1月1日 餘額	Addition during the year 本年增加	Paid during the year 本年減少	Balance at 31 December 2016 2016年 12月31日 餘額
Basic retirement insurance premiums	基本養老保險	(10,490)	54,327,662	(53,329,271)	987,901
Unemployment insurance	失業保險費	230,452	2,335,970	(2,497,649)	68,773
Total	合計	219,962	56,663,632	(55,826,920)	1,056,674

五、合併財務報表項目註釋(續)

22、應付職工薪酬(續)

(3) 離職後福利－設定提存計劃(續)

23. Taxes payable

23、應交稅費

Item	項目	31 December 2017 2017年 12月31日	31 December 2016 2016年 12月31日
Value added tax	增值稅	32,290,726	5,115,091
Enterprise income tax	企業所得稅	91,341,432	65,838,589
Personal income tax	個人所得稅	7,839,765	5,742,719
Urban maintenance and construction tax	城市維護建設稅	10,942,144	5,595,932
Education fee surcharge	教育費附加	15,816,670	13,039,748
Others	其他	30,225,084	29,035,433
Total	合計	188,455,821	124,367,512

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

五、合併財務報表項目註釋(續)

24. Interests payable

24、應付利息

Item	項目	31 December	31 December
		2017	2016
		2017年	2016年
		12月31日	12月31日
Interests payable from non-current bank loans	長期借款應付利息	7,065,922	5,560,254
Interests payable from current bank loans	短期借款應付利息	1,123,891	2,283,534
Factoring finance interest	保理融資利息	—	—
Total	合計	8,189,813	7,843,788

25. Others payables

25、其他應付款

(1) Others payables by nature of payments are as follows:

(1) 按款項性質列示其他應付款：

Item	項目	31 December	31 December
		2017	2016
		2017年	2016年
		12月31日	12月31日
Payments for equipment and intangible assets	應付設備及無形資產款項	174,481,794	200,249,496
Payment for technical royalty fee	應付技術提成費	42,637,251	36,877,125
Payment for intermediaries fees	應付中介費用	25,069,219	700,413
Payment for sales commission	應付銷售佣金	23,295,635	19,222,961
Estimated liabilities	預計負債	15,000,000	15,000,000
Payable personal income tax return	應付個人所得稅返還	6,031,542	5,109,178
Deposits	押金	7,147,826	3,248,348
Others	其他	57,152,201	59,454,188
Total	合計	350,815,468	339,861,709

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

25. Others payables (Cont'd)

(2) Significant others payables with ageing over 1 year:

Item	項目	31 December	31 December	Reason for outstanding
		2017	2016	
		2017年	2016年	
		12月31日	12月31日	未償還的原因
Estimated liabilities	預計負債	15,000,000	15,000,000	Quality guarantee 質量保證金
Total	合計	15,000,000	15,000,000	

五、合併財務報表項目註釋(續)

25、其他應付款(續)

(2) 賬齡超過1年的重要其他應付款：

26. Non-current liabilities due within one year

Information on non-current liabilities due within one year was as follows:

Item	項目	Note	31 December	31 December
			2017	2016
		附註	2017年	2016年
			12月31日	12月31日
Non-current bank loans due within one year	一年內到期的長期借款	V.27 五、27	2,000,000	242,157,398
Deferred income amortized within one year	一年內攤銷的遞延收益		11,818,333	10,181,333
Total	合計		13,818,333	252,338,731

26、一年內到期的非流動負債

一年內到期的非流動負債分項目情況如下：

There was no overdue non-current bank loans as at 31 December 2016 and 31 December 2017.

於2016年12月31日及2017年12月31日無已逾期未償還的長期借款。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

27. Non-current bank loans

Classification of non-current bank loans

Item	項目	Note 附註	31 December	31 December
			2017	2016
			2017年	2016年
			12月31日	12月31日
Pledged loans	質押借款	V.11 五、11	—	177,535,398
Loans secured by mortgages	抵押借款	V.13 and 15 五、13 和15	18,700,000	—
Unsecured loans	信用借款		464,590,000	934,200,800
Less: non-current bank loans due within one year	減：一年內到期的長期借款		2,000,000	242,157,398
Total	合計		481,290,000	869,578,800

The above borrowings bear floating interest rate and fixed interest rate. The interest rate ranged from 1.20% - 4.90% in 2017 (2016: 1.20% - 4.75%).

上述借款有浮動利率和固定利率借款，利率區間分別為：2016年度：1.20% - 4.75%及2017年度：1.20% - 4.90%。

The Group's bank loans (including current bank loans and non-current bank loans) by repayment time were listed as follows:

本集團的銀行借款(包含短期借款和長期借款)按還款時間列示如下：

Item	項目	31 December	31 December
		2017	2016
		2017年	2016年
		12月31日	12月31日
Within 1 year (1 year inclusive)	1年以內(含1年)	497,013,000	886,869,903
1 - 2 years (2 years inclusive)	1年至2年(含2年)	289,590,000	600,578,800
2 - 5 years (5 years inclusive)	2年至5年(含5年)	39,700,000	227,000,000
Over 5 years	5年以上	152,000,000	42,000,000
Sub-total	小計	978,303,000	1,756,448,703

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

28. Deferred income

Item	項目	Opening	Addition	Decrease	Closing	Causes
		balance on			balance on	
		1 January	during	during	31 December	
		2017	the year	the year	2017	
		2017年	本年增加	本年減少	2017年	形成原因
		1月1日餘額			12月31日餘額	
Government grants (note)	政府補助 (註)	75,356,777	8,000,000	6,488,333	76,868,444	Engineering construction project government subsidy 工程建設項目政府補助
Technology usage fees	技術使用費	8,366,667	—	5,900,000	2,466,667	Prepay technology usage fees 預收技術使用費
Rental fees	租賃費	4,320,000	—	432,000	3,888,000	Pre-paid rental fees 預收租賃費
Total	合計	88,043,444	8,000,000	12,820,333	83,223,111	

Item	項目	Opening	Addition	Decrease	Closing	Causes
		balance on			balance on	
		1 January	during	during	31 December	
		2016	the year	the year	2016	
		2016年	本年增加	本年減少	2016年	形成原因
		1月1日餘額			12月31日餘額	
Government grants (note)	政府補助 (註)	12,000,000	68,460,000	5,103,223	75,356,777	Engineering construction project government subsidy 工程建設項目
Technology usage fees	技術使用費	14,266,667	—	5,900,000	8,366,667	Prepay technology usage fees 預收技術使用費
Rental fees	租賃費	4,752,000	—	432,000	4,320,000	Pre-paid rental fees 預收租賃費
Total	合計	31,018,667	68,460,000	11,435,223	88,043,444	

Note: The government grant recognized as deferred income by the Group is set out in Note V.44.

註：本集團確認為遞延收益的政府補助，參見附註五、44。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

29. Other non-current liabilities

五、合併財務報表項目註釋(續)

29、其他非流動負債

Item	項目	31 December	31 December
		2017	2016
		2017年	2016年
		12月31日	12月31日
Government grant	政府補助	169,799,283	149,410,083
Total	合計	169,799,283	149,410,083

The balance of other non-current liabilities is the government grant of the Group's projects that have been received but not inspected.

其他非流動負債餘額均為本集團已收取但未驗收項目的政府補助款。

Details of government grants

政府補助明細

Item	31 December	31 December	Expect related to assets/income
	2017	2016	
項目	2017年	2016年	預計與資產／收益相關
	12月31日	12月31日	收益相關
High-performance, environmental-friendly and low-cost preparation of large-size optical fiber preform technology and industrialization projects	50,002,083	50,002,083	Relate to assets 與資產相關
高性能環保低成本製備大尺寸光纖預製棒技術及產業化項目			
R&D subsidy for YOFC Self-own Preform and Optical Fiber Industrialized Intelligent Manufacturing	45,000,000	32,000,000	Relate to assets 與資產相關
長飛自主預製棒及光纖產業化智能製造研發補貼			
R&D subsidies for ultra-low attenuation fiber optic cable for next-generation optical communications networks	44,220,000	44,220,000	Relate to assets 與資產相關
用於下一代光通信網絡的超低衰減光纖光纜研發補貼			
Yangtze Optical Fibre and Cable Shenyang Co., Ltd. - optical cable project with annual output of 4 million core kilometers	3,500,000	—	Relate to assets 與資產相關
長飛光纖光纜瀋陽有限公司年產400萬芯公里光纜項目			
Active Optical Cable (AOC) Project Phase II	3,240,000	—	Relate to assets 與資產相關
有源光纜(AOC)項目二期			
Subsidies for the development and application of advanced fiber sensor system	2,890,000	1,920,000	Relate to assets 與資產相關
先進光纖傳感器系統研製及應用補貼			

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

29. Other non-current liabilities (Cont'd)

Details of government grants (Cont'd)

Item	31 December 2017 2017年 12月31日	31 December 2016 2016年 12月31日	Expect related to assets/income 預計與資產/ 收益相關
Advanced Laser Specialty Fiber Industrialization Project 先進激光器用特種光纖產業化項目	8,000,000	—	Relate to assets 與資產相關
Key optical fiber industrialization technology and application research project 特種光纖產業化關鍵技術與應用研究項目	299,000	299,000	Relate to assets 與資產相關
Special fiber distribution for safety monitoring of transmission and distribution lines Temperature Sensing System Project 用於輸配電線路安全監控的特種光纖分布式 溫度傳感系統項目	180,000	300,000	Relate to assets 與資產相關
R&D subsidies for high-speed fiber drawing production line 光纖高速拉絲生產線研發補貼	6,360,000	6,360,000	Relate to income 與收益相關
Subsidies for large core diameter special optical fiber product development and industrialization 大芯徑特種光纖產品開發及其產業化補貼	1,200,000	1,200,000	Relate to income 與收益相關
Special subsidy for preparation of Low-cost Large-size Fibers by External Vapor Deposition Prefabricated Cooperative 管外氣相沉積法製備低成本大尺寸光纖預製棒合作專項補貼	1,120,000	1,120,000	Relate to income 與收益相關
Development subsidies for special fiber used in high-power fiber lasers 高功率光纖激光器用特種光纖開發補貼	1,000,000	—	Relate to income 與收益相關
Subsidies for development and industrialization of VAD+RIC large-size preform preparation and high-speed continuous optical fiber drawing technology VAD+RIC大尺寸預製棒製備和光纖高速連續 拉絲技術開發及產業化補貼	800,000	800,000	Relate to income 與收益相關
Research subsidies for key technology and application of special optical fiber industrialization 特種光纖產業化關鍵技術與應用研究補貼	689,000	689,000	Relate to income 與收益相關
Development of Fiber Broadband High Current Measuring Instrument 光纖寬帶大電流測量儀研製	600,000	—	Relate to income 與收益相關

五、合併財務報表項目註釋(續)

29、其他非流動負債(續)

政府補助明細(續)

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

29. Other non-current liabilities (Cont'd)

Details of government grants (Cont'd)

五、合併財務報表項目註釋(續)

29、其他非流動負債(續)

政府補助明細(續)

Item	31 December 2017 2017年 12月31日	31 December 2016 2016年 12月31日	Expect related to assets/income 預計與資產/ 收益相關
Special subsidies for special fiber distribution for safety monitoring of transmission and distribution lines Temperature sensor system 用於輸配電線路安全監控的特種光纖分布式溫度傳感系統專項補貼	420,000	700,000	Relate to income 與收益相關
Technology subsidies for high-power, high-gradient end cap welding and beam shaping 高功率大梯度端帽熔接和光束整形技術補貼	279,200	—	Relate to income 與收益相關
Large diameter low water peak optical fiber preform industrialization project 大直徑低水峰光纖預製棒產業化項目	—	5,000,000	Relate to assets 與資產相關
Key Technology Development and Transformation of New Generation Optical Fiber Preform Equipment project 新一代光纖預製棒設備關鍵技術研發及轉化項目	—	3,000,000	Relate to assets 與資產相關
Special subsidies for Key Technology Development and Transformation of New Generation Optical Fiber Preform Equipment 新一代光纖預製棒設備關鍵技術研發及轉化專項補貼	—	1,000,000	Relate to income 與收益相關
Subsidies for development and industrialization of air blown micro-fiber cable technology 氣吹微型光纖技術開發及產業化補貼	—	500,000	Relate to income 與收益相關
Subsidy for Development and Application of Optical Fiber Manufacturing Information System Based on Internet of Things 基於物聯網的光纖製造信息系統研發及應用補貼	—	300,000	Relate to income 與收益相關
Subsidy for Industrialization of special optical fibers for optoelectronic devices such as high-power lasers 高功率激光器光電器件用特種光纖產業化補貼	—	—	Relate to income 與收益相關

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd) 五、合併財務報表項目註釋(續)

29. Other non-current liabilities (Cont'd)

29. 其他非流動負債(續)

Details of government grants (Cont'd)

政府補助明細 (續)

Item	31 December 2017 2017年 12月31日	31 December 2016 2016年 12月31日	Expect related to assets/income 預計與資產/ 收益相關
Special research and development subsidies for industrial-grade high-power transmission fiber optic components 工業級高功率傳能光纖組件的研發專項補貼	—	—	Relate to income 與收益相關
Total 合計	169,799,283	149,410,083	

30. Share capital

30. 股本

	Opening balace in 2017 2017年初餘額	Changes during the year 本年變動增減	Closing balance in 2017 2017年末餘額
China Huaxin Post and Telecom Technologies Co., Ltd. 中國華信郵電科技有限公司	179,827,794	—	179,827,794
Draka Comteq B.V. Draka Comteq B.V.	179,827,794	—	179,827,794
Wuhan Yangtze Communications Industry Group Co., Ltd. 武漢長江通信產業集團 股份有限公司	119,937,010	—	119,937,010
Other domestic shareholders 其他內資股股東	30,783,000	—	30,783,000
Other H shareholders 其他H股股東	171,739,000	—	171,739,000
Total number of shares 股份總數	682,114,598	—	682,114,598

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd) 五、合併財務報表項目註釋(續)

30. Share capital (Cont'd)

30、股本(續)

		Opening balance in 2016 2016年初餘額	Changes during the year 本年變動增減	Closing balance in 2016 2016年末餘額
China Huaxin Post and Telecom Technologies Co., Ltd.	中國華信郵電科技有限公司	179,827,794	—	179,827,794
Draka Comteq B.V.	Draka Comteq B.V.	179,827,794	—	179,827,794
Wuhan Yangtze Communications Industry Group Co., Ltd.	武漢長江通信產業集團股份有限公司	119,937,010	—	119,937,010
Other domestic shareholders	其他內資股股東	30,783,000	—	30,783,000
Other H shareholders	其他H股股東	171,739,000	—	171,739,000
Total number of shares	股份總數	682,114,598	—	682,114,598

31. Capital reserve

31、資本公積

Item	項目	Opening balance on 1 January 2017 2017年 1月1日餘額		Addition during the year 本年增加	Decrease during the year 本年減少	Closing balance on 31 December 2017 2017年 12月31日餘額	
Share premium	股本溢價	1,551,725,933	—	—	—	1,551,725,933	
Total	合計	1,551,725,933	—	—	—	1,551,725,933	

Item	項目	Opening balance on 1 January 2016 2016年 1月1日餘額		Addition during the year 本年增加	Decrease during the year 本年減少	Closing balance on 31 December 2016 2016年 12月31日餘額	
Share premium	股本溢價	1,550,098,130	1,627,803	—	—	1,551,725,933	
Total	合計	1,550,098,130	1,627,803	—	—	1,551,725,933	

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

32. Other comprehensive income

Item	項目	Amount incurred in 2017 2017年本年發生額					Closing balance of other comprehensive income attributable to the shareholders of the Company 歸屬於母公司 股東的其他 綜合收益 年初餘額
		Opening balance of other comprehensive income attributable to the shareholders of the Company 歸屬於母公司 股東的其他 綜合收益 年初餘額	Amount incurred during the year before income tax 本年所得 稅前發生額	Less: income tax 減： 所得稅費用	After tax attributable to the Company 稅後歸屬 於母公司	After tax attributable to non-controlling interests 稅後歸屬 於少數股東	
Other comprehensive income that may be reclassified subsequently to profit or loss	以後將重分類進損益的其他綜合收益						
Including: Gains or losses arising from changes in fair value of available-for-sale financial assets	其中：可供出售金融資產公允價值變動損益	76,236,068	(17,856,144)	(2,647,957)	(15,010,600)	(197,587)	61,225,468
Exchange differences on translation of financial statements of overseas subsidiaries	外幣財務報表折算差額	12,206,576	(9,791,117)	—	(6,967,323)	(2,823,794)	5,239,253
Total	合計	88,442,644	(27,647,261)	(2,647,957)	(21,977,923)	(3,021,381)	66,464,721

Item	項目	Amount incurred in 2016 2016年本年發生額					Closing balance of other comprehensive income attributable to the shareholders of the Company 歸屬於母公司 股東的其他 綜合收益 年末餘額
		Opening balance of other comprehensive income attributable to the shareholders of the Company 歸屬於母公司 股東的其他 綜合收益 年初餘額	Amount incurred during the year before income tax 本年所得 稅前發生額	Less: income tax 減： 所得稅費用	After tax attributable to the Company 稅後歸屬 於母公司	After tax attributable to non-controlling interests 稅後歸屬 於少數股東	
Other comprehensive income that may be reclassified subsequently to profit or loss	以後將重分類進損益的其他綜合收益						
Including: Gains or losses arising from changes in fair value of available-for-sale financial assets	其中：可供出售金融資產公允價值變動損益	68,752,144	8,879,576	1,351,731	7,483,924	43,921	76,236,068
Exchange differences on translation of financial statements of overseas subsidiaries	外幣財務報表折算差額	1,795,136	14,424,581	—	10,411,440	4,013,141	12,206,576
Total	合計	70,547,280	23,304,157	1,351,731	17,895,364	4,057,062	88,442,644

五、合併財務報表項目註釋(續)

32、其他綜合收益

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

五、合併財務報表項目註釋(續)

33. Surplus reserve (Cont'd)

33、盈餘公積(續)

Item	項目	Opening balance		Closing balance	
		on 1 January 2017 2017年 1月1日餘額	Addition during the year 本年增加	Decrease during the year 本年減少	on 31 December 2017 2017年 12月31日餘額
Statutory surplus reserve	法定盈餘公積	177,259,362	92,712,949	—	269,972,311
Discretionary surplus reserve	任意盈餘公積	49,240,483	39,389,199	—	88,629,682
Reserve fund	儲備基金	21,722,524	—	—	21,722,524
Enterprise development fund	企業發展基金	21,722,524	—	—	21,722,524
Total	合計	269,944,893	132,102,148	—	402,047,041

Item	項目	Opening balance		Closing balance	
		on 1 January 2016 2016年 1月1日餘額	Addition during the year 本年增加	Decrease during the year 本年減少	on 31 December 2016 2016年 12月31日餘額
Statutory surplus reserve	法定盈餘公積	98,480,965	78,778,397	—	177,259,362
Discretionary surplus reserve	任意盈餘公積	23,045,286	26,195,197	—	49,240,483
Reserve fund	儲備基金	21,722,524	—	—	21,722,524
Enterprise development fund	企業發展基金	21,722,524	—	—	21,722,524
Total	合計	164,971,299	104,973,594	—	269,944,893

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

五、合併財務報表項目註釋(續)

34. Retained earnings

34、未分配利潤

Item	項目	Note 註	2017 2017年	2016 2016年
Retained earnings at the beginning of the year	年初未分配利潤		1,573,654,930	1,080,223,224
Add: profit for the year attributable to the equity shareholders of the Company	加：本年歸屬於母公司股東的淨利潤		1,268,353,170	717,093,240
Less: Transfer to statutory surplus reserve	減：提取法定盈餘公積		92,712,949	78,778,397
Transfer to discretionary surplus reserve	提取任意盈餘公積		39,389,199	26,195,197
Transfer to reserve fund	提取儲備基金		—	—
Transfer to enterprise development fund	提取企業發展基金		—	—
Transfer to employee incentive and welfare fund	提取職工獎勵及福利基金		—	—
Dividends payable on ordinary share	應付普通股股利	(1)	173,939,222	118,687,940
Retained earnings at the end of the year	年末未分配利潤	(2)	2,535,966,730	1,573,654,930

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

34. Retained earnings (Cont'd)

(1) Distribution of cash profits to investors

(a) Dividends on ordinary shares

On 7 June 2016, upon the approval of the shareholders' general meeting of the Company, the Company distributed cash dividends to shareholders for 2015 with a cash dividend of RMB0.174 per share, amounted to RMB118,687,940 in total. The dividends were paid to shareholders on 25 July 2016 and 29 July 2016.

On 22 May 2017, upon the approval of the shareholders' meeting of the Company, the Company distributed cash dividends to shareholders for 2016, with a cash dividend of RMB0.255 per share, amounted to RMB173,939,222 in total. The dividends were paid to shareholders on 28 July 2017.

(2) Explanation of retained earnings at the end of the year

As at 31 December 2016 and 31 December 2017, the retained earnings attributable to the parent company of the Group included the surplus reserve of RMB8,749,904 and RMB12,109,362 transferred from the subsidiaries of the Company.

五、合併財務報表項目註釋(續)

34、未分配利潤(續)

(1) 向投資者分配現金利潤

(a) 普通股股利

2016年6月7日經本公司股東大會的批准，本公司向股東分配2015年現金股利，每股現金股利人民幣0.174元，共人民幣118,687,940元。該股利已於2016年7月25日及2016年7月29日向股東派發完畢。

2017年5月22日經本公司股東大會的批准，本公司向股東分配2016年現金股利，每股現金股利人民幣0.255元，共人民幣173,939,222元。該股利已於2017年7月28日向股東派發完畢。

(2) 年末未分配利潤的說明

於2016年12月31日及2017年12月31日，本集團歸屬於母公司的未分配利潤中包含了本公司的子公司提取的盈餘公積人民幣8,749,904元及人民幣12,109,362元。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd) 五、合併財務報表項目註釋(續)

35. Revenue and cost of sales

35、營業收入、營業成本

Item	項目	2017		2016	
		Revenue	Cost	Revenue	Cost
		2017年度	2017年度	2016年度	2016年度
		收入	成本	收入	成本
Principal activities	主營業務	10,223,510,120	7,461,680,074	7,952,317,506	6,310,555,922
Other operating activities	其他業務	142,573,539	115,202,841	159,177,618	118,361,593
Total	合計	10,366,083,659	7,576,882,915	8,111,495,124	6,428,917,515

Details of revenue:

營業收入明細：

Item	項目	2017	2016
		2017年	2016年
Revenue from principal activities	主營業務收入		
– Optical fibres and optical fibre preforms	– 光纖及光纖預製棒銷售收入	4,702,946,373	4,073,144,690
– Optical fibre cables	– 光纜銷售收入	5,034,896,658	3,580,739,390
– Other sales	– 其他銷售收入	485,667,089	298,433,426
Sub-total	小計	10,223,510,120	7,952,317,506
Revenue from other operating activities	其他業務收入		
– Materials	– 材料銷售收入	114,674,434	132,522,184
– Technology license fees and services	– 技術使用和服務收入	22,753,672	22,860,332
– Others	– 其他	5,145,433	3,795,102
Total	合計	10,366,083,659	8,111,495,124

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

五、合併財務報表項目註釋(續)

36. Taxes and surcharges

36、税金及附加

Item	項目	2017	2016
		2017年	2016年
Urban maintenance and construction tax	城市維護建設稅	28,164,493	17,257,105
Education fee surcharge	教育費附加	18,210,420	11,477,106
Stamp tax	印花稅	7,534,545	4,851,439
Property tax	房產稅	6,362,240	3,161,763
Others	其他	3,445,493	843,583
Total	合計	63,717,191	37,590,996

37. Selling expenses

37、銷售費用

Item	項目	2017	2016
		2017年	2016年
Salaries and benefits	工資及獎金	114,170,936	61,614,382
Social insurance and housing fund	社保及住房公積金	16,772,379	11,268,314
Transportation fee	運輸費	60,968,217	55,492,265
Travelling expenses	差旅招待費	75,325,775	45,427,255
Selling commissions	銷售佣金	12,494,175	8,330,443
Packaging fee	包裝費	6,717,516	5,416,014
Tender fee	投標費	1,756,370	1,456,465
Depreciation	折舊	847,250	384,799
Others	其他	15,831,963	10,041,616
Total	合計	304,884,581	199,431,553

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

五、合併財務報表項目註釋(續)

38. Administrative expenses

38、管理費用

Item	項目	2017 2017年	2016 2016年
Salaries and benefits	工資及獎金	193,691,589	143,374,569
Social insurance and housing fund	社保及住房公積金	19,686,184	18,489,550
Employee welfare costs	員工福利費	44,088,795	30,178,537
R&D expenses	研發費用	360,792,988	235,915,057
Depreciation and amortization	折舊和攤銷	46,420,854	35,513,814
Intermediary fees* (Note)	中介費用*(註)	87,256,362	33,436,693
Technology usage fees	技術使用費	42,006,718	33,346,065
Travelling expenses	差旅招待費	31,905,863	25,266,652
Maintenance and repair fees	維護修理費	39,717,773	19,788,648
Exhibition promotion expenses	會務宣傳費	26,557,277	17,568,527
Rental expenses	租賃費	6,389,989	7,497,211
Directors' fees	董事袍金	5,032,590	5,201,570
Taxes	稅費	—	3,316,563
Certification test fees	認證測試費	10,644,636	2,929,626
Others	其他	53,875,770	50,407,263
Total	合計	968,067,388	662,230,345

Note: In 2017, the intermediary fees included audit service fees of RMB3.66 million (2016: RMB3.54 million) and non-audit service fees of RMB1 million (2016: RMB1 million).

註：2017年中介費用中包含審計服務費用人民幣366萬元(2016年：354萬元)和非審計服務費用人民幣100萬元(2016年：100萬元)。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

五、合併財務報表項目註釋(續)

39. Financial expenses

39、財務費用

Item	項目	2017 2017年	2016 2016年
Interest expenses on loans and payables	貸款及應付款項的利息支出	59,199,586	57,543,067
Less: Borrowing costs capitalized	減：資本化的利息支出	1,469,850	5,655,292
Less: Financial discount to offset financial expenses	減：財政貼息沖減財務費用	740,400	—
Interest income from deposits and receivables	存款及應收款項的利息收入	(14,568,237)	(18,109,200)
Net exchange loss	淨匯兌虧損	28,173,581	68,333,764
Other financial expenses	其他財務費用	7,561,710	10,098,754
Total	合計	78,156,390	112,211,093

The interest rate per annum, at which the borrowing costs were capitalized for the 2016 and 2017 by the Company was 2.85% and 4.10% respectively.

本集團2016年度及2017年度用於確定借款費用資本化金額的資本化率分別為2.85%及4.10%。

The fiscal discount during the reporting period has been included in non-recurring gains and losses.

報告期內財政貼息已計入非經常性損益。

40. Impairment losses

40、資產減值損失

Item	項目	Note 附註	2017 2017年	2016 2016年
Trade receivables	應收賬款	(V.4(4)) 五、4(4)	11,304,765	(1,788,414)
Inventories	存貨	(V.8(3)) 五、8(3)	16,174,892	15,062,492
Intangible assets	無形資產	(V.15) 五、15	89,849,920	—
Total	合計		117,329,577	13,274,078

The disposal loss of assets in each year during the reporting period has been included in non-recurring profit and loss.

報告期內各年資產處置損失已計入非經常性損益。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

五、合併財務報表項目註釋(續)

41. Gain/(loss) from changes in fair value

41、公允價值變動收益/(損失)

Item	項目	Note 附註	2017 2017年	2016 2016年
Financial assets at fair value through profit or loss	以公允價值計量且其變動計入當期損益的金融資產	XVI.4 十六、4	240,422	(99,303)
Total	合計		240,422	(99,303)

42. Investment income

42、投資收益

Information on projects with investment income

投資收益分項目情況

Item	項目	Note 附註	2017 2017年	2016 2016年
Income from long-term equity investments under equity method	權益法核算的長期股權投資收益		159,121,150	105,040,139
Investment income of available-for-sale financial assets during holding	可供出售金融資產在持有期間的投資收益		156,100	5,477,965
Investment gains on disposal of available-for-sale financial assets	處置可供出售金融資產取得的投資收益	XVI.4 十六、4	1,812,430	2,897,278
Others	其他		—	—
Total	合計		161,089,680	113,415,382

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

五、合併財務報表項目註釋(續)

43. Losses from asset disposals

43、資產處置損失

Item	項目	2017 2017年	2016 2016年
Loss from disposal of fixed assets	固定資產處置損失	(2,729,458)	(2,080,737)
Total	合計	(2,729,458)	(2,080,737)

The amount of non-recurring gains and losses included in the reporting period is as follows:

報告期內計入非經常性損益的金額如下：

Item	項目	2017 2017年	2016 2016年
Loss from disposal of fixed assets	固定資產處置損失	(2,729,458)	(2,080,737)
Total	合計	(2,729,458)	(2,080,737)

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

44. Government grants

(1) Government grants relate to assets

五、合併財務報表項目註釋(續)

44、政府補助

(1) 與資產相關的政府補助

Subsidy project	補助項目	Deferred				Deferred	
		income Opening	Subsidy amount	Amount charged	to non-operating	income Closing	
		balance on	added during	Amount charged	to other income	balance on	
		1 January 2017	the year	to other income	revenue	31 December 2017	
		遞延收益	2017年	計入其他	計入營業	遞延收益	
		2017年	本年新增	收入金額	外收入金額	2017年	
		1月1日餘額	補助金額	收益金額	外收入金額	其他變動	
						12月31日餘額	
RIC+PCVD fiber production technological R&D and renovation project	RIC+PCVD光纖生產技術研發 改造工程项目	11,000,000	—	(1,000,000)	—	—	10,000,000
10GSFP+ High Speed Communication Chip Implementation project	10GSFP+高速通信芯片實施 方案項目	36,520,000	—	(1,400,000)	—	(800,000)	34,320,000
Yangtze Optical Fibre and Cable Lanzhou Co., Ltd. – Phase 2 expansion project	長飛光纖光纜蘭州有限公司 二期擴產工程項目	27,836,777	—	(2,049,333)	—	—	25,787,444
Subsidies for large diameter low water peak optical fiber preform industrialization project	大直徑低水峰光纖預製棒 產業化項目補貼	—	5,000,000	(102,000)	—	(612,000)	4,286,000
Project subsidies for Key Technology Development and Transformation of New Generation Optical Fiber Preform Equipment	新一代光纖預製棒設備關鍵技術 研發與轉化項目補貼	—	3,000,000	(300,000)	—	(225,000)	2,475,000
Total	合計	75,356,777	8,000,000	(4,851,333)	—	(1,637,000)	76,868,444

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

44. Government grants (Cont'd)

(1) Government grants relate to assets: (Cont'd)

五、合併財務報表項目註釋(續)

44、政府補助(續)

(1) 與資產相關的政府補助(續)

Subsidy project	補助項目	Deferred income				Deferred income	
		Opening balance on 1 January 2016 遞延收益 2016年 1月1日餘額	Subsidy amount added during the year 本年新增 補助金額	Amount charged to other income 計入其他 收益金額	Amount charged to non-operating revenue 計入營業 外收入金額	Closing balance on 31 December 2016 遞延收益 2016年 12月31日餘額	Other changes 其他變動
RIC+PCVD fiber production technological R&D and renovation project	RIC+PCVD 光纖生產技術研發 改造工程項目	12,000,000	—	—	(1,000,000)	—	11,000,000
10GSFP+ High Speed Communication Chip Implementation project	10GSFP+ 高速通信芯片實施 方案項目	—	37,720,000	—	(400,000)	(800,000)	36,520,000
Yangtze Optical Fibre and Cable Lanzhou Co., Ltd. – Phase 2 expansion project	長飛光纖光纜蘭州有限公司 二期擴產工程項目	—	30,740,000	—	(853,890)	(2,049,333)	27,836,777
Total	合計	12,000,000	68,460,000	—	(2,253,890)	(2,849,333)	75,356,777

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

44. Government grants (Cont'd)

(2) Government grant relate to income

五、合併財務報表項目註釋(續)

44、政府補助(續)

(2) 與收益相關的政府補助

Subsidy project	補助項目	Amount incurred in 2017 2017年 發生金額	Amount charged to other income 計入其他 收益金額	Amount charged to non-operating revenue 計入營業外 收入金額
Leading company special funds	領軍企業專項資金	7,000,000	7,000,000	—
Foreign Economic and Trade Development Fund	外經貿發展資金	3,970,178	3,970,178	—
Manufacturing and Internet integration development special funds	製造業與互聯網融合 發展專項資金	2,800,000	2,800,000	—
R&D input subsidies	研發投入補貼	2,000,000	2,000,000	—
Special funds for the development of software and information services	軟件和信息服務發展 專項資金	1,936,000	1,936,000	—
Wuhan role stabilisation subsidy	武漢市穩崗補貼	1,166,000	1,166,000	—
Standard development grant	標準研製補助	1,030,000	1,030,000	—
Project Subsidy for New Generation Optical Fiber Preform Equipment Key Technology R&D and Conversion	新一代光纖預製棒設備關鍵 技術研發與轉化項目補貼	1,000,000	1,000,000	—
Technology insurance subsidies	科技保險補貼	900,000	900,000	—
Talent grant funds	人才補助資金	630,000	580,000	—
Subsidies for air blown micro-fiber cable technology development and industrialization	氣吹微型光纜技術開發 及產業化補貼	500,000	500,000	—

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

44. Government grants (Cont'd)

(2) Government grant relate to income: (Cont'd)

五、合併財務報表項目註釋(續)

44、政府補助(續)

(2) 與收益相關的政府補助： (續)

Subsidy project	補助項目	Amount incurred in 2017 2017年 發生金額	Amount charged to other income 計入其他 收益金額	Amount charged to non-operating revenue 計入營業外 收入金額
Refinancing incentives	再融資獎勵	500,000	500,000	—
Storage company award funds	入庫企業獎勵資金	360,000	360,000	—
Special research and development subsidies for industrial-grade high-power transmission fiber optic components	工業級高功率傳能光纖 組件的研發專項補貼	300,000	300,000	—
Subsidies for Internet-based fiber- optic manufacturing information system	基於物聯網的光纖製造 信息系統補貼	300,000	300,000	—
Patent Application Funding	專利申請資助	232,600	232,600	—
Postdoctoral Research Stati- on Funding Fee	博士後科研站資助費	200,000	200,000	—
Fundamental issues research subsidy for optical fiber materials based on quartz sand	基於石英砂研製的光纖材料 的若干基礎問題研究補貼	30,000	30,000	—
Others	其他	1,349,080	1,149,080	—
Total	合計	26,203,858	26,203,858	—

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

44. Government grants (Cont'd)

(2) Government grant relate to income: (Cont'd)

Subsidy project	補助項目	Amount incurred in 2016 2016年 發生金額	Amount charged to other income 計入其他 收益金額	Amount charged to non-operating revenue 計入營業外 收入金額
Subsidies for high-power lasers and other optoelectronic devices with special optical fiber industrialization	高功率激光器等光電器件用特種光纖產業化補貼	6,500,000	—	6,500,000
High-tech export product discounts	高新出口產品貼息	3,000,000	—	3,000,000
Special subsidy for YOFC Science Park Investment and Technical Reform	長飛科技園投資與技術改造專項補貼	2,936,400	—	2,936,400
Foreign Trade Export Subsidy	外經貿出口補貼	2,590,000	—	2,590,000
Wuhan role stabilisation subsidy	武漢市穩崗補貼	1,417,300	—	1,417,300
Talent grant funds	人才補助資金	1,100,000	—	1,100,000
Subsidies for air blown micro-fiber cable technology development and industrialization	氣吹微型光纜技術開發及產業化補貼	1,000,000	—	1,000,000
Central foreign trade import discount interest	中央外經貿進口貼息	831,635	—	831,635
Intellectual Property Award	知識產權獎	831,000	—	831,000
Special research and development subsidies for industrial-grade high-power transmission fiber optic components	工業級高功率傳能光纖組件的研發專項補貼	700,000	—	700,000
High-tech R&D and Industrialization Funds	高新技術研發與產業化經費	500,000	—	500,000
Postdoctoral Research Station Funding Fee	博士後科研站資助費	500,000	—	500,000
Well-known trademark grants	馳名商標資助款	500,000	—	500,000
Others	其他	1,287,125	—	1,287,125
Total	合計	23,693,460	—	23,693,460

五、合併財務報表項目註釋(續)

44、政府補助(續)

(2) 與收益相關的政府補助(續)

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

45. Non-operating income and expenses

(1) Information on non-operating income items as follows:

Item	項目	Note 附註	2017 2017年	2016 2016年
Government grant	政府補助	V.44 五、44	—	25,947,350
Acquisition gains	收購收益	VI.1(2) 六、1(2)	—	—
Revenue from sales of scraps	廢品銷售收入		939,935	—
Others	其他		763,086	493,460
Total	合計		1,703,021	26,440,810

Non-operating income for each year during the reporting period has been included in non-recurring profit and loss.

報告期內各年營業外收入已計入非經常性損益。

(2) Information on non-operating expenses items as follows:

Item	項目	2017 2017年	2016 2016年
External donations	對外捐贈	—	588,000
Loss from sales of scraps	廢品銷售損失	724,761	1,335,858
Others	其他	805,523	299,007
Total	合計	1,530,284	2,222,865

Non-operating expenses for each year during the reporting period have been included in non-recurring profit and loss.

報告期內各年營業外支出已計入非經常性損益。

五、合併財務報表項目註釋(續)

45、營業外收支

(1) 營業外收入分項目情況如下：

2017 2017年	2016 2016年
—	25,947,350
—	—
939,935	—
763,086	493,460
1,703,021	26,440,810

報告期內各年營業外收入已計入非經常性損益。

(2) 營業外支出分項目情況如下：

2017 2017年	2016 2016年
—	588,000
724,761	1,335,858
805,523	299,007
1,530,284	2,222,865

報告期內各年營業外支出已計入非經常性損益。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

46. Income tax

		Note	2017	2016
		註	2017年	2016年
Income tax for the year based on the laws and regulations	按稅法及相關規定計算的當年所得稅		207,697,129	143,984,535
Changes in deferred income tax	遞延所得稅的變動	(1)	5,369,428	(44,226,452)
Tax filing differences	匯算清繳差異調整		(771,452)	(165,423)
Total	合計		212,295,105	99,592,660

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

(1) 遞延所得稅的變動分析如下：

Item	項目	2017	2016
		2017年	2016年
Originations and reversals of temporary differences	暫時性差異的產生和轉回	5,369,428	(44,226,452)
Total	合計	5,369,428	(44,226,452)

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

46. Income tax (Cont'd)

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

Item	項目	2017 2017年	2016 2016年
Profit before taxation	稅前利潤	1,446,874,189	793,292,831
Expected income tax calculated at tax rate of 25%	按稅率 25% 計算的預期所得稅	361,718,547	198,323,207
Effect of tax rate differences	適用不同稅率的影響	(124,672,607)	(66,110,696)
Effect of tax filing difference	匯算清繳差異調整的影響	(771,452)	(165,423)
Effect of non-taxable income	非應稅收入的影響	(41,328,650)	(28,183,864)
Effect of non-deductible cost, expense and loss	不可抵扣的成本、費用和損失的影響	6,810,426	5,890,758
Additional qualified tax deduction relating to research and development costs	研發費加計扣除	(31,310,898)	(25,761,823)
Effect of deductible temporary differences or deductible tax losses for which no deferred tax asset was recognized during the year	本年未確認遞延所得稅資產的可抵扣暫時性差異或可抵扣虧損的影響	41,849,739	15,600,501
Income tax for the year	本年所得稅費用	212,295,105	99,592,660

五、合併財務報表項目註釋(續)

46、所得稅費用(續)

(2) 所得稅費用與會計利潤的關係如下：

2017 2017年	2016 2016年
1,446,874,189	793,292,831
361,718,547	198,323,207
(124,672,607)	(66,110,696)
(771,452)	(165,423)
(41,328,650)	(28,183,864)
6,810,426	5,890,758
(31,310,898)	(25,761,823)
41,849,739	15,600,501
212,295,105	99,592,660

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

47. Calculations for earnings per share

(1) Basic earnings per share

Basic earnings per share was calculated by dividing the consolidated profit for the year attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding:

Item	項目	2017 2017年	2016 2016年
Consolidated profit for the year attributable to ordinary shareholders of the Company	歸屬於本公司普通股股東的 合併淨利潤	1,268,353,170	717,093,240
Weighted average number of ordinary shares outstanding of the Company	本公司發行在外普通股的 加權平均數	682,114,598	682,114,598
Basic earnings per share (RMB/share)	基本每股收益(人民幣元/股)	1.86	1.05

The weighted average number of ordinary shares is calculated as follows:

		2017 2017年	2016 2016年
Number of issued ordinary shares at the beginning of the year	年初已發行普通股股數	682,114,598	682,114,598
Effect on issue of new shares upon open offer	公開發行新股的影響	—	—
Effect on issue of shares pursuant to employee shareholding scheme	根據員工持股計劃 發行股份的影響	—	—
Effect on placing of shares	股份配售的影響	—	—
Weighted average number of ordinary shares at the end of the year	年末普通股的加權平均數	682,114,598	682,114,598

五、合併財務報表項目註釋(續)

47、每股收益的計算過程

(1) 基本每股收益

基本每股收益以歸屬於本公司普通股股東的合併淨利潤除以本公司發行在外普通股的加權平均數計算：

2017 2017年	2016 2016年
---------------	---------------

普通股的加權平均數計算過程如下：

2017 2017年	2016 2016年
---------------	---------------

Number of issued ordinary shares at the beginning of the year	年初已發行普通股股數	682,114,598	682,114,598
Effect on issue of new shares upon open offer	公開發行新股的影響	—	—
Effect on issue of shares pursuant to employee shareholding scheme	根據員工持股計劃 發行股份的影響	—	—
Effect on placing of shares	股份配售的影響	—	—
Weighted average number of ordinary shares at the end of the year	年末普通股的加權平均數	682,114,598	682,114,598

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

47. Calculations for earnings per share

(2) Diluted earnings per share

There is no dilutive potential share during both the current and prior years. Accordingly, the diluted earnings per share are the same as basic earnings per share.

48. Income statement supplementary information

Classification of expenses in the income statement by nature:

Item	項目	Note 附註	2017 2017年	2016 2016年
Revenue	營業收入	V.35 五、35	10,366,083,659	8,111,495,124
Less: Changes in inventories of finished goods and work in progress	減：產成品及在產品的 存貨變動	V.8(2) 五、8(2)	(19,278,832)	(60,077,787)
Raw materials consumed	耗用的原材料		6,840,349,735	5,914,316,949
Employee benefits expenses	職工薪酬費用		890,618,874	651,189,642
Depreciation and amortization expenses	折舊和攤銷費用	V.13 and 15 五、13 和15	203,315,129	159,599,485
Impairment loss	資產減值損失	V.40 五、40	117,329,577	13,274,078
Financial expenses	財務費用	V.39 五、39	78,156,390	112,211,093
Packaging fees	包裝費及運費		140,224,346	107,460,633
Utility expenses	水電氣費		143,654,925	105,470,314
R&D expenses (excluding employee benefits, depreciation and amortization)	研發費(不含職工薪酬及 折舊和攤銷)		220,803,759	148,343,807
Technology usage fees	技術使用費	V.38 五、38	42,006,718	33,346,065
Other expenses	其他費用		262,201,586	157,285,959
Operating profit	營業利潤		1,446,701,452	769,074,886

五、合併財務報表項目註釋(續)

47、每股收益的計算過程

(2) 稀釋每股收益

本公司不具有稀釋性的潛在普通股，因此稀釋每股收益等於基本每股收益。

48、利潤表補充資料

對利潤表中的費用按性質分類：

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

49. Items of cash flow statement

(1) Proceeds received relating to other operating activities

Item	項目	2017 2017年	2016 2016年
Government grants	政府補助	103,099,200	257,915,544
Technology services fees	技術服務費	16,853,672	16,960,332
Rental income	租賃收入	4,861,099	2,850,399
Related party transactions	關聯方往來款	1,949,786	323,365
Others	其他	107,260	7,334,011
Total	合計	126,871,017	285,383,651

(2) Payment relating to other operating activities

Item	項目	2017 2017年	2016 2016年
Travelling expenses	差旅招待費	109,035,715	70,693,907
Consultation fees	諮詢費	40,268,468	25,073,396
Exhibition promotion expenses	會務宣傳費	22,952,918	14,948,022
Certification test fees	認證測試費	10,644,636	2,929,626
Loans by non-controlling interests	少數股東借款	—	16,707,367
Tender fees	投標費	7,363,592	3,767,086
Board fees	董事會費	1,111,583	1,121,091
Related party transactions	關聯方往來款	—	641,734
Donation expenditures	捐贈支出	—	588,000
Rental expenses	租賃費	—	—
Insurance expenses	保險費用	—	—
Others	其他	70,603,879	38,590,430
Total	合計	261,980,791	175,060,659

五、合併財務報表項目註釋(續)

49. 現金流量表項目

(1) 收到的其他與經營活動有關的現金

Item	項目	2017 2017年	2016 2016年
Government grants	政府補助	103,099,200	257,915,544
Technology services fees	技術服務費	16,853,672	16,960,332
Rental income	租賃收入	4,861,099	2,850,399
Related party transactions	關聯方往來款	1,949,786	323,365
Others	其他	107,260	7,334,011
Total	合計	126,871,017	285,383,651

(2) 支付的其他與經營活動有關的現金

Item	項目	2017 2017年	2016 2016年
Travelling expenses	差旅招待費	109,035,715	70,693,907
Consultation fees	諮詢費	40,268,468	25,073,396
Exhibition promotion expenses	會務宣傳費	22,952,918	14,948,022
Certification test fees	認證測試費	10,644,636	2,929,626
Loans by non-controlling interests	少數股東借款	—	16,707,367
Tender fees	投標費	7,363,592	3,767,086
Board fees	董事會費	1,111,583	1,121,091
Related party transactions	關聯方往來款	—	641,734
Donation expenditures	捐贈支出	—	588,000
Rental expenses	租賃費	—	—
Insurance expenses	保險費用	—	—
Others	其他	70,603,879	38,590,430
Total	合計	261,980,791	175,060,659

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

50. Related information of cash flow statement

(1) Supplementary information on cash flow statement

- a. Reconciliation of profit for the year to cash flows from operating activities:

Item	項目	Note 附註	2017 2017年	2016 2016年
Profit for the year	淨利潤		1,234,579,084	693,700,171
Add: Provision for impairment of assets	加：資產減值準備	V.40 五、40	117,329,577	13,274,078
Depreciation of fixed assets	固定資產折舊	V.13 五、13	173,255,563	132,527,681
Amortization of Intangible assets	無形資產攤銷	V.15 五、15	30,059,566	27,071,804
Loss on disposal of fixed assets, intangible assets and other long-term assets	處置固定資產、無形資產和其他長期資產的損失		2,729,458	2,080,737
(Gain)/loss from changes in fair value	公允價值變動 (收益)/損失	V.41 五、41	(240,422)	99,303
Financial expenses	財務費用		47,988,952	77,547,550
Investment income	投資收益		(161,089,680)	(110,268,034)
Gain on acquisition of subsidiaries	收購子公司產生的收益		—	—
Decrease/(increase) in deferred tax assets	遞延所得稅資產 減少/(增加)		5,369,428	(44,226,452)
(Increase)/decrease in inventories	存貨的(增加)/減少		(102,265,503)	18,621,929
Increase in operating receivables	經營性應收項目的增加		(388,834,618)	(11,689,547)
Increase in operating payables	經營性應付項目的增加		778,988,536	508,479,615
Net cash flows from operating activities	經營活動產生的現金 流量淨額		1,737,869,941	1,307,218,835

五、合併財務報表項目註釋(續)

50、現金流量表相關情況

(1) 現金流量表補充資料

- a. 將淨利潤調節為經營活動現金流量：

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

50. Related information of cash flow statement (Cont'd)

(1) Supplementary information on cash flow statement (Cont'd)

- b. Major business activities that do not involve cash receipts and payments:

Item	項目	2017 2017年	2016 2016年
Bank acceptance bills received from sales of goods, provision of labor services are endorsed by the Group's suppliers	銷售商品、提供勞務收到的銀行承兌匯票背書於本集團供應商	713,570,353	952,002,095

In 2016 and 2017, the Group endorsed the bills receivable to the Group's suppliers in amounts of RMB952,002,095 and RMB713,570,353, respectively.

2016年度及2017年度本集團將應收票據背書於本集團供應商，金額分別人民幣952,002,095元和人民幣713,570,353元。

- c. Major financing activities that do not involve cash receipts and expenditures:

Item	項目	2017 2017年	2016 2016年
Intangible assets contributed by non-controlling interests	少數股東無形資產出資	—	28,910,200

On 20 December 2016, China Standard Software Co., Ltd., a major shareholder of the Company's subsidiary, Wuhan E3cloud Information Technologies Co., Ltd., invested in Intangible assets with an estimated value of RMB28,910,200.

2016年12月20日，本公司的子公司中標易雲信息技術有限公司的主要股東中標軟件有限公司以無形資產出資，評估價值人民幣28,910,200元。

五、合併財務報表項目註釋(續)

50、現金流量表相關情況(續)

(1) 現金流量表補充資料(續)

- b. 不涉及現金收支的重大經營活動：

2017 2017年	2016 2016年
---------------	---------------

713,570,353 952,002,095

2016年度及2017年度本集團將應收票據背書於本集團供應商，金額分別人民幣952,002,095元和人民幣713,570,353元。

- c. 不涉及現金收支的重大籌資活動：

2017 2017年	2016 2016年
---------------	---------------

— 28,910,200

2016年12月20日，本公司的子公司中標易雲信息技術有限公司的主要股東中標軟件有限公司以無形資產出資，評估價值人民幣28,910,200元。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

50. Related information of cash flow statement (Cont'd)

(1) Supplementary information on cash flow statement (Cont'd)

d. Net changes in cash and cash equivalents:

Item	項目	Note 附註	2017 2017年	2016 2016年
Cash at the end of the year	現金的年末餘額		1,799,513,559	1,422,575,026
Less: cash at the beginning of the year	減：現金的年初餘額		1,422,575,026	2,047,124,693
Add: cash equivalent at the end of the year	加：現金等價物的年末餘額	V.7(3) 五、7(3)	—	5,000,000
Less: cash equivalent at the beginning of the year	減：現金等價物的年初餘額		5,000,000	—
Net increase/(decrease) in cash and cash equivalents	現金及現金等價物淨增加/(減少)額		371,938,533	(619,549,667)

(2) Composition of cash and cash equivalents

Item	項目	Note 附註	2017 2017年	2016 2016年
Cash	現金		1,799,513,559	1,422,575,026
Of which: Cash in hand	其中：庫存現金		556,518	757,045
Cash at bank available on demand	可隨時用於支付的 銀行存款		1,798,957,041	1,421,817,981
Cash equivalents	現金等價物	V.7(3) 五、7(3)	—	5,000,000
Cash and cash equivalents at the end of the year	年末現金及現金等價物餘額		1,799,513,559	1,427,575,026

五、合併財務報表項目註釋(續)

50、現金流量表相關情況(續)

(1) 現金流量表補充資料(續)

d. 現金及現金等價物淨變動情況：

(2) 現金和現金等價物的構成

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

51. Assets with ownership or use right restrictions

Item	項目	Opening	Addition	Decrease	Closing	Reasons of restrictions
		balance on			balance on	
		31 December			31 December	
		2015	during	during	2016	
		2015年	the year	the year	2016年	
		12月31日	本年增加	本年減少	12月31日	受限原因
		餘額			餘額	
Cash and cash equivalent	貨幣資金	—	205,000,000	—	205,000,000	Pledged for loans 借款質押
Long-term receivables	長期應收款	205,000,000	—	(205,000,000)	—	Pledged for loans 借款質押
Total	合計	205,000,000	205,000,000	(205,000,000)	205,000,000	

五、合併財務報表項目註釋(續)

51、所有權或使用權受到限制的資產

Item	項目	Opening	Addition	Decrease	Closing	Reasons of restrictions
		balance on			balance on	
		31 December			31 December	
		2016	during	during	2017	
		2016年	the year	the year	2017年	
		12月31日	本年增加	本年減少	12月31日	受限原因
		餘額			餘額	
Cash and cash equivalent	貨幣資金	205,000,000	—	(205,000,000)	—	Pledged for loans 借款質押
Fixed assets	固定資產	—	51,276,467	—	51,276,467	Charged for loans 借款抵押
Intangible assets	無形資產	—	27,147,834	—	27,147,834	Charged for loans 借款抵押
Total	合計	205,000,000	78,424,301	(205,000,000)	78,424,301	

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

VI. CHANGE IN SCOPE OF CONSOLIDATION

I. Change in scope of consolidation arising from newly established subsidiaries

The consolidation scope of the consolidated financial statements is determined on the basis of control, including the company and its controlled subsidiaries. Control refers to the fact that the Group has power over the investee, enjoys variable returns by participating in related activities of the investee, and has the ability to use its power over the investee to influence its return amount. When judging whether the Group has the power over the investee, the Group only considers the substantive rights related to the investee (including the substantive rights enjoyed by the Group itself and other parties). The financial position, operating results, and cash flows of the subsidiaries are included in the consolidated financial statements from the date the control begins to the date the control ends. Details of the newly established subsidiaries of the Group in 2016 and 2017 are listed in Note VII.1(1).

六、合併範圍的變更

1、新設子公司導致的合併範圍變動

合併財務報表的合併範圍以控制為基礎予以確定，包括本公司及本公司控制的子公司。控制，是指本集團擁有對被投資方的權力，通過參與被投資方的相關活動而享有可變回報，並且有能力運用對被投資方的權力影響其回報金額。在判斷本集團是否擁有對被投資方的權力時，本集團僅考慮與被投資方相關的實質性權利（包括本集團自身所享有的及其他方所享有的實質性權利）。子公司的財務狀況、經營成果和現金流量由控制開始日起至控制結束日止包含於合併財務報表中。本集團2016及2017年度新設子公司的詳細信息於附註七、1(1)中列示。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

VII. INTERESTS IN OTHER ENTITIES

I. Interests in subsidiaries

(1) The constitution of the Group

七、在其他主體中的權益

1、在子公司中的權益

(1) 企業集團的構成

Name of subsidiary 主要子公司名稱	Principal place of business 主要經營地	Place of registration 註冊地	Nature of business 業務性質	Registered capital 註冊資本	Percentage of shareholding (%) (or percentage of similar interests) 持股比例(%) (或類似權益比例)				Method of Acquisition 取得方式	Date of Incorporation 設立時間
					2016 2016年		2017 2017年			
					Directly 直接	Indirectly 間接	Directly 直接	Indirectly 間接		
Yangtze Optical Fibre and Cable Company (Hong Kong) Limited 長飛光纖光纜(香港)有限公司	Hong Kong 香港	Hong Kong 香港	Trading of raw materials 原材料貿易	HK\$80,000 80,000港幣	100.00%	—	100.00%	—	Incorporation 設立	17 July 2013 2013年7月17日
Everpro Technologies Company Limited 長芯盛(武漢)科技有限公司	Wuhan, Hubei Province 湖北省武漢市	Wuhan, Hubei Province 湖北省武漢市	Production and sales of fiber optic cables and related products 光纖光纜及相關產品的生產及銷售	RMB325,000,000 人民幣325,000,000元	69.23%	—	69.23%	—	Incorporation 設立	9 December 2013 2013年12月9日
EverProsper Technologies Company Limited 長芯盛(香港)科技有限公司	Wuhan, Hubei Province 湖北省武漢市	Hong Kong 香港	Trading of raw materials 原材料貿易	RMB26,194,466 人民幣26,194,466元	—	69.23%	—	69.23%	Incorporation 設立	6 June 2014 2014年6月6日
Shenzhen YOFC Connectivity Technologies Co., Ltd. 深圳長飛智達技術有限公司	Shenzhen, Guangdong Province 廣東省深圳市	Shenzhen, Guangdong Province 廣東省深圳市	Integrated wiring system production and sales 綜合佈線系統生產及銷售	RMB30,000,000 人民幣30,000,000元	75.00%	—	75.00%	—	Incorporation 設立	15 April 2015 2015年4月15日
PT.Yangtze Optical Fibre Indonesia PT.Yangtze Optical Fibre Indonesia	Indonesia 印度尼西亞	Indonesia 印度尼西亞	Production and sales of optical fiber and related products 光纖及相關產品的生產及銷售	US\$21,000,000 21,000,000美元	70.00%	—	70.00%	—	Incorporation 設立	22 May 2015 2015年5月22日
Yangtze Optical Fibre and Cable Shenyang Co., Ltd. 長飛光纖光纜瀋陽有限公司	Tieling, Liaoning Province 遼寧省鐵嶺市	Tieling, Liaoning Province 遼寧省鐵嶺市	Production and sales of fiber optic cables and related products 光纖及相關產品的生產及銷售	RMB40,000,000 人民幣40,000,000元	100.00%	—	100.00%	—	Incorporation 設立	16 June 2015 2015年6月16日
Yangtze Optical Fibre and Cable Lanzhou Co., Ltd. 長飛光纖光纜蘭州有限公司	Lanzhou, Gansu Province 甘肅省蘭州市	Lanzhou, Gansu Province 甘肅省蘭州市	Production and sales of fiber optic cables and related products 光纖及相關產品的生產及銷售	RMB30,000,000 人民幣30,000,000元	100.00%	—	100.00%	—	Incorporation 設立	13 July 2015 2015年7月13日
Yangtze Optic Fibre (Qianjiang) Co., Ltd. 長飛光纖瀘江有限公司	Qianjiang, Hubei Province 湖北省瀘江市	Qianjiang, Hubei Province 湖北省瀘江市	Production and sales of optical fibers, optical fiber preforms and related products 光纖、光纖預製棒及相關產品的生產及銷售	RMB404,000,000 人民幣404,000,000元	100.00%	—	100.00%	—	Incorporation 設立	28 July 2015 2015年7月28日
Hubei Flying Optical Fibre Material Co., Ltd. 湖北飛美光纖材料有限公司	Qianjiang, Hubei Province 湖北省瀘江市	Qianjiang, Hubei Province 湖北省瀘江市	Production and sales of high-purity germanium tetrachloride for optical fiber 光纖用高純四氯化矽的生產及銷售	RMB60,000,000 人民幣60,000,000元	87.00%	—	87.00%	—	Incorporation 設立	12 August 2015 2015年8月12日
Ally First Optical Fiber and Cable Co., Ltd. 浙江專飛光纖光纜有限公司	Lin'an, Zhejiang Province 浙江省臨安市	Lin'an, Zhejiang Province 浙江省臨安市	Production and sales of fiber optic cables and related products 光纖光纜及相關產品的生產及銷售	RMB186,000,000 人民幣186,000,000元	51.00%	—	51.00%	—	Incorporation 設立	8 December 2015 2015年12月8日
Yangtze Optics Africa Holdings Proprietary Limited Yangtze Optics Africa Holdings Proprietary Limited	South Africa 南非	South Africa 南非	Trading 貿易	US\$10,000,000 10,000,000美元	51.00%	23.90%	51.00%	23.90%	Incorporation 設立	14 January 2016 2016年1月14日

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

VII. INTERESTS IN OTHER ENTITIES (Cont'd)

1. Interests in subsidiaries (Cont'd)

(1) The constitution of the Group (Cont'd)

七、在其他主體中的權益(續)

1、在子公司中的權益(續)

(1) 企業集團的構成(續)

Name of subsidiary 主要子公司名稱	Principal place of business 主要經營地	Place of registration 註冊地	Nature of business 業務性質	Registered capital 註冊資本	Percentage of shareholding (%) (or percentage of similar interests) 持股比例(%) (或類似權益比例)				Method of Acquisition 取得方式	Date of Incorporation 設立時間
					2016		2017			
					Directly 直接	Indirectly 間接	Directly 直接	Indirectly 間接		
Yangtze Optics Africa Cable Proprietary Limited	South Africa	South Africa	Production and sales of fiber optic cables and related products	US\$8,000,000	—	74.90%	—	74.90%	Incorporation	14 January 2016
Yangtze Optics Africa Cable Proprietary Limited	南非	南非	光纖及相關產品的生產及銷售	8,000,000美元					設立	2016年1月14日
Wuhan E3cloud Information Technologies Co., Ltd. (Formerly known as "Wuhan E3cloud Information Technologies Co., Ltd.")	Wuhan, Hubei Province	Wuhan, Hubei Province	Technical development consulting services for computer hardware and software and ancillary equipment	RMB 111,375,000 人民幣111,375,000元	26.94%	32.63%	26.94%	32.63%	Incorporation	2 March 2016 2016年3月2日
中標易雲信息技術有限公司(原名「武漢芯光雲信息技術有限責任公司」)	湖北省武漢市	湖北省武漢市	計算機軟硬件及附屬設備的技術開發諮詢服務等						設立	
YOFC International (Thailand) Co., Ltd.	Thailand	Thailand	Import and Export of Optical Fiber Cables and Related Products	THB10,000,000	—	100.00%	—	100.00%	Incorporation	26 October 2016
YOFC International (Thailand) Co., Ltd.	泰國	泰國	光纖光纜及相關產品的進出口	10,000,000泰銖					設立	2016年10月26日
RIT Tech (Intelligence Solutions) Ltd. (原名"Y.O.F.C Investment Ltd.")	Israel	Israel	Communications and Management Solutions Software and Hardware Platforms R&D and Sales	ILS 10,000 10,000新謝克爾	—	—	—	75.00%	Incorporation	15 December 2016 2016年12月15日
以色列瑞特科技有限責任公司	以色列	以色列	通信連接和管理解決方案軟硬件平台的研發及銷售						設立	
PT.Yangtze Optics Indonesia	Indonesia	Indonesia	Production and sales of fiber optic cables and related products	US\$14,000,000	—	—	70.00%	—	Incorporation	13 April 2017
PT.Yangtze Optics Indonesia	印度尼西亞	印度尼西亞	光纖光纜及相關產品的生產及銷售	14,000,000美元					設立	2017年4月13日
YOFC International (Philippines) Corporation	Philippines	Philippines	Fiber optic cable sales and related general contracting engineering services	Peso 10,200,000	—	—	—	100.00%	Incorporation	5 December 2017
YOFC International (Philippines) Corporation	菲律賓	菲律賓	光纖光纜銷售及相關總包工程服務	10,200,000菲律賓比索					設立	2017年12月5日
Wuhan YOFC Cable Co., Ltd.	Wuhan, Hubei Province	Wuhan, Hubei Province	Production and sales of copper wire and related products	RMB 73,351,200	80.00%	—	80.00%	—	Business merger	1 December 1999
武漢長飛通用電纜有限公司	湖北省武漢市	湖北省武漢市	銅線及相關產品的生產及銷售	人民幣73,351,200元					not under joint control (Note VI (1)) 非同一控制下 企業合併 (註六·(1))	1999年12月1日

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

VII. INTERESTS IN OTHER ENTITIES (Cont'd)

I. Interests in subsidiaries (Cont'd)

(1) The constitution of the Group (Cont'd)

Changes in the registered capital of the subsidiaries:

Name of company 企業名稱	Capital increasing party/ Capital contributing party 增資方/出資方	Date of change 變更時間	Registered capital before change 更前註冊資本	before change Shareholding proportion 變更前持股比例		Registered capital after change 更後 註冊資本	Shareholding proportion after change 變更後持股比例	
				Directly 直接	Indirectly 間接		Directly 直接	Indirectly 間接
Everprosper Technologies Company Limited 長芯盛(香港)科技有限公司	Everpro Technologies Company Limited 長芯盛(武漢)科技有限公司	15 June 2016 2016年6月15日	RMB13,241,967 人民幣 13,241,967元	—	69.23%	RMB19,557,366 人民幣 19,557,366元	—	69.23%
Everprosper Technologies Company Limited 長芯盛(香港)科技有限公司	Everpro Technologies Company Limited 長芯盛(武漢)科技有限公司	16 October 2017 2017年10月16日	RMB19,557,366 人民幣 19,557,366元	—	69.23%	RMB26,194,466 人民幣 26,194,466元	—	69.12%
Wuhan E3cloud Information Technologies Co., Ltd 中標易雲信息技術有限公司	China Standard Software Co., Ltd. 中標軟件有限公司	20 December 2016 2016年12月20日	RMB82,500,000 人民幣 82,500,000元	36.36%	44.06%	RMB111,375,000 人民幣 111,375,000元	26.94%	32.63%

七、在其他主體中的權益(續)

I、在子公司中的權益(續)

(1) 企業集團的構成(續)

子公司註冊資本變化情況：

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

VII. INTERESTS IN OTHER ENTITIES (Cont'd)

2. Transactions that cause changes in the Group's interests in subsidiaries that do not result in loss of control

On 20 December 2016, China Standard Software Co., Ltd., the non-controlling interest holder of the Company's subsidiary Wuhan E3cloud Information Technologies Co., Ltd., acquired 25.93% equity of Wuhan E3cloud Information Technologies Co., Ltd., which was funded by Intangible assets. The Company's direct and indirect shareholding in Wuhan E3cloud Information Technologies Co., Ltd. fell from 80.42% to 59.57%. The Company will calculate the proportion of its shareholding in the net assets of the subsidiary before the contribution by the non-controlling interest holder and the shareholding ratio of the non-controlling interest holder after its contribution, and calculate the net book value of the subsidiary after the contribution of the non-controlling interest holder. The difference between the shares in the assets of RMB1,627,803 is included in the capital reserve. The Company's share of the owner's equity in this subsidiary changed, and this change did not affect the company's control over the subsidiary.

3. Interests in joint ventures and associates

Item	項目	2017 2017年	2016 2016年
Joint ventures	合營企業		
– Significant joint ventures	– 重要的合營企業	1,105,519,175	924,664,675
– Insignificant joint ventures	– 不重要的合營企業	128,943,272	120,972,932
Associates	聯營企業		
– Insignificant associates	– 不重要的聯營企業	11,534,025	11,087,832
Sub-total	小計	1,245,996,472	1,056,725,439
Less: Impairment provision	減：減值準備	4,130,000	4,130,000
Total	合計	1,241,866,472	1,052,595,439

七、在其他主體中的權益(續)

2、在子公司的所有者權益份額發生變化且仍控制子公司的交易

2016年12月20日，本公司的子公司中標易雲信息技術有限公司的少數股東中標軟件有限公司以無形資產出資形式獲取中標易雲信息技術有限公司25.93%的股權。本公司對中標易雲信息技術有限公司的直接及間接持股比例由80.42%降至59.57%。本公司將按照少數股東出資前的持股比例計算其在少數股東出資前該子公司賬面淨資產中的份額與按照少數股東出資後的持股比例計算其在少數股東出資後該子公司賬面淨資產中的份額之間的差額人民幣1,627,803元計入資本公積。本公司在該子公司的所有者權益份額發生變化，該變化未影響本公司對子公司的控制權。

3、在合營企業或聯營企業中的權益

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

VII. INTERESTS IN OTHER ENTITIES (Cont'd)

3. Interests in joint ventures and associates (Cont'd)

(1) Significant joint ventures:

Name of enterprise 企業名稱	Principal place of business 主要經營地	Place of registration 註冊地	Nature of business 業務性質	Percentage of shareholdings 持股比例		Accounting method for investments in joint ventures or associates 對合營企業 或聯營企業 投資的會計 處理方法	Registered capital 註冊資本	Strategic significance to the Group's activities 對本集團 活動是否 具有戰略性
				Directly 直接	Indirectly 間接			
Joint venture 合營企業								
YOFC Shanghai Co., Ltd. (Note) 長飛光纖光纜(上海)有限公司(註)	Shanghai 上海市	Shanghai 上海市	Production and sales of optic fibre 生產及銷售光纜	75.00%	—	Equity method 權益法	RMB100,300,000 人民幣 100,300,000元	Yes 是
Yangtze Zhongli Optical Fibre and Cable (Jiangsu) Co., Ltd. (Note) 江蘇長飛中利光纖光纜有限公司(註)	Changsu, Jiangsu Province 江蘇省常熟市	Changsu, Jiangsu Province 江蘇省常熟市	Production and sales of optic fibre 生產及銷售光纜	51.00%	—	Equity method 權益法	RMB92,880,000 人民幣 92,880,000元	Yes 是
Tianjin YOFC XMKJ Optical Communication Co., Ltd. 天津長飛鑫茂光通信有限公司	Tianjin 天津市	Tianjin 天津市	Production and sales of optic fibre 生產及銷售光纜	49.00%	—	Equity method 權益法	RMB220,000,000 人民幣 220,000,000元	Yes 是
Shantou Hi-Tech Zone Ao Xing Optical Communication Equipment Co., Ltd. 汕頭高新區奧星光通信設備有限公司	Shantou, Guangdong Province 廣東省汕頭市	Shantou, Guangdong Province 廣東省汕頭市	Production and sales of optic fibre 生產及銷售光纜	42.42%	—	Equity method 權益法	RMB170,558,817 人民幣 170,558,817元	Yes 是
Shenzhen SDGI Optical Fibre Co., Ltd. 深圳特發信息光纖有限公司	Shenzhen, Guangdong Province 廣東省深圳市	Shenzhen, Guangdong Province 廣東省深圳市	Production and sales of optic fibre 生產及銷售光纜	35.36%	—	Equity method 權益法	RMB386,518,320 人民幣 386,518,320元	Yes 是
Shin-Etsu YOFC (Hubei) Optical Preform Co., Ltd. 長飛信越(湖北)光棒有限公司	Qianjiang, Hubei Province 湖北省潛江市	Qianjiang, Hubei Province 湖北省潛江市	Production and sales of optical fiber preforms 生產及銷售光纖 用預製棒	49.00%	—	Equity method 權益法	JPY8,000,000,000 8,000,000,000 日元	Yes 是

Note: According to the Articles of Association of the above joint venture company, its financial and operational decisions must be unanimously agreed by all investors. Therefore, the company and other investors jointly control these companies.

註：根據上述合營公司的公司章程細則，其財務及營運決策須獲得全體投資者一致同意通過。因此，本公司及其他投資者共同控制這些公司。

七、在其他主體中的權益(續)

3、在合營企業或聯營企業中的權益(續)

(1) 重要的合營企業：

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

VII. INTERESTS IN OTHER ENTITIES (Cont'd)

3. Interests in joint ventures and associates (Cont'd)

(2) Principal financial information of significant joint venture:

The following table sets forth the principal financial information on the significant joint venture, which represented the amounts after adjustments made based on relevant fair value upon investment and the unified accounting policies. In addition, the following table also sets forth reconciliation of such financial information to the carrying amount of the investment in the joint venture of the Group using equity method:

		31 December 2017 2017年 12月31日	31 December 2016 2016年 12月31日
Current assets	流動資產	511,093,398	460,653,107
Of which: cash and cash equivalents	其中：現金和現金等價物	64,477,686	37,589,908
Non-current assets	非流動資產	94,475,771	101,827,865
Total assets	資產合計	605,569,169	562,480,972
Current liabilities	流動負債	(292,238,782)	(273,226,711)
Non-current liabilities	非流動負債	(1,900,000)	(105,000)
Total liabilities	負債合計	(294,138,782)	(273,331,711)
Net assets	淨資產	311,430,387	289,149,261

七、在其他主體中的權益(續)

3、在合營企業或聯營企業中的權益(續)

(2) 重要合營企業的主要財務信息：

下表列示了本集團重要合營企業的主要財務信息，這些合營企業的主要財務信息是在按投資時公允價值為基礎的調整以及統一會計政策調整後的金額。此外，下表還列示了這些財務信息按照權益法調整至本集團對合營企業投資賬面價值的調節過程：

Yangtze Optical Fibre and
Cable (Shanghai) Co., Ltd.
長飛光纖光纜(上海)有限公司

31 December 2017 2017年 12月31日	31 December 2016 2016年 12月31日
--	--

Current assets	流動資產	511,093,398	460,653,107
Of which: cash and cash equivalents	其中：現金和現金等價物	64,477,686	37,589,908
Non-current assets	非流動資產	94,475,771	101,827,865
Total assets	資產合計	605,569,169	562,480,972
Current liabilities	流動負債	(292,238,782)	(273,226,711)
Non-current liabilities	非流動負債	(1,900,000)	(105,000)
Total liabilities	負債合計	(294,138,782)	(273,331,711)
Net assets	淨資產	311,430,387	289,149,261

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

VII. INTERESTS IN OTHER ENTITIES (Cont'd)

3. Interests in joint ventures and associates (Cont'd)

(2) Principal financial information of significant joint venture: (Cont'd)

		Yangtze Optical Fibre and Cable (Shanghai) Co., Ltd. 長飛光纖光纜(上海)有限公司	
		31 December 2017 2017年 12月31日	31 December 2016 2016年 12月31日
Non-controlling interests	少數股東權益	—	—
Equity interests attributable to the equity shareholders of the Company	歸屬於投資方股東權益	311,430,387	289,149,261
Share of net assets calculated in proportion to shareholding	按持股比例計算的淨資產份額	233,572,790	216,861,946
Less: Unrealized internal transaction gains and losses offset	減：未實現的內部交易損益抵銷	16,737,350	8,956,104
Carrying amount of investment in joint venture	對合營企業投資的賬面價值	216,835,440	207,905,842

		Yangtze Optical Fibre and Cable (Shanghai) Co., Ltd. 長飛光纖光纜(上海)有限公司	
		2017 2017年	2016 2016年
Operating revenue	營業收入	850,183,844	814,351,912
Financial expenses	財務費用		
Including: interest income	其中：利息收入	240,401	170,858
interest expenses	利息費用	(633,235)	(217,188)
Income tax	所得稅費用	(7,711,370)	(6,925,791)
Profit for the year	淨利潤	43,697,764	42,835,177
Other comprehensive income	其他綜合收益	—	—
Total comprehensive income	綜合收益總額	43,697,764	42,835,177
Dividend received from joint venture during the year	本年收到的來自合營企業的股利	12,851,123	14,008,407

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

VII. INTERESTS IN OTHER ENTITIES (Cont'd)

3. Interests in joint ventures and associates (Cont'd)

(2) Principal financial information of significant joint venture:

七、在其他主體中的權益(續)

3、在合營企業或聯營企業中的權益(續)

(2) 重要合營企業的主要財務信息：(續)

Yangtze Zhongli Optical Fibre
and Cable (Jiangsu) Co., Ltd.
江蘇長飛中利光纖光纜有限公司

		31 December 2017 2017年 12月31日	31 December 2016 2016年 12月31日
Current assets	流動資產	692,170,208	642,168,528
Including: cash and cash equivalents	其中：現金和現金等價物	156,307,872	23,315,701
Non-current assets	非流動資產	50,363,674	50,652,377
Total assets	資產合計	742,533,882	692,820,905
Current liabilities	流動負債	(448,867,542)	(422,571,040)
Non-current liabilities	非流動負債	—	—
Total liabilities	負債合計	(448,867,542)	(422,571,040)
Net assets	淨資產	293,666,340	270,249,865
Non-controlling interests	少數股東權益	—	—
Equity interests attributable to the equity shareholders of the Company	歸屬於投資方股東權益	293,666,340	270,249,865
Share of net assets calculated in proportion to shareholding	按持股比例計算的淨資產份額	149,769,833	137,827,431
Less: Unrealized internal transaction gains and losses offset	減：未實現的內部交易損益抵銷	8,818,345	8,241,859
Carrying amount of investment in joint venture	對合營企業投資的賬面價值	140,951,488	129,585,572

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

VII. INTERESTS IN OTHER ENTITIES (Cont'd)

3. Interests in joint ventures and associates (Cont'd)

(2) Principal financial information of significant joint venture: (Cont'd)

		2017	2016
		2017年	2016年
Operating revenue	營業收入	1,033,577,194	922,113,472
Financial expenses	財務費用		
Including: interest income	其中：利息收入		1,034,509
interest expenses	利息費用		(1,482,424)
Income tax	所得稅費用	(7,803,781)	(6,288,318)
Profit for the year	淨利潤	42,081,758	37,330,564
Other comprehensive income	其他綜合收益	—	—
Total comprehensive income	綜合收益總額	42,081,758	37,330,564
Dividend received from joint venture during the year	本年收到的來自合營企業的股利	9,519,294	17,008,156

七、在其他主體中的權益(續)

3、在合營企業或聯營企業中的權益(續)

(2) 重要合營企業的主要財務信息：(續)

Yangtze Zhongli Optical Fibre
and Cable (Jiangsu) Co., Ltd.
江蘇長飛中利光纖光纜有限公司

2017
2017年

2016
2016年

Operating revenue	營業收入	1,033,577,194	922,113,472
Financial expenses	財務費用		
Including: interest income	其中：利息收入		1,034,509
interest expenses	利息費用		(1,482,424)
Income tax	所得稅費用	(7,803,781)	(6,288,318)
Profit for the year	淨利潤	42,081,758	37,330,564
Other comprehensive income	其他綜合收益	—	—
Total comprehensive income	綜合收益總額	42,081,758	37,330,564
Dividend received from joint venture during the year	本年收到的來自合營企業的股利	9,519,294	17,008,156

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

VII. INTERESTS IN OTHER ENTITIES (Cont'd)

3. Interests in joint ventures and associates (Cont'd)

(2) Principal financial information of significant joint venture: (Cont'd)

七、在其他主體中的權益(續)

3、在合營企業或聯營企業中的權益(續)

(2) 重要合營企業的主要財務信息：(續)

Tianjin YOFC XMKJ Optical
Communications Co., Ltd.
天津長飛鑫茂光通信有限公司

		31 December 2017 2017年 12月31日	31 December 2016 2016年 12月31日
Current assets	流動資產	194,402,937	271,173,423
Including: cash and cash equivalents	其中：現金和現金等價物	43,626,363	26,187,206
Non-current assets	非流動資產	392,723,120	432,335,415
Total assets	資產合計	587,126,057	703,508,838
Current liabilities	流動負債	(115,271,439)	(271,777,437)
Non-current liabilities	非流動負債	(2,160,000)	(72,797,500)
Total liabilities	負債合計	(117,431,439)	(344,574,937)
Net assets	淨資產	469,694,618	358,933,901
Non-controlling interests	少數股東權益	—	—
Equity interests attributable to the equity shareholders of the Company	歸屬於投資方股東權益	469,694,618	358,933,901
Share of net assets calculated in proportion to shareholding	按持股比例計算的淨資產份額	230,150,363	175,877,611
Less: Unrealized internal transaction gains and losses offset	減：未實現的內部交易損益抵銷	12,777,991	13,641,316
Carrying amount of investment in joint venture	對合營企業投資的賬面價值	217,372,372	162,236,295

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

VII. INTERESTS IN OTHER ENTITIES (Cont'd)

3. Interests in joint ventures and associates (Cont'd)

(2) Principal financial information of significant joint venture: (Cont'd)

		Tianjin YOFC XMKJ Optical Communications Co., Ltd. 天津長飛鑫茂光通信有限公司	
		2017	2016
		2017年	2016年
Operating revenue	營業收入	1,181,272,083	1,086,720,964
Financial expenses	財務費用		
Including: interest income	其中：利息收入	1,190,997	112,098
interest expenses	利息費用	(8,797,044)	(7,993,324)
Income tax	所得稅費用	(14,774,445)	(7,231,993)
Profit for the year	淨利潤	104,332,483	63,395,860
Other comprehensive income	其他綜合收益	—	—
Total comprehensive income	綜合收益總額	104,332,483	63,395,860
Dividends received from joint venture during the year	本年收到的來自合營企業的股利	15,190,000	—

七、在其他主體中的權益(續)

3、在合營企業或聯營企業中的權益(續)

(2) 重要合營企業的主要財務信息：(續)

Tianjin YOFC XMKJ Optical
Communications Co., Ltd.
天津長飛鑫茂光通信有限公司

2017

2016

2017年

2016年

Operating revenue	營業收入	1,181,272,083	1,086,720,964
Financial expenses	財務費用		
Including: interest income	其中：利息收入	1,190,997	112,098
interest expenses	利息費用	(8,797,044)	(7,993,324)
Income tax	所得稅費用	(14,774,445)	(7,231,993)
Profit for the year	淨利潤	104,332,483	63,395,860
Other comprehensive income	其他綜合收益	—	—
Total comprehensive income	綜合收益總額	104,332,483	63,395,860
Dividends received from joint venture during the year	本年收到的來自合營企業的股利	15,190,000	—

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

VII. INTERESTS IN OTHER ENTITIES (Cont'd)

3. Interests in joint ventures and associates (Cont'd)

(2) Principal financial information of significant joint venture: (Cont'd)

七、在其他主體中的權益(續)

3、在合營企業或聯營企業中的權益(續)

(2) 重要合營企業的主要財務信息：(續)

Shantou Hi-Tech Zone
Ao Xing Optical Communication
Equipment Co., Ltd
汕頭高新區奧星光通信設備有限公司

	31 December 2017 2017年 12月31日	31 December 2016 2016年 12月31日
--	--	--

Current assets	流動資產	369,380,912	331,795,385
Including: cash and cash equivalents	其中：現金和現金等價物	168,469,158	7,876,327
Non-current assets	非流動資產	51,311,762	52,266,051
Total assets	資產合計	420,692,674	384,061,436
<hr style="border-top: 1px dashed black;"/>			
Current liabilities	流動負債	(183,013,670)	(157,560,249)
Non-current liabilities	非流動負債	(3,500,000)	(3,500,000)
Total liabilities	負債合計	(186,513,670)	(161,060,249)
<hr style="border-top: 1px dashed black;"/>			
Net assets	淨資產	234,179,004	223,001,187
<hr style="border-top: 1px solid black;"/>			
Non-controlling interests	少數股東權益	—	—
Equity interests attributable to the equity shareholders of the Company	歸屬於投資方股東權益	234,179,004	223,001,187
Share of net assets calculated in proportion to shareholding	按持股比例計算的淨資產份額	99,338,733	94,597,104
Less: Unrealized internal transaction gains and losses offset	減：未實現的內部交易損益抵銷	3,777,689	7,648,270
<hr style="border-top: 1px solid black;"/>			
Carrying amount of investment in joint venture	對合營企業投資的賬面價值	95,561,044	86,948,834

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

VII. INTERESTS IN OTHER ENTITIES (Cont'd)

3. Interests in joint ventures and associates (Cont'd)

(2) Principal financial information of significant joint venture: (Cont'd)

		2017	2016
		2017年	2016年
Operating revenue	營業收入	762,738,088	577,384,357
Financial expenses	財務費用		
Including: interest income	其中：利息收入	1,401,299	875,363
interest expenses	利息費用	—	—
Income tax	所得稅費用	(4,025,581)	(3,748,293)
Profit for the year	淨利潤	23,096,280	20,048,958
Other comprehensive income	其他綜合收益	—	—
Total comprehensive income	綜合收益總額	23,096,280	20,048,958
Dividends received from joint venture during the year	本年收到的來自合營企業的股利	5,055,813	5,055,813

七、在其他主體中的權益(續)

3、在合營企業或聯營企業中的權益(續)

(2) 重要合營企業的主要財務信息：(續)

Shantou Hi-Tech Zone
Ao Xing Optical Communication
Equipment Co., Ltd
汕頭高新區奧星光通信設備有限公司

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

VII. INTERESTS IN OTHER ENTITIES (Cont'd)

3. Interests in joint ventures and associates (Cont'd)

(2) Principal financial information of significant joint venture: (Cont'd)

七、在其他主體中的權益(續)

3、在合營企業或聯營企業中的權益(續)

(2) 重要合營企業的主要財務信息：(續)

		Shenzhen SDGI Optical Fibre Co., Ltd. 深圳特發信息光纖有限公司	
		31 December 2017 2017年 12月31日	31 December 2016 2016年 12月31日
Current assets	流動資產	537,585,285	319,425,650
Including: cash and cash equivalents	其中：現金和現金等價物	325,903,714	7,650
Non-current assets	非流動資產	105,284,128	121,259,873
Total assets	資產合計	642,869,413	440,685,523
Current liabilities	流動負債	(168,872,691)	(168,108,551)
Non-current liabilities	非流動負債	(8,360,000)	(5,840,000)
Total liabilities	負債合計	(177,232,691)	(173,948,551)
Net assets	淨資產	465,636,722	266,736,972
Non-controlling interests	少數股東權益	—	—
Equity interests attributable to the equity shareholders of the Company	歸屬於投資方股東權益	465,636,722	266,736,972
Share of net assets calculated in proportion to shareholding	按持股比例計算的淨資產份額	164,649,145	94,318,193
Add: Goodwill arising from investment	加：取得投資時形成的商譽	10,627,090	10,627,090
Less: Unrealized internal transaction gains and losses offset	減：未實現的內部交易損益抵銷	6,585,879	4,341,381
Carrying amount of investment in joint venture	對合營企業投資的賬面價值	168,690,356	100,603,902

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

VII. INTERESTS IN OTHER ENTITIES (Cont'd)

3. Interests in joint ventures and associates (Cont'd)

(2) Principal financial information of significant joint venture: (Cont'd)

		Shenzhen SDGI Optical Fibre Co., Ltd. 深圳特發信息光纖有限公司	
		2017 2017年	2016 2016年
Operating revenue	營業收入	408,457,141	502,494,270
Financial expenses	財務費用		
Including: interest income	其中：利息收入	2,067,571	630,267
interest expenses	利息費用	(1,176,197)	(254,898)
Income tax	所得稅費用	(5,934,261)	(4,763,330)
Profit for the year	淨利潤	30,331,629	30,250,607
Other comprehensive income	其他綜合收益	—	—
Total comprehensive income	綜合收益總額	30,331,629	30,250,607
Dividends received from joint venture during the year	本年收到的來自合營企業的股利	4,372,887	—

七、在其他主體中的權益(續)

3、在合營企業或聯營企業中的權益(續)

(2) 重要合營企業的主要財務信息：(續)

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

VII. INTERESTS IN OTHER ENTITIES (Cont'd)

3. Interests in joint ventures and associates (Cont'd)

(2) Principal financial information of significant joint venture: (Cont'd)

七、在其他主體中的權益(續)

3、在合營企業或聯營企業中的權益(續)

(2) 重要合營企業的主要財務信息：(續)

Shin-Etsu YOFC (Hubei)

Optical Preform Co., Ltd.

長飛信越(湖北)光棒有限公司

31 December 31 December

2017 2016

2017年 2016年

12月31日 12月31日

(Note)

(註)

Current assets	流動資產	203,387,947	75,856,377
Including: cash and cash equivalents	其中：現金和現金等價物	112,327,546	42,827,228
Non-current assets	非流動資產	522,894,259	447,995,968
Total assets	資產合計	726,282,206	523,852,345
Current liabilities	流動負債	(96,540,013)	(29,145,411)
Non-current liabilities	非流動負債	(92,614,357)	(16,200,000)
Total liabilities	負債合計	(189,154,370)	(45,345,411)
Net assets	淨資產	537,127,836	478,506,934
Non-controlling interests	少數股東權益	—	—
Equity interests attributable to the equity shareholders of the Company	歸屬於投資方股東權益	537,127,836	478,506,934
Share of net assets calculated in proportion to shareholding	按持股比例計算的淨資產份額	263,192,640	234,468,398
Others	其他	2,915,832	2,915,832
Carrying amount of investment in joint venture	對合營企業投資的賬面價值	266,108,472	237,384,230

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

VII. INTERESTS IN OTHER ENTITIES (Cont'd)

3. Interests in joint ventures and associates (Cont'd)

(2) Principal financial information of significant joint venture: (Cont'd)

		2017	2016
		2017年度	2016年度
			(Note)
			(註)
Operating revenue	營業收入	315,945,824	—
Financial expenses	財務費用		
Including: interest income	其中：利息收入	314,369	—
interest expenses	利息費用	(4,695,281)	—
Income tax	所得稅費用	(20,953,473)	(1,337,986)
Profit for the year	淨利潤／(淨虧損)	59,190,907	(13,076,987)
Other comprehensive income	其他綜合收益	—	—
Total comprehensive income	綜合收益總額	59,190,907	(13,076,987)
Dividends received from joint venture during the year	本年收到的來自合營企業的股利	—	—

Note: Shin-Etsu YOFC (Hubei) Optical Preform Co., Ltd. was established in August 2015 and the company injected capital in February 2016.

註：長飛信越(湖北)光棒有限公司於2015年8月成立，本公司於2016年2月注資。

七、在其他主體中的權益(續)

3、在合營企業或聯營企業中的權益(續)

(2) 重要合營企業的主要財務信息：(續)

Shin-Etsu YOFC (Hubei)

Optical Preform Co., Ltd.

長飛信越(湖北)光棒有限公司

2017

2016

2017年度

2016年度

(Note)

(註)

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

VII. INTERESTS IN OTHER ENTITIES (Cont'd)

3. Interests in joint ventures and associates (Cont'd)

(3) Combined financial information of insignificant joint ventures and associates are as follows:

		2017	2016
		2017年	2016年
Joint venture:	合營企業：		
Total book value of investment	投資賬面價值合計	128,943,272	120,972,932
Sum of the following calculated according to shareholding proportion	下列各項按持股比例計算的合計數		
– Profit for the year	– 淨利潤	14,722,589	9,197,144
– Other comprehensive income	– 其他綜合收益	–	–
– Total comprehensive income	– 綜合收益總額	14,722,589	9,197,144
Associates:	聯營企業：		
Total book value of investment	投資賬面價值合計	11,534,025	11,087,832
Sum of the following calculated according to shareholding proportion	下列各項按持股比例計算的合計數		
– Profit for the year	– 淨利潤	446,193	820,394
– Other comprehensive income	– 其他綜合收益	–	–
– Total comprehensive income	– 綜合收益總額	446,193	820,394

七、在其他主體中的權益(續)

3、在合營企業或聯營企業中的權益(續)

(3) 不重要合營企業和聯營企業的匯總財務信息如下：

VIII. RISK RELATED TO FINANCIAL INSTRUMENTS

The Group is exposed to the following risks from financial instruments during its ordinary activities:

- Credit risk
- Liquidity risk
- Interest rate risk
- Foreign exchange risk

八、與金融工具相關的風險

本集團在日常活動中面臨各種金融工具的風險，主要包括：

- 信用風險
- 流動性風險
- 利率風險
- 匯率風險

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

VIII. RISK RELATED TO FINANCIAL INSTRUMENTS (Cont'd)

This note presents information about the Group's exposure to each of the above risks and their sources, the Group's objectives, policies and processes for measuring and managing risks, and changes in 2016 and 2017.

The goal of the Group's involvement in risk management is to balance the risk and revenue and minimize the adverse effects on financial results of the Group brought by the financial risks. The Group's risk management policies are established to identify and analyze the risks confronted by the Group, to set appropriate risk limits and control program, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

I. Credit Risk

Credit risk refers to the risk of financial loss incurred to one party of the financial instrument due to the other party's failure of performing its duty. The Group's credit risk is primarily attributable to cash and cash equivalent and trade receivables, etc.. Exposure to these credit risks are monitored by management on an ongoing basis.

As the Group principally puts cash and cash equivalent excluding cash to the financial institutions with good credit standing, the management considers that there is no significant credit risk and the Group will not incur loss from the counterparty's default.

八、與金融工具相關的風險(續)

下文主要論述上述風險敞口及其形成原因以及在三年發生的變化、風險管理目標、政策和程序以及計量風險的方法及其在2016及2017年度發生的變化等。

本集團從事風險管理的目標是在風險和收益之間取得適當的平衡，力求降低金融風險對本集團財務業績的不利影響。基於該風險管理目標，本集團已制定風險管理政策以辨別和分析本集團所面臨的風險，設定適當的風險可接受水平並設計相應的內部控制程序，以監控本集團的風險水平。本集團會定期審閱這些風險管理政策及有關內部控制系統，以適應市場情況或本集團經營活動的改變。

1、信用風險

信用風險，是指金融工具的一方不能履行義務，造成另一方發生財務損失的風險。本集團的信用風險主要來自貨幣資金和應收款項等。管理層會持續監控這些信用風險的敞口。

本集團除現金以外的貨幣資金主要存放於信用良好的金融機構，管理層認為其不存在重大的信用風險，預期不會因為對方違約而給本集團造成損失。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

VIII. RISK RELATED TO FINANCIAL INSTRUMENTS (Cont'd)

I. Credit Risk (Cont'd)

In respect of receivables, the finance and credit control department of the Group has established a credit policy under which individual credit evaluations are performed on all customers to determine the amount and term of credit. The credit assessment is mainly based on the customer's financial position, external ratings and bank credit records (if possible). In order to monitor the Group's credit risk, the Group regularly analyzes the Group's customer data according to factors such as ageing and maturity date. The Group's accounts receivable is mainly due from the customers of China Telecom Corporation, China Mobile Communications Corporation and China United Network Communications Group Co., Ltd. As at 31 December 2016 and 31 December 2017, the balances of the receivable balances of the above three China Telecom network operators accounted for 65% and 56% of the total of accounts receivable. The Group maintains long-term business relationship with these companies and its credit risk is not significant. Under normal circumstances, the Group will not require customers to provide collateral.

The Group's receivables that were past due but were not assessed as impaired after 31 December 2016 and 31 December 2017 were assessed by individual means and portfolios were mainly customers who had maintained long-term business relationship with the Group. The past collections of these customers were in good condition. Its credit risk is not significant.

八、與金融工具相關的風險(續)

1、信用風險(續)

對於應收款項，本集團財務與信用控制部已根據實際情況制定了信用政策，對客戶進行信用評估以確定賒銷額度與信用期限。信用評估主要根據客戶的財務狀況、外部評級及銀行信用記錄(如有可能)。為監控本集團的信用風險，本集團定期按照賬齡、到期日等要素對本集團的客戶資料進行分析。本集團應收賬款主要是應收中國電信集團公司、中國移動通信集團公司和中國聯合網絡通信集團有限公司下屬公司的貨款。於2016年12月31日及2017年12月31日，上述三家中國電信網絡運營商應收款餘額比例佔全部應收賬款的65%及56%。本集團與這些公司維持長期業務關係，其信用風險並不重大。在一般情況下，本集團不會要求客戶提供抵押品。

本集團於2016年12月31日及2017年12月31日已逾期但經個別方式和組合方式評估後均未減值的應收款項主要為與本集團維持長期業務關係的客戶，這些客戶過往回款情況良好，其信用風險並不重大。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

VIII. RISK RELATED TO FINANCIAL INSTRUMENTS (Cont'd)

I. Credit Risk (Cont'd)

The credit risk of the Group is principally impacted by self-characteristics of each customer other than their industries or countries and areas where their businesses operate. Therefore, significant concentration of credit risk is principally attributable to individual customers' significant accounts receivable. As at 31 December 2017, 62% (31 December 2016: 71%) of the total accounts receivable and other receivables was due from the Group's top five buyers. Moreover, The Group's neither overdue nor impaired accounts receivable mainly related to those customers without default records recently.

The Group generally invests only in securities with an active market (other than long-term strategic investments) and the counterparty's credit rating must be higher than or equal to that of the Group.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet. The Group does not provide any other guarantees resulted in credit risk exposure.

八、與金融工具相關的風險(續)

I、信用風險(續)

本集團信用風險主要是受每個客戶自身特性的影響，而不是客戶所在的行業或國家和地區。因此重大信用風險集中的情況主要源自本集團存在對個別客戶的重大應收款項。於2016年12月31日及2017年12月31日，本集團的前五大客戶的應收款佔本集團應收賬款總額的71%及62%；此外，本集團未逾期也未減值的應收款項主要是與近期並無違約記錄的眾多客戶有關。

本集團一般只會投資於有活躍市場的證券(長遠戰略投資除外)，而且交易對方的信用評級須高於或與本集團相同。

本集團所承受的最大信用風險敞口為資產負債表中每項金融資產的賬面金額。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

VIII. RISK RELATED TO FINANCIAL INSTRUMENTS (Cont'd)

2. Liquidity risk

Liquidity refers to the risk of short of funds when an enterprise performs its duty related to financial liabilities. The Group and its subsidiaries are responsible for their own cash management, including short-term investment for surplus cash and the raising of loans to satisfy expected cash demands (if the amount of borrowings exceeds the preset limits, the approval from the board of directors is required). The Group's policy is to regularly monitor its short-term and long-term liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash, readily realizable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

八、與金融工具相關的風險(續)

2、流動性風險

流動性風險，是指企業在履行以交付現金或其他金融資產的方式結算的義務時發生資金短缺的風險。本公司負責自身及子公司的現金管理工作，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(如果借款額超過某些預設授權上限，便需獲得本公司董事會的批准)。本集團的政策是定期監控短期和長期的流動資金需求，以及是否符合借款協議的規定，以確保維持充裕的現金儲備和可供隨時變現的有價證券，同時獲得主要金融機構承諾提供足夠的備用資金，以滿足短期和較長期的流動資金需求。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

VIII. RISK RELATED TO FINANCIAL INSTRUMENTS (Cont'd)

2. Liquidity risk (Cont'd)

As at the balance sheet date, the residual contractual term of the financial assets and liabilities of the Group calculated at the undiscounted contractual cash flow (including at contractual interest (in the case of floating rate, at the prevailing interest as at 31 December) and their earliest date required to be repaid are as follows:

八、與金融工具相關的風險(續)

2、流動性風險(續)

本集團於資產負債表日的金融負債按未折現的合同現金流量(包括按合同利率(如果是浮動利率則按12月31日的現行利率)計算的利息)的剩餘合約期限，以及被要求支付的最早日期如下：

		2017 Undiscounted contractual cash flow					2017年未折現的合同現金流量	
Item	項目	Within 1 year or on demand			Over		Total	Carrying amount on balance sheet date
		1年內或 實時償還	1-2 years 1年至2年	2-5 years 2年至5年	5 years 5年以上	資產負債表日 賬面價值		
Current bank loans	短期借款	500,941,818	—	—	—	500,941,818	495,013,000	
Bills payable	應付票據	293,832,710	—	—	—	293,832,710	293,832,710	
Trade payables and other payables	應付賬款及其他應付款	1,402,742,871	—	—	—	1,402,742,871	1,402,742,871	
Non-current bank loans (including non-current bank loans due within 1 year)	長期借款(含一年內到期的 長期借款)	12,317,333	386,917,072	78,733,707	43,004,548	520,972,660	483,290,000	
Others	其他	33,381,299	—	—	—	33,381,299	33,381,299	
Total	合計	2,243,216,031	386,917,072	78,733,707	43,004,548	2,751,871,358	2,708,259,880	

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

VIII. RISK RELATED TO FINANCIAL INSTRUMENTS (Cont'd)

2. Liquidity risk (Cont'd)

八、與金融工具相關的風險(續)

2、流動性風險(續)

2016 Undiscounted contractual cash flow

2016年未折現的合同現金流量

Item	項目	Within 1 year or on demand				Over 5 years	Total	Carrying amount on balance sheet date 資產負債表日賬面價值
		1 year or on demand	1 – 2 years	2 – 5 years	5 years			
		1年內或實時償還	1年至2年	2年至5年	5年以上	合計		
Current bank loans	短期借款	653,607,690	—	—	—	653,607,690	644,712,505	
Bills payable	應付票據	85,282,636	—	—	—	85,282,636	85,282,636	
Trade payables and other payables	應付賬款及其他應付款	1,135,059,959	—	—	—	1,135,059,959	1,135,059,959	
Non-current bank loans (including non-current bank loans due within 1 year)	長期借款(含一年內到期的長期借款)	265,844,688	622,358,396	246,206,131	43,544,900	1,177,954,115	1,111,736,198	
Others	其他	219,064,075	—	—	—	219,064,075	219,064,075	
Total	合計	2,358,859,048	622,358,396	246,206,131	43,544,900	3,270,968,475	3,195,855,373	

3. Interest Rate Risk

The Group's exposure to fair value interest rate risk and cash flow interest rate risk mainly arise from interest-bearing financial instruments with fixed rate and floating rate. The Group determined the proportion of fixed interest rate and floating interest rate risk based on the market conditions and maintained an appropriate mix of fixed interest rate and floating interest rate through regular review and supervision. The Company did not hedge interest rate risk with derivative financial instruments.

3、利率風險

固定利率和浮動利率的帶息金融工具分別使本集團面臨公允價值利率風險及現金流量利率風險。本集團根據市場環境來決定固定利率與浮動利率工具的比例，並通過定期審閱與監察維持適當的固定和浮動利率工具組合。本集團並未以衍生金融工具對沖利率風險。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

VIII. RISK RELATED TO FINANCIAL INSTRUMENTS (Cont'd)

3. Interest Rate Risk (Cont'd)

(1) The interest-bearing financial instruments held by the Group as at 31 December are as follows:

Fixed interest rate financial instruments:

Item	項目	31 December 2017 2017年12月31日		31 December 2016 2016年12月31日	
		Effective interest rate 實際利率	Amount 金額	Effective interest rate 實際利率	Amount 金額
Financial assets	金融資產				
– Cash and cash equivalent	– 貨幣資金	–	–	3.72%	205,000,000
– Other receivables	– 其他應收款	–	–	2.40%	5,000,000
Financial liabilities	金融負債				
– Current bank loans	– 短期借款	2.75% - 5.00%	(295,013,000)	0.10% - 4.50%	(634,712,505)
– Non-current banks loans (including non-current bank loans due within 1 year)	– 長期借款(含一年內 到期的長期借款)	1.20% - 4.90%	(405,290,000)	1.20% - 4.61%	(590,535,397)
Total	合計		(700,303,000)		(1,015,247,902)

八、與金融工具相關的風險(續)

3、利率風險(續)

(1) 本集團於12月31日持有的計息金融工具如下：

固定利率金融工具：

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

VIII. RISK RELATED TO FINANCIAL INSTRUMENTS (Cont'd)

3. Interest Rate Risk (Cont'd)

(1) The interest-bearing financial instruments held by the Group as at 31 December are as follows: (Cont'd)

Floating interest rate financial instruments:

Item	項目	31 December 2017		31 December 2016	
		2017年12月31日		2016年12月31日	
		Effective interest rate	Amount	Effective interest rate	Amount
		實際利率	金額	實際利率	金額
Financial assets	金融資產				
– Cash and cash equivalent	– 貨幣資金	0.30% - 0.35%	1,798,957,041	0.30% - 0.35%	1,421,817,981
– Other receivables	金融負債				
– Current bank loans	– 短期借款	3.96%	(200,000,000)	3.92%	(10,000,000)
Non-current bank loans (including non-current bank loans due within 1 year)	– 長期借款(含一年內 到期的長期借款)	3.87%	(78,000,000)	1.53% - 4.75%	(521,200,801)
Total	合計		1,520,957,041		890,617,180

八、與金融工具相關的風險(續)

3、利率風險(續)

(1) 本集團於12月31日持有的計息金融工具如下：(續)

浮動利率金融工具：

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

VIII. RISK RELATED TO FINANCIAL INSTRUMENTS (Cont'd)

3. Interest Rate Risk (Cont'd)

(2) Sensitivity analysis

As of 31 December 2016 and 31 December 2017, assuming the other variable remains unchanged, assuming 100 basis points increase in interest rates will result in an increase of RMB7,404,768 and an increase of RMB12,663,079 respectively in the shareholder's equity and profit for the year of the Group.

In respect of the exposure to cash flow interest rate risk arising from floating rate non-derivative instruments held by the Group at the balance sheet date, the impact on the profit for the year and shareholder equity is estimated as an annualised impact on interest expense or income of such a change in interest rates.

4. Foreign Exchange Risk

In respect of accounts receivables and payables denominated in foreign currencies other than the functional currency, the Group ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

- (1) The Group's exposure as at 31 December to currency risk arising from recognised major assets or liabilities denominated in foreign currencies is as follows. For presentation purposes, the amounts of the exposure are shown in Renminbi, translated using the spot rate at the balance sheet date. Foreign currency translation differences are not included.

八、與金融工具相關的風險(續)

3、利率風險(續)

(2) 敏感性分析

截至2016年12月31日及2017年12月31日，在其他變量不變的情況下，假定利率上調100個基點將會導致本集團股東權益及淨利潤分別增加人民幣7,404,768元及增加人民幣12,663,079元。

對於資產負債表日持有的、使本集團面臨現金流量利率風險的浮動利率非衍生工具，上述敏感性分析中的淨利潤及股東權益的影響是上述利率變動對按年度估算的利息費用或收入的影響。

4、匯率風險

對於不是以記帳本位幣計價的貨幣資金、應收賬款和應付賬款、短期借款、長期借款等外幣資產和負債，如果出現短期的失衡情況，本集團會在必要時按市場匯率買賣外幣，以確保將淨風險敞口維持在可接受的水平。

- (1) 本集團於12月31日的各主要外幣資產負債項目匯率風險敞口如下。出於列報考慮，風險敞口金額以人民幣列示，以資產負債表日即期匯率折算。外幣報表折算差額未包括在內。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

VIII. RISK RELATED TO FINANCIAL INSTRUMENTS (Cont'd)

4. Foreign Exchange Risk (Cont'd)

(1) (Cont'd)

八、與金融工具相關的風險(續)

4、匯率風險(續)

(1) (續)

		31 December 2017		31 December 2016	
		2017年12月31日		2016年12月31日	
		The		The	
		Foreign	conversion	Foreign	conversion
		currency	of RMB	currency	of RMB
		balance	balance	balance	balance
			折算		折算
		外幣餘額	人民幣餘額	外幣餘額	人民幣餘額
Cash and cash equivalent	貨幣資金				
– US dollar	– 美元	26,056,955	170,261,355	16,668,275	115,627,824
– Euro	– 歐元	4,313,395	33,654,402	3,212,848	23,475,638
– HK dollar	– 港幣	315,336	263,589	11,081,430	9,912,339
Trade receivables	應收賬款				
– US dollar	– 美元	35,960,519	234,973,223	22,973,530	159,367,378
Current loans	短期借款				
– US dollar	– 美元	(15,000,000)	(98,013,000)	(2,747,608)	(19,060,157)
– Euro	– 歐元	–	–	(13,682,049)	(99,971,996)
Non-current loans	長期借款				
– US dollar	– 美元	–	–	(6,000,000)	(41,622,000)
– Euro	– 歐元	–	–	(65,297,285)	(477,114,202)
– HK dollar	– 港幣	(100,000,000)	(83,590,000)	–	–
Trade payables	應付賬款				
– US dollar	– 美元	(11,382,339)	(74,374,479)	(10,590,879)	(73,468,928)
– Euro	– 歐元	(12,998,059)	(101,414,756)	(19,728,132)	(144,149,515)
– HK dollar	– 港幣	(16,000)	(13,374)	–	–
Net balance sheet exposure	資產負債表敞口淨額				
– US dollar	– 美元	35,635,135	232,847,099	20,303,318	140,844,117
– Euro	– 歐元	(8,684,664)	(67,760,354)	(95,494,618)	(697,760,075)
– HK dollar	– 港幣	(99,700,664)	(83,339,785)	11,081,430	9,912,339

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

VIII. RISK RELATED TO FINANCIAL INSTRUMENTS (Cont'd)

4. Foreign Exchange Risk (Cont'd)

(2) The exchange rates of RMB to foreign currency applicable by the Group are as follows:

		Average rate 平均匯率	
		2017 2017年	2016 2016年
US dollar	美元	6.7423	6.6529
Euro	歐元	7.6579	7.3417
HK dollar	港幣	0.8650	0.8571

		Reporting date mid-spot rate 報告日中間匯率	
		31 December 2017 2017年 12月31日	31 December 2016 2016年 12月31日
US dollar	美元	6.5342	6.9370
Euro	歐元	7.8023	7.3068
HK dollar	港幣	0.8359	0.8945

八、與金融工具相關的風險(續)

4、匯率風險(續)

(2) 本集團適用的人民幣對外幣的匯率分析如下：

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

VIII. RISK RELATED TO FINANCIAL INSTRUMENTS (Cont'd)

4. Foreign Exchange Risk (Cont'd)

(3) Sensitivity analysis

Assuming all other risk variables other than exchange rate remained constant, a 5% appreciation of the RMB against the USD, Euro, HKD and at 31 December would have (decreased)/increased shareholder's equity and profit for the year of the Group and the Company by the amount shown below, whose effect is in RMB and translated using the spot rate at the balance sheet date.

八、與金融工具相關的風險(續)

4、匯率風險(續)

(3) 敏感性分析

假定除匯率以外的其他風險變量不變，於12月31日人民幣對美元、歐元、港幣和其他的匯率變動使人民幣升值5%將導致本集團及本公司股東權益和淨利潤的(減少)/增加情況如下。此影響按資產負債表日即期匯率折算為人民幣列示。

		Shareholders' equity 股東權益	Profit for the year 淨利潤
31 December 2017	2017年12月31日		
US dollar	美元	(9,618,509)	(9,618,509)
Euro	歐元	2,899,315	2,899,315
HK dollar	港幣	3,541,946	3,541,946
Total	合計	(3,177,248)	(3,177,248)
31 December 2016	2016年12月31日		
US dollar	美元	(5,928,667)	(5,928,667)
Euro	歐元	29,655,944	29,655,944
HK dollar	港幣	(421,269)	(421,269)
Total	合計	23,306,008	23,306,008

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

VIII. RISK RELATED TO FINANCIAL INSTRUMENTS (Cont'd)

4. Foreign Exchange Risk (Cont'd)

(3) Sensitivity analysis (Cont'd)

A 5% depreciation of the RMB against the USD, Euro, HKD and others at 31 December would have had the equal but opposite effect on them to the amounts shown above, on the basis that all other variables remain constant.

The above sensitivity analysis has been ascertained assuming that the change in foreign exchange rates had occurred at the balance sheet date and had re-measured the exposure to foreign exchange risk for financial instruments held by the Group or the Company at that date. The above analysis did not include translation difference on foreign currency financial statements.

八、與金融工具相關的風險(續)

4、匯率風險(續)

(3) 敏感性分析(續)

於12月31日，在假定其他變量保持不變的前提下，人民幣對美元、歐元、港幣和其他的匯率變動使人民幣貶值5%將導致本集團及本公司股東權益和淨利潤的變化和上表列示的金額相同但方向相反。

上述敏感性分析是假設資產負債表日匯率發生變動，以變動後的匯率對資產負債表日本集團或本公司持有的、面臨匯率風險的金融工具進行重新計量得出的。上述分析不包括外幣報表折算差異。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

IX. DISCLOSURE OF FAIR VALUE

The following table presents the fair value information and the fair value hierarchy, at the end of the current reporting period, of the Group's assets and liabilities which are measured at fair value at each balance sheet date on a recurring or non-recurring basis. The level in which fair value measurement is categorized is determined by the level of the fair value hierarchy of the lowest level input that is significant to the entire fair value measurement. The levels are defined as follows:

Level 1 inputs: unadjusted quoted prices in active markets that are observable at the measurement date for identical assets or liabilities;

Level 2 inputs: inputs other than Level 1 inputs that are either directly or indirectly observable for underlying

Level 3 inputs: inputs that are unobservable for underlying assets or liabilities.

九、公允價值的披露

下表列示了本集團在每個資產負債表日持續和非持續以公允價值計量的資產和負債於本報告期末的公允價值信息及其公允價值計量的層次。公允價值計量結果所屬層次取決於對公允價值計量整體而言具有重要意義的最低層次的輸入值。三個層次輸入值的定義如下：

第一層次輸入值：在計量日能夠取得的相同資產或負債在活躍市場上未經調整的報價；

第二層次輸入值：除第一層次輸入值外相關資產或負債直接或間接可觀察的輸入值；

第三層次輸入值：相關資產或負債的不可觀察輸入值。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

IX. DISCLOSURE OF FAIR VALUE (Cont'd)

I. Fair value of the Group's financial assets and financial liabilities that are measured at fair value at the end of the year

九、公允價值的披露(續)

1、以公允價值計量的資產和負債的年末公允價值

31 December 2017

2017年12月31日

Items	項目	Notes 附註	Level 1 of	Level 2 of	Level 3 of	Total 合計
			the fair value hierarchy 第一層次 公允價值計量	the fair value hierarchy 第二層次 公允價值計量	the fair value hierarchy 第三層次 公允價值計量	
Continuous fair value measurement	持續的公允價值計量					
Financial assets at fair value through profit or loss	以公允價值計量且其變動計入當期損益的金融資產	V.2 五、2	4,599,225	—	—	4,599,225
Available-for-sale financial assets	可供出售金融資產	V.10 五、10				
Debt instrument investments	債務工具投資		—	—	37,513,923	37,513,923
Equity instrument investments	權益工具投資		96,684,388	—	—	96,684,388
Total assets continuously measured at fair value	持續以公允價值計量的資產總額		101,283,613	—	37,513,923	138,797,536

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

IX. DISCLOSURE OF FAIR VALUE (Cont'd)

I. Fair value of the Group's financial assets and financial liabilities that are measured at fair value at the end of the year (Cont'd)

九、公允價值的披露(續)

1、以公允價值計量的資產和負債的年末公允價值(續)

31 December 2016

2016年12月31日

Items	項目	Notes 附註	Level 1 of	Level 2 of	Level 3 of	Total 合計
			the fair value hierarchy 第一層次 公允價值計量	the fair value hierarchy 第二層次 公允價值計量	the fair value hierarchy 第三層次 公允價值計量	
Continuous fair value measurement	持續的公允價值計量					
Financial assets at fair value through profit or loss	以公允價值計量且其變動計入當期損益的金融資產	V.2 五、2	5,603,139	—	—	5,603,139
Available-for-sale financial assets	可供出售金融資產	V.10 五、10				
Debt instrument investments	債務工具投資		—	—	38,197,931	38,197,931
Equity instrument investments	權益工具投資		114,856,524	—	—	114,856,524
Total assets continuously measured at fair value	持續以公允價值計量的資產總額		120,459,663	—	38,197,931	158,657,594

In 2016 and 2017, there was no transfer between Level 1 and Level 2 of the continuously measured fair value hierarchy. The Group confirmed the transition between levels at the end of the reporting period in which the transition occurred.

2016年度及2017年度，本集團上述持續以公允價值計量的資產的第一層次與第二層次之間沒有發生轉換。本集團是在發生轉換當年的報告期末確認各層次之間的轉換。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

IX. DISCLOSURE OF FAIR VALUE (Cont'd)

2. Basis of market price for cases continuously and non-continuously measured at fair value level I

The fair value of financial instruments traded in an active market is determined based on the market price at the balance sheet date. When a quote can be obtained in real time and periodically from stock exchanges, dealers, brokers, industry insiders, pricing service providers or regulatory agencies, and the quoted price represents actual and regular market trading quotes based on the principle of fair dealing, the market is considered as active market. The market price of financial assets held by the Company is the current bid price. These financial toolbars are shown at the first hierarchy. The instruments listed in the first hierarchy are classified as stocks investments measured at fair value with changes accounted into current gains and losses and equity investments classified as available-for-sale financial assets for Sichuan Huiyuan Optical Communications Co., Ltd.

3. Level 3 of the fair value hierarchy

The fair value of available-for-sale debt instruments is determined using the discounted cash flow method. The significant unobservable inputs for fair value measurements are discount rates (2.95% - 4.30%). Since the maturity period of the Group's available-for-sale debt instruments is less than twelve months, the Board of Directors believes the impact of discounting is not significant. The increase/decrease in the discount rate will have no significant impact on the Group's other comprehensive income as of 31 December 2016 and 31 December 2017.

九、公允價值的披露(續)

2、持續和非持續第一層次公允價值計量項目市價的確定依據

在活躍市場中交易的金融工具的公允價值根據資產負債表日的市場報價確定。當報價可實時和定期從證券交易所、交易商、經紀、業內人士、定價服務者或監管機構獲得，且該報價代表基於公平交易原則進行的實際和常規市場交易報價時，該市場被視為活躍市場。本公司持有的金融資產的市場報價為現行買盤價。此等金融工具欄示在第一層級。列入第一層級的工具系分類為以公允價值計量且其變動計入當期損益的股票投資和分類為可供出售金融資產的對四川匯源光通信股份有限公司的權益性投資。

3、第三層次的公允價值計量

可供出售債務工具的公允價值採用貼現現金流量法釐定。公允價值計量的重大不可觀察輸入值是貼現率(2.95% - 4.30%)。由於本集團的可供出售債務工具到期期限為十二個月以下，董事會認為貼現影響並不重大。貼現率上升/下降對本集團截至2016年12月31日及2017年12月31日的其他綜合收益不會有重大影響。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

IX. DISCLOSURE OF FAIR VALUE (Cont'd)

4. Information on the ongoing level 3 of the fair value hierarchy measurement items, adjustments between book value at the beginning of the year and the end of the year and sensitivity analysis of unobservable parameters

Information on the ongoing level 3 of the fair value hierarchy measurement items and adjustments between book value at the beginning of the year and the end of the year:

九、公允價值的披露(續)

4、持續的第三層次公允價值計量項目，年初與年末賬面價值間的調節信息及不可觀察參數敏感性分析

持續的第三層次公允價值計量項目，年初與年末賬面價值間的調節信息：

Items	項目	2017 2017年	2016 2016年
Balance at the beginning of the year	年初餘額	38,197,931	5,000,000
Total profits of the year	本年利得總額		
Gains or losses included in profit or loss	計入損益的利得或損失		
– Investment income	– 投資收益	1,477,948	863,203
Gains or losses included in other comprehensive income	計入其他綜合收益的利得或損失		
– Gains and losses from changes in fair value of available-for-sale financial assets	– 可供出售金融資產公允價值變動損益	315,992	197,931
Purchase, sale and settlement	購買、出售和結算		
– Purchase	– 購買	341,300,000	298,100,000
– Sale	– 出售	(342,300,000)	(265,100,000)
– Settlement	– 結算	(1,477,948)	(863,203)
Balance at the end of the year	年末餘額	37,513,923	38,197,931

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

IX. DISCLOSURE OF FAIR VALUE (Cont'd)

5. Changes of valuation techniques and the reason of changed in the year of 2016 and 2017

The above continuous and non-continuous valuation techniques used to measure fair value by the Group for the year of 2016 and 2017 has not been changed

6. Fair value of financial assets and financial liabilities that are not measured at fair value

There is no material difference between the Group's book values and fair values of various financial assets and financial liabilities on 31 December 2016 and 31 December 2017.

X. RELATED PARTIES AND TRANSACTIONS

I. Subsidiaries of the Company

Details of the subsidiaries of the Company are set out in Note VII.1.

九、公允價值的披露(續)

5、2016年度及2017年度內發生的估值技術變更及變更原因

2016年度及2017年度，本集團上述持續和非持續公允價值計量所使用的估值技術並未發生變更。

6、不以公允價值計量的金融資產和金融負債的公允價值情況

本集團於2016年12月31日及2017年12月31日各項金融資產和金融負債的賬面價值與公允價值之間無重大差異。

十、關聯方及關聯交易

1、本公司的子公司情況

本集團子公司的情況詳見附註七、1。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

IX. DISCLOSURE OF FAIR VALUE (Cont'd)

2. Principal joint ventures and associates of the Group

Details of the principal joint ventures and associates of the Group are set out in Note VII.3.

The situation of the other joint ventures or associates that have related party transactions with the Group in 2016 and 2017 is as follows:

十、關聯方及關聯交易(續)

2、本公司的合營和聯營企業情況

本集團重要的合營或聯營企業詳見附註七、3。

在2016年度及2017年度與本集團發生關聯方交易的其他合營或聯營企業情況如下：

Unit names 單位名稱	Relationship with the Company 與本企業關係
Yangtze Optical Fibre and Cable Sichuan Company Ltd. 長飛光纖光纜四川有限公司	Joint venture of the Group 本集團的合營企業
Wuhan Guangyuan Electronic Technology Co., Ltd. 武漢光源電子科技有限公司	Joint venture of the Group 本集團的合營企業
Yangtze (Wuhan) Optical System Co., Ltd. 長飛(武漢)光系統股份有限公司	Joint venture of the Group 本集團的合營企業
Tianjin YOFC XMJ Optical Cable Co., Ltd. 天津長飛鑫茂光纜有限公司	Joint venture of the Group 本集團的合營企業
YOFC-Yadanarbon Fibre Company Limited YOFC-Yadanarbon Fibre Company Limited	Joint venture of the Group 本集團的合營企業
Shin-Etsu YOFC (Hubei) Optical Preform Co., Ltd. 長飛信越(湖北)光棒有限公司	Joint venture of the Group 本集團的合營企業
Wuhan Puli Polymerization Technology Co., Ltd. 武漢普利聚合技術有限公司	Joint venture of the Group 本集團的合營企業
Wuhan Yunjingfei Optical Fibre Materials Co., Ltd. 武漢雲晶飛光纖材料有限公司	Associate of the Group 本集團的聯營企業

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

IX. DISCLOSURE OF FAIR VALUE (Cont'd)

3. Others related parties

Names of others related parties

其他關聯方名稱

China Huaxin Post and Telecom Technologies Co., Ltd.

中國華信郵電科技有限公司

Draka Comteq B.V.

Draka Comteq B.V.

Wuhan Yangtze Communications Industry Group Co., Ltd.

武漢長江通信產業集團股份有限公司

Wuhan z-Bond Technology Co., Ltd (Formerly known as "Wuhan NEC Fibre Optic Communications Industry Co., Ltd.")

武漢眾邦領創技術有限公司(原名「武漢日電光通信工業有限公司」)

Wuhan Yangtze Optical Technology Co., Ltd.

武漢長光科技有限公司

NK China Investments B.V.

NK China Investments B.V.

Draka Comteq France S.A.S.

Draka Comteq France S.A.S.

Draka Comteq Fibre B.V.

Draka Comteq Fibre B.V.

Singapore Cables Manufacturers Pte Ltd.

Singapore Cables Manufacturers Pte Ltd.

Prysmian Draka Brasil S.A.

Prysmian Draka Brasil S.A.

Prysmian Fibras Oticas Brasil Ltda

Prysmian Fibras Oticas Brasil Ltda

十、關聯方及關聯交易(續)

3、其他關聯方情況

Relationship with the related parties

關聯關係

Substantial shareholder

主要股東

Substantial shareholder

主要股東

Substantial shareholder

主要股東

Subsidiary of substantial shareholder

主要股東子公司

Subsidiary of substantial shareholder

主要股東子公司

Fellow subsidiary of substantial shareholder

主要股東的同系子公司

Fellow subsidiary of substantial shareholder

主要股東的同系子公司

Fellow subsidiary of substantial shareholder

主要股東的同系子公司

Fellow subsidiary of substantial shareholder

主要股東的同系子公司

Fellow subsidiary of substantial shareholder

主要股東的同系子公司

Fellow subsidiary of substantial shareholder

主要股東的同系子公司

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

IX. DISCLOSURE OF FAIR VALUE (Cont'd)

3. Others related parties (Cont'd)

Names of others related parties

其他關聯方名稱

Prysmian Cavi E Sistemi S.r.l
 Prysmian Cavi E Sistemi S.r.l
 Prysmian Wuxi Cable Co., Ltd
 無錫普睿司曼電纜有限公司
 PT Prysmian Cables Indonesia
 PT Prysmian Cables Indonesia
 Suzhou Draka Cable Co., Ltd
 蘇州特雷卡電纜有限公司
 Nokia Shangha Bell Co., Ltd (Formerly known as "Alcatel-Lucent
 Shanghai Bell Co., Ltd.")
 上海諾基亞貝爾股份有限公司(原名「上海貝爾股份有限公司」)
 Hubei Kaile Quantum Electro-optical Science and
 Technology Company Limited
 湖北凱樂量子通信光電科技有限公司
 Wuhan Ruitu Management Consulting Partnership Enterprise
 武漢睿圖管理諮詢合夥企業
 Wuhan Ruiteng Management Consulting Partnership Enterprise
 武漢睿騰管理諮詢合夥企業
 Wuhan Ruihong Management Consulting Partnership Enterprise
 武漢睿鴻管理諮詢合夥企業
 Wuhan Ruiyue Management Consulting Partnership Enterprise
 武漢睿越管理諮詢合夥企業

十、關聯方及關聯交易(續)

3、其他關聯方情況(續)

Relationship with the related parties

關聯關係

Fellow subsidiary of substantial shareholder
 主要股東的同系子公司
 Fellow subsidiary of substantial shareholder
 主要股東的同系子公司
 Fellow subsidiary of substantial shareholder
 主要股東的同系子公司
 Fellow subsidiary of substantial shareholder
 主要股東的同系子公司
 Enterprise that director of the Company serve
 as its director
 本公司董事擔任董事的企業
 Enterprise that controlled by the enterprise
 that supervisor of the Company serve as
 its independent director
 本公司監事擔任獨立董事的企業控制的企業
 Shareholder
 股東
 Shareholder
 股東
 Shareholder
 股東
 Shareholder
 股東

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

IX. DISCLOSURE OF FAIR VALUE (Cont'd)

4. Related transactions

The following transactions with related parties are conducted on normal commercial terms or in accordance with relevant agreements.

(1) Purchasing goods/accepting services (excluding the emoluments of the key managements)

The Group

Related parties	Description of related transactions	2017	2016
關聯方	關聯交易內容	2017年度	2016年度
Tianjin YOFC XMKJ Optical Communications Co., Ltd. 天津長飛鑫茂光通信有限公司	Purchasing goods 採購商品	1,118,179,182	1,028,563,880
Yangtze Optical Fibre and Cable Sichuan Company Ltd. 長飛光纖光纜四川有限公司	Purchasing goods 採購商品	888,613,822	556,211,960
Tianjin YOFC XMKJ Optical Cable Co., Ltd. 天津長飛鑫茂光纜有限公司	Purchasing goods 採購商品	406,820,699	324,759,639
Yangtze Optical Fire and Cable (Shanghai) Co., Ltd. 長飛光纖光纜(上海)有限公司	Purchasing goods 採購商品	356,819,999	244,339,448
Shin-Etsu YOFC (Hubei) Optical Preform Co., Ltd. 長飛信越(湖北)光棒有限公司	Purchasing goods 採購商品	315,035,188	—
Shantou Hi-Tech Zone Ao Xing Optical Communication Equipment Co., Ltd 汕頭高新區奧星光通信設備有限公司	Purchasing goods 採購商品	282,603,107	248,946,399
Yangtze Zhongli Optical Fibre and Cable (Jiangsu) Co., Ltd. 江蘇長飛中利光纖光纜有限公司	Purchasing goods 採購商品	277,148,012	206,359,467
Draka Comteq France S.A.S. Draka Comteq France S.A.S.	Purchasing goods 採購商品	27,978,958	35,895,329
Draka Comteq Fibre B.V. Draka Comteq Fibre B.V.	Purchasing goods 採購商品	33,898,130	57,349,664
Wuhan Yunjingfei Optical Fibre Materials Co., Ltd. 武漢雲晶飛光纖材料有限公司	Purchasing goods 採購商品	29,908,207	27,933,286
Wuhan Guangyuan Electronic Technology Co., Ltd. 武漢光源電子科技有限公司	Purchasing goods 採購商品	17,155,413	10,026,498
Wuhan Puli Polymerization Technology Co., Ltd 武漢普利聚合技術有限公司	Purchasing goods 採購商品	296,034	—

十、關聯方及關聯交易(續)

4、關聯交易情況

下列與關聯方進行的交易是按一般正常商業條款或按相關協議進行。

(1) 採購商品/接受勞務(不含關鍵管理人員薪酬)

本集團

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

IX. DISCLOSURE OF FAIR VALUE (Cont'd)

4. Related transactions (Cont'd)

(1) Purchasing goods/accepting services (excluding the emoluments of the key managements) (Cont'd)

The Group (Cont'd)

Related parties 關聯方	Description of related transactions 關聯交易內容	2017 2017年度	2016 2016年度
Yangtze (Wuhan) Optical System Corporation Ltd. 長飛(武漢)光系統股份有限公司	Purchasing goods 採購商品	148,971	14,765
Shenzhen SDGI Optical Fibre Co., Ltd. 深圳特發信息光纖有限公司	Purchasing goods 採購商品	—	10,039,795
Prismian Fibras Oticas Brasil Ltda Prismian Fibras Oticas Brasil Ltda	Purchasing goods 採購商品	—	5,178,504
Prismian Wuxi Cable Co., Ltd 無錫普睿司曼電纜有限公司	Purchasing goods 採購商品	159,838	—
Wuhan Yangtze Optical Technology Co., Ltd. 武漢長光科技有限公司	Purchasing goods 採購商品	198,171	—
Prismian Cavi E Sistemi S.r.l Prismian Cavi E Sistemi S.r.l	Purchasing goods 採購商品	32,529	—
Draka Comteq Fibre B.V. Draka Comteq Fibre B.V.	Technology usage fee 技術使用費	40,618,459	33,774,639
		3,795,614,719	2,789,393,273

十、關聯方及關聯交易(續)

4、關聯交易情況(續)

(1) 採購商品/接受勞務(不含關鍵管理人員薪酬) (續)

本集團(續)

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

X. RELATED PARTIES AND TRANSACTIONS (Cont'd)

4. Related transactions (Cont'd)

(1) Purchasing goods/accepting services (excluding the emoluments of the key managements) (Cont'd)

The Company

Related parties 關聯方	Description of related transactions 關聯交易內容	2017 2017年度	2016 2016年度
Yangtze Optic Fibre (Qianjiang) Co., Ltd. 長飛光纖潛江有限公司	Purchasing goods 採購商品	1,126,550,216	28,812,060
Tianjin YOFC XMKJ Optical Communications Co., Ltd. 天津長飛鑫茂光通信有限公司	Purchasing goods 採購商品	1,118,179,182	1,028,563,880
Yangtze Optical Fibre and Cable Sichuan Company Ltd. 長飛光纖光纜四川有限公司	Purchasing goods 採購商品	885,082,898	556,211,960
Yangtze Optical Fibre and Cable Company (Hong Kong) Limited 長飛光纖光纜(香港)有限公司	Purchasing goods 採購商品	326,151,071	703,967,195
Tianjin YOFC XMKJ Optical Cable Co., Ltd. 天津長飛鑫茂光纜有限公司	Purchasing goods 採購商品	406,820,699	324,759,639
Yangtze Optical Fibre and Cable Lanzhou Co., Ltd. 長飛光纖光纜蘭州有限公司	Purchasing goods 採購商品	362,706,662	100,076,477
Yangtze Optical Fibre and Cable (Shanghai) Co., Ltd. 長飛光纖光纜(上海)有限公司	Purchasing goods 採購商品	356,153,059	243,090,088
Shantou Hi-Tech Zone Ao Xing Optical Communication Equipment Co., Ltd. 汕頭高新區奧星光通信設備有限公司	Purchasing goods 採購商品	282,550,940	248,911,365
Shin-Etsu YOFC (Hubei) Optical Preform Co., Ltd. 長飛信越(湖北)光棒有限公司	Purchasing goods 採購商品	315,035,188	—
Yangtze Optical Fibre and Cable Shenyang Co., Ltd. 長飛光纖光纜瀋陽有限公司	Purchasing goods 採購商品	252,211,384	121,459,958
Yangtze Zhongli Optical Fibre and Cable (Jiangsu) Co., Ltd. 江蘇長飛中利光纖光纜有限公司	Purchasing goods 採購商品	277,148,012	206,359,467
Wuhan YOFC Cable Co., Ltd. 武漢長飛通用電纜有限公司	Purchasing goods 採購商品	184,311,771	69,609,965

十、關聯方及關聯交易(續)

4、關聯交易情況(續)

(1) 採購商品/接受勞務(不含關鍵管理人員薪酬) (續)

本公司

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

X. RELATED PARTIES AND TRANSACTIONS (Cont'd)

4. Related transactions (Cont'd)

(1) Purchasing goods/accepting services (excluding the emoluments of the key managements) (Cont'd)

The Company (Cont'd)

Related parties 關聯方	Description of related transactions 關聯交易內容	2017 2017年度	2016 2016年度
Ally First Optical Fiber and Cable Co., Ltd 浙江聯飛光纖光纜有限公司	Purchasing goods 採購商品	131,792,068	—
Shenzhen YOFC Connectivity Technologies Co., Ltd. 深圳長飛智連技術有限公司	Purchasing goods 採購商品	97,687,501	86,513,630
Draka Comteq France S.A.S. Draka Comteq France S.A.S.	Purchasing goods 採購商品	27,978,958	33,548,304
PT yangzte optical fibre Indonesia PT yangzte optical fibre Indonesia	Purchasing goods 採購商品	53,003,280	—
Draka Comteq Fibre B.V. Draka Comteq Fibre B.V.	Purchasing goods 採購商品	14,271,192	40,928,349
Wuhan Yunjingfei Optical Fibre Materials Co., Ltd. 武漢雲晶飛光纖材料有限公司	Purchasing goods 採購商品	23,671,063	27,933,286
Wuhan Guangyuan Electronic Technology Co., Ltd. 武漢光源電子科技有限公司	Purchasing goods 採購商品	10,594,180	10,026,498
Yangtze Optics Africa Cable Proprietary Limited Yangtze Optics Africa Cable Proprietary Limited	Purchasing goods 採購商品	4,359,575	—
Everpro Technologies Company Limited 長芯盛(武漢)科技有限公司	Purchasing goods 採購商品	456,763	196,257
Yangtze (Wuhan) Optical System Co., Ltd. 長飛(武漢)光系統股份有限公司	Purchasing goods 採購商品	134,171	14,765
Wuhan E3cloud information Technologies Co., Ltd. 中標易雲信息技術有限公司	Purchasing goods 採購商品	84,684	—

十、關聯方及關聯交易(續)

4、關聯交易情況(續)

(1) 採購商品/接受勞務(不含關鍵管理人員薪酬) (續)

本公司(續)

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

X. RELATED PARTIES AND TRANSACTIONS (Cont'd)

4. Related transactions (Cont'd)

(1) Purchasing goods/accepting services (excluding the emoluments of the key managements) (Cont'd)

The Company (Cont'd)

Related parties 關聯方	Description of related transactions 關聯交易內容	2017 2017年度	2016 2016年度
Shenzhen SDGI Optical Fibre Co., Ltd. 深圳特發信息光纖有限公司	Purchasing goods 採購商品	—	10,039,795
Prysmian Fibras Oticas Brasil Ltda Prysmian Fibras Oticas Brasil Ltda	Purchasing goods 採購商品	—	5,178,504
Prymian Wuxi Cable Co., Ltd. 無錫普睿司曼電纜有限公司	Purchasing goods 採購商品	159,838	—
Wuhan Yangtze Optical Technology Co., Ltd. 武漢長光科技有限公司	Purchasing goods 採購商品	198,171	—
Prysmian Cavi E Sistemi S.r.l Prysmian Cavi E Sistemi S.r.l	Purchasing goods 採購商品	32,529	—
Draka Comteq Fibre B.V. Draka Comteq Fibre B.V.	Technology license fee 技術使用費	40,618,459	33,774,639
		6,297,943,514	3,879,976,081

十、關聯方及關聯交易(續)

4、關聯交易情況(續)

(1) 採購商品/接受勞務(不含關鍵管理人員薪酬)
(續)

本公司(續)

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

X. RELATED PARTIES AND TRANSACTIONS (Cont'd)

4. Related transactions (Cont'd)

(2) Selling goods/providing services

The Group

Related parties 關聯方	Description of related transactions 關聯交易內容	2017 2017年度	2016 2016年度
Tianjin YOFC XMJ Optical Communications Co., Ltd. 天津長飛鑫茂光通信有限公司	Selling goods 出售商品	831,488,829	773,368,242
Yangtze Optical Fibre and Cable Sichuan Company Ltd. 長飛光纖光纜四川有限公司	Selling goods 出售商品	519,126,242	332,632,319
Yangtze Zhongli Optical Fibre and Cable (Jiangsu) Co., Ltd. 江蘇長飛中利光纖光纜有限公司	Selling goods 出售商品	450,442,498	358,978,061
Shantou Hi-Tech Zone Ao Xing Optical Communication Equipment Co., Ltd 汕頭高新區奧星光通信設備有限公司	Selling goods 出售商品	380,117,222	316,541,332
YOFC Shanghai Co., Ltd. 長飛光纖光纜(上海)有限公司	Selling goods 出售商品	380,600,338	247,092,924
Shenzhen SDGI Optical Fibre Co., Ltd. 深圳特發信息光纖有限公司	Selling goods 出售商品	202,180,740	279,248,311
Tianjin YOFC XMJ Optical Cable Co., Ltd. 天津長飛鑫茂光纜有限公司	Selling goods 出售商品	253,731,167	178,390,318
Hubei Kaile Quantum Electro-optical science and Technology Company Limited 湖北凱樂量子通信光電科技有限公司	Selling goods 出售商品	208,101,739	—
Singapore Cables Manufacturers Pte Ltd. Singapore Cables Manufacturers Pte Ltd.	Selling goods 出售商品	64,629,496	27,708,729
Prysmian Wuxi Cable Co., Ltd. 無錫普睿司曼電纜有限公司	Selling goods 出售商品	17,981,046	24,923,351
Shin-Etsu YOFC (Hubei) Optical Preform Co., Ltd. 長飛信越(湖北)光棒有限公司	Selling goods 出售商品	15,451,081	—
Yangtze (Wuhan) Optical System Corporation 長飛(武漢)光系統股份有限公司	Selling goods 出售商品	13,270,201	16,343,289

十、關聯方及關聯交易(續)

4、關聯交易情況(續)

(2) 出售商品/提供勞務

本集團

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

X. RELATED PARTIES AND TRANSACTIONS (Cont'd)

4. Related transactions (Cont'd)

(2) Selling goods/providing services (Cont'd)

The Group (Cont'd)

Related parties 關聯方	Description of related transactions 關聯交易內容	2017 2017年度	2016 2016年度
PT Prysmian Cables Indonesia	Selling goods	8,905,348	—
PT Prysmian Cables Indonesia	出售商品		
Suzhou Draka Cable Co., Ltd.	Selling goods	12,650	—
蘇州特雷卡電纜有限公司	出售商品		
YOFC-Yadanarbon Fibre Company Limited	Selling goods	—	18,341,815
YOFC-Yadanarbon Fibre Company Limited	出售商品		
Wuhan Puli Polymerization Technology Co., Ltd.	Selling goods	1,956,253	—
武漢普利聚合技術有限公司	出售商品		
Nokia Shanghai Bell Co., Ltd.	Selling goods	—	471,282
上海諾基亞貝爾股份有限公司	出售商品		
China Huaxin Post and Telecom Technologies Co., Ltd.	Selling goods	—	147,829
中國華信郵電科技有限公司	出售商品		
Tianjin YOFC XMKJ Optical Communications Co., Ltd.	Revenue of technology license fees and services	4,400,001	4,400,000
天津長飛鑫茂光通信有限公司	技術使用和服務收入		
Hubei Kaile Quantum Electro-optical Science and Technology Copmany Limited	Revenue of technology license fees and services	4,286,716	—
湖北凱樂量子通信光電科技有限公司	技術使用和服務收入		
Tianjin YOFC XMKJ Optical Cable Co., Ltd.	Revenue of technology license fees and services	1,500,000	1,500,000
天津長飛鑫茂光纜有限公司	技術使用和服務收入		
		3,358,181,567	2,580,087,802

十、關聯方及關聯交易(續)

4、關聯交易情況(續)

(2) 出售商品／提供勞務

(續)

本集團(續)

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

X. RELATED PARTIES AND TRANSACTIONS (Cont'd)

4. Related transactions (Cont'd)

(2) Selling goods/providing services (Cont'd)

The Company

Related parties 關聯方	Description of related transactions 關聯交易內容	2017 2017年度	2016 2016年度
Tianjin YOFC XMJ Optical Communication Co., Ltd. 天津長飛鑫茂光通信有限公司	Selling goods 出售商品	830,825,795	763,313,270
Yangtze Optical Fibre (Qianjiang) Co., Ltd. 長飛光纖潛江有限公司	Selling goods 出售商品	764,398,141	84,161,239
Yangtze Optical Fibre and Cable Sichuan Company Ltd. 長飛光纖光纜四川有限公司	Selling goods 出售商品	517,012,095	334,099,743
Yangtze Zhongli Optical Fibre and Cable (Jiangsu) Co., Ltd. 江蘇長飛中利光纖光纜有限公司	Selling goods 出售商品	450,092,197	367,986,844
Yangtze Optical Fibre and Cable (Shanghai) Co., Ltd. 長飛光纖光纜(上海)有限公司	Selling goods 出售商品	379,264,873	252,826,204
Shantou Hi-Tech Zone Ao Xing Optical Communication Equipment Co., Ltd 汕頭高新區奧星光通信設備有限公司	Selling goods 出售商品	380,117,222	317,657,829
Ally First Optical Fibre and Cable Co., Ltd 浙江聯飛光纖光纜有限公司	Selling goods 出售商品	188,661,950	200,000
Shenzhen SDGI Optical Fibre Co., Ltd. 深圳特發信息光纖有限公司	Selling goods 出售商品	202,180,740	284,074,048
Tianjin YOFC XMJ Optical Cable Co., Ltd. 天津長飛鑫茂光纜有限公司	Selling goods 出售商品	253,731,167	178,390,318
Yangtze Optical Fibre and Cable Lanzhou Co., Ltd. 長飛光纖光纜蘭州有限公司	Selling goods 出售商品	214,710,023	57,877,161
Yangtze Optical Fibre and Cable Shenyang Co., Ltd. 長飛光纖光纜瀋陽有限公司	Selling goods 出售商品	159,040,363	65,354,697
Hubei Kaile Quantum Electro-optical Science and Technology Company Limited 湖北凱樂量子通信光電科技有限公司	Selling goods 出售商品	208,101,739	—
Shenzhen YOFC Connectivity Technologies Co., Ltd. 深圳長飛智連技術有限公司	Selling goods 出售商品	67,165,096	40,603,609
Singapore Cables Manufacturers Pte Ltd. Singapore Cables Manufacturers Pte Ltd.	Selling goods 出售商品	64,250,456	27,708,729

十、關聯方及關聯交易(續)

4、關聯交易情況(續)

(2) 出售商品／提供勞務

(續)

本公司

Description of
related transactions
2017
2017年度
2016
2016年度

830,825,795 763,313,270
764,398,141 84,161,239
517,012,095 334,099,743
450,092,197 367,986,844
379,264,873 252,826,204
380,117,222 317,657,829
188,661,950 200,000
202,180,740 284,074,048
253,731,167 178,390,318
214,710,023 57,877,161
159,040,363 65,354,697
208,101,739 —
67,165,096 40,603,609
64,250,456 27,708,729

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

X. RELATED PARTIES AND TRANSACTIONS (Cont'd)

4. Related transactions (Cont'd)

(2) Selling goods/providing services (Cont'd)

The Company (Cont'd)

Related parties 關聯方	Description of related transactions 關聯交易內容	2017 2017年度	2016 2016年度
Yangtze Optics Africa Cable Proprietary Limited	Selling goods 出售商品	21,534,547	648,529
Yangtze Optics Africa Cable Proprietary Limited	出售商品		
Prysmian Wuxi Cable Co., Ltd. 無錫普睿司曼電纜有限公司	Selling goods 出售商品	17,981,046	24,923,351
Shin-Etsu YOFC (Hubei) Optical Preform Co., Ltd. 長飛信越(湖北)光棒有限公司	Selling goods 出售商品	15,451,081	—
PT.Yangtze Optical Fibre Indonesia PT.Yangtze Optical Fibre Indonesia	Selling goods 出售商品	11,170,036	62,407,570
Yangtze (Wuhan) Optical System Corporation 長飛(武漢)光系統股份有限公司	Selling goods 出售商品	13,270,201	16,017,075
Everpro Technologies Company Limited 長芯盛(武漢)科技有限公司	Selling goods 出售商品	7,006,542	11,877,059
PT Prysmian Cables Indonesia PT Prysmian Cables Indonesia	Selling goods 出售商品	8,905,348	—
Yangtze Optics Africa Holdings Proprietary Limited Yangtze Optics Africa Holdings Proprietary Limited	Selling goods 出售商品	—	6,132,487
YOFC-Yadanarbon Fibre Company Limited YOFC-Yadanarbon Fibre Company Limited	Selling goods 出售商品	—	18,341,815
Yangtze Optical Fibre and Cable Company (Hong Kong) Limited 長飛光纖光纜(香港)有限公司	Selling goods 出售商品	2,468,927	6,414,269
YOFC International (Thailand) Company Limited YOFC International (Thailand) Company Limited	Selling goods 出售商品	2,067,835	—
Wuhan Puli Polymerization Technology Co., Ltd. 武漢普利聚合技術有限公司	Selling goods 出售商品	1,956,253	—
PT Yangtze Optics Indonesia PT Yangtze Optics Indonesia	Selling goods 出售商品	1,186,841	—

十、關聯方及關聯交易(續)

4、關聯交易情況(續)

(2) 出售商品／提供勞務

(續)

本公司(續)

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

X. RELATED PARTIES AND TRANSACTIONS (Cont'd)

4. Related transactions (Cont'd)

(2) Selling goods/providing services (Cont'd)

The Company (Cont'd)

Related parties 關聯方	Description of related transactions 關聯交易內容	2017 2017年度	2016 2016年度
Nokia Shanghai Bell Co., Ltd. 上海諾基亞貝爾股份有限公司	Selling goods 出售商品	—	471,282
Hubei Flying Optical Fibre Material Co., Ltd. 湖北飛菱光纖材料有限公司	Selling goods 出售商品	186,370	—
China Huaxin Post and Telecom Technologies Co., Ltd. 中國華信郵電科技有限公司	Selling goods 出售商品	—	147,829
Wuhan Z-bond Technology Co., Ltd. 武漢眾邦領創技術有限公司	Selling goods 出售商品	—	—
Tianjin YOFC XMJ Optical Communication Co., Ltd. 天津長飛鑫茂光通信有限公司	Revenue of technology usage and service 技術使用和服務收入	4,400,001	4,400,000
Hubei Kaile Quantum Electro-optical Science and Technology Company Limited 湖北凱樂量子通信光電科技有限公司	Revenue of technology usage and service 技術使用和服務收入	4,286,716	—
Tianjin YOFC XMJ Optical Cable Co., Ltd. 天津長飛鑫茂光纜有限公司	Revenue of technology usage and service 技術使用和服務收入	1,500,000	1,500,000
Yangtze Optics Africa Cable Proprietary Limited Yangtze Optics Africa Cable Proprietary Limited	Revenue of technology usage and service 技術使用和服務收入	1,292,076	—
Ally First Optical Fibre and Cable Co., Ltd 浙江聯飛光纖光纜有限公司	Revenue of technology usage and service 技術使用和服務收入	754,800	—
		4,794,970,477	2,927,534,957

十、關聯方及關聯交易(續)

4、關聯交易情況(續)

(2) 出售商品／提供勞務

(續)

本公司(續)

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

X. RELATED PARTIES AND TRANSACTIONS (Cont'd)

4. Related transactions (Cont'd)

(3) Related party lease

(a) As lessor:

The Group

Name of leasee	Types of lease assets	Rental income	Rental income
		confirmed in 2017	confirmed in 2016
		2017年度	2016年度
承租方名稱	租賃資產種類	確認的租賃收入	確認的租賃收入
Wuhan Yunjingfei Optical Fibre Material Co., Ltd. 武漢雲晶飛光纖材料有限公司	Plant & buildings 廠房建築	432,000	432,000
Yangtze (Wuhan) Optical System Corporation 長飛(武漢)光系統股份有限公司	Plant & buildings 廠房建築	667,568	367,560
Wuhan Ruitu Management Consulting Partnership Enterprise 武漢睿圖管理諮詢合夥企業	Plant & buildings 廠房建築	5,000	2,200
Wuhan Ruiteng Management Consulting Partnership Enterprise 武漢睿騰管理諮詢合夥企業	Plant & buildings 廠房建築	5,000	2,200
Wuhan Ruihong Management Consulting Partnership Enterprise 武漢睿鴻管理諮詢合夥企業	Plant & buildings 廠房建築	5,000	2,200
Wuhan Ruiyue Management Consulting Partnership Enterprise 武漢睿越管理諮詢合夥企業	Plant & buildings 廠房建築	5,000	2,200
Tianjin YOFC XMJ Optical Communication Co., Ltd. 天津長飛鑫茂光通信有限公司	Equipment 機器設備	3,418,803	2,393,162
Total	合計	4,538,371	3,201,522

十、關聯方及關聯交易(續)

4、關聯交易情況(續)

(3) 關聯租賃

(a) 出租：

本集團

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

X. RELATED PARTIES AND TRANSACTIONS (Cont'd)

4. Related transactions (Cont'd)

(3) Related party lease (Cont'd)

(a) As lessor: (Cont'd)

The Company

Name of leasee	Types of lease assets	Rental income	Rental income
		confirmed in 2017	confirmed in 2016
		2017年度	2016年度
承租方名稱	租賃資產種類	確認的租賃收入	確認的租賃收入
Wuhan Yunjingfei Optical Fibre Material Co., Ltd. 武漢雲晶飛光纖材料有限公司	Plant & buildings 廠房建築	432,000	432,000
Yangtze (Wuhan) Optical System Corporation 長飛(武漢)光系統股份有限公司	Plant & buildings 廠房建築	667,568	367,560
Wuhan Ruitu Management Consulting Partnership Enterprise 武漢睿圖管理諮詢合夥企業	Plant & buildings 廠房建築	5,000	2,200
Wuhan Ruiteng Management Consulting Partnership Enterprise 武漢睿騰管理諮詢合夥企業	Plant & buildings 廠房建築	5,000	2,200
Wuhan Ruihong Management Consulting Partnership Enterprise 武漢睿鴻管理諮詢合夥企業	Plant & buildings 廠房建築	5,000	2,200
Wuhan Ruiyue Management Consulting Partnership Enterprise 武漢睿越管理諮詢合夥企業	Plant & buildings 廠房建築	5,000	2,200
Everpro Technologies Company Limited 長芯盛(武漢)科技有限公司	Plant & buildings 廠房建築	2,073,514	500,000
Tianjin YOFC XMKJ Optical Communication Co., Ltd. 天津長飛鑫茂光通信有限公司	Equipments 機器設備	3,418,803	2,393,162
Total	合計	6,611,885	3,701,522

十、關聯方及關聯交易(續)

4、關聯交易情況(續)

(3) 關聯租賃(續)

(a) 出租:(續)

本公司

Rental income
confirmed in 2017
2017年度
Rental income
confirmed in 2016
2016年度

承租方名稱 租賃資產種類 確認的租賃收入 確認的租賃收入

Wuhan Yunjingfei Optical Fibre Material Co., Ltd. 武漢雲晶飛光纖材料有限公司	Plant & buildings 廠房建築	432,000	432,000
Yangtze (Wuhan) Optical System Corporation 長飛(武漢)光系統股份有限公司	Plant & buildings 廠房建築	667,568	367,560
Wuhan Ruitu Management Consulting Partnership Enterprise 武漢睿圖管理諮詢合夥企業	Plant & buildings 廠房建築	5,000	2,200
Wuhan Ruiteng Management Consulting Partnership Enterprise 武漢睿騰管理諮詢合夥企業	Plant & buildings 廠房建築	5,000	2,200
Wuhan Ruihong Management Consulting Partnership Enterprise 武漢睿鴻管理諮詢合夥企業	Plant & buildings 廠房建築	5,000	2,200
Wuhan Ruiyue Management Consulting Partnership Enterprise 武漢睿越管理諮詢合夥企業	Plant & buildings 廠房建築	5,000	2,200
Everpro Technologies Company Limited 長芯盛(武漢)科技有限公司	Plant & buildings 廠房建築	2,073,514	500,000
Tianjin YOFC XMKJ Optical Communication Co., Ltd. 天津長飛鑫茂光通信有限公司	Equipments 機器設備	3,418,803	2,393,162
Total	合計	6,611,885	3,701,522

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

X. RELATED PARTIES AND TRANSACTIONS (Cont'd)

4. Related transactions (Cont'd)

(3) Related party lease (Cont'd)

(b) As lessee:

The Company

Name of lessor	Types of lease assets	Rental expenses confirmed in 2017 2017年度 確認的租賃費	Rental expenses confirmed in 2016 2016年度 確認的租賃費
出租方名稱	租賃資產種類		
Wuhan YOFC Cable Co., Ltd 武漢長飛通用電纜有限公司	Plant & buildings 廠房建築	180,000	360,000
Total	合計	180,000	360,000

(4) Related party guarantees

The company as a guarantor

Name of guaranteed party	Amount guaranteed	Commencement date of guarantee	Due date of guarantee	Whether the guarantee has been completed 擔保是否 已經履行完畢
被擔保方	擔保金額	擔保起始日	擔保到期日	
Yangtze Optical Fibre and Cable Company (Hong Kong) Limited 長飛光纖光纜(香港)有限公司	270,976,000	8 March 2017 2017年3月8日	8 March 2018 2018年3月8日	No 否
	270,976,000			

Note: The aforesaid guarantee is the credit facilities guarantee, which is the financing guarantee provided for the subsidiary, Yangtze Optical Fibre and Cable Company (Hong Kong) Limited by the Company through the bank in Hong Kong region.

註：上述擔保為本公司通過香港地區的銀行為子公司長飛光纖光纜(香港)有限公司提供的融資性擔保——授信額度擔保。

十、關聯方及關聯交易(續)

4、關聯交易情況(續)

(3) 關聯租賃(續)

(b) 承租：

本公司

Name of lessor	Types of lease assets	Rental expenses confirmed in 2017 2017年度 確認的租賃費	Rental expenses confirmed in 2016 2016年度 確認的租賃費
出租方名稱	租賃資產種類		
Wuhan YOFC Cable Co., Ltd 武漢長飛通用電纜有限公司	Plant & buildings 廠房建築	180,000	360,000
Total	合計	180,000	360,000

(4) 關聯擔保

本公司作為擔保方

Name of guaranteed party	Amount guaranteed	Commencement date of guarantee	Due date of guarantee	Whether the guarantee has been completed 擔保是否 已經履行完畢
被擔保方	擔保金額	擔保起始日	擔保到期日	
Yangtze Optical Fibre and Cable Company (Hong Kong) Limited 長飛光纖光纜(香港)有限公司	270,976,000	8 March 2017 2017年3月8日	8 March 2018 2018年3月8日	No 否
	270,976,000			

Note: The aforesaid guarantee is the credit facilities guarantee, which is the financing guarantee provided for the subsidiary, Yangtze Optical Fibre and Cable Company (Hong Kong) Limited by the Company through the bank in Hong Kong region.

註：上述擔保為本公司通過香港地區的銀行為子公司長飛光纖光纜(香港)有限公司提供的融資性擔保——授信額度擔保。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

X. RELATED PARTIES AND TRANSACTIONS (Cont'd)

4. Related transactions (Cont'd)

(5) Entrusted Loan of Related Parties

The Group

Related party	關聯方	2017	2016
		2017年	2016年
Borrowings	借出		
Yangtze Optical Fibre and Cable Sichuan Company Ltd.	長飛光纖光纜四川有限公司	30,000,000	50,000,000

The Company

Related party	關聯方	2017	2016
		2017年	2016年
Borrowings	借出		
Wuhan YOFC Cable Co., Ltd.	武漢長飛通用電纜有限公司	20,000,000	20,000,000
Everpro Technologies Company Limited	長芯盛(武漢)科技有限公司	—	80,000,000
Yangtze Optical Fibre and Cable Lanzhou Co., Ltd.	長飛光纖光纜蘭州有限公司	30,000,000	80,000,000
Shenzhen YOFC Connectivity Technologies Co., Ltd.	深圳長飛智連技術有限公司	10,000,000	10,000,000
Yangtze Optical Fibre and Cable Shenyang Co., Ltd.	長飛光纖光纜瀋陽有限公司	35,000,000	27,000,000
Yangtze Optical Fibre (Qianjiang) Co., Ltd.	長飛光纖潛江有限公司	160,000,000	133,000,000
Yangtze Optical Fibre and Cable Sichuan Co., Ltd.	長飛光纖光纜四川有限公司	30,000,000	50,000,000
Hubei Flying Optical Fibre Material Co., Ltd.	湖北飛菱光纖材料有限公司	78,000,000	23,200,000

十、關聯方及關聯交易(續)

4、關聯交易情況(續)

(5) 關聯方委託借款

本集團

2017	2016
2017年	2016年

本公司

2017	2016
2017年	2016年

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

X. RELATED PARTIES AND TRANSACTIONS (Cont'd)

4. Related transactions (Cont'd)

(6) The emoluments of the key managements

The Group

Item	項目	2017 2017年	2016 2016年
Emoluments of the key managements	關鍵管理人員報酬	31,372,104	36,793,826

The Company

Item	項目	2017 2017年	2016 2016年
Emoluments of the key managements	關鍵管理人員報酬	31,372,104	36,793,826

十、關聯方及關聯交易(續)

4、關聯交易情況(續)

(6) 關鍵管理人員報酬

本集團

	2017 2017年	2016 2016年
Emoluments of the key managements	31,372,104	36,793,826

本公司

	2017 2017年	2016 2016年
Emoluments of the key managements	31,372,104	36,793,826

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

X. RELATED PARTIES AND TRANSACTIONS (Cont'd)

5. Receivables and Payables of Related Parties

(1) Receivables of related parties

The Group

十、關聯方及關聯交易(續)

5、關聯方應收應付款項

(1) 應收關聯方款項

本集團

Names of items 項目名稱	Related parties 關聯方	31 December 2017 2017年12月31日		31 December 2016 2016年12月31日	
		Book balance 賬面餘額	Allowance for doubtful debts 壞賬準備	Book balance 賬面餘額	Allowance for doubtful debts 壞賬準備
Trade receivables 應收賬款	Yangtze Zhongli Optical Fibre and Cable (Jiangsu) Co., Ltd. 江蘇長飛中利光纖光纜有限公司	34,314,516	1,029,435	46,382,014	1,391,460
	Yangtze Optical Frbre and Cable (Shanghai) Co., Ltd 長飛光纖光纜(上海)有限公司	1,430,894	42,927	46,931,289	1,407,939
	Shantou Hi-Tech Zone Ao Xing Optical Communication Equipment Co., Ltd 汕頭高新區奧星光通信設備有限公司	28,319,825	849,595	7,167,035	215,011
	Shenzhen SDGI Optical Fibre Co., Ltd. 深圳特發信息光纖有限公司	12,767,329	383,020	38,595,437	1,157,863
	Yangtze (Wuhan) Optical System Corporation 長飛(武漢)光系統股份有限公司	5,972,158	179,165	7,658	230
	YOFC-Yadanarbon Fibre Company Limited	2,775,766	575,625	595,652	17,870
	Singapore Cables Manufacturers Pte Ltd. Prysmian Wuxi Cable Co., Ltd 無錫普睿司曼電纜有限公司	19,187,518	15,046	4,910,257	147,308
	Shin-Etsu YOFC (Hubei) Optical Preform Co., Ltd. 長飛信越(湖北)光棒有限公司	1,415,528	42,466	—	—
	PT Prysmian Cables Indonesia	3,600,982	108,029	—	—
	China Huaxin Post and Telecom Technologies Co., Ltd. 中國華信郵電科技有限公司	106,877	32,063	106,877	10,688
	Wuhan Puli Polymerization Technology Co., Ltd 武漢普利聚合技術有限公司	671,776	20,153	—	—
	Tianjin YOFC XMKJ Optical Communication Co., Ltd. 天津長飛鑫茂光通信有限公司	—	—	6,159,248	184,777

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

X. RELATED PARTIES AND TRANSACTIONS (Cont'd)

5. Receivables and Payables of Related Parties (Cont'd)

(1) Receivables of related parties (Cont'd)

The Group (Cont'd)

十、關聯方及關聯交易(續)

5、關聯方應收應付款項(續)

(1) 應收關聯方款項(續)

本集團(續)

Names of items 項目名稱	Related parties 關聯方	31 December 2017 2017年12月31日		31 December 2016 2016年12月31日	
		Book balance 賬面餘額	Allowance for doubtful debts 壞賬準備	Book balance 賬面餘額	Allowance for doubtful debts 壞賬準備
	Yangtze Optical Fibre and Cable Sichuan Co., Ltd. 長飛光纖光纜四川有限公司	1,013	30	400,670	12,020
	上海諾基亞貝爾股份有限公司	—	—	275,700	8,271
	Wuhan Yangtze Optical Technology Co., Ltd. 武漢長光科技有限公司	—	—	186,570	186,570
	Sub-total 小計	111,065,716	3,537,485	168,537,527	5,301,849

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

X. RELATED PARTIES AND TRANSACTIONS (Cont'd)

5. Receivables and Payables of Related Parties (Cont'd)

(1) Receivables of related parties (Cont'd)

The Group (Cont'd)

十、關聯方及關聯交易(續)

5、關聯方應收應付款項(續)

(1) 應收關聯方款項(續)

本集團(續)

Names of items 項目名稱	Related parties 關聯方	31 December 2017	31 December 2016
		Book balance 2017年 12月31日 賬面餘額	Book balance 2016年 12月31日 賬面餘額
Other receivables 其他應收款	Yangtze Optical Fibre and Cable Sichuan Company Ltd. 長飛光纖光纜四川有限公司	40,210,117	40,224,458
	Wuhan Yangtze Optical Technology Co., Ltd 武漢長光科技有限公司	—	2,217,146
	Shin-Etsu YOFC (Hubei) Optical Preform Co., Ltd. 長飛信越(湖北)光棒有限公司	—	574,021
	Tianjin YOFC XMKJ Optical Communication Co., Ltd. 天津長飛鑫茂光通信有限公司	267,361	—
	YOFC-Yadanarbon Fibre Company Limited	80,631	80,631
	Yangtze Optical Fibre and Cable (Shanghai) Co., Ltd. 長飛光纖光纜(上海)有限公司	—	—
	Sub-total 小計	40,558,109	43,096,256
Prepayments 預付賬款	Draka Comteq France S.A.S.	431,323	427,974
	Draka Comteq FibreB.V.	6,003	2,966,372
	Prysmian Fibras Oticas Brasil Ltda	45,344	—
	Yangtze Optical Fibre and Cable Sichuan Company Ltd. 長飛光纖光纜四川有限公司	—	97,696
	Sub-total 小計	482,670	3,492,042

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

X. RELATED PARTIES AND TRANSACTIONS (Cont'd)

5. Receivables and Payables of Related Parties (Cont'd)

(1) Receivables of related parties (Cont'd)

The Group (Cont'd)

Names of items 項目名稱	Related parties 關聯方	31 December 2017	31 December 2016
		Book balance 2017年 12月31日 賬面餘額	Book balance 2016年 12月31日 賬面餘額
Dividend receivables 應收股利	Yangtze Optical Fibre and Cable (Shanghai) Co., Ltd. 長飛光纖光纜(上海)有限公司	12,851,123	10,406,910
	Yangtze Zhongli Optical Fibre and Cable (Jiangsu) Co., Ltd. 江蘇長飛中利光纖光纜有限公司	—	—
	Tianjin YOFC XMJ Optical Communication Co., Ltd. 天津長飛鑫茂光通信有限公司	—	18,081,000
	Wuhan Guangyuan Electronic Technology Co., Ltd. 武漢光源電子科技有限公司	522,213	522,213
	Yangtze (Wuhan) Optical System Corporation 長飛(武漢)光系統股份有限公司	—	—
	Sub-total 小計	13,373,336	29,010,123
Long-term receivables 長期應收款	Yangtze Optical Fibre and Cable Sichuan Company Ltd. 長飛光纖光纜四川有限公司	20,000,000	30,000,000

十、關聯方及關聯交易(續)

5、關聯方應收應付款項(續)

(1) 應收關聯方款項(續)

本集團(續)

31 December 2017	31 December 2016
Book balance 2017年 12月31日 賬面餘額	Book balance 2016年 12月31日 賬面餘額

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

X. RELATED PARTIES AND TRANSACTIONS (Cont'd)

5. Receivables and Payables of Related Parties (Cont'd)

(1) Receivables of related parties (Cont'd)

The Company

十、關聯方及關聯交易(續)

5、關聯方應收應付款項(續)

(1) 應收關聯方款項(續)

本公司

Names of items 項目名稱	Related parties 關聯方	31 December 2017 2017年12月31日		31 December 2016 2016年12月31日	
		Book balance 賬面餘額	Allowance for doubtful debts 壞賬準備	Book balance 賬面餘額	Names of items 項目名稱
Trade receivables 應收賬款	Yangtze Optical Fibre (Qianjiang) Co., Ltd. 長飛光纖潛江有限公司	77,656,723	—	27,468,649	—
	Yangtze Zhongli Optical Fibre and Cable (Jiangsu) Co., Ltd. 江蘇長飛中利光纖光纜有限公司	34,204,100	1,026,123	46,382,014	1,391,460
	Yangtze Zhongli Optical Fibre and Cable (Shanghai) Co., Ltd. 長飛光纖光纜(上海)有限公司	—	—	46,931,289	1,407,939
	Shantou Hi-Tech Zone Ao Xing Optical Communication Equipment Co., Ltd 汕頭高新區奧星光通信設備有限公司	28,319,825	849,595	7,167,035	215,011
	Shenzhen SDGI Optical Fibre Co., Ltd. 深圳特發信息光纖有限公司	12,767,329	383,020	38,595,437	1,157,863
	Ally First Optical Fibre and Cable Co., Ltd 浙江聯飛光纖光纜有限公司	—	—	—	—
	Yangtze (Wuhan) Optical System Corporation 長飛(武漢)光系統股份有限公司	5,972,158	179,165	7,658	230
	Everpro Technologies Company Limited 長芯盛(武漢)科技有限公司	4,643,279	—	3,363,748	—
	YOFC-Yadanarbon Fibre Company Limited Prysmian Wuxi Cable Co., Ltd. 無錫普睿司曼電纜有限公司	2,775,766	259,931	16,819,120	561,842
	Singapore Cables Manufacturers Pte Ltd. Shin-Etsu YOFC (Hubei) Optical Preform Co., Ltd. 長飛信越(湖北)光棒有限公司	501,534	15,046	4,910,257	147,308
		19,100,482	573,014	595,652	17,870
		1,415,528	42,466	—	—
	PT.Yangtze Optical Fibre Indonesia	3,642,540	—	7,461,433	—
	Yangtze Optics Africa Holdings Proprietary Limited	—	—	5,763,351	—

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

X. RELATED PARTIES AND TRANSACTIONS (Cont'd)

5. Receivables and Payables of Related Parties (Cont'd)

(1) Receivables of related parties (Cont'd)

The Company (Cont'd)

十、關聯方及關聯交易(續)

5、關聯方應收應付款項(續)

(1) 應收關聯方款項(續)

本公司(續)

Names of items 項目名稱	Related parties 關聯方	31 December 2017 2017年12月31日		31 December 2016 2016年12月31日	
		Book balance 賬面餘額	Allowance for doubtful debts 壞賬準備	Book balance 賬面餘額	Names of items 項目名稱
	PT Prysmian Cables Indonesia	3,600,982	108,029	—	—
	Yangtze Optics Africa Cable Proprietary Limited	3,769,367	—	592,288	—
	Yangtze Optical Fibre and Cable Company (Hong Kong) Limited 長飛光纖光纜(香港)有限公司	2,542,532	—	158,559	—
	PT Yangtze Optics Indonesia	1,178,994	—	—	—
	China Huaxin Post and Telecom Technologies Co., Ltd. 中國華信郵電科技有限公司	106,877	32,063	106,877	10,688
	Whuan Puli Polymeriation Technology Co., Ltd. 武漢普利聚合技術有限公司	671,776	20,153	—	—
	Nokia Shanghai Bell Co., Ltd. 上海諾基亞貝爾股份有限公司	—	—	275,700	8,271
	Wuhan Yangtze Optical Technology Co., Ltd. 武漢長光科技有限公司	—	—	186,570	186,570
	Yangtze Optical Fibre and Cable Shenyang Co., Ltd. 長飛光纖光纜瀋陽有限公司	—	—	—	—
	Yangtze (Wuhan) Optical System Corporation 長飛(武漢)光系統股份有限公司	—	—	—	—
	Shenzhen YOFC Connectivity Technologies Co., Ltd. 深圳長飛智連技術有限公司	—	—	—	—
	Hubei Flying Optical Fibre Material Co., Ltd. 湖北飛菱光纖材料有限公司	21,000	—	—	—
	Sub-total 小計	202,890,792	3,488,605	206,785,637	5,105,052

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

X. RELATED PARTIES AND TRANSACTIONS (Cont'd)

5. Receivables and Payables of Related Parties (Cont'd)

(1) Receivables of related parties (Cont'd)

The Company (Cont'd)

十、關聯方及關聯交易(續)

5、關聯方應收應付款項(續)

(1) 應收關聯方款項(續)

本公司(續)

Names of items 項目名稱	Related parties 關聯方	31 December 2017	31 December 2016
		Book balance 2017年 12月31日 賬面餘額	Book balance 2016年 12月31日 賬面餘額
Others receivables 其他應收款	Yangtze Optical Fibre (Qianjiang) Co., Ltd. 長飛光纖潛江有限公司	51,274,510	99,644,658
	Yangtze Optical Fibre and Cable Sichuan Co., Ltd. 長飛光纖光纜四川有限公司	40,210,117	40,224,458
	Yangtze Optical Fibre and Cable Shenyang Co., Ltd. 長飛光纖光纜瀋陽有限公司	38,421,862	30,409,588
	Everpro Technologies Company Limited 長芯盛(武漢)科技有限公司	62,639	29,216,013
	Yangtze Optical Fibre and Cable Lanzhou Co., Ltd. 長飛光纖光纜蘭州有限公司	30,074,268	50,093,501
	Wuhan YOFC Cable Co., Ltd. 武漢長飛通用電纜有限公司	20,024,457	20,202,000
	Shenzhen YOFC Connectivity Technologies Co., Ltd. 深圳長飛智連技術有限公司	30,041,256	10,040,028
	Ally First Optical Fibre and Cable Co., Ltd 浙江聯飛光纖光纜有限公司	4,000,000	—
	Shin-Etsu YOFC (Hubei) Optical Preform Co., Ltd. 長飛信越(湖北)光棒有限公司	—	574,021
	Yangtze Optics Africa Holdings Proprietary Limited	342,959	342,959

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

X. RELATED PARTIES AND TRANSACTIONS (Cont'd)

5. Receivables and Payables of Related Parties (Cont'd)

(1) Receivables of related parties (Cont'd)

The Company (Cont'd)

Names of items 項目名稱	Related parties 關聯方	31 December 2017	31 December 2016
		Book balance 2017年 12月31日 賬面餘額	Book balance 2016年 12月31日 賬面餘額
	YOFC-Yadanarbon Fibre Company Limited	80,631	80,631
	PT.Yangzte Optical Fibre Indonesia	10,095,339	—
	Hubei Flying Optical Fibre Material Co., Ltd. 湖北飛菱光纖材料有限公司	4,006,215	—
	Wuhan Yangtze Optical Technology Co., Ltd. 武漢長光科技有限公司	—	2,217,146
	PT Yangtze Optics Indonesia	468,857	—
	YOFC International Philippines Corporation	316,530	—
	Yangtze Optical Fibre and Cable (Shanghai) Co., Ltd. 長飛光纖光纜(上海)有限公司	—	—
	Yangtze Optical Fibre and Cable Company (Hong Kong) Limited 長飛光纖光纜(香港)有限公司	—	—
	Sub-total 小計	229,419,640	283,045,003

十、關聯方及關聯交易(續)

5、關聯方應收應付款項(續)

(1) 應收關聯方款項(續)

本公司(續)

31 December 2017	31 December 2016
Book balance 2017年 12月31日 賬面餘額	Book balance 2016年 12月31日 賬面餘額

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

X. RELATED PARTIES AND TRANSACTIONS (Cont'd)

5. Receivables and Payables of Related Parties (Cont'd)

(1) Receivables of related parties (Cont'd)

The Company (Cont'd)

十、關聯方及關聯交易(續)

5、關聯方應收應付款項(續)

(1) 應收關聯方款項(續)

本公司(續)

Names of items 項目名稱	Related parties 關聯方	31 December 2017	31 December 2016
		Book balance 2017年 12月31日 賬面餘額	Book balance 2016年 12月31日 賬面餘額
Prepayments 預付賬款	Draka Comteq Fibre B.V.	6,003	2,966,372
	Draka Comteq France S.A.S	431,323	427,974
	Prysmian Fibras Oticas Brasil Ltda	45,344	—
	Yangtze Optical Fibre and Cable Company (Hong Kong) Limited 長飛光纖光纜(香港)有限公司	—	—
	Sub-total 小計	482,670	3,394,346
Dividend receivables 應收股利	Yangtze Optical Fibre and Cable (Shanghai) Co., Ltd. 長飛光纖光纜(上海)有限公司	12,851,123	10,406,910
	Yangtze Zhongli Optical Fibre and Cable (Jiangsu) Co., Ltd. 江蘇長飛中利光纖光纜有限公司	—	—
	Wuhan Cuangyuan Electronic Technology Co., Ltd. 武漢光源電子科技有限公司	522,213	522,213
	Tianjin YOFC XMKJ Optical Communication Co., Ltd. 天津長飛鑫茂光通信有限公司	—	18,081,000
	Yangtze (Wuhan) Optical System Corporation 長飛(武漢)光系統股份有限公司	—	—
	Sub-total 小計	13,373,336	29,010,123

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

X. RELATED PARTIES AND TRANSACTIONS (Cont'd)

5. Receivables and Payables of Related Parties (Cont'd)

(1) Receivables of related parties (Cont'd)

The Company (Cont'd)

Names of items 項目名稱	Related parties 關聯方	31 December 2017	31 December 2016
		Book balance 2017年 12月31日 賬面餘額	Book balance 2016年 12月31日 賬面餘額
Long-term receivables 長期應收款	Yangtze Optical Fibre (Qianjiang) Co., Ltd. 長飛光纖潛江有限公司	173,000,000	63,000,000
	Everpro Technologies Company Limited 長芯盛(武漢)科技有限公司	50,000,000	50,000,000
	Hubei Flying Optical Fibre Material Co., Ltd. 湖北飛菱光纖材料有限公司	78,000,000	46,400,000
	Yangtze Optical Fibre and Cable Sichuan Co., Ltd. 長飛光纖光纜四川有限公司	20,000,000	30,000,000
	Yangtze Optical Fibre and Cable Lanzhou Co., Ltd. 長飛光纖光纜蘭州有限公司	30,000,000	30,000,000
	Shenzhen YOFC Connectivity Technologies Co., Ltd. 深圳長飛智連技術有限公司	—	20,000,000
	Ally First Optical Fibre and Cable Co., Ltd 浙江聯飛光纖光纜有限公司	8,000,000	—
	Sub-total 小計	359,000,000	239,400,000

十、關聯方及關聯交易(續)

5、關聯方應收應付款項(續)

(1) 應收關聯方款項(續)

本公司(續)

31 December 2017	31 December 2016
Book balance 2017年 12月31日 賬面餘額	Book balance 2016年 12月31日 賬面餘額

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

X. RELATED PARTIES AND TRANSACTIONS (Cont'd)

5. Receivables and Payables of Related Parties (Cont'd)

(2) Payables to related parties

The Group

十、關聯方及關聯交易(續)

5、關聯方應收應付款項(續)

(2) 應付關聯方款項

本集團

Names of items 項目名稱	Related parties 關聯方	31 December 2017	31 December 2016
		Book balance 2017年 12月31日 賬面餘額	Book balance 2016年 12月31日 賬面餘額
Account payables 應付賬款	Yangtze Optical Fibre and Cable Sichuan Company Ltd. 長飛光纖光纜四川有限公司	63,531,052	38,381,626
	Tianjin YOFC XMJ Optical Communication Co., Ltd. 天津長飛鑫茂光通信有限公司	31,629,027	89,231,299
	Shin-Etsu YOFC (Hubei) Optical Preform Co., Ltd. 長飛信越(湖北)光棒有限公司	56,145,240	—
	Tianjin YOFC XMJ Optical Cable Co., Ltd. 天津長飛鑫茂光纜有限公司	29,104,503	35,661,647
	Draka Comteq Fibre B.V.	7,650,394	4,080,962
	Wuhan Yunjingfei Optical Fibre Material Co., Ltd. 武漢雲晶飛光纖材料有限公司	14,835,146	14,182,195
	Wuhan Quang yuan Electronic Technology Co., Ltd. 武漢光源電子科技有限公司	6,404,971	3,725,531
	Draka Comteq France S.A.S.	—	—
	Yangtze Optical Fibre and Cable (Shanghai) Co., Ltd. 長飛光纖光纜(上海)有限公司	22,613,792	779,465
	Shantou Hi-Tech Zone Ao Xing Optical Communication Equipment Co., Ltd 汕頭高新區奧星光通信設備有限公司	273,461	272,658
	Yangtze Zhongli Optical Fibre and Cable (Jiangsu) Co., Ltd. 江蘇長飛中利光纖光纜有限公司	—	294,356
	Yangtze (Wnhan) Optical System Corporation 長飛(武漢)光系統股份有限公司	2,392	—
	Sub-total 小計	232,189,978	186,609,739

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

X. RELATED PARTIES AND TRANSACTIONS (Cont'd)

5. Receivables and Payables of Related Parties (Cont'd)

(2) Payables to related parties (Cont'd)

The Group (Cont'd)

Names of items 項目名稱	Related parties 關聯方	31 December 2017	31 December 2016
		Book balance 2017年 12月31日 賬面餘額	Book balance 2016年 12月31日 賬面餘額
Others payable 其他應付款	Draka Comteq Fibre B.V.	40,618,459	33,501,623
	Shin-Etsu YOFC (Hubei) Optical Preform Co., Ltd. 長飛信越(湖北)光棒有限公司	500,000	—
	Sub-total 小計	41,118,459	33,501,623
Receipts in advance 預收賬款	Singapore Cables Manufacturers Pte Ltd.	1,745,441	21,435
	Shenzhen SDGI Optical Fibre Co., Ltd. 深圳特發信息光纖有限公司	25,280,000	540,000
	Yangtze Zhongli Optical Fibre and Cable (Jiangsu) Co., Ltd. 江蘇長飛中利光纖光纜有限公司	—	1,755
	Tianjin YOFC XMKJ Optical Communication Co., Ltd. 天津長飛鑫茂光通信有限公司	480,255	—
	YOFC-Yadanarbon Fibre Company Limited	—	—
	Sub-total 小計	27,505,696	563,190

十、關聯方及關聯交易(續)

5、關聯方應收應付款項(續)

(2) 應付關聯方款項(續)

本集團(續)

31 December 2017	31 December 2016
Book balance 2017年 12月31日 賬面餘額	Book balance 2016年 12月31日 賬面餘額

Others payable 其他應付款	Draka Comteq Fibre B.V.	40,618,459	33,501,623
	Shin-Etsu YOFC (Hubei) Optical Preform Co., Ltd. 長飛信越(湖北)光棒有限公司	500,000	—
	Sub-total 小計	41,118,459	33,501,623
Receipts in advance 預收賬款	Singapore Cables Manufacturers Pte Ltd.	1,745,441	21,435
	Shenzhen SDGI Optical Fibre Co., Ltd. 深圳特發信息光纖有限公司	25,280,000	540,000
	Yangtze Zhongli Optical Fibre and Cable (Jiangsu) Co., Ltd. 江蘇長飛中利光纖光纜有限公司	—	1,755
	Tianjin YOFC XMKJ Optical Communication Co., Ltd. 天津長飛鑫茂光通信有限公司	480,255	—
	YOFC-Yadanarbon Fibre Company Limited	—	—
	Sub-total 小計	27,505,696	563,190

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

X. RELATED PARTIES AND TRANSACTIONS (Cont'd)

5. Receivables and Payables of Related Parties (Cont'd)

(2) Payables to related parties (Cont'd)

The Group (Cont'd)

十、關聯方及關聯交易(續)

5、關聯方應收應付款項(續)

(2) 應付關聯方款項(續)

本集團(續)

Names of items 項目名稱	Related parties 關聯方	31 December 2017	31 December 2016
		Book balance 2017年 12月31日 賬面餘額	Book balance 2016年 12月31日 賬面餘額
Deferred income 遞延收益	Wuhan Yunjingfei Optical Fibre Material Co., Ltd. 武漢雲晶飛光纖材料有限公司	3,888,000	4,320,000
	Tianjin YOFC XMJ Optical Communication Co., Ltd. 天津長飛鑫茂光通信有限公司	1,466,667	5,866,667
	Tianjin YOFC XMJ Optical Cable Co., Ltd. 天津長飛鑫茂光纜有限公司	1,000,000	2,500,000
	Sub-total 小計	6,354,667	12,686,667
Non-current liabilities due within one year 一年內到期的 非流動負債	Tianjin YOFC XMJ Optical Communication Co., Ltd. 天津長飛鑫茂光通信有限公司	4,400,000	4,400,000
	Tianjin YOFC XMJ Optical Cable Co., Ltd. 天津長飛鑫茂光纜有限公司	1,500,000	1,500,000
	Wuhan Yunjingfei Optical Fibre Material Co., Ltd. 武漢雲晶飛光纖材料有限公司	432,000	432,000
	Sub-total 小計	6,332,000	6,332,000

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

X. RELATED PARTIES AND TRANSACTIONS (Cont'd)

5. Receivables and Payables of Related Parties (Cont'd)

(2) Payables to related parties (Cont'd)

The Company

Names of items 項目名稱	Related parties 關聯方	31 December 2017	31 December 2016
		Book balance 2017年 12月31日 賬面餘額	Book balance 2016年 12月31日 賬面餘額
Account payables 應付賬款	Yangze Optial Fibre (Qianjiang) Co., Ltd. 長飛光纖潛江有限公司	333,021,369	3,371,011
	Yangtze Optical Fibre and Cable Sichuan Co., Ltd. 長飛光纖光纜四川有限公司	61,464,185	38,106,090
	Tianjin YOFC XMKJ Optical Communication Co., Ltd. 天津長飛鑫茂光通信有限公司	31,629,027	89,231,299
	Shin-Etsu YOFC (Hubei) Optical Preform Co., Ltd. 長飛信越(湖北)光棒有限公司	56,145,240	—
	Wuhan YOFC Cable Co., Ltd. 武漢長飛通用電纜有限公司	18,981,754	35,864,412
	Yangtze Optical Fibre and Cable Lanzhou Co., Ltd. 長飛光纖光纜蘭州有限公司	18,197,354	24,926,520
	Tianjin YOFC XMKJ Optical Cable Co., Ltd. 天津長飛鑫茂光纜有限公司	29,104,503	35,661,647
	Yangtze Optical Fibre and Cable Shenyang Co., Ltd. 長飛光纖光纜瀋陽有限公司	35,080,296	15,462,895
	Shenzhen YOFC Connectivity Technologies Co., Ltd. 深圳長飛智連技術有限公司	18,404,083	14,261,992
	Wuhan Yunjingfei Optical Fibre Material Co., Ltd. 武漢雲晶飛光纖材料有限公司	13,044,286	14,182,195
	Yangtze Optical Fibre and Cable Company (Hong Kong) Ltd. 長飛光纖光纜(香港)有限公司	74,376,333	98,181,740
	Ally First Optical Fibre and Cable Co., Ltd 浙江聯飛光纖光纜有限公司	10,785,466	—

十、關聯方及關聯交易(續)

5、關聯方應收應付款項(續)

(2) 應付關聯方款項(續)

本公司

31 December 2017	31 December 2016
Book balance 2017年 12月31日 賬面餘額	Book balance 2016年 12月31日 賬面餘額

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

X. RELATED PARTIES AND TRANSACTIONS (Cont'd)

5. Receivables and Payables of Related Parties (Cont'd)

(2) Payables to related parties (Cont'd)

The Company (Cont'd)

十、關聯方及關聯交易(續)

5、關聯方應收應付款項(續)

(2) 應付關聯方款項(續)

本公司(續)

Names of items 項目名稱	Related parties 關聯方	31 December 2017	31 December 2016
		Book balance 2017年 12月31日 賬面餘額	Book balance 2016年 12月31日 賬面餘額
	Draka Comteq Fibre B.V.	1,070,554	4,080,962
	PT Yangzte Optical Fibre Indonesia	2,428,835	—
	Draka Comteq France S.A.S.	—	—
	Wuhan Quanguan Electronic Technology Co., Ltd. 武漢光源電子科技有限公司	4,869,283	3,725,531
	Yangtze Optics Africa Cable Proprietary Limited Shantou Hi-Tech Zone Ao Xing Optical Communication Equipment Co., Ltd 汕頭高新區奧星光通信設備有限公司	2,899,448	—
	Yangtze Optical Fibre and Cable (Shanghai) Co., Ltd. 長飛光纖光纜(上海)有限公司	22,579,984	—
	Yangtze Zhongli Optical Fibre and Cable (Jiangsu) Co., Ltd. 江蘇長飛中利光纖光纜有限公司	—	294,356
	Everpro Technologies Company Limited 長芯盛(武漢)科技有限公司	—	—
	Yangtze (Wuhan) Optical System Corporation 長飛(武漢)光系統股份有限公司	1,538	—
	Sub-total 小計	734,083,538	377,350,650

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

X. RELATED PARTIES AND TRANSACTIONS (Cont'd)

5. Receivables and Payables of Related Parties (Cont'd)

(2) Payables to related parties (Cont'd)

The Company (Cont'd)

Names of items 項目名稱	Related parties 關聯方	31 December 2017	31 December 2016
		Book balance 2017年 12月31日 賬面餘額	Book balance 2016年 12月31日 賬面餘額
Others payables 其他應付款	Draka Comteq Fibre B.V.	40,618,459	33,501,623
	Shenzhen YOFC Connectivity Technologies Co., Ltd. 深圳長飛智連技術有限公司	—	2,611,803
	Everpro Technologies Company Limited 長芯盛(武漢)科技有限公司	—	—
	Sub-total 小計	40,618,459	36,113,426

十、關聯方及關聯交易(續)

5、關聯方應收應付款項(續)

(2) 應付關聯方款項(續)

本公司(續)

31 December 2017	31 December 2016
Book balance 2017年 12月31日 賬面餘額	Book balance 2016年 12月31日 賬面餘額

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

X. RELATED PARTIES AND TRANSACTIONS (Cont'd)

5. Receivables and Payables of Related Parties (Cont'd)

(2) Payables to related parties (Cont'd)

The Company (Cont'd)

十、關聯方及關聯交易(續)

5、關聯方應收應付款項(續)

(2) 應付關聯方款項(續)

本公司(續)

Names of items 項目名稱	Related parties 關聯方	31 December 2017	31 December 2016
		Book balance 2017年 12月31日 賬面餘額	Book balance 2016年 12月31日 賬面餘額
Receipts in advance 預收賬款	YOFC Optical Fibre Qianjiang Co., Ltd. 長飛光纖潛江有限公司	124,835	—
	Yangtze Optics Africa Cable Proprietary Limited Singapore Cables Manufacturers Pte Ltd.	31,240 1,745,441	13,248,796 21,435
	Ally First Optical Fibre and Cable Co., Ltd 浙江聯飛光纖光纜有限公司	—	70,200,000
	Shenzhen SDGI Optical Fibre Co., Ltd. 深圳特發信息光纖有限公司	25,280,000	540,000
	PT.Yangtze Optical Fibre Indonesia YOFC-Yadanarbon Fibre Company Limited	— —	135,674 —
	Tianjin YOFC XMKJ Optical Communication Co., Ltd. 天津長飛鑫茂光通信有限公司	480,255	—
	Yangtze Optical Fibre and Cable Lanzhou Co., Ltd. 長飛光纖光纜蘭州有限公司	—	—
	Sub-total 小計	27,661,771	84,145,905

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

X. RELATED PARTIES AND TRANSACTIONS (Cont'd)

5. Receivables and Payables of Related Parties (Cont'd)

(2) Payables to related parties (Cont'd)

The Company (Cont'd)

Names of items 項目名稱	Related parties 關聯方	31 December 2017	31 December 2016
		Book balance 2017年 12月31日 賬面餘額	Book balance 2016年 12月31日 賬面餘額
Deferred incomes 遞延收益	Ally First Optical Fibre and Cable Co., Ltd 浙江聯飛光纖光纜有限公司	13,584,740	—
	Wuhan Yunjingfei Optical Fibre Material Co., Ltd. 武漢雲晶飛光纖材料有限公司	3,888,000	4,320,000
	Tianjin YOFC XMJ Optical Communication Co., Ltd. 天津長飛鑫茂光通信有限公司	1,466,667	5,866,667
	Tianjin YOFC XMJ Optical Cable Co., Ltd. 天津長飛鑫茂光纜有限公司	1,000,000	2,500,000
	Sub-total 小計	19,939,407	12,686,667
Non-current liabilities due within one year 一年內到期的 非流動負債	Tianjin YOFC XMJ Optical Communication Co., Ltd. 天津長飛鑫茂光通信有限公司	4,400,000	4,400,000
	Tianjin YOFC XMJ Optical Cable Co., Ltd. 天津長飛鑫茂光纜有限公司	1,500,000	1,500,000
	Wuhan Yunjingfei Optical Fibre Material Co., Ltd. 武漢雲晶飛光纖材料有限公司	432,000	432,000
	Ally First Optical Fibre and Cable Co., Ltd 浙江聯飛光纖光纜有限公司	754,800	—
	Sub-total 小計	7,086,800	6,332,000

十、關聯方及關聯交易(續)

5、關聯方應收應付款項(續)

(2) 應付關聯方款項(續)

本公司(續)

31 December 2017	31 December 2016
Book balance 2017年 12月31日 賬面餘額	Book balance 2016年 12月31日 賬面餘額

13,584,740	—
3,888,000	4,320,000
1,466,667	5,866,667
1,000,000	2,500,000
19,939,407	12,686,667
4,400,000	4,400,000
1,500,000	1,500,000
432,000	432,000
754,800	—
7,086,800	6,332,000

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

XI. CAPITAL MANAGEMENT

The Group's primary objectives of capital management are to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders, by pricing products and services commensurately with the level of risk and by ensuring access to finance at reasonable financial costs.

The Group defines "capital" as shareholders' equity. The Group's capital excludes balances of related party transactions.

The Group's capital structure is regularly reviewed and managed to achieve an optimal structure and returns to shareholders. The factors considered by the Group include: the Group's fund demands in the future, capital efficiency, actual and expected profitability, expected cash flow, and estimated capital expenditures. If any change of the economic conditions influences the Group, the Group will adjust its capital structure.

The Group supervises its capital structure through adjusted net debt-to-capital ratio. For this purpose, adjusted net debt is defined as total debt (which includes current bank loans, non-current bank loans), less cash and cash equivalents.

十一、資本管理

本集團資本管理的主要目標是保障本集團的持續經營，能夠通過制定與風險水平相當的產品和服務價格並確保以合理融資成本獲得融資的方式，持續為股東提供回報。

本集團對資本的定義為股東權益。本集團的資本不包括與關聯方之間的業務往來餘額。

本集團定期覆核和管理自身的資本結構，力求達到最理想的資本結構和股東回報。本集團考慮的因素包括：本集團未來的資金需求、資本效率、現實的及預期的盈利能力、預期的現金流、預期資本支出等。如果經濟狀況發生改變並影響本集團，本集團將會調整資本結構。

本集團通過經調整的淨債務資本率來監管集團的資本結構。經調整的淨債務為總債務(包括短期借款及長期借款)，扣除現金和現金等價物。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

XI. CAPITAL MANAGEMENT (Cont'd)

The adjusted net debt-to-capital ratio is as follows:

十一、資本管理(續)

經調整的淨債務資本率如下：

The Group

本集團

		31 December 2017 2017年 12月31日	31 December 2016 2016年 12月31日
Current liabilities	流動負債		
Current bank loans	短期借款	495,013,000	644,712,505
Non-current bank loans due within one year	一年內到期的長期借款	2,000,000	242,157,398
Non-current liabilities	非流動負債		
Non-current bank loans	長期借款	481,290,000	869,578,800
Total debts	總債務合計	978,303,000	1,756,448,703
Less: cash and dash equivalents	減：現金及現金等價物	1,799,513,559	1,427,575,026
Adjusted net debt	經調整的淨債務	(821,210,559)	328,873,677
Shareholders' equity	股東權益	5,485,828,178	4,423,548,084
Adjusted net capital	經調整的資本	5,485,828,178	4,423,548,084
Adjusted net debt-to-capital ratio	經調整的淨債務資本率	(15%)	7%

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

XI. CAPITAL MANAGEMENT (Cont'd)

The Company

十一、資本管理(續)

本公司

		31 December 2017 2017年 12月31日	31 December 2016 2016年 12月31日
Current liabilities	流動負債		
Current bank loans	短期借款	478,013,000	589,879,005
Non-current bank loans due within one year	一年內到期的長期借款	2,000,000	242,157,398
Non-current liabilities	非流動負債		
Non-current bank loans	長期借款	462,590,000	869,578,800
Total debts	總債務合計	942,603,000	1,701,615,203
Less: cash and dash equivalents	減：現金及現金等價物	1,430,201,714	1,108,385,602
Adjusted net debt	經調整的淨債務	(487,598,714)	593,229,601
Shareholders' equity	股東權益	4,913,575,337	4,175,831,383
Adjusted net capital	經調整的資本	4,913,575,337	4,175,831,383
Adjusted net debt-to-capital ratio	經調整的淨債務資本率	(10%)	14%

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

XII. COMMITMENTS AND CONTINGENCIES

I. Significant commitments

(1) Capital commitment

Items	項目	31 December	31 December
		2017	2016
		2017年	2016年
		12月31日	12月31日
Construction projects	工程項目	2,495,056,205	928,502,091
Land lease payments	土地款	—	16,830,549
Other long-term equity investments	其他長期股權投資	325,547,422	16,718,170
Total	合計	2,820,603,627	962,050,810

(2) Operating Lease Commitments

The minimum lease payment payables of the Group under irrevocable relevant housing operating lease agreement after 31 December 2016 and 31 December 2017 are as follows:

Items	項目	31 December	31 December
		2017	2016
		2017年	2016年
		12月31日	12月31日
Within 1 year (1 year inclusive)	1年以內(含1年)	8,214,968	8,724,713
Over 1 year but within 2 years (2 years inclusive)	1年以上2年以內(含2年)	5,278,530	4,047,784
Over 2 years but within 3 years (3 years inclusive)	2年以上3年以內(含3年)	5,110,457	3,649,725
Over 3 years	3年以上	4,118,191	6,387,018
Total	合計	22,722,146	22,809,240

十二、承諾及或有事項

I. 重要承諾事項

(1) 資本承擔

31 December	31 December
2017	2016
2017年	2016年
12月31日	12月31日

2,495,056,205	928,502,091
—	16,830,549
325,547,422	16,718,170
2,820,603,627	962,050,810

(2) 經營租賃承擔

根據不可撤銷的有關房屋經營租賃協議，本集團於2016年12月31日及2017年12月31日以後應支付的最低租賃付款額如下：

31 December	31 December
2017	2016
2017年	2016年
12月31日	12月31日

8,214,968	8,724,713
5,278,530	4,047,784
5,110,457	3,649,725
4,118,191	6,387,018
22,722,146	22,809,240

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

XIII. POST BALANCE SHEET DATE EVENTS

After the balance sheet date, the Board of Directors proposed a final profit distribution. Further details are disclosed in Note V.34(1).

XIV. OTHER SIGNIFICANT MATTERS

I. Correction and impact of previous errors

The Group continued to refine and improve the management of trade receivables based on its experience accumulated in practice. According to the characteristics of the Group's industry, and with reference to the provision ratio of allowance for doubtful debts of listed companies in the same industry, the Group revised the allowance for doubtful debts accrued using ageing analysis method according to the proportions listed in note III.10. And during the reporting period, due to the principle of prudence and the comprehensibility of the financial statements, the Company made retroactive adjustments to the allowance for doubtful debts for 2016 according to the ratio listed in note III.10. The amount affected in particular is listed as follows:

十三、資產負債表日後事項

董事會於報告期內2017年資產負債表日後提議分配年終利潤，有關情況參見附註五、34(1)。

十四、其他重要事項

I、前期差錯更正及影響

本集團根據在實踐中逐步積累的經驗，不斷細化和完善對於應收款項的管理。根據本集團所處行業特點，並參考同行業上市公司的應收賬款壞賬準備計提比例，本集團對採用賬齡分析法計提的壞賬準備按照附註三、10中所列示比例進行了修訂。而在報告期內，出於謹慎性原則以及有利於財務報表的可理解性，本公司對2016年應收款項的壞賬準備按照附註三、10中所列示比例進行了追溯調整，具體影響金額列示如下：

		31 December 2016/2016		
		2016年12月31日/2016年度		
Items	項目	Before adjustment 調整前	Adjustment amounts 調整金額	Adjusted 調整後
Balance sheet:	資產負債表：			
Trade receivables	應收賬款	1,896,233,848	(14,278,352)	1,881,955,496
Deferred tax assets	遞延所得稅資產	55,956,116	2,008,338	57,964,454
Total assets	總資產	8,178,614,041	(12,270,014)	8,166,344,027
Income statement:	利潤表：			
Impairment loss	資產減值損失	30,895,421	(17,621,343)	13,274,078
Income tax	所得稅費用	96,953,106	2,639,554	99,592,660
Profit for the year	淨利潤	678,718,382	14,981,789	693,700,171

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

XIV. OTHER SIGNIFICANT MATTERS (Cont'd)

2. Segment Reporting

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

- Optical fibres and optical fibre preforms segment—mainly responsible for the production and sales of optical fibers and optical fiber preforms.
- Optical fibre cables segment—mainly responsible for the production and sales of optical fibre cables.

(1) Information of Profit or Loss and Asset of Reporting Segments

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

Segment assets include all tangible assets, other non-current assets and receivables and other current assets attributable to each segment, but exclude deferred income tax assets, long-term equity investments, intangible assets and other unallocated assets.

十四、其他重要事項(續)

2、分部報告

本集團根據內部組織結構、管理要求及內部報告制度確定了光纖及光纖預製棒和光纜共兩個報告分部。每個報告分部為單獨的業務分部，提供不同的產品。本集團管理層將會定期審閱不同分部的財務信息以決定向其配置資源、評價業績。

- 光纖及光纖預製棒分部—主要負責光纖及光纖預製棒的生產和銷售。
- 光纜分部—主要負責光纜的生產和銷售。

(1) 報告分部的利潤或虧損及資產的信息

為了評價各個分部的業績及向其配置資源，本集團管理層會定期審閱歸屬於各分部資產、收入、費用及經營成果，這些信息的編製基礎如下：

分部資產包括歸屬於各分部的所有的有形資產、其他長期資產及應收款項等流動資產，但不包括遞延所得稅資產、長期股權投資、無形資產及其它未分配的資產。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

XIV. OTHER SIGNIFICANT MATTERS (Cont'd)

2. Segment Reporting (Cont'd)

(1) Information of Profit or Loss and Asset of Reporting Segments (Cont'd)

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

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

十四、其他重要事項(續)

2、分部報告(續)

(1) 報告分部的利潤或虧損及資產的信息(續)

分部經營成果是指各個分部產生的對外交易收入，扣除各個分部發生的營業成本。本集團並沒有將銷售及管理費用、財務費用等其他費用分配給各分部。

下述披露的本集團各個報告分部的信息是本集團管理層在計量報告分部利潤／(虧損)、資產時運用了下列數據，或者未運用下列數據但定期提供給本集團管理層的：

		2017 2017年度					
Items	項目	Optical fibres and optical fibre preforms segment	Optical fibre cables segment	Others	Offset between segments	Unallocated amounts	Total
		光纖及光纖 預製棒分部	光纜分部	其他	分部間抵銷	未分配金額	合計
Revenue from external transactions	對外交易收入	4,702,946,373	5,034,896,658	628,240,628	—	—	10,366,083,659
Inter-segment revenue	分部間交易收入	441,264,757	10,525,110	426,751,818	(878,541,685)	—	—
Segment profit	分部利潤	2,224,855,964	534,400,696	135,296,392	(105,352,308)	—	2,789,200,744
Including: Depreciation and amortization expenses	其中：折舊和攤銷費用	(97,993,873)	(23,064,896)	(85,418,297)	3,161,937	—	(203,315,129)
Taxes and surcharge	稅金及附加	—	—	—	—	(63,717,191)	(63,717,191)
Selling expenses	銷售費用	—	—	—	—	(304,884,581)	(304,884,581)
Administrative expenses	管理費用	—	—	—	—	(968,067,388)	(968,067,388)
Financial expenses	財務費用	—	—	—	—	(78,156,390)	(78,156,390)
Impairment loss	資產減值損失	—	—	—	—	(117,329,577)	(117,329,577)
Gains from changes in fair value	公允價值變動收益	—	—	—	—	240,422	240,422

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

XIV. OTHER SIGNIFICANT MATTERS (Cont'd)

2. Segment Reporting (Cont'd)

(1) Information of Profit or Loss and Asset of Reporting Segments (Cont'd)

十四、其他重要事項(續)

2、分部報告(續)

(1) 報告分部的利潤或虧損及資產的信息(續)

		2017 2017年度					
Items	項目	Optical fibres and optical fibre preforms segment	Optical fibre cables segment	Others	Offset between segments	Unallocated amounts	Total
		光纖及光纖 預製棒分部	光纜分部	其他	分部間抵銷	未分配金額	合計
Investment income	投資收益	—	—	—	—	161,089,680	161,089,680
Including: Investment income in associates and joint ventures	其中：對聯營和合營企業的 投資收益	—	—	—	—	159,121,150	159,121,150
Losses from disposal of assets	資產處置收益	—	—	—	—	(2,729,458)	(2,729,458)
Others profits	其他收益	—	—	—	—	31,055,191	31,055,191
Operating profit/(loss)	營業利潤/(虧損)	2,224,855,964	534,400,696	135,296,392	(105,352,308)	(1,342,499,292)	1,446,701,452
Non-operating income	營業外收入	—	—	—	—	1,703,021	1,703,021
Non-operating expenses	營業外支出	—	—	—	—	(1,530,284)	(1,530,284)
Profit before taxation	利潤/(虧損)總額	2,224,855,964	534,400,696	135,296,392	(105,352,308)	(1,342,326,555)	1,446,874,189
Income taxes	所得稅費用	—	—	—	—	(212,295,105)	(212,295,105)
Profit for the year	淨利潤/(虧損)	2,224,855,964	534,400,696	135,296,392	(105,352,308)	(1,554,621,660)	1,234,579,084
Total assets	資產總額	2,136,306,867	2,189,938,346	4,988,611,474	(147,092,684)	—	9,167,764,003
Other items:	其他項目：						
— Long-term equity investment in associates and joint ventures	— 對聯營企業和合營企業的 長期股權投資	—	—	1,241,866,472	—	—	1,241,866,472
— Increase in other non-current assets other than long-term equity investment	— 長期股權投資以外的其他 非流動資產增加額	261,785,001	98,265,701	213,786,290	(8,440,344)	—	565,396,648

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

XIV. OTHER SIGNIFICANT MATTERS (Cont'd)

2. Segment Reporting (Cont'd)

(1) Information of Profit or Loss and Asset of Reporting Segments (Cont'd)

十四、其他重要事項(續)

2、分部報告(續)

(1) 報告分部的利潤或虧損及資產的信息(續)

		2016					2016年度	
Items	項目	Optical fibres and optical fibre preforms segment	Optical fibre cables segment	Others	Offset between segments	Unallocated amounts	Total	
		光纖及光纖預製棒分部	光纜分部	其他	分部間抵銷	未分配金額	合計	
Revenue from external transactions	對外交易收入	4,073,144,690	3,580,739,390	457,611,044	—	—	8,111,495,124	
Inter-segment revenue	分部間交易收入	163,478,068	—	139,562,095	(303,040,163)	—	—	
Segment profit	分部利潤	1,406,177,796	219,087,975	112,882,372	(55,570,534)	—	1,682,577,609	
Including: Depreciation and amortization expenses	其中：折舊和攤銷費用	(71,567,359)	(18,601,939)	(69,441,349)	11,162	—	(159,599,485)	
Taxes and surcharge	稅金及附加	—	—	—	—	(37,590,996)	(37,590,996)	
Selling expenses	銷售費用	—	—	—	—	(199,431,553)	(199,431,553)	
Administrative expenses	管理費用	—	—	—	—	(662,230,345)	(662,230,345)	
Financial expenses	財務費用	—	—	—	—	(112,211,093)	(112,211,093)	
Impairment loss	資產減值損失	—	—	—	—	(13,274,078)	(13,274,078)	
Gains from changes in fair value	公允價值變動損失	—	—	—	—	(99,303)	(99,303)	
Investment income	投資收益	—	—	—	—	113,415,382	113,415,382	
Including: Investment income in associates and joint ventures	其中：對聯營和合營企業的投資收益	—	—	—	—	105,040,139	105,040,139	
Losses from disposal of assets	資產處置損益	—	—	—	—	(2,080,737)	(2,080,737)	
Operating profit/(loss)	營業利潤/(虧損)	1,406,177,796	219,087,975	112,882,372	(55,570,534)	(913,502,723)	769,074,886	
Non-operating income	營業外收入	—	—	—	—	26,440,810	26,440,810	
Non-operating expenses	營業外支出	—	—	—	—	(2,222,865)	(2,222,865)	
Profit before taxation	利潤/(虧損)總額	1,406,177,796	219,087,975	112,882,372	(55,570,534)	(889,284,778)	793,292,831	
Income taxes	所得稅費用	—	—	—	—	(99,592,660)	(99,592,660)	
Profit for the year	淨利潤/(虧損)	1,406,177,796	219,087,975	112,882,372	(55,570,534)	(988,877,438)	693,700,171	
Total assets	資產總額	1,837,700,625	2,082,713,799	4,494,652,436	(248,722,833)	—	8,166,344,027	

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

XIV. OTHER SIGNIFICANT MATTERS (Cont'd)

2. Segment Reporting (Cont'd)

(1) Information of Profit or Loss and Asset of Reporting Segments (Cont'd)

十四、其他重要事項(續)

2、分部報告(續)

(1) 報告分部的利潤或虧損及資產的信息(續)

		2016					2016年度	
Items	項目	Optical fibres and optical fibre preforms segment 光纖及光纖預製棒分部	Optical fibre cables segment 光纜分部	Others	Offset between segments 分部間抵銷	Unallocated amounts 未分配金額	Total 合計	
Other items:	其他項目：							
- Long-term equity investment in associates and joint ventures	- 對聯營企業和合營企業的長期股權投資	—	—	1,052,595,439	—	—	1,052,595,439	
- Increase in other non-current assets other than long-term equity investment	- 長期股權投資以外的其他非流動資產增加額	681,157,191	122,729,161	416,354,548	(194,020,031)	—	1,026,220,869	

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

XIV. OTHER SIGNIFICANT MATTERS (Cont'd)

2. Segment Reporting (Cont'd)

(2) Geographical Information

Information about the external transaction income and non-current assets (including fixed assets, construction in progress, intangible assets, long-term equity investment and other prepayments (specific non-current assets)) listed by the Group in different regions are shown in the table below. External transaction revenue is divided by the location of the customer who receives the service or purchases the product. Non-current assets are classified according to the physical location of assets (for fixed assets) or the location of related business (for intangible assets and other prepayments) or the location of joint ventures and associates.

十四、其他重要事項(續)

2、分部報告(續)

(2) 地區信息

本集團按不同地區列示的有關取得的對外交易收入以及非流動資產(包括固定資產、在建工程、無形資產、長期股權投資及其他預付款項(特定非流動資產)，下同)的信息見下表。對外交易收入是按接受服務或購買產品的客戶的所在地進行劃分。非流動資產是按照資產實物所在地(對於固定資產而言)或被分配到相關業務的所在地(對無形資產和其他預付款項而言)或合營及聯營企業的所在地進行劃分。

Total revenue from external customers

對外交易收入總額

Country or region	國家或地區	2017	2016
		2017年	2016年
Mainland China	中國大陸	9,205,778,310	7,408,478,096
Others	其他	1,160,305,349	703,017,028
Total	合計	10,366,083,659	8,111,495,124

Total non-current assets

非流動資產總額

Country or region	國家或地區	31 December	31 December
		2017	2016
		2017年	2016年
		12月31日	12月31日
Mainland China	中國大陸	3,564,161,483	3,180,390,477
Others	其他	193,626,060	139,629,553
Total	合計	3,757,787,543	3,320,020,030

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

XIV. OTHER SIGNIFICANT MATTERS (Cont'd)

2. Segment Reporting (Cont'd)

(3) Key customers

Among the Group's customers, the Group has one customer (2016: one) derived from a single customer's income which accounted for 10% or more of the Group's total income, accounting for approximately 28% of the Group's total income (2016: 21%). The amount of income from those customers is as follows:

十四、其他重要事項(續)

2、分部報告(續)

(3) 主要客戶

在本集團客戶中，本集團來源於單一客戶收入佔本集團總收入10%或以上的客戶有1個(2016年：1個)，約佔本集團總收入28%(2016年：21%)。來自該等客戶的收入金額列示如下：

2017 2017年		
Customers 客戶	Name of segment 分部名稱	Amounts 金額
Customer 1 客戶 1	Optical fibre cables segment 光纜分部	2,884,162,780
Customer 2 客戶 2	Optical fibre preforms segment 光纖預製棒分部	Less than 10% of the group's total revenue 低於集團總收入的10%
2016 2016年		
Customers 客戶	Name of segment 分部名稱	Amounts 金額
Customer 1 客戶 1	Optical fibre cables segment 光纜分部	1,708,126,683
Customer 2 客戶 2	Optical fibre preforms segment 光纖預製棒分部	Less than 10% of the group's total revenue 低於集團總收入的10%

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

XIV. OTHER SIGNIFICANT MATTERS (Cont'd)

3. Directors' emoluments

(1) Directors' remuneration

Details of the directors' remuneration (including the chief executive officer and the supervisor) disclosed in Section 383 of the "Hong Kong Company Law" and Section 2 of the "Corporate Remuneration Disclosure Information" of the company regulations are as follows:

十四、其他重要事項(續)

3、董事薪酬

(1) 董事酬金

依照《香港公司法》第383節第一條以及公司法規第二部分「有關董事酬金披露信息」所披露的董事酬金(包括行政總裁及監事)詳情如下：

		2017 2017年度					
		Salaries, allowances and other benefits	Discretionary bonus	Retirement benefit plan contributions		Total	
Current or previous positions 現任或曾任職位		Fee 袍金	薪金、津貼 及其他福利	酌情花紅	退休福利 計劃供款	合計	
董事	Director						
Ma Jie 馬杰	Director 董事	466,229	—	—	—	466,229	
Philippe Claude Vanhille	Director 董事	466,229	—	—	—	466,229	
Yao Jingming 姚井明	Director 董事	466,229	—	—	—	466,229	
Zhuang Dan 莊丹	President 總裁	—	—	—	—	—	
Pier Francesco Facchini	Director 董事	429,387	—	—	—	429,387	
Frank Franciscus Dorjee	Director 董事	466,229	—	—	—	466,229	
Xiong Xiangfeng 熊向峰	Director 董事	466,229	—	—	—	466,229	
Zheng Huiii (note ii) 鄭慧麗(註ii)	Director 董事	466,229	—	—	—	466,229	
Wen Huiguo (note i) 文會國(註i)	Director 董事	—	90,272	—	1,971	92,243	
Yeung Kwok Ki (note i) 楊國琦(註i)	Director 董事	36,842	—	—	—	36,842	

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

XIV. OTHER SIGNIFICANT MATTERS (Cont'd)

3. Directors' emoluments (Cont'd)

(1) Directors' remuneration (Cont'd)

十四、其他重要事項(續)

3、董事薪酬(續)

(1) 董事酬金(續)

		2017 2017年度					
		Salaries, allowances and other benefits	Retirement benefit plan contributions	Discretionary bonus		Total	
Current or previous positions 現任或曾任職位		Fee 袍金	薪金、津貼 及其他福利	酌情花紅	退休福利 計劃供款	合計	
獨立非執行董事	Independent non-executive director						
Ngai Wai Fung 魏偉峰	Independent non-executive director 獨立非執行董事	466,229	—	—	—	466,229	
Ip Sik On Simon 葉錫安	Independent non-executive director 獨立非執行董事	479,387	—	—	—	479,387	
Li Ping 李平	Independent non-executive director 獨立非執行董事	466,229	—	—	—	466,229	
Li Zhuo 李卓	Independent non-executive director 獨立非執行董事	466,229	—	—	—	466,229	
總裁	President						
Zhuang Dan 莊丹	President 總裁	—	1,432,894	4,500,000	84,621	6,017,514	
監事	Supervisor						
Wang Ruichun 王瑞春	Supervisor 監事	—	937,535	637,083	77,966	1,652,585	
Liu Deming 劉德明	Supervisor 監事	178,571	—	—	—	178,571	
Li Chang'ai 李長愛	Supervisor 監事	178,571	—	—	—	178,571	
Jiang Zhikang (note i) 江志康(註i)	Supervisor 監事	—	71,735	—	6,654	78,389	
合計	Total	5,498,819	2,532,436	5,137,083	171,212	13,339,550	

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

XIV. OTHER SIGNIFICANT MATTERS (Cont'd)

3. Directors' emoluments (Cont'd)

(1) Directors' remuneration (Cont'd)

十四、其他重要事項(續)

3、董事薪酬(續)

(1) 董事酬金(續)

		2016					
		2016年度					
		Salaries, allowances and other benefits	Discretionary bonus	Retirement benefit plan contributions			
Current or previous positions	Fee	薪金、津貼及其他福利	酌情花紅	退休福利計劃供款	Total		
現任或曾任職位	袍金	及其他福利	酌情花紅	計劃供款	合計		
董事	Director						
Wen Huiguo (note i)	Director	—	1,076,168	3,600,000	22,734	4,698,902	
文會國(註i)	董事						
Frank Franciscus Dorjee	Director	468,499	—	—	—	468,499	
Frank Franciscus Dorjee	董事						
Ma Jie	Director	468,499	—	—	—	468,499	
馬杰	董事						
Yao Jingming	Director	468,499	—	—	—	468,499	
姚井明	董事						
Philippe Claude Vanhille	Director	468,499	—	—	—	468,499	
Philippe Claude Vanhille	董事						
Yeung Kwok Ki (note i)	Director	468,499	—	—	—	468,499	
楊國琦(註i)	董事						
Xiong Xiangfeng	Director	468,499	—	—	—	468,499	
熊向峰	董事						
Zheng Huili (note ii)	Director	468,499	—	—	—	468,499	
鄭慧麗(註ii)	董事						

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

XIV. OTHER SIGNIFICANT MATTERS (Cont'd)

3. Directors' emoluments (Cont'd)

(1) Directors' remuneration (Cont'd)

		2016 2016年度					
		Salaries, allowances and other benefits	Discretionary bonus	Retirement benefit plan contributions		Total	
	Current or previous positions 現任或曾任職位	Fee 袍金	薪金、津貼 及其他福利	酌情花紅	退休福利 計劃供款	合計	
獨立非執行董事	Independent non-executive director						
Ngai Wai Fung 魏偉峰	Independent non-executive director 獨立非執行董事	468,499	—	—	—	468,499	
Ip Sik On Simon 葉錫安	Independent non-executive director 獨立非執行董事	627,941	—	—	—	627,941	
Li Ping 李平	Independent non-executive director 獨立非執行董事	468,499	—	—	—	468,499	
Li Zhuo 李卓	Independent non-executive director 獨立非執行董事	468,499	—	—	—	468,499	
總裁	President						
Zhuang Dan 莊丹	President 總裁	—	1,270,233	4,500,000	77,061	5,847,294	
監事	Supervisor						
Jiang Zhikang (note i) 江志康(註i)	Supervisor 監事	—	844,582	650,000	77,061	1,571,643	
Liu Deming 劉德明	Supervisor 監事	178,571	—	—	—	178,571	
Li Chang'ai 李長愛	Supervisor 監事	178,571	—	—	—	178,571	
合計	Total	5,670,073	3,190,983	8,750,000	176,856	17,787,912	

十四、其他重要事項(續)

3、董事薪酬(續)

(1) 董事酬金(續)

2016
2016年度

Salaries,
allowances
and other
benefits
Discretionary
bonus
Retirement
benefit plan
contributions

	Current or previous positions 現任或曾任職位	Fee 袍金	薪金、津貼 及其他福利	酌情花紅	退休福利 計劃供款	合計
獨立非執行董事	Independent non-executive director					
Ngai Wai Fung 魏偉峰	Independent non-executive director 獨立非執行董事	468,499	—	—	—	468,499
Ip Sik On Simon 葉錫安	Independent non-executive director 獨立非執行董事	627,941	—	—	—	627,941
Li Ping 李平	Independent non-executive director 獨立非執行董事	468,499	—	—	—	468,499
Li Zhuo 李卓	Independent non-executive director 獨立非執行董事	468,499	—	—	—	468,499
總裁	President					
Zhuang Dan 莊丹	President 總裁	—	1,270,233	4,500,000	77,061	5,847,294
監事	Supervisor					
Jiang Zhikang (note i) 江志康(註i)	Supervisor 監事	—	844,582	650,000	77,061	1,571,643
Liu Deming 劉德明	Supervisor 監事	178,571	—	—	—	178,571
Li Chang'ai 李長愛	Supervisor 監事	178,571	—	—	—	178,571
合計	Total	5,670,073	3,190,983	8,750,000	176,856	17,787,912

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

XIV. OTHER SIGNIFICANT MATTERS (Cont'd)

3. Directors' emoluments (Cont'd)

(1) Directors' remuneration (Cont'd)

Note:

- (i) The above directors and supervisors have resigned on 24 January 2017.
- (ii) Zheng Huili served as the deputy secretary of the Party Committee in the Company for the current and prior years. In 2017, the remuneration received by the above positions apart from non-directors was RMB1,212,414 (2016: RMB1,176,171).

(2) Highest paid person

During the year, the number of directors, chief executives, supervisors, non-directors and non-supervisors in the five highest paid individuals are set out below:

	2017	2016
	2017年	2016年
Directors, chief executives and supervisors 董事、行政總裁及監事	1	2
Non-directors and non-supervisors 非董事及非監事	4	3
Total 合計	5	5

十四、其他重要事項(續)

3、董事薪酬(續)

(1) 董事酬金(續)

註：

- (i) 上述董事及監事已於2017年1月24日離任。
- (ii) 鄭慧麗在本年及以前年度在本公司工作並擔任黨委副書記，2017年度因上述職位而非董事所獲得的酬金為人民幣1,212,414元（2016年：人民幣1,176,171元）。

(2) 最高酬金人士

於本年度內，五名最高酬金人士內的董事、行政總裁、監事、非董事及非監事人數列示如下：

	2017	2016
	2017年	2016年
Directors, chief executives and supervisors 董事、行政總裁及監事	1	2
Non-directors and non-supervisors 非董事及非監事	4	3
Total 合計	5	5

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

XIV. OTHER SIGNIFICANT MATTERS (Cont'd)

3. Directors' emoluments (Cont'd)

(2) Highest paid person (Cont'd)

The total remunerations of other highest paid individuals except directors are as follows:

		2017 2017年	2016 2016年
Remuneration and other emoluments	酬金和其他酬金	5,720,930	3,502,977
Discretionary bonus	酌情花紅	4,656,260	6,900,000
Contributions to retirement plans	退休計劃供款	282,959	175,112
Total	合計	10,660,149	10,578,089

The remuneration of non-directors and non-supervisors in the highest paid individuals is within the following range:

2017	2017年	
HKD\$2,500,001 to HKD\$3,000,000 (RMB2,091,000 to RMB2,508,000)	2,500,001 港元至 3,000,000 港元 (人民幣 2,091,000 元至人民幣 2,508,000 元)	3
HKD\$3,000,001 to HKD\$3,500,000 (RMB2,508,001 to RMB2,926,000)	3,000,001 港元至 3,500,000 港元 (人民幣 2,508,001 元至人民幣 2,926,000 元)	—
HKD\$3,500,001 to HKD\$4,000,000 (RMB2,926,001 to RMB3,344,000)	3,500,001 港元至 4,000,000 港元 (人民幣 2,926,001 元至人民幣 3,344,000 元)	—
HKD\$4,000,001 to HKD\$4,500,000 (RMB3,344,001 to RMB3,762,000)	4,000,001 港元至 4,500,000 港元 (人民幣 3,344,001 元至人民幣 3,762,000 元)	1
		4

十四、其他重要事項(續)

3、董事薪酬(續)

(2) 最高酬金人士(續)

除董事以外最高酬金人士的酬金總額列示如下：

最高酬金人士中的非董事及非監事的酬金在以下範圍內：

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

XIV. OTHER SIGNIFICANT MATTERS (Cont'd)

3. Directors' emoluments (Cont'd)

(2) Highest paid person (Cont'd)

2016	2016年	
HKD\$3,500,001 to HKD\$4,000,000 (RMB3,131,000 to RMB3,578,000)	3,500,001 港元至 4,000,000 港元 (人民幣 3,131,000 元至人民幣 3,578,000 元)	1
HKD\$4,000,001 to HKD\$4,500,000 (RMB3,578,001 to RMB4,025,000)	4,000,001 港元至 4,500,000 港元 (人民幣 3,578,001 元至人民幣 4,025,000 元)	2
		3

十四、其他重要事項(續)

3、董事薪酬(續)

(2) 最高酬金人士(續)

XV. NOTES FOR MAIN ITEMS ON FINANCIAL STATEMENTS OF PARENT COMPANY

I. Trade receivables

(1) Trade receivables by customers' type are as follows:

Type of customers	客戶類別	31 December 2017 2017年 12月31日	31 December 2016 2016年 12月31日
Related parties	關聯公司	202,890,792	206,785,637
Other customers	其他客戶	1,638,552,402	1,643,750,485
Sub-total	小計	1,841,443,194	1,850,536,122
Less: allowance for doubtful debts	減：壞賬準備	41,391,914	39,507,235
Total	合計	1,800,051,280	1,811,028,887

十五、母公司財務報表主要項目註釋

I、應收賬款

(1) 應收賬款按客戶類別分析如下：

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

XV. NOTES FOR MAIN ITEMS ON FINANCIAL STATEMENTS OF PARENT COMPANY (Cont'd)

1. Trade receivables (Cont'd)

(2) Trade receivables analyzed by ageing are as follows:

Ageing	賬齡	31 December 2017 2017年 12月31日	31 December 2016 2016年 12月31日
Within 1 year (1 year inclusive)	1年以內(含1年)	1,649,328,342	1,773,914,850
1-2 years (2 years inclusive)	1年至2年(含2年)	156,295,729	49,298,873
2-3 years (3 years inclusive)	2年至3年(含3年)	13,546,799	14,655,491
3-4 years (4 years inclusive)	3至4年(含4年)	8,474,785	2,816,380
4-5 years (5 years inclusive)	4至5年(含5年)	6,503,837	3,003,965
Over 5 years	5年以上	7,293,702	6,846,563
Sub-total	小計	1,841,443,194	1,850,536,122
Less: allowance for doubtful debts	減：壞賬準備	41,391,914	39,507,235
Total	合計	1,800,051,280	1,811,028,887

Ageing calculated from the confirmation date of trade receivables.

賬齡自應收賬款確認日起開始計算。

十五、母公司財務報表主要項目註釋 (續)

1、應收賬款(續)

(2) 應收賬款按賬齡分析如下：

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

XV. NOTES FOR MAIN ITEMS ON FINANCIAL STATEMENTS OF PARENT COMPANY (Cont'd)

I. Trade receivables (Cont'd)

(3) Trade receivables classification disclosure

十五、母公司財務報表主要項目註釋

1、應收賬款(續)

(3) 應收賬款分類披露

31 December 2017

2017年12月31日

Categories	類別	註	Carrying amount		Provision for bad and doubtful debts		Book value
			賬面餘額		壞賬準備		
			Amount	Ratio(%)	Amount	Ratio(%)	
			金額	比例(%)	金額	比例(%)	賬面價值
Trade receivables with significant single amount and separate allowance for doubtful debts	單項金額重大並單獨計提了壞賬準備的應收賬款	(a)	—	—	—	—	—
Trade receivables according to total allowance for doubtful debts of credit risk characteristics	按信用風險特徵組合計提壞賬準備的應收賬款	(b)					
Combination 1	組合1		202,890,792	11%	3,488,605	8%	199,402,187
Combination 2	組合2		1,206,596,842	66%	19,747,362	48%	1,186,849,480
Combination 3	組合3		431,955,560	23%	18,155,947	44%	413,799,613
Combination Sub-total	組合小計		1,841,443,194	100%	41,391,914	100%	1,800,051,280
Trade receivables with insignificant single amount but with separate allowance for doubtful debts	單項金額不重大但單獨計提了壞賬準備的應收賬款		—	—	—	—	—
Total	合計		1,841,443,194	100%	41,391,914	100%	1,800,051,280

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

XV. NOTES FOR MAIN ITEMS ON FINANCIAL STATEMENTS OF PARENT COMPANY (Cont'd)

I. Trade receivables (Cont'd)

(3) Trade receivables classification disclosure (Cont'd)

Categories	類別	註	Carrying amount		Allowance for doubtful debts		Book value
			Amount	Ratio(%)	Amount	Ratio(%)	
			賬面餘額	比例(%)	壞賬準備	比例(%)	賬面價值
Trade receivables with significant single amount and separate allowance for doubtful debts	單項金額重大並單獨計提了壞賬準備的應收賬款	(a)	—	—	—	—	—
Trade receivables according to total allowance for doubtful debts of credit risk characteristics	按信用風險特徵組合計提壞賬準備的應收賬款	(b)					
Combination 1	組合1		206,785,637	11%	5,105,052	13%	201,680,585
Combination 2	組合2		1,450,253,048	78%	21,832,340	55%	1,428,420,708
Combination 3	組合3		193,127,620	11%	12,200,026	31%	180,927,594
Combination sub-total	組合小計		1,850,166,305	100%	39,137,418	99%	1,811,028,887
Trade receivables with insignificant single amount but with separate allowance for doubtful debts	單項金額不重大但單獨計提了壞賬準備的應收賬款		369,817	0%	369,817	1%	—
Total	合計		1,850,536,122	100%	39,507,235	100%	1,811,028,887

(a) At the end of each year of the reporting period, the Company did not have a single significant amount and separate allowance for doubtful debts of trade receivables.

(a) 本公司於報告期內各年末不存在單項金額重大並單獨計提了壞賬準備的應收賬款。

十五、母公司財務報表主要項目註釋

1、應收賬款(續)

(3) 應收賬款分類披露(續)

31 December 2016

2016年12月31日

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

XV. NOTES FOR MAIN ITEMS ON FINANCIAL STATEMENTS OF PARENT COMPANY (Cont'd)

I. Trade receivables (Cont'd)

(3) Trade receivables classification disclosure (Cont'd)

- (b) In the combination, at the end of the year, trade receivables for doubtful debts allowance are accrued according to ageing analysis method:

31 December 2017

Ageing	賬齡	Book balance 賬面餘額	Allowance for doubtful debts 壞賬準備	Provision ratio 計提比例
Within 1 year	1年以內	1,787,523,221	27,470,801	2%
Over 1 year but within 2 years	1至2年	27,450,144	1,773,442	6%
Over 2 years but within 3 years	2至3年	7,948,137	1,314,838	17%
Over 3 years but within 4 years	3至4年	10,612,385	3,540,071	33%
Over 4 years but within 5 years	4至5年	1,316,530	699,986	53%
Over 5 years	5年以上	6,592,777	6,592,776	100%
Total	合計	1,841,443,194	41,391,914	2%

31 December 2016

Ageing	賬齡	Book balance 賬面餘額	Allowance for doubtful debts 壞賬準備	Provision ratio 計提比例
Within 1 year	1年以內	1,791,468,282	25,753,029	1%
Over 1 year but within 2 years	1至2年	31,657,766	2,443,379	8%
Over 2 years but within 3 years	2至3年	14,561,195	1,558,392	11%
Over 3 years but within 4 years	3至4年	2,628,534	913,213	35%
Over 4 years but within 5 years	4至5年	3,003,965	1,622,842	54%
Over 5 years	5年以上	6,846,563	6,846,563	100%
Total	合計	1,850,166,305	39,137,418	2%

Please refer to note III.10 for the confirmation of the accounting policy for the combination.

確定該組合依據的會計政策請參見附註三、10。

十五、母公司財務報表主要項目註釋 (續)

1、應收賬款 (續)

(3) 應收賬款分類披露 (續)

- (b) 組合中，年末按賬齡分析法計提壞賬準備的應收賬款：

2017年12月31日

2016年12月31日

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

XV. NOTES FOR MAIN ITEMS ON FINANCIAL STATEMENTS OF PARENT COMPANY (Cont'd)

I. Trade receivables (Cont'd)

(4) Allowance for doubtful debts charged and recovered for the year:

		31 December 2017 2017年 12月31日	31 December 2016 2016年 12月31日
	Note 註		
Initial balance	年初餘額	39,507,235	44,757,881
Charge/(Withdrawing) for the year	本年計提/(轉回)	3,769,609	(5,046,537)
Write-off this year	本年核銷 (b)	(1,884,930)	(204,109)
Year-end balance	年末餘額	41,391,914	39,507,235

(a) The Company assesses and calculates the balance of doubtful debts at the end of each reporting period in accordance with the accounting policies and accounting estimates (see note III.10) for the provision for doubtful debts of the Company's trade receivables, after comparing them with the doubtful debts provision balances of the previous accounting year, withdrawal or reversal of doubtful debts provision for the current period/year.

During the reporting period, the Company did not have a significant amount of recovery or reversal of trade receivables that had been fully accrued or provided with a large proportion of bad-debt reserves.

(b) During the reporting period, the Company did not write-off a single significant amount of trade receivables.

十五、母公司財務報表主要項目註釋 (續)

1、應收賬款(續)

(4) 本年計提及收回的壞賬準備情況：

	31 December 2017 2017年 12月31日	31 December 2016 2016年 12月31日
Initial balance	39,507,235	44,757,881
Charge/(Withdrawing) for the year	3,769,609	(5,046,537)
Write-off this year	(1,884,930)	(204,109)
Year-end balance	41,391,914	39,507,235

(a) 本公司於各報告期末按照本公司應收賬款壞賬準備的會計政策及會計估計(參見附註三、10)評估並計算壞賬準備餘額，將其與上一會計年度的壞賬準備餘額進行比較後，計提或轉回當期/當年的壞賬準備金額。

本公司在報告期內不存在已全額計提或計提較大比例壞賬準備的應收賬款發生金額重大的收回或轉回的情況。

(b) 本公司在報告期內無單項金額重大的應收賬款核銷。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

XV. NOTES FOR MAIN ITEMS ON FINANCIAL STATEMENTS OF PARENT COMPANY (Cont'd)

I. Trade receivables (Cont'd)

(5) The top five trade receivables by year-end balance of arrears

As of 31 December 2016 and 31 December 2017, the total amount of trade receivables of the top five balances of the Company was RMB 1,369,896,993 and RMB 1,162,442,865, respectively. Accounted for 74% and 63% of the total balance of accounts receivable at the end of the year. Total accrued bad-debt provisions balance at the end of the year was RMB 23,523,449 and RMB 15,644,817 respectively.

十五、母公司財務報表主要項目註釋 (續)

1、應收賬款(續)

(5) 按欠款方歸集的年末餘額前五名的應收賬款情況

截至2016年12月31日及2017年12月31日，本公司餘額前五名的應收賬款合計分別為人民幣1,369,896,993元及人民幣1,162,442,865元。分別佔應收賬款年末餘額合計數的74%及63%。相應計提的壞賬準備年末餘額合計分別為人民幣23,523,449元及人民幣15,644,817元。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

XV. NOTES FOR MAIN ITEMS ON FINANCIAL STATEMENTS OF PARENT COMPANY (Cont'd)

2. Other receivables

(1) Other receivables analyzed by customers category are as follows:

Customers' category	客戶類別	31 December 2017 2017年 12月31日	31 December 2016 2016年 12月31日
Due from related parties within the Group	應收集團內關聯方	189,128,892	239,948,747
Due from related parties outside the Group	應收集團外關聯方	40,290,748	43,096,256
Due from third parties	應收非關聯公司	28,054,149	37,979,034
Sub-total	小計	257,473,789	321,024,037
Less: allowance for doubtful debts	減：壞賬準備	—	—
Total	合計	257,473,789	321,024,037

(2) Other receivables analyzed by ageing are as follows:

Ageing	賬齡	31 December 2017 2017年 12月31日	31 December 2016 2016年 12月31日
Within 1 year (1 year inclusive)	1年以內(含1年)	254,567,794	311,039,371
1-2 years (2 years inclusive)	1年至2年(含2年)	1,363,398	5,871,585
2-3 years (3 years inclusive)	2年至3年(含3年)	1,236,453	1,895,935
Over 3 years	3年以上	306,144	2,217,146
Sub-total	小計	257,473,789	321,024,037
Less: allowance for doubtful debts	減：壞賬準備	—	—
Total	合計	257,473,789	321,024,037

Ageing calculated from the confirmation date of other receivables.

賬齡自其他應收款確認日起開始計算。

十五、母公司財務報表主要項目註釋

2、其他應收款

(1) 其他應收款按客戶類別分析如下：

客戶類別	31 December 2017 2017年 12月31日	31 December 2016 2016年 12月31日
應收集團內關聯方	189,128,892	239,948,747
應收集團外關聯方	40,290,748	43,096,256
應收非關聯公司	28,054,149	37,979,034
小計	257,473,789	321,024,037
減：壞賬準備	—	—
合計	257,473,789	321,024,037

(2) 其他應收款按賬齡分析如下：

賬齡	31 December 2017 2017年 12月31日	31 December 2016 2016年 12月31日
1年以內(含1年)	254,567,794	311,039,371
1年至2年(含2年)	1,363,398	5,871,585
2年至3年(含3年)	1,236,453	1,895,935
3年以上	306,144	2,217,146
小計	257,473,789	321,024,037
減：壞賬準備	—	—
合計	257,473,789	321,024,037

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

XV. NOTES FOR MAIN ITEMS ON FINANCIAL STATEMENTS OF PARENT COMPANY (Cont'd)

2. Other receivables (Cont'd)

(3) Other receivables classified by nature of payment

十五、母公司財務報表主要項目註釋

2、其他應收款(續)

(3) 其他應收款按款項性質分類情況

Payment nature	款項性質	31 December	31 December
		2017	2016
		2017年	2016年
		12月31日	12月31日
Subsidiary receivable	應收子公司	189,128,892	239,948,747
Others affiliates receivable	應收其他關聯公司	40,290,748	43,096,256
Dividends receivable	應收利息	—	13,580,548
Input-tax pending attestation	待認證進項稅	—	—
Factoring back pay receivable	應收保理尾款	—	—
Bid bond	投標保證金	14,693,040	12,421,100
Others	其他	13,361,109	11,977,386
Sub-total	小計	257,473,789	321,024,037
Less: allowance for doubtful debts	減：壞賬準備	—	—
Total	合計	257,473,789	321,024,037

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

XV. NOTES FOR MAIN ITEMS ON FINANCIAL STATEMENTS OF PARENT COMPANY (Cont'd)

2. Other receivables (Cont'd)

(4) The top five other receivables by year-end balance of arrears

31 December 2017

十五、母公司財務報表主要項目註釋 (續)

2、其他應收款(續)

(4) 按欠款方歸集的年末餘額前五名的其他應收款情況

2017年12月31日

Units name 單位名稱	Payment nature 款項的性質	Year-end balance 年末餘額	Ageing 賬齡	Proportion of the total balance of other receivables at the end of the year (%) 佔其他 應收款年末 餘額合計數 的比例 (%)
Yangtze Optic Fibre (Qianjiang) Co., Ltd. 長飛光纖潛江有限公司	Entrusted Loan 委託貸款	50,000,000	Within 1 year 1年以內	19%
Yangtze Optical Fibre and Cable Sichuan Company Ltd. 長飛光纖光纜四川有限公司	Entrusted Loan 委託貸款	40,000,000	Within 1 year 1年以內	15%
Yangtze Optical Fibre and Cable Shenyang Co., Ltd. 長飛光纖光纜瀋陽有限公司	Entrusted Loan 委託貸款	35,000,000	Within 1 year 1年以內	14%
Yangtze Optical Fibre and Cable Lanzhou Co., Ltd. 長飛光纖光纜蘭州有限公司	Entrusted Loan 委託貸款	30,000,000	Within 1 year 1年以內	12%
Shenzhen Yangtze Connectivity Technologies Co., Ltd. 深圳長飛智連技術有限公司	Entrusted Loan 委託貸款	30,000,000	Within 1 year 1年以內	12%
Total 合計		185,000,000		72%

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

XV. NOTES FOR MAIN ITEMS ON FINANCIAL STATEMENTS OF PARENT COMPANY (Cont'd)

2. Other receivables (Cont'd)

(4) The top five other receivables by year-end balance of arrears (Cont'd)

31 December 2016

十五、母公司財務報表主要項目註釋 (續)

2、其他應收款(續)

(4) 按欠款方歸集的年末餘額前五名的其他應收款情況 (續)

2016年12月31日

Units name 單位名稱	Payment nature 款項的性質	Year-end balance 年末餘額	Ageing 賬齡	Proportion of the total balance of other receivables at the end of the year (%) 佔其他 應收款年末 餘額合計數 的比例 (%)
Yangtze Optic Fibre (Qianjiang) Co., Ltd. 長飛光纖潛江有限公司	Entrusted Loan 委託貸款	99,644,658	Within 1 year 1年以內	31%
Yangtze Optical Fibre and Cable Lanzhou Co., Ltd. 長飛光纖光纜蘭州有限公司	Entrusted Loan 委託貸款	50,093,500	Within 1 year 1年以內	16%
Yangtze Optical Fibre and Cable Sichuan Company Ltd. 長飛光纖光纜四川有限公司	Entrusted Loan 委託貸款	40,224,458	Within 1 year 1年以內	13%
Yangtze Optical Fibre and Cable Shenyang Co., Ltd. 長飛光纖光纜瀋陽有限公司	Entrusted Loan 委託貸款	30,409,588	Within 1 year 1年以內	9%
Everpro Technology Company Limited 長芯盛(武漢)科技有限公司	Entrusted Loan 委託貸款	30,096,556	Within 1 year 1年以內	9%
Total 合計		250,468,760 250,468,760		78% 78%

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

XV. NOTES FOR MAIN ITEMS ON FINANCIAL STATEMENTS OF PARENT COMPANY (Cont'd)

3. Long-term equity investment

(1) Long-term equity investments are classified as follows:

		31 December 2017 2017年12月31日		
		Impairment		
Items	項目	Book balance 賬面餘額	provision 減值準備	Book value 賬面價值
Investment in subsidiaries	對子公司投資	997,812,591	179,613,900	818,198,691
Investment in associates and joint ventures	對聯營、合營企業投資	1,245,996,472	4,130,000	1,241,866,472
Total	合計	2,243,809,063	183,743,900	2,060,065,163

		31 December 2016 2016年12月31日		
		Impairment		
Items	項目	Book balance 賬面餘額	provision 減值準備	Book value 賬面價值
Investment in subsidiaries	對子公司投資	845,536,079	—	845,536,079
Investment in associates and joint ventures	對聯營、合營企業投資	1,056,725,439	4,130,000	1,052,595,439
Total	合計	1,902,261,518	4,130,000	1,898,131,518

十五、母公司財務報表主要項目註釋 (續)

3、長期股權投資

(1) 長期股權投資分類如下：

		31 December 2017 2017年12月31日		
		Impairment		
Items	項目	Book balance 賬面餘額	provision 減值準備	Book value 賬面價值
Investment in subsidiaries	對子公司投資	997,812,591	179,613,900	818,198,691
Investment in associates and joint ventures	對聯營、合營企業投資	1,245,996,472	4,130,000	1,241,866,472
Total	合計	2,243,809,063	183,743,900	2,060,065,163

		31 December 2016 2016年12月31日		
		Impairment		
Items	項目	Book balance 賬面餘額	provision 減值準備	Book value 賬面價值
Investment in subsidiaries	對子公司投資	845,536,079	—	845,536,079
Investment in associates and joint ventures	對聯營、合營企業投資	1,056,725,439	4,130,000	1,052,595,439
Total	合計	1,902,261,518	4,130,000	1,898,131,518

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

XV. NOTES FOR MAIN ITEMS ON FINANCIAL STATEMENTS OF PARENT COMPANY (Cont'd)

3. Long-term equity investment (Cont'd)

(2) Investment in subsidiaries

十五、母公司財務報表主要項目註釋

(續)

3、長期股權投資(續)

(2) 對子公司投資

Units name	單位名稱	Balance on			Balance on	Provision for	Impairment
		1 January 2017	Increase of	Decrease of	31 December 2017	impairment of	prepared year-end balances
		2017年	the year	the year	2017年	the current year	end balances
		1月1日	本年增加	本年減少	12月31日	本年計提	減值準備
		餘額			餘額	減值準備	年末餘額
Yangtze Optical Fibre and Cable Company (Hong Kong) Limited	長飛光纖光纜(香港)有限公司	63,280	—	—	63,280	—	—
Everpro Technologies Company Limited	長芯盛(武漢)科技有限公司	225,000,000	—	—	225,000,000	179,613,900	179,613,900
Shenzhen YOFC Connectivity Technologies Co., Ltd.	深圳長飛智連技術有限公司	22,500,000	—	—	22,500,000	—	—
PT. Yangtze Optical Fibre Indonesia	PT. Yangtze Optical Fibre Indonesia	93,824,209	—	—	93,824,209	—	—
Yangtze Optical Fibre and Cable Shenyang Co., Ltd.	長飛光纖光纜瀋陽有限公司	40,000,000	—	—	40,000,000	—	—
Yangtze Optical Fibre and Cable Lanzhou Co., Ltd.	長飛光纖光纜蘭州有限公司	30,000,000	—	—	30,000,000	—	—
Yangtze Optical Fibre (Qianjiang) Co., Ltd.	長飛光纖潛江有限公司	213,500,000	60,000,000	—	273,500,000	—	—
Ally First Optical Fiber and Cable Co., Ltd	浙江聯飛光纖光纜有限公司	94,860,000	—	—	94,860,000	—	—
Wuhan YOFC Cable Co., Ltd.	武漢長飛通用電纜有限公司	36,232,540	—	—	36,232,540	—	—
Hubei Flying Optical Fibre Material Co., Ltd.	湖北飛菱光纖材料有限公司	25,970,000	26,230,000	—	52,200,000	—	—
Wuhan E3cloud Information Technologies Co., Ltd.	中標易雲信息技術有限公司	30,000,000	—	—	30,000,000	—	—
Yangtze Optics Africa Holdings Proprietary Limited	Yangtze Optics Africa Holdings Proprietary Limited	33,586,050	—	—	33,586,050	—	—
PT. Yangtze Optics Indonesia	PT. Yangtze Optics Indonesia	—	66,046,512	—	66,046,512	—	—
Total	合計	845,536,079	152,276,512	—	997,812,591	179,613,900	179,613,900

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

XV. NOTES FOR MAIN ITEMS ON FINANCIAL STATEMENTS OF PARENT COMPANY (Cont'd)

3. Long-term equity investment (Cont'd)

(2) Investment in subsidiaries(Cont'd)

十五、母公司財務報表主要項目註釋 (續)

3、長期股權投資(續)

(2) 對子公司投資(續)

Units name	單位名稱	Balance on			Balance on
		1 January	Increase of	Decrease of	31 December
		2016	the year	the year	2016
		2016年	本年增加	本年減少	2016年
		1月1日			12月31日
		餘額			餘額
Yangtze Optical Fibre and Cable Company (Hong Kong) Limited	長飛光纖光纜(香港)有限公司	63,280	—	—	63,280
Everpro Technologies Company Limited	長芯盛(武漢)科技有限公司	225,000,000	—	—	225,000,000
Shenzhen YOFC Connectivity Technologies Co., Ltd.	深圳長飛智連技術有限公司	22,500,000	—	—	22,500,000
PT.Yangtze Optical Fibre Indonesia	PT.Yangtze Optical Fibre Indonesia	43,872,360	49,951,849	—	93,824,209
Yangtze Optical Fibre and Cable Shenyang Co., Ltd.	長飛光纖光纜瀋陽有限公司	15,180,000	24,820,000	—	40,000,000
Yangtze Optical Fibre and Cable Lanzhou Co., Ltd.	長飛光纖光纜蘭州有限公司	30,000,000	—	—	30,000,000
Yangtze Optical Fibre (Qianjiang) Co., Ltd.	長飛光纖潛江有限公司	23,500,000	190,000,000	—	213,500,000
Ally First Optical Fiber and Cable Co., Ltd	浙江聯飛光纖光纜有限公司	47,500,000	47,360,000	—	94,860,000
Wuhan YOFC Cable Co., Ltd.	武漢長飛通用電纜有限公司	36,232,540	—	—	36,232,540
Hubei Flying Optical Fibre Material Co., Ltd.	湖北飛菱光纖材料有限公司	—	25,970,000	—	25,970,000
Wuan E3cloud Information Technologies Co., Ltd.	中標易雲信息技術有限公司	—	30,000,000	—	30,000,000
Yangtze Optics Africa Holdings Proprietary Limited	Yangtze Optics Africa Holdings Proprietary Limited	—	33,586,050	—	33,586,050
Total	合計	443,848,180	401,687,899	—	845,536,079

Please refer to note VII for the relevant information of the Company's subsidiaries.

本公司子公司的相關信息參見附註七。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

XV. NOTES FOR MAIN ITEMS ON FINANCIAL STATEMENTS OF PARENT COMPANY (Cont'd)

3. Long-term equity investment (Cont'd)

(3) Investment in associates and joint ventures:

十五、母公司財務報表主要項目註釋

(續)

3、長期股權投資(續)

(3) 對聯營、合營企業投資：

Invested units	被投資單位	Balance on 1 January 2017 2017年1月1日 餘額	Increases or decreases changes of the year 本年增減變動				Balance on 31 December 2017 2017年12月31日 餘額	Impairment prepared year-end balances 減值準備 年末餘額
			Additional investment 追加投資	Investment income 投資收益	Declaring distribution of cash dividends or profits 宣告發放現金股利或利潤	Unrealized downstream transactions 未實現順流交易		
Joint ventures 合營企業								
Shantou Hi-Tech Zone Ao Xing Optical Communication Equipment Co., Ltd	汕頭高新區奧星光通信設備有限公司	86,948,834	—	9,797,442	(5,055,813)	3,870,581	95,561,044	—
Yangtze Optical Fibre and Cable Sichuan Company Ltd.	長飛光纖光纜四川有限公司	64,125,009	—	14,200,898	(4,590,000)	(2,095,824)	71,640,083	—
Shenzhen SDGI Optical Fibre Co., Ltd.	深圳特發信息光纖有限公司	100,603,902	63,648,000	11,055,839	(4,372,887)	(2,244,498)	168,690,356	—
Yangtze Zhongli Optical Fibre and Cable (Jiangsu) Co., Ltd.	江蘇長飛中利光纖光纜有限公司	129,585,572	—	21,461,696	(9,519,294)	(576,486)	140,951,488	—
Yangtze Optical Fibre and Cable (Shanghai) Co., Ltd.	長飛光纖光纜(上海)有限公司	207,905,842	—	29,561,970	(12,851,123)	(7,781,249)	216,835,440	—
Wuhan Guangyuan Electronic Technology Co., Ltd.	武漢光源電子科技有限公司	1,633,921	—	207,506	—	—	1,841,427	—
Yangtze (Wuhan) Optical System Corporation	長飛(武漢)光系統股份有限公司	36,720,207	—	643,318	—	(66,423)	37,297,102	—
Tianjin YOFC XMKJ Optical Communication Co., Ltd.	天津長飛鑫茂光通信有限公司	162,236,295	—	51,381,752	2,891,000	863,325	217,372,372	—
Tianjin YOFC XMKJ Optical Cable Co., Ltd.	天津長飛鑫茂光纜有限公司	4,130,000	—	—	—	—	4,130,000	4,130,000
Shin-Etsu YOFC (Hubei) Optical Preform Co., Ltd.	長飛信越(湖北)光棒有限公司	237,384,230	—	28,724,242	—	—	266,108,472	—
YOFC-Yadanarbon Fibre Company Limited	YOFC-Yadanarbon Fibre Company Limited	14,363,795	—	(329,132)	—	—	14,034,663	—
Sub-total	小計	1,045,637,607	63,648,000	166,705,531	(33,498,117)	(8,030,574)	1,234,462,447	4,130,000
Associate 聯營企業								
Wuhan Yunjingfei Optical Fibre Material Co., Ltd.	武漢雲晶飛光纖材料有限公司	11,087,832	—	446,193	—	—	11,534,025	—
Sub-total	小計	11,087,832	—	446,193	—	—	11,534,025	—
Total	合計	1,056,725,439	63,648,000	167,151,724	(33,498,117)	(8,030,574)	1,245,996,472	4,130,000

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

XV. NOTES FOR MAIN ITEMS ON FINANCIAL STATEMENTS OF PARENT COMPANY (Cont'd)

3. Long-term equity investment (Cont'd)

(3) Investment in associates and joint ventures: (Cont'd)

	Invested units	被投資單位	Balance on 1 January 2016 2016年1月1日餘額	Additional investment 追加投資	Increases or decreases changes of the year 本年增減變動			Balance on 31 December 2016 2016年12月31日餘額	Impairment prepared year-end balances 減值準備年末餘額
					Investment income recognised under the equity method 權益法下確認的投資收益	Declaring distribution of cash dividends or profits 宣告發放現金股利或利潤	Unrealized downstream transactions 未實現順流交易		
Joint ventures 合營企業									
Shantou Hi-Tech Zone Ao Xing Optical Communication Equipment Co., Ltd	汕頭高新區奧星光通信設備有限公司		84,028,667	—	8,504,768	(5,055,813)	(528,788)	86,948,834	—
Yangtze Optical Fibre and Cable Sichuan Company Ltd.	長飛光纖光纜四川有限公司		53,385,436	—	10,207,991	—	531,582	64,125,009	—
Shenzhen SDGI Optical Fibre Co., Ltd.	深圳特發信息光纖有限公司		90,617,850	—	10,696,614	—	(710,562)	100,603,902	—
Yangtze Zhongli Optical Fibre and Cable (Jiangsu) Co., Ltd.	江蘇長飛中利光纖光纜有限公司		119,944,112	—	20,276,661	(8,490,542)	(2,144,659)	129,585,572	—
Yangtze Optical Fibre and Cable (Shanghai) Co., Ltd.	長飛光纖光纜(上海)有限公司		190,003,511	—	29,524,645	(10,406,912)	(1,215,402)	207,905,842	—
Wuhan Guangyuan Electronic Technology Co., Ltd.	武漢光源電子科技有限公司		2,371,532	—	(737,611)	—	—	1,633,921	—
Yangtze (Wuhan) Optical System Corporation	長飛(武漢)光系統股份有限公司		35,831,102	—	869,646	612	18,847	36,720,207	—
Tianjin YOFC XMKJ Optical Communication Co., Ltd.	天津長飛鑫茂光通信有限公司		130,270,689	—	31,063,971	—	901,635	162,236,295	—
Tianjin YOFC XMKJ Optical Cable Co., Ltd.	天津長飛鑫茂光纖有限公司		4,130,000	—	—	—	—	4,130,000	4,130,000
Shin-Etsu YOFC (Hubei) Optical Preform Co., Ltd.	長飛信越(湖北)光棒有限公司		—	244,075,860	(6,691,630)	—	—	237,384,230	—
YOFC-Yadanarbon Fibre Company Limited	YOFC-Yadanarbon Fibre Company Limited		13,859,105	—	504,690	—	—	14,363,795	—
Sub-total	小計		724,442,004	244,075,860	104,219,745	(23,952,655)	(3,147,347)	1,045,637,607	4,130,000
Associate 聯營企業									
Wuhan Yunjingfei Optical Fibre Material Co., Ltd.	武漢雲晶飛光纖材料有限公司		10,747,438	—	820,394	(480,000)	—	11,087,832	—
Sub-total	小計		10,747,438	—	820,394	(480,000)	—	11,087,832	—
Total	合計		735,189,442	244,075,860	105,040,139	(24,432,655)	(3,147,347)	1,056,725,439	4,130,000

十五、母公司財務報表主要項目註釋 (續)

3、長期股權投資(續)

(3) 對聯營、合營企業投資：(續)

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

XV. NOTES FOR MAIN ITEMS ON FINANCIAL STATEMENTS OF PARENT COMPANY (Cont'd)

3. Long-term equity investment (Cont'd)

(3) Investment in associates and joint ventures: (Cont'd)

During the reporting period, the Company did not have the transaction of selling long-term equity investments at prices significantly higher than the book value.

4. Operating revenue, operating cost

Operating revenue, operating cost

十五、母公司財務報表主要項目註釋

(續)

3、長期股權投資(續)

(3) 對聯營、合營企業投資：

(續)

報告期內，本公司未發生以明顯高於賬面價值的價格出售長期股權投資的交易。

4、營業收入、營業成本

營業收入、營業成本

Items	項目	2017		2016	
		2017年度		2016年度	
		Revenue	Cost	Revenue	Cost
		收入	成本	收入	成本
Principal activities	主營業務	10,776,894,924	8,630,779,059	8,095,827,229	6,487,698,291
Other operating activities	其他業務	539,227,058	501,093,299	160,891,464	120,417,568
Total	合計	11,316,121,982	9,131,872,358	8,256,718,693	6,608,115,859

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

XV. NOTES FOR MAIN ITEMS ON FINANCIAL STATEMENTS OF PARENT COMPANY (Cont'd)

4. Operating revenue, operating cost (Cont'd)

The details of operating revenue:

		2017	2016
		2017年	2016年
Revenue from principal operating activities	主營業務收入		
– Revenue from optical fibres and preforms	– 光纖及光纖預製棒銷售收入	5,436,649,770	4,217,002,426
– Revenue from optical fibre cables	– 光纜銷售收入	4,932,949,589	3,545,902,507
– Other sales revenue	– 其他銷售收入	407,295,565	332,922,296
Sub-total	小計	10,776,894,924	8,095,827,229
Revenue from other operating activities	其他業務收入		
– Revenue from material sales	– 材料銷售收入	507,426,585	133,584,442
– Revenue from rental houses	– 房屋出租收入	3,193,081	1,308,360
– Revenue from rental equipments	– 設備出租收入	3,418,803	2,393,162
– Revenue from technology usage and service	– 技術使用和服務收入	24,754,755	23,106,223
– Others	– 其他	433,834	499,277
Total	合計	11,316,121,982	8,256,718,693

5. Investment income

5. 投資收益

		2017	2016
Items	項目	2017年	2016年
Long-term equity investment income accounted by the equity method	權益法核算的長期股權投資收益	159,121,150	101,892,791
Investment income of available-for-sale financial assets during holding	可供出售金融資產在持有期間的投資收益	156,100	5,405,183
Investment income from disposal of available-for-sale financial assets	處置可供出售金融資產取得的投資收益	334,482	2,897,278
Total	合計	159,611,732	110,195,252

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

Mr. Zhuang Dan

Mr. Frank Franciscus Dorjee

NON-EXECUTIVE DIRECTORS

Mr. Ma Jie (*Chairman*)

Mr. Yao Jingming

Mr. Philippe Claude Vanhille

Mr. Pier Francesco Facchini

Mr. Xiong Xiangfeng

Ms. Zheng Huili

INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. Ngai Wai Fung

Dr. Ip Sik On Simon

Mr. Li Ping

Dr. Li Zhuo

BOARD COMMITTEES

AUDIT COMMITTEE

Dr. Ngai Wai Fung (*Chairman*)

Dr. Ip Sik On Simon

Dr. Li Zhuo

NOMINATION AND REMUNERATION COMMITTEE

Mr. Li Ping (*Chairman*)

Dr. Ip Sik On Simon

Mr. Frank Franciscus Dorjee

STRATEGY COMMITTEE

Mr. Ma Jie (*Chairman*)

Mr. Philippe Claude Vanhille

Mr. Li Ping

Dr. Li Zhuo

BOARD OF SUPERVISORS

Mr. Wang Ruichun

(*Chairman, employee representative supervisor*)

Mr. Liu Deming

Ms. Li Chang'ai

董事會

執行董事

莊丹先生

范•德意先生

非執行董事

馬杰先生(主席)

姚井明先生

菲利普•范希爾先生

皮埃爾•法奇尼先生

熊向峰先生

鄭慧麗女士

獨立非執行董事

魏偉峰博士

葉錫安博士

李平先生

李卓博士

董事委員會

審計委員會

魏偉峰博士(主席)

葉錫安博士

李卓博士

提名及薪酬委員會

李平先生(主席)

葉錫安博士

范•德意先生

戰略委員會

馬杰先生(主席)

菲利普•范希爾先生

李平先生

李卓博士

監事會

王瑞春先生

(主席、職工代表監事)

劉德明先生

李長愛女士

Corporate Information

公司資料

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

LEGAL REPRESENTATIVE OF THE COMPANY

Mr. Ma Jie

AUTHORISED REPRESENTATIVES

Mr. Zhuang Dan

Ms. Cheng Pik Yuk

SECRETARY OF THE BOARD

Ms. Zhou Lijing

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

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

公司法定代表人

馬杰先生

授權代表

莊丹先生

鄭碧玉女士

董事會秘書

周理晶女士

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

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

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

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

上市地點

香港聯合交易所有限公司

股份代碼

06869

聯繫方式

投資者關係部

電話: +8627 6878 9088
傳真: +8627 6878 9089
總部地址: 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
電郵: ir@yofc.com

網址

www.yofc.com

Definitions and Glossary of Technical Terms

釋義及技術詞彙

In this report, unless the context otherwise requires, the following terms shall have the meanings set out below:

於本報告中，除文義另有所指外，以下詞彙具有下列載涵義：

“Arrangement” 「該安排」	According to the “Consultation Conclusions on Acceptance of Mainland Accounting and Auditing Standards and Mainland Audit Firms for Mainland Incorporated Companies Listed in Hong Kong” (《有關接受在香港上市的內地註冊成立公司採用內地的會計及審計準則以及聘用內地會計師事務所的諮詢總結》) published by the Hong Kong Stock Exchange in December 2010, PRC incorporated issuers listed in Hong Kong are allowed to prepare their financial statements in accordance with the CASBE and PRC audit firms approved by the Ministry of Finance of the PRC and the China Securities Regulatory Commission are allowed to audit these financial statements in accordance with the China Standards on Auditing 根據聯交所於二零一零年十二月刊發的《有關接受在香港上市的內地註冊成立公司採用內地的會計及審計準則以及聘用內地會計師事務所的諮詢總結》，於中國註冊成立並於香港上市的發行人獲准根據中國企業會計準則編製其財務報表，而經中國財政部及中國證券監督管理委員會批准的中國會計師事務所獲准根據中國註冊會計師審計準則審核該等財務報表
“Board” 「董事會」	the board of directors of the Company 本公司董事會
“Board of Supervisors” 「監事會」	the board of supervisors of the Company 本公司監事會
“CASBE” 「中國企業會計準則」	the China Accounting Standards for Business Enterprises 中國企業會計準則
“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 I4 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 Telecom Technologies Co., Ltd., an entity incorporated in the PRC, one of the substantial shareholders of the Company 中國華信郵電科技有限公司，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
“Employee Stock Ownership Scheme” 「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 and Glossary of Technical Terms

釋義及技術詞彙

“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”, “YOFC Group”, “us” or “we” 「本集團」或「長飛集團」或「我們」	the Company and its subsidiaries (i.e. the entities listed as subsidiaries Company in Note 17 to the audited consolidated financial statements in this annual report) 本公司及其附屬公司(即本年報經審核合併財務報表附註17列為本公司附屬公司之實體)
“Hong Kong” 「香港」	the Hong Kong Special Administrative Region of the PRC 中國香港特別行政區
“Hong Kong Listing Rules” 「香港上市規則」	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited 香港聯合交易所有限公司證券上市規則
“Hong Kong Stock Exchange” 「香港聯交所」	The Stock Exchange of Hong Kong Limited 香港聯合交易所有限公司
“IFRS” 「國際財務報告準則」	the International Financial Reporting Standards 國際財務報告準則
“Listing Date” 「上市日期」	10 December 2014 二零一四年十二月十日
“Model Code” 「標準守則」	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Hong Kong Listing Rules 香港上市規則附錄十所載之上市發行人董事進行證券交易之標準守則
“OVD” 「OVD」	outside vapor deposition 外部化學氣相沉積
“PCVD” 「PCVD」	plasma activated chemical vapor deposition 等離子體化學氣相沉積
“PRC” 「中國」	the People’s Republic of China, and for the purpose of this annual report, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan 中華人民共和國，但就本年報而言，不包括香港、澳門及台灣

Definitions and Glossary of Technical Terms

釋義及技術詞彙

“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 Employee Stock Ownership Scheme 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
“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
“Prysmian Group” 「普睿司曼集團」	Prysmian S.p.A. and its close associates Prysmian S.p.A. 及其緊密聯系入
“RMB” 「人民幣」	Renminbi, the lawful currency of the PRC 人民幣，中國法定貨幣
“SFO” or “Securities and Futures Ordinance” 「證券及期貨條例」	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time 香港法例第 571 章證券及期貨條例，經不時修訂或補充
“Supervisor(s)” 「監事」	supervisor(s) of the Company 本公司監事
“VAD” 「VAD」	vapor axial deposition 軸向氣相沉積
“Yangtze Communications” 「長江通信」	Wuhan Yangtze Communications Industry Group Co., Ltd, a company incorporated in PRC, one of the substantial shareholders of the Company 武漢長江通信產業集團股份有限公司，一間於中國註冊成立的公司，為本公司主要股東之一
“YOFC” 「長飛」	Yangtze Optical Fibre and Cable Company Ltd, a company incorporated in the PRC as a sino-foreign equity joint venture, the predecessor of the Company 長飛光纖光纜有限公司，於中國註冊成立的中外合資合營企業，為本公司的前身
“YOFC Hong Kong” 「長飛香港」	Yangtze Optical Fibre and Cable Company (Hong Kong) Limited, a company established in Hongkong and one of the subsidiaries of the Company 長飛光纖光纜(香港)有限公司，一間於香港成立之公司，為本公司附屬公司之一
“YOFC Philippines” 「長飛菲律賓」	YOFC International (Philippines) Corporation, a company established in Philippines and one of the subsidiaries of the Company 長飛國際(菲律賓)有限公司，一間於菲律賓成立之公司，為本公司附屬公司之一
“YOFC Shanghai” 「長飛上海」	Yangtze Optical Fibre and Cable (Shanghai) Co., Ltd., a company established in the PRC and one of the joint venture of the Company. It is owned as to 75% by the Company and 25% by Draka 長飛光纖光纜(上海)有限公司，一間於中國成立的公司，為本公司合營公司之一。由本公司及 Draka 分別擁有 75% 及 25%
“YOI” 「長飛印尼光通信」	PT. Yangtze Optics Indonesia, a company established in Indonesia and one of the subsidiaries of the Company 長飛印尼光通信有限公司，一間於印尼成立之公司，為本公司附屬公司之一

This annual report is prepared in Chinese and English. In case of any discrepancies in interpretation, the Chinese version shall prevail.
本報告分別以中、英文編製。在對中、英文文本的理解上發生歧義時，以中文文本為準。



Smart Link Better Life.