

長飛光纖光纜股份有限公司

YANGTZE OPTICAL FIBRE AND CABLE JOINT STOCK LIMITED COMPANY



(於中華人民共和國註冊成立的股份有限公司)

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(STOCK CODE 股份代號: 6869)

➤ 年報
ANNUAL REPORT
2016

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CORPORATE PROFILE

公司簡介

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

The H shares of the Company were successfully listed on the Main Board of the Hong Kong Stock Exchange on 10 December 2014. On 18 December 2015, the Company completed the Private Placement. As 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第一大光纖預製棒、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，包括集成系統、工程設計與服務。本公司擁有最完備的光纖及光纜產品組合，為全球通信行業及其他行業（包括公用事業、運輸、石油化工及醫療）提供各種光纖光纜產品及相關解決方案，在全球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 2016, the Group's operating results were as follows:

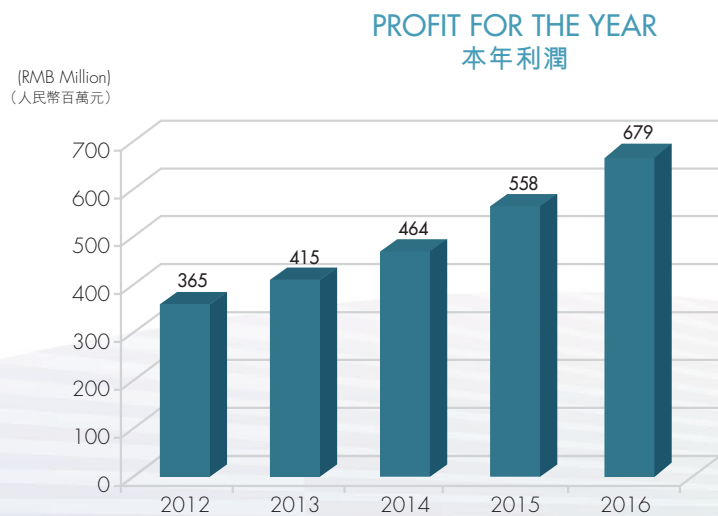
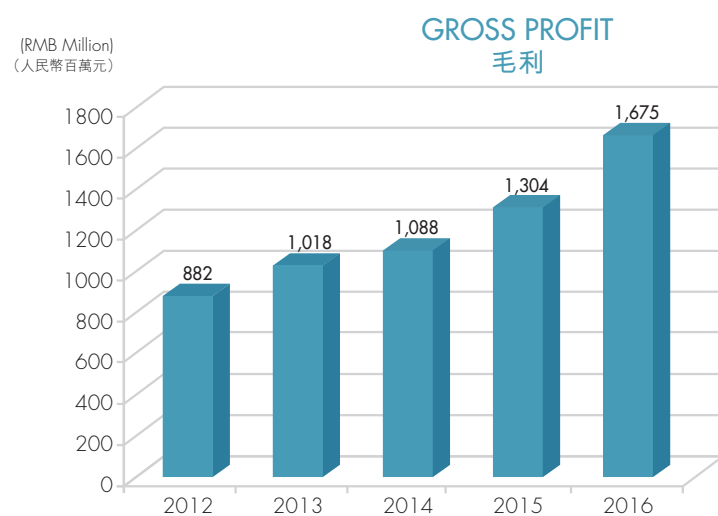
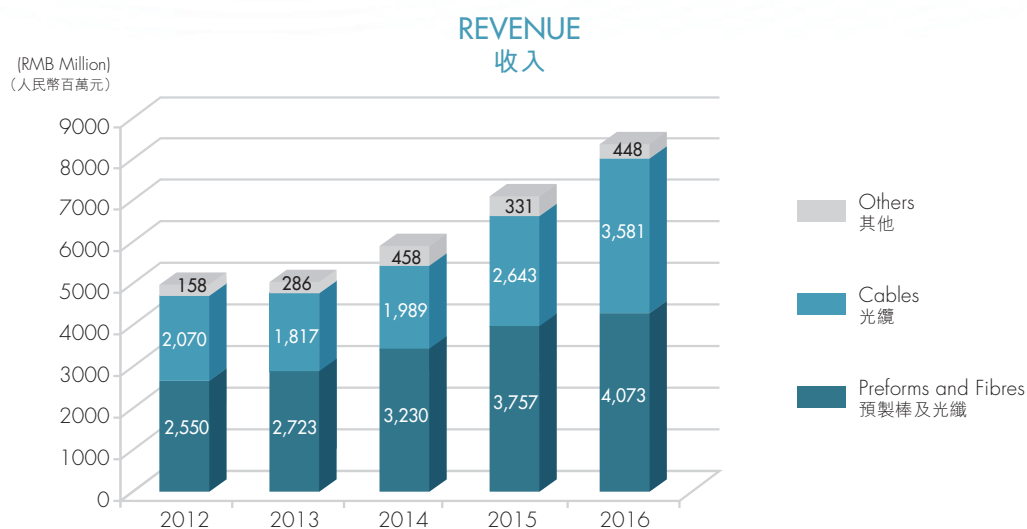
- Total revenue was RMB8,102.3 million, increased by approximately 20.4%.
- Gross profit and gross profit margin were RMB1,675.1 million and 20.7%, respectively.
- Profit for the year attributable to equity shareholders of the Company was RMB701.4 million, increased by approximately 22.9%.
- The Group's revenue from domestic business increased by approximately 19.3%, when compared with the prior year. The Group's overseas revenue increased by approximately 32.7%, when compared with the prior year.
- The Board recommended a final dividend of RMB0.255 (before tax) per share.

截至二零一六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 8,102.3百萬元，增幅約為20.4%。
- 毛利及毛利率分別為人民幣 1,675.1百萬元及20.7%。
- 本公司權益持有人應佔年內利潤為人民幣701.4百萬元，增幅約為22.9%。
- 與去年比較，本集團來自國內業務的收入增加約為19.3%。與去年比較，本集團來自海外業務的收入增加約為32.7%。
- 董事會建議派發末期股息每股人民幣0.255元(除稅前)。

FINANCIAL HIGHLIGHTS (Continued)

財務摘要 (續)



FINANCIAL HIGHLIGHTS (Continued)

財務摘要 (續)

FIVE-YEAR FINANCIAL SUMMARY

五年財務摘要

		Year ended December 31 截至十二月三十一日止年度				
		2012 二零一二年	2013 二零一三年	2014 二零一四年	2015 二零一五年	2016 二零一六年
Operating Result	經營業績					
Gross profit margin	毛利率	18.5%	21.1%	19.2%	19.4%	20.7%
Net profit margin	淨利率	7.6%	8.6%	8.2%	8.3%	8.4%
Return on equity ⁽¹⁾	股本回報率 ⁽¹⁾	22.1%	25.5%	21.0%	16.8%	16.6%
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)	496,196	431,146	200,177	550,820	1,303,377
Total assets (RMB'000)	資產總額(人民幣千元)	4,008,444	5,007,731	6,591,116	7,582,809	8,178,614
Total non-current assets (RMB'000)	非流動資產總額(人民幣千元)	1,684,782	1,713,461	1,979,214	2,554,466	3,542,541
Total current assets (RMB'000)	流動資產總額(人民幣千元)	2,323,662	3,294,270	4,611,902	5,028,343	4,636,073
Total liabilities (RMB'000)	負債總額(人民幣千元)	2,257,246	3,498,079	3,679,625	3,851,134	3,742,796
Total non-current liabilities (RMB'000)	非流動負債總額(人民幣千元)	184,848	897,859	1,095,358	874,267	1,107,032
Total current liabilities (RMB'000)	流動負債總額(人民幣千元)	2,072,398	2,600,220	2,584,267	2,976,867	2,635,764
Net Assets (RMB'000)	淨資產(人民幣千元)	1,751,198	1,509,652	2,911,491	3,731,675	4,435,818
Gearing ratio	負債資本比率(倍)	43.0%	47.4%	16.3%	11.0%	7.4%
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⁾	99.6	110.8	104.6	104.8	94.4
Average trade and bills payable turnover days ⁽³⁾	平均應付賬款及票據 周轉天數 ⁽³⁾	47.2	66.0	56.2	52.2	49.2
Average inventory turnover days ⁽⁴⁾	平均存貨周轉天數 ⁽⁴⁾	34.6	55.6	56.4	46.3	37.6
Operating Efficiency (percentage of revenue)	營運效率 (佔收入百分比)					
Selling expenses	銷售費用	2.0%	2.3%	2.2%	2.4%	2.5%
Administrative expenses	管理費用	9.0%	9.1%	7.8%	8.2%	9.0%
Net finance costs	淨融資成本	1.3%	0.8%	0.8%	1.9%	1.4%
Effective tax rate	實際稅率	9.0%	11.7%	13.2%	11.7%	12.5%

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

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

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

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

(1) 以本年利潤除以年度平均權益總額乘以100%計算。

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

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

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

CHAIRMAN'S STATEMENT

董事長報告



Dear Shareholders,

2016 was the first year of the current five-year strategic planning of the Company. The Company not only comprehensively exceeded the annual operation targets, but also further promoted the effective implementation of the five strategies, namely organic growth on preform, fibre and cable, technology innovation and intelligent manufacturing, internationalisation, diversification and capital synergy growth. The main achievements made by the Company are reflected in the following aspects:

Firstly, we reached another new record on operation results: the Company has been consistently focusing on customers, seizing the market opportunities brought by the market shortage, overall optimising the internal and external resources, and making every effort to fulfill various demands from our customers, and has comprehensively achieved the operation targets in 2016. Our production and sales volume both reached another historical highs of 107.9 million fkm and 134.2 million fkm, respectively. Our revenue increased by 20.4%, net profit increased by 21.6%, and our earnings per share was RMB1.03.

各位股東：

二零一六年是本公司新的五年戰略規劃的開局之年，公司不僅全面完成了年度經營計劃，更深度推進了「棒纖纜主業內涵增長、技術創新與智能製造、國際化地域擴張、相關多元化、資本運作與協同成長」五大戰略的有效實施；具體體現在以下方面：

第一，經營業績再創新高：公司始終堅持以客戶為中心，抓住市場供給不足的機遇，全面優化內外部資源，盡力滿足客戶需求，全面完成了二零一六年的經營任務，產量和銷量再創歷史新高，分別達到107.9萬芯公里和134.2萬芯公里。營業收入增長20.4%，淨利潤增長21.6%，每股實現盈利人民幣1.03元。

Secondly, we further improved our market layout: centering on the strategy of connotative growth of preform-fiber-cable business, the Company has accelerated the improvement on domestic capacity layout. Through the expansions in 2016, the Company has formed a nationwide production supply network centering on Hubei and radiating to Gansu, Liaoning, Sichuan, Shanghai, Jiangsu, Tianjin, Guangdong and Zhejiang, which has significantly enhanced our capacity advantage and regional structure. Meanwhile, centering on the international expansion strategy and leverage on "The Belt and Road", optical cable joint ventures in Myanmar and South Africa and an optical fibre joint venture in Indonesia have been put into operation whilst a sales company in Thailand has been established, which marked the overall launch of our overseas localised production and sales services. Through continuous efforts and planning, the sales scale and the market share of the Company kept growing. As a result, the Company has achieved its strategic goal of becoming global No.1 on the sales volume of optical fibre preform, optical fibre and optical cable in 2016.

Thirdly, we gained fruitful achievements on constant technology development: by way of import, digestion, absorption and re-innovation, the Company has completely mastered the PCVD process. Meanwhile, the self-developed VAD process has been applied in large-scale production. In addition, the OVD project undertaken by the joint venture with Shin-Etsu Chemical Co., Ltd. has also been put into trial production. As a result, the Company has become the only supplier in the world capable of large-scale production of optical fibre preform utilizing the aforesaid three main processes. Furthermore, based on self-innovation, the Company has strengthened external cooperation and preliminarily developed various products and services such as silicon tetrachloride, network engineering service solutions, which brought us the most complete value chain in the industry. Meanwhile, the Company has also made significant breakthroughs in multiple fields such as wide-band multimode fibre, few-mode fibre, large effective area and ULL optical fibre as well as optical fibre for medical applications. Moreover, the Company has entered into strategic cooperation agreements with China Unicom Network Technology Research Institute, the Wuhan Branch of China Electric Power Research Institute and other institutes, respectively, to jointly develop optical fibre applications. All these have strongly enhanced the Company's research and development ability and supported the relevant diversification of the Company.

第二，市場布局進一步完善：圍繞棒纖纜業務內涵增長戰略，公司加快完善國內產能布局。經過二零一六年的建設，公司已經形成了以湖北為中心，遍及甘肅、遼寧、四川、上海、江蘇、天津、廣東、浙江的全國生產供給體系，產能優勢與區域結構大幅提升。同時，圍繞國際化戰略，沿著「一帶一路」，長飛已經投產了緬甸光纖、印尼光纖、南非光纖合資公司，設立了泰國銷售公司，全面開啓了海外本地化生產與銷售服務。經過持續的投入與布局，公司銷售規模與市場份額不斷攀升，二零一六年已全面實現光纖預製棒、光纖和光纜三大業務銷量全球第一的戰略目標。

第三、持續技術創新成果豐碩：通過「引進、消化、吸收、再創新」，已經完全掌握PCVD工藝，自主研發的VAD工藝也開始規模化生產，與信越化學工業株式會社合資的OVD項目也已進入試生產，公司成為全球唯一具備利用三大主流工藝規模化生產光纖預製棒的供應商。而且，公司還立足自主創新，強化外部合作，初步開發了四氯化矽、網絡工程服務解決方案等業務，建成了業內最完整的產業鏈。同時，公司還在寬帶多模光纖、少模光纖、大有效面積超低損耗光纖、光纖醫療應用等多個前沿領域取得了重大突破。此外，公司還與中國聯通網絡技術研究院、中國電力科學研究院武漢分院等機構簽署了戰略合作協議，合力進行光纖應用開發。這些都有力地提升了公司研發實力，支撐了公司的相關多元化發展。

CHAIRMAN'S STATEMENT (Continued)

董事長報告(續)

Fourthly, we pursued the excellent management and obtained sound results: the Company has strictly complied with the compliance requirements applicable to companies listed in Hong Kong, optimised the internal operation and management, improved the quality and efficiency, and endeavoured to create greater value for our shareholders. In 2016, the Company was granted with "Highest Investment Value Award" by Bloomberg Businessweek, and the share price and the market capitalisation of the Company have both doubled. Besides, the Company has continuously promoted lean production and reduced operating costs by utilizing Six Sigma and other tools, which showed remarkable achievements. In addition, through cooperation with third-party management consulting firms, the Company has further optimised and improved its internal management structure, established the Group's large market and large research and development platform, improved customer responsiveness and organic growth ability, and solidified the Company's core competitiveness.

Fifthly, our brand and industry positions have been strengthened continuously: the Company has always regarded quality as its foundation, hence its product quality and brand have always been highly recognised. In 2016, the Company won the gold award at the International Convention on Quality Control Circles (ICQCC) for the third consecutive year, and also won, among other awards, the Chinese Quality Award (nominated), the International Star for Leadership in Quality as well as the Success Summit. Meanwhile, the Company was also recognized as Huawei's "Best Partner" and Sri Lanka Telecom's "Excellent Supplier". Moreover, the Company held the Global Optical Fibre and Cable Conference in Wuhan together with CRU, and also hosted important industry events such as the Annual Academic Meeting of China Institute of Communications on Telecommunication Lines, which greatly enhanced the Company's brand influence. In addition, the Company played a leading role and participated in the organisation of the series of events celebrating the 50th Anniversary of the Invention of Optical Fibre, which has greatly promoted the favourable development of optical fibre and cable industry.

第四，追求卓越管理初顯成效：公司嚴格按照香港上市公司合規要求，優化內部經營管理，提質增效，努力為股東創造更大價值，二零一六年被《彭博商業周刊》評為「最具投資價值獎」，公司股價和市值翻番。同時，公司持續借助六西格瑪等工具推動精益生產，在全公司範圍內降低經營成本，成效顯著。此外，公司依托第三方管理諮詢機構，進一步優化和完善內部管理架構，建立集團大市場大研發平台，提升客戶響應能力和內涵增長能力，夯實公司核心競爭能力。

第五，品牌與行業地位持續提升：公司始終將質量作為立企之本，質量品牌廣受認可。二零一六年，本公司連續三年獲得ICQCC國際質量管理小組金獎，並獲得中國質量獎提名獎、質量領導力國際之星、成功之峰等多項國內外質量大獎，同時獲評華為公司「最佳合作夥伴」、斯裏蘭卡電信「優秀供應商」等獎項。同時，公司聯合CRU在武漢舉辦了全球光纖光纜大會，承辦了中國通信學會通信綫路學術年會等行業盛會，極大提升了公司的品牌影響力。此外，公司還努力發揮行業引領作用，參與組織光纖發明50周年系列活動，積極推動光纖光纜產業良性發展。

CHAIRMAN'S STATEMENT (Continued)

董事長報告(續)

Looking ahead, driven by the global informatization construction and information consumption trends, the formation of high speed information transmission network centered on data centers and cloud technology is accelerating. A great number of countries including China are currently speeding up to popularise 4G and FTTH network, and also starting to the trial construction of 5G network. In view of these, we believe that the Internet of Everything (IOE) will become a reality in the near future. The constructions of the Next Generation Network (NGN) and Internet of Things (IOT) will continuously provide blooming market demands for optical fibre and cable. We will be driven by leading technologies and devote ourselves into achieving the smart IOE and creating a wonderful future for the IOE world together with our customers!

At last, on behalf of the Board of Directors, I hereby express my sincere gratitude for the outstanding contributions made by the management and each employee of the Company, and also for the interest in our Company and support all along from the shareholders, customers, suppliers, business partners and the community.

展望未來，在全球信息化建設和信息消費浪潮的推動下，以數據中心和雲技術為核心的高速信息傳輸網正在加速形成，包括中國在內的全球多個國家正在加快普及4G和光纖到戶網絡，並已開始試驗建設5G網絡，萬物互聯將在不久的將來成為現實。下一代通信網絡和物聯網的建設將對光纖光纜保持持續旺盛的市場需求，我們將以領先的技術為驅動，與我們的客戶一起致力於實現萬物的智慧聯接，共創萬物互聯世界的美好未來！

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！

Ma Jie
Chairman

Wuhan, China
24 March 2017

馬杰
主席

中國武漢
二零一七年三月二十四日

GENERAL MANAGER'S REPORT

總經理報告



Dear Shareholders,

It is my honor to report our 2016 operating results to you.

FINANCIAL PERFORMANCE

In 2016, the Group's total revenue was RMB8,102.3 million, increased by 20.4% compared with last year. The continuous growth in revenue was mainly due to the strong demand from domestic telecom operators. By seizing this market opportunity and making full use of our supply advantage, domestic performance was remarkable. Meanwhile, through our further implementation of the internationalisation strategy, the overseas revenue increased by 32.7% compared with last year. In 2016, our profit for the year was RMB678.7 million, increased by 21.6% compared with last year, and the basic earnings per share was RMB1.03.

尊敬的各位股東：

我很榮幸地向各位報告本公司二零一六年的經營業績：

財務表現

二零一六年，本集團實現總收入人民幣8,102.3百萬元，同比增長20.4%。收入的持續增長主要得益於本公司抓住了國內電信運營商需求旺盛的機遇，充分利用供給優勢，國內業績顯著提升。同時，我們深化實施國際化戰略，海外收入同比增長32.7%。二零一六年，全年利潤為人民幣678.7百萬元，同比增長21.6%，每股基本盈利為人民幣1.03。

BUSINESS DEVELOPMENT

In 2016, the revenue of optical fibre preform and optical fibre grew by 8.4% compared with last year, which accounted for 50.3% of the total revenue. During the reporting period, there was a serious shortage of supply in the domestic market, which was caused by the implementation of anti-dumping measures against optical fibre preform and optical fibre as well as the strong demand in domestic market. By taking this opportunity, we have strengthened our customer relations and have steadily increased the sales volume of optical fibre preform and optical fibre. In the meantime, solid foundation has been built for further market expansion through the successive trial production in numerous projects, including our self-innovated VAD project, the OVD joint venture with Shin-Etsu Chemical Co., Ltd. and the fibre project, which are all based in YOFC Qianjiang S&T Park, as well as the fibre joint venture in Lin'an of Zhejiang Province.

In 2016, the revenue of optical fibre cable increased by 35.5% compared with last year and accounted for 44.2% of the total revenue. Throughout the year, under the guidance of China's 13th Five-Year Plan and series of policies on information construction, Chinese telecom operators continued to invest in the construction of 4G mobile network, FTTH and rural broadband. Therefore, demand for optical fibre cable has been kept at a very high level. On one hand, we fully utilized our resource advantage of optical fibre preform and optical fibre by taking advantage of this market trend, thus strengthening and enlarging our customer scale, resulting in 44.2% of growth in domestic sales volume of optical fibre cable, compared with last year. On the other hand, domestic capacity layout was optimised and enhanced by the successive production in our new optical fibre cable projects in Shenyang and Lanzhou, as well as by the capacity expansion project in Sichuan Province. In the meantime, by seizing the opportunity of the shortage in the global market, our overseas customer base was broadened and overseas sales volume of optical fibre cable increased by 40.0% compared with last year.

In 2016, the revenue of other products and services increased by 35.3% compared with last year and accounted for 5.5% of the total revenue. With explosive growth of data traffic, the construction of data centers has been constantly accelerated and the Company has performed very well in the integrated cable business. During the same period, sales revenue and profit of specialty products for optical fibre sensor applications also increased significantly.

業務發展

二零一六年，光纖預製棒及光纖業務收入同比增長8.4%，佔總收入的50.3%。報告期內，國內市場需求旺盛，加之光纖預製棒和光纖反傾銷措施的實施，中國市場供給不足。本公司抓住此市場機遇，鞏固客戶關係，穩步提升光纖預製棒和光纖銷量。同時，本公司在長飛潛江科技園內新建的自主VAD項目、與信越化學工業株式會社合資的OVD項目，光纖項目，以及在浙江臨安新建的光纖合資項目均已開始試生產，為進一步擴大市場奠定了良好基礎。

二零一六年，光纖收入同比增長35.5%，佔總收入的44.2%。全年，在國家「十三五規劃」和信息化建設系列政策指引下，中國電信運營商持續規模投資建設4G移動網絡、光纖到戶和農村寬帶等，光纖市場需求持續旺盛。本公司一方面抓住此市場機遇，充分利用光纖預製棒和光纖資源優勢，鞏固和拓展光纖客戶，國內光纖銷量同比增長44.2%；另一方面，公司在瀋陽和蘭州新建的光纖項目，以及長飛四川的光纖擴產項目相繼投產，全面優化和提升了國內產能布局。同時，本公司抓住全球市場供給不足的機遇，積極拓展海外客戶，海外光纖銷量同比增長40.0%。

二零一六年，其他產品及服務收入同比增長35.3%，佔總收入5.5%。隨著數據流量爆棚式增長，數據中心建設不斷加速，本公司的綜合纜纜業務表現出色。同時，應用於光纖傳感領域的特種產品銷售收入與利潤也大幅增加。

MARKET EXPANSION

Whilst consolidating our strength in optical fibre preform, optical fibre and optical fibre cable, and maintaining our leading position in domestic telecom market, the Company has also been deepening the internationalization strategy and constantly expanding overseas market. Meanwhile, we have continued extending to both upstream and downstream of the value chain, and have actively developed diversified business. On top of these, the Company has continued to promote our new products and enlarge the scope of customers and market enthusiastically.

In 2016, the Company continued to deepen the internationalization strategy. On one hand, we strengthened overseas sales services by setting up a sales company in Thailand. On the other hand, we accelerated our overseas layout. With the stable operation in YOFC Myanmar cable plant, YOFC Indonesia fibre plant and YOFC South Africa cable plant were put into operation successively. Hence, localised supply capacity in the overseas market has been improved sharply.

In 2016, the Company continued to extend to the upstream of the value chain and set up Hubei Flying Optical Fibre Material Co., Ltd. to develop the business of SiCl₄. We also extended to the downstream of the value chain and made breakthrough in network engineering services in Indonesia. Meanwhile, NK Wuhan, which was acquired in December 2015 by the Company, achieved significant improvement in its operating performance. At the same time, we also set up a joint venture Wuhan E3cloud Information Technologies Co., Ltd. ("E3cloud") to provide cloud terminal solutions, thereby providing new growth momentum for the healthy development of the Company.

In 2016, our ULL G.654 optical fibre with large effective area was successfully applied to trunk lines of China Unicom and China Mobile. We took the lead in promoting the use of G.654 optical fibre in land network connections. Concurrently, we have held nearly 30 exhibitions domestically and internationally to promote our products and develop the market.

市場拓展

本公司在持續鞏固光纖預製棒、光纖和光纜業務優勢，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，本公司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。

二零一六年，本公司繼續深化實施國際化戰略，一方面，強化海外本地銷售服務，在泰國成立銷售公司；另一方面，加速海外布局，在長飛緬甸光纜公司穩健經營的基礎上，長飛印尼光纖和長飛非洲光纜項目相繼投產，海外本地化供給能力大幅提升。

二零一六年，本公司繼續向產業鏈上游延伸，成立湖北飛菱光纖材料有限公司發展四氯化矽業務，向下游延伸的網絡工程服務也在印尼市場取得突破。同時，本公司於二零一五年十二月收購的武漢安凱的經營業績得到顯著提升，合資建立武漢芯光雲信息技術有限責任公司（「芯光雲」）發展雲終端解決方案業務，為公司健康發展增添了新的動力。

二零一六年，本公司的超低衰減大有效面積 G.654 光纖成功在中國聯通、中國移動幹線上使用，率先推動 G.654 光纖用於陸地網絡連接。同時，在國內外舉辦展會近三十次，推廣公司產品，拓展市場。

FOCUS ON INTELLIGENT MANUFACTURING AND DEMONSTRATE THE LEADERSHIP IN THE INDUSTRY

In 2016, the 'independent optical fibre preform and optical fibre industrialization intelligent manufacturing project' of the Company was approved by Ministry of Industry and Information Technology and Ministry of Finance as an intelligent manufacturing comprehensive standardisation and new mode application project. YOFC intelligent manufacturing received a lot of attentions and was widely recognized. We have been repeatedly reported by CCTV News, CCTV Half-Hour Economy and the headline news of People's Daily. The Company is practising and leading the transformation from Made in Hanyang to Optics Valley Dream.

In 2016, the Company, as the only representative of the industry, successively won 'Single Champion Demonstration Enterprise' and Strong Industrial Base Project for 2016 Manufacturing Single Champion of Ministry of Industry and Information Technology (the first batch). This has shown the strong comprehensive strength and leading industry position of the Company.

In 2016, the brand influence of the Company has been further improved. We have successfully held CRU World Optical Fibre and Cable Conference, one of the three major events in this industry; and have won ICQCC International Quality Management Gold Award for three consecutive years. On top of these achievements, the Company has received numerous domestic and overseas quality awards, such as Nomination Award of China Quality Award and International Star for Leadership in Quality.

OUTLOOK FOR 2017

In 2017, the Company will focus on medium to long-term development strategies. We will be promoting organic growth of preform, fibre and cable business; strengthening technology innovation and intelligent manufacturing; deepening the internationalisation strategy; actively exploring diversified development and improving capital operation, to boost rapid development of the Company and create higher value for shareholders and customers, specifically as follows.

聚焦智能製造，彰顯行業引領力

二零一六年，本公司「自主預製棒及光纖產業化智能製造項目」獲批工信部、財政部智能製造綜合標準化與新模式應用項目。長飛智造受到社會廣泛關注和認可，連續被《新聞聯播》、《經濟半小時》、《人民日報》頭版等報道，公司正在踐行和引領著從「漢陽造」到「光谷夢」。

二零一六年，本公司作為行業唯一代表相繼中標中國工信部2016年製造業單項冠軍(第一批)「單項冠軍示範企業」和工業強基工程項目，彰顯了本公司的綜合實力和行業地位。

二零一六年，本公司成功舉辦行業三大盛會之一的CRU全球光纖光纜大會，並連續三年獲得ICQCC國際質量管理金獎，以及獲得中國質量獎提名獎、質量領導力國際之星等多項國內外質量大獎，公司品牌影響力進一步提升。

二零一七年展望

二零一七年，本公司將緊密圍繞中長期發展戰略，推動棒纖纜業務內涵增長，強化技術創新與智能製造，深化實施國際化戰略，積極探索多元化發展，提升資本運營，促使公司快速發展，為股東和客戶創造更高價值，主要工作如下：

GENERAL MANAGER'S REPORT (Continued)

總經理報告(續)

Promote organic growth of optical fibre preforms, optical fibre and optical cables business: The Company will steadily push ahead with the production and operation of those newly-established optical fibre and cable plants; as well as strengthen and improve the supply advantage. To seize the opportunity brought by the strong market demand and shortage of supply, we will effectively allocate and utilize our supply resources; enhance customer relations; achieve full coverage of domestic telecom operator's market; integrate resources to open up private network market; and further increase domestic market sales and market share.

Strengthen technology innovation and intelligent manufacturing: The Company will establish R&D platform within the Group; make innovation in product R&D system; and introduce more products and solutions with market potential and competitive advantage. At the same time, we will integrate internal and external resources; actively promote series of intelligent manufacturing projects; develop a scheme for cable intelligent manufacturing; and enhance production cost advantage.

Deepen the internationalisation strategy: On one hand, we will ensure the stable operation of YOFC Myanmar cable plant, YOFC Indonesia fibre plant and YOFC South Africa cable plant; accelerate the construction of the optical cable project in Indonesia; actively seek investment opportunities in the market of other emerging regions; and improve overseas localised production layout. On the other hand, we will strengthen our overseas sales layout; improve localised sales service level; and rapidly enlarge the scale of export volume of optical fibre and optical fibre cable.

Actively develop diversification: YOFC will seek opportunities to enter emerging fields such as specialty products and devices, materials and their applications, as well as consulting and services. It will help guarantee the sustainable growth of revenue and profit of the Company.

Improve capital operation: The Company will gradually carry out A share listing, if approved by shareholders, and bond financing projects as well as expand financing channels so as to support the rapid development of the Company.

推動棒纖纜業務內涵增長：穩步推進新建光纖光纜項目的投產運營，鞏固和擴大供給優勢。狠抓市場需求旺盛和供給短缺的機遇，有效調動和利用供給資源，夯實客戶關係，實現國內運營商市場全覆蓋，整合資源開拓專網市場，進一步提升國內市場銷量和份額。

強化技術創新與智能製造：搭建集團研發平台，創新產品研發體系，推出更多有市場潛力和競爭優勢的產品和解決方案。同時，集成內外部資源，積極推進系列智能製造項目，構建線纜智能製造方案，擴大生產成本優勢。

深化實施國際化戰略：一方面，確保長飛緬甸光纜、印尼光纖和南非光纜的穩健運營，加快建設印尼光纜項目，並積極尋求其他新興區域市場的投資機會，完善海外本地化生產布局。另一方面，強化海外銷售布局，提升本地化銷售服務能力，快速擴大光纖和光纜出口規模。

積極發展多元化：在特種產品與器件、材料與應用、諮詢服務等方向上，尋求新的進入機會，促進公司收入和利潤持續增長。

提升資本運營：有序開展A股上市（在取得股東批准後）和債券融資項目，拓展融資渠道，支撐公司快速發展。

Zhuang Dan
General Manager

Wuhan, China
24 March 2017

莊丹
總經理

中國武漢
二零一七年三月二十四日

MAJOR PRODUCTS AND SOLUTIONS

主要產品及服務

Optical Fibre Preform 光纖預製棒



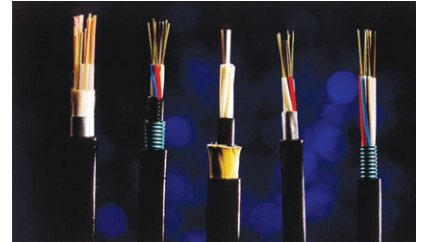
- Feed materials from which optical fibres are drawn
- The most technological part within the entire value chain
- 光纖拉絲原材料
- 整個產業鏈中技術含量最高的部分

Optical Fibre 光纖



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

Optical Fibre Cable 光纜



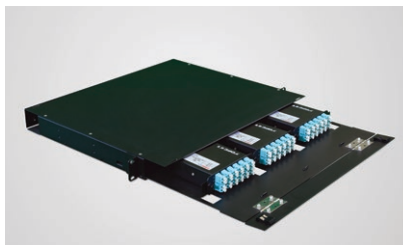
- Optical fibres bundled together into cables
- Bundled fibres were encased in protective jackets
- 光纖集中後成絞製成光纜
- 成絞後的光纖在外添加保護層

Specialty Fibre and Cable 特種光纖光纜



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

Cabling Solutions 綜合佈線



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

Active Optical Cables (AOC) 有源光纜(AOC)



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

KEY MILESTONES IN 2016

2016年里程碑

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

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

Technology Breakthroughs 技術突破

- YOFC assisted China Unicom to complete the world's first "large effective area fibre" land optical cable engineering test for a major telecom operator;
- YOFC had successfully developed the 288-core air-blown micro-cable for 12/10mm micro-tubes.
- 長飛公司助推中國聯通完成全球首個電信級「大有效面積光纖」陸地光纜工程試驗；
- 長飛公司成功開發用於12/10mm微管的288芯氣吹微纜。

Honours 榮譽

- High quality products are what we always strive to deliver. In 2016, we were awarded with three international quality awards;
- In November 2016, we were awarded with "Listed Enterprises of The Year 2016" and "Best Investment Value" by Bloomberg Business week Chinese Edition.
- 我們始終致力於提供高質量產品。二零一六年我們得到了三項國際質量獎；
- 二零一六年十一月，我們榮獲《彭博商業周刊／中文版》授予的「年度上市企業」和「最具投資價值獎」。

Internationalisation 國際化

- In September 2016, PT Yangtze Optical Fibre Indonesia put into operation. As the only optical fibre manufacturer in Indonesia and even in Southeast Asia, had gained an advantage and initiative in Indonesia market;
- In December 2016, Yangtze Optics Africa Cable Proprietary Limited put into operation. In the future, Yangtze Optics Africa Cable Proprietary Ltd. will be based in South Africa, radiating the whole of Africa, and strive to become the most influential optical cable supplier in South Africa and even in African continent.
- 二零一六年九月，長飛光纖印度尼西亞有限公司投產，作為印尼乃至東南亞唯一一家光纖製造企業，在印尼市場贏得了先機和主動權；
- 二零一六年十二月，長飛光纖非洲光纜有限公司投產，長飛非洲公司將立足南非，輻射整個非洲，力爭成為南非乃至非洲地區最具影響力的光纜供應商。

Influence 影響力

- In November 2016, as the only pilot demonstration company in the industry of Made in China 2025, the central media conducted "Made in China 2025" series interview in YOFC;
- In November 2016, the first World Optical Fibre & Cable Conference, co-hosted by CRU (British Commodity Research Institute) and YOFC, was solemnly held in Optics Valley of China.
- 二零一六年十一月，作為行業內唯一一家首批入選的中國製造二零二五示範項目，中央媒體「中國製造2025調研行」採訪報道團走進長飛；
- 二零一六年十一月，由CRU(英國商品研究所)和長飛公司聯合主辦的首屆世界光纖光纜大會在中國光谷隆重舉行。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

OVERVIEW

During 2016, 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 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 RMB8,102.3 million, increased by approximately 20.4% as compared to 2015 of approximately RMB6,731.1 million. The Group reported a gross profit of RMB1,675.1 million, increased by approximately 28.4% as compared to 2015 of approximately RMB1,304.2 million. Excluding the net finance costs and tax, the Group's EBIT increased significantly from RMB756.9 million in 2015 to RMB887.8 million in 2016, representing an increase of approximately 17.3%. The Group's profit for the year attributable to the equity shareholders of the Company amounted to approximately RMB701.4 million, increased by approximately 22.9% as compared to 2015 of approximately RMB570.7 million.

綜述

二零一六年，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，本集團收入再創新高，約為人民幣8,102.3百萬元，較二零一五年約人民幣6,731.1百萬元增長約20.4%。本集團毛利為人民幣1,675.1百萬元，較二零一五年約人民幣1,304.2百萬元增長約28.4%。除去財務費用及稅費，本集團息稅前利潤由二零一五年人民幣756.9百萬元顯著增長至二零一六年人民幣887.8百萬元，增幅約為17.3%。本集團的本年度公司權益持有人應佔利潤約為人民幣701.4百萬元，較二零一五年約人民幣570.7百萬元增長約22.9%。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

管理層討論及分析(續)

OVERVIEW (Continued)

Basic earnings per share was RMB1.03 per share (2015: RMB0.89 per share), which was calculated based on the weighted average number of shares issued, further details of which are set out in note 11 to the 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.

Apart from the satisfactory financial results, the Group also made some great achievements and earned certain recognitions during 2016. The “independent preform and optical fibre industrialisation intelligent manufacturing project” of the Company was approved by Ministry of Industry and Information Technology and Ministry of Finance in China as intelligent manufacturing comprehensive standardisation and new mode application project. The “YOFC intelligent manufacturing” won widespread social recognition, and was repeatedly reported by “Xinwen Lianbo”, “Half-Hour Economy” and as headline news of “People’s Daily”. The Company is practising and leading the transformation from “made in Hanyang” to “optical valley dream”. During 2016, the Company, as the only industry representative successively won “Single Champion Demonstration Enterprise” within the category of 2016 Manufacturing Single Champion of Ministry of Industry and Information Technology (the first batch) and Strong Industrial Base Project. This shows the Company’s comprehensive strength and industrial status. During 2016, the brand influence of the Company had progressed further. We had successfully hosted CRU World Optical Fibre and Cable Conference, one of the three major events in the industry, and won ICQCC International Quality Management Gold Award for three consecutive years. On top of these achievements, the Company had received numerous domestic and overseas quality awards such as award nomination for China Quality Award and International Star for Leadership in Quality.

綜述(續)

基於加權平均已發行股份股數計算，每股基本盈利為每股股份人民幣1.03元(二零一五年：每股股份人民幣0.89元)，詳情載於本年報所載財務資料之附註11。

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。

二零一六年，本集團在取得可觀財務業績外，亦獲得顯著成就和認可。本公司「自主預製棒及光纖產業化智能製造項目」獲批中國工信部、財政部智能製造綜合標準化與新模式應用項目。「長飛智造」贏得社會廣泛關注和認可，連續被《新聞聯播》、《經濟半小時》、《人民日報》頭版等報道，公司正在踐行和引領著從「漢陽造」到「光谷夢」。二零一六年，本公司作為行業唯一代表相繼中標工信部2016年製造業單項冠軍(第一批)「單項冠軍示範企業」和工業強基工程項目，彰顯了本公司的綜合實力和行業地位。二零一六年，本公司成功舉辦行業三大盛會之一的CRU全球光纖光纜大會，並連續三年獲得ICQCC國際質量管理金獎，以及獲得中國質量獎提名獎、質量領導力國際之星等多項國內外質量大獎，公司品牌影響力進一步提升。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

管理層討論及分析(續)

REVENUE

The Group's revenue for the year ended 31 December 2016 was approximately RMB8,102.3 million, representing an increase of 20.4% as compared to 2015 of approximately RMB6,731.1 million.

By product segment, a total revenue of approximately RMB4,073.1 million was contributed from our optical fibre preform and optical fibre segment, representing a growth of 8.4% as compared to 2015 of approximately RMB3,756.5 million and accounting for 50.3% (2015: 55.8%) of the Group's revenue; while a total revenue of RMB3,580.7 million was contributed by our optical fibre cable segment, representing a much higher growing momentum of 35.5% as compared to 2015 of approximately RMB2,643.3 million and accounting for 44.2% (2015: 39.3%) 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 provide positive catalysts and bring in additional momentum, in particular, the demand for optical fibres and optical fibre cables.

A total revenue of approximately RMB448.5 million was contributed by others, representing an increase of 35.3% as compared to 2015 of approximately RMB331.4 million and accounting for 5.5% (2015: 4.9%) of the Group's revenue. The significant increase mainly came from the consolidation of the full year's revenue of NK Wuhan in 2016 since the completion of the acquisition of this entity on 25 December 2015.

By geographical segment, a total revenue of approximately RMB7,399.3 million was contributed by domestic customers, representing an increase of 19.3% (2015: 17.5%) as compared to 2015 of approximately RMB6,201.5 million and accounting for 91.3% of the Group's revenue. During 2016, the domestic revenue for optical fibre cables grew by 36.4% while the optical fibre preforms and optical fibres grew by 8.0%. For overseas market, a total revenue of approximately RMB703.0 million was reported in 2016, representing an increase of 32.7% (2015: 33.0%) as compared to 2015 of approximately RMB529.6 million and accounting for approximately 8.7% of the Group's revenue. The growth in overseas revenue was mainly driven by optical fibre cables and RF cables, among which optical fibre cables showed an increase of 28.5% in revenue.

收入

截至二零一六年十二月三十一日止年度的本集團收入約為人民幣8,102.3百萬元，較二零一五年約人民幣6,731.1百萬元增長20.4%。

按產品分部劃分，總額約人民幣4,073.1百萬元的收入來自我們的光纖預製棒及光纖分部，較二零一五年約人民幣3,756.5百萬元增長8.4%及佔本集團收入50.3%(二零一五年：55.8%)；而總額人民幣3,580.7百萬元的收入乃來自我們的光纖分部，對比二零一五年約人民幣2,643.3百萬元呈現35.5%的較高增長勢頭及佔本集團收入44.2%(二零一五年：39.3%)。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。

其他產品服務貢獻總收入約人民幣448.5百萬元，較二零一五年約人民幣331.4百萬元增長35.3%及佔本集團收入5.5%(二零一五年：4.9%)，主要由於二零一五年十二月二十五日完成對武漢安凱的收購後，收入被合併入本集團二零一六年的收入中。

按地區分部劃分，總額約人民幣7,399.3百萬元的收入來自國內客戶，較二零一五年約人民幣6,201.5百萬元增長19.3%(二零一五年：17.5%)及佔本集團收入91.3%。二零一六年光纖於國內的銷售收入增長了36.4%，而光纖預製棒及光纖於中國的銷售收入增長了8.0%。於二零一六年總額約人民幣703.0百萬元的收入乃來自海外客戶，較二零一五年約人民幣529.6百萬元增長32.7%(二零一五年：33.0%)及佔本集團收入約8.7%。海外銷售增長的主要驅動是光纖及射頻電纜的增長，當中光纖的收入增長達28.5%。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

管理層討論及分析(續)

REVENUE (Continued)

During 2016, the Group had achieved strong business development in both local and overseas telecommunications operator market, which is one of the key stimulators for the significant growth in the Group's revenue.

COST OF SALES

The Group's cost of sales for the year ended 31 December 2016 was approximately RMB6,427.2 million, representing an increase of 18.4% as compared to 2015 of approximately RMB5,426.9 million and accounting for 79.3% of the Group's revenue. The increase in cost of sales was in line with the increase in sales volume.

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

In 2016, the Group's total raw material costs was approximately RMB5,797.4 million, representing an increase of 17.9% as compared to approximately RMB4,918.4 million in 2015.

For the year ended 31 December 2016, the Group's manufacturing overheads and direct labour costs amounted to approximately RMB629.8 million, representing an increase of 23.9% as compared to RMB508.5 million in 2015.

GROSS PROFIT AND GROSS PROFIT MARGIN

For the year ended 31 December 2016, the Group reported a gross profit of RMB1,675.1 million, representing an increase of 28.4% as compared to RMB1,304.2 million in 2015 and the gross profit margin increased to 20.7% in 2016 (2015: 19.4%). The increase in gross profit margin was mainly due to the changes in sales structure and the increase in average selling price of optical fibres and optical fibre preforms from the fourth quarter of 2015.

收入(續)

二零一六年，本集團在國內外電信運營商市場的業務均有長足發展，彼為推動本集團收入增長的主要動力源之一。

銷售成本

本集團截至二零一六年十二月三十一日止年度的銷售成本約為人民幣6,427.2百萬元，較二零一五年約人民幣5,426.9百萬元增長18.4%，佔本集團收入的79.3%。銷售成本升幅與我們的銷售額增長相符。

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

二零一六年，本集團原材料成本總額約為人民幣5,797.4百萬元，較二零一五年約人民幣4,918.4百萬元增長17.9%。

截至二零一六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629.8百萬元，較二零一五年的人民幣約508.5百萬元增加23.9%。

毛利及毛利率

截至二零一六年十二月三十一日止年度，本集團的毛利為人民幣1,675.1百萬元，較二零一五年的人民幣1,304.2百萬元增長28.4%，而毛利率則上升至20.7%(二零一五年：19.4%)。毛利率的增長主要由於銷售構成的變化以及自二零一五年第四季度起光纖及光纖預製棒的平均售價之上調。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

管理層討論及分析(續)

OTHER INCOME

Other income was RMB39.6 million in 2016, representing a decrease of 54.6% as compared to RMB87.2 million in 2015. The decrease was mainly because the government grants recognised during the year decreased by approximately RMB21.8 million compared to that of last year, and the gain on a bargain purchase of RMB30.0 million was recognised from the acquisition of NK Wuhan during 2015.

SELLING EXPENSES

The Group's selling expenses for the year ended 31 December 2016 were RMB199.4 million, representing an increase of 22.4% as compared to RMB163.0 million in 2015. The increase was mainly due to 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 2016 were RMB732.4 million, representing an increase of 32.8% as compared to RMB551.5 million in 2015. 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.

NET FINANCE COSTS

The Group's net finance costs for the year ended 31 December 2016 were RMB112.1 million, representing a decrease of 10.2% as compared to RMB124.9 million in 2015, which was mainly because of foreign exchange loss from the re-measurement of those foreign currency liabilities, mostly in foreign currency denominated bank loans which, decreased by approximately RMB16.3 million. 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 US Dollar and the Euro. As at 31 December 2016, 63.7% of the bank loans was in RMB, 32.9% was in Euro and 3.4% was in US Dollar.

The interest rates of the bank loans in 2016 ranged from 0.10% to 4.75% per annum (2015: 0.72% to 3.92% per annum), while the annual effective interest rate for the borrowings in 2016 was 2.48% (2015: 2.57%).

其他收益

二零一六年，其他收益為人民幣39.6百萬元，較二零一五年人民幣87.2百萬元減少54.6%。降幅主要由於年內確認為收益的政府補助減少人民幣21.8百萬元，及二零一五年確認議價收購武漢安凱所產生的收益人民幣30.0百萬元。

銷售費用

本集團截至二零一六年十二月三十一日止年度的銷售費用為人民幣199.4百萬元，較二零一五年的163.0百萬元增長22.4%。增幅主要源於本年度內售出較多光纜，從而產生了更多的運輸費用。

管理費用

本集團截至二零一六年十二月三十一日止年度的管理費用為人民幣732.4百萬元，較二零一五年的人民幣551.5百萬元增長32.8%。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。

淨融資成本

本集團截至二零一六年十二月三十一日止年度的淨融資成本為112.1百萬元，較二零一五年的人民幣124.9百萬元減少10.2%。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人民幣16.3百萬元。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美元和歐元匯率貶值導致匯兌淨損失。於二零一六年十二月三十一日，人民幣、歐元和美元所佔的銀行借款的比例分別為63.7%、32.9%和3.4%。

銀行貸款的利率於二零一六年介乎年利率0.10%至4.75%(二零一五年：年利率0.72%至3.92%)，而二零一六年借貸之實際年利率為2.48%(二零一五年：2.57%)。

INCOME TAX

The Group's income tax for the year ended 31 December 2016 was RMB97.0 million, representing an increase of 31.4% as compared to RMB73.8 million in 2015. On the other hand, the effective tax rate increased from 11.7% in 2015 to 12.5% in 2016. In 2014 and 2015, the Company and a PRC subsidiary have been approved as high-tech enterprise for a period of 3 years and were entitled to a preferential tax rate of 15%.

CAPITAL EXPENDITURES

During the year, the Group incurred a total capital expenditure of approximately RMB977.5 million (2015: RMB322.3 million) for the purchases of property, plant and equipment, construction in progress, lease prepayments and intangible assets, which were primarily related to the production capacity expansion of our three major products and the improvement in production efficiency of our existing production capacity on optical fibre preforms and optical fibres both locally and globally.

USE OF PROCEEDS FROM THE GLOBAL OFFERING

On 10 December 2014, the Company's H shares were listed on the Main Board of the Hong Kong Stock Exchange. A total of 159,870,000 H shares with nominal value of RMB1.00 each of the Company were issued at HK\$7.39 per share for a total of approximately RMB932.5 million (equivalent to approximately HK\$1,181.4 million). The net proceeds from the above mentioned offering of the Company's H shares (after deducting underwriting fees and related listing expenses) amounted to approximately RMB892.4 million (equivalent to approximately HK\$1,130.6 million). Up to the end of 31 December 2016, the net proceeds from the Global Offering had been fully utilised in accordance with the uses as set out in the section headed "Future Plans and Use of Proceeds" in the Prospectus.

所得稅

本集團截至二零一六年十二月三十一日止年度的所得稅為人民幣97.0百萬元，較二零一五年的人民幣73.8百萬元增長31.4%。此外，實際稅率由二零一五年的11.7%上升至二零一六年的12.5%。於二零一四年及二零一五年，本公司和中國境內的一間子公司獲認為高新技術企業，並可在接下來三年內享有15%的優惠稅率。

資本支出

年內本集團產生資本支出總額約為人民幣977.5百萬元(二零一五年：人民幣322.3百萬元)，涉及購買物業、廠房及設備、在建工程、租賃預付款項及無形資產，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。

全球發售所得款項用途

本公司H股於二零一四年十二月十日在香港聯交所主板上市，按每股H股7.39港元之價格合共發行159,870,000股每股面值人民幣1.00元之H股，總額約為人民幣932.5百萬元(相當於約1,181.4百萬港元)。上述本公司H股上市所得款項淨額(經扣除承銷費用及有關上市開支後)約為人民幣892.4百萬元(相當於約1,130.6百萬港元)。截至二零一六年十二月三十一日止，全球發售之所得款項淨額已根據招股章程內「未來計劃及所得款項用途」一節所載的用途被完全利用。

USE OF PROCEEDS FROM THE PRIVATE PLACEMENT

The Company issued an aggregate of 11,869,000 H shares and 30,783,000 domestic shares by way of private placement on 18 December 2015. Details of the Private Placement of shares are set out in note 31 to the financial statements as set out in this annual report. 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 2016, the aggregate net proceeds from the Private Placement amounting to RMB242.3 million (equivalent to approximately HK\$291.8 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 2016, the paid-up capital has been used to purchase land and build plant; (ii) for capacity expansion in overseas (a) contribute capital of RMB10.5 million (equivalent to approximately HK\$12.6 million) to PT. Yangtze Optical Fibre Indonesia, a non-wholly owned subsidiary in Indonesia, as at 31 December 2016, 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 2016, the paid capital has been partly used to purchase optical cable equipment; and (c) pay RMB9.2 million (equivalent to approximately HK\$11.0 million) as general working capital for operating expenses. The unutilized net proceeds of RMB9.0 million (equivalent to approximately HK\$10.7 million) have been deposited into short-term demand deposits in a bank account maintained by the Group. Going forward, the Company will continue to utilise the remaining net proceeds for the purposes consistent with those set out in the circular and announcements of the Company in relation to the Private Placement, and make disclosure on the details of usage.

非公開配售所得款項用途

本公司於二零一五年十二月十八日以非公開配售的方式發行了11,869,000股H股及30,783,000股內資股。非公開配售詳情載於本年報所載財務資料之附註31。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,以拓展本集團光纖預製棒之產能,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。

截至二零一六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242.3百萬元(相當於約291.8百萬港元)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,截至二零一六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)向在印尼成立的全資控股子公司長飛光纖印尼有限公司投入資本金人民幣10.5百萬元(相當於約12.6百萬港元)。截至二零一六年十二月三十一日止,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),截至二零一六年十二月三十一日止,該資本金部分使用於購買光纖設備;以及(c)作為一般營運資金用於支付相關經營費用人民幣9.2百萬元(相當於約11.0百萬港元)。未動用所得款項淨額約人民幣9.0百萬元(相當於約10.7百萬港元)已存放在本集團之銀行賬戶作為短期活期存款。日後,本公司將依據關於非公開配售的股東通函及公告所載的用途使用尚未動用的所得款項淨額並披露使用的具體情況。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

管理層討論及分析 (續)

USE OF PROCEEDS FROM THE PRIVATE PLACEMENT

(Continued)

非公開配售所得款項用途 (續)

		Actual use of net proceeds 已使用款項				Unused proceeds 尚未使用款項	
		Planned Percentage	Planned use of net proceeds	Up to 31 December 2015	Up to 31 December 2016	Up to 24 March 2017 (the date of this annual report)	As at 31 December 2016/ As at date of this annual report
				截至 二零一五年 十二月 三十一日止	截至 二零一六年 十二月 三十一日止	截至 二零一七年 三月 二十四日止 (本年報日期)	於二零一六年 十二月 三十一日／ 於本年報日期
Use of proceeds from the Private Placement		計劃使用 比例	計劃使用 款項	(in RMB millions, 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	–/–
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	9.0/9.0
Total	合計	100%	251.3	–	242.3	242.3	9.0/9.0

GEARING RATIO

The Group monitors its leverage using a gearing ratio, which is net debts divided by total equity. Net debts include all bank loans less cash and cash equivalents. The Group's gearing ratio as at 31 December 2016 was 7.4% (2015: 11.0%).

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。本集團於二零一六年十二月三十一日的負債資本比率為7.4%(二零一五年：11.0%)。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

管理層討論及分析(續)

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 2016.

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Net cash generated from operating activities	經營活動產生的淨現金	1,303,377	550,820
Net cash used in investing activities	投資活動使用的淨現金	(1,097,196)	(507,833)
Net cash used in financing activities	融資活動使用的淨現金	(857,817)	(33,179)
Net (decrease)/increase in cash and cash equivalents	現金及現金等價物(減少)/增加淨額	(651,636)	9,808

The Group's net cash generated from operating activities increased by approximately RMB752.6 million, which was mainly due to the increase in profit before taxation by RMB143.6 million and the positive change in working capital of RMB657.3 million.

The Group's net cash used in investing activities increased by approximately RMB589.4 million, which was mainly due to the investments on local and overseas projects in order to expand production capacity of the Group.

The Group's net cash used in financing activities increased by approximately RMB824.6 million, which was mainly due to the repayment of bank loans in 2016.

Cash and cash equivalents as at 31 December 2016 were cash at banks and in hand, which were mainly in Renminbi, US Dollars, South African Rand, Euro and HK Dollars.

現金流量分析

下表載列摘錄自截至二零一六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752.6百萬元，乃主要由於除稅前利潤增加人民幣143.6百萬元及營運資金正變動人民幣657.3百萬元所致。

本集團投資活動使用的淨現金增加約人民幣589.4百萬元，乃主要由於繼續對國內外產能擴充項目進行投資。

本集團融資活動使用的淨現金增加約人民幣824.6百萬元，乃主要由於二零一六年償還銀行貸款所致。

於二零一六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、歐元及港元。

NET CURRENT ASSETS

As at 31 December 2016, the Group's net current assets was RMB2,000.3 million, decreased slightly by RMB51.2 million from RMB2,051.5 million as at 31 December 2015. The slight decrease in net current assets was mainly due to the combined effect of (i) increase in deposits, prepayments and other receivables by approximately RMB61.1 million; (ii) increase in other financial assets by approximately RMB241.9 million; (iii) decrease in cash and cash equivalents by approximately RMB619.6 million; (iv) decrease in bank loans by approximately RMB749.7 million; (v) increase in accrued expenses and other payables by approximately RMB334.5 million; and (vi) increase in income tax payable by approximately RMB46.0 million.

BANK LOANS

As at 31 December 2016, the Group's bank loans were RMB1,756.4 million, representing a significant decrease of RMB701.0 million from approximately RMB2,457.4 million as at 31 December 2015. As at 31 December 2016, 69.8% of the Group's bank loans were fixed rate loans and 30.2% were floating rate loans. Out of the Group's bank loans, 32.9% was Euro loans, 3.4% was US Dollars loans, and the remaining balance of 63.7% was Renminbi loans.

After the Renminbi fixing reform on 11 August 2015, the RMB was getting weaker against US Dollars and Euro. The Group lowered the proportions of US Dollars and Euro loans by way of replacing US Dollar and Euro loans with RMB loans. As a result, the proportions of US Dollars and Euro loans decreased from 92.4% as at 31 December 2015 to 36.3% as at 31 December 2016, while the proportion of RMB loans increased from 7.6% as at 31 December 2015 to 63.7% as at 31 December 2016.

淨流動資產

於二零一六年十二月三十一日，本集團淨流動資產為人民幣2,000.3百萬元，較二零一五年十二月三十一日的人民幣2,051.5百萬元減少人民幣51.2百萬元。淨流動資產的略微下降乃主要由於下列各項之綜合影響：(i)按金、預付款項及其他應收款項增加約人民幣61.1百萬元；(ii)其他金融資產增加約人民幣241.9百萬元；(iii)現金及現金等價物減少約人民幣619.6百萬元；(iv)銀行貸款減少約人民幣749.7百萬元；(v)預提費用及其他應付款項增加約人民幣334.5百萬元；及(vi)應付所得稅增加約人民幣46.0百萬元。

銀行貸款

於二零一六年十二月三十一日，本集團之銀行貸款為人民幣1,756.4百萬元，較二零一五年十二月三十一日約人民幣2,457.4百萬元大幅減少人民幣701.0百萬元。於二零一六年十二月三十一日，本集團銀行貸款之69.8%為定息貸款及30.2%為浮息貸款。本集團銀行貸款中，32.9%為歐元貸款，3.4%為美元貸款，而餘額63.7%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持續下跌。本集團通過以人民幣貸款替換美元及歐元貸款的措施，降低了美元及歐元貸款水平。因此，我們的美元及歐元貸款比例從二零一五年十二月三十一日的92.4%下降至二零一六年十二月三十一日的36.3%，而人民幣貸款比例從二零一五年十二月三十一日的7.6%上升至二零一六年十二月三十一日的63.7%。

COMMITMENTS AND CONTINGENCIES

As at 31 December 2016, the Group's outstanding capital commitments in relation to property, plant and equipment amounted to approximately RMB928.5 million (2015: approximately RMB943.9 million), lease prepayment amounted to RMB16.9 million (2015: approximately RMB44.0 million), and investment in equity securities amounted to approximately RMB16.7 million (2015: approximately RMB226.8 million). Out of total outstanding commitments as at 31 December 2016 of approximately RMB962.1 million (2015: RMB1,214.7 million), a total amount of approximately RMB196.3 million (2015: approximately RMB428.9 million) had been contracted for and the remaining balance of approximately RMB765.8 million (2015: approximately RMB785.8 million) had been authorised by the Board but not yet contracted for.

As at 31 December 2016, the Group did not have any material contingent liability.

CHARGE ON ASSETS

As at 31 December 2016, the Group did not charge any of its assets to secure any banking facility or bank loan.

FUNDING AND TREASURY POLICY

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

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES

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

承擔及或然事項

於二零一六年十二月三十一日，本集團就物業、廠房及設備之未結算資本承擔約為人民幣928.5百萬元(二零一五年：約人民幣943.9百萬元)、租賃預付款項約人民幣16.9百萬元(二零一五年：約人民幣44.0百萬元)及股本證券投資約人民幣16.7百萬元(二零一五年：約人民幣226.8百萬元)。於二零一六年十二月三十一日之未結算承擔總額約為人民幣962.1百萬元(二零一五年：人民幣1,214.7百萬元)中，合共約人民幣196.3百萬元(二零一五年：約人民幣428.9百萬元)已訂約，而餘額約人民幣765.8百萬元(二零一五年：約人民幣785.8百萬元)則已獲董事會授權惟尚未訂約。

於二零一六年十二月三十一日，本集團並無任何重大或然負債。

資產抵押

於二零一六年十二月三十一日，本集團並無抵押其任何資產以取得任何銀行融資或銀行貸款。

融資及財務政策

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

匯率波動影響

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

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

管理層討論及分析(續)

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES (Continued)

Owing to the RMB devaluation since August 2015 and RMB's weakness has been gathering speed, RMB against other foreign currencies was no longer as strong as in the past. As a result, this might bring up cost of purchases and the re-measurement of our foreign currency liabilities would result in foreign currency losses. During the year, the Group suffered from the unfavourable fluctuations in exchange rate movements between RMB and US Dollars or Euro, which resulted in net foreign exchange losses of RMB68.3 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 POLICY

As at 31 December 2016, the Group had approximately 3,500 full-time employees (2015: 2,802 full-time employees). The Group has designed an annual evaluation system to assess the performance of its employees. Such system forms the basis of determining whether an employee should be entitled to salary increments, bonuses or promotions. The salaries and bonuses that the employees receive are competitive with market rates. The Company has been in compliance with the relevant national and local labour and social welfare laws and regulations in China.

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.

To further enhance the Company's corporate structure, incentivise the Company's management and core personnel team as well as establish a sound mid-to-long term incentive plan, the Company implemented the Employee Stock Ownership Scheme on 18 December 2015. The target participants are core personnel playing a crucial role in the Company's overall operation and mid-to-long term development, including directors, supervisors, senior management, and key employees of the Group (excluding independent non-executive directors and external supervisors). Details of the Employee Stock Ownership Scheme are set out in note 31 to the financial statements as set out in this annual report.

匯率波動影響(續)

由於人民幣自二零一五年八月以來的貶值和人民幣的疲軟一直在加快，人民幣對其他外幣的匯率不再像過去那樣堅挺。因此，這可能帶來因採購成本和外匯負債的重新計量而導致的匯兌損失。於本年度，本集團遭遇人民幣對美元或歐元的不利匯率波動，從而導致了人民幣68.3百萬元的匯兌淨損失。

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

於二零一六年十二月三十一日，本集團約有3,500名全職僱員(二零一五年：2,802名全職僱員)。本集團設計了一項年度考核制度，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。

為進一步完善本公司的法人治理結構，激勵本公司管理層及核心員工隊伍，建立健全中長期激勵機制，於二零一五年十二月十八日，本公司實施員工持股計劃，計劃參與者為對本公司整體表現及中長期發展極為重要的核心人員，包括本集團董事、監事、高級管理人員及主要僱員(不包括獨立非執行董事及外部監事)。員工持股計劃詳情載於本年報所載財務資料之附註31。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

管理層討論及分析(續)

OFF-BALANCE SHEET ARRANGEMENTS

As at 31 December 2016, the Company did not enter into any non-recourse trade receivables factoring arrangements with a commercial bank in China (2015: RMB62.8 million). In addition, as at 31 December 2016, the Company discounted and endorsed certain bank bills receivable with a carrying amount of approximately RMB293.8 million (2015: RMB245.4 million) to certain commercial banks in China and its suppliers.

FORMATION OF NEW OVERSEAS PRESENCES

In December 2016, the Board approved the establishment of an optical cable plant in Indonesia via a joint venture. The paid-up capital of the joint venture is US Dollars 14 million and the joint venture is held as to 70% by the Company and 30% by the local partner in Indonesia. The financial results of the joint venture will be consolidated in the Group's financial statements as a non-wholly owned subsidiary from the date of its establishment.

FORMATION OF NEW PRESENCES IN CHINA

On 2 March 2016, the Company established a joint venture namely E3cloud in Wuhan, Hubei with Everpro, a non-wholly owned subsidiary of the Company. The main products and services of E3cloud include developing, manufacturing, sales, rental of cloud-client multi-user software and hardware system (including cloud-client hardware, cloud-client virtualization operating system, cloud-client controlling platform, server/PC, and network equipment, etc.), software and hardware development and service of the industrial applications based on the cloud-client multi-user operating system. To strengthen software development ability, the joint venture introduced a strategic investor namely China Standard Software Co., Ltd. ("CS2C") during the year, and then the joint venture was held as to 26.93% by the Company, 47.14% by EverPro and 25.93% by CS2C. The total paid-up capital was RMB111.4 million and a total of RMB30 million was contributed by the Company to E3cloud during the year ended 31 December 2016.

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

資產負債表外安排

於二零一六年十二月三十一日，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(二零一五年：人民幣62.8百萬元)。此外，於二零一六年十二月三十一日，本公司將賬面值約為人民幣293.8百萬元(二零一五年：人民幣245.4百萬元)的若干應收銀行票據交予中國若干商業銀行安排貼現或背書轉讓予供應商。

於海外組建新實體

於二零一六年十二月，董事會批准通過合營企業方式在印度尼西亞成立一家光纜廠。合營企業的應繳足股本為14百萬美元，本集團持有合營企業70%，於印度尼西亞的當地合作方持有30%。合營企業成立後，其財務業績將於本集團財務報表按非全資附屬公司入賬。

於中國組建新實體

於二零一六年三月二日，本公司與長芯盛，本公司的一間非全資附屬公司在湖北武漢共同成立一家合營企業芯光雲，合營企業提供的主要產品和服務包括雲終端多用戶軟硬件系統(包括雲終端硬件、雲終端操作系統、雲終端管控平臺、服務器/PC機、網絡設備等)的開發、製造、銷售和租賃，以及主要基於雲終端多用戶系統的行業應用軟、硬件產品開發及服務。為進一步提升軟件開發能力，芯光雲於本年度引進戰略投資者中標軟件有限公司(「中標軟件」)，新股權架構由本公司、長芯盛和中標軟件分別持有26.93%，47.14%及25.93%之股權，其繳足股本為人民幣111.4百萬元，本公司已於本年度以現金注資人民幣30.0百萬元。

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

OUTLOOK

The Group continues to set its strategic goal on becoming the leader of the industry and consolidating its current leading position in the market. In 2017, the Group will adhere to its mid-to-long term development strategies by promoting the organic growth of optical fibre preform, optical fibre and optical cable businesses, deepening the implementation of internationalisation strategies, strengthening technological innovation and intelligent manufacturing, actively exploring diversified development and increasing its working capital, so as to promote rapid corporate development and create higher value for its shareholders and customers.

In January 2017, the National Development and Reform Commission and Ministry of Industry and Information Technology jointly issued the “3-Year Action Plan for Major Constructions of Information Infrastructure” (信息基礎設施重大工程建設三年行動方案); under such plan, the construction of communication networks will be further expanded with 92 information infrastructure projects, involving total investment amount of RMB1.2 trillion, set to get off the drawing board during the period from 2016 to 2018. During the same period, the Ministry of Industry and Information Technology issued the “Development Plan for Information and Communication Industry 2016-2020 (信息通信行業發展規劃(2016-2020年))”, which confirms that, during the later stage of the 13th Five-Year Plan, the infrastructure of the national information and communication networks covering land, sea and air will be further perfected and 5G will be applied in business-related services.

In view of the attractive market opportunity right in front of us, the Group has set out a comprehensive plan in advance. In March 2017, Ally First Optical Fibre and Cable Co., Ltd. successfully commenced operation and will be developed into the most influential fibre optics supplier in Eastern China. YOFC Qianjiang Science & Technology Park, which is built along the Jianhan Plain and integrated the advantages and resources of the global industrial chain of optical fibres and optical fibre cables, has started trial production. It will also, without doubt, become a shining star in the global industry of optical fibres and optical fibre cables. The Group will ensure the stable operation of projects that commenced production lately in China and overseas, enhance the advantage in supply, strive for more market sales and share, consolidate the market leading position and recover its investment in projects as soon as possible.

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領先地位。二零一七年，本集團將緊密圍繞中長期發展戰略，推動棒纖纜業務內涵增長，深化實施國際化戰略，強化技術創新與智能製造，積極探索多元化發展，提升資本運營，從而促使公司快速發展，為股東和客戶創造更高價值。

二零一七年一月，國家發展和改革委員會與工業和信息化部聯合公佈《信息基礎設施重大工程建設三年行動方案》，二零一六至二零一八年信息基礎設施規劃建設92個項目，共投資人民幣1.2萬億元，將進一步擴大通信網絡建設。同期，工業和信息化部發佈《信息通信行業發展規劃(2016-2020年)》(「規劃」)。規劃確定，到十三五期末，覆蓋陸海空天的國家信息通信網絡基礎設施將進一步完善，5G將啟動商用服務。

面對目前的大好市場機遇，本集團已提前佈局，二零一七年三月，浙江聯飛光纖光纜有限公司已成功投產，將打造為中國華東地區最有影響力的光纖供應商。而在江漢平原上順勢而建的潛江長飛科技園，整合了全球光纖光纜產業鏈的優勢資源，亦已開始試生產，其也必將成為全球光纖光纜產業的耀眼明星。本集團將確保國內外新投產項目的穩健運營，擴大供給優勢，爭取更多市場銷量與份額，務實市場領先地位，爭取儘早回收項目投資。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

管理層討論及分析 (續)

OUTLOOK (Continued)

While maintaining the leading position in the domestic market, the Group will deepen the implementation of internationalisation strategies. On one hand, we ensure the stable operation of YOFC-Yadanarbon Fibre Co., Ltd., PT. Yangtze Optical Fibre Indonesia and Yangtze Optics Africa Holdings Proprietary Limited, speed up the construction of the Indonesia Optical Fibre Cables Project and actively look for investment opportunities in other emerging markets to optimise the plan of overseas localized production. On the other hand, we will strengthen the layout of overseas sales by enhancing the capacity of localized sales services and accelerating the expansion of export scale in optical fibres and optical fibre cables.

The Group will continue to strengthen technological innovation and intelligent manufacturing, build a research and development platform for the Group, innovate a system of product research and development and introduce more products and solutions with market potentials and competitive advantages. Meanwhile, we will integrate internal and external resources to actively promote a series of intelligent manufacturing projects, establish intelligent manufacturing plans of optical fibres and optical fibre cables and enhance the advantage in production cost. We will also actively pursue diversification by seeking new opportunities of entry regarding specific products and devices, materials and application and consultation services, with a view to boosting the continuous growth in revenue and profit of the Group.

展望 (續)

在保持國內市場地位領先的同時，本集團深化實施國際化戰略，一方面確保長飛緬甸光纜、印尼光纖和南非光纜的穩健運營，加快建設印尼光纜項目，並積極尋求其他新興區域市場的投資機會，完善海外本地化生產佈局；另一方面，強化海外銷售佈局，提升本地化銷售服務能力，快速擴大光纖和光纜出口規模。

本集團將繼續強化技術創新與智能製造，搭建集團研發平台，創新產品研發體系，推出更多有市場潛力和競爭優勢的產品和解決方案。同時，集合內外部資源，積極推進一系列智能製造項目，構建光纖智能製造方案，擴大生產成本優勢。積極發展多元化，在特種產品與器件、材料與應用、諮詢服務等方向上，尋求新的進入機會，促進集團收入和利潤持續增長。

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 46, has been appointed as an executive Director of the Company with effect from 24 January 2017. Mr. Zhuang has been the General Manager 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 12th session of the People's Congress of Hubei Province and a member of the 12th session of the Financial and Economic Committee of the People's Congress of Hubei Province. He has received special government allowance awarded by the State Council of the PRC.

Mr. Frank Franciscus Dorjee (范•德意), age 56, 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

執行董事

莊丹先生，46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經理，主要負責本公司的戰略發展與規劃及日常管理。莊先生有逾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十二屆人民代表大會代表兼湖北省第十二屆人民代表大會財政經濟委員會委員。彼獲中國國務院頒發政府特殊津貼。

范•德意先生，56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

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

董事、監事及高級管理人員簡歷(續)

EXECUTIVE DIRECTORS (Continued)

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. 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)

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。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。

NON-EXECUTIVE DIRECTORS

Mr. Ma Jie (馬杰), age 46, 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 the vice chairman of the management committee and the executive deputy general manager primarily responsible for overall business operation and management of China Huaxin, one of the substantial shareholders of the Company, 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 director of Alcatel-Lucent Shanghai Bell Software Co., Ltd (上海貝爾軟件有限公司) 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，46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。馬先生自二零一一年六月及二零一三年一月起分別擔任中國華信(本公司的主要股東之一)管理委員會副主席及執行副總經理，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上海貝爾軟件有限公司董事，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，現任其主席；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 (Continued)

董事、監事及高級管理人員簡歷(續)

NON-EXECUTIVE DIRECTORS (Continued)

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 also held positions in several other subsidiaries of China Huaxin, including serving as a director of China Credit Information Technology Company Limited (中信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 52, 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)。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信國檢信息技術有限公司擔任董事，並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，52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 (Continued)

董事、監事及高級管理人員簡歷(續)

NON-EXECUTIVE DIRECTORS (Continued)

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 (Continued)

董事、監事及高級管理人員簡歷(續)

NON-EXECUTIVE DIRECTORS (Continued)

Mr. Philippe Claude Vanhille (菲利普•范希爾), age 52, 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 Contrôle 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，52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 Contrôle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 (Continued)

董事、監事及高級管理人員簡歷(續)

NON-EXECUTIVE DIRECTORS (Continued)

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.

Mr. Pier Francesco Facchini (皮埃爾•法奇尼), age 49, 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 Contrôle 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.

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。

皮埃爾•法奇尼先生，49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 Contrôle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。

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

董事、監事及高級管理人員簡歷(續)

NON-EXECUTIVE DIRECTORS (Continued)

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 52, 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 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 Semiconductor Lighting Joint Stock Limited Company (長江半導體照明科技股份有限公司), a director of NK Wuhan 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發特許公認會計師的專業資格。

熊向峰先生，52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，彼現任武漢日電光通信工業有限公司董事長、長江半導體照明科技股份有限公司董事長、武漢安凱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 (Continued)

董事、監事及高級管理人員簡歷(續)

NON-EXECUTIVE DIRECTORS (Continued)

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 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 57, 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，57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 (Continued)

董事、監事及高級管理人員簡歷(續)

NON-EXECUTIVE DIRECTORS (Continued)

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 (Continued)

董事、監事及高級管理人員簡歷(續)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. Ngai Wai Fung (魏偉峰), age 55, 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 managing director of MNCOR Consulting Limited, a Hong Kong-based consulting firm, and 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 September 2010 and since January 2011, respectively.

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，55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。魏博士自二零一零年九月及自二零一一年一月起分別擔任香港諮詢公司萬年高顧問有限公司的董事總經理及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 (Continued)

董事、監事及高級管理人員簡歷(續)

INDEPENDENT NON-EXECUTIVE DIRECTORS (Continued)

獨立非執行董事(續)

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
Biostime International Holdings Limited	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
China Coal Energy Company Limited	中國中煤能源股份有限公司	Hong Kong Stock Exchange Shanghai Stock Exchange 香港聯交所 上海證券交易所	1898 601898	independent non-executive director, a member of the audit committee and the safety, health and environmental committee and the chairman of the remuneration committee 獨立非執行董事、審核委員會和安健康及環保委員會成員兼薪酬委員會主席	December 2010 二零一零年十二月
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 (Continued)

董事、監事及高級管理人員簡歷(續)

INDEPENDENT NON-EXECUTIVE DIRECTORS (Continued)

獨立非執行董事(續)

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 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
China Railway Group Limited	中國中鐵股份有限公司	Hong Kong Stock Exchange Shanghai Stock Exchange 香港聯交所 上海證券交易所	0390 601390	independent non-executive director, a member of the audit and risk management committee and a member of the safety, health and environmental protection committee 獨立非執行董事、審核與風險管理委員會成員兼安全健康及環保委員會成員	June 2014 二零一四年六月
BBMG Corporation	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 (Continued)

董事、監事及高級管理人員簡歷(續)

INDEPENDENT NON-EXECUTIVE DIRECTORS (Continued)

獨立非執行董事(續)

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
China HKBridge Holdings Limited (formerly known as Topsearch International (Holdings) Limited)	中國港橋控股有限公司 (前稱為「至卓國際(控股)有限公司」)	Hong Kong Stock Exchange 香港聯交所	2323	independent non-executive director, the chairman of the remuneration committee and a member of the audit committee and the nomination committee 獨立非執行董事、薪酬委員會主席、審核委員會及提名委員會成員	March 2016 二零一六年三月
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

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, and 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.

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。

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

董事、監事及高級管理人員簡歷(續)

INDEPENDENT NON-EXECUTIVE DIRECTORS (Continued)

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 Berrien Springs, 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 finance 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 the Adjunct Professor of Law of Hong Kong Shue Yan University since September 2012. He has also been a member of the Working Group on Professional Services under the Economic Development Commission appointed by the Chief Executive of The Hong Kong Special Administrative Region since January 2013, 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.

獨立非執行董事(續)

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 Berrien Springs 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公司財務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金融博士學位。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)。彼亦自二零一二年九月起為香港樹仁大學兼任法學教授，自二零一三年一月起獲香港特別行政區行政長官委任為經濟發展委員會專業服務業工作小組非官守成員，自二零一三年一月起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。

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

董事、監事及高級管理人員簡歷(續)

INDEPENDENT NON-EXECUTIVE DIRECTORS (Continued)

Dr. Ip Sik On Simon (葉錫安), age 68, 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，68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 (Continued)

董事、監事及高級管理人員簡歷(續)

INDEPENDENT NON-EXECUTIVE DIRECTORS (Continued)

Mr. Li Ping (李平), age 63, 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.

Dr. Li Zhuo (李卓), age 47, 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, the dean of the Department of International Economics, and the director of the Center of International Business Studies 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).

獨立非執行董事(續)

李平先生，63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。

李卓博士，47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、國際經濟系系主任及國際商業研究中心主任。於一九八九年七月至一九九二年八月，李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

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

董事、監事及高級管理人員簡歷(續)

INDEPENDENT NON-EXECUTIVE DIRECTORS (Continued)

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 Researcher in the New Century recognized by the Ministry of Education of the PRC in October 2010.

SUPERVISORS

Mr. Wang Ruichun (王瑞春), age 41, 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, and general manager of the research and development center (responsible for the research and development of technology and products) since January 2014. 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

獨立非執行董事(續)

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傑出研究員。

監事

王瑞春先生，41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，及自二零一四年一月起擔任研發中心總經理，負責技術與產品研發。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

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

董事、監事及高級管理人員簡歷(續)

SUPERVISORS (Continued)

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.

Mr. Liu Deming (劉德明), age 60, 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)

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。

劉德明先生，60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 (Continued)

董事、監事及高級管理人員簡歷(續)

SUPERVISORS (Continued)

Ms. Li Chang'ai (李長愛), age 52, 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 and also had served 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. 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，52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)獨立董事及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。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。

SENIOR MANAGEMENT'S PROFILES

SENIOR MANAGEMENT

Mr. Jan Bongaerts, age 51, is the First Deputy General Manager of our Company. He is responsible for strategic development, business development, sourcing and day-to-day management of our Company. He has more than 18 years of experience in the optical fibre and cable industry. Prior to joining our Company, from July 1998, Mr. Bongaerts worked at Draka Holding N.V., consecutively serving as the manager of the optical fibre market and sales department, the deputy manager of the optical fibre procurement department, the director of the optical fibre business department, a member of management committee and a member of enterprise procurement team. He served as the director of the optical fibre sales and marketing department and a member of management committee of the business department of Prysmian S.p.A. from January 2011 to December 2013. Since January 2014, Mr. Bongaerts has been the First Deputy General Manager of our Company. Mr. Bongaerts obtained a master's degree in business administration from Open University of the Netherlands and an executive master of business administration from Maastricht University the Netherlands.

Mr. Yan Changkun, age 53, is the Deputy General Manager and the general manager of the operation management center of our Company. He is primarily responsible for management of the 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 44, the Deputy General Manager and the secretary of the board of our Company. Ms. Zhou has more than 18 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 Deputy General Manager of our Company since January 2017. Ms. Zhou obtained a bachelor's degree in Economics from Huazhong University of Science and Technology.

高級管理人員簡歷

高級管理層

揚幫卡先生，51歲，本公司第一副總經理，主要負責本公司的戰略發展、業務發展、採購及日常管理。揚幫卡先生有逾18年光纖光纜業經驗。加入本公司前，揚幫卡先生自一九九八年七月起任職於Draka Holding N.V.，先後擔任光纖市場及銷售部經理、光纖採購部副總經理、光纖商務總監及管理委員會成員兼企業採購小組成員。彼於二零一一年一月至二零一三年十二月擔任Prysmian S.p.A.光纖銷售及營銷部總監及商務部管理委員會成員。自二零一四年一月起，揚幫卡先生揚幫卡本公司首任第一副總經理。揚幫卡先生於二零零三年三月自荷蘭公開大學獲得工商管理碩士學位，並於一九九九年九月自荷蘭馬斯特裏赫特大學獲得EMBA學位。

閻長鵬先生，53歲，本公司副總經理及運營管理中心總經理，主要負責管理本公司的供應鏈與質保體系。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，44歲，為本公司副總經理及董事會秘書。周女士有逾18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經理。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 (Continued)

董事、監事及高級管理人員簡歷(續)

SENIOR MANAGEMENT'S PROFILES (Continued)

SENIOR MANAGEMENT (Continued)

Mr. Liang Guanning, age 36, 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 51, is the Chief Technology Officer of our Company, and director of the state key laboratory, and general manager of Yangtze Optical Fibre (Qianjiang) Co., Ltd. He is primarily responsible for overseeing the overall research and development related matters and projects of our Company. Mr. Luo has over 28 years of experience in the optical fibre and cable industry. He has worked at our Company since November 2000, consecutively serving as the manager, department management and the general manager of the research and development department. Mr. Luo has been the Chief Technology Officer of our Company since December 2013. Prior to joining our Company, Mr. Luo started to work at Wuhan Research Institute of Posts and Telecommunications since January 1989 and served as an engineer and a senior engineer from January 1992 to December 1996 and from December 1996 to September 2000, respectively. Mr. Luo obtained his bachelor's degree in material engineering, a master's degree in material engineering from Wuhan University of Technology, and a doctorate in electromagnetics and microwave from Beijing University of Posts and Telecommunications. In 2015, he has been elected to the national talent project and has been awarded "Young Expert with Outstanding Contributions" by the Ministry of Human Resources and Social Security of China.

高級管理人員簡歷(續)

高級管理層(續)

梁冠寧先生，36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而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，51歲，本公司技術總監兼國家重點實驗室主任及長飛光纖潛江有限公司總經理，主要負責全面監管本公司研發相關事宜及各項目。羅先生有逾28年光纖光纜業經驗。羅先生自二零零零年十一月起任職於本公司，先後擔任研發部經理及總經理。羅先生自二零一三年十二月起出任本公司技術總監。加入本公司前，羅先生自一九八九年一月起任職於武漢郵電科學研究院，先後於一九九二年一月至一九九六年十二月及一九九六年十二月至二零零零年九月擔任工程師及高級工程師。羅先生於武漢工業大學(現稱武漢理工大學)獲得材料工程專業學士學位及材料工程專業碩士學位，於北京郵電大學獲得電磁場及微波技術專業博士學位。二零一五年，入選國家人力資源和社會保障部百千萬人才工程之「有突出貢獻中青年專家」。

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

董事、監事及高級管理人員簡歷(續)

SENIOR MANAGEMENT'S PROFILES (Continued)

SENIOR MANAGEMENT (Continued)

Mr. Zheng Xin, age 48, 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 18 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 54, 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.

高級管理人員簡歷(續)

高級管理層(續)

鄭昕先生，48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18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，54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(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。

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 2016.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

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

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

FINANCIAL POSITION AND RESULTS

The Group's financial position as at 31 December 2016 and the Groups' profit for the year ended 31 December 2016 are set out on pages 125 and 126 and on page 124 of this annual report, respectively.

DIVIDEND

The Board proposed the distribution of a final dividend for the year ended 31 December 2016 of RMB0.255 (before tax) per share totaling RMB173.9 million. If the profit distribution plan is approved by the shareholders at the forthcoming annual general meeting to be held on 22 May 2017, the final dividend will be distributed on 28 July 2017 to shareholders whose names appear on the register of members of the Company on 5 June 2017. Dividend payable to holders of domestic shares will be declared and paid in RMB, whereas dividend payable to holders of the H shares will be declared in RMB and paid in Hong Kong dollars (other than dividends in respect of the H shares held by Draka, which will be paid in Euro), the exchange rate of which will be calculated based on the average exchange rate published by The People's Bank of China during the week prior to the annual general meeting to be held on 22 May 2017.

董事會欣然呈列其報告及截至二零一六年十二月三十一日止年度的經審核合併財務報表。

主要業務及業務回顧

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

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

財務狀況及業績

本集團於二零一六年十二月三十一日的財務狀況及本集團截至二零一六年十二月三十一日止年度的利潤分別載於本年報第125及126頁及第124頁。

股息

董事會建議就截至二零一六年十二月三十一日止年度派發末期股息每股人民幣0.255元（除稅前），合共人民幣173.9百萬元。倘利潤分配預案於即將在二零一七年五月二十二日舉行的股東週年大會上獲股東批准，則末期股息將於二零一七年七月二十八日派付予二零一七年六月五日名列本公司股東名冊的股東。內資股股東的股息以人民幣宣派和支付，而H股股東的股息則將以人民幣宣派，以港元支付（惟Draka所持H股的股息將以歐元支付），匯率將按照本公司擬於二零一七年五月二十二日舉行之股東週年大會前一個星期內中國人民銀行公佈的平均匯率計算。

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

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

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

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

REPORT OF THE BOARD OF DIRECTORS (Continued)

董事會報告(續)

The Company will identify the country of domicile of the individual holders of H shares according to their registered address on the H share register of members of the Company on 5 June 2017 (the "Registered Address"). If the domicile of an individual holders of H shares is not the same as the Registered Address or if the individual holders of H shares would like to apply for a refund of the additional amount of tax finally withheld and paid, the individual holders of H shares shall notify and provide relevant supporting documents to the Company on or before 29 May 2017. Upon examination of the supporting documents by the relevant tax authorities, the Company will follow the guidance given by the tax authorities to implement the relevant tax withholding provisions and arrangements. Individual holders of H shares may either personally or appoint a representative to attend to the procedures in accordance with the requirements under the Tax Treaties Notice if they do not provide the relevant supporting documents to the Company within the time period stated above.

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

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

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

FINANCIAL SUMMARY

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

本公司將根據二零一七年六月五日名列本公司H股股東名冊的H股個人股東的登記地址(「登記地址」)確定其所在國家。如H股個人股東的住所與登記地址不符或希望申請退還最終多扣繳的稅款，H股個人股東須於二零一七年五月二十九日或該日之前通知本公司並提供相關證明文件，證明文件經相關稅務機關審核後，本公司會遵照稅務機關的指引執行與代扣稅款相關的規定和安排。如H股個人股東在上述期限前未能向本公司提供相關證明文件，可按稅收協定通知的有關規定自行或委託代理人辦理有關手續。

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

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

董事會並不知悉本公司任何股東已放棄或同意放棄任何股息。

財務概要

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

MAJOR CUSTOMERS AND SUPPLIERS

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

For the year ended 31 December 2016, the Group's sales to its five largest customers and its largest customer accounted for 49.7% and 21.1% (2015: 45.6% and 11.2%) 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 2016, the Group's purchases from its five largest suppliers and its largest supplier accounted for 50.8% and 17.8% (2015: 50.1% and 16.5%) of the Group's total purchases.

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

PROPERTY, PLANT AND EQUIPMENT AND CONSTRUCTION IN PROGRESS

Details of movements in the property, plant and equipment and construction in progress during the year ended 31 December 2016 are set out in notes 13 and 14 to the financial statements in this annual report.

SHARE CAPITAL

Details of movements in the share capital of the Company during the year ended 31 December 2016 are set out in notes 31 and 32 to the financial statements of 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。

截至二零一六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49.7%及21.1%(二零一五年：45.6%及11.2%)。

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

截至二零一六年十二月三十一日止年度，本集團向五大供應商及最大供應商作出之採購分別佔本集團總採購的50.8%及17.8%(二零一五年：50.1%及16.5%)。

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

截至二零一六年十二月三十一日止年度的物業、廠房及設備及在建工程的變動詳情載於本年報財務報表之附註13及14。

股本

本公司於截至二零一六年十二月三十一日止年度的股本之變動詳情載於本年報財務報表之附註31及32。

DISTRIBUTABLE RESERVES

As at 31 December 2016, the Company's reserves available for distribution, calculated in accordance with the provisions of Companies Law in the PRC, amounted to approximately RMB1,679.9 million (31 December 2015: approximately RMB1,124.7 million).

BANK LOANS

Details of bank loans of the Group as at 31 December 2016 are set out in note 26 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 2016, the Group had set up five new subsidiaries through its own establishments and co-operations with strategic partners, which are in alignment with our strategic roadmap.

The domestic subsidiaries established last year 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 construction of the intelligent plant located in Qianjiang Science and Technology Park has started. All these form part of our innovation and intelligent manufacturing strategy.

The Group had taken part in cloud terminal solution and service by establishing E3cloud. Meanwhile, the new department set up last year had made progress on oversea EPC business, all these are in alignment with our relevant diversification strategy.

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. At the same time, the Group had set up additional 2 sales representative offices and 1 sales company in overseas to make the total number of overseas sales offices to 24. All these are in alignment with our internationalisation strategy.

可分派儲備

於二零一六年十二月三十一日，本公司可供分派儲備乃根據中國公司法之條文計算，約為人民幣1,679.9百萬元(二零一五年十二月三十一日：約為人民幣1,124.7百萬元)。

銀行貸款

本集團於二零一六年十二月三十一日的銀行貸款詳情載於本年報財務報表之附註26。

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。於二零一六年，本集團通過其自行成立、及與戰略合作夥伴，成立了五家新增附屬公司，此舉符合我們的戰略藍圖。

上一年度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建設。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。

通過新設立附屬公司武漢芯光雲，本集團涉足雲終端解決方案業務，同時，上年度組建的新業務部門在海外工程總包業務取得進展。此等舉措符合我們的相關多元化戰略。

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。同時，本集團額外設立兩個海外辦事處和一個海外銷售附屬公司，令海外銷售辦事處總數增至24個。此等措施均與我們的國際化戰略一致。

REPORT OF THE BOARD OF DIRECTORS (Continued)

董事會報告(續)

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 6 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.

FINANCIAL KEY PERFORMANCE INDICATORS

Operating performance

2016 was the best year of performance for YOFC when compared with the past four years. During the year, the Group's revenue increased by 20.4% from RMB6,731.1 million in 2015 to RMB8,102.3 million in 2016. 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 35.5%. 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 8.4% 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 2016, the net profit attributable to equity shareholders of the Company also increased by 22.9% from RMB570.7 million in 2015 to RMB701.4 million in 2016. 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.

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定藍圖。

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六日的股東通函。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。

財務主要表現指標

營運表現

相比過往四年，二零一六年是本公司表現最優的一年。年內，本集團收入由二零一五年人民幣6,731.1百萬元增加20.4%至二零一六年人民幣8,102.3百萬元。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35.5%。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8.4%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。截至二零一六年十二月三十一日止年度，本公司權益持有人應佔純利亦增加22.9%，由二零一五年人民幣570.7百萬元增加至二零一六年人民幣701.4百萬元。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。

Financial performance

As at 31 December 2016, the Group's financial position remained solid because of its strong treasury and fund management. The level of indebtedness as at 31 December 2016 decreased to RMB1,756.4 million (31 December 2015: RMB2,457.4 million) while the gearing ratio (which is calculated based on the net debts divided by total equity) was 7.4% (31 December 2015: 11.0%) as at 31 December 2016. For the year ended 31 December 2016, the Group generated positive operating cashflows amounted to RMB1,303.4 million (2015: RMB550.8 million). Improvement in operating cashflows was mainly due to better credit control and more efforts put on debt collection process. The Group's average trade and bills receivables turnover days for 2016 reduced to 94.4 days (2015: 104.8 days) even the Group's revenue grew by 20.4%. Average inventory turnover days for 2016 was shortened from 46.3 days in 2015 to 37.6 days in 2016 because of better inventory control and on-time production and purchasing without requiring the Group to tie up its working capital.

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 2016, the Group had already built six 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.

財務表現

於二零一六年十二月三十一日，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。二零一六年十二月三十一日的債務水平減少至人民幣1,756.4百萬元(二零一五年十二月三十一日：人民幣2,457.4百萬元)，而二零一六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7.4%(二零一五年十二月三十一日：11.0%)。截至二零一六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1,303.4百萬元(二零一五年：人民幣550.8百萬元)。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。本集團於二零一六年的平均應收賬款及票據周轉天數縮短至94.4天(二零一五年：104.8天)，而本集團收入亦增加20.4%。二零一六年的平均存貨周轉天數由二零一五年的46.3天縮短至二零一六年的37.6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。

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。於二零一六年十二月三十一日，本集團已成立六個海外實體。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。

PRINCIPAL RISKS AND UNCERTAINTIES

A number of factors that 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.

(I) INDUSTRY RISK

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

(II) INTENSE COMPETITION

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

(III) FOREIGN EXCHANGE RISK

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

主要風險及不確定因素

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

(I) 行業風險

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

(II) 激烈競爭

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

(III) 外匯風險

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

(IV) REPUTATIONAL RISK

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

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

KEY RELATIONSHIPS

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 over 370 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.

(IV) 聲譽風險

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

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

主要關係

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，我們向超過370名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制依據，也為未來我們制定可持續發展戰略提供了重要參考依據。

REPORT OF THE BOARD OF DIRECTORS (Continued)

董事會報告(續)

EMPLOYEES

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.

SUPPLIERS

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.

CUSTOMERS

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.

COMMUNITIES

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. In the summer of 2016, we are among the first to deliver relief materials such as optical cable to the telecom companies in Jiangsu, Yunnan, Guizhou and Sichuan where disasters happened to help local people afflicted to get back to normal life.

僱員

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。

供應商

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。

客戶

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。

社區

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。二零一六年夏，我們第一時間向江蘇、雲南、貴州和四川等受災區域提供光纜物資，幫助災區人民恢復基礎生活。

ENVIRONMENTAL POLICIES AND PERFORMANCE

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.

COMPLIANCE WITH LAWS AND REGULATIONS

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.

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

Save for the Employee Stock Ownership Scheme, 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. Key terms of the scheme are set out in note 31 to the financial statements.

環境政策及表現

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。

遵守法律及法規

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。

收購本公司證券之權利及股本關連協議

除員工持股計劃外，本公司或其任何控股公司或附屬公司或其任何同系附屬公司於年內任何時間概無訂立任何安排，致使本公司之董事、監事或主要行政人員或彼等各自之聯繫人或緊密聯繫人（相關定義見香港上市規則）擁有任何權利可認購本公司或其任何相聯法團（定義見證券及期貨條例）之證券或可透過收購本公司或任何其他團體公司之股份或債券獲取利益，本公司亦無訂立任何其他股本關連協議。計劃的主要條款載於財務報表之附註31。

REPORT OF THE BOARD OF DIRECTORS (Continued)

董事會報告(續)

CHARITABLE CONTRIBUTIONS

During the year, the Group made charitable contributions totalling RMB498,000 (2015: RMB80,000).

DIRECTORS

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

EXECUTIVE DIRECTORS

Mr. Zhuang Dan
(appointment effective on 24 January 2017)
Mr. Wen Huiguo
(retirement effective on 24 January 2017)
Mr. Frank Franciscus Dorjee

NON-EXECUTIVE DIRECTORS

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

INDEPENDENT NON-EXECUTIVE DIRECTORS

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

慈善捐獻

年內，本集團合共作出人民幣498,000元(二零一五年：人民幣80,000元)之慈善捐獻。

董事

於年內直至本年報日期的本公司董事及監事如下：

執行董事

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

非執行董事

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

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

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

REPORT OF THE BOARD OF DIRECTORS (Continued)

董事會報告(續)

BOARD OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Biographical details of the current Directors, the Supervisors and senior management of the Group are set out on pages 32 to 54 of this annual report.

CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

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

DIRECTORS' AND SUPERVISORS' SERVICE CONTRACTS AND LETTER OF APPOINTMENTS

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

Each of the Supervisors has entered into a service contract with the Company on 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).

董事會、監事及高級管理層

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32至54頁。

獨立非執行董事之獨立性確認

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

董事及監事之服務合約及委任函

執行董事及非執行董事各自已於二零一七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。

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

None of the Directors and the Supervisors, or any entity connected with them had a material interest, either directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year ended 31 December 2016 or subsisted at the end of the year ended 31 December 2016.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year ended 31 December 2016.

EMOLUMENT POLICY

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

The Company has not adopted any share award scheme or share option scheme. On 19 October 2015, the Company approved to adopt the 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. Key terms of the scheme are set out in note 31 to the financial statements.

董事及監事於重大交易、安排或合約之權益

董事及監事，或任何與其關連的實體概無於本公司或其任何附屬公司於截至二零一六年十二月三十一日止年度訂立或於截至二零一六年十二月三十一日止年度仍存續且對本集團業務屬重大的任何交易、安排或合約中直接或間接擁有重大權益。

管理合約

於截至二零一六年十二月三十一日止年度，本公司概無訂立或訂有與本公司全部或任何主要部分業務的管理及行政有關的合約。

薪酬政策

本公司已成立提名及薪酬委員會，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。該計劃之主要條款載於財務報表附註31。

REPORT OF THE BOARD OF DIRECTORS (Continued)

董事會報告(續)

REMUNERATION OF DIRECTORS, SUPERVISORS AND FIVE HIGHEST PAID INDIVIDUALS

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

PENSION SCHEMES

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

CHANGES TO INFORMATION IN RESPECT OF DIRECTORS AND SUPERVISORS

Save as disclosed in the section headed "Directors', Supervisors' and Senior Management's Profiles" in this annual report, during the year ended 31 December 2016, 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.

董事、監事及五名最高薪酬人士的薪酬

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

退休金計劃

本集團之退休金計劃詳情載於財務報表之附註7。

董事及監事的資料變動

除在本年報「董事、監事及高級管理人員簡歷」一節中披露外，截至二零一六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 (Continued)

董事會報告(續)

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

As at 31 December 2016, 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:

董事、監事及最高行政人員於股份、相關股份及債券之權益及淡倉

於二零一六年十二月三十一日，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、相關股份或債券中擁有任何記錄於本公司根據證券及期貨條例第352條的規定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	Capacity	Class of Share	Number of Shares interested	Approximate percentage of interest in the Company	Approximate percentage of the relevant classes of Shares of the Company	Nature of interest
股東名稱	身份	股份類別	擁有權益之股份數目	佔本公司權益之概約百分比	佔本公司相關類別股份之概約百分比	權益性質
Directors						
董事						
Mr. Wen Huiguo ⁽²⁾ 文會國先生 ⁽²⁾	Beneficial owner 實益擁有人	Domestic Share 內資股	2,350,000 ⁽¹⁾	0.34%	0.71%	Long position 好倉
Mr. Frank Franciscus Dorjee 范•德意先生	Beneficial owner 實益擁有人	H Share H股	500,000	0.07%	0.14%	Long position 好倉
Mr. Yao Jingming 姚井明先生	Beneficial owner 實益擁有人	Domestic Share 內資股	500,000 ⁽¹⁾	0.07%	0.15%	Long position 好倉
Mr. Yeung Kwok Ki Anthony ⁽²⁾ 楊國琦先生 ⁽²⁾	Beneficial owner 實益擁有人	H Share H股	705,000	0.10%	0.20%	Long position 好倉
Mr. Xiong Xiangfeng 熊向峰先生	Beneficial owner 實益擁有人	Domestic Share 內資股	705,000 ⁽¹⁾	0.10%	0.21%	Long position 好倉
Ms. Zheng Huili 鄭慧麗女士	Beneficial owner 實益擁有人	Domestic Share 內資股	705,000 ⁽¹⁾	0.10%	0.21%	Long position 好倉

REPORT OF THE BOARD OF DIRECTORS (Continued)

董事會報告(續)

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

Note:

附註：

- (1) Denotes the number of underlying domestic shares represented by the units in Wuhan Ruitu Management Consulting Partnership Enterprise (Limited Partnership) held by the relevant Directors, Supervisor and Mr. Zhuang. Wuhan Ruitu Management Consulting Partnership Enterprise (Limited Partnership) was established under the PRC laws on 4 December 2015 for the purpose of holding domestic shares for the Directors and senior management members of the Company under the Employee Stock Ownership Scheme.
- (2) On 24 January 2017, Mr. Wen Huiguo and Mr. Yeung Kwok Ki Anthony retired from the Board and Mr. Jiang Zhikang retired from the Board of Supervisors. On the same date, Mr. Zhuang Dan was appointed as a Director.
- (3) As at 31 December 2016, the total number of issued shares of the Company was 682,114,598, among which 351,566,794 were H shares and 330,547,804 were domestic shares.

- (1) 指相關董事、監事及莊先生所持的武漢睿圖管理諮詢合夥企業(有限合夥)企業份額所代表的相關內資股數目。武漢睿圖管理諮詢合夥企業(有限合夥)於二零一五年十二月四日根據中國法律成立，成立目的為根據員工持股計劃為董事及高級管理人員持有內資股。
- (2) 於二零一七年一月二十四日，文會國先生及楊國琦先生退任董事，江志康先生退任監事，同日，莊丹先生獲委任董事。
- (3) 於二零一六年十二月三十一日，本公司已發行股份總數為682,114,598股，其中351,566,794股為H股及330,547,804股為內資股。

Save as disclosed above, as at 31 December 2016, none of the Directors, Supervisors nor the chief executive of the Company had any interests or short positions in any of the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO or as otherwise be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

除上文所披露者外，於二零一六年十二月三十一日，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。

REPORT OF THE BOARD OF DIRECTORS (Continued)

董事會報告(續)

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

As at 31 December 2016, the following persons (other than Directors, Supervisors or chief executive of the Company) had interests and short positions in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

主要股東及其他人士於股份及相關股份之權益及淡倉

於二零一六年十二月三十一日，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條須予存置的登記冊所記錄的權益及淡倉：

Name of Shareholders	Capacity	Class of Share	Number of Shares interested	Approximate percentage of interest in the Company	Approximate percentage of the relevant classes of Shares of the Company	Nature of interest
股東名稱	身份	股份類別	擁有權益之股份數目	佔本公司權益之概約百分比	佔本公司相關類別股份之概約百分比	權益性質
China Huaxin 中國華信	Beneficial owner 實益擁有人	Domestic Share 內資股	179,827,794	26.37%	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
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
Value Partners Group Limited ⁽⁴⁾ 惠理集團有限公司 ⁽⁴⁾	Interest of a controlled corporation 受控法團權益	H Share H股	31,668,000	4.64%	9.01%	Long position 好倉

REPORT OF THE BOARD OF DIRECTORS (Continued)

董事會報告(續)

Name of Shareholders	Capacity	Class of Share	Number of Shares interested	Approximate percentage of interest in the Company	Approximate percentage of the relevant classes of Shares of the Company	Nature of interest
股東名稱	身份	股份類別	擁有權益之股份數目	佔本公司權益之概約百分比	佔本公司相關類別股份之概約百分比	權益性質
Value Partners High-Dividend Stocks Fund 惠理高息股票基金	Beneficial owner 實益擁有人	H Share H股	31,558,000	4.63%	8.98%	Long position 好倉

Notes:

- (1) China Huaxin is wholly-owned by China Reform Holdings Corporation Ltd. China Reform Holdings Corporation Ltd is therefore deemed to be interested in 179,827,794 Domestic Shares held by China Huaxin.
- (2) Draka is a wholly-owned subsidiary of Draka Holding B.V.. Draka Holding B.V. is therefore deemed to be interested in 179,827,794 H Shares held by Draka.
- (3) Draka Holding B.V. is held as to 52.165% by Prysmian S.p.A. and 47.835% by Prysmian Cavi e Sistemi S.r.L., a wholly-owned subsidiary of Prysmian S.p.A.. As set out in note (2) above, each of Prysmian S.p.A. and Prysmian Cavi e Sistemi S.r.L. is therefore deemed to be interested in 179,827,794 H Shares held by Draka.
- (4) Value Partners Group Limited is deemed to be interested in 31,668,000 H Shares held by Value Partners Limited. Value Partners Limited is wholly-owned by Value Partners Hong Kong Limited, which is a wholly-owned subsidiary of Value Partners Group Limited.
- (5) As at 31 December 2016, the total number of issued shares of the Company was 682,114,598, among which 351,566,794 were H shares and 330,547,804 were domestic shares.

Save as disclosed above, as at 31 December 2016, our Directors, Supervisors or chief executive are not aware of any other person, not being a Director Supervisor or chief executive of our Company, who has an interest or short position in the shares or the underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO.

附註：

- (1) 中國華信由中國國新控股有限責任公司全資擁有，中國國新控股有限責任公司因而被視為於中國華信持有之179,827,794股內資股中擁有權益。
- (2) Draka為Draka Holding B.V.的全資附屬公司，Draka Holding B.V.因而被視為於Draka持有之179,827,794股H股中擁有權益。
- (3) Draka Holding B.V.由Prysmian S.p.A.持有52.165%，及由Prysmian S.p.A.之全資附屬公司Prysmian Cavi e Sistemi S.r.L.持有47.835%。誠如上文附註(2)所載，Prysmian S.p.A.及Prysmian Cavi e Sistemi S.r.L.因而各自被視為於Draka持有的179,827,794股H股中擁有權益。
- (4) 惠理集團有限公司被視為擁有惠理基金管理公司持有之31,668,000股H股之權益。惠理基金管理公司由惠理基金管理香港有限公司全資擁有，而惠理基金管理香港有限公司則為惠理集團有限公司之全資附屬公司。
- (5) 於二零一六年十二月三十一日，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。

除以上所披露者外，於二零一六年十二月三十一日，董事、監事或本公司最高行政人員並不知悉除董事、監事或本公司最高行政人員外，有任何其他人士於本公司股份或相關股份中擁有於本公司根據證券及期貨條例第336條須存置的登記冊內登記的權益或淡倉。

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

The Company and its subsidiaries did not purchase, sell or redeem any of listed securities of the Company during the year ended 31 December 2016.

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 2016 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二零一六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。

公眾持股量水平

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)於二零一六年生效，且截至本報告日期仍然生效。

DIRECTORS' INTEREST IN COMPETING BUSINESS

During the year ended 31 December 2016, none of the Directors or their respective close associates had engaged in or had any interest in any business which competes or may compete, either directly or indirectly, with the businesses of the Group except for Mr. Philippe Claude Vanhille who has been serving as the senior vice-president of telecom business of the Prysmian group and primarily responsible for its global telecom business. He holds/held several positions in certain subsidiaries of Prysmian S.p.A. (together with its close associates, the "Prysmian Group") as more particularly described below. The Prysmian Group produces a complete range of optical fibres, optical and copper cables and accessories for connectivity systems. The Prysmian Group has similar business serving the telecom sector as the Company and therefore competes with the Company. In relation to the competing interest of Mr. Philippe Claude Vanhille, although he is involved in the high level decision making of the Company's important strategic and policy matters, he is not involved in the daily management and business operation of the Company. Further, the Board operates in accordance with the Company's Articles of Association which require Mr. Vanhille not to be entitled to vote on (nor be counted in the quorum in relation to) any resolution of the Board in respect of any contract, transaction or arrangement in which Mr. Vanhille or any of his close associates is materially interested. During the year, given his position in the Prysmian Group, Mr. Vanhille was required to abstain from voting on the board resolutions in relation to the 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

截至二零一六年十二月三十一日止年度，董事或彼等各自的緊密聯繫人概無從事任何與本集團業務競爭或可能競爭（不論直接或間接）的業務或於有關業務中擁有任何權益，惟菲利普·范希爾先生擔任普睿司曼集團電訊業務高級副總裁，主要負責其全球電訊業務。彼於Prysmian S.p.A.（連同其緊密聯繫人統稱「普睿司曼集團」）旗下若干附屬公司擔任／曾擔任多個職位（更多詳情載於下文）。普睿司曼集團生產各類光纖、光纜及銅線電纜以及連接系統配件。普睿司曼集團與本公司有類似的電信業務，因此與本公司構成競爭。就菲利普·范希爾先生的競爭權益而言，雖然彼參與本公司重大策略及政策事宜的高層決策，惟彼並非參與本公司的日常管理及業務營運。此外，董事會根據本公司章程行事，其中規定范希爾先生不得就范希爾先生自身或其任何緊密聯繫人有重大權益的任何合約、交易或安排有關的任何董事會決議案投票（亦不計入相關法定人數）。年內，由於彼於普睿司曼集團的職位，范希爾先生須就有關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。

Name of company
公司名稱Nature of interests
權益性質

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

REPORT OF THE BOARD OF DIRECTORS (Continued)

董事會報告(續)

The independent non-executive Directors have reviewed the list of directorships provided by Mr. Vanhille and note that there is no change in details previously so disclosed in the 2015 annual report. The Company has put in place corporate governance measures to manage the conflict of interests arising from the competing interests of Mr. Vanhille and to safeguard the interests of the Company, details of which are set out in the Corporate Governance Report on pages 85 to 113 of this annual report.

COMPLIANCE WITH SANCTIONS UNDERTAKINGS

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

獨立非執行董事已審閱范希爾先生提供的董事職位列表，並知悉先前於二零一五年年報所披露之詳情並無變動。本公司已採納若干企業管治措施，以處理范希爾先生的競爭權益所產生的利益衝突，以及保護本公司利益，有關詳情載於本年報第85至113頁之企業管治報告。

制裁承諾之合規情況

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

CONNECTED TRANSACTIONS

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

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

Summarised below are the nature of transactions, the annual caps and the transaction amount of the continuing connected transactions for 2016:

Sales of optical fibres and optical fibre cables to China Huaxin and its associates (collectively the "Huaxin Group")

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

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

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

關連交易

非豁免持續關連交易

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

下文概述二零一六年持續關連交易之交易性質、年度上限及交易金額：

向中國華信及聯營公司（統稱「華信集團」）出售光纖及光纜

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

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

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

REPORT OF THE BOARD OF DIRECTORS (Continued)

董事會報告(續)

During the year, the annual caps of the continuing connected transactions with China Huaxin and Shanghai Bell for 2016 as permitted by the Hong Kong Stock Exchange were RMB12,000,000 and RMB20,000,000, respectively, and the actual transaction amount for 2016 with China Huaxin and Shanghai Bell was RMB148,000 and RMB471,000, respectively and the annual caps have been kept.

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.

年內，與中國華信及上海貝爾就二零一六年的持續關連交易經香港聯交所批准的年度上限分別為人民幣12,000,000元及人民幣20,000,000元，而與中國華信及上海貝爾就二零一六年的實際交易金額則分別為人民幣148,000元及人民幣471,000元，及年度上限保持不變。

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 (Continued)

董事會報告(續)

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 2016 as permitted by the Hong Kong Stock Exchange was RMB34,000,000 and the actual transaction amount with Draka for 2016 was RMB33,775,000 and the annual cap has been kept.

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

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.

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.

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

年內，向Draka支付或應付經香港聯交所批准的專利費的年度上限為人民幣34,000,000元，而於二零一六年與Draka之實際交易金額為人民幣33,775,000元，及年度上限保持不變。

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

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。

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。

REPORT OF THE BOARD OF DIRECTORS (Continued)

董事會報告(續)

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

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

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

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.

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

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

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

各項採購的定價條款須與以下指引相符：

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

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

REPORT OF THE BOARD OF DIRECTORS (Continued)

董事會報告(續)

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

As the Group intends to continue carrying out the sales and purchase transactions with the Prysmian Group and YOFC Shanghai in the ordinary and usual course of business of the Group upon expiry of the annual caps on 31 December 2016, each of the abovementioned framework agreements were renewed on 11 November 2016. The new framework agreements, which are on the same terms as the abovementioned framework agreements, became effective on 1 January 2017. Each of the new framework agreements is valid until either (i) 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 continuing connected transactions as contemplated under these new 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 new 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.

The annual caps of the continuing connected transactions with respect to sales transactions with each of Draka Fibre, Draka Singapore, Prysmian Wuxi, Prysmian Brazil and YOFC Shanghai for 2016 as approved by the independent shareholders of the Company were RMB2,000,000, RMB29,000,000, RMB126,000,000, RMB20,000,000 and RMB256,000,000, respectively, and the actual transaction amount for 2016 with Draka Fibre, Draka Singapore, Prysmian Wuxi, Prysmian Brazil and YOFC Shanghai was RMBNil, RMB27,709,000, RMB24,923,000, RMBNil and RMB247,093,000, respectively.

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

由於本集團擬於二零一六年十二月三十一日年度上限屆滿時繼續在本集團的一般日常業務中與普睿司曼集團及長飛上海進行買賣交易,各上述框架協議已於二零一六年十一月十一日重續。新框架協議(按上述框架協議之相同條款訂立)於二零一七年一月一日起生效。各新框架協議於下述日期前有效(以較早者為準): (i)三年期限屆滿或(ii)Draka不再為本公司的關連人士當日。此等新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。新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。

與Draka Fibre、Draka Singapore、無錫普睿司曼、Prysmian Brazil及長飛上海於二零一六年有關銷售的持續關連交易年度上限分別為人民幣2,000,000元、人民幣29,000,000元、人民幣126,000,000元、人民幣20,000,000元及人民幣256,000,000元,而於二零一六年與Draka Fibre、Draka Singapore、無錫普睿司曼、Prysmian Brazil及長飛上海的實際交易金額分別為人民幣零元、人民幣27,709,000元、人民幣24,923,000元、人民幣零元及人民幣247,093,000元。

REPORT OF THE BOARD OF DIRECTORS (Continued)

董事會報告(續)

The annual caps of the continuing connected transactions with respect to purchases transactions with each of Draka Fibre, Draka France, Prysmian Wuxi and YOFC Shanghai for 2016 as approved by the independent shareholders of the Company were RMB60,000,000, RMB36,000,000, RMB13,000,000 and RMB286,000,000, respectively, and the actual transaction amount for 2016 with Draka Fibre, Draka France, Prysmian Wuxi and YOFC Shanghai was RMB57,350,000, RMB35,895,000, RMB Nil and RMB244,339,000, respectively.

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

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

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

與 Draka Fibre、Draka France、無錫普睿司曼及長飛上海於二零一六年有關採購的持續關連交易年度上限分別為人民幣60,000,000元、人民幣36,000,000元、人民幣13,000,000元及人民幣286,000,000元，而於二零一六年與Draka Fibre、Draka France、無錫普睿司曼及長飛上海的實際交易金額分別為人民幣57,350,000元、人民幣35,895,000元、人民幣零元及人民幣244,339,000元。

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

獨立非執行董事已審閱上述各項持續關連交易，並確認該等交易：

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

REPORT OF THE BOARD OF DIRECTORS (Continued)

董事會報告(續)

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;
- 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 2016 annual caps as disclosed above.

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

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

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

- a. 核數師並無注意到任何事項令彼等相信上文所披露的持續關連交易未獲董事會批准；
- b. 就本集團提供貨品或服務所涉及的交易而言，核數師並無注意到任何事項令彼等相信上文所披露的持續關連交易在所有重大方面未有按照本集團的定價政策進行；
- c. 核數師並無注意到任何事項令彼等相信上文所披露的持續關連交易在所有重大方面未有按照規管該等交易的相關協議所進行；及
- d. 就各項非豁免持續關連交易之總金額而言，核數師並無注意到任何事項令彼等相信持續關連交易之金額超出上文披露的二零一六年度上限。

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

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

REPORT OF THE BOARD OF DIRECTORS (Continued)

董事會報告(續)

AUDIT COMMITTEE

The audit committee of the Company has reviewed the accounting principles and policies adopted by the Group and discussed the Group's risk management, internal controls and financial reporting matters with the management. The audit committee has reviewed the audited consolidated financial statements of the Group for the year ended 31 December 2016.

POST BALANCE SHEET EVENTS

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

AUDITORS

The Company has appointed KPMG and KPMG Huazhen LLP (collectively "KPMG") as the international and the domestic auditors of the Company for the year ended 31 December 2016. KPMG retire and a resolution for their reappointment as both international and domestic auditors of the Company will be proposed at the forthcoming annual general meeting, which will be held on 22 May 2017.

By order of the Board

Ma Jie
Chairman

Wuhan, China
24 March 2017

審計委員會

本公司審計委員會已審閱本集團所採納的會計原則及政策，並與管理層討論本集團風險管理、內部監控及財務申報事宜。審核委員會已審閱本集團截至二零一六年十二月三十一日止年度的經審核合併財務報表。

資產負債表期後事項

重大資產負債表期後事項披露於財務報表之附註38。

核數師

本公司已委聘畢馬威會計師事務所及畢馬威華振會計師事務所(統稱「畢馬威」)為本公司截至二零一六年十二月三十一日止年度的國際及本地核數師。畢馬威已退任，而有關其續任為本公司國際及本地核數師的決議案將提呈予將於二零一七年五月二十二日舉行的應屆股東週年大會。

承董事會命

馬杰
主席

中國武漢
二零一七年三月二十四日

CORPORATE GOVERNANCE REPORT

企業管治報告

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

CORPORATE GOVERNANCE

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

The Company has adopted all the code provisions in the CG Code which are applicable to the Company and the manner in which the principles and code provisions in the CG Code were applied and implemented during the year ended 31 December 2016 and up to the date of this annual report is explained in this Corporate Governance Report. The Company has complied with all the code provisions under the CG Code during the year.

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

董事會欣然呈列本公司之企業管治報告。

企業管治

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

本公司已採納企業管治守則內所有適用於本公司的守則條文，而本公司於截至二零一六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。

BOARD

DUTIES AND DIVISION OF RESPONSIBILITY

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

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

CHAIRMAN OF THE BOARD AND CHIEF EXECUTIVE OFFICER

The Company does not have the position of chief executive officer, the duties of which are performed by the general manager. During the year ended 31 December 2016, Mr. Wen Huiguo was the Chairman of the Board while Mr. Zhuang Dan was the general manager of the Company. Subsequent to the retirement of Mr. Wen Huiguo at the EGM of the Company on 24 January 2017, Mr. Ma Jie has been appointed as the Chairman of the Board. The Chairman of the Board and the general manager 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 general manager is primarily responsible for strategic development and planning, and day-to-day management of the Company. There is no financial, business, family or other relationship between the Directors, the Supervisors, the Chairman of the Board, the general manager of the Company and the senior management of the Company.

董事會

職責與分工

董事會為本公司股東利益行事，向本公司股東負責。董事會負責以下事項：執行股東大會上批准之決議；制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。

董事會主席及行政總裁

本公司未設行政總裁一職，惟其職務由總經理履行。於截至二零一六年十二月三十一日止年度內，文會國先生為董事會主席，本公司總經理為莊丹先生。繼文會國先生於二零一七年一月二十四日的臨時股東大會退任後，馬杰先生獲委任為董事會主席。董事會主席及本公司總經理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，而本公司總經理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、本公司總經理和本公司高級管理人員之間均不存在任何財務、業務、家屬或其他關係。

COMPOSITION OF THE BOARD

During the year, the Board comprises 12 Directors, including two executive Directors namely, Mr. Wen Huiguo and Mr. Frank Franciscus Dorjee, six non-executive Directors namely, Mr. Ma Jie, Mr. Yao Jingming, Mr. Philippe Claude Vanhille, Mr. Yeung Kwok Ki Anthony, Mr. Xiong Xiangfeng and Ms. Zheng Huili, and four independent non-executive Directors namely, Dr. Ngai Wai Fung, Dr. Ip Sik On Simon, Mr. Li Ping and Dr. Li Zhuo.

Currently, it is the second session of the Board since the Company was converted to a joint stock limited liability company. Mr. Wen Huiguo and Mr. Yeung Kwok Ki Anthony have retired from their positions as an executive director and a non-executive director of the Company, respectively, with effect from the conclusion of the EGM held on 24 January 2017. 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 to the second session of the Board.

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，包括兩名執行董事文會國先生及范•德意先生，六名非執行董事馬杰先生、姚井明先生、菲利普•范希爾先生、楊國琦先生、熊向峰先生及鄭慧麗女士，及四名獨立非執行董事魏偉峰博士、葉錫安博士、李平先生及李卓博士。

本屆董事會乃公司改制以來第二屆董事會。原執行董事文會國先生及非執行董事楊國琦先生已分別退任本公司董事，於二零一七年一月二十四日臨時股東大會結束後生效。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。

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。

POSITIONS IN OTHER COMPANIES HELD BY DIRECTORS

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

TIME COMMITMENT OF DIRECTORS

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

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 2016.

董事擔任其他公司之職務

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

董事投入時間

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

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二零一六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 general manager of the Company.

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

During the year, the Board had held seven 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) the proposal for registration and issuance of short to medium-term debt financing instruments in the PRC and (3) the proposal for new annual caps for the optical fibre technology cooperation agreement with Draka and renewal of the continuing connected transactions with the Prysmian Group and YOFC Shanghai of which the latter two had been further approved at the extraordinary general meeting held on 24 January 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)本公司總經理提議召開特別會議。

全體董事均可及時獲取董事會會議待討論事項的所有相關數據，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7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、建議在中國境內註冊及發行中短期債務融資工具，及與DRAKA的光纖技術合作協議之建議新訂年度上限及重續與普睿司曼集團及長飛上海的持續關連交易除外，上述事項中後兩項均已於二零一七年一月二十四日舉行的臨時股東大會上獲進一步批准。

CORPORATE GOVERNANCE REPORT (Continued)

企業管治報告(續)

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		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
董事					
Executive Directors	執行董事				
Mr. Wen Huiguo [#]	文會國先生 [#]	7	7	0	1
Mr. Frank Franciscus Dorjee	范•德意先生	7	7	0	1
Non-executive Directors	非執行董事				
Mr. Ma Jie	馬杰先生	7	7	0	1
Mr. Yao Jingming	姚井明先生	7	7	0	1
Mr. Philippe Claude Vanhille	菲利普•范希爾先生	7	7	0	1
Mr. Yeung Kwok Ki Anthony [#]	楊國琦先生 [#]	7	7	0	1
Mr. Xiong Xiangfeng	熊向峰先生	7	7	0	1
Ms. Zheng Huili	鄭慧麗女士	7	7	0	1
Independent Non-executive Directors	獨立非執行董事				
Dr. Ngai Wai Fung	魏偉峰博士	7	7	0	1
Dr. Ip Sik On Simon	葉錫安博士	7	7	0	1
Mr. Li Ping	李平先生	7	7	0	1
Dr. Li Zhuo	李卓博士	7	7	0	1

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 a general meeting.

* 年內，本公司舉行了一次股東大會。

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.

Four audit committee meetings were held during the year with respect to the discussions and approval of (a) 2015 annual results announcement for the year ended 31 December 2015, (b) two quarterly voluntary disclosures of inside information on selected unaudited financial information for the three months ended 31 March 2016 and for the nine months ended 30 September 2016, and (c) 2016 interim results announcement for the six months ended 30 June 2016. The Audit Committee also assessed the risk management and internal control system of the Company.

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(倘編制以供刊發))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。

年內舉行四次審計委員會會議，以討論及批准(a)截至二零一五年十二月三十一日止年度的二零一五年度業績公告；(b)就截至二零一六年三月三十一日止三個月及截至二零一六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；及(c)截至二零一六年六月三十日止六個月的二零一六年度中期業績公告。審計委員會亦對本公司風險管理及內部監控系統作出評估。

CORPORATE GOVERNANCE REPORT (Continued)

企業管治報告(續)

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

下表列載審計委員會各成員於年內出席會議的詳情。

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
Dr. Ngai Wai Fung (Chairman)	魏偉峰博士(主席)	4	4	0
Dr. Ip Shek On Simon	葉錫安博士	4	4	0
Dr. Li Zhuo	李卓博士	4	4	0

The Audit Committee has reviewed and discussed the annual results of the Group for the year ended 31 December 2016. 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 2016 as set out in this annual report. The Audit Committee is of the view that the audited consolidated financial statements are prepared in accordance with the applicable accounting standards and requirements and all the relevant and required disclosures are adequate.

審計委員會已審閱及討論本集團截至二零一六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二零一六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制符合適用的會計準則及規定，並已充分作出一切相關及所需披露。

NOMINATION AND REMUNERATION COMMITTEE

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

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、總經理及其他高級管理層之委任及繼任計劃物色合適候選人並向董事會作出推薦；(3)評估獨立非執行董事之獨立性；(4)就涉及全體董事及高級管理層薪酬之本公司政策及架構以及制定正式及透明程序以發展薪酬政策向董事會提出建議；(5)評估董事及高級管理層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。

CORPORATE GOVERNANCE REPORT (Continued)

企業管治報告(續)

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, Dr. Ngai Wai Fung[#] and, Dr. Ip Sik On Simon and one executive Director, Mr. Frank Franciscus Dorjee. Dr. Ngai Wai Fung[#], an independent non-executive Director, acted as the chairman of the Nomination and Remuneration Committee.

Two meetings of the Nomination and Remuneration Committee were held during the year to review the remuneration packages of employees of the Company 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.

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魏偉峰博士[#]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魏偉峰博士[#]擔任。

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		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
董事				
Dr. Ngai Wai Fung (Chairman) [#]	魏偉峰博士(主席) [#]	2	2	0
Dr. Ip Sik On Simon	葉錫安博士	2	2	0
Mr. Frank Franciscus Dorjee	范•德意先生	2	2	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 (Continued)

企業管治報告(續)

In accordance with code provision B.1.5 of the CG Code, the remuneration of the Directors, Supervisors and senior management for the year ended 31 December 2016 can be classified into the following ranges:

根據企業管治守則之守則條文B.1.5，截至二零一六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	11
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	1
6	3,000,001-4,000,000	4
7	4,000,001-5,000,000	1
8	5,000,001-6,000,000	1

Notes:

Band 1 includes nine Directors, and two Supervisors.

Band 2 includes one Director.

Band 3 includes two senior management members.

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

Band 5 includes one senior management member.

Band 6 includes four senior management members.

Band 7 includes one Director.

Band 8 includes one senior management member.

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

註：

第1組別包括九名董事及兩名監事。

第2組別包括一名董事。

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組別包括一名高級管理人員。

第6組別包括四名高級管理人員。

第7組別包括一名董事。

第8組別包括一名高級管理人員。

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

BOARD DIVERSITY

The Board has adopted a Board Diversity Policy to enhance its effectiveness. In designing the Board's composition, Board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge, length of services and time to be devoted as a director of the Company. The Company will also take into account factors relating to its own business model and specific needs from time to time. The Board strives to ensure that it has the appropriate balance of skills, experience and diversity of perspectives that are required to support the execution of its business strategies and in order for the Board to be effective. At the committee meeting held on 22 December 2016, the Nomination and Remuneration Committee has reviewed the composition of the Board in accordance with the Hong Kong Listing Rules and concluded that the composition of the Board 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要。於二零一六年十二月二十二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					
Wen Huiguo (Chairman) 文會國(主席)	63	Master 碩士	Telecommunication 通訊	Wuhan, China 中國武漢	October 2008 二零零八年十月
Frank Franciscus Dorjee (Vice-Chairman) 范•德意(副主席)	56	Master 碩士	Telecommunication, Finance and accounting 通訊、財務及會計	Netherlands 荷蘭	January 2011 二零一一年一月
Non-executive Directors 非執行董事					
Ma Jie 馬杰	46	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	52	Master 碩士	Telecommunication 通訊	Beijing, China 中國北京	June 2015 二零一五年六月
Philippe Claude Vanhille 菲利普•范希爾	52	Master 碩士	Telecommunication 通訊	Italy 意大利	May 2013 二零一三年五月
Yeung Kwok Ki Anthony 楊國琦	71	University graduate 本科	Accounting and audit 會計及審計	Hong Kong, China 中國香港	January 1992 一九九二年一月
Xiong Xiangfeng 熊向峰	52	Master 碩士	Telecommunication 通訊	Wuhan, China 中國武漢	August 2013 二零一三年八月
Zheng Huili 鄭慧麗	57	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	55	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	68	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	63	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	47	Doctorate 博士	Education 教育	Wuhan, China 中國武漢	September 2014 二零一四年九月

STRATEGY COMMITTEE

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

The 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. Wen Huiguo. Effective from 24 January 2017, 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		Number of meetings requiring attendance	Number of meetings attended in person	Number of meetings attended by proxy
董事		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. Wen Huiguo (Chairman)	文會國先生(主席)	4	4	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，及一名執行董事文會國先生組成。自二零一七年一月二十四日起，董事會主席兼非執行董事馬杰先生替代文會國先生出任戰略委員會成員及主席，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. As at the date of this annual report, 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.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

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

董事

董事委任及重選

董事(包括非執行董事及獨立非執行董事)由股東於股東大會選舉產生,任期三年。董事任期屆滿後,可連選連任及重獲委任。董事會主席及副主席須由過半數董事選舉和罷免。董事會主席及副主席任期三年,可以於膺選連任時續期。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。

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。

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 2016.

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 75 to 76 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.

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

董事、監事及相關僱員的證券交易

本公司已採納了一套條款不低於標準守則之規定的本公司的董事、監事及有關僱員進行證券交易的標準守則(「本公司守則」)，作為有關董事及監事的證券交易的自身守則。經向本公司各董事及監事作出書面特定查詢後，所有本公司董事及監事均確認彼等於截至二零一六年十二月三十一日止整個年度內已遵守標準守則及本公司守則有關證券交易的準則規定。

董事權益

有關董事競爭權益的詳情已於本年報第75至76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。

DIRECTORS' RESPONSIBILITY ON FINANCIAL STATEMENTS

The Directors acknowledge their responsibility to prepare the audited consolidated financial statements for the year ended 31 December 2016 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.

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 116 to 123 of this annual report.

SHAREHOLDERS' MEETING

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

To safeguard the interests and rights of the shareholders, all major matters of the Company shall be proposed as separate resolutions at the general meeting for consideration in accordance with the applicable laws and the Hong Kong Listing Rules. The rights of the shareholders and voting procedures of the general meeting shall be contained in the relevant circular in accordance with the Articles of Association of the Company and the Hong Kong Listing Rules, which shall be despatched to the Shareholders within a specified period of time and shall be posted on the websites of the 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 22 April 2016 was despatched to shareholders for review before the shareholders' meeting was held.

董事對財務報表之責任

董事深知彼等就編制截至二零一六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。

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116至123頁的獨立核數師報告內。

股東大會

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

為保障股東權益和權利，根據適用法律及香港上市規則，須就本公司各項重大事宜於股東大會上提呈獨立決議案審議。股東權利及於股東大會的有關投票表決程序將按照本公司章程以及香港上市規則載於相關的通函內，而通函亦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。本公司日期為二零一六年四月二十二日的通函於股東大會舉行前已寄發予股東閱覽。

CONTROL SYSTEM

BOARD OF SUPERVISORS

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

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

During the year, the board of Supervisors consisted 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. Jiang Zhikang). Mr Jiang Zhikang was the chairman of the Board of Supervisors. Mr. Wang Ruichun was appointed by the employees' representatives conference held on 24 January 2017 and replaced Mr. Jiang Zhikang to act as chairman of the Board of Supervisors. Mr. Liu Deming and Ms. Li Chang'ai still continued their duties as a Supervisor.

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

監控機制

監事會

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

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

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（江志康先生）。江志康先生為監事會主席。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，劉德明先生及李長愛女士繼續監事責任。

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

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

During the year, 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.

1. 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.

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.

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。

1. 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。

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。

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.

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.

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. 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。

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.

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 2017. These subsidiaries and departments also classified risks into different categories, created a list of risks and identified responsible departments for handling various risks.

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。該政策列明了董事會、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。

在風險識別方面，本集團各子公司／部門結合集團二零一七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。

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;
- 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.

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布。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」；
- 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。

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 general manager, first deputy manager, deputy general managers and chief financial officer reviews and approves the Company's future business opportunities and determines whether such business involves any Sanctions Targets;
- (c) the strategic 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;
- (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.

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（包括總經理、第一副總經理、副總經理及財務總監）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瞭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；
- (d) 本集團的戰略中心和銷售中心會定期編制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. 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.

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.

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。

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。

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 3 reports on internal control to the Audit Committee during 2016 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 2016, the establishment of a risk control matrix for important business procedures and the management of specific material risks.

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 2016, the risk management and internal control system of the Group is effective. No significant control failings or weaknesses 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 2016, respectively. Their respective appointment shall expire upon the conclusion of the 2016 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 2016, the fees paid or payable to KPMG for annual audit services RMB3.54 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 2016, the Group did not pay any fee to KPMG and KPMG Huazhen for non-audit services.

為有助於董事會評核本集團風險管理及內部監控系統的有效程度，內部審計及風險控制部於二零一六年共計3次向審計委員會彙報監控結果，並根據審計委員會的指示開展進一步工作。彙報內容包括二零一六年度風險評估的結果和建議的應對措施、重大業務流程風險控制矩陣的建立情況，以及專項重大風險的管理情況等。

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2016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或發現重大監控弱項，對本集團的財務表現及經營情況產生重大影響。

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二零一六年度國際核數師，以及畢馬威華振會計師事務所(特殊普通合夥)(統稱為「畢馬威」)為本公司二零一六年度中國核數師。彼等各自之聘用期至本公司二零一六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。

截至二零一六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3.54百萬元。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，於截至二零一六年十二月三十一日止年度，本集團未向畢馬威及畢馬威華振支付其他非審計服務費用。

COMPANY SECRETARY

Mr. Han Qingrong, secretary of the Board is responsible for advising the Board on corporate governance matters and ensuring that the Board's policies and procedures, and the applicable laws, rules and regulations are followed. Ms. Zhou Lijing was appointed as secretary of the Board to replace Mr. Han Qingrong from 24 January 2017.

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 Mr. Han Qingrong 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 2016 as required under Rule 3.29 of the Hong Kong Listing Rules.

SHAREHOLDERS' RIGHTS AND INVESTOR RELATIONSHIP

CONVENING OF EXTRAORDINARY GENERAL MEETING

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

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

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

公司秘書

董事會秘書韓慶榮先生負責就企業管治事宜向董事會提出建議及確保董事會政策及程序以及符合適用法律、法規及規例。周理晶女士自二零一七年一月二十四日起取替韓慶榮先生擔任公司董事會秘書。

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。

時任公司秘書韓慶榮先生及鄭碧玉女士確認彼等各自於截至二零一六年十二月三十一日止年度已根據香港上市規則第3.29條的規定接受不少於15小時之相關專業培訓。

股東權利及投資者關係

股東召開臨時股東大會程序

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

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

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

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

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

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

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

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

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

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

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

In order to ensure that other shareholders would have sufficient time to receive and consider the information of the nominated candidate(s), shareholders are urged to submit their nominations as early as practicable in advance of the relevant general meeting and, in any case, not less than 12 business days (as defined in the Hong Kong Listing Rules, i.e. day(s) on which the Hong Kong Stock Exchange is open for business of dealing in securities) before the date scheduled for holding the relevant general meeting, so that the Company can complete the verification procedure with the Company's share registrar, and procure the publication of an announcement and/or the dispatch of a supplementary circular to shareholders in compliance with the applicable requirements under the 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權發言。要求發言的股東應當在表決前向本公司進行發言登記。

AMENDMENT OF CONSTITUTIONAL DOCUMENTS

The current Articles of Association of the Company were adopted by the Company on 6 May 2014 at the 2013 general meeting and became effective from the Listing Date. During the year and up to the date of this annual report, no changes have been made to the Articles of Association except for those amendments made on number of shares issued as a result of the Private Placement in 2015. 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 proposed certain amendments to be made to the Articles of Association on 24 March 2017. These amendments, if approved by the Shareholders, will be effective from the date on which Shareholders' approval is obtained. Details of the proposed amendments to the Articles of Association are set out in the circular of the Company dated 6 April 2017. The existing Articles of Association are available on the website of the Company (www.yofc.com) and that of the Hong Kong Stock Exchange.

COMMUNICATION WITH INVESTORS AND INVESTOR RELATIONSHIP

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

The Company considers that effective communication with shareholders is essential for enhancing investor relations and understanding of the Group's business, performance and strategies. The Company also recognises the importance of timely and non-selective disclosure of information, which will enable shareholders and investors to make the informed investment decisions. In 2017, 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.

章程文件修訂

本公司於二零一四年五月六日在二零一三年度股東大會上採納現行的章程，並於上市日期（本公司之H股在香港聯交所主板上市之日期）生效。除了因二零一五年非公開配售而對已發行股份數目所作之修訂外，於本年度直至本年報日期期間，章程並無變動。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，如獲股東批准，將於取得股東批准之日起生效，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。現行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。

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。於二零一七年，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。

The annual general meeting of the Company provides an opportunity for shareholders to communicate directly with the Directors. The Chairman of the Board, the general manager of the Company, the chairman of each of the Board Committees 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.

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.

本公司股東週年大會為股東提供直接與董事溝通的機會。董事會主席、本公司總經理、各董事委員會主席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。

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。

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.

2016 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 2017 and posted on the websites of the Hong Kong Stock Exchange and the Company.

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監管要求、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。

二零一六年股東週年大會

謹此鼓勵全體股東出席即將舉行的股東週年大會及行使彼等的投票權。載有更多有關股東週年大會事項的詳情的本公司通函，已於二零一七年四月六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:

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：

Meeting 會議屆次	Date 召開時間	Resolution 會議決議	Remark 備註
6th meeting of 1st Term Board of Supervisors 第一屆監事會第六次會議	16 March 2016 二零一六年三月十六日	Resolutions on 6th meeting of 1st Term Board of Supervisors 第一屆監事會第六次會議決議	No 無
7th meeting of 1st Term Board of Supervisors 第一屆監事會第七次會議	17 November 2016 二零一六年十一月十七日	Resolutions on 7th meeting of 1st Term Board of Supervisors 第一屆監事會第七次會議決議	No 無
8th meeting of 1st Term Board of Supervisors 第一屆監事會第八次會議	14 December 2016 二零一六年十二月十四日	Resolutions on 8th meeting of 1st Term Board of Supervisors 第一屆監事會第八次會議決議	No 無

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

The Board of Supervisors is of the opinion that, all members of the Board 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 2016. 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.

本報告期內，監事會關注到的其他事項如下：

本監事會認為，二零一六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 (Continued)

監事會報告(續)

The Board of Supervisors carefully reviewed the financial statements of the Company for 2016 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 2017, 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.

By order of the Board of Supervisors
Wang Ruichun
Chairman of the Board of Supervisors

Wuhan, PRC
24 March 2017

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二零一六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。

二零一七年，本監事會將繼續嚴格依照《中華人民共和國公司法》和公司章程的有關規定，以維護股東權益和公司利益為己任，以監督公司落實對股東所作承諾為重點，進一步加強對重大決策和重要經營活動的監督檢查力度，認真履行好職責。

承監事會命
王瑞春
監事會主席

中國武漢
二零一七年三月二十四日

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



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

OPINION

We have audited the consolidated financial statements of Yangtze Optical Fibre and Cable Joint Stock Limited Company ("the Company") and its subsidiaries ("the Group") set out on pages 124 to 238, which comprise the consolidated statement of financial position as at 31 December 2016, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2016 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") promulgated by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* ("the Code") together with any ethical requirements that are relevant to our audit of the consolidated financial statements in the People's Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

致長飛光纖光纜股份有限公司各股東

(於中華人民共和國註冊成立的有限公司)

意見

本核數師(以下簡稱「我們」)已審核刊於第124至第238頁長飛光纖光纜股份有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)的合併財務報表，此合併財務報表包括於二零一六年十二月三十一日的合併財務狀況表與截至該日止年度的合併綜合收益表、合併權益變動表和合併現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

我們認為，該等綜合財務報表已根據國際會計準則理事會頒布的《國際財務報告準則》真實而中肯地反映了貴集團於二零一六年十二月三十一日的合併財務狀況及截至該日止年度的合併財務表現及合併現金流量，並已遵照香港《公司條例》妥為擬備。

意見的基礎

我們已根據香港會計師公會頒布的《香港審計準則》進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計綜合財務報表承擔的責任」部分中作進一步闡述。根據香港會計師公會頒布的《專業會計師道德守則》(以下簡稱「守則」)以及與我們對中華人民共和國境內的合併財務報表的審計工作相關的道德要求，我們獨立於貴集團，並已履行這些道德要求以及守則中的其他專業道德責任。我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

INDEPENDENT AUDITOR'S REPORT (Continued)

獨立核數師報告(續)

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated 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 and bills receivable

應收賬款及票據價值

Refer to note 22 to the consolidated financial statements and the accounting policies on pages 142 to 144.

請參閱合併財務報表附註22及第142至144頁的會計政策

The Key Audit Matter

關鍵審計事項

The balance of trade and bills receivable amounted to RMB2,072 million as at 31 December 2016 and mainly comprised amounts due from the major state-owned telecommunications companies and independent third parties.

於2016年12月31日，貴集團應收賬款及票據的結餘為人民幣2,072百萬元，主要包括應收大型國有電信公司及獨立第三方。

The recoverability of the Group's trade and bills receivable is very dependent on the financial condition of the telecommunications industry customers.

貴集團的應收賬款及票據的可收回性非常依賴電信行業客戶的財務狀況。

關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本期合併財務報表的審計最為重要的事項。這些事項是在我們審計整體合併財務報表及出具意見時進行處理的。我們不會對這些事項提供單獨的意見。

How the matter was addressed in our audit

我們的審計如何處理該事項

Our audit procedures to assess the valuation of trade and bills receivable included the following:

我們對應收賬款及票據的估值執行的審計程序包括：

- 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;
- 瞭解及評估管理層有關信用控制、債務收回及壞賬準備的關鍵內部控制的設計、實施及運作有效性；

Valuation of trade and bills receivable

應收賬款及票據價值

Refer to note 22 to the consolidated financial statements and the accounting policies on pages 142 to 144.

請參閱合併財務報表附註22及第142至144頁的會計政策

The Key Audit Matter

關鍵審計事項

The telecommunications industry in Mainland China is subject to changes in industry policies and national development plans in respect of related infrastructure construction, such as the progress of the roll out of 4G networks and the development of 5G networks in Mainland China. Any decrease in or delay of government planned investments or incentives currently available to industry participants may result in a slowing down of the growth of the telecommunications industry in Mainland China, which, in turn, could adversely affect the financial condition of the Group's telecommunications industry customers.

中國內地的電信行業受行業政策及涉及國家發展計畫的相關基建建設的影響，比如中國內地的4G網路的普及進度及5G網路發展。政府規劃的投資或目前涉及市場參與者的優惠的任何減少或延遲均可能會使中國內地電信行業的增長放緩，從而對貴集團的電信行業客戶的財務狀況造成不利影響。

Management's assessment of the need for provisions for trade and bills receivable 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.

管理層對應收賬款及票據的壞賬準備進行的評估，包括了基於個別債務人的具體因素及基於具有類似風險特徵的債務人組合的整體因素。壞賬準備的計提是基於管理層對預期產生的信用損失的估計。在估計預期信用損失時，管理層考慮了多個因素，包括應收賬款的賬齡、客戶的信用度、過往的核銷記錄和涉及整體評估債務人的相關現有因素。所有的這些因素均涉及管理層的重大判斷。

How the matter was addressed in our audit

我們的審計如何處理該事項

- 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;
- 比較賬齡分析報告與總帳上列報的總額，以及抽樣比較賬齡分析報告上的個別項目和相關銷售憑證，評估應收賬款賬齡分析報告的專案分類情況；
- obtaining an understanding of the basis of management's judgements about the recoverability of individual material trade and bills receivable balances and evaluating these judgements with reference to the debtors' financial condition, the ageing of overdue balances and the historical settlement experience;
- 瞭解管理層就個別重大應收賬款及票據結餘的可收回性的判斷基準，參照債務人的財務狀況、逾期結餘的賬齡及過往結算情況，評價這些判斷；
- 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 the Group's provision with reference to the Group's policy for collective assessment;
- 通過對相關估計的歷史準確性進行追溯覆核，評估管理層在基於組合評估計算壞賬準備時所作出的假設和估計，並且根據貴集團組合評估政策重新計算貴集團的撥備；

INDEPENDENT AUDITOR'S REPORT (Continued)

獨立核數師報告(續)

Valuation of trade and bills receivable

應收賬款及票據價值

Refer to note 22 to the consolidated financial statements and the accounting policies on pages 142 to 144.

請參閱合併財務報表附註22及第142至144頁的會計政策

The Key Audit Matter

關鍵審計事項

We identified the valuation of trade and bills receivable as a key audit matter because of the significance of the balance of trade and bills receivable 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.

鑒於合併財務報表中應收賬款及票據的金額重大，並且管理層在釐定壞賬準備時進行的判斷存在其固有不確定性。我們把應收賬款及票據的估值列為關鍵審計事項。

How the matter was addressed in our audit

我們的審計如何處理該事項

- comparing material cash receipts from customers subsequent to the financial year end relating to trade and bills receivable as at 31 December 2016 with bank slips and other relevant underlying documentation;
- 將財政年度結束後收到來自客戶有關2016年12月31日的應收賬款及票據的重大現金收入與銀行水單及其他相關憑證進行比對；
- assessing the disclosures in the consolidated financial statements in respect of assessing impairment of trade and bills receivable and credit risk management with reference to the requirements of the prevailing accounting standards.
- 參照現行的會計準則的要求，評估合併財務報表中關於評估應收賬款及票據減值的披露和信用風險管理的披露情況。

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon. We obtained the section "Management Discussion and Analysis" of the 2016 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 consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

合併財務報表及其核數師報告以外的信息

董事需對其他信息負責。其他信息包括刊載於年報內的全部信息，但不包括合併財務報表及我們的核數師報告。我們於核數師報告日前獲得2016年度報告的「管理層討論和分析」部分，剩餘的其他資訊將於該日期后獲得。

我們對合併財務報表的意見並不涵蓋其他信息，我們亦不對該等其他信息發表任何形式的鑒證結論。

INDEPENDENT AUDITOR'S REPORT (Continued)

獨立核數師報告(續)

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

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

In preparing the consolidated financial statements, the directors are responsible for assessing the Group'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 the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

結合我們對合併財務報表的審計，我們的責任是閱讀上述其他信息，在此過程中，考慮其他信息是否與合併財務報表或我們在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。

基於我們對核數師報告日之前獲得的其他信息已執行的工作，如果我們認為其他信息存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

董事就合併財務報表須承擔的責任

董事須負責根據國際會計準則理事會頒布的《國際財務報告準則》及香港《公司條例》的披露要求擬備真實而中肯的合併財務報表，並對其認為為使合併財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

在擬備合併財務報表時，董事負責評估貴集團持續經營的能力，並在適用情況下披露與持續經營有關的事項，以及使用持續經營為會計基礎，除非董事有意將貴集團清盤或停止經營，或別無其他實際的替代方案。

審計委員會協助董事履行監督貴集團的財務報告過程的責任。

INDEPENDENT AUDITOR'S REPORT (Continued)

獨立核數師報告(續)

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated 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. This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with HKSA's 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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 the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

核數師就審計合併財務報表承擔的責任

我們的目標，是對合併財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們僅向整體成員報告。除此以外，我們的報告不可用作其他用途。我們概不就本報告的內容，對任何其他人士負責或承擔法律責任。

合理保證是高水平的保證，但不能保證按照《香港審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或滙總起來可能影響合併財務報表使用者依賴財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

在根據《香港審計準則》進行審計的過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：

- 識別和評估由於欺詐或錯誤而導致合併財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。

INDEPENDENT AUDITOR'S REPORT (Continued)

獨立核數師報告(續)

- Conclude on the appropriateness of the directors' 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 the Group'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 consolidated 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 the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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 the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意合併財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。
- 評價合併財務報表的整體列報方式、結構和內容，包括披露，以及合併財務報表是否中肯反映交易和事項。
- 就貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對合併財務報表發表意見。我們負責貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

We communicate with the Audit Committee 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.

We also provide the Audit Committee 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.

除其他事項外，我們與審計委員會溝通了計劃的審計範圍、時間安排、重大審計發現等，包括我們在審計中識別出內部控制的任何重大缺陷。

我們還向審計委員會提交聲明，說明我們已符合有關獨立性的相關專業道德要求，並與他們溝通有可能合理地被認為會影響我們獨立性的所有關係和其他事項，以及在適用的情況下，相關的防範措施。

INDEPENDENT AUDITOR'S REPORT (Continued)

獨立核數師報告(續)

From the matters communicated with the Audit Committee, we determine the matter that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matter. We describe this matter 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.

The engagement partner on the audit resulting in this independent auditor's report is Ko Sin.

KPMG

Certified Public Accountants

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

24 March 2017

從與審計委員會溝通的事項中，我們確定哪些事項對本期合併財務報表的審計最為重要，因而構成關鍵審計事項。我們在核數師報告中描述這些事項，除非法律法規不允許公開披露這些事項，或在極端罕見的情況下，如果合理預期在我們報告中溝通某事項造成的負面後果超過產生的公眾利益，我們決定不應在報告中溝通該事項。

出具本獨立核數師報告的審計項目合夥人是高倩。

畢馬威會計師事務所

執業會計師

香港中環
遮打道十號
太子大廈八樓

二零一七年三月二十四日

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

合併綜合收益表

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

		Note	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Revenue	收入	4	8,102,313	6,731,114
Cost of sales	銷售成本		(6,427,238)	(5,426,904)
Gross profit	毛利		1,675,075	1,304,210
Other income	其他收益	5	39,572	87,196
Selling expenses	銷售費用		(199,432)	(162,994)
Administrative expenses	管理費用		(732,447)	(551,452)
Profit from operations	經營利潤		782,768	676,960
Finance income	融資收入	6	18,182	31,475
Finance costs	融資成本	6	(130,320)	(156,371)
Net finance costs	淨融資成本		(112,138)	(124,896)
Share of results of associates	應佔聯營公司業績		820	268
Share of results of joint ventures	應佔合營公司業績	19	104,221	79,690
Profit before taxation	除稅前利潤	7	775,671	632,022
Income tax	所得稅	8	(96,953)	(73,788)
Profit for the year	本年利潤		678,718	558,234
Other comprehensive income for the year (items that may be reclassified subsequently to profit or loss):	本年其他綜合收益 (可重新分類至損益的 項目):			
Available-for-sale securities: net movement in the fair value reserve	可供出售證券: 公允價值儲備的淨變動		8,880	51,065
Income tax relating to available-for-sale securities	可供出售證券相關所得稅項		(1,352)	(7,660)
Exchange differences on translation of financial statements of overseas subsidiaries	外幣報表折算差額		14,424	2,566
Other comprehensive income for the year	本年其他綜合收益		21,952	45,971
Total comprehensive income for the year	本年綜合收益總額		700,670	604,205
Profit for the year attributable to:	應佔本年利潤:			
Equity shareholders of the Company	本公司權益持有人		701,381	570,722
Non-controlling interests	非控股權益		(22,663)	(12,488)
Profit for the year	本年利潤		678,718	558,234
Total comprehensive income for the year attributable to:	應佔本年綜合收益總額:			
Equity shareholders of the Company	本公司權益持有人		719,277	615,923
Non-controlling interests	非控股權益		(18,607)	(11,718)
Total comprehensive income for the year	本年綜合收益總額		700,670	604,205
Earnings per share (RMB)	每股盈利(人民幣元)			
Basic and diluted	基本及攤薄	11	1.03	0.89

The notes on pages 131 to 238 form part of these financial statements. Details of dividends payable to equity shareholders of the Company attributable to the profit for the year are set out in Note 32(b).

第131至第238頁的附註屬本財務報表的一部分。本公司就本年利潤應付權益持有人股利的詳情載列於附註32(b)。

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

合併財務狀況表

At 31 December 2016 (Expressed in Renminbi)
於二零一六年十二月三十一日(以人民幣列示)

		Note	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	13	1,321,032	982,027
Construction in progress	在建工程	14	466,281	88,743
Intangible assets	無形資產	15	211,432	146,300
Lease prepayments	租賃預付款項	16	231,734	166,225
Interest in associates	於聯營公司權益	18	11,088	10,747
Interest in joint ventures	於合營公司權益	19	1,041,507	720,312
Other non-current assets	其他非流動資產	20	203,511	429,670
Deferred tax assets	遞延稅項資產	29(b)	55,956	10,442
Total non-current assets	非流動資產總額		3,542,541	2,554,466
Current assets	流動資產			
Inventories	存貨	21	644,378	678,062
Trade and bills receivable	應收賬款及票據	22	2,072,305	2,119,178
Deposits, prepayments and other receivables	按金、預付款項及 其他應收款項	23	238,183	177,117
Income tax recoverable	可收回所得稅	29(a)	4,831	–
Other financial assets	其他金融資產	24	248,801	6,861
Cash and cash equivalents	現金及現金等價物	25	1,427,575	2,047,125
Total current assets	流動資產總額		4,636,073	5,028,343
Current liabilities	流動負債			
Bank loans	銀行貸款	26	886,870	1,636,609
Trade and bills payable	應付賬款及票據	27	880,481	852,334
Accrued expenses and other payables	預提費用及其他應付款項	28	802,574	468,047
Income tax payable	應付所得稅	29(a)	65,839	19,877
Total current liabilities	流動負債總額		2,635,764	2,976,867
Net current assets	淨流動資產		2,000,309	2,051,476
Total assets less current liabilities	總資產減流動負債		5,542,850	4,605,942
Non-current liabilities	非流動負債			
Bank loans	銀行貸款	26	869,579	820,820
Deferred income	遞延收益	30	237,453	53,447
Total non-current liabilities	非流動負債總額		1,107,032	874,267
Net assets	淨資產		4,435,818	3,731,675

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

合併財務狀況表(續)

At 31 December 2016 (Expressed in Renminbi)
於二零一六年十二月三十一日(以人民幣列示)

		Note 附註	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Capital and reserves	股本及儲備			
Share capital	股本	32	682,115	682,115
Reserves	儲備		3,494,961	2,892,744
Total equity attributable to equity shareholders of the Company	本公司權益持有人 應佔權益總額		4,177,076	3,574,859
Non-controlling interests	非控股權益		258,742	156,816
Total equity	權益總額		4,435,818	3,731,675

Approved and authorised for issue by the board of directors on
24 March 2017.

董事會於二零一七年三月二十四日核准並許可發出。

Ma Jie
馬杰
Directors
董事

Zhuang Dan
莊丹
Directors
董事

The notes on pages 131 to 238 form part of these financial
statements.

第131至第238頁的附註屬本財務報表的一部分。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

合併權益變動表

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

Attributable to equity shareholders of the Company

本公司權益持有人應佔部分

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

合併權益變動表 (續)

For the year ended 31 December 2016 (Expressed in Renminbi)

截至二零一六年十二月三十一日止年度 (以人民幣列示)

		Attributable to equity shareholders of the Company 本公司權益持有人應佔							Non-controlling interests 非控股權益	
		Share capital 股本	Capital reserve 資本公積	Statutory surplus reserve 法定儲備	Exchange reserve 匯兌儲備	Fair value reserve 公允價值儲備	Retained earnings 保留盈利	Total 總額		Total equity 權益總額
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
		(Note 32(c)) (附註32(c))	(Note 32(d)) (附註32(d))	(Note 32(d)) (附註32(d))	(Note 32(d)) (附註32(d))	(Note 32(d)) (附註32(d))	(Note 32(d)) (附註32(d))	(Note 32(d)) (附註32(d))	(Note 32(d)) (附註32(d))	(Note 32(d)) (附註32(d))
At 1 January 2016	於2016年1月1日	682,115	1,550,098	168,547	1,796	68,751	1,103,552	3,574,859	156,816	3,731,675
Total comprehensive income	綜合收益總額									
Profit for the year	本年利潤	-	-	-	-	-	701,381	701,381	(22,663)	678,718
Other comprehensive income	其他綜合收益	-	-	-	10,411	7,485	-	17,896	4,056	21,952
Total comprehensive income	綜合收益總額	-	-	-	10,411	7,485	701,381	719,277	(18,607)	700,670
Transactions with equity shareholders of the Company	與本公司權益持有人的交易									
Contribution and distributions:	出資及分派:									
Appropriation	轉撥	-	-	103,538	-	-	(103,538)	-	-	-
Dividends declared (Note 32(b)(iii))	宣派股利(附註32(b)(iii))	-	-	-	-	-	(118,688)	(118,688)	-	(118,688)
Capital contribution from non-controlling equity owners	非控股權益持有人注資	-	1,628	-	-	-	-	1,628	120,533	122,161
Total transactions with equity shareholders of the Company	與本公司權益持有人的交易總額	-	1,628	103,538	-	-	(222,226)	(117,060)	120,533	3,473
At 31 December 2016	於2016年12月31日	682,115	1,551,726	272,085	12,207	76,236	1,582,707	4,177,076	258,742	4,435,818

The notes on pages 131 to 238 form part of these financial statements.

第131至第238頁的附註屬本財務報表的一部分。

CONSOLIDATED CASH FLOW STATEMENT

合併現金流量表

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

	Note 附註	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Cash flows from operating activities	經營活動的現金流		
Profit before taxation	除稅前利潤	775,671	632,022
Adjustments for:	調整項目：		
Depreciation	折舊	132,528	116,032
Amortisation	攤銷	27,071	8,452
Finance income	融資收入	(18,182)	(31,475)
Finance costs	融資成本	95,656	145,299
Dividend income from available-for-sale equity securities	可供出售證券投資股利收入	(5,405)	(156)
Share of results of associates	應佔聯營公司業績	(820)	(268)
Share of results of joint ventures	應佔合營公司業績	(104,221)	(79,690)
Unrealised profits on downstream transactions with joint ventures	與合營公司順流交易的未實現利潤	3,147	3,529
Net loss on disposal of property, plant and equipment	出售物業、廠房及設備的虧損淨額	2,081	2,189
Net gain on disposal of available-for-sale securities	出售可供出售證券的收益淨額	(2,897)	(4,915)
Gain on the remeasurement to fair value of pre-existing interest	重新計量先前存在的權益公允價值的收益	—	(425)
Gain on bargain purchase	議價收購收益	—	(29,974)
Changes in working capital:	營運資金的變動：		
Decrease in inventories	存貨減少	33,684	34,583
Decrease/(increase) in trade and other receivables and other financial assets	應收帳款、其他應收款項及其他金融資產減少/(增加)	5,235	(384,186)
Increase in trade and other payables and non-current liabilities	應付賬款及其他應付款項及非流動負債增加	462,517	193,740
Cash generated from operations	經營活動產生的現金	1,406,065	604,757
Income tax paid	已付所得稅	(102,688)	(53,937)
Net cash generated from operating activities	經營活動產生的現金淨額	1,303,377	550,820

CONSOLIDATED CASH FLOW STATEMENT (Continued)

合併現金流量表(續)

For the year ended 31 December 2016 (Expressed in Renminbi)

截至二零一六年十二月三十一日止年度(以人民幣列示)

	Note 附註	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Cash flows from investing activities			
Payment for property, plant and equipment		(758,546)	(281,551)
Deposit paid for intangible assets		(23,200)	(23,200)
Payment for lease prepayment		(70,803)	(37,570)
Payment for investment in a joint venture		(244,076)	(12,323)
Payment for available-for-sale debt securities		(298,100)	(93,070)
Payment for available-for-sale equity securities		—	(210)
Bank deposits placed		—	(205,000)
Loans to a joint venture		(50,000)	(20,000)
Proceeds from disposal of property, plant and equipment		7,254	25
Proceeds from matured available-for-sale debt securities		265,100	93,910
Proceeds from disposal of available-for-sale equity securities		19,497	12,780
Net cash inflow from acquisition of a subsidiary		—	14,217
Interest received		10,535	25,541
Dividends received from associates		480	—
Dividends received from joint ventures		39,258	18,462
Dividends received from available-for-sale equity securities		5,405	156
Net cash used in investing activities		(1,097,196)	(507,833)
Cash flows from financing activities			
Proceeds from new bank loans		3,498,708	4,728,089
Repayments of bank loans		(4,274,947)	(4,861,632)
Proceeds from issue of new shares, net of issuing expenses		—	251,289
Payment for listing expenses		—	(16,784)
Contribution from non-controlling equity owners	32(c)	93,251	54,183
Dividends paid to equity shareholders of the Company		(118,688)	(106,151)
Interest and other finance costs paid		(56,141)	(82,173)
Net cash used in financing activities		(857,817)	(33,179)
Net (decrease)/increase in cash and cash equivalents		(651,636)	9,808
Cash and cash equivalents at 1 January		2,047,125	2,010,953
Effect of foreign exchange rate changes		32,086	26,364
Cash and cash equivalents at 31 December	25	1,427,575	2,047,125

The notes on pages 131 to 238 form part of these financial statements.

第131至第238頁的附註屬本財務報表的一部分。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

1 CORPORATE INFORMATION AND ORGANISATION

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

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

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

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

2 SIGNIFICANT ACCOUNTING POLICIES

(a) STATEMENT OF COMPLIANCE

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

1 公司信息和組織結構

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

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

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

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

2 主要會計政策

(a) 合規聲明

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) STATEMENT OF COMPLIANCE (Continued)

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

(b) BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The consolidated financial statements for the year ended 31 December 2016 comprise the Company and its subsidiaries and the Group's interest in associates and joint ventures.

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

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

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

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

2 主要會計政策(續)

(a) 合規聲明(續)

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

(b) 財務報表的編制基準

截至二零一六年十二月三十一日止年度的合併財務報表涵蓋本公司和各附屬公司以及本集團所持有各聯營公司和合營公司的權益。

財務報表以歷史成本作為編製基準，惟交易性證券和分類為可供出售金融工具(見附註2(g))以公允價值呈列除外。

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) CHANGES IN ACCOUNTING POLICIES

The IASB has issued a number of amendments to IFRSs that are first effective for the current accounting period of the Group. None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

(d) SUBSIDIARIES AND NON-CONTROLLING INTERESTS

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

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

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at the non-controlling interests' proportionate share of the subsidiary's net identifiable assets.

2 主要會計政策(續)

(c) 會計政策的變更

國際會計準則理事會頒布了若干經修訂的《國際財務報告準則》，這些準則於本集團的本會計期間首次生效。上述修訂並未對本集團於當前或以往期間編制或呈列的業績及財務狀況產生重大影響。

本集團並無採用任何在當前會計期間尚未生效的新準則或詮釋。

(d) 附屬公司和非控股權益

附屬公司是指受本集團控制的實體。當本集團因參與實體業務而承擔可變動回報的風險或因此享有可變動回報，且有能力透過向實體施加權力而影響該等回報時，則本集團控制該實體。在評估本集團是否擁有上述權力時，僅考慮(本集團和其他方所持有的)實質權利。

於附屬公司的投資由控制開始當日至控制終止當日在合併財務報表中合併計算。集團內部往來的結餘、交易和現金流量，以及集團內部交易所產生的任何未實現利潤，會在編製合併財務報表時全數抵銷。集團內部交易所引致未實現虧損的抵銷方法與未實現收益相同，但抵銷額只限於沒有證據顯示已出現減值的部分。

非控股權益是指並非由本公司直接或間接擁有的附屬公司權益，而本集團並沒有與這些權益的持有人訂立任何可導致本集團整體就這些權益而承擔符合金融負債定義的合約義務的額外條款。就每項企業合併而言，本集團可選擇按附屬公司的可辨別資產淨值的公允價值或非控股權益所佔附屬公司可辨別資產淨值的比例計量任何非控股權益。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) SUBSIDIARIES AND NON-CONTROLLING INTERESTS (Continued)

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity shareholders of the Company. Loans from holders of non-controlling interests and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position in accordance with Notes 2(n) or (o) depending on the nature of the liability.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see Note 2(g)) or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture (see Note 2(e)).

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see Note 2(k)), unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

2 主要會計政策(續)

(d) 附屬公司和非控股權益(續)

非控股權益在合併財務狀況表內的權益項目中，與本公司權益持有人應佔的權益分開列示。非控股權益所佔本集團業績的權益，會按照本年度損益總額和綜合收益總額在非控股權益與本公司權益持有人之間作出分配的形式，在合併綜合收益表中列示。來自非控股權益持有人的貸款和對這些持有人的其他合約義務是按負債的性質，根據附註2(n)或(o)在合併財務狀況表內列為金融負債。

本集團於附屬公司的權益變動，如不會導致喪失控制權，便會按權益交易列賬，並在綜合權益項目中調整控股及非控股權益的數額，以反映相對權益的變動，但不會調整商譽，亦不會確認損益。

當本集團喪失於附屬公司的控制權時，按出售有關附屬公司的全部權益列賬，由此產生的收益或虧損在損益中確認。在喪失控制權日期所保留有關附屬公司的權益，按公允價值確認，此筆金額在初始確認金融資產(參閱附註2(g))時當作公允價值，或(如適用)在初始確認於聯營公司或合營公司的投資(參閱附註2(e))時當作成本。

本公司財務狀況表所示於附屬公司的投資，是按成本減去減值虧損(參閱附註2(k))後入賬，但劃歸為持有待售(或已計入劃歸為持有待售的處置組合)的投資除外。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) ASSOCIATES AND JOINT VENTURES

An associate is an entity in which the Group or the Company has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

A joint venture is an arrangement whereby the Group or the Company and other parties contractually agree to share control of the arrangement, and have rights to the net assets of the arrangement.

An investment in an associate or a joint venture is accounted for in the consolidated financial statements under the equity method, unless it is classified as held for sale (or included in a disposal group that is classified as held for sale). Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair values of the investee's identifiable net assets over the cost of the investment (if any). Thereafter, the investment is adjusted for the post acquisition change in the Group's share of the investee's net assets and any impairment loss relating to the investment (see Notes 2(f) and (k)). Any acquisition-date excess over cost, the Group's share of the post-acquisition, post-tax results of the investees and any impairment losses for the year are recognised in the consolidated statement of profit or loss, whereas the Group's share of the post-acquisition post-tax items of the investees' other comprehensive income is recognised in the consolidated statement of comprehensive income.

When the Group's share of losses exceeds its interest in the associate or the joint venture, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method together with the Group's long-term interests that in substance form part of the Group's net investment in the associate or the joint venture.

2 主要會計政策(續)

(e) 聯營公司與合營公司

聯營公司是指本集團或本公司對其有重大影響，但沒有控制或共同控制其管理層的實體；重大影響包括參與其財務和經營決策。

合營公司是一項安排，據此本集團或本公司與其他方協定分享對此項安排的控制權，並享有此項安排的資產淨值。

於聯營公司或合營公司的投資是按權益法記入合併財務報表，但劃歸為持有待售（或已計入劃歸為持有待售的處置組合）的投資除外。按照權益法，有關投資以成本初始入賬，並就本集團於收購日所佔被投資公司可辨別淨資產的公允價值超過投資成本的數額（如有）作出調整，然後就本集團所佔被投資公司淨資產的收購後變動以及與這些投資有關的任何減值虧損作出調整（參閱附註2(f)和(k)）。於收購日超過成本的任何數額、本集團年內所佔被投資公司的收購後稅後業績和任何減值虧損在綜合損益表中確認，而本集團所佔被投資公司的收購後稅後其他綜合收益項目則在合併綜合收益表中確認。

當本集團對聯營公司或合營公司承擔的虧損額超過其所佔權益時，本集團所佔權益便會減少至零，並且不再確認額外虧損；但如本集團須履行法定或推定義務，或代被投資公司作出付款則除外。就此而言，本集團所佔權益是以按照權益法計算投資的賬面金額，以及實質上構成本集團在聯營公司或合營公司投資淨額一部分的長期權益為準。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) ASSOCIATES AND JOINT VENTURES (Continued)

Unrealised profits and losses resulting from transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in the investee, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

If an investment in an associate becomes an investment in a joint venture or vice versa, retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method.

In all other cases, when the Group ceases to have significant influence over an associate or joint control over a joint venture, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former investee at the date when significant influence or joint control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see Note 2(g)).

In the Company's statement of financial position, investments in associates and joint venture are stated at cost less impairment losses (see Note 2(k)), unless classified as held for sale (or included in a disposal group that is classified as held for sale).

2 主要會計政策(續)

(e) 聯營公司與合營公司(續)

本集團與聯營公司和合營公司之間交易所產生的未實現損益，均按本集團於被投資公司所佔的權益比率抵銷；但如有未實現虧損證明已轉讓資產出現減值，則會即時在損益中確認。

如果於聯營公司的投資變為於合營公司的投資或於合營公司的投資變為於聯營公司的投資，則毋須重新計量保留權益。反之，有關投資繼續以權益法核算。

在所有其他情況下，當本集團不再對聯營公司有重大影響力或對合營公司實施共同控制時，按出售有關被投資公司的全部權益列賬，由此產生的收益或虧損在損益中確認。在喪失重大影響力或共同控制權日期所保留有關前被投資公司的權益，按公允價值確認，此筆金額在初始確認金融資產(參閱附註2(g))時當作公允價值。

本公司財務狀況表所示於聯營公司和合營公司的投資，是按成本減去減值虧損(參閱附註2(k))後入賬，但劃歸為持有待售(或已計入劃歸為持有待售的處置組合)的投資除外。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) GOODWILL

Goodwill represents the excess of

- (i) the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the Group's previously held equity interest in the acquiree; over
- (ii) the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

When (ii) is greater than (i), then this excess is recognised immediately in profit or loss as a gain on a bargain purchase.

Goodwill is stated at cost less accumulated impairment losses. Goodwill arising on a business combination is allocated to each cash-generating unit, or groups of cash generating units, that is expected to benefit from the synergies of the combination and is tested annually for impairment (see Note 2(k)).

On disposal of a cash generating unit during the year, any attributable amount of purchased goodwill is included in the calculation of the profit or loss on disposal.

(g) OTHER INVESTMENTS IN DEBT AND EQUITY SECURITIES

The Group's and the Company's policies for investments in debt and equity securities, other than investments in subsidiaries, associates and joint ventures, are as follows:

Investments in debt and equity securities are initially stated at fair value, which is their transaction price unless it is determined that the fair value at initial recognition differs from the transaction price and that fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets. Cost includes attributable transaction costs, except where indicated otherwise below. These investments are subsequently accounted for as follows, depending on their classification:

2 主要會計政策(續)

(f) 商譽

商譽是指(i)超過(ii)的數額：

- (i) 所轉讓代價的公允價值、於被收購方的非控股權益數額及本集團以往持有被收購方股本權益的公允價值三者合計；
- (ii) 被收購方可辨別資產和負債於收購日計量的公允價值淨額。

當(ii)大過於(i)時，超出的數額即時在損益中確認為議價收購的收益。

商譽是按成本減去累計減值虧損後列賬。企業合併產生的商譽會分配至預期可透過合併的協同效益獲利的每個現金產出單元或現金產出單元組別，並且每年接受減值測試（參閱附註2(k)）。

當年內處置的現金產出單元的任何應佔購入商譽均包括在處置項目的損益內。

(g) 其他債務和權益證券投資

本集團和本公司有關債務和權益證券投資（於附屬公司、聯營公司和合營公司的投資除外）的政策如下：

除非確定初始確認債務和權益證券投資的公允價值與其交易價格不同，而該公允價值是以相同資產或負債於活躍市場的報價為證或以僅使用可觀察市場數據的估值技術為依據，否則，這些投資是以公允價值（即交易價格）初始列賬。除非在下文另有列明，成本包括應佔交易成本。這些投資其後按所屬分類以下列方式入賬：

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) OTHER INVESTMENTS IN DEBT AND EQUITY SECURITIES (Continued)

Investments in securities held for trading are classified as current assets. Any attributable transaction costs are recognised in profit or loss as incurred. At the end of each reporting period the fair value is remeasured, with any resultant gain or loss being recognised in profit or loss. The net gain or loss recognised in profit or loss does not include any dividends or interest earned on these investments as these are recognised in accordance with the policies set out in Notes 2(t)(iii) and (iv).

Dated debt securities that the Group and/or the Company have the positive ability and intention to hold to maturity are classified as held-to-maturity securities. Held-to-maturity securities are stated at amortised cost less impairment losses.

Investments in securities which do not fall into any of the above categories are classified as available-for-sale securities. At the end of each reporting period the fair value is remeasured, with any resultant gain or loss being recognised in other comprehensive income and accumulated separately in equity in the fair value reserve. As an exception to this, investments in equity securities that do not have a quoted price in an active market for an identical instrument and whose fair value cannot otherwise be reliably measured are recognised in the statement of financial position at cost less impairment losses (see Note 2(k)). Dividend income from equity securities and interest income from debt securities calculated using the effective interest method are recognised in profit or loss in accordance with the policies set out in Notes 2(t)(iii) and (iv). Foreign exchange gains and losses resulting from changes in the amortised cost of debt securities are also recognised in profit or loss.

When the investments are derecognised or impaired (see Note 2(k)), the cumulative gain or loss recognised in equity is reclassified to profit or loss. Investments are recognised/derecognised on the date the Group commits to purchase/sell the investments or they expire.

2 主要會計政策(續)

(g) 其他債務和權益證券投資(續)

交易性證券投資劃歸為流動資產。任何應佔交易成本於產生時在損益中確認。本集團會在每個報告期末重新計量公允價值，由此產生的任何收益或虧損均在損益中確認。在損益中確認的淨收益或虧損不包括從這些投資賺取的股利或利息，有關股利或利息已按照附註2(t)(iii)和(iv)所載列的政策確認。

本集團及／或本公司有明確的能力和意願持有至到期的有期債務證券，劃歸為「持有至到期證券」。持有至到期證券是以攤銷成本減去減值虧損後入賬。

不屬以上任何一個分類的證券投資劃歸為可供出售證券。本集團會在每個報告期末重新計量公允價值，由此產生的任何收益或虧損均在其他綜合收益中確認，並且在權益中的公允價值儲備分開累計。例外情況是，當權益證券投資並無相同工具在活躍市場的報列市價，而且不能可靠地計量公允價值時，便會以成本減去減值虧損（參閱附註2(k)）後在財務狀況表中確認。權益證券股利收入和以實際利率法計算得出的債務證券利息收入，會分別按照附註2(t)(iii)和(iv)所載列的政策在損益中確認。債務證券的攤銷成本變動所產生的匯兌損益也在損益中確認。

這些投資在終止確認或減值（參閱附註2(k)）時，累計收益或虧損會由權益重新分類為損益。本集團會在承諾購入／出售投資或投資到期當日確認／終止確認有關投資。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (see Note 2(k)).

The cost of self-constructed items of property, plant and equipment includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads and borrowing costs (see Note 2(v)).

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight line method over their estimated useful lives as follows:

– Land and buildings	20 years
– Machinery and equipment	8–20 years
– Office equipment	4–8 years
– Motor vehicles	5–8 years

Freehold land is not depreciated.

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

2 主要會計政策(續)

(h) 物業、廠房及設備

物業、廠房及設備以成本減去累計折舊和減值虧損(參閱附註2(k))後入賬。

自建物業、廠房及設備項目的成本包括材料成本、直接人工、拆卸與搬運有關項目的成本和項目所在場地清理費的初始估計金額(以適用者為準)，以及適當比例的生產間接費用和借貸成本(參閱附註2(v))。

報廢或處置物業、廠房及設備項目所產生的損益以處置所得款項淨額與項目賬面金額之間的差額釐定，並於報廢或處置日在損益中確認。

物業、廠房及設備項目的折舊是以直線法在以下預計可用期限內沖銷其成本(已扣除估計殘值(如有))計算：

– 土地及建築物	20年
– 機器及設備	8–20年
– 辦公設備	4–8年
– 車輛	5–8年

永久業權土地不計提折舊。

如果物業、廠房及設備項目的組成部分有不同的可用期限，有關項目的成本或估值會按照合理的基準分配至各個部分，而且每個部分會分開計提折舊。本集團會每年審閱資產的可用期限和殘值(如有)。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) INTANGIBLE ASSETS (OTHER THAN GOODWILL)

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the Group has sufficient resources and the intention to complete development. The expenditure capitalised includes the costs of materials, direct labour, and an appropriate proportion of overheads and borrowing costs, where applicable. Capitalised development costs are stated at cost less accumulated amortisation and impairment losses (see Note 2(k)). Other development expenditure is recognised as an expense in the period in which it is incurred.

Other intangible assets that are acquired by the Group are stated at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses (see Note 2(k)). Expenditure on internally generated goodwill and brands is recognised as an expense in the period in which it is incurred.

Amortisation of intangible assets with finite useful lives is charged to profit or loss on a straight-line basis over the assets' estimated useful lives. The following intangible assets with finite useful life are amortised from the date they are available for use and their useful life are as follows:

— Patents	8–20 years
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Both the period and method of amortisation are reviewed annually.

Intangible assets are not amortised while their useful lives are assessed to be indefinite. Any conclusion that the useful life of an intangible asset is indefinite is reviewed annually to determine whether events and circumstances continue to support the indefinite useful life assessment for that asset. If they do not, the change in the useful life assessment from indefinite to finite is accounted for prospectively from the date of change and in accordance with the policy for amortisation of intangible assets with finite lives as set out above.

2 主要會計政策(續)

(i) 無形資產(商譽除外)

研究活動的費用在其產生的期間內確認為支出。如果某項產品或程序在技術和商業上可行，而且本集團有充足的資源和意向完成開發工作，開發活動的費用便會予以資本化。資本化費用包括材料成本、直接人工，以及適當比例的間接費用和在適當情況下的借貸成本。資本化開發成本按成本減去累計攤銷和減值虧損(參閱附註2(k))後列賬。其他開發費用則在其產生的期間內確認為支出。

本集團購入的其他無形資產按成本減去累計攤銷(適用於預計可用而有既定的期限)和減值虧損(參閱附註2(k))後入賬。內部產生的商譽和品牌的開支在其產生的期間內確認為支出。

有既定可用期限的無形資產攤銷按直線法於資產的預計可用期限內在損益中列支。以下有既定可用期限的無形資產由可供使用當日起，在預計可用期限內攤銷：

— 專利	8–20年
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本集團會每年審閱攤銷的期限和方法。

本集團不會攤銷可用期限未定的無形資產，並會每年審閱關於無形資產可用期限未定的任何結論，以釐定有關事項和情況是否繼續支持該資產可用期限未定的評估結論。如否的話，由未定轉為有既定可用期限的評估變動會自變動日期起，根據上文所載有既定期限的無形資產的攤銷政策提早入賬。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) LEASED ASSETS

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

(i) Classification of assets leased to the Group

Assets that are held by the Group under leases which transfer to the Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases.

(ii) Operating lease charges

Where the Group has the use of assets held under operating leases, payments made under the leases are charged to profit or loss in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

The cost of acquiring land held under an operating lease is amortised on a straight-line basis over the period of the lease term.

2 主要會計政策(續)

(i) 租賃資產

如果本集團把一項安排，包括一項交易或一系列交易，確定為在一段商定期間轉讓一項或一些特定資產的使用權，以換取一筆或多筆付款，則這項安排便包含租賃。確定時是以對有關安排的實質所作評估為準，而不管這項安排是否涉及租賃的法律形式。

(i) 本集團租賃資產的分類

對於本集團以租賃持有的資產，如果租賃使所有權的絕大部分風險和回報轉移至本集團，有關的資產便會劃歸為以融資租賃持有；如果租賃不會使所有權的絕大部分風險和回報轉移至本集團，則劃歸為經營租賃。

(ii) 經營租賃費用

如果本集團是以經營租賃獲得資產的使用權，則根據租賃作出的付款會在租賃期所涵蓋的會計期間內，以等額在損益中列支；但如有其他基準能更清楚地反映租賃資產所產生的收益模式則除外。租賃所涉及的激勵措施均在損益中確認為租賃淨付款總額的組成部分。或有租金在其產生的會計期間內在損益中列支。

以經營租賃持有土地的收購成本是按直線法在租賃期內攤銷。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) IMPAIRMENT OF ASSETS

(i) Impairment of investments in debt and equity securities and other receivables

Investments in debt and equity securities and other current and non-current receivables that are stated at cost or amortised cost or are classified as available-for-sale securities are reviewed at the end of each reporting period to determine whether there is objective evidence of impairment. Objective evidence of impairment includes observable data that comes to the attention of the Group about one or more of the following loss events:

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the debtor will enter bankruptcy or other financial reorganisation;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; and
- a significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

If any such evidence exists, any impairment loss is determined and recognised as follows:

- For investments in associates and joint ventures accounted for under the equity method in the consolidated financial statements (see Note 2(e)), the impairment loss is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with Note 2(k)(ii). The impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount in accordance with Note 2(k)(ii).

2 主要會計政策(續)

(k) 資產減值

(i) 債務與權益證券投資和其他應收款的減值

本集團於報告期末審閱債務與權益證券投資及已按成本或攤銷成本入賬的或已劃歸為可供出售證券的其他流動與非流動應收款，以確定是否有客觀的減值證據。減值的客觀跡象包括本集團注意到有關以下一宗或多宗損失事件的可觀察數據：

- 債務人出現重大的財務困難；
- 違反合約，如拖欠利息或本金付款；
- 債務人很可能面臨破產或其他財務重組；
- 技術、市場、經濟或法律環境出現對債務人構成負面影響的重大變動；及
- 於權益工具的投資的公允價值顯著或長期跌至低於成本。

如有任何這類證據存在，便會釐定減值虧損並按以下方式確認：

- 就按權益法在合併財務報表中核算於聯營公司及合營公司的投資(參閱附註2(e))而言，計量減值虧損的辦法是按附註2(k)(ii)將該項投資的可收回數額與其賬面金額作一比較。如果按附註2(k)(ii)用以釐定可收回數額的估計數額出現了正面的變化，有關的減值虧損便會轉回。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) IMPAIRMENT OF ASSETS (Continued)

(i) Impairment of investments in debt and equity securities and other receivables (Continued)

- For unquoted equity securities carried at cost, the impairment loss is measured as the difference between the carrying amount of the financial asset and the estimated future cash flows, discounted at the current market rate of return for a similar financial asset where the effect of discounting is material. Impairment losses for equity securities carried at cost are not reversed.
- For trade and other current receivables and other financial assets carried at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of these assets), where the effect of discounting is material. This assessment is made collectively where these financial assets share similar risk characteristics, such as similar past due status, and have not been individually assessed as impaired. Future cash flows for financial assets which are assessed for impairment collectively are based on historical loss experience for assets with credit risk characteristics similar to the collective group.

If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

2 主要會計政策(續)

(k) 資產減值(續)

(i) 債務與權益證券投資和其他應收款的減值(續)

- 就以成本列賬的非上市權益證券而言，減值虧損是以金融資產的賬面金額與以同類金融資產的當時市場回報率折現(如果折現會造成重大的影響)的預計未來現金流量之間的差額計量。以成本列賬的權益證券的減值虧損不可轉回。
- 就以攤銷成本列賬的應收賬款和其他流動應收款，以及其他金融資產而言，如折現影響重大，減值虧損是以資產的賬面金額與以其初始實際利率(即在初始確認有關資產時計算的實際利率)折現的預計未來現金流量現值之間的差額計量。如該等金融資產具備類似的風險特徵，例如類似的逾期情況及並未個別地被評估為減值，則有關的評估會同時進行。共同評估減值的金融資產的未來現金流量是根據與該共同組別具有類似信貸風險特徵的資產的過往虧損情況計算。

如果減值虧損在其後的期間減少，而且客觀上與減值虧損確認後發生的事件有關，則應通過損益轉回減值虧損。減值虧損的轉回不應使資產的賬面金額超過其在以往年度沒有確認任何減值虧損而應已釐定的數額。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) IMPAIRMENT OF ASSETS (Continued)

(i) Impairment of investments in debt and equity securities and other receivables (Continued)

- For available-for-sale securities, the cumulative loss that has been recognised in the fair value reserve is reclassified to profit or loss. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that asset previously recognised in profit or loss.

Impairment losses recognised in profit or loss in respect of available-for-sale equity securities are not reversed through profit or loss. Any subsequent increase in the fair value of such assets is recognised in other comprehensive income.

Impairment losses in respect of available-for-sale debt securities are reversed if the subsequent increase in fair value can be objectively related to an event occurring after the impairment loss was recognised. Reversals of impairment losses in such circumstances are recognised in profit or loss.

Impairment losses are written off against the corresponding assets directly, except for impairment losses recognised in respect of trade debtors and bills receivable, whose recovery is considered doubtful but not remote. In this case, the impairment losses for doubtful debts are recorded using an allowance account. When the Group is satisfied that recovery is remote, the amount considered irrecoverable is written off against trade debtors and bills receivable directly and any amounts held in the allowance account relating to that debt are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

2 主要會計政策(續)

(k) 資產減值(續)

(i) 債務與權益證券投資和其他應收款的減值(續)

- 就可供出售證券而言，已在公允價值儲備中確認的累計虧損會重新分類為損益。在損益中確認的累計虧損是以購買成本(扣除任何本金償還和攤銷額)與當時公允價值之間的差額，並減去以往就該資產在損益中確認的任何減值虧損後計算。

可供出售證券投資已在損益中確認的減值虧損不會通過損益轉回。這些資產公允價值其後的任何增額會直接在其他綜合收益中確認。

如果可供出售債務證券公允價值其後的增額客觀上與減值虧損確認後發生的事件有關，則應轉回減值虧損。在此情況下轉回的減值虧損均在損益中確認。

減值損失會直接沖銷相應的資產，但就以計入應收賬款和其他應收款的應收賬款及票據確認的減值損失而言，其可收回性被視為可疑，但不是可能性極低則除外。在這種情況下，呆賬減值損失會採用準備賬來記錄。當本集團認為收回的可能性極低時，被視為不可收回的數額便會直接沖銷應收賬款及票據，與該債項有關而在準備賬內持有的任何數額也會轉回。其後收回早前計入準備賬的數額會在準備賬轉回。準備賬的其他變動和其後收回早前直接沖銷的數額均在損益中確認。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
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2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) IMPAIRMENT OF ASSETS (Continued)

(ii) Impairment of other assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment;
- construction in progress;
- intangible assets;
- lease prepayments;
- goodwill; and
- investments in subsidiaries, associates and joint ventures in the Company's statement of financial position.

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill, intangible assets that are not yet available for use and intangible assets that have indefinite useful lives, the recoverable amount is estimated annually whether or not there is any indication of impairment.

- Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

2 主要會計政策(續)

(k) 資產減值(續)

(ii) 其他資產的減值

本集團於報告期末審閱內部和外來的信息，以確定以下資產是否出現減值跡象，或是以往確認的減值虧損(與商譽有關則除外)已經不再存在或可能已經減少：

- 物業、廠房及設備；
- 在建工程；
- 無形資產；
- 租賃預付款項；
- 商譽；及
- 本公司財務狀況表中列示的於附屬公司、聯營公司和合營公司的投資。

如果出現任何這類跡象，便會估計資產的可收回數額。此外，就商譽和尚未可供使用的無形資產與可用期限未定的無形資產而言，不論是否有任何減值跡象存在，本集團也會每年估計其可收回數額。

- 計算可收回數額

資產的可收回數額是其公允價值(已扣除出售成本)與使用價值兩者中的較高額。在評估使用價值時，預計未來現金流量會按照能反映當時市場對貨幣時間值和資產特定風險的評估的稅前折現率，折現至其現值。如果資產所產生的現金流入基本上並非獨立於其他資產所產生的現金流入，則以能產生獨立現金流入的最小資產類別(即現金產出單元)來釐定可收回數額。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) IMPAIRMENT OF ASSETS (Continued)

(ii) Impairment of other assets (Continued)

— Recognition of impairment losses

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable), or value in use (if determinable).

— Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

2 主要會計政策(續)

(k) 資產減值(續)

(ii) 其他資產的減值(續)

— 確認減值虧損

當資產或所屬現金產出單元的賬面金額高於其可收回數額時，減值虧損便會在損益中確認。就現金產出單元確認的減值虧損會作出分配，首先減少已分配至該現金產出單元(或該組單元)的任何商譽的賬面金額，然後按比例減少該單元(或該組單元)內其他資產的賬面金額；但資產的賬面值不得減少至低於其個別公允價值減去出售成本(如能計量)後所得數額或其使用價值(如能釐定)。

— 轉回減值虧損

就商譽以外的資產而言，如果用以釐定可收回數額的估計數額出現正面的變化，有關的減值虧損便會轉回；但商譽的減值虧損不會轉回。

所轉回的減值虧損以在以往年度沒有確認任何減值虧損而應已釐定的資產賬面金額為限。所轉回的減值虧損在確認轉回的年度內計入損益中。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
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2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) IMPAIRMENT OF ASSETS (Continued)

(iii) Interim financial reporting and impairment

Under the Listing Rules, the Group is required to prepare an interim financial report in compliance with IAS 34, Interim financial reporting, in respect of the first six months of the financial year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the financial year (see Notes 2(k)(i) and (ii)).

Impairment losses recognised in an interim period in respect of goodwill, available-for-sale equity securities and unquoted equity securities carried at cost are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the financial year to which the interim period relates. Consequently, if the fair value of an available-for-sale equity security increases in the remainder of the annual period, or in any other period subsequently, the increase is recognised in other comprehensive income and not profit or loss.

(l) INVENTORIES

Inventories are carried at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2 主要會計政策(續)

(k) 資產減值(續)

(iii) 中期財務報告和減值

根據上市規則，本集團須就財政年度的首六個月編製符合《國際會計準則》第34號－「中期財務報告」規定的中期財務報告。本集團在中期期末採用了在財政年度終結時會採用的相同減值測試、確認和轉回條件(參閱附註2(k)(i)和(ii))。

商譽、可供出售證券投資和以成本列賬的非上市權益證券已在中期確認的減值虧損不會在其後轉回。即使僅在該中期所屬的財政年度終結時才評估減值並確認沒有虧損或所確認的虧損較少，也不會轉回減值虧損。因此，如果在年度剩餘期間或之後其他期間可供出售證券投資的公允價值上升，有關的增額會在其他綜合收益而非損益中確認。

(l) 存貨

存貨是以成本和可變現淨值兩者中的較低額入賬。

成本是以加權平均成本法計算，其中包括所有採購成本、加工成本和使存貨處於當前地點和狀況的其他成本。

可變現淨值是以日常業務過程中的估計售價減去完成生產和銷售所需的估計成本後所得數額。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
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2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) INVENTORIES (Continued)

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

(m) TRADE AND OTHER RECEIVABLES

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less allowance for impairment of doubtful debts (see Note 2(k)(i)), except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less allowance for impairment of doubtful debts.

(n) INTEREST-BEARING BORROWINGS

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in profit or loss over the period of the borrowings, together with any interest and fees payable, using the effective interest method.

(o) TRADE AND OTHER PAYABLES

Trade and other payables are initially recognised at fair value. Except for financial guarantee liabilities measured in accordance with Note 2(s)(i), trade and other payables are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(p) CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

2 主要會計政策(續)

(l) 存貨(續)

出售存貨時，其賬面金額是在相關收入獲確認的期間內確認為支出。存貨數額撇減至可變現淨值和存貨的所有虧損都是在出現減值或虧損的期間內確認為支出。存貨的任何減值轉回會在轉回的期間內沖減列作支出的存貨額。

(m) 應收賬款及其他應收款

應收賬款和其他應收款按公允價值初始確認，其後以實際利率法按攤銷成本減去呆賬減值準備(參閱附註2(k)(i))後所得數額入賬；但如應收款為提供予關聯方並不設固定還款期的免息貸款或其折現影響並不重大則除外。在此情況下，應收款會按成本減去呆賬減值準備後所得數額入賬。

(n) 帶息借款

帶息借款按公允價值減去應佔交易成本後初始確認。初始確認後，帶息借款以攤銷成本列賬，而初始確認的數額與贖回價值之間的任何差異，連同任何應付利息和費用，均以實際利息法於借款期內在損益中確認。

(o) 應付賬款和其他應付款

應付賬款和其他應付款按公允價值初始確認。除了按附註2(s)(i)計算的財務擔保，應付賬款和其他應付款其後按攤銷成本入賬。若折現影響並不重大，則按成本入賬。

(p) 現金及現金等價物

現金及現金等價物包括銀行存款和現金、存放於銀行和其他金融機構的活期存款，以及短期和高流動性的投資。這些投資可以隨時換算為已知的現金額、價值變動方面的風險不大，並在購入時為三個月內到期。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
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2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) EMPLOYEE BENEFITS

(i) Short term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

(ii) Share-based payments

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for the differences between expected and actual outcomes.

(iii) Termination benefits

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when it recognises restructuring costs involving the payment of termination benefits.

2 主要會計政策(續)

(q) 僱員福利

(i) 短期僱員福利和定額供款退休計劃的供款

薪金、年度獎金、有薪年假、定額供款退休計劃的供款和非貨幣福利成本在僱員提供相關服務的年度內計提。如果延遲付款或結算會造成重大的影響，則這些數額會以現值列賬。

(ii) 以股份為基礎的支付

授予僱員以權益結算的以股份為基礎的支付安排，於獎勵的整個歸屬期內以授予日的公允價值確認為支出，權益亦會相應增加。已確認為支出的數額會作出調整，以反映預期符合相關服務和非市場績效條件的獎勵數目。最終確認為開支的數額則按歸屬日符合相關服務和非市場績效條件的獎勵數目計算。就不能附設歸屬條件的以股份支付的獎勵而言，通過計量以股份支付的授予日公允價值來反映有關條件，並在期後無需調整預期及實際結果之間的差額。

(iii) 辭退福利

辭退福利會在本集團不再能夠撤回所提供的辭退福利或確認涉及辭退福利付款的重組成本(以較早者為準)時確認。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

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2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(r) INCOME TAX

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

2 主要會計政策(續)

(r) 所得稅

本年度所得稅包括當期稅項和遞延稅項資產與負債的變動。當期稅項和遞延稅項資產與負債的變動均在損益中確認，但如果是在其他綜合收益或直接在權益中確認的相關項目，則相關稅款分別在其他綜合收益或直接在權益中確認。

當期稅項是按本年度應稅所得，根據已執行或在報告期末實質上已執行的稅率計算的預期應付稅項，加上以往年度應付稅項的任何調整。

遞延稅項資產與負債分別由可抵扣和應稅暫時差異產生。暫時差異是指資產與負債在財務報表上的賬面金額跟這些資產與負債的計稅基礎的差異。遞延稅項資產也可以由未利用可抵扣虧損和未利用稅款抵減產生。

除了某些有限的例外情況外，所有遞延稅項負債和遞延稅項資產(只限於很可能獲得能利用該遞延稅項資產來抵扣的未來應稅利潤)都會確認。支持確認由可抵扣暫時差異所產生遞延稅項資產的未來應稅利潤包括因轉回目前存在的應稅暫時差異而產生的數額；但這些轉回的差異必須與同一稅務機關和同一應稅實體有關，並預期在可抵扣暫時差異預計轉回的同一期間或遞延稅項資產所產生可抵扣虧損可向後期或向前期結轉的期間內轉回。在決定目前存在的應稅暫時差異是否足以支持確認由未利用可抵扣虧損和稅款抵減所產生的遞延稅項資產時，亦會採用同一準則，即差異是否與同一稅務機關和同一應稅實體有關，以及是否預期在能够使用未利用可抵扣虧損和稅款抵減撥回的同一期間內轉回。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(r) INCOME TAX (Continued)

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or

2 主要會計政策(續)

(r) 所得稅(續)

不確認為遞延稅項資產與負債的暫時差異源自以下有限的例外情況：不可在稅務方面獲得扣減的商譽；不影響會計或應稅利潤的資產或負債的初始確認（如屬企業合併的一部分則除外）；以及投資於附屬公司（如屬應稅差異，只限於本集團可以控制轉回的時間，而且在可預見的將來不大可能轉回的暫時差異；或如屬可抵扣差異，則只限於很可能在將來轉回的差異）。

已確認遞延稅額是按照資產與負債賬面金額的預期實現或結算方式，根據已執行或於報告期末實質上已執行的稅率計量。遞延稅項資產與負債均不折現計算。

本集團會於報告期末審閱遞延稅項資產的賬面金額。如果本集團預期不再可能獲得足夠的應稅利潤以抵扣相關的稅務利益，該遞延稅項資產的賬面金額便會調低；但是如果日後有可能獲得足夠的應稅利潤，有關減額便會轉回。

因分派股利而額外產生的所得稅是在支付相關股利的責任確立時確認。

當期和遞延稅項結餘及其變動額會分開列示，並且不予抵銷。當期和遞延稅項資產只會在本公司或本集團有法定行使權以當期稅項資產抵銷當期稅項負債，並且符合以下附帶條件的情況下，才可以分別抵銷當期和遞延稅項負債：

- 當期稅項資產與負債：本公司或本集團計劃按淨額基準結算，或同時變現該資產和結算該負債；或

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(r) INCOME TAX (Continued)

- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
 - the same taxable entity; or
 - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

(s) FINANCIAL GUARANTEES ISSUED, PROVISIONS AND CONTINGENT LIABILITIES

(i) Financial guarantees issued

Financial guarantees are contracts that require the issuer (i.e. the guarantor) to make specified payments to reimburse the beneficiary of the guarantee (the "holder") for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Where the Group issues a financial guarantee, the fair value of the guarantee is initially recognised as deferred income within trade and other payables. The fair value of financial guarantees issued at the time of issuance is determined by reference to fees charged in an arm's length transaction for similar services, when such information is obtainable, or is otherwise estimated by reference to interest rate differentials, by comparing the actual rates charged by lenders when the guarantee is made available with the estimated rates that lenders would have charged, had the guarantees not been available, where reliable estimates of such information can be made. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the Group's policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognised in profit or loss on initial recognition of any deferred income.

2 主要會計政策(續)

(r) 所得稅(續)

- 對於遞延稅項資產與負債：這些資產與負債必須與同一稅務機關就以下其中一項徵收的所得稅有關：
 - 同一應稅實體；或
 - 不同的應稅實體。這些實體計劃在日後每個預計有大額遞延稅項負債需要結算或大額遞延稅項資產可以收回的期間內，按淨額基準實現當期稅項資產和結算當期稅項負債，或同時變現該資產和結算該負債。

(s) 已作出財務擔保、準備和或有負債

(i) 已作出財務擔保

財務擔保是指那些規定發行人（即擔保人）根據債務工具的條款支付指定款項，以補償受擔保人的受益人（「持有人」）因某一特定債務人不能償付到期債務而產生的損失的合約。

如果本集團作出財務擔保，擔保的公允價值在應付賬款和其他應付款中初始確認為遞延收益。在作出財務擔保時擔保的公允價值，是參照類似服務在公平交易中所收取的費用（如可獲得）而釐定，或參照利率差額作出估計，方法是比較在有擔保的情況下貸方所收取的實際利率與假設並無擔保的情況下貸方所應收取的估計利率（如能可靠地估計）。就作出擔保而已收或應收的對價而言，對價會按照本集團適用於該類資產的政策確認。如果沒有已收或應收對價，即期支出會在任何遞延收益初始確認時於損益中確認。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(s) FINANCIAL GUARANTEES ISSUED, PROVISIONS AND CONTINGENT LIABILITIES

(Continued)

(i) Financial guarantees issued (Continued)

The amount of the guarantee initially recognised as deferred income is amortised in profit or loss over the term of the guarantee as income from financial guarantees issued. In addition, provisions are recognised in accordance with Note 2(s)(iii) if and when (i) it becomes probable that the holder of the guarantee will call upon the Group under the guarantee, and (ii) the amount of that claim on the Group is expected to exceed the amount currently carried in trade and other payables in respect of that guarantee i.e. the amount initially recognised, less accumulated amortisation.

(ii) Contingent liabilities assumed in business combinations

Contingent liabilities assumed in a business combination which are present obligations at the date of acquisition are initially recognised at fair value, provided the fair value can be reliably measured. After their initial recognition at fair value, such contingent liabilities are recognised at the higher of the amount initially recognised, less accumulated amortisation where appropriate, and the amount that would be determined in accordance with Note 2(s)(iii). Contingent liabilities assumed in a business combination that cannot be reliably fair valued or were not present obligations at the date of acquisition are disclosed in accordance with Note 2(s)(iii).

(iii) Other provisions and contingent liabilities

Provisions are recognised for other liabilities of uncertain timing or amount when the Group or the Company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

2 主要會計政策(續)

(S) 已作出財務擔保、準備和或有負債(續)

(i) 已作出財務擔保(續)

初始確認為遞延收益的擔保數額會在擔保期內於損益中攤銷為已作出財務擔保的收入。此外，如果(i)擔保的持有人可能根據這項擔保向本集團提出申索，以及(ii)向本集團提出的申索數額預期高於應付賬款和其他應付款現時就這項擔保入賬的數額(即初始確認的數額減去累計攤銷後所得數額)，準備便會根據附註2(s)(iii)確認。

(ii) 透過企業合併承擔的或有負債

如果公允價值能夠可靠地計量時，透過企業合併承擔的或有負債(即在收購日屬於現有負債)會以公允價值初始確認。以公允價值初始確認後，這些或有負債會以初始確認的數額減去累計攤銷(如適用)後所得數額和可能根據附註2(s)(iii)釐定的數額兩者中的較高額予以確認。如果不能可靠地計量公允價值或在收購日不屬於現有負債，透過企業合併承擔的或有負債會根據附註2(s)(iii)披露。

(iii) 其他準備和或有負債

如果本集團或本公司須就已發生的事件承擔法定或推定義務，因而預期會導致含有經濟效益的資源外流，在可以作出可靠的估計時，本集團或本公司便會就該時間或數額不確定的其他負債計提準備。如果貨幣時間值重大，則按預計所需支出的現值計提準備。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(s) FINANCIAL GUARANTEES ISSUED, PROVISIONS AND CONTINGENT LIABILITIES

(Continued)

(iii) Other provisions and contingent liabilities

(Continued)

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(t) REVENUE RECOGNITION

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in profit or loss as follows:

(i) Sale of goods

Revenue is recognised when goods are delivered at the customers' premises or collected by the customer which is taken to be the point in time when the customer has accepted the goods and the related risks and rewards of ownership. Revenue excludes value added tax and other sales taxes and is after deduction of any trade discounts.

(ii) Rental income from operating leases

Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable. Contingent rentals are recognised as income in the accounting period in which they are earned.

2 主要會計政策(續)

(S) 已作出財務擔保、準備和或有負債(續)

(iii) 其他準備和或有負債(續)

如果含有經濟效益的資源外流的可能性較低，或是無法對有關數額作出可靠的估計，便會將該義務披露為或有負債，但資源外流的可能性極低則除外。如果本集團的義務須視乎某宗或多宗未來事件是否發生才能確定是否存在，亦會披露為或有負債，但資源外流的可能性極低則除外。

(t) 收入確認

收入是按已收或應收價款的公允價值計量。如果經濟效益可能會流入本集團，而收入和成本(如適用)又能夠可靠地計量時，收入便會根據下列基準在損益中確認：

(i) 銷售貨品

收入在貨品送達客戶場地或被客戶領取，而且客戶接收貨品和所有權的相關風險與回報時確認。收入不包括增值稅或其他銷售稅，並已扣除任何營業折扣。

(ii) 經營租賃的租金收入

經營租賃的應收租金收入在租賃期所涵蓋的期間內以等額在損益中確認；但如有其他基準能更清楚地反映使用租賃資產所得的利益模式則除外。經營租賃協議所涉及的激勵措施均在損益中確認為應收租賃淨付款總額的組成部分。或有租金在賺取的會計期間內確認為收入。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(t) REVENUE RECOGNITION (Continued)

(iii) Dividends

- dividend income from unlisted investments is recognised when the shareholder's right to receive payment is established.
- dividend income from listed investments is recognised when the share price of the investment goes ex-dividend.

(iv) Interest income

Interest income is recognised as it accrues using the effective interest method.

(v) Government grants

Government grants are recognised in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are recognised initially as deferred income and consequently are effectively recognised in profit or loss on a systematic basis over the useful life of the asset by way of reduced depreciation expense.

(u) TRANSLATION OF FOREIGN CURRENCIES

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates.

2 主要會計政策(續)

(t) 收入確認(續)

(iii) 股利

- 非上市投資的股利收入在股東收取款項的權利確立時確認。
- 上市投資的股利收入在投資項目的股價除息時確認。

(iv) 利息收入

利息收入是在產生時按實際利息法確認。

(v) 政府補助

當可以合理地確定本集團將會收到政府補助並履行該補助的附帶條件時，便會在財務狀況表內將政府補助初始確認。用於彌補本集團已產生開支的補助，會在開支產生的期間有系統地在損益中確認為收入。用於彌補本集團資產成本的補助，初始確認為遞延收益，隨後會按該資產的可用期限通過降低折舊開支方式有系統地在損益中實際確認。

(u) 外幣換算

年內的外幣交易按交易日的外幣匯率換算。以外幣為單位的貨幣資產與負債則按於報告期末的外幣匯率換算。匯兌盈虧在損益中確認。

以歷史成本計量的外幣非貨幣資產與負債是按交易日的外幣匯率換算。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(u) TRANSLATION OF FOREIGN CURRENCIES

(Continued)

The results of foreign operations which have a functional currency other than RMB are translated into RMB at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position items are translated into RMB at the closing foreign exchange rates at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve.

(v) BORROWING COSTS

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

(w) DERECOGNITION OF NON-DERIVATIVE FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by the Group is recognised as a separate asset or liability.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

2 主要會計政策(續)

(u) 外幣換算(續)

以人民幣以外的貨幣為功能貨幣的境外經營的業績按與交易日的外幣匯率相若的匯率換算為人民幣。財務狀況表項目則按於報告期末的收市外幣匯率換算為人民幣。所產生的匯兌差額在其他綜合收益中確認，並在權益中的匯兌儲備分開累計。

(v) 借貸成本

與收購、建造或生產需要長時間才可以投入擬定用途或銷售的資產直接相關的借貸成本，則予以資本化為該資產成本的一部分。其他借貸成本於產生期間列支。

屬於合資格資產成本一部分的借貸成本在資產產生開支、借貸成本產生和使資產投入擬定用途或銷售所必須的準備工作進行期間開始資本化。在使合資格資產投入擬定用途或銷售所必須的絕大部分準備工作中止或完成時，借貸成本便會暫停或停止資本化。

(w) 非衍生金融資產及金融負債的終止確認

當收取某項金融資產所得現金流的權利已經屆滿，或本集團已轉讓其收取該項資產所得現金流量的權利並已轉讓該項資產之絕大部分風險及回報，或本集團並無轉讓或保留該項資產絕大部分風險及回報，且未保留該項資產的控制權時，本集團將該項金融資產終止確認。本集團由於終止確認該項金融資產所產生或保留的任何權益單獨確認為資產或負債。

金融負債的現時義務免除、取消或過期時，本集團終止確認金融負債。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(w) DERECOGNITION OF NON-DERIVATIVE FINANCIAL ASSETS AND FINANCIAL LIABILITIES (Continued)

Financial assets and financial liabilities are offset and net amount presented in the statement of financial position when, and only when, the Group has a legally enforceable right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(x) RELATED PARTIES

- (i) A person, or a close member of that person's family, is related to the Group if that person:
 - (a) has control or joint control over the Group;
 - (b) has significant influence over the Group; or
 - (c) is a member of the key management personnel of the Group or the Group's parent.
- (ii) An entity is related to the Group if any of the following conditions applies:
 - (a) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (b) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (c) Both entities are joint ventures of the same third party.
 - (d) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (e) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

2 主要會計政策(續)

(w) 非衍生金融資產及金融負債的終止確認(續)

僅當本集團具有抵銷已確認金額的法定權利，且計畫同時變現該金融資產和清償該金融負債並以淨額結算時，金融資產和金融負債相互抵銷後以淨額在財務狀況表內列示。

(x) 關聯方

- (i) 如屬以下人士，即該人士或該人士的近親是本集團的關聯方：
 - (a) 控制或共同控制本集團；
 - (b) 對本集團有重大影響力；或
 - (c) 是本集團或本集團母公司的關鍵管理人員。
- (ii) 如符合下列任何條件，即企業實體是本集團的關聯方：
 - (a) 該實體與本集團隸屬同一集團（即各母公司、附屬公司和同系附屬公司彼此間有關聯）。
 - (b) 一家實體是另一實體的聯營公司或合營公司（或另一實體所屬集團旗下成員公司的聯營公司或合營公司）。
 - (c) 兩家實體是同一第三方的合營公司。
 - (d) 一家實體是第三方實體的合營公司，而另一實體是第三方實體的聯營公司。
 - (e) 該實體是為本集團或作為本集團關聯方的任何實體的僱員福利而設的離職後福利計劃。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) RELATED PARTIES (Continued)

(ii) An entity is related to the Group if any of the following conditions applies: (Continued)

(f) The entity is controlled or jointly controlled by a person identified in (i).

(g) A person identified in (i)(a) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(h) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(y) SEGMENT REPORTING

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

2 主要會計政策(續)

(x) 關聯方(續)

(ii) 如符合下列任何條件，即企業實體是本集團的關聯方：(續)

(f) 實體受到上述第(i)項內所認定人士控制或共同控制。

(g) 上述第(i)(a)項內所認定人士對該實體有重大影響力或是該實體(或該實體母公司)的關鍵管理人員。

(h) 向本集團或本集團母公司提供關鍵管理人員服務的實體或其所屬集團的任何成員公司。

一名人士的近親是指與有關實體交易並可能影響該人士或受該人士影響的家庭成員。

(y) 分部報告

本集團最高層管理人員定期取得用以對本集團各項業務及經營地域進行資源分配及表現評估的財務資料，而經營分部和財務報表所呈示各分部項目的數額會從中確定。

個別重要的經營分部不會合計以供財務報告之用，但如該等經營分部的產品和服務性質、生產工序性質、客戶類別或階層、分銷產品或提供服務的方法以至監管環境的本質等經濟特性均屬類似，則作別論。個別不重要的經營分部如果符合以上大部分特性，則可以合計。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

3 ACCOUNTING JUDGEMENTS AND ESTIMATES

(a) JUDGEMENTS

In preparing these financial statements, management has made accounting judgements in applying the Group's accounting policies. Information about judgements made in applying the accounting policies that have the most significant effects on the amounts recognised in the financial statements is disclosed in the note of derecognition of non-derivative financial assets and financial liabilities (Note 2(w) and Note 33).

(b) ASSUMPTIONS AND ESTIMATION UNCERTAINTIES

Note 34 contains information about the assumptions and their risk factors relating to fair value measurements in financial instruments. Other key sources of estimation uncertainty are as follows:

(i) Impairment losses for bad and doubtful debts

The Group estimates impairment losses for bad and doubtful debts resulting from the inability of the customers and other debtors to make the required payments. The Group bases the estimates on the aging of the receivable balance, debtors' credit-worthiness, and historical write-off experience. The estimates are made collectively where trade and bills receivable share similar risk characteristics, such as similar past due status, and have not been individually assessed as impaired. If the financial condition of the customers and debtors were to deteriorate, actual write-offs would be higher than estimated.

3 會計判斷和估計

(a) 判斷

在編制本財務報表時，管理層就採用本集團的會計政策作出會計判斷。管理層作出的對財務報表內確認金額構成最重大影響的會計政策判斷載列於非衍生金融資產及金融負債的終止確認附註(附註2(w)和附註33)。

(b) 假設及估計的不確定因素

附註34載有關於金融工具的公允價值計量的假設和風險因素的資料。其他主要的估計數額不確定因素如下：

(i) 呆壞賬減值虧損

本集團對因客戶及其他債務人無法按規定付款而造成的呆壞賬減值虧損進行估計。本集團的估計乃基於應收結餘的賬齡、債務人的信用及以往的呆壞賬沖銷經驗而作出。對具有類似風險特征(例如相似逾期狀態)且以個別方式評估未發生減值的應收賬款，運用組合方式評估減值虧損。倘客戶及債務人的財政狀況惡化，實際的沖銷金額可能高於估計數字。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

3 ACCOUNTING JUDGEMENTS AND ESTIMATES

(Continued)

(b) ASSUMPTIONS AND ESTIMATION UNCERTAINTIES (Continued)

(ii) Impairment losses of non-current assets

In considering the impairment losses that may be required for certain of the Group's assets which include property, plant and equipment, intangible assets, lease prepayments, investments in joint ventures and associates and unquoted equity investments, recoverable amount of the asset needs to be determined. The recoverable amount is the greater of the fair value less costs to sell and the value in use. It is difficult to precisely estimate selling price because quoted market prices for these assets may not be readily available. In determining the value in use, expected cash flows generated by the asset are discounted to their present value, which requires significant judgement relating to items such as level of sale volume, selling price and amount of operating costs. The Group uses all readily available information in determining an amount that is reasonable approximation of recoverable amount, including estimates based on reasonable and supportable assumptions and projections of items such as sales volume, selling price and amount of operating costs.

(iii) Depreciation

Property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives of the assets, after taking into account the estimated residual value. The Group reviews the estimated useful lives of the assets regularly. The useful lives are based on the Group's historical experience with similar assets and taking into account anticipated technological changes. The depreciation expense for future periods is adjusted if there are significant changes from previous estimates.

3 會計判斷和估計(續)

(b) 假設及估計的不確定因素(續)

(ii) 非流動資產減值虧損

當考慮對本集團若干資產(包括物業、廠房及設備、無形資產、租賃預付款項、對合營公司、聯營公司的投資及非上市權益投資)計提減值虧損時，則須確定該等資產之可收回金額。可收回金額為公允價值減銷售成本或使用價值之較高者。由於並未能可靠取得該等資產之市場報價，因此難以準確估計售價。於確定使用價值時，該資產產生之預期現金流量將折現至其現值，而此需對銷量水準、售價以及營運成本金額等項目作出重要的判斷。本集團以所有現有數據以確定可收回金額之合理近似金額，包括根據合理及有證據支持的假設及預測對銷量、售價及營運成本金額進行估計。

(iii) 折舊

物業、廠房及設備在考慮其估計剩餘價值後，於預計可用期限內按直線法進行折舊。本集團定期審閱資產的預計可用期限。預計可用期限是本集團根據對同類資產的歷史經驗並考慮預期的技術轉變計算得出。倘與過往估計相比發生重大變化，則會對未來期間的折舊費用進行調整。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

3 ACCOUNTING JUDGEMENTS AND ESTIMATES

(Continued)

(b) ASSUMPTIONS AND ESTIMATION UNCERTAINTIES (Continued)

(iv) Income tax

The Company files income tax with local tax authority. Judgement is required in determining the provision for taxation in respect of certain calculations (such as the additional qualified tax deduction relating to research and development costs) for which the ultimate tax determination is only certain when approval from the local tax authority is obtained. For the 15% preferential tax rate available for approved high-tech enterprises (see Note 8), in determining the applicable tax rate for calculation of current income tax and deferred income tax, after receiving the substantive approvals, the approved high-tech enterprises in the Group use the expected tax rate that would probably be approved by the tax authority according to the tax rules and regulations enacted at the reporting period end date. If the final tax outcome were different from the amount originally recorded, the difference would have impact on the current income tax and deferred income tax provision in the period in which the final tax outcome became available.

4 REVENUE

The Group is principally engaged in the manufacturing and sales of optical fibre preforms, optical fibres, optical fibre cables and other related products and services. Revenue represents the sales value of goods supplied to customers, net of value added tax.

During the year ended 31 December 2016, the Group had one customer (2015: two) with whom transactions have exceeded 10% of the Group's annual revenue. Sales to the customer (including sales to entities, which are under the common control by the customer) during the year ended 31 December 2016 are as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Customer 1	客戶1	1,708,127 Less than 10% of the Group's annual revenue 低於本集團 年度收入的10%	751,437
Customer 2	客戶2		727,169

3 會計判斷和估計(續)

(b) 假設及估計的不確定因素(續)

(iv) 所得稅

本公司向當地稅務機關申報所得稅。確定稅項撥備的某些計算(如合規定的研究開發費用的加計扣除)時需要做出判斷，因為最終的稅務決定只有得到當地稅務機關批准時才能確定。對於經核准的高新技術企業適用的15%優惠稅率(參見附註8)，在確定計算當期所得稅和遞延所得稅的適用稅率時，在獲得實質批准後，本集團內的高新技術企業將使用稅務機關根據於報告期末日頒佈的稅務法規最有可能獲得批准的預期稅率計算。如果最終稅務結果與最初確認的金額不同，當最終稅務結果確定時，差異將對當期所得稅及遞延所得稅金額產生影響。

4 收入

本集團主要從事光纖預製棒、光纖、光纜和其他相關產品的生產及銷售和服務。收入代表銷售商品予客戶的銷售價值(已扣除增值稅)。

截至二零一六年十二月三十一日止年度，本集團有一名客戶(二零一五年：兩名)的個別交易額超過本集團年度收入的10%。銷售予該客戶的交易額(包括銷售予受到該客戶共同控制的實體)於截至二零一六年十二月三十一日止年度佔本集團年收入如下：

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

5 OTHER INCOME

5 其他收益

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Government grants	政府補助	25,947	47,788
Royalty fees	特許權使用費	5,900	5,900
Dividend income from available-for-sale equity securities	可供出售證券投資的股利收入	5,405	156
Gain on disposal of available-for-sale equity securities	出售可供出售證券投資的收益	2,897	4,915
Rental income from operating leases	經營租賃租金收益	1,603	822
Net loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損淨額	(2,081)	(2,189)
Net realised and unrealised loss on trading securities	交易性證券的已實現及未實現虧損淨額	(99)	(595)
Gain on the remeasurement to fair value of pre-existing interest	重新計量先前存在的權益公允價值的收益	—	425
Gain on a bargain purchase (Note 17(ii))	議價收購收益(附註17(ii))	—	29,974
		39,572	87,196

6 NET FINANCE COSTS

6 淨融資成本

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
(a) Finance income	(a) 融資收入		
Interest income	利息收入	18,182	31,475
(b) Finance costs	(b) 融資成本		
Interest on bank loans	銀行貸款利息	(57,543)	(64,786)
Less: interest expenses capitalised into construction in progress*	減：計入在建工程之資本化利息費用*	5,655	1,087
		(51,888)	(63,699)
Net foreign exchange losses	匯兌損失淨額	(68,334)	(84,664)
Other finance costs	其他融資費用	(533)	(1,099)
Bank charges	銀行手續費	(9,565)	(6,909)
Finance costs	融資成本	(130,320)	(156,371)

* The borrowing costs have been capitalised at a rate of 2.85% (2015: 2.52%) per annum.

* 借貸成本已按年利率2.85% (二零一五年：2.52%)資本化。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

7 PROFIT BEFORE TAXATION

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

(a) STAFF COSTS[#]

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Salaries, wages and other benefits	薪金、工資和其他福利	590,160	425,802
Contributions to defined contribution retirement plan	定額退休供款計劃的供款	54,328	41,710
		644,488	467,512

Pursuant to the relevant labour rules and regulations in the PRC, the Company and its subsidiaries in the PRC participated in defined contribution retirement schemes organised by the relevant local government authorities for their employees. The Company and its subsidiaries in the PRC are required to make contributions to the defined contribution retirement schemes at 20% of basic salaries of the employees. The local government authority is responsible for the entire pension obligations payable to retired employees.

The Group also participated in social security schemes for its employees of the subsidiaries in Indonesia and South Africa according to the relevant regulations. Under such social security schemes, the Group is required to make contributions to the social security scheme at 6% and 9% of the employees' relevant income respectively. Contributions to the scheme vest immediately.

The Group has no other material obligation for the payment of pension benefits beyond the annual contributions described above.

7 除稅前利潤

除稅前利潤已扣除／(計入)：

(a) 員工成本[#]

根據中國有關勞動規則及規例，本公司及其於中國的附屬公司為其僱員參與由中國當地政府主管部門組織的定額退休供款計劃的(「退休計劃」)。本公司及其於中國的附屬公司須按僱員基本薪金的20%向退休計劃作出供款。當地政府機關負責全部應付退休僱員的退休福利。

根據相關法規的要求，本集團為其於印度尼西亞及南非附屬公司的員工參與社會保障計劃。根據社會保障計劃，本集團須分別按僱員相關收入的6%和9%向社會保障計劃供款。向該計劃支付的供款即時生效。

除上述年度供款以外，本集團並無其他與退休福利付款相關的重大支付責任。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

7 PROFIT BEFORE TAXATION (Continued)

(b) OTHER ITEMS

7 除稅前利潤(續)

(b) 其他項目

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Amortisation [#]	攤銷 [#]		
– lease prepayments	– 租賃預付款項	5,294	3,733
– intangible assets	– 無形資產	21,777	4,719
Depreciation [#]	折舊 [#]		
– property, plant and equipment held for use under operating leases	– 用作經營租賃的物業、廠房及設備	1,679	345
– other property, plant and equipment	– 其他物業、廠房及設備	130,849	115,687
Operating lease charges: minimum lease payments	經營租賃費用：最低租賃付款額	15,793	17,069
Provision/(write-back) of impairment losses	減值虧損撥備計提／(轉回)		
– trade receivables	– 應收賬款	15,833	(135)
Auditors' remuneration	核數師酬金		
– audit services	– 核數服務	3,538	3,100
– other services	– 其他服務	1,000	1,518
Research and development costs [#]	研究開發成本 [#]	235,915	196,891
Cost of inventories [#] (Note 21(b))	存貨成本 [#] (附註21(b))	6,444,022	5,447,344

[#] Cost of inventories and research and development costs include RMB399,315,000 and RMB102,270,000 (2015: RMB315,592,000 and RMB71,863,000) respectively relating to staff costs, amortisation and depreciation expenses, of which the amounts are also included in the respective total amounts disclosed separately above or in Note 7(a) for each of these types of expenses.

[#] 存貨成本及研究及開發成本包括分別與員工成本、攤銷及折舊費用有關的人民幣399,315,000元和人民幣102,270,000元(二零一五年：人民幣315,592,000元和人民幣71,863,000元)。有關數額亦已分別包含於上表或附註7(a)列示的各類開支總額中。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

8 INCOME TAX IN THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

8 合併綜合收益表所示的所得稅

(a) TAXATION IN THE CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME REPRESENTS:

(a) 合併綜合收益表內的所得稅指：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Current tax	即期稅項		
Provision for the year (Note 29(a))	年內撥備(附註29(a))	143,819	66,635
Deferred tax	遞延稅項		
Origination and reversal of temporary differences (Note 29(b))	暫時性差異的產生及轉回(附註29(b))	(46,866)	7,153
		96,953	73,788

(b) RECONCILIATION BETWEEN TAX EXPENSE AND ACCOUNTING PROFIT AT APPLICABLE TAX RATES:

(b) 稅項開支與會計利潤按照適用稅率計算的調節：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Profit before taxation	除稅前利潤	775,671	632,022
Notional tax on profit before taxation at PRC corporate income tax rate of 25%	除稅前利潤按照中國企業所得稅率25%計算的名義稅項	193,918	158,006
Tax rate differentials	稅率差異	(65,456)	(47,042)
Effect of non-deductible expenses	不可扣減開支的影響	5,891	199
Effect of non-taxable income	非應稅收入的影響	(1,924)	(7,639)
Effect attributable to the additional qualified tax deduction relating to research and development costs	合資格研究及開發成本加計扣除的影響	(25,762)	(21,011)
Effect of share of results of associates and joint ventures	應佔聯營與合營公司業績的影響	(26,260)	(19,990)
Effect of unused tax losses not recognised	未確認的尚未使用稅務虧損的影響	16,546	11,265
Actual tax expense	實際稅項開支	96,953	73,788

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

8 INCOME TAX IN THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Continued)

(a) TAXATION IN THE CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME REPRESENTS: (Continued)

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

Pursuant to the corporate income tax law and the relevant approval documents, the Company and a PRC subsidiary obtained the “high-tech enterprise” status in 2014 and 2015. According to the approval documents, the Company and that PRC subsidiary have been approved as high-tech enterprises and are entitled to a preferential income tax rate of 15% for a period of 3 years, subject to the fulfilment of the recognition criteria.

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

8 合併綜合收益表所示的所得稅(續)

(b) 稅項開支與會計利潤按照適用稅率計算的調節：(續)

本公司及其於中國的附屬公司須按25%的法定稅率繳納中國企業所得稅。

根據企業所得稅法及有關批准文件，本公司與一家中國附屬公司分別於二零一四年和二零一五年取得「高新技術企業」資格。依據批准文件，本公司及該附屬公司被認定為高新技術企業，在三年內，滿足條件後可享有15%的優惠所得稅稅率。

海外附屬公司之稅項乃按相關國家及地區現行適當稅率征收。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

9 DIRECTORS' EMOLUMENTS

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

9 董事酬金

依照《香港公司法》第383節第一條以及公司法規第二部分「有關董事酬金披露信息」所披露的董事酬金(包括行政總裁及監事)詳情如下：

		2016 二零一六年				
		Directors' fees	Salaries, allowances and benefits in kind 薪金、津貼及其他福利	Discretionary bonuses 酌情花紅	Retirement scheme contributions 退休福利計劃供款	Total 總計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Directors 董事						
Wen Huiguo (note i)	文會國(附註i)	—	1,076	3,600	23	4,699
Frank Franciscus Dorjee	范·德意	468	—	—	—	468
Ma Jie	馬杰	468	—	—	—	468
Yao Jingming	姚井明	468	—	—	—	468
Philippe Claude Vanhille	菲利浦·范希爾	468	—	—	—	468
Yeung Kwok Ki (note i)	楊國琦(附註i)	468	—	—	—	468
Xiong Xiangfeng	熊向峰	468	—	—	—	468
Zheng Huili (note ii)	鄭慧麗(附註ii)	468	—	—	—	468
Independent non-executive directors 獨立非執行董事						
Ngai Wai Fung	魏偉峰	468	—	—	—	468
Ip Sik On Simon	葉錫安	628	—	—	—	628
Li Ping	李平	468	—	—	—	468
Li Zhuo	李卓	468	—	—	—	468
General manager 總經理						
Zhuang Dan (note iii)	莊丹(附註iii)	—	1,270	4,500	77	5,847
Supervisors 監事						
Jiang Zhikang (note i)	江志康(附註i)	—	845	650	77	1,572
Liu Deming	劉德明	179	—	—	—	179
Li Chang'ai	李長愛	179	—	—	—	179
		5,666	3,191	8,750	177	17,784

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

9 DIRECTORS' EMOLUMENTS (Continued)

9 董事酬金(續)

		2015 二零一五年				
		Directors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Total
		袍金	薪金、津貼及其他福利	酌情花紅	退休福利計劃供款	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
<hr/>						
Directors	董事					
Wen Huiguo	文會國	–	902	2,830	22	3,754
Frank Franciscus Dorjee	范·德意	468	–	–	–	468
Ma Jie	馬杰	468	–	–	–	468
Yao Jingming (appointed on 9 June 2015)	姚井明(於二零一五年六月九日獲委任)	284	–	–	–	284
Philippe Claude Vanhille	菲利浦·范希爾	468	–	–	–	468
Yeung Kwok Ki	楊國琦	468	–	–	–	468
Xiong Xiangfeng	熊向峰	468	–	–	–	468
Zheng Huili (note ii)	鄭慧麗(附註ii)	468	–	–	–	468
Sun Jiming (resigned on 9 June 2015)	孫姬明(於二零一五年六月九日離任)	184	–	–	–	184
<hr/>						
Independent non-executive directors	獨立非執行董事					
Ngai Wai Fung	魏偉峰	468	–	–	–	468
Ip Sik On Simon	葉錫安	628	–	–	–	628
Li Ping	李平	468	–	–	–	468
Li Zhuo	李卓	468	–	–	–	468
<hr/>						
General manager	總經理					
Zhuang Dan	莊丹	–	914	3,770	71	4,755
<hr/>						
Supervisors	監事					
Jiang Zhikang	江志康	–	697	450	71	1,218
Liu Deming (appointed on 9 June 2015)	劉德明(於二零一五年六月九日獲委任)	104	–	–	–	104
Li Chang'ai (appointed on 9 June 2015)	李長愛(於二零一五年六月九日獲委任)	104	–	–	–	104
Yao Jingming (resigned on 9 June 2015)	姚井明(於二零一五年六月九日離任)	74	–	–	–	74
Yu Jiaxuan (resigned on 9 June 2015)	虞嘉萱(於二零一五年六月九日離任)	74	–	–	–	74
		5,664	2,513	7,050	164	15,391

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

9 DIRECTORS' EMOLUMENTS (Continued)

Notes:

- (i) The above directors and supervisor were retired on 24 January 2017.
- (ii) Zheng Huili has been working with the Company and also serves as a deputy secretary of the party committee during both the current and prior years. Remuneration paid to Zheng Huili in her position other than as a director of the Company for the year ended 31 December 2016 is RMB1,176,000 (2015: RMB881,000).
- (iii) Zhuang Dan was appointed as executive director on 24 January 2017.

10 INDIVIDUALS WITH HIGHEST EMOLUMENTS

The number of directors, chief executive, supervisors, non-directors and non-supervisors included in the five highest paid individuals during the year are set forth below:

		2016 二零一六年	2015 二零一五年
Directors, chief executive and supervisors	董事、行政總裁及監事	2	2
Non-directors and non-supervisors	非董事及非監事	3	3
		5	5

The emoluments of the directors (including chief executive and supervisors) are disclosed in Note 9. The aggregate of the emoluments in respect of the remaining highest paid individuals are as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Salaries and other emoluments	薪金和其他酬金	3,503	2,515
Discretionary bonuses	酌情花紅	6,900	5,700
Retirement scheme contributions	退休計劃供款	175	189
		10,578	8,404

9 董事酬金(續)

註：

- (i) 上述董事及監事已於二零一七年一月二十四日離任。
- (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，二零一六年度因上述職位而非董事所獲的酬金為人民幣1,176,000元(二零一五年：人民幣881,000元)。
- (iii) 莊丹於二零一七年一月二十四日被任命為執行董事。

10 最高酬金人士

於本年度內，五名最高酬金人士內的董事、行政總裁、監事、非董事及非監事人數如下：

董事(包括行政總裁及監事)的酬金詳情載於附註9。其餘最高酬金人士的酬金總額如下：

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

10 INDIVIDUALS WITH HIGHEST EMOLUMENTS

(Continued)

The emoluments of the non-directors and non-supervisors with the highest emoluments are within the following bands:

2016:	二零一六年:	
HKD3,500,001 to HKD4,000,000 (RMB3,130,751 to RMB3,578,000)	3,500,001港元至4,000,000港元 (人民幣3,130,751元至人民幣3,578,000元)	2
HKD4,000,001 to HKD4,500,000 (RMB3,578,001 to RMB4,025,250)	4,000,001港元至4,500,000港元 (人民幣3,578,001元至人民幣4,025,250元)	1
		3
2015:	二零一五年:	
HKD3,000,001 to HKD3,500,000 (RMB2,441,001 to RMB2,813,000)	3,000,001港元至3,500,000港元 (人民幣2,441,001元至人民幣2,813,000元)	1
HKD3,500,001 to HKD4,000,000 (RMB2,813,001 to RMB3,215,000)	3,500,001港元至4,000,000港元 (人民幣2,813,001元至人民幣3,215,000元)	2
		3

10 最高酬金人士(續)

最高酬金人士中的非董事及非監事的酬金在以下範圍內：

11 EARNINGS PER SHARE

(a) BASIC EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB701,381,000 (2015: RMB570,722,000) and the weighted average of 682,114,598 ordinary shares (2015: 640,981,710 shares) in issue during the year, calculated as follows:

Weighted average number of ordinary shares

		2016 二零一六年	2015 二零一五年
Issued ordinary shares at 1 January	於一月一日已發行普通股	682,114,598	639,462,598
Effect of shares issued under the Employee Stock Ownership Scheme (Note 31(b)(i))	根據員工持股計劃發行股份的影響(附註31(b)(i))	—	1,139,299
Effect of placing of shares (Note 31(b)(ii))	股份配售的影響(附註31(b)(ii))	—	379,813
Weighted average number of ordinary shares at 31 December	於十二月三十一日加權平均普通股股數	682,114,598	640,981,710

(a) 每股基本盈利

每股基本盈利是基於本公司普通權益持有人應佔利潤人民幣701,381,000元(二零一五年：人民幣570,722,000元)以及年內已發行加權平均普通股682,114,598股(二零一五年：640,981,710股)計算，計算如下：

加權平均普通股股數

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

11 EARNINGS PER SHARE (Continued)

(b) DILUTED EARNINGS PER SHARE

The Company did not have any potential dilutive shares during both the current and prior years. Accordingly, diluted earnings per share are the same as basic earnings per share.

12 SEGMENT REPORTING

The Group manages its businesses by products. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following two reportable segments. No operating segments have been aggregated to form the following reportable segments.

- Optical fibres and optical fibre preforms: this segment produces optical fibres and optical fibre preforms which are sold to external parties.
- Optical fibre cables: this segment produces optical fibre cables which are sold to external parties.

The Group combined other business activities that are not reportable in "Others". Revenue included in this category is mainly from sales of equipment, raw materials and other related products.

(a) SEGMENT RESULTS

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results attributable to each reportable segment on the following bases:

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments. The measure used for reporting segment results is gross profit.

11 每股盈利(續)

(b) 每股攤薄盈利

於本年度及過往年度，本公司不存在潛在稀釋性股份。因此，每股攤薄盈利與每股基本盈利一致。

12 分部報告

本集團通過產品管理業務。本集團按照分配資源、評估業績用途而向本集團最高級行政管理層進行內部匯報所一致的方式列報以下兩個可呈報分部。概無合併任何經營分部，以組成以下報告分部。

- 光纖及預製棒：此分部生產光纖及光纖預製棒，並用於外銷。
- 光纜：此分部生產光纜，並用於外銷。

本集團將其他非報告分部合併以「其他」呈列。此部分的收入主要來源於銷售設備、原材料及其他相關產品。

(a) 分部業績

本集團高層行政管理人員按下列基準監察各個報告分部應佔的業績，以便評估分部表現及進行分部間資源分配：

分配至報告分部的收益及支出，已經參照該等分部所產生的銷售和該等分部所產生的費用。衡量報告分部業績的指標是毛利。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

12 SEGMENT REPORTING (Continued)

(a) SEGMENT RESULTS (Continued)

The Group's assets, liabilities, other operating expenses, such as selling and administrative expenses, finance income and finance costs, and share of results of associates and joint ventures, are not measured under individual segments. Accordingly, neither information on segment assets and liabilities nor information concerning capital expenditure, interest income and interest expense, etc. is presented.

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the year is set out below:

12 分部報告(續)

(a) 分部業績(續)

本集團的資產、負債、其他經營開支，如銷售及管理費用，融資收入和融資成本，以及應佔聯營和合營公司業績並未由各個分部考量。因此，未呈列分部資產和分部負債，亦或資本支出、利息收入和利息支出等資料。

年內，提供給本集團最高級行政管理層用作進行資源分配並對分部業績作出評估的關於本集團可呈報分部的資訊如下：

		Year ended 31 December 2016 二零一六年			
		Optical fibres and optical fibre preforms 光纖及預製棒 RMB'000 人民幣千元	Optical fibre cables 光纜 RMB'000 人民幣千元	Others 其他 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Reportable segment revenue	可呈報分部收入				
Gross revenue from external customers	外部客戶收入	4,090,678	3,580,739	448,661	8,120,078
Elimination of revenue relating to downstream transactions with joint ventures	與合營公司順流交易收入抵銷	(17,533)	—	(232)	(17,765)
Revenue from external customers	外部客戶收入	4,073,145	3,580,739	448,429	8,102,313
Reportable segment profit (gross profit)	可呈報分部利潤(毛利)				
Segment profit before elimination of unrealised profits	抵銷未實現利潤前的分部利潤	1,386,781	219,088	72,353	1,678,222
Elimination of unrealised profits on downstream transactions with joint ventures	抵銷與合營公司的未實現順流交易利潤	(3,147)	—	—	(3,147)
Reportable segment profit (gross profit)	可呈報分部利潤(毛利)	1,383,634	219,088	72,353	1,675,075

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

12 SEGMENT REPORTING (Continued)

(a) SEGMENT RESULTS (Continued)

		Year ended 31 December 2015 二零一五年			
		Optical fibres and optical fibre preforms 光纖及 預製棒 RMB'000 人民幣千元	Optical fibre cables 光纜 RMB'000 人民幣千元	Others 其他 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Reportable segment revenue	可呈報分部收入				
Gross revenue from external customers	外部客戶收入	3,756,593	2,643,275	332,102	6,731,970
Elimination of revenue relating to downstream transactions with joint ventures	與合營公司順流交易收入抵銷	(116)	–	(740)	(856)
Revenue from external customers	外部客戶收入	3,756,477	2,643,275	331,362	6,731,114
Reportable segment profit (gross profit)	可呈報分部利潤(毛利)				
Segment profit before elimination of unrealised profits	抵銷未實現利潤前的分部利潤	1,113,007	158,497	36,235	1,307,739
Elimination of unrealised profits on downstream transactions with joint ventures	抵銷與合營公司的未實現順流交易利潤	(3,529)	–	–	(3,529)
Reportable segment profit (gross profit)	可呈報分部利潤(毛利)	1,109,478	158,497	36,235	1,304,210

(b) RECONCILIATIONS OF REPORTABLE SEGMENT RESULTS TO CONSOLIDATED PROFIT BEFORE TAXATION:

(b) 分部報告業績與合併除稅前利潤的調節：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Segment results	分部業績	1,675,075	1,304,210
Other income	其他收益	39,572	87,196
Selling expenses	銷售費用	(199,432)	(162,994)
Administrative expenses	管理費用	(732,447)	(551,452)
Net finance costs	淨融資成本	(112,138)	(124,896)
Share of results of associates and joint ventures	應佔聯營公司和合營公司業績	105,041	79,958
Consolidated profit before taxation	合併除稅前利潤	775,671	632,022

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

12 SEGMENT REPORTING (Continued)

(c) GEOGRAPHICAL INFORMATION

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's property, plant and equipment, construction in progress, intangible assets, lease prepayments, interests in associates and joint ventures and other prepayments ("specified non-current assets"). The geographical location of customers is based on the location at which the services were provided or the goods delivered. The geographical location of the specified non-current assets is based on the physical location of the asset, in the case of property, plant and equipment, the location of the operation to which they are allocated, in the case of intangible assets, lease prepayments and other prepayments, and the location of operations, in the case of interests in associates and joint ventures.

12 分部報告(續)

(c) 地區資料

下表列示(i)本集團來自外部客戶的收入及(ii)本集團的物業、廠房及設備、在建工程、無形資產、租賃預付款項、於聯營公司和合營公司的權益及其他預付款項(「特定非流動資產」)等所在地的資料。客戶所在地是按提供服務或商品的地點劃分。至於特定非流動資產所在地方面，物業、廠房及設備是基於資產的實際所在地劃分，無形資產、租賃預付款項及其他預付款項是基於所分配到的營運地點劃分，而於聯營公司和合營公司的權益則是基於營運地點劃分。

		Revenues from external customers 來自外部客戶的收入		Specified non-current assets 特定非流動資產	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Mainland China (place of domicile)	中國大陸 (所在地)	7,399,296	6,201,465	3,180,390	2,151,277
Others	其他	703,017	529,649	139,630	34,488
		8,102,313	6,731,114	3,320,020	2,185,765

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

13 PROPERTY, PLANT AND EQUIPMENT

13 物業、廠房及設備

		Land and buildings 土地和 建築物 RMB'000 人民幣千元	Machinery and equipment 機器和 設備 RMB'000 人民幣千元	Office equipment 辦公設備 RMB'000 人民幣千元	Motor vehicles 車輛 RMB'000 人民幣千元	Total 總額 RMB'000 人民幣千元
Cost:	成本：					
At 1 January 2015	於二零一五年一月一日	251,356	1,798,558	81,216	8,817	2,139,947
Additions	增置	39,488	62,425	9,163	1,337	112,413
Through acquisition of a subsidiary	通過收購一家附屬公司	17,700	9,189	446	–	27,335
Transferred from construction in progress	由在建工程轉入	105,796	70,569	1,630	–	177,995
Disposals	處置	–	(1,664)	(3,257)	(83)	(5,004)
At 31 December 2015	於二零一五年十二月三十一日	414,340	1,939,077	89,198	10,071	2,452,686
At 1 January 2016	於二零一六年一月一日	414,340	1,939,077	89,198	10,071	2,452,686
Additions	增置	41,858	208,251	25,331	3,012	278,452
Transferred from construction in progress	由在建工程轉入	93,465	102,399	1,433	–	197,297
Disposals	處置	(2,421)	(72,065)	(9,466)	(1,272)	(85,224)
Exchange adjustments	匯兌調整	3,155	1,845	121	61	5,182
At 31 December 2016	於二零一六年十二月三十一日	550,397	2,179,507	106,617	11,872	2,848,393
Accumulated depreciation and impairment losses:	累計折舊和減值虧損：					
At 1 January 2015	於二零一五年一月一日	130,111	1,179,994	42,763	4,549	1,357,417
Charge for the year	本年度計提	11,213	93,899	9,899	1,021	116,032
Written back on disposals	處置時撥回	–	(1,471)	(1,245)	(74)	(2,790)
At 31 December 2015	於二零一五年十二月三十一日	141,324	1,272,422	51,417	5,496	1,470,659
At 1 January 2016	於二零一六年一月一日	141,324	1,272,422	51,417	5,496	1,470,659
Charge for the year	本年度計提	19,638	100,107	11,577	1,206	132,528
Written back on disposals	處置時撥回	(1,359)	(64,958)	(8,401)	(1,171)	(75,889)
Exchange adjustments	匯兌調整	19	31	8	5	63
At 31 December 2016	於二零一六年十二月三十一日	159,622	1,307,602	54,601	5,536	1,527,361
Net book value:	賬面淨值：					
At 31 December 2016	於二零一六年十二月三十一日	390,775	871,905	52,016	6,336	1,321,032
At 31 December 2015	於二零一五年十二月三十一日	273,016	666,655	37,781	4,575	982,027

ASSETS LEASED OUT UNDER OPERATING LEASES:

The Group leased out certain properties under operating leases. The aggregate net book value of these assets which leased out by the Group as at 31 December 2016 amounted to RMB35,448,000 (2015: RMB5,477,000).

以經營租賃租出的資產

本集團以經營租賃租出若干物業。於二零一六年十二月三十一日，本集團所出租資產的賬面淨值總額為人民幣35,448,000元(二零一五年：人民幣5,477,000元)。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

14 CONSTRUCTION IN PROGRESS

14 在建工程

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
At 1 January	於一月一日	88,743	93,888
Additions	增置	570,284	172,334
Through acquisition of a subsidiary	通過收購一家附屬公司	–	516
Transferred to property, plant and equipment	轉入物業、廠房及設備	(197,297)	(177,995)
Exchange adjustments	匯兌調整	4,551	–
At 31 December	於十二月三十一日	466,281	88,743

15 INTANGIBLE ASSETS

15 無形資產

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Patents	專利權		
Cost:	成本：		
At 1 January	於一月一日	151,019	151,019
Additions	增置	86,909	–
At 31 December	於十二月三十一日	237,928	151,019
Accumulated amortisation:	累計攤銷：		
At 1 January	於一月一日	4,719	–
Additions	增置	21,777	4,719
At 31 December	於十二月三十一日	26,496	4,719
Net book value:	賬面淨值：		
At 31 December	於十二月三十一日	211,432	146,300

16 LEASE PREPAYMENTS

16 租賃預付款項

Lease prepayments comprise interests in leasehold land held for own use under operating leases located in the PRC as follows:

租賃預付款項包括以經營租賃項持作自用的在中國的租賃土地權益，呈列如下：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Land use rights held under medium-term leases	中期租賃持有的土地使用權	231,734	166,225

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

17 INVESTMENT IN SUBSIDIARIES

The following list contains only the particulars of subsidiaries which principally affected the results, assets or liabilities of the group. The class of shares held is ordinary unless otherwise stated.

17 於附屬公司的投資

下文僅載列主要影響本集團的業績、資產或負債的附屬公司。除另有說明，所持股份均為普通股。

Name of company 公司名稱	Place and date of incorporation/ establishment 註冊/ 成立地點和日期	Issued/registered and paid-up capital 已發行/ 註冊和繳足資本	Proportion of ownership interest 所有者權益比例		Principal activities 主營業務
			Group's effective interest 本集團的 有效權益	Held by the Company 由本公司 持有	
Yangtze Optical Fibre and Cable Company (Hong Kong) Limited 長飛光纖光纜 (香港)有限公司	Hong Kong 17 July 2013 香港 二零一三年七月十七日	HKD80,000 港幣80,000	100.00%	100.00%	Trading of raw materials 原材料貿易
EverPro Technologies Company Limited 長芯盛(武漢)科技 有限公司	PRC 9 December 2013 中國 二零一三年十二月九日	RMB325,000,000 人民幣325,000,000	69.23%	69.23%	Production and sales of optical fibres, optical fibre cables and related products 光纖光纜及相關器件的 生產及銷售
EverProsper Technologies Company Limited 長芯盛(香港)科技 有限公司	Hong Kong 6 June 2014 香港 二零一四年六月六日	RMB19,557,366 人民幣19,557,366	69.23%	—	Trading of raw materials 原材料貿易
Shenzhen YOFC Connectivity Technologies Co., Ltd. 深圳長飛智連技術 有限公司	PRC 15 April 2015 中國 二零一五年四月十五日	RMB30,000,000 人民幣30,000,000	75.00%	75.00%	Production and sales of premises distributed system 綜合佈線系統生產及銷售

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

17 INVESTMENT IN SUBSIDIARIES (Continued)

17 於附屬公司的投資(續)

Name of company 公司名稱	Place and date of incorporation/ establishment 註冊/ 成立地點和日期	Issued/registered and paid-up capital 已發行/ 註冊和繳足資本	Proportion of ownership interest 所有者權益比例		Principal activities 主營業務
			Group's effective interest 本集團的 有效權益	Held by the Company 由本公司 持有	
PT. Yangtze Optical Fibre Indonesia	Indonesia 22 May 2015	USD21,000,000	70.00%	70.00%	Production and sales of optical fibres and related products
	印度尼西亞 二零一五年五月二十二日	美元21,000,000	70.00%	70.00%	光纖及相關器件的 生產及銷售
Yangtze Optical Fibre and Cable Shenyang Co., Ltd.	PRC 16 June 2015	RMB 40,000,000	100.00%	100.00%	Production and sales of optical fibre cables and related products
長飛光纖光纜瀋陽 有限公司	中國 二零一五年六月十六日	人民幣40,000,000	100.00%	100.00%	光纖及相關器件的 生產及銷售
Yangtze Optical Fibre and Cable Lanzhou Co., Ltd.	PRC 13 July 2015	RMB30,000,000	100.00%	100.00%	Production and sales of optical fibre cables and related products
長飛光纖光纜蘭州 有限公司	中國 二零一五年七月十三日	人民幣30,000,000	100.00%	100.00%	光纖及相關器件的 生產及銷售
Yangtze Optical Fibre (Qianjiang) Co., Ltd.	PRC 28 July 2015	RMB 404,000,000	100.00%	100.00%	Production and sales of optical fibre, optical fibre preforms and related products
長飛光纖潛江有限公司	中國 二零一五年七月二十八日	人民幣404,000,000	100.00%	100.00%	光纖、預製棒及相關器件 的生產及銷售
Hubei Flying Optical Fibre Material Co., Ltd.	PRC 12 August 2015	RMB 60,000,000	87.00%	87.00%	Production and sales of high- purity silicon
湖北飛菱光纖材料 有限公司	中國 二零一五年八月十二日	人民幣60,000,000	87.00%	87.00%	高純硅的生產及銷售

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

17 INVESTMENT IN SUBSIDIARIES (Continued)

17 於附屬公司的投資(續)

Name of company 公司名稱	Place and date of incorporation/ establishment 註冊/ 成立地點和日期	Issued/registered and paid-up capital 已發行/ 註冊和繳足資本	Proportion of ownership interest 所有者權益比例		Principal activities 主營業務
			Group's effective interest 本集團的 有效權益	Held by the Company 由本公司 持有	
Ally First Optical Fiber and Cable Co., Ltd.	PRC 8 December 2015	RMB186,000,000	51.00%	51.00%	Production and sales of optical fibre, optical fibre cables and related products
浙江聯飛光纖光纜 有限公司	中國 二零一五年十二月八日	人民幣186,000,000	51.00%	51.00%	光纖、光纜及相關器件的 生產及銷售
Yangtze Optics Africa Holdings Proprietary Limited	South Africa 14 January 2016	USD 10,000,000	74.90%	51.00%	Trading
	南非 二零一六年一月十四日	美元10,000,000	74.90%	51.00%	貿易
Yangtze Optics Africa Cable Proprietary Limited	South Africa 14 January 2016	USD4,000,000	74.90%	—	Production and sales of optical fibre cables and related products
	南非 二零一六年一月十四日	美元4,000,000	74.90%	—	光纖及相關器件的 生產及銷售
NK Wuhan Cable Co., Ltd. (note ii)	PRC 1 December 1999	RMB73,351,200	80.00%	80.00%	Production and sales of copper cable and related products
武漢安凱電纜有限公司 (附註ii)	中國 一九九九年十二月一日	人民幣73,351,200	80.00%	80.00%	銅線及相關器件 的生產及銷售

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

17 INVESTMENT IN SUBSIDIARIES (Continued)

Notes:

- (i) The English translation of the names of the PRC subsidiaries is for identification only. Their official names are in Chinese.
- (ii) On 18 June 2015, the Company and NK China Investments B.V. ("NK China") entered into an equity transfer agreement, pursuant to which the Company agreed to acquire 60% equity interest in NK Wuhan Cable Co., Ltd. ("NK Wuhan"), previously held as to 20% by the Company, at a cash consideration of RMB18,000,000. The Company also agreed to undertake to fully indemnify NK China or any former and current directors of NK Wuhan appointed by NK China ("NK Directors") for any liabilities or obligations arising from any third party claim against NK China in its capacity as an equity holder of NK Wuhan and/or against NK Directors by reason of them being a director of NK Wuhan, up to a maximum aggregate amount of RMB10,000,000, within 36 months from 25 December 2015, the date of issuance of the new business licence of NK Wuhan. The acquisition was completed on 25 December 2015. As a result, the Company's equity interest in NK Wuhan increased from 20% to 80% and NK Wuhan became a subsidiary of the Company.

The following summarises the consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

Identifiable assets acquired and liabilities assumed:

		RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備	27,335
Construction in progress	在建工程	516
Lease prepayments	租賃預付款項	14,600
Inventories	存貨	15,184
Cash and cash equivalents	現金及現金等價物	32,217
Others	其他	(6,562)
Total identifiable net assets acquired	所收購的可辨認淨資產總額	83,290

Measurement of fair value

The valuation techniques used for measuring the fair value of material assets acquired were as follows.

Market comparison technique and cost technique have been adopted for measuring the fair value of property, plant and equipment and lease prepayment. The valuation model considers quoted market prices for similar items when they are available, and depreciated replacement cost when appropriate. Depreciated replacement cost reflects adjustments for physical deterioration as well as functional and economic obsolescence.

Market comparison technique has been adopted for measuring the fair value of inventories. The fair value is determined based on the estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

17 於附屬公司的投資(續)

註：

- (i) 中國附屬公司的英文名稱僅供識別，其法定名稱為中文。
- (ii) 於二零一五年六月十八日，本公司與NK China Investments B.V. (「NK China」) 簽訂股權轉讓協議，據此，本公司同意收購武漢安凱電纜有限公司(「武漢安凱」)的60%股權(本公司之前持有20%股權)，現金對價為人民幣18,000,000元。本公司還同意完全承擔NK China或任何由NK China任命的武漢安凱前任和現任董事(「NK董事」)因第三方向NK China作為武漢安凱的權益持有人或向作為武漢安凱董事的NK董事提出索賠而引起的任何負債或義務，最高總額為人民幣10,000,000元，自武漢安凱獲得新的營業執照日(二零一五年十二月二十五日)起三十六個月內到期。收購事項於二零一五年十二月二十五日完成。因此，本公司於武漢安凱的權益從20%增加至80%，武漢安凱成為本公司的附屬公司。

所轉讓的對價及於收購日期所收購的資產和所承擔的負債的確認金額呈列如下：

所收購的可辨別資產及所承擔的負債：

	RMB'000 人民幣千元
Property, plant and equipment	27,335
Construction in progress	516
Lease prepayments	14,600
Inventories	15,184
Cash and cash equivalents	32,217
Others	(6,562)
Total identifiable net assets acquired	83,290

公允價值計量

計量所收購的重大資產的公允價值的估值技術如下。

物業、廠房及設備及租賃預付款的公允價值採用市場比較法和成本法計量。估值模型參考同類項目的市場報價(可供使用時)和已折舊重置成本(適用時)。已折舊重置成本反映對實際退化以及功能及經濟報廢的調整。

存貨的公允價值採用市場比較法計量，以正常業務過程中估計售價減估計完工及銷售成本，以及基於完成出售存貨所需的努力定出的合理毛利率釐定。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

17 INVESTMENT IN SUBSIDIARIES (Continued)

Notes: (Continued)

Consideration transferred:

		RMB'000 人民幣千元
Cash	現金	18,000
Fair value of previously held equity interest classified as an associate	先前以聯營公司分類所持有權益的公允價值	18,658
Total consideration transferred	轉讓的對價總額	36,658

Goodwill:

		RMB'000 人民幣千元
Consideration transferred	轉讓的對價	36,658
Non-controlling interest, based on their proportionate interest in the recognised amounts of the assets and liabilities	非控股權益（按其佔資產及負債已確認金額的比例計算）	16,658
Fair value of identifiable net assets	可辨認淨資產的公允價值	(83,290)
Gain on bargain purchase	議價購買收益	(29,974)

The Group believes that the major reason for this bargain purchase is that NK Wuhan had incurred loss for several years and the former controlling shareholder is a connected party of the Group. As a result, the Group was able to negotiate a relatively low consideration and a gain was incurred accordingly.

本集團認為該議價購買的主要原因在於武漢安凱近幾年發生虧損，原來前控股股東為本集團關連人士。因此，本集團能夠與安凱中國達成相對較低對價，並產生收益。

Analysis of net inflow of cash and cash equivalents in respect of the acquisition of a subsidiary is as follows:

		RMB'000 人民幣千元
Cash and cash equivalents	現金及現金等價物	32,217
Cash consideration	現金對價	(18,000)
Net inflow of cash and cash equivalents	現金及現金等價物流入淨額	14,217

Further details of the acquisition of additional 60% equity interest in NK Wuhan are set out in the Company's announcement dated 18 June 2015.

有關收購武漢安凱額外60%股權之詳情，載於本公司日期為二零一五年六月十八日之公告內。

- (iii) The Group did not have material non-controlling interest during both the current and prior years.
- (iv) The above non-wholly owned PRC subsidiaries of the Group are established under the contractual joint venture arrangements pursuant to the relevant PRC regulations.
- (v) All subsidiaries of the Group established in the PRC are in the form of limited liability company.

- (iii) 本集團於本年度及過往年度並無重大非控股權益。
- (iv) 本集團根據相關中國法規採用合同式合營公司註冊成立非全資控股附屬公司。
- (v) 本集團在中國成立的附屬公司均為有限責任公司。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

18 INTEREST IN ASSOCIATES

18 聯營公司權益

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Share of net assets	應佔淨資產	11,088	10,747

The particular of the Company's associate, which is an unlisted corporate entity, at 31 December 2016 are set out below:

於二零一六年十二月三十一日，本公司聯營公司(該公司為非上市公司實體)的詳情載列如下：

Name of company 公司名稱	Place of establishment and business 成立及業務地點	Registered and paid-up capital 已註冊和繳足資本詳情	Proportion of ownership interest 所有者權益比例		Principal activities 主營業務
			Group's effective interest 本集團的有效權益	Held by the Company 由本公司持有	
Wuhan Yunjingfei Optical Fibre Material Co., Ltd.	PRC	RMB45,000,000	20.00%	20.00%	Production and sales of high purity germanium tetrachloride for the optical fibres
武漢雲晶飛光纖材料有限公司	中國	人民幣45,000,000	20.00%	20.00%	織用高純四氯化錳的生產和銷售

Notes:

註：

- (i) The English translation of the name is for identification only. The official name of the entity is in Chinese.
- (ii) The above associate is accounted for using the equity method in the consolidated financial statements.
- (iii) At 31 December 2016 and 2015, the Group's associate is not regarded as individually material.

- (i) 英文名稱僅供識別。該企業法定名稱為中文。
- (ii) 上述聯營公司按權益法在合併財務報表中列賬。
- (iii) 於二零一六年及二零一五年十二月三十一日，本集團聯營公司不被視為個別重大。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

19 INTEREST IN JOINT VENTURES

19 合營公司權益

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Share of net assets	應佔淨資產	1,027,109	705,914
Goodwill	商譽	18,528	18,528
Less: impairment loss	減：減值虧損	1,045,637 (4,130)	724,442 (4,130)
		1,041,507	720,312

The following list contains the particulars of joint ventures, all of which are unlisted corporate entities, at 31 December 2016:

於二零一六年十二月三十一日，合營公司(全部均為非上市公司實體)的詳情如下：

Name of company 公司名稱	Place of establishment and business 成立及業務地點	Registered and paid-up capital 已註冊和繳足資本詳情	Proportion of ownership interest 所有者權益比例		Principal activities 主營業務
			Group's effective interest 本集團的有效權益	Held by the Company 由本公司持有	
Yangtze Optical Fibre and Cable (Shanghai) Company Ltd. ("YOFC Shanghai") (note iii)	PRC	RMB100,300,000	75.00%	75.00%	Production and sales of fibre cables
長飛光纖光纜(上海)有限公司 (長飛上海)(附註iii)	中國	人民幣100,300,000	75.00%	75.00%	生產及銷售光纜
Yangtze Zhongli Optical Fibre and Cable (Jiangsu) Co., Ltd. ("YOFC Jiangsu") (note iii)	PRC	RMB92,880,000	51.00%	51.00%	Production and sales of optical fibre cables
江蘇長飛中利光纖光纜有限公司 (長飛江蘇)(附註iii)	中國	人民幣92,880,000	51.00%	51.00%	生產及銷售光纜

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

19 INTEREST IN JOINT VENTURES (Continued)

19 合營公司權益(續)

Name of company 公司名稱	Place of establishment and business 成立及業務地點	Registered and paid-up capital 已註冊和繳足資本詳情	Proportion of ownership interest 所有者權益比例		Principal activities 主營業務
			Group's effective interest 本集團的有效權益	Held by the Company 由本公司持有	
Yangtze Optical Fibre and Cable Sichuan Company Ltd. ("YOFC Sichuan") (note iii) 長飛光纖光纜四川有限公司 (長飛四川)(附註iii)	PRC 中國	MB53,800,000 人民幣53,800,000	51.00%	51.00%	Production and sales of optical fibre cables 生產及銷售光纜
YOFC-Yadanarbon Fibre Co., Ltd.	Myanmar 緬甸	USD4,000,000 美元4,000,000	50.00%	50.00%	Production and sales of optical fibre cables 生產及銷售光纜
Shin-Etsu YOFC (Hubei) Optical Preform Co., Ltd. 長飛信越(湖北)光棒有限公司	PRC 中國	JPY8,000,000,000 日元8,000,000,000	49.00%	49.00%	Production and sales of optical fibre preforms 生產及銷售預製棒
Tianjin YOFC XMKJ Optical Communications Co., Ltd. 天津長飛鑫茂光通信有限公司	PRC 中國	RMB220,000,000 人民幣220,000,000	49.00%	49.00%	Production and sales of optical fibres 生產及銷售光纖
Yangtze (Wuhan) Optical and System Corp. 長飛(武漢)光系統股份有限公司	PRC 中國	RMB47,500,000 人民幣47,500,000	46.32%	46.32%	Production and sales of optical devices and related products 生產及銷售光學設備及相關產品
Shantou Hi-Tech Zone Ao Xing Optical Communication Equipments Co., Ltd. 汕頭高新區奧星光通信設備有限公司	PRC 中國	RMB170,558,817 人民幣170,558,817	42.42%	42.42%	Production and sales of optical fibre cables 生產及銷售光纜
Shenzhen SDGI Optical Fibre Co., Ltd. 深圳特發信息光纖有限公司	PRC 中國	RMB206,518,320 人民幣206,518,320	35.36%	35.36%	Production and sales of precise optical fibres 生產及銷售光纖

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

19 INTEREST IN JOINT VENTURES (Continued)

19 合營公司權益(續)

Name of company 公司名稱	Place of establishment and business 成立及業務地點	Registered and paid-up capital 已註冊和繳足資本詳情	Proportion of ownership interest 所有者權益比例		Principal activities 主營業務
			Group's effective interest 本集團的有效權益	Held by the Company 由本公司持有	
Tianjin YOFC XMJ Optical Cable Co., Ltd. 天津長飛鑫茂光纜有限公司	PRC 中國	RMB100,000,000 人民幣100,000,000	20.00%	20.00%	Production and sales of optical fibre cables 生產及銷售光纜
Wuhan Guangyuan Electronic Technology Co., Ltd. 武漢光源電子科技有限公司	PRC 中國	RMB5,000,000 人民幣5,000,000	20.00%	20.00%	Production and sales of precise mould and electronic devices 生產及銷售精密模具及電子設備

Notes:

- (i) The English translation of the names of the PRC entities is for identification only. Their official names are in Chinese.
- (ii) All of the above joint ventures are accounted for using the equity method in the consolidated financial statements.
- (iii) Pursuant to the Articles of Association of YOFC Shanghai, YOFC Jiangsu and YOFC Sichuan, unanimous consent of all investors is required for decisions of the entities' financing and operating activities. Accordingly, the Company has joint control over these entities. Investments in YOFC Shanghai, YOFC Jiangsu and YOFC Sichuan are accounted for in the consolidated financial statements under the equity method.

註：

- (i) 中國實體的英文名稱僅供識別，其法定名稱為中文。
- (ii) 上述合營公司均按權益法在合併財務報表中列賬。
- (iii) 根據長飛上海、長飛江蘇及長飛四川的公司章程細則，其財務及營運決策須獲得全體投資者一致同意通過。因此，本公司及其他投資者共同控制該等實體，於長飛上海、長飛江蘇及長飛四川的投資按權益法在合併財務報表中列賬。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

19 INTEREST IN JOINT VENTURES (Continued)

Notes: (Continued)

- (iv) The Group sold optical fibre preforms and optical fibres to certain joint ventures for the production of optical fibres and optical fibre cables. In addition, the Group also purchased optical fibres and optical fibre cables from certain joint ventures. Further details of transactions with joint ventures are disclosed in Note 36.
- (v) Summarised financial information of the Group's material joint ventures and reconciliation to the carrying amounts in the consolidated financial statements are as follows:

(a) YOFC Shanghai

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Gross amounts	總額		
Current assets	流動資產	460,653	386,660
Non-current assets	非流動資產	101,828	92,266
Current liabilities	流動負債	(273,227)	(215,057)
Non-current liabilities	非流動負債	(105)	(210)
Equity	權益	289,149	263,659
Included in the above assets and liabilities:	下列項目已計入上述資產和負債中：		
Cash and cash equivalents	現金及現金等價物	37,590	23,327
Current financial liabilities (excluding trade and other payables and provisions)	流動金融負債(不包括應付賬款及其他應付款和準備)	(20,000)	—
Revenue	收入	814,352	664,160
Profit from continuing operations	持續經營利潤	39,366	31,527
Total comprehensive income	綜合收益總額	39,366	31,527
Dividend paid to the Company	支付給本公司的股利	14,008	4,000
Included in the above profit:	下列項目已計入上述利潤中：		
Depreciation and amortisation	折舊和攤銷	(12,726)	(11,220)
Interest income	利息收入	171	148
Interest expense	利息支出	(217)	—
Income tax expense	所得稅支出	(6,926)	(5,656)
Reconciled to the Group's interest in joint venture	與本集團所持合營公司權益的調節		
Gross amounts of net assets	淨資產總額	289,149	263,659
Group's effective interest	本集團的有效權益	75.00%	75.00%
Group's share of net assets	本集團應佔的淨資產	216,862	197,744
Elimination of unrealised profits on downstream transactions	抵消未實現順流交易利潤	(8,956)	(7,741)
Carrying amount in the consolidated financial statements	在合併財務報表的賬面金額	207,906	190,003

19 合營公司權益(續)

註：(續)

- (iv) 本集團向部分合營公司銷售光纖預製棒及光纖用於其光纖和光纜的製造。同時，本集團亦從部分合營公司採購光纖及光纜。與合營公司相關交易詳情於附註36呈列。
- (v) 主要合營公司的財務資料概要及其與合併財務報表內賬面金額的調節如下：

(a) 長飛上海

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

19 INTEREST IN JOINT VENTURES (Continued)

Notes: (Continued)

(v) Summarised financial information of the Group's material joint ventures and reconciliation to the carrying amounts in the consolidated financial statements are as follows: (Continued)

(b) YOFC Jiangsu

19 合營公司權益(續)

註：(續)

(v) 主要合營公司的財務資料概要及其與合併財務報表內賬面金額的調節如下：(續)

(b) 長飛江蘇

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Gross amounts	總額		
Current assets	流動資產	642,169	556,536
Non-current assets	非流動資產	50,652	46,362
Current liabilities	流動負債	(422,571)	(355,758)
Equity	權益	270,250	247,140
Included in the above assets and liabilities:	下列項目已計入上述資產和負債中：		
Cash and cash equivalents	現金及現金等價物	23,316	30,773
Current financial liabilities (excluding trade and other payables and provisions)	流動金融負債(不包括應付賬款及其他應付款和準備)	(30,000)	(30,000)
Revenue	收入	922,113	770,542
Profit from continuing operations	持續經營利潤	37,331	30,869
Total comprehensive income	綜合收益總額	37,331	30,869
Dividend paid to the Company	支付給本公司的股利	17,008	7,653
Included in the above profit:	下列項目已計入上述利潤中：		
Depreciation and amortisation	折舊和攤銷	(5,813)	(4,523)
Interest income	利息收入	1,035	1,050
Interest expense	利息支出	(1,482)	(2,330)
Income tax expense	所得稅支出	(6,288)	(5,409)
Reconciled to the Group's interest in joint venture	與本集團所持合營公司權益的調節		
Gross amounts of net assets	淨資產總額	270,250	247,140
Group's effective interest	本集團的有效權益	51.00%	51.00%
Group's share of net assets	本集團應佔淨資產	137,828	126,041
Elimination of unrealised profits on downstream transactions	抵消未實現順流交易利潤	(8,242)	(6,097)
Carrying amount in the consolidated financial statements	在合併財務報表的賬面金額	129,586	119,944

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

19 INTEREST IN JOINT VENTURES (Continued)

Notes: (Continued)

(v) Summarised financial information of the Group's material joint ventures and reconciliation to the carrying amounts in the consolidated financial statements are as follows: (Continued)

(c) Tianjin YOFC XMKJ Optical Communications Co., Ltd.

19 合營公司權益(續)

註：(續)

(v) 主要合營公司的財務資料概要及其與合併財務報表內賬面金額的調節如下：(續)

(c) 天津長飛鑫茂光通信有限公司

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Gross amounts	總額		
Current assets	流動資產	271,174	267,597
Non-current assets	非流動資產	432,335	463,874
Current liabilities	流動負債	(271,777)	(351,385)
Non-current liabilities	非流動負債	(72,798)	(84,548)
Equity	權益	358,934	295,538
Included in the above assets and liabilities:	下列項目已計入上述資產和負債中：		
Cash and cash equivalents	現金及現金等價物	26,187	18,409
Current financial liabilities (excluding trade and other payables and provisions)	流動金融負債(不包括應付賬款及其他應付款和準備)	(130,000)	(180,000)
Revenue	收入	1,086,721	838,281
Profit from continuing operations	持續經營利潤	63,396	41,551
Total comprehensive income	綜合收益總額	63,396	41,551
Included in the above profit:	下列項目已計入上述利潤中：		
Depreciation and amortisation	折舊和攤銷	(43,797)	(42,309)
Interest income	利息收入	112	3,395
Interest expense	利息支出	(7,993)	(15,529)
Income tax expense	所得稅支出	(7,232)	—
Reconciled to the Group's interest in joint venture	與本集團持有合營公司權益的調節		
Gross amounts of net assets	淨資產總額	358,934	295,538
Group's effective interest	本集團的有效權益	49.00%	49.00%
Group's share of net assets	本集團應佔淨資產	175,878	144,814
Elimination of unrealised profits on downstream transactions	抵消未實現順流交易利潤	(13,642)	(14,543)
Carrying amount in the consolidated financial statements	在合併財務報表的賬面金額	162,236	130,271

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

19 INTEREST IN JOINT VENTURES (Continued)

Notes: (Continued)

(v) Summarised financial information of the Group's material joint ventures and reconciliation to the carrying amounts in the consolidated financial statements are as follows: (Continued)

(d) Shantou Hi-Tech Zone Ao Xing Optical Communication Equipment Co., Ltd.

19 合營公司權益(續)

註：(續)

(v) 主要合營公司的財務資料概要及其與合併財務報表內賬面金額的調節如下：(續)

(d) 汕頭高新區奧星光通信設備有限公司

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Gross amounts	總額		
Current assets	流動資產	331,795	272,327
Non-current assets	非流動資產	52,266	52,352
Current liabilities	流動負債	(157,560)	(106,808)
Non-current liabilities	非流動負債	(3,500)	(3,000)
Equity	權益	223,001	214,871
Included in the above assets and liabilities:	下列項目已計入上述資產和負債中：		
Cash and cash equivalents	現金及現金等價物	7,876	3,567
Revenue	收入	577,384	484,271
Profit from continuing operations	持續經營利潤	20,049	16,613
Total comprehensive income	綜合收益總額	20,049	16,613
Dividend paid to the Company	支付給本公司的股利	5,056	3,775
Included in the above profit:	下列項目已計入上述利潤中：		
Depreciation and amortisation	折舊和攤銷	(6,927)	(7,996)
Interest income	利息收入	875	1,063
Interest expense	利息支出	—	—
Income tax expense	所得稅支出	(3,748)	(2,936)
Reconciled to the Group's interest in joint venture	與本集團持有合營公司權益的調節		
Gross amounts of net assets	淨資產總額	223,001	214,871
Group's effective interest	本集團的有效權益	42.42%	42.42%
Group's share of net assets	本集團應佔淨資產	94,597	91,148
Elimination of unrealised profits on downstream transactions	抵消未實現順流交易利潤	(7,648)	(7,119)
Carrying amount in the consolidated financial statements	在合併財務報表的賬面金額	86,949	84,029

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

19 INTEREST IN JOINT VENTURES (Continued)

Notes: (Continued)

(v) Summarised financial information of the Group's material joint ventures and reconciliation to the carrying amounts in the consolidated financial statements are as follows: (Continued)

(e) Shenzhen SDGI Optical Fibre Co., Ltd.

19 合營公司權益(續)

註：(續)

(v) 主要合營公司的財務資料概要及其與合併財務報表內賬面金額的調節如下：(續)

(e) 深圳特發信息光纖有限公司

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Gross amounts	總額		
Current assets	流動資產	319,426	262,546
Non-current assets	非流動資產	121,260	135,226
Current liabilities	流動負債	(168,109)	(150,871)
Non-current liabilities	非流動負債	(5,840)	(10,415)
Equity	權益	266,737	236,486
Included in the above assets and liabilities:	下列項目已計入上述資產和負債中：		
Cash and cash equivalents	現金及現金等價物	8	25
Current financial liabilities (excluding trade and other payables and provisions)	流動金融負債(不包括應付賬款及其他應付款和準備)	(3,395)	(2,425)
Non-current financial liabilities (excluding trade and other payables and provisions)	非流動金融負債(不包括應付賬款及其他應付款和準備)	—	(3,395)
Revenue	收入	502,494	414,780
Profit from continuing operations	持續經營利潤	30,251	16,321
Total comprehensive income	綜合收益總額	30,251	16,321
Included in the above profit:	下列項目已計入上述利潤中：		
Depreciation and amortisation	折舊和攤銷	(17,615)	(13,108)
Interest income	利息收入	630	132
Interest expense	利息支出	(255)	(641)
Income tax expense	所得稅支出	(4,763)	(1,031)
Reconciled to the Group's interest in joint venture	與本集團持有合營公司權益的調節		
Gross amounts of net assets	淨資產總額	266,737	236,486
Group's effective interest	本集團的有效權益	35.36%	35.36%
Group's share of net assets	本集團應佔淨資產	94,318	83,621
Goodwill	商譽	10,627	10,627
Elimination of unrealised profits on downstream transactions	抵消未實現順流交易利潤	(4,341)	(3,631)
Carrying amount in the consolidated financial statements	在合併財務報表的賬面金額	100,604	90,617

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

19 INTEREST IN JOINT VENTURES (Continued)

Notes: (Continued)

(v) Summarised financial information of the Group's material joint ventures and reconciliation to the carrying amounts in the consolidated financial statements are as follows: (Continued)

(f) Shin-Etsu YOFC (Hubei) Optical Preform Co., Ltd.

19 合營公司權益(續)

註：(續)

(v) 主要合營公司的財務資料概要及其與合併財務報表內賬面金額的調節如下：(續)

(f) 長飛信越(湖北)光棒有限公司

		2016 二零一六年 RMB'000 人民幣千元
Gross amounts	總額	
Current assets	流動資產	75,856
Non-current assets	非流動資產	447,996
Current liabilities	流動負債	(29,145)
Non-current liabilities	非流動負債	(16,200)
Equity	權益	478,507
Included in the above assets and liabilities:	下列項目已計入上述資產和負債中：	
Cash and cash equivalents	現金及現金等價物	42,827
Current financial liabilities (excluding trade and other payables and provisions)	流動金融負債(不包括應付賬款及其他應付款和準備)	(49,721)
Non-current financial liabilities (excluding trade and other payables and provisions)	非流動金融負債(不包括應付賬款及其他應付款和準備)	—
Revenue	收入	—
Loss from continuing operations	持續經營虧損	(13,656)
Total comprehensive income	綜合收益總額	(13,656)
Included in the above profit:	下列項目已計入上述利潤中：	
Depreciation and amortisation	折舊和攤銷	(147)
Interest income	利息收入	837
Interest expense	利息支出	—
Income tax expense	所得稅支出	(1,338)
Reconciled to the Group's interest in joint venture	與本集團持有合營公司權益的調節	
Gross amounts of net assets	淨資產總額	478,507
Group's effective interest	本集團的有效權益	49.00%
Group's share of net assets	本集團應佔淨資產	237,384
Goodwill	商譽	—
Elimination of unrealised profits on downstream transactions	抵消未實現順流交易利潤	—
Carrying amount in the consolidated financial statements	在合併財務報表的賬面金額	237,384

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

19 INTEREST IN JOINT VENTURES (Continued)

Notes: (Continued)

- (vi) The aggregate financial information, of other individually immaterial joint ventures, is as follows:

Aggregate carrying amount of individually immaterial joint ventures in the consolidated financial statements	合併財務報表中個別不重大合營公司的賬面金額總額
Aggregate amounts of the Group's share of those joint ventures' profit from continuing operations	本集團應佔該等合營公司股份的總額持續經營利潤
Total comprehensive income	綜合收益總額

19 合營公司權益(續)

註：(續)

- (vi) 其他個別不重大的合營公司的財務資料總額呈列如下：

2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
116,843	105,448
12,082	7,124
12,082	7,124

20 OTHER NON-CURRENT ASSETS

20 其他非流動資產

	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Available-for-sale equity securities		
– Unlisted	4,550	21,150
– Listed in the PRC (Note 34(e)(i))	114,857	106,175
	119,407	127,325
Prepayments for property, plant and equipment and intangible assets	36,946	71,411
Restricted bank deposits (Note 24)	–	205,000
Interest receivable	–	5,934
Loans to a joint venture (note)	30,000	20,000
Value-added tax recoverable	13,735	–
Loan to a non-controlling interest holder (Note 23(ii))	3,423	–
	203,511	429,670

Note: At 31 December 2016, loans to a joint venture of RMB30,000,000 (2015: RMB20,000,000), through an entrusted loan arrangement, were unsecured, bearing interest at 4.10%-4.75% (2015: 4.75%-5.00%) per annum and repayable in 2018 and 2019.

附註：於二零一六年十二月三十一日，本公司通過委託貸款給予合營公司的貸款人民幣30,000,000元（2015：人民幣20,000,000元）為無抵押貸款，分別按年利率4.10%至4.75%計息（2015：4.75%-5.00%），並於二零一八年及二零一九年償還。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

21 INVENTORIES

(a) INVENTORIES IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION COMPRISE:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Raw materials and spare parts	原材料和備件	235,505	330,155
Work in progress	在製品	78,354	56,346
Finished goods	製成品	330,519	291,561
		644,378	678,062

(b) THE ANALYSIS OF THE AMOUNT OF INVENTORIES RECOGNISED AS AN EXPENSE AND INCLUDED IN PROFIT OR LOSS IS AS FOLLOWS:

(a) 合併財務狀況表所示的存貨包括：

(b) 確認為支出並計入損益的存貨數額分析如下：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Carrying amount of inventories sold	出售存貨的賬面數額	6,427,238	5,426,904
Write-down of inventories	存貨數額撇減	16,784	20,440
		6,444,022	5,447,344

22 TRADE AND BILLS RECEIVABLE

22 應收賬款及票據

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Trade receivables	應收賬款		
– related parties	– 關聯方	168,538	227,179
– third parties	– 第三方	1,757,382	1,732,005
Bills receivable	應收票據	176,071	174,051
Less: allowance for doubtful debts	減：呆賬撥備	(29,686)	(14,057)
		2,072,305	2,119,178

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

所有應收賬款及票據預期將於一年內收回。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

22 TRADE AND BILLS RECEIVABLE (Continued)

(a) AGEING ANALYSIS

As of the end of the reporting period, the ageing analysis of trade and bills receivable, based on the invoice date and net of allowance for doubtful debts, is as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Within 3 months	三個月內	1,696,918	1,671,587
3 to 6 months	三至六個月	148,389	176,609
6 months to 1 year	六個月至一年	159,374	142,975
1 to 2 years	一至二年	53,462	111,313
2 to 3 years	二至三年	13,813	12,146
Over 3 years	超過三年	349	4,548
		2,072,305	2,119,178

During the years ended 31 December 2016 and 2015, the Group's customers included state-owned telecommunication network operators (the "State-owned Telecommunication Operators"), other independent third parties and certain joint ventures. The Group generally required the State-owned Telecommunication Operators to make 70%-80% payment upon delivery of goods and pay the remaining balance in one year. In addition, the Group granted credit periods of 30 to 90 days to those long standing third party customers with good payment history and the joint ventures. The credit period of individual customer is considered on a case-by-case basis and set out in the sales contracts, as appropriate. Normally, the Group does not obtain collateral from customers.

22 應收賬款及票據(續)

(a) 賬齡分析

於報告期末，本集團按發票日之應收賬款及票據(扣除呆賬撥備)之賬齡分析如下：

於截至二零一六年及二零一五年十二月三十一日止年度，本集團的客戶包括國有電信營運商(「國有電信營運商」)、其他獨立第三方及若干合營公司。本集團一般要求國有電信營運商於收到貨物時支付70%-80%貨款並在一年內支付其餘部分。同時，本集團向長期合作並具有良好支付記錄的第三方客戶及合營公司授予30至90天的信用期。個別客戶的信用期均單獨考量並於銷售合同中相應註明。本集團通常不會向客戶收取擔保物。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

22 TRADE AND BILLS RECEIVABLE (Continued)

(b) IMPAIRMENT OF TRADE AND BILLS RECEIVABLE

Impairment losses in respect of trade and bills receivable are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade and bills receivable directly (see Note 2(k)(i)).

The movement in the allowance for doubtful debts during the year, including both specific and collective loss components, is as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
At 1 January	於一月一日	14,057	14,192
Impairment loss recognised	已確認的減值虧損	19,881	1,377
Amounts written back	轉回金額	(4,048)	(1,512)
Uncollectible amounts written off	沖銷不可收回金額	(204)	–
At 31 December	於十二月三十一日	29,686	14,057

At 31 December 2016, the Group's trade and bills receivable that were individually determined to be impaired amounted to RMB32,651,000 (2015: RMB53,344,000). The individually impaired receivables related to customers that were in financial difficulties and management assessed that only a portion of the receivables is expected to be recovered. Consequently, specific allowances for doubtful debts of RMB29,686,000 (2015: RMB14,057,000) were recognised.

22 應收賬款及票據(續)

(b) 應收賬款及票據減值

應收賬款及票據的減值虧損會採用準備賬來記錄，除非本集團認為收回款項的可能性極低，在此情況下，減值虧損將直接沖銷應收賬款及票據(參見附註2(k)(i))。

本年度呆賬撥備(包括特定和整體虧損部分)的變動如下：

於二零一六年十二月三十一日，本集團已個別釐定為減值的應收賬款及票據為人民幣32,651,000元(二零一五年：人民幣53,344,000元)。個別減值的應收賬款與客戶遇上財政困難有關，管理層評估只能收回其中一部分應收款。因此，本集團就此確認呆賬特定準備金額人民幣29,686,000元(二零一五年：人民幣14,057,000元)。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

22 TRADE AND BILLS RECEIVABLE (Continued)

(c) TRADE AND BILLS RECEIVABLE THAT ARE NOT IMPAIRED

The ageing analysis of trade and bills receivable that are neither individually nor collectively considered to be impaired are as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Neither past due nor impaired	沒有逾期或減值	1,442,017	1,352,688
Less than 3 months past due	逾期三個月以內	369,664	425,924
3 to 6 months past due	逾期三至六個月	138,365	134,036
6 months to 1 year past due	逾期六個月至一年	70,720	99,513
1 to 2 years past due	逾期一至二年	34,412	55,129
2 to 3 years past due	逾期二至三年	14,001	10,365
Over 3 years past due	逾期三年以上	161	2,236
		627,323	727,203
		2,069,340	2,079,891

Receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

22 應收賬款及票據(續)

(c) 沒有減值的應收賬款及票據

並未被個別或整體視為減值的應收賬款及票據的賬齡分析如下：

沒有逾期或減值的應收款與最近均沒有拖欠記錄的眾多客戶有關。

已逾期但未減值的應收款涉及素來與本集團有良好業務往來的眾多獨立客戶。管理層認為，根據以往經驗，由於信貸質量並沒有重大改變，而有關餘款仍被視為可以全數收回，因此無須就有關餘款計提任何減值準備。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

23 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

23 按金、預付款項及其他應收款項

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Prepayments for raw materials	採購原材料的預付款項	49,068	48,642
Value-added tax recoverable	待抵扣增值稅項	54,380	32,351
Amounts due from related parties (note (i))	應收關聯方款項(附註(i))	43,096	2,778
Loan to a non-controlling interest holder (note (ii))	給予非控股權益持有人貸款(附註(ii))	13,285	—
Dividends receivable from joint ventures	應收合營公司股利	29,010	44,315
Other deposits	其他按金	12,439	10,128
Interest receivable	應收利息	13,581	—
Net receivables under factoring arrangement (Note 33)	保理安排下應收淨額(附註33)	—	8,827
Others	其他	23,324	30,076
		238,183	177,117

Notes:

- (i) At 31 December 2016, amounts due from related parties included a loan to a joint venture of the Company with principal amount of RMB40,000,000 (2015: Nil). The loans were issued under an entrusted loan arrangement, which was unsecured, bearing interest at 3.60%-4.75% per annum and repayable in 2017. Other amounts due from related parties are unsecured, interest free and have no fixed terms of repayment.
- (ii) The balance at 31 December 2016 represented a loan to PT Monaspermata Persada, the minority interest holder of one of the Company's subsidiary. The loan was bearing interest at 4.85% per annum and repayable in 2017.

附註：

- (i) 於二零一六年十二月三十一日，應收關聯方款項包括給予合營公司的貸款，本金為人民幣40,000,000元(2015年：零)。給予合營公司的貸款為通過委託貸款安排的無抵押貸款，按年利率3.60%至4.75%計息，並於二零一七年償還。其他應收關聯方款項為無抵押，免息及無固定還款期。
- (ii) 於二零一六年十二月三十一日，該餘額是指向本公司一個子公司少數股東權益持有人PT Monaspermata Persada的貸款。該項貸款按年利率4.85%計息並於二零一七年償還。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

24 OTHER FINANCIAL ASSETS

24 其他金融資產

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Trading securities:	交易性證券：		
– listed in the PRC (Note 34(e)(i))	– 在中國境內上市(附註34(e)(i))	5,603	1,861
Available-for-sale debt securities:	可供出售債務證券		
– unlisted (Note 34(e)(i))	– 非上市(附註34(e)(i))	38,198	5,000
Restricted bank deposits (note)	限制性定期存款(附註)	205,000	–
		248,801	6,861

Note: The balance at 31 December 2016 represented bank deposits of RMB205,000,000 through a fixed term contract with Wuhan Branch of HSBC Bank (China) Company Limited. The bank deposits was bearing interest at 3.72% per annum and repayable in 2017.

附註：於二零一六年十二月三十一日，該餘額是指與匯豐銀行(中國)有限公司武漢支行簽訂的金額為人民幣205,000,000元的固定期限合同。該項定期存款按年利率3.72%計息並於二零一七年償還。

Available-for-sale debt securities represents wealth management products issued by certain stated-owned or listed commercial banks in the PRC. At 31 December 2016, the available-for-sale debt securities were neither past due nor impaired.

可供出售債務證券是指若干中國國有或上市商業銀行發行的理財產品。於二零一六年十二月三十一日，可供出售債務證券並無逾期或減值。

25 CASH AND CASH EQUIVALENTS

25 現金及現金等價物

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Cash at bank and in hand	銀行存款和現金	1,427,575	2,047,125

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

26 BANK LOANS

At 31 December 2016, the bank loans were unsecured and repayable as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Within 1 year	一年內	886,870	1,636,609
After 1 year but within 2 years	一年後但二年內	600,579	325,012
After 2 years but within 5 years	二年後但五年內	227,000	453,808
After 5 years	五年後	42,000	42,000
		869,579	820,820
		1,756,449	2,457,429

Certain of the Group's bank loans are subject to the fulfilment of covenants relating to the Group's assets/liabilities ratio, as are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants, the bank loans would become payable on demand. The Group regularly monitors its compliance with these covenants. Further details of the Group's management of liquidity risk are set out in Note 34(b). As at 31 December 2016, none of the covenants relating to bank loans had been breached (2015: Nil).

26 銀行貸款

於二零一六年十二月三十一日，本集團的銀行貸款為無擔保，其還款時間呈列如下：

本集團部分銀行貸款須遵守若干與本集團的資產／負債比率相關的財務契約，此類財務契約常見於金融機構的借款安排中。若本集團違反了契約，銀行貸款將可以被要求立即償還。本集團定期監控對相關契約的遵守情況。有關本集團流動資金風險管理工作的詳情，載列於附註34(b)。於二零一六年十二月三十一日，有關備用信貸的契約並無被違反(二零一五年：零)。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

27 TRADE AND BILLS PAYABLE

27 應付賬款及票據

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Trade payables	應付賬款		
– related parties	– 關聯方	186,610	132,460
– third parties	– 第三方	608,588	658,254
Bills payable	應付票據	85,283	61,620
		880,481	852,334

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

所有應付賬款及票據預期將於一年內償還或按要求償還。

The ageing analysis of trade and bills payable, based on invoice date, is as follows:

應付賬款及票據按發票日期的賬齡分析如下：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Within 1 year	一年內	873,730	846,567
Over 1 year but within 2 years	一年後但二年內	3,516	2,685
Over 2 years but within 3 years	二年後但三年內	594	534
Over 3 years	三年後	2,641	2,548
		880,481	852,334

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

28 ACCRUED EXPENSES AND OTHER PAYABLES

28 預提費用及其他應付款項

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Receipt in advance	預收款項		
– related parties	– 關聯方	563	19,644
– third parties	– 第三方	164,340	80,632
Interest payable	應付利息	7,844	5,909
Payables for staff related costs	應付員工的相關成本	229,256	121,864
Payables for acquisition of property, plant and equipment and intangible assets	購買物業、廠房及設備、無形資產的應付款項	200,249	66,702
Other tax payables	其他應付稅項	58,529	53,628
Payables for sales commission	應付銷售佣金	19,223	19,017
Payables for royalty fees	應付特許權使用費		
– related parties	– 關聯方	35,164	30,982
– third parties	– 第三方	1,713	1,290
Deferred income (Note 30)	遞延收益(附註30)	10,181	7,332
Others	其他	75,512	61,047
		802,574	468,047

All accrued expenses and other payable are expected to be settled within one year or are repayable on demand.

所有預提費用及其他應付款項將於一年內償還或按要求償還。

29 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

29 合併財務狀況表所示的所得稅

(a) CURRENT TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION REPRESENTS:

(a) 財務狀況表當期所得稅：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
At 1 January	於一月一日	(19,877)	(7,179)
Provision for the year (Note 8(a))	本年度撥備(附註8(a))	(143,819)	(66,635)
Income tax paid	已繳所得稅	102,688	53,937
At 31 December	於十二月三十一日	(61,008)	(19,877)
Representing:	代表：		
Income tax recoverable	可收回所得稅	4,831	–
Income tax payable	應付所得稅	(65,839)	(19,877)
		(61,008)	(19,877)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

29 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

(b) DEFERRED TAX ASSETS AND LIABILITIES RECOGNISED

The components of deferred tax assets/(liabilities) are as follows:

		Provision for impairment of assets 資產減值 準備	Deferred income 遞延 收益	Available- for-sale securities 可供出售 證券	Unrealised profits 未實現 利潤	Others 其他	Total 合計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
At 1 January 2015	於二零一五年一月一日	6,725	12,346	(6,807)	9,834	3,866	25,964
Credited/(charged) to profit or loss (Note 8(a))	在損益計入/(列支) (附註8(a))	634	(3,229)	-	(3,272)	(1,286)	(7,153)
Charged to reserve	在儲備列支	-	-	(7,660)	-	-	(7,660)
Through business combination	企業合併所取得	-	-	-	-	(709)	(709)
At 31 December 2015	於二零一五年十二月三十一日	7,359	9,117	(14,467)	6,562	1,871	10,442
At 1 January 2016	於二零一六年一月一日	7,359	9,117	(14,467)	6,562	1,871	10,442
Credited to profit or loss (Note 8(a))	在損益計入(附註8(a))	2,071	15,193	-	6,838	22,764	46,866
Charged to reserve	在儲備列支	-	-	(1,352)	-	-	(1,352)
At 31 December 2016	於二零一六年十二月三十一日	9,430	24,310	(15,819)	13,400	24,635	55,956

(c) DEFERRED TAX ASSETS NOT RECOGNISED

In accordance with the accounting policy set out in Note 2(r), the Group has not recognised deferred tax assets in respect of cumulative tax losses of certain subsidiaries amounting to RMB63,106,000 (2015: RMB45,062,000) as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdictions of the subsidiaries. The unutilised tax losses in these subsidiaries can be carried forward up to five years from the year in which the loss was originated to offset future taxable profits. At 31 December 2016, the Group's unutilised tax losses will be expired in 2019 to 2021.

29 合併財務狀況表所示的所得稅(續)

(b) 已確認遞延稅項資產和負債

遞延稅項資產/(負債)的組成部分如下：

(c) 未確認的遞延稅項資產

按照附註2(r)所載列的會計政策，由於有關附屬公司的稅務機關不大可能獲得可供利用有關虧損的未來應稅利潤，因此本集團尚未就部分附屬公司為數人民幣63,106,000元(二零一五年：人民幣45,062,000元)的累積稅項虧損確認遞延稅項資產。附屬公司的未利用稅項虧損可以在發生虧損年起計，最多不超過五年，用作抵消未來應稅利潤。於二零一六年十二月三十一日，本集團的未利用稅項虧損將於二零一九年至二零二一年期間到期。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

30 DEFERRED INCOME

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Government grants	政府補助	228,615	35,428
Royalty fees	特許權使用費	14,267	20,167
Rental income	租金收入	4,752	5,184
Less: within one year (Note 28)	減：1年以內(附註28)	(10,181)	(7,332)
		237,453	53,447

30 遞延收益

31 EMPLOYEE STOCK OWNERSHIP SCHEME AND PRIVATE PLACEMENT OF DOMESTIC SHARES AND H SHARES

Pursuant to the resolutions regarding the Employee Stock Ownership Scheme and private placement of domestic shares and H shares passed at the extraordinary general meeting held on 19 October 2015, the Company completed the private placement of 30,783,000 domestic shares and 11,869,000 H shares (the "Private Placement"), for the purpose of implementing the Employee Stock Ownership Scheme, on 18 December 2015.

(a) EMPLOYEE STOCK OWNERSHIP SCHEME

Key terms of the Employee Stock Ownership Scheme (the "Scheme") are set out below:

- Target participants of the Scheme shall be core personnel playing a crucial role in the Company's overall performance and mid and long-term development.
- Units of the Scheme which equate equal portions of entitlements to the Scheme divided in accordance with the number of the shares of the Company held. Each scheme unit corresponds to one share of the Company.
- Shares to be subscribed for under the Scheme shall be derived from the Private Placement. 30,783,000 domestic shares and 1,205,000 H shares shall be subscribed for by the Scheme.

31 員工持股計劃和非公開配售內資股及H股

根據經二零一五年十月十九日臨時股東大會審議通過的有關員工持股計劃和非公開配售內資股及H股的決議，於二零一五年十二月十八日，本公司為實施員工持股計劃目的，完成非公開配售30,783,000股內資股和11,869,000股H股(「非公開配售」)。

(a) 員工持股計劃

員工持股計劃(「本計劃」)的關鍵條款載列如下：

- 本計劃的目標參與者應為在本公司的整體業績及中長期發展中起重要作用的核心人員。
- 計劃份額等於本計劃下各等份權益並根據本公司持有的股份數量劃分。每個計劃份額相當於本公司一股股份。
- 本計劃下的股份應通過非公開配售認購。本計劃應認購30,783,000股內資股和1,205,000股H股。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

31 EMPLOYEE STOCK OWNERSHIP SCHEME AND PRIVATE PLACEMENT OF DOMESTIC SHARES AND H SHARES (Continued)

(a) EMPLOYEE STOCK OWNERSHIP SCHEME

(Continued)

- A total of four limited partnerships will be established to hold the domestic shares to be issued under the Scheme. The number of limited partners to limited partnership 1 shall be 12 and shall include directors and senior management personnel of the Group. Limited partnership 1 shall hold 14,252,000 domestic shares under the Scheme. The number of limited partners to the remaining three limited partnerships shall be 143 and shall include other key management personnel and core employees. The remaining three limited partnership shall hold 16,531,000 domestic shares under the Scheme.
- The limited partnership to be established by the general manager of the Company shall be the general partner of the above four limited partnerships.
- 1,205,000 H shares offered by the Company under the Private Placement shall be subscribed by the Company's two foreign directors.
- The issuing price for the domestic shares and H shares is HKD7.15 per share.
- The term of the Scheme is ten years. The lock-up period is the first 24 months of the term and the shares are free from lock-up in the following 96 months (the "Post Lock-up Period"). During the lock-up period, the limited partnerships and foreign directors shall not sell or transfer the shares held by them.
- The scheme holder shall enjoy the initial units under the Scheme based on his/her capital contribution.

31 員工持股計劃和非公開配售內資股及H股(續)

(a) 員工持股計劃(續)

- 本公司將成立四家有限合夥企業以持有本計劃發行的內資股。有限合夥企業1應包含12名有限合夥人及本集團的董事和高級管理人員。有限合夥企業1應持有本計劃下14,252,000股內資股。其餘三家有限合夥企業應包含143名有限合夥人及其他關鍵管理人員和核心員工。其餘三家有限合夥企業應持有本計劃下16,531,000股內資股。
- 本公司總經理擬建立的有限合夥企業應為上述四家有限合夥企業的普通合夥人。
- 本公司通過私募配售提供的1,205,000股H股應由本公司的兩名外籍董事認購。
- 內資股和H股的發行價格為每股7.15港元。
- 本計劃為期十年。禁售期為本計劃的前24個月，剩餘的96個月可自由出售相關股票(「解鎖期」)。於禁售期內，有限合夥企業及外籍董事不得銷售或轉讓其持有的股票。
- 計劃持有人根據其出資額享有本計劃下的初步份額。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

31 EMPLOYEE STOCK OWNERSHIP SCHEME AND PRIVATE PLACEMENT OF DOMESTIC SHARES AND H SHARES (Continued)

(a) EMPLOYEE STOCK OWNERSHIP SCHEME

(Continued)

- During the Post Lock-up Period, the management committee of the Scheme determine whether the scheme holder is eligible for vesting, the actual amount that ultimately could be vested to such scheme holder and the corresponding amount of the capital contribution to the limited partnership.
- If a scheme holder resigns from the Company, the general partner of the relevant limited partnership is entitled to purchase or designate another person to purchase the shares held by the scheme holder at a consideration of the actual capital contribution made by such scheme holder (without interest) (the "Repurchase Condition").
- Upon approval by the Board, the management committee shall be responsible for the implementation of repurchase and granting of scheme units that have been reserved under the Scheme as authorised by the Board.

(b) PRIVATE PLACEMENT

(i) Shares issued under the Scheme

An aggregate of 30,783,000 domestic shares were allotted and issued by the Company on 18 December 2015 at the subscription price of HKD7.15 per share to Wuhan Ruitu Management Consulting Partnership Enterprise (Limited Partnership) ("Limited Partnership") and the three other limited partnerships established and owned by selected employees of the Company under the Scheme. The Limited Partnership is wholly and beneficially owned by four directors and certain senior management of the Company.

An aggregate of 1,205,000 H shares were allotted and issued by the Company on 18 December 2015 at the subscription price HKD7.15 per share to the Company's two foreign directors.

31 員工持股計劃和非公開配售內資股及H股(續)

(a) 員工持股計劃(續)

- 於解鎖期內，本計劃的管理委員會確定計劃持有人是否符合歸屬條件、最終可歸屬該計劃持有人的實際金額以及對有限合夥企業的相應出資額。
- 倘計劃持有人從本公司辭職，相關有限合夥企業的普通合夥人有權以該計劃持有人的實際出資額（不計利息）為對價購買或指定另一名人士購買該計劃持有人持有的股票（「回購條件」）。
- 經董事會批准後，管理委員會須負責回購及授予經董事會授權的本計劃保留的計劃份額。

(b) 非公開配售

- (i) 根據員工持股計劃發行的股份
- 於二零一五年十二月十八日，本公司以認購價每股7.15港元的價格發行及配發合共30,783,000股內資股予武漢睿圖管理諮詢合夥企業（有限合夥企業）（「有限合夥企業」）及三間其他有限合夥企業（根據員工持股計劃由本公司經選定員工成立及擁有）。有限合夥企業由本公司的4名董事和若干高級管理人員全資和實益擁有。

於二零一五年十二月十八日，本公司以認購價每股7.15港元的價格發行及配發合共1,205,000股H股予本公司的兩名外籍董事。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

31 EMPLOYEE STOCK OWNERSHIP SCHEME AND PRIVATE PLACEMENT OF DOMESTIC SHARES AND H SHARES (Continued)

(b) PRIVATE PLACEMENT

(ii) Placing

In addition, in order to meet the minimum public float requirements under the Listing Rules, an aggregate of 10,664,000 H shares were allotted and issued by the Company on 18 December 2015 at the placing price of HKD7.15 per share to four independent professional institutional investors.

(c) FAIR VALUE MEASUREMENT

The fair value of the 30,783,000 domestic shares and 1,205,000 H shares issued under the Scheme on 18 December 2015 is determined to be HKD7.15 per share which is equal to the issue price of the shares. Accordingly, no equity-settled share-based payment expense is recognised.

The fair value was valued by the directors with reference to a valuation report issued by an independent appraiser based on a binomial option pricing model.

Fair value of domestic shares and H shares

Fair value at measurement date	HKD7.15
Share price at measurement date	HKD8.50
Exercise price	HKD7.15
Discount rate	16.00%
Volatility	30.32%
Risk-free interest rate	0.46%

The volatility is based on the historic volatilities of comparable companies. Changes in the subjective input assumptions could materially affect the fair value estimate.

31 員工持股計劃和非公開配售內資股及H股(續)

(b) 非公開配售

(ii) 配售

此外，為了符合《上市規則》最低公眾持股量的規定，於二零一五年十二月十八日，本公司以認購價每股7.15港元的價格發行及配發合共10,664,000股H股予四名獨立專業機構投資者。

(c) 公允價值計量

於二零一五年十二月十八日，根據本計劃發行的30,783,000股內資股和1,205,000股H股的公允價值釐定為每股7.15港元，等同於股票的發行價格。因此，並無確認以權益結算的以股份為基礎的支付費用。

公允價值是由董事參考獨立估值師根據二項期權定價模式出具的估值報告進行估值。

內資股及H股的公允價值

評估基準日公允價值	7.15港元
評估基準日市場價值	8.50港元
認購價格	7.15港元
折扣率	16.00%
波動率	30.32%
無風險利率	0.46%

波動率是根據可比較公司歷史波幅確定。具有主觀成分的輸入值假設如有變動，可能重大影響公允價值的估計。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

32 CAPITAL, RESERVES AND DIVIDENDS

32 資本、儲備和股利

(a) MOVEMENTS IN COMPONENTS OF EQUITY

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statements of changes in equity. Details of the changes in the Company's individual components of equity are set out below:

(a) 權益組成部分的變動

本集團綜合權益的每個組成部分的期初與期末結餘的調節，載列於合併權益變動表。本公司個別權益組成部分的變動詳情如下：

		Share capital 股本 RMB'000 人民幣千元 (Note 32(c)) (附註32(c))	Capital reserve 資本公積 RMB'000 人民幣千元 (Note 32(d)) (附註32(d))	Statutory surplus reserve 法定儲備 RMB'000 人民幣千元 (Note 32(d)) (附註32(d))	Fair value reserve 公允價值儲備 RMB'000 人民幣千元 (Note 32(d)) (附註32(d))	Retained earnings 保留盈利 RMB'000 人民幣千元	Total equity 權益總額 RMB'000 人民幣千元
At 1 January 2015	於二零一五年一月一日	639,463	1,341,461	91,467	25,346	523,803	2,621,540
Changes in equity:	權益變動：						
Total comprehensive income for the year	本年度綜合收益總額	-	-	-	43,405	475,108	518,513
Appropriation	轉撥	-	-	77,080	-	(77,080)	-
Dividends declared	宣派股利	-	-	-	-	(106,151)	(106,151)
Shares issued under the Employee Stock Ownership Scheme (Note 31(b)(i))	根據員工持股計劃發行的股份 (附註31(b)(i))	31,988	157,524	-	-	-	189,512
Placing of shares (Note 31(b)(ii))	股份配售 (附註31(b)(ii))	10,664	51,113	-	-	-	61,777
At 31 December 2015	於二零一五年十二月三十一日	682,115	1,550,098	168,547	68,751	815,680	3,285,191
At 1 January 2016	於二零一六年一月一日	682,115	1,550,098	168,547	68,751	815,680	3,285,191
Changes in equity:	權益變動：						
Total comprehensive income for the year	本年度綜合收益總額	-	-	-	7,381	693,994	701,375
Appropriation	轉撥	-	-	103,538	-	(103,538)	-
Dividends declared	宣派股利	-	-	-	-	(118,688)	(118,688)
At 31 December 2016	於二零一六年十二月三十一日	682,115	1,550,098	272,085	76,132	1,287,448	3,867,878

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

32 CAPITAL, RESERVES AND DIVIDENDS (Continued)

(b) DIVIDENDS

- (i) Dividends payable to equity shareholders of the Company attributable to the year

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Final dividend proposed after the end of reporting period of RMB0.255 per ordinary share (2015: RMB0.174 per ordinary share)	於報告期末後提議分派的末期股利每股普通股人民幣0.255元(二零一五年：每股普通股人民幣0.174元)	173,939	118,688

The final dividends proposed after the end of the reporting period have not been recognised as a liability at the end of the reporting period.

於報告期末後提議分派的末期股利並未於報告期末確認為負債。

- (ii) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved during the year

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Final dividend declared in respect of the previous financial year	宣告的有關上個財政年度的末期股利	118,688	106,151

32 資本、儲備和股利(續)

(b) 股利

- (i) 年度應付予本公司權益持有人的股利

	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Final dividend proposed after the end of reporting period of RMB0.255 per ordinary share (2015: RMB0.174 per ordinary share)	173,939	118,688

於報告期末後提議分派的末期股利並未於報告期末確認為負債。

- (ii) 於年度內批准應付本公司權益持有人上個財政年度的股利

	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Final dividend declared in respect of the previous financial year	118,688	106,151

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

32 CAPITAL, RESERVES AND DIVIDENDS (Continued)

(c) SHARE CAPITAL

		2016 二零一六年		2015 二零一五年	
		Number of shares 股份數目 '000 千股	RMB'000 人民幣千元	Number of shares 股份數目 '000 千股	RMB'000 人民幣千元
Authorised:	已授權:				
Ordinary shares of RMB1.00each	普通股(每股面值 人民幣1.00元)	682,115	682,115	682,115	682,115
Ordinary shares, issued and fully paid:	已發行及繳足 普通股:				
At 1 January	於一月一日	682,115	682,115	639,463	639,463
Shares issued under the private placement (note)	非公開股份配售 (附註)	—	—	42,652	42,652
At 31 December	於十二月三十一日	682,115	682,115	682,115	682,115

Note: Pursuant to the resolutions passed at the extraordinary general meeting held on 19 October 2015, the Company completed the private placement of 30,783,000 domestic shares and 11,869,000 H shares on 18 December 2015. The Company raised approximately RMB251,289,000 in total, net of issuing expenses. The excess of the net proceeds over the nominal value of the shares issued were credited to capital reserve. Further details of the private placement are set out in Note 31.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

註：根據經二零一五年十月十九日臨時股東會議審議通過的決議，於二零一五年十二月十八日，本公司完成非公開配售30,783,000股內資股和11,869,000股H股的私募融資。除去上市發行費用，本公司共募集人民幣251,289,000元。上述募集資金超過股票面值的金額計入本公司的資本公積。有關非公開配售的詳情載列於附註31。

普通股股東有權收取不時宣派的股利，並且有權在本公司大會上按照每持有一股可投一票的比例參與投票。所有普通股在分佔本公司剩餘資產方面享有同等權益。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

32 CAPITAL, RESERVES AND DIVIDENDS (Continued)

(d) NATURE AND PURPOSES OF RESERVES

(i) Capital reserve

Capital reserve represents the Company's share premium, being the excess of the net proceeds/consideration received over the nominal value of the shares issued.

(ii) Statutory surplus reserve

According to the Company's Articles of Association, when distributing each year's after-tax profits, the Company is required to transfer 10% of its net profit to its statutory surplus reserve until the statutory surplus reserve balance reaches 50% or more of the Company's registered capital.

The transfer to this reserve must be made before distribution of a dividend to shareholders.

(iii) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in Note 2(u).

(iv) Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of available-for-sale securities held at the end of the reporting period and is dealt with in accordance with the accounting policy in Note 2(g).

32 資本、儲備和股利(續)

(d) 儲備的性質和用途

(i) 資本公積

資本公積主要是指本公司的股本溢價，即所募集資金／對價超出股票面值的金額。

(ii) 法定儲備

根據本公司章程，本公司分配每年稅後利潤時，需將其淨利潤的10%轉為本公司的法定儲備，直至法定儲備總額達到本公司註冊資本的50%或以上。

該儲備必須在向股東分派股利之前提取。

(iii) 匯兌儲備

匯兌儲備包含換算境外經營的財務報表所產生的一切外匯差異。匯兌儲備按照附註2(u)所載列的會計政策處理。

(iv) 公允價值儲備

公允價值儲備包含於報告期末所持可供出售證券的公允價值累計變動淨額，並按照附註2(g)所載列的會計政策處理。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

32 CAPITAL, RESERVES AND DIVIDENDS (Continued)

(e) DISTRIBUTABILITY OF RESERVES

According to the Company's Articles of Association, net profit as reported in the statutory financial statements prepared in accordance with the accounting rules and regulations of the PRC can only be distributed as dividends after allowances have been made for the following:

- (i) Making up prior years' cumulative losses, if any;
- (ii) Allocations to the statutory surplus reserve as set out in Note 32(d)(ii) above; and
- (iii) Allocations to the discretionary surplus fund if approved by the shareholders.

The distributable profits are the lesser of the net profit of the year as determined in accordance with the accounting rules and regulations of the PRC, and the net profit determined in accordance with IFRSs. At 31 December 2016, the aggregate amount of reserves available for distribution to equity shareholders of the Company was RMB1,679,882,000 (2015: RMB1,124,692,000).

After the end of the reporting period the directors proposed a final dividend of RMB0.255 per ordinary share (2015: RMB0.174 per ordinary share), amounting to RMB173,939,000 (2015: RMB118,688,000) (Note 32(b)). This dividend has not been recognised as a liability at the end of the reporting period.

32 資本、儲備和股利(續)

(e) 儲備的可分派程度

根據本公司章程，按中國會計準則及法規編製的法定財務報表中所呈報的稅後淨利潤僅可在作出下列準備後作為股利分派：

- (i) 彌償過往年度的累計虧損(如有)；
- (ii) 分配至上文附註32(d)(ii)所載的法定儲備；及
- (iii) 股東批准，分配至任意儲備。

本公司用於支付股利的稅後淨利潤將為根據中國會計準則及法規釐定的淨利潤；及根據國際財務報告準則釐定的淨利潤(以較少者為準)。於二零一六年十二月三十一日，本公司的儲備中可向股東分派的金額為人民幣1,679,882,000元(二零一五年：人民幣1,124,692,000元)。

於報告期後，董事會建議分派末期股利每股普通股人民幣0.255元(二零一五年：每股普通股人民幣0.174元)，共計人民幣173,939,000元(二零一五年：人民幣118,688,000元)(附註32(b))。該末期股利並未於報告期末確認為負債。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

32 CAPITAL, RESERVES AND DIVIDENDS (Continued)

(f) CAPITAL MANAGEMENT

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

The Group monitors its capital structure on the basis of adjusted net debt-to-equity ratio. For this purpose, adjusted net debt is defined as total borrowings less cash and cash equivalents and bank deposits. The adjusted net debt-to-equity ratio at 31 December 2016 and 2015 was as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Borrowings	貸款		
– current bank loans	– 流動銀行貸款	886,870	1,636,609
– non-current bank loans	– 非流動銀行貸款	869,579	820,820
Less: cash and cash equivalents bank deposits	減：現金及現金等價物 定期存款	(1,427,575) (205,000)	(2,047,125) (205,000)
Adjusted net debt	經調整淨債務	123,874	205,304
Equity	權益	4,435,818	3,731,675
Adjusted net debt-to-equity ratio	經調整淨負債對資本比率	3%	6%

The Group is not subject to externally imposed capital requirements.

32 資本、儲備和股利(續)

(f) 管理資本

本集團管理資本的主要目的是保障本集團可持續經營，從而藉着訂定與風險水平相稱的產品和服務價格並以合理成本獲得融資的方式，繼續為股東提供回報，並為其他利益相關者帶來利益。

本集團積極定期檢討和管理其資本架構，以在維持較高借貸水平可能帶來較高股東回報與穩健資本狀況所提供的優勢和保障兩者之間取得平衡，並因應經濟狀況轉變而調整資本架構。

本集團以經調整淨負債對資本比率監管其資本架構。就此而言，經調整淨負債的定義是總債務減去現金及現金等價物和銀行存款後所得的數額。於二零一六年及二零一五年十二月三十一日，經調整淨負債對資本比率如下：

本集團均無須遵守外間訂立的資本規定。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

33 TRANSFERS OF FINANCIAL ASSETS

(a) TRANSFERRED FINANCIAL ASSETS THAT ARE DERECOGNISED IN THEIR ENTIRETY

(i) Factoring arrangement

As part of its normal business, the Group entered into trade receivables factoring arrangement (the "Factoring Arrangement"), mainly took place in the second half of the year, and transferred certain of its trade receivables to banks in the PRC. As at 31 December 2015, the Group transferred trade receivables of RMB62,815,000 to banks under Factoring Arrangement ("Trade Receivables under Factoring"). No factoring transactions were entered during the year ended 31 December 2016.

Pursuant to the terms of the Factoring Arrangement, 100% of the trade receivable shall be transferred to the bank. The bank shall pay a consideration equal to 90% of trade receivable factored immediately. By the end of the period of the Factoring Arrangement, normally 12 months, the bank shall pay the remaining 10% of the trade receivable. In the opinion of the directors, the Group has transferred substantially all risks and rewards relating to the Trade Receivables under Factoring, and accordingly, it has derecognised the full amounts of the Trade Receivables under Factoring.

Trade Receivables under Factoring had a remaining maturity of 12 months at 31 December 2015. As at 31 December 2015, the maximum exposure of loss from the Group's continuing involvement in the Trade Receivables under Factoring equal to the remaining 10% of the trade receivable which amounted to RMB8,827,000 (Note 23). In the opinion of the directors, the fair values of the Group's continuing involvement in the Trade Receivables under Factoring are not materially different from their carrying amounts at 31 December 2015.

During the year ended 31 December 2015, total losses recognised on the date of transfer of the Trade Receivables under Factoring amounted to RMB1,610,000. Income and expenses recognised from the continuing involvement, both during the year or cumulatively, are not significant.

33 金融資產的轉移

(a) 全額終止確認的被轉讓金融資產

(i) 保理安排

作為其正常業務的一部分，本集團進行應收賬款保理安排（「保理安排」），相關交易一般於每年下半年發生，並向中國的銀行轉讓若干應收賬款。於二零一五年十二月三十一日，本集團根據保理安排向銀行轉讓若干應收賬款（「保理應收賬款」），其賬面金額為人民幣62,815,000元，二零一六年無應收賬款保理安排。

根據保理安排的條款，100%的應收賬款將移交給銀行。銀行須立即支付相當於進行保理應收賬款90%的金額。保理安排到期時（一般為12個月），銀行應支付應收賬款的其餘10%。董事認為，本集團已實質上轉移了所有保理應收賬款相關的風險和報酬，因此，全額終止確認了保理應收賬款。

於二零一五年十二月三十一日，保理應收賬款為12個月內到期。於二零一五年十二月三十一日，本集團持續參與保理應收賬款的最大損失（等同於應收賬款的其餘10%）為人民幣8,827,000元（附註23）。董事認為，於二零一五年十二月三十一日，本集團持續參與的保理應收賬款的公允價值與賬面金額差別不大。

截至二零一五年十二月三十一日止年度，本集團於保理應收賬款轉移日確認的虧損為人民幣1,610,000元。因持續參與而確認的收益及費用（於本年度或累計金額）並不重大。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

33 TRANSFERS OF FINANCIAL ASSETS (Continued)

(a) TRANSFERRED FINANCIAL ASSETS THAT ARE DERECOGNISED IN THEIR ENTIRETY (Continued)

(ii) Derecognised bills

The Group discounted or endorsed certain bank bills receivable to certain banks in the PRC or the Group's suppliers during the year ("Derecognised Bills") which were derecognised at 31 December 2016. The carrying amount of such discounted bills at 31 December 2016 was RMB3,000,000 (2015: RMB55,245,000). The carrying amount of such endorsed bills at 31 December 2016 was RMB290,778,000 (2015: RMB190,183,000). The Derecognised Bills had a remaining maturity within 6 months at 31 December 2016. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Derecognised Bills have a right of recourse against the Group if the banks default payment. Accordingly, the Group has continuing involvement in the Derecognised Bills. In the opinion of the directors, the Group has transferred substantially all risks and rewards relating to the Derecognised Bills, and accordingly, it has derecognised the full amount of the Derecognised Bills.

The maximum exposure to loss from the Group's continuing involvement in the Derecognised Bills equal to their full amount. In the opinion of the directors, the fair value of the Group's continuing involvement in the Derecognised Bills is not significant.

During the year ended 31 December 2016, total losses recognised on the date of transfer of the discounted bills amounted to RMB534,000 (2015: RMB2,350,000). No gain or loss was recognised on the date of transfer of the endorsed bills. No income or expenses were recognised from the continuing involvement, both during the year or cumulatively.

33 金融資產的轉移(續)

(a) 全額終止確認的被轉讓金融資產(續)

(ii) 終止確認票據

本集團將本年度若干應收銀行票據貼現或背書予中國的若干銀行或本集團供應商(「終止確認票據」)，並於二零一六年十二月三十一日終止確認。於二零一六年十二月三十一日，貼現票據的賬面金額為人民幣3,000,000元(二零一五年：人民幣55,245,000元)。於二零一六年十二月三十一日，背書票據的賬面金額為人民幣290,778,000元(二零一五年：人民幣190,183,000元)。於二零一六年十二月三十一日，終止確認票據剩餘期限為六個月內。根據中華人民共和國票據法，倘銀行違約付款，終止確認票據持有人對本集團附有追索權。因此，本集團持續參與終止確認票據。董事認為，本集團已實質上轉移了終止確認票據所有風險和報酬，因此，本集團全額終止確認該些票據。

本集團持續參與終止確認票據的最高損失相當於其全部金額。董事認為，持續參與終止確認票據的公允價值並不重大。

截至二零一六年十二月三十一日止年度，本集團於貼現票據轉讓當日確認的虧損總額為人民幣534,000元(二零一五年：人民幣2,350,000元)。於背書票據轉移日，本集團並無於背書票據轉讓當日確認的收益或虧損。本集團並無因持續參與確認的收益或費用(於本年度或累計金額)。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

33 TRANSFERS OF FINANCIAL ASSETS (Continued)

(b) TRANSFERRED FINANCIAL ASSETS THAT ARE NOT DERECOGNISED IN THEIR ENTIRETY

In addition to the Derecognised Bills as disclosed in Note 33(a)(ii) above, the Group had certain discounted bills and endorsed bills with carrying amounts of nil and RMB45,269,000 at 31 December 2016 (2015: RMB4,622,000 and RMB42,331,000) respectively. In the opinion of the directors, the Group has retained the substantial risks and rewards, which include default risks relating to such discounted bills and endorsed bills, and accordingly, it continued to recognise the full carrying amounts of discounted bills and endorsed bills and the associated bank loans and trade payables settled. Subsequent to the endorsement, the Group did not retain any rights on the use of the discounted bills and endorsed bills, including the sale, transfer or pledge of the discounted bills and endorsed bills to any other third parties. At 31 December 2016, the aggregate carrying amount of the discounted bills and trade payables settled by the endorsed bills during the year to which the banks or the suppliers have recourse were nil and RMB45,269,000 (2015: RMB4,622,000 and RMB42,331,000). In the opinion of the directors, the difference between the fair value of the transferred assets and the associated liabilities is not significant.

34 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business. The Group is also exposed to equity price risk arising from its equity investments in other entities. The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

33 金融資產的轉移(續)

(b) 已轉移但未整體終止確認的金融資產

除了上述附註33(a)(ii)中列示的終止確認票據外，於二零一六年十二月三十一日，本集團持有若干貼現票據和背書票據，其賬面金額分別為人民幣零元和人民幣45,269,000元(二零一五年：人民幣4,622,000元和人民幣42,331,000元)。董事認為，本集團實質上保有貼現票據和背書票據所有的風險和報酬，包括該貼現票據和背書票據的違約風險，因此，本集團繼續全額確認貼現票據和背書票據及其相關的銀行貸款和已結算應付賬款。於背書轉讓後，本集團不再保有貼現票據和背書票據的任何使用權，包括將貼現票據和背書票據銷售、轉讓或質押給其他第三方。於二零一六年十二月三十一日，本年度通過背書票據結算且銀行或供應商附有追索權的貼現票據和應付賬款的賬面金額共計為人民幣零元和45,269,000元(二零一五年：人民幣4,622,000元和42,331,000元)。董事認為，已轉移資產及其相關負債的公允價值差異並不重大。

34 金融工具的金融風險管理和公允價值

本集團須在正常業務過程中承受信貸、流動資金、利率和貨幣風險。本集團亦須承受在其他實體的權益投資中所產生的股價風險。本集團對這些風險的承擔額以及為管理這些風險所採用的金融風險管理政策和慣常做法載列於下文。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

34 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(a) CREDIT RISK

The Group's credit risk is primarily attributable to cash at bank, available-for-sale debt securities and trade and other receivables. Management has a credit policy in place and the exposure to these credit risks are monitored on an ongoing basis.

Substantially all of the Group's cash at bank and available-for-sale debt securities are deposited in or purchased from reputable banks which the directors assessed the credit risk to be insignificant.

The Group's major customers included the three major state-owned telecommunications network operators in the PRC and the Group's joint ventures. During the year ended 31 December 2016, sales to the three major state-owned telecommunications network operators and the Group's joint ventures accounted for approximately 36% and 31% (2015: 31% and 28%) of the Group's total revenue respectively.

The Group has certain concentration of credit risk. Significant concentrations of credit risk arise primarily when the Group has significant exposure to individual customers. As at 31 December 2016, 33% and 68% (2015: 26% and 67%) of trade receivables was due from the Group's largest customer and the Group's five largest customers, respectively. Entities which are known to the Group to be under common control with the customer are considered a single customer in the above analysis.

The Group does not provide any guarantee which would expose the Group to credit risk.

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade and other receivables are set out in Notes 22 and 23.

34 金融工具的金融風險管理和公允價值(續)

(a) 信貸風險

本集團的信貸風險主要來自銀行存款、可供出售債務證券及應收賬款和其他應收款。管理層已制定適當的信貸政策，並且不斷監察這些信貸風險的額度。

本集團主要的銀行存款和可供出售債務證券均存放於或購買自信譽良好且經董事評估為信用風險不高的銀行。

本集團主要客戶包括中國三家國有電信網絡營運商和本集團的合營公司。截至二零一六年十二月三十一日止年度，對三家國有電信網絡營運商和本集團的合營公司的銷售分別佔本集團總收入的36%和31%(二零一五年：31%和28%)。

本集團面臨若干集中信貸風險。顯著的集中信貸風險主要於本集團面臨個別客戶的重大風險時產生。於二零一六年十二月三十一日，本集團應收最大客戶及前五大客戶的款項分別佔應收賬款總額的33%及68%(二零一五年：26%及67%)。在上述分析中，本集團已知的與客戶處於共同控制下的實體被認為是單一客戶。

本集團沒有提供任何其他可能令本集團承受信貸風險的擔保。

有關本集團承受因應收賬款及其他應收款所產生的信貸風險的進一步定量披露內容分別載列於附註22和23。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

34 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(b) LIQUIDITY RISK

The Company is responsible for the Group's overall cash management, including the short term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to approval by the board of directors when the borrowings exceed certain predetermined levels of authority. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants (if any), to ensure that it maintains sufficient reserves of cash and readily realisable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following tables show the remaining contractual maturities at the end of the reporting period of the Group's non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group can be required to pay.

34 金融工具的金融風險管理和公允價值(續)

(b) 流動資金風險

本公司負責本集團的整體現金管理，包括現金盈餘的短期投資和籌借貸款以應付預計現金需求(如果借款額超過某些預設授權上限，便需尋求董事會的批核)。本集團的政策是定期監察流動資金需求，以及是否符合借款契諾的規定(如有)，以確保維持充裕的現金儲備和可供隨時變現的有價證券，同時獲得大型金融機構承諾提供足夠的備用資金，以滿足短期和較長期的流動資金需求。

下表載列了本集團的非衍生金融負債於報告期末的剩餘合約期限。該等金融負債是以訂約未折現現金流量(包括以訂約利率或(如屬浮息)按於報告期末的利率計算的利息付款)以及本集團須支付的最早日期為準。

		2016 二零一六年					
		Contractual undiscounted cash outflow 合約非貼現現金流量總額					
		Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	Carrying amount
		1年內或即期 RMB'000 人民幣千元	但2年以下 RMB'000 人民幣千元	但5年以下 RMB'000 人民幣千元	5年以上 RMB'000 人民幣千元	合計 RMB'000 人民幣千元	賬面金額 RMB'000 人民幣千元
Bank loans	銀行貸款	919,452	622,358	246,206	43,545	1,831,561	1,756,449
Trade and bills payables	應付賬款及票據	880,481	-	-	-	880,481	880,481
Accrued expenses and other payables	預提費用及其他應付款項	597,706	-	-	-	597,706	597,706
Total	合計	2,397,639	622,358	246,206	43,545	3,309,748	3,234,636

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

34 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(b) LIQUIDITY RISK (Continued)

34 金融工具的金融風險管理和公允價值(續)

(b) 流動資金風險(續)

		2015 二零一五年					
		Contractual undiscounted cash outflow 合約非貼現現金流量總額					
		Within 1 year or on demand 一年內 或即期 RMB'000 人民幣千元	More than 1 year but less than 2 years 一年以上 但兩年以下 RMB'000 人民幣千元	More than 2 years but less than 5 years 兩年以上 但五年以下 RMB'000 人民幣千元	More than 5 years 五年以上 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元	Carrying amount 賬面金額 RMB'000 人民幣千元
Bank loans	銀行貸款	1,668,203	340,028	469,544	44,045	2,521,820	2,457,429
Trade and bills payables	應付賬款及票據	852,334	-	-	-	852,334	852,334
Accrued expenses and other payables	預提費用及其他應付款項	274,430	-	-	-	274,430	274,430
Total	合計	2,794,967	340,028	469,544	44,045	3,648,584	3,584,193

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

34 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(c) INTEREST RATE RISK

The Group's interest rate risk arises primarily from bank loans. Bank loans issued at variable rates expose the Group to cash flow interest rate risk.

The Group regularly reviews and monitors the mix of fixed and variable rate bank loans in order to manage its interest rate risks.

The following table details the interest rate profile of the Group's bank loans at the end of the reporting period.

		2016 二零一六年		2015 二零一五年	
		Effective interest rate 有效利率 %	Carrying amount 賬面金額 RMB'000 人民幣千元	Effective interest rate 有效利率 %	Carrying amount 賬面金額 RMB'000 人民幣千元
Fixed rate bank loans	固定利率銀行貸款	0.10%-4.61%	1,225,248	0.90%-2.65%	1,027,187
Floating rate bank loans	浮動利率銀行貸款	1.53%-4.75%	531,201	0.72%-3.92%	1,430,242
At 31 December	於十二月三十一日		1,756,449		2,457,429

At the end of the reporting period, it is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variables held constant, would have (decreased)/increased the Group's profit after tax and retained earnings by approximately RMB4,515,000 (2015: RMB12,157,000).

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

The sensitivity analysis above indicates the instantaneous change in the Group's profit after tax (and retained earnings) and other components of consolidated equity that would arise assuming that the change in interest rates had occurred at the end of the reporting period. The impact is estimated as an annualised impact on interest expense of such a change in interest rates. The sensitivity analysis is performed on the same basis for 2015.

34 金融工具的金融風險管理和公允價值(續)

(c) 利率風險

本集團的利率風險主要源自銀行借款。本集團因浮動利率貸款而須承受現金流量利率風險。

為了管理本集團的利率風險，本集團定期審查並監控固定利率及浮動利率貸款的組合。

下表詳述本集團銀行貸款於報告期末的利率概況。

於報告期末，估計當利率上升／下降100個基點，加上所有其他變數保持不變，本集團稅後利潤及保留盈利應將因此(減少)／增加約人民幣4,515,000元(二零一五年：人民幣12,157,000元)。

綜合權益的其他組成部分不會受到利率變動的影響。

以上敏感度分析假設利率變動於報告期末已經發生，本集團的稅後利潤(和保留盈利)以及綜合權益的其他組成部分會因此即時變動。本集團的稅後利潤(和保留盈利)以及綜合權益的其他組成部分所受到的影響，是基於每年有關利率變動對利息支出的影響作出估計。以上分析是按二零一五年的同一基準進行。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

34 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(d) CURRENCY RISK

The Group is exposed to currency risk primarily through sales, purchases and borrowings which give rise to receivables, payables and bank loans that are denominated in foreign currency, i.e. a currency other than the functional currency of the operations in which the transactions relate. The currencies giving rise to this risk are primarily United States dollars ("USD"), Euros ("EUR") and Hong Kong dollars ("HKD")

(i) Recognised assets and liabilities

The Group did not hedge its foreign currency exposure.

RMB is not a freely convertible currency and the PRC government may at its discretion restrict access to foreign currencies for current account transactions in the future. Changes in the foreign exchange control system may prevent the Group from satisfying sufficient foreign currency demands and the Group may not be able to pay dividends in foreign currencies to its shareholder

(ii) Exposure to currency risk

The following table details the Group's exposure at the end of the reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity in which they relate. For presentation purposes, the amounts of the exposure are shown in RMB, translated using the spot rate at the end of the reporting period.

34 金融工具的金融風險管理和公允價值(續)

(d) 貨幣風險

本集團所承受的貨幣風險主要源於產生以外幣計價的應收款、應付款及銀行貸款的銷售、採購以及借款。所指外幣是與這些交易有關的業務功能貨幣以外的貨幣。引致這種風險的貨幣主要包括美元、歐元及港幣。

(i) 已確認資產與負債

本集團未就外幣風險進行對沖。

人民幣並非自由兌換貨幣，中國政府可自行安排未來對來往賬戶交易採用外幣的限制。關於外匯控制政策的變化，可能妨礙本集團滿足對外幣的需求，從而導致本集團可能無法向股東以外幣支付股利。

(ii) 貨幣風險額度

下表詳述本集團於報告期末以相關實體的功能貨幣以外的貨幣計值的已確認資產或負債所產生的貨幣風險。就呈列目的而言，風險額度的金額以人民幣列示，並以報告期末即時匯率換算。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

34 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(d) CURRENCY RISK (Continued)

(ii) Exposure to currency risk (Continued)

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

		2016 二零一六年				
		USD 美元	EUR 歐元	HKD 港幣	RMB 人民幣	Others 其他
Trade and bills receivable	應收賬款及票據	159,367	—	—	8,811	—
Cash and cash equivalents	現金及現金等價物	115,628	23,476	9,912	161	1
Bank loans	銀行貸款	(60,682)	(577,086)	—	(35,000)	—
Trade and bills payable	應付賬款及票據	(73,469)	(144,150)	—	(15,012)	(209)
Net exposure	風險淨額	140,844	(697,760)	9,912	(41,040)	(208)

		2015 二零一五年				
		USD 美元	EUR 歐元	HKD 港幣	RMB 人民幣	Others 其他
Trade and bills receivable	應收賬款及票據	154,708	—	—	—	—
Cash and cash equivalents	現金及現金等價物	593,724	65,476	108,779	3,430	1
Bank loans	銀行貸款	(481,527)	(1,716,021)	—	—	—
Trade and bills payable	應付賬款及票據	(212,272)	(147,941)	—	(187)	(312)
Net exposure	風險淨額	54,633	(1,798,486)	108,779	3,243	(311)

34 金融工具的金融風險管理和公允價值(續)

(d) 貨幣風險(續)

(ii) 貨幣風險額度(續)

本集團的外幣風險額度(以人民幣千元列示)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

34 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(d) CURRENCY RISK (Continued)

(iii) Sensitivity analysis

The followings are the foreign currency exchange rates applied:

		Average rate 平均匯率	Reporting date spot rate 報告日現匯匯率
		2016 二零一六年	2015 二零一五年
USD	美元	6.6529	6.2307
EUR	歐元	7.3417	6.9460
HKD	港幣	0.8571	0.8037

A 5% strengthening of RMB against the following currencies as at the respective reporting period end dates would have increased/(decreased) the Group's profit after tax and retained earnings by the amounts shown below. Other components of equity would not be affected by the strengthening of RMB against foreign currencies.

於各報告期末人民幣對以下貨幣增值5%會使稅後利潤及保留盈利增加／(減少)的金額呈列如下。權益的其他組成部分不會受到人民幣相對於外幣增值的影響。

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
USD	美元	(5,929)	(2,065)
EUR	歐元	29,656	76,223
HKD	港幣	(421)	(4,623)
RMB	人民幣	1,571	(122)
Others	其他	8	14
		24,885	69,427

A 5% weakening of RMB against the above currencies as at the respective reporting period end dates would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

於各報告期末人民幣相對於上述貨幣5%的貶值，假設所有其他變量保持不變，則對上述貨幣產生金額相同但方向相反的影響，影響金額如上表呈列。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

34 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(d) CURRENCY RISK (Continued)

(iii) Sensitivity analysis (Continued)

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at the end of the reporting period. The analysis excludes differences that would result from the translation of the financial statements of foreign operations into the Group's presentation currency.

The 5% change represents management's assessment of reasonably possible changes in foreign exchange rates over the period until the next annual reporting period end date. The analysis is performed on the same basis for 2015.

(e) FAIR VALUES

(i) Financial instruments carried at fair value

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the respective reporting period end dates on a recurring basis, categorised into the three-level fair value hierarchy as defined in IFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

34 金融工具的金融風險管理和公允價值(續)

(d) 貨幣風險(續)

(iii) 敏感度分析(續)

以上敏感度分析是假設匯率於報告期末有所改變而釐定，並已應用於重新計量本集團於報告期末所持有的使本集團須承擔外幣風險的金融工具。該分析不包括以本集團的列報貨幣換算境外經營的財務報表所產生的差異。

5%變動代表管理層於此期間至下一年度報告期末日對外匯匯率可能變化的合理評估。該分析是按二零一五年的同一基準進行。

(e) 公允價值

(i) 按公允價值計量的金融工具

公允價值層級

下表呈列本集團經常性的於報告期末所計量的金融工具公允價值。該等金融工具已歸入《國際財務報告準則》第13號「公允價值計量」所界定的三個公允價值層級。本集團參照以下估值方法所採用的輸入值的可觀察程度和重要性，從而釐定公允價值計量數值所應歸屬的層級：

- 第一層級估值：只使用第一層級輸入值（即相同資產或負債於計量日期在活躍市場的未經調整報價）來計量公允價值。
- 第二層級估值：使用第二層級輸入值（即未達第一層級的可觀察輸入值）並捨棄重大不可觀察輸入值來計量公允價值。不可觀察輸入值是指欠缺市場數據的輸入值。
- 第三層級估值：採用重大不可觀察輸入值來計量公允價值。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

34 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(e) FAIR VALUES (Continued)

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

Fair value hierarchy

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Level 1	第1層級		
– listed available-for-sale equity securities	– 已上市的可供出售證券投資	114,857	106,175
– listed trading securities	– 已上市的交易性證券	5,603	1,861
Level 3	第3層級		
– unlisted available-for-sale debt securities	– 未上市的可供出售債務證券	38,198	5,000
		158,658	113,036

During the years ended 31 December 2016 and 2015, there were no transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

The fair values of available-for-sale debt securities are determined using the discounted cash flow analysis. The significant unobservable input in the fair value measurement is the discount rate. As the maturities of the Group's available-for-sale debt securities are less than 12 months, the directors are of the opinion that the impact of discounting would be insignificant. Any increase/decrease in the discount rate at 31 December 2016 would not have significant impact on the Group's other comprehensive income.

(ii) Fair value of financial instruments carried at other than fair value

The carrying amounts of the Group's financial instruments carried at cost or amortised cost were not materially different from their fair value at 31 December 2016 and 2015.

34 金融工具的金融風險管理和公允價值(續)

(e) 公允價值(續)

(i) 按公允價值計量的金融工具(續)

公允價值層級

	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Level 1		
– listed available-for-sale equity securities	114,857	106,175
– listed trading securities	5,603	1,861
Level 3		
– unlisted available-for-sale debt securities	38,198	5,000
	158,658	113,036

截至二零一六年及二零一五年十二月三十一日止年度，並無任何公允價值轉入第三層級或自第三層級轉出。本集團的政策是在公允價值層級之間出現轉移的報告期完結時確認有關變動。

可供出售債務證券的公允價值採用貼現現金流量分析法釐定。公允價值計量的重大不可觀察輸入值是貼現率。由於本集團的可供出售債務證券到期期限為12個月以下，董事認為貼現影響並不重大。於二零一六年十二月三十一日，貼現率上升/下降對本集團的其他綜合收益不會有重大影響。

(ii) 非按公允價值列賬的金融工具的公允價值

本集團按成本或攤銷成本入賬的金融工具的賬面金額與其於二零一六年和二零一五年十二月三十一日的公允價值分別不大。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

35 COMMITMENTS

35 承擔

(a) CAPITAL COMMITMENTS OUTSTANDING AT 31 DECEMBER 2016 NOT PROVIDED FOR IN THE FINANCIAL STATEMENTS WERE AS FOLLOWS:

(a) 於二零一六年十二月三十一日未償付而又未在財務報表內提撥準備的資本承擔如下：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Contracted for	已訂約		
– property, plant and equipment	– 物業、廠房及設備	179,538	202,009
– investment in joint ventures	– 於合營公司的投資	16,718	226,840
Authorised but not contracted	已授權但未訂約		
– property, plant and equipment	– 物業、廠房及設備	748,964	741,881
– lease prepayments	– 預付租賃款項	16,831	43,950
		962,051	1,214,680

(b) AT 31 DECEMBER 2016, THE TOTAL FUTURE MINIMUM LEASE PAYMENTS UNDER NON-CANCELLABLE OPERATING LEASES ARE PAYABLE AS FOLLOWS:

(b) 於二零一六年十二月三十一日，根據不可解除的經營租賃在日後應付的最低租賃付款總額如下：

		2016 二零一五年 RMB'000 人民幣千元	2015 二零一四年 RMB'000 人民幣千元
Within 1 year	一年內	8,725	5,293
After 1 year but within 5 years	一年後但五年內	14,085	2,710
		22,810	8,003

The Group leases certain buildings through non-cancellable operating leases. These operating leases do not contain provisions for contingent lease rentals. None of the rental agreements contain escalation provisions that may require higher future rental payments.

本集團通過不可解除的經營租賃租用若干樓宇。這些經營租賃並沒有或有租賃租金的條款。租賃協議並無載有可能會在未來要求更高租金的遞增條文。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

36 MATERIAL RELATED PARTY TRANSACTIONS

(a) TRANSACTIONS WITH RELATED PARTIES

The Group had the following material transactions with related parties during the year ended 31 December 2016:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Sales of goods to	出售商品予		
– China Huaxin	– 中國華信	148	590
– joint venture of China Huaxin	– 中國華信的合營公司	471	3,023
– subsidiaries and fellow subsidiary of Draka	– Draka的附屬公司及同系附屬公司	52,632	71,535
– joint ventures	– 合營公司	2,520,937	1,960,457
Purchase of goods from	購買商品自		
– subsidiaries of Draka	– Draka的附屬公司	98,423	44,926
– associate	– 聯營公司	27,933	30,683
– joint ventures	– 合營公司	2,629,262	2,140,560
Royalty fees income from	特許權使用費收入自		
– joint ventures	– 合營公司	5,900	5,900
Rental income from	租金收入自		
– shareholders	– 股東	9	–
– associate	– 聯營公司	432	432
– joint venture	– 合營公司	2,761	368
Rental expense to	租金費用予		
– associate	– 聯營公司	–	360
Royalty fees to	特許權使用費予		
– subsidiary of Draka	– Draka的附屬公司	33,775	30,982
Loans to a joint venture	貸款予合營企業	50,000	20,000
Consideration paid for the acquisition of NK Wuhan to	支付收購武漢安凱的對價予		
– subsidiary of Draka (Note 17(ii))	– Draka的附屬公司(附註17(ii))	–	18,000

Note: China Huaxin Post and Telecommunication Economy Development Center ("China Huaxin"), Wuhan Yangtze Communications Industry Group Co., Ltd. ("Yangtze Communications") and Draka Comteq B.V. ("Draka") are the Company's shareholders. As at 31 December 2016, the Company was owned as to 26.37%, 17.58% and 26.37% (2015: 26.37%, 17.58% and 26.37%) by China Huaxin, Yangtze Communications and Draka, respectively.

(a) 與關聯方交易

截至二零一六年十二月三十一日止年度，本集團與關聯方進行的重大交易如下：

	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
出售商品予		
– 中國華信	148	590
– 中國華信的合營公司	471	3,023
– Draka的附屬公司及同系附屬公司	52,632	71,535
– 合營公司	2,520,937	1,960,457
購買商品自		
– Draka的附屬公司	98,423	44,926
– 聯營公司	27,933	30,683
– 合營公司	2,629,262	2,140,560
特許權使用費收入自		
– 合營公司	5,900	5,900
租金收入自		
– 股東	9	–
– 聯營公司	432	432
– 合營公司	2,761	368
租金費用予		
– 聯營公司	–	360
特許權使用費予		
– Draka的附屬公司	33,775	30,982
貸款予合營企業	50,000	20,000
支付收購武漢安凱的對價予		
– Draka的附屬公司(附註17(ii))	–	18,000

附註：中國華信郵電經濟開發中心(「中國華信」)，武漢長江通信產業集團股份有限公司(「長江通信」)和Draka Comteq B.V.(「Draka」)為本公司的股東。於二零一六年十二月三十一日，中國華信、長江通信和Draka分別持有本公司26.37%、17.58%和26.37%的股權(二零一五年：26.37%、17.58%和26.37%)。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

36 MATERIAL RELATED PARTY TRANSACTIONS

(Continued)

(b) OUTSTANDING BALANCES WITH RELATED PARTIES

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

36 重大關聯方交易(續)

(b) 與關聯方的餘額

本集團與關聯方的未償還餘額詳情如下：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Trade and bills receivable	應收賬款及票據		
– China Huaxin	– 中國華信	107	962
– joint venture of China Huaxin	– 中國華信的合營公司	276	–
– subsidiary of Yangtze Communications	– 長江通信的附屬公司	187	187
– subsidiaries and fellow subsidiary of Draka	– Draka的附屬公司及同系附屬公司	5,506	22,154
– joint ventures	– 合營公司	162,462	203,876
		168,538	227,179
Deposits, prepayments and other receivables	按金、預付款及其他應收款項		
– subsidiary of Yangtze Communications	– 長江通信的附屬公司	2,217	2,517
– subsidiary of Draka	– Draka的附屬公司	3,394	1,602
– joint ventures	– 合營公司	69,987	44,576
		75,598	48,695
Other non-current assets	其他非流動資產		
– joint venture	– 合營公司	30,000	20,000
Trade and bills payable	應付賬款及票據		
– subsidiaries of Draka	– Draka的附屬公司	4,081	10,546
– associate	– 聯營公司	14,182	11,458
– joint ventures	– 合營公司	168,347	110,456
		186,610	132,460

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

36 MATERIAL RELATED PARTY TRANSACTIONS

(Continued)

(b) OUTSTANDING BALANCES WITH RELATED PARTIES (Continued)

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Accrued expenses and other payables	預提費用及其他應付款項		
– subsidiaries of Draka	– Draka的附屬公司	33,523	30,982
– associate	– 聯營公司	432	432
– joint ventures	– 合營公司	6,442	25,544
		40,397	56,958
Deferred income	遞延收益		
– associate	– 聯營公司	4,320	4,752
– joint ventures	– 合營公司	8,367	14,267
		12,687	19,019

(c) KEY MANAGEMENT PERSONNEL REMUNERATION

Key management personnel are those persons holding positions with authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including the Company's directors.

Remuneration for key management personnel, including amounts paid to the Company's directors (including chief executive and supervisors) as disclosed in Note 9 and certain of the highest paid employees as disclosed in Note 10, is as follows:

(c) 關鍵管理人員薪酬

關鍵管理人員指其所處職位具有權力與責任、可直接或間接地規劃、領導以及控制本集團的活動的個人，包括本公司的董事。

本集團關鍵管理人員的酬金，包括附註9所披露已付本公司董事(包括行政總裁及監事)的款項和附註10所披露部分酬金最高的僱員如下：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Short-term employee benefits	短期僱員福利	36,107	31,145
Post-employment benefits	離職後福利	687	688
		36,794	31,833

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

酬金總額已計入「員工成本」中(參閱附註7(a))。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

36 MATERIAL RELATED PARTY TRANSACTIONS

(Continued)

(d) APPLICABILITY OF THE LISTING RULES RELATING TO CONNECTED TRANSACTIONS

For the year ended 31 December 2016, the following related party transactions as disclosed in Note 36(a) above constitute connected transaction or continuing connected transactions as defined in Chapter 14A of the Listing Rules. The disclosures required by Chapter 14A of the Listing Rules are provided in section "Connected Transactions" of the Directors' Report.

Sales of goods to

- China Huaxin
- a joint venture of China Huaxin
- subsidiaries and fellow subsidiary of Draka
- YOFC Shanghai, a joint venture

Purchase of goods from

- subsidiaries of Draka
- YOFC Shanghai

Royalty fees to

- subsidiary of Draka

In addition, certain related party transactions above constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules. However, these transactions are exempt from the disclosure requirements in Chapter 14A of the Listing Rules as they are below the de minimis threshold under 14A.76(1) of the Listing Rules.

36 重大關聯方交易(續)

(d) 與關連交易有關的《上市規則》的適用性

根據《上市規則》第14A章的定義，截至二零一六年十二月三十一日止年度，上述在附註36(a)中披露的以下關聯方交易構成關連交易及持續關連交易。本集團已按照《上市規則》第14A章規定，於董事會報告書「關連交易」章節中作出披露。

出售商品予

- 中國華信
- 中國華信的一家合營公司
- Draka的附屬公司及同系附屬公司
- 長飛上海，一家合營公司

購買商品自

- Draka的附屬公司
- 長飛上海

特許權使用費予

- Draka的附屬公司

除此之外，根據《上市規則》第14A章定義，若干上述關聯方交易構成持續關連交易。但根據《上市規則》第14A.76(1)條的規定，該等交易符合最低豁免水平的交易，獲豁免毋須按照《上市規則》第14A章的規定披露該等交易。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

37 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION

37 公司層面財務狀況表

		Note 註釋	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備		969,551	871,836
Construction in progress	在建工程		42,357	42,738
Lease prepayments	租賃預付款項		111,694	114,127
Investment in subsidiaries	於附屬公司的投資		845,536	443,161
Interest in associates	於聯營公司權益		9,000	9,000
Interest in joint ventures	於合營公司權益		727,294	482,487
Other non-current assets	其他非流動資產		370,209	425,851
Deferred tax assets	遞延稅項資產		26,830	10,644
Total non-current assets	非流動資產總額		3,102,471	2,399,844
Current assets	流動資產			
Inventories	存貨		559,387	608,413
Trade and bills receivable	應收賬款及票據		1,966,707	2,065,842
Deposits, prepayments and other receivables	按金、預付款項及其他應收款項		392,401	192,871
Other financial assets	其他金融資產		210,603	1,861
Cash and cash equivalents	現金及現金等價物		1,108,386	1,782,808
Total current assets	流動資產總額		4,237,484	4,651,795
Current liabilities	流動負債			
Bank loans	銀行貸款		832,036	1,377,957
Trade and bills payable	應付賬款及票據		899,018	1,068,875
Accrued expenses and other payables	預提費用及其他應付款項		670,440	437,843
Income tax payable	應付所得稅		46,267	7,506
Total current liabilities	流動負債總額		2,447,761	2,892,181
Net current assets	淨流動資產		1,789,723	1,759,614
Total assets less current liabilities	總資產減流動負債		4,892,194	4,159,458
Non-current liabilities	非流動負債			
Bank loans	銀行貸款		869,579	820,820
Deferred income	遞延收益		154,737	53,447
Total non-current liabilities	非流動負債總額		1,024,316	874,267
Net assets	淨資產		3,867,878	3,285,191
Capital and reserves	資本和儲備	32		
Share capital	股本		682,115	682,115
Reserves	儲備		3,185,763	2,603,076
Total equity	權益總額		3,867,878	3,285,191

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

38 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

After the end of the reporting period the directors proposed a final dividend. Further details are disclosed in Note 32(b).

39 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2016

Up to the date of issue of these financial statements, the IASB has issued a number of amendments and new standards which are not yet effective for the year ended 31 December 2016 and which have not been adopted in these financial statements. These include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to IAS 7, <i>Disclosure initiative</i>	1 January 2017
Amendments to IAS 12, <i>Income taxes: Recognition of deferred tax assets for unrealised losses</i>	1 January 2017
Amendments to IFRS 2, <i>Classification and measurement of share-based payment transactions</i>	1 January 2018
Amendments to IFRS 4, <i>Applying IFRS 9 Financial instruments with IFRS 4 Insurance contracts</i>	1 January 2018
IFRIC 22, <i>Foreign currency transactions and advance consideration</i>	1 January 2018
IFRS 15, <i>Revenue from contracts with customers</i>	1 January 2018
IFRS 9, <i>Financial instruments</i>	1 January 2018
IFRS 16, <i>Leases</i>	1 January 2019

38 期後非調整事項

董事於報告期末後建議分派末期股利。有關詳情載於附註32(b)。

39 已頒布但尚未在截至二零一六年十二月三十一日止年度生效的修訂、新準則和詮釋可能帶來的影響

截至本財務報表刊發日，國際會計準則理事會已頒布數多項在截至二零一六年十二月三十一日止年度尚未生效，亦沒有在本財務報表採用的修訂和新準則。這些準則變化包括下列可能與本集團有關的項目。

	在以下日期 或之後開始的 會計期間生效
國際會計準則第7號 「披露倡議」的修訂	2017年1月1日
國際會計準則第12號 「所得稅—就未實現虧損 確認遞延稅項資產」的修訂	2017年1月1日
國際財務報告準則第2號 「股份付款交易的分類和計量」 的修訂	2018年1月1日
國際財務報告準則第4號 「保險合同」的修訂，適用 國際財務報告準則第9號 「金融工具」	2018年1月1日
國際財務報告解釋第22號 「外幣交易」	2018年1月1日
國際財務報告準則第15號 「客戶合同收入」	2018年1月1日
國際財務報告準則第9號 「金融工具」	2018年1月1日
國際財務報告準則第16號 「租賃」	2019年1月1日

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

39 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2016 (Continued)

The Group is in the process of making an assessment of what the impact of these amendments and new standards is expected to be in the period of initial application. So far the Group has identified some aspects of the new standards which may have a significant impact on the consolidated financial statements. Further details of the expected impacts are discussed below. As the Group has not completed its assessment, further impacts may be identified in due course and will be taken into consideration when determining whether to adopt any of these new requirements before their effective date and which transitional approach to take, where there are alternative approaches allowed under the new standards.

IFRS 9, FINANCIAL INSTRUMENTS

IFRS 9 will replace the current standard on accounting for financial instruments, IAS 39, Financial instruments: Recognition and measurement. IFRS 9 introduces new requirements for classification and measurement of financial assets, calculation of impairment of financial assets and hedge accounting. On the other hand, IFRS 9 incorporates without substantive changes the requirements of IAS 39 for recognition and derecognition of financial instruments and the classification of financial liabilities. Expected impacts of the new requirements on the Group's financial statements are as follows:

39 已頒布但尚未在截至二零一六年十二月三十一日止年度生效的修訂、新準則和詮釋可能帶來的影響(續)

本集團正在評估此等修訂及新準則在初次應用期間預期帶來的影響。至目前為止，集團已確認新準則的某些方面可能對綜合財務報表構成重大影響。有關預期影響的進一步詳情論述如下。由於集團仍未完成評估，因此有可能在稍後時間識別出進一步影響。集團將考慮這些進一步影響，以決定是否在新規定生效日期前加以採納，以及在新準則允許採用其他方法的情況下集團將採用何種過渡方法。

國際財務報告準則第9號「金融工具」

國際財務報告準則第9號將取代作為現行金融工具會計準則的國際會計準則第39號「金融工具：確認及計量」。國際財務報告準則第9號引入了金融資產分類和計量、金融資產減值計算及對沖會計方面的新要求。另一方面，國際財務報告準則第9號在不作出實質變動下，加入國際會計準則第39號有關金融工具確認及終止確認和金融負債分類的規定。新規定對集團財務報表的預期影響如下：

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

39 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2016 (Continued)

IFRS 9, FINANCIAL INSTRUMENTS (Continued)

(a) Classification and measurement

IFRS 9 contains three principal classification categories for financial assets: measured at (1) amortised cost, (2) fair value through profit or loss (FVTPL) and (3) fair value through other comprehensive income (FVTOCI) as follows:

- The classification for debt instruments is determined based on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the asset. If a debt instrument is classified as FVTOCI then effective interest, impairments and gains/losses on disposal will be recognised in profit or loss.
- For equity securities, the classification is FVTPL regardless of the entity's business model. The only exception is if the equity security is not held for trading and the entity irrevocably elects to designate that security as FVTOCI. If an equity security is designated as FVTOCI then only dividend income on that security will be recognised in profit or loss. Gains, losses and impairments on that security will be recognised in other comprehensive income without recycling.

Based on the preliminary assessment, the Group expects that its financial assets currently measured at amortised cost and FVTPL will continue with their respective classification and measurements upon the adoption of IFRS 9.

39 已頒布但尚未在截至二零一六年十二月三十一日止年度生效的修訂、新準則和詮釋可能帶來的影響(續)

國際財務報告準則第9號「金融工具」(續)

(a) 分類及計量

國際財務報告準則第9號包含金融資產的三大分類：按(1)按攤銷成本計量、(2)按公允價值計入損益表(FVTPL)計量，以及(3)按公允價值計入其他綜合收益(FVTOCI)計量：

- 債務工具的分類基於實體的金融資產管理模式及資產的合約現金流特徵確定。如債務工具被歸類為FVTOCI，則其實際利息、減值及出售損益將在損益表中確認。
- 不論實體的業務模式為何，股權證券一律分類為FVTPL。唯一的例外情況是，如股權證券並非為交易而持有，且該實體不可撤銷地選擇將有關證券指定為FVTOCI。如股本證券被指定為FVTOCI，則該證券的股息收入將在損益表中確認。該證券的收益、虧損及減值將在其他綜合收益中確認，不予重新分類。

根據初步評估，本集團預期其當前按攤銷成本及FVTPL計量的金融資產將於採納國際財務報告準則第9號後持續遵循各自的分類及計量。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

39 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2016 (Continued)

IFRS 9, FINANCIAL INSTRUMENTS (Continued)

(a) Classification and measurement (Continued)

With respect to the Group's financial assets currently classified as "available-for-sale", these are investments in equity securities which the Group may classify as either FVTPL or irrevocably elect to designate as FVTOCI (without recycling) on transition to IFRS 9. The Group has not yet decided whether it will irrevocably designate these investments as FVTOCI or classify them as FVTPL. Either classification would give rise to a change in accounting policy as the current accounting policy for available-for-sale equity investments is to recognise fair value changes in other comprehensive income until disposal or impairment, when gains or losses are recycled to profit or loss in accordance with the Group's policies set out in Notes 2(g) and 2(k). This change in policy will have no impact on the Group's net assets and total comprehensive income but will impact on reported performance amounts such as profit and earnings per share.

The classification and measurement requirements for financial liabilities under IFRS 9 are largely unchanged from IAS 39, except that IFRS 9 requires the fair value change of a financial liability designated at FVTPL that is attributable to changes of that financial liability's own credit risk to be recognised in other comprehensive income (without reclassification to profit or loss). The Group currently does not have any financial liabilities designated at FVTPL and therefore this new requirement may not have any impact on the Group on adoption of IFRS 9.

(b) Impairment

The new impairment model in IFRS 9 replaces the "incurred loss" model in IAS 39 with an "expected credit loss" model. Under the expected credit loss model, it will no longer be necessary for a loss event to occur before an impairment loss is recognised. Instead, an entity is required to recognise and measure expected credit losses as either 12-month expected credit losses or lifetime expected credit losses, depending on the asset and the facts and circumstances. This new impairment model may result in an earlier recognition of credit losses on the Group's trade receivables and other financial assets. However, a more detailed analysis is required to determine the extent of the impact.

39 已頒布但尚未在截至二零一六年十二月三十一日止年度生效的修訂、新準則和詮釋可能帶來的影響(續)

國際財務報告準則第9號「金融工具」(續)

(a) 分類及計量(續)

就本集團目前分類為「可供出售」之金融資產而言，該等資產為過渡至國際財務報告準則第9號時股本證券中本集團可能分類為FVTPL或不可撤回地選擇指定為FVTOCI(不得循環使用)之投資。本集團尚未釐定其是否將不可撤銷地指定該等投資為FVTOCI或分類為FVTPL。兩種分類均會導致會計政策發生變動，因可供出售股本投資之當前會計政策乃為確認出售前其他綜合收益之公允價值變動或當根據附註2(g)和2(k)所載本集團政策循環使用損益中的收益或虧損時作出減值。該政策變動將不會對本集團資產淨值及綜合收益總額產生影響，惟將對所呈報業績金額(如溢利及每股盈利)產生影響。

國際財務報告準則第9號下的金融負債的分類及計量要求與國際會計準則第39號大致相同，但國際財務報告準則第9號要求指定為FVTPL的金融負債如因其本身信用風險變動而產生公允價值變動，則須在其他綜合收益中確認(不重新分類至損益表)。集團目前並無任何被指定為FVTPL的金融負債，因此當集團採納國際財務報告準則第9號時，此項新規定可能不會對集團產生任何影響。

(b) 減值

國際財務報告準則第9號的新減值模式以「預計信貸虧損」模式取代國際會計準則第39號的「已產生虧損」。根據預計信貸虧損模式，於減值虧損確認前毋須再發生虧損事件。取而代之，根據資產及事實與情況，實體須確認及計量預計信貸虧損為12個月預計信貸虧損或存續期預計信貸虧損。該新減值模式可能導致提早確認本集團貿易應收款項及其他金融資產之信貸虧損。然而，本集團須就釐定影響之程度而作出更為詳細之分析。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

39 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2016 (Continued)

IFRS 15, REVENUE FROM CONTRACTS WITH CUSTOMERS

IFRS 15 establishes a comprehensive framework for recognising revenue from contracts with customers. IFRS 15 will replace the existing revenue standards, IAS 18, Revenue, which covers revenue arising from sale of goods and rendering of services, and IAS 11, Construction contracts, which specifies the accounting for revenue from construction contracts. The Group is currently assessing the impacts of adopting IFRS 15 on its financial statements. Based on the preliminary assessment, the Group has identified the following areas which are likely to be affected:

(a) Timing of revenue recognition

The Group's revenue recognition policies are disclosed in Note 2(f). Currently, revenue from the sale of goods is generally recognised when the risks and rewards of ownership have passed to the customers.

Under IFRS 15, revenue is recognised when the customer obtains control of the promised good or service in the contract. IFRS 15 identifies 3 situations in which control of the promised good or service is regarded as being transferred over time:

- (i) When the customer simultaneously receives and consumes the benefits provided by the entity's performance, as the entity performs;
- (ii) When the entity's performance creates or enhances an asset (for example work in progress) that the customer controls as the asset is created or enhanced;
- (iii) When the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

39 已頒布但尚未在截至二零一六年十二月三十一日止年度生效的修訂、新準則和詮釋可能帶來的影響(續)

國際財務報告準則第15號「客戶合同收入」

國際財務報告準則第15號建立了確認來自客戶合約收入的全面框架。國際財務報告準則第15號將取代現有收入準則：國際會計準則第18號，收益(涵蓋銷售貨物及提供服務所產生的收入)及國際會計準則第11號，建築合約(訂明建築合約收入的會計處理方法)。本集團目前正在評估採納國際財務報告準則第15號對其財務報表之影響。根據初步評估，本集團已識別以下有可能受影響之領域：

(a) 收入確認時間

本集團的收入確認政策披露於附註2(f)。目前，銷售貨物之收入通常於風險及所有權得益轉移至客戶時予以確認。

根據國際財務報告準則第15號，收入於客戶獲得合約內所承諾貨物及服務之控制權時予以確認。國際財務報告準則第15號識別所承諾貨品或服務之控制權被視為隨時間轉移之3種情況：

- (i) 當客戶同時收到及耗用實體所營運所產生實體業績提供的利益時；
- (ii) 當實體業績增設或提高於資產被增設或提高時客戶所控制的資產(如半成品)時；
- (iii) 當實體業績並無增設對實體有其他用途之資產及實體有強制執行權利要求就迄今完成之業績付款時。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指示外，均按人民幣計算)

39 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2016 (Continued)

IFRS 15, REVENUE FROM CONTRACTS WITH CUSTOMERS (Continued)

(a) Timing of revenue recognition (Continued)

If the contract terms and the entity's activities do not fall into any of these 3 situations, then under IFRS 15 the entity recognises revenue for the sale of that good at a single point in time, being when control has passed. Transfer of risks and rewards of ownership is only one of the indicators that will be considered in determining when the transfer of control occurs.

As a result of this change from the risk-and-reward approach to the contract-by-contract transfer-of-control approach, it is possible that some of the Group's contracts the point in time when revenue is recognised under IFRS 15 may be earlier or later than under the current accounting policy. However, further analysis is required to determine whether this change in accounting policy may have a material impact on the amounts reported in any given financial reporting period.

(b) Significant financing component

IFRS 15 requires an entity to adjust the transaction price for the time value of money when a contract contains a significant financing component, regardless of whether the payments from customers are received significantly in advance or in arrears.

Currently, the Group would only apply such a policy when payments are significantly deferred, which is currently not common in the Group's arrangements with its customers. Currently, the Group does not apply such a policy when payments are received in advance. The Group is in the process of assessing whether the advance payments from customers would be significant to the contract and therefore whether, once IFRS 15 is adopted, the transaction price would need to be adjusted for the purpose of recognising revenue. Any adjustment to the transaction price under IFRS 15, if considered necessary, would result in interest expense being recognised.

39 已頒布但尚未在截至二零一六年十二月三十一日止年度生效的修訂、新準則和詮釋可能帶來的影響(續)

國際財務報告準則第15號「客戶合同收入」(續)

(a) 收入確認時間(續)

倘合約條款及實體業務並不屬於該3種情況之任何一種，則根據國際財務報告準則第15號，實體於單一時間點（即控制權已轉移時）確認出售該貨物之收入。風險及所有權得益轉讓僅為釐定控制權轉移時考慮的其中一項指標。

由於風險與報酬法轉變為按逐個合約轉讓控制權法，根據國際財務報告準則第15號，本集團部分合約於收入確認的單個時間點可能早於或晚於當前會計政策。然而，於釐定該會計政策變動是否可能對於任何所示財務報告期間所呈報金額產生影響時須作出進一步分析。

(b) 重大融資組成部分

國際財務報告準則第15號規定實體須於合約包含重大融資組成部分時就貨幣時間價值調整交易價格，而不論是否大幅提前或延後收到客戶的付款。

目前，本集團僅會在付款大幅遞延時應用該政策，而在目前本集團與客戶之安排中並不常見。目前本集團在提早收款時並無採用該政策。本集團正在評估本集團客戶預付款計劃中該組成部分對合約而言是否重大，及因此當國際財務報告準則第15號獲採納，交易價格是否需要就確認收益之目的作出調整。根據國際財務報告準則第15號對交易價格作出的任何調整（倘認為必要）將導致確認利息開支。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)
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39 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2016 (Continued)

IFRS 16, LEASES

As disclosed in Note 2(j), currently the Group classifies leases into finance leases and operating leases and accounts for the lease arrangements differently, depending on the classification of the lease. The Group enters into some leases as the lessor and others as the lessee.

IFRS 16 is not expected to impact significantly on the way that lessors account for their rights and obligations under a lease. However, once IFRS 16 is adopted, lessees will no longer distinguish between finance leases and operating leases. Instead, subject to practical expedients, lessees will account for all leases in a similar way to current finance lease accounting, i.e. at the commencement date of the lease the lessee will recognise and measure a lease liability at the present value of the minimum future lease payments and will recognise a corresponding "right-of-use" asset. After initial recognition of this asset and liability, the lessee will recognise interest expense accrued on the outstanding balance of the lease liability, and the depreciation of the right-of-use asset, instead of the current policy of recognising rental expenses incurred under operating leases on a systematic basis over the lease term. As a practical expedient, the lessee can elect not to apply this accounting model to short-term leases (i.e. where the lease term is 12 months or less) and to leases of low-value assets, in which case the rental expenses would continue to be recognised on a systematic basis over the lease term.

39 已頒布但尚未在截至二零一六年十二月三十一日止年度生效的修訂、新準則和詮釋可能帶來的影響(續)

國際財務報告準則第16號「租賃」

誠如附註2(j)所披露，本集團目前將租賃分類為融資租賃及經營租賃，並根據租賃分類於不同租賃安排中入賬。本集團作為出租人與其他人士作為承租人訂立若干租賃。

預期國際財務報告準則第16號將不會大幅影響出租人根據租約將彼等權利及義務入賬的方式。然而，一旦採納國際財務報告準則第16號，承租人將不再區分融資租賃及經營租賃。相反，受實際權益方法的規限，承租人將以類似方式將所有租約入賬列作現有融資租賃會計處理方法，即於該租約開始日期，承租人將按最低日後租賃款項的現值確認及計量租賃負債，及將確認相應的「使用權」資產。於初步確認該資產及負債後，承租人將確認租賃負債結餘所產生的利息開支及使用權資產折舊，而非於租期內按系統基準確認根據經營租約所產生的租賃開支的現有政策。作為實際的權益方法，承租人可選擇不將此會計模式應用於短期租賃（即租期為12個月或以下）及低價值資產的租賃，於該等情況下，租金開支將繼續於租期內按系統基準確認。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

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39 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2016 (Continued)

IFRS 16, LEASES (Continued)

IFRS 16 will primarily affect the Group's accounting as a lessee of leases for certain buildings which are currently classified as operating leases. The application of the new accounting model is expected to lead to an increase in both assets and liabilities and to impact on the timing of the expense recognition in the statement of profit or loss over the period of the lease. As disclosed in Note 35(b), at 31 December 2016 the Group's future minimum lease payments under non-cancellable operating leases amount to RMB22,810,000 for buildings, the majority of which is payable between 1 and 5 years after the reporting date. Some of these amounts may therefore need to be recognised as lease liabilities, with corresponding right-of-use assets, once IFRS 16 is adopted. The Group will need to perform a more detailed analysis to determine the amounts of new assets and liabilities arising from operating lease commitments on adoption of IFRS 16, after taking into account the applicability of the practical expedient and adjusting for any leases entered into or terminated between now and the adoption of IFRS 16 and the effects of discounting.

The Group is considering whether to adopt IFRS 16 before its effective date of 1 January 2019. However, early adoption of IFRS 16 is only permitted if this is no earlier than the adoption of IFRS 15. It is therefore unlikely that IFRS 16 will be adopted before the effective date of IFRS 15, being 1 January 2018.

39 已頒布但尚未在截至二零一六年十二月三十一日止年度生效的修訂、新準則和詮釋可能帶來的影響(續)

國際財務報告準則第16號「租賃」(續)

國際財務報告準則第16號將主要影響本集團作為建築物承租人就若干物業(現時分類為經營租賃)的會計處理方法。預期應用新會計模式將導致資產及負債均有所增加，及影響租約期間於損益表確認開支的時間。誠如附註35(b)所披露，於二零一六年十二月三十一日，本集團於不可撤銷經營租約項下就租賃建築物的未來最低租約款項將達22,810,000人民幣，大部分於報告日期後一至五年內支付。因此，一旦採納國際財務報告準則第16號，若干該等款項可能須按照相應使用權資產確認為租賃負債。經考慮實際權益方法的適用性及調整現時與採納國際財務報告準則第16號之間已訂立或終止的任何租約及折讓影響後，本集團將須進行更為詳細的分析以釐定於採納國際財務報告準則第16號時經營租約承擔所產生的新資產及負債的金額。

本集團正考慮是否於國際財務報告準則第16號之生效日期二零一九年一月一日前採納該準則。然而，提早採納國際財務報告準則第16號僅在沒有提早採納國際財務報告準則第15號之情況下獲批准。因此，本集團不太可能於國際財務報告準則第15號之生效日期二零一八年一月一日前採納國際財務報告準則第16號。

CORPORATE INFORMATION

公司資料

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

REGISTERED NAME OF THE COMPANY IN CHINESE

長飛光纖光纜股份有限公司

NAME OF THE COMPANY IN ENGLISH

Yangtze Optical Fibre and Cable Joint Stock Limited Company

董事會

執行董事

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

公司中文註冊名稱

長飛光纖光纜股份有限公司

公司英文名稱

Yangtze Optical Fibre and Cable Joint
Stock Limited Company

CORPORATE INFORMATION (Continued)

公司資料(續)

LEGAL REPRESENTATIVE OF THE COMPANY

Mr. 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

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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

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盛信律師事務所(香港法律)
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合和中心22樓

CORPORATE INFORMATION (Continued)

公司資料(續)

LISTING LOCATION

The Stock Exchange of Hong Kong Limited

STOCK CODE

06869

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DEFINITIONS AND GLOSSARY OF TECHNICAL TERMS

釋義及技術詞彙

In this report, unless the context otherwise requires, the following terms shall have the meanings set out below:

於本報告中，除文義另有所指外，以下詞彙具有下列載涵義：

“Board” 「董事會」	the board of directors of the Company 本公司董事會
“Board of Supervisors” 「監事會」	the board of supervisors of the Company 本公司監事會
“CG Code” 「企業管治守則」	the Corporate Governance Code as set out in Corporate Governance Code and Corporate Governance Report contained in Appendix 14 to the Hong Kong Listing Rules 香港上市規則附錄十四內企業管治守則及企業管治報告列載之企業管治守則
“China Huaxin” 「中國華信」	China Huaxin Post and Telecommunication Economy Development Center, an entity incorporated in the PRC, one of the substantial shareholders of the Company 中國華信郵電經濟開發中心，於中國註冊成立的企業，為本公司主要股東之一
“Company” 「本公司」	Yangtze Optical Fibre and Cable Joint Stock Limited Company*, a joint stock limited company incorporated in the PRC with limited liability, the H shares of which are listed on the Main Board of the Hong Kong Stock Exchange 長飛光纖光纜股份有限公司，於中國註冊成立的股份有限公司，其H股於香港聯交所主板上市
“Director(s)” 「董事」	director(s) of the Company 本公司董事
“Draka” 「Draka」	Draka Comteq B.V., a company incorporated in the Netherlands, one of the substantial shareholders of the Company Draka Comteq B.V.，於荷蘭註冊成立的公司，為本公司主要股東之一
“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
“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

DEFINITIONS AND GLOSSARY OF TECHNICAL TERMS (Continued)

釋義及技術詞彙(續)

“Global Offering” 「全球發售」	the issue of H shares of the Company by way of Hong Kong public offering and international offering in 2014 本公司於二零一四年以香港公開發售及國際發售方式發行H股
“Group”, “the Group”, “us” or “we” 「本集團」或「我們」	the Company and its subsidiaries (i.e. the entities listed as subsidiaries of the Company in Note 17 to the audited consolidated financial statements in this annual report) 本公司及其附屬公司(即本年報經審核合併財務報表附註17列為本公司附屬公司之實體)
“Hong Kong” 「香港」	the Hong Kong Special Administrative Region of the PRC 中國香港特別行政區
“Hong Kong Listing Rules” 「香港上市規則」	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited 香港聯合交易所有限公司證券上市規則
“Hong Kong Stock Exchange” 「香港聯交所」	The Stock Exchange of Hong Kong Limited 香港聯合交易所有限公司
“Listing Date” 「上市日期」	10 December 2014 二零一四年十二月十日
“Model Code” 「標準守則」	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Hong Kong Listing Rules 香港上市規則附錄十所載之上市發行人董事進行證券交易之標準守則
“NK Wuhan” 「武漢安凱」	NK Wuhan Cable Co., Ltd. 武漢安凱電纜有限公司
“OVD” 「OVD」	outside vapor deposition 外部化學氣相沉積
“PCVD” 「PCVD」	plasma activated chemical vapor deposition 等離子體化學氣相沉積
“PRC” 「中國」	the People’s Republic of China, and for the purpose of this annual report, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan 中華人民共和國，但就本年報而言，不包括香港、澳門及台灣
“Private Placement” 「非公開配售」	the private placement of 30,783,000 new domestic shares of the Company and 11,869,000 new H shares of the Company for the purpose of implementing the 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

DEFINITIONS AND GLOSSARY OF TECHNICAL TERMS (Continued)

釋義及技術詞彙(續)

“Prospectus” 「招股章程」	the prospectus of the Company dated 26 November 2014 in connection with the Global Offering 本公司日期為二零一四年十一月二十六日之招股章程，內容關於全球發售
“RMB” 「人民幣」	Renminbi, the lawful currency of the PRC 人民幣，中國法定貨幣
“SFO” or “Securities and Futures Ordinance” 「證券及期貨條例」	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time 香港法例第571章證券及期貨條例，經不時修訂或補充
“Supervisor(s)” 「監事」	supervisor(s) of the Company 本公司監事
“VAD” 「VAD」	vapor axial deposition 軸向氣相沉積
“Yangtze Communications” 「長江通信」	Wuhan Yangtze Communications Industry Group Co., Ltd, a company incorporated in PRC, one of the substantial shareholders of the Company 武漢長江通信產業集團股份有限公司，一間於中國註冊成立的公司，為本公司主要股東之一
“YOFC” 「長飛」	Yangtze Optical Fibre and Cable Company Ltd, a company incorporated in the PRC as a sino-foreign equity joint venture, the predecessor of the Company 長飛光纖光纜有限公司，於中國註冊成立的中外合資合營企業，為本公司的前身
“YOFC Shanghai” 「長飛上海」	Yangtze Optical Fibre and Cable (Shanghai) Co., Ltd., a company established in the PRC and one of the joint venture of the Company. It is owned as to 75% by the Company and 25% by Draka 長飛光纖光纜(上海)有限公司，一間於中國成立的公司，為本公司合營公司之一。由本公司及Draka分別擁有75%及25%

YOFCC 长飞

