

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 : 06869

年 · 報 | 2019

ANNUAL REPORT

CONTENTS

目錄

2	Corporate Profile 公司簡介
3	Financial Highlights 財務摘要
7	Chairman's Statement 董事長報告
10	President's Report 總裁報告
15	Major Products and Solutions 主要產品及服務
17	Key Milestones in 2019 2019年里程碑
18	Management Discussion and Analysis 管理層討論及分析
36	Directors', Supervisors' and Senior Management's Profiles 董事、監事及高級管理人員簡歷
51	Report of the Board of Directors 董事會報告
66	Corporate Governance Report 企業管治報告
109	Report of the Board of Supervisors 監事會報告
111	Auditor's Report 審計報告
118	Consolidated Balance Sheet 合併資產負債表
121	Balance Sheet 母公司資產負債表
124	Consolidated Income Statement 合併利潤表
126	Income Statement 母公司利潤表
128	Consolidated Statement of Cash Flow 合併現金流量表
131	Statement of Cash Flow 母公司現金流量表
133	Consolidated Statement of Changes in Shareholders' Equity 合併股東權益變動表
135	Statement of Changes in Shareholders' Equity 母公司股東權益變動表
137	Notes to the Financial Statements 財務報表附註
362	Corporate Information 公司資料
365	Definitions and Glossary of Technical Terms 釋義及技術詞彙

Corporate Profile

公司簡介

Yangtze Optical Fibre and Cable Joint Stock Limited Company* is a leading supplier of optical fibre preforms, optical fibres and optical cables in the world. The Company primarily manufactures and sells optical fibre preforms, optical fibres and optical fibre cables with various standard specifications that are widely used in the telecommunications industry. The Company also designs and produces specialty optical fibres and cables, integration systems, engineering design and service that are customised to customers' specifications. The Company has the most comprehensive optical fibre and cable product portfolios, and provides a wide range of optical fibre and cable products with relevant solutions for the global telecommunications industry and other sectors, including utilities, transportation, petrochemical and healthcare. The Company provides high-quality products and services in more than 70 countries and regions.

The Company, formerly known as Yangtze Optical Fibre and Cable Company Ltd.* was established in Wuhan, Hubei Province in May 1988 as a sino-foreign equity joint venture. On 27 December 2013, the Company was converted into a foreign invested joint stock limited liability company, and was renamed as Yangtze Optical Fibre and Cable Joint Stock Limited Company*. On the same date, the Company's equity was converted into 479,592,598 ordinary shares with a par value of RMB1.00 each. The substantial shareholders of the Company include China Huaxin, Draka and Yangtze Communications.

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

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

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

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

長飛光纖光纜股份有限公司為全球領先的光纖預製棒、光纖和光纜供應商，主要生產和銷售通信行業廣泛採用的各種標準規格的光纖預製棒、光纖及光纜，也設計及定制客戶所需規格的特種光纖及光纜、集成系統、工程設計與服務。本公司擁有完備的光纖及光纜產品組合，為全球通信行業及其他行業（包括公用事業、運輸、石油化工及醫療）提供各種光纖光纜產品及相關解決方案，在全球70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。於同日，本公司股本折合為總股本479,592,598股普通股，每股面值人民幣1.00元。本公司的主要股東包括中國華信、Draka及長江通信。

二零一四年十二月十日，本公司H股於香港聯合交易所有限公司（「香港聯交所」）主板上市。於同日，本公司透過向香港及海外投資者公开发售本公司H股，按每股H股7.39港元之價格共發行159,870,000股每股面值人民幣1.00元之H股。

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

中國證券監督管理委員會已經批准本公司A股首次公開招股，而本公司A股已於二零一八年七月二十日於上海證券交易所上市。本公司向公眾發行75,790,510股A股，每股A股發行價為人民幣26.71元，330,547,804股內資股轉換成A股。隨著A股發行，本公司的已發行股票共有757,905,108股（包括351,566,794股H股及406,338,314股A股）。A股發行的所得款項共有人民幣2,024,364,522元，而淨收益（扣除發行開支後）共有人民幣1,894,337,174元。

本集團主要從事研究、開發、生產和銷售光纖預製棒、光纖、光纜及相關產品。

* For identification purposes only

Financial Highlights

財務摘要

For the year ended 31 December 2019, the Group's operating results were as follows:

- Total revenue was RMB7,769.2 million, decreased by approximately 31.6%.
- Gross profit and gross profit margin were RMB1,833.5 million and 23.6%, respectively.
- Profit for the year attributable to equity shareholders of the Company was RMB801.2 million, decreased by approximately 46.2%.
- The Group's revenue from domestic business decreased by approximately 35.5%, when compared with the prior year. The Group's overseas revenue decreased by approximately 11.9%, when compared with the prior year.
- The Board recommended the payment of a final dividend of RMB0.318 per share (before tax) for the year ended 31 December 2019.

截至二零一九年十二月三十一日止年度，本集團的經營業績如下：

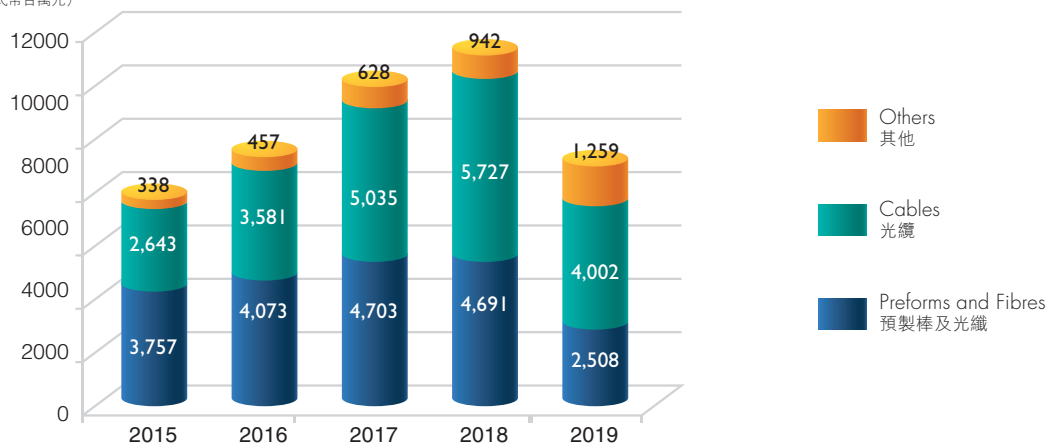
- 總收入為人民幣7,769.2百萬元，降幅約為31.6%。
- 毛利及毛利率分別為人民幣1,833.5百萬元及23.6%。
- 本公司權益持有人應佔年內利潤為人民幣801.2百萬元，降幅約為46.2%。
- 與去年比較，本集團來自國內業務的收入減少約為35.5%。與去年比較，本集團來自海外業務的收入減少約為11.9%。
- 董事會建議派發截至二零一九年十二月三十一日止年度之末期股利每股人民幣0.318元（除稅前）。

Financial Highlights

財務摘要

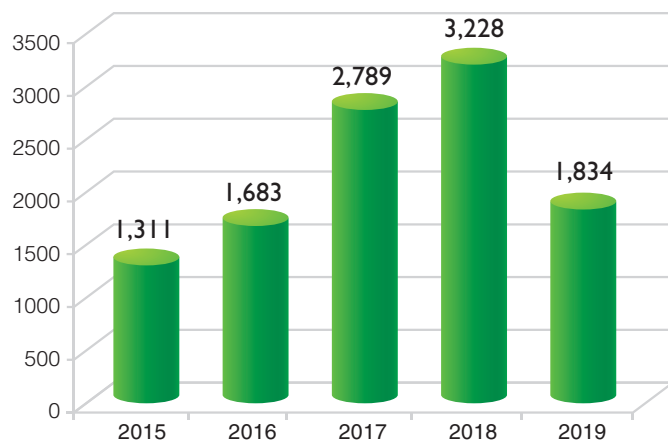
REVENUE 收入

(RMB Million)
(人民幣百萬元)



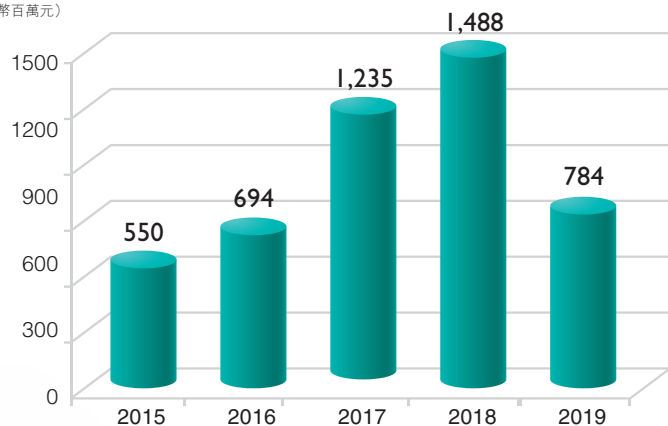
GROSS PROFIT 毛利

(RMB Million)
(人民幣百萬元)



PROFIT FOR THE YEAR 本年利潤

(RMB Million)
(人民幣百萬元)



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				
		2015	2016	2017	2018	2019
		二零一五年	二零一六年	二零一七年	二零一八年	二零一九年
Operating Result	經營業績					
Gross profit margin	毛利率	19.5%	20.7%	26.9%	28.4%	23.6%
Net profit margin	淨利率	8.2%	8.6%	11.9%	13.1%	10.1%
Return on equity (1)	股本回報率(1)	16.7%	17.1%	24.9%	21.5%	9.1%
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)	553,275	1,307,219	1,737,870	565,351	842,664
Total assets (RMB' 000)	資產總額(人民幣千元)	7,555,554	8,166,344	9,167,764	12,885,882	13,775,900
Total non-current assets (RMB' 000)	非流動資產總額 (人民幣千元)	2,559,113	3,544,549	3,938,869	5,397,821	5,924,082
Total current assets (RMB' 000)	流動資產總額(人民幣千元)	4,996,441	4,621,795	5,228,895	7,488,061	7,851,817
Total liabilities (RMB' 000)	負債總額(人民幣千元)	3,851,132	3,742,796	3,681,936	4,509,553	4,833,767
Total non-current liabilities (RMB' 000)	非流動負債總額 (人民幣千元)	874,266	1,107,032	734,312	1,171,128	1,064,516
Total current liabilities (RMB' 000)	流動負債總額(人民幣千元)	2,976,866	2,635,764	2,947,625	3,338,426	3,769,251
Net Assets (RMB' 000)	淨資產(人民幣千元)	3,704,422	4,423,548	5,485,828	8,376,329	8,942,133
Gearing ratio	負債資本比率(倍)	11.1%	7.4%	-15.0%	-15.8%	-13.0%
Working Capital Cycles	營運資金週期					
Average trade and bills receivables turnover days (2)	平均應收賬款及 票據周轉天數(2)	103.2	93.3	78.9	93.8	156.3
Average trade and bills payable turnover days (3)	平均應付賬款及 票據周轉天數(3)	52.2	49.2	53.6	64.1	102.8
Average inventory turnover days (4)	平均存貨周轉天數(4)	46.3	37.5	33.1	38.7	85.3
Operating Efficiency (percentage of revenue)	營運效率 (佔收入百分比)					
Selling expenses	銷售費用	2.4%	2.5%	2.9%	3.4%	4.5%
Administrative expenses	管理費用	7.3%	8.2%	9.3%	5.7%	5.5%
R&D expenses	研發費用				4.5%	5.3%
Financial expenses	財務費用	1.9%	1.4%	0.8%	0.4%	0.1%
Effective tax rate	實際稅率	11.6%	12.6%	14.7%	10.9%	11.2%

Financial Highlights

財務摘要

- (1) Calculated using the profit for the year divided by average total equity on an annualised basis, multiplied by 100%.
 - (2) Average trade and bills receivables turnover days are based on the average balance of trade and bills receivables divided by revenue for the relevant year and multiplied by 365 days. Average balance is calculated as the average of the beginning balance and ending balance of a given year.
 - (3) Average trade and bills payable turnover days are based on the average balance of trade and bills payable divided by cost of sales for the relevant year and multiplied by 365 days. Average balance is calculated as the average of the beginning balance and ending balance of a given year.
 - (4) Average inventory turnover days are based on the average balance of inventory divided by cost of sales for the relevant year and multiplied by 365 days. Average balance is calculated as the average of the beginning balance and ending balance of a given year.
 - (5) The above charts and summary table are based on the information in the financial statements of the Company prepared in accordance with the CASBE and audited by KPMG Huazhen LLP.
- (1) 以本年利潤除以年度平均權益總額乘以100%計算。
 - (2) 平均應收賬款及票據週轉天數按應收賬款及票據的平均結餘除以相關年度的營業收入再乘以365天計算。特定年度的平均結餘按年初結餘與年末結餘的平均數計算。
 - (3) 平均應付賬款及票據週轉天數按應付賬款及票據的平均結餘除以相關年度的營業成本再乘以365天計算。特定年度的平均結餘按年初結餘與年末結餘的平均數計算。
 - (4) 平均存貨週轉天數按平均存貨結餘除以相關年度的營業成本再乘以365天計算。特定年度的平均結餘按年初結餘與年末結餘的平均數計算。
 - (5) 以上圖表及摘要表格按本公司根據中國企業會計準則編製的財務報表所載信息列示，前述財務報表由畢馬威華振會計師事務所(特殊普通合伙)審核。



Dear Shareholders,

In 2019, the supply and demand for the optical fibre and optical fibre cable has changed in the market, resulting in significant decline of the unit price of products. Against such background, the Company actively responded to market pressure and, on the basis of ensuring product quality and satisfying customers' supply conditions, continuously improved production efficiency, reduced costs and optimized various expenses. In 2019, Capacity Expansion Projects for Self-made Preforms and Optical Fibre Industrialisation in YOFC Qianjiang, a major investment project raised by the A share initial public offering of the Company, has been completed on schedule. The production processes of OVD and VAD preforms applied in such project possess a cost advantage in the manufacturing of single-mode optical fibre preform products mainly used in telecommunication markets. At present, the Company's OVD and VAD technologies have become more mature and reached the international advanced standards in terms of the key indicators of preform manufacturing such as deposition rate and product yield rates, resulting in a sustainable cost improvement of the Company's preforms compared with 2018. In 2019, under severe market environment, the overall gross profit margin and net profit margin of the Company remained above 20% and 10% respectively.

In 2019, the price decrease of the domestic optical fibre and cables has posed impact on overseas markets. Due to the fierce competition in the international markets, the average unit price of global optical fibre and cables has also declined significantly. On the other hand, the demand for optical fibre and cables in overseas markets still maintained a healthy growth. By enhancing its overseas production and sales capabilities, the Company continued to strengthen its international market expansion efforts which gradually increased the proportion of overseas business income and optimized its revenue structure.

各位股東：

二零一九年，光纖光纜市場供需情況改變，產品單價大幅下降。在此背景下，本公司積極應對市場壓力，在保證產品質量和滿足客戶供貨條件的基礎上，持續提高生產效率、降低成本，並優化各項費用。二零一九年，本公司首次公開發行A股股票所募集資金的主要投資項目－長飛潛江自主預制棒及光纖產業化擴產項目已按期建設完畢。該項目所應用的OVD及VAD預制棒生產工藝，在製造通信市場主要使用的單模光纖預制棒產品方面擁有成本優勢。目前，本公司OVD及VAD技術日益成熟，在沉積速率、產品良率等預制棒製造關鍵指標上已達到國際領先水平，使得本公司預制棒成本相較二零一八年持續改善。二零一九年，在嚴峻的市場環境下，本公司整體毛利率水平仍保持20%以上，淨利率維持在10%以上。

二零一九年，境內光纖光纜價格超跌所造成的影響已波及海外市場。由於國際市場競爭更為激烈，因此全球光纖光纜平均單價亦產生大幅下降。另一方面，海外光纖光纜市場需求仍維持健康增長趨勢。通過提升海外產銷能力，公司持續加強國際市場拓展力度，使得海外業務收入佔比繼續提升，收入結構得到不斷優化。

Chairman's Statement

董事長報告

In 2019, the Company continued to develop its businesses in comprehensive solutions and telecom network engineering. And the Company successfully implemented multiple system integration projects in the country, and won the bid for a broadband network connection project covering four regions in Peru with a total agreement amount of approximately USD400 million. The EPC project of the Company was also in smooth implementation in the Philippines. With the continuous deepening of international expansion by domestic operators, the Company is expected to undergo more business breakthroughs. As for the optical transceiver market, the Company has established an independent product line and technical team and, in January 2020, acquired 51% equity of Sunstar Communication Technology Co., Ltd. The Company has been qualified in the central bidding of optical transceivers from China Telecom. In the future, on the basis of scientific planning, the Company will invest reasonable strategic resources to focus on cultivating optical modules and other related diversified businesses and input new momentum for the Company's sustainable development.

In 2020, Coronavirus diseases (COVID-19) outbreak has spread around the world. The Company has strictly implemented various anti-epidemic prevention and control instructions, and certain production facilities were temporarily closed due to the epidemic. During such period, the Company has deployed its global production capacities in a flexible approach so as to minimize the negative impact brought by market demand fluctuations. Since mid-March 2020, the production facilities of the Company's major products such as preforms, optical fibre and cables have gradually resumed operations with normal production capacity and the current staff duty rate of our headquarter has exceeded 95%. At the same time, the Company actively fulfilled its social responsibilities to make every effort to support the frontline in combating the global epidemic. For the construction of Huoshenshan Hospital and Leishenshan Hospital in Wuhan, the Company promptly responded by providing a large number of products including optical cables and indoor and outdoor cabling systems required for the construction of network infrastructure in hospitals. As for the Dabie Mountain Regional Medical Centre in Huanggang City, Hubei Province, the Company packed and transported the related products required for system integration against the clock so as to ensure a smooth construction progress. In terms of overseas sector, the Group's subsidiaries in the Philippines, Peru and Africa has taken every means to raise and donate medical supplies that were in shortage during the epidemic to the frontline.

二零一九年，公司綜合解決方案及通信網絡工程業務不斷發展。公司在境內成功實施多個系統集成項目，並在秘魯中標覆蓋四個大區的寬帶網絡連接項目，協議總金額約為4億美元。公司在菲律賓的EPC項目也處於順利實施中。隨著國內運營商國際化拓展的不斷深入，預計公司將取得更多的業務突破。在光模塊市場，公司已成立獨立產品線及技術團隊，並於2020年1月收購了四川光恒通信技術有限公司51%的股權，已具備了在中國電信光模塊集中採購中的投標資格。未來，在科學規劃的基礎上，公司將憑借合理的戰略資源投入，聚焦培育光模塊等相關多元化業務，為公司可持續發展輸入新動能。

二零二零年，新型冠狀病毒感染的肺炎(COVID-19)疫情在全球範圍內爆發。公司嚴格執行各項疫情防控指示，部分生產設施因防疫需要而暫時關閉。在此期間，公司靈活調配部署在全球的產能，以降低市場需求波動所帶來的負面影響。二零二零年三月中旬至今，公司預制棒、光纖及光纜等主要產品的生產設施運行和產能已逐步恢復，目前公司總部員工到崗率已超過95%。同時，公司積極履行社會責任，盡全力增援全球疫情阻擊戰第一線。在武漢火神山及雷神山醫院的建設過程中，公司第一時間響應，提供醫院網絡基礎設施建設所需的大量光纜及室內外綜合布線產品。在湖北省黃岡市大別山醫療中心的建設中，公司對項目所需系統集成相關產品進行了連夜裝箱及運輸，保障項目建設進度。在海外，本集團位於菲律賓、秘魯、非洲等地的子公司千方百計籌措疫情期間短缺的醫療物資並捐贈到抗疫一線。

Looking ahead, 5G network construction will continue to accelerate in 2020. On 22 February 2020, the Ministry of Industry and Information Technology convened a video conference regarding the "speeding up 5G development and resuming information and telecommunication industry". Such meeting emphasized: to accelerate the 5G deployment in facilitating the high-quality development of the information and telecommunication industry; to speed up the establishment of stand-alone standard in practically exerting its positive effect of 5G construction on "stabilizing investment" and driving the development of the industrial chain; to further deepen the integrated development of 5G and vertical industries such as industrial, medical, education sectors and Internet of Vehicles; to accelerate and promote the integration and application of "5G+ Industrial Internet" in enriching the application scenarios. On 26 February 2020, China Mobile announced that it would adhere to the 5G stand-alone standard trial and ensure the 5G network will complete the construction on schedule so as to achieve the unchanged goal with ongoing development. It also strives to build 300,000 5G base stations by the end of 2020, guaranteeing that 5G commercial services will be provided to all prefecture-level cities across the country by 2020. The acceleration of 5G deployment is expected to bring a new round of development opportunities to the industry.

In addition, under the increasing domestic economic downward pressure caused by epidemic, the central government has promulgated a series of policy measures in a timely manner to stabilize economic growth. On 4 March 2020, the Standing Committee of the Political Bureau convened meeting and pointed out that the construction of new infrastructures such as 5G networks and data centers should be facilitated. "New infrastructures" mainly focus on the construction covering seven aspects including 5G base stations, ultra-high voltage (UHV), intercity high-speed railways and urban rail transit, charging stations for new energy vehicles, big data centers, artificial intelligence and industrial internet. Except the aforementioned 5G base stations, the construction of UHV, intercity high-speed railway and urban rail transit, big data center, industrial internet also involved the product or service supply covering composite cables, leaky cables, multi-mode optical fibres and comprehensive solutions for industrial internet. The growth in demand resulting from the guidance of macro policies will accelerate the implementation of the relevant diversification strategies by the Company.

Our headquarter is located in Wuhan. I, on behalf of the Board of Directors, hereby express my sincere condolences to the employees affected by the epidemic, thank you for your strict implementation of anti-epidemic measures and pay tribute to your efforts in overcoming difficulties to resume production in March 2020 without slackening the anti-epidemic prevention and control.

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

Ma Jie
Chairman

Wuhan, China
23 April 2020

展望未來，5G網絡建設將在二零二零年繼續加速實施。二零二零年二月二十二日，工信部召開「加快推進5G發展、做好信息通信業復工復產工作」電視電話會議。會議強調：要加快5G商用步伐，推動信息通信業高質量發展；要加快建立獨立組網建設步伐，切實發揮5G建設對「穩投資」、帶動產業鏈發展的積極作用；進一步深化5G與工業、醫療、教育、車聯網等垂直行業的融合發展；加快推動「5G+工業互聯網」融合應用，豐富應用場景。二零二零年二月二十六日，中國移動表示：公司要堅持抓好5G獨立組網測試進度，確保5G網絡建設如期完成，做到5G建設目標不變、發展節奏不停，力爭二零二零年底5G基站建成量達到30萬，確保在二零二零年內為全國所有地級以上城市提供5G商用服務。5G的加速部署有望給行業帶來新一輪的發展機遇。

此外，在疫情導致境內經濟下行壓力劇增的背景下，中央政府適時出台了多項穩增長的政策舉措。二零二零年三月四日，中央政治局常委會召開會議，會議指出：要加快5G網絡、數據中心等新型基礎設施建設進度。「新基建」主要集中於5G基站建設，特高壓，城際高速鐵路和城市軌道交通，新能源汽車充電樁，大數據中心，人工智能，工業互聯網七大領域。除前述5G基站建設外，特高壓、城際高速鐵路和城市軌道交通、大數據中心、工業互聯網等領域的建設也分別涉及本公司光電複合纜、漏洩電纜、多模光纖、工業互聯網綜合解決方案等產品或服務的供應。因宏觀政策引導而形成的需求增長，將加速公司相關多元化戰略的落地實施。

本公司總部位於武漢，我謹代表董事會對受到疫情影響的廣大員工表示親切的慰問，對各位員工在疫情期間能夠嚴格執行防疫措施表示感謝，並對員工克服重重困難，在毫不放鬆疫情防控的前提下，於二零二零年三月實現生產恢復所做出的努力表示敬意。

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、供貨商、合作夥伴、社會各界表示最衷心的感謝！

主席
馬杰

中國武漢
二零二零年四月二十三日

President's Report

總裁報告



Dear shareholders,

It is my honor to report to you our operating performance for 2019.

FINANCIAL PERFORMANCE

The Company was listed on the Hong Kong Stock Exchange in 2014. From 2014 and 2018, benefitting from the large-scale construction of fixed broadband networks and 4G mobile networks, the domestic and international telecommunications markets showed rapid growth in demands. The Company maintained its international leading position in the industry, and achieved good operating performance during this period. In 2019, the fixed and mobile network construction in the domestic markets has reached the peak. However, the large-scale 5G network has not initiated the construction which stagnated the demand growth. As for supply, the production capacity of the Company and major domestic preform manufacturers in the preliminary stage of the expansion was released in a centralized approach in the second half of 2018, and the supply-demand relationship has shifted from shortage in supply at the construction peak to over-capacity of optical fibre and cable products which put pressure on the average product prices. In 2019, with the central bidding by major domestic operators, the price of optical cables dropped by more than 40%, resulting in greater pressure on the Company's operating performance.

In 2019, the Group's total revenue was RMB7,769.2 million, decreased by 31.6% compared with last year. The profit for the year attributable to the equity shareholders of the Company amounted to approximately RMB801.2 million, decreased by approximately 46.2% as compared to 2019. Basic earnings per share were RMB1.06. The decline in performance was mainly due to the significant decrease in prices caused by the changes of the supply and demand relationship in the optical fibre and cable markets.

尊敬的各位股東：

我很榮幸地向各位報告本公司二零一九年的經營業績：

財務表現

本公司於二零一四年在香港聯交所上市。二零一四年至二零一八年，受惠於固定寬帶網絡及4G移動網絡的大規模建設，中國境內及國際通信市場需求快速增長。本公司在行業中處於國際領先地位，在此期間亦取得了良好的經營業績。二零一九年，境內市場固定網絡及移動網絡建設已過高峰期，但5G大規模網絡建設尚未開啟，需求增長停滯；而供給方面，本公司及境內主要預制棒廠商前期擴產的產能在二零一八年下半年得到集中釋放，供需關係由建設高峰期的供不應求轉變為光纖及光纜產品產能過剩，對產品平均價格造成壓力。二零一九年，在境內主要運營商進行的集中採購中，光纜價格下降超過40%，對公司經營業績造成較大壓力。

二零一九年，本集團的營業收入為人民幣7,769.2百萬元，同比下降約31.6%，全年歸屬於母公司股東的淨利潤為人民幣801.2百萬元，同比下降約46.2%，每股基本盈利為人民幣1.06元。業績下降的主要原因為光纖光纜市場供需關係轉變帶來價格的大幅下降。

BUSINESS DEVELOPMENT

During the reporting period, major countries in the world continued to develop 5G that kicked off the 5G scale deployment. According to incomplete statistics, 328 telecom operators in 109 counties/regions are implementing their 5G investment plans. At the same time, major counties and regions such as Europe and Latin America continued to build FTTH on a large-scale basis, and overseas optical fibre and cable markets maintained a steady growth in demand. The 5G development in China has taken over a leading position among the world, and the Ministry of Industry and Information Technology has officially issued 5G licenses to four telecom operators. Among them, China Telecom, China Mobile and China Unicom launched 5G deployment. However, only approximately 130,000 5G base stations were built throughout 2019 which accounted for a relatively small scale while the mass scale construction of FTTH in the Chinese market has reached its peak level and therefore slowing down the demand for optical fibre and cables. In addition, driven by the construction of data centers, the demand for multi-mode optical fibre, cabling solutions and optical module maintained a steady growth. With the facilitation by policies such as national defense and military information technology, smart grids and domestic substitution, the market demand for special optical fibre products continued to grow.

In 2019, the revenue of optical fibre and optical fibre preform decreased by 46.5% compared with last year and accounted for 32.3% of total revenue; the revenue of optical fibre cable declined by 30.1% compared with last year and accounted for 51.5%. During the reporting period, the market demand has slowed down in China. The Company and major Chinese manufacturers have released their preform expansion project, which ended the shortage and at the same time intensified the market competition, and the price of optical fibre and cables have significantly decreased by approximately 40%. At the same time, affected by the relatively late central biddings, although the total amount of central bidding was basically stable compared with 2018, orders were not released in full throughout 2019 which posed pressure on revenue and profits. The Company continued to improve the manufacturing technologies so as to reduce costs and enhance efficiency. In 2019, the gross profit margin of preform and optical fibre products remained above 40%.

業務發展

報告期內，全球主要國家持續發展5G，5G規模商用拉開序幕，據不完全統計有109個國家／地區的328家運營商正在執行5G投資計劃。同時，歐洲和拉美等主要國家區域持續規模建設FTTH，海外光纖光纜市場需求保持穩定增長。中國5G發展引領全球，工業和信息化部正式向四家運營商頒發5G牌照。其中，中國電信、中國移動、中國聯通啟動5G商用，但二零一九年全年僅建設5G基站約13萬個，規模較小。加之中國市場FTTH規模建設已過高峰，光纖光纜市場需求放緩。此外，在數據中心建設拉動下，多模光纖、綜合布線、光模塊等產品需求穩定增長；在國防和軍隊信息化、智能電網以及國產替代等政策推動下，特種光纖產品市場需求持續保持增長。

二零一九年，光纖及預制棒業務收入同比下降46.5%，佔總收入的32.3%；光纜業務收入同比下降30.1%，佔總收入的51.5%。報告期內，中國市場需求放緩，本公司及中國主要廠商前期預制棒擴產項目集中釋放，短缺結束，市場競爭加劇，光纖及光纜價格大幅下降約40%。同時受到集中採購時點相對滯後的影響，雖然集中採購總量相比二零一八年基本穩定，但二零一九年全年並未有足額訂單釋放，對收入和利潤產生壓力。本公司持續提升製造工藝水平，降本增效。二零一九年預制棒及光纖產品的毛利率維持在40%以上。

President's Report

總裁報告

In 2019, the revenue of other products and services increased by 33.6% compared with last year and accounted for 16.2% of the total revenue. During the reporting period, informatization construction was continuously promoted around the world and the countries with relatively low levels of telecommunication infrastructure have increased investment in network construction and the margin of telecommunication system integration for markets with weaker undertaking capabilities is still large. In 2019, the Company made a breakthrough in the construction of overseas communication engineering. In Philippines, the network construction of the Company progressed well and new customers were continuously developed. In July 2019, the Company signed a national broadband project in Peru with an agreement amount of approximately USD400 million. The revenue of the Company's annual system integration business increased significantly by 522.1% year-on-year.

At the same time, under the influence of the changes in the supply and demand relationship of optical fibre and cables in the Chinese market and the price decline, competitions in the overseas optical fibre and cable markets has intensified which resulted in significant price decline. During the reporting period, the Group's overseas revenue in optical fibre cable and optical fibre decreased 10.5% and 29.7% compared with last year respectively. However, as the Company continued to expand its development effort, emerging businesses such as telecom network engineering are expected to grow fast.

In 2019, the Company co-hosted FTTH Asia-pacific conference with FTTH Council, attended the World Optical Fibre & Cable Conference 2019 held in the USA and obtained the right to host the World Optical Fibre & Cable Conference 2021.

MARKET DEVELOPMENT

The Company targeted popular subjects in the industry, and developed new products and integrated solutions as well as diversified businesses so as to promote the sustainable growth of the Company.

二零一九年，其他產品及服務收入同比增長增長33.6%，佔總收入的16.2%。報告期內，全球持續推進信息化建設，通信基礎設施水平相對較低的國家正在加大網絡建設投資，綜合承接能力較弱的市場通信系統集成業務空間非常大。二零一九年，公司在海外通信工程建設方面取得重大突破。在菲律賓，公司的網絡工程建設項目進展順利，且不斷開拓新的客戶。二零一九年七月，本公司簽約秘魯國家寬帶項目，協議金額約為4億美元。公司年度系統集成業務收入同比大幅增長522.1%。

同時，在中國市場光纖光纜供需關係轉變和價格下滑影響下，海外光纖光纜市場競爭加劇，價格大幅下滑。報告期內，公司海外光纜業務收入同比下降10.5%，海外光纖業務收入同比下降29.7%。但是，隨著公司持續加大開拓力度，海外通信網絡工程等新興業務有望快速增長。

二零一九年，本公司與FTTH委員會共同舉辦FTTH亞太大會，赴美參加2019年世界光纖光纜大會，並贏得2021年世界光纖光纜大會的主辦權。

市場拓展

本公司大力開發新產品和綜合解決方案，發展相關多元化業務，推動公司長期可持續發展。

Focusing on 5G construction requirement, during the Mobile World Congress 2019 in Shanghai, the Company announced its “5G comprehensive connectivity strategy” and “YOFC industrial internet solutions”, cooperated with Hubei Mobile to explore the application of 5G in the industry and industrial fields, co-build a “5G+ Industrial Internet Innovation Experience Center” with Hubei Radio & Television, and commenced the operation of first second-level node of the industrial internet identification of the optical telecommunication industry. At the same time, the Company actively developed the optical fibre with large effective area and ultra-low attenuation applying in trunk networks and advanced multi-mode optical fibre applying in data centers which have been successfully deployed.

PROMOTING INTELLIGENT MANUFACTURING IN DEPTH TO SUSTAIN TECHNOLOGY LEADERSHIP

In 2019, “YOFC Intelligent Manufacturing Project in relation to the industrialization of the self-made preforms and optical fibres” was passed and accepted by the Department of Economy and Information Technology of Hubei Province and the Hubei Provincial Department of Finance. As the first batch of “model champion manufacturing enterprise” in the industry, the Company was qualified by the Ministry of Industry and Information Technology and has become the only enterprise in the domestic optical fibre and cable industry to receive such award.

The Company earned the “2nd Class of National Science and Technology Progress Award” again, and was the only company in the industry to earn this award three times. The Company's corporate technology center has been rated as outstanding with high scores among 1,538 participating enterprises, and continued to lead the technological development of the industry. The Company set the precedent in the industry by obtaining Asian Quality Excellence Award, the highest award in the Asian quality field.

圍繞5G建設要求，本公司在上海世界移動大會期間發佈「5G全聯接戰略」和「長飛光雲工業互聯網解決方案」，聯合湖北移動探索5G在行業及工業領域的應用，攜手與湖北廣共同構建「5G+工業互聯網創新體驗中心」，上線運行中國光通信行業首家工業互聯網標識解析二級節點。同時，積極開發應用於干線的大有效面積超低衰減光纖和應用於數據中心的高端多模光纖，均已成功商用。

深度推進智能製造持續技術引領

二零一九年，「長飛自主預制棒及光纖產業化智能製造項目」通過湖北省經信廳和財政廳驗收。本公司作為第一批製造業單項冠軍示范企業通過工信部覆核，成為國內光纖光纜行業唯一一家獲此殊榮的企業。

本公司再獲國家科學技術進步二等獎，成為全行業唯一一家三次問鼎此獎項的企業。公司企業技術中心在1538家參評企業中以高分獲評優秀，持續引領行業技術發展。斬獲亞洲質量領域最高獎－亞洲質量卓越獎，再開行業先河。

President's Report

總裁報告

OUTLOOK FOR 2020

In 2020, affected by the global widespread of coronavirus diseases (COVID-19), the market demand for optical fibre and cables fluctuated and the supply and demand was disturbed which posed greater challenges on our operation. While taking the anti-epidemic prevention measures, the Company will firmly implement its mid- and long-term development strategies, and timely adjust its business strategies in response to environmental changes resulted from epidemic so as to ensure the Company's sustainable and healthy development:

Promote organic growth of optical fibre preform, optical fibre and optical cable business: The Company will optimise the technologies and operation efficiency, and strengthen its advantages in cost structure. The Company will strive for excellent performance in the central biddings from Chinese telecom operators, and will deepen the penetration of targeting domestic private networks and overseas customers to enhance its market share.

Strengthen technology innovation and intelligent manufacturing: By targeting the popular demand of the market, the Company will develop new products and integrated solutions with competitive edges, cultivate emerging businesses, and explore new growth directions and drivers. The Company will continuously promote the intelligent manufacturing so as to optimise the output and reduce the costs.

Deepen the internationalization strategy: The Company will focus on potential markets and continue to realise the layout of overseas production and sales localization, strengthen the overseas coordination and integration, and emphasize the multi-business sales integration and expand customer base to achieve sustained overseas business growth.

Develop relevant diversification: The Company will increase the investment in strategic resources, focus on the development of popular businesses such as optical transceivers and system integration, continuously enhance the core competitiveness of submarine cables and other businesses so as to promote the rapid growth of emerging businesses in an orderly manner.

Optimize capitalized operation: The Company will leverage its technological advantages in the optical communication industry and consider the strategic investment layout targeting relevant industries. At the same time, the Company will take the overall debt level and market financing costs into full consideration and plan to issue debt financing instruments to broaden the financing channels.

Zhuang Dan

Executive Director and President

Wuhan, China
23 April 2020

二零二零年展望

二零二零年，受全球新冠肺炎疫情影響，光纖光纜市場需求波動，供給受阻，經營面臨較大挑戰。公司在做好屬地防疫的同時，堅定實施自身中長期發展戰略，並針對疫情導致的環境變化及時調整經營策略，確保公司持續健康發展：

棒纖纜業務內涵增長：優化工藝技術和生產效率，擴大成本優勢。公司將爭取在中國電信運營商客戶集採中取得優異成績，加深滲透國內專網和海外客戶，提升市場份額。

技術創新與智能製造：瞄準市場熱點需求，開發有競爭力的新產品和綜合解決方案，孵化新興業務，開拓新增長點。持續推進智能製造，優化產出降低成本。

國際化戰略：聚焦潛力市場，持續實施海外產銷本地化佈局，加強集體海外一體化協同，注重多業務融合銷售和大客戶開拓，實現持續海外業務增長。

發展相關多元化：加大戰略資源投入，聚焦發展光模塊、系統集成等明星業務，持續提升海纜等業務的核心競爭力，有節奏地推進新興業務快速增長。

優化資本運營：公司立足擁有的光通信行業技術優勢，圍繞相關產業考慮戰略投資佈局。同時，公司綜合考慮整體負債水平及市場融資成本，籌劃發行債務融資工具，拓寬融資渠道。

莊丹

執行董事兼總裁

中國武漢
二零二零年四月二十三日

Major Products and Solutions

主要產品及服務

Optical Fibre Preform & Optical Fibre 光纖預製棒及光纖



- Optical Fibre Preform is the feed materials from which optical fibres are drawn. It is the most technological part within the entire value chain
- 光纖預製棒是光纖拉絲原材料，其為整個產業鏈中技術含量最高的部分
- Optical Fibre is solid strands of hair-thin, high quality glass. Electrical signals are converted into light waves and transmitted through optical fibre
- 光纖是頭髮絲粗細、高品質的傳輸工具。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
- 光纖集中後成絞製成光纜
- Bundled fibres were encased in protective jackets
- 成絞後的光纖在外添加保護層

Specialty and Multi-Mode Fibre and Cable 特種及多模光纖光纜

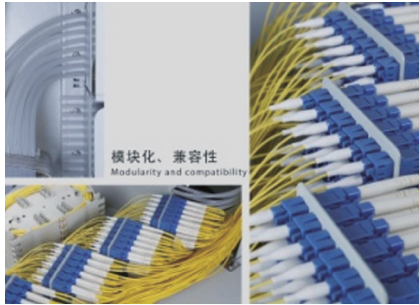


- Specialty fibres are custom designed for demanding applications and environment such as mining, aerospace, and medical industries
- 特種光纖根據客戶需求製成，可以用於極端環境，例如礦業、航天、醫療等領域
- Integrated service solution using specialty fibre and cable
- 特種光纖光纜的綜合服務
- Multi-mode fibre can meet high-performance demands for connection applications in short-distance transmission scenarios, such as data centers
- 多模光纖能滿足數據中心等短距離場景下的連接應用

Major Products and Solutions

主要產品及服務

Cabling Solutions and Integration Services 綜合佈線及集成服務



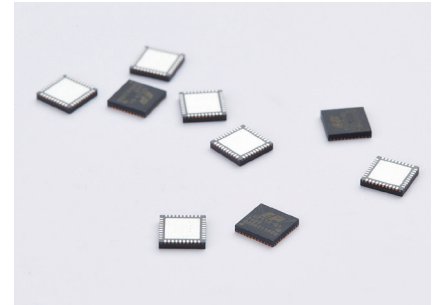
- Wire and cables, connectors and modules are applied as an integrated system in data centers, industrial control, FTTx, etc.
- 整合線纜和光纜，連接器和連接模塊等，形成佈線系統，用於數據中心、工業控制、光纖接入等領域
- Service solutions to deploy optical access network in FTTx projects
- 光纖接入FTTx工程項目的服務解決方案

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主要用於連接消費電子產品，及數據中心的傳輸
- AOC can significantly enhance transmission speed and save energy
- AOC可以顯著提高傳輸速度，節約大量能源

Optical Transceiver 光模塊



- Used to convert between electrical signal and light signal
- 進行光電信號的轉換
- Applied in optical network and IDC to connect transmission equipment
- 用於光纖網絡和數據中心的設備，用以連接光傳送設備。

Key Milestones in 2019

2019年里程碑

Technology Breakthroughs 技術突破	Honours 榮譽
<ul style="list-style-type: none"> YOFC ranked among top 20 in China Smart Manufacturing top 100; 長飛公司名列「中國智能製造排行榜top100」20強； YOFC announced “comprehensive connectivity + Industrial Internet” as its 5G development strategy 長飛公司發佈「全聯接+工業互聯網」的5G發展戰略 YOFC commenced the operation of first second-level node of the industrial internet identification of the optical telecommunication industry. 上線運行中國光通信行業首家工業互聯網標識解析二級節點 	<ul style="list-style-type: none"> YOFC's corporate technology center has been rated as outstanding with high scores in 2019 evaluation 長飛公司在2019年國家企業技術中心評價中獲評優秀； YOFC obtained 2019 Asian Quality Excellence Award. 長飛公司榮獲2019年亞洲質量卓越獎 YOFC obtained Excellence Company Award in Chinese IDC industry 長飛公司榮獲「中國IDC產業優秀廠商獎」
Internationalisation 國際化	Influence 影響力
<ul style="list-style-type: none"> YOFC won 4 contracts in national broadband project of Peru with a total amount of approximately USD400 million 長飛公司獲秘魯國家寬帶項目四份協議，金額約為4億美元； EverPro, a subsidiary of YOFC, won Sony Home Projector Best Partner Award. 長飛子公司長芯盛榮獲「索尼家用投影最佳合作夥伴」獎； 	<ul style="list-style-type: none"> YOFC, together with Huawei Technologies Co., Ltd., Nokia Shanghai Bell Co., Ltd., and other companies, announced to establish the Optical Network Alliance. 長飛携手華為、諾基亞貝爾等企業，共同創立綠色全光網絡技術聯盟； YOFC entered in an all-around strategic cooperation agreement with China Mobile Communications Group (Hubei) Co., Ltd, announcing the parties will jointly explore and implement the application of 5G technology in various sectors and industries. 長飛與中國移動通信集團湖北有限公司達成全方位戰略合作，宣佈雙方將共同探索推進5G技術在行業及工業領域的相關應用 YOFC joined China ESG Leaders Association. 長飛公司正式加入中國ESG領導者組織

Management Discussion and Analysis

管理層討論及分析

OVERVIEW

In 2019, the optical fibre and cable price plummeted owing to the adjustment of supply and demand structure and the intensified competition in the optical fibre and cable industry. Against the backdrop of challenges, the Company focused on the medium and long-term strategic development and continued to implement its strategic measures. It kept a balanced price and volume relationship to reinforce its advantages in optical fibre preform, optical fibre and optical cable business and maintained its leading position in the telecom market. It also actively expanded the international market and developed a comprehensive solution to expand the segment markets in the industry. Due to industry impacts, however, revenue and profit of the Company came under great pressure. Detailed operating conditions are as follows:

I. Principal Activities Severely Challenged by Market Fluctuation

The main products of the Company include optical fibre preform, optical fibre and optical cable. In 2019, as the construction of 4G networks and Fibre To The Home (FTTH) reached peak level while the large-scale construction of 5G networks has not yet commenced in the market of China, the growth of the optical cable demand slowed down. Meanwhile, the production capacity of the major preform suppliers in China released successively in the previous period, which caused the shortage to end. China also had excess optical fibre and cable capacity. The movement in supply and demand structure caused the optical fibre and cable price to drop sharply during the centralized procurement of optical cable products by the operators in the country and had a negative effect on the results of the Company. In 2019, revenue from the preform and optical fibre business of the Company was approximately RMB2,508.4 million, decreased by approximately 46.5% as compared to last year; gross profit margin decreased from approximately 49.4% for 2018 to approximately 40.5% for 2019. Revenue from the optical cable business of the Company was approximately RMB4,002.0 million, decreased by approximately 30.1% as compared to last year; gross profit margin increased from approximately 12.2% for 2018 to approximately 17.1% for 2019.

綜述

2019年，光纖光纜行業供需關係調整，競爭加劇，導致光纖光纜產品單價大幅下降。面對有挑戰的經營環境，公司立足中長期戰略發展，繼續堅定執行公司戰略舉措，平衡價量關係，鞏固光纖預制棒、光纖和光纜業務優勢，保持電信市場領先地位，積極拓展國際化市場，打造整體解決方案拓展行業細分市場。但受行業影響，公司營業收入及利潤水平承受較大壓力。具體經營情況如下：

I、主營業務受市場波動面臨嚴峻挑戰

預制棒、光纖和光纜是公司的主要產品。2019年，由於中國市場4G網絡建設及光纖入戶已達高峰而5G大規模建設尚未開啟，光纜需求增速放緩。同時，前期國內主要預制棒供應商擴產的產能陸續得到釋放，導致預制棒短缺結束，而光纖光纜出現產能過剩。供需關係的變化導致在國內運營商對光纜產品進行的集中採購中，光纖光纜價格大幅下降，對公司業績造成不利影響。2019年，公司預制棒及光纖業務實現收入約人民幣2,508.4百萬元，同比下降約46.5%；毛利率由2018年的約49.4%下降至2019年的40.5%。公司光纜業務實現收入約人民幣4,002.0百萬元，同比下降約30.1%；毛利率由2018年的約12.2%提升至2019年的17.1%。

Management Discussion and Analysis

管理層討論及分析

Facing the unfavourable market conditions, the Company, on the one hand, strengthened its product quality management to ensure the products were supplied in good quality to the satisfaction of customers, and utilized its distinctive brand and quality advantages to minimize the negative influence of low-price competition. On the other hand, the Company was determined to promote the multi-process routing to improve production efficiency and reduce costs. Preform is a key segment with the highest technical barrier and profitability in the industry. Therefore, the cost control of preform is a core factor influencing the profitability of each company in the industry when the industry chain comes under price pressure. In 2019, the Company's independently-developed VAD and OVD preform manufacturing processes were further optimized and their scaled capacity was gradually released. Comparing to the traditional PCVD process, VAD and OVD have certain cost advantage in producing single-mode optical fibre preform used in the telecom market. The smart production facility in Qianjiang, the construction of which was financed by the proceeds from the Company's initial public offering of A Shares, have made full utilization of its technical advantages, scale effect and smart manufacturing ability to further optimize production efficiency and cost structure, highlighting the advantage of the multi-process integration of the Company.

In the meantime, the Company keeps identifying market opportunities. Focusing on 5G construction requirement, during the Mobile World Congress 2019 organized in Shanghai in June 2019, the Company released its "5G comprehensive connectivity strategy" and "YOFC industrial internet solutions", offering a range of customized products and solutions to various 5G application scenarios. In order to meet the requirement of 5G high bandwidth, the Company developed the global-leading G.654.E optical fibre with ultra-low loss & large effective area to be used in the trunk line of 5G networks. Currently, the operators' construction of trial networks with G.654.E optical fibre has been completed and G.654.E realized remarkable results during the centralized procurement by domestic operators. Driven by the construction of data centers, the demand for multi-mode optical fibre products increased in a stable manner and the high-end multi-mode optical fibre of the Company to be used for data centers has also commenced commercial operation; driven by the government's policies regarding informatization of national defense and military, smart power grid and the promotion of made-in-China, demand for specialty optical fibre products continued to increase in the market.

為積極應對不利局面，公司一方面持續強化產品質量管理，確保在低價格環境中持續以滿足客戶高質量要求的水平供貨，利用品牌、質量等差異化優勢盡量削減低價競爭產生的負面影響；另一方面堅決推進多工藝路線以提高生產效率及降低成本。預制棒是產業鏈中技術門檻最高、利潤水平最高的部分。在產業鏈面臨價格壓力之時，預制棒的成本控制是影響行業中各公司利潤水平的核心因素之一。2019年，公司自主研發的VAD和OVD預制棒製造工藝日益成熟，規模化量產能力逐步釋放。相比公司傳統使用的PCVD工藝，VAD和OVD工藝在製造通信市場使用的單模預制棒上有一定成本優勢。使用公司A股首次公開發行募集資金建設完成的潛江智能化生產基地充分利用技術優勢、規模效應及智能製造水平，進一步提升製造效率和優化成本結構，使公司多工藝融合的優勢更加明顯。

同時，公司積極開拓市場機會。圍繞5G建設要求，公司在2019年6月舉行的上海世界移動大會期間發佈「5G全聯接戰略」和「長飛光雲工業互聯網解決方案」，為5G多種應用場景提供定制化的產品與解決方案。為滿足5G高帶寬需求，公司開發的應用於5G幹線的G.654.E大有效面積超低衰減光纖處於國際領先水平，且已完成運營商實驗網絡的鋪設，並在國內運營商進行的集中採購中取得了優異的成績。在數據中心建設拉動下，多模光纖產品需求穩定增長，公司應用於數據中心的高端多模光纖也已得到成功商用；在國防和軍隊信息化、智能電網以及國產替代等政策推動下，特種光纖產品市場需求持續保持增長。

Management Discussion and Analysis

管理層討論及分析

2. Expansion of Communication Engineering, Comprehensive Solution and Optical Transceiver Business

In 2019, focusing on the application scenarios including overseas communication network engineering project, data centers and smart cities, the Company made work group and resource integration and built integrated solutions to overseas communication, smart public security construction and all-optical network to enhance its core competitive edge while making continuous efforts in market expansion. In 2019, the Company made a breakthrough in the construction of overseas communication engineering. In Philippines, the network construction of the Company progressed well and new customers were continuously developed. In July 2019, a subsidiary of the Company in Peru entered into four agreements with PROGRAMA NACIONAL DE TELECOMUNICACIONES—PRONATEL in respect of the broadband internet connection projects in Ancash, Arequipa, La Libertad and San Martin respectively, which are integral parts of the national broadband project of Peru and cover over 1 million citizens in about 1,683 cities or towns with a total amount of approximately USD400 million.

In China, the comprehensive solution business of the Company continued to develop. The Company acquired and completed various projects, including the smart public security construction in Hubei and the all-optical network construction in a university in Jiangsu. In August 2019, the Company entered into an agreement with China Construction Third Engineering Bureau Co., Ltd in respect of the cooperation in the fields of urban construction, construction engineering, information service and overseas expansion. In September 2019, the Company entered in an all-around strategic cooperation agreement with China Mobile Communications Group (Hubei) Co., Ltd, announcing the parties will jointly explore and implement the application of 5G technology in various sectors and industries. In October 2019, the Company, together with Huawei Technologies Co., Ltd., Nokia Shanghai Bell Co., Ltd., Digital China Group Company Limited and China Overseas Property Holdings Limited, announced to establish the Optical Network Alliance to promote the development and application of the new optical network. In November 2019, the Company entered into a strategic cooperation agreement with Hubei Broadcasting and Television Information Network Co., Ltd. to establish a “5G+ industrial internet innovation and experience centre”.

2. 有序拓展通信工程、綜合解決方案和光模塊業務

2019年，公司圍繞海外通信網絡工程項目、數據中心、智慧城市等應用場景，整合業務團隊與資源，積極構建海外通信集成解決方案、智慧公檢法解決方案、全光網絡綜合解決方案等業務能力，夯實核心競爭力，並積極進行市場拓展。2019年，公司在海外通信工程建設方面取得重大突破。在菲律賓，公司的網絡工程建設項目進展順利，且不斷開拓新的客戶。2019年7月，公司在秘魯的子公司與PROGRAMA NACIONAL DE TELECOMUNICACIONES—PRONATEL簽訂了Ancash大區寬帶網絡連接項目建設、Arequipa大區寬帶網絡連接項目建設、La Libertad大區寬帶網絡連接項目建設、San Martin大區寬帶網絡連接項目建設等四份協議。該等協議屬於秘魯國家寬帶項目的一部分，覆蓋約1,683個城鎮、超過100萬人口，協議金額約為4億美元。

在國內，公司綜合解決方案業務不斷發展。公司獲得並執行完成湖北省內智慧公檢法、江蘇某大學全光校園等多個項目。2019年8月，公司與中建三局集團有限公司簽署協議，在城市建設、建築工程、信息服務、海外拓展等領域展開合作。2019年9月，公司與中國移動通信集團湖北有限公司達成全方位戰略合作，宣佈雙方將共同探索推進5G技術在行業及工業領域的相關應用。2019年10月，公司與華為技術有限公司、上海諾基亞貝爾股份有限公司、神州數碼集團股份有限公司、中海物業集團股份有限公司共同發起並宣佈成立「綠色全光網絡技術聯盟」，以推廣新一代全光網絡的普及和應用。2019年11月，公司與湖北省廣播電視信息網絡股份有限公司達成戰略合作協議，共同構建「5G+工業互聯網創新體驗中心」。

Optical transceiver, one of the important devices of the optical fibre communication system, is composed of optoelectronic devices, functional circuits and optical interfaces. The role of the optical transceiver is a photoelectric conversion, the sending-end of which turns electrical signals into light signals and then send them to the receiving end via optical fibre, then the receiving end turns them into electrical signals again. In 2019, the Company launched the optical transceiver product line and has continuously built its technical group to improve the competitive edge of its products. The Company has worked closely with China Telecom on the development of 5G technology and the application of optical transceiver and has been actively preparing for the centralized procurement of optical transceiver by China Telecom. As of the end of 2019, the Company has passed various qualification assessments and obtained the tender qualification in respect of China Telecom's centralized procurement of optical transceiver.

3. Deepened Implementation of International Expansion Strategy

The demand for optical fibre and cable continued to increase in a healthy manner in overseas market in 2019. In line with its established international expansion strategy, the Company relies on the overseas regional centres to strengthen its overseas sales team and continuously expand overseas business in a deepened and integrated manner. Leveraging on the growing overseas production capacity and marketing capability, the Company has stepped up its effort in the expansion of international markets by attaching more importance to the sales to the end customers, such as the local telecom operators, to improve customer stickiness and identifying opportunities arising from the customized product market to develop the global-leading operator customers in key regions in due time to achieve a synergy effect. Meanwhile, the Company has been actively involved in the international expansion strategy of China Telecom and other domestic enterprises to take the initiative for business development.

In 2019, even though the demand in overseas market increased, the competition in the overseas market intensified and the unit price of optical fibre and cable in overseas market dropped, following a sharp decline in the optical fibre and cable price in China. In 2019, revenue from the Company's overseas business was approximately RMB1,661.3 million, decreased by approximately 11.9% as compared to last year.

光模塊(Optical transceiver)是光纖通信系統的重要器件之一，主要由光電子器件、功能電路和光接口等組成。光模塊的作用是「光電轉換」，發送端將電信號轉換成光信號，然後通過光纖傳送後，接收端再把光信號轉換成電信號。2019年，公司成立光模塊產品線並持續構建技術團隊和提升產品競爭力。公司與中國電信緊密合作，共同探討5G技術發展及光模塊應用，並積極參與中國電信光模塊集中採購的準備工作。2019年底，公司已通過各種資質審核，具備中國電信光模塊集中採購投標資格。

3、深度實施國際化戰略

2019年，海外光纖光纜市場需求持續健康增長。公司按照既定國際化戰略實施路徑，以海外地區部為橋頭堡加強海外銷售服務團隊，走深耕融合經營之路，持續開拓海外業務。依托不斷提升的海外產銷能力，公司全面加強國際市場拓展力度，一方面更加注重對當地電信運營商等最終客戶的銷售，提升客戶黏性；另一方面，挖掘定制產品市場機遇適時切入重點區域的全球主流運營商客戶，達到以點帶面的市場拓展效益。同時，公司積極對接中國電信等國內企業的國際化戰略佈局，搶佔業務發展先機。

2019年，雖然海外市場需求總量有所增長，但在中國市場光纖光纜價格大幅下降後，海外市場競爭更為激烈，光纖光纜產品單價亦有相當幅度的下降。公司2019年海外業務收入為約人民幣1,661.3百萬元，同比下降約11.9%。

Management Discussion and Analysis

管理層討論及分析

4. Innovation-driven Development

Innovation is the driving force for the sustainable development of the Company and the technological innovation and smart manufacturing is one of the five major strategies of the Company. In 2019, the Company made end-to-end resource and capacity integration in line with its product lines, and conducted customer-oriented technological researches and product innovation. It deepened the implementation of the innovation-driven development strategy in terms of organizational system and operation model, which greatly shortened the time period for a product from research and development ("R&D") to commercial use. In addition to the abovementioned G.654.E optical fibre which made a breakthrough in the operators' centralized procurement, many products, including the optoelectronic cable and the high-density micro distribution optical cable, developed by the Company catering for customer needs also made steady progress. Besides, the Company has stuck to the R&D of the multi-process technology as well as establishing its independent in-house innovation platform. The Company's "environment-friendly and resource-efficient optical cable and related manufacturing technology and equipment" (面向環境保護及資源節約的新型光纖及其成套製造技術與裝備) won the second prize of Hubei Technological Invention Award (湖北省技術發明獎), being the first time for the Company to win technological invention award. As of the end of 2019, the Company had 499 authorized valid patents (including 251 patents for invention) and 66 overseas authorized patents.

In 2019, the Company integrated the hardware and software team in relation to smart manufacturing and officially launched the Smart Manufacturing Academy and relevant departments. While making comprehensive arrangement of the smart plant construction and intellectualized reconstruction projects, the Company relied on the core advantage of "optical connection" to generate business outcome and released the "YOFIC industrial internet solutions". In December 2019, the secondary nodes for the industrial internet identification analysis were officially put into service in the Company, the first in the optical communication industry in China. As an integral part of the industrial ecosystem, the industrial internet identification analysis system plays as the "central nerve" of the industrial internet to provide unified identity logos and identification analysis service to the connection objects and give a unique "identification card" to each product, component and machine. Currently, the top five national nodes for the industrial internet identification analysis have been built and launched in Beijing, Shanghai, Wuhan, Guangzhou and Chongqing. The secondary nodes for identification analysis launched in the Company this time will connect the top national nodes for identification analysis and enterprise identification nodes and application systems, providing various data management services, such as identification registration, identification analysis and operation monitoring, to the connected enterprises and enabling data search and sharing among different enterprises, industries and regions, thus driving the transformation and upgrade of the manufacturing industry with higher effective sharing of data.

4. 創新驅動發展

創新是公司持續發展的源動力，技術創新與智能製造是公司的主要戰略之一。2019年，公司按照產品線模式整合業務端到端的資源與能力，以客戶為中心進行技術研發和產品創新，從組織制度和運作模式上深化落實創新驅動發展戰略，研發的市場響應速度大幅提升。除上文提及的G.654.E光纖在運營商集中採購中取得突破外，公司針對客戶需求開發的光電複合纜、高密度微簇光纜等產品均穩步推進。同時，公司堅持多工藝技術與製造裝備研發，構建全自主的創新平台。「面向環境保護及資源節約的新型光纖及其成套製造技術與裝備」榮獲湖北省技術發明獎二等獎，這也是公司首次榮獲技術發明類獎項。截止到2019年年底，公司共擁有授權的有效專利總數499件（含發明專利251件），海外授權專利66件。

2019年，公司整合智能製造相關的軟硬件團隊，正式成立智能製造研究院和實體部門，在全面統籌做好公司智能工廠建設和智能化改造項目的基礎上，圍繞「光連接」核心優勢打造業務輸出能力，發佈「長飛光雲工業互聯網解決方案」。2019年12月，中國光通信行業首家工業互聯網標識解析二級節點在公司正式上線運行。作為工業生態體系的重要一環，工業互聯網標識解析體系是工業互聯網的「中樞神經」，為連接的對象提供統一的身份標識和解析服務，賦予每一個產品、零部件、機器設備唯一的「身份證」。目前，國家工業互聯網標識解析頂級節點已在北京、上海、武漢、廣州、重慶五大城市完成建設並投入運營。此次落戶公司的標識解析二級節點，將向上對接標識解析國家頂級節點，向下對接企業標識節點及應用系統，為接入企業提供標識註冊、標識解析、運行監測等數據管理服務，實現跨企業、跨行業、跨地區的數據查詢和共享，以更高效的數據互聯助力製造業轉型升級。

Management Discussion and Analysis

管理層討論及分析

During the year, the Group's revenue was approximately RMB7,769.2 million, decreased by approximately 31.6% as compared to 2018 of approximately RMB11,359.8 million. The Group reported a gross profit of RMB1,833.5 million, decreased by approximately 43.2% as compared to 2018 of approximately RMB3,228.4 million. The Group's profit for the year attributable to the equity shareholders of the Company amounted to approximately RMB801.2 million, decreased by approximately 46.2% as compared to 2018 of approximately RMB1,489.2 million.

Basic earnings per share was RMB1.06 per share (2018: RMB2.09 per share), which was calculated based on the weighted average number of shares issued, further details of which are set out in note V.49 to the financial statements of this annual report.

REVENUE

The Group's revenue for the year ended 31 December 2019 was approximately RMB7,769.2 million, representing an decrease of 31.6% as compared to 2018 of approximately RMB11,359.8 million.

By product segment, a total revenue of approximately RMB2,508.4 million was contributed from our optical fibre preforms and optical fibres segment, representing a decrease of 46.5% as compared to 2018 of approximately RMB4,691.2 million and accounting for 32.3% (2018: 41.3%) of the Group's revenue; while a total revenue of RMB4,002.0 million was contributed by our optical fibre cables segment, representing a decrease of 30.1% as compared to 2018 of approximately RMB5,726.7 million and accounting for 51.5% (2018: 50.4%) of the Group's revenue. The substantial decrease in the Group's total revenue was mainly because in the recent central biddings from domestic telecom operators, the price of optical fibre and cable decreased by approximately 40%. Also, affected by the relatively late timing of the biddings, although the announced total volume in the biddings were roughly the same as last year, the volume in the biddings was not released in full in 2019.

A total revenue of approximately RMB1,258.7 million was contributed by others, representing an increase of 33.6% as compared to 2018 of approximately RMB941.9 million and accounting for 16.2% (2018: 8.3%) of the Group's revenue. The increase was mainly attributable to the increase in income from System Integration Sales, which grew significantly by 522.1% as compared with 2018.

By geographical segment, a total revenue of approximately RMB6,107.9 million was contributed by domestic customers, representing a decrease of 35.5% (2018: increased by 2.9%) as compared to 2018 of approximately RMB9,473.8 million and accounting for 78.6% of the Group's revenue. For overseas market, a total revenue of approximately RMB1,661.3 million was reported in 2019 representing a decrease of 11.9% (2018: increased by 62.5%) as compared to 2018 of approximately RMB1,886.0 million and accounting for approximately 21.4% of the Group's revenue.

於本年度，本集團營業收入約為人民幣7,769.2百萬元，較二零一八年約人民幣11,359.8百萬元下降約31.6%。本集團毛利約為人民幣1,833.5百萬元，較二零一八年約人民幣3,228.4百萬元下降約43.2%。本集團的本年度歸屬於母公司股東的淨利潤約為人民幣801.2百萬元，較二零一八年約人民幣1,489.2百萬元下降約46.2%。

基於加權平均已發行股份股數計算，基本每股盈利為每股股份人民幣1.06元（二零一八年：每股股份人民幣2.09元），詳情載於本年報所載財務報表之附註五、49。

收入

截至二零一九年十二月三十一日止年度的本集團營業收入約為人民幣7,769.2百萬元，較二零一八年約人民幣11,359.8百萬元下降約31.6%。

按產品分部劃分，總額約人民幣2,508.4百萬元收入來自我們的光纖預製棒及光纖分部，較二零一八年約人民幣4,691.2百萬元下降46.5%及佔本集團收入32.3%（二零一八年：41.3%）；而總額人民幣4,002.0百萬元收入乃來自我們的光纖分部，對比二零一八年約人民幣5,726.7百萬元下降30.1%及佔本集團收入51.5%（二零一八年：50.4%）。本集團總收入的下降主要源於在最近境內電信運營商集中採購中，光纖及光纖價格大幅下降約40%。同時受到集中採購時點相對滯後的影響，雖然集中採購總量相比二零一八年基本穩定，但二零一九年全年並未足額訂單釋放。

其他產品服務貢獻總收入約人民幣1,258.7百萬元，較二零一八年約人民幣941.9百萬元增長33.6%及佔本集團收入16.2%（二零一八年：8.3%），主要由於集團系統集成收入較二零一八年大幅增長522.1%。

按地區分部劃分，總額約人民幣6,107.9百萬元收入來自國內客戶，較二零一八年約人民幣9,473.8百萬元下降35.5%（二零一八年：增幅2.9%）及佔本集團收入78.6%。於二零一九年總額約人民幣1,661.3百萬元收入乃來自海外客戶，較二零一八年約人民幣1,886.0百萬元下降11.9%（二零一八年：增幅62.5%）及佔本集團收入約21.4%。

Management Discussion and Analysis

管理層討論及分析

COST OF SALES

The Group's cost of sales for the year ended 31 December 2019 was approximately RMB5,935.6 million, representing a decrease of 27.0% as compared to 2018 of approximately RMB8,131.3 million and accounting for 76.4% of the Group's revenue. The decrease in cost of sales was lower than the decrease of the Group's revenue. The percentage difference was mainly because the decrease in the selling price of optical fibre preforms, optical fibres and optical cables which was affected by the market was higher than the decrease in the cost of major raw materials in 2019.

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 2019, the Group's total raw material costs was approximately RMB5,003.4 million, representing an decrease of 30.9% as compared to approximately RMB7,243.9 million in 2018.

For the year ended 31 December 2019, the Group's manufacturing overheads and direct labour cost amounted to approximately RMB929.6 million, representing an increase of 5.0% as compared to RMB885.0 million in 2018.

GROSS PROFIT AND GROSS PROFIT MARGIN

For the year ended 31 December 2019, the Group reported a gross profit of RMB1,833.5 million, representing a decrease of 43.2% as compared to RMB3,228.4 million in 2018 and the gross profit margin decreased to 23.6% in 2019 (2018: 28.4%). The decrease in gross profit was mainly because the decrease in the selling price of optical fibre preforms, optical fibres and optical cables, which was affected by the market was higher than the decrease in the cost of major raw materials in 2019.

SELLING EXPENSES

The Group's selling expenses for the year ended 31 December 2019 were RMB347.3 million, representing a decrease of 9.9% as compared to RMB385.3 million in 2018. The decrease was mainly due to the decrease in revenue and cut down in salary expenditures.

ADMINISTRATIVE EXPENSES

The Group's administrative expenses for the year ended 31 December 2019 were RMB428.5 million, representing a decrease of 33.8% as compared to RMB646.9 million in 2018. The decrease was mainly due to the decrease in revenue and cut down in salary expenditures and other administrative expenditures.

營業成本

本集團截至二零一九年十二月三十一日止年度的營業成本約為人民幣5,935.6百萬元，較二零一八年約人民幣8,131.3百萬元下降27.0%，佔本集團收入的76.4%。營業成本降幅低於我們的營業收入降幅，主要由於受市場影響，本公司主要產品銷售價格下降幅度高於成本下降幅度。

本集團營業成本包括(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。

二零一九年，本集團原材料成本總額約為人民幣5,003.4百萬元，較二零一八年約人民幣7,243.9百萬元減少30.9%。

截至二零一九年十二月三十一日止年度，本集團的生產間接費用及直接人工成本約為人民幣929.6百萬元，較二零一八年的人民幣約885.0百萬元增加5.0%。

毛利及毛利率

截至二零一九年十二月三十一日止年度，本集團的毛利為人民幣1,833.5百萬元，較二零一八年的人民幣3,228.4百萬元下降43.2%，而毛利率則下降至23.6%（二零一八年：28.4%）。毛利率的下降主要由於受市場影響，本公司主要產品銷售價格下降幅度高於成本下降幅度。

銷售費用

本集團截至二零一九年十二月三十一日止年度的銷售費用為人民幣347.3百萬元，較二零一八年的人民幣385.3百萬元下降9.9%。降幅主要源於因營業收入下降，集團壓縮薪酬支出所致。

管理費用

本集團截至二零一九年十二月三十一日止年度的管理費用為人民幣428.5百萬元，較二零一八年的人民幣646.9百萬元下降33.8%。降幅主要源於因營業收入下降，集團壓縮薪酬支出及其他行政支出所致。

Management Discussion and Analysis

管理層討論及分析

R&D EXPENSES

The Group's R&D expenses for the year ended 31 December 2019 were RMB413.5 million, representing a decrease of 20.0% as compared to RMB516.8 million in 2018. The decrease was mainly due to the decrease in revenue and cut down in salary expenditures and part of significant research project has been put into operation.

FINANCIAL EXPENSES

The Group's financial expenses for the year ended 31 December 2019 were RMB6.2 million, representing a decrease of RMB33.9 as compared to RMB40.1 million in 2018, which was mainly because the exchange gains increased by RMB32.0 million as compared with the same period of last year.

The interest rates of the bank loans in 2019 ranged from 1.20% to 5.00% per annum (2018: 1.20% to 5.70% per annum), while the annual effective interest rate for the borrowings in 2019 was 2.86% (2018: 4.14%).

OTHER INCOME

The Group's other income for the year ended 31 December 2019 was RMB203.9 million, representing an increase of approximately RMB176.0 million as compared to RMB27.9 million in 2018, which was mainly because the government grants related to income increased by approximately RMB164.5 million.

INCOME TAX

The Group's income tax for the year ended 31 December 2019 was RMB99.2 million, representing a decrease of 45.3% as compared to RMB181.5 million in 2018. On the other hand, the effective tax rate slightly increased from 10.9% in 2018 to 11.2% in 2019. Details of the preferential tax treatments of the Company and certain subsidiaries were set out in note IV to the financial statements contained in this annual report.

CAPITAL EXPENDITURES

During the year, the Group incurred capital expenditures of approximately RMB877.8 million (2018: RMB1,333.3 million) in total, involving the purchase of fixed assets, construction-in-progress, intangible assets, which were mainly related to the enhanced production capacities of three major products at home and abroad as well as the enhanced production efficiency of existing optical fibre preforms and optical fibre equipment.

研發費用

本集團截至二零一九年十二月三十一日止年度的研發費用為人民幣413.5百萬元，較二零一八年的人民幣516.8百萬元下降20.0%。降幅主要源於因營業收入下降，集團壓縮薪酬支出以及部分重點研發項目投入生產運營致研發費用減少。

財務費用

本集團截至二零一九年十二月三十一日止年度的財務費用為人民幣6.2百萬元，較二零一八年的人民幣40.1百萬元減少人民幣33.9百萬元。降幅主要源於匯兌收益較二零一八年同期增加約人民幣32.0百萬元。

銀行貸款的利率於二零一九年介乎年利率1.20%至5.00%（二零一八年：年利率1.20%至5.70%），而二零一九年借貸之實際年利率為2.86%（二零一八年：4.14%）。

其他收益

本集團截至二零一九年十二月三十一日止年度的其他收益約為人民幣203.9百萬元，較二零一八年的人民幣27.9百萬元增長約人民幣176.0百萬元。增長主要源於本期集團與收益相關的政府補助增長約人民幣164.5百萬元。

所得稅

本集團截至二零一九年十二月三十一日止年度的所得稅為人民幣99.2百萬元，較二零一八年的人民幣181.5百萬元下降45.3%。此外，實際稅率由二零一八年的10.9%小幅上升至二零一九年的11.2%。本公司和若干附屬公司稅收優惠詳情載於本年報所載財務報表之附註四。

資本支出

年內本集團產生資本支出總額約為人民幣877.8百萬元（二零一八年：人民幣1,333.3百萬元），涉及購買固定資產、在建工程、無形資產，主要與長飛光纖潛江有限公司預製棒擴產項目以及提高現有光纖預製棒、光纖、光纜設備的生產效率有關。

Management Discussion and Analysis

管理層討論及分析

USE OF PROCEEDS FROM THE INITIAL PUBLIC OFFERING OF A SHARES

The A shares of the Company were listed on Shanghai Stock Exchange on 20 July 2018. The net proceeds from the issue of the A shares (after deducting the underwriting fees and A share issue expenses) amounted to approximately RMB1,894.3 million. As at 31 December 2019, the proceeds of approximately RMB1,807.2 million were used in the following items: (1) approximately RMB1,312.9 million was used for the II and III Phase of capacity expansion for self-made optical fibre preform and optical fibre industrialisation in Yangtze Optical Fibre (Qianjiang) Limited Company; (2) approximately RMB300.0 million was used for the repayment of bank loans; (3) approximately RMB194.3 million was used for the replenishment of working capital occupied. The remaining proceeds of approximately RMB87.1 million would still be specially used in the Phase II and III of capacity expansion for self-made optical fibre preform and optical fibre industrialisation in Yangtze Optical Fibre (Qianjiang) Limited Company.

GEARING RATIO

The Group monitors its leverage using gearing ratio, which is net debts divided by total equity. Net debts include all bank loans less cash and cash equivalents. The Group's gearing ratio as at 31 December 2019 was -13.0% (2018: -15.8%).

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 2019.

		2019 二零一九年 RMB 人民幣元	2018 二零一八年 RMB 人民幣元
Net cash generated from operating activities	經營活動產生的淨現金	842,663,893	565,350,945
Net cash used in investing activities	投資活動使用的淨現金	(667,072,798)	(1,530,096,247)
Net cash generated (used in)/from financing activities	融資活動(使用)/產生的淨現金	(720,928,044)	1,783,529,696
Effect of foreign exchange rate changes on cash and the equivalents	匯率變動對現金及現金等價物的影響	5,826,828	9,678,488
Net (decrease)/increase in cash and cash equivalents	現金及現金等價物(減少)/增加淨額	(539,510,121)	828,462,882

The net cash generated from the Group's operating activities increased by approximately RMB277.3 million, which was mainly due to receipt in advance for Peru broadband network installation projects while no significant expenditures occurred.

公開發行所得款項用途

本公司於二零一八年七月二十日完成A股公開發售並上市，上市所得款項淨額(經扣除承銷費用及有關上市開支後)為人民幣1,894.3百萬元。於二零一九年十二月三十一日，源於A股上市之所得款項淨額約人民幣1,807.2百萬元已用於(1)長飛光纖潛江有限公司自主預製棒及光纖產業化二期、三期擴產項目約人民幣1,312.9百萬元；(2)償還銀行貸款約人民幣300.0百萬元；(3)補足營運資本以改善本集團的資產負債水平約人民幣194.3百萬元。未動用所得款項淨額約人民幣87.1百萬元，款項將專項用於長飛光纖潛江有限公司自主預製棒及光纖產業化二期、三期擴產項目。

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。本集團於二零一九年十二月三十一日的負債資本比率為-13.0%(二零一八年：-15.8%)。

現金流量分析

下表載列摘錄自截至二零一九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277.3百萬元，乃主要由於本集團本年度收到秘魯網絡建設項目預收款，而相關支出尚未大量發生。

Management Discussion and Analysis

管理層討論及分析

The net cash used by the Group's investment activities decreased by approximately RMB863.0 million, which was mainly because the project of capacity expansion of YOFC Qianjiang, a subsidiary of the Company, was finished and payment for acquisition of fixed assets were decreased significantly as compared with the same period of 2018.

Net cash generated from the Group's financing activities decreased by approximately RMB2,504.5 million, which was mainly due to net proceeds from the initial public offering of A shares amounted to approximately RMB1,894.3 million from the last year and the decrease in bank loans in 2019.

Cash and cash equivalents as at 31 December 2019 were cash at banks and in hand, which were mainly in RMB, US Dollars, South African Rand, Euro, HK Dollars and Indonesian Rupiah.

NET CURRENT ASSETS

As at 31 December 2019, the Group's net current assets was RMB4,082.6 million, which was basically stable with RMB4,149.6 million as at 31 December 2018.

BANK LOANS

As at 31 December 2019, the Group's bank loans were RMB958.6 million, representing a decrease of RMB412.5 million from approximately RMB1,371.1 million as at 31 December 2018. As at 31 December 2019, 23.4% of the Group's bank loans were floating-rate loans and 76.6% were fixed-rate loans. Among the Group's bank loans, 4.7% were Hong Kong dollar loans, 34.9% were US dollar loans, and the remaining 60.4% were RMB loans.

COMMITMENTS AND CONTINGENCIES

As at 31 December 2019, the Group's outstanding capital commitments on fixed assets were approximately RMB1,529.3 million (2018: approximately RMB2,227.3 million), and equity investment was approximately RMB122.7 million (2018: approximately RMB26.3 million). Out of the total amount of unsettled commitments as at 31 December 2019 of approximately RMB1,652.0 million (2018: RMB2,253.6 million), a total amount of approximately RMB886.3 million (2018: approximately RMB493.4 million) were contracted, and the balance of approximately RMB765.7 million (2018: approximately RMB1,760.2 million) were authorized but not yet contracted by the Board.

As at 31 December 2019, the Group did not have any material contingent liability.

本集團投資活動使用的淨現金減少約人民幣863.0百萬元，乃主要由於本公司子公司長飛光纖潛江有限公司產能擴充項目本年已基本完成，購建固定資產支付的現金較上年同期大幅減少所致。

本集團融資活動產生的淨現金減少約人民幣2,504.5百萬元，乃主要由於上年度公司公開發行A股募集資金約人民幣1,894.3百萬元，而本年度又減少銀行貸款所致。

於二零一九年十二月三十一日的現金及現金等價物為銀行存款及現金，主要貨幣為人民幣、美元、南非蘭特、歐元、港元及印尼盧比。

淨流動資產

於二零一九年十二月三十一日，本集團淨流動資產為人民幣4,082.6百萬元，較二零一八年十二月三十一日的人民幣4,149.6百萬元基本持平。

銀行貸款

於二零一九年十二月三十一日，本集團之銀行貸款為人民幣958.6百萬元，較二零一八年十二月三十一日約人民幣1,371.1百萬元減少人民幣412.5百萬元。於二零一九年十二月三十一日，本集團銀行貸款之為23.4%浮息貸款及76.6%為定息貸款。本集團銀行貸款中，4.7%為港幣貸款，34.9%為美元貸款，而餘額60.4%為人民幣貸款。

承擔及或然事項

於二零一九年十二月三十一日，本集團就固定資產之未結算資本承擔約為人民幣1,529.3百萬元（二零一八年：約人民幣2,227.3百萬元）及權益投資約人民幣122.7百萬元（二零一八年：約人民幣26.3百萬元）。於二零一九年十二月三十一日之未結算承擔總額約為人民幣1,652.0百萬元（二零一八年：人民幣2,253.6百萬元）中，合共約人民幣886.3百萬元（二零一八年：約人民幣493.4百萬元）已訂約，而餘額約人民幣765.7百萬元（二零一八年：約人民幣1,760.2百萬元）則已獲董事會授權惟尚未訂約。

於二零一九年十二月三十一日，本集團並無任何重大或然負債。

Management Discussion and Analysis

管理層討論及分析

CHARGE ON ASSETS

As at 31 December 2019, the Group's plants and buildings with a cost of RMB51.3 million and land use rights with a cost of RMB27.1 million were pledged as collaterals to secure the Group's credit line. The Group's bank acceptance bills with a cost of RMB25.4 million were pledged as collaterals to issue payables

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

During the year, the Group benefited mainly from the favourable fluctuations in exchange rate movements between RMB and US Dollars or Euro. The amount of net foreign exchange gains was RMB19.6 million.

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

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2019, the Group had approximately 4,687 full-time employees (2018: 4,499 full-time employees). The Group has designed an annual evaluation system to assess the performance of its employees. Such system forms the basis of determining whether an employee should be entitled to salary increments, bonuses or promotions. The salaries and bonuses that the employees received are competitive with market rates. The Company has been in compliance with the relevant national and local labor and social welfare laws and regulations in China.

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

資產抵押

於二零一九年十二月三十一日，本集團以賬面原值人民幣51.3百萬元的房屋及建築物及賬面價值人民幣27.1百萬元的土地使用權作為抵押予銀行以擔保本集團信用額度。本集團以賬面原值人民幣25.4百萬元的銀行承兌匯票質押予銀行以開具應付票據。

融資及財務政策

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

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、歐元及港幣計值。本集團大部分銀行存款以人民幣、美元、歐元及港元方式存置。

於本年度，本集團主要因人民幣對美元或歐元的匯率波動，從而導致了人民幣19.6百萬元的匯兌淨收益。

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

於二零一九年十二月三十一日，本集團約有4,687名全職僱員（二零一八年：約4,499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及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。

OFF-BALANCE SHEET ARRANGEMENTS

As at 31 December 2019, the Company discounted and endorsed certain bank bills receivable with a carrying amount of approximately RMB319.2 million (2018: RMB152.4 million) to certain commercial banks in China and its suppliers.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

There was no material acquisition and disposal of subsidiaries and associated companies by the Company during the year ended 31 December 2019.

OUTLOOK

Looking forward to 2020, in response to the increasingly complex and intensified competition, the Company will insist on its long-term development strategy. Relying on innovation and technology leadership, the Company will follow its high-quality brand strategy and maintain the leading position of its core products, including optical fibre preforms and optical fibres, in both domestic and overseas markets. Meanwhile, it will continue to implement the established strategy of international expansion and relevant diversification steadily, ensuring the sustainable and healthy development of the Company:

I. Arrange Orderly Resumption of Work and Production while Implementing Strict Epidemic Prevention and Control to Secure Customer Needs and Fulfill Social Responsibility

Affected by the novel coronavirus (COVID-19) outbreak, the Company has adopted various effective anti-virus measures in a timely manner. Before 23 January 2020, the Company requested all employees to take leaves, except for the few responsible for crucial security control, and encouraged employees to work from home by adopting telecommuting system. After the virus outbreak, the Company established an emergency response group responsible for the monitoring of the epidemic situation of the Company. It requested all employees of the Company to report their body temperature and health condition on a daily basis. For employees who must go to the office and production facilities in Wuhan out of the need of epidemic prevention, the Company took a series of measures, such as prior notification, in-and-out registration and temperature measurement, and provided masks and other protective articles. During the period from December 2019 to the date of this annual report, no COVID-19 infection case has been identified during working hours inside the Company. As of the date of this annual report, the proportion of the number of COVID-19 infection case to the total number of employees of the Company was lower than 1%.

資產負債表外安排

於二零一九年十二月三十一日，本公司將賬面值約為人民幣319.2百萬元(二零一八年：人民幣152.4百萬元)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。

子公司及關聯公司之重大收購及處置

截止至二零一九年十二月三十一日止年度，本公司概無子公司及關聯公司之重大收購及處置情況。

展望

2020年，面對更加複雜和激烈的競爭環境，公司將堅持自身長期發展戰略，利用創新和技術領先的優勢，堅持高質量品牌戰略，確保預制棒及光纖等核心產品在國內外市場的地位，同時在國際化和相關多元化方面按照既定戰略繼續穩步推進，確保公司持續健康發展：

I、嚴格進行疫情防務，有序安排復工復產，全力保障客戶需求，積極履行社會責任

面對新型冠狀病毒感染的肺炎(COVID-19)疫情，公司採取了及時、有效的應對措施。在2020年1月23日前，公司已要求除少數關鍵安全防務崗位外的所有員工休假，並鼓勵員工採取遠程辦公等方式工作。疫情爆發後，公司成立了緊急應對小組實時監控公司疫情發展，要求本集團所有員工每日上報體溫及身體狀況。對於因防務工作需要等必須前往公司位於武漢的辦公及生產設施的員工，公司實施了事前申報，出入登記、體溫測量等措施，並提供口罩等防護用品。公司自2019年12月至本年報發佈日，均未發生正常工作期間公司內部的COVID-19感染。截至本年報發佈日，公司員工感染COVID-19的人數佔員工總數的比例低於1%。

Management Discussion and Analysis

管理層討論及分析

Affected by the epidemic, the Spring Festival holiday in 2020 was extended. The Group has extensive production distribution in respect of optical fibre and optical cable. Pursuant to the country's policy to resume work in major provinces successively from 10 February 2020, the production facilities of the Company located in Tianjin, Liaoning, Gansu, Zhejiang and Guangdong have resumed production successively while ensuring safety. Operation of the overseas subsidiaries of the Company located in Indonesia and South Africa, unaffected by the epidemic, continued during the Spring Festival period. Pursuant to the requirement of epidemic prevention and control, the office and production facilities of the Company located in Hubei resumed production gradually from mid-March 2020.

The Company has made flexible capacity arrangement. On one hand, it makes full use of the production facilities located outside of Hubei in order to meet the demand of customers for optical fibres and cables. The sales and customer service personnel provide 24/7 online services to the customers. On the other hand, as the major preform capacity of the Company are located in Wuhan and Qianjiang, Hubei, the Company has strengthened the transportation logistics and used inventories to meet the demand of customers and of its own for optical fibre production since the work resumption in Hubei in March 2020. Meanwhile, depending on its adequate raw materials for and flexibility of the PCVD process, the Company has endeavoured to alleviate the negative impacts on preform capacity.

While implementing the companywide epidemic prevention and control, the Company has actively fulfilled its social responsibility to do its part to the epidemic fighting work. During the construction of Huoshenshan Hospital and Leishenshan Hospital, the Company made quick response and organized personnel to contact with the relevant people from China Construction Third Engineering Bureau Co Ltd and China Tower (Hubei) Corp Ltd. responsible for the construction to provide a large number of optical cables and outdoor & indoor structured cabling system products necessary for the network infrastructure construction of the hospitals. Many employees of the Company applied to participate in the network construction project. The cable distribution, welding and structured cabling work were completed ahead of schedule, which provided strong support to the epidemic prevention work in Wuhan. During the construction of Dabieshan Medical Centre in Huanggang, Hubei, the Company made overnight packages and delivery of the system integration products necessary for the project construction, ensuring the construction progressed as scheduled. Besides, the subsidiaries of the Group in Philippines, Peru and Africa managed to raise scarce medical resources and donate to the virus frontline.

受疫情影響，2020年春節假期延長。本集團擁有較為完善的光纖光纜產能佈局，自2020年2月10日全國主要省份陸續安排復工起，公司位於天津、遼寧、甘肅、浙江、廣東等地的生產設施在保障安全的前提下陸續恢復生產，而公司位於印度尼西亞、南非等地的海外公司春節期間未受疫情影響，持續運轉。根據疫情防控的要求，公司位於湖北省內的辦公及生產設施於2020年3月中旬起逐步恢復生產。

公司靈活調配產能，一方面充分利用位於湖北省以外的生產設施滿足客戶光纖光纜訂單的需求，銷售及服務保障人員24小時在線為客戶提供服務。另一方面，公司主要的預制棒產能均位於湖北省的武漢市及潛江市，在2020年3月湖北省復工後，公司已加緊物流運輸，全力運用庫存儲備滿足客戶及自有光纖生產需求。同時，公司利用PCVD工藝原材料充足、生產轉換靈活等優勢盡力降低公司預製棒產能受到的負面影響。

在積極做好自身疫情防控的同時，作為負責任的企業公民，本公司積極履行社會責任，為戰「疫」貢獻力量。在武漢火神山及雷神山醫院的建設過程中，公司第一時間響應，迅速組織人員與中建三局、湖北鐵塔等建設施工單位相關負責人對接，提供醫院網絡基礎設施建設所需的大量光纜及室內外綜合布線產品。數名員工主動請纓參與醫院網絡鋪設，提前完成光纜布放、熔接、綜合布線等任務，為武漢疫情防控工作提供有力的支持。在湖北省黃岡市大別山醫療中心的建設中，公司對項目所需系統集成相關產品進行了連夜裝箱及運輸，保障建設進度。在海外，本集團位於菲律賓、秘魯、非洲等地的子公司千方百計籌措疫情期間短缺的醫療物資並捐贈到抗疫一線。

2. To solidify leading position in main businesses and consolidate market position

In 2020, the competition in the domestic optical fibre and cable market will remain fierce. The uncertainty of demand from domestic operators increased in the first half of 2020, and oversupply of optical fibres and cables continues. Under the current market conditions, it is one of the crucial parts of the industrial competition to ensure the profitability of optical fibre preform and optical fibre products. On one hand, the Company would take measures to lower costs and increase production efficiency, further optimise OVD and VAD processes to increase yield rate from raw materials, promote smart manufacturing projects to produce standardized products with lower costs, and to further lower costs. On the other hand, the Company will continue to strengthen the relationship with end customers both at home and abroad to ensure excellent performance in the central bidding of operators and will tap into more customers of dedicated network and industries such as railway and China Broadcasting Network to consistently increase market share. Furthermore, leveraging its leading technological advantages, the Company will closely follow the market demand and make more efforts in promoting G.654.E optical fibre with large effective area and ultra-low attenuation, composite cables and high-end multi-mode optical fibres with ultra-wide band, so as to generate more revenue and profit.

Regarding market demand, fixed network construction continues. In May 2019, according to the deployment on carrying out demonstration of 1,000MB broadband in urban areas set out in the Government Work Report, the Ministry of Industry and Information Technology (MIIT) of the People's Republic of China and the State-owned Assets Supervision and Administration Commission of the State Council jointly issued the Circular on 2019 Dedicated Action on Carrying out Further Facilitation of Broadband Network Speed Acceleration and Cost Reduction to Support Quality Economic Development (關於開展深入推進寬帶網絡提速降費支撐經濟高質量發展2019專項行動的通知) which put forward the facilitation of fundamental telecommunication enterprises to deploy 1,000MB broadband access network in over 300 cities. The 1,000MB broadband would cover over 20 million users, which will secure basic network for the innovation and promotion of high bandwidth application. As of the end of December 2019, 870,000 users have access to fixed Internet broadband with the speed of over 1,000MB in China, accounting for approximately 0.2% of total users with fixed Internet broadband access. There is still potential for future construction.

2、夯實主業優勢，鞏固市場地位

2020年，國內光纖光纜市場競爭仍然激烈。國內運營商客戶2020年上半年需求的不確定性增加，光纖光纜供給過剩的情況仍在持續。在當前的市場環境下，保證預制棒及光纖產品的利潤水平是行業競爭的關鍵因素之一。公司一方面採取一系列降低成本、提高生產效率的措施，進一步完善OVD及VAD技術，通過工藝技術改造提升生產效率和原材料利用率，有序推進智能製造項目降低成本和提升產品標準化率和合格率，擴大成本優勢；另一方面，公司將持續鞏固與國內外終端客戶的關係，確保在運營商集中採購中取得優異成績，並加深向鐵路、中國廣電等專網和行業客戶的滲透，不斷地提升市場份額。此外，公司將利用技術領先的優勢，密切跟踪市場需求，加大對大有效面積超低衰減G.654.E光纖、光電複合纜、高端超寬帶多模光纖的市場推廣，創造更多收入和利潤增長點。

在市場需求方面，固定網絡仍在進行持續建設。2019年5月，根據《政府工作報告》關於開展城市千兆寬帶示範的部署，中華人民共和國工業與信息化部（工信部）和國務院國有資產監督管理委員會共同發佈《關於開展深入推進寬帶網絡提速降費支撐經濟高質量發展2019專項行動的通知》，提出推動基礎電信企業在超過300個城市部署千兆寬帶接入網絡，千兆寬帶覆蓋用戶規模超過2,000萬，為高帶寬應用創新和推廣提供基礎網絡保障。截至2019年12月底，全國千兆以上接入速率的固定互聯網寬帶接入用戶為87萬戶，佔固定互聯網寬帶接入用戶總數約0.2%，未來仍有建設空間。

Management Discussion and Analysis

管理層討論及分析

Regarding 4G construction, according to the data from MIIT, as of the end of December 2019, the number of 4G users was 1.28 billion, representing 80.1% of mobile phone users. In 2019, data consumption reached 122 billion GB, up by 71.6% over last year. The annual average dataflow of usage (DOU) of mobile network amounted to 7.82GB/user/month, which was 1.69 times of that of last year. The DOU in December 2019 reached 8.59GB/user/month, maintaining at a high level. In 2019, the operators continued the construction of 4G base stations. According to the data published by MIIT, the total number of mobile base stations in China reached 8.41 million, 5.44 million of which were 4G base stations. With the launch of 5G commercial package, the data package subscribed by users continued to increase. Before the extensive coverage of 5G base stations, the increased package data is expected to exert pressure on 4G network, thereby urging operators to further improve 4G network.

2019 marked the first year of the 5G commercialization era. In June 2019, MIIT granted 5G commercial licenses to China Telecom, China Mobile, China Unicom and China Broadcasting Network. In September 2019, China Mobile took the lead in opening pre-subscription of 5G commercial package, followed by China Unicom and China Telecom. According to the data published by China Mobile, China Telecom and China Unicom, as of 9 October 2019, the numbers of users for 5G pre-subscription were approximately 5.92 million, 2 million and 2.08 million, respectively, or over 10 million in aggregate. In January 2020, China Telecom further announced that its 5G package users exceeded 8 million. Regarding the 5G package data and costs announced by the operators, the price of 5G commercial package of three major operators, namely China Mobile, China Telecom and China Unicom, ranges from RMB128 to RMB599 and data ranges from 30GB to 300GB, representing a significant increase as compared to 4G package data. On one hand, the high frequency used by 5G resulted in smaller coverage of a single base station, which needs the deployment of more base stations to achieve uninterrupted network coverage within a unit of an area. The base station build-out at new station sites is expected to generate incremental demand for optical fibres and cables. At the same time, the mass construction of 5G in China is expected to adopt the stand-alone standard, which is also beneficial to the development of optical fibre and cable industry. On the other hand, upon the popularization of 5G commercial package, data consumption from mobile phone users is expected to increase significantly, exerting pressure on the existing network bandwidth and facilitating network optimization. According to the statistics from the Ministry of Science and ICT in South Korea, six months after commercial use, the 5G DOU in South Korea reached 24GB per month in July 2019, representing a significant increase compared to 4G DOU in the corresponding period last year. According to the data published by MIIT in February 2020, as of the end of 2019, the number of 5G base stations in China has exceeded 130,000 and use scale has been expanding at one million new users per month. 35 types of 5G mobile phones in China have obtained the permission to have access to 5G network and the output of 5G mobile phones in the domestic market has shown a clear upward trend, reaching 13.77 million in 2019. Therefore, 5G development is fostering.

在4G建設方面，根據工信部公佈的數據，截至2019年12月底，4G用戶規模為12.8億戶，佔移動電話用戶的80.1%。2019年，移動互聯網接入流量消費達1,220億GB，比上年增長71.6%；全年移動互聯網月戶均流量(DOU)達7.82GB/戶/月，是上年的1.69倍；2019年12月當月DOU達8.59GB/戶/月，保持較高水平。2019年，運營商仍在持續進行4G基地站的建設。根據工信部公佈的數據，2019年全國移動基地站總數達841萬個，其中4G基地站總數為544萬個。隨著5G商用套餐開啟，用戶訂閱的套餐數據流量持續上升，而在5G基地站尚未完成廣覆蓋時，增加的套餐流量預計將對4G網絡產生壓力，促使運營商進一步完善4G網絡。

2019年是中國5G商用元年。2019年6月，工信部向中國電信、中國移動、中國聯通、中國廣電發放5G商用牌照。2019年9月，中國移動率先開啟5G商用套餐預約，中國聯通及中國電信隨後跟進。截至2019年10月9日，根據中國移動、中國電信、中國聯通公佈的數據，其5G預約用戶數量分別約為592萬戶、200萬戶及208萬戶，合計已超過1,000萬。而在2020年1月，中國電信進一步公佈其5G套餐用戶已經突破800萬戶。從運營商公佈的5G套餐流量及資費情況來看，中國移動、中國電信、中國聯通等三大運營商5G商用套餐價格介於人民幣128元至599元間，流量介於30GB至300GB間，相比4G套餐流量有大幅提升。一方面，5G採用的更高頻段使得單基地站覆蓋範圍減小，需要在單位面積內部署更多的基地站來實現網絡連續覆蓋，新站址的基地站鋪設有望帶來對光纖光纜的增量需求。同時，中國5G規模建設預計將採用獨立組網的模式，亦將有利於光纖光纜行業發展。另一方面，在5G商用套餐普及後，手機用戶流量消費預期將大幅增加，對現有網絡帶寬帶來壓力，促進網絡優化。根據韓國科學和信息通信技術部的統計，商用半年後，韓國5G戶均流量(DOU)在2019年7月達到每月24GB，相較同期4G戶均流量有大幅提高。根據工信部於2020年2月公佈的數據，截至2019年年底，我國5G基地站數已超13萬個，用戶規模以每月新增百萬用戶的速度擴張；國內已有35款5G手機獲得入網許可，國內市場5G手機出貨量在2019年達到1,377萬部，呈明顯增長趨勢，5G發展勢頭良好。

Management Discussion and Analysis

管理層討論及分析

In the long run, driven by continuous data increase, the launch of mass construction of 5G, consistent growth in the number of data terminals in the future and the acceleration of 1,000MB network broadband deployment, the optical fibre and cable market is expected to experience a new round of growth.

3. To further implement internationalisation

In 2020, facing a growing overseas market, the Company will focus on internationalisation strategy. On one hand, the Company will continue to develop and strengthen overseas regional centers and strengthen the coordination of production, supply chain and sales of overseas subsidiaries within the Company and form a regional localized cooperative operation model. On the other hand, the Group will aim at markets with growth potential, explore and accelerate the overseas industrial layout. Apart from optical fibre and cable, the sales capability for all series products would be enhanced, together with the bidding and delivery abilities of mid to large projects. The Company would always manage patents and intellectual properties risks and ensure the implementation of strategic goals in overseas market. Despite the expected stable growth in the demand for optical fibre and cable overseas, as domestic suppliers successively implement internationalization, the overseas market is still expected to face intensified competition in 2020. Taking advantage of its brand, the Company will strengthen the development and manufacturing of customized products based on the needs of overseas customers to form differentiated competitiveness, thereby ensuring further implementation of internationalisation of the Company to continuously increase revenue of overseas businesses.

4. To explore relevant diversification

In 2020, facing market opportunities in the optics telecom related businesses, the Company will gradually develop end to end product production and comprehensive solutions in various fields, such as overseas telecom network engineering project, smart city, construction of data centers and optical transceiver, based on customers' demand and application scenarios. The Company will also strengthen its business through customer replication, products extension and business extension.

長期來看，受數據流量持續增加、5G大規模建設的啟動、未來數據終端數量不斷增長、千兆網絡寬帶部署加快等因素的影響，光纖光纜市場有望迎來新一輪增長。

3、深度實施國際化戰略

2020年，面對海外持續增長的市場機遇，公司將以國際業務中心為主體，一方面持續建設海外地區部打造海外橋頭堡，在公司範圍內加強海外子公司的產供銷一體化協同，形成區域本地化的群體協同經營模式；另一方面，瞄準增長潛力市場區域，探索加快海外產業佈局。同時，在立足光纖光纜的基礎上，全面提升海外全系列產品的銷售能力和大中型項目的獲取與交付能力，並時刻注重對專利和知識產權等風險因素的防範，確保國際業務目標全面達成。雖然海外光纖光纜需求預計將持續穩定增長，但國內供應商紛紛實施國際化戰略，海外市場競爭預計在2020年仍將加劇。公司將利用品牌優勢，根據境外客戶需求加大定制化產品的研發和製造，形成差異化競爭力，確保公司國際化戰略的深度實施，持續提升海外業務收入佔比。

4、開拓相關多元化業務

2020年，面對光通信相關業務的市場機遇，公司將以客戶需求和應用場景為基礎，逐步在海外通信網絡工程項目、智慧城市、數據中心建設、光模塊等領域構建產品製造及綜合解決方案的端到端能力，通過客戶複製、產品延伸和業務擴展等三個延伸發展業務。

Management Discussion and Analysis

管理層討論及分析

The network engineering projects won by the Company in Peru progressed smoothly. Currently, this project has obtained environmental assessment reports for four areas while the civil engineering design for all thirty-two types of model sites of transmission network and access network has been completed. The Company has also completed the bidding for ten categories of communication equipment, successfully signed local construction contract, and received on-time prepayments from its customers. The Company achieved further breakthrough in its network engineering project in Philippines. Upon the successful delivery of relevant projects in 2019, the Company won the bid for the Cebu Island engineering project under the Converge project, through which it has become the only communication engineering service provider in the region. In 2020, aiming to enhance its capability to deliver network engineering project, the Company will continue to explore the local network construction demand of Philippines network operator and customers, and actively engage in China Telecom's network construction and service projects in Philippines.

In terms of optical transceiver market, the Company will conduct business expansion and planning by coupling organic growth with external expansion. As discussed above, the Company has established an optical transceiver product line and a technological team, and is qualified to engage in China Telecom's central bidding for optical transceiver. In January 2020, the Company acquired 51% of equity interests in Sunstar Communication Technology Co. Ltd., with capital contribution amounting to approximately RMB150 million. Sunstar Communication Technology Co. Ltd. was established in 2001 and headquartered in the West High-tech Zone of Chengdu, Sichuan Province. Since its establishment, this company has been focusing on the design, development, manufacturing, sales and technical support services of optical sub-assembly (OSA), and the original equipment manufacturing (OEM) and customization services of optical transceiver. Its principal products consist of OSA and optical transceiver of the optical fibre communication system with short-to-medium reach. As of 31 December 2018, the audited total assets and total liabilities of Sunstar Communication Technology Co. Ltd. amounted to RMB390,251,491.07 and RMB127,781,230.39, respectively, while revenue and profit attributable to equity shareholders for 2018 reached RMB437,905,594.94 and RMB61,215,810.50, respectively. With the accelerating construction of big data centers and the commencement of massive rollout of 5G network, the optical transceiver market is expected to witness another round of growth in 2020. However, this market will not be without its challenges. On one hand, the communication equipment market is undergoing a rapid rate of evolution, which has posed severe challenges on the Company's capability to research, develop and manufacture high speed optical transceiver. On the other hand, the concentrated nature of the market and customers' high bargaining power, in particular telecom operator's plan to directly conduct central bidding for optical transceiver, are expected to impose more pressure on product price, and hence subjecting optical transceiver manufacturers to immense challenges in terms of their production and operation management. On the basis of scientific planning, the Company will leverage its reasonable investment in strategic resources to focus on the development of optical transceiver business and other relevant diversified business, with a view to adding new drivers for sustainable development of the Company.

公司在秘魯中標的網絡工程項目進展順利。目前，該項目已獲取了四個區域的環境測評報告，完成了傳輸網和接入網全部三十二種模型站點的土建設計，完成了通信設備十個大類的設備招標，當地施工合同簽署順利，客戶預付款回款按期支付。公司在菲律賓的網絡工程項目取得進一步突破。在完成2019年相關項目交付後，公司成功中標Converge項目中Cebu Island工程項目，成為該地區唯一一家通信工程服務提供商。2020年，公司將持續開拓菲律賓當地運營商客戶的網絡建設需求，並積極參與中國電信在菲律賓的網絡建設和服務，完善公司網絡工程項目交付能力。

在光模塊市場，公司通過內生與外延結合的方式進行業務拓展和規劃。如前文所述，公司已成立光模塊產品線和技術團隊，並已具備中國電信光模塊集中採購投標資格。2020年1月，公司出資約人民幣1.5億元收購了四川光恒通信技術有限公司51%的股權。四川光恒通信技術有限公司成立於2001年，總部位於四川省成都市高新西區。自成立以來，該公司專注於光電器件(OSA)的設計開發、製造、銷售和技術支持服務和光模塊(Optical Transceiver)的代工和定制服務，主要產品包括中短距離光纖通信系統的光器件與光模塊。截至2018年12月31日，四川光恒通信技術有限公司經審計總資產為人民幣390,251,491.07元，總負債為人民幣127,781,230.39元；2018年年度營業收入為人民幣437,905,594.94元，歸屬於母公司股東的淨利潤為人民幣61,215,810.50元。隨著大型數據中心建設的加速及5G規模鋪設的啟動，光模塊市場有望在2020年開啟新一輪增長。同時，光模塊市場亦將面臨挑戰。一方面，通信設備市場更新迭代速度快，公司高速光模塊的研發和製造能力面臨嚴峻考驗；另一方面，行業市場客戶較為集中，議價能力強，尤其是電信運營商計劃針對光模塊直接進行集中採購，預計將對產品價格產生更大壓力，光模塊製造商的生產和運營管理能力面臨嚴峻考驗。公司將在科學規劃的基礎上，憑借合理的戰略資源投入，聚焦培育光模塊等相關多元化等業務，為公司可持續發展輸入新動能。

Management Discussion and Analysis

管理層討論及分析

5. To strengthen innovation, research and development to explore new growth directions and drivers

Innovation is the foundation of establishing a company. In 2020, apart from a deep insight into the market and customer's needs, the Company will consolidate and utilize its research and development resources and accelerate the development of new products such as optical fibres with ultra-low attenuation, high-end multi-mode optical fibres and 5G optical fibres, in order to further strengthen the competitiveness of leading products and grasp market opportunities. On the other hand, regarding industrial growth directions and drivers such as 5G, data center and industrial internet, the Company will continue to develop targeted products and solutions to seize more business opportunities. Furthermore, leveraging the State Key Laboratory and incubator platform for new businesses, the Company will explore and study the areas such as new materials to seek new business growth directions and drivers and consistently drive the sustainable growth of the Company.

6. To continuously push forward intelligent manufacturing to improve operation efficiency

Facing more complicated conditions, the Company will continue to push forward intelligent manufacturing to improve production efficiency and output quality, reduce raw material consumption and labour costs, thereby generating more profit potential for the Company. At the same time, through consistent organizational and talent optimization, the Company will improve its capability of internally operating platforms such as market insight, strategic planning, comprehensive budget management and operational performance management as well as enhancing capabilities of refined operation and responding to the conditions, so as to build up soft power for the Company's sustainable development.

5、強化創新研發，探索新增長點

創新是公司立企之本。2020年，公司將整合利用公司研發資源，在深度洞察市場和客戶需求的基礎上，加快對超低衰減光纖、高端多模光纖、5G用光纜等新產品開發，進一步強化領先的產品競爭力，搶奪市場先機。另一方面，圍繞5G、數據中心、工業互聯網等行業增長點，持續開發有針對性的產品和解決方案，爭取更多業務發展機會。此外，依托國家重點實驗室和新業務孵化平台，在新材料等領域進行探索研究，為公司尋找新的業務增長點，源源不斷地推動公司持續增長。

6、持續推進智能製造，提升運營效率

面對更加複雜的經營環境，公司將持續推進智能製造水平，提高生產效率和產出質量，降低原材料消耗和用工成本，為公司創造更多的利潤空間。同時，通過持續的組織和人才優化，完善市場洞察、戰略規劃、全面預算管理、經營績效管理等內部運營平台能力，提升精細化運營能力和環境響應與應變能力，為公司可持續發展構建軟實力。

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 49, has been an executive Director of the Company since January 24, 2017. Mr. Zhuang Dan has been the president of the Company since September 2011. Mr. Zhuang Dan is also the authorised representative and a member of strategy committee of the Company. He is primarily responsible for strategic development and planning, and day-to-day management of the Company. Mr. Zhuang Dan has more than 22 years of experience in the optical fibre and cable industry. He joined the Company in March 1998 and served as assistant manager and manager of the finance department successively from March 1998 to November 2001, and served as chief financial officer from November 2001 to September 2011. Mr. Zhuang Dan obtained a bachelor's degree in auditing from Wuhan University (武漢大學) in July 1992, a master's degree in accounting from Wuhan University in June 1995, a doctorate in accounting from Zhongnan University of Finance and Economics (中南財經大學) in June 1998, and a postdoctoral certificate in business administration from Shanghai University of Finance and Economics (上海財經大學) in April 2001. Currently, he is a deputy to the 13th session of the People's Congress of Hubei Province, and has received special government allowance awarded by the State Council of the PRC.

執行董事

莊丹先生，49歲。彼自二零一七年一月二十四日起出任本公司執行董事。莊丹先生自二零一一年九月出任本公司總裁。莊丹先生亦為本公司授權代表及戰略委員會委員。彼主要負責本公司戰略發展與規劃以及日常管理。莊丹先生於光纖光纜業擁有逾22年從業經驗。彼於一九九八年三月加入本公司，一九九八年三月至二零零一年十一月先後擔任財務部經理助理、經理，並於二零零一年十一月至二零一一年九月任財務總監。莊丹先生於一九九二年七月自武漢大學取得審計專業學士學位，於一九九五年六月自武漢大學取得會計專業碩士學位，於一九九八年六月自中南財經大學取得會計專業博士學位及於二零零一年四月自上海財經大學取得工商管理博士後證書。彼現為湖北省第十三屆人民代表大會代表並獲中國國務院頒發政府特殊津貼。

Directors', Supervisors' and Senior Management's Profiles

董事、監事及高級管理人員簡歷

NON-EXECUTIVE DIRECTORS

Mr. Ma Jie (馬杰), age 49, is a member of the Communist Party of China and a professor-level senior engineer with a doctoral degree. Mr. Ma Jie has been a non-executive Director of the Company since December 19, 2013. He has been the Chairman of the Company and the Chairman of the Strategy Committee since January 24, 2017. He is responsible for providing strategic advice and making recommendations on the operations and management of the Company. Mr. Ma Jie has been serving as a director of the board and the general manager of China Huaxin Post and Telecommunications Economy Development Center (renamed as China Huaxin Post and Telecom Technologies Co., Ltd (中國華信郵電科技有限公司)), one of the substantial shareholders of the Company, since October 2017, and is primarily responsible for overall business operation and management. Mr. Ma Jie has also held positions in several subsidiaries of China Huaxin. He currently serves as a director and general manager of China Huaxin; a director of Nokia Shanghai Bell Co., Ltd; the chairman of Unihub China Information Technology Co., Ltd (中盈優創資訊科技有限公司) and Shanghai Huaxin Infotech Ltd (上海華信長安網絡科技有限公司); and the director of ALE Holding and RFS Radio Frequency Systems Holdings Ltd.* (安弗施無線射頻系統控股有限公司). He consecutively served as the consultant of strategic consulting and investment development and head of the human resources department of Nokia Shanghai Bell Co., Ltd, and the director of human resources department of Shanghai Bell Alcatel Mobile Communication System Company Limited (上海貝爾阿爾卡特移動通信系統有限公司) from 1998 to 2002; he consecutively served as the vice-president, and the executive vice-president of Shanghai Bell-Alcatel Co., Ltd. (上海貝爾阿爾卡特股份有限公司) from 2002 to 2008. From 2002 to 2014, Mr. Ma Jie served 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). From 2008 to 2011, he served as the vice-president of Nokia Shanghai Bell Co., Ltd, during which he also consecutively served as the director of Lucent Technologies Qingdao Telecommunications Systems Ltd. (青島朗訊科技通訊設備有限公司), and the general manager of Beijing Alcatel-Lucent Technologies Ltd.* (北京阿爾卡特朗訊科技有限公司). He was a member of the management committee and the executive deputy general manager of China Huaxin from January 2010 to October 2017.

Mr. Guo Tao (郭韜), age 50, is a member of the Communist Party of China with a master's degree. Mr. Guo Tao was appointed as non-executive director of the Company on 17 January 2020. He is currently the deputy general manager and secretary to the board of China Huaxin, one of the substantial shareholder of the Company, and the director of Huaxin Capital Investment Management Ltd (華信長安資本投資管理有限公司). He consecutively served as an assistant engineer and the principal staff of the Construction Committee of Shandong Province from July 1992 to 2001. From 2001 to 2010, he was the director of the human resources department, the President's Office and the strategy department of Nokia Shanghai Bell Co., Ltd and Shanghai Bell-Alcatel Co., Ltd. He has been serving as the chief strategy officer of Alcatel-Lucent Group from 2010 to 2012. From 2013 to 2015, he was the head of strategy and investment of Nokia Shanghai Bell Co., Ltd. He consecutively served as the senior vice-president, and the executive vice-president of Nokia Shanghai Bell Co., Ltd from 2015 to May 2018, primarily in charge of the strategic and innovation work of the company.

非執行董事

馬杰先生，49歲，為中國共產黨黨員及教授級高級工程師，獲得博士學位。馬杰先生於二零一三年十二月十九日起出任本公司非執行董事。彼自二零一七年一月二十四日起出任本公司主席兼戰略委員會主席。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。馬杰先生自二零一七年十月起擔任中國華信郵電經濟開發中心(現更名為中國華信郵電科技有限公司)(本公司的主要股東之一)董事會董事及總經理，主要負責整體業務經營及管理。馬杰先生亦於中國華信多個附屬公司擔任職位。彼目前擔任中國華信董事兼總經理；上海諾基亞貝爾股份有限公司董事；中盈優創資訊科技有限公司及上海華信長安網絡科技有限公司的董事長；及ALE Holding及安弗施無線射頻系統控股有限公司的董事。自一九九八年至二零零二年，彼歷任上海諾基亞貝爾股份有限公司戰略諮詢與投資發展顧問以及人力資源部主管，及上海貝爾阿爾卡特移動通信系統有限公司人力資源部總監；自二零零二年至二零零八年，彼歷任上海貝爾阿爾卡特股份有限公司副總裁、執行副總裁。自二零零二年至二零一四年，馬杰先生擔任上海富欣通信技術發展有限公司董事。自二零零八年至二零一一年，彼任上海諾基亞貝爾股份有限公司副總裁，在此期間，彼亦歷任青島朗訊科技通訊設備有限公司董事及北京阿爾卡特朗訊科技有限公司總經理。自二零一零年一月至二零一七年十月，彼出任中國華信管理委員會成員及常務副總經理。

郭韜，50歲，為中國共產黨黨員，獲得碩士學位。郭韜先生於二零二零年一月十七日獲委任為本公司非執行董事。彼目前擔任中國華信(本公司的主要股東之一)副總經理兼董事會秘書及華信長安資本投資管理有限公司董事。自一九九二年七月至二零零一年，彼歷任山東省建設委員會助理工程師及主任科員。自二零零一年至二零一零年，彼歷任上海諾基亞貝爾股份有限公司、上海貝爾阿爾卡特股份有限公司人力資源部、總裁辦公室、戰略部總監。彼自二零一零年至二零一二年擔任阿爾卡特朗訊集團戰略總監。二零一三年至二零一五年擔任上海諾基亞貝爾股份有限公司戰略與投資負責人。自二零一五年至二零一八年五月，彼歷任上海諾基亞貝爾股份有限公司高級副總裁及執行副總裁，主要負責該公司的戰略與創新工作。

Directors', Supervisors' and Senior Management's Profiles

董事、監事及高級管理人員簡歷

NON-EXECUTIVE DIRECTORS (Cont'd)

Mr. Philippe Claude Vanhille (菲利普·范希爾), age 56, 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 26 years of experience in optical fibre and cable industry. He has been serving as the senior vice-president of Telecom Business Unit of the Prysmian Group since May 2013, where he is primarily responsible for the global telecom business of the Prysmian Group, and an executive director of Draka, one of the substantial shareholders of the Company, since June 2013. Mr. Vanhille concurrently also holds several positions in certain subsidiaries of Prysmian S.p.A., a company listed on the Milan Stock Exchange (Stock Code: PRYMY), including serving as a non-executive director of Draka Comteq Fibre B.V. since January 2013, a member of the Comité de Controle of Draka Comteq France S.A.S. since June 2013, the chairman of the board of directors of Fibre Ottiche Sud S.r.l. since October 2011, a non-executive director of Prysmian Cables and Systems USA LLC since June 2013 and a non-executive director of Precision Fibre Optics Ltd., a joint venture owned as to 50% by the Prysmian Group, since June 2013. He has also been serving as the chairman of Telecom committee of Europacable (European Trade Association) since May 2013.

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

非執行董事(續)

菲利普·范希爾先生，56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26年光纖光纜業從業經驗。彼自二零一三年五月起擔任普睿司曼集團電信事業部高級副總裁，主要負責普睿司曼集團的全球電信業務，自二零一三年六月起擔任Draka(本公司的主要股東之一)執行董事。范希爾先生亦同時在Prysmian S.p.A(一家於米蘭證券交易所上市的公司(股份代號：PRYMY)若干附屬公司擔任多個職位，包括於二零一三年一月起擔任Draka Comteq Fibre B.V.非執行董事；於二零一三年六月起擔任Draka Comteq France S.A.S.的Comité de Controle成員；於二零一一年十月起擔任Fibre Ottiche Sud S.r.l.董事會主席及於二零一三年六月起擔任Prysmian Cables and Systems USA LLC非執行董事；於二零一三年六月起擔任Precision Fibre Optics Ltd(普睿司曼集團擁有50%股份的合營公司)非執行董事。彼亦自二零一三年五月起擔任Europacable (European Trade Association)通信委員會主席。

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纜業，任職於Alcatel Cable France S.A.。過往22年，他曾為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，擔任多個光纜業的高級營運及總管職位，其後又轉投能源、銅纜及光纖業。二零一一年Prysmian S.p.A.收購德拉克控股(Draka Holding N.V.)時，彼擔任德拉克控股(Draka Holding N.V.)光纖事業部總監。二零零八年一月至二零零九年六月，彼亦兼任深圳特發信息德拉克光纖有限公司(現稱為深圳特發)的非執行董事。彼於二零一一年七月至二零一三年五月擔任普睿司曼集團光纖事業部副總監，主要負責普睿司曼集團的全球光纖業務，並兼任Draka Comteq France S.A.S.董事。范希爾先生於一九八九年六月從法國國立里昂應用科學學院獲得機械工程碩士學位，並於一九九七年六月畢業於法國艾克斯·普羅旺斯的法國高等管理學院(Institut Francais de Gestion)，獲得管理碩士學位。

Directors', Supervisors' and Senior Management's Profiles

董事、監事及高級管理人員簡歷

NON-EXECUTIVE DIRECTORS (Cont'd)

Mr. Pier Francesco Facchini (皮埃爾·法奇尼), age 52, has been a non-executive director of the Company since January 24, 2017. Mr. Pier Francesco Facchini 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 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. Pier Francesco Facchini also holds a number of positions simultaneously in the subsidiaries of Prysmian S.p.A., including the president of Draka Comteq France S.A.S., Prysmian Cables et Systemes France S.A.S. and Comité de Controle of Silec Cable S.A.S., the chairman of the Board of Commissioners in P.T. Prysmian Cables Indonesia, the chairman of the board of directors of Prysmian Treasury S.r.l., the director of Prysmian Cables Spain S.A., Prysmian Cavi e Sistemi S.r.l., Turk Prysmian Kablo Ve Sistemlier A.S and Prysmian (China) Investment Company Ltd., and the chairman of the board of supervisors of Prysmian MKM Magyar Kabel Muvek KFT. Mr. Pier Francesco Facchini obtained a doctoral degree in business administration from Università Bocconi, Milan, Italy, in March 1991, and he was granted the professional qualification as a certified chartered accountant by the Ministry of University, Research and Development in Italy in 1994.

非執行董事 (續)

皮埃爾·法奇尼先生，52歲，於二零一七年一月二十四日出任本公司非執行董事。皮埃爾·法奇尼先生現為 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出任 Prysmian S.p.A. 董事會成員。皮埃爾·法奇尼先生亦同時在 Prysmian S.p.A. 附屬公司擔任多個職位。包括 Draka Comteq France S.A.S.、Prysmian Cables et Systemes France S.A.S. 及 Silec Cable S.A.S. 的 Comité de Controle 總裁，P.T. Prysmian Cables Indonesia 的專員理事會主席，Prysmian Treasury S.r.l. 的董事會主席，Prysmian Cables Spain S.A.、Prysmian Cavi e Sistemi S.r.l.、Turk Prysmian Kablo Ve Sistemlier A.S 及 Prysmian (China) Investment Company Ltd. 的董事，Prysmian MKM Magyar Kabel Muvek KFT 的監事會主席。皮埃爾·法奇尼先生於一九九一年三月在意大利米蘭博科尼大學取得工商管理博士學位。在一九九四年，彼獲意大利大學的研發部頒授特許公認會計師的專業資格。

Directors', Supervisors' and Senior Management's Profiles

董事、監事及高級管理人員簡歷

NON-EXECUTIVE DIRECTORS (Cont'd)

Mr. Frank Franciscus Dorjee (范•德意), age 59, has been an executive Director of the Company and a member of the Nomination and Remuneration Committee since December 19, 2013. He is primarily responsible for overall management of the Company's investment strategies and business development. Mr. Frank Franciscus Dorjee once joined the board of directors of Oman Cables Industry (SAOG), a company listed on the Muscat Securities Market (Stock Code: OCAI) in March 2012 and had been serving as the vice-chairman of the board of directors for the period from July 2012 to December 1, 2014. He has 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 been a member of the board of supervisors and the chairman of the audit committee of Koole Terminal BV. Since July 2017, he has been a member of the supervisory board of Fotowatio Renewable Ventures. He has also been a member of the supervisory board and the chairman of the audit committee of Beacon Rail Lux Holdings S.A.R.L. since August 2017. Prior to these positions, Mr. Frank Franciscus 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 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. 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. Mr. Frank Franciscus Dorjee also served as the chief strategic officer 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. Frank Franciscus Dorjee studied at the University of Amsterdam from September 1979 until March 1986 and obtained a bachelor's degree in economics and law as well as 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.

非執行董事(續)

范•德意先生，59歲，於二零一三年十二月十九日起為本公司執行董事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之全面管理。范•德意先生曾於二零一二年三月加入Oman Cables Industry (SAOG) (馬斯喀特證券市場上市公司(股份代號：OCAI))董事會，並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.的監事會成員及審核委員會主席。於二零一七年七月起，彼為Fotowatio Renewable Ventures的監事委員會成員。自二零一七年八月起，彼亦為Beacon Rail Lux Holdings S.A.R.L.的監事委員會成員及審核委員會主席。在此之前，范•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。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，而德拉克控股(Draka Holding N.V.)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(Draka Holding N.V.)首席執行官兼管理委員會主席。范•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)。范•德意先生於一九七九年九月至一九八六年三月在阿姆斯特丹大學就讀，於一九八四年七月獲得經濟學與法學學士學位及商業經濟學碩士學位，於一九八六年三月獲得稅法碩士學位及稅收經濟學碩士學位。彼於一九八七年三月於荷蘭皇家註冊會計師協會註冊成為註冊會計師。

Directors', Supervisors' and Senior Management's Profiles

董事、監事及高級管理人員簡歷

NON-EXECUTIVE DIRECTORS (Cont'd)

Mr. Xiong Xiangfeng (熊向峰), age 55, is a member of the Communist Party of China and a senior engineer with a master's degree. He has been a non-executive Director of the Company since December 2013. He is responsible for providing strategic advice and making recommendations on the operations and management of the Company. Mr. Xiong Xiangfeng has over 30 years of experience in optical fibre and cable industry. Mr. Xiong Xiangfeng 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 Xiangfeng has also held several positions in certain subsidiaries of Yangtze Communications since April 2013, and is currently the executive director of Wuhan YCIG Zhilian Technology Company Limited (武漢長江通信智聯技術有限公司). He once worked at Wuhan Research Institute of Posts and Telecommunications (武漢郵電科學研究院) and served as the secretary of Youth League committee, the deputy director of office, the deputy director of the optical fibre and cable department, the general manager of the cable plant. Since December 1999, Mr. Xiong Xiangfeng 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 Xiangfeng 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. Lai Zhimin (賴智敏), age 51, a member of the Communist Party of China, graduated with a university bachelor's degree and obtained the title of senior accountant. Ms. Lai Zhimin was appointed as non-executive Director of the Company on 17 January 2020. Ms. Lai Zhimin served as the assistant to the general manager of the financial management department and the deputy general manager at FiberHome Telecommunication Technologies Co., Ltd. as well as the deputy director of the financial management department at Wuhan Research Institute of Posts and Telecommunications. She has been serving as the chief financial officer since April 2013 and the vice president since May 2015 at Yangtze Communications, one of the substantial shareholders of the Company and a company listed on the Shanghai Stock Exchange (Stock Code: 600345).

非執行董事 (續)

熊向峰先生，55歲，為中國共產黨黨員及高級工程師，獲得碩士學位。於二零一三年十二月起為本公司非執行董事。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。熊向峰先生有逾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(股份代號：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。熊向峰先生自二零一三年四月起亦於長江通信若干附屬公司兼任多個職位，及現任武漢長江通信智聯技術有限公司執行董事。彼曾任職於武漢郵電科學研究院並擔任團委書記、院辦副主任、光纖光纜部副主任、電纜廠廠長。自一九九九年十二月起，熊向峰先生於烽火通信科技股份有限公司(一間於上海證券交易所上市的公司(股份代號：600498))擔任多個職位，包括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。

熊向峰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。

賴智敏女士，51歲，中國共產黨黨員，擁有大學學士學位，並取得高級會計師職稱。賴智敏女士於二零二零年一月十七日獲委任為本公司非執行董事。賴智敏女士曾任烽火通信科技股份有限公司財務管理部總經理助理及副總經理，並於武漢郵電科學研究院任財務管理部副主任。彼自二零一三年四月起一直於長江通信(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))財務總監，並於二零一五年五月起一直擔任長江通信副總裁。

Directors', Supervisors' and Senior Management's Profiles

董事、監事及高級管理人員簡歷

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Bingsheng Teng (滕斌聖), age 49, holder of doctoral degree. Mr. Bingsheng Teng was appointed as an independent non-executive Director, chairman of the Nomination and Remuneration Committee and a member of the Strategy Committee of the Company on 17 January 2020. Mr. Bingsheng Teng joined the Cheung Kong Graduate School of Business at the end of 2006 and currently is the vice president and a professor of strategy of the school. Mr. Bingsheng Teng received his doctoral degree in strategic management from the City University of New York in 1998 and taught in the GWU School of Business from 1998 to 2006, serving as associate professor of strategy and doctoral tutor, and was tenured and responsible for the doctoral program in the field of strategy in the school. In 2003, Mr. Bingsheng Teng was awarded the Wendell and Louis Crain Research Scholar at the GWU School of Business, with his biography appearing in Who's Who in America and Who's Who in American Higher Education.

Mr. Bingsheng Teng's research and teaching focus on strategic alliances, mergers and acquisitions, entrepreneurship and innovation, family business management, and transnational business operations of enterprises. Mr. Bingsheng Teng serves on the editorial boards of academic journals, such as International Entrepreneurship and Management Journal, Journal of Business Research and Frontiers of Business Research in China, and is a professional reviewer of all the international top strategics journals. In the past few years, Mr. Bingsheng Teng has published over 20 papers in internationally famous journals, including top journals such as Academy of Management Review and Organization Science. Mr. Bingsheng Teng is regarded as an authority on corporate strategy, and has been frequently interviewed by the media such as Wall Street Journal and New York Times. His research results have been included in a number of strategics textbooks, and some of his articles are considered as required readings by research alliances and have received thousands of professional citations.

Mr. Bingsheng Teng has rich experience in management teaching and enterprise consultation. The enterprises that ever consulted him or were provided with training by him includes China Mobile, Lenovo Group, Tencent, Baidu and China Resources Group. Mr. Bingsheng Teng has been an independent non-executive director of Haisco Pharmaceutical Group Co., Ltd. (海思科醫藥集團股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002653) since January 2017, Aoshikang Technology Co. Ltd. (奧士康科技股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002913) since 2018 and Wanda Hotel Development Company Limited (萬達酒店發展有限公司), a company listed on the Stock Exchange (stock code: 169) since March 2019. Prior to this, he was (i) an independent non-executive director of Shandong Gold Mining Co., Ltd. (山東黃金礦業股份有限公司) from 2014 to 2017, a company whose shares are listed on the Stock Exchange (stock code: 1787) in 2018 and on the Shanghai Stock Exchange (stock code: 600547) in 2003; and (ii) an independent non-executive director of ZTE Corporation (中興通訊股份有限公司), a company whose shares are listed on the Stock Exchange (stock code: 763) and on the Shenzhen Stock Exchange (stock code: 000063) from 2015 to 2018.

獨立非執行董事

Bingsheng Teng (滕斌聖先生), 49歲，博士。滕斌聖先生於二零二零年一月十七日獲委任為本公司獨立非執行董事、提名及薪酬委員會主席及戰略委員會委員。滕斌聖先生二零零六年底加入長江商學院，現任該院副院長，戰略學教授。滕斌聖先生一九九八年在紐約市立大學獲戰略管理學博士學位，一九九八年至二零零六年執教於美國喬治·華盛頓大學商學院，曾任戰略學副教授，博士生導師，享有終身教職，並負責該校戰略學領域的博士項目。二零零三年，滕斌聖先生在喬治·華盛頓大學商學院獲得「科瑞研究學者」的榮譽稱號，傳略被收入《美國名人錄》和《美國教育名人錄》。

滕斌聖先生的研究與教學領域集中在戰略聯盟、收購與兼併、創業與創新、家族企業管理，以及企業的跨國經營。滕斌聖先生擔任《國際創業與管理》、《商業研究》和《中國管理研究前沿》等學刊的編委，是所有國際頂尖戰略學刊物的專業審稿人。在過去幾年中，滕斌聖先生在國際著名學刊上發表了二十多篇論文，其中包括《管理學會評論》、《組織科學》等頂尖刊物。滕斌聖先生被認為是企業戰略方面的權威，受到媒體（如《華爾街時報》和《紐約時報》）的多次專訪，研究成果被眾多戰略學教材引用，若干文章更被認為是研究聯盟所必讀，得到幾千次的專業引用數。

滕斌聖先生擁有豐富的管理教學和企業諮詢的經驗，諮詢或培訓過的企業包括中國移動、聯想集團、騰訊、百度、華潤集團等。自二零一七年一月起，滕斌聖先生一直擔任海思科醫藥集團股份有限公司（一間於股份於深圳證券交易所上市（股份代號：002653））之獨立非執行董事、自二零一八年起，一直擔任奧士康科技股份有限公司（一間於深圳證券交易所上市的公司（股份代號：002913））之獨立非執行董事、自二零一九年三月起，一直擔任萬達酒店發展有限公司（一間於聯交所上市的公司（股份代號：169））之獨立非執行董事。在此之前，他曾(i)於二零一四年至二零一七年擔任山東黃金礦業股份有限公司（其股份於二零一八年在聯交所上市（股份代號：1787）及於二零零三年在上海證券交易所上市（股份代號：600547））之獨立非執行董事；及(ii)於二零一五年至二零一八年擔任中興通訊股份有限公司（其股份於聯交所上市（股份代號：763）及於深圳證券交易所上市（股份代號：000063））之獨立非執行董事。

Directors', Supervisors' and Senior Management's Profiles

董事、監事及高級管理人員簡歷

INDEPENDENT NON-EXECUTIVE DIRECTORS (Cont'd)

Mr. Liu Deming (劉德明), age 63, has been an independent Supervisor of the Company since June 9, 2015. Mr. Liu was appointed as an independent non-executive Director and a member of the Audit Committee of the Company on 17 January 2020. Mr. Liu Deming is a professor of Huazhong University of Science and Technology, a member of the Expert Committee of China Next Generation Internet, an executive director of Chinese Society for Optical Engineering, the director of the Expert Committee of Optical Communication and Information Networking, the director of the National Engineering Laboratory for Next Generation Internet Access System, and the general secretary of Wuhan Internet of Things Industry Association. Mr. Liu Deming 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 Deming 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 Deming has undertaken more than 20 national key projects, including the National 973 Project, 863 Project, the key projects and the key project topics of the National Science Foundation, and the National Key Scientific Instrument and Equipment Development Project. 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 Deming 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.

獨立非執行董事(續)

劉德明先生，63歲，自二零一五年六月九日起擔任本公司獨立監事。劉德明先生於二零二零年一月十七日獲委任為本公司獨立非執行董事及審計委員會委員。劉德明先生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及武漢物聯網產業協會秘書長。劉德明先生於一九九四年至一九九六年赴德國杜伊斯堡大學訪問進修、於一九九九年於華中科技大學獲得博士學位及於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。自二零零零年起，彼擔任華中科技大學光電子工程系(現稱光學與電子信息學院)主任。劉德明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，劉德明先生已先後主持國家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。彼取得多項重要成果，包括國家技術發明獎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。劉德明先生已申請美國及中國發明專利超過100項(其中50項已獲授權)並發表SCI收錄期刊論文超過200篇及出版教材和學術著作5部。

Directors', Supervisors' and Senior Management's Profiles

董事、監事及高級管理人員簡歷

INDEPENDENT NON-EXECUTIVE DIRECTORS (Cont'd)

Mr. Song Wei (宋瑋), age 55, was appointed as an independent non-executive Director, chairman of the Audit Committee and a member of the Nomination and Remuneration Committee of the Company on 17 January 2020. Mr. Song Wei is the chairman and chief partner of Seapower Tax Consultancy Co., Ltd. since 2001, and managing director of Seapower Technology Co., Ltd. since 2008. Before his current positions, Mr. Song Wei was section chief and assistant investigator of The Offshore Oil Tax Administration of the Ministry of Finance from 1985 to 1993, auditor of KPMG Accounting Firm, Hong Kong from 1993 to 1995, assistant investigator of the Department of Foreign Tax Affair of the State Administration of Taxation from 1995 to 1998, and appointed by State Administration of Taxation to be director of the China International Tax Consultancy (Hong Kong) Co., Ltd. from 1998 to 2001.

Mr. Song Wei obtained a bachelor's degree in Economics from Dongbei University of Finance and Economics in August 1985, and obtained a master's degree in Professional Accountancy from The Chinese University of Hong Kong in December 2004. Mr. Song Wei is currently a Member of the 11th CPPCC Guangdong Provincial Committee, executive director of The China Certified Tax Agents Association, vice president of Guangdong Certified Tax Agents Association, member of the Administrative Reconsideration Committee of the State Administration of Taxation of Guangdong Province, executive director of Guangdong Provincial Tax Institute, associate member of The Association of International Accountants (UK), part-time postgraduate mentor of Shanghai National Accounting Institute, part-time postgraduate mentor of Dongbei University of Finance and Economics. Mr. Song Wei is also a Chinese Certified Public Accountant, a Chinese Certified Tax Agent and an Associate Member of AIA (UK).

獨立非執行董事(續)

宋瑋先生，55歲，於二零二零年一月十七日獲委任為本公司獨立非執行董事、審計委員會主席及提名及薪酬委員會委員。宋瑋先生自二零零一年起擔任海華稅務師事務所有限公司董事長及首席合夥人，並自二零零八年起擔任海聞科技有限公司董事長。任職現有職位之前，宋瑋先生自一九八五年至一九九三年擔任財政部海洋石油稅務管理局主任科員兼助理調研員、自一九九三年至一九九五年擔任香港畢馬威國際會計師行審計師、自一九九五年至一九九八年擔任國家稅務總局涉外稅收管理司助理調研員及自一九九八年至二零零一年獲國家稅務總局委任為中國國際稅務諮詢(香港)有限公司董事。

宋瑋先生於一九八五年八月在東北財經大學獲得經濟學學士學位，及於二零零四年十二月在香港中文大學獲得會計碩士學位。宋瑋先生現為廣東省政協第十一屆委員會委員、中國註冊稅務師協會常務理事、廣東省註冊稅務師協會副會長、廣東省國家稅務局行政復議委員會委員、廣東省稅務學會常務理事、英國國際註冊會計師協會會員、上海國家會計學院碩士研究生導師及東北財經大學碩士研究生導師。宋瑋先生亦為中國註冊會計師、中國註冊稅務師、英國國際註冊會計師。

Directors', Supervisors' and Senior Management's Profiles

董事、監事及高級管理人員簡歷

INDEPENDENT NON-EXECUTIVE DIRECTORS (Cont'd)

Dr. WONG Tin Yau, Kelvin (黃天祐), age 59, JP, holder of doctoral degree. Dr. WONG Tin Yau, Kelvin was appointed as an independent non-executive Director and a member of the Audit Committee of the Company on 17 January 2020. Dr. Wong Tin Yau, Kelvin is currently an executive director of COSCO SHIPPING Ports Limited (中遠海運港口有限公司), a company listed on the Stock Exchange (Stock Code: 1199). He is currently an independent non-executive director of China ZhengTong Auto Services Holdings Limited (中國正通汽車服務控股有限公司), a company listed on the Stock Exchange (Stock Code: 01728), I.T Limited, a company listed on the Stock Exchange (Stock Code: 0999), JS Global Lifestyle Company Limited, a company listed on the Stock Exchange (Stock Code: 1691), Shanghai Fosun Pharmaceutical (Group) Co., Ltd. (上海復星醫藥(集團)股份有限公司), a company dually listed on the Stock Exchange and the Shanghai Stock Exchange (stock code: 2196 and 600196), and Xinjiang Goldwind Science & Technology Co., Ltd., (新疆金風科技股份有限公司), a company dually listed on the Stock Exchange and the Shenzhen Stock Exchange (stock code: 2208 and 002202). Dr. Wong Tin Yau was an independent non-executive director of Asia Investment Finance Group Limited (亞投金融集團有限公司) (currently known as China Cloud Copper Company Limited (中國雲銅股份有限公司)), a company listed on the Stock Exchange (stock code: 0033), from October 2016 to February 2018, an independent non-executive director of Mingfa Group (International) Company Limited (明發集團(國際)有限公司), a company listed on the Stock Exchange (stock code: 0846), from September 2018 to March 2019, an independent non-executive director of Huarong International Financial Holdings Limited (華融國際金融控股有限公司), a company listed on the Stock Exchange (Stock Code: 0993), from October 2015 to December 2019, and an independent non-executive director of Bank of Qingdao Co., Ltd. (青島銀行股份有限公司), a company dually listed on the Stock Exchange and the Shenzhen Stock Exchange (stock code: 3866 and 002948), from April 2015 to February 2020.

Dr. Wong Tin Yau, Kelvin is currently the chairman of the Financial Reporting Council of Hong Kong, a member of the Operations Review Committee of Hong Kong Independent Commission Against Corruption and a council member of the Hong Kong Management Association. He is also the Chairman of the Hong Kong Institute of Directors, a non-executive director of the Securities and Futures Commission of Hong Kong, the chairman of Investor and Financial Education Council, a member of Financial Reporting Council, a Convenor-cum-Member of Financial Reporting Review Panel, a member of Standing Committee on Company Law Reform, and a member of Main Board and Growth Enterprise Market Listing Committees of the Stock Exchange.

Dr. Wong Tin Yau, Kelvin obtained a master's degree in business administration from Andrews University in Michigan, the USA in 1992 and a Ph.D. in business administration degree from The Hong Kong Polytechnic University in 2007.

獨立非執行董事(續)

黃天祐博士，59歲，太平紳士，持有博士學位。黃天祐博士於二零二零年一月十七日獲委任為本公司獨立非執行董事及審計委員會委員。黃天祐博士現任中遠海運港口有限公司(一間於聯交所上市的公司(股份代號：1199))執行董事。彼現任中國正通汽車服務控股有限公司(一間於聯交所上市的公司(股份代號：01728))、I.T Limited(一間於聯交所上市的公司(股份代號：0999))、JS環球生活有限公司(一間於聯交所上市的公司(股份代號：1691))、上海復星醫藥(集團)股份有限公司(一間於聯交所及上海證券交易所雙重上市的公司(股份代號：2196及600196))及新疆金風科技股份有限公司(一間於聯交所及深圳證券交易所雙重上市的公司(股份代號：2208及002202))的獨立非執行董事。黃天祐博士自二零一六年十月至二零一八年二月擔任亞投金融集團有限公司(現稱中國雲銅股份有限公司)(一間於聯交所上市的公司(股份代號：0033))獨立非執行董事、自二零一八年九月至二零一九年三月擔任明發集團(國際)有限公司(一間於聯交所上市的公司(股份代號：0846))獨立非執行董事、自二零一五年十月至二零一九年十二月擔任華融國際金融控股有限公司(一間於聯交所上市的公司(股份代號：0993))獨立非執行董事及自二零一五年四月至二零二零年二月擔任青島銀行股份有限公司(一間於聯交所及深圳證券交易所雙重上市的公司(股份代號：3866及002948))的獨立非執行董事。

黃天祐博士現為香港財務匯報局主席、香港廉政公署審查貪污舉報諮詢委員會委員及香港管理專業協會理事會委員。彼亦曾為香港董事學會主席、香港證券及期貨事務監察委員會非執行董事、投資者及理財教育委員會主席、財務匯報局成員、財務匯報檢討委員會召集人及成員、公司法改革常務委員會委員及聯交所主板及創業板上市委員會成員。

黃天祐博士於一九九二年於美國密歇根州安德魯斯大學獲得工商管理碩士學位，並於二零零七年於香港理工大學獲得工商管理博士學位。

Directors', Supervisors' and Senior Management's Profiles

董事、監事及高級管理人員簡歷

SUPERVISORS

Mr. Li Ping (李平), age 66, retired as an independent non-executive Director and ceased to be member of the Strategy Committee and the chairman of the Nomination and Remuneration Committee. Mr. Li Ping was appointed as non-employee representative Supervisor of the Company on 17 January 2020 and is responsible for supervising the performance of duties by the directors and senior management at the Company. He 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 Ping 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 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 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 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 Ping 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's degree in business administration in January 1989.

監事

李平先生，66歲，已退任獨立非執行董事並不再擔任戰略委員會委員及提名及薪酬委員會主席。李平先生於二零二零年一月十七日獲委任為本公司非職工代表監事，負責監督本公司董事及高級管理層的履職情況。彼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。李平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（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，彼曾擔任中國電信股份有限公司（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。李平先生於一九七五年十月畢業於北京郵電大學，主修無線電通信專業，並於一九八九年一月獲得美國紐約州立大學布法羅商學院工商管理碩士學位。

Directors', Supervisors' and Senior Management's Profiles

董事、監事及高級管理人員簡歷

SUPERVISORS (Cont'd)

Dr. Li Zhuo (李卓), age 50, retired as an independent non-executive Director and ceased to be member of the Audit Committee of the Nomination and Remuneration Committee. Dr. Li Zhuo was appointed as non-employee representative Supervisor of the Company on 17 January 2020 and is responsible for supervising the performance of duties by the directors and senior management at the Company. Dr. Li Zhuo is currently a professor of economics and the deputy director of the Centers Researches bases of The Ministry of Education, Center for Economic Development Research of Wuhan University (武漢大學). From July 1989 to August 1992, Dr. Li Zhuo 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), and later worked at Guangzhou Branch of the People's Bank of China (中國人民銀行廣州分行). Dr. Li Zhuo 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 Zhuo 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 Zhuo was listed in the "Prominent Talent Plan in the New Century" recognized by the Ministry of Education of the PRC in October 2010.

Mr. Jiang Zhikang (江志康), age 58, is the director of the operation and quality center of the Company. Mr. Jiang Zhikang was appointed as employee representative Supervisor of the Company on 17 January 2020 and is responsible for supervising the performance of duties by the directors and senior management at the Company. He was the Chairman of Board of Supervisors as well as the staff supervisor representative of the Company from 19 December 2013 to 24 January 2017. Mr. Jiang Zhikang 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 Zhikang had been serving as the general manager of the operation management center of the Company. From February 2016 to December 2018, Mr. Jiang Zhikang had been serving as the general manager of the manufacturing center of the Company. From January 2017 to January 2020, Mr. Jiang Zhikang had been serving as the Chief Marketing and Strategic Officer of the Company. Prior to joining the Company, Mr. Jiang Zhikang 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 Zhikang graduated from Sichuan Radio & TV University and graduated from Wuhan University with an executive master of business administration.

監事 (續)

李卓博士，50歲，已退任獨立非執行董事並不再擔任審計委員會委員。李卓博士於二零二零年一月十七日獲委任為本公司非職工代表監事，負責監督本公司董事及高級管理層的履職情況。李卓博士目前擔任武漢大學經濟學教授、教育部重點研究基地「武漢大學經濟發展研究中心」副主任。於一九八九年七月至一九九二年八月，李卓博士於中國房地產開發集團公司襄樊分公司任職，且其後於中國人民銀行廣州分行任職。李卓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。彼自二零零六年起擔任武漢大學教授。彼於二零零二年七月至二零零三年七月為伊利諾大學香檳分校(University of Illinois at Urbana-Champaign)訪問學者，於二零零七年為巴黎第三大學(University of Paris III)的訪問學者。李卓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。李卓博士於二零一零年十月入選中國教育部認可為「新世紀優秀人才計劃」。

江志康先生，58歲，本公司運營質量中心總監。江志康先生於二零二零年一月十七日獲委任為本公司職工代表監事，負責監督本公司董事及高級管理層的履職情況。彼於二零一三年十二月十九日至二零一七年一月二十四日任本公司監事會主席及職工代表監事。江志康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，江志康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二零一八年十二月，江志康先生出任本公司製造中心總經理。自二零一七年一月至二零二零年一月，江志康先生出任本公司市場與戰略總監。加入本公司前，江志康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。江志康先生畢業於四川廣播電視大學電子專業，並於武漢大學獲得EMBA學位。

Directors', Supervisors' and Senior Management's Profiles

董事、監事及高級管理人員簡歷

SENIOR MANAGEMENT

Mr. Jan Bongaerts, age 54, is the senior vice president of the Company. He has more than 21 years of experience in the optical fibre and cable industry. Prior to joining the 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 deputy general manager of our Company. Mr. Bongaerts obtained a master's degree in business administration from Open University of the Netherlands in March 2003 and an executive master of business administration from Maastricht University the Netherlands in September 1999.

Mr. Yan Changkun, age 56, is the senior vice president and the general manager of products and solutions business unit of the Company. Mr. Yan has more than 28 years of experience in the optical fibre and cable industry. He has worked at the Company since October 1991, consecutively serving as a sales representative, the technology manager, the manager of the business department, the sales director, general manager of the optical fibre business department, general manager of manufacturing center and general manager of operation management center. Mr. Yan has been the deputy general manager of the 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 47, is the senior vice president and the director of the strategy and corporate development center of the Company. Ms. Zhou has more than 20 years of experience in optical fiber and cable industry. She has worked at the Company since February 1999, consecutively serving as a sales representative, logistic manager, manager of international business, deputy general manager of sales center and general manager of data communication business unit. Ms. Zhou has been the vice president of the Company since January 2017 and was the board secretary of the Company from January 2017 to August 2018. Ms. Zhou obtained a bachelor's degree in Economics from Huazhong University of Science and Technology and is learning EMBA degree from Tsinghua University (清華大學).

高級管理層

揚幫卡先生，54歲，本公司高級副總裁。揚幫卡先生有逾21年光纖光纜業經驗。加入本公司前，揚幫卡先生自1998年7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。其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，揚幫卡先生任本公司副總經理／副總裁。揚幫卡先生於二零一三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里赫特大學獲得EMBA學位。

閻長鵬先生，56歲，本公司高級副總裁及產品與解決方案事業部總經理。閻長鵬先生有逾28年光纖光纜業經驗。閻長鵬先生自一九九一年十月起任職於本公司，先後擔任銷售代表、技術經理、商務部經理、銷售總監、光纖事業部總經理、製造中心總經理及運營管理中心總經理；自二零一二年十一月起出任本公司副總經理／副總裁。閻長鵬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，47歲，為本公司副總裁及數據通信事業部總經理。周女士有逾20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、銷售中心副總經理及數據通信事業部總經理。周理晶女士自二零一七年一月起出任本公司副總裁，並自二零一七年1月至二零一八年八月任本公司董事會秘書。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，現為清華大學EMBA在讀。

Directors', Supervisors' and Senior Management's Profiles

董事、監事及高級管理人員簡歷

SENIOR MANAGEMENT (Cont'd)

Mr. Zheng Xin, age 52, is the vice president and deputy general manager of products and solutions business unit of the Company. Mr. Zheng has over 21 years of experience in the optical fibre and cable industry. He has been with the Company since December 1998 and 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 and the deputy general manager of the sales center of the Company. He served as the general manager of YOFC Jiangsu, one of our Joint Ventures, from February 2014 to January 2017, and as the chief sales officer from January 2017 to January 2020. 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. Wang Ruichun (王瑞春), age 44, is the vice president and general manager of material business unit of the Company. Mr. Wang worked at Changzhou Huichang Electronics Co., Ltd. (常州惠昌電子有限公司) from July 1998 to August 1999, and worked at the research institute of inorganic non-metallic materials of Zhejiang University (浙江大學無機非金屬材料研究所), where he was engaged in the research of high resolution liquid crystal light valve photoconductive layer, from September 1999 to January 2002. Mr. Wang joined our Group in January 2002, consecutively serving as fibre process engineer of the fibre department, chief engineer of the fibre department, technical manager of the fibre department, manager of the technical support department of the optical fibre manufacturing center, technical manager of the fibre department, manager of the technical support department of the optical fibre manufacturing center, deputy general manager of the fibre business unit, deputy general manager and director of optical fibre technology of the optical fibre manufacturing center, general manager of the research and development center and deputy general manager of telecom business unit. Mr. Wang was the employee representative Supervisor and the chairman of the Board of Supervisors from January 2017 to January 2020. 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.

高級管理層 (續)

鄭昕先生，52歲，本公司副總裁及產品與解決方案事業部副總經理。鄭昕先生有逾21年光纖光纜從業經驗。鄭昕先生自1998年12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。鄭昕先生於2014年3月至2017年1月受本公司委派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，並於2017年1月至2020年1月出任本公司銷售總監。鄭昕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。

王瑞春先生，44歲，本公司副總裁及材料事業部總經理。王瑞春先生於1998年7月至1999年8月於常州惠昌電子有限公司工作；1999年9月至2002年1月於浙江大學無機非金屬材料研究所從事高分辨率液晶光閥光導層的研究。王瑞春先生2002年1月起加入本公司，先後擔任光纖部工藝工程師、光纖部主任工程師、光纖部技術經理、光纖製造中心技術支持部經理、光纖事業部副總經理、光纖製造中心副總經理兼光纖技術總監、研發中心總經理、電信事業部副總經理。王瑞春先生於2017年1月至2020年1月獲委任為本公司職工代表監事及監事會主席。王瑞春先生於浙江大學獲得無機非金屬材料學士學位及材料學碩士學位。

Directors', Supervisors' and Senior Management's Profiles

董事、監事及高級管理人員簡歷

SENIOR MANAGEMENT (Cont'd)

Mr. Nie Lei, age 48, is the vice president and general manager of international business center of the Company. Mr. Nie Lei worked for Hubei Shanda Industrial Development Corporation from July 1993 to April 1994, and Hubei Foreign Economic Relations and Trade Industrial Corporation from May 1994 to October 1998. Mr. Nie Lei joined the Company since November 1998, consecutively serving as market analyst in marketing department, senior sales representative in Guangzhou Office of sales department, chief representative of Chengdu Office, deputy general manager of sales center and manager of public network department. From January 2006 to February 2014, Mr. Nie Lei was appointed by the Company as the sales director, deputy general manager and general manager of Yangtze Zhongli Optical Fibre and Cable (Jiangsu) Co., Ltd., a joint venture of the Company. Mr. Nie Lei earned a bachelor degree in Industrial Management Engineering from Wuhan University of Technology and a master's degree in business administration from Huazhong University of Science and Technology.

Mr. Liang Guanning, age 40, is the chief financial officer and board secretary of the Company. From July 2002 to August 2008, Mr. Liang Guanning 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 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. From September 2012 to April 2015, he was the Finance Director at SINA Corporation. From May 2015 to November 2016, he was the finance director at Weibo Corporation. Mr. Liang Guanning joined the Company since February 2017 as chief financial officer, and was appointed as board secretary since August 2018. Mr. Liang Guanning obtained a bachelor degree in management from Sun Yat-Sen University and is a fellow member of the Association of Chartered Certified Accountants. Mr. Liang Guanning attended the 105th training of board secretary from the Shanghai Stock Exchange in June 2018, and was qualified after examination.

高級管理層 (續)

聶磊先生，48歲，本公司副總裁及國際業務中心總經理。聶磊先生1993年7月至1994年4月於湖北省山達實業開發總公司工作；1994年5月至1998年10月於湖北省對外經濟貿易實業集團公司工作。聶磊先生於1998年11月加入本公司，先後擔任市場部市場分析師、銷售部廣州辦事處高級銷售代表、成都辦事處首席代表、銷售中心副總經理兼公網部經理。聶磊先生於2006年1月至2014年2月受本公司委派擔任本公司合營公司江蘇長飛中利光纖光纜有限公司的銷售總監、副總經理、總經理。聶磊先生於武漢工業大學獲得工業管理工程學士學位，並於華中科技大學獲得工商管理碩士學位。

梁冠寧先生，40歲，本公司財務總監兼董事會秘書。梁冠寧先生於2002年7月至2008年8月任中國及新加坡畢馬威會計師事務所審計經理；2008年9月至2010年12月任保利協鑫能源控股有限公司財務經理及其子公司協鑫太陽能的高級財務經理；2011年1月至2012年9月任中國廣而告之傳媒集團財務總監；2012年9月至2015年4月任新浪公司財務總監；2015年5月至2016年11月任新浪微博財務總監。梁冠寧先生於2017年2月加入本公司擔任財務總監；2018年8月起兼任董事會秘書。梁冠寧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。梁冠寧先生於2018年6月參加上海證券交易所第105期上市公司董事會秘書資格培訓，經考核合格。

The Board is pleased to present its report together with the audited consolidated financial statements for the year ended 31 December 2019.

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 VII to the financial statements of this annual report.

FINANCIAL POSITION AND RESULTS

The Group's financial position as at 31 December 2019 and the group's profit for the year ended 31 December 2019 are set out on pages 118 to 120 and on page 124 and 125 of this annual report, respectively.

DIVIDEND

Based on the total share capital of 757,905,108 Shares issued and listed as of December 31, 2019, the Board proposed to distribute a dividend of RMB3.18 per 10 Shares (inclusive of tax), with the total dividends amounting to approximately RMB241,013,824 (inclusive of tax). The expected payment date is on or before 31 August, 2020. The proposed dividend is subject to approval by Shareholders at the forthcoming 2019 AGM held by the Company. Should the proposal be approved, the dividend for holders of A Shares, including holders of A Shares through the Northbound Trading Link of the Shanghai-Hong Kong Stock Connect (hereinafter referred to as the "Northbound Shareholders") and holders of H Shares through the Southbound Trading Link (including Shanghai and Shenzhen markets, hereinafter referred to as the "Southbound Shareholders") will be declared and paid in RMB. Dividends to holders of H Shares, except the Southbound Shareholders, are paid in Hong Kong dollars. The exchange rate will be calculated as per the average exchange rate for converting RMB into Hong Kong dollars published by the People's Bank of China during the five business days prior to the 2019 AGM.

With respect to the Southbound Shareholders, according to the relevant requirements of China Securities Depository and Clearing Corporation Limited, China Securities Depository and Clearing Corporation Limited ("CSDC") Shanghai Branch and Shenzhen Branch shall receive cash dividends distributed by the Company as the nominee of the Southbound Shareholders for Shanghai market and Shenzhen market, respectively and distribute such cash dividends to the relevant Southbound Shareholders through its depository and clearing system.

董事會欣然呈列其報告及截至二零一九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本年報財務報表之附註七。

財務狀況及業績

本集團於二零一九年十二月三十一日的財務狀況及本集團截至二零一九年十二月三十一日止年度的利潤分別載於本年報第118至120頁及第124及125頁。

股息

董事會擬以截至二零一九年十二月三十一日已發行及上市的總股本757,905,108股股份為基數，就每10股股份派發股息人民幣3.18元(含稅)，合計股息約為人民幣241,013,824(含稅)。預期派付日期為二零二零年8月31日或之前。建議股息須待股東於本公司將舉行的二零一九股東週年大會上批准方可作實。如建議獲批准，A股股東(包括通過滬股通持有A股股票的股東(簡稱「滬股通股東」))，以及通過港股通持有H股股票的股東(包括上海及深圳市場，簡稱「港股通股東」)的股息將以人民幣宣派及派付。除港股通股東以外的H股股東的股息將以港元派付。匯率將按照股東週年大會前五個工作日中國人民銀行公佈的人民幣兌港元的平均匯率計算。

對於港股通股東，按照中國證券登記結算有限公司(「中國結算」)的相關規定，中國結算上海分公司、深圳分公司分別作為上海市場、深圳市場港股通股東名義持有人接收本公司派發的現金紅利，並通過其登記結算系統將現金紅利發放至相關港股通股東。

Report of the Board of Directors

董事會報告

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 January 1, 2008, where a PRC domestic enterprise distributes dividends for financial periods beginning from January 1, 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 organizations 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 (Guo Shui Fa [2015] No. 60) (《國家稅務總局關於發佈〈非居民納稅人享受稅收協定待遇管理辦法〉的公告》(國稅發[2015]60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.

根據於二零零八年一月一日起生效的《中華人民共和國企業所得稅法》及其實施條例，中國境內企業向非居民企業股東支付自二零零八年一月一日開始會計期間的股息，須按10%的比率預扣該非居民企業股東的企業所得稅。因此，作為中國境內公司，本公司將於預扣10%的末期股息作為企業所得稅後向非居民企業股東（即以非個人股東（包括但不限於香港中央結算（代理人）有限公司、其他代理人、受託人或以其他組織及團體名義登記的H股股東）的名義持有本公司股份的任何股東）分派末期股息。

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》、《國家稅務總局關於發佈〈非居民納稅人享受稅收協定待遇管理辦法〉的公告》（國稅發[2015]60號）（「稅收協定通知」）、《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）、其他相關法律法規以及其他規管文件，本公司作為扣繳義務人，為H股個人持有人就將向其分派的股息預扣並繳付個人所得稅。然而，H股個人持有人可根據中國與其居民身份所屬國家（地區）簽署的稅收協議及中國內地與香港或澳門之間的稅收安排，享受特定的稅收優惠。對於一般的H股個人持有人，本公司於分派股息時會按10%的比率代H股個人持有人預扣並繳付個人所得稅。然而，H股境外個人持有人適用的稅率可能會視乎中國與其居民身份所屬國家（地區）簽署的稅收協議而不同，而本公司於分派股息時會相應地代H股個人持有人預扣並繳付個人所得稅。

Report of the Board of Directors

董事會報告

For Northbound Shareholders, with regard to the dividends obtained by the investors (including enterprises and individuals) from investment in the A Shares of the Company listed on Shanghai Stock Exchange through the Hong Kong Stock Exchange, the Company will withhold income tax at the rate of 10%, and file tax withholding returns with the competent tax authority. Where there is any tax resident of a foreign country out of the investors through the Northbound Trading Link and the rate of income tax on dividends is less than 10%, as provided for in the tax treaty between the country and the PRC, the enterprise or individual may personally, or entrust a withholding agent to, file an application for the tax treatment under the tax treaty with the competent tax authority of the Company. Upon review, the competent tax authority will refund tax based on the difference between the amount of tax having been collected and the amount of tax payable calculated at the tax rate as set out in the tax treaty.

For Southbound Shareholders, in accordance with the Notice of Ministry of Finance, the State Administration of Taxation, and the China Securities Regulatory Commission on Taxation Policies concerning the Pilot Program of an Interconnection Mechanism for Transactions in the Shanghai and Hong Kong Stock Markets (Cai Shui [2014] No.81) (《財政部、國家稅務總局、證監會關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2014]81號)), effective from November 17, 2014, and the Notice of the Ministry of Finance, the State Administration of Taxation, and the China Securities Regulatory Commission on Taxation Policies concerning the Pilot Program of an Interconnection Mechanism for Transactions in the Shenzhen and Hong Kong Stock Markets (Cai Shui [2016] No. 127) (《財政部、國家稅務總局、證監會關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2016]127號)), effective from December 5, 2016, with regard to the dividends obtained by individual mainland investors from investment in the H Shares of the Company listed on the Hong Kong Stock Exchange through the Shanghai-Hong Kong and Shenzhen-Hong Kong Stock Connect, the Company will withhold their individual income tax at the rate of 20% in accordance with the register of individual mainland investors provided by CSDC. As to the withholding tax having been paid abroad, an individual investor may file an application for tax credit with the competent tax authority of CSDC with an effective credit document. With respect to the dividends obtained by mainland securities investment funds from investment in the H Shares of the Company listed on the Hong Kong Stock Exchange through the Shanghai-Hong Kong and Shenzhen-Hong Kong Stock Connect, the Company will withhold their income tax with reference to the provisions concerning the collection of tax on individual investors. The Company will not withhold income tax on dividends obtained by mainland enterprise investors, and mainland enterprise investors shall file their income tax returns and pay tax themselves instead.

就滬股通股東而言，對於香港聯交所投資者（包括企業和個人）投資上海證券交易所本公司A股取得的股息紅利，本公司按照10%的稅率代扣所得稅，並向主管稅務機關辦理扣繳申報。對於滬股通投資者中屬於其他國家稅收居民且其所在國與中國簽訂的稅收協定規定股息紅利所得稅率低於10%的，企業或個人可以自行或委託代扣代繳義務人，向本公司主管稅務機關提出享受稅收協定待遇的申請，主管稅務機關審核後，按已徵稅款和根據稅收協定稅率計算的應納稅款的差額予以退稅。

就港股通股東而言，根據自二零一四年十一月十七日起生效的《財政部、國家稅務總局、證監會關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2014]81號)以及自二零一六年十二月五日起生效的《財政部、國家稅務總局、證監會關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2016]127號)，對於內地個人投資者通過滬港通、深港通投資香港聯交所上市的本公司H股取得的股息紅利，本公司將根據中國結算提供的內地個人投資者名冊按照20%的稅率代扣個人所得稅。個人投資者在國外已繳納的預提稅，可持有效扣稅憑證到中國結算的主管稅務機關申請稅收抵免。本公司對內地證券投資基金通過滬港通、深港通投資香港聯交所上市的本公司H股股票取得的股息紅利所得，比照個人投資者代扣所得稅。本公司對內地企業投資者不代扣股息紅利所得稅款，應納稅款由內地企業自行申報繳納。

Report of the Board of Directors

董事會報告

Holders of H Shares are advised to consult their own tax advisers about the tax effect in China, Hong Kong and/or other countries (regions) in respect of owning and disposing of H Shares if they are in any doubt as to the above arrangements.

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

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 2019, the Group's sales to its five largest customers and its largest customer accounted for 33.8% and 12.1% (2018: 45.0% and 23.4%) 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 2019, the Group's purchases from its five largest suppliers and its largest supplier accounted for 42.7% and 12.7% (2018: 49.4% and 14.2%) of the Group's total purchases, respectively.

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

FIXED ASSETS AND CONSTRUCTION IN PROGRESS

Details of movements in the fixed assets and construction in progress during the year ended 31 December 2019 are set out in notes V.12 and V.13 to the financial statements of this annual report.

SHARE CAPITAL

On 29 June 2018, the China Securities Regulatory Commission issued "Zheng Jian Xu Ke [2018] No.1060" Approval in Relation to the Initial Public Issuance of Shares by the Company and approved the Company to publicly issue no more than 75,790,510 new shares. Based on the above approval, the Company completed the initial public offering of A shares in July 2018. A total of 75,790,510 A shares were issued at the offer price of RMB26.71 per share. The total proceeds were RMB2,024.4 million. After deducting offering expenses, the net proceeds were RMB1,894.3 million.

倘H股股東對上述安排有任何疑問，建議向彼等的稅務顧問諮詢有關擁有及處置H股所涉及的中國、香港及／或其他國家(地區)稅務影響的意見。

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。

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。

截至二零一九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33.8%及12.1%(二零一八年：45.0%及23.4%)。

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

截至二零一九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42.7%及12.7%(二零一八年：49.4%及14.2%)。

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。

固定資產及在建工程

截至二零一九年十二月三十一日止年度的固定資產及在建工程的變動詳情載於本年報財務報表之附註五、12及五、13。

股本

二零一八年六月二十九日，公司收到中國證監會《關於核准長飛光纖光纜股份有限公司首次公開發行股票的批覆(證監許可[2018]1060號)》，核准公司發行不超過75,790,510股A股。根據上述核准，公司於二零一八年七月首次公開發行A股股票75,790,510股，發行價格為人民幣26.71元／股，募集資金總額為人民幣2,024.4百萬元；扣除發行費用後，募集資金淨額為1,894.3百萬元。

Details of movements in the share capital of the Company during the year ended 31 December 2019 are set out in note V.27 to the financial statements of this annual report.

DISTRIBUTABLE RESERVES

As at 31 December 2019, the Company's reserves available for distribution, calculated in accordance with the provisions of Companies Law in the PRC, amounted to approximately RMB3,046.6 million (31 December 2018: approximately RMB2,804.8 million).

BANK LOANS

Details of bank loans of the Group as at 31 December 2019 are set out in note VIII.3 to the financial statements of this annual report.

BUSINESS REVIEW

Overview

In 2019, the optical fibre and cable price plummeted owing to the adjustment of supply and demand structure and the intensified competition in the optical fibre and cable industry. Against the backdrop of challenges, the Company focused on the medium and long-term strategic development and continued to implement its strategic measures. It kept a balanced price and volume relationship to reinforce its advantages in optical fibre preform, optical fibre and optical cable business and maintained its leading position in the telecom market. It also actively expanded the international market and developed a comprehensive solution to expand the segment markets in the industry. Due to industry impacts, however, revenue and profit of the Company came under great pressure.

Focusing on 5G construction requirement, during the Mobile World Congress 2019 organized in Shanghai in June 2019, the Company released its "5G comprehensive connectivity strategy" and "YOFC industrial internet solutions", offering a range of customized products and solutions to various 5G application scenarios. In order to meet the requirement of 5G high bandwidth, the Company developed the global-leading G.654.E optical fibre with ultra-low loss & large effective area to be used in the trunk line of 5G networks. Currently, the operators' construction of trial networks with G.654.E optical fibre has been completed and G.654.E realized remarkable results during the centralized procurement by domestic operators.

本公司於截至二零一九年十二月三十一日止年度的股本之變動詳情載於本年報財務報表之附註五、27。

可分派儲備

於二零一九年十二月三十一日，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3,046.6百萬元（二零一八年十二月三十一日：約為人民幣2,804.8百萬元）。

銀行貸款

本集團於二零一九年十二月三十一日的銀行貸款詳情載於本年報財務報表之附註八、3。

業務回顧

概覽

2019年，光纖光纜行業供需關係調整，競爭加劇，導致光纖光纜產品單價大幅下降。面對有挑戰的經營環境，公司立足中長期戰略發展，繼續堅定執行公司戰略舉措，平衡價量關係，鞏固光纖預制棒、光纖和光纜業務優勢，保持電信市場領先地位，積極拓展國際化市場，打造整體解決方案拓展行業細分市場。但受行業影響，公司營業收入及利潤水平承受較大壓力。

公司在新技術、新產品的研發及市場拓展方面保持行業領先地位。圍繞5G建設要求，公司在2019年6月舉行的上海世界移動大會期間發佈「5G全聯接戰略」和「長飛光雲工業互聯網解決方案」，為5G多種應用場景提供定制化的產品與解決方案。為滿足5G高帶寬需求，公司開發的應用於5G幹線的G.654.E大有效面積超低衰減光纖處於國際領先水平，且已完成運營商實驗網絡的鋪設，並在國內運營商進行的集中採購中取得了優異的成績。

Report of the Board of Directors

董事會報告

Optical fibre preform is a key segment with the highest technical barrier and profitability in the industry. Therefore, the cost control of preform is a core factor influencing the profitability of each company in the industry when the industry chain comes under price pressure. In 2019, the Company's independently-developed VAD and OVD preform manufacturing processes were optimized and their scaled capacity was gradually released, with production efficiency and cost structure further improved, highlighting the advantage of the multi-process integration of the Company.

In 2019, the Company made a breakthrough in the construction of overseas communication engineering. In Philippines, the network construction of the Company progressed well and new customers were continuously developed. In July 2019, a subsidiary of the Company in Peru entered into four agreements with PROGRAMA NACIONAL DE TELECOMUNICACIONES—PRONATEL in respect of the broadband internet connection projects in Ancash, Arequipa, La Libertad and San Martin respectively, which are integral parts of the national broadband project of Peru and cover over 1 million citizens in about 1,683 cities or towns with a total amount of approximately USD400 million.

In terms of optical transceiver market, the Company will conduct business expansion and planning by coupling organic growth with external expansion. As discussed above, the Company has established an optical transceiver product line and a technological team, and is qualified to engage in China Telecom's central bidding for optical transceiver. In January 2020, the Company acquired 51% of equity interests in Sunstar Communication Technology Co. Ltd., with capital contribution amounting to approximately RMB150 million. On the basis of scientific planning, the Company will leverage its reasonable investment in strategic resources to focus on the development of optical transceiver business and other relevant diversified business, with a view to adding new drivers for sustainable development of the Company.

預製棒是產業鏈中技術門檻最高、利潤水平最高的部分。在產業鏈面臨價格壓力之時，預制棒的成本控制是影響行業中各公司利潤水平的核心因素之一。2019年，公司自主研發的VAD和OVD預制棒製造工藝日益成熟，規模化量產能力逐步釋放，進一步提升了造效率和優化成本結構，使公司多工藝融合的優勢更加明顯。

二零一九年，公司在海外通信工程建設方面取得重大突破。在菲律賓，公司的網絡工程建設項目進展順利，且不斷開拓新的客戶。二零一九年七月，公司在秘魯的子公司與PROGRAMA NACIONAL ETELECOMUNICACIONES—PRONATEL簽訂了Ancash大區寬帶網絡連接項目建設、Arequipa大區寬帶網絡連接項目建設、La Libertad大區寬帶網絡連接項目建設、San Martin大區寬帶網絡連接項目建設等四份協議。該等協議屬於秘魯國家寬帶項目的一部分，覆蓋約1,683個城鎮、超過100萬人口，協議金額約為4億美元。

在光模塊市場，公司通過內生與外延結合的方式進行業務拓展和規劃。公司已成立光模塊產品線和技術團隊，並已具備中國電信光模塊集中採購投標資格。2020年1月，公司出資約人民幣1.5億元收購了四川光恒通信技術有限公司51%的股權。公司將在科學規劃的基礎上，憑借合理的戰略資源投入，聚焦培育光模塊等相關多元化等業務，為公司可持續發展輸入新動能。

FINANCIAL KEY PERFORMANCE INDICATORS

Operating performance

During the year, the Company's revenue decreased by 31.6% from RMB11,359.8 million in 2018 to RMB7,769.2 million in 2019. The substantial decrease in the Group's total revenue was mainly because in the recent central biddings from domestic telecom operators, the price of optical fibre and cable decreased by approximately 40%. Also, affected by the relatively late timing of the biddings, although the announced total volume in the biddings were roughly the same as last year, the volume in the biddings was not released in full in 2019. For the year ended 31 December 2019 the net profit attributable to equity shareholders of the Company also decreased by 46.2% to RMB801.2 million.

Financial performance

As at 31 December 2019, the Group's financial position remained solid because of its strong treasury and fund management. The level of indebtedness as at 31 December 2019 was -13.0% (31 December 2018: -15.8%). For the year ended 31 December 2019, the Group generated positive operating cash flows amounted to RMB842.7 million (2018: RMB565.4 million). The increase of operating cash flows was mainly due to receipt in advance for Peru broadband network installation projects while no significant expenditures occurred.

FUTURE DEVELOPMENT

The Company would adhere to its mission of "Smart Link Better Life", stick to innovation, and take industrial opportunities such as 5G, FTTX and data center construction. The Company would implement its strategies such as organic growth of optical fibre preform, optical fibre and optical fibre cable businesses, technology innovation and smart manufacturing, internationalisation, relevant diversification, and strive to become a global leading company in information transmission and smart links.

Looking forward to 2020, in response to the increasingly complex and intensified competition, the Company will insist on its long-term development strategy. Relying on innovation and technology leadership, the Company will follow its high-quality brand strategy and maintain the leading position of its core products, including optical fibre preforms and optical fibres, in both domestic and overseas markets. Meanwhile, it will continue to implement the established strategy of international expansion and relevant diversification steadily, ensuring the sustainable and healthy development of the Company.

財務主要表現指標

營運表現

年內，本公司營業收入由二零一八年的約人民幣11,359.8百萬元下降約31.6%，至二零一九年的約為人民幣7,769.2百萬元。收入的下降主要源於在最近境內電信運營商集中採購中，光纖及光纜價格大幅下降約40%。同時受到集中採購時點相對滯後的影響，雖然集中採購總量相比二零一八年基本穩定，但二零一九年全年並未有足額訂單釋放。截至二零一九年十二月三十一日止，本公司歸屬於母公司股東的淨利潤亦下降約46.2%，為人民幣801.2百萬元。

財務表現

於二零一九年十二月三十一日，由於完善的財務及資金管理，本公司財務狀況維持穩健。二零一九年十二月三十一日，公司資產負債率（按淨債務除以所有者權益計算）為-13.0%（二零一八年十二月三十一日：-15.8%）。截至二零一九年十二月三十一日止年度，公司產生正向經營現金流人民幣842.7百萬元（二零一八年：人民幣565.4百萬元）。經營現金流增加的主要原因是本集團本年度收到秘魯網絡建設項目預收款，而相關支出尚未大量發生。

未來發展

公司秉承「智慧聯接，美好生活」的使命，堅持創新驅動，緊抓5G、FTTX和數據中心等行業機遇，通過實施「棒纖纜業務內涵增長、技術創新與智慧製造、國際化地域拓展、相關多元化」等戰略舉措，致力於成為資訊傳輸與智慧聯接領域的全球領先企業。

二零二零年，面對更加複雜和激烈的競爭環境，公司將堅持自身長期發展戰略，利用創新和技術領先的優勢，堅持高質量品牌戰略，確保預制棒及光纖等核心產品在國內外市場的地位，同時在國際化和相關多元化方面按照既定戰略繼續穩步推進，確保公司持續健康發展。

Report of the Board of Directors

董事會報告

To solidify leading position in main businesses and consolidate market position

In 2020, the competition in the domestic optical fibre and cable market will remain fierce. The uncertainty of demand from domestic operators increased in the first half of 2020, and oversupply of optical fibres and cables continues. On one hand, the Company would take measures to lower costs and increase production efficiency, further optimise OVD and VAD processes to increase yield rate from raw materials, promote smart manufacturing projects to produce standardized products with lower costs, and to further lower costs. On the other hand, the Company will continue to strengthen the relationship with end customers both at home and abroad to ensure excellent performance in the central bidding of operators and will tap into more customers of dedicated network and industries such as railway and China Broadcasting Network to consistently increase market share.

To further implement internationalisation

In 2020, facing a growing overseas market, the Company will focus on internationalization strategy. On one hand, the Company will continue to develop and strengthen overseas regional centers and strengthen the coordination of production, supply chain and sales of overseas subsidiaries within the Company and form a regional localized cooperative operation model. On the other hand, the Group will aim at markets with growth potential, explore and accelerate the overseas industrial layout.

To explore relevant diversification

In 2020, facing market opportunities in the optics telecom related businesses, the Company will gradually develop end to end product production and comprehensive solutions in various fields, such as overseas telecom network engineering project, smart city, construction of data centers and optical transceiver, based on customers' demand and application scenarios. The Company will also strengthen its business through customer replication, products extension and business extension.

PRINCIPAL RISKS AND UNCERTAINTIES

The construction of optics telecom network promoted the demand for optical fibres and cables and also attracted new competitors into the industry. The capacity of optical fibre preforms, optical fibres and optical fibre cables increased fast. With more severe competition, the supply and demand structure in the industry was affected. Should the Company fail to maintain its leading position in the market, or the average selling price of products in the value chain decrease, the performance of the Company could be adversely affected.

夯實主業優勢，鞏固市場地位

二零二零年，國內光纖光纜市場競爭仍然激烈。國內運營商客戶二零二零年上半年需求的不確定性增加，光纖光纜供給過剩的情況仍在持續。公司一方面採取一系列降低成本、提高生產效率的措施，進一步完善OVD及VAD技術，通過工藝技術改造提升生產效率和原材料利用率，有序推進智能製造項目降低成本和提升產品標準化率和合格率，擴大成本優勢；另一方面，公司將持續鞏固與國內外終端客戶的關係，確保在運營商集中採購中取得優異成績，並加深向鐵路、中國廣電等專網和行業客戶的滲透，不斷地提升市場份額。

深度實施國際化戰略

二零二零年，面對海外持續增長的市場機遇，公司將以國際業務中心為主體，一方面持續建設海外地區部打造海外橋頭堡，在公司範圍內加強海外子公司的產供銷一體化協同，形成區域本地化的群體協同經營模式；另一方面，瞄準增長潛力市場區域，探索加快海外產業佈局。

開拓相關多元化業務

二零二零年，面對光通信相關業務的市場機遇，公司將以客戶需求和應用場景為基礎，逐步在海外通信網絡工程項目、智慧城市、數據中心建設、光模塊等領域構建產品製造及綜合解決方案的端到端能力，通過客戶複製、產品延伸和業務擴展等三個延伸發展業務。

主要風險及不確定因素

光通信網路建設拉動光纖光纜需求快速增長，同時也吸引了新競爭者進入，導致預製棒、光纖和光纜產能快速增長，市場競爭日益激烈，行業面臨供需結構變化的風險。如果公司未能在市場競爭中保持領先地位，或產業鏈中產品單價下降，則公司的經營業績可能面臨不利影響。

Report of the Board of Directors

董事會報告

Currently, China was promoting strategies such as Broadband China, FTTH and the Belt and Road. All these strategies established a sound industrial environment for the Company. The major customers of the Company are telecom operators, and the investment from the telecom operators is the main driver of the Company's development. Should the strategies of national telecom infrastructure be affected by macro economy and development speed, the Company's business would be adversely affected.

The Company continues to explore overseas markets. The Belt and Road strategy brought new opportunities for companies to expand globally. But the countries along the Belt and Road are mainly new economies and developing countries with diverse construction environment and status. Some countries have political, war, economic and other risks. Also, the financial, legal, tax related laws and regulations could be significantly different from that in China. The fluctuation of foreign exchanges would bring more complexity to the business. All these factors would increase the uncertainties and risks in overseas businesses and investment.

With larger scale, the demand for operating cashflow expanded with the expansion of businesses. Also, the total amount of the Company's trade and bills receivables were relatively high. If the receivables cannot be collected and become bad debt, the performance of the Company could be adversely affected.

With the development of the domestic and overseas optical fibre and cable markets and the upgrade of relevant products, should the Company fail to develop new technologies and products, or made wrong judgement of technology, products and markets, the Company's advantages in technology and its competitiveness could be compromised. Moreover, with the development of multiple technologies, should other competitors successfully develop substitutes for current technologies and apply those technologies to produce optical fibres and cables, the performance of the Company could be adversely affected.

目前國家正在大力推進的「寬頻中國」、「光纖到戶」、「一帶一路」等戰略對公司的業務發展構成了良好的產業環境。公司的主要客戶是電信運營商，運營商的投資需求構成了公司發展的主要驅動力，如果受到宏觀經濟的週期性波動、經濟發展速度等因素的綜合影響，國家關於通信等基礎設施投資的產業政策出現調整，則將對公司的業務發展造成負面影響。

公司長期積極開發國外市場，「一帶一路」戰略為企業「走出去」帶來新機遇，但「一帶一路」沿線國家大多為新興經濟體和發展中國家，建設環境和建設水準參差不齊，部分國家存在著政治、戰爭、政策經濟波動等風險。同時，海外國家的金融、法律、財稅等於中國存在較大差異，匯率大幅波動也會增加還外業務的複雜性，以上各種因素都會增加公司海外業務和海外投資的不確定性和風險。

隨著公司規模的擴張，運營資金需求量伴隨業務規模擴大而迅速增加。而且，公司應收票據和應收賬款合計金額較大，如果不能按期收回而發生壞賬損失，可能對公司經營業績造成不利影響。

隨著國內外光纖光纜市場的進一步發展和光纖光纜產品的升級換代，如果公司的新技術和新產品不能及時研發成功，或者對技術、產品和市場的趨勢把握出現偏差，將削弱公司的技術優勢和競爭力。此外，隨著各項技術的發展，如其他競爭者成功開發出有效替代現有技術的新技術，並快速適用於光纖光纜產品的生產製造，也將對公司經營業績帶來較大不利影響。

Report of the Board of Directors

董事會報告

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 stakeholders on environmental, social and governance issues. The result of the surveys will be applied as the basis for preparing our environmental, social and governance report to be released independently and will also serve as an important reference for formulating our sustainable development strategies in the future.

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

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

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

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

主要關係

本公司的發展離不開僱員、供應商、客戶及社區等權益人的支持。公司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。在本年度就社會責任相關事宜，公司向利益相關方進行了調研，並將調研結果作為二零一九年度環境、社會及管制報告的編製依據，也為未來公司制定可持續發展戰略提供了重要參考依據。

本公司一直堅信人力是第一資源的人才理念，高度重視人才發展，積極考慮員工回饋意見。公司通過完善績效管理和晉升制度，為員工的成長、發展和提供提升提供空間。同時公司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。

本公司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品質原材料，及與公司一樣致力於提供高品質產品予客戶。公司審慎選擇供應商，推動供應商當地語系化及材料當地語系化，並依據品質、成本、交付、服務四大主要指標對供應商進行評估考核，確保所提供的品質標準符合公司要求。同時，公司亦會推動供應商與公司共同提升社會責任方面的表現，達到與供應商共同成長與發展的目標。

本公司堅守「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。公司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、提升服務水準。

本公司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。公司通過支持教育、救災、公益、社區關愛等活動，積極回饋社會。

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.

CHARITABLE CONTRIBUTIONS

During the year, the Group made charitable contributions totalling RMB1,417,984 (2018: RMB2,130,000).

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 2019 and is still in force up to the date of this report.

環境政策及表現

本公司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。公司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。公司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。

遵守法律及法規

本公司業務主要於中國及海外經營，公司嚴格遵守中國、香港及本公司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，本公司在環境、社會及管治相關方面未發生違反中國內地、中國香港及本公司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，本公司或其任何子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其連絡人或緊密連絡人（相關定義見香港上市規則）擁有任何權利可認購本公司或其任何相聯法團（定義見證券及期貨條例）之證券或可透過收購本公司或任何其他團體公司之股份或債券獲取利益，本公司亦無訂立任何其他股本關連協議。

慈善捐獻

年內，本集團合共作出人民幣1,417,984元（二零一八年：人民幣2,130,000）之慈善捐獻。

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）於二零一九年生效，且截至本報告日期仍然生效。

Report of the Board of Directors

董事會報告

DIRECTORS

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

Mr. Frank Franciscus Dorjee (retirement effective on 17 January 2020)

NON-EXECUTIVE DIRECTORS

Mr. Ma Jie

Mr. Guo Tao (appointment effective on 17 January 2020)

Mr. Yao Jingming (retirement effective on 17 January 2020)

Mr. Philippe Claude Vanhille

Mr. Pier Francesco Facchini

Mr. Frank Franciscus Dorjee (appointment effective on 17 January 2020)

Mr. Xiong Xiangfeng

Ms. Zheng Huili (retirement effective on 17 January 2020)

Ms. Lai Zhimin (appointment effective on 17 January 2020)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Bingsheng Teng (appointment effective on 17 January 2020)

Mr. Liu Deming (appointment effective on 17 January 2020)

Mr. Song Wei (appointment effective on 17 January 2020)

Dr. Wong Tin Yau, Kelvin (appointment effective on 17 January 2020)

Dr. Ngai Wai Fung (retirement effective on 17 January 2020)

Dr. Ip Sik On Simon (retirement effective on 17 January 2020)

Mr. Li Ping (retirement effective on 17 January 2020)

Dr. Li Zhuo (retirement effective on 17 January 2020)

SUPERVISORS

Mr. Li Ping (appointment effective on 17 January 2020)

Dr. Li Zhuo (appointment effective on 17 January 2020)

Mr. Jiang Zhikang (appointment effective on 17 January 2020)

Mr. Wang Ruichun (retirement effective on 17 January 2020)

Mr. Liu Deming (retirement effective on 17 January 2020)

Ms. Li Chang'ai (retirement effective on 17 January 2020)

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Biographical details of the current Directors, Supervisors and senior management of the Group are set out on pages 36 to 50 of this annual report.

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

范•德意先生(於二零二零年一月十七日退任)

非執行董事

馬杰先生

郭韜先生(於二零二零年一月十七日獲委任)

姚井明先生(於二零二零年一月十七日退任)

菲利浦•范希爾先生

皮埃爾•法奇尼先生

范•德意先生(於二零二零年一月十七日獲委任)

熊向峰先生

賴智敏女士(於二零二零年一月十七日獲委任)

鄭慧麗女士(於二零二零年一月十七日退任)

獨立非執行董事

滕斌聖先生(於二零二零年一月十七日獲委任)

劉德明先生(於二零二零年一月十七日獲委任)

宋璋先生(於二零二零年一月十七日獲委任)

黃天祐博士(於二零二零年一月十七日獲委任)

魏偉峰博士(於二零二零年一月十七日退任)

葉錫安博士(於二零二零年一月十七日退任)

李平先生(於二零二零年一月十七日退任)

李卓博士(於二零二零年一月十七日退任)

監事

李平先生(於二零二零年一月十七日獲委任)

李卓博士(於二零二零年一月十七日獲委任)

江志康先生(於二零二零年一月十七日獲委任)

王瑞春先生(於二零二零年一月十七日退任)

劉德明先生(於二零二零年一月十七日退任)

李長愛女士(於二零二零年一月十七日退任)

董事、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36至50頁。

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 17 January 2020. Each of the independent non-executive Directors has signed a letter of appointment on 17 January 2020. Pursuant to the Articles of Association, the term of office of the Directors shall be 3 years. The principal particulars of these service contracts and letters of appointment are (a) for a term commencing from their respective effective date of appointment until the day on which the next general meeting of the shareholders for re-election of Directors is held, and (b) are subject to termination in accordance with their respective terms.

Each of the Supervisors has entered into a service contract with the Company on 17 January 2020. 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).

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 2019 or subsisted at the end of the year ended 31 December 2019.

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 2019.

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二零二零年一月十七日與本公司訂立服務合約。各獨立非執行董事已於二零二零年一月十七日簽署委任函。根據本公司之章程，董事之任期應為三年。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。

各監事已於二零二零年一月十七日與本公司訂立服務合約。誠如《關於進一步促進境外上市公司規範運作和深化改革的意見》(國經貿企改[1999]230號)規定，本公司監事會成員中一半或以上須為外部監事，而其中兩名或以上須為獨立監事。本公司於二零一五年六月九日起符合該規定。

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

董事及監事於重大交易、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二零一九年十二月三十一日止年度訂立或於截至二零一九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

於截至二零一九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。

Report of the Board of Directors

董事會報告

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 Board has approved the Employee Share Ownership Plan in the 19th meeting of the 2nd term of the Board held on 13 and 14 December 2018. The Employee Share Ownership Plan was further reviewed and approved by the 1st extraordinary general meeting of the Company on 21 February 2019. It involves no issue of new shares or granting of option for any new securities of the Company, thus it does not constitute a share option scheme. The details of the plan were published on 3 January 2019, in the circular for the 1st extraordinary general meeting of the Company on 21 February 2019 on the websites of Shanghai Stock Exchange (www.sse.com.cn) and the Hong Kong Stock Exchange (www.hkexnews.hk).

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 note XV.2 to the financial statements of this annual report.

CHANGES IN 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 2019, 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.

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 2019.

POST BALANCE SHEET EVENTS

The material post balance sheet events are disclosed in note XIV to the financial statements of this annual report.

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。

本公司董事會於二零一八年十二月十三日、二零一八年十二月十四日召開長飛光纖第二屆董事會第十九次會議，審議批准了《長飛光纖光纜股份有限公司第一期員工持股計劃（草案）及其摘要》。本公司於二零一九年二月二十一日舉行的二零一九第一次臨時股東大會審議批准了該項議案。該員工持股計劃不涉及發行新股或授出可認購本公司任何新證券的期權。該員工持股計劃具體情況詳見本公司二零一九年一月三日刊載於上海證券交易所網站(www.sse.com.cn)的二零一九年第一次臨時股東大會會議資料，及刊載於香港聯合交易所網站(www.hkexnews.hk)的於二零一九年二月二十一日舉行之臨時股東大會通函。

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本年報財務報表之附註十五、2。

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，截至二零一九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。

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二零一九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本年報財務報表之附註十四。

Report of the Board of Directors

董事會報告

AUDITORS

The Company has appointed KPMG Huazhen LLP as the auditors of the Company for the year ended 31 December 2019. Resolutions regarding the re-appointment of KPMG Huazhen LLP as the auditors of the Company will be proposed at the AGM.

By order of the Board

Ma Jie
Chairman

Wuhan, China
23 April 2020

核數師

本公司已委聘畢馬威華振會計師事務所(特殊普通合伙)為本公司截至二零一九年十二月三十一日止年度的核數師。有關續任畢馬威華振會計師事務所(特殊普通合伙)為本公司的核數師的決議案將提呈予應屆股東週年大會。

承董事會命

馬杰
主席

中國武漢
二零二零年四月二十三日

Corporate Governance Report

企業管治報告

CORPORATE GOVERNANCE

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

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

The Company has adopted all the code provisions in the CG Code which are applicable to the Company and the manner in which the principles and code provisions in the CG Code were applied and implemented during the year ended 31 December 2019 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.

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 respective 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.

企業管治

董事會欣然呈列本公司之企業管治報告。

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

本公司已採納企業管治守則內所有適用於本公司的守則條文，而本公司於截至二零一九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。

董事會

職責分工

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

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

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

COMPOSITION OF THE BOARD

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

The current Board is the third session of the Board. Mr. Frank Franciscus Dorjee has retired from his position as an executive Director of the Company, with effect from the conclusion of the EGM held on 17 January 2020. Mr. Yao Jingming and Ms. Zheng Huili have retired from their positions as non-executive Directors, and Dr. Ngai Wai Fung, Dr. Ip Sik On Simon, Mr. Li Ping and Dr. Li Zhuo have retired from their positions as independent non-executive Directors, respectively, with effect from the conclusion of the EGM held on 17 January 2020. Mr. Frank Franciscus Dorjee, Mr. Guo Tao and Ms. Lai Zhimin have been elected and appointed as non-executive Directors, and Mr. Bingsheng Teng, Mr. Liu Deming, Mr. Song Wei and Dr. Wong Tin Yau, Kelvin have been elected and appointed as independent non-executive Directors, as new members to the third session of the Board with effect from the conclusion of the EGM held on 17 January 2020.

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

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

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

董事會組成

於年內，董事會由十二名董事組成，包括兩名執行董事莊丹先生及范•德意先生，六名非執行董事馬杰先生（主席）、姚井明先生、菲利普•范希爾先生（副主席）、皮埃爾•法奇尼先生、熊向峰先生及鄭慧麗女士，及四名獨立非執行董事魏偉峰博士、葉錫安博士、李平先生及李卓博士。

本屆董事會乃公司第三屆董事會。原執行董事范•德意先生已退任執行董事，於二零二零年一月十七日臨時股東大會結束後生效。原非執行董事姚井明先生及鄭慧麗女士，及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均已退任本公司董事，於二零二零年一月十七日臨時股東大會結束後生效。范•德意先生、郭韜先生及賴智敏女士獲推選及委任為非執行董事，及滕斌聖先生、劉德明先生、宋瑋先生及黃天祐博士獲推選及委任為獨立非執行董事，作為第三屆董事會的新成員，於二零二零年一月十七日臨時股東大會結束後生效。

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。

Corporate Governance Report

企業管治報告

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.

POSITION IN OTHER COMPANY HELD BY DIRECTORS

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

TIME COMMITMENT OF DIRECTORS

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

TRAINING AND PROFESSIONAL DEVELOPMENT OF DIRECTORS

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

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。

董事擔任其他公司之職務

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

董事投入時間

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

董事培訓及專業發展

於年內，全體任期內董事均參與一項正式及全面的培訓，內容主要關於香港上市規則及其他適用法律及法規的最新發展，讓全體董事更新有關法律及法規規定的知識及技能，並確保合規及加強彼等對良好企業管治常規的意識。本公司也會於有需要時為董事安排培訓，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。

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. The term of the current insurance expires on 30 June 2020. The Board has approved the purchase of liability insurance for Directors, Supervisors and senior management and the proposal would be further reviewed in the 2019 AGM.

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 one of the following circumstances, the Chairman shall convene extraordinary meetings within ten days after a proposal is received: (1) when proposed by Shareholders representing not less than ten percent (10%) of the voting rights; (2) when jointly proposed by not less than one-third of the Directors; (3) when proposed by the Board of Supervisors; (4) when proposed by the Company's president; (5) when proposed by not less than one half of the independent non-executive Directors; (6) when the Chairman considers it necessary; (7) when it is requested by securities regulatory authorities to be convened; (8) as prescribed by laws, regulations and listing rules of stock exchanges on which the Company's Shares are listed or any circumstances required under the Articles of Association.

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 the estimates of the 2019 related party transactions during the ordinary and usual course of business and Employee Share Ownership Plan, which had been further approved at the extraordinary general meeting held on February 21, 2019 and the Proposed Re-Election or Election and Appointment of Directors and Non-Employee Representative Supervisors, Proposed Amendments to the Articles of Association, and Proposed New Annual Caps for The Optical Fibre Technology Cooperation Agreement with Draka and Renewal of The Continuing Connected Transactions with YOFC Shanghai, which had been further approved at the extraordinary general meeting held on 17 January 2020.

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。當前的保險餘款將於二零二零年六月三十日到期。董事會審議通過為董事、監事及高級管理層投保責任保險的議案。該等議案將於二零一九年週年股東大會審議。

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，有下列情形之一的，董事長應在自接到提議後十日內召集臨時董事會會議：(1)代表百分之十以上表決權的股東提議時；(2)三分之一以上董事聯名提議時；(3)監事會提議時；(4)公司總裁提議時；(5)二分之一以上獨立非執行董事提議時；(6)董事長認為必要時；(7)證券監管部門要求召開時；(8)法律法規、公司股票上市的交易所上市規則或本章程規定的其他情形。

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，惟預計二零一九年日常關聯交易額度及員工持股計劃，上述事項均已於二零一九年二月二十一日舉行的臨時股東大會上獲進一步批准，及建議重選或推選及委任董事及非職工代表監事，建議修訂《公司章程》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長飛上海的持續關連交易，上述事項均已於二零二零年一月十七日舉行的臨時股東大會上獲進一步批准。

Corporate Governance Report

企業管治報告

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

下表列載董事會各成員於年內出席會議的詳情。

Director	董事	Number of board meetings requiring attendance	Number of board meetings attended in person (Note) 親身出席董事會會議次數 (附註)	Number of board meetings attended by proxy 委任代表出席董事會會議次數	Number of general meetings attended* 出席股東大會會議次數*
Executive Directors		執行董事			
Mr. Zhuang Dan	莊丹先生	7	7	0	2
Mr. Frank Franciscus Dorjee [#]	范•德意先生 [#]	7	7	0	2
Non-executive Directors		非執行董事			
Mr. Ma Jie	馬杰先生	7	7	0	2
Mr. Yao Jingming [#]	姚井明先生 [#]	7	7	0	2
Mr. Philippe Claude Vanhille	菲利普•范希爾先生	7	7	0	2
Mr. Pier Francesco Facchini	皮埃爾•法奇尼先生	7	7	0	2
Mr. Xiong Xiangfeng	熊向峰先生	7	7	0	2
Ms. Zheng Huili [#]	鄭慧麗女士 [#]	7	7	0	2
Independent Non-executive Directors		獨立非執行董事			
Dr. Ngai Wai Fung [#]	魏偉峰博士 [#]	7	7	0	2
Dr. Ip Sik On Simon [#]	葉錫安博士 [#]	7	7	0	2
Mr. Li Ping [#]	李平先生 [#]	7	6	1	2
Dr. Li Zhuo [#]	李卓博士 [#]	7	7	0	2

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. Frank Franciscus Dorjee has retired from his position as an executive Director of the Company, with effect on 17 January 2020. Mr. Yao Jingming and Ms. Zheng Huili have retired from their positions as non-executive Directors, and Dr. Ngai Wai Fung, Dr. Ip Sik On Simon, Mr. Li Ping and Dr. Li Zhuo have retired from their positions as independent non-executive Directors, respectively, with effect on 17 January 2020. Mr. Frank Franciscus Dorjee, Mr. Guo Tao and Ms. Lai Zhimin have been elected and appointed as non-executive Directors, and Mr. Bingsheng Teng, Mr. Liu Deming, Mr. Song Wei and Dr. Wong Tin Yau, Kelvin have been elected and appointed as independent non-executive Directors, as new members to the third session of the Board, with effect from the conclusion of the EGM held on 17 January 2020.

[#] 范•德意先生自二零二零年一月十七日起不再擔任本公司執行董事。姚井明先生及鄭慧麗女士自二零二零年一月十七日起不再擔任本公司非執行董事。魏偉峰博士、葉錫安博士、李平先生及李卓博士自二零二零年一月十七日起不再擔任本公司獨立非執行董事。范•德意先生、郭韜先生及賴智敏女士獲推選及委任為非執行董事，及滕斌聖先生、劉德明先生、宋璋先生及黃天祐博士獲推選及委任為獨立非執行董事，作為第三屆董事會的新成員，於二零二零年一月十七日臨時股東大會結束後生效。

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

* 年內，本公司舉行了兩次股東大會。

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

本年度，主席亦與獨立非執行董事在並無其他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, which became effective on 17 January 2020. Details of the terms of reference of the Audit Committee are published on the websites of the Company and the Hong Kong Stock Exchange for reference.

During the year ended 31 December 2019, the Audit Committee consisted 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.

Six audit committee meetings were held during the year with respect to the discussions and approval of (a) amended terms of reference of the audit committee, (b) 2018 annual results announcement for the year ended 31 December 2018, (c) 2018 financial statements prepared under IFRS, (d) two quarterly information on selected unaudited financial results for the three months ended 31 March 2019 and for the nine months ended 30 September 2019, (e) 2019 interim results announcement for the six months ended 30 June 2019, (f) Environmental, Social and Governance Report 2018, (g) the specific report for the deposits and actual usage of proceeds from initial public offering of A shares as on 30 June 2019, (h) the continued cash management plan for idle proceeds from initial public offering of A shares, and (i) the estimated amount of daily related transactions for 2019. The Audit Committee also assessed the risk management 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三個委員會。

審計委員會

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

本公司已於二零二零年一月十七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。

於截至二零一九年十二月三十一日止年度，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。

年內舉行六次審計委員會會議，以討論及批准(a)修訂審計委員會工作細則；(b)截至二零一八年十二月三十一日止的二零一八年年度財務報告；(c)按國際準則編製的二零一八年財務報表；(d)截至二零一九年三月三十一日止三個月及截至二零一九年九月三十日止九個月的未經審核財務資料及季度報告；(e)截至二零一九年六月三十日止六個月的二零一九年中期業績公告；(f)二零一八年度環境、社會及管治報告；(g)截至二零一九年六月三十日止募集資金存放與實際使用情況的專項報告；(h)關於繼續使用部分閒置募集資金進行現金管理的議案；及(i)關於二零二零年度日常關聯交易預計額度的議案。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

企業管治報告

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

Director	董事	Number of meetings requiring attendance 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)#	6	6	6
Dr. Ip Sik On Simon#	葉錫安博士#	6	6	6
Dr. Li Zhuo#	李卓博士#	6	6	6

Mr. Song Wei, an independent non-executive Director of the Company, was appointed as a member and the chairman of Audit Committee to replace Dr. Ngai Wai Fung with effect from 17 January 2020. Dr. Wong Tin Yau, Kelvin and Mr. Liu Deming, independent non-executive Directors of the Company, were appointed as members of Audit Committee to replace Dr. Ip Shek On Simon and Dr. Li Zhuo, with effect from 17 January 2020.

The Audit Committee of the third term of the Board has reviewed and discussed the annual results of the Group for the year ended 31 December 2019. The Audit Committee has also reviewed with the management and the Company's auditors, KPMG Huazhen LLP, 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 2019 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.

Nomination and Remuneration Committee

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

下表列載審計委員會各成員於年內出席會議的詳情。

自二零二零年一月十七日起，本公司獨立非執行董事宋璋先生獲委任為審計委員會成員兼主席，代替魏偉峰博士。自二零二零年一月十七日起，本公司獨立非執行董事黃天祐博士及劉德明先生獲委任為審計委員會成員，代替葉錫安博士及李卓博士。

本公司第三屆董事會審計委員會已審閱及討論本集團截至二零一九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華振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二零一九年十二月三十一日止年度之合併財務報表。審計委員會認為，該等經審核綜合財務報表的編製符合適用的會計準則及規定，並已充分作出一切相關及所需披露。

提名及薪酬委員會

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

Corporate Governance Report

企業管治報告

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, which became effective on 17 January 2020. Details of the terms of reference of the Nomination and Remuneration Committee are published on the websites of the Company and the Hong Kong Stock Exchange.

During the year, ended 31 December 2019 the Nomination and Remuneration Committee consisted of two independent non-executive Directors namely, Mr. Li Ping and, Dr. Ip Sik On Simon and one executive Director, Mr. Frank Franciscus Dorjee. Mr Li Ping, 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.

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

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

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。

本公司已於二零二零年一月十七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。

於截至二零一九年十二月三十一日止年度，提名及薪酬委員會由兩名獨立非執行董事李平先生及葉錫安博士，及一名執行董事范•德意先生組成。提名及薪酬委員會主席由獨立非執行董事李平先生擔任。

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。

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。

Corporate Governance Report

企業管治報告

Mr. Bingsheng Teng, an independent non-executive Director of the Company, was appointed as a member and the chairman of Nomination and Remuneration Committee to replace Mr. Li Ping with effect from 17 January 2020. Mr. Song Wei, an independent non-executive Director of the Company, was appointed as a member of Nomination and Remuneration Committee to replace Dr. Ip Sik On Simon, with effect from 17 January 2020.

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 2019 can be classified into the following ranges:

Band (Notes) 組別 (註)	Remuneration (RMB) 薪酬 (人民幣元)	Number of persons 人數
1	0-500,000	12
2	500,001-1,000,000	1
3	1,000,001-1,500,000	6
4	1,500,001-2,000,000	3
5	2,000,001-2,500,000	1

Notes:

Band 1 includes 10 Directors and 2 Supervisors.

Band 2 includes 1 Director.

Band 3 includes 1 Supervisor and 5 senior management members.

Band 4 includes 1 Director and 2 senior management members.

Band 5 includes 1 senior management member.

Further details of the remuneration of the Directors, the Supervisors and the five highest-paid employees are disclosed in notes XV.2 to the financial statements of this annual report as required by the Appendix 16 to the Hong Kong Listing Rules.

自二零二零年一月十七日起，本公司獨立非執行董事滕斌聖先生獲委任為提名及薪酬委員會成員兼主席，代替李平先生。自二零二零年一月十七日起，本公司獨立非執行董事宋瑋先生獲委任為提名及薪酬委員會成員，代替葉錫安博士。

根據企業管治守則之守則條文B.1.5，截至二零一九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：

註：

第1組別包括10名董事及2名監事。

第2組別包括1名董事。

第3組別包括1名監事及5名高級管理人員。

第4組別包括1名董事及2名高級管理人員。

第5組別包括1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本年報財務報表之附註十五、2。

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 17 January 2020, 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 third session of the Board as proposed by then is in accordance with the Board Diversity Policy in terms of age, educational background, industry experience, geographical location and duration of service. Members of the Board during the year are set out in the following table:

董事會多元化

董事會採納了董事會多元化政策，以提升其效率。釐定董事會成員構成時將從多個方面考慮董事會多元化，包括但不限於性別、年齡、文化及教育背景、專業經驗、技能、知識、服務年期及擔任本公司董事將貢獻之時間。本公司亦會考慮有關其自身業務模式及特別需求的不時因素。董事會致力確保在技能、經驗及不同觀點方面保持適當平衡，以滿足執行業務策略及讓董事會有效行事的需求。於二零二零年一月十七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三屆董事會的成員在年齡、教育背景、行業經驗、地區、服務年期等方面，符合董事會多元化政策的要求。於年內董事會成員詳情載列於下表：

Name 姓名	Age 年齡	Education 教育	Industry experience 行業經驗	Geographical location 地區	Duration of service (joined since) 加入本集團的日期
Executive Directors 執行董事					
Zhuang Dan 莊丹	49	Doctorate 博士	Telecommunication, Finance and accounting 通訊、財務及會計	Wuhan, China 中國武漢	March 1998 一九九八年三月
Frank Franciscus Dorjee 范•德意	59	Master 碩士	Telecommunication, Finance and accounting 通訊、財務及會計	Netherlands 荷蘭	January 2011 二零一一年一月

Corporate Governance Report

企業管治報告

Name 姓名	Age 年齡	Education 教育	Industry experience 行業經驗	Geographical location 地區	Duration of service (joined since) 加入本集團的日期
Non-executive Directors					
非執行董事					
Ma Jie (Chairman) 馬杰 (主席)	49	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	55	Doctorate 博士	Telecommunication 通訊	Beijing, China 中國北京	June 2015 二零一五年六月
Philippe Claude Vanhille (Vice-Chairman) 菲利普·范希爾 (副主席)	56	Master 碩士	Telecommunication 通訊	Italy 意大利	May 2013 二零一三年五月
Pier Francesco Facchini 皮埃爾·法奇尼	52	Doctorate 博士	Finance and accounting 財務及會計	Italy 意大利	January 2017 二零一七年一月
Xiong Xiangfeng 熊向峰	55	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	61	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	58	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	71	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	66	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	50	Doctorate 博士	Education 教育	Wuhan, China 中國武漢	September 2014 二零一四年九月

DIRECTOR NOMINATION POLICY

The Company has adopted a Director Nomination Policy which sets out the selection criteria and process in the nomination and appointment of Directors of the Company and aims to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the Company and the continuity of the Board and appropriate leadership at Board level.

The Director Nomination Policy sets out the factors for assessing the suitability and the potential contribution to the Board of a proposed candidate, including but not limited to the following:

- Character and integrity;
- Qualifications including professional qualifications, skills, knowledge and experience and diversity aspects under the Board Diversity Policy that are relevant to the Company's business and corporate strategy;

董事提名政策

公司採納的董事提名政策載列本公司提名及委任董事的準則及程序，旨在確保本公司的董事會成員具備切合本公司業務所需的技巧、經驗及多元觀點，及確保本公司的董事會的持續性及維持其領導角色。

董事提名政策載列評估持續性及對董事會帶來的潛在貢獻的因素，包括但不限於：

- 品格與誠實；
- 資格，包括專業資格、技巧、知識及與本公司業務及策略相關的經驗，以及董事會成員多元化政策所提述的多元化因素；

- Any measurable objectives adopted for achieving diversity on the Board;
 - Requirements of Independent Non-executive Directors on the Board and independence of the proposed Independent Non-executive Directors in accordance with the Listing Rules;
 - Potential contributions the candidate can bring to the Board in terms of qualifications, skills, experience, independence and gender diversity;
 - Commitment in respect of available time to discharge duties as a member of the Board and/or Board committees of the Company; and
 - Other perspectives that are appropriate to the Company's business and succession plan.
- 為達致董事會成員多元化而採納的任何可計量目標；
 - 根據《香港聯合交易所有限公司證券上市規則》（《上市規則》），董事會需包括獨立非執行董事的規定，以及參考《上市規則》內列明候選人是否被視為獨立的指引；
 - 候選人的專業資格、技巧、經驗、獨立性及性別多元化方面可為董事會帶來的任何潛在貢獻；
 - 是否願意及是否能夠投放足夠時間履行身為董事會成員及擔任董事會轄下委員會的委員的職責。及；
 - 其他適用於本公司業務及其繼任計劃的其他各項因素，提名及薪酬委員會及／或董事會可在有需要時修訂有關因素。

The Director Nomination Policy also sets out the procedures for the selection and appointment of new Directors and re-election of Directors at general meetings.

The Nomination and Remuneration Committee will regularly review the structure, size and composition of the Board and the Director Nomination Policy, and where appropriate, make recommendations on changes to the Board to complement the Company's corporate strategy and business needs.

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.

董事提名政策亦載列於股東大會選舉及委任新任董事及重選董事的程序。

提名及薪酬委員會將會定期為董事會的架構、規模及組成及本政策舉行檢討，並在有需要時向董事會提出修訂建議，以完善企業策略及切合業務需要。

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。

Corporate Governance Report

企業管治報告

The Company has updated the terms of reference of the Strategy Committee, which became effective on 17 January 2020. The terms of reference of the Strategy Committee are published on the websites of the Company and the Hong Kong Stock Exchange.

During the year ended 31 December 2019, the Strategy Committee consisted of two independent non-executive Directors, namely Mr. Li Ping and Dr. Li Zhuo, Chairman of the Board and non-executive Director, Mr. Ma Jie, and non-executive Director, Mr. Philippe Claude Vanhille. Mr. Ma Jie acted as the Chairman of the Strategy Committee.

Mr. Zhuang Dan, an executive Director of the Company, and Mr. Bingsheng Teng, an independent non-executive Director of the Company, were appointed as members of Strategy Committee to replace Mr. Li Ping and Dr. Li Zhuo, with effect from 17 January 2020.

DIRECTORS

APPOINTMENT AND RE-ELECTION OF DIRECTORS

Directors (including non-executive Directors and independent non-executive Directors) shall be elected by the shareholders in general meeting for a term of three years. Upon the expiration of the current term of office, a Director is eligible for re-election and re-appointment. The Chairman and Vice Chairman of the Board shall be elected and removed by more than one-half of the Directors. The Chairman and Vice Chairman of the Board shall have a term of three years and shall be renewable upon re-election. Each of the current Directors has entered into a service contract with the Company on 17 January 2020. 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).

本公司已於二零二零年一月十七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。

於截至二零一九年十二月三十一日止年度，戰略委員會由兩名獨立非執行董事李平先生及李卓博士，董事會主席兼非執行董事馬杰先生，及非執行董事菲利普·范希爾先生獲委組成。戰略委員會主席由馬杰先生擔任。

自二零二零年一月十七日起，本公司執行董事莊丹先生及獨立非執行董事滕斌聖先生獲委任為戰略委員會成員，代替李平先生及李卓博士。

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，各董事已於二零二零年一月十七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。

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.

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 2019.

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。

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

董事、監事及有關僱員的證券交易

本公司已採納了一套條款不低於標準守則之規定的本公司的董事、監事及有關僱員進行證券交易的標準守則（「本公司守則」），作為有關董事及監事的證券交易的自身守則。經向本公司各董事及監事作出書面特定查詢後，所有本公司董事及監事均確認彼等於截至二零一九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。

Corporate Governance Report

企業管治報告

DIRECTORS' INTEREST

Details of the Directors' competing interest have been disclosed in the section headed "Corporate Governance Report – Directors' Interest in Competing Business" on pages 92 to 94 of this annual report. To address any potential competing interest of the Directors, the Company has implemented the following corporate governance measures to safeguard the interests of the Company and the shareholders of the Company:

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

DIRECTORS' RESPONSIBILITY ON FINANCIAL STATEMENTS

The Directors acknowledge their responsibility to prepare the audited consolidated financial statements for the year ended 31 December 2019 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 115 to 117 of this annual report.

董事權益

有關董事競爭權益的詳情已於本年報第92至94頁「企業管治報告 – 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於其本身或其任何緊密連絡人持有重大權益的任何合約、交易或安排的任何董事會決議案中放棄投票（亦不計入相關法定人數）；
- (c) 獨立非執行董事將審查任何涉及與本公司業務構成競爭的董事所持有的競爭權益，而該等董事須向獨立非執行董事提供審查所需之一切數據；及
- (d) 有關獨立非執行董事所審查事宜的決定將於本公司的年報披露。

董事對財務報表之責任

董事深知彼等就編製截至二零一九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115至117頁的獨立核數師報告內。

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 and Shanghai 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 and Shanghai Listing Rules, which shall be despatched to the H Shares Shareholders within a specified period of time and shall be posted on the websites of the Hong Kong Stock Exchange and the Company.

During the year, one annual general meeting was held by the Company to approve the relevant matters. The Company's circular dated 12 April 2019 was despatched to the H Shares Shareholders for review before the shareholders' meeting was held.

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.

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及上海上市規則，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及上海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H股股東，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。本公司日期為二零一九年四月十二日的通函於股東大會舉行前已寄發予H股股東閱覽。

監控機制 監事會

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

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

Corporate Governance Report

企業管治報告

During the year ended 31 December 2019, 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. Wang Ruichun) as the Chairman of the Board of Supervisor. The current board of Supervisors is the third session of the board of Supervisors. Mr. Liu Deming and Ms. Li Chang'ai have retired from their positions as Supervisors, with effect from 17 January 2020. Mr. Li Ping and Dr. Li Zhuo have been elected and appointed as Supervisors, as new members to the third session of the board of Supervisors. Mr. Li Ping is the chairman of the board of Supervisors. Mr. Jiang Zhikang was appointed by the employees' representatives conference held on 17 January 2020 and replaced Mr. Wang Ruichun to act 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.

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

During the year ended 31 December 2019, seven meetings were held by the Board of Supervisors. The work of the Board of Supervisors is set out in the Report of the Board of Supervisors in this annual report.

INTERNAL CONTROL AND RISK MANAGEMENT

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

I. Risk management and internal control duties

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

於截至二零一九年十二月三十一日止年內監事會由三名成員組成，包括：股東推薦出任的兩名監事（劉德明先生及李長愛女士）及職工代表監事一名（王瑞春先生）。王瑞春先生為監事會主席。本屆監事會乃公司第三屆董事會。劉德明先生及李長愛女士已退任監事，於二零二零年一月十七日臨時股東大會結束後生效。李平先生及李卓博士獲推選及委任為監事，作為第三屆監事會的新成員。李平先生為監事會主席。江志康先生於二零二零年一月十七日舉行的職工代表會議獲推選及委任為本公司職工監事。據此，王瑞春先生於二零二零年一月十七日起退任其職工代表監事之職位。

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

監事的履歷詳情載列於本年報之「董事、監事及高級管理人員簡歷」一節。

於截至二零一九年十二月三十一日止年度，監事會召開七次會議。有關監事會的工作情況載列於本年報之「監事會報告」一節。

風險管理及內部監控

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

I. 風險管理及內部監控的職責

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

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

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

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

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.

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

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

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

2. 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。

Corporate Governance Report

企業管治報告

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 2019. These subsidiaries and departments also classified risks into different categories, created a list of risks and identified responsible departments for handling various risks.

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

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

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

在風險識別方面，本集團各子公司／部門結合集團二零一九年發展目標和發展戰略，基於業務實踐，在內部審計及風險控制部的統一組織及指導下，識別戰略、經營、合規、報告層面的風險，並對風險進行分類，形成風險清單，明確風險責任部門。

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

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

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

- (a) the Legal & Compliance Center of the Company continuously monitors new sanctions law or any change to the existing sanctions laws and seeks advice from external legal counsel as necessary, to confirm that the Company's business activities do not subject us to risks relating to Sanctions Targets;
- (b) the senior management of the Company, including the president, senior vice president, vice president and chief financial officer reviews and approves the Company's future business opportunities and determines whether such business involves any Sanctions Targets;

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。

在處理及發佈內幕消息方面，本集團知悉其根據香港證券及期貨條例及香港上市規則所應履行的責任，整體原則是內幕消息必須在有所決定後實時公佈。處理及發佈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佈的「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。

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) 本集團的法律合規中心會持續監察新制裁法律或現行制裁法律的任何變更，必要時會向外聘法律顧問徵求意見，以確認本集團的業務活動不會使本集團涉及有關受制裁目標的風險；
- (b) 本集團的高級管理人員（包括總裁、高級副總裁、副總裁及財務總監）會審閱並批准本集團日後的業務機會，以及釐定有關業務是否涉及任何受制裁目標；

Corporate Governance Report

企業管治報告

- (c) the Legal & Compliance 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 Legal & Compliance Centre and sales centre of the Company prepare 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 believes that any potential transaction would put the Company, the shareholders and investors, the Hong Kong Stock Exchange, the Listing Committee of the Hong Kong Stock Exchange, Hong Kong Securities Clearing Company Limited and HKSCC Nominees Limited to risks of being subject to transactions with Sanctions Targets, such transaction will need to be submitted to the Board for approval.

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

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

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

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.

- (c) 本集團的法律合規中心會檢查並確保從事海外業務的相關僱員了解並遵守有關經濟制裁的內部控制政策及程序和承諾，並向有關僱員提供定期培訓或更新相關信息；
- (d) 本集團的法律合規中心和銷售中心會定期編製海外銷售狀況報告及有關海外客戶與經濟制裁及受制裁目標的其他數據供管理層審閱；及
- (e) 倘管理層認為任何潛在交易會導致本集團、股東及投資者、香港聯交所、香港聯交所上市委員會、香港中央結算有限公司及香港中央結算（代理人）有限公司承受涉及與受限制目標交易的風險，則有關交易須呈交董事會審批。

3. 對風險管理及內部監控系統的檢討程序

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

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

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。

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

In order to enhance the effectiveness of the Board on assessing the risk management and internal control system of the Group, the Internal Audit and Risk Management Department in total made 2 reports on internal control to the Audit Committee during 2019 and carried out further work according to the instructions of the Audit Committee. The reports include the results and proposed remedial measure of the risk assessment for the year 2019.

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 2019, the risk management and internal control system of the Group is effective. No significant control failings or weaknesses and no material or important internal control defects have occurred or identified which will materially affect the financial and operational performance of the Group.

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

為有助於董事會評核本集團風險管理及內部控制系統的有效程度，內部審計及風險控制部於二零一九年共計兩次向審計委員會匯報監控結果，並根據審計委員會的指示開展進一步工作。匯報內容包括二零一九年度風險評估的結果和建議的應對措施。

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，於截至二零一九年十二月三十一日止會計年度，本集團的風險管理及內部監控系統是有效的。本集團未發生重大監控失誤，未發現對本集團的財務表現及經營情況產生重大影響的重大或重要內控缺陷。

Corporate Governance Report

企業管治報告

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

As at 31 December 2019, 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

於二零一九年十二月三十一日，董事、監事及最高行政人員於本公司及其任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份或債權證中擁有任何記錄於本公司根據證券及期貨條例第352條的規定須存置之登記冊的權益及淡倉；或須根據標準守則另外通知本公司及香港聯交所的權益及淡倉（就此而言，證券及期貨條例有關條文之詮釋將視為適用於監事及最高行政人員）如下：

Name of Shareholder	Capacity	Class of Share	Number of Shares interested	Approximate percentage of interest in the Company	Approximate percentage of the relevant class 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. Zhuang Dan 莊丹先生	Beneficial owner 實益擁有人	A Share A股	2,350,000 ⁽¹⁾	0.31%	0.58%	Long position 好倉
Mr. Frank Franciscus Dorjee 范•德意先生	Beneficial owner 實益擁有人	H Share H股	336,000	0.04%	0.10%	Long position 好倉
Mr. Yao Jingming ⁽²⁾ 姚井明先生 ⁽²⁾	Beneficial owner 實益擁有人	A Share A股	500,000 ⁽¹⁾	0.07%	0.12%	Long position 好倉
Mr. Xiong Xiangfeng 熊向峰先生	Beneficial owner 實益擁有人	A Share A股	705,000 ⁽¹⁾	0.09%	0.17%	Long position 好倉
Ms. Zheng Huili ⁽²⁾ 鄭慧麗女士 ⁽²⁾	Beneficial owner 實益擁有人	A Share A股	705,000 ⁽¹⁾	0.09%	0.17%	Long position 好倉
Supervisor						
監事						
Mr. Wang Ruichun ⁽²⁾ 王瑞春先生 ⁽²⁾	Beneficial owner 實益擁有人	A Share A股	617,000 ⁽¹⁾	0.08%	0.15%	Long position 好倉

Notes:

- (1) Denotes the number of underlying A Shares represented by the units in Ningbo Ruitu Corporate Management Consulting Partnership Enterprise (Limited Partnership) (previously named as Wuhan Ruitu Management Consulting Partnership Enterprise (Limited Partnership)) or Ningbo Ruiying Corporate Management Consulting Partnership Enterprise (Limited Partnership) (previously named as Wuhan Ruiteng Management Consulting Partnership Enterprise (Limited Partnership)) (as the case may be) held by the relevant Directors and Supervisor. Ningbo Ruitu Corporate Management Consulting Partnership Enterprise (Limited Partnership) and Ningbo Ruiying Corporate Management Consulting Partnership Enterprise (Limited Partnership) were established under the PRC laws on 4 December 2015 and 7 December 2015, respectively, for the purpose of holding A Shares for the Directors, Supervisors and senior management members of the Company under the Employee Stock Ownership Scheme.
- (2) On 17 January 2020, Mr. Yao Jingming and Ms. Zheng Huili retired from the board and Mr. Wang Ruichun retired from the board of Supervisors.
- (3) As at 31 December 2019, the total number of issued shares of the Company was 757,905,108, among which 351,566,794 were H Shares and 406,338,314 were A Shares.

Save as disclosed above, as at 31 December 2019, 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.

附註：

- (1) 指相關董事及監事所持的寧波睿圖企業管理諮詢合夥企業(有限合夥)(原名武漢睿圖管理諮詢合夥企業(有限合夥))或寧波睿盈企業管理諮詢合夥企業(有限合夥)(原名武漢睿騰管理諮詢合夥企業(有限合夥))(視情況而定)的企業份額所代表的相關A股數目。武漢睿圖管理諮詢合夥企業(有限合夥)及武漢睿騰管理諮詢合夥企業(有限合夥)分別於二零一五年十二月四日及二零一五年十二月七日根據中國法律成立，成立目的為根據員工持股計劃為董事、監事及高級管理人員持有A股。
- (2) 於二零二零年一月十七日，姚井明先生及鄭慧麗女士退任董事，王瑞春先生退任監事。
- (3) 於二零一九年十二月三十一日，本公司已發行股份總數為757,905,108股，其中351,566,794股為H股及406,338,314股為A股。

除上文所披露者外，於二零一九年十二月三十一日，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。

Corporate Governance Report

企業管治報告

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

As at 31 December 2019, 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

於二零一九年十二月三十一日，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 Shareholder	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 佔本公司相關類別股份之概約百分比	Nature of interest 權益性質
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		
China Huaxin 中國華信	Beneficial owner 實益擁有人	A Share A股	179,827,794	23.73%	44.26%	Long position 好倉
China Poly Group Corporation Ltd ⁽¹⁾ 中國保利集團有限公司 ⁽¹⁾	Interest of a controlled corporation 受控法團權益	A Share A股	179,827,794	23.73%	44.26%	Long position 好倉
Yangtze Communications 長江通信	Beneficial owner 實益擁有人	A Share A股	119,937,010	15.82%	29.52%	Long position 好倉
Draka	Beneficial owner 實益擁有人	H Share H股	179,827,794	23.73%	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	23.73%	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	23.73%	51.15%	Long position 好倉
The Capital Group Companies, Inc. ⁽⁴⁾	Interest of a controlled corporation 受控法團權益	H Share H股	17,979,500	2.37%	5.11%	Long position 好倉

Notes:

- (1) China Huaxin is wholly-owned by China Poly Group Corporation Ltd. China Poly Group Corporation Ltd is therefore deemed to be interested in 179,827,794 A 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 wholly-owned by Prysman S.p.A.. As set out in note (2) above, Prysman S.p.A. is therefore deemed to be interested in 179,827,794 H Shares held by Draka.
- (4) The Capital Group Companies, Inc. is deemed to be interested in 17,979,500 H Shares being held by Capital Research and Management Company, its wholly-owned subsidiary.
- (5) As at 31 December 2019, the total number of issued shares of the Company was 757,905,108, among which 351,566,794 were H Shares and 406,338,314 were A Shares.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

The Company held an Extraordinary General Meeting on 21 February 2019, which reviewed and approved the proposed adoption of employee share ownership plan. In accordance with the plan, the Company purchased 2,000,000 H shares, or 0.26% of total number of issued shares of the Company in the secondary market in March 2019 and May 2019. The average transaction price was RMB16.83 per share, and the total transaction amount was RMB33,653,460.78. Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the A shares or H shares of the Company during the year ended 31 December 2019.

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.

附註：

- (1) 中國華信由中國保利集團有限公司全資擁有，中國保利集團有限公司因而被視為於中國華信持有之179,827,794股A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.為Prysman S.p.A.的全資附屬公司。誠如上文附註(2)所載，Prysman S.p.A.因而被視為於Draka持有的179,827,794股H股中擁有權益。
- (4) The Capital Group Companies, Inc.被視為於其全資附屬公司，Capital Research and Management Company持有的17,979,500股H股中擁有權益。
- (5) 於二零一九年十二月三十一日，本公司已發行股份總數為757,905,108股，其中351,566,794股為H股及406,338,314股為A股。

購回、出售或贖回本公司之上市證券

本公司於二零一九年二月二十一日舉行臨時股東大會，審議通過及批准了員工持股計劃。按照該等計劃，本公司於二零一九年三月及五月在二級市場累計買入公司H股股票2,000,000股，佔本公司總股本的0.26%，成交均價為每股人民幣16.83元，成交總金額為人民幣33,653,460.78元。除以上披露外，本公司或任何其子公司於截至二零一九年十二月三十一日止年度沒有進行購回、出售或贖回其H股或A股。

優先購買權

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

公眾持股量

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

Corporate Governance Report

企業管治報告

DIRECTORS' INTEREST IN COMPETING BUSINESS

During the year ended 31 December 2019, none of the Directors or their respective close associates had engaged in or had any interest in any business which competes or may compete, either directly or indirectly, with the businesses of the Group except for Mr. Philippe Claude Vanhille and Mr. Pier Francesco Facchini. Mr. Philippe Claude Vanhille has been serving as the senior vice-president of telecom business unit of the Prysmian group and primarily responsible for its global telecom business. Mr. Pier Francesco Facchini has been serving as the chief financial officer, the IT director and an executive director of Prysmian S.p.A., and he has been a member of the board of directors of Prysmian S.p.A. since February 2007. Mr. Vanhille and Mr. Facchini hold several positions in certain subsidiaries of Prysmian S.p.A. (together with its close associates, the "Prysmian Group") as more particularly described below. The Prysmian Group produces a complete range of optical fibres, optical and copper cables and accessories for connectivity systems. The Prysmian Group has similar business serving the telecom sector as the Company and therefore competes with the Company. In relation to the competing interest of Mr. Vanhille and Mr. Facchini, although they are involved in the high level decision making of the Company's important strategic and policy matters, they are not involved in the daily management and business operation of the Company. Further, the Board operates in accordance with the Company's Articles of Association which require Mr. Vanhille and Mr. Facchini not to be entitled to vote on (nor be counted in the quorum in relation to) any resolution of the Board in respect of any contract, transaction or arrangement in which Mr. Vanhille, Mr. Facchini or any of their close associates is materially interested. During the year, given their positions in the Prysmian Group, Mr. Vanhille and Mr. Facchini were required to abstain from voting on the board resolutions in relation to the renewal of the continuing connected transactions with the Prysmian Group and YOFC Shanghai, further details of which are set out in the section below headed "Connected Transactions".

董事於競爭業務的權益

截至二零一九年十二月三十一日止年度，董事或彼等各自的緊密聯繫人概無從事任何與本集團業務競爭或可能競爭（不論直接或間接）的業務或於有關業務中擁有任何權益，惟菲利普·范希爾先生及皮埃爾·法奇尼先生除外。菲利普·范希爾先生擔任普睿司曼集團電訊業務高級副總裁，主要負責其全球電訊業務。皮埃爾·法奇尼先生為Prysmian S.p.A.的財務總監、信息科技董事及執行董事，彼於二零零七年二月起為Prysmian S.p.A.董事會成員。范希爾先生及法奇尼先生於Prysmian S.p.A.（連同其緊密聯繫人統稱「普睿司曼集團」）旗下若干附屬公司擔任／曾擔任多個職位（更多詳情載於下文）。普睿司曼集團生產各類光纖、光纜及銅線電纜以及連接系統配件。普睿司曼集團與本公司有類似的電信業務，因此與本公司構成競爭。就范希爾先生及法奇尼先生的競爭權益而言，雖然彼參與本公司重大策略及政策事宜的高層決策，惟彼並非參與本公司的日常管理及業務營運。此外，董事會根據本公司章程行事，其中規定范希爾先生及法奇尼先生不得就其自身或其任何緊密聯繫人有重大權益的任何合約、交易或安排有關的任何董事會決議案投票（亦不計入相關法定人數）。年內，由於他們於普睿司曼集團的職位，范希爾先生及法奇尼先生須就有關重續與普睿司曼集團和長飛上海的持續關連交易上限的董事會決議案放棄投票，更多詳情載於下文「關連交易」一節。

Name of company 公司名稱	Nature of interests 權益性質
Prysmian S.p.A.	Mr. Philippe Claude Vanhille 菲利普•范希爾先生 Senior Vice-president of Telecom Business Unit 電訊業務高級副總裁
Draka Comteq B.V.	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
Prysmian S.p.A.	Mr. Pier Francesco Facchini 皮埃爾•法奇尼先生 Chief Financial Officer, IT Director and Executive Director 財務總監、信息科技董事及執行董事
Draka Comteq France S.A.S.	President of Comité de Contrôle Comité de Contrôle主席
Prysmian Cables et Systemes France S.A.S.	President of Comité de Contrôle Comité de Contrôle主席
P.T. Prysmian Cables Indonesia	Chairman of the Board of Commissioners 專員理事會主席
Prysmian Cavi e Sistemi S.r.l.	Member of the Board of Directors 董事會成員
Prysmian (China) Investment Company Ltd.	Member of the Board of Directors 董事會成員
Prysmian MKM Magyar Kabel Muvek KFT	Chairman of the Supervisory Board 監事會主席
Prysmian Treasury S.r.l.	President of the Board of Directors 董事會主席
Silec Cable S.A.S.	President of Comité de Contrôle Comité de Contrôle主席
Turk Prysmian Kablo Ve Sistemleri A.S.	Member of the Board of Directors 董事會成員

Corporate Governance Report

企業管治報告

The independent non-executive Directors have reviewed the list of directorships provided by Mr. Vanhille and Mr. Facchini. The Company has put in place corporate governance measures to manage the conflict of interests arising from the competing interests of Mr. Vanhille and Mr. Facchini and to safeguard the interests of the Company, details of which are set out in the Corporate Governance Report on pages 66 to 108 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 the above-mentioned undertakings made to the Hong Kong Stock Exchange, the Company is of the view that the Company's business activities and operations are very unlikely to subject any of the shareholders and investors, the Hong Kong Stock Exchange, the Listing Committee of the Hong Kong Stock Exchange, Hong Kong Exchange and Clearing Limited and HKSCC Nominees Limited to any liability under United States economic sanctions, European Union economic sanctions and United Nations economic sanctions.

獨立非執行董事已審閱范希爾先生及法奇尼先生提供的董事職位列表。本公司已採納若干企業管治措施，以處理范希爾先生及法奇尼先生的競爭權益所產生的利益衝突，以及保護本公司利益，有關詳情載於本年報第66至108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 AND CONTINUING CONNECTED TRANSACTIONS

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

The continuing connected transactions of the Company are also related party transactions, which are disclosed in note X 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 2019:

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 ended December 31, 2020, 2021 and 2022. Details of such new annual caps are set out in the Company’s announcement dated 23 December 2019.

關連交易與持續關連交易

非豁免持續關聯交易

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十披露。

下文概述二零一九年持續關連交易之交易性質、年度上限及交易金額：

光纖技術合作協議（「光纖技術合作協議」）

Draka為本公司主要股東，因而為本公司於香港上市規則下的關連人士。

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

由於光纖技術合作協議將不會於二零二四年七月二十二日前屆滿，而本公司將繼續在本集團的一般日常業務中進行其項下擬進行之交易，董事會已批准重續截至二零二零、二零二一及二零二二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二零一九年十二月二十三日的公告內。

Corporate Governance Report

企業管治報告

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

During the year, the annual cap for the royalty fee paid or payable to Draka for 2019 was RMB49,000,000 and the actual transaction amount with Draka for 2019 was RMB18,418,848 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 sold and purchased 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支付或應付專利費的年度上限為人民幣49,000,000元，而於二零一九年與Draka之實際交易金額為人民幣18,418,848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及其聯繫人（「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。

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

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

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

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

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

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

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

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

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

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

各項採購的定價條款須與以下指引相符：

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

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

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

Corporate Governance Report

企業管治報告

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

As the Group intends to continue carrying out the sales and purchase transactions with YOFC Shanghai and the Prysmian Group in the ordinary and usual course of business of the Group after the expiry of the annual caps on 31 December 2019, the framework agreements with YOFC Shanghai were renewed on 20 December 2019 and became effective on 1 January 2020, while the framework agreements with the Prysmian Group were renewed on 31 March 2020 (to take retrospective effect from 1 January 2020 subject to approval from the independent shareholders at the forthcoming extraordinary general meeting). The new framework agreements are on the same terms as the abovementioned framework agreements.

Each of the new framework agreements with YOFC Shanghai and the Prysmian Group (subject to approval from the independent shareholders at the forthcoming extraordinary general meeting) 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.

Details of the new framework agreements and the annual caps relating thereto are set out in the Company's announcements dated 23 December 2019 and 31 March 2020, and the Company's circular dated 31 December 2019.

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

由於在二零一九年十二月三十一日年度上限屆滿後，本集團擬繼續在本集團一般及日常業務過程中與長飛上海及普睿司曼集團進行銷售與採購交易，與長飛上海的框架協議於二零一九年十二月二十日重續，並已於二零二零年一月生效；與普睿司曼集團的框架協議於二零二零年三月三十一日重續（經獨立股東於臨時股東大會批准後自二零二零年一月一日起追溯生效）。重續的框架協議與上述框架協議條款相同。

與長飛上海及普睿司曼集團的各項新框架協議（需經獨立股東於臨時股東大會批准）於以下日期前有效（以較早者為準）：(i) 三年期限屆滿或(ii) Draka不再屬於本公司的關連人士當日。

新框架協議及年度上限的詳情載列於本公司於二零一九年十二月二十三日及二零二零年三月三十一日的公告，及本公司於二零一九年十二月三十一日的通函。

The annual caps of the continuing connected transactions with respect to sales transactions with each of Prysmian Group and YOFC Shanghai for 2019 as approved by the independent shareholders of the Company were RMB282,000,000 and RMB494,000,000, respectively, and the actual transaction amount for 2019 with Prysmian Group and YOFC Shanghai was RMB123,943,064 and RMB252,400,838, respectively.

The annual caps of the continuing connected transactions with respect to purchases transactions with each of Prysmian Group and YOFC Shanghai for 2019 were RMB306,000,000 and RMB1,000,000,000, respectively, and the actual transaction amount for 2019 with Prysmian Group and YOFC Shanghai was RMB12,565,304 and RMB384,324,162, respectively.

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

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

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

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

與普睿司曼集團及長飛上海於二零一九年有關銷售的持續關連交易年度上限分別為人民幣282,000,000元及人民幣494,000,000元，而於二零一九年與普睿司曼集團及長飛上海的實際交易金額分別為人民幣123,943,064元及人民幣252,400,838元。

與普睿司曼集團及長飛上海於二零一九年有關採購的持續關連交易年度上限分別為人民幣306,000,000元及人民幣1,000,000,000元，而於二零一九年與普睿司曼集團及長飛上海的實際交易金額分別為人民幣12,565,304元及人民幣384,324,162元。

獨立非執行董事已審閱上述各項持續關連交易，並確認該等交易：

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

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

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

Corporate Governance Report

企業管治報告

- b. for transactions involving the provision of goods or services by the Group, nothing has come to the auditors' attention that causes the auditor to believe that the disclosed continuing connected transactions were not, in all material respects, in accordance with the pricing policies of the Group;
 - c. nothing has come to the auditor's attention that causes the auditor to believe that the disclosed continuing connected transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and
 - d. with respect to the aggregate amount of each of continuing connected transactions set out above, nothing has come to the auditor's attention that causes the auditor to believe that the disclosed continuing connected transactions have exceeded the 2019 annual caps as disclosed above.
- b. 就本集團提供貨品或服務所涉及的交易而言，核數師並無注意到任何事項令彼等相信上文所披露的持續關連交易在所有重大方面未有按照本集團的定價政策進行；
 - c. 核數師並無注意到任何事項令彼等相信上文所披露的持續關連交易在所有重大方面未有按照規管該等交易的相關協議所進行；及
 - d. 就各項非豁免持續關連交易之總金額而言，核數師並無注意到任何事項令彼等相信持續關連交易之金額超出上文披露的二零一九年年度上限。

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

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

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

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

AUDITORS AND THEIR REMUNERATION

KPMG Huazhen LLP had been appointed by the Company as the auditors of the Company for 2019. Their appointment shall expire upon the conclusion of the 2019 annual general meeting. The Board is authorised to determine the remuneration of the auditors which is in line with the market practice.

核數師及其酬金

本公司委聘畢馬威華振會計師事務所（特殊普通合伙）為本公司二零一九年度核數師。彼等各自之聘用期至本公司二零一九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。

For the year ended 31 December 2019, the fees paid or payable to KPMG Huazhen LLP for annual audit services were RMB5.02 million. Besides, the fees paid or payable to KPMG Huazhen LLP in relation to non-audit services were RMB0.6 million in relation to the interim review services.

截至二零一九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華振會計師事務所（特殊普通合伙）酬金為人民幣5.02百萬元。此外，就非審計服務已付或應付畢馬威華振會計師事務所（特殊普通合伙）的費用為人民幣0.6百萬元，其與中期審核服務有關。

Save as disclosed above, for the year ended 31 December 2019, the Group did not pay any fee to KPMG Huazhen LLP for non-audit services.

除上述披露外，於截至二零一九年十二月三十一日止年度，本集團未向畢馬威華振會計師事務所（特殊普通合伙）支付其他非審計服務費用。

COMPANY SECRETARY

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

The Company has 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. Ms. Choy Yee Man, a director of Corporate Services Division of Tricor Services Limited, was appointed as the Company Secretary to replace Ms. Cheng Pik Yuk with effect from 26 April 2019. For the purpose of code provision F.1.1 of the CG Code, Ms. Choy Yee Man keeps close contact with Mr. Liang Guanning, being the person with sufficient seniority at the Company.

Particulars of Mr. Liang Guanning are set out in the section headed "Directors', Supervisors' and Senior Management's Profile" in this annual report.

Both Mr. Liang Guanning and Ms. Choy Yee Man have confirmed that each of them has received not less than 15 hours of relevant professional training during the year ended 31 December 2019 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.

公司秘書

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

本公司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。自二零一九年四月二十六日起，卓佳專業商務有限公司企業服務部董事蔡綺文女士獲委任為公司秘書，代替鄭碧玉女士。就企業管治守則之守則條文F.1.1的目的而言，蔡綺文女士與梁冠寧先生（為於本公司內具有足夠高職位的人士）維持緊密聯繫。

梁冠寧先生的履歷詳情載列於本年報之「董事、監事及高級管理人員簡歷」一節。

時任公司秘書梁冠寧先生及蔡綺文女士確認彼等各自於截至二零一九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。

Corporate Governance Report

企業管治報告

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, within ten (10) days from the receipt of such written requests, provide, in accordance with laws, administrative regulations and the Articles of Association, its feedback opinion in writing approving or disapproving the convening of the extraordinary General Meeting or Class Shareholders' General Meeting. 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.
- (2) In the event that the Board disapproves the proposal of convening a meeting or 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 shall issue a notice to convene a meeting within 5 days from the date of receipt of such request. If the Board of Supervisors does not convene and chair such meeting within the stipulated period, 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.

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。董事會應當根據法律、行政法規和本章程的規定，在收到前述書面要求後十日內提出同意或不同意召開臨時股東大會或類別股東大會的書面反饋意見。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。
- (二) 如果董事會不同意召開會議的提議，或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。監事會應在收到該要求後五日內發出召集會議的通告；監事會未在規定時間內召集和主持的，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。

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.

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.

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。

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。

Corporate Governance Report

企業管治報告

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.

AMENDMENT OF CONSTITUTIONAL DOCUMENTS

Pursuant to the requirements of relevant laws and regulations and the actual need of the operations and management of the Company, the Company proposed certain amendments to the Articles of Association on 22 November 2019. These amendments were approved at the 1st extraordinary general meeting held on 17 January 2020. Details of the amendments to the Articles of Association are set out in the circular of the Company dated 2 December 2019.

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。

章程文件修訂

二零一九年十一月二十二日，根據相關法律及法規的規定以及本公司營運及管理的實際需要，本公司建議修訂《公司章程》的若干條款，該等修訂已在二零二零年一月十七日召開的二零二零年第一次臨時股東大會上批准通過。章程的建議修訂載於公司日期為二零一九年十二月二日的股東通函。

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 2020, the Company will further step up communications and exchanges with investors, in a bid to increase their understanding of the Company, whilst canvassing the support and attention from investors, so that they may provide more valuable opinions. The Company will also put great efforts on its investor relations management to bolster the Company's position in domestic and overseas capital markets.

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

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回饋意見的內部溝通，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了解本集團業務、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。於二零二零年，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了解，同時爭取投資者的支持及關注，使彼等向本公司提供寶貴意見。本公司亦將致力管理投資者關係，以提高本公司於國內及海外資本市場的地位。

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

Corporate Governance Report

企業管治報告

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.

PROFIT DISTRIBUTION POLICY

The Board has adopted a profit distribution policy setting out the principles and guidelines the Company intends to apply in relation to distribution of its profits to the shareholders of the Company as dividends.

The principles and guidelines of Profit Distribution Policy are set out as follows:

1. subject to the laws, regulations and regulatory requirements, the Company will make profit distributions in cash in an amount no less than 10% of the distributable profits realized each year.
2. the Company will generally distribute its profits in the form of annual dividends. The Board may also propose an interim profit distribution plan in light of, among others, the Company's profitability and funding needs.
3. the Company may distribute its profits in the form of cash, shares, a combination of cash and shares or any other form permitted by laws and regulations. The Company's preferred form of profit distribution is cash dividend.
4. profit distributions shall be limited to the cumulative distributable profits and shall not undermine the Company's sustainability as a going concern. The Company will lawfully exercise its shareholder's rights to cause its subsidiaries to distribute profits in cash to ensure that the Company will have the ability to implement its cash dividend distribution plan each year. If the Board takes the view that there is a mismatch between the share price of the Company and the size of its share capital and that distributing stock dividends is in the interest of the Company's shareholders as a whole, it may, subject to compliance with the Company's cash dividend policy, formulate a stock dividend distribution plan.

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。

利潤分配政策

董事會採納的利潤分配政策載列本公司關於採用分紅方式對股東進行利潤分配的原則及指引。

利潤分配政策的原則和指引如下：

1. 在符合屆時法律法規和監管規定的前提下，公司每年以現金方式分配的利潤不少於當年實現的可分配利潤的10%。
2. 公司一般採用年度分紅的方式進行利潤分配，公司董事會也可以根據公司的盈利和資金需求等狀況提出中期利潤分配預案。
3. 公司可以採取現金方式、股票方式、現金和股票相結合的方式或法律法規允許的其他方式進行利潤分配，並優先採用現金分紅方式進行利潤分配。
4. 利潤分配不得超過累計可分配利潤的範圍，不得損害公司持續經營能力。公司應合法行使股東權利使子公司以現金方式分配利潤保證公司有能力的實施當年的現金分紅方案。若董事會認為公司股票價格與公司股本規模不匹配、發放股票股利有利於公司全體股東整體利益時可以在符合公司現金分紅政策的前提下，制定股票股利分配預案。

- the Board shall consider, in a comprehensive manner, factors ranging from the characteristics of the industry of the Company, to the stage of development of the Company, the business model and profitability of the Company, the existence or non-existence of major funding expenditure arrangements, and put forward a differentiated cash dividend policy in accordance with the procedures set out in the Company's Articles of Association under different circumstances as set out therein.
- if the Company has been profitable in the relevant year and has distributable profits, but the Board has not formulated a cash dividend distribution plan or has prepared a cash profit distribution plan that does not conform to the Company's Articles of Association, the Company shall provide a detailed disclosure of the relevant reasons in its periodic reports. The independent Directors shall express an independent opinion on the same.
- in the course of formulating a detailed cash dividend distribution plan for the Company, the Board shall carefully evaluate and study the arguments for or against, the timing, conditions, minimum percentage, conditions for adjustment and other matters mandated by certain decision-making procedures. Independent Directors may solicit opinions from Shareholders, put forward a proposal on profit distribution and directly submit such proposal to the Board for consideration. Before deliberation on the specific profit distribution plan by the general meeting, numerous channels should be utilized to proactively communicate and interact with Shareholders, adequately listen to Shareholders' views and opinions, and promptly respond to their issues of concern.
- the Company shall strictly implement the cash dividend distribution policy prescribed by the Company's Articles of Association and the detailed cash dividend distribution plan approved by the general meeting. If major changes in the external operating environment or in the Company's operating conditions results in the need for adjustment of the profit distribution policy, the Board shall re-formulate the profit distribution policy and the independent Directors and external Supervisors shall express their opinion on the same. Such new profit distribution policy formulated by the Board shall be submitted to the general meeting for consideration and may be carried out only when it is approved by an affirmative vote representing at least two-thirds of the voting rights held by the Shareholders present at the meeting.
- where the profit distribution and capital reserve capitalization plans have been adopted by the resolutions of the general meeting, the Board shall implement the detailed plans within two months from the date of the general meeting.
- 公司董事會應當綜合考慮公司所處行業特點、發展階段、自身經營模式、盈利水平以及是否有重大資金支出安排等因素，並按照本章程規定的程序，區分不同情形提出差異化的現金分紅政策。
- 公司當年盈利且有可供分配利潤，公司董事會未作出現金分紅利潤分配方案，或者董事會作出的現金利潤分配方案不符合本章程規定的，應當在定期報告中詳細披露原因，獨立董事應當對此發表獨立意見。
- 公司在制定現金分紅具體方案時，董事會應當認真研究和論證現金分紅的時機、條件和最低比例、調整的條件及其他決策程序要求等事宜。獨立董事可以徵集股東的意見，提出分紅提案，並直接提交董事會審議。股東大會對利潤分配具體方案進行審議前，應通過多種渠道主動與股東進行溝通和交流，充分聽取股東訴求，並及時答覆股東關心的問題。
- 公司應當嚴格執行公司章程確定的現金分紅政策以及股東大會審議批准的現金分紅具體方案。由於外部經營環境或者自身經營狀況發生較大變化而需調整利潤分配政策時，董事會應重新制定利潤分配政策並由獨立董事、外部監事發表意見。董事會重新制定的利潤分配政策應提交股東大會審議，並經出席股東大會的股東所持表決權的2/3以上通過後方可執行。
- 公司股東大會對利潤分配及資本公積轉增股本方案作出決議後，公司董事會須在股東大會召開後兩個月內實施具體方案。

Corporate Governance Report

企業管治報告

INFORMATION DISCLOSURES

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

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

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

2019 ANNUAL GENERAL MEETING

All shareholders are encouraged to attend the forthcoming annual general meeting and exercise their rights to vote. A circular containing among other things, details of the proposed final dividend, together with the notice of AGM, containing details of the AGM as well as the period and arrangement for the closure of register of members will be published on the website of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the website of the Company (www.yofc.com) and despatched to the shareholders of the Company in due course.

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了解。

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

二零一九股東週年大會

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（其中包括）擬派末期股息詳情以及股東週年大會通告（載有股東週年大會詳情以及暫停辦理股份過戶登記手續之期限及安排）之通函將刊載於香港交易及結算所有限公司網站(www.hkexnews.hk)及本公司網站(www.yofc.com)，並適時寄發予本公司股東。

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
13 th meeting of 2 nd Term Board of Supervisors 第二屆監事會第十三次會議	30 January, 2019 二零一九年一月三十日	Resolutions on 13 th meeting of 2 nd Term Board of Supervisors 第二屆監事會十三次會議決議	No 無
14 th meeting of 2 nd Term Board of Supervisors 第二屆監事會第十四次會議	22 March, 2019 二零一九年三月二十二日	Resolutions on 14 th meeting of 2 nd Term Board of Supervisors 第二屆監事會十四次會議決議	No 無
15 th meeting of 2 nd Term Board of Supervisors 第二屆監事會第十五次會議	26 April, 2019 二零一九年四月二十六日	Resolutions on 15 th meeting of 2 nd Term Board of Supervisors 第二屆監事會十五次會議決議	No 無
16 th meeting of 2 nd Term Board of Supervisors 第二屆監事會第十六次會議	27 August, 2019 二零一九年八月二十七日	Resolutions on 16 th meeting of 2 nd Term Board of Supervisors 第二屆監事會十六次會議決議	No 無
17 th meeting of 2 nd Term Board of Supervisors 第二屆監事會第十七次會議	30 October, 2019 二零一九年十月三十日	Resolutions on 17 th meeting of 2 nd Term Board of Supervisors 第二屆監事會十七次會議決議	No 無
18 th meeting of 2 nd Term Board of Supervisors 第二屆監事會第十八次會議	22 November, 2019 二零一九年十一月二十二日	Resolutions on 18 th meeting of 2 nd Term Board of Supervisors 第二屆監事會第十八次會議決議	No 無
19 th meeting of 2 nd Term Board of Supervisors 第二屆監事會第十九次會議	20 December, 2019 二零一九年十二月二十日	Resolutions on 19 th meeting of 2 nd Term Board of Supervisors 第二屆監事會第十九次會議決議	No 無

Report of the Board of Supervisors

監事會報告

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 2019. In addition, they have also safeguarded the interests of the shareholders, earnestly carried out various resolutions of the general meetings and the board meetings, and operated strictly in accordance with the regulatory requirements for a listed company. The Board of Supervisors was not aware of any violation of relevant national laws and regulations and the Articles of Association, or any acts which would violate the interests of the Company.

The Board of Supervisors carefully reviewed the financial statements of the Company for 2019 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 2020, to safeguard the interests of the shareholders and the interests of the Company and emphasize the fulfillment of the promises made to the shareholders, the Board of Supervisors will continue to perform its supervisory duties diligently over the major decisions and key operating activities in accordance with the PRC Company Law and the Articles of Association of the Company.

By order of the Board of Supervisors
Li Ping
Chairperson of the Board of Supervisors

Wuhan, PRC
23 April 2020

本報告期內，監事會關注到的其他事項如下：

本監事會認為，二零一九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。

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二零一九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。

二零二零年，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
李平
監事會主席

中國武漢
二零二零年四月二十三日

KPMG Huazhen Shen Zi No. 2002194
The Shareholders of Yangtze Optical Fibre and Cable Joint Stock Limited Company:

OPINION

We have audited the accompanying financial statements of Yangtze Optical Fibre and Cable Joint Stock Limited Company ("YOFC"), which comprise the consolidated and company balance sheets as at 31 December 2019, the consolidated and company income statements, the consolidated and company cash flow statements, the consolidated and company statements of changes in shareholders' equity for the year then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated and company financial position of YOFC as at 31 December 2019, and the consolidated and company financial performance and cash flows of YOFC for the year then ended in accordance with Accounting Standards for Business Enterprises issued by the Ministry of Finance of the People's Republic of China.

BASIS FOR OPINION

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

畢馬威華振審字第2002194號
長飛光纖光纜股份有限公司全體股東：

審計意見

我們審計了後附的長飛光纖光纜股份有限公司(以下簡稱「長飛公司」)財務報表，包括2019年12月31日的合併及母公司資產負債表，2019年度的合併及母公司利潤表、合併及母公司現金流量表、合併及母公司股東權益變動表以及相關財務報表附註。

我們認為，後附的財務報表在所有重大方面按照中華人民共和國財政部頒佈的企業會計準則的規定編製，公允反映了長飛公司2019年12月31日的合併及母公司財務狀況以及2019年度的合併及母公司經營成果和現金流量。

形成審計意見的基礎

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

Auditor's Report

審計報告

KEY AUDIT MATTERS

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

Valuation of trade receivables

Refer to Note III.8 of the significant accounting policies and accounting estimates and Note V.4 to the consolidated financial statements.

The Key Audit Matter

關鍵審計事項

At 31 December 2019, the balance of trade receivables of YOFC and its subsidiaries ("YOFC Group") amounted to approximately RMB3,236 million, against which loss allowances for expected credit loss of approximately RMB113 million were recorded. The balance of trade receivables of YOFC Group mainly comprised amounts due from the major state-owned telecommunications companies and independent third parties.

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

2019年12月31日，長飛公司及其子公司（以下簡稱「長飛集團」）的應收賬款餘額約為人民幣3,236百萬元，已計提的應收賬款壞賬準備金額約為人民幣113百萬元，主要包括應收中國電信網絡運營商及獨立第三方款項。

長飛集團應收賬款的可收回性主要取決於電信行業客戶的財務狀況。

關鍵審計事項

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

應收賬款壞賬準備

請參閱財務報表附註「三、公司重要會計政策、會計估計」8所述的會計政策及「五、合併財務報表項目註釋」4。

How the matter was addressed in our audit

在審計中如何應對該事項

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

- obtaining an understanding of and assessing the design, implementation and operating effectiveness of management's key internal controls relating to credit control, debt collection and making loss allowances for expected credit loss;
 - assessing the categorisation of items in the trade receivables ageing report by comparing the total amount in the ageing report with the general ledger and by comparing, on a sample basis, individual items in the ageing report with the underlying sales invoices;
- 與評價應收賬款壞賬準備相關的審計程序中包括以下程序：
- 瞭解並評價管理層與客戶授信額度、應收賬款收回及壞賬準備計提相關的關鍵財務報告內部控制的設計和運行有效性；
 - 將應收賬款賬齡分析報告中的合計餘額與總賬金額進行核對。選取樣本，將賬齡分析報告中的特定項目與相關簽收單進行核對，評價應收賬款賬齡分析報告中賬齡區間劃分是否恰當；

Valuation of trade receivables (Cont'd)

Refer to Note III.8 of the significant accounting policies and accounting estimates and Note V.4 to the consolidated financial statements.

應收賬款壞賬準備(續)

請參閱財務報表附註「三、公司重要會計政策、會計估計」8所述的會計政策及「五、合併財務報表項目註釋」4。

The Key Audit Matter

關鍵審計事項

The management measures loss allowances for trade receivables at an amount equal to lifetime expected credit loss, which is calculated using a provision matrix. Expected loss rates are based on actual loss experience over the past five years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the YOFC group's view of economic conditions over the expected lives of the receivables. As the management's historical credit loss experience indicates different loss patterns for different customer segments, the loss allowance based on past due status is further distinguished between the group's different customer bases. All of these factors involve a significant degree of management judgement.

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

管理層始終按照相當於整個存續期內預期信用損失的金額計量應收賬款的減值準備，並以逾期天數與違約損失率對照表為基礎計算其預期信用損失。違約損失率基於過去5年的實際信用損失經驗計算，並根據歷史數據收集期間的經濟狀況、當前的經濟狀況與長飛集團所認為的預計存續期內的經濟狀況三者之間的差異進行調整。在估計預期壞賬損失時，根據管理層的歷史經驗，不同細分客戶群體發生損失的情況存在差異，因此管理層根據歷史經驗區分不同的客戶群體根據逾期信息計算減值準備。以上這些因素均涉及重大的管理層判斷。

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

How the matter was addressed in our audit

在審計中如何應對該事項

- obtaining an understanding of the basis of management's judgements about the recoverability of trade receivables balances on an individual assessment and evaluating these judgements with reference to the debtors' financial condition, the ageing of overdue balances and the historical settlement experience;
- obtaining an understanding of the key parameters and assumptions of the expected credit loss model adopted by the management, including the basis of segmentation of the accounts receivable based on credit risk characteristics of customers and the historical default data in management's estimated loss rates;
- assessing the reasonableness of management's loss allowance estimates by examining the information used by management to form such judgements, including testing the accuracy of the historical default data and evaluating whether the historical loss rates are appropriately adjusted based on current economic conditions and forward-looking information;
- recalculating YOFC Group's provision with reference to YOFC Group's policy for collective assessment;
- inspecting, on a sample basis, cash receipts from debtors subsequent to the reporting date relating to trade receivable balances as at 31 December 2019;
- assessing the disclosures in the consolidated financial statements in respect of assessing impairment of trade receivables and credit risk management with reference to the requirements of the prevailing accounting standards.
- 了解管理層就單項計提壞賬準備的應收賬款可收回性的判斷基礎，詢問並了解客戶財務狀況、逾期賬齡及過往結算情況，以評價管理層計提應收賬款壞賬準備所作判斷的合理性；
- 了解管理層預期信用損失模型中所運用的關鍵參數及假設，包括管理層基於客戶信用風險特徵對應收賬款進行分組的基礎，以及管理層預期損失率中包含的歷史違約數據等；
- 通過檢查管理層用於做出判斷的信息，包括測試歷史違約數據的準確性，評估歷史違約率是否考慮並適當根據當前經濟狀況及前瞻性信息進行調整，評價管理層對於壞賬準備估計的合理性；
- 根據長飛集團應收賬款壞賬準備計提政策，檢查應收賬款壞賬準備金額的計算；
- 選取樣本，檢查於2019年12月31日應收賬款的期後回款；
- 評價財務報表的相關披露是否符合企業會計準則的要求。

Auditor's Report

審計報告

OTHER INFORMATION

YOFC's management is responsible for the other information. The other information comprises all the information included in 2019 annual report of YOFC, other than the financial statements and our auditor's report thereon.

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

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

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

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

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

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

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

其他信息

長飛公司管理層對其他信息負責。其他信息包括長飛公司2019年年度報告中涵蓋的信息，但不包括財務報表和我們的審計報告。

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

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

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

管理層和治理層對財務報表的責任

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

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

治理層負責監督長飛公司的財務報告過程。

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

註冊會計師對財務報表審計的責任

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

在按照審計準則執行審計工作的過程中，我們運用職業判斷，並保持職業懷疑。同時，我們也執行以下工作：

- 識別和評估由於舞弊或錯誤導致的財務報表重大錯報風險，設計和實施審計程序以應對這些風險，並獲取充分、適當的審計證據，作為發表審計意見的基礎。由於舞弊可能涉及串通、偽造、故意遺漏、虛假陳述或凌駕於內部控制之上，未能發現由於舞弊導致的重大錯報的風險高於未能發現由於錯誤導致的重大錯報的風險。
- 瞭解與審計相關的內部控制，以設計恰當的審計程序。
- 評價管理層選用會計政策的恰當性和作出會計估計及相關披露的合理性。

Auditor's Report

審計報告

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (Cont'd)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on YOFC's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause YOFC to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within YOFC to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

註冊會計師對財務報表審計的責任(續)

- 對管理層使用持續經營假設的恰當性得出結論。同時，根據獲取的審計證據，就可能導致對長飛公司持續經營能力產生重大疑慮的事項或情況是否存在重大不確定性得出結論。如果我們得出結論認為存在重大不確定性，審計準則要求我們在審計報告中提請報表使用者注意財務報表中的相關披露；如果披露不充分，我們應當發表非無保留意見。我們的結論基於截至審計報告日可獲得的信息。然而，未來的事項或情況可能導致長飛公司不能持續經營。
- 評價財務報表的總體列報、結構和內容(包括披露)，並評價財務報表是否公允反映相關交易和事項。
- 就長飛公司中實體或業務活動的財務信息獲取充分、適當的審計證據，以對財務報表發表審計意見。我們負責指導、監督和執行集團審計，並對審計意見承擔全部責任。

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS *(Cont'd)*

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

KPMG Huazhen LLP

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

註冊會計師對財務報表審計的責任 (續)

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

畢馬威華振
會計師事務所
(特殊普通合伙)

中國註冊會計師

Wang Ting (Engagement Partner)

王婷 (項目合夥人)

Beijing, China

Chen Yi
23 April 2020

中國北京

陳軼
2020年4月23日

Consolidated Balance Sheet

合併資產負債表

(Expressed in Renminbi "RMB")

(除特別註明外，金額單位為人民幣元)

			31 December 2019 2019年 12月31日	31 December 2018 2018年 12月31日
		Note 附註		
ASSETS	資產			
Current assets:	流動資產：			
Cash and cash equivalents	貨幣資金	V.1五、1	2,123,861,315	2,684,163,417
Financial assets held for trading	交易性金融資產	V.2五、2	9,902,598	32,913,367
Bills receivable	應收票據	V.3五、3	232,508,205	322,084,314
Trade receivables	應收賬款	V.4五、4	3,123,505,778	2,976,756,984
Receivables under financing	應收款項融資	V.5五、5	95,235,940	118,621,938
Prepayments	預付款項	V.6五、6	120,994,458	92,445,336
Other receivables	其他應收款	V.7五、7	109,599,839	135,603,164
Inventories	存貨	V.8五、8	1,779,342,250	995,149,268
Other current assets	其他流動資產	V.9五、9	256,866,780	130,323,468
Total current assets	流動資產合計		7,851,817,163	7,488,061,256
Non-current assets:	非流動資產：			
Long-term receivables	長期應收款		16,000,000	-
Long-term equity investments	長期股權投資	V.10五、10	1,495,444,610	1,626,151,304
Investments in other equity instruments	其他權益工具投資	V.11五、11	57,172,099	64,829,201
Fixed assets	固定資產	V.12五、12	3,650,781,975	2,016,583,574
Construction in progress	在建工程	V.13五、13	104,852,760	1,170,820,370
Right-of-use assets	使用權資產	V.14五、14	64,400,158	-
Intangible assets	無形資產	V.15五、15	307,136,373	291,972,356
Long-term deferred expenses	長期待攤費用		5,046,886	1,313,700
Deferred tax assets	遞延所得稅資產	V.16五、16	97,148,174	84,664,986
Other non-current assets	其他非流動資產	V.17五、17	126,099,397	141,485,562
Total non-current assets	非流動資產合計		5,924,082,432	5,397,821,053
Total assets	資產總計		13,775,899,595	12,885,882,309

Notes to financial statements set out on pages 137 to 361 form part of these financial statements.

刊載於第137頁至361頁的財務報表附註為本財務報表的組成部分。

Consolidated Balance Sheet

合併資產負債表

(Expressed in Renminbi "RMB")

(除特別註明外，金額單位為人民幣元)

			31 December 2019 2019年 12月31日	31 December 2018 2018年 12月31日
		Note 附註		
LIABILITIES AND SHAREHOLDERS' EQUITY	負債和股東權益			
Current liabilities:	流動負債：			
Current bank loans	短期借款	V.18五、18	895,576,208	277,271,416
Bills payable	應付票據	V.19五、19	574,793,263	232,494,030
Trade payables	應付賬款	V.20五、20	1,261,607,902	1,275,619,383
Contract liabilities	合同負債	V.21五、21	262,900,550	179,060,964
Employee benefits payable	應付職工薪酬	V.22五、22	219,940,848	445,025,136
Taxes payable	應交稅費	V.23五、23	103,566,255	166,438,867
Other payables	其他應付款	V.24五、24	410,686,340	485,661,296
Non-current liabilities due within one year	一年內到期的非流動負債	V.25五、25	40,179,239	276,854,467
Total current liabilities	流動負債合計		3,769,250,605	3,338,425,559
Non-current liabilities:	非流動負債：			
Non-current bank loans	長期借款	V.26五、26	42,000,000	817,000,000
Lease liabilities	租賃負債	V.14五、14	48,585,433	-
Deferred income	遞延收益	V.27五、27	166,769,940	91,504,361
Other non-current liabilities	其他非流動負債	V.28五、28	807,160,850	262,623,183
Total non-current liabilities	非流動負債合計		1,064,516,223	1,171,127,544
Total liabilities	負債合計		4,833,766,828	4,509,553,103

Notes to financial statements set out on pages 137 to 361 form part of these financial statements.

刊載於第137頁至361頁的財務報表附註為本財務報表的組成部分。

Consolidated Balance Sheet

合併資產負債表

(Expressed in Renminbi "RMB")

(除特別註明外，金額單位為人民幣元)

	Note	31 December 2019 2019年 12月31日	31 December 2018 2018年 12月31日
	附註		
LIABILITIES AND SHAREHOLDERS' EQUITY (Cont'd)			
Shareholders' equity:			
Share capital	V.29五、29	757,905,108	757,905,108
Capital reserve	V.30五、30	3,364,035,212	3,353,543,988
Less: Treasury stock	V.31五、31	33,653,461	–
Other comprehensive income	V.32五、32	37,779,996	26,180,356
Surplus reserve	V.33五、33	612,010,760	557,383,759
Retained earnings	V.34五、34	4,050,142,747	3,493,020,983
Total equity attributable to equity shareholders of the Company		8,788,220,362	8,188,034,194
Non-controlling interests		153,912,405	188,295,012
Total equity		8,942,132,767	8,376,329,206
Total liabilities and shareholders' equity		13,775,899,595	12,885,882,309

The financial statements were approved by the Board of Directors on 23 April 2020.

此財務報表已於2020年4月23日獲董事會批准。

Legal representative
of the Company:
法定代表人：
Ma Jie
馬傑
(Signature and Seal)
(簽名和蓋章)

The person in charge
of accounting affairs:
主管會計工作的公司負責人：
Zhuang Dan
莊丹
(Signature and Seal)
(簽名和蓋章)

The head of the
accounting department:
會計機構負責人：
Liang Guanning
梁冠寧
(Signature and Seal)
(簽名和蓋章)

(Seal of the Company)
(公司蓋章)

Notes to financial statements set out on pages 137 to 361 form part of these financial statements.

刊載於第137頁至361頁的財務報表附註為本財務報表的組成部分。

Balance Sheet

母公司資產負債表

(Expressed in Renminbi "RMB")

(金額單位：人民幣元)

		Note	31 December 2019 2019年 12月31日	31 December 2018 2018年 12月31日
		附註		
ASSETS	資產			
Current assets:	流動資產：			
Cash and cash equivalents	貨幣資金		1,279,401,817	2,206,124,328
Financial assets held for trading	交易性金融資產		9,902,598	4,641,987
Bills receivable	應收票據	XVI.1 十六、1	224,188,743	308,043,350
Trade receivables	應收賬款	XVI.2 十六、2	3,107,330,529	3,195,721,925
Receivables under financing	應收款項融資	XVI.3 十六、3	80,806,788	114,408,041
Prepayments	預付款項		84,638,833	75,598,848
Other receivables	其他應收款	XVI.4 十六、4	1,759,897,269	984,888,122
Inventories	存貨		1,212,347,120	680,393,467
Other current assets	其他流動資產		96,469,423	–
Total current assets	流動資產合計		7,854,983,120	7,569,820,068
Non-current assets:	非流動資產：			
Long-term receivables	長期應收款		98,600,000	498,400,000
Long-term equity investments	長期股權投資	XVI.5 十六、5	2,594,472,969	2,597,918,844
Investments in other equity instruments	其他權益工具投資		56,962,099	64,619,201
Fixed assets	固定資產		1,173,724,449	983,410,606
Right-of-use assets	在建工程		37,162,813	105,872,190
Construction in progress	使用權資產		22,489,308	–
Intangible assets	無形資產		109,468,950	106,711,179
Deferred tax assets	遞延所得稅資產		40,370,545	42,826,762
Other non-current assets	其他非流動資產		89,515,089	10,956,623
Total non-current assets	非流動資產合計		4,222,766,222	4,410,715,405
Total assets	資產總計		12,077,749,342	11,980,535,473

Notes to financial statements set out on pages 137 to 361 form part of these financial statements.

刊載於第137頁至361頁的財務報表附註為本財務報表的組成部分。

Balance Sheet

母公司資產負債表

(Expressed in Renminbi "RMB")

(金額單位：人民幣元)

	Note	31 December 2019 2019年 12月31日	31 December 2018 2018年 12月31日
	附註		
LIABILITIES AND SHAREHOLDERS' EQUITY			
負債和股東權益			
Current liabilities:	流動負債：		
Current bank loans	短期借款	784,605,321	239,134,889
Bills payable	應付票據	689,110,593	243,238,463
Trade payables	應付賬款	1,597,990,041	1,852,846,005
Contract liabilities	合同負債	255,609,622	180,198,927
Employee benefits payable	應付職工薪酬	175,874,487	403,718,062
Taxes payable	應交稅費	65,339,958	139,388,988
Other payables	其他應付款	492,931,362	208,631,668
Non-current liabilities due within one year	一年內到期的非流動負債	25,389,651	276,854,467
Total current liabilities	流動負債合計	4,086,851,035	3,544,011,469
Non-current liabilities:	非流動負債：		
Non-current bank loans	長期借款	42,000,000	817,000,000
Lease liabilities	租賃負債	18,905,820	–
Deferred income	遞延收益	109,418,576	36,700,407
Other non-current liabilities	其他非流動負債	56,158,835	94,093,183
Total non-current liabilities	非流動負債合計	226,483,231	947,793,590
Total liabilities	負債合計	4,313,334,266	4,491,805,059

Notes to financial statements set out on pages 137 to 361 form part of these financial statements.

刊載於第137頁至361頁的財務報表附註為本財務報表的組成部分。

Balance Sheet

母公司資產負債表

(Expressed in Renminbi "RMB")

(金額單位：人民幣元)

	Note	31 December 2019 2019年 12月31日	31 December 2018 2018年 12月31日
	附註		
LIABILITIES AND SHAREHOLDERS' EQUITY (Cont'd)			
負債和股東權益 (續)			
Shareholders' equity:			
Share capital		757,905,108	757,905,108
Capital reserve		3,381,585,532	3,368,644,794
Less: Treasury stock		33,653,461	–
Other comprehensive income		21,073,711	27,582,247
Surplus reserve		612,010,760	557,383,759
Retained earnings		3,025,493,426	2,777,214,506
Total equity		7,764,415,076	7,488,730,414
Total liabilities and shareholders' equity		12,077,749,342	11,980,535,473

The financial statements were approved by the Board of Directors on 23 April 2020.

此財務報表已於2020年4月23日獲董事會批准。

Legal representative
of the Company:
法定代表人：
Ma Jie
馬傑
(Signature and Seal)
(簽名和蓋章)

The person in charge
of accounting affairs:
主管會計工作的公司負責人：
Zhuang Dan
莊丹
(Signature and Seal)
(簽名和蓋章)

The head of the
accounting department:
會計機構負責人：
Liang Guanning
梁冠寧
(Signature and Seal)
(簽名和蓋章)

(Seal of the Company)
(公司蓋章)

Notes to financial statements set out on pages 137 to 361 form part of these financial statements.

刊載於第137頁至361頁的財務報表附註為本財務報表的組成部分。

Consolidated Income Statement

合併利潤表

(Expressed in Renminbi "RMB")

(金額單位：人民幣元)

		Note 附註	2019 2019年	2018 2018年
I. Revenue	一、營業收入	V.35五、35	7,769,175,495	11,359,764,086
II. Less: Cost of sales	二、減：營業成本	V.35五、35	5,935,648,889	8,131,340,393
Taxes and surcharges	稅金及附加	V.36五、36	26,708,981	61,749,553
Selling expenses	銷售費用	V.37五、37	347,325,663	385,304,803
Administrative expenses	管理費用	V.38五、38	428,531,381	646,920,902
R&D expenses	研發費用	V.39五、39	413,538,214	516,757,100
Financial expenses	財務費用	V.40五、40	6,223,776	40,148,836
Including: Interest expenses	其中：利息費用		61,161,985	44,799,968
Interest income	利息收入		43,159,364	27,871,149
Add: Other income	加：其他收益	V.41五、41	203,936,325	27,858,039
Investment income	投資收益	V.42五、42	121,786,023	151,058,214
Including: Income from investment in associates and joint ventures	其中：對聯營企業和合營企業的投資收益		109,848,127	152,089,231
Gains from changes in fair value	公允價值變動收益	V.43五、43	238,970	257,993
Credit losses	信用減值損失	V.44五、44	(33,407,343)	(48,290,427)
Impairment losses	資產減值損失	V.45五、45	(33,325,145)	(38,615,213)
Gains/(losses) from asset disposals	資產處置收益/(損失)	V.46五、46	7,367,173	(2,741,721)
III. Operating profit	三、營業利潤		877,794,594	1,667,069,384
Add: Non-operating income	加：營業外收入	V.47五、47	6,520,253	3,514,740
Less: Non-operating expenses	減：營業外支出	V.47五、47	805,799	1,059,066
IV. Profit before taxation	四、利潤總額		883,509,048	1,669,525,058
Less: Income tax	減：所得稅費用	V.48五、48	99,224,076	181,494,174
V. Profit for the year	五、淨利潤		784,284,972	1,488,030,884
Profit for the year attributable to equity shareholders of the Company	歸屬於母公司股東的淨利潤		801,225,042	1,489,185,053
Non-controlling interests	少數股東損益		(16,940,070)	(1,154,169)

Notes to financial statements set out on pages 137 to 361 form part of these financial statements.

刊載於第137頁至361頁的財務報表附註為本財務報表的組成部分。

Consolidated Income Statement

合併利潤表

(Expressed in Renminbi "RMB")

(金額單位：人民幣元)

	Note 附註	2019 2019年	2018 2018年
VI. Other comprehensive income, net of tax	六、其他綜合收益的稅後淨額		
Other comprehensive income (net of tax) attributable to shareholders of the Company	歸屬母公司股東的其他綜合收益的稅後淨額：	11,599,640	(38,125,893)
(1) Items that can not be reclassified subsequently to profit or loss	(一) 不能重分類進損益的其他綜合收益		
Changes in fair value of investments in other equity instruments	其他權益工具投資公允價值變動	(6,508,537)	(31,142,485)
(2) Items that may be reclassified subsequently to profit or loss	(二) 將重分類進損益的其他綜合收益		
Exchange differences on translation of financial statements of overseas subsidiaries	外幣財務報表折算差額	18,108,177	(6,983,408)
Other comprehensive income (net of tax) attributable to non-controlling interests	歸屬於少數股東的其他綜合收益的稅後淨額：	1,513,031	(5,393,685)
VII. Total comprehensive income for the year	七、綜合收益總額	797,397,643	1,444,511,306
Total comprehensive income attributable to equity shareholders of the Company	歸屬於母公司股東的綜合收益總額	812,824,682	1,451,059,160
Total comprehensive income attributable to non-controlling interests	歸屬於少數股東的綜合收益總額	(15,427,039)	(6,547,854)
VIII. Earnings per share:	八、每股收益：		
(1) Basic earnings per share	(一) 基本每股收益	V.49五、49	2.09
(2) Diluted earnings per share	(二) 稀釋每股收益	V.49五、49	2.09

The financial statements were approved by the Board of Directors on 23 April 2020.

此財務報表已於2020年4月23日獲董事會批准。

Legal representative
of the Company:
法定代表人：
Ma Jie
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The person in charge
of accounting affairs:
主管會計工作的公司負責人：
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The head of the
accounting department:
會計機構負責人：
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Notes to financial statements set out on pages 137 to 361 form part of these financial statements.

刊載於第137頁至361頁的財務報表附註為本財務報表的組成部分。

Income Statement

母公司利潤表

(Expressed in Renminbi "RMB")

(金額單位：人民幣元)

		Note 附註	2019 2019年	2018 2018年
I. Revenue	一、營業收入	XVI.6十六、6	7,946,787,538	12,410,538,144
Less: Cost of sales	減：營業成本	XVI.6十六、6	6,820,987,465	10,039,844,684
Taxes and surcharges	稅金及附加		19,048,732	52,977,599
Selling expenses	銷售費用		269,394,751	311,170,183
Administrative expenses	管理費用		289,653,700	502,791,211
R&D expenses	研發費用		296,131,223	372,489,793
Financial expenses	財務費用		(4,388,896)	27,288,596
Including: Interest expenses	其中：利息費用		67,631,621	58,268,239
Interest income	利息收入		68,024,845	55,582,087
Add: Other income	加：其他收益		191,235,376	18,453,960
Investment income	投資收益	XVI.7十六、7	123,692,577	155,783,736
Including: Income from investment in associates and joint ventures	其中：對聯營企業和合營企業的投資			
	收益		112,040,533	152,089,231
Gains/(losses) from changes in fair value	公允價值變動			
	收益/(損失)		510,350	(13,387)
Credit losses	信用減值損失		(26,706,421)	(41,022,309)
Impairment losses	資產減值損失		(22,186,760)	(17,045,252)
Gains/(losses) from asset disposals	資產處置收益/(損失)		7,076,415	(2,305,181)
II. Operating profit	二、營業利潤		529,582,100	1,217,827,645
Add: Non-operating income	加：營業外收入		4,062,620	519,282
Less: Non-operating expenses	減：營業外支出		150,701	109,843
III. Profit before taxation	三、利潤總額		533,494,019	1,218,237,084
Less: Income tax	減：所得稅費用		41,111,821	127,522,121
IV. Profit for the year	四、淨利潤		492,382,198	1,090,714,963

Notes to financial statements set out on pages 137 to 361 form part of these financial statements.

刊載於第137頁至361頁的財務報表附註為本財務報表的組成部分。

Income Statement

母公司利潤表

(Expressed in Renminbi "RMB")

(金額單位：人民幣元)

	Note 附註	2019 2019年	2018 2018年
V. Other comprehensive income, net of tax			
(I) Items that can not be reclassified subsequently to profit or loss			
Changes in fair value of investments in other equity instruments		(6,508,536)	(30,944,506)
五、其他綜合收益的稅後淨額			
(一) 不能重分類進損益的其他綜合收益			
其他權益工具投資公允價值變動		(6,508,536)	(30,944,506)
VI. Total comprehensive income for the year		485,873,662	1,059,770,457
六、綜合收益總額		485,873,662	1,059,770,457

The financial statements were approved by the Board of Directors on 23 April 2020.

此財務報表已於2020年4月23日獲董事會批准。

Legal representative
of the Company:

法定代表人：

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馬傑

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The person in charge
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主管會計工作的公司負責人：

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The head of the
accounting department:

會計機構負責人：

Liang Guanning
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Notes to financial statements set out on pages 137 to 361 form part of these financial statements.

刊載於第137頁至361頁的財務報表附註為本財務報表的組成部分。

Consolidated Statement of Cash Flow

合併現金流量表

(Expressed in Renminbi "RMB")

(金額單位：人民幣元)

		Note 附註	2019 2019年	2018 2018年
I. Cash flows from operating activities:	一、經營活動產生的現金流量：			
Proceeds from sale of goods and rendering of services	銷售商品、提供勞務收到的現金		7,306,689,684	8,636,267,403
Refund of taxes	收到的稅費返還		174,227,827	–
Proceeds from other operating activities	收到其他與經營活動有關的現金	V.51(1) 五、51(1)	284,726,283	49,454,215
Sub-total of cash inflows	經營活動現金流入小計		7,765,643,794	8,685,721,618
Payment for goods and services	購買商品、接受勞務支付的現金		(5,411,153,992)	(6,369,117,775)
Payment to and for employees	支付給職工以及為職工支付的現金		(906,462,316)	(889,905,499)
Payment of various taxes	支付的各項稅費		(320,561,323)	(464,659,493)
Payment for other operating activities	支付其他與經營活動有關的現金	V.51(2) 五、51(2)	(284,802,270)	(396,687,906)
Sub-total of cash outflows	經營活動現金流出小計		(6,922,979,901)	(8,120,370,673)
Net cash inflow from operating activities	經營活動產生的現金流量淨額	V.52(1) 五、52(1)	842,663,893	565,350,945
II. Cash flows from investing activities:	二、投資活動產生的現金流量：			
Proceeds from disposal of investments	收回投資收到的現金		693,202,241	670,868,205
Investment returns received	取得投資收益收到的現金		97,884,520	90,436,223
Proceeds from disposal of fixed assets	處置固定資產收回的現金淨額		17,562,769	16,534,005
Sub-total of cash inflows	投資活動現金流入小計		808,649,530	777,838,433

Notes to financial statements set out on pages 137 to 361 form part of these financial statements.

刊載於第137頁至361頁的財務報表附註為本財務報表的組成部分。

Consolidated Statement of Cash Flow

合併現金流量表

(Expressed in Renminbi "RMB")

(金額單位：人民幣元)

		Note 附註	2019 2019年	2018 2018年
Payment for acquisition of fixed assets and intangible assets	購建固定資產和無形資產支付的現金		(751,661,050)	(1,359,340,005)
Payment for acquisition of investments	投資支付的現金		(724,061,278)	(923,006,206)
Payment for disposal of a subsidiary	處置子公司支付的現金淨額		–	(18,043,545)
Payment for other investing activities	支付其他與投資活動有關的現金		–	(7,544,924)
Sub-total of cash outflows	投資活動現金流出小計		(1,475,722,328)	(2,307,934,680)
Net cash outflow from investing activities	投資活動使用的現金流量淨額		(667,072,798)	(1,530,096,247)
III. Cash flow from financing activities:	三、籌資活動產生的現金流量：			
Proceeds from investors	吸收投資收到的現金		–	1,905,310,399
Including: Proceeds for non-controlling shareholders of subsidiaries	其中：子公司吸收少數股東投資收到的現金		–	10,973,225
Proceeds from borrowings	取得借款收到的現金		1,315,595,896	1,517,095,319
Sub-total of cash inflows	籌資活動現金流入小計		1,315,595,896	3,422,405,718
Repayments for borrowings	償還債務支付的現金		(1,707,827,633)	(1,147,362,652)
Payment for dividends, profit distributions or interest	分配股利、利潤或償付利息支付的現金		(257,627,715)	(434,827,804)
Including: Dividends and profits paid to non-controlling shareholders of subsidiaries	其中：子公司支付給少數股東的股利、利潤		–	(1,157,047)
Payment for other financing activities	支付其他與籌資活動有關的現金	V.51(3) 五、51(3)	(71,068,592)	(56,685,566)
Sub-total of cash outflows	籌資活動現金流出小計		(2,036,523,940)	(1,638,876,022)

Notes to financial statements set out on pages 137 to 361 form part of these financial statements.

刊載於第137頁至361頁的財務報表附註為本財務報表的組成部分。

Consolidated Statement of Cash Flow

合併現金流量表

(Expressed in Renminbi "RMB")

(金額單位：人民幣元)

		Note 附註	2019 2019年	2018 2018年
Net cash (outflow)/inflow from financing activities	籌資活動(使用)/產生的現金流量淨額		(720,928,044)	1,783,529,696
IV. Effect of exchange rate changes on cash and cash equivalents	四、匯率變動對現金及現金等價物的影響		5,826,828	9,678,488
V. Net (decrease)/increase in cash and cash equivalents	五、現金及現金等價物淨(減少)/增加額	V.52(1) 五、52(1)	(539,510,121)	828,462,882
Add: Cash and cash equivalents at the beginning of the year	加：年初現金及現金等價物餘額		2,627,976,441	1,799,513,559
VI. Cash and cash equivalents at the end of the year	六、年末現金及現金等價物餘額		2,088,466,320	2,627,976,441

The financial statements were approved by the Board of Directors on 23 April 2020.

此財務報表已於2020年4月23日獲董事會批准。

Legal representative
of the Company:
法定代表人：
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of accounting affairs:
主管會計工作的公司負責人：
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The head of the
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Notes to financial statements set out on pages 137 to 361 form part of these financial statements.

刊載於第137頁至361頁的財務報表附註為本財務報表的組成部分。

Statement of Cash Flow

母公司現金流量表

(Expressed in Renminbi "RMB")

(金額單位：人民幣元)

		2019 2019年	2018 2018年
I. Cash flows from operating activities:	一、經營活動產生的現金流量：		
Proceeds from sale of goods and rendering of services	銷售商品、提供勞務收到的現金	6,398,002,943	9,290,109,693
Refund of taxes	收到的稅費返還	174,227,827	–
Proceeds for other operating activities	收到其他與經營活動有關的現金	269,661,422	59,576,731
Sub-total of cash inflows	經營活動現金流入小計	6,841,892,192	9,349,686,424
Payment for goods and services	購買商品、接受勞務支付的現金	(5,618,409,516)	(7,765,223,289)
Payment to and for employees	支付給職工以及為職工支付的現金	(691,507,094)	(677,094,910)
Payment of various taxes	支付的各项稅費	(234,155,858)	(331,651,212)
Payment for other operating activities	支付其他與經營活動有關的現金	(250,588,511)	(298,625,032)
Sub-total of cash outflows	經營活動現金流出小計	(6,794,660,979)	(9,072,594,443)
Net cash inflow from operating activities	經營活動產生的現金流量淨額	47,231,213	277,091,981
II. Cash flows from investing activities:	二、投資活動產生的現金流量：		
Proceeds from disposal of investments	收回投資收到的現金	2,015,092,401	312,018,138
Investment returns received	取得投資收益收到的現金	121,985,236	102,792,454
Proceeds from disposal of fixed assets	處置固定資產收回的現金淨額	11,850,166	79,051,074
Sub-total of cash inflows	投資活動現金流入小計	2,148,927,803	493,861,666
Payment for acquisition of fixed assets and intangible assets	購建固定資產和無形資產支付的現金	(323,492,144)	(275,546,156)
Payment for acquisition of investments	投資支付的現金	(2,106,197,693)	(1,588,868,448)
Sub-total of cash outflows	投資活動現金流出小計	(2,429,689,837)	(1,864,414,604)
Net cash outflow from investing activities	投資活動產生的現金流量淨額	(280,762,034)	(1,370,552,938)

Notes to financial statements set out on pages 137 to 361 form part of these financial statements.

刊載於第137頁至361頁的財務報表附註為本財務報表的組成部分。

Statement of Cash Flow

母公司現金流量表

(Expressed in Renminbi "RMB")

(金額單位：人民幣元)

		2019 2019年	2018 2018年
III. Cash flow from financing activities:	三、籌資活動產生的現金流量：		
Proceeds from investors	吸收投資收到的現金	–	1,894,337,174
Proceeds from borrowings	取得借款收到的現金	1,167,825,900	1,479,693,944
Proceeds from other financing activities	收到的其他與籌資活動有關的現金	98,582,453	–
Sub-total of cash inflows	籌資活動現金流入小計	1,266,408,353	3,374,031,118
Repayments for borrowings	償還債務支付的現金	(1,631,557,666)	(1,111,662,652)
Payment for dividends, profit distributions or interest	分配股利或償付利息支付的現金	(261,095,820)	(431,991,121)
Payment for other financing activities	支付的其他與籌資活動有關的現金	(38,371,255)	–
Sub-total of cash outflows	籌資活動現金流出小計	(1,931,024,741)	(1,543,653,773)
Net cash (outflow)/inflow from financing activities	籌資活動(使用)/產生的現金流量淨額	(664,616,388)	1,830,377,345
IV. Effect of exchange rate changes on cash and cash equivalents	四、匯率變動對現金及現金等價物的影響	1,854,856	4,926,923
V. Net (decrease)/increase in cash and cash equivalents	五、現金及現金等價物淨(減少)/增加額	(896,292,353)	741,843,311
Add: Cash and cash equivalents at the beginning of the year	加：年初現金及現金等價物餘額	2,172,045,025	1,430,201,714
VI. Cash and cash equivalents at the end of the year	六、年末現金及現金等價物餘額	1,275,752,672	2,172,045,025

The financial statements were approved by the Board of Directors on 23 April 2020.

此財務報表已於2020年4月23日獲董事會批准。

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馬傑
(Signature and Seal)
(簽名和蓋章)

The person in charge
of accounting affairs:
主管會計工作的公司負責人：
Zhuang Dan
莊丹
(Signature and Seal)
(簽名和蓋章)

The head of the
accounting department:
會計機構負責人：
Liang Guanning
梁冠寧
(Signature and Seal)
(簽名和蓋章)

(Seal of the Company)
(公司蓋章)

Notes to financial statements set out on pages 137 to 361 form part of these financial statements.

刊載於第137頁至361頁的財務報表附註為本財務報表的組成部分。

Consolidated Statement of Changes in Shareholders' Equity

合併股東權益變動表

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度
(Expressed in Renminbi "RMB")
(金額單位：人民幣元)

		Attributable to equity shareholders of the Company 歸屬於母公司股東權益							Non-	Total equity
Note	Share capital	Capital reserve	Less: treasury stock	Other comprehensive income 其他	Surplus reserve	Retained earnings	Sub-total	controlling interests	Total equity	
附註	股本	資本公積	減：庫存股	綜合收益	盈餘公積	未分配利潤	小計	股東權益	股東權益合計	
I. Balance at the beginning of the year	757,905,108	3,353,543,988	-	26,180,356	557,383,759	3,493,020,983	8,188,034,194	188,295,012	8,376,329,206	
II. Changes in equity during the year										
(I) Total comprehensive income	-	-	-	11,599,640	-	801,225,042	812,824,682	(15,427,039)	797,397,643	
(II) Capital contributed or reduced by shareholders										
1. Equity-settled share-based payments	-	12,940,738	33,653,461	-	-	-	(20,712,723)	-	(20,712,723)	
2. Purchasing non-controlling interests	-	(2,449,514)	-	-	-	-	(2,449,514)	(18,955,568)	(21,405,082)	
(III) Appropriation of profit										
1. Appropriation for surplus reserve	-	-	-	-	54,627,001	(54,627,001)	-	-	-	
2. Distribution to shareholders	-	-	-	-	-	(189,476,277)	(189,476,277)	-	(189,476,277)	
III. Balance at the end of the year	757,905,108	3,364,035,212	33,653,461	37,779,996	612,010,760	4,050,142,747	8,786,520,362	153,912,405	8,942,132,767	

The financial statements were approved by the Board of Directors on 23 April 2020.

此財務報表已於2020年4月23日獲董事會批准。

Legal representative
of the Company:
法定代表人：
Ma Jie
馬傑
(Signature and Seal)
(簽名和蓋章)

The person in charge
of accounting affairs:
主管會計工作的公司負責人：
Zhuang Dan
莊丹
(Signature and Seal)
(簽名和蓋章)

The head of the
accounting department:
會計機構負責人：
Liang Guanning
梁冠寧
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Notes to financial statements set out on pages 137 to 361 form part of these financial statements.

刊載於第137頁至361頁的財務報表附註為本財務報表的組成部分。

Consolidated Statement of Changes in Shareholders' Equity

合併股東權益變動表

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度
(Expressed in Renminbi "RMB")
(金額單位：人民幣元)

		Attributable to equity shareholders of the Company 歸屬於母公司股東權益							Non-controlling interests 少數股東權益	
Note	Share capital	Capital reserve	Other comprehensive income 其他綜合收益	Surplus reserve 盈餘公積	Retained earnings 未分配利潤	Sub-total 小計			Total equity 股東權益合計	
附註	股本	資本公積	綜合收益	盈餘公積	未分配利潤	小計	股東權益	少數股東權益	權益合計	
I. Balance at the beginning of the year	682,114,598	1,551,725,933	66,464,721	402,047,041	2,535,966,730	5,238,319,023	247,509,155		5,485,828,178	
Add: Change of accounting policy	-	-	(2,158,472)	-	2,158,472	-	-		-	
Adjusted balance at the beginning of the year	682,114,598	1,551,725,933	64,306,249	402,047,041	2,538,125,202	5,238,319,023	247,509,155		5,485,828,178	
II. Changes in equity during the year										
(I) Total comprehensive income	-	-	(38,125,893)	-	1,489,185,053	1,451,059,160	(6,547,854)		1,444,511,306	
(II) Capital contributed or reduced by shareholders										
1. Capital contributed by shareholders	75,790,510	1,818,546,664	-	-	-	1,894,337,174	-		1,894,337,174	
2. Capital contributed by non-controlling interests	-	-	-	-	-	-	21,789,344		21,789,344	
3. Acquisition of non-controlling interests	-	(5,912,490)	-	-	-	(5,912,490)	(67,414,086)		(73,326,576)	
4. Disposal of subsidiaries	-	(10,816,119)	-	-	-	(10,816,119)	(5,884,500)		(16,700,619)	
(III) Appropriation of profit										
1. Appropriation for surplus reserve	-	-	-	155,336,718	(155,336,718)	-	-		-	
2. Distribution to shareholders	-	-	-	-	(378,952,554)	(378,952,554)	(1,157,047)		(380,109,601)	
III. Balance at the end of the year	757,905,108	3,353,543,988	26,180,356	557,383,759	3,493,020,983	8,188,034,194	188,295,012		8,376,329,206	

The financial statements were approved by the Board of Directors on 23 April 2020.

此財務報表已於2020年4月23日獲董事會批准。

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

Notes to financial statements set out on pages 137 to 361 form part of these financial statements.

刊載於第137頁至361頁的財務報表附註為本財務報表的組成部分。

Statement of Changes in Shareholders' Equity

母公司股東權益變動表

For the year ended 31 December 2019 (Expressed in RMB)

截至二零一九年十二月三十一日止年度(以人民幣列示)

附註	Share capital 股本	Capital reserve 資本公積	Less: treasury stock 減：庫存股	Other comprehensive income 其他綜合收益	Surplus reserve 盈餘公積	Retained earnings 未分配利潤	Total equity 股東權益合計
I. Balance at the beginning of the year 一、本年年初餘額	757,905,108	3,368,644,794	-	27,582,247	557,383,759	2,777,214,506	7,488,730,414
II. Changes in equity during the year 二、本年增減變動金額							
(I) Total comprehensive income (一)綜合收益總額	-	-	-	(6,508,536)	-	492,382,198	485,873,662
(II) Capital contributed by shareholders (二)股東投入和減少資本							
Equity-settled share-based payments 股份支付計入股東權益的金額	-	12,940,738	33,653,461	-	-	-	(20,712,723)
(III) Appropriation of profits (三)利潤分配							
1. Appropriation for surplus reserve 1. 提取盈餘公積	-	-	-	-	54,627,001	(54,627,001)	-
2. Distribution to shareholders 2. 對股東的分配	-	-	-	-	-	(189,476,277)	(189,476,277)
III. Balance at the end of the year 三、本年年末餘額	757,905,108	3,381,585,532	33,653,461	21,073,711	612,010,760	3,025,493,426	7,764,415,076

The financial statements were approved by the Board of Directors on 3 April 2020. 此財務報表已於2020年4月23日獲董事會批准。

Legal representative of the Company: 法定代表人： Ma Jie 馬傑 (Signature and Seal) (簽名和蓋章)	The person in charge of accounting affairs: 主管會計工作的公司負責人： Zhuang Dan 莊丹 (Signature and Seal) (簽名和蓋章)	The head of the accounting department: 會計機構負責人： Liang Guanning 梁冠寧 (Signature and Seal) (簽名和蓋章)	(Seal of the Company) (公司蓋章)
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Notes to financial statements set out on pages 137 to 361 form part of these financial statements. 刊載於第137頁至361頁的財務報表附註為本財務報表的組成部分。

Statement of Changes in Shareholders' Equity

母公司股東權益變動表

For the year ended 31 December 2018 (Expressed in RMB)

截至二零一八年十二月三十一日止年度(以人民幣列示)

		Share capital	Capital reserve	Other comprehensive income	Surplus reserve	Retained earnings	Total equity
	附註	股本	資本公積	其他綜合收益	盈餘公積	未分配利潤	股東權益合計
I. Balance at the beginning of the year	一、本年年初餘額	682,114,598	1,550,098,130	60,685,225	402,047,041	2,218,630,343	4,913,575,337
Add: Change of accounting policy	加：會計政策變更	-	-	(2,158,472)	-	2,158,472	-
Adjusted balance at the beginning of the year	本年年初經調整餘額	682,114,598	1,550,098,130	58,526,753	402,047,041	2,220,788,815	4,913,575,337
II. Changes in equity during the year	二、本年增減變動金額						
(I) Total comprehensive income	(一)綜合收益總額	-	-	(30,944,506)	-	1,090,714,963	1,059,770,457
(II) Capital contributed by shareholders	(二)股東投入資本						
1. Capital contributed by shareholders	1. 股東投入的普通股	75,790,510	1,818,546,664	-	-	-	1,894,337,174
(III) Appropriation of profits	(三)利潤分配						
1. Appropriation for surplus reserve	1. 提取盈餘公積	-	-	-	155,336,718	(155,336,718)	-
2. Distribution to shareholders	2. 對股東的分配	-	-	-	-	(378,952,554)	(378,952,554)
III. Balance at the end of the year	三、本年年末餘額	757,905,108	3,368,644,794	27,582,247	557,383,759	2,777,214,506	7,488,730,414

The financial statements were approved by the Board of Directors on 23 April 2020.

此財務報表已於2020年4月23日獲董事會批准。

Legal representative
of the Company:
法定代表人：

Ma Jie
馬傑

(Signature and Seal)
(簽名和蓋章)

The person in charge
of accounting affairs:
主管會計工作的公司負責人：

Zhuang Dan
莊丹

(Signature and Seal)
(簽名和蓋章)

The head of the
accounting department:
會計機構負責人：

Liang Guanning
梁冠寧

(Signature and Seal)
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(Seal of the Company)

(公司蓋章)

Notes to financial statements set out on pages 137 to 361 form part of these financial statements.

刊載於第137頁至361頁的財務報表附註為本財務報表的組成部分。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

I. CORPORATE INFORMATION

Yangtze Optical Fibre and Cable Joint Stock Limited Company (hereinafter referred to as the “Company”) is a sino-foreign joint venture company established in Wuhan, Hubei Province, the People’s Republic of China, with its headquarter in Wuhan. The Company issued 159,870,000 H shares at HK\$7.39 per share (at a nominal value of RMB1.00 per share) in December 2014 and was listed on the Hong Kong Stock Exchange. On 20 July 2018, The Company issued 75,790,510 A shares to the public at the issue price of RMB26.71 per share on the Shanghai Stock Exchange. As of 31 December 2019, the percentage of shareholdings in the Company were held by China Huaxin Posts and Telecom Technologies Co., Ltd., Wuhan Yangtze Communications Industry Group Co., Ltd. and Draka Comteq B.V. as to 23.73%, 15.82% and 23.73%, respectively.

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

II. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

The Group has applied the CAS No.14-Revenue and CAS No.22-Financial Instruments: Recognition and Measurement revised in 2017 issued by the Ministry of Finance (“MOF”) since 1 January 2018, and applied the CAS No.14-Lease revised in 2018 issued by MOF since 1 January 2019. (See note 三、30(1))

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

I. Statement of compliance with the corporate accounting standards

The financial statements have been prepared in accordance with the requirements of “Accounting Standards for Business Enterprises” issued by the Ministry of Finance. These financial statements provide a true and complete presentation of the consolidated financial position and financial position as at 31 December 2019, the consolidated results of operations and results of operations and the consolidated cash flows and cash flows of the Company for the year 2019.

一、公司基本情況

長飛光纖光纜股份有限公司(以下簡稱「本公司」)是在中華人民共和國湖北省武漢市成立的中外合資股份有限公司，總部位於武漢市。本公司於2014年12月以每股港幣7.39元(每股面值人民幣1.00元)發行H股159,870,000股並在香港聯合交易所上市，於2018年7月20日以每股人民幣26.71元(每股面值人民幣1.00元)發行A股75,790,510股並在上海證券交易所上市。截止2018年12月31日，本公司主要投資者中國華信郵電科技有限公司、武漢長江通信產業集團股份有限公司和Draka Comteq B.V.的持股比例分別為23.73%、15.82%和23.73%。

本公司及子公司(以下簡稱「本集團」)主要從事研究、開發、生產和銷售光纖預製棒、光纖、光纜及相關產品。本公司子公司的相關資訊參見附註七。

二、財務報表的編製基礎

本公司以持續經營為基礎編製財務報表。

本集團自2018年1月1日起執行了中華人民共和國財政部(以下簡稱「財政部」)2017年度修訂的《企業會計準則第14號——收入》和《企業會計準則第22號——金融工具確認和計量》等新金融工具準則，並自2019年1月1日起執行了財政部2018年度修訂的《企業會計準則第21號——租賃》(參見附註三、30(1))。

三、公司重要會計政策、會計估計

I、遵循企業會計準則的聲明

本財務報表符合中華人民共和國財政部(以下簡稱「財政部」)頒佈的企業會計準則的要求，真實、完整地反映了本公司2019年12月31日的合併財務狀況和財務狀況、2019年度合併經營成果和經營成果及合併現金流量和現金流量。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

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

1. Statement of compliance with the corporate accounting standards (Cont'd)

Furthermore, the financial statements of the Company also comply with the disclosure requirements of "Compilation Rules for Information Disclosure by Companies Offering Securities to the Public No.15: General Provisions on Financial Reports" in respect of financial statements and the notes thereof as revised by the China Securities Regulatory Commission (hereinafter referred to as "CSRC") in 2014.

2. Accounting period

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

3. Operating cycle

The Company takes the period from the acquisition of assets for processing to the realization of cash or cash equivalents as a normal operating cycle. The operating cycles of the Company are shorter than one year.

4. Functional currency

The functional currency of the Company is Renminbi ("RMB"). The Company presents the financial statements in RMB. The functional currency is determined by the Company and its subsidiaries on the basis of the currency in which major income and costs are denominated and settled. Certain subsidiaries of the Company use currency other than the functional currency of the Company as their functional currencies. When preparing this financial statement, the foreign currency financial statements of these subsidiaries were translated in accordance with Notes III. 7.

三、公司重要會計政策、會計估計 (續)

1、遵循企業會計準則的聲明 (續)

此外，本公司的財務報表同時符合中國證券監督管理委員會（以下簡稱「證監會」）2014年修訂的《公開發行證券的公司資訊披露編報規則第15號——財務報告的一般規定》有關財務報表及其附註的披露要求。

2、會計期間

會計年度自公曆1月1日起至12月31日止。

3、營業週期

本公司將從購買用於加工的資產起至實現現金或現金等價物的期間作為正常營業週期。本公司營業週期短於一年。

4、記賬本位幣

本公司的記賬本位幣為人民幣，編製財務報表採用的貨幣為人民幣。本公司及子公司選定記賬本位幣的依據是主要業務收支的計價和結算幣種。本公司的部分子公司採用本公司記賬本位幣以外的貨幣作為記賬本位幣，在編製本財務報表時，這些子公司的外幣財務報表按照附註三、7進行了折算。

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

5. Preparation for consolidated financial statements

(1) General principles

The scope of consolidated financial statements is based on control and the consolidated financial statements comprise the Company and its subsidiaries. Control exists when the investor has all of following: power over the investee; exposure, or rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered. The financial position, financial performance and cash flows of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Non-controlling interests are presented separately in the consolidated balance sheet within shareholders' equity. Net profit or loss attributable to non-controlling shareholders is presented separately in the consolidated income statement below the net profit line item. Total comprehensive income attributable to non-controlling shareholders is presented separately in the consolidated income statement below the total comprehensive income line item.

When the amount of loss for the period attributable to the non-controlling shareholders of a subsidiary exceeds the non-controlling shareholders' portion of the opening balance of owners' equity of the subsidiary, the excess is still allocated against the non-controlling interests.

When the accounting period or accounting policies of a subsidiary are different from those of the Company, the Company makes necessary adjustments to the financial statements of the subsidiary based on the Company's own accounting period or accounting policies. Intra-group balances and transactions, and any unrealised profit or loss arising from intra-group transactions, are eliminated when preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains, unless they represent impairment losses that are recognised in the financial statements.

三、公司重要會計政策、會計估計 (續)

5、合併財務報表的編製方法

(1) 總體原則

合併財務報表的合併範圍以控制為基礎予以確定，包括本公司及本公司控制的子公司。控制，是指本集團擁有對被投資方的權力，通過參與被投資方的相關活動而享有可變回報，並且有能力運用對被投資方的權力影響其回報金額。在判斷本集團是否擁有對被投資方的權力時，本集團僅考慮與被投資方相關的實質性權利（包括本集團自身所享有的及其他方所享有的實質性權利）。子公司的財務狀況、經營成果和現金流量由控制開始日起至控制結束日止包含於合併財務報表中。

子公司少數股東應佔的權益、損益和綜合收益總額分別在合併資產負債表的股東權益中和合併利潤表的淨利潤及綜合收益總額項目後單獨列示。

如果子公司少數股東分擔的當期虧損超過了少數股東在該子公司年初所有者權益中所享有的份額的，其餘額仍沖減少數股東權益。

當子公司所採用的會計期間或會計政策與本公司不一致時，合併時已按照本公司的會計期間或會計政策對子公司財務報表進行必要的調整。合併時所有集團內部交易及餘額，包括未實現內部交易損益均已抵銷。集團內部交易發生的未實現損失，有證據表明該損失是相關資產減值損失的，則全額確認該損失。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

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

5. Preparation for consolidated financial statements (Cont'd)

(2) Disposal of subsidiaries

When the Group loses control of a subsidiary, any gains or losses arising from the disposal are included in the investment gains for the period in which control was lost. The remaining equity investment is remeasured at its fair value at the date when control is lost. Any resulting gains or losses are recognized as investment income of the period when control is lost.

(3) Change in non-controlling interests

Where the Company acquires a non-controlling interest from a subsidiary's non-controlling shareholders or disposes of a portion of an interest in a subsidiary without a change in control, the difference between the investment cost of newly acquired long-term equity investment and the Company's share of its subsidiary's identifiable net assets and the difference between the consideration received for disposal of long-term equity investment and the Company's share of subsidiary's identifiable net assets are adjusted to the capital reserve (share premium) in the consolidated balance sheet. If the credit balance of capital reserve (share premium) is insufficient, any excess is adjusted to retained earnings.

6. Determination of cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits, and short-term, highly liquid investments, which are readily convertible into known amounts of cash and are subject to an insignificant risk of change in value.

7. Foreign currency transactions and translation of financial statements

When the Group receives capital in foreign currencies from investors, the capital is translated to Renminbi at the spot exchange rate at the date of the receipt. Other foreign currency transactions are, on initial recognition, translated to Renminbi at the approximate exchange rates of the spot exchange rate on the dates of the transactions. The approximate exchange rate of the spot exchange rate is the average exchange rate of the period determined by the system in a reasonable way and similar to the spot exchange rate on the transaction date.

三、公司重要會計政策、會計估計 (續)

5、合併財務報表的編製方法 (續)

(2) 處置子公司

本集團喪失對原有子公司控制權時，由此產生的任何處置收益或損失，計入喪失控制權當期的投資收益。對於剩餘股權投資，本集團按照其在喪失控制權日的公允價值進行重新計量，由此產生的任何收益或損失，也計入喪失控制權當期的投資收益。

(3) 少數股東權益變動

本公司因購買少數股權新取得的長期股權投資成本與按照新增持股比例計算應享有子公司的淨資產份額之間的差額，以及在不喪失控制權的情況下因部分處置對子公司的股權投資而取得的處置價款與處置長期股權投資相對應享有子公司淨資產的差額，均調整合併資產負債表中的資本公積(股本溢價)，資本公積(股本溢價)不足沖減的，調整留存收益。

6、現金及現金等價物的確定標準

現金和現金等價物包括庫存現金、可以隨時用於支付的存款以及持有期限短、流動性強、易於轉換為已知金額現金、價值變動風險很小的投資。

7、外幣業務和外幣報表折算

本集團收到投資者以外幣投入資本時按當日即期匯率折合為人民幣，其他外幣交易在初始確認時按交易發生日的即期匯率的近似匯率折合為人民幣。即期匯率的近似匯率是按照系統合理的方法確定的、與交易發生日即期匯率近似的當期平均匯率。

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

7. Foreign currency transactions and translation of financial statements (Cont'd)

Monetary items denominated in foreign currencies are translated to Renminbi at the spot exchange rate at the balance sheet date. The resulting exchange differences are recognized in profit or loss, except those arising from the principals and interests on foreign currency borrowings specifically for the purpose of acquisition, construction of qualifying assets for capitalization (see Note III.13). Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the foreign exchange rate resulting from transactions.

When translating the financial statements of overseas operations, the assets and liabilities items in the balance sheet are translated at the spot exchange rate on the balance sheet date. Other than "undistributed profits" and "other comprehensive income – foreign currency translation differences", other items under shareholders' equity are converted using the spot exchange rate at the time of occurrence. Income and expense items in the income statement are translated using the approximate exchange rate of the spot exchange rate on the transaction date. The translation difference in the foreign currency financial statements resulting from the above conversion is shown in other comprehensive income. When disposing overseas operations, the foreign currency translation differences should be transferred from other comprehensive income to gains or losses of disposal.

8. Financial instruments

Financial instruments of the Group comprise of cash and cash equivalent, equity investment except for long-term equity investment (see Note III. 10), receivables, payables, loans, and share capital, etc.

(1) Recognition and initial measurement of financial assets and financial liabilities

A financial asset or financial liability is recognized in the balance sheet when the Group becomes a party to the contractual provisions of a financial instrument.

Financial assets (unless it is a trade receivable without a significant financing component) and financial liabilities are measured initially at fair value. For financial assets and financial liabilities at fair value through profit or loss, any related directly attributable transaction costs are charged to profit or loss; for other categories of financial assets and financial liabilities, any related directly attributable transaction costs are included in their initial costs. A trade receivable without a significant financing component is initially measured at the transaction price according to Note III.20.

三、公司重要會計政策、會計估計 (續)

7、外幣業務和外幣報表折算 (續)

於資產負債表日，外幣貨幣性項目採用該日的即期匯率折算。除與購建符合資本化條件資產有關的專門借款本金和利息的匯兌差額（參見附註三、13）外，其他匯兌差額計入當期損益。以歷史成本計量的外幣非貨幣性項目，仍採用交易發生日的即期匯率折算。

對境外經營的財務報表進行折算時，資產負債表中的資產和負債項目，採用資產負債表日的即期匯率折算，股東權益項目除未分配利潤及其他綜合收益－外幣報表折算差額項目外，其他項目採用發生時的即期匯率折算。利潤表中的收入和費用項目，採用交易發生日的即期匯率的近似匯率折算。按照上述折算產生的外幣財務報表折算差額，在其他綜合收益中列示。處置境外經營時，相關的外幣報表折算差額自其他綜合收益轉入處置當期損益。

8、金融工具

本集團的金融工具包括貨幣資金、除長期股權投資（參見附註三、10）以外的股權投資、應收款項、應付款項、借款及股本等。

(1) 金融資產及金融負債的確認和計量

金融資產和金融負債在本集團成為相關金融工具合同條款的一方時，於資產負債表內確認。

除不具有重大融資成分的應收賬款外，在初始確認時，金融資產及金融負債均以公允價值計量。對於以公允價值計量且其變動計入當期損益的金融資產或金融負債，相關交易費用直接計入當期損益；對於其他類別的金融資產或金融負債，相關交易費用計入初始確認金額。對於不具有重大融資成分的應收賬款，本集團按照根據附註三、20的會計政策確定的交易價格進行初始計量。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

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

8. Financial instruments (Cont'd)

(2) Classification and subsequent measurement of financial assets

(a) Classification of financial assets

According to the business model under which the financial asset is managed and the contractual cash flow characteristics, the financial assets are classified to three categories: measured at amortised cost, at fair value through other comprehensive income (FVOCI) and at fair value through profit or loss FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows;
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

三、公司重要會計政策、會計估計 (續)

8、金融工具 (續)

(2) 金融資產的分類和後續計量

(a) 本集團金融資產的分類

本集團通常根據管理金融資產的業務模式和金融資產的合同現金流量特徵，在初始確認時將金融資產分為不同類別：以攤餘成本計量的金融資產、以公允價值計量且其變動計入其他綜合收益的金融資產及以公允價值計量且其變動計入當期損益的金融資產。

除非本集團改變管理金融資產的業務模式，在此情形下，所有受影響的相關金融資產在業務模式發生變更後的首個報告期間的第一天進行重分類，否則金融資產在初始確認後不得進行重分類。

本集團將同時符合下列條件且未被指定為以公允價值計量且其變動計入當期損益的金融資產，分類為以攤餘成本計量的金融資產：

- 本集團管理該金融資產的業務模式是以收取合同現金流量為目標；
- 該金融資產的合同條款規定，在特定日期產生的現金流量，僅為對本金和以未償付本金金額為基礎的利息的支付。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

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

8. Financial instruments (Cont'd)

(2) Classification and subsequent measurement of financial assets (Cont'd)

(a) Classification of financial assets (Cont'd)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets;
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

三、公司重要會計政策、會計估計 (續)

8、金融工具 (續)

(2) 金融資產的分類和後續計量

(a) 本集團金融資產的分類 (續)

本集團將同時符合下列條件且未被指定為以公允價值計量且其變動計入當期損益的金融資產，分類為以公允價值計量且其變動計入其他綜合收益的金融資產：

- 本集團管理該金融資產的業務模式既以收取合同現金流量為目標又以出售該金融資產為目標；
- 該金融資產的合同條款規定，在特定日期產生的現金流量，僅為對本金和以未償付本金金額為基礎的利息的支付。

對於非交易性權益工具投資，本集團可在初始確認時將其不可撤銷地指定為以公允價值計量且其變動計入其他綜合收益的金融資產。該指定在單項投資的基礎上作出，且相關投資從發行者的角度符合權益工具的定義。

除上述以攤餘成本計量和以公允價值計量且其變動計入其他綜合收益的金融資產外，本集團將其餘所有的金融資產分類為以公允價值計量且其變動計入當期損益的金融資產。在初始確認時，如果能夠消除或顯著減少會計錯配，本集團可以將本應以攤餘成本計量或以公允價值計量且其變動計入其他綜合收益的金融資產不可撤銷地指定為以公允價值計量且其變動計入當期損益的金融資產。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

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

8. Financial instruments (Cont'd)

(2) Classification and subsequent measurement of financial assets (Cont'd)

(a) Classification of financial assets (Cont'd)

The business model refers to how the Group manages its financial assets in order to generate cash flows. That is, the Group's business model determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both. The Group determines the business model for managing the financial assets according to the facts and based on the specific business objective for managing the financial assets determined by the Group's key management personnel.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The Group also assesses whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

(b) Subsequent measurement of financial assets

- Financial assets at FVTPL

These financial assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss unless the financial assets are part of a hedging relationship.

三、公司重要會計政策、會計估計 (續)

8、金融工具 (續)

(2) 金融資產的分類和後續計量

(a) 本集團金融資產的分類 (續)

管理金融資產的業務模式，是指本集團如何管理金融資產以產生現金流量。業務模式決定本集團所管理金融資產現金流量的來源是收取合同現金流量、出售金融資產還是兩者兼有。本集團以客觀事實為依據、以關鍵管理人員決定的對金融資產進行管理的特定業務目標為基礎，確定管理金融資產的業務模式。

本集團對金融資產的合同現金流量特徵進行評估，以確定相關金融資產在特定日期產生的合同現金流量是否僅為對本金和以未償付本金金額為基礎的利息的支付。其中，本金是指金融資產在初始確認時的公允價值；利息包括對貨幣時間價值、與特定時期未償付本金金額相關的信用風險、以及其他基本借貸風險、成本和利潤的對價。此外，本集團對可能導致金融資產合同現金流量的時間分佈或金額發生變更的合同條款進行評估，以確定其是否滿足上述合同現金流量特徵的要求。

(b) 本集團金融資產的後續計量

- 以公允價值計量且其變動計入當期損益的金融資產

初始確認後，對於該類金融資產以公允價值進行後續計量，產生的利得或損失（包括利息和股利收入）計入當期損益。

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

8. Financial instruments (Cont'd)

(2) Classification and subsequent measurement of financial assets (Cont'd)

(b) Subsequent measurement of financial assets (Cont'd)

- Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. A gain or loss on a financial asset that is measured at amortised cost and is not part of a hedging relationship shall be recognised in profit or loss when the financial asset is derecognised, through the amortisation process or in order to recognise impairment gains or losses.

- Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, impairment and foreign exchange gains and losses are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

- Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to retained earnings.

三、公司重要會計政策、會計估計 (續)

8、金融工具 (續)

(2) 金融資產的分類和後續計量

(b) 本集團金融資產的後續計量

- 以攤餘成本計量的金融資產

初始確認後，對於該類金融資產採用實際利率法以攤餘成本計量。以攤餘成本計量的金融資產所產生的利得或損失，在終止確認、按照實際利率法攤銷或確認減值時，計入當期損益。

- 以公允價值計量且其變動計入其他綜合收益的債權投資

初始確認後，對於該類金融資產以公允價值進行後續計量。採用實際利率法計算的利息、減值損失或利得及匯兌損益計入當期損益，其他利得或損失計入其他綜合收益。終止確認時，將之前計入其他綜合收益的累計利得或損失從其他綜合收益中轉出，計入當期損益。

- 以公允價值計量且其變動計入其他綜合收益的權益工具投資

初始確認後，對於該類金融資產以公允價值進行後續計量。股利收入計入損益，其他利得或損失計入其他綜合收益。終止確認時，將之前計入其他綜合收益的累計利得或損失從其他綜合收益中轉出，計入留存收益。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

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

8. Financial instruments (Cont'd)

(3) Classification and subsequent measurement of financial liabilities

Financial liabilities are classified as measured at FVTPL or amortised cost.

— Financial liabilities at FVTPL

A financial liability is classified as at FVTPL if it is classified as held-for-trading (including derivative financial liability) or it is designated as such on initial recognition.

Financial liabilities at FVTPL are subsequently measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss, unless the financial liabilities are part of a hedging relationship.

— Financial liabilities at amortised cost

This type of financial liabilities are subsequently measured at amortised cost using the effective interest method.

(4) Offset

Financial assets and financial liabilities are generally presented separately in the balance sheet, and are not offset. However, a financial asset and a financial liability are offset and the net amount is presented in the balance sheet when both of the following conditions are satisfied:

- the Group currently has a legally enforceable right to set off the recognised amounts;
- the Group intends either to settle on a net basis, or to realise the financial asset and settle the financial liability simultaneously.

三、公司重要會計政策、會計估計 (續)

8、金融工具 (續)

(3) 金融負債的分類和後續計量

本集團將金融負債分類為以公允價值計量且其變動計入當期損益的金融負債及以攤餘成本計量的金融負債。

— 以公允價值計量且其變動計入當期損益的金融負債

該類金融負債包括交易性金融負債 (含屬於金融負債的衍生工具) 和指定為以公允價值計量且其變動計入當期損益的金融負債。

初始確認後，對於該類金融負債以公允價值進行後續計量，產生的利得或損失 (包括利息費用) 計入當期損益。

— 以攤餘成本計量的金融負債

初始確認後，對於該類金融負債採用實際利率法以攤餘成本計量。

(4) 抵消

金融資產和金融負債在資產負債表內分別列示，沒有相互抵銷。但是，同時滿足下列條件的，以相互抵銷後的淨額在資產負債表內列示：

- 本集團具有抵銷已確認金額的法定權利，且該種法定權利是當前可執行的；
- 本集團計畫以淨額結算，或同時變現該金融資產和清償該金融負債。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

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

8. Financial instruments (Cont'd)

(5) Derecognition of financial assets and financial liabilities

Financial asset is derecognised when one of the following conditions is met:

- the Group's contractual rights to the cash flows from the financial asset expire;
- the financial asset has been transferred and the Group transfers substantially all of the risks and rewards of ownership of the financial asset;
- the financial asset has been transferred, although the Group neither transfers nor retains substantially all of the risks and rewards of ownership of the financial asset, it does not retain control over the transferred asset.

Where a transfer of a financial asset in its entirety meets the criteria of the derecognition, the difference between the two amounts below is recognized in profit or loss:

- carrying amount of the financial asset transferred measured at the date of derecognition;
- the sum of the consideration received from the transfer when the transferred financial asset is a debt investment at FVOCI, any cumulative gain or loss that has been recognised directly in other comprehensive income for the part derecognised.

The Group derecognizes a financial liability (or part of it) only when the underlying present obligation (or part of it) is discharged.

三、公司重要會計政策、會計估計 (續)

8、金融工具 (續)

(5) 金融資產和金融負債的終止確認

滿足下列條件之一時，本集團終止確認該金融資產：

- 收取該金融資產現金流量的合同權利終止；
- 該金融資產已轉移，且本集團將金融資產所有權上幾乎所有的風險和報酬轉移給轉入方；
- 該金融資產已轉移，雖然本集團既沒有轉移也沒有保留金融資產所有權上幾乎所有的風險和報酬，但是未保留對該金融資產的控制。

金融資產轉移整體滿足終止確認條件的，本集團將下列兩項金額的差額計入當期損益：

- 被轉移金融資產在終止確認日的帳面價值；
- 因轉移金融資產而收到的對價，與原直接計入其他綜合收益的公允價值變動累計額中對應終止確認部分的金額（涉及轉移的金融資產為以公允價值計量且其變動計入其他綜合收益的債權投資）之和。

金融負債（或其一部分）的現時義務已經解除的，本集團終止確認該金融負債（或該部分金融負債）。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

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

8. Financial instruments (Cont'd)

(6) Impairment

The Group recognises loss allowances for expected credit loss (ECL) on:

- financial assets measured at amortised cost.
- Debt investments at FVOCI

Financial assets measured at fair value, including debt investments or equity securities at FVTPL, equity securities designated at FVOCI, are not subject to the ECL assessment.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

The maximum period considered when estimating ECLs is the maximum contractual period (including extension options) over which the group is exposed to credit risk.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the balance sheet date (or a shorter period if the expected life of the instrument is less than 12 months).

Loss allowances for accounts receivable and contract assets are always measured at an amount equal to lifetime ECL. ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the borrowers and an assessment of both the current and forecast general economic conditions at the balance sheet date.

三、公司重要會計政策、會計估計 (續)

8、金融工具 (續)

(6) 減值

本集團以預期信用損失為基礎，對下列項目進行減值會計處理並確認損失準備：

- 以攤餘成本計量的金融資產。
- 以公允價值計量且其變動計入其他綜合收益的債權投資

本集團持有的其他以公允價值計量的金融資產不適用預期信用損失模型，包括以公允價值計量且其變動計入當期損益的債券投資或權益工具投資，以及指定為以公允價值計量且其變動計入其他綜合收益的權益工具投資。

預期信用損失的計量

預期信用損失，是指以發生違約的風險為權重的金融工具信用損失的加權平均值。信用損失，是指本集團按照原實際利率折現的、根據合同應收的所有合同現金流量與預期收取的所有現金流量之間的差額，即全部現金短缺的現值。

在計量預期信用損失時，本集團需考慮的最長期限為企業面臨信用風險的最長合同期限（包括考慮續約選擇權）。

整個存續期預期信用損失，是指因金融工具整個預計存續期內所有可能發生的違約事件而導致的預期信用損失。

未來12個月內預期信用損失，是指因資產負債表日後12個月內（若金融工具的預計存續期少於12個月，則為預計存續期）可能發生的金融工具違約事件而導致的預期信用損失，是整個存續期預期信用損失的一部分。

對於應收賬款，本集團始終按照相當於整個存續期內預期信用損失的金額計量其損失準備。本集團基於歷史信用損失經驗、使用準備矩陣計算上述金融資產的預期信用損失，相關歷史經驗根據資產負債表日借款人的特定因素、以及對當前狀況和未來經濟狀況預測的評估進行調整。

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

8. Financial instruments (Cont'd)

(6) Impairment (Cont'd)

Measurement of ECLs (Cont'd)

Except for accounts receivable and contract assets, the Group measures loss allowance at an amount equal to 12-month ECL for the following financial instruments, and at an amount equal to lifetime ECL for all other financial instruments.

- If the financial instrument is determined to have low credit risk at the balance sheet date; or
- If the credit risk on a financial instrument has not increased significantly since initial recognition.

Financial instruments that have low credit risk

The credit risk on a financial instrument is considered low if the financial instrument has a low risk of default, the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

Significant increases in credit risk

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument assessed at the balance sheet date with that assessed at the date of initial recognition.

三、公司重要會計政策、會計估計 (續)

8、金融工具 (續)

(6) 減值 (續)

預期信用損失的計量 (續)

除應收賬款外，本集團對滿足下列情形的金融工具按照相當於未來12個月內預期信用損失的金額計量其損失準備，對其他金融工具按照相當於整個存續期內預期信用損失的金額計量其損失準備：

- 該金融工具在資產負債表日只具有較低的信用風險；或
- 該金融工具的信用風險自初始確認後並未顯著增加。

具有較低的信用風險

如果金融工具的違約風險較低，借款人在短期內履行其合同現金流量義務的能力很強，並且即便較長時期內經濟形勢和經營環境存在不利變化但未必一定降低借款人履行其合同現金流量義務的能力，該金融工具被視為具有較低的信用風險。

信用風險顯著增加

本集團通過比較金融工具在資產負債表日發生違約的風險與在初始確認日發生違約的風險，以確定金融工具預計存續期內發生違約風險的相對變化，以評估金融工具的信用風險自初始確認後是否已顯著增加。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

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

8. Financial instruments (Cont'd)

(6) Impairment (Cont'd)

Significant increases in credit risk (Cont'd)

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort, including forward-looking information. In particular, the following information is taken into account:

- failure to make payments of principal or interest on debtors' contractually due dates;
- an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor;
- existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

Generally, the Group assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due. Unless the group has reasonable and supportable information that is available without undue cost or effort, that demonstrates that the credit risk has not increased significantly since initial recognition even though the contractual payments are more than 90 days past due.

The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

三、公司重要會計政策、會計估計 (續)

8、金融工具 (續)

(6) 減值 (續)

信用風險顯著增加 (續)

在確定信用風險自初始確認後是否顯著增加時，本集團考慮無須付出不必要的額外成本或努力即可獲得的合理且有依據的資訊，包括前瞻性資訊。本集團考慮的資訊包括：

- 債務人未能按合同到期日支付本金和利息的情況；
- 已發生的或預期的金融工具的外部或內部信用評級 (如有) 的嚴重惡化；
- 已發生的或預期的債務人經營成果的嚴重惡化；
- 現存的或預期的技術、市場、經濟或法律環境變化，並將對債務人對本集團的還款能力產生重大不利影響。

根據金融工具的性質，本集團以單項金融工具或金融工具組合為基礎評估信用風險是否顯著增加。以金融工具組合為基礎進行評估時，本集團可基於共同信用風險特徵對金融工具進行分類，例如逾期資訊和信用風險評級。

通常情況下，如果逾期超過90天，本集團確定金融工具的信用風險已經顯著增加。除非本集團無需付出過多成本或努力即可獲得合理且有依據的資訊，證明雖然超過合同約定的付款期限90天，但信用風險自初始確認以來並未顯著增加。

本集團認為金融資產在借款人不大可能全額支付其對本集團的欠款 (該評估不考慮本集團採取例如變現抵押品 (如果持有) 等追索行動) 的情況下發生違約。

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

8. Financial instruments (Cont'd)

(6) Impairment (Cont'd)

Credit-impaired financial assets

At each balance sheet date, the Group assesses whether financial assets carried at amortised cost and debt investments at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the issuer or debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- for economic or contractual reasons relating to the debtor's financial difficulty, the Group having granted to the debtor a concession that would not otherwise consider;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for that financial asset because of financial difficulties.

Presentation of allowance for ECL

ECLs are remeasured at each balance sheet date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gains or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account; for debt investments at FVOCI, the Company recognises its loss provision in other comprehensive income and does not offset against the carrying amount of financial assets.

三、公司重要會計政策、會計估計 (續)

8、金融工具 (續)

(6) 減值 (續)

已發生信用減值的金融資產

本集團在資產負債表日評估以攤餘成本計量的金融資產和以公允價值計量且其變動計入其他綜合收益的債權投資是否已發生信用減值。當對金融資產預期未來現金流量具有不利影響的一項或多項事件發生時，該金融資產成為已發生信用減值的金融資產。金融資產已發生信用減值的證據包括下列可觀察資訊：

- 發行方或債務人發生重大財務困難；
- 債務人違反合同，如償付利息或本金違約或逾期等；
- 本集團出於與債務人財務困難有關的經濟或合同考慮，給予債務人在任何其他情況下都不會做出的讓步；
- 債務人很可能破產或進行其他財務重組；
- 發行方或債務人財務困難導致該金融資產的活躍市場消失。

預期信用損失準備的列報

為反映金融工具的信用風險自初始確認後的變化，本集團在每個資產負債表日重新計量預期信用損失，由此形成的損失準備的增加或轉回金額，應當作為減值損失或利得計入當期損益。對於以攤餘成本計量的金融資產，損失準備抵減該金融資產在資產負債表中列示的帳面價值；對於以公允價值計量且其變動計入其他綜合收益的債權投資，本集團在其他綜合收益中確認其損失準備，不抵減該金融資產的帳面價值。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

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

8. Financial instruments (Cont'd)

(6) Impairment (Cont'd)

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. A write-off constitutes a derecognition event. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, according to the Group's procedure for recovering due amounts, financial assets that are written off could still be subject to enforcement activities.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(7) Equity instruments

The consideration received from the issuance of equity instruments net of transaction costs is recognised in shareholders' equity. Consideration and transaction costs paid by the Company for repurchasing self-issued equity instruments are deducted from shareholders' equity.

When the Company repurchases its own shares, those shares are treated as treasury shares. All expenditure relating to the repurchase is recorded in the cost of the treasury shares, with the transaction recording in the share register. Treasury shares are presented as a deduction under shareholders' equity in the balance sheet.

When treasury shares are cancelled, the share capital should be reduced to the extent of the total par value of the treasury shares cancelled. Where the cost of the treasury shares cancelled exceeds the total par value, the excess is deducted from capital reserve (share premium), surplus reserve and retained earnings sequentially. If the cost of treasury shares cancelled is less than the total par value, the difference is credited to the capital reserve (share premium).

When treasury shares are disposed of, any excess of proceeds above cost is recognised in capital reserve (share premium); otherwise, the shortfall is deducted against capital reserve (share premium), surplus reserve and retained earnings sequentially.

三、公司重要會計政策、會計估計 (續)

8、金融工具 (續)

(6) 減值 (續)

核銷

如果本集團不再合理預期金融資產合同現金流量能夠全部或部分收回，則直接減記該金融資產的帳面餘額。這種減記構成相關金融資產的終止確認。這種情況通常發生在本集團確定債務人沒有資產或收入來源可產生足夠的現金流量以償還將被減記的金額。但是，被減記的金融資產仍可能受到本集團催收到期款項相關執行活動的影響。

已減記的金融資產以後又收回的，作為減值損失的轉回計入收回當期的損益。

(7) 權益工具

本公司發行權益工具收到的對價扣除交易費用後，計入股東權益。回購本公司權益工具支付的對價和交易費用，減少股東權益。

回購本公司股份時，回購的股份作為庫存股管理，回購股份的全部支出轉為庫存股成本，同時進行備查登記。庫存股在資產負債表中作為股東權益的備抵專案列示。

庫存股註銷時，按註銷股票面值總額減少股本，庫存股成本超過面值總額的部分，應依次沖減資本公積（股本溢價）、盈餘公積和未分配利潤；庫存股成本低於面值總額的，低於面值總額的部分增加資本公積（股本溢價）。

庫存股轉讓時，轉讓收入高於庫存股成本的部分，增加資本公積（股本溢價）；低於庫存股成本的部分，依次沖減資本公積（股本溢價）、盈餘公積、未分配利潤。

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

9. Inventories

(1) *Classification and cost*

Inventories include raw material, work in process, semi-finished goods and finished good.

Inventories are initially measured at cost. Cost of inventories comprises all costs of purchase, costs of conversion and other expenses that to help deliver the inventories to the current location and situation. In addition to the purchasing cost of raw materials, work in progress and finished goods include direct labour costs and an appropriate allocation of production overheads.

(2) *Determination of cost of inventories*

The actual cost of inventories is calculated using the weighted average method.

Consumables including low-value consumables and packaging materials are amortized in full when received for use. The amounts of the amortization are included in the cost of the related assets or profit or loss.

(3) *The underlying factors in the determination of net realizable value of inventories and the basis of provision for diminution in value of inventories*

Inventories are measured at the lower of cost and net realizable value at the balance sheet date.

Net realizable value is the estimated selling price in the normal course of business less the estimated costs to completion and the estimated expenses and the related taxes necessary to make the sale. The net realizable value of materials held for use in the production of inventories is measured based on the net realizable value of the finished goods in which they will be incorporated. The net realizable value of the quantity of inventory held to satisfy sales or service contracts is based on the contract price. If the quantities of inventories specified in sales contracts are less than the quantities held by the Group, the net realizable value of the excess portion of inventories shall be based on general selling prices.

Any excess of the cost over the net realizable value of each item of inventories is recognized as a provision for diminution in the value of inventories and charged to profit or loss.

三、公司重要會計政策、會計估計 (續)

9、存貨

(1) *存貨的分類和成本*

存貨包括原材料、在產品、半成品、產成品。

存貨按成本進行初始計量。存貨成本包括採購成本、加工成本和使存貨達到目前場所和狀態所發生的其他支出。除原材料採購成本外，在產品及產成品還包括直接人工和按照適當比例分配的生產製造費用。

(2) *發出存貨的計價方法*

發出存貨的實際成本採用加權平均法計量。

低值易耗品及包裝物等周轉材料採用一次轉銷法進行攤銷，計入相關資產的成本或者當期損益。

(3) *存貨可變現淨值的確定依據及存貨跌價準備的計提方法*

資產負債表日，存貨按照成本與可變現淨值孰低計量。

可變現淨值，是指在日常活動中，存貨的估計售價減去至完工時估計將要發生的成本、估計的銷售費用以及相關稅費後的金額。為生產而持有的原材料，其可變現淨值根據其生產的產成品的可變現淨值為基礎確定。為執行銷售合同或者勞務合同而持有的存貨，其可變現淨值以合同價格為基礎計算。當持有存貨的數量多於相關合同訂購數量的，超出部分的存貨的可變現淨值以一般銷售價格為基礎計算。

按存貨類別計算的成本高於其可變現淨值的差額，計提存貨跌價準備，計入當期損益。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

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

9. Inventories (Cont'd)

(4) Inventory system

The Group maintains a perpetual inventory system.

10. Long-term equity investments

(1) Investment cost of long-term equity investments

(a) Long-term equity investments acquired through a business combination

- For a long-term equity investment obtained through a business combination not involving enterprises under common control, the initial cost comprises the aggregate of the fair value of assets transferred, liabilities incurred or assumed, and equity securities issued by the Company, in exchange for control of the acquiree.

(b) Long-term equity investments acquired other than through a business combination

- A long-term equity investment acquired other than through a business combination is initially recognised at the amount of cash paid if the Group acquires the investment by cash, or at the fair value of the equity securities issued if an investment is acquired by issuing equity securities. For the long-term equity investment obtained by issuing equity securities, the Group uses the fair value of the issuing equity securities as the initial investment cost.

三、公司重要會計政策、會計估計 (續)

9、存貨 (續)

(4) 存貨的盤存制度

本集團存貨盤存制度為永續盤存制。

10、長期股權投資

(1) 長期股權投資投資成本確定

(a) 通過企業合併形成的長期股權投資

- 對於非同一控制下企業合併形成的對子公司的長期股權投資，本公司按照購買日取得對被購買方的控制權而付出的資產、發生或承擔的負債以及發行的權益性證券的公允價值，作為該投資的初始投資成本。

(b) 其他方式取得的長期股權投資

- 對於通過企業合併以外的其他方式取得的長期股權投資，在初始確認時，對於以支付現金取得的長期股權投資，本集團按照實際支付的購買價款作為初始投資成本；對於發行權益性證券取得的長期股權投資，本集團按照發行權益性證券的公允價值作為初始投資成本。

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

10. Long-term equity investments (Cont'd)

(2) Subsequent measurement of long-term equity investment

(a) Investments in subsidiaries

Unless the investment meets the conditions for holding for sale, in the Company's separate financial statements, long-term equity investments in subsidiaries are accounted for using the cost method for subsequent measurement. Except for cash dividends or profit distributions declared but not yet distributed that have been included in the price or consideration paid in obtaining the investments, the Company recognises its share of the cash dividends or profit distributions declared by the investee as investment income in the current period.

The investments in subsidiaries are stated in the balance sheet at cost less accumulated impairment losses.

For the impairment of the investments in subsidiaries, refer to Note III.16.

In the Group's consolidated financial statements, investments in subsidiaries are accounted for in accordance with the policies described in Note III.5.

(b) Investment in joint ventures and associates

A joint venture is an arrangement whereby the Group and other parties have joint control (see Note III.10(3)) and rights to the net assets of the arrangement.

An associate is an enterprise over which the Group has significant influence (see Note III.10(3)).

An investment in a joint venture or an associate is accounted for using the equity method for subsequent measurement, unless the investment meets the conditions for holding for sale, an investment in a joint venture or an associate is accounted for using the equity method for subsequent measurement.

三、公司重要會計政策、會計估計 (續)

10、長期股權投資 (續)

(2) 長期股權投資後續計量及損益確認方法

(a) 對子公司的投資

在本公司個別財務報表中，本公司採用成本法對子公司的長期股權投資進行後續計量，除非投資符合持有待售的條件。對被投資單位宣告分派的現金股利或利潤由本公司享有的部分確認為當期投資收益，但取得投資時實際支付的價款或對價中包含的已宣告但尚未發放的現金股利或利潤除外。

對子公司的投資按照成本減去減值準備後在資產負債表內列示。

對子公司投資的減值測試方法及減值準備計提方法參見附註三、16。

在本集團合併財務報表中，對子公司按附註三、5進行處理。

(b) 對合營企業和聯營企業的投資

合營企業指本集團與其他合營方共同控制(參見附註三、10(3))且僅對其淨資產享有權利的一項安排。

聯營企業指本集團能夠對其施加重大影響(參見附註三、10(3))的企業。

後續計量時，對合營企業和聯營企業的長期股權投資採用權益法核算，除非投資符合持有待售的條件。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

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

10. Long-term equity investments (Cont'd)

(2) Subsequent measurement of long-term equity investment (Cont'd)

(b) Investment in joint ventures and associates (Cont'd)

Under the equity method:

- Where the initial cost of a long-term equity investment exceeds the Group's interest in the fair value of the investee's identifiable net assets at the date of acquisition, the investment is initially recognised at cost. Where the initial investment cost is less than the Group's interest in the fair value of the investee's identifiable net assets at the date of acquisition, the investment is initially recognised at the investor's share of the fair value of the investee's identifiable net assets, and the difference is recognised in profit or loss.
- After the acquisition of the investment, the Group recognises its share of the investee's profit or loss and other comprehensive income as investment income or losses and other comprehensive income respectively, and adjusts the carrying amount of the investment accordingly. Once the investee declares any cash dividends or profit distributions, the carrying amount of the investment is reduced by that amount attributable to the Group. Changes in the Group's share of the investee's owners' equity, other than those arising from the investee's net profit or loss, other comprehensive income or profit distribution ("other changes in owners' equity"), is recognised directly in the Group's equity, and the carrying amount of the investment is adjusted accordingly.

三、公司重要會計政策、會計估計 (續)

10、長期股權投資 (續)

(2) 長期股權投資後續計量及損益確認方法 (續)

(b) 對合營企業和聯營企業的投資 (續)

本集團在採用權益法核算時的具體會計處理包括：

- 對於長期股權投資的初始投資成本大於投資時應享有被投資單位可辨認淨資產公允價值份額的，以前者作為長期股權投資的成本；對於長期股權投資的初始投資成本小於投資時應享有被投資單位可辨認淨資產公允價值份額的，以後者作為長期股權投資的成本，長期股權投資的成本與初始投資成本的差額計入當期損益。
- 取得對合營企業和聯營企業投資後，本集團按照應享有或應分擔的被投資單位實現的淨損益和其他綜合收益的份額，分別確認投資損益和其他綜合收益並調整長期股權投資的賬面價值；按照被投資單位宣告分派的利潤或現金股利計算應分得的部分，相應減少長期股權投資的賬面價值。對合營企業或聯營企業除淨損益、其他綜合收益和利潤分配以外所有者權益的其他變動（以下簡稱「其他所有者權益變動」），本集團按照應享有或應分擔的份額計入股東權益，並同時調整長期股權投資的賬面價值。

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

10. Long-term equity investments (Cont'd)

(2) Subsequent measurement of long-term equity investment (Cont'd)

(b) Investment in joint ventures and associates (Cont'd)

- In calculating its share of the investee's net profits or losses, other comprehensive income and other changes in owners' equity, the Group recognises investment income and other comprehensive income after making appropriate adjustments to align the accounting policies or accounting periods with those of the Group based on the fair value of the investee's identifiable net assets at the date of acquisition. Unrealised profits and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's interest in the associates or joint ventures. Unrealised losses resulting from transactions between the Group and its associates or joint ventures are eliminated in the same way as unrealised gains but only to the extent that there is no impairment.
- The Group discontinues recognising its share of further losses of the investee after the carrying amount of the long-term equity investment and any long-term interest that in substance forms part of the Group's net investment in the joint venture or associate is reduced to zero, except to the extent that the Group has an obligation to assume additional losses. If the joint venture or associate subsequently reports net profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

For the impairment of the investments in joint ventures and associates, refer to Note III.16.

三、公司重要會計政策、會計估計 (續)

10、長期股權投資 (續)

(2) 長期股權投資後續計量及損益確認方法 (續)

(b) 對合營企業和聯營企業的投資 (續)

- 在計算應享有或應分擔的被投資單位實現的淨損益、其他綜合收益及其他所有者權益變動的份額時，本集團以取得投資時被投資單位可辨認淨資產公允價值為基礎，按照本集團的會計政策或會計期間進行必要調整後確認投資收益和其他綜合收益等。本集團與聯營企業及合營企業之間內部交易產生的未實現損益按照應享有的比例計算歸屬於本集團的部分，在權益法核算時予以抵銷。內部交易產生的未實現損失，有證據表明該損失是相關資產減值損失的，則全額確認該損失。
- 本集團對合營企業或聯營企業發生的淨虧損，除本集團負有承擔額外損失義務外，以長期股權投資的賬面價值以及其他實質上構成對合營企業或聯營企業淨投資的長期權益減記至零為限。合營企業或聯營企業以後實現淨利潤的，本集團在收益分享額彌補未確認的虧損分擔額後，恢復確認收益分享額。

本集團對合營企業和聯營企業投資的減值測試方法及減值準備計提方法參見附註三、16。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

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

10. Long-term equity investments (Cont'd)

(3) Criteria for determining the existence of joint control or significant influence over an investee

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities (activities with significant impact on the returns of the arrangement) require the unanimous consent of the parties sharing control.

The following factors are usually considered when assessing whether the Group can exercise joint control over an investee:

- Whether no single participant party is in a position to control the investee's related activities unilaterally;
- Whether strategic decisions relating to the investee's related activities require the unanimous consent of all participant parties that sharing of control.

Significant influence is the power to participate in the financial and operating policy decisions of an investee but does not have control or joint control over those policies.

11. Fixed assets

(1) Recognition criteria for fixed assets

Fixed assets represent the tangible assets held by the Group for use in the production of goods, rendering of services or for operation and administrative purposes with useful lives over one accounting year.

The initial cost of a purchased fixed asset comprises the purchase price, related taxes, and any directly attributable expenditure for bringing the asset to working condition for its intended use. The initial cost of self-constructed assets is measured in accordance with the policy set out in Note III.12.

Where parts of an item of fixed asset have different useful lives or provide benefits to the Group in different patterns thus necessitating use of different depreciation rates or methods, each part is recognized as a separate fixed asset.

三、公司重要會計政策、會計估計 (續)

10、長期股權投資 (續)

(3) 確定對被投資單位具有共同控制、重大影響的判斷標準

共同控制指按照相關約定對某項安排所共有的控制，並且該安排的相關活動（即對安排的回報產生重大影響的活動）必須經過分享控制權的參與方一致同意後才能決策。

本集團在判斷對被投資單位是否存在共同控制時，通常考慮下述事項：

- 是否任何一個參與方均不能單獨控制被投資單位的相關活動；
- 涉及被投資單位相關活動的決策是否需要分享控制權參與方一致同意。

重大影響指本集團對被投資單位的財務和經營政策有參與決策的權力，但並不能夠控制或者與其他方一起共同控制這些政策的制定。

11、固定資產

(1) 固定資產確認條件

固定資產指本集團為生產商品或經營管理而持有的，使用壽命超過一個會計年度的有形資產。

外購固定資產的初始成本包括購買價款、相關稅費以及使該資產達到預定可使用狀態前所發生的可歸屬於該項資產的支出。自行建造固定資產按附註三、12確定初始成本。

對於構成固定資產的各組成部分，如果各自具有不同使用壽命或者以不同方式為本集團提供經濟利益，適用不同折舊率或折舊方法的，本集團分別將各組成部分確認為單項固定資產。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

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

II. Fixed assets (Cont'd)

(1) Recognition criteria for fixed assets (Cont'd)

The subsequent costs including the cost of replacing part of an item of fixed assets are recognized in the carrying amount of the item if the recognition criteria are satisfied. When capital expenditure related to expenditure is likely to flow into the Group, capitalization is included in the cost of fixed assets, and the carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of fixed assets are recognized in profit or loss of the period as incurred.

Fixed assets are stated in the balance sheet at cost less accumulated depreciation and impairment losses.

(2) Depreciation method for fixed assets

Fixed assets are depreciated using the straight-line method over their estimated useful lives on the basis of cost less estimated net residual value and accumulated impairment loss.

The depreciation period, residual value rate and annual depreciation rate of each type of fixed assets are as follows:

Type	類別	Useful life (year) 使用壽命(年)	Residual value rate (%) 殘值率(%)	Annual depreciation rate (%) 年折舊率(%)
Buildings and structures	房屋及建築物	10 – 20 years 年	10%	4.50% – 9.00%
Machinery equipment	機器設備	3 – 20 years 年	0%	5.00% – 33.33%
Office equipment and other equipment	辦公設備及其他設備	4 – 8 years 年	0%	12.50% – 25.00%
Transportation equipment	運輸工具	4 – 8 years 年	10%	11.25% – 22.50%
Operating lease rental buildings and structures	經營租賃租出的房屋及建築物	10 – 20 years 年	10%	4.50% – 9.00%
Operating lease rental machinery equipment	經營租賃租出的機器設備	15 years 年	0%	6.67%

No depreciation is provided for the land permanently held by the Group.

Useful lives, estimated residual values and depreciation methods are reviewed at least each year-end.

三、公司重要會計政策、會計估計(續)

II、固定資產(續)

(1) 固定資產確認條件(續)

對於固定資產的後續支出，包括與更換固定資產某組成部分相關的支出，在與支出相關的經濟利益很可能流入本集團時資本化計入固定資產成本，同時將被替換部分的賬面價值扣除；與固定資產日常維護相關的支出在發生時計入當期損益。

固定資產以成本減累計折舊及減值準備後在資產負債表內列示。

(2) 固定資產的折舊方法

本集團將固定資產的成本扣除預計淨殘值和累計減值準備後在其使用壽命內按年限平均法計提折舊。

各類固定資產的使用壽命、殘值率和年折舊率分別為：

本集團永久持有的土地不計提折舊。

本集團至少在每年年度終了對固定資產的使用壽命、預計淨殘值和折舊方法進行覆核。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

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

11. Fixed assets (Cont'd)

(3) For the method of impairment testing and provision for impairment, refer to Note III.16.

(4) Disposal of fixed assets

The carrying amount of a fixed asset shall be derecognized if one of the following requirements is met:

- on disposal;
- when no future economic benefits are expected to be generated from its use or disposal.

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

12. Construction in progress

The cost of self-constructed fixed assets includes the cost of materials, direct labour, borrowing costs that meet the criteria for capitalization (see Note III.13), and any other costs directly attributable to bringing the asset to working condition for its intended use.

A self-constructed fixed asset is included in construction in progress before it is transferred to fixed assets when it is ready for its intended use. No depreciation is provided against construction in progress.

Construction in progress is stated in the balance sheet at cost less provision for impairment (see Note III.16).

13. Borrowing costs

Borrowing costs incurred directly attributable to the acquisition, construction of a qualifying asset are capitalized as part of the cost of the asset. Other borrowing costs are recognized as financial expenses in the income statement when incurred.

三、公司重要會計政策、會計估計 (續)

11、固定資產 (續)

(3) 減值測試方法及減值準備計提方法參見附註三、16。

(4) 固定資產處置

固定資產滿足下述條件之一時，本集團會予以終止確認。

- 固定資產處於處置狀態；
- 該固定資產預期通過使用或處置不能產生經濟利益。

報廢或處置固定資產項目所產生的損益為處置所得款項淨額與項目賬面金額之間的差額，並於報廢或處置日在損益中確認。

12、在建工程

自行建造的固定資產的成本包括工程用物資、直接人工、符合資本化條件的借款費用 (參見附註三、13) 和使該項資產達到預定可使用狀態前所發生的必要支出。

自行建造的固定資產於達到預定可使用狀態時轉入固定資產，此前列於在建工程，且不計提折舊。

在建工程以成本減減值準備 (參見附註三、16) 在資產負債表內列示。

13、借款費用

本集團發生的可直接歸屬於符合資本化條件的資產的購建的借款費用，予以資本化並計入相關資產的成本，其他借款費用均於發生當期確認為財務費用。

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

13. Borrowing costs (Cont'd)

During the capitalization period, the amount of interest (including amortization of any discount or premium on borrowing) to be capitalized in each accounting period is determined as follows:

- Where funds are borrowed specifically for the acquisition, construction of a qualifying asset, the amount of interest to be capitalized is the interest expense calculated using effective interest rates during the period less any interest income earned from depositing the borrowed funds or any investment income on the temporary investment of those funds before being used on the asset.
- Where funds are borrowed generally and used for the acquisition, construction of a qualifying asset, the amount of interest to be capitalized on such borrowings is determined by applying a capitalization rate to the weighted average of the excess amounts of cumulative expenditures on the asset over the above amounts of specific borrowings. The capitalization rate is the weighted average of the interest rates applicable to the general-purpose borrowings.

The effective interest rate is determined as the rate that exactly discounts estimated future cash flow through the expected life of the borrowing or, when appropriate, a shorter period to the initially recognized amount of the borrowings.

During the capitalization period, exchange differences related to the principal and interest on a specific purpose borrowing denominated in foreign currency are capitalized as part of the cost of the qualifying asset. The exchange differences related to the principal and interest on foreign currency borrowings other than a specific-purpose borrowing are recognized as a financial expense in profit and loss in the period they are incurred.

The capitalization period is the period from the date of commencement of capitalization of borrowing costs to the date of cessation of capitalization, excluding any period over which capitalization is suspended. Capitalization of borrowing costs commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities of acquisition that are necessary to prepare the asset for its intended use are in progress, and ceases when the assets become ready for their intended use. Capitalization of borrowing costs is suspended when the acquisition, construction activities are interrupted abnormally and the interruption lasts for over three months.

三、公司重要會計政策、會計估計 (續)

13、借款費用 (續)

在資本化期間內，本集團按照下列方法確定每一會計期間的利息資本化金額（包括折價或溢價的攤銷）：

- 對於為購建符合資本化條件的資產而借入的專門借款，本集團以專門借款按實際利率計算的當期利息費用，減去將尚未動用的借款資金存入銀行取得的利息收入或進行暫時性投資取得的投資收益後的金額確定專門借款應予資本化的利息金額。
- 對於為購建符合資本化條件的資產而佔用的一般借款，本集團根據累計資產支出超過專門借款部分的資產支出的加權平均數乘以所佔用一般借款的資本化率，計算確定一般借款應予資本化的利息金額。資本化率是根據一般借款加權平均的實際利率計算確定。

本集團確定借款的實際利率時，是將借款在預期存續期間或適用的更短期間內的未來現金流量，折現為該借款初始確認時確定的金額所使用的利率。

在資本化期間內，外幣專門借款本金及其利息的匯兌差額，予以資本化，計入符合資本化條件的資產的成本。而除外幣專門借款之外的其他外幣借款本金及其利息所產生的匯兌差額作為財務費用，計入當期損益。

資本化期間是指本集團從借款費用開始資本化時點到停止資本化時點的期間，借款費用暫停資本化的期間不包括在內。當資本支出和借款費用已經發生及為使資產達到預定可使用狀態所必要的購建活動已經開始時，借款費用開始資本化。當購建符合資本化條件的資產達到預定可使用狀態時，借款費用停止資本化。對於符合資本化條件的資產在購建過程中發生非正常中斷、且中斷時間連續超過3個月的，本集團暫停借款費用的資本化。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

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

14. Intangible assets

Intangible assets are stated in the balance sheet at cost less accumulated amortization (limited to intangible assets with finite useful life) and impairment losses (see Note III.16). For intangible assets with finite useful life, intangible asset's cost less estimated net residual value and accumulated impairment losses is amortized on the straight-line method over its estimated useful life.

The respective amortization periods for such intangible assets are as follows:

Item	項目	Amortization period 攤銷年限(年)
Land use rights	土地使用權	50 years 年
Unpatented technology	非專利技術	20 years 年
Trademark rights	商標權	10 years 年
Patents	專利權	8 years 年

An intangible asset is regarded as having an indefinite useful life and is not amortised when there is no foreseeable limit to the period over which the asset is expected to generate economic benefits for the Group. As at the balance sheet date, the Group did not have any intangible assets with indefinite useful lives.

Expenditures on an internal research and development project are classified into expenditures on the research phase and expenditures on the development phase. Expenditures on research phase are recognized in profit or loss when incurred. Expenditures on development phase are capitalized if development costs can be measured reliably, the product or process is technically and commercially feasible, and the Group intends to and has sufficient resources to complete development. Capitalized development costs are stated at cost less impairment losses in the balance sheet (see Note III.16). Other development expenditures are recognized as expenses in the period in which they are incurred.

三、公司重要會計政策、會計估計(續)

14、無形資產

無形資產以成本減累計攤銷(僅限於使用壽命有限的無形資產)及減值準備(參見附註三、16)後在資產負債表內列示。對於使用壽命有限的無形資產，本集團將無形資產的成本扣除預計淨殘值和累計減值準備後按直線法在預計使用壽命期內攤銷。

各項無形資產的攤銷年限為：

Item	項目	Amortization period 攤銷年限(年)
Land use rights	土地使用權	50 years 年
Unpatented technology	非專利技術	20 years 年
Trademark rights	商標權	10 years 年
Patents	專利權	8 years 年

本集團將無法預見未來經濟利益期限的無形資產視為使用壽命不確定的無形資產，並對這類無形資產不予攤銷。截至資產負債表日，本集團沒有使用壽命不確定的無形資產。

本集團內部研究開發項目的支出分為研究階段支出和開發階段支出。研究階段的支出，於發生時計入當期損益。開發階段的支出，如果開發形成的某項產品或工序等在技術和商業上可行，而且本集團有充足的資源和意向完成開發工作，並且開發階段支出能夠可靠計量，則開發階段的支出便會予以資本化。資本化開發支出按成本減減值準備(參見附註三、16)在資產負債表內列示。其他開發費用則在其產生的期間內確認為費用。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

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

15. Long-term deferred expenses

Long-term deferred expenses are amortized in equal installments over the period that it enjoys benefits. Amortization periods for expenditures are:

Item	項目	Amortization period 攤銷期限
Operating lease rental improvement expenditure	經營租入固定資產改良支出	3 – 5 years 年

16. Impairment of assets other than inventories and financial assets

The carrying amounts of the following assets are reviewed at each balance sheet date based on the internal and external sources of information to determine whether there is any indication of impairment:

- Fixed assets
- Construction in progress
- Right-of-use assets
- Intangible assets
- Long-term equity investment
- Long-term deferred expenses
- Other non-current assets, etc.

If any indication exists that an asset may be impaired, the recoverable amount of the asset is estimated. In addition, whether impairment evidence exists, the Group estimates the recoverable amount of intangible assets that have not reached the usable status at least once a year, and estimates the recoverable amount of intangible assets with useful life at the end of each year.

The recoverable amount of an asset, asset group or set of asset groups is the higher of its fair value (see Note III.17) less costs to sell and its present value of expected future cash flows.

三、公司重要會計政策、會計估計 (續)

15、長期待攤費用

長期待攤費用在受益期限內分期平均攤銷。各項費用的攤銷期限分別為：

Item	項目	Amortization period 攤銷期限
Operating lease rental improvement expenditure	經營租入固定資產改良支出	3 – 5 years 年

16、除存貨及金融資產外的其他資產減值

本集團在資產負債表日根據內部及外部資訊以確定下列資產是否存在減值的跡象，包括：

- 固定資產
- 在建工程
- 使用權資產
- 無形資產
- 長期股權投資
- 長期待攤費用
- 其他非流動資產等

本集團對存在減值跡象的資產進行減值測試，估計資產的可收回金額。此外，無論是否存在減值跡象，本集團至少每年對尚未達到可使用狀態的無形資產估計其可收回金額，於每年年度終了對使用壽命不確定的無形資產估計其可收回金額。

可收回金額是指資產（或資產組、資產組組合，下同）的公允價值（參見附註三、17）減去處置費用後的淨額與資產預計未來現金流量的現值兩者之間較高者。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

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

16. Impairment of assets other than inventories and financial assets (Cont'd)

An asset group is composed of assets directly relating to cash-generation, which is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or asset groups.

The present value of expected future cash flows of an asset is determined by discounting the future cash flows, estimated to be derived from continuing use of the asset and from its ultimate disposal, to their present value using a pre-tax discount rate.

If the result of the recoverable amount estimation indicates the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is recognized as an impairment loss and charged to profit or loss for the current period. A provision for impairment loss of the asset is recognized accordingly. For impairment losses related to an asset group or a set of asset groups, reduce the carrying amount of the other assets in the asset group or set of asset groups on a pro rata basis. However, the carrying amount of an impaired asset will not be reduced below the highest of its individual fair value less costs to sell (if determinable), the present value of expected future cash flows (if determinable) and zero.

Once an impairment loss is recognized, it is not reversed in a subsequent period.

17. Fair value measurement

Unless otherwise stated, the Group measures the fair value according to the following principles:

Fair value is the price which the market participants can receive from sale of an asset or shall pay for the transfer a liability in an orderly transaction occurring on the measurement date.

When estimating fair value, the Group considers the characteristics (including status and location of assets, restrictions on the sale or use of assets, etc.) considered by market participants when they determine the price of relevant assets or liabilities on the measurement date, and adopts valuation techniques which are applicable in the current situation and supported by sufficient available data and other information. The valuation techniques mainly include market approach, income approach and cost approach.

三、公司重要會計政策、會計估計 (續)

16、除存貨及金融資產外的其他資產減值 (續)

資產組由創造現金流入相關的資產組成，是可以認定的最小資產組合，其產生的現金流入基本上獨立於其他資產或者資產組。

資產預計未來現金流量的現值，按照資產在持續使用過程中和最終處置時所產生的預計未來現金流量，選擇恰當的稅前折現率對其進行折現後的金額加以確定。

可收回金額的估計結果表明，資產的可收回金額低於其賬面價值的，資產的賬面價值會減記至可收回金額，減記的金額確認為資產減值損失，計入當期損益，同時計提相應的資產減值準備。與資產組或者資產組組合相關的減值損失，根據資產組或者資產組組合中除商譽之外的其他各項資產的賬面價值所佔比重，按比例抵減其他各項資產的賬面價值，但抵減後的各資產的賬面價值不得低於該資產的公允價值減去處置費用後的淨額（如可確定的）、該資產預計未來現金流量的現值（如可確定的）和零三者之中最高者。

資產減值損失一經確認，在以後會計期間不會轉回。

17、公允價值的計量

除特別聲明外，本集團按下述原則計量公允價值：

公允價值是指市場參與者在計量日發生的有序交易中，出售一項資產所能收到或者轉移一項負債所需支付的價格。

本集團估計公允價值時，考慮市場參與者在計量日對相關資產或負債進行定價時考慮的特徵（包括資產狀況及所在位置、對資產出售或者使用的限制等），並採用在當前情況下適用並且有足夠可利用數據和其他資訊支援的估值技術。使用的估值技術主要包括市場法、收益法和成本法。

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

18. Provisions

A provision is recognized for an obligation related to a contingency if the Group has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

A provision is initially measured at the best estimate of the expenditure required to settle the related present obligation. Where the effect of time value of money is material, provisions are determined by discounting the expected future cash flows. Factors pertaining to a contingency such as the risks, uncertainties and time value of money are taken into account as a whole in reaching the best estimate. Where there is a continuous range of possible outcomes for the expenditure required, and each possible outcome in that range is as likely as any other, the best estimate is the mid-point of that range. Otherwise, the best estimate is determined based on the following circumstances:

- Where the contingency involves a single item, the best estimate is the most likely outcome.
- Where the contingency involves multiple items, the best estimate is determined by weighting all possible outcomes by their associated probabilities.

The Group reviewed the carrying amount of a provision at the balance sheet date and adjusted the carrying amount to the current best estimate.

三、公司重要會計政策、會計估計 (續)

18、預計負債

如果與或有事項相關的義務是本集團承擔的現時義務，且該義務的履行很可能會導致經濟利益流出本集團，以及有關金額能夠可靠地計量，則本集團會確認預計負債。

預計負債按照履行相關現時義務所需支出的最佳估計數進行初始計量。對於貨幣時間價值影響重大的，預計負債以預計未來現金流量折現後的金額確定。在確定最佳估計數時，本集團綜合考慮了與或有事項有關的風險、不確定性和貨幣時間價值等因素。所需支出存在一個連續範圍，且該範圍內各種結果發生的可能性相同的，最佳估計數按照該範圍內的中間值確定；在其他情況下，最佳估計數分別下列情況處理：

- 或有事項涉及單個項目的，按照最可能發生金額確定。
- 或有事項涉及多個項目的，按照各種可能結果及相關概率計算確定。

本集團在資產負債表日對預計負債的賬面價值進行覆核，並按照當前最佳估計數對該賬面價值進行調整。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

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

19. Share-based payments

(1) *Classification of share-based payments*

Share-based payment transactions in the Group are equity-settled share-based payments.

(2) *Accounting treatment of share-based payments*

- Equity-settled share-based payments

Where the Group uses shares or other equity instruments as consideration for services received from the employees, the payment is measured at the fair value of the equity instruments granted to the employees at the grant date. If the equity instruments granted to employees vest immediately, the fair value of the equity instruments granted is fully recognised as costs or expenses on the grant date, with a corresponding increase in capital reserve. If the equity instruments granted do not vest until the completion of services for a period, or until the achievement of a specified performance condition, the Group recognises an amount at each balance sheet date during the vesting period based on the best estimate of the number of equity instruments expected to vest according to the newly obtained subsequent information of the changes of the number of the employees expected to vest the equity instruments. The Group measures the services received at the grant-date fair value of the equity instruments and recognises the costs or expenses as the services are received, with a corresponding increase in capital reserve.

When the Group receives services, but has no obligation to settle the transaction because the relevant equity instruments are issued by the Company's ultimate parent or its subsidiaries outside the Group, the Group also classifies the transaction as equity-settled.

20. Revenue

Revenue is the gross inflow of economic benefits arising in the course of the Group's ordinary activities when the inflows result in increase in shareholder's equity, other than increase relating to contributions from shareholders.

Revenue is recognised when the Group satisfies the performance obligation in the contract by transferring the control over relevant goods or services to the customers.

Where a contract has two or more performance obligations, the Group determines the stand-alone selling price at contract inception of the distinct good or service underlying each performance obligation in the contract and allocates the transaction price in proportion to those stand-alone selling prices.

三、公司重要會計政策、會計估計 (續)

19、股份支付

(1) *股份支付的種類*

本集團的股份支付為以權益結算的股份支付。

(2) *實施股份支付計畫的相關會計處理*

- 以權益結算的股份支付

本集團以股份或其他權益工具作為對價換取職工提供服務時，以授予職工權益工具在授予日公允價值計量。對於授予後立即可行權的股份支付交易，本集團在授予日按照權益工具的公允價值計入相關成本或費用，相應增加資本公積。對於授予後完成等待期內的服務或達到規定業績條件才可行權的股份支付交易，本集團在等待期內的每個資產負債表日，根據最新取得的可行權職工人數變動等後續信息對可行權權益工具數量作出最佳估計，以此基礎按照權益工具授予日的公允價值，將當期取得的服務計入相關成本或費用，並相應計入資本公積。

當本集團接受服務但沒有結算義務，並且授予職工的是本公司最終控制方或其控制的除本集團外的子公司的權益工具時，本集團將此股份支付計畫作為權益結算的股份支付處理。

20、收入

收入是本集團在日常活動中形成的、會導致股東權益增加且與股東投入資本無關的經濟利益的總流入。

本集團在履行了合同中的履約義務，即在客戶取得相關商品或服務的控制權時，確認收入。

合同中包含兩項或多項履約義務的，本集團在合同開始日，按照各單項履約義務所承諾商品或服務的單獨售價的相對比例，將交易價格分攤至各單項履約義務，按照分攤至各單項履約義務的交易價格計量收入。

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

20. Revenue (Cont'd)

The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties. The Group recognises the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved. The consideration which the Group expects to refund to the customer is recognised as refund liabilities and excluded from transaction price. Where the contract contains a significant financing component, the Group recognises the transaction price at an amount that reflects the price that a customer would have paid for the promised goods or services if the customer had paid cash for those goods or services when (or as) they transfer to the customer. The difference between the amount of promised consideration and the cash selling price is amortised using an effective interest method over the contract term. The Group does not adjust the consideration for any effects of a significant financing component if it expects, at contract inception, that the period between when the Group transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less.

The Group satisfies a performance obligation over time if one of the following criteria is met; or otherwise, a performance obligation is satisfied at a point in time:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the customer can control the asset created or enhanced during the Group's performance;
- the Group's performance does not create an asset with an alternative use to it and the Group has an enforceable right to payment for performance completed to date.

三、公司重要會計政策、會計估計 (續)

20、收入 (續)

交易價格是本集團因向客戶轉讓商品或服務而預期有權收取的對價金額，不包括代協力廠商收取的款項。本集團確認的交易價格不超過在相關不確定性消除時累計已確認收入極可能不會發生重大轉回的金額。預期將退還給客戶的款項作為退貨負債，不計入交易價格。合同中存在重大融資成分的，本集團按照假定客戶在取得商品或服務控制權時即以現金支付的應付金額確定交易價格。該交易價格與合同對價之間的差額，在合同期間內採用實際利率法攤銷。合同開始日，本集團預計客戶取得商品或服務控制權與客戶支付價款間隔不超過一年的，不考慮合同中存在的重大融資成分。

滿足下列條件之一時，本集團屬於在某一時段內履行履約義務，否則，屬於在某一時點履行履約義務：

- 客戶在本集團履約的同時即取得並消耗本集團履約所帶來的經濟利益；
- 客戶能夠控制本集團履約過程中在建的商品；
- 本集團履約過程中所產出的商品具有不可替代用途，且本集團在整個合同期間內有權就累計至今已完成的履約部分收取款項。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

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

20. Revenue (Cont'd)

For performance obligation satisfied over time, the Group recognises revenue over time by measuring the progress towards complete satisfaction of that performance obligation. When the outcome of that performance obligation cannot be measured reasonably, but the Group expects to recover the costs incurred in satisfying the performance obligation, the Group recognises revenue only to the extent of the costs incurred until such time that it can reasonably measure the outcome of the performance obligation.

For performance obligation satisfied at a point in time, the Group recognises revenue at the point in time at which the customer obtains control of relevant goods or services. To determine whether a customer has obtained control of goods or services, the Group considers the following indicators:

- the Group has a present right to payment for the goods or services;
- the Group has transferred physical possession of the goods to the customer;
- the Group has transferred the legal title of the goods or the significant risks and rewards of ownership of the goods to the customer;
- the customer has accepted the goods or services.

A contract asset is the Group's right to consideration in exchange for goods or services that it has transferred to a customer when that right is conditional on something other than the passage of time. The Group recognises loss allowances for expected credit loss on contract assets (see Note III.8 (6)). Accounts receivable is the Group's right to consideration that is unconditional (only the passage of time is required). A contract liability is the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

三、公司重要會計政策、會計估計 (續)

20、收入 (續)

對於在某一時段內履行的履約義務，本集團在該段時間內按照履約進度確認收入。履約進度不能合理確定時，本集團已經發生的成本預計能夠得到補償的，按照已經發生的成本金額確認收入，直到履約進度能夠合理確定為止。

對於在某一時點履行的履約義務，本集團在客戶取得相關商品或服務控制權時點確認收入。在判斷客戶是否已取得商品或服務控制權時，本集團會考慮下列跡象：

- 本集團就該商品或服務享有現時收款權利；
- 本集團已將該商品的實物轉移給客戶；
- 本集團已將該商品的法定所有權或所有權上的主要風險和報酬轉移給客戶；
- 客戶已接受該商品或服務等。

本集團已向客戶轉讓商品或服務而有權收取對價的權利（且該權利取決於時間流逝之外的其他因素）作為合同資產列示，合同資產以預期信用損失為基礎計提減值（參見附註三、8(6)）。本集團擁有的、無條件（僅取決於時間流逝）向客戶收取對價的權利作為應收款項列示。本集團已收或應收客戶對價而應向客戶轉讓商品或服務的義務作為合同負債列示。

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

20. Revenue (Cont'd)

Specific accounting policies which related to the Group's main activities to generate revenue are described below:

(1) *Sale of goods*

The Group's merchandise sales are mainly direct sales.

(a) *Domestic product sales*

The Group's domestic merchandise sales are mainly sales of optical fiber preforms, optical fibers, optical cables and related products. The Group is generally responsible for the delivery of the goods to the designated place of delivery. After the goods are delivered to the customer for acceptance and a receipt is obtained, customers obtain control of products. The Group confirms the income from sales of goods.

(b) *Overseas sales*

The overseas sales of the Group's products mainly consisted of sales of optical fiber preforms, optical fibres, optical fibre cables and related products to overseas exports. The Group generally enters into offshore price terms with its customers, and the purchasers obtain control of products at the time of offshore declaration. The Group confirms the income from sales of goods.

(2) *Rendering of labour services*

The Group provides labor services mainly to provide short-term technical services. After the Group completes technical service contents and obtains customer acceptance orders, it provides income from labor services based on the fair value of the contract or agreement price received or receivable.

Where the outcome cannot be estimated reliably, revenues are recognised to the extent of the costs incurred that are expected to be recoverable, and an equivalent amount is charged to profit or loss as service cost; otherwise, the costs incurred are recognised in profit or loss and no service revenue is recognised.

三、公司重要會計政策、會計估計 (續)

20、收入 (續)

與本集團取得收入的主要活動相關的具體會計政策描述如下：

(1) *銷售商品*

本集團的商品銷售類型主要為直接銷售。

(a) *境內商品銷售*

本集團境內商品銷售主要為光纖預製棒、光纖、光纜及相關產品的銷售。本集團一般負責將貨物運送至指定交貨地點，將貨物交付客戶驗收並取得簽收單後，客戶取得貨物控制權，本集團確認銷售商品收入。

(b) *境外商品銷售*

本集團境外商品銷售主要為向境外出口銷售光纖預製棒、光纖、光纜及相關產品。本集團與客戶根據合同在貨物離岸報關時由購貨方取得貨物控制權，本集團確認銷售商品收入。

(2) *提供勞務收入*

本集團按已收或應收的合同或協議價款的公允價值確定提供勞務收入金額。本集團在完成技術服務內容，取得客戶驗收單後確定提供勞務收入。

勞務交易的結果不能可靠估計的，如果已經發生的勞務成本預計能夠得到補償的，則按照已經發生的勞務成本金額確認提供勞務收入，並按相同金額結轉勞務成本；如果已經發生的勞務成本預計不能夠得到補償的，則將已經發生的勞務成本計入當期損益，不確認提供勞務收入。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

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

21. Contract costs

Contract costs are either the incremental costs of obtaining a contract with a customer or the costs to fulfil a contract with a customer.

Incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained e.g. an incremental sales commission. The Group recognises as an asset the incremental costs of obtaining a contract with a customer if it expects to recover those costs. Other costs of obtaining a contract are expensed when incurred.

If the costs to fulfil a contract with a customer are not within the scope of inventories or other accounting standards, the Group recognises an asset from the costs incurred to fulfil a contract only if those costs meet all of the following criteria:

- the costs relate directly to an existing contract or to a specifically identifiable anticipated contract, including direct labour, direct materials, allocations of overheads (or similar costs), costs that are explicitly chargeable to the customer and other costs that are incurred only because the Group entered into the contract;
- the costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future;
- the costs are expected to be recovered.

Assets recognised for the incremental costs of obtaining a contract and assets recognised for the costs to fulfil a contract (the “assets related to contract costs”) are amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the assets relate and recognised in profit or loss for the current period. The Group recognises the incremental costs of obtaining a contract as an expense when incurred if the amortisation period of the asset that the entity otherwise would have recognised is one year or less.

三、公司重要會計政策、會計估計 (續)

21、合同成本

合同成本包括為取得合同發生的增量成本及合同履約成本。

為取得合同發生的增量成本是指本集團不取得合同就不會發生的成本(如銷售佣金等)。該成本預期能夠收回的，本集團將其作為合同取得成本確認為一項資產。本集團為取得合同發生的、除預期能夠收回的增量成本之外的其他支出於發生時計入當期損益。

為履行合同發生的成本，不屬於存貨等其他企業會計準則規範範圍且同時滿足下列條件的，本集團將其作為合同履約成本確認為一項資產：

- 該成本與一份當前或預期取得的合同直接相關，包括直接人工、直接材料、製造費用(或類似費用)、明確由客戶承擔的成本以及僅因該合同而發生的其他成本；
- 該成本增加了本集團未來用於履行履約義務的資源；
- 該成本預期能夠收回。

合同取得成本確認的資產和合同履約成本確認的資產(以下簡稱「與合同成本有關的資產」)採用與該資產相關的商品或服務收入確認相同的基礎進行攤銷，計入當期損益。攤銷期限不超過一年則在發生時計入當期損益。

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

21. Contract costs (Cont'd)

The Group recognise an impairment loss in profit or loss to the extent that the carrying amount of an asset related to contract costs exceeds:

- remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the asset relates;
- the costs that relate directly to providing those goods or services that have not yet been recognised as expenses.

22. Employee benefits

(1) Short-term employee benefits

Employee wages or salaries, bonuses, social security contributions such as medical insurance, work injury insurance, maternity insurance and housing fund, measured at the amount incurred or at the applicable benchmarks and rates, are recognised as a liability as the employee provides services, with a corresponding charge to profit or loss or included in the cost of assets where appropriate.

(2) Post-employment benefits – defined contribution plans

Pursuant to the relevant laws and regulations of the People's Republic of China, the Group participated in a defined contribution basic pension insurance in the social insurance system established and managed by government organisations. The Group makes contributions to basic pension insurance plans based on the applicable benchmarks and rates stipulated by the government. Basic pension insurance contributions are recognised as part of the cost of assets or charged to profit or loss as the related services are rendered by the employees.

三、公司重要會計政策、會計估計 (續)

21、合同成本 (續)

當與合同成本有關的資產的帳面價值高於下列兩項的差額時，本集團對超出部分計提減值準備，並確認為資產減值損失：

- 本集團因轉讓與該資產相關的商品或服務預期能夠取得的剩餘對價；
- 為轉讓該相關商品或服務估計將要發生的成本。

22、職工薪酬

(1) 短期薪酬

本集團在職工提供服務的會計期間，將實際發生或按規定的基準和比例計提的職工工資、獎金、醫療保險費、工傷保險費和生育保險費等社會保險費和住房公積金，確認為負債，並計入當期損益或相關資產成本。

(2) 離職後福利 – 設定提存計劃

本集團所參與的設定提存計劃是按照中國有關法規要求，本集團職工參加的由政府機構設立管理的社會保障體系中的基本養老保險。基本養老保險的繳費金額按國家規定的基準和比例計算。本集團在職工提供服務的會計期間，將應繳存的金額確認為負債，並計入當期損益或相關資產成本。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

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

22. Employee benefits (Cont'd)

(3) Termination benefits

When the Group terminates the employment with employees before the employment contracts expire, or provides compensation under an offer to encourage employees to accept voluntary redundancy, a provision is recognised with a corresponding expense in profit or loss at the earlier of the following dates:

- When the Group cannot unilaterally withdraw the offer of termination benefits because of an employee termination plan or a curtailment proposal;
- When the Group has a formal detailed restructuring plan involving the payment of termination benefits and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

23. Government grants

Government grants are transfers of monetary assets or non-monetary assets from the government to the Group at no consideration except for the capital contribution from the government as an investor in the Group.

A government grant is recognized when there is reasonable assurance that the grant will be received and that the Group will comply with the conditions attaching to the grant.

If a government grant is in the form of a transfer of a monetary asset, it is measured at the amount that is received or receivable. If a government grant is in the form of a transfer of a non-monetary asset, it is measured at its fair value.

三、公司重要會計政策、會計估計 (續)

22、職工薪酬 (續)

(3) 辭退福利

本集團在職工勞動合同到期之前解除與職工的勞動關係，或者為鼓勵職工自願接受裁減而提出給予補償的建議，在下列兩者孰早日，確認辭退福利產生的負債，同時計入當期損益：

- 本集團不能單方面撤回因解除勞動關係計劃或裁減建議所提供的辭退福利時；
- 本集團有詳細、正式的涉及支付辭退福利的重組計劃；並且，該重組計劃已開始實施，或已向受其影響的各方通告了該計劃的主要內容，從而使各方形成了對本集團將實施重組的合理預期時。

23、政府補助

政府補助是本集團從政府無償取得的貨幣性資產或非貨幣性資產，但不包括政府以投資者身份向本集團投入的資本。

政府補助在能夠滿足政府補助所附條件，並能夠收到時，予以確認。

政府補助為貨幣性資產的，按照收到或應收的金額計量。政府補助為非貨幣性資產的，按照公允價值計量。

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

23. Government grants (Cont'd)

In addition to the government subsidy for the following policy-based discount, a government grant obtained by the Group for acquisition or construction or in the form of long-term asset is deemed to be related to an asset. A government grant obtained by the Group other than asset-related government grants is deemed to be related to income. A government grant related to an asset is recognized initially as deferred income and amortized to profit or loss in the same period according to a reasonable, systematic approach by instalments over the useful life of the asset. A government grant related to income that compensates the Group for expenses or losses to be incurred in the subsequent periods is recognized initially as deferred income and recognized in profit or loss in the same period in which the cost expenses or losses are recognized. A government grant that compensates the Group for cost expenses or losses incurred is recognized in profit or loss immediately.

The accounting treatment for the policy-based concessional loan discounts obtained by the Group was as follows:

- The finance department allocated the interest-subsidy funds to the loan bank. If the lending bank provides loans to the Company at a policy-based preferential interest rate, the borrowing amount actually received was used as the book value of the loan, and the relevant loan was calculated according to the loan principal and the policy preferential interest rate cost.
- If the finance department directly distributed the discount interest funds to the Group, the corresponding discount would be used to offset the relevant borrowing costs.

24. Income tax

Current and deferred tax is recognised in profit or loss except to the extent that they relate to business combinations or items recognised directly in equity (including other comprehensive income).

Current tax is the expected income tax payable calculated at the applicable tax rate on taxable income for the year, plus any adjustment to income tax payable in respect of previous years.

At the balance sheet date, current tax assets and liabilities are offset if the Group has a legally enforceable right to set them off and also intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

三、公司重要會計政策、會計估計 (續)

23、政府補助 (續)

本集團取得的、除下述政策性貼息的政府補助外、用於購建或以其他方式形成長期資產的政府補助作為與資產相關的政府補助。本集團取得的與資產相關之外的其他政府補助作為與收益相關的政府補助。與資產相關的政府補助，本集團將其確認為遞延收益，並在相關資產使用壽命內按照合理、系統的方法分期計入當期損益。與收益相關的政府補助，如果用於補償本集團以後期間的相關成本費用或損失的，本集團將其確認為遞延收益，並在確認相關成本費用或損失的期間，計入當期損益；如果用於補償本集團已發生的相關成本費用或損失的，則直接計入當期損益。

本集團取得政策性優惠貸款貼息的會計處理方法為：

- 財政將貼息資金撥付給貸款銀行，由貸款銀行以政策性優惠利率向公司提供貸款的，以實際收到的借款金額作為借款的入帳價值，按照借款本金和該政策性優惠利率計算相關借款費用。
- 財政將貼息資金直接撥付給本集團的，將對應的貼息沖減相關借款費用。

24、所得稅

除因企業合併和直接計入所有者權益(包括其他綜合收益)的交易或者事項產生的所得稅外，本集團將當期所得稅和遞延所得稅計入當期損益。

當期所得稅是按本年度應稅所得額，根據稅法規定的稅率計算的預期應交所得稅，加上以往年度應付所得稅的調整。

資產負債表日，如果本集團擁有以淨額結算的法定權利並且意圖以淨額結算或取得資產、清償負債同時進行時，那麼當期所得稅資產及當期所得稅負債以抵銷後的淨額列示。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

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

24. Income tax (Cont'd)

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities and their tax bases, which include the deductible tax losses and tax credits carried forward to subsequent years. Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilized.

Deferred tax is not recognized for the temporary differences arising from the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting profit nor taxable profit (or deductible loss). Deferred tax is not recognised for taxable temporary differences arising from the initial recognition of goodwill.

At the balance sheet date, the carrying amount of deferred tax assets and liabilities are measured based on the expected manner of recovery or settlement of the carrying amount of the assets and liabilities, using tax rates that are expected to be applied in the period when the asset is recovered or the liability is settled in accordance with tax laws.

The carrying amount of a deferred tax asset is reviewed at each balance sheet date. The carrying amount of a deferred tax asset is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the benefits of the deferred tax asset to be utilized. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

At the balance sheet date, deferred tax assets and liabilities are offset if all the following conditions are met:

- the taxable entity has the legal rights to settle the income tax assets and income tax liabilities for the current period by net amount;
- they relate to income taxes levied by the same tax authority on either the taxable entity has a legally enforceable right or set off current income tax assets against current income tax liabilities, and different taxable entities which either intend to settle the current income tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

三、公司重要會計政策、會計估計 (續)

24、所得稅 (續)

遞延所得稅資產與遞延所得稅負債分別根據可抵扣暫時性差異和應納稅暫時性差異確定。暫時性差異是指資產或負債的賬面價值與其計稅基礎之間的差額，包括能夠結轉以後年度的可抵扣虧損和稅款抵減。遞延所得稅資產的確認以很可能取得用來抵扣可抵扣暫時性差異的應納稅所得額為限。

如果不屬於企業合併交易且交易發生時既不影響會計利潤也不影響應納稅所得額（或可抵扣虧損），則該項交易中產生的暫時性差異不會產生遞延所得稅。

資產負債表日，本集團根據遞延所得稅資產和負債的預期收回或結算方式，依據已頒佈的稅法規定，按照預期收回該資產或清償該負債期間的適用稅率計量該遞延所得稅資產和負債的賬面金額。

資產負債表日，本集團對遞延所得稅資產的賬面價值進行覆核。如果未來期間很可能無法獲得足夠的應納稅所得額用以抵扣遞延所得稅資產的利益，則減記遞延所得稅資產的賬面價值。在很可能獲得足夠的應納稅所得額時，減記的金額予以轉回。

資產負債表日，遞延所得稅資產及遞延所得稅負債在同時滿足以下條件時以抵銷後的淨額列示：

- 納稅主體擁有以淨額結算當期所得稅資產及當期所得稅負債的法定權利；
- 遞延所得稅資產及遞延所得稅負債是與同一稅收徵管部門對同一納稅主體徵收的所得稅相關或者是對不同的納稅主體相關，但在未來每一具有重要性的遞延所得稅資產及負債轉回的期間內，涉及的納稅主體意圖以淨額結算當期所得稅資產和負債或是同時取得資產、清償負債。

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

25. Lease

Lease, for a period of time, a contract that the lessor conveys the right-of-use of asset to the lessee in exchange for consideration.

At inception of a contract, an entity shall assess whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group shall assess:

- the contract involves the use of identified assets. An asset is typically identified by being explicitly specified in a contract. However, an asset can also be identified by being implicitly specified at the time that the asset is made available for use by the customer and it is physically distinct. A capacity or other portion of an asset that is not physically distinct is not an identified asset, unless it represents substantially all of the capacity of the asset and thereby provides the customer with the right to obtain substantially all of the economic benefits from use of the asset. If the supplier has the substantive right to substitute the asset throughout the period of use, the asset can't be treated as identified asset;
- the lessee has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use;
- the lessee has the right to direct the use of the identified asset throughout the period of use.

For a contract that is, or contains, a lease, an entity shall account for each lease component within the contract as a lease separately from non-lease components of the contract. As for land and building lease which the Group as lessee, the Group elect not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component. For a contract that contains a lease component and one or more additional lease or non-lease components, a lessee shall allocate the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. A lessor shall allocate the consideration in the contract applying Note III. 20.

三、公司重要會計政策、會計估計 (續)

25、租賃

租賃，是指在一定期間內，出租人將資產的使用權讓與承租人以獲取對價的合同。

在合同開始日，本集團評估合同是否為租賃或者包含租賃。如果合同中一方讓渡了在一定期間內控制一項或多項已識別資產使用的權利以換取對價，則該合同為租賃或者包含租賃。

為確定合同是否讓渡了在一定期間內控制已識別資產使用的權利，本集團進行如下評估：

- 合同是否涉及已識別資產的使用。已識別資產可能由合同明確指定或在資產可供客戶使用時隱性指定，並且該資產在物理上可區分，或者如果資產的某部分產能或其他部分在物理上不可區分但實質上代表了該資產的全部產能，從而使客戶獲得因使用該資產所產生的幾乎全部經濟利益。如果資產的供應方在整個使用期間擁有對該資產的實質性替換權，則該資產不屬於已識別資產；
- 承租人是否有權獲得在使用期間內因使用已識別資產所產生的幾乎全部經濟利益；
- 承租人是否有權在該使用期間主導已識別資產的使用。

合同中同時包含多項單獨租賃的，承租人和出租人將合同予以分拆，並分別各項單獨租賃進行會計處理。合同中同時包含租賃和非租賃部分的，承租人和出租人將租賃和非租賃部分進行分拆。但是，對本集團作為承租人的土地和建築物租賃，本集團選擇不分拆合同包含的租賃和非租賃部分，並將各租賃部分及與其相關的非租賃部分合併為租賃。在分拆合同包含的租賃和非租賃部分時，承租人按照各租賃部分單獨價格及非租賃部分的單獨價格之和的相對比例分攤合同對價。出租人按附註三、20所述會計政策中關於交易價格分攤的規定分攤合同對價。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

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

25. Lease (Cont'd)

(1) As a lessee

At the commencement date, the Group shall recognise a right-of-use asset and a lease liability and measure the right-of-use asset at cost. The cost of the right-of-use asset shall comprise the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date (less any lease incentives received), any initial direct costs incurred by the Group and an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

The Group depreciates the right-of-use asset on a straight-line basis. If the lease transfers ownership of the underlying asset to the lessee by the end of the lease term, the Group shall depreciate the lease asset from the commencement date to the end of the useful life of the lease asset. Otherwise, the Group shall depreciate the lease asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The right-of-use asset shall recognise impairment allowances according to Note III.16.

At the commencement date, a lessee shall measure the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the Group shall use the Group's incremental borrowing rate.

The Group calculate interest on the lease liability over the lease term at a constant periodic rate and shall recognise in profit or loss or include in the cost of related asset. Variable lease payments not included in the measurement of the lease liability in the period in which the event or condition that triggers those payments occurs shall be recognised in profit or loss or be included in the cost of related asset.

三、公司重要會計政策、會計估計 (續)

25、租賃 (續)

(1) 本集團作為承租人

在租賃期開始日，本集團對租賃確認使用權資產和租賃負債。使用權資產按照成本進行初始計量，包括租賃負債的初始計量金額、在租賃期開始日或之前支付的租賃付款額（扣除已享受的租賃激勵相關金額），發生的初始直接費用以及為拆卸及移除租賃資產、復原租賃資產所在場地或將租賃資產恢復至租賃條款約定狀態預計將發生的成本。

本集團使用直線法對使用權資產計提折舊。對能夠合理確定租賃期屆滿時取得租賃資產所有權的，本集團在租賃資產剩餘使用壽命內計提折舊。否則，租賃資產在租賃期與租賃資產剩餘使用壽命兩者孰短的期間內計提折舊。使用權資產按附註三、16所述的會計政策計提減值準備。

租賃負債按照租賃期開始日尚未支付的租賃付款額的現值進行初始計量，折現率為租賃內含利率。無法確定租賃內含利率的，採用本集團增量借款利率作為折現率。

本集團按照固定的週期性利率計算租賃負債在租賃期內各期間的利息費用，並計入當期損益或相關資產成本。未納入租賃負債計量的可變租賃付款額在實際發生時計入當期損益或相關資產成本。

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

25. Lease (Cont'd)

(1) As a lessee (Cont'd)

After the commencement date, the Group shall remeasure the lease liability by discounting the revised lease payments, if either:

- there is a change in the amounts expected to be payable under a residual value guarantee;
- there is a change in an index or a rate used to determine lease payments;
- there is a change in the assessment of an option to purchase the underlying asset, an option to extend the lease and an option to terminate the lease or a difference between actual execution and original assessment of an option to extend the lease and an option to terminate the lease.

The Group shall recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. If the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group shall recognise any remaining amount of the remeasurement in profit or loss.

The Group elects not to recognise right-of-use asset and lease liability for short-term leases (A lease that has a lease term of 12 months or less) and leases for which the underlying asset is of low value and recognise the lease payments associated with those leases as an expense or cost of related asset on a straight-line basis over the lease term.

三、公司重要會計政策、會計估計 (續)

25、租賃 (續)

(1) 本集團作為承租人 (續)

租賃期開始日後，發生下列情形的，本集團按照變動後租賃付款額的現值重新計量租賃負債：

- 根據擔保餘值預計的應付金額發生變動；
- 用於確定租賃付款額的指數或比率發生變動；
- 本集團對購買選擇權、續租選擇權或終止租賃選擇權的評估結果發生變化，或續租選擇權或終止租賃選擇權的實際行使情況與原評估結果不一致。

在對租賃負債進行重新計量時，本集團相應調整使用權資產的帳面價值。使用權資產的帳面價值已調減至零，但租賃負債仍需進一步調減的，本集團將剩餘金額計入當期損益。

本集團已選擇對短期租賃（租賃期不超過12個月的租賃）和低價值資產租賃不確認使用權資產和租賃負債，並將相關的租賃付款額在租賃期內各個期間按照直線法計入當期損益或相關資產成本。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

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

25. Lease (Cont'd)

(2) As a lessor

At the commencement date of the lease, The Group shall classify each of its leases as either an operating lease or a finance lease. A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of a leased asset to the lessee, irrespective of whether ownership of the asset is eventually transferred or not. An operating lease is a lease other than a finance lease.

When the Group is an intermediate lessor, the sublease shall be classified by reference to the right-of-use asset arising from the head lease, rather than by reference to the underlying asset. If the head lease is a short-term lease that the Group, as a lessee, has accounted for applying above simplification of the short-term lease, the sublease shall be classified as an operating lease.

The Group shall recognise lease payments from operating leases as lease income on a straight-line basis. The Group shall add initial direct costs incurred in obtaining an operating lease to the carrying amount of the lease asset and recognise those costs as an expense over the lease term on the same basis as the lease income. Variable lease payments not included in lease payments in the period in which the event or condition that triggers those payments occurs shall be recognised in profit or loss.

三、公司重要會計政策、會計估計 (續)

25、租賃 (續)

(2) 本集團作為出租人

在租賃開始日，本集團將租賃分為融資租賃和經營租賃。融資租賃是指無論所有權最終是否轉移但實質上轉移了與租賃資產所有權有關的幾乎全部風險和報酬的租賃。經營租賃是指除融資租賃以外的其他租賃。

本集團作為轉租出租人時，基於原租賃產生的使用權資產，而不是原租賃的標的資產，對轉租賃進行分類。如果原租賃為短期租賃且本集團選擇對原租賃應用上述短期租賃的簡化處理，本集團將該轉租賃分類為經營租賃。

經營租賃的租賃收款額在租賃期內按直線法確認為租金收入。本集團將其發生的與經營租賃有關的初始直接費用予以資本化，在租賃期內按照與租金收入確認相同的基礎進行分攤，分期計入當期損益。未計入租賃收款額的可變租賃付款額在實際發生時計入當期損益。

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

26. Profit distributions to shareholders

Dividends or distributions of profits proposed in the profit appropriation plan which will be considered and approved after the balance sheet date, are not recognized as a liability at the balance sheet date but disclosed in the notes separately.

27. Related parties

If a party has the power to control, jointly control or exercise significant influence over another party, or where two or more parties are subject to common control, joint control or significant influence from another party, they are considered to be related parties. Related parties may be individuals or enterprises. Enterprises which is under common control only from the State and that have no other related party relationships are not regarded as related parties.

In addition, the Company also determines the related parties of the Group or the Company in accordance with the Measures for the Administration of Information Disclosure of Listed Companies promulgated by the Securities Regulatory Commission.

28. Segment reporting

The Group determines the operating segments on the basis of internal structure, management requirements and internal reporting system. If two or more operating segments having similar economic characteristics, and at the same time the nature of each product and service, the nature of production process, the type or class of customers for their products and services, the methods used to distribute their products or provide their services; the influence brought by law, administrative regulations on production of products and provision of services of each of the individual operating segment have the same or similar nature can be merged into one operating segment. The Group determines the reporting segment after considering the principle of materiality based on operating segments.

Inter-segment revenues are measured on the basis of actual transaction price for such transactions for segment reporting, and segment accounting policies are consistent with those used for the preparation of financial statements of the Group.

三、公司重要會計政策、會計估計 (續)

26、股利分配

資產負債表日後，經審議批准的利潤分配方案中擬分配的股利或利潤，不確認為資產負債表日的負債，在附註中單獨披露。

27、關聯方

一方控制、共同控制另一方或對另一方施加重大影響，以及兩方或兩方以上同受一方控制、共同控制的，構成關聯方。關聯方可為個人或企業。僅僅同受國家控制而不存在其他關聯方關係的企業，不構成關聯方。

此外，本公司同時根據證監會頒佈的《上市公司資訊披露管理辦法》確定本集團或本公司的關聯方。

28、分部報告

本集團以內部組織結構、管理要求、內部報告制度為依據確定經營分部。如果兩個或多個經營分部存在相似經濟特徵且同時在各單項產品或勞務的性質、生產過程的性質、產品或勞務的客戶類型、銷售產品或提供勞務的方式、生產產品及提供勞務受法律及行政法規的影響等方面具有相同或相似性的，可以合併為一個經營分部。本集團以經營分部為基礎考慮重要性原則後確定報告分部。

本集團在編製分部報告時，分部間交易收入按實際交易價格為基礎計量。編製分部報告所採用的會計政策與編製本集團財務報表所採用的會計政策一致。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

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

29. Significant accounting estimates and judgments

The preparation of financial statements requires management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Key assumptions and judgments on uncertainties related to estimates are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

(1) Estimates

Aparting from the information of risk factors and fair value assumption of the Depreciation and amortization of assets other than fixed assets and intangible assets (see Note III, 12 and 15) and impairment of various types of assets (see notes V.4, 7, 8, 12, 13 and 15 and note XVI.2 and 4), other key sources of estimation uncertainty are as follows:

- (i) Note V.16 – Confirmation of deferred tax assets.
- (ii) Note IX – Fair value measurements of financial instruments.
- (iii) Note XI – Share-based payment

(2) Judgments

In preparing this financial statement, management used significant accounting judgments made by the Group's accounting policies. For the accounting policy judgments made by the management that have the most significant influence on the amounts recognized in the financial statements, refer to Note III. 8(5) Termination of Recognition of Financial assets and Financial liabilities and Note V.3 Bills receivable and V.4 Trade receivables.

三、公司重要會計政策、會計估計 (續)

29、主要會計估計及判斷

編製財務報表時，本集團管理層需要運用估計和假設，這些估計和假設會對會計政策的應用及資產、負債、收入及費用的金額產生影響。實際情況可能與這些估計不同。本集團管理層對估計涉及的關鍵假設和不確定因素的判斷進行持續評估，會計估計變更的影響在變更當期和未來期間予以確認。

(1) 主要會計估計

除固定資產及無形資產等資產的折舊及攤銷(參見附註三、12和15)和各類資產減值(參見附註五、4、7、8、12、13和15以及附註十六、2和4)涉及的會計估計外，其他主要估計如下：

- (i) 附註五、16—遞延所得稅資產的確認；
- (ii) 附註九—金融工具公允價值估值；
- (iii) 附註十一—股份支付；

(2) 主要會計判斷

在編製本財務報表時，管理層就採用本集團的會計政策作出重大會計判斷。管理層作出的對財務報表內確認金額構成最重大影響的會計政策判斷參見附註三、8(5)金融資產和金融負債的終止確認及附註五、3應收票據及附註五、4應收賬款。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

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

30. Major changes of accounting policies

(1) *Description and reasons for changes in accounting policies*

The Ministry of Finance (MOF) issued the following revised accounting standards and interpretations in 2019:

- CAS No.14 – Revenue (Revised) (“new revenue standard”)
- Notice on Revision of the 2019 Illustrative Financial Statements (Caikuai [2019] No.6)
- Notice on Revision of the 2019 Illustrative Consolidated Financial Statements (Caikuai [2019] No.16)

(a) *Presentation of Financial Statements*

The Group prepared financial statements for the year ended 31 December 2019 in accordance with the presentation format for financial statements specified by CaiKuai [2019] No.6 and Caikuai [2019] No.16. The Group has applied the new presentation requirements retrospectively.

三、公司重要會計政策、會計估計 (續)

30、主要會計政策的變更

(1) *變更的內容及原因*

本集團於2019年度執行了財政部於近年頒佈的以下企業會計準則修訂：

- 《企業會計準則第21號——租賃（修訂）》（「新租賃準則」）
- 《關於修訂印發2019年度一般企業財務報表格式的通知》（財會[2019] 6號）
- 《關於修訂印發合併財務報表格式（2019版）的通知》（財會[2019] 16號）

(a) *財務報表列報*

本集團根據財會[2019] 6號和財會[2019] 16號規定的財務報表格式編製2019年度財務報表，並採用追溯調整法變更了相關財務報表列報。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

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

30. Major changes of accounting policies (Cont'd)

(1) Description and reasons for changes in accounting policies (Cont'd)

(a) Presentation of Financial Statements (Cont'd)

Affected assets and liabilities items in the consolidated and the company balance sheet as at 1 January 2019:

三、公司重要會計政策、會計估計 (續)

30、主要會計政策的變更 (續)

(1) 變更的內容及原因 (續)

(a) 財務報表列報 (續)

2019年1月1日受影響的合併資產負債表和母公司資產負債表項目：

		The Group 本集團		
		Before adjustment 調整前	Adjustment 調整數	After adjustment 調整後
Bills and trade receivable	應收票據及應收賬款	3,417,463,236	(3,417,463,236)	—
Bills receivable	應收票據	—	322,084,314	322,084,314
Trade receivables	應收賬款	—	2,976,756,984	2,976,756,984
Receivables under financing	應收款項融資	—	118,621,938	118,621,938
Bills and trade payable	應付票據及應付賬款	1,508,113,413	(1,508,113,413)	—
Bills payable	應付票據	—	232,494,030	232,494,030
Trade payables	應付賬款	—	1,275,619,383	1,275,619,383
Non-current liabilities due within one year	一年內到期的非流動負債	275,223,750	1,630,717	276,854,467
Deferred income	遞延收益	79,900,611	11,603,750	91,504,361
Current bank loans	短期借款	276,645,808	625,608	277,271,416
Other payables	其他應付款	499,521,371	(13,860,075)	485,661,296
Total	合計	6,056,868,189	—	6,056,868,189

		The Company 本公司		
		Before adjustment 調整前	Adjustment 調整數	After adjustment 調整後
Bills and trade receivable	應收票據及應收賬款	3,618,173,316	(3,618,173,316)	—
Bills receivable	應收票據	—	308,043,350	308,043,350
Trade receivables	應收賬款	—	3,195,721,925	3,195,721,925
Receivables under financing	應收款項融資	—	114,408,041	114,408,041
Bills and trade payable	應付票據及應付賬款	2,096,084,468	(2,096,084,468)	—
Bills payable	應付票據	—	243,238,463	243,238,463
Trade payables	應付賬款	—	1,852,846,005	1,852,846,005
Non-current liabilities due within one year	一年內到期的非流動負債	269,110,467	7,744,000	276,854,467
Deferred income	遞延收益	31,209,940	5,490,467	36,700,407
Current bank loans	短期借款	238,556,208	578,681	239,134,889
Other payables	其他應付款	222,444,816	(13,813,148)	208,631,668
Total	合計	6,475,579,215	—	6,475,579,215

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

30. Major changes of accounting policies (Cont'd)

(1) Description and reasons for changes in accounting policies (Cont'd)

The Group adopted the new presentation format specified by CaiKuai [2019] No.6 and CaiKuai [2019] No.16, which didn't affect the presentation of the consolidated and the company income statement in 2018, as well as the consolidated and the company statement of cash flow in 2018.

(b) New lease standard

New lease standard revise CAS No.21 – lease (the "old lease standards") issued by the MOF in 2006. The Group has applied the new lease standard since 1 January 2019 and adjusted the related accounting policies.

New leases standard refines the definition of a lease. The Group assesses whether a contract is or contains a lease in accordance with the definition in new leases standard. For contracts existed before the date of initial application, the Group has elected not to reassess whether a contract is or contains a lease at the date of initial application and surplus.

- As a lessee
Under previous leases standard, the Group classifies leases as operating or finance leases based on its assessment of whether the lease transfers significantly all of the risks and rewards incidental to ownership of the underlying asset to the Group.

Under new leases standard, the Group no longer distinguishes between operating leases and finance leases. The Group recognises right-of-use assets and lease liabilities for all leases (except for short-term leases and leases of low-value assets which are accounted for using practical expedient).

For a contract that contains lease and non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group has elected to recognise the cumulative effect of adopting new leases standard as an adjustment to the opening balances of retained earnings and other related items in the financial statement in the initial year of application. Comparative information has not been restated.

三、公司重要會計政策、會計估計 (續)

30、主要會計政策的變更 (續)

(1) 變更的內容及原因 (續)

本集團採用財會[2019] 6號和財會[2019] 16號規定的列報格式未對2018年度合併利潤表和母公司利潤表項目及2018年度合併現金流量表和母公司現金流量表項目的列報產生影響。

(b) 新租賃準則

新租賃準則修訂了財政部於2006年頒佈的《企業會計準則第21號——租賃》(簡稱「原租賃準則」)。本集團自2019年1月1日起執行新租賃準則，對會計政策相關內容進行調整。

新租賃準則完善了租賃的定義，本集團在新租賃準則下根據租賃的定義評估合同是否為租賃或者包含租賃。對於首次執行日前已存在的合同，本集團在首次執行日選擇不重新評估其是否為租賃或者包含租賃。

- 本集團作為承租人
原租賃準則下，本集團根據租賃是否實質上將與資產所有權有關的全部風險和報酬轉移給本集團，將租賃分為融資租賃和經營租賃。

新租賃準則下，本集團不再區分融資租賃與經營租賃。本集團對所有租賃(選擇簡化處理方法的短期租賃和低價值資產租賃除外)確認使用權資產和租賃負債。

在分拆合同包含的租賃和非租賃部分時，本集團按照各租賃部分單獨價格及非租賃部分的單獨價格之和的相對比例分攤合同對價。

本集團選擇根據首次執行新租賃準則的累積影響數，調整首次執行新租賃準則當年年初留存收益及財務報表其他相關項目金額，不調整可比期間信息。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

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

30. Major changes of accounting policies (Cont'd)

(1) Description and reasons for changes in accounting policies (Cont'd)

(b) New lease standard (Cont'd)

• As a lessee (Cont'd)

For leases classified as operating leases before the date of initial application, lease liabilities were measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at the date of initial application. Right-of-use assets are measured at:

- an amount equal to the lease liability, adjusted by the amount of any prepaid lease payments the Group applied this approach to all other leases.

The Group also uses the following practical expedients to account for leases classified as operating leases before the date of initial application:

- accounted for the leases for which the lease term ends within 12 months of the date of initial application as short-term leases;
- applied a single discount rate to leases with similar characteristics when measuring lease liabilities;
- excluded initial direct costs from measuring the right-of-use assets;
- determined the lease term according to the actual implementation or other updates of options before the date of initial application if the contract contains options to extend or terminate the lease;
- adjusted the right-of-use assets by the amount of onerous contract provision applying CAS No.13 – Contingencies immediately before the date of initial application, as an alternative to an impairment review;

三、公司重要會計政策、會計估計 (續)

30、主要會計政策的變更 (續)

(1) 變更的內容及原因 (續)

(b) 新租賃準則 (續)

• 本集團作為承租人 (續)

對於首次執行日前的經營租賃，本集團在首次執行日根據剩餘租賃付款額按首次執行日本集團增量借款利率折現的現值計量租賃負債，並按照以下方法計量使用權資產：

- 與租賃負債相等的金額，並根據預付租金進行必要調整。

對於首次執行日前的經營租賃，本集團在應用上述方法時同時採用了如下簡化處理：

- 對將於首次執行日後12個月內完成的租賃作為短期租賃處理；
- 計量租賃負債時，對具有相似特徵的租賃採用同一折現率；
- 使用權資產的計量不包含初始直接費用；
- 存在續租選擇權或終止租賃選擇權的，根據首次執行日前選擇權的實際行使及其他最新情況確定租賃期；
- 作為使用權資產減值測試的替代，根據首次執行日前按照《企業會計準則第13號——或有事項》計入資產負債表的虧損合同的虧損準備金額調整使用權資產；

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

30. Major changes of accounting policies (Cont'd)

(1) Description and reasons for changes in accounting policies (Cont'd)

(b) New lease standard (Cont'd)

- As a lessee (Cont'd)
 - accounted for lease modifications before the initial year of application according to the final arrangement of the change under new leases standard without retrospective adjustments.

For leases classified as finance leases before the date of initial application, the right-of-use asset and the lease liability are measured at the original carrying amount of the assets under finance lease and obligations under finance leases at the date of initial application.

- As a lessor
The Group is not required to make any adjustments to the opening balances of retained earnings and other related items in the financial statements in the initial year of application and surplus for leases for which it acts as a lessor. The Group has applied new leases standard since the date of initial application.

三、公司重要會計政策、會計估計 (續)

30、主要會計政策的變更 (續)

(1) 變更的內容及原因 (續)

(b) 新租賃準則 (續)

- 本集團作為承租人 (續)
 - 對首次執行新租賃準則當年初之前發生的租賃變更，不進行追溯調整，根據租賃變更的最終安排，按照新租賃準則進行會計處理。

對於首次執行日前的融資租賃，本集團在首次執行日按照融資租入資產和應付融資租賃款的原帳面價值，分別計量使用權資產和租賃負債。

- 本集團作為出租人
本集團無需對其作為出租人的租賃調整首次執行新租賃準則當年初留存收益及財務報表其他相關專案金額。本集團自首次執行日起按照新租賃準則進行會計處理。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

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

30. Major changes of accounting policies (Cont'd)

(1) Description and reasons for changes in accounting policies (Cont'd)

(b) New lease standard (Cont'd)

- Effect of the application of new leases standard since 1 January 2019 on financial statements

When measuring lease liabilities, the Group discounted lease payments using its incremental borrowing rate at 1 January 2019. The weighted-average rate applied by the Group is 5.72%. The Company does not have lease liability.

三、公司重要會計政策、會計估計 (續)

30、主要會計政策的變更 (續)

(1) 變更的內容及原因 (續)

(b) 新租賃準則 (續)

- 2019年1月1日執行新租賃準則對財務報表的影響

在計量租賃負債時，本集團使用2019年1月1日的增量借款利率來對租賃付款額進行折現。本集團所用的加權平均利率為5.72%，本公司無租賃負債。

		The Group 本集團
The total future minimum lease payments of significant operating leases disclosed in the consolidated financial statements as at 31 December 2018	2018年12月31日合併財務報表中披露的重大經營租賃的尚未支付的最低租賃付款額	62,334,567
Present value discounted using the Group's incremental borrowing rate at 1 January 2019	按2019年1月1日本集團增量借款利率折現的現值	55,462,907
Lease liabilities under new leases standard at 1 January 2019	2019年1月1日新租賃準則下的租賃負債	54,025,345
Difference between the present value and lease liabilities above	上述折現的現值與租賃負債之間的差額	1,437,562

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

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

30. Major changes of accounting policies (Cont'd)

(1) Description and reasons for changes in accounting policies (Cont'd)

(b) New lease standard (Cont'd)

- Effect of the application of new leases standard since 1 January 2019 on financial statements (Cont'd)

Based on the comparative financial statement after retrospective adjustment in accordance with the requirements of CaiKuai [2019] No.6 and Caikuai [2019] No.16, the Group summarized the effect of applying new lease standard on the consolidated balance sheet and company balance sheet as at 1 January 2019 as follows:

三、公司重要會計政策、會計估計 (續)

30、主要會計政策的變更 (續)

(1) 變更的內容及原因 (續)

(b) 新租賃準則 (續)

- 2019年1月1日執行新租賃準則對財務報表的影響 (續)

本集團以按照財會[2019] 6號和財會[2019] 16號規定追溯調整後的比較財務報表為基礎，對執行新租賃準則對2019年1月1日合併資產負債表及母公司資產負債表各項目的影響匯總如下：

		The Group 本集團		
		Carrying amount at 1 January 2019 before adjustment 調整前2019年 1月1日賬面金額	Remeasurement	Carrying amount at 1 January 2019 after adjustment 調整後2019年 1月1日賬面金額
Assets:	資產			
Right-of-use assets	使用權資產	–	54,025,345	54,025,345
Liabilities:	負債			
Non-current liabilities due within one year	一年內到期的非流動負債	276,854,467	288,780,752	11,926,285
Lease liabilities	租賃負債	–	42,099,060	42,099,060

Note: There was no effect of applying new lease standard on the company balance sheet as at 1 January 2019.

註：執行新租賃準則對2019年1月1日母公司資產負債表無影響。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

IV. TAXATION

I. Main type of taxes and corresponding tax rates

四、稅項

I、主要稅種及稅率

Tax type 稅種	Tax basis 計稅依據	Tax rates 稅率
Value added tax 增值稅	The amount of output tax calculated on the basis of sales revenue and taxable service income calculated in accordance with the tax law, after deducting the amount of input tax that can be deducted in the current period, the difference is the value-added tax payable. 按稅法規定計算的銷售貨物和應稅勞務收入為基礎計算銷項稅額，在扣除當期允許抵扣的進項稅額後，差額部分為應交增值稅	6%, 9% or 10%, 13% or 16% (Note1) 6%、9% or 10%、13% or 16% (註1)
Enterprise income tax 企業所得稅	Calculated according to taxable income 按應納稅所得額計徵	(Note2) (註2)

Note1: According to Notice (2019) No.39 issued by the Ministry of Financial and State Administration of Taxation and General Administration of customers, from 1 April 2019, where the original tax rate is 16%, the tax rate shall be adjusted to 13% when taxpayer's taxable behavior of value-added vat happens.

Note2: The income tax rates applicable to the Company and subsidiaries located in Mainland China in 2019 are 25% (2018:25%). The statutory tax rate of the subsidiaries established by the Company in Hong Kong in 2019 is 16.5% (2018:16.5%). The statutory tax rate for the subsidiaries of the Company established in other countries range from 17% to 32.08% in 2019 (2018:17%-30%).

註1：根據財政部、稅務總局、海關總署公告2019年第39號，自2019年4月1日起，納稅人發生增值稅應稅銷售行為，原適用16%稅率的，稅率調整為13%。

註2：本公司及位於中國大陸的各子公司本年度適用的所得稅稅率為25%（2018年：25%）。本公司於香港設立的子公司本年度的法定稅率為16.5%（2018年：16.5%）。本公司於其他國家及地區設立的子公司本年度的法定稅率為17%至32.08%（2018年：17%至30%）。

IV. TAXATION (Cont'd)

2. Tax incentives

According to the High-tech Enterprise Certificate No. GR201742002234 issued by Hubei Provincial Department of Science and Technology, Hubei Provincial Department of Finance, Hubei Provincial State Revenue and Hubei Provincial Local Taxation Bureau, from 30 November 2017 to 30 November 2020, the Company would be entitled to High Tech Enterprise qualification, and enjoyed a preferential tax rate of 15% with preferential tax treatments in deductions from research and development costs. Therefore, the Company was entitled to a preferential tax rate of 15% in 2018 and 2019.

According to the High-tech Enterprise Certificate No. GR201842002475 issued by Hubei Provincial Department of Science and Technology, Hubei Provincial Department of Finance, and Hubei Provincial Tax Service, State Taxation Administration, EverPro Technologies Company Limited, a subsidiary of the Company, was entitled to High Tech Enterprise qualification and enjoyed a preferential tax rate of 15% from 30 November 2018 to 30 November 2021.

According to Article 2 of Notice on Issues Concerning Tax Policies on Further Implementing the Strategy of Western Development issued by the Ministry of Finance, General Administration of Customs and State Administration of Taxation [Cai Shui (2011) No.58], Yangtze Optical Fibre and Cable Lanzhou Co., Ltd., a subsidiary of the Company, is an enterprise under the preferred industry set up in the western region, which was entitled to a preferential tax rate of 15% from 1 January 2016 to 31 December 2020.

According to the High-tech Enterprise Certificate No. GR201744200547 issued by Shenzhen Science and Technology Innovation Committee, Shenzhen Finance Committee, Shenzhen State Administration of Taxation and Shenzhen Local Taxation Bureau, Shenzhen YOFC Connectivity Technologies Co., Ltd., a subsidiary of the Company, was entitled to High Tech Enterprise qualification, and enjoyed the preferential tax rate of 15% from 17 August 2017 to 17 August 2020.

四、稅項(續)

2、稅收優惠

根據湖北省科學技術廳、湖北省財政廳、湖北省國家稅務局和湖北省地方稅務局核發的第GR201742002234號高新技術企業證書，自2017年11月30日至2020年11月30日本公司享有高新技術企業資格，並享受15%的稅收優惠稅率及研發費用加計扣除的稅收優惠，因此，本公司本年度按優惠稅率15%執行(2018年：15%)。

根據湖北省科學技術廳、湖北省財政廳和國家稅務總局湖北省稅務局核發的第GR201842002475號高新技術企業證書，自2018年11月30日至2021年11月30日，本公司的子公司長芯盛(武漢)科技有限公司享有高新技術企業資格，並享受15%的稅收優惠稅率。

根據《財政部、海關總署、國家稅務總局關於深入實施西部大開發戰略有關稅收政策問題的通知》財稅(2011) 58號第二條，自2016年1月1日至2020年12月31日，本公司的子公司長飛光纖光纜蘭州有限公司屬於設在西部地區的鼓勵類產業企業，享受15%的稅收優惠稅率。

根據深圳市科技創新委員會、深圳市財政委員會、深圳市國家稅務局和深圳市地方稅務局核發的第GR201744200547號高新技術企業證書，自2017年8月17日至2020年8月17日，本公司的子公司深圳長飛智連技術有限公司享有高新技術企業資格，並享受15%的稅收優惠稅率。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

IV. TAXATION (Cont'd)

2. Tax incentives (Cont'd)

According to the High-tech Enterprise Certificate No. GR201742000482 issued by Hubei Provincial Department of Science and Technology, Hubei Provincial Department of Finance, Hubei Provincial State Revenue and Hubei Provincial Local Taxation Bureau, Yangtze Optical Fibre (Qianjiang) Co., Ltd., a subsidiary of the Company, was entitled to High Tech Enterprise qualification, and enjoyed the preferential tax rate of 15% from 28 November 2017 to 28 November 2020.

According to the High-tech Enterprise Certificate No. GR201742001399 issued by Hubei Provincial Department of Science and Technology, Hubei Provincial Department of Finance, Hubei Provincial State Revenue and Hubei Provincial Local Taxation Bureau, Wuhan E3cloud Information Technologies Co., Ltd., a subsidiary of the Company, was entitled to High Tech Enterprise qualification, and enjoyed the preferential tax rate of 15% from 28 November 2017 to 28 November 2020.

According to the High-tech Enterprise Certificate No. GR201721000823 issued by Liaoning Science and Technology Department, Liaoning Provincial Department of Finance, Liaoning Provincial State Revenue Agency and Liaoning Provincial Local Taxation Bureau, Yangtze Optical Fibre and Cable Shenyang Co., Ltd., a subsidiary of the Company, was entitled to High Tech Enterprise qualification, and enjoyed the preferential tax rate of 15% from 1 December 2017 to 1 December 2020.

According to the High-tech Enterprise Certificate No. GR201833000494 issued by Zhejiang Science and Technology Department, Zhejiang Provincial Department of Finance, Zhejiang Provincial Tax Service and State Taxation Administration, Ally First Optical Fibre and Cable Co., Ltd., a subsidiary of the Company, was entitled to High Tech Enterprise qualification, and enjoyed the preferential tax rate of 15% from 30 November 2018 to 30 November 2021.

四、稅項(續)

2、稅收優惠(續)

根據湖北省科學技術廳、湖北省財政廳、湖北省國家稅務局和湖北省地方稅務局核發的第GR201742000482號高新技術企業證書，自2017年11月28日至2020年11月28日，本公司的子公司長飛光纖潛江有限公司享有高新技術企業資格，並享受15%的稅收優惠稅率。

根據湖北省科學技術廳、湖北省財政廳、湖北省國家稅務局和湖北省地方稅務局核發的第GR201742001399號高新技術企業證書，自2017年11月28日至2020年11月28日，本公司的子公司中標易雲資訊技術有限公司享有高新技術企業資格，並享受15%的稅收優惠稅率。

根據遼寧省科學技術廳、遼寧省財政廳、遼寧省國家稅務局和遼寧省地方稅務局核發的第GR201721000823號高新技術企業證書，自2017年12月1日至2020年12月1日，本公司的子公司長飛光纖光纜瀋陽有限公司享有高新技術企業資格，並享受15%的稅收優惠稅率。

根據浙江省科學技術廳、浙江省財政廳、國家稅務總局浙江省稅務局核發的第GR201833000494號高新技術企業證書，自2018年11月30日至2021年11月30日，本公司的子公司浙江聯飛光纖光纜有限公司享有高新技術企業資格，並享受15%的稅收優惠稅率。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

五、合併財務報表項目註釋

I. Cash and cash equivalents

1、貨幣資金

Item	項目	31 December	31 December
		2019	2018
		2019年	2018年
		12月31日	12月31日
Cash in hand	庫存現金	945,976	816,233
Cash at bank	銀行存款	2,103,352,024	2,683,347,184
Other cash and cash equivalents	其他貨幣資金	19,563,315	–
Total	合計	2,123,861,315	2,684,163,417
Including: total overseas deposits	其中：存放在境外的款項總額	727,277,930	20,215,956

As at 31 December 2019, the funds deposited with restrictions of the Group were RMB35,394,995. (2018: RMB56,186,976)

於2019年12月31日，本集團限制性存款為人民幣35,394,995元。(2018年：56,186,976元)

2. Financial assets held for trading

2、交易性金融資產

Type	項目	31 December	31 December
		2019	2018
		2019年	2018年
		12月31日	12月31日
Financial assets at fair value through profit or loss	以公允價值計量且其變動計入當期損益的金融資產		
Of which: Debt instrument investments	其中：債務工具投資	–	28,271,380
Equity instrument investments	權益工具投資	9,902,598	4,641,987
Total	合計	9,902,598	32,913,367

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Cont'd)

3. Bills receivable

(1) Classification of bills receivable

Type	種類	31 December 2019 2019年 12月31日	31 December 2018 2018年 12月31日
Bank acceptance bills	銀行承兌匯票	133,952,096	207,822,849
Commercial acceptance bills	商業承兌匯票	98,556,109	114,261,465
Sub-total	小計	232,508,205	322,084,314
Less: allowance for doubtful debts	減：壞賬準備	—	—
Total	合計	232,508,205	322,084,314

The aforementioned bills were due within one year.

上述應收票據均為一年內到期。

(2) Bills receivable pledged at the end of the year:

(2) 年末本集團已質押的應收票據：

Type	種類	Amount pledged at the end of 2019 年末已質押金額
Bank acceptance bills	銀行承兌匯票	25,426,157

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

(3) 年末本集團已背書或已貼現且在資產負債表日尚未到期的應收票據：

Type	種類	Amount not derecognized at the end of 2019 年末未終止 確認金額
Bank acceptance bills	銀行承兌匯票	102,352,302

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Cont'd)

3. Bills receivable (Cont'd)

(3) Bills receivable endorsed or discounted at the end of the year and undue at the balance sheet date: (Cont'd)

As at 31 December 2019, the Group continued to recognize discounted bills and endorsed bills of RMB39,358,068 and RMB62,994,234 respectively (31 December 2018: RMB18,696,208 and RMB81,452,177). With respect to this portion of discounted bills or endorsed bills, the Board believed that the Group still retains virtually all its risks and rewards, including the risk of default on discounted and endorsed bills. Therefore, the Group continued to fully recognised this portion of the discounted and endorsed instruments. The bills, at the same time, confirmed the related payment due to the bank borrowings generated by discounting and the settlement of the the endorsed bills. After discounts and endorsements were transferred, the Group no longer retained any right to use discounted and endorsed bills, including the sale, transfer or pledge of discounted and endorsed bills to the third party. As at 31 December 2019, the carrying amounts of the bills settled by the discounted and endorsed bills that continue to be recognized were RMB39,358,068 and RMB62,994,234 respectively (31 December 2018: RMB18,696,208 and RMB81,452,177). The Board believed that there is no significant difference in the fair value of the transferred assets and related liabilities.

4. Trade receivables

(1) Analysis of trade receivables by the type of customers:

Type	種類	31 December 2019 2019年 12月31日	31 December 2018 2018年 12月31日
Due from related parties	應收關聯公司	116,060,677	333,868,828
Due from third parties	應收協力廠商客戶	3,120,371,775	2,736,179,854
Sub-total	小計	3,236,432,452	3,070,048,682
Less: allowance for doubtful debts	減：壞賬準備	112,926,674	93,291,698
Total	合計	3,123,505,778	2,976,756,984

五、合併財務報表項目註釋 (續)

3、應收票據 (續)

(3) 年末本集團已背書或已貼現且在資產負債表日尚未到期的應收票據：(續)

於2019年12月31日，本集團繼續確認的已貼現票據和已背書票據的帳面金額分別為人民幣39,358,068元和人民幣62,994,234元(2018年：人民幣18,696,208元和人民幣81,452,177元)。針對這部分已貼現或背書票據，董事會認為本集團實質上依然保留其幾乎所有的風險和報酬，包括承擔貼現及背書票據的違約風險，因此本集團繼續全額確認這部分已貼現和背書票據，同時確認相關由於貼現產生的銀行借款和背書票據結算的應付款項。於貼現和背書轉讓後，本集團不再保留已貼現和背書票據的任何使用權，包括將貼現和背書票據銷售、轉讓或質押給其他協力廠商。於2019年12月31日，繼續確認的已貼現票據和已背書票據結算的應付款項的帳面金額分別為人民幣39,358,068元和人民幣62,994,234元(2018年：人民幣18,696,208元和人民幣81,452,177元)。董事會認為，已轉移資產及相關負債的公允價值差異不重大。

4、應收賬款

(1) 應收賬款按客戶類別分析如下：

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Cont'd)

4. Trade receivables (Cont'd)

(2) Ageing analysis of trade receivables:

Ageing	賬齡	31 December 2019 2019年 12月31日	31 December 2018 2018年 12月31日
Within 1 year (1 year inclusive)	1年以內(含1年)	2,845,452,536	2,842,042,694
1-2 years (2 years inclusive)	1年至2年(含2年)	309,246,990	150,794,871
2-3 years (3 years inclusive)	2年至3年(含3年)	20,136,083	40,270,048
3-4 years (4 years inclusive)	3至4年(含4年)	27,658,801	16,416,134
4-5 years (5 years inclusive)	4至5年(含5年)	14,409,495	8,131,261
Over 5 years	5年以上	19,528,547	12,393,674
Sub-total	小計	3,236,432,452	3,070,048,682
Less: allowance for doubtful debts	減：壞賬準備	112,926,674	93,291,698
Total	合計	3,123,505,778	2,976,756,984

The ageing of trade receivables is calculated from the date of recognition.

賬齡自應收賬款確認日起開始計算。

(3) Trade receivables by provision method

(3) 應收賬款按壞賬準備計提方法分類披露

Type	類別	31 December 2019 2019年12月31日		Allowance for doubtful debts 壞賬準備		Carrying amount 賬面價值
		Book value 賬面餘額 Amount	Proportion (%)	Amount	Proportion (%) 計提比例	
Individually assessed for impairment customers which credit losses incurred	按單項計提壞賬準備已經 發生信用損失的客戶群體	11,443,932	0%	11,443,932	100%	-
Collectively assessed for impairment by group	按組合計提壞賬準備					
Group 1	群體1	116,060,677	4%	4,939,080	4%	111,121,597
Group 2	群體2	1,752,340,403	54%	44,124,069	3%	1,708,216,334
Group 3	群體3	1,356,587,440	42%	52,419,593	4%	1,304,167,847
Total	合計	3,236,432,452	100%	112,926,674	3%	3,123,505,778

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

五、合併財務報表項目註釋 (續)

(Cont'd)

4. Trade receivables (Cont'd)

(3) Trade receivables by provision method (Cont'd)

4、應收賬款 (續)

(3) 應收賬款按壞賬準備計提方法分類披露 (續)

		31 December 2018 2018年12月31日				
Type	類別	Book value 賬面餘額		Allowance for doubtful debts 壞賬準備		Carrying amount 賬面價值
		Amount	Proportion (%)	Amount	Proportion (%)	
		金額	比例(%)	金額	計提比例 (%)	
Individually assessed for impairment customers which credit losses incurred	按單項計提壞賬準備已經 發生信用損失的客戶群體	13,369,169	0%	13,369,169	100%	–
Collectively assessed for impairment by group	按組合計提壞賬準備					
Group 1	群體1	333,868,828	11%	10,770,196	3%	323,098,632
Group 2	群體2	1,704,184,801	56%	28,763,801	2%	1,675,421,000
Group 3	群體3	1,018,625,884	33%	40,388,532	4%	978,237,352
Total	合計	3,070,048,682	100%	93,291,698	3%	2,976,756,984

(a) Reasons for making doubtful debts provisions with single trade receivables in 2019

In the event of credit losses incurred by a customer, the Group makes doubtful debts provisions with single trade receivables in respect of that customer group.

(b) Standard and explanation of making doubtful debts provisions by group in 2019

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

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

(a) 2019年按單項計提壞賬準備的計提理由：

由於該類客戶已經發生信用損失，本集團對該類客戶群體按單項計提壞賬準備。

(b) 2019年按組合計提壞賬準備的確認標準及說明：

根據本集團歷史經驗，不同細分客戶群體發生損失的情況存在差異，因此將本集團客戶細分為以下群體：

- 群體1：關聯方；
- 群體2：中國電信網絡運營商及其他信用記錄良好的企業；
- 群體3：除上述群體以外的其他客戶。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Cont'd)

4. Trade receivables (Cont'd)

(3) Trade receivables by provision method (Cont'd)

(c) Expected credit loss assessment for trade receivables in 2019:

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

2019

Group 1	客戶群體1	Expected loss rate 違約損失率	Book value at the end of the year 年末賬面餘額	Allowance for doubtful debts at the end of the year 年末減值準備
Within 1 year (1 year inclusive)	1年以內(含1年)	0.25%	105,865,463	260,578
1-2 years (2 years inclusive)	1至2年(含2年)	24.60%	7,274,758	1,789,648
2-3 years (3 years inclusive)	2至3年(含3年)	88.28%	269,706	238,104
3-4 years (4 years inclusive)	3至4年(含4年)	100.00%	2,650,750	2,650,750
4-5 years (5 years inclusive)	4至5年(含5年)	100.00%	-	-
Over 5 years	5年以上	100.00%	-	-
Total	合計		116,060,677	4,939,080

Group 2	客戶群體2	Expected loss rate 違約損失率	Book value at the end of the year 年末賬面餘額	Allowance for doubtful debts at the end of the year 年末減值準備
Within 1 year (1 year inclusive)	1年以內(含1年)	0.44%	1,658,989,063	7,301,821
1-2 years (2 years inclusive)	1至2年(含2年)	12.04%	57,112,075	6,876,352
2-3 years (3 years inclusive)	2至3年(含3年)	52.92%	13,367,477	7,074,108
3-4 years (4 years inclusive)	3至4年(含4年)	100.00%	7,989,875	7,989,875
4-5 years (5 years inclusive)	4至5年(含5年)	100.00%	4,385,249	4,385,249
Over 5 years	5年以上	100.00%	10,496,664	10,496,664
Total	合計		1,752,340,403	44,124,069

五、合併財務報表項目註釋(續)

4、應收賬款(續)

(3) 應收賬款按壞賬準備計提方法分類披露(續)

(c) 應收賬款預期信用損失的評估：

本集團始終按照相當於整個存續期內預期信用損失的金額計量應收賬款的減值準備，並以逾期天數與違約損失率對照表為基礎計算其預期信用損失。根據本集團的歷史經驗，不同細分客戶群體發生損失的情況存在差異，因此本集團根據歷史經驗區分不同的客戶群體根據逾期資訊計算減值準備。

2019年

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Cont'd)

4. Trade receivables (Cont'd)

(3) Trade receivables by provision method (Cont'd)

(c) Expected credit loss assessment for trade receivables in 2019: (Cont'd)

五、合併財務報表項目註釋 (續)

4、應收賬款 (續)

(3) 應收賬款按壞賬準備計提方法分類披露 (續)

(c) 應收賬款預期信用損失的評估：(續)

Group 3	客戶群體3	Expected loss rate 違約損失率	Book value at the end of the year 年末賬面餘額	Allowance for doubtful debts at the end of the year 年末減值準備
Within 1 year (1 year inclusive)	1年以內(含1年)	2.28%	1,290,901,697	29,389,279
1-2 years (2 years inclusive)	1至2年(含2年)	11.59%	41,896,921	4,855,614
2-3 years (3 years inclusive)	2至3年(含3年)	49.14%	11,037,736	5,423,614
3-4 years (4 years inclusive)	3至4年(含4年)	100.00%	5,423,676	5,423,676
4-5 years (5 years inclusive)	4至5年(含5年)	100.00%	2,594,510	2,594,510
Over 5 years	5年以上	100.00%	4,732,900	4,732,900
Total	合計		1,356,587,440	52,419,593

2018

2018年

Group 1	客戶群體1	Expected loss rate 違約損失率	Book value at the end of the year 年末賬面餘額	Allowance for doubtful debts at the end of the year 年末減值準備
Within 1 year (1 year inclusive)	1年以內(含1年)	3.00%	330,669,098	9,920,073
1-2 years (2 years inclusive)	1至2年(含2年)	10.00%	548,980	54,898
2-3 years (3 years inclusive)	2至3年(含3年)	30.00%	2,650,750	795,225
3-4 years (4 years inclusive)	3至4年(含4年)	100.00%	—	—
4-5 years (5 years inclusive)	4至5年(含5年)	100.00%	—	—
Over 5 years	5年以上	100.00%	—	—
Total	合計		333,868,828	10,770,196

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Cont'd)

4. Trade receivables (Cont'd)

(3) Trade receivables by provision method (Cont'd)

(c) Expected credit loss assessment for trade receivables in 2019: (Cont'd)

Group 2	客戶群體2	Expected loss rate 違約損失率	Book value at the end of the year 年末賬面餘額	Allowance for doubtful debts at the end of the year 年末減值準備
Within 1 year (1 year inclusive)	1年以內(含1年)	1%	1,638,079,552	16,380,795
1-2 years (2 years inclusive)	1至2年(含2年)	5%	37,230,824	1,861,541
2-3 years (3 years inclusive)	2至3年(含3年)	10%	12,411,377	1,241,138
3-4 years (4 years inclusive)	3至4年(含4年)	30%	4,428,828	1,328,648
4-5 years (5 years inclusive)	4至5年(含5年)	50%	8,165,083	4,082,542
Over 5 years	5年以上	100%	3,869,137	3,869,137
Total	合計		1,704,184,801	28,763,801

Group 3	客戶群體3	Expected loss rate 違約損失率	Book value at the end of the year 年末賬面餘額	Allowance for doubtful debts at the end of the year 年末減值準備
Within 1 year (1 year inclusive)	1年以內(含1年)	3.00%	989,577,828	29,687,336
1-2 years (2 years inclusive)	1至2年(含2年)	10.00%	16,066,591	1,606,659
2-3 years (3 years inclusive)	2至3年(含3年)	30.00%	5,552,753	1,665,825
3-4 years (4 years inclusive)	3至4年(含4年)	100.00%	2,594,510	2,594,510
4-5 years (5 years inclusive)	4至5年(含5年)	100.00%	1,242,630	1,242,630
Over 5 years	5年以上	100.00%	3,591,572	3,591,572
Total	合計		1,018,625,884	40,388,532

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

違約損失率基於過去5年的實際信用損失經驗計算，並根據歷史數據收集期間的經濟狀況、當前的經濟狀況與本集團所認為的預計存續期內的經濟狀況三者之間的差異進行調整。

五、合併財務報表項目註釋(續)

4、應收賬款(續)

(3) 應收賬款按壞賬準備計提方法分類披露(續)

(c) 應收賬款預期信用損失的評估:(續)

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Cont'd)

4. Trade receivables (Cont'd)

(4) Changes of allowance for doubtful debts:

		31 December 2019 2019年 12月31日	31 December 2018 2018年 12月31日
Balance at the beginning of the year	年初餘額	93,291,698	53,374,810
Addition during the year	本年計提	35,085,763	52,416,997
Reversal during the year	本年轉回	(1,678,420)	(4,126,570)
Written-off during the year	本年核銷	(13,772,367)	(8,373,539)
Balance at the end of the year	年末餘額	112,926,674	93,291,698

During the reporting period, the Group did not have significant recoveries or reversals for trade receivables that had been fully impaired or provided with a relatively large proportion of allowance provolones debt collected or reversed.

(5) Five largest trade receivables by debtors at the end of the year

As at 31 December 2019 and 31 December 2018, the subtotal of five largest trade receivables of the Group is RMB1,386,721,108 and RMB1,433,488,094, respectively, representing 43% and 47% of the total balance of trade receivables respectively. The corresponding allowance for doubtful debts is RMB32,814,688 and RMB27,872,704, respectively.

五、合併財務報表項目註釋 (續)

4、應收賬款 (續)

(4) 壞賬準備的變動情況：

本集團在報告期內不存在已全額計提或計提較大比例壞賬準備的應收賬款發生金額重大的收回或轉回的情況。

(5) 按欠款方歸集的年末餘額前五名的應收賬款情況

截至2019年12月31日，本集團餘額前五名的應收賬款合計為人民幣1,386,721,108元（2018年：人民幣1,433,488,094元），佔應收賬款年末餘額合計數的43%（2018年：47%），相應計提的壞賬準備年末餘額合計為人民幣32,814,688元（2018年：人民幣27,872,704元）。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Cont'd)

5. Receivables under financing

Item	項目	31 December 2019 2019年 12月31日	31 December 2018 2018年 12月31日
Bills receivables	應收票據	95,235,940	118,621,938

There is no change in fair value of receivables under financing of the Group in 2019. The accumulated impairment losses recognized in other comprehensive income is zero.

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

Type	項目	Amount derecognized at the end of 2019 年末 終止確認金額
Bank acceptance bills	銀行承兌匯票	319,180,991

In 2019, the Group discounted certain bank bills receivable from certain banks in China or endorsed them to the Group's suppliers ("Derecognized Bills") and derecognized them on 31 December 2019. The carrying amounts of undue bills receivable that have been discounted and derecognized on 31 December 2019 and 31 December 2018 are RMB138,771,396 and RMB32,211,733 respectively. As at 31 December 2019 and 31 December 2018, the carrying amounts of undue bills receivable that have been endorsed and derecognized are RMB180,409,595 and RMB120,162,979 respectively. As at 31 December 2019, the remaining period of the derecognized bills was 1 to 7 months.

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

五、合併財務報表項目註釋(續)

5、應收款項融資

2019年本集團應收款項融資公允價值無變化，累計在其他綜合收益中確認的損失準備為零。

年末本集團已背書或貼現且在資產負債表日尚未到期的應收款項融資：

於2019年，本集團將若干應收銀行票據貼現於中國的若干銀行或背書於本集團供應商（「終止確認票據」），並於2019年12月31日將其終止確認。於2019年12月31日，已貼現並已終止確認的未到期應收票據的賬面金額為人民幣138,771,396元（2018年：人民幣32,211,733元）。於2019年12月31日，已背書並已終止確認的未到期應收票據的賬面金額為人民幣180,409,595元（2018年：人民幣120,162,979元）。於2019年12月31日，終止確認票據剩餘期限為1至7個月。

根據中華人民共和國票據法，如本集團貼現或背書的應收票據的承兌銀行拒絕付款，持票人對本集團擁有追索權。董事會認為，對於終止確認的已貼現或已背書票據，本集團已實質上轉移了該等票據幾乎所有的風險和報酬，因此，本集團全額終止確認這些票據。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

5. Receivables under financing (Cont'd)

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

6. Prepayments

(1) Prepayments by category:

五、合併財務報表項目註釋(續)

5、應收款項融資(續)

因持票人的追索權本集團繼續涉入終止確認票據，繼續涉入導致本集團發生損失的最大風險敞口相當於其全部金額。

6、預付款項

(1) 預付款項分類列示如下：

Item	項目	31 December 2019 2019年 12月31日	31 December 2018 2018年 12月31日
Due to third parties	預付第三方	120,994,458	92,445,336
Total	合計	120,994,458	92,445,336

As at 31 December 2019, the balance of prepayments were mainly for purchasing goods and spare parts.

於2019年12月31日，預付款項餘額主要為預付貨款及備件款。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Cont'd)

6. Prepayments (Cont'd)

(2) Ageing analysis of prepayments:

Ageing	賬齡	31 December 2019 2019年12月31日		31 December 2018 2018年12月31日	
		Amount 金額	Percentage (%) 比例(%)	Amount 金額	Percentage (%) 比例(%)
Within 1 year (1 year inclusive)	1年以內(含1年)	113,121,727	94%	84,806,491	92%
1 to 2 years (2 years inclusive)	1至2年(含2年)	5,158,983	4%	7,581,925	8%
2 to 3 years (3 years inclusive)	2至3年(含3年)	2,680,908	2%	6,396	0%
Over 3 years	3年以上	32,840	0%	50,524	0%
Total	合計	120,994,458	100%	92,445,336	100%

The ageing of prepayments is calculated from the date of recognition.

賬齡自預付款項確認日起開始計算。

(3) Top five balances of prepayments by prepaid item as at the end of the year

As at the end of 31 December 2019 and 31 December 2018, the Group's top five balances of prepayments for the year totalled RMB63,592,675 and RMB38,962,282, respectively, accounting for 53% and 42% of the Group's total balance of prepayments as at the end of the year.

(3) 按預付對象歸集的年末餘額前五名的預付款項情況

本集團年末餘額前五名的預付款項合計為人民幣63,592,675元(2018年：人民幣38,962,282元)，佔預付款項年末餘額合計數的53%(2018年：42%)。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

五、合併財務報表項目註釋(續)

(Cont'd)

7. Other receivables

7、其他應收款

Item	款項性質	Note	31 December 2019 2019年 12月31日	31 December 2018 2018年 12月31日
Dividends receivable	應收股利	(1)	522,213	13,795,698
Others	其他	(2)	109,077,626	121,807,466
Total	合計		109,599,839	135,603,164

(1) Dividends receivable:

(1) 應收股利

Invested company	被投資單位	31 December 2019 2019年 12月31日	31 December 2018 2018年 12月31日
Yangtze Optical Fibre and Cable (Shanghai) Company Ltd.	長飛光纖光纜(上海)有限公司	–	13,273,485
Wuhan Guangyuan Electronic Technology Co., Ltd.	武漢光源電子科技有限公司	522,213	522,213
Total	合計	522,213	13,795,698

(2) Others

(2) 其他

(a) Analysis by the type of customers:

(a) 按客戶類別分析如下：

Type of customer	客戶類別	31 December 2019 2019年 12月31日	31 December 2018 2018年 12月31日
Related companies	應收關聯公司	13,979,809	31,458,151
Non-related companies	應收非關聯公司	95,097,817	90,349,315
Sub-total	小計	109,077,626	121,807,466
Less: Allowance for doubtful debts	減：壞賬準備	–	–
Total	合計	109,077,626	121,807,466

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Cont'd)

7. Other receivables (Cont'd)

(2) Others (Cont'd)

(b) Ageing analysis:

Ageing	賬齡	31 December 2019 2019年 12月31日	31 December 2018 2018年 12月31日
Within 1 year (1 year inclusive)	1年以內(含1年)	83,068,346	114,692,666
1 to 2 years (2 years inclusive)	1年至2年(含2年)	23,737,558	4,255,359
2 to 3 years (3 years inclusive)	2年至3年(含3年)	1,092,924	2,523,078
Over 3 years	3年以上	1,178,798	336,363
Sub-total	小計	109,077,626	121,807,466
Less: Allowance for doubtful debts	減：壞賬準備	—	—
Total	合計	109,077,626	121,807,466

The ageing of other receivables is calculated starting from the date of recognition.

賬齡自其他應收賬款確認日起開始計算。

(c) Analysis by nature of amounts:

(c) 按款項性質分類情況

Nature of amounts	款項性質	Note	31 December 2019 2019年 12月31日	31 December 2018 2018年 12月31日
Amount due from related companies	應收關聯公司		13,979,809	31,458,151
Amount due from loans of non-controlling interests	應收少數股東借款		—	4,005,345
Security deposits for tender	保證金		43,866,822	35,237,028
Mortgage deposits	押金		3,502,918	5,055,921
Petty cash	備用金		3,967,158	7,717,825
Others	其他		43,760,919	38,333,196
Sub-total	小計		109,077,626	121,807,466
Less: allowance for doubtful debts	減：壞賬準備		—	—
Total	合計		109,077,626	121,807,466

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Cont'd)

7. Other receivables (Cont'd)

(2) Others (Cont'd)

(d) Top five other receivables by debtor as at the end of the year

As at the end of 31 December 2019 and 31 December 2018, the Group's top five balances of other receivables for the year totalled RMB43,021,287 and RMB60,215,751, respectively, accounting for 39% and 49% of the Group's total balance of other receivables as at the end of the year.

8. Inventories

(1) Inventories by category

五、合併財務報表項目註釋 (續)

7. 其他應收款 (續)

(2) 其他 (續)

(d) 按欠款方歸集的年末餘額前五名的其他應收款情況

截至2019年12月31日，本集團餘額前五名的其他應收賬合計為人民幣43,021,287元（2018年：人民幣60,215,751元），佔其他應收款年末餘額合計數的39%（2018年：49%）。

8. 存貨

(1) 存貨分類

		31 December 2019 2019年12月31日		
		Book value	Provision for	Carrying amount
Inventories by categories	存貨種類	賬面餘額	diminution in value 跌價準備	賬面價值
Raw materials and spare parts	原材料及備件	948,735,722	(35,552,709)	913,183,013
Work in progress	在產品	134,870,974	(165,288)	134,705,686
Finished goods in stock	庫存商品	737,997,494	(6,543,943)	731,453,551
Total	合計	1,821,604,190	(42,261,940)	1,779,342,250

		31 December 2018 2018年12月31日		
		Book value	Provision for	Carrying amount
Inventories by categories	存貨種類	賬面餘額	diminution in value 跌價準備	賬面價值
Raw materials and spare parts	原材料及備件	509,388,288	(28,101,489)	481,286,799
Work in progress	在產品	98,955,019	(167,771)	98,787,248
Finished goods in stock	庫存商品	422,428,471	(7,353,250)	415,075,221
Total	合計	1,030,771,778	(35,622,510)	995,149,268

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Cont'd)

8. Inventories

(2) Provision for decline in inventories

五、合併財務報表項目註釋 (續)

8、存貨

(2) 存貨跌價準備

Inventories by category	存貨種類	Opening balance on 1 January 2019 年初餘額	Charge for the year 本年計提	Reversal or written off during the year 本年轉銷	Closing balance on 31 December 2019 年末餘額
Raw materials and spare parts	原材料及備件	28,101,489	14,146,381	(6,695,161)	35,552,709
Work in progress	在產品	167,771	1,307	(3,790)	165,288
Finished goods in stock	庫存商品	7,353,250	12,221,999	(13,031,306)	6,543,943
Total	合計	35,622,510	26,369,687	(19,730,257)	42,261,940

The provision for decline in inventories mainly due to the obsolescence of the inventory or the decline in the sales price. Reversal or written off during the year was due to the fact that part of the inventory that had been provided for decline in previous years was transferred out of the corresponding provision for decline for sale this year.

The Group used the lower of net realizable value and cost reduction method as the basis for accruing the provision for decline in inventories.

存貨跌價準備的計提主要是因為存貨陳舊過時或銷售價格下降。本年轉銷是由於部分在以前年度已計提跌價準備的存貨於本年因出售而轉出相應已計提的跌價準備。

本集團按照可變現淨值與成本孰低法作為計提存貨跌價準備的依據。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Cont'd)

9. Other current assets

Item	項目	31 December	31 December
		2019	2018
		2019年	2018年
		12月31日	12月31日
Deductible VAT input tax	待抵扣增值稅進項稅	210,417,248	111,656,978
Pre-paid income tax	預交所得稅	45,351,938	13,887,617
Others	其他	1,097,594	4,778,873
Total	合計	256,866,780	130,323,468

五、合併財務報表項目註釋 (續)

9、其他流動資產

10. Long-term equity investments

(1) Long-term equity investments by category:

Item	項目	31 December	31 December
		2019	2018
		2019年	2018年
		12月31日	12月31日
Investments in joint ventures	對合營企業的投資	1,128,072,534	1,311,088,150
Investments in associates	對聯營企業的投資	367,372,076	319,193,154
Sub-total	小計	1,495,444,610	1,630,281,304
Less: impairment provision	減：減值準備		
– joint ventures	– 合營企業	–	4,130,000
Total	合計	1,495,444,610	1,626,151,304

10、長期股權投資

(1) 長期股權投資分類如下：

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Cont'd)

10. Long-term equity investments (Cont'd)

(2) The analysis of changes in long-term equity investments at the end the year is as follows:

五、合併財務報表項目註釋(續)

10、長期股權投資(續)

(2) 長期股權投資本年的變動情況分析如下：

Invested companies	被投資單位	Balance on 1 January 2019	Additional investment	Decrease in investment	Investment under equity- method 權益法下 確認的 投資收益	Changes during the year 本年變動			Balance on 31 December 2019	Balance of impairment provision at the end of the year 減值準備 年末餘額
						Other comprehensive income 其他 綜合收益	Cash dividends or profits declared to be distributed 宣告發放 現金股利 或利潤	Impacts of downstream transactions 順流交易 的影響		
Joint ventures	合營企業									
Shantou Hi-Tech Zone Ao Xing Optical Communication Equipment Co., Ltd	汕頭高新區奧星光通信 設備有限公司	95,831,930	-	-	4,073,005	-	(5,090,400)	14,176,009	108,990,544	-
Sichuan Lefei Optoelectric Technology Company Limited	四川樂飛光電科技 有限公司	71,199,445	-	-	6,786,582	-	(5,515,726)	(74,980)	72,395,321	-
Shenzhen SDGI Optical Fibre Co., Ltd.	深圳特發信息光纖 有限公司	177,342,311	-	-	(5,268,913)	-	(5,175,172)	5,301,549	172,199,775	-
Yangtze Zhongli Optical Fibre and Cable (Jiangsu) Co., Ltd.	江蘇長飛中利光纖 光纜有限公司	145,007,286	-	-	8,210,219	-	(11,220,972)	6,060,170	148,056,703	-
Yangtze Optical Fibre and Cable (Shanghai) Co., Ltd.	長飛光纖光纜(上海) 有限公司	235,192,135	-	-	8,798,489	-	(13,870,311)	9,397,424	239,517,737	-
Wuhan Guangyuan Electronic Technology Co., Ltd.	武漢光源電子科技 有限公司	1,900,450	-	-	(111,044)	-	-	-	1,789,406	-
Yangtze (Wuhan) Optical System Corporation.	長飛(武漢)光系統 股份有限公司	39,131,541	-	-	1,106,818	-	-	-	40,238,359	-
Tianjin YOFC XM(K) Optical Communication Co., Ltd.	天津長飛鑫茂光通信 有限公司	222,559,267	-	(251,363,149)	(484,364)	-	-	29,288,246	-	-
Tianjin YOFC XM(K) Communication Optical Cable Co., Ltd.	天津長飛鑫茂光纜 有限公司	4,130,000	-	(4,130,000)	-	-	-	-	-	-
Shin-Etsu YOFC (Hubei) Optical Preform Co., Ltd.	長飛信越(湖北)光棒 有限公司	307,541,037	-	-	29,392,616	-	(3,822,000)	-	333,111,653	-
YOFC - Yadanarbon Fibre Company Limited	YOFC-Yadanarbon Fibre Company Limited	11,252,748	-	-	(4,203,644)	-	-	-	7,049,104	-
Wuhan YOFC Industrial Fund Management Co., Ltd.	武漢長飛產業基金 管理有限公司	-	5,250,000	-	(526,068)	-	-	-	4,723,932	-
Sub-total	小計	1,311,088,150	5,250,000	(255,493,149)	47,773,696	-	(44,694,581)	64,148,418	1,128,072,534	-

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

五、合併財務報表項目註釋(續)

(Cont'd)

10. Long-term equity investments (Cont'd)

(2) The analysis of changes in long-term equity investments at the end the year is as follows: (Cont'd)

10、長期股權投資(續)

(2) 長期股權投資本年的變動情況分析如下：
(續)

Invested companies	被投資單位	Balance on 1 January 2019	Additional investment	Decrease in investment	Investment under equity- method 權益法下 確認的 投資收益	Changes during the year 本年變動			Balance on 31 December 2019	Balance of impairment provision at the end of the year 減值準備 年末餘額
						Other comprehensive income 其他 綜合收益	Cash dividends or profits declared to be distributed 宣告發放 現金股利 或利潤	Impacts of downstream transactions 順流交易 的影響		
Associates	聯營企業									
Wuhan Yunjingfei Optical Fibre Material Co., Ltd.	武漢雲晶飛光纖材料 有限公司	12,382,120	-	-	(290,531)	-	-	-	12,091,589	-
AVIC Baosheng Ocean Engineering Cable Company	中航寶勝海洋工程電纜 有限公司	300,926,534	-	-	(117,118)	-	-	-	300,809,416	-
RIT Tech (Intelligence Solutions) Ltd.	RIT Tech (Intelligence Solutions) Ltd.	5,884,500	-	-	(2,032,945)	252,909	-	-	4,104,464	-
Wuhan Endeavor Intelligent Machine Co., Ltd	武漢奮進智慧機器 有限公司	-	50,000,000	-	366,607	-	-	-	50,366,607	-
Sub-total	小計	319,193,154	50,000,000	-	(2,073,987)	252,909	-	-	367,372,076	-
Total	合計	1,630,281,304	55,250,000	(255,493,149)	45,699,709	252,909	(44,694,581)	64,148,418	1,495,444,610	-

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

五、合併財務報表項目註釋(續)

(Cont'd)

11. Investments in other equity instruments

11、其他權益工具投資

Type	項目	31 December 2019 2019年 12月31日	31 December 2018 2018年 12月31日
Listed company	上市公司	54,732,099	62,389,201
Unlisted companies	非上市公司	2,440,000	2,440,000
Total	小計	57,172,099	64,829,201

Analysis of investments in other equity instruments:

(1) 其他權益工具投資的情況：

Invested company	Reasons for designated financial assets at FVOCI on initial recognition	Dividends revenue	Gain or loss charged to other comprehensive income	Other comprehensive income transferred into retained earnings	Reasons for other comprehensive income transferred into retained earnings
項目	指定為以公允價值計量且其變動計入其他綜合收益的原因	本年確認的股利收入	計入其他綜合收益的累計利得或(損失)	其他綜合收益轉入留存收益的金額	其他綜合收益轉入留存收益的原因
Sichuan Huiyuan Optical Communication Stock Limited Company	Long-term holding for strategic purposes	-	29,745,377	-	Unapplied
四川匯源光通信股份有限公司	出於戰略目的而計畫長期持有	-	29,745,377	-	不適用
Wuhan Steel Corporation	Long-term holding for strategic purposes	267,600	-	-	Unapplied
武漢鋼電股份有限公司	出於戰略目的而計畫長期持有	267,600	-	-	不適用
Wuhan Changguang Technology Co.,Ltd	Long-term holding for strategic purposes	-	(4,550,113)	-	Unapplied
武漢長光科技有限公司	出於戰略目的而計畫長期持有	-	(4,550,113)	-	不適用
Wuhan Zhuxin Consulting Co.,Ltd	Long-term holding for strategic purposes	-	-	-	Unapplied
武漢市築芯諮詢有限公司	出於戰略目的而計畫長期持有	-	-	-	不適用
Total		267,600	25,195,264	-	
合計		267,600	25,195,264	-	

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

五、合併財務報表項目註釋(續)

(Cont'd)

12. Fixed assets

(1) Information on fixed assets

12、固定資產

(1) 固定資產情況

Item	項目	Land, building and structures 土地、房屋 及建築物	Machinery and equipment 機器設備	Office equipment and other equipment 辦公設備 及其他設備	Transportation equipment 運輸工具	Total 合計
Cost	原值					
Opening balance on 1 January 2019	年初餘額	886,574,588	2,702,048,298	203,781,457	16,755,138	3,809,159,481
Addition during the year	本年增加					
– Purchase	– 購置	86,511,872	264,895,951	16,528,698	1,439,568	369,376,089
– Transfer from construction in progress	– 在建工程轉入	419,246,570	1,088,100,847	33,216,272	–	1,540,563,689
Disposal or scrapped during the year	本年處置或報廢	(25,547,424)	(42,515,637)	(1,114,245)	(1,911,808)	(71,089,114)
Foreign exchange translation differences	外幣折算差額	6,695,232	6,162,574	585,812	80,553	13,524,171
Closing balance on 31 December 2019	年末餘額	1,373,480,838	4,018,692,033	252,997,994	16,363,451	5,661,534,316

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

五、合併財務報表項目註釋(續)

(Cont'd)

12. Fixed assets (Cont'd)

(1) Information on fixed assets (Cont'd)

12、固定資產(續)

(1) 固定資產情況(續)

Item	項目	Land, building and structures 土地、房屋及建築物	Machinery and equipment 機器設備	Office equipment and other equipment 辦公設備及其他設備	Transportation equipment 運輸工具	Total 合計
Accumulated depreciation	累計折舊					
Opening balance on 1 January 2019	年初餘額	229,054,552	1,465,057,163	91,207,464	6,846,279	1,792,165,458
Charge for the year	本年計提	46,313,515	175,707,251	31,555,500	1,744,671	255,320,937
Disposal or scrapped during the year	本年處置或報廢	(18,899,356)	(16,836,626)	(972,959)	(1,720,627)	(38,429,568)
Foreign exchange translation differences	外幣折算差額	366,655	644,363	248,610	25,437	1,285,065
Closing balance on 31 December 2019	年末餘額	256,835,366	1,624,572,151	122,038,615	6,895,760	2,010,341,892
Impairment provision	減值準備					
Opening balance/Closing balance during the year	年初/年末餘額	-	410,449	-	-	410,449
Carrying amount	賬面價值					
Carrying amount as at 31 December 2019	年末賬面價值	1,116,645,472	2,393,709,433	130,959,379	9,467,691	3,650,781,975
Carrying amount as at 1 January 2019	年初賬面價值	657,520,036	1,236,580,686	112,573,993	9,908,859	2,016,583,574

As at 31 December 2019, the Group secured loans with buildings and land use rights as collateral (see Note V.53).

於2019年12月31日，本集團將部分房屋及建築物 and 土地使用權抵押予銀行以擔保本集團信用額度(參見附註五、53)。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

五、合併財務報表項目註釋(續)

(Cont'd)

12. Fixed assets (Cont'd)

(2) Fixed assets acquired under operating leases

12、固定資產(續)

(2) 通過經營租賃租出的固定資產

Item	項目	Land, building and structures 房屋 及建築物	Machinery and equipment 機器設備	Total 合計
Cost	原值			
Opening balance/Closing balance during the year	年初/年末餘額	8,843,660	991,896	9,835,556
Accumulated depreciation	累計折舊			
Opening balance/Closing balance during the year	年初餘額	2,285,228	190,257	2,475,485
Charge for the year	本年計提	319,455	5,511	324,966
Closing balance on 31 December 2019	年末餘額	2,604,683	195,768	2,800,451
Impairment provision	減值準備			
Opening balance/Closing balance during the year	年初/年末餘額	—	—	—
Carrying amount	賬面價值			
Carrying amount as at 31 December 2019	年末賬面價值	6,238,977	796,128	7,035,105
Carrying amount as at 1 January 2019	年初賬面價值	6,558,432	801,639	7,360,071

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Cont'd)

12. Fixed assets (Cont'd)

(3) Fixed assets with pending certificates of ownership

五、合併財務報表項目註釋(續)

12、固定資產(續)

(3) 未辦妥產權證書的固定資產情況

Item 項目	Book value 賬面價值	Remarks 備註
Yangtze Optic Fibre Qianjiang Co., Ltd. – II phrase capacity expanding project 長飛光纖潛江有限公司二期擴展項目	240,507,494	In progress 正在辦理中
Yangtze Optical Fibre and Cable Joint Stock Limited Company – phrase II of YOFC Science & Technology Park 長飛光纖光纜股份有限公司科技園二期	119,235,975	In progress of completion filling 竣工備案階段
Hubei Flying Optical Fibre Material Co., Ltd. Plant and equipment construction projects 湖北飛菱光纖材料有限公司廠房	25,842,292	In progress 正在辦理中
Yangtze Optic Fibre Qianjiang Co., Ltd. – hydrogen cracking project 長飛光纖潛江有限公司甲裂氫氣項目土建	5,279,856	In progress 正在辦理中
Yangtze Optical Fibre and Cable Shenyang Co., Ltd. – auxiliary room 長飛光纖光纜瀋陽有限公司輔助用房	5,267,691	Obtained proof from related departments on continued use 已取得相關部門允許繼續使用的證明
Yangtze Optic Fibre Qianjiang Co., Ltd. – cleaning room 長飛光纖潛江有限公司4a#盤具清洗間	2,924,835	In progress of completion filling 竣工備案階段
Yangtze Optical Fibre and Cable Joint Stock Limited Company – science park 6a excipient library 長飛光纖光纜股份有限公司科技園6a輔料庫	1,606,457	Has little effect on business activities 對經營活動影響不重大
Wuhan YOFC Universal Cable Co., Ltd. – hydrogen station 武漢長飛通用電纜有限公司氫氣站	566,698	Has little effect on business activities 對經營活動影響不重大
Yangtze Optical Fibre and Cable Joint Stock Limited Company – science park 12# guard room 長飛光纖光纜股份有限公司科技園12#門衛房	56,726	Has little effect on business activities 對經營活動影響不重大

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

五、合併財務報表項目註釋(續)

(Cont'd)

13. Construction in progress

(1) Information on construction in progress

13、在建工程

(1) 在建工程情況

Item	項目	31 December 2019		Carrying amount
		2019年12月31日	Impairment provision	
		Book value	減值準備	賬面價值
YOFC Optical Fibre Qianjiang Co., Ltd. – plant and equipment construction project	長飛光纖潛江有限公司廠房及設備建設項目	30,009,672	–	30,009,672
Hubei Flying Optical Fibre Material Co., Ltd. – plant and equipment construction project	湖北飛菱光纖材料有限公司廠房及設備建設項目	27,863,460	–	27,863,460
Yangtze Optical Fibre and Cable Joint Stock Limited – headquarter building	長飛光纖光纜股份有限公司總部大樓	18,511,141	–	18,511,141
Yangtze Optical Fibre and Cable Joint Stock Limited Company – Optical transceiver plant and equipment reforming	長飛光纖光纜股份有限公司光模組廠房改造	4,450,816	–	4,450,816
Ally First Optical Fibre and Cable Co., Ltd. – plant and equipment construction project	浙江聯飛光纖光纜有限公司廠房及設備建設項目	3,322,253	–	3,322,253
YOFC Optical Fibre and Cable (Tianjin) Company Limited – plant and equipment construction project	長飛光纖光纜(天津)有限公司廠房及設備建設項目	1,760,770	–	1,760,770
Others	其他	18,934,648	–	18,934,648
Total	合計	104,852,760	–	104,852,760

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

五、合併財務報表項目註釋(續)

(Cont'd)

13. Construction in progress (Cont'd)

(1) Information on construction in progress (Cont'd)

13、在建工程(續)

(1) 在建工程情況(續)

Item	項目	31 December 2018		
		Book value	Impairment provision	Carrying amount
		賬面餘額	減值準備	賬面價值
YOFC Optical Fibre Qianjiang Co., Ltd. – plant and equipment construction project	長飛光纖潛江有限公司廠房及設備建設項目	1,014,117,552	–	1,014,117,552
Hubei Flying Optical Fibre Material Co., Ltd. – plant and equipment construction project	湖北飛菱光纖材料有限公司廠房及設備建設項目	25,949,145	–	25,949,145
Yangtze Optical Fibre and Cable Joint Stock Limited – headquarter building	長飛光纖光纜股份有限公司總部大樓	6,199,125	–	6,199,125
Ally First Optical Fibre and Cable Co., Ltd. – plant and equipment construction project	浙江聯飛光纖光纜有限公司廠房及設備建設項目	3,910,397	–	3,910,397
Yangtze Optical Fibre and Cable Joint Stock Limited Company – Phase II project of YOFC Science & Technology Park	長飛光纖光纜股份有限公司科技園二期	82,671,638	–	82,671,638
Yangtze Optics Africa Holding (Pty) Ltd. – plant and equipment construction project	Yangtze Optics Africa Holding (Pty) Ltd. 廠房及設備建設項目	9,189,419	–	9,189,419
PT Yangtze Optical Fibre Indonesia – plant and equipment construction project	PT Yangtze Optical Fibre Indonesia 廠房及設備建設項目	6,310,028	–	6,310,028
Shenzhen YOFC Connectivity Technologies Co., Ltd. – plant and equipment construction project	深圳長飛智連技術有限公司廠房及設備建設項目	3,938,890	–	3,938,890
Yangtze Optical Fibre and Cable Joint Stock Limited Company – preform ramp equipment	長飛光纖光纜股份有限公司預製棒擠產設備	3,490,610	–	3,490,610
Others	其他	15,043,566	–	15,043,566
Total	合計	1,170,820,370	–	1,170,820,370

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Cont'd)

13. Construction in progress (Cont'd)

(2) Changes in major construction in progress projects during the year:

五、合併財務報表項目註釋(續)

13、在建工程(續)

(2) 重大在建工程項目本年變動情況：

Item	項目	Opening balance on 1 January 2019	Addition during the year	Transfer to fixed assets during the year	Foreign exchange translation differences	Closing balance on 31 December 2019	Accumulated amount of interests capitalised	Of which: amount of		Source of the fund
								interests capitalized during the year	Interest capitalization rate of the year (%)	
		年初餘額	本年增加	本年轉入 固定資產	外幣 折算差額	年末餘額	利息資本化 累計金額	本年利息 資本化金額	本年利息 資本化率(%)	資金來源
Yangtze Optic Fibre (Qianjiang) Co., Ltd. - plant and equipment construction project	長飛光纖潛江有限公司 廠房及設備建設項目	1,014,117,552	356,426,638	(1,340,534,518)	-	30,009,672	21,212,347	4,900,000	-	
Hubei Flying Optical Fibre Material Co., Ltd. - plant and equipment construction project	湖北飛菱光纖材料有限公司 廠房及設備建設項目	25,949,145	1,986,816	(72,501)	-	27,863,460	387,919	-	-	
Yangtze Optical Fibre and Cable Joint Stock Limited - headquarter building	長飛光纖光纜股份有限公司 總部大樓	6,199,125	12,312,016	-	-	18,511,141	-	-	-	
Yangtze Optical Fibre and Cable Joint Stock Limited -Optical transceiver building	長飛光纖光纜股份有限公司 光模組廠房改造	-	4,450,816	-	-	4,450,816	-	-	-	
Ally First Optical Fiber and Cable Co., Ltd. - plant and equipment construction project	浙江聯飛光纖光纜有限公司 廠房及設備建設項目	3,910,397	42,511,548	(43,099,692)	-	3,322,253	-	-	-	
YOFC Optic Fibre Tianjing Co., Ltd. - plant and equipment construction project	長飛光纖光纜(天津)有限公司 廠房及設備建設項目	-	1,760,770	-	-	1,760,770	-	-	-	
Yangtze Optical Fibre and Cable Joint Stock Limited Company - Phase II project of YOFC Science & Technology Park	長飛光纖光纜股份有限 公司科技園二期	82,671,638	32,749,011	(115,420,649)	-	-	-	-	-	
Yangtze Optics Africa Holding (Pty) Ltd. - plant and equipment construction project	Yangtze Optics Africa Holding (Pty) Ltd. 廠房及設備建設項目	9,189,419	21,462	(9,614,556)	403,675	-	-	-	-	
PT Yangtze Optical Fibre Indonesia - plant and equipment construction project	PT Yangtze Optical Fibre Indonesia 廠房及設備建設項目	6,310,028	-	(6,696,900)	386,872	-	-	-	-	
Shenzhen YOFC Connectivity Technologies Co., Ltd. - plant and equipment construction project	深圳長飛智達技術有限公司 廠房及設備建設項目	3,938,890	-	(3,938,890)	-	-	-	-	-	
Yangtze Optical Fibre and Cable Joint Stock Limited Company - preform ramp equipment	長飛光纖光纜股份有限公司 預製棒擴產設備	3,490,610	208,957	(3,699,567)	-	-	-	-	-	
Others	其他	15,043,566	21,377,498	(17,486,416)	-	18,934,648	-	-	-	
Total	合計	1,170,820,370	473,805,532	(1,540,563,689)	790,547	104,852,760	21,600,266	4,900,000	4.24%	自有資金、貸款 及募集資金

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 五、合併財務報表項目註釋 (續)

(Cont'd)

14. Right-of-use assets and lease liabilities

Right-of-use assets

14、使用權資產和租賃負債

使用權資產

Item	項目	Land, building and structures 房屋及建築物	Machinery and equipment 機器設備	Office equipment and other equipment 辦公設備及其他設備	Total 合計
Cost	賬面價值				
Opening balance on 1 January 2019	年初餘額	53,704,641	193,307	127,397	54,025,345
Addition during the year	本年增加	25,168,425	2,876,917	1,145,370	29,190,712
Foreign exchange translation differences	外幣折算差額	476,611	8,352	4,238	489,201
Closing balance on 31 December 2019	年末餘額	79,349,677	3,078,576	1,277,005	83,705,258
Accumulated amortization	累計折舊				
Opening balance on 1 January 2019	年初餘額	—	—	—	—
Charge for the year	本年計提	18,117,648	625,137	430,502	19,173,287
Foreign exchange translation differences	外幣折算差額	128,392	2,352	1,069	131,813
Closing balance on 31 December 2019	年末餘額	18,246,040	627,489	431,571	19,305,100
Impairment provision	減值準備				
Opening balance as at 1 January 2019	年初餘額	—	—	—	—
Closing balance as at 31 December 2019	年末餘額	—	—	—	—
Carrying amount	賬面價值				
Carrying amount as at 1 January 2019	年初餘額	53,704,641	193,307	127,397	54,025,345
Carrying amount as at 31 December 2019	年末餘額	61,103,637	2,451,087	845,434	64,400,158

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Cont'd)

14. Right-of-use assets and lease liabilities (Cont'd)

The Group leases plant and buildings for its office space and production site. The leases of office space and Production site typically run for a period of 2-10 years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

Some leases require the Group to make payments that relate to the property taxes levied on the lessor and insurance payments made by the lessor; these amounts are generally determined annually.

Lease liabilities

Item	項目	Note 附註	31 December	31 December
			2019 2019年 12月31日	2018 2018年 12月31日
Long-term lease liabilities	長期租賃負債	V.25 五、25	67,741,572	54,025,345
Less: Long-term lease liabilities due within one year	減：一年內到期的租賃負債		19,156,139	11,926,285
Total	合計		48,585,433	42,099,060

Item	項目	31 December 2019 2019年12月31日
Short-term lease expenses applied the practical expedient	選擇簡化處理方法的短期租賃費用	6,247,629
Variable lease payments not included in the measurement of lease liabilities	未納入租賃負債計量的可變租賃付款額	1,218,872
Total cash outflow for leases	與租賃相關的總現金流出	27,316,700

The leased plant and buildings, office equipment and transportation tools etc of the Group are short-term leases. The Group choose not to recognise right-of-use assets or lease liabilities regarding to these leases.

本集團租用房屋及建築物作為其辦公及生產場所，租賃期為2至10年不等。部分租賃包括合同期限結束後續租相同期限的選擇權。

有些租賃要求本集團支付與出租人需繳納的房產稅和保險費有關的款項；這些金額通常每年確定。

租賃負債

本集團還租用房屋建築、辦公設備及運輸工具等這些租賃為短期租賃，本集團已選擇對這些租賃不確認使用權資產和租賃負債。

五、合併財務報表項目註釋 (續)

14、使用權資產和租賃負債 (續)

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Cont'd)

14. Right-of-use assets and lease liabilities (Cont'd)

(1) Details of the Group as a lessor

(a) Operating lease

Item	項目	2019 2019年
Lease income	租賃收入	1,390,443

The Group leases out some machinery in 2019, with lease terms of 1-6 years. The Group has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

The amount of undiscounted lease receivables which will be paid to the Group is as follows:

Item	項目	2019 2019年
Within 1 year (1 year inclusive)	1年以內(含1年)	1,119,706
1-2 years (2 year inclusive)	1年至2年(含2年)	390,706
2-3 years (3 year inclusive)	2年至3年(含3年)	390,706
3-4 years (4 year inclusive)	3年至4年(含4年)	390,706
4-5 years (5 year inclusive)	4年至5年(含5年)	390,706
Over 5 years	5年以上	32,559
Total	合計	2,715,089

五、合併財務報表項目註釋(續)

14、使用權資產和租賃負債(續)

(1) 本集團作為出租人的租賃情況

(a) 經營租賃

本集團於2019年將部分房屋建築及機器設備用於出租，租賃期為1-6年。本集團將該租賃分類為經營租賃，因為該租賃並未實質上轉移與資產所有權有關的幾乎全部風險和報酬。

本集團於資產負債表日後將收到的未折現的租賃收款額如下：

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

五、合併財務報表項目註釋(續)

(Cont'd)

15. Intangible assets

(1) Information of intangible assets

15、無形資產

(1) 無形資產情況

Item	項目	Land use rights 土地使用權	Patents 專利權	Unpatented technologies 非專利技術	Trademarks 商標權	Total 合計
Cost	賬面原值					
Opening balance on 1 January 2019	年初餘額	264,942,301	167,868,025	58,000,000	12,081,100	502,891,426
Addition during the year – Purchase	本年增加金額 – 購置	34,390,095	217,654	–	–	34,607,749
Closing balance on 31 December 2019	年末餘額	299,332,396	168,085,679	58,000,000	12,081,100	537,499,175
Accumulated amortization	累計攤銷					
Opening balance on 1 January 2019	年初餘額	45,250,788	47,632,885	8,700,000	2,416,220	103,999,893
Addition during the year – Charge for the year	本年增加金額 – 本年計提	5,921,923	2,458,241	2,900,000	1,208,110	12,488,274
Closing balance on 31 December 2019	年末餘額	51,172,711	50,091,126	11,600,000	3,624,330	116,488,167
Impairment provision	減值準備					
Opening balance on 1 January 2019	年初餘額	–	106,919,177	–	–	106,919,177
Addition during the year	本年增加金額	–	6,955,458	–	–	6,955,458
Closing balance on 31 December 2019	年末餘額	–	113,874,635	–	–	113,874,635
Carrying amount	賬面價值					
Carrying amount as at 31 December 2019	年末賬面價值	248,159,685	4,119,918	46,400,000	8,456,770	307,136,373
Carrying amount as at 1 January 2019	年初賬面價值	219,691,513	13,315,963	49,300,000	9,664,880	291,972,356

The Group does not have intangible assets formed through internal research and development.

本集團沒有通過內部研發形成的無形資產。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

五、合併財務報表項目註釋(續)

(Cont'd)

15. Intangible assets (Cont'd)

(2) Information of land use rights for property rights certificates not yet applied.

15、無形資產(續)

(2) 未辦妥產權證書的土地使用權情況

Item	Carrying amount	Reasons
項目	帳面價值	未辦妥產權證書原因
Yangtze Gas Qianjiang Company Limited- land use rights 長飛氣體潛江有限公司土地使用權	3,670,000	In progress 正在辦理中
Hubei Flying Optical Fibre Material Company Limited -land use rights 湖北飛菱光纖材料有限公司土地使用權	967,665	In progress 正在辦理中

16. Deferred tax assets and liabilities

(1) Deferred tax assets and liabilities

16、遞延所得稅資產、遞延所得稅負債

(1) 遞延所得稅資產、遞延所得稅負債

Item	項目	31 December 2019 2019年12月31日		31 December 2018 2018年12月31日	
		Deductible temporary difference 可抵扣暫時性差異	Deferred tax assets 遞延所得稅資產	Deductible temporary difference 可抵扣暫時性差異	Deferred tax assets 遞延所得稅資產
Deferred tax assets:	遞延所得稅資產：				
Provision for impairment of assets	資產減值準備	144,126,714	22,891,488	121,697,025	19,282,633
Unrealized internal profits	內部交易未實現利潤	158,059,614	23,708,942	226,994,587	34,049,188
Other non-current liabilities	其他非流動負債	213,448,739	32,416,861	156,581,034	23,487,155
Deductible tax losses	可抵扣虧損	107,438,618	26,410,237	60,090,607	15,674,274
Others	其他	3,676,253	629,015	16,654,827	2,556,374
Sub-total	小計	626,749,938	106,056,543	582,018,080	95,049,624
Eliminations	互抵金額		(8,908,369)		(10,384,638)
Amount after eliminations	互抵後的金額		97,148,174		84,664,986

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

五、合併財務報表項目註釋(續)

(Cont'd)

16. Deferred tax assets and liabilities (Cont'd)

(1) Deferred tax assets and liabilities (Cont'd)

16、遞延所得稅資產、遞延所得稅負債(續)

(1) 遞延所得稅資產、遞延所得稅負債(續)

Item	項目	31 December 2019 2019年12月31日		31 December 2018 2018年12月31日	
		Deductible temporary difference 可抵扣暫時性差異	Deferred tax liabilities 遞延所得稅負債	Deductible difference 可抵扣暫時性差異	Deferred tax liabilities 遞延所得稅負債
Deferred tax liabilities:	遞延所得稅負債：				
Fair value changes in other equity instruments	其他權益工具公允價值變動	(42,894,954)	(6,434,244)	(50,552,056)	(7,582,809)
Temporary differences arising from the adjustment of fair value of assets under enterprise mergers not in same control	非同一控制企業合併中資產公允價值調整產生的暫時性差異	(9,896,500)	(2,474,125)	(11,207,316)	(2,801,829)
Sub-total	小計	(52,791,454)	(8,908,369)	(61,759,372)	(10,384,638)
Eliminations	互抵金額		8,908,369		10,384,638
Amount after eliminations	互抵後的金額		-		-

(2) Breakdown of unrecognized deferred tax assets

(2) 未確認遞延所得稅資產明細

Item	項目	31 December 2019 2019年 12月31日	31 December 2018 2018年 12月31日
		Deductible temporary difference	可抵扣暫時性差異
Deductible tax losses	可抵扣虧損	271,767,751	205,884,866
Total	合計	437,684,572	365,850,322

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Cont'd)

16. Deferred tax assets and liabilities (Cont'd)

(3) Expiration of deductible tax losses for unrecognized deferred tax assets

五、合併財務報表項目註釋(續)

16、遞延所得稅資產、遞延所得稅負債(續)

(3) 未確認遞延所得稅資產的可抵扣虧損的到期情況

Year	年份	31 December	31 December
		2019	2018
		2019年	2018年
		12月31日	12月31日
2021	2021年	2,534,449	2,534,449
2022	2022年	297,552	2,475,249
2023	2023年	6,490,402	10,857,093
2024	2024年	11,643,127	2,037,900
2025	2025年	31,327,817	31,327,817
2026	2026年	9,318,218	9,318,218
2027	2027年	98,053,655	98,053,655
2028	2028年	44,086,817	44,086,817
2029	2029年	58,387,446	—
Without deadline	無到期期限	9,628,268	5,193,668
Total	合計	271,767,751	205,884,866

According to the Law of the People's Republic of China on Enterprise Income Tax (《中華人民共和國企業所得稅法》) and its implementation ordinance, the notice of Ministry of Finance of the State Administration of Taxation on Extending the Deficit-carrying Years of High-tech Enterprises and Technology-based SMEs (Cai Shui [2018] No. 76) (《財政部稅務總局關於延長高新技術企業和科技型中小企業虧損結轉年限的通知》(財稅[2018]76號)), Enterprises that are qualified as High-tech Enterprises or Technology-based SMEs in 2018 (hereinafter referred to as the "qualifications"). Regardless of whether they are qualified from 2013 to 2017, the undistributed deficit incurred from 2013 to 2017 is allowed to be carried forward to subsequent years. The maximum carryover period is 10 years. Qualified enterprises in the years after 2018 implement tax treatment for carrying forward deficit by the same token. As High-tech Enterprises, several subsidiaries of the Group will carry forward undistributed deficit for 10 years in accordance with regulations from 2018.

根據《中華人民共和國企業所得稅法》及其實施條例、《財政部稅務總局關於延長高新技術企業和科技型中小企業虧損結轉年限的通知》(財稅[2018]76號)，2018年具備高新技術企業或科技型中小企業資格(以下簡稱「資格」)的企業，無論2013年至2017年是否具備資格，其2013年至2017年發生的尚未彌補完的虧損，均准予結轉以後年度彌補，最長結轉年限為10年。2018年以後年度具備資格的企業，依此類推，進行虧損結轉彌補稅務處理。本集團下屬多家公司作為高新技術企業，從2018年度按照規定將未彌補虧損結轉10年補虧。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

五、合併財務報表項目註釋(續)

(Cont'd)

17. Others non-current assets

17、其他非流動資產

Item	項目	31 December 2019 2019年12月31日			31 December 2018 2018年12月31日		
		Book value 賬面餘額	Impairment 減值準備	Carrying amount 賬面價值	Book value 賬面餘額	Impairment 減值準備	Carrying amount 賬面價值
Prepayments for equipment	預付設備款項	51,648,827	-	51,648,827	136,034,278	-	136,034,278
Prepayments for shareowner's stock (note)	預付股權轉讓款(註)	45,360,942	-	45,360,942	-	-	-
Prepayments for engineering projects	預付工程項目款	29,089,628	-	29,089,628	-	-	-
Deductible VAT input tax	待抵扣增值稅進項稅	-	-	-	5,451,284	-	5,451,284
Total	合計	126,099,397	-	126,099,397	141,485,562	-	141,485,562

Note: As at 26 December 2019, the Company signed an acquisition agreement with third parties to acquire 51% equity interests of Sunstar Communication Technology Co. Ltd., (hereinafter referred to as the "Sunstar Communication") with amounting to RMB151,203,140. According to the agreement, the completion date of the delivery is the day that Sunstar Communication completes the industrial and commercial change registration, since then the rights and risks of Sunstar Communication will transfer to the Company. As at 31 December 2019, the Company has paid the purchase price of RMB45,360,942. As at 2 January 2020, Sunstar Communication has completed the change of industrial and commercial registration.

註：於2019年12月26日，本公司與第三方簽訂收購協定，協定約定本公司以人民幣151,203,140元購買四川光恒通信技術有限公司（以下簡稱「四川光恒」）51%的股權，交割完成日為四川光恒完成工商變更登記之日，四川光恒股權的權利和風險自交割完成日起轉移給本公司。截至2019年12月31日，本公司已支付收購對價人民幣45,360,942元。於2020年1月2日四川光恒已完成工商登記變更。

18. Current bank loans

18、短期借款

Item	項目	31 December 2019 2019年 12月31日	31 December 2018 2018年 12月31日
		Unsecured loans	信用借款

As at 31 December 2019 and 31 December 2018, the guaranteed loans tendered by the intercompany of the Group included in the above unsecured loans were RMB90,690,600 and 20,589,600 respectively.

於2019年12月31日，信用借款中包含本集團內部單位互相提供擔保的借款，金額為人民幣90,690,600元（2018年：人民幣20,589,600元）。

As at 31 December 2019, the Group did not have any overdue loans not yet paid.

於2019年12月31日，本集團沒有已逾期未償還的借款。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Cont'd)

19. Bills payable

Item	項目	31 December	31 December
		2019	2018
		2019年	2018年
		12月31日	12月31日
Commercial acceptance bills	商業承兌匯票	397,733,603	58,170,615
Bank acceptance bills	銀行承兌匯票	177,059,660	174,323,415
Total	合計	574,793,263	232,494,030

The Group did not have bills payable that were due and not yet paid.
The above amounts were bills payable due within one year.

本集團沒有已到期未支付的應付票據。上述金額均為一年內到期的應付票據。

20. Trade payables

Item	項目	31 December	31 December
		2019	2018
		2019年	2018年
		12月31日	12月31日
Due to related parties	應付關聯公司	251,202,881	236,218,411
Due to third parties	應付第三方供應商	1,010,405,021	1,039,400,972
Total	合計	1,261,607,902	1,275,619,383

五、合併財務報表項目註釋(續)

19、應付票據

20、應付賬款

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Cont'd)

20. Trade payables (Cont'd)

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

Ageing	賬齡	31 December 2019 2019年 12月31日	31 December 2018 2018年 12月31日
Within 1 year (1 year inclusive)	1年以內(含1年)	1,224,751,780	1,241,706,923
1 to 2 years (2 years inclusive)	1年至2年(含2年)	26,180,928	24,711,186
2 to 3 years (3 years inclusive)	2年至3年(含3年)	3,048,371	5,449,720
Over 3 years	3至以上	7,626,823	3,751,554
Sub-total	小計	1,261,607,902	1,275,619,383

Trade payables over 1 year are paid for goods, constructions and equipments, and the Group continue to trading with the responding parties.

賬齡超過1年的應付賬款主要為應付貨款和應付工程款及設備款，本集團與對方繼續發生業務往來。

21. Contract liabilities

21. 合同負債

Item	項目	31 December 2019 2019年 12月31日	31 December 2018 2018年 12月31日
Advances from sales of optical fibre and optical fibre preform	光纖及光纖預製棒銷售預收款	61,059,362	18,714,589
Advances from sales of optical fibre cable	光纜銷售預收款	77,552,129	80,223,412
Other advances from customers	其他預收款項	124,289,059	80,122,963
Total	合計	262,900,550	179,060,964

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Cont'd)

22. Employee benefits payable

(1) Employee benefits payable are as follows:

		Balance at 1 January 2019 年初餘額	Addition 本年增加	Paid 本年減少	Balance at 31 December 2019 年末餘額
Short-term employee benefits	短期薪酬	444,960,087	613,450,470	(838,564,701)	219,845,856
Termination benefits – Defined contribution plan	離職後福利 – 設定提存計劃	65,049	67,927,558	(67,897,615)	94,992
Total	合計	445,025,136	681,378,028	(906,462,316)	219,940,848

(2) Short-term employee benefits

		Balance at 1 January 2019 年初餘額	Addition 本年增加	Paid 本年減少	Balance at 31 December 2019 年末餘額
Salary, bonus, subsidy and grants	工資、獎金、津貼和補貼	438,087,512	505,635,068	(728,957,721)	214,764,859
Staff welfare	職工福利費	4,474,062	15,230,095	(17,424,278)	2,279,879
Social insurance	社會保險費				
Medical insurance	醫療保險費	29,361	30,354,140	(30,367,184)	16,317
Work injury	工傷保險費	2,009	1,747,241	(1,745,366)	3,884
Maternity insurance	生育保險費	2,141	2,385,714	(2,381,802)	6,053
Housing fund	住房公積金	103,216	40,397,836	(40,246,475)	254,577
Union expenses and employees education expenses	工會經費和職工教育經費	2,261,786	17,700,376	(17,441,875)	2,520,287
Total	合計	444,960,087	613,450,470	(838,564,701)	219,845,856

五、合併財務報表項目註釋 (續)

22、應付職工薪酬

(1) 應付職工薪酬列示：

(2) 短期薪酬

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Cont'd)

22. Employee benefits payable (Cont'd)

(3) Termination benefits – Defined contribution plan

五、合併財務報表項目註釋 (續)

22、應付職工薪酬 (續)

(3) 離職後福利 – 設定提存計劃

		Balance at 1 January 2019 年初餘額	Addition 本年增加	Paid 本年減少	Balance at 31 December 2019 年末餘額
Basic retirement insurance premiums	基本養老保險	62,734	65,269,156	(65,242,368)	89,522
Unemployment insurance	失業保險費	2,315	2,658,402	(2,655,247)	5,470
Total	合計	65,049	67,927,558	(67,897,615)	94,992

23. Taxes payable

23、應交稅費

Item	項目	31 December 2019 2019年 12月31日	31 December 2018 2018年 12月31日
Value added tax	增值稅	33,532,727	36,740,275
Enterprise income tax	企業所得稅	28,542,101	80,862,388
Personal income tax	個人所得稅	5,132,606	6,487,273
Urban maintenance and construction tax	城市維護建設稅	8,498,841	11,313,532
Education fee surcharge	教育費附加	14,172,093	16,003,448
Others	其他	13,687,887	15,031,951
Total	合計	103,566,255	166,438,867

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Cont'd)

24. Other payables

Others payables by nature of payments are as follows:

Item	項目	31 December	31 December
		2019	2018
		2019年	2018年
		12月31日	12月31日
Payments for equipment and intangible assets	應付設備款項	278,691,535	306,675,480
Payment for technical royalty fee	應付技術提成費	20,717,764	41,323,161
Payment for intermediaries fees	應付專業服務費	3,991,680	17,657,976
Payment for sales commission	應付銷售佣金	27,824,275	23,230,143
Estimated liabilities	預計負債	–	15,000,000
Deposits	押金	9,625,153	9,155,111
Payable personal income tax return	應付個人所得稅返還	7,321,761	6,103,810
Others	其他	62,514,172	66,515,615
Total	合計	410,686,340	485,661,296

五、合併財務報表項目註釋(續)

24、其他應付款

按款項性質列示：

25. Non-current liabilities due within one year

Information on non-current liabilities due within one year was as follows:

25、一年內到期的非流動負債

一年內到期的非流動負債分項目情況如下：

Item	項目	31 December	1 January	31 December
		2019	2019	2018
		2019年	2019年	2018年
		12月31日	1月1日	12月31日
Non-current bank loans due within one year	一年內到期的長期借款	21,023,100	276,854,467	276,854,467
Lease liabilities due within one year	一年內到期的租賃負債	19,156,139	11,926,285	–
Total	合計	40,179,239	288,780,752	276,854,467

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Cont'd)

26. Non-current bank loans

Classification of non-current bank loans

五、合併財務報表項目註釋(續)

26、長期借款

長期借款分類

Item	項目	31 December	31 December
		2019	2018
		2019年	2018年
		12月31日	12月31日
Unsecured loans	信用借款	63,023,100	1,093,854,467
Less: non-current bank loans due within one year	減：一年內到期的長期借款	21,023,100	276,854,467
Total	合計	42,000,000	817,000,000

As at 31 December 2019, there was no overdue non-current bank loans. The above bank loans are fixed rate loans of which interest rate was 1.20% in 2019, while non-current bank loans in 2018 are floated rate loans and fixed rate loans, of which interest rates range from 1.20% to 5.70%.

於2019年12月31日本集團無已逾期未償還的長期借款。上述借款為固定利率借款。利率為1.20%。(2018年度：1.20%—5.70%)。

The Group's bank loans (including current bank loans and non-current bank loans) by repayment time were listed as follows:

本集團的銀行借款(包含短期借款和長期借款)按還款時間列示如下：

Item	項目	31 December	31 December
		2019	2018
		2019年	2018年
		12月31日	12月31日
Within 1 year (1 year inclusive)	1年以內(含1年)	916,599,308	554,125,883
1 to 2 years (2 years inclusive)	1年至2年(含2年)	—	510,000,000
2 to 5 years (5 years inclusive)	2年至5年(含5年)	21,000,000	266,000,000
Over 5 years	5年以上	21,000,000	41,000,000
Sub-total	小計	958,599,308	1,371,125,883

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 五、合併財務報表項目註釋 (續)

(Cont'd)

27. Deferred income

27、遞延收益

Item 項目	Opening balance on 1 January 2019 年初餘額	Addition during the year 本年增加	Decrease during the year 本年減少	Closing balance on 31 December 2019 年末餘額	Causes 形成原因
Government grants 政府補助	85,149,694	96,438,357	(18,274,111)	163,313,940	Engineering construction project government subsidy 工程建設項目政府補助
Technology usage fees 技術使用費	2,466,667	–	(2,466,667)	–	Pre-paid technology usage fees 預收技術使用費
Rental fees 租賃費	3,888,000	–	(432,000)	3,456,000	Pre-paid rental fees 預收租賃費
Total 合計	91,504,361	96,438,357	(21,172,778)	166,769,940	

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

五、合併財務報表項目註釋(續)

(Cont'd)

27. Deferred income (Cont'd)

Details of government grants

27、遞延收益(續)

涉及政府補助的項目：

Item	Opening balance on 1 January 2019	Addition during the year	Amount to non-operating income	Amount to other comprehensive income	Closing balance on 31 December 2019	Related to assets/income
補助項目	年初餘額	本年新增補助金額	本年計入營業外收金額	本年計入其他綜合收益金額	年末餘額	與資產相關/ 與收益相關
RIC+PCVD fiber production technological R&D and renovation project	10,000,000	–	–	(1,000,000)	9,000,000	Relate to assets 與資產相關
RIC+PCVD光纖生產技術研發改造工程項目						
IOGSFP+ High Speed Communication Chip Implementation project	33,920,000	–	–	(4,000,000)	29,920,000	Relate to assets 與資產相關
IOGSFP+高速通信晶片實施方案項目						
Yangtze Optical Fibre and Cable Lanzhou Co., Ltd. – Phase 2 expansion project	25,787,444	–	–	(2,049,333)	23,738,111	Relate to assets 與資產相關
長飛光纖光纜蘭州有限公司二期擴產工程項目						
Large diameter low water peak optical fiber preform industrialization project	4,286,000	–	–	(612,000)	3,674,000	Relate to assets 與資產相關
大直徑低水峰光纖預製棒產業化項目補貼						
Key Technology Development and Transformation of New Generation Optical Fiber Preform Equipment project	2,475,000	–	–	(225,000)	2,250,000	Relate to assets 與資產相關
新一代光纖預製棒設備關鍵技術研發與轉化項目補貼						
Ally First Optical Fibre and Cable Co.,Ltd major industry technological renovation project	5,400,000	5,828,000	–	(1,182,800)	10,045,200	Relate to assets 與資產相關
浙江聯飛重點工業投資(技術改造)財政專項資金						
Yangtze Optical Fibre (Shenyang) Co., Ltd. – Phase 2 expansion project	3,281,250	–	–	(218,750)	3,062,500	Relate to assets 與資產相關
長飛光纖光纜瀋陽有限公司二期擴產工程政府補助						

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Cont'd)

27. Deferred income (Cont'd)

Details of government grants (Cont'd)

五、合併財務報表項目註釋 (續)

27、遞延收益 (續)

涉及政府補助的項目：(續)

Item 補助項目	Opening balance on 1 January 2019 年初餘額	Addition during the year 本年新增 補助金額	Amount to non-operating income 本年計入 營業外收金額	Amount to other comprehensive income 本年計入其他 綜合收益金額	Closing balance on 31 December 2019 年末餘額	Related to assets/income 與資產相關/ 與收益相關
Five-year development special fund under "One corresponding policy for each individual enterprise" (Note) 「一企一策」五年發展專項資金(註)	–	29,860,357	–	(5,649,697)	24,210,660	Relate to assets 與資產相關
Subsidies for R&D on ultra-low attenuation optical fiber and cable for use of next-generation optical communication networks 用於下一代光通信網絡的超低衰減光纖光纜研發補貼	–	46,900,000	–	(2,902,024)	43,997,976	Relate to assets 與資產相關
Connectivity technologies renovation projects 智連技術改造項目	–	1,850,000	–	(234,507)	1,615,493	Relate to assets 與資產相關
Industrialized development of 10G SFP+ high speed communication chips PG031 Special funding for industrialized project of specialty optical fibre applied to advanced laser devices PG031 先進激光器用特種光纖產業化項目專項經費	–	10,000,000	–	–	10,000,000	Relate to assets 與資產相關
2018 Provincial material technological renovation demonstration project subsidy funds 2018年省重大技術改造示范項目獎金補貼	–	2,000,000	–	(200,000)	1,800,000	Relate to assets 與資產相關
Total 合計	85,149,694	96,438,357	–	(18,274,111)	163,313,940	

Note: During 2019, the Group obtained the government subsidy of five-year development special fund under "One corresponding policy for each individual enterprise" for the application to subsidize fixed assets and other costs and expenditures. The Group will recognize the government subsidy for the application to subsidize expenditures on fixed assets as deferred income. This deferred income will be amortized over the useful life of the relevant assets. The government subsidy for the application to compensate for other costs and expenditures was included as other income of the year.

註：2019年本集團取得「一企一策」五年發展專項資金政府補助用以補貼固定資產及其他成本費用，本集團將用以補貼固定資產支出的政府補助確認為遞延收益，並在相關資產使用壽命內分攤。用於補償其他成本費用的政府補助於本年計入其他收益。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Cont'd)

28. Other non-current liabilities

Item	項目	31 December	31 December
		2019	2018
		2019年	2018年
		12月31日	12月31日
Government grant	政府補助	141,269,335	170,193,183
Engineering funds received in advance	預收工程款	573,461,515	–
Others	其他	92,430,000	92,430,000
Total	合計	807,160,850	262,623,183

The balance of other non-current liabilities is mainly the government grant of the Group's projects that have been received but not inspected and engineering funds received in advance.

其他非流動負債餘額主要為本集團已收取但未驗收項目的政府補助款以及預收工程款。

29. Share capital

29. 股本

		Opening balance	Changes	Closing balance
		in 2019	during the year	in 2019
		年初餘額	本年變動增減	年末餘額
China Huaxin Post and Telecom Technologies Co., Ltd.	中國華信郵電科技 有限公司	179,827,794	–	179,827,794
Draka Comteq B.V.	Draka Comteq B.V.	179,827,794	–	179,827,794
Wuhan Yangtze Communications Industry Group Co., Ltd.	武漢長江通信產業集團 股份有限公司	119,937,010	–	119,937,010
Other domestic shareholders	其他內資股股東	30,783,000	–	30,783,000
Other H shareholders	其他H股股東	171,739,000	–	171,739,000
A share public shareholders	A 股公眾股東	75,790,510	–	75,790,510
Total number of shares	股份總數	757,905,108	–	757,905,108

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Cont'd)

30. Capital reserve

Item	項目	Opening balance on			Closing balance on
		I January	Addition	Decrease	
		2019	During	during	31 December
		年初餘額	本年增加	本年減少	年末餘額
Share premium	股本溢價	3,353,543,988	-	(2,449,514)	3,351,094,474
Other capital reserve	其他資本公積	-	12,940,738	-	12,940,738
Total	合計	3,353,543,988	12,940,738	(2,449,514)	3,364,035,212

Other capital reserve comes from the share-based payment scheme for 2019 implemented by the Company (See Note XI. Share-based payment).

本年其他資本公積由本公司的股份支付計畫形成，參見附註十一、股份支付。

31. Treasury stock

Item	項目	Opening balance on			Closing balance on
		I January	Addition	Decrease	
		2019	During	during	31 December
		年初餘額	本年增加	本年減少	年末餘額
Phrase I employee stock ownership scheme	長飛光纖光纜股份有限公司 第一期員工持股計畫	-	33,653,461	-	33,653,461

The Company implemented the employee stock ownership scheme since 2019. The redeemed shares amounted to RMB33,653,461 for the scheme as treasury stock. (See Note XI. Share-based payment).

本公司於2019年實施員工持股計畫，就回購股份確認庫存股人民幣33,653,461元。參見附註十一、股份支付。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

五、合併財務報表項目註釋 (續)

(Cont'd)

32. Other comprehensive income

32、其他綜合收益

Item	項目	Opening balance of other comprehensive income attributable to the shareholders of the Company 歸屬於母公司股東的其他綜合收益年初餘額	Amount incurred during the year 本年發生額				Closing balance of other comprehensive income attributable to the shareholders of the Company 歸屬於母公司股東的其他綜合收益年末餘額
			Amount incurred during the year before income tax 本年所得稅前發生額	Less: income tax 減：所得稅費用	After tax attributable to the Company 稅後歸屬於母公司	After tax attributable to non-controlling interests 稅後歸屬於少數股東	
Other comprehensive income that may not be reclassified subsequently to profit or loss	不能重分類進損益的其他綜合收益						
Changes in fair value of investments in other equity instrument	其他權益工具投資公允價值變動	27,924,511	(7,657,102)	(1,148,565)	(6,508,537)	–	21,415,974
Other comprehensive income that may be reclassified subsequently to profit or loss	將重分類進損益的其他綜合收益						
Exchange differences on translation of financial statements of overseas subsidiaries	外幣財務報表折算差額	(1,744,155)	19,621,208	–	18,108,177	1,513,031	16,364,022
Total	合計	26,180,356	11,964,106	(1,148,565)	11,599,640	1,513,031	37,779,996

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

五、合併財務報表項目註釋(續)

(Cont'd)

33. Surplus reserve

33、盈餘公積

Item	項目	Opening balance on 1 January 2019 年初餘額	Addition during the year 本年增加	Decrease during the year 本年減少	Closing balance on 31 December 2019 年末餘額
Statutory surplus reserve	法定盈餘公積	378,952,554	91,253	–	379,043,807
Discretionary surplus reserve	任意盈餘公積	134,986,157	54,535,748	–	189,521,905
Reserve fund	儲備基金	21,722,524	–	–	21,722,524
Enterprise development fund	企業發展基金	21,722,524	–	–	21,722,524
Total	合計	557,383,759	54,627,001	–	612,010,760

34. Retained earnings

34、未分配利潤

Item	項目	Note	31 December 2019 2019年 12月31日	31 December 2018 2018年 12月31日
Retained earnings at the end of the prior year before adjustment	調整前上年末未分配利潤		3,493,020,983	2,535,966,730
Influence by changes in accounting policies	會計政策變更調整		–	2,158,472
Retained earnings at the beginning of the year after adjustment	調整後年初未分配利潤		3,493,020,983	2,538,125,202
Add: profit for the year attributable to the equity shareholders of the Company	加：本年歸屬於母公司 股東的淨利潤		801,225,042	1,489,185,053
Less: Transfer to statutory surplus reserve	減：提取法定盈餘公積		91,253	108,980,243
Transfer to discretionary surplus reserve	提取任意盈餘公積		54,535,748	46,356,475
Dividends payable on ordinary share	應付普通股股利	(1)	189,476,277	378,952,554
Retained earnings at the end of the year	年末未分配利潤	(2)	4,050,142,747	3,493,020,983

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Cont'd)

34. Retained earnings

(1) *Dividends on ordinary shares*

Upon the approval of the shareholders' meeting of the Company held on 28 May 2019, the Company distributed cash dividends to shareholders on 26 July 2019, with a cash dividend of RMB0.25 per share (2018: RMB0.5 per share), amounted to RMB189,476,277 (2018: RMB378,952,554) in total.

(2) *Explanation of retained earnings at the end of the year*

As at 31 December 2019 and 31 December 2018, the retained earnings attributable to the parent company of the Group included the surplus reserve of RMB61,228,622 and RMB23,672,861 transferred from the subsidiaries of the Company.

35. Revenue and cost of sales

(1) *Revenue and cost of sales*

五、合併財務報表項目註釋 (續)

34、未分配利潤

(1) *本年內分配普通股股利*

根據2019年5月28日股東大會的批准，本公司於2019年7月26日向普通股股東派發現金股利，每股人民幣0.25元（2018年：每股人民幣0.5元），共人民幣189,476,277元（2018年：人民幣378,952,554元）。

(2) *年末未分配利潤的說明*

截至2019年12月31日，本集團歸屬於母公司的未分配利潤中包含了本公司的子公司提取的盈餘公積人民幣61,228,622元（2018年：人民幣23,672,861元）。

35、營業收入、營業成本

(1) *營業收入、營業成本*

Item	項目	2019		2018	
		Revenue 收入	Cost 成本	Revenue 收入	Cost 成本
Principal activities	主營業務	7,490,584,171	5,677,206,635	11,061,853,761	7,875,108,914
Other operating activities	其他業務	278,591,324	258,442,254	297,910,325	256,231,479
Total	合計	7,769,175,495	5,935,648,889	11,359,764,086	8,131,340,393
Including: Revenue generated from contract	其中：合同產生的收入	7,769,175,495	5,935,648,889	11,359,764,086	8,131,340,393

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

五、合併財務報表項目註釋(續)

(Cont'd)

35. Revenue and cost of sales (Cont'd)

(2) Details of revenue

35、營業收入、營業成本(續)

(2) 營業收入明細

Item	項目	2019 2019年	2018 2018年
Revenue from principal activities	主營業務收入		
– Optical fibres and optical fibre preforms	– 光纖及光纖預製棒銷售收入	2,508,413,385	4,691,213,906
– Optical fibre cables	– 光纜銷售收入	4,002,028,543	5,726,732,615
– System integration	– 系統集成銷售收入	349,123,295	56,123,194
– Other sales	– 其他銷售收入	631,018,948	587,784,046
Sub-total	小計	7,490,584,171	11,061,853,761
Revenue from other operating activities	其他業務收入		
– Materials	– 材料銷售收入	268,790,217	217,046,012
– Commission processing	– 受託加工收入	13,452	61,678,026
– Technology license fees and services	– 技術使用和服務收入	2,824,274	13,850,304
– Others	– 其他	6,963,381	5,335,983
Total	合計	7,769,175,495	11,359,764,086

36. Taxes and surcharges

36、税金及附加

Item	項目	2019 2019年	2018 2018年
Urban maintenance and construction tax	城市維護建設稅	6,918,408	26,063,451
Education fee surcharge	教育費附加	4,623,659	16,954,789
Stamp tax	印花稅	6,067,341	9,011,040
Property tax	房產稅	7,468,062	6,726,093
Others	其他	1,631,511	2,994,180
Total	合計	26,708,981	61,749,553

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

五、合併財務報表項目註釋(續)

(Cont'd)

37. Selling expenses

37、銷售費用

Item	項目	2019 2019年	2018 2018年
Salaries and benefits	工資及獎金	69,365,908	141,897,267
Social insurance and housing fund	社保及住房公積金	19,528,833	22,239,150
Transportation fee	運輸費	93,190,573	75,045,504
Travelling expenses	差旅招待費	89,790,884	95,913,040
Tender fee	投標費	4,868,776	15,354,227
Packaging fee	包裝費	9,155,926	9,586,246
Selling commissions	銷售佣金	18,202,879	5,422,646
Exhibition promotion expenses	廣告宣傳費	21,494,697	—
Depreciation	折舊	1,808,610	1,585,943
Others	其他	19,918,577	18,260,780
Total	合計	347,325,663	385,304,803

38. Administrative expenses

38、管理費用

Item	項目	2019 2019年	2018 2018年
Salaries and benefits	工資及獎金	147,505,849	246,722,896
Social insurance and housing fund	社保及住房公積金	27,848,902	27,189,611
Employee welfare costs	員工福利費	21,250,159	44,192,665
Depreciation and amortization	折舊和攤銷	54,265,004	51,729,351
Intermediary fees	專業服務費用	46,450,866	60,662,611
Travelling expenses	差旅招待費	31,174,952	32,946,921
Maintenance and repair fees	維護修理費	17,854,295	45,933,816
Exhibition promotion expenses	會務宣傳費	5,444,067	37,317,291
Rental expenses	租賃費	9,267,664	16,699,102
Directors' fees	董事袍金	4,874,748	5,041,354
Certification test fees	認證測試費	8,730,613	8,901,355
Others	其他	53,864,262	69,583,929
Total	合計	428,531,381	646,920,902

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 五、合併財務報表項目註釋(續)

(Cont'd)

39. R&D expenses

39、研發費用

Item	項目	2019 2019年	2018 2018年
Materials, fuel and power	材料燃料動力	231,853,880	243,338,084
Salaries and benefits	工資及獎金	86,441,608	119,013,199
Social insurance and housing fund	社保及住房公積金	28,823,451	29,843,051
Depreciation and amortization	折舊和攤銷	30,893,365	21,042,740
Technology usage fees	技術使用費	18,307,325	39,304,369
Others	其他	17,218,585	64,215,657
Total	合計	413,538,214	516,757,100

40. Financial expenses

40、財務費用

Item	項目	2019 2019年	2018 2018年
Interest expenses on loans and payables	貸款及應付款項的利息支出	62,148,499	60,388,465
Interest on lease liabilities	租賃負債的利息支出	3,913,486	–
Less: Borrowing costs capitalized	減：資本化的利息支出	4,900,000	14,842,497
Less: Financial discount to offset financial expenses	減：財政貼息沖減財務費用	–	746,000
Interest income from deposits	存款的利息收入	(43,159,364)	(27,871,149)
Net exchange (gains)/losses	淨匯兌(收益)/虧損	(19,649,707)	12,379,648
Other financial expenses	其他財務費用	7,870,862	10,840,369
Total	合計	6,223,776	40,148,836

The interest rate per annum, at which the borrowing costs were capitalized for the 2019 and 2018 by the Company was 4.24% and 3.98% respectively.

本集團本年度用於確定借款費用資本化金額的資本化率為4.24%(2018年：3.98%)。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

五、合併財務報表項目註釋(續)

(Cont'd)

41. Other income

41、其他收益

Item	項目	Note 附註	2019 2019年	2018 2018年
Government grants related to assets	與資產相關的政府補助	V.27 五、27	18,274,111	6,705,083
Government grants related to income	與收益相關的政府補助	Note 註	185,662,214	21,152,956
Total	合計		203,936,325	27,858,039

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Cont'd)

41. Other income (Cont'd)

Note: Details of government grants related to income were set out as below:

五、合併財務報表項目註釋(續)

41、其他收益(續)

註：與收益相關的政府補助分項目情況如下：

Item	項目	Amount occurred during the year 2019年 發生金額	Amount charged to other comprehensive income 計入其他 綜合收益金額	Amount charged to non-operating revenue 計入營業外 收入金額
Five-year development special fund under "One corresponding policy for each individual enterprise" (See Note V.27)	「一企一策」五年發展專項資金 (附註五、27)	168,803,906	168,803,906	—
Provincial Foreign Economic and Trade Fund (Foreign trade award funds)	省級外經貿資金 (外貿獎助獎金)	3,755,000	3,755,000	—
China's manufacturing industry-Single item champion enterprise award fund	全國製造業單項冠軍 企業獎勵資金	2,500,000	—	2,500,000
Provincial listing incentives granted by Development Zone management committee	開發區管委會撥付省級 上市獎勵	2,000,000	2,000,000	—
Municipal smart renovation demonstration project award funds	市級智慧化改造示範項目 獎勵資金	2,000,000	2,000,000	—
Municipal listing incentives granted by Wuhan Municipal Financial Work Bureau	武漢市金融工作局撥付 市級上市獎勵	1,500,000	—	1,500,000
Joint research on low-cost and large-sized optical fiber preforms produced using the outside vapor deposition method	管外氣相沉積法製備低成本 大尺寸光纖預製棒合作研究	1,120,000	1,120,000	—

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Cont'd)

41. Other income (Cont'd)

五、合併財務報表項目註釋 (續)

41、其他收益 (續)

Item	項目	Amount occurred during the year 2019年 發生金額	Amount charged to other comprehensive income 計入其他 綜合收益金額	Amount charged to non-operating revenue 計入營業外 收入金額
Patent funding from Lin'an Regional Market Regulation and Administration Bureau	臨安區市場監督管理局 專利資助	618,000	618,000	—
3551 Selected Enterprise Support Funds	3551 入選企業資助資金	600,000	600,000	—
3551 Enterprise Sponsorship Funds	3551 企業贊助資金	600,000	600,000	—
Technological insurance premium subsidies	科技保險保費補貼	600,000	600,000	—
Market system establishment subsidy funds	市場體系建設補助資金	600,000	600,000	—
Patent Application Funding	專利申請資助	565,000	565,000	—
Enterprise Technical Reform subsidy	企業技術改造資助	475,600	475,600	—
Hydrogen price spread compensation funds	氫氣差價補償款	457,376	457,376	—
2019 Provincial R&D input subsidies (regional ancillary support)	2019 省級研發投入補貼 區級配套	425,000	425,000	—
Wu Ke No. 2019-69 Municipal Subsidies for Hubei Technologies	武科2019-69號市級補貼 鄂科技發資2019-9號配套	425,000	425,000	—
Fa Zi No. 2019-9 Ancillary Support				
National High-Tech Enterprise Funding from Technology Innovation Bureau, Longhua New District, Shenzhen City.	深圳市龍華新區科技 創新局國高資助款	361,200	361,200	—
Others	其他	2,256,132	2,256,132	—
Total	合計	189,662,214	185,662,214	4,000,000

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

五、合併財務報表項目註釋(續)

(Cont'd)

42. Investment income

Information on projects with investment income

42、投資收益

投資收益分項目情況

Item	項目	Note 附註	2019 2019年	2018 2018年
Investment income from long-term equity investments under equity method	權益法核算的長期股權投資收益		109,848,127	152,089,231
Investment income on disposal of long-term equity investments	處置長期股權投資產生的投資收益		10,290,909	–
Investment income on disposal of financial assets held for trading	處置交易性金融資產取得的投資收益	XVII.(3) 十七、(3)	1,379,387	2,477,554
Dividend income from other equity instrument investments	其他權益工具投資的股利收入		267,600	133,800
Including: Dividend income from other equity instrument investments held as at the balance sheet date	其中：與資產負債表日仍持有的其他權益工具投資相關的股利收入		267,600	133,800
Net losses from disposal of subsidiaries	處置子公司淨損失		–	(3,642,371)
Total	合計		121,786,023	151,058,214

43. Gain from changes in fair value

43、公允價值變動收益

Item	項目	Note 附註	2019 2019年	2018 2018年
Financial assets held for trading	交易性金融資產	XVII.(3) 十七、(3)	238,970	257,993

44. Credit losses

44、信用減值損失

Item	項目	Note 附註	2019 2019年	2018 2018年
Trade receivables	應收賬款	V.4.(4) 五、4(4)	33,407,343	48,290,427

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

五、合併財務報表項目註釋 (續)

(Cont'd)

45. Impairment losses

45、資產減值損失

Item	項目	Note 附註	2019 2019年	2018 2018年
Inventories	存貨	V.8(2) 五、8(2)	26,369,687	21,545,956
Intangible assets	無形資產	V.15 五、15	6,955,458	17,069,257
Total	合計		33,325,145	38,615,213

46. Gains/(losses) from asset disposals

46、資產處置收益/(損失)

Item	項目	2019 2019年	2018 2018年
Gains/(losses) from disposal of fixed assets	固定資產處置淨收益/(損失)	7,367,173	(2,741,721)
Total	合計	7,367,173	(2,741,721)

47. Non-operating income and expenses

47、營業外收支

(1) Information on non-operating income items as follows:

(1) 營業外收入分項目情況如下：

Item	項目	附註	2019 2019年	2018 2018年
Government grants	政府補助	V.41 五、41	4,000,000	—
Revenue from sales of scraps	廢品銷售收入		1,448,968	2,319,991
Others	其他		1,071,285	1,194,749
Total	合計		6,520,253	3,514,740

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Cont'd)

47. Non-operating income and expenses (Cont'd)

(2) Information on non-operating expenses items as follows:

Item	項目	2019 2019年	2018 2018年
Loss from sales of scraps	廢品銷售損失	–	471,062
Others	其他	805,799	588,004
Total	合計	805,799	1,059,066

五、合併財務報表項目註釋(續)

47、營業外收支(續)

(2) 營業外支出分項目情況如下：

48. Income tax

48、所得稅費用

		Note	2019 2019年	2018 2018年
Income tax for the year based on the laws and regulations	按稅法及相關規定計算的當年所得稅		107,021,724	207,488,382
Changes in deferred income tax	遞延所得稅的變動	(1)	(11,334,623)	(23,833,861)
Tax filing differences	匯算清繳差異調整		3,536,975	(2,160,347)
Total	合計		99,224,076	181,494,174

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

(1) 遞延所得稅的變動分析如下：

Item	項目	2019 2019年	2018 2018年
Originations and reversals of temporary differences	暫時性差異的產生和轉回	(11,334,623)	(23,833,861)
Total	合計	(11,334,623)	(23,833,861)

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

五、合併財務報表項目註釋(續)

(Cont'd)

48. Income tax (Cont'd)

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

48、所得稅費用(續)

(2) 所得稅費用與會計利潤的關係如下：

Item	項目	2019 2019年	2018 2018年
Profit before taxation	稅前利潤	883,509,048	1,669,525,058
Expected income tax calculated at tax rate of 25%	按稅率25%計算的預期所得稅	220,877,262	417,381,265
Effect of tax rate differences	子公司適用不同稅率的影響	(67,922,214)	(146,681,878)
Effect of tax filing difference	匯算清繳差異調整的影響	3,536,975	(2,160,347)
Effect of non-taxable income	非應稅收入的影響	(14,513,501)	(50,079,646)
Effect of non-deductible cost, expense and loss	不可抵扣的成本、費用和損失的影響	3,215,382	8,285,343
Additional qualified tax deduction relating to research and development costs	研發費加計扣除	(63,928,391)	(71,933,679)
Effect of deductible temporary differences or deductible tax losses for which no deferred tax asset was recognized during the year	本年未確認遞延所得稅資產的可抵扣暫時性差異或可抵扣虧損的影響	17,958,563	26,683,116
Income tax for the year	本年所得稅費用	99,224,076	181,494,174

49. Calculations for earnings per share and diluted earnings per share

(1) Basic earnings per share

Basic earnings per share was calculated by dividing the consolidated profit for the year attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding:

49、每股收益和稀釋每股收益的計算過程

(1) 基本每股收益

基本每股收益以歸屬於本公司普通股股東的合併淨利潤除以本公司發行在外普通股的加權平均數計算：

Item	項目	2019 2019年	2018 2018年
Consolidated profit for the year attributable to ordinary shareholders of the Company	歸屬於本公司普通股股東的合併淨利潤	801,225,042	1,489,185,053
Less: Forfeitable cash dividends declared to restricted shareholders in employee share ownership this year whose shares are expected to unlock in the future	減：本年宣告的派發給預計未來可解鎖員工持股計劃限制性股票持有者的附有可撤銷條件的現金股利	500,000	—
Adjusted consolidated net profit attributable to ordinary shareholders of the Company	調整後歸屬於本公司普通股股東的合併淨利潤	800,725,042	1,489,185,053
Weighted average number of ordinary shares outstanding of the Company	本公司發行在外普通股的加權平均數	756,250,313	713,693,977
Basic earnings per share (RMB/share)	基本每股收益(人民幣元/股)	1.06	2.09

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Cont'd)

49. Calculations for earnings per share and diluted earnings per share

(Cont'd)

(1) Basic earnings per share (Cont'd)

The weighted average number of ordinary shares is calculated as follows:

		2019 2019年	2018 2018年
Number of issued ordinary shares at the beginning of the year	年初已發行普通股股數	757,905,108	682,114,598
Effect from initial public offering of A shares	公開發行新股的影響	-	31,579,379
Redeemed shares for employee stock ownership scheme (Note)	員工持股計畫回購股份(註)	(1,654,795)	-
Weighted average number of ordinary shares at the end of the year	年末普通股的加權平均數	756,250,313	713,693,977

Note: The Company has phase I employee share ownership plan following the approval by the 19th Meeting of the Second Board of Directors, the 12th Meeting of the Second Board of Supervisors and the First Extraordinary General Meeting in 2019. In accordance with the plan, the Company purchased 2,000,000 H shares of issued shares of the Company in the secondary market and granted to 100 employees participating in the plan. See Note XI. Share-based payment.

註：根據本公司第二屆董事會第十九次會議、第二屆監事會第十二次會議和2019年第一次臨時股東大會的批准，本公司實施第一期員工持股計畫，通過滬港通在二級市場累計購買公司H股股票2,000,000股授予參與該員工持股計畫的100名員工。參見附註十一、股份支付。

(2) Diluted earnings per share

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

(2) 稀釋每股收益

稀釋每股收益以歸屬於本公司普通股股東的合併淨利潤(稀釋)除以本公司發行在外普通股的加權平均數(稀釋)計算：

Item		Note 註	2019 2019年
Consolidated profit for the year attributable to ordinary shareholders of the Company (diluted)	歸屬於本公司普通股股東的合併淨利潤(稀釋)	(a)	800,850,042
Weighted average number of ordinary shares outstanding of the Company (diluted)	本公司發行在外普通股的加權平均數(稀釋)	(b)	756,512,990
Diluted earnings per share (RMB/share)	稀釋每股收益(元/股)		1.06

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Cont'd)

49. Calculations for earnings per share and diluted earnings per share

(Cont'd)

(2) Diluted earnings per share (Cont'd)

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

Item	項目	2019
Consolidated net profit attributable to ordinary shareholders (Basic earnings per share)	歸屬於本公司普通股股東的合併淨利潤(基本每股收益)	800,725,042
Diluted adjustments:	稀釋調整：	
Forfeitable cash dividends declared to restricted H shareholders in employee share ownership plan this year whose shares are expected to unlock in the future (note)	本年度宣告的派發給預計未來可解鎖員工持股計畫限制性股票持有者的附有可撤銷條件的現金股利(註)	125,000
Consolidated net profit attributable to ordinary shareholders(diluted)	歸屬於本公司普通股股東的合併淨利潤(稀釋)	800,850,042

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

註：限制性股票鎖定期內計算稀釋每股收益時，歸屬於本公司普通股股東的合併淨利潤(稀釋)應加回計算基本每股收益歸屬於本公司普通股股東的合併淨利潤時已扣除的當期派發給預計未來可解鎖限制性股票持有者的現金股利(具有稀釋性的)。

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

(b) 普通股的加權平均數(稀釋)計算過程如下：

		2019
Weighted average number of ordinary shares at 31 December	年末普通股的加權平均數	756,250,313
Diluted adjustments:	稀釋調整：	
Effect from restricted H shares in employee share ownership plan (Note XI)	員工持股計畫限制性股票的影響(附註十一)	262,677
Weighted average number of ordinary shares (diluted) at 31 December	年末普通股的加權平均數(稀釋)	756,512,990

There is no dilutive potential share during the year of 2018. Accordingly, the diluted earnings per share are the same as basic earnings per share.

2018年本公司不具有稀釋性的潛在普通股，因此稀釋每股收益等於基本每股收益。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

五、合併財務報表項目註釋(續)

(Cont'd)

50. Income statement supplementary information

50、利潤表補充資料

Classification of expenses in the income statement by nature:

對利潤表中的費用按性質分類：

Item	項目	2019 2019年	2018 2018年
Revenue	營業收入	7,769,175,495	11,359,764,086
Less: Changes in inventories of finished goods and work in progress	減：產成品及在產品的存貨變動	(351,484,978)	(91,945,095)
Raw materials consumed	耗用的原材料	5,448,769,792	7,432,144,541
Employee benefits expenses	職工薪酬費用	681,378,028	1,030,926,655
Depreciation and amortization expenses	折舊和攤銷費用	286,982,498	217,546,563
Credit losses	信用減值損失	33,407,343	48,290,427
Impairment losses	資產減值損失	33,325,145	38,615,213
Financial expenses	財務費用	6,223,776	40,148,836
Packaging and transaction fees	包裝費及運費	164,885,778	159,747,009
Utility expenses	水電氣費	217,517,826	150,386,588
R&D expenses (excluding employee benefits, depreciation and amortization and technology usage fees)	研發費(不含職工薪酬及折舊和攤銷及技術使用費)	249,072,465	307,553,741
Technology usage fees	技術使用費	18,307,325	39,304,369
Other expenses	其他費用	102,995,903	319,975,855
Operating profit	營業利潤	877,794,594	1,667,069,384

51. Items of cash flow statement

51、現金流量表項目

(1) Proceeds received relating to other operating activities

(1) 收到的其他與經營活動有關的現金

Item	項目	2019 2019年	2018 2018年
Government grants	政府補助	257,176,723	28,574,107
Net decrease of cash at bank with restriction	限制性銀行存款淨減少	20,791,981	-
Related party transactions	關聯方往來款	224,210	133,862
Rental income	租賃收入	2,437,557	4,844,746
Received prepayment for others	收回代墊款項	1,226,392	2,813,957
Disposal of scraps	廢品處置收入	1,448,968	3,951,847
Technology services fees	技術服務費	357,608	7,950,303
Others	其他	1,062,844	1,185,393
Total	合計	284,726,283	49,454,215

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

五、合併財務報表項目註釋(續)

(Cont'd)

51. Items of cash flow statement (Cont'd)

(2) Payment relating to other operating activities

51. 現金流量表項目(續)

(2) 支付的其他與經營活動有關的現金

Item	項目	2019 2019年	2018 2018年
Travelling expenses	差旅招待費	133,298,266	115,062,771
Net increase of cash at bank with restriction	限制性銀行存款淨增加	–	56,186,976
Consultation fees	諮詢費	38,578,144	44,947,272
Exhibition promotion expenses	會務宣傳費	26,028,493	35,164,705
Tender fees	投標費	12,740,308	34,550,308
Certification test fees	認證測試費	8,730,613	8,901,355
Storage fees	倉儲保管費	7,448,900	7,836,300
Board fees	董事會費	1,875,900	1,584,143
Others	其他	56,101,646	92,454,076
Total	合計	284,802,270	396,687,906

(3) Payment relating to other financing activities

(3) 支付的其他與籌資活動有關的現金

Item	項目	2019 2019年	2018 2018年
Purchasing equity held by non-controlling interests	購買少數股東權益	17,295,100	56,685,566
Payment for the capital and interest of lease liabilities	償還租賃負債本金和利息	20,120,031	–
Stock redeeming for employ stock ownership	員工持股計畫回購股份	33,653,461	–
Total	合計	71,068,592	56,685,566

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Cont'd)

52. Related information of cash flow statement

(1) Supplementary information on cash flow statement

- a. Reconciliation of profit for the year to cash flows from operating activities:

五、合併財務報表項目註釋 (續)

52、現金流量表相關情況

(1) 現金流量表補充資料

- a. 將淨利潤調節為經營活動現金流量：

Item	項目	Note 附註	2019 2019年	2018 2018年
Profit for the year	淨利潤		784,284,972	1,488,030,884
Add: Provision for impairment of assets	加：資產減值準備	V.45 五、45	33,325,145	38,615,213
Credit losses	信用減值損失	V.44 五、44	33,407,343	48,290,427
Depreciation of fixed assets	固定資產折舊	V.12 五、12	255,320,937	201,117,654
Amortization of Intangible assets	無形資產攤銷	V.15 五、15	12,488,274	16,428,909
Depreciation of right-of-use assets	使用權資產折舊	V.14 五、14	19,173,287	–
(Gains)/losses on disposal of fixed assets	處置固定資產的 (收益)/損失	V.46 五、46	(7,367,173)	2,741,721
Gain from changes in fair value	公允價值變動收益	V.43 五、43	(238,970)	(257,993)
Financial expenses	財務費用		2,715,322	17,390,938
Investment income	投資收益	V.42 五、42	(121,786,023)	(151,058,214)
(Increase) in deferred tax assets	遞延所得稅資產(增加)		(11,334,623)	(23,833,861)
(Increase) in inventories	存貨的增加		(767,462,892)	(288,560,484)
Increase in operating receivables	經營性應收項目的增加		(246,380,303)	(1,197,516,656)
Increase in operating payables	經營性應付項目的增加		856,518,597	413,962,407
Net cash flows from operating activities	經營活動產生的 現金流量淨額		842,663,893	565,350,945

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

五、合併財務報表項目註釋 (續)

(Cont'd)

52. Related information of cash flow statement (Cont'd)

52. 現金流量表相關情況 (續)

(1) Supplementary information on cash flow statement (Cont'd)

(1) 現金流量表補充資料 (續)

- b. Major investing and financing activities that do not involve cash receipts and payments:

- b. 不涉及現金收支的重大投資和籌資活動：

Item	項目	2019 2019年	2018 2018年
Bank acceptance bills received from sales of goods, provision of labor services are endorsed by the Group's suppliers	銷售商品、提供勞務收到的銀行承兌匯票背書於本集團供應商	529,037,055	811,251,978
Consideration for disposal of the joint venture company at physical assets and current accounts	處置合營公司對價以實物資產及往來款結算	251,363,149	—
Purchasing equity held by non-controlling interests	購買少數股東權益	4,109,982	16,641,010

- c. Net changes in cash and cash equivalents:

- c. 現金及現金等價物淨變動情況：

Item	項目	2019 2019年	2018 2018年
Cash at the end of the year	現金的年末餘額	2,088,466,320	2,627,976,441
Less: cash at the beginning of the year	減：現金的年初餘額	2,627,976,441	1,799,513,559
Less: cash equivalent at the beginning of the year	減：現金等價物的年初餘額	—	—
Net (decrease)/increase in cash and cash equivalents	現金及現金等價物(減少)/增加額	(539,510,121)	828,462,882

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Cont'd)

52. Related information of cash flow statement (Cont'd)

(2) Composition of cash and cash equivalents

Item	項目	2019 2019年	2018 2018年
Cash	現金	2,088,466,320	2,627,946,441
Of which: Cash in hand	其中：庫存現金	945,976	816,233
Cash at bank available on demand	可隨時用於支付的銀行存款	2,087,520,344	2,627,160,208
Cash equivalents	現金等價物	—	—
Cash and cash equivalents at the end of the year	年末現金及現金等價物餘額	2,088,466,320	2,627,946,441
Including: Cash at bank with restrictions in the Company or the subsidiaries of the Company	其中：母公司或集團內子公司 使用受限制的現金 和現金等價物	—	—

五、合併財務報表項目註釋 (續)

52、現金流量表相關情況 (續)

(2) 現金和現金等價物的構成

53. Assets with restrictive ownership title or right of use

Item	項目	2019 2019年	2018 2018年	Reasons of restrictions 受限原因
Cash and cash equivalent	貨幣資金	35,394,995	56,186,976	Pledged for loans 保證金
Fixed assets-Cost	固定資產－原值	51,276,467	51,276,467	Charged for loans 信用額度抵押
Intangible assets-Cost	無形資產－原值	27,147,834	27,147,834	Charged for loans 信用額度抵押
Bills receivables	應收票據	25,426,157	—	Pledged 質押
Total	合計	139,245,453	134,611,277	

53、所有權或使用權受到限制的資產

VI. CHANGE IN SCOPE OF CONSOLIDATION

Details of changes in the scope of merger caused by new subsidiaries see Note VII.1

六、合併範圍的變更

本集團本年新設子公司的詳細信息於附註七、1中列示。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

VII. INTERESTS IN OTHER ENTITIES

I. Interests in subsidiaries

(1) The constitution of the Group

七、在其他主體中的權益

I、在子公司中的權益

(1) 企業集團的構成

Name of subsidiary 子公司名稱	Principal place of business 主要經營地	Place of registration 註冊地	Nature of business 業務性質	Registered capital 註冊資本	Percentage of shareholding (%) (or percentage of similar interests)		Method of Acquisition 取得方式	Date of Incorporation 設立時間
					31 December 2019 持股比例 (%) (或類似權益比例)	2019年12月31日		
					Directly 直接	Indirectly 間接		
Wuhan YOFC Cable Co., Ltd. 武漢長飛通用電纜有限公司	Wuhan, Hubei Province 湖北省武漢市	Wuhan, Hubei Province 湖北省武漢市	Production and sales of copper wire and related products 銅線及相關產品的生產及銷售	RMB73,351,200 人民幣73,351,200元	100.00%	–	Business merger 非同一控制下 企業合併	1 December 1999 1999年12月1日
Yangtze Optical Fibre and Cable Company (Hong Kong) Limited 長飛光纖光纜(香港)有限公司	Hong Kong 香港	Hong Kong 香港	Trading of raw materials 原材料貿易	HK\$80,000 80,000港幣	100.00%	–	Incorporation 設立	17 July 2013 2013年7月17日
Everpro Technologies Company Limited 長芯盛(武漢)科技有限公司	Wuhan, Hubei Province 湖北省武漢市	Wuhan, Hubei Province 湖北省武漢市	Production and sales of fiber optic cables and related products 光纖光纜及相關產品 的生產及銷售	RMB325,000,000 人民幣325,000,000元	69.23%	–	Incorporation 設立	9 December 2013 2013年12月9日
EverProsper Technologies Company Limited 長芯盛(香港)科技有限公司	Wuhan, Hubei Province 湖北省武漢市	Hong Kong 香港	Trading of raw materials 原材料貿易	RMB26,194,466 人民幣26,194,466元	–	69.23%	Incorporation 設立	6 June 2014 2014年6月6日
Shenzhen YOFC Connectivity Technologies Co., Ltd. 深圳長飛智連技術有限公司	Shenzhen, Guangdong Province 廣東省深圳市	Shenzhen, Guangdong Province 廣東省深圳市	Integrated wiring system production and sales 綜合佈線系統生產及銷售	RMB30,000,000 人民幣30,000,000元	100.00%	–	Incorporation 設立	15 April 2015 2015年4月15日
PT.Yangtze Optical Fibre Indonesia PT. Yangtze Optical Fibre Indonesia	Indonesia 印度尼西亞	Indonesia 印度尼西亞	Production and sales of optical fiber and related products 光纖及相關產品的生產及銷售	US\$21,000,000 21,000,000美元	70.00%	30%	Incorporation 設立	22 May 2015 2015年5月22日
Yangtze Optical Fibre and Cable Shenyang Co., Ltd. 長飛光纖光纜瀋陽有限公司	Tieling, Liaoning Province 遼寧省鐵嶺市	Tieling, Liaoning Province 遼寧省鐵嶺市	Production and sales of fiber optic cables and related products 光纖及相關產品的生產及銷售	RMB40,000,000 人民幣40,000,000元	100.00%	–	Incorporation 設立	16 June 2015 2015年6月16日
Yangtze Optical Fibre and Cable Lanzhou Co., Ltd. 長飛光纖光纜蘭州有限公司	Lanzhou, Gansu Province 甘肅省蘭州市	Lanzhou, Gansu Province 甘肅省蘭州市	Production and sales of fiber optic cables and related products 光纖及相關產品的生產及銷售	RMB30,000,000 人民幣30,000,000元	100.00%	–	Incorporation 設立	13 July 2015 2015年7月13日
Yangtze Optical Fibre (Qianjiang) Co., Ltd. 長飛光纖潛江有限公司	Qianjiang, Hubei Province 湖北省潛江市	Qianjiang, Hubei Province 湖北省潛江市	Production and sales of optical fibers, optical fiber preforms and related products 光纖、光纖預製棒及 相關產品的生產及銷售	RMB404,000,000 人民幣404,000,000元	100.00%	–	Incorporation 設立	28 July 2015 2015年7月28日

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

VII. INTERESTS IN OTHER ENTITIES (Cont'd)

I. Interests in subsidiaries (Cont'd)

(1) The constitution of the Group (Cont'd)

七、在其他主體中的權益 (續)

I、在子公司中的權益 (續)

(1) 企業集團的構成 (續)

Name of subsidiary 子公司名稱	Principal place of business 主要經營地	Place of registration 註冊地	Nature of business 業務性質	Registered capital 註冊資本	Percentage of shareholding (%) (or percentage of similar interests)		Method of Acquisition 取得方式	Date of Incorporation 設立時間
					31 December 2019 持股比例 (%) (或類似權益比例)	2019年12月31日		
					Directly 直接	Indirectly 間接		
Hubei Flying Optical Fibre Material Co., Ltd. 湖北飛菱光纖材料有限公司	Qianjiang, Hubei Province	Qianjiang, Hubei Province	Production and sales of high-purity germanium tetrachloride for optical fiber 光纖用高純四氯化矽的生產及銷售	RMB60,000,000 人民幣60,000,000元	87.00%	–	Incorporation 設立	12 August 2015 2015年8月12日
Ally First Optical Fiber and Cable Co., Ltd. 浙江聯飛光纖光纜有限公司	Lin'an, Zhejiang Province	Lin'an, Zhejiang Province	Production and sales of fiber optic cables and related products 光纖光纜及相關產品的生產及銷售	RMB186,000,000 人民幣186,000,000元	51.00%	–	Incorporation 設立	8 December 2015 2015年12月8日
Yangtze Optics Africa Cable Proprietary Limited Yangtze Optics Africa Cable Proprietary Limited	South Africa 南非	South Africa 南非	Production and sales of fiber optic cables and related products 光纖及相關產品的生產及銷售	US\$8,000,000 8,000,000美元	–	74.90%	Incorporation 設立	14 January 2016 2016年1月14日
Yangtze Optics Africa Holdings Proprietary Limited Yangtze Optics Africa Holdings Proprietary Limited	South Africa 南非	South Africa 南非	Trading 貿易	US\$10,000,000 10,000,000美元	51.00%	23.90%	Incorporation 設立	14 January 2016 2016年1月14日
Wuhan E3cloud Information Technologies Co., Ltd. 中標易雲資訊技術有限公司	Wuhan, Hubei Province	Wuhan, Hubei Province	Technical development consulting services for computer hardware and software 計算機軟硬體及諮詢服務等	RMB111,375,000 人民幣111,375,000元	26.94%	32.63%	Incorporation 設立	2 March 2016 2016年3月2日
YOFC International (Thailand) Co., Ltd. YOFC International (Thailand) Co., Ltd.	Thailand 泰國	Thailand 泰國	Import and Export of Optical Fiber Cables and Related Products 光纖光纜及相關產品的進出口	THB10,000,000 10,000,000泰銖	–	100.00%	Incorporation 設立	26 October 2016 2016年10月26日
PT. Yangtze Optics Indonesia PT. Yangtze Optics Indonesia	Indonesia 印度尼西亞	Indonesia 印度尼西亞	Production and sales of fiber optic cables and related products 光纖光纜及相關產品的生產及銷售	US\$14,000,000 14,000,000美元	70.00%	20.00%	Incorporation 設立	13 April 2017 2017年4月13日

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

VII. INTERESTS IN OTHER ENTITIES (Cont'd)

I. Interests in subsidiaries (Cont'd)

(1) The constitution of the Group (Cont'd)

七、在其他主體中的權益 (續)

I、在子公司中的權益 (續)

(1) 企業集團的構成 (續)

Name of subsidiary 子公司名稱	Principal place of business 主要經營地	Place of registration 註冊地	Nature of business 業務性質	Registered capital 註冊資本	Percentage of shareholding (%) (or percentage of similar interests)		Method of Acquisition 取得方式	Date of Incorporation 設立時間
					31 December 2019 持股比例 (%) (或類似權益比例) 2019年12月31日	Indirectly 間接		
YOFC International (Philippines) Corporation	Philippines	Philippines	Fiber optic cable sales and related general contracting engineering services	Peso 10,200,000	–	100.00%	Incorporation	5 December 2017
YOFC International (Philippines) Corporation	菲律賓	菲律賓	光纖光纜銷售及 相關總包工程服務	10,200,000 菲律賓比索			設立	2017年12月5日
YOFC International (Singapore) Pte. Ltd.	Singapore	Singapore	General import and export wholesale trade (import and export of telecommunications equipment for trade purposes) and other telecommunication related business activities not classified	US\$8,000,000	–	100.00%	Incorporation	28 February 2018
YOFC International (Singapore) Pte. Ltd.	新加坡	新加坡	一般性進出口批發貿易和 其他電信相關經營活動	8,000,000 美元			設立	2018年2月28日
YOFC Gas (Qianjiang) Co., Ltd. 長飛氣體潛江有限公司	Qianjiang, Hubei Province 湖北省潛江市	Qianjiang, Hubei Province 湖北省潛江市	Production and sales of vapour, chemical raw materials 蒸氣的生產銷售、化工原料 的銷售及相關技術服務	RMB80,000,000 人民幣80,000,000元	–	100.00%	Incorporation	21 March 2018 2018年3月21日
GMC-YOFC CONECTA S.A.	Peru	Peru	Communication engineering package and other related services	PEN 10,000,000	–	100.00%	Incorporation	30 April 2018
GMC-YOFC CONECTA S.A.	秘魯	秘魯	通信工程總包等相關業務服務	10,000,000 新索爾			設立	2018年4月30日
PT. YOFC INTERNATIONAL INDONESIA	Indonesia	Indonesia	Sales of optical fiber and related products and engineering service	IDR 4,000,000,000	–	100.00%	Incorporation	4 May 2018
PT. YOFC INTERNATIONAL INDONESIA	印度尼西亞	印度尼西亞	光纖光纜相關產品的 貿易及工程服務	4,000,000,000 印尼盧比			設立	2018年5月4日
Baosheng YOFC Marine Engineering Company Ltd.	Yangzhou, Jiangsu Province	Yangzhou, Jiangsu Province	Sales of submarine cables, optical cables and other power cables and their accessories; the installment of cables, accessories and systems related to various submarine projects	RMB 100,000,000	51%	–	Incorporation	1 June 2018
寶勝長飛海洋工程有限公司	江蘇省揚州市	江蘇省揚州市	海底電纜、海底光纜等電線電纜 及其附件的銷售，海洋工程相關 電纜與元件及系統的安装	人民幣100,000,000元			設立	2018年6月1日

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

VII. INTERESTS IN OTHER ENTITIES (Cont'd)

I. Interests in subsidiaries (Cont'd)

(1) The constitution of the Group (Cont'd)

七、在其他主體中的權益(續)

I、在子公司中的權益(續)

(1) 企業集團的構成(續)

Name of subsidiary 子公司名稱	Principal place of business 主要經營地	Place of registration 註冊地	Nature of business 業務性質	Registered capital 註冊資本	Percentage of shareholding (%) (or percentage of similar interests)		Method of Acquisition 取得方式	Date of Incorporation 設立時間
					31 December 2019 持股比例 (%) (或類似權益比例)	2019年12月31日		
					Directly 直接	Indirectly 間接		
Wuhan YOFC Capital Management Company Limited 武漢長飛資本管理有限責任公司	Wuhan, Hubei Province 湖北省武漢市	Wuhan, Hubei Province 湖北省武漢市	Management in equity investment and relating consulting service 股權類投資管理及相關諮詢服務	RMB55,250,000元 人民幣55,250,000元	100.00%	–	Incorporation 設立	16 October 2018 2018年10月16日
YOFC Perú S.A.C. (註)	Peru	Peru	Communication engineering package and other related services	PEN108,693,728	–	100.00%	Incorporation	11 January 2019
YOFC Perú S.A.C. (註)	秘魯	秘魯	通信工程總包等相關業務服務	108,693,728新索爾			設立	2019年1月11日
YOFCINTERNATIONAL MÉXICO, S.A. DE C.V.	Mexico	Mexico	Fiber optic cable sales and related general contracting engineering services	MXN1,913,700	–	100.00%	Incorporation	21 March 2019
YOFC INTERNATIONAL MÉXICO, S.A. DE C.V.	墨西哥	墨西哥	光通信終端產品銷售及通信工程 總包分包等相關業務服務	1,913,700墨西哥索			設立	2019年3月21日
YOFC International (USA) Corporation	America	America	Research and promotion of optical communication	USD500,000	–	100.00%	Incorporation	22 January 2019
YOFC International (USA) Corporation	美國	美國	光通信產品市場研究及推廣	500,000美元			設立	2019年1月22日
Wuhan YOFC Ruitong Industrial Development Company Limited 武漢長飛睿通產業發展有限公司	Wuhan, Hubei Province 湖北省武漢市	Wuhan, Hubei Province 湖北省武漢市	Sales of cables,optical cables and related business 電纜、光纖相關產品的銷售	RMB3,351,200元 人民幣3,351,200元	100.00%	–	Incorporation 設立	8 May 2019 2019年5月8日
YOFC SDGI Optical Preform Qianjiang Company Limited	Qianjiang Hubei Province	Qianjiang Hubei Province	Production and sales of optical fibres, optical fibre preforms and related products	RMB300,000,000	65.00%	–	Incorporation	9 May 2019
長飛特發光棒潛江有限公司	湖北省潛江市	湖北省潛江市	光纖、光纖預制棒及 相關產品的生產及銷售	人民幣300,000,000元			設立	2019年5月9日
Yangtze Optical Fibre and Cable (Tianjin) Company Limited 長飛光纖光纜(天津)有限公司	Tianjin 天津市	Tianjin 天津市	Production and sales of optical fibres, optical cables and related products 光纖光纜及相關產品 的生產及銷售	RMB107,800,000 人民幣107,800,000元	100.00%	–	Incorporation 設立	17 May 2019 2019年5月17日
YOFC International (Australia) Proprietary Limited	Australia	Australia	Communication engineering package and other related services	AUD70,000	–	100.00%	Incorporation	21 May 2019

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

VII. INTERESTS IN OTHER ENTITIES (Cont'd)

I. Interests in subsidiaries (Cont'd)

(1) The constitution of the Group (Cont'd)

七、在其他主體中的權益 (續)

I、在子公司中的權益 (續)

(1) 企業集團的構成 (續)

Name of subsidiary 子公司名稱	Principal place of business 主要經營地	Place of registration 註冊地	Nature of business 業務性質	Registered capital 註冊資本	Percentage of shareholding (%) (or percentage of similar interests)		Method of Acquisition 取得方式	Date of Incorporation 設立時間
					Directly 直接	Indirectly 間接		
YOFC International (Australia) Proprietary Limited	澳大利亞	澳大利亞	光通信產品銷售及通信工程 總包等相關業務服務	70,000澳元			設立	2019年5月21日
Polytech Qianjiang Company Limited	Qianjiang Hubei Province	Qianjiang Hubei Province	Research in medical materials	RMB20,000,000	-	100.00%	Incorporation	19 October 2019
長飛普利科技潛江有限公司	湖北省潛江市	湖北省潛江市	化工原料的研發及銷售	人民幣20,000,000元			設立	2019年10月19日
Wuhan YOFC Intelligent Network Technology Company Limited	Wuhan, Hubei Province	Wuhan, Hubei Province	Integrated services in communication, computer, intelligent building, weak current system and software development	RMB32,000,000	100.00%	-	Incorporation	29 October 2019
武漢長飛智慧網絡技術有限公司	湖北省武漢市	湖北省武漢市	通信、計算機、建築智能化弱電 系統等集成服務及軟件開發服務	人民幣32,000,000元			設立	2019年10月29日

Note: Yangtze Optical Fibre and Cable Company (Hong Kong) Limited, a subsidiary of the Company, and Yachay Telecomunicaciones S.A.C., the shareholder of its subsidiary, YOFC Peru S.A.C. entered into an agreement to act in concert. The agreement provided that, Yachay Telecomunicaciones S.A.C. shall act in concert with Yangtze Optical Fibre and Cable Company (Hong Kong) Limited in voting for any business in shareholders' meetings; the 3 directors of the board of YOFC Peru S.A.C. shall be designated by Yangtze Optical Fibre and Cable Company (Hong Kong) Limited and the general manager shall be appointed by its board of directors; Yachay Telecomunicaciones S.A.C. shall waive all its rights in dividends and any allocation of the residue net assets upon its liquidation. Accordingly, The Company is entitled to 100% effective control in YOFC Peru S.A.C. indirectly through its subsidiary, Yangtze Optical Fibre and Cable Company (Hong Kong) Limited.

註：本公司之子公司長飛光纖光纜(香港)有限公司與其子公司YOFC Peru S.A.C.的對方股東Yachay Telecomunicaciones S.A.C.簽訂一致行動協議。協議約定Yachay Telecomunicaciones S.A.C.在股東會針對任何事項投票時均須與長飛光纖光纜(香港)有限公司保持一致；YOFC Peru S.A.C.董事會的3名董事均由長飛光纖光纜(香港)有限公司指定，總經理由董事會任命；Yachay Telecomunicaciones S.A.C.放棄一切股利及公司清算後剩餘淨資產的分配權。因此，本公司間接通過子公司長飛光纖光纜(香港)有限公司對YOFC Peru S.A.C.享有100%的實際控制權。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

VII. INTERESTS IN OTHER ENTITIES (Cont'd)

2. Transactions that cause changes in the Group's interests in subsidiaries that do not result in loss of control

七、在其他主體中的權益(續)

2、在子公司的所有者權益份額發生變化且仍控制子公司的交易

Name of company 企業名稱	Capital increasing party/ Capital contributing party 增資方／出資方	Date of change 變更時間	Shareholding proportion before change 變更前持股比例		Shareholding proportion after change 變更後持股比例	
			Directly 直接	Indirectly 間接	Directly 直接	Indirectly 間接
Shenzhen YOFC Connectivity Technologies Company Limited 深圳長飛智連技術有限公司	Yangtze Optical Fibre and Cable Company Limited 長飛光纖光纜股份 有限公司	31 March 2019 2019年3月31日	75%	–	100%	–
PT.Yangtze Optics Indonesia	Yangtze Optical Fibre and Cable Company (Hong Kong) Limited 長飛光纖光纜(香港) 有限公司	26 May 2019 2019年5月26日	70%	–	70%	20%
GMC-YOFC CONECTA S.A.	Yangtze Optical Fibre and Cable Company (Hong Kong) Limited 長飛光纖光纜(香港) 有限公司	12 June 2019 2019年6月12日	–	75%	–	100%

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

VII. INTERESTS IN OTHER ENTITIES (Cont'd)

2. Transactions that cause changes in the Group's interests in subsidiaries that do not result in loss of control (Cont'd)

Effects in the interests of shareholders and non-controlling interests caused by transactions

七、在其他主體中的權益 (續)

2、在子公司的所有者權益份額發生變化且仍控制子公司的交易 (續)

交易對於少數股東權益及歸屬於母公司股東權益的影響：

		Shenzhen YOFC Connectivity Technologies Company Limited 深圳長飛智連 技術有限公司	GMC-YOFC CONECTA S.A GMC-YOFC CONECTA S.A	PT.Yangtze Optics Indonesia PT. Yangtze Optics Indonesia	Total 合計
Consideration of purchasing or disposing	購買成本／處置對價				
– Cash	– 現金	17,295,100	–	–	17,295,100
– Fair value of non-cash assets	– 非現金資產的公允價值	–	4,109,982	19,312,440	23,422,422
Total	合計	17,295,100	4,109,982	19,312,440	40,717,522
Less: Share of net assets calculated in proportion to required/disposal shareholding	減：按取得／處置的股權比例計算的子公司淨資產份額	17,295,100	4,030,108	16,942,800	38,268,008
Net balance	差額	–	79,874	2,369,640	2,449,514
Of which: Adjusting capital reserve	其中：調整資本公積	–	79,874	2,369,640	2,449,514

3. Interests in joint ventures and associates

3、在合營企業或聯營企業中的權益

Item	項目	2019 2019年	2018 2018年
Joint ventures	合營企業		
– Significant joint ventures	– 重要的合營企業	1,001,876,412	1,183,473,966
– Insignificant joint ventures	– 不重要的合營企業	126,196,122	127,614,184
Associates	聯營企業		
– Significant associates	– 重要的聯營企業	300,809,416	300,926,534
– Insignificant associates	– 不重要的聯營企業	66,562,660	18,266,620
Sub-total	小計	1,495,444,610	1,630,281,304
Less: Impairment provision	減：減值準備	–	4,130,000
Total	合計	1,495,444,610	1,626,151,304

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

VII. INTERESTS IN OTHER ENTITIES (Cont'd)

3. Interests in joint ventures and associates (Cont'd)

(1) Significant joint ventures or associates:

Name of enterprise 企業名稱	Principal place of business 主要經營地	Place of registration 註冊地	Nature of business 業務性質	Percentage of shareholdings 持股比例		Accounting method for investments in joint ventures or associates 對合營企業 或聯營企業 處理方法	Registered capital 註冊資本	Strategic significance to the Group's activities 對本集團 活動是否 具有戰略性
				Directly 直接	Indirectly 間接			
Joint venture 合營企業								
Yangtze Optical Fibre and Cable (Shanghai) Co., Ltd (Note) 長飛光纖光纜(上海)有限公司(註)	Shanghai 上海市	Shanghai 上海市	Production and sales of optical fibres 生產及銷售光纜	75.00%	–	Equity method 權益法	RMB100,300,000 人民幣100,300,000元	Yes 是
Yangtze Zhongli Optical Fibre and Cable (Jiangsu) Co., Ltd. 江蘇長飛中利光纖光纜有限公司	Changsu, Jiangsu Province 江蘇省常熟市	Changsu, Jiangsu Province 江蘇省常熟市	Production and sales of optical fibres 生產及銷售光纜	48%	–	Equity method 權益法	RMB92,880,000 人民幣92,880,000元	Yes 是
Shantou Hi-Tech Zone Ao Xing Optical Communication Equipment Co., Ltd 汕頭高新區奧星光通信設備有限公司	Shantou, Guangdong Province 廣東省汕頭市	Shantou, Guangdong Province 廣東省汕頭市	Production and sales of optical fibres 生產及銷售光纜	42.42%	–	Equity method 權益法	RMB170,558,817 人民幣170,558,817元	Yes 是
Shenzhen SDGI Optical Fibre Co., Ltd. 深圳特發信息光纖有限公司	Shenzhen, Guangdong Province 廣東省深圳市	Shenzhen, Guangdong Province 廣東省深圳市	Production and sales of optical fibres 生產及銷售光纜	35.36%	–	Equity method 權益法	RMB386,518,320 人民幣386,518,320元	Yes 是
Shin-Etsu YOFC (Hubei) Optical Preform Co., Ltd. 長飛信越(湖北)光棒有限公司	Qianjiang, Hubei Province 湖北省潛江市	Qianjiang, Hubei Province 湖北省潛江市	Production and sales of optical fiber preforms 生產及銷售光纖用預製棒	49.00%	–	Equity method 權益法	JPY8,000,000,000 8,000,000,000日元	Yes 是
Associates 聯營企業								
AVIC Baosheng Ocean Engineering Cable Company 中航寶勝海洋工程電纜有限公司	Yangzhou, Hubei Province 江蘇省揚州市	Yangzhou, Hubei Province 江蘇省揚州市	Production and sales of electric cables 生產及銷售電纜	30.00%	–	Equity method 權益法	RMB1,000,000,000 人民幣1,000,000,000元	Yes 是

Note: According to the Articles of Association of the above joint venture company, its financial and operational decisions must be unanimously agreed by all investors. Therefore, the company and other investors jointly control these companies.

註：根據上述合營公司的公司章程細則，其財務及營運決策須獲得全體投資者一致同意通過。因此，本公司及其他投資者共同控制這些公司。

七、在其他主體中的權益(續)

3、在合營企業或聯營企業中的權益(續)

(1) 重要的合營企業或聯營企業：

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

VII. INTERESTS IN OTHER ENTITIES (Cont'd)

3. Interests in joint ventures and associates (Cont'd)

(2) Principal financial information of significant joint venture:

The following table sets forth the principal financial information on the significant joint venture, which represented the amounts after adjustments made based on relevant fair value upon investment and the unified accounting policies. In addition, the following table also sets forth reconciliation of such financial information to the carrying amount of the investment in the joint venture of the Group using equity method:

七、在其他主體中的權益 (續)

3、在合營企業或聯營企業中的權益 (續)

(2) 重要合營企業的主要財務信息：

下表列示了本集團重要合營企業的主要財務信息，這些合營企業的主要財務信息是在按投資時公允價值為基礎的調整以及統一會計政策調整後的金額。此外，下表還列示了這些財務信息按照權益法調整至本集團對合營企業投資賬面價值的調節過程：

Item	項目	Yangtze Optical Fibre and Cable (Shanghai) Co., Ltd. 長飛光纖光纜(上海)有限公司	
		31 December 2019 2019年 12月31日	31 December 2018 2018年 12月31日
Current assets	流動資產	403,828,598	529,340,872
Of which: cash and cash equivalents	其中：現金和現金等價物	110,056,934	47,637,870
Non-current assets	非流動資產	83,867,777	90,692,862
Total assets	資產合計	487,696,375	620,033,734
Current liabilities	流動負債	(157,820,721)	(283,316,483)
Non-current liabilities	非流動負債	(1,820,833)	(1,900,000)
Total liabilities	負債合計	(159,641,554)	(285,216,483)
Net assets	淨資產	328,054,821	334,817,251

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

VII. INTERESTS IN OTHER ENTITIES (Cont'd)

3. Interests in joint ventures and associates (Cont'd)

(2) Principal financial information of significant joint venture: (Cont'd)

七、在其他主體中的權益(續)

3、在合營企業或聯營企業中的權益(續)

(2) 重要合營企業的主要財務信息：(續)

		Yangtze Optical Fibre and Cable (Shanghai) Co., Ltd. 長飛光纖光纜(上海)有限公司	
		31 December 2019 2019年 12月31日	31 December 2018 2018年 12月31日
Non-controlling interests	少數股東權益	–	–
Equity interests attributable to the equity shareholders of the Company	歸屬於母公司股東權益	328,054,821	334,817,251
Share of net assets calculated in proportion to shareholding	按持股比例計算的淨資產份額	246,041,116	251,112,938
Less: Unrealized internal transaction gains and losses offset	減：未實現的內部交易損益抵銷	6,523,379	15,920,803
Carrying amount of investment in joint venture	對合營企業投資的賬面價值	239,517,737	235,192,135
		Yangtze Optical Fibre and Cable (Shanghai) Co., Ltd. 長飛光纖光纜(上海)有限公司	
		2019 2019年	2018 2018年
Operating revenue	營業收入	708,790,732	951,088,119
Financial income/(expenses)	財務淨收益/(損失)	1,693,463	(650,756)
Income tax	所得稅費用	(2,661,624)	(7,934,497)
Profit for the year	淨利潤	11,731,319	41,084,844
Other comprehensive income	其他綜合收益	–	–
Total comprehensive income	綜合收益總額	11,731,319	41,084,844
Dividend received from joint venture during the year	本年收到的來自合營企業的股利	13,870,311	13,273,485

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

VII. INTERESTS IN OTHER ENTITIES (Cont'd)

3. Interests in joint ventures and associates (Cont'd)

(2) Principal financial information of significant joint venture: (Cont'd)

七、在其他主體中的權益 (續)

3、在合營企業或聯營企業中的權益 (續)

(2) 重要合營企業的主要財務信息：(續)

		Yangtze Zhongli Optical Fibre and Cable (Jiangsu) Co., Ltd. 江蘇長飛中利光纖光纜有限公司	
		31 December 2019 2019年 12月31日	31 December 2018 2018年 12月31日
Current assets	流動資產	529,086,859	752,928,167
Including: cash and cash equivalents	其中：現金和現金等價物	53,684,713	109,647,400
Non-current assets	非流動資產	41,487,303	44,923,191
Total assets	資產合計	570,574,162	797,851,358
Current liabilities	流動負債	(258,020,214)	(479,025,008)
Non-current liabilities	非流動負債	—	—
Total liabilities	負債合計	(258,020,214)	(479,025,008)
Net assets	淨資產	312,553,948	318,826,350
Non-controlling interests	少數股東權益	—	—
Equity interests attributable to the equity shareholders of the Company	歸屬於母公司股東權益	312,553,948	318,826,350
Share of net assets calculated in proportion to shareholding	按持股比例計算的淨資產份額	150,025,895	153,036,648
Less: Unrealized internal transaction gains and losses offset	減：未實現的內部交易損益抵銷	1,969,192	8,029,362
Carrying amount of investment in joint venture	對合營企業投資的賬面價值	148,056,703	145,007,286

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

VII. INTERESTS IN OTHER ENTITIES (Cont'd)

3. Interests in joint ventures and associates (Cont'd)

(2) Principal financial information of significant joint venture: (Cont'd)

七、在其他主體中的權益 (續)

3、在合營企業或聯營企業中的權益 (續)

(2) 重要合營企業的主要財務信息：(續)

		Yangtze Zhongli Optical Fibre and Cable (Jiangsu) Co., Ltd. 江蘇長飛中利光纖光纜有限公司	
		2019	2018
		2019年	2018年
Operating revenue	營業收入	638,732,756	1,057,135,096
Financial expenses	財務損失	(1,482,482)	(1,340,204)
Income tax	所得稅費用	(2,347,486)	(8,269,216)
Profit for the year	淨利潤	17,104,623	46,301,163
Other comprehensive income	其他綜合收益	—	—
Total comprehensive income	綜合收益總額	17,104,623	46,301,163
Dividend received from joint venture during the year	本年收到的來自合營企業的股利	11,220,972	10,781,988

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

VII. INTERESTS IN OTHER ENTITIES (Cont'd)

3. Interests in joint ventures and associates (Cont'd)

(2) Principal financial information of significant joint venture: (Cont'd)

七、在其他主體中的權益 (續)

3、在合營企業或聯營企業中的權益 (續)

(2) 重要合營企業的主要財務信息：(續)

		Shantou Hi-Tech Zone Ao Xing Optical Communication Equipment Co., Ltd 汕頭高新區奧星光通信設備有限公司	
		31 December 2019 2019年 12月31日	31 December 2018 2018年 12月31日
Current assets	流動資產	333,416,277	418,695,598
Including: cash and cash equivalents	其中：現金和現金等價物	143,004,331	153,570,365
Non-current assets	非流動資產	79,612,046	53,673,748
Total assets	資產合計	413,028,323	472,369,346
Current liabilities	流動負債	(151,493,357)	(208,935,993)
Non-current liabilities	非流動負債	(1,000,000)	(500,000)
Total liabilities	負債合計	(152,493,357)	(209,435,993)
Net assets	淨資產	260,534,966	262,933,353
Non-controlling interests	少數股東權益	-	-
Equity interests attributable to the equity shareholders of the Company	歸屬於母公司股東權益	260,534,966	262,933,353
Share of net assets calculated in proportion to shareholding	按持股比例計算的淨資產份額	110,518,933	111,536,328
Less: Unrealized internal transaction gains and losses offset	減：未實現的內部交易損益抵銷	1,528,389	15,704,398
Carrying amount of investment in joint venture	對合營企業投資的賬面價值	108,990,544	95,831,930

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

VII. INTERESTS IN OTHER ENTITIES (Cont'd)

3. Interests in joint ventures and associates (Cont'd)

(2) Principal financial information of significant joint venture: (Cont'd)

七、在其他主體中的權益 (續)

3、在合營企業或聯營企業中的權益 (續)

(2) 重要合營企業的主要財務信息：(續)

		Shantou Hi-Tech Zone Ao Xing Optical Communication Equipment Co., Ltd 汕頭高新區奧星光通信設備有限公司	
		2019	2018
		2019年	2018年
Operating revenue	營業收入	549,876,127	699,352,556
Financial income	財務淨收益	2,195,795	4,297,881
Income tax	所得稅費用	(924,388)	(4,577,075)
Profit for the year	淨利潤	9,601,614	28,754,349
Other comprehensive income	其他綜合收益	—	—
Total comprehensive income	綜合收益總額	9,601,614	28,754,349
Dividends received from joint venture during the year	本年收到的來自合營企業的股利	5,090,400	—

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

VII. INTERESTS IN OTHER ENTITIES (Cont'd)

3. Interests in joint ventures and associates (Cont'd)

(2) Principal financial information of significant joint venture: (Cont'd)

七、在其他主體中的權益 (續)

3、在合營企業或聯營企業中的權益 (續)

(2) 重要合營企業的主要財務信息：(續)

		Shenzhen SDGI Optical Fibre Co., Ltd. 深圳特發信息光纖有限公司	
		31 December 2019 2019年 12月31日	31 December 2018 2018年 12月31日
Current assets	流動資產	441,760,037	558,118,559
Including: cash and cash equivalents	其中：現金和現金等價物	317,164,561	333,750,962
Non-current assets	非流動資產	176,805,339	158,583,201
Total assets	資產合計	618,565,376	716,701,760
Current liabilities	流動負債	(157,201,458)	(220,486,404)
Non-current liabilities	非流動負債	(2,800,000)	(8,115,000)
Total liabilities	負債合計	(160,001,458)	(228,601,404)
Net assets	淨資產	458,563,918	488,100,356
Non-controlling interests	少數股東權益	—	—
Equity interests attributable to the equity shareholders of the Company	歸屬於母公司股東權益	458,563,918	488,100,356
Share of net assets calculated in proportion to shareholding	按持股比例計算的淨資產份額	162,148,201	172,592,286
Add: Goodwill arising from investment	加：取得投資時形成的商譽	10,627,090	10,627,090
Less: Unrealized internal transaction gains and losses offset	減：未實現的內部交易損益抵銷	575,516	5,877,065
Carrying amount of investment in joint venture	對合營企業投資的賬面價值	172,199,775	177,342,311

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

VII. INTERESTS IN OTHER ENTITIES (Cont'd)

3. Interests in joint ventures and associates (Cont'd)

(2) Principal financial information of significant joint venture: (Cont'd)

七、在其他主體中的權益(續)

3、在合營企業或聯營企業中的權益(續)

(2) 重要合營企業的主要財務信息：(續)

		Shenzhen SDGI Optical Fibre Co., Ltd. 深圳特發信息光纖有限公司	
		2019 2019年	2018 2018年
Operating revenue	營業收入	241,626,893	462,835,104
Financial income	財務淨收益	3,911,110	4,289,262
Income tax	所得稅費用	(3,815,000)	6,513,933
(Losses)/ profits for the year	淨(虧損)/利潤	(14,900,771)	34,688,004
Other comprehensive income	其他綜合收益	—	—
Total comprehensive income	綜合收益總額	(14,900,771)	34,688,004
Dividends received from joint venture during the year	本年收到的來自合營企業的股利	5,175,172	4,322,537

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

VII. INTERESTS IN OTHER ENTITIES (Cont'd)

3. Interests in joint ventures and associates (Cont'd)

(2) Principal financial information of significant joint venture: (Cont'd)

七、在其他主體中的權益 (續)

3、在合營企業或聯營企業中的權益 (續)

(2) 重要合營企業的主要財務信息：(續)

		Shin-Etsu YOFC (Hubei) Optical Preform Co., Ltd. 長飛信越(湖北)光棒有限公司	
		31 December 2019 2019年 12月31日	31 December 2018 2018年 12月31日
Current assets	流動資產	310,599,527	236,521,031
Including: cash and cash equivalents	其中：現金和現金等價物	40,875,333	71,654,895
Non-current assets	非流動資產	913,107,514	633,206,402
Total assets	資產合計	1,223,707,041	869,727,433
Current liabilities	流動負債	(266,336,984)	(148,148,987)
Non-current liabilities	非流動負債	(283,501,036)	(99,894,358)
Total liabilities	負債合計	(549,838,020)	(248,043,345)
Net assets	淨資產	673,869,021	621,684,088
Non-controlling interests	少數股東權益	—	—
Equity interests attributable to the equity shareholders of the Company	歸屬於母公司股東權益	673,869,021	621,684,088
Share of net assets calculated in proportion to shareholding	按持股比例計算的淨資產份額	330,195,820	304,625,205
Others	其他	2,915,833	2,915,832
Carrying amount of investment in joint venture	對合營企業投資的賬面價值	333,111,653	307,541,037

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

VII. INTERESTS IN OTHER ENTITIES (Cont'd)

3. Interests in joint ventures and associates (Cont'd)

(2) Principal financial information of significant joint venture: (Cont'd)

七、在其他主體中的權益 (續)

3、在合營企業或聯營企業中的權益 (續)

(2) 重要合營企業的主要財務信息：(續)

		Shin-Etsu YOFC (Hubei) Optical Preform Co., Ltd. 長飛信越(湖北)光棒有限公司	
		2019	2018
		2019年	2018年
Operating revenue	營業收入	528,008,275	436,334,533
Financial expenses	財務費用	(10,929,546)	(4,863,198)
Income tax	所得稅費用	(24,030,203)	(30,376,934)
Profit for the year	淨利潤	59,984,931	90,356,255
Other comprehensive income	其他綜合收益	—	—
Total comprehensive income	綜合收益總額	59,984,931	90,356,255
Dividends received from joint venture during the year	本年收到的來自合營企業的股利	3,822,000	2,842,000

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

VII. INTERESTS IN OTHER ENTITIES (Cont'd)

3. Interests in joint ventures and associates (Cont'd)

(3) Principal financial information of significant associate:

The following table sets forth the principal financial information on the significant associates, which represented the amounts after adjustments made based on relevant fair value upon investment and unified accounting policies. In addition, the following table also sets forth reconciliation of such financial information to the carrying amount of the investment in the associates of the Group using equity method:

七、在其他主體中的權益 (續)

3、在合營企業或聯營企業中的權益 (續)

(3) 重要聯營企業的主要財務信息：

下表列示了本集團重要聯營企業的主要財務信息，該聯營企業的主要財務信息是在按投資時公允價值為基礎的調整以及統一會計政策調整後的金額。此外，下表還列示了該財務信息按照權益法調整至本集團對聯營企業投資帳面價值的調節過程：

		AVIC Baosheng Ocean Engineering Cable Company (Note) 中航寶勝海洋工程電纜有限公司 (註)	
		31 December 2019 2019年 12月31日	31 December 2018 2018年 12月31日
Current assets	流動資產	249,320,675	497,273,321
Including: cash and cash equivalents	其中：現金和現金等價物	38,299,438	430,387,382
Non-current assets	非流動資產	971,933,594	689,934,981
Total assets	資產合計	1,221,254,269	1,187,208,302
Current liabilities	流動負債	(13,893,297)	(77,715,736)
Non-current liabilities	非流動負債	(204,662,918)	(106,404,118)
Total liabilities	負債合計	(218,556,215)	(184,119,854)
Net assets	淨資產	1,002,698,054	1,003,088,448
Non-controlling interests	少數股東權益	—	—
Equity interests attributable to the equity shareholders of the Company	歸屬於母公司股東權益	1,002,698,054	1,003,088,448
Share of net assets calculated in proportion to shareholding	按持股比例計算的淨資產份額	300,809,416	300,926,534
Carrying amount of investment in joint venture	對合營企業投資的賬面價值	300,809,416	300,926,534

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

VII. INTERESTS IN OTHER ENTITIES (Cont'd)

3. Interests in joint ventures and associates (Cont'd)

(3) Principal financial information of significant associate: (Cont'd)

七、在其他主體中的權益(續)

3、在合營企業或聯營企業中的權益(續)

(3) 重要聯營企業的主要財務信息：(續)

		AVIC Baosheng Ocean Engineering Cable Company (Note) 中航寶勝海洋工程電纜有限公司(註)	
		2019 2019年	2018 2018年
Operating revenue	營業收入	—	—
Financial income	財務淨收益	7,921,299	4,401,275
Income tax	所得稅費用	(1,600)	(1,007,236)
(Losses)/profits for the year	淨(虧損)/利潤	(390,393)	3,021,712
Other comprehensive income	其他綜合收益	—	—
Total comprehensive income	綜合收益總額	(390,393)	3,021,712
Dividends received from joint venture during the year	本年收到的來自合營企業的股利	—	—

Note: The Group injected capital on 15 May 2018. As at 31 December 2019, AVIC Baosheng Ocean Engineering Cable Company was under construction.

註：本集團於2018年5月15日投入資金，截至2019年12月31日，中航寶勝海洋工程電纜有限公司尚在建設期。

(4) Combined financial information of insignificant joint ventures and associates are as follows:

(4) 不重要合營企業和聯營企業的匯總財務信息如下：

		2019 2019年	2018 2018年
Joint venture:	合營企業：		
Total book value of investment	投資賬面價值合計	126,196,122	123,484,184
Sum of the following calculated according to shareholding proportion	下列各項按持股比例計算的合計數		
– Profit for the year	– 淨利潤	2,568,280	11,960,352
– Total comprehensive income	– 綜合收益總額	2,568,280	11,960,352
Associates:	聯營企業：		
Total book value of investment	投資賬面價值合計	66,562,660	18,266,620
Sum of the following calculated according to shareholding proportion	下列各項按持股比例計算的合計數		
– (Losses)/profits for the year	– 淨(虧損)/利潤	(1,956,869)	848,095
– Other comprehensive income	– 其他綜合收益	252,909	—
– Total comprehensive income	– 綜合收益總額	(1,703,960)	848,095

VIII. RISK RELATED TO FINANCIAL INSTRUMENTS

The Group is exposed to the following risks from financial instruments during its ordinary activities:

- Credit risk
- Liquidity risk
- Interest rate risk
- Foreign exchange risk

This note presents information about the Group's exposure to each of the above risks and their sources, the Group's objectives, policies and processes for measuring and managing risks, and changes in 2018 and 2019.

The goal of the Group's involvement in risk management is to balance the risk and revenue and minimize the adverse effects on financial results of the Group brought by the financial risks. The Group's risk management policies are established to identify and analyze the risks confronted by the Group, to set appropriate risk limits and control program, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

I. Credit Risk

Credit risk refers to the risk of financial loss incurred to one party of the financial instrument due to the other party's failure of performing its duty. The Group's credit risk is primarily attributable to cash and cash equivalent, trade receivables, etc.. Exposure to these credit risks are monitored by management on an ongoing basis.

As the Group principally puts cash and cash equivalent excluding cash to the financial institutions with good credit standing, the management considers that there is no significant credit risk and the Group will not incur loss from the counterparty's default.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivative financial instruments, in the balance sheet. Except for the financial guarantees given by the Group as set out in Note XIII, the Group does not provide any other guarantees which would expose the Group to credit risk. The maximum exposure to credit risk in respect of these financial guarantees at the balance sheet date is disclosed in Note XIII.

八、與金融工具相關的風險

本集團在日常活動中面臨各種金融工具的風險，主要包括：

- 信用風險
- 流動性風險
- 利率風險
- 匯率風險

下文主要論述上述風險敞口及其形成原因以及在在本年發生的變化、風險管理目標、政策和程式以及計量風險的方法及其在上年及本年發生的變化等。

本集團從事風險管理的目標是在風險和收益之間取得適當的平衡，力求降低金融風險對本集團財務業績的不利影響。基於該風險管理目標，本集團已制定風險管理政策以辨別和分析本集團所面臨的風險，設定適當的風險可接受水準並設計相應的內部控制程序，以監控本集團的風險水平。本集團會定期審閱這些風險管理政策及有關內部控制系統，以適應市場情況或本集團經營活動的改變。

I、信用風險

信用風險，是指金融工具的一方不能履行義務，造成另一方發生財務損失的風險。本集團的信用風險主要來自貨幣資金、應收款項等。管理層會持續監控這些信用風險的敞口。

本集團除現金以外的貨幣資金主要存放於信用良好的金融機構，管理層認為其不存在重大的信用風險，預期不會因為對方違約而給本集團造成損失。

本集團所承受的最大信用風險敞口為資產負債表中每項金融資產（包括衍生金融工具）的帳面金額。除附註十三所載本集團作出的財務擔保外，本集團沒有提供任何其他可能令本集團承受信用風險的擔保。於資產負債表日就上述財務擔保承受的最大信用風險敞口已在附註十三披露。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

VIII. RISK RELATED TO FINANCIAL INSTRUMENTS (Cont'd)

I. Credit Risk (Cont'd)

(1) Trade receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry, country or area in which the customers operate. Therefore, the concentration of significant credit risk is mainly due to the Group's significant accounts receivable and contract assets for individual customers. As at the balance date, the accounts receivable and contract assets of the Group's top five customers accounted for 43% of the Group's total accounts receivable (2018: 47%).

In respect of accounts receivable, the finance and credit control department has established a credit policy under which individual credit evaluations are performed on all customers to determine the credit limit and terms applicable to the customers. These evaluations focus on the customers' financial position, the external ratings of the customers and their bank credit records where available. In monitoring the Group's credit risk, the Group regularly analyses the data of its customers based on factors such as ageing and maturity date. The accounts receivable of the Group was mainly loan receivable from the subsidiaries of China Telecommunications Corporation, China Mobile Communications Group Co., Ltd. and China Unicom Co., Ltd. As at 31 December 2019 and 31 December 2018, the balance of accounts receivable of the above three telecommunications network operators in China accounted for 40% and 41% of all accounts receivable. The Group maintains long-term business relationships with these companies and its credit risk is not significant. Under normal circumstances, the Group will not require customers to provide collateral.

More details of trade receivables see Note V.4 – Trade receivables.

八、與金融工具相關的風險 (續)

I、信用風險 (續)

(1) 應收賬款

本集團信用風險主要是受每個客戶自身特性的影響，而不是客戶所在的行業或國家和地區。因此重大信用風險集中的情況主要源自本集團存在對個別客戶的重大應收賬款。於資產負債表日，本集團的前五大客戶的應收賬款佔本集團應收賬款總額的43% (2018年：47%)。

對於應收賬款，本集團財務與信用控制部已根據實際情況制定了信用政策，對客戶進行信用評估以確定除銷額度與信用期限。信用評估主要根據客戶的財務狀況、外部評級及銀行信用記錄 (如有可能)。為監控本集團的信用風險，本集團定期按照賬齡、到期日等要素對本集團的客戶資料進行分析。本集團應收賬款主要是應收中國電信集團公司、中國移動通信集團公司和中國聯合網路通信集團有限公司下屬公司的貨款。上述三家中國電信網路運營商應收款餘額比例佔全部應收賬款的40% (2018年：41%)。本集團與這些公司維持長期業務關係，其信用風險並不重大。在一般情況下，本集團不會要求客戶提供抵押品。

有關應收賬款的具體信息，參見附註五、4—應收賬款的相關披露。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

VIII. RISK RELATED TO FINANCIAL INSTRUMENTS (Cont'd)

2. Liquidity Risk

Liquidity risk refers to the risk of short of funds when an enterprise performs its duty related to financial liabilities. The Group is responsible for their own and its subsidiaries' cash management, including short-term investment for surplus cash and the raising of loans to satisfy expected cash demands (if the amount of borrowings exceeds the preset limits, the approval from the board of directors is required). The Group's policy is to regularly monitor its short-term and long-term liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash, readily realizable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

As at the balance sheet date, the residual contractual term of the financial assets and liabilities of the Group calculated at the undiscounted contractual cash flow (including at contractual interest (in the case of floating rate, at the prevailing interest as at 31 December) and their earliest date required to be repaid are as follows:

八、與金融工具相關的風險 (續)

2、流動性風險

流動性風險，是指企業在履行以交付現金或其他金融資產的方式結算的義務時發生資金短缺的風險。本公司負責自身及子公司的現金管理工作，包括現金盈餘的短期投資和籌措貸款以應付預計現金需求（如果借款額超過某些預設授權上限，便需獲得本公司董事會的批准）。本集團的政策是定期監控短期和長期的流動資金需求，以及是否符合借款協議的規定，以確保維持充裕的現金儲備和可供隨時變現的有價證券，同時獲得主要金融機構承諾提供足夠的備用資金，以滿足短期和較長期的流動資金需求。

本集團於資產負債表日的金融負債按未折現的合同現金流量（包括按合同利率（如果是浮動利率則按12月31日的現行利率）計算的利息）的剩餘合約期限，以及被要求支付的最早日期如下：

Item	項目	2019 Undiscounted contractual cash flow 2019年未折現的合同現金流量					Carrying amount on balance sheet date 資產負債表日 賬面價值
		Within 1 year or on demand 1年內或 實時償還	1 – 2 years 1年至2年	2 – 5 years 2年至5年	Over 5 years 5年以上	Total 合計	
Current bank loans	短期借款	905,475,457	–	–	–	905,475,457	895,576,208
Bills payable	應付票據	574,793,263	–	–	–	574,793,263	574,793,263
Trade payables	應付賬款	1,261,607,902	–	–	–	1,261,607,902	1,261,607,902
Other payables	其他應付款	410,686,340	–	–	–	410,686,340	410,686,340
Non-current bank loans (including non-current bank loans due within 1 year)	長期借款 (含一年內到期的 長期借款)	21,756,000	504,000	22,260,000	21,252,000	65,772,000	63,023,100
Lease liabilities (including lease liabilities due within 1 year)	租賃負債 (含一年內到期的 租賃負債)	20,029,460	18,529,038	30,399,630	4,077,335	73,035,463	67,741,572
Total	合計	3,194,348,422	19,033,038	52,659,630	25,329,335	3,291,370,425	3,273,428,385

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

VIII. RISK RELATED TO FINANCIAL INSTRUMENTS (Cont'd)

2. Liquidity risk (Cont'd)

Item	項目	2018 Undiscounted contractual cash flow 2018年未折現的合同現金流量					Total 合計	Carrying amount on balance sheet date 資產負債表日賬面價值
		Within 1 year or on demand 1年內或實時償還	1 – 2 years 1年至2年	2 – 5 years 2年至5年	Over 5 years 5年以上			
Current bank loans	短期借款	280,443,042	–	–	–	280,443,042	277,271,416	
Bills payable	應付票據	232,494,030	–	–	–	232,494,030	232,494,030	
Trade payables	應付賬款	1,275,619,383	–	–	–	1,275,619,383	1,275,619,383	
Other payables	其他應付款	485,661,296	–	–	–	485,661,296	485,661,296	
Non-current bank loans (including non-current bank loans due within 1 year)	長期借款 (含一年內到期的長期借款)	284,944,087	540,532,918	305,097,685	46,614,115	1,177,188,805	1,093,854,467	
Total	合計	2,559,161,838	540,532,918	305,097,685	46,614,115	3,451,406,556	3,364,900,592	

3. Interest Rate Risk

The Group's exposure to fair value interest rate risk and cash flow interest rate risk mainly arise from interest-bearing financial instruments with fixed rate and floating rate. The Group determined the proportion of fixed interest rate and floating interest rate risk based on the market conditions and maintained an appropriate mix of fixed interest rate and floating interest rate through regular review and supervision. The Company did not hedge interest rate risk with derivative financial instruments.

八、與金融工具相關的風險 (續)

2、流動性風險 (續)

3、利率風險

固定利率和浮動利率的帶息金融工具分別使本集團面臨公允價值利率風險及現金流量利率風險。本集團根據市場環境來決定固定利率與浮動利率工具的比例，並通過定期審閱與監察維持適當的固定和浮動利率工具組合。本集團並未以衍生金融工具對沖利率風險。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

VIII. RISK RELATED TO FINANCIAL INSTRUMENTS (Cont'd)

3. Interest Rate Risk (Cont'd)

(1) The interest-bearing financial instruments held by the Group as at 31 December are as follows:

Fixed interest rate financial instruments:

Item	項目	31 December 2019 2019年12月31日		31 December 2018 2018年12月31日	
		Effective interest rate 實際利率	Amount 金額	Effective interest rate 實際利率	Amount 金額
Financial assets	金融資產				
– Cash and cash equivalent	– 貨幣資金	1.25% – 3.40%	279,227,937	3.50%	499,990,000
Financial liabilities	金融負債				
– Current bank loans	– 短期借款	2.27% – 5.00%	(671,312,004)	2.16% – 4.50%	(141,340,208)
– Non-current banks loans (including non-current bank loans due within 1 year)	– 長期借款 (含一年內到期的 長期借款)	1.20%	(63,023,100)	1.20% – 4.90%	(680,620,000)
– Lease liabilities (including lease liabilities due within 1 year)	– 租賃負債 (含一年內到期的 租賃負債)	4.75% – 10.25%	(67,741,572)	–	–
Total	合計		(522,848,739)		(321,970,208)

Floating interest rate financial instruments:

浮動利率金融工具：

Item	項目	31 December 2019 2019年12月31日		31 December 2018 2018年12月31日	
		Effective interest rate 實際利率	Amount 金額	Effective interest rate 實際利率	Amount 金額
Financial assets	金融資產				
– Cash and cash equivalent	– 貨幣資金	0.30% – 0.35%	1,843,827,227	0.30% – 0.35%	2,183,357,184
Financial liabilities	金融負債				
– Current bank loans	– 短期借款	3.09% – 4.13%	(224,264,204)	3.04% – 5.07%	(135,305,600)
– Non-current bank loans (including non-current bank loans due within 1 year)	– 長期借款 (含一年內到期的 長期借款)	–	–	2.92% – 5.70%	(400,000,000)
Total	合計		1,619,563,023		1,648,051,584

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

VIII. RISK RELATED TO FINANCIAL INSTRUMENTS (Cont'd)

3. Interest Rate Risk (Cont'd)

(2) Sensitivity analysis

As of 31 December 2019 and 31 December 2018, assuming the other variable remains unchanged, assuming 100 basis points increase in interest rates will result in an increase of RMB13,252,482 and an increase of RMB18,603,310 respectively in the shareholder's equity and profit for the year of the Group.

In respect of the exposure to cash flow interest rate risk arising from floating rate non-derivative instruments held by the Group at the balance sheet date, the impact on the profit for the year and shareholder equity is estimated as an annualised impact on interest expense or income of such a change in interest rates.

4. Foreign Exchange Risk

In respect of cash and cash equivalents, bills and trade receivable, bills and trade payable, current bank loans, non-current bank loans denominated in foreign currencies other than the functional currency, the Group ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

(1) The Group's exposure as at 31 December to currency risk arising from recognised major assets or liabilities denominated in foreign currencies is as follows. For presentation purposes, the amounts of the exposure are shown in Renminbi, translated using the spot rate at the balance sheet date. Foreign currency translation differences are not included.

八、與金融工具相關的風險 (續)

3、利率風險 (續)

(2) 敏感性分析

於2019年12月31日，在其他變量不變的情況下，假定利率上調100個基點將會導致本集團股東權益及淨利潤增加人民幣13,252,482元(2018年：人民幣18,603,310元)。

對於資產負債表日持有的、使本集團面臨現金流量利率風險的浮動利率非衍生工具，上述敏感性分析中的淨利潤及股東權益的影響是上述利率變動對按年度估算的利息費用或收入的影響。

4、匯率風險

對於不是以記帳本位幣計價的貨幣資金、應收票據及應收賬款和應付票據及應付賬款、短期借款、長期借款等外幣資產和負債，如果出現短期的失衡情況，本集團會在必要時按市場匯率買賣外幣，以確保將淨風險敞口維持在可接受的水準。

(1) 本集團於12月31日的各主要外幣資產負債項目匯率風險敞口如下。出於列報考慮，風險敞口金額以人民幣列示，以資產負債表日即期匯率折算。外幣報表折算差額未包括在內。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

VIII. RISK RELATED TO FINANCIAL INSTRUMENTS (Cont'd)

4. Foreign Exchange Risk (Cont'd)

八、與金融工具相關的風險(續)

4、匯率風險(續)

		31 December 2019 2019年12月31日		31 December 2018 2018年12月31日	
		Foreign currency balance	The conversion of RMB balance 折算	Foreign currency balance	The conversion of RMB balance 折算
		外幣餘額	人民幣餘額	外幣餘額	人民幣餘額
Cash and cash equivalent	貨幣資金				
– US dollar	– 美元	28,880,789	201,478,160	22,925,752	157,344,021
– Euro	– 歐元	1,707,819	13,347,459	9,984,860	78,354,192
– HK dollar	– 港幣	427,933	383,342	394,555	345,709
Trade receivables	應收賬款				
– US dollar	– 美元	51,311,565	357,959,740	69,646,559	477,998,264
– Euro	– 歐元	6,882,395	53,789,358	1,825,582	14,325,890
Current loans	短期借款				
– US dollar	– 美元	(48,046,289)	(335,180,519)	(8,007,600)	(54,957,763)
– HK dollar	– 港幣	(50,116,964)	(44,894,776)	(120,204,000)	(105,322,745)
Non-current loans	長期借款				
– HK dollar	– 港幣	–	–	(100,225,000)	(87,817,145)
Trade payables	應付賬款				
– US dollar	– 美元	(18,658,541)	(130,165,714)	(8,477,958)	(58,185,921)
– Euro	– 歐元	(4,823,121)	(37,695,102)	(11,872,558)	(93,167,524)
– HK dollar	– 港幣	–	–	(16,000)	(14,019)
Net balance sheet exposure	資產負債表敞口淨額				
– US dollar	– 美元	13,487,524	94,091,667	76,086,753	522,198,601
– Euro	– 歐元	3,767,093	29,441,715	(62,116)	(487,442)
– HK dollar	– 港幣	(49,689,031)	(44,511,434)	(220,050,445)	(192,808,200)

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

VIII. RISK RELATED TO FINANCIAL INSTRUMENTS (Cont'd)

4. Foreign Exchange Risk (Cont'd)

(2) The exchange rates of RMB to foreign currency applicable by the Group are as follows:

		Average rate 平均匯率	
		2019 2019年	2018 2018年
US dollar	美元	6.8944	6.6338
Euro	歐元	7.7181	7.8113
HK dollar	港幣	0.8800	0.8464

		Reporting date mid-spot rate 報告日中間匯率	
		2019 2019年	2018 2018年
US dollar	美元	6.9762	6.8632
Euro	歐元	7.8155	7.8473
HK dollar	港幣	0.8958	0.8762

八、與金融工具相關的風險(續)

4、匯率風險(續)

(2) 本集團適用的人民幣對外幣的匯率分析如下：

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

VIII. RISK RELATED TO FINANCIAL INSTRUMENTS (Cont'd)

4. Foreign Exchange Risk (Cont'd)

(3) Sensitivity analysis

Assuming all other risk variables other than exchange rate remained constant, a 5% appreciation of the RMB against the USD, Euro, HKD and at 31 December would have (decreased)/increased shareholder's equity and profit for the year of the Group and the Company by the amount shown below, whose effect is in RMB and translated using the spot rate at the balance sheet date.

八、與金融工具相關的風險 (續)

4、匯率風險 (續)

(3) 敏感性分析

假定除匯率以外的其他風險變量不變，於12月31日人民幣對美元、歐元、港幣和其他的匯率變動使人民幣升值5%將導致本集團及本公司股東權益和淨利潤的(減少)/增加情況如下。此影響按資產負債表日即期匯率折算為人民幣列示。

		Shareholders' equity 股東權益	Profit for the year 淨利潤
31 December 2019	2019年12月31日		
US dollar	美元	(2,305,626)	(2,305,626)
Euro	歐元	(1,259,027)	(1,259,027)
HK dollar	港幣	1,887,289	1,887,289
Total	合計	(1,677,364)	(1,677,364)
31 December 2018	2018年12月31日		
US dollar	美元	(22,215,880)	(22,215,880)
Euro	歐元	21,581	21,581
HK dollar	港幣	8,178,379	8,178,379
Total	合計	(14,015,920)	(14,015,920)

A 5% depreciation of the RMB against the USD, Euro, HKD at 31 December would have had the equal but opposite effect on them to the amounts shown above, on the basis that all other variables remain constant.

The above sensitivity analysis has been ascertained assuming that the change in foreign exchange rates had occurred at the balance sheet date and had re-measured the exposure to foreign exchange risk for financial instruments held by the Group or the Company at that date. The above analysis did not include translation difference on foreign currency financial statements.

於12月31日，在假定其他變量保持不變的前提下，人民幣對美元、歐元、港幣的匯率變動使人民幣貶值5%將導致本集團及本公司股東權益和淨利潤的變化和上表列示的金額相同但方向相反。

上述敏感性分析是假設資產負債表日匯率發生變動，以變動後的匯率對資產負債表日本集團或本公司持有的、面臨匯率風險的金融工具進行重新計量得出的。上述分析不包括外幣報表折算差異。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

IX. DISCLOSURE OF FAIR VALUE

The following table presents the fair value information and the fair value hierarchy, at the end of the current reporting period, of the Group's assets and liabilities which are measured at fair value at each balance sheet date on a recurring or non-recurring basis. The level in which fair value measurement is categorized is determined by the level of the fair value hierarchy of the lowest level input that is significant to the entire fair value measurement. The levels are defined as follows:

Level 1 inputs:	unadjusted quoted prices in active markets that are observable at the measurement date for identical assets or liabilities;
Level 2 inputs:	inputs other than Level 1 inputs that are either directly or indirectly observable for underlying
Level 3 inputs:	inputs that are unobservable for underlying assets or liabilities.

I. Fair value of the Group's financial assets and financial liabilities that are measured at fair value at the end of the year

九、公允價值的披露

下表列示了本集團在每個資產負債表日持續和非持續以公允價值計量的資產和負債於本報告期末的公允價值資訊及其公允價值計量的層次。公允價值計量結果所屬層次取決於對公允價值計量整體而言具有重要意義的最低層次的輸入值。三個層次輸入值的定義如下：

第一層次輸入值：	在計量日能夠取得的相同資產或負債在活躍市場上未經調整的報價；
第二層次輸入值：	除第一層次輸入值外相關資產或負債直接或間接可觀察的輸入值；
第三層次輸入值：	相關資產或負債的不可觀察輸入值。

I、以公允價值計量的資產和負債的年末公允價值

Items	項目	Notes 附註	31 December 2019 2019年12月31日			Total 合計
			Level 1 of the fair value hierarchy 第一層次 公允價值計量	Level 2 of the fair value hierarchy 第二層次 公允價值計量	Level 3 of the fair value hierarchy 第三層次 公允價值計量	
Continuous fair value measurement Financial assets held for trading	持續的公允價值計量 交易性金融資產	V.2 五、2	9,902,598	—	—	9,902,598
Of which: Debt instrument investments	其中：債務工具投資		—	—	—	—
Equity instrument investments	權益工具投資		9,902,598	—	—	9,902,598
Investments in other equity instruments	其他權益工具投資	V.II 五、11	54,732,099	—	2,440,000	57,172,099
Total assets continuously measured at fair value	持續以公允價值計量的 資產總額		64,634,697	—	2,440,000	67,074,697

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

IX. DISCLOSURE OF FAIR VALUE (Cont'd)

I. Fair value of the Group's financial assets and financial liabilities that are measured at fair value at the end of the year (Cont'd)

九、公允價值的披露(續)

I、以公允價值計量的資產和負債的年末公允價值(續)

Items	項目	Notes	31 December 2018 2018年12月31日			Total
			Level 1 of the fair value hierarchy 第一層次 公允價值計量	Level 2 of the fair value hierarchy 第二層次 公允價值計量	Level 3 of the fair value hierarchy 第三層次 公允價值計量	
Continuous fair value measurement	持續的公允價值計量					
Financial assets held for trading	交易性金融資產	V.2 五、2	4,641,987	–	28,271,380	32,913,367
Of which: Debt instrument investments	其中：債務工具投資		–	–	28,271,380	28,271,380
Equity instrument investments	權益工具投資		4,641,987	–	–	4,641,987
Investments in other equity instruments	其他權益工具投資	V.11 五、11	62,389,201	–	2,440,000	64,829,201
Total assets continuously measured at fair value	持續以公允價值計量的 資產總額		67,031,188	–	30,711,380	97,742,568

In 2019, there was no transfer between Level 1 and Level 2 of the continuously measured fair value hierarchy. The Group confirmed the transition between levels at the end of the reporting period in which the transition occurred.

2019年度，本集團上述持續以公允價值計量的資產的各層次之間沒有發生轉換。本集團是在發生轉換當年的報告期末確認各層次之間的轉換。

2. Basis of market price for cases continuously and non-continuously measured at fair value level 1

The fair value of financial instruments traded in an active market is determined based on the market price at the balance sheet date. When a quote can be obtained in real time and periodically from stock exchanges, dealers, brokers, industry insiders, pricing service providers or regulatory agencies, and the quoted price represents actual and regular market trading quotes based on the principle of fair dealing, the market is considered as active market. The market price of financial assets held by the Company is the current bid price. These financial toolbars are shown at the first hierarchy. As at 31 December 2019 the instruments listed in the first hierarchy are classified as stocks investments measured at fair value with changes accounted into current gains and losses and equity investments classified as available-for-sale financial assets for Sichuan Huiyuan Optical Communications Co., Ltd.

2、持續和非持續第一層次公允價值計量項目市價的確定依據

在活躍市場中交易的金融工具的公允價值根據資產負債表日的市場報價確定。當報價可實時和定期從證券交易所、交易商、經紀、業內人士、定價服務者或監管機構獲得，且該報價代表基於公平交易原則進行的實際和常規市場交易報價時，該市場被視為活躍市場。本公司持有的金融資產的市場報價為現行買盤價。此等金融工具欄示在第一層級。於2019年12月31日，列入第一層級的工具系分類為交易性金融資產的股票投資和分類為其他權益工具投資的對四川匯源光通信股份有限公司的權益性投資。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

IX. DISCLOSURE OF FAIR VALUE (Cont'd)

3. Level 3 of the fair value hierarchy

Other equity instruments were mainly investments in unlisted companies.

4. Information on the ongoing level 3 of the fair value hierarchy measurement items, adjustments between book value at the beginning of the year and the end of the year and sensitivity analysis of unobservable parameters

九、公允價值的披露(續)

3、第三層次的公允價值計量

其他權益工具投資主要是本集團持有的未上市股權投資。

4、持續的第三層次公允價值計量項目，年初與年末賬面價值間的調節信息及不可觀察參數敏感性分析

Items	項目	2019 2019年	2018 2018年
Balance at the beginning of the year	年初餘額	30,711,380	37,513,923
Influence by the change of accounting policies	會計政策變更	–	4,550,113
Total profits of the year	本年利得總額		
Gains or losses included in profit or loss	計入損益的利得或損失		
– Investment income	– 投資收益	1,379,387	2,611,354
– Gains and losses from changes in fair value of financial assets held for trading	– 交易性金融資產公允價值變動損益	(271,380)	271,380
Gains or losses included in other comprehensive income	計入其他綜合收益的利得或損失		
– Gains or losses from changes in fair value of investments in other equity instruments	– 其他權益工具投資公允價值變動損益	–	(2,110,113)
Purchase, sale and settlement	購買、出售和結算		
– Purchase	– 購買	619,000,000	610,136,144
– Sale	– 出售	(647,000,000)	(619,650,067)
– Settlement	– 結算	(1,379,387)	(2,611,354)
Balance at the end of the year	年末餘額	2,440,000	30,711,380

5. Changes of valuation techniques and the reason of changed for the year

In 2019, the above continuous and non-continuous valuation techniques used to measure fair value by the Group for the year has not been changed.

5、本年內發生的估值技術變更及變更原因

2019年度，本集團上述持續和非持續公允價值計量所使用的估值技術並未發生變更。

6. Fair value of financial assets and financial liabilities that are not measured at fair value

There is no material difference between the Group's book values and fair values of various financial assets and financial liabilities on 31 December 2019.

6、不以公允價值計量的金融資產和金融負債的公允價值情況

本集團於2019年12月31日各項金融資產和金融負債的賬面價值與公允價值之間無重大差異。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

X. RELATED PARTIES AND TRANSACTIONS

1. Subsidiaries of the Company

Details of the subsidiaries of the Company are set out in Note VII.1.

2. Principal joint ventures and associates of the Group

Details of the principal joint ventures and associates of the Group are set out in Note VII.3.

The situation of the other joint ventures or associates that have related party transactions with the Group in 2019 and 2018 is as follows:

Unit names

單位名稱

Sichuan Lefei Optoelectric Technology Company Limited
四川樂飛光電科技有限公司

Wuhan Guangyuan Electronic Technology Co., Ltd.
武漢光源電子科技有限公司

Yangtze (Wuhan) Optical System Co., Ltd.
長飛(武漢)光系統股份有限公司

Tianjin YOFC XMJ Optical Cable Co., Ltd.
天津長飛鑫茂光纜有限公司

Tianjin YOFC XMJ Optical Communications Co., Ltd.
天津長飛鑫茂光通信有限公司

YOFC-Yadanarbon Fibre Company Limited
YOFC-Yadanarbon Fibre Company Limited

Wuhan Puli Polymerization Technology Co., Ltd
武漢普利聚合技術有限公司

AVIC Baosheng Ocean Engineering Cable Company
中航寶勝海洋工程電纜有限公司

Wuhan Yunjingfei Optical Fibre Materials Co., Ltd.
武漢雲晶飛光纖材料有限公司

RiT Tech (Intelligence Solutions) Ltd.

RiT Tech (Intelligence Solutions) Ltd.

十、關聯方及關聯交易

1、本公司的子公司情況

本集團子公司的情況詳見附註七、1。

2、本公司的合營和聯營企業情況

本集團重要的合營或聯營企業詳見附註七、3。

本年或上年與本集團發生關聯方交易的其他合營或聯營企業情況如下：

Relationship with the Company

與本企業關係

Joint venture of the Group
本集團的合營企業

Joint venture of the Group
本集團的合營企業

Joint venture of the Group
本集團的合營企業

Joint venture of the Group over the past 12 months
過去12個月為本集團的合營企業

Joint venture of the Group over the past 12 months
過去12個月為本集團的合營企業

Joint venture of the Group
本集團的合營企業

Joint venture of the Group
本集團的合營企業

Associate of the Group
本集團的聯營企業

Associate of the Group
本集團的聯營企業

Associate of the Group

本集團的聯營企業

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

X. RELATED PARTIES AND TRANSACTIONS (Cont'd)

3. Others related parties

Names of others related parties
其他關聯方名稱

十、關聯方及關聯交易 (續)

3、其他關聯方情況

Relationship with the related parties
關聯關係

China Huaxin Post and Telecom Technologies Co., Ltd. 中國華信郵電科技有限公司	Substantial shareholder 主要股東
Draka Comteq B.V. Draka Comteq B.V.	Substantial shareholder 主要股東
Wuhan Yangtze Communications Industry Group Co., Ltd. 武漢長江通信產業集團股份有限公司	Substantial shareholder 主要股東
Wuhan Yangtze Optical Technology Co., Ltd. 武漢長光科技有限公司	Subsidiary of substantial shareholder 主要股東子公司
NK China Investments B.V. NK China Investments B.V.	Fellow subsidiary of substantial shareholder 主要股東的同系子公司
Draka Comteq France S.A.S. Draka Comteq France S.A.S.	Fellow subsidiary of substantial shareholder 主要股東的同系子公司
Draka Comteq Fibre B.V. Draka Comteq Fibre B.V.	Fellow subsidiary of substantial shareholder 主要股東的同系子公司
Singapore Cables Manufacturers Pte Ltd. Singapore Cables Manufacturers Pte Ltd.	Fellow subsidiary of substantial shareholder 主要股東的同系子公司
Prysmian Draka Brasil S.A. Prysmian Draka Brasil S.A.	Fellow subsidiary of substantial shareholder 主要股東的同系子公司
Prysmian Fibras Oticas Brasil Ltda Prysmian Fibras Oticas Brasil Ltda	Fellow subsidiary of substantial shareholder 主要股東的同系子公司
Prysmian Cavi E Sistemi S.r.l. Prysmian Cavi E Sistemi S.r.l.	Fellow subsidiary of substantial shareholder 主要股東的同系子公司
Prysmian Wuxi Cable Co., Ltd 無錫普睿司曼電纜有限公司	Fellow subsidiary of substantial shareholder 主要股東的同系子公司

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

X. RELATED PARTIES AND TRANSACTIONS (Cont'd)

3. Others related parties (Cont'd)

十、關聯方及關聯交易 (續)

3、其他關聯方情況 (續)

Names of others related parties 其他關聯方名稱	Relationship with the related parties 關聯關係
PT Prysmian Cables Indonesia	Fellow subsidiary of substantial shareholder
PT Prysmian Cables Indonesia	主要股東的同系子公司
Suzhou Draka Cable Co., Ltd	Fellow subsidiary of substantial shareholder
蘇州特雷卡電纜有限公司	主要股東的同系子公司
Nokia Shanghai Bell Co., Ltd	Enterprise that director of the Company serve as its director
上海諾基亞貝爾股份有限公司	本公司董事擔任董事的企業
Hubei Kaile Quantum Electro-optical Science and Technology Company Limited (From 1 January 2017 to 28 October 2018)	Enterprise that controlled by the enterprise that supervisor of the Company serve as its independent director over the past 12 months
湖北凱樂量子通信光電科技有限公司 (自2017年1月1日至2018年10月28日)	過去12個月內本公司監事擔任獨立董事的企業控制的企業
Ningbo Ruitu Business Management Consulting Partnership Enterprise (Formerly known as "Wuhan Ruitu Management Consulting Partnership Enterprise")	Shareholder
寧波睿圖企業管理諮詢合夥企業(原名：武漢睿圖管理諮詢合夥企業)	股東
Ningbo Ruiteng Business Management Consulting Partnership Enterprise (Formerly known as "Wuhan Ruiten Management Consulting Partnership Enterprise")	Shareholder
寧波睿騰企業管理諮詢合夥企業(原名：武漢睿騰管理諮詢合夥企業)	股東
Ningbo Ruihong Business Management Consulting Partnership Enterprise (Formerly known as "Wuhan Ruihong Management Consulting Partnership Enterprise")	Shareholder
寧波睿鴻企業管理諮詢合夥企業(原名：武漢睿鴻管理諮詢合夥企業)	股東
Ningbo Ruiyue Business Management Consulting Partnership Enterprise (Formerly known as "Wuhan Ruiyue Management Consulting Partnership Enterprise")	Shareholder
寧波睿越企業管理諮詢合夥企業(原名：武漢睿越管理諮詢合夥企業)	股東

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

X. RELATED PARTIES AND TRANSACTIONS (Cont'd)

4. Related transactions (Cont'd)

The following transactions with related parties are conducted on normal commercial terms or in accordance with relevant agreements.

(1) Purchasing goods/accepting services

The Group

Related parties 關聯方	Description of related transactions 關聯交易內容	2019 2019年	2018 2018年
Tianjin YOFC XMKJ Optical Communications Co., Ltd. 天津長飛鑫茂光通信有限公司	Purchasing goods 採購商品	190,159,427	1,065,358,610
Sichuan Lefei Optoelectric Technology Company Limited 四川樂飛光電科技有限公司	Purchasing goods 採購商品	739,575,683	989,450,074
Tianjin YOFC XMKJ Optical Cable Co., Ltd. 天津長飛鑫茂光纜有限公司	Purchasing goods 採購商品	8,718,654	317,420,813
Yangtze Optical Fire and Cable (Shanghai) Co., Ltd. 長飛光纖光纜(上海)有限公司	Purchasing goods 採購商品	384,324,162	497,305,903
Shin-Etsu YOFC (Hubei) Optical Preform Co., Ltd. 長飛信越(湖北)光棒有限公司	Purchasing goods 採購商品	557,201,880	421,725,321
Shantou Hi-Tech Zone Ao Xing Optical Communication Equipment Co., Ltd 汕頭高新區奧星光通信設備有限公司	Purchasing goods 採購商品	280,848,840	378,937,839
Yangtze Zhongli Optical Fibre and Cable (Jiangsu) Co., Ltd. 江蘇長飛中利光纖光纜有限公司	Purchasing goods 採購商品	307,020,777	323,859,364
Draka Comteq France S.A.S. Draka Comteq France S.A.S.	Purchasing goods 採購商品	34,405	2,643,280
Draka Comteq Fibre B.V. Draka Comteq Fibre B.V.	Purchasing goods 採購商品	12,530,899	2,586,678
Wuhan Yunjingfei Optical Fibre Materials Co., Ltd. 武漢雲晶飛光纖材料有限公司	Purchasing goods 採購商品	32,842,244	44,241,480
Wuhan Guangyuan Electronic Technology Co., Ltd. 武漢光源電子科技有限公司	Purchasing goods 採購商品	17,166,518	18,857,065
Wuhan Puli Polymerization Technology Co., Ltd 武漢普利聚合技術有限公司	Purchasing goods 採購商品	—	51,282

十、關聯方及關聯交易(續)

4、關聯交易情況(續)

下列與關聯方進行的交易是按一般正常商業條款或按相關協議進行。

(1) 採購商品/接受勞務

本集團

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

X. RELATED PARTIES AND TRANSACTIONS (Cont'd)

4. Related transactions (Cont'd)

1) Purchasing goods/accepting services (Cont'd)

The Group (Cont'd)

十、關聯方及關聯交易 (續)

4、關聯交易情況 (續)

(1) 採購商品/接受勞務 (續)

本集團 (續)

Related parties 關聯方	Description of related transactions 關聯交易內容	2019 2019年	2018 2018年
Yangtze (Wuhan) Optical System Corporation Ltd. 長飛(武漢)光系統股份有限公司	Purchasing goods 採購商品	18,055,727	1,036,153
Shenzhen SDGI Optical Fibre Co., Ltd. 深圳特發信息光纖有限公司	Purchasing goods 採購商品	3,306,053	25,870,560
Prysmian Wuxi Cable Co., Ltd 無錫普睿司曼電纜有限公司	Purchasing goods 採購商品	–	14,998,006
Prysmian Fibras Oticas Brasil Ltda Prysmian Fibras Oticas Brasil Ltda	Purchasing goods 採購商品	–	44,513
YOFC Yadanarbon Fibre Company Limited YOFC Yadanarbon Fibre Company Limited	Purchasing goods 採購商品	6,156,948	–
Rit Tech (Intelligence Solutions) Ltd Rit Tech (Intelligence Solutions) Ltd	Purchasing goods 採購商品	88,436	–
Draka Comteq Fibre B.V. Draka Comteq Fibre B.V.	Technology usage fee and accepting services 技術使用費和接受勞務	18,418,848	40,978,157
Total	合計	2,576,449,501	4,145,365,098

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

X. RELATED PARTIES AND TRANSACTIONS (Cont'd)

4. Related transactions (Cont'd)

1) Purchasing goods/accepting services (Cont'd)

The Company

十、關聯方及關聯交易 (續)

4、關聯交易情況 (續)

(1) 採購商品/接受勞務 (續)

本公司

Related parties 關聯方	Description of related transactions 關聯交易內容	2019 2019年	2018 2018年
Tianjin YOFC XMKJ Optical Communications Co., Ltd. 天津長飛鑫茂光通信有限公司	Purchasing goods 採購商品	190,155,987	1,065,358,610
Sichuan Lefei Optoelectric Technology Company Limited 四川樂飛光電科技有限公司	Purchasing goods 採購商品	687,713,909	987,432,849
Tianjin YOFC XMKJ Optical Cable Co., Ltd. 天津長飛鑫茂光纜有限公司	Purchasing goods 採購商品	8,688,310	317,420,813
Yangtze Optical Fibre and Cable (Shanghai) Co., Ltd. 長飛光纖光纜(上海)有限公司	Purchasing goods 採購商品	368,174,681	488,427,456
Shin-Etsu YOFC (Hubei) Optical Preform Co., Ltd. 長飛信越(湖北)光棒有限公司	Purchasing goods 採購商品	557,179,745	421,725,321
Shantou Hi-Tech Zone Ao Xing Optical Communication Equipment Co., Ltd 汕頭高新區奧星光通信設備有限公司	Purchasing goods 採購商品	280,577,898	378,716,545
Yangtze Zhongli Optical Fibre and Cable (Jiangsu) Co., Ltd. 江蘇長飛中利光纖光纜有限公司	Purchasing goods 採購商品	306,675,599	323,859,364
Draka Comteq France S.A.S. Draka Comteq France S.A.S.	Purchasing goods 採購商品	34,405	2,643,280
Draka Comteq Fibre B.V. Draka Comteq Fibre B.V.	Purchasing goods 採購商品	5,606,394	2,586,678
Wuhan Yunjingfei Optical Fibre Materials Co., Ltd. 武漢雲晶飛光纖材料有限公司	Purchasing goods 採購商品	9,751,101	30,175,966
Wuhan Guangyuan Electronic Technology Co., Ltd. 武漢光源電子科技有限公司	Purchasing goods 採購商品	10,145,315	10,887,054

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

X. RELATED PARTIES AND TRANSACTIONS (Cont'd)

4. Related transactions (Cont'd)

1) Purchasing goods/accepting services (Cont'd)

The Company (Cont'd)

十、關聯方及關聯交易 (續)

4、關聯交易情況 (續)

(1) 採購商品/接受勞務 (續)

本公司 (續)

Related parties 關聯方	Description of related transactions 關聯交易內容	2019 2019年	2018 2018年
Wuhan Puli Polymerization Technology Co., Ltd 武漢普利聚合技術有限公司	Purchasing goods 採購商品	–	51,282
Yangtze (Wuhan) Optical System Co., Ltd. 長飛(武漢)光系統股份有限公司	Purchasing goods 採購商品	9,169,899	1,036,153
Shenzhen YOFC Connectivity Technologies Co., Ltd. 深圳特發信息光纖有限公司	Purchasing goods 採購商品	3,306,053	25,870,560
Prysmian Wuxi Cable Co., Ltd. 無錫普睿司曼電纜有限公司	Purchasing goods 採購商品	–	14,998,006
Prysmian Fibras Oticas Brasil Ltda Prysmian Fibras Oticas Brasil Ltda	Purchasing goods 採購商品	–	44,513
YOFC-Yadanarbon Fibre Company Limited YOFC-Yadanarbon Fibre Company Limited	Purchasing goods 採購商品	6,156,948	–
Prysmian Cavi E Sistemi S.r.l Prysmian Cavi E Sistemi S.r.l	Purchasing goods 採購商品	–	70,797
Rit Tech (Intelligence Solutions) Ltd Rit Tech (Intelligence Solutions) Ltd	Purchasing goods 採購商品	88,436	–
Yangtze Optical Fibre and Cable Company (Hong Kong) Limited 長飛光纖光纜(香港)有限公司	Purchasing goods 採購商品	315,167,584	113,764,386
Yangtze Optical Fibre and Cable Lanzhou Co., Ltd. 長飛光纖光纜蘭州有限公司	Purchasing goods 採購商品	301,059,721	408,084,293
Yangtze Optical Fibre and Cable Shenyang Co., Ltd. 長飛光纖光纜瀋陽有限公司	Purchasing goods 採購商品	191,560,779	355,195,414
Wuhan YOFC Cable Co., Ltd. 武漢長飛通用電纜有限公司	Purchasing goods 採購商品	165,345,549	177,770,473
PT yangtze optical fibre Indonesia PT yangtze optical fibre Indonesia	Purchasing goods 採購商品	13,647,440	40,695,368
Yangtze Optics Africa Cable Proprietary Limited Yangtze Optics Africa Cable Proprietary Limited	Purchasing goods 採購商品	–	6,372,869
Everpro Technologies Company Limited 長芯盛(武漢)科技有限公司	Purchasing goods 採購商品	12,195,064	88,035

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

X. RELATED PARTIES AND TRANSACTIONS (Cont'd)

4. Related transactions (Cont'd)

1) Purchasing goods/accepting services (Cont'd)

The Company (Cont'd)

十、關聯方及關聯交易 (續)

4、關聯交易情況 (續)

(1) 採購商品/接受勞務 (續)

本公司 (續)

Related parties 關聯方	Description of related transactions 關聯交易內容	2019 2019年	2018 2018年
EverProsper (America) Technologies Company Limited 長芯盛(美國)科技有限公司	Purchasing goods 採購商品	4,295,688	–
Ally First Optical Fiber and Cable Co., Ltd 浙江聯飛光纖光纜有限公司	Purchasing goods 採購商品	169,666,797	193,311,079
Shenzhen YOFC Connectivity Technologies Co., Ltd. 深圳長飛智連技術有限公司	Purchasing goods 採購商品	262,812,362	186,755,055
YOFC International Philippines Corporation	Purchasing goods 採購商品	–	5,544
YOFC International Philippines Corporation	Purchasing goods 採購商品	3,052	–
YOFC International (Thailand) Company Limited	Purchasing goods 採購商品	190,181,652	–
YOFC International (Thailand) Company Limited	Purchasing goods 採購商品	1,085,290,970	1,431,868,300
Yangtze Optic Fibre (Tianjin) Co., Ltd. 長飛光纖光纜(天津)有限公司	Purchasing goods 採購商品	18,418,848	40,978,157
Yangtze Optic Fibre (Qianjiang) Co., Ltd. 長飛光纖潛江有限公司	Technology license fee and accepting services 技術使用費和 接受勞務		
Draka Comteq Fibre B.V.			
Draka Comteq Fibre B.V.			
Total	合計	5,173,070,186	7,026,194,220

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

X. RELATED PARTIES AND TRANSACTIONS (Cont'd)

4. Related transactions (Cont'd)

(2) Selling goods/providing services

The Group

十、關聯方及關聯交易 (續)

4、關聯交易情況 (續)

(2) 出售商品/提供勞務

本集團

Related parties 關聯方	Description of related transactions 關聯交易內容	2019 2019年	2018 2018年
Tianjin YOFC XMKJ Optical Communications Co., Ltd. 天津長飛鑫茂光通信有限公司	Selling goods and providing service 出售商品及提供勞務	36,314,557	834,886,037
Sichuan Lefei Optoelectric Technology Company Limited 四川樂飛光電科技有限公司	Selling goods and providing service 出售商品及提供勞務	305,562,591	544,133,759
Yangtze Zhongli Optical Fibre and Cable (Jiangsu) Co., Ltd. 江蘇長飛中利光纖光纜有限公司	Selling goods and providing service 出售商品及提供勞務	189,732,351	439,144,707
Shantou Hi-Tech Zone Ao Xing Optical Communication Equipment Co., Ltd 汕頭高新區奧星光通信設備有限公司	Selling goods and providing service 出售商品及提供勞務	189,559,146	410,722,321
YOFC Shanghai Co., Ltd. 長飛光纖光纜(上海)有限公司	Selling goods and providing service 出售商品及提供勞務	252,400,838	378,874,728
Shenzhen SDGI Optical Fibre Co., Ltd. 深圳特發信息光纖有限公司	Selling goods and providing service 出售商品及提供勞務	46,645,914	195,975,563
Tianjin YOFC XMKJ Optical Cable Co., Ltd. 天津長飛鑫茂光纜有限公司	Selling goods and providing service 出售商品及提供勞務	12,857,650	180,688,637
Yangtze (Wuhan) Optical System Co., Ltd. 長飛(武漢)光系統股份有限公司	Selling goods and providing service 出售商品及提供勞務	53,170,185	16,474,520
Shin-Etsu YOFC (Hubei) Optical Preform Co., Ltd. 長飛信越(湖北)光棒有限公司	Selling goods and providing service 出售商品及提供勞務	111,652,682	44,226,511
Draka Comteq Fibre B.V. Draka Comteq Fibre B.V.	Selling goods 出售商品	97,011,693	65,854,611
Singapore Cables Manufacturers Pte Ltd. Singapore Cables Manufacturers Pte Ltd.	Selling goods 出售商品	967,262	50,946,905
Prysmian Wuxi Cable Co., Ltd. 無錫普睿司曼電纜有限公司	Selling goods 出售商品	25,964,110	23,947,845

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

X. RELATED PARTIES AND TRANSACTIONS (Cont'd)

4. Related transactions (Cont'd)

(2) Selling goods/providing services (Cont'd)

The Group (Cont'd)

十、關聯方及關聯交易 (續)

4、關聯交易情況 (續)

(2) 出售商品/提供勞務 (續)

本集團 (續)

Related parties 關聯方	Description of related transactions 關聯交易內容	2019 2019年	2018 2018年
PT Prysmian Cables Indonesia	Selling goods	–	221,228
PT Prysmian Cables Indonesia	出售商品		
YOFC-Yadanarbon Fibre Company Limited	Selling goods	4,667,094	16,793,856
YOFC-Yadanarbon Fibre Company Limited	出售商品		
Wuhan Puli Polymerization Technology Co., Ltd.	Selling goods	–	288,828
武漢普利聚合技術有限公司	出售商品		
China Huaxin Post and Telecom Technologies Co., Ltd.	Selling goods	2,887,959	3,318,809
中國華信郵電科技有限公司	出售商品		
AVIC Baosheng Ocean Engineering Cable Company	Selling goods	113,582	–
中航寶勝海洋工程電纜有限公司	出售商品		
Rit Tech (Intelligence Solutions) Ltd	Selling goods	286,300	–
Rit Tech (Intelligence Solutions) Ltd	出售商品		
Wuhan Yunjingfei Optical Fibre Materials Co., Ltd	Providing service	113,208	–
武漢雲晶飛光纖材料有限公司	提供勞務		
Tianjin YOFC XMKJ Optical Communications Co., Ltd.	Revenue of technology license fees and services	1,466,667	4,400,001
天津長飛鑫茂光通信有限公司	技術使用和服務收入		
Tianjin YOFC XMKJ Optical Cable Co., Ltd.	Revenue of technology license fees and services	1,084,956	1,500,000
天津長飛鑫茂光纜有限公司	技術使用和服務收入		
Total	合計	1,332,458,745	3,212,398,866

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

X. RELATED PARTIES AND TRANSACTIONS (Cont'd)

4. Related transactions (Cont'd)

(2) Selling goods/providing services (Cont'd)

The Company

十、關聯方及關聯交易 (續)

4、關聯交易情況 (續)

(2) 出售商品/提供勞務 (續)

本公司

Related parties 關聯方	Description of related transactions 關聯交易內容	2019 2019年	2018 2018年
Tianjin YOFC XMKJ Optical Communication Co., Ltd. 天津長飛鑫茂光通信有限公司	Selling goods and providing service 出售商品及提供勞務	36,314,557	834,807,387
Sichuan Lefei Optoelectric Technology Company Limited 四川樂飛光電科技有限公司	Selling goods and providing service 出售商品及提供勞務	305,562,591	543,720,643
Yangtze Zhongli Optical Fibre and Cable (Jiangsu) Co., Ltd. 江蘇長飛中利光纖光纜有限公司	Selling goods and providing service 出售商品及提供勞務	189,732,351	438,996,457
Shantou Hi-Tech Zone Ao Xing Optical Communication Equipment Co., Ltd 汕頭高新區奧星光通信設備有限公司	Selling goods and providing service 出售商品及提供勞務	189,559,146	410,722,321
Yangtze Optical Fibre and Cable (Shanghai) Co., Ltd. 長飛光纖光纜(上海)有限公司	Selling goods and providing service 出售商品及提供勞務	195,945,845	372,437,601
Shenzhen SDGI Optical Fibre Co., Ltd. 深圳特發信息光纖有限公司	Selling goods and providing service 出售商品及提供勞務	46,645,914	195,975,563
Tianjin YOFC XMKJ Optical Cable Co., Ltd. 天津長飛鑫茂光纜有限公司	Selling goods and providing service 出售商品及提供勞務	12,857,650	180,688,637
Yangtze (Wuhan) Optical System Corporation 長飛(武漢)光系統股份有限公司	Selling goods and providing service 出售商品及提供勞務	53,170,185	16,474,520
Yangtze Optical Fibre and Cable Lanzhou Co., Ltd. 長飛光纖光纜蘭州有限公司	Selling goods and providing service 出售商品及提供勞務	96,309,484	227,204,426
Yangtze Optical Fibre and Cable Shenyang Co., Ltd. 長飛光纖光纜瀋陽有限公司	Selling goods and providing service 出售商品及提供勞務	87,646,353	213,965,311
Wuhan YOFC Cable Co.,Ltd 武漢長飛通用電纜有限公司	Selling goods and providing service 出售商品及提供勞務	6,029,494	35,897
Shenzhen YOFC Connectivity Technologies Co., Ltd. 深圳長飛智連技術有限公司	Selling goods and providing service 出售商品及提供勞務	77,287,202	70,020,968
Ally First Optical Fibre and Cable Co., Ltd 浙江聯飛光纖光纜有限公司	Selling goods and providing service 出售商品及提供勞務	189,867,613	193,579,095
Yangtze Optical Fibre (Qianjiang) Co., Ltd. 長飛光纖潛江有限公司	Selling goods and providing service 出售商品及提供勞務	324,201,606	972,177,902
Draka Comteq Fibre B.V. Draka Comteq Fibre B.V.	Selling goods 出售商品	94,290,176	65,854,611
Singapore Cables Manufacturers Pte Ltd. Singapore Cables Manufacturers Pte Ltd.	Selling goods 出售商品	661,144	50,555,059

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

X. RELATED PARTIES AND TRANSACTIONS (Cont'd)

4. Related transactions (Cont'd)

(2) Selling goods/providing services (Cont'd)

The Company (Cont'd)

十、關聯方及關聯交易 (續)

4、關聯交易情況 (續)

(2) 出售商品/提供勞務 (續)

本公司 (續)

Related parties 關聯方	Description of related transactions 關聯交易內容	2019 2019年	2018 2018年
Prysmian Wuxi Cable Co., Ltd. 無錫普睿司曼電纜有限公司	Selling goods 出售商品	25,964,110	23,947,845
Shin-Etsu YOFC (Hubei) Optical Preform Co., Ltd. 長飛信越(湖北)光棒有限公司	Selling goods 出售商品	67,934,413	32,490,768
PT Prysmian Cables Indonesia PT Prysmian Cables Indonesia	Selling goods 出售商品	—	221,228
YOFC-Yadanarbon Fibre Company Limited YOFC-Yadanarbon Fibre Company Limited	Selling goods 出售商品	4,667,094	11,141,916
Wuhan Puli Polymerization Technology Co., Ltd. 武漢普利聚合技術有限公司	Selling goods 出售商品	—	288,828
China Huaxin Post and Telecom Technologies Co., Ltd. 中國華信郵電科技有限公司	Selling goods 出售商品	2,887,959	3,318,809
AVIC Baosheng Ocean Engineering Cable Company 中航寶勝海洋工程電纜有限公司	Selling goods 出售商品	113,582	—
Rit Tech (Intelligence Solutions) Ltd Rit Tech (Intelligence Solutions) Ltd	Selling goods 出售商品	—	25,996
PT. Yangtze Optical Fibre Indonesia PT. Yangtze Optical Fibre Indonesia	Selling goods 出售商品	39,261,873	9,270,336
Yangtze Optics Africa Cable Proprietary Limited Yangtze Optics Africa Cable Proprietary Limited	Selling goods 出售商品	28,629,803	9,049,815
Everpro Technologies Company Limited 長芯盛(武漢)科技有限公司	Selling goods 出售商品	9,380,563	8,217,833
Yangtze Optical Fibre and Cable Company (Hong Kong) Limited 長飛光纖光纜(香港)有限公司	Selling goods 出售商品	6,167,398	8,240,084
Yangtze Optics Africa Holdings Proprietary Limited Yangtze Optics Africa Holdings Proprietary Limited	Selling goods 出售商品	9,692,327	3,829,761
YOFC International (Thailand) Company Limited YOFC International (Thailand) Company Limited	Selling goods 出售商品	36,264,194	12,844,395

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

X. RELATED PARTIES AND TRANSACTIONS (Cont'd)

4. Related transactions (Cont'd)

(2) Selling goods/providing services (Cont'd)

The Company (Cont'd)

十、關聯方及關聯交易 (續)

4、關聯交易情況 (續)

(2) 出售商品/提供勞務 (續)

本公司 (續)

Related parties 關聯方	Description of related transactions 關聯交易內容	2019 2019年	2018 2018年
YOFC International (Singapore) Pte. Ltd	Selling goods	46,911,543	2,549,549
YOFC International (Singapore) Pte. Ltd	出售商品		
PT Yangtze Optics Indonesia	Selling goods	32,181,123	61,335,251
PT Yangtze Optics Indonesia	出售商品		
PT. YOFC International Indonesia	Selling goods	6,138,563	18,410
PT. YOFC International Indonesia	出售商品		
YOFC International Mexico S.A. de C.V	Selling goods	70,076,758	—
YOFC International Mexico S.A. de C.V.	出售商品		
YOFC International Philippines Corporation	Selling goods	17,611,620	—
YOFC International Philippines Corporation	出售商品		
E3cloud Information Technologies Company Limited	Selling goods	366,100	—
中標易雲信息技術有限公司	出售商品		
Yangtze Optical Fibre and Cable (Tianjin) Company Limited	Selling goods	121,606,670	—
長飛光纖光纜(天津)有限公司	出售商品		
YOFC Perú S.A.C	Selling goods	6,183,112	—
YOFC Perú S.A.C	出售商品		
Wuhan Yunyingfei Optical Fibre Materials Co., Ltd	Providing service	113,208	—
武漢雲晶飛光纖材料有限公司	提供勞務		
Hubei Flying Optical Fibre Material Co., Ltd	Providing service	181,132	—
湖北飛菱光纖材料有限公司	提供勞務		
Baosheng YOFC Marine Engineering Company Ltd.	Providing service	203,774	—
寶勝長飛海洋工程有限公司	提供勞務		
Tianjin YOFC XMKJ Optical Communication Co., Ltd.	Revenue of technology usage and service	1,466,667	4,400,001
天津長飛鑫茂光通信有限公司	技術使用和服務收入		
Tianjin YOFC XMKJ Optical Cable Co., Ltd.	Revenue of technology usage and service	1,084,956	1,500,000
天津長飛鑫茂光纜有限公司	技術使用和服務收入		
Yangtze Optical Fibre (Qianjiang) Co., Ltd.	Revenue of technology usage and service	—	10,252,359
長飛光纖潛江有限公司	技術使用和服務收入		
Ally First Optical Fibre and Cable Co., Ltd	Revenue of technology usage and service	754,800	754,800
浙江聯飛光纖光纜有限公司	技術使用和服務收入		
Total	合計	2,441,924,653	4,990,914,382

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

X. RELATED PARTIES AND TRANSACTIONS (Cont'd)

4. Related transactions (Cont'd)

(3) Related party lease

(a) As lessor:

The Group

十、關聯方及關聯交易(續)

4、關聯交易情況(續)

(3) 關聯租賃

(a) 出租：

本集團

Name of leasee	Types of lease assets	Rental income confirmed in 2019	Rental income confirmed in 2018
承租方名稱	租賃資產種類	2019年確認的租賃收入	2018年確認的租賃收入
Tianjin YOFC XMJ Optical Communication Co., Ltd. 天津長飛鑫茂光通信有限公司	Machinery equipments 機器設備	–	3,418,803
Wuhan Yunjingfei Optical Fibre Material Co., Ltd. 武漢雲晶飛光纖材料有限公司	Plant & buildings 廠房建築	432,000	432,000
Yangtze (Wuhan) Optical System Corporation 長飛(武漢)光系統股份有限公司	Plant & buildings 廠房建築	662,727	725,168
Shin-Etsu YOFC (Hubei) Optical Preform Co., Ltd. 長飛信越(湖北)光棒有限公司	Plant & buildings and machinery equipments 廠房建築及機器設備	295,716	680,775
Ningbo Ruitu Business Management Consulting Partnership Enterprise 寧波睿圖企業管理諮詢合夥企業	Plant & buildings 廠房建築	–	5,000
Ningbo Ruiteng Management Consulting Partnership Enterprise 寧波睿騰企業管理諮詢合夥企業	Plant & buildings 廠房建築	–	5,000
Ningbo Ruihong Business Management Consulting Partnership Enterprise 寧波睿鴻企業管理諮詢合夥企業	Plant & buildings 廠房建築	–	5,000
Ningbo Ruiyue Business Management Consulting Partnership Enterprise 寧波睿越企業管理諮詢合夥企業	Plant & buildings 廠房建築	–	5,000
Total	合計	1,390,443	5,276,746

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

X. RELATED PARTIES AND TRANSACTIONS (Cont'd)

4. Related transactions (Cont'd)

(3) Related party lease (Cont'd)

(a) As lessor: (Cont'd)

The Company

十、關聯方及關聯交易 (續)

4、關聯交易情況 (續)

(3) 關聯租賃 (續)

(a) 出租：(續)

本公司

Name of leasee	Types of lease assets	Rental income confirmed in 2019	Rental income confirmed in 2018
承租方名稱	租賃資產種類	2019年確認的租賃收入	2018年確認的租賃收入
Tianjin YOFC XMJ Optical Communication Co., Ltd. 天津長飛鑫茂光通信有限公司	Machinery equipments 機器設備	–	3,418,803
Wuhan Yunjingfei Optical Fibre Material Co., Ltd. 武漢雲晶飛光纖材料有限公司	Plant & buildings 廠房建築	432,000	432,000
Yangtze (Wuhan) Optical System Corporation 長飛(武漢)光系統股份有限公司	Plant & buildings 廠房建築	662,727	725,168
Ningbo Ruitu Business Management Consulting Partnership Enterprise 寧波睿圖企業管理諮詢合夥企業	Plant & buildings 廠房建築	–	5,000
Ningbo Ruiteng Business Management Consulting Partnership Enterprise 寧波睿騰企業管理諮詢合夥企業	Plant & buildings 廠房建築	–	5,000
Ningbo Ruihong Business Management Consulting Partnership Enterprise 寧波睿鴻企業管理諮詢合夥企業	Plant & buildings 廠房建築	–	5,000
Ningbo Ruiyue Business Management Consulting Partnership Enterprise 寧波睿越企業管理諮詢合夥企業	Plant & buildings 廠房建築	–	5,000
Everpro Technologies Company Limited 長芯盛(武漢)科技有限公司	Plant & buildings 廠房建築	3,979,789	2,073,513
Shenzhen YOFC Connectivity Technologies Company Limited 深圳長飛智連技術有限公司	Plant & buildings 廠房建築	4,322,503	–
Wuhan YOFC Cable Company Limited 武漢長飛通用電纜有限公司	Plant & buildings 廠房建築	3,450,110	–
Total	合計	12,847,129	6,669,484

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

X. RELATED PARTIES AND TRANSACTIONS (Cont'd)

4. Related transactions (Cont'd)

(3) Related party lease (Cont'd)

(b) As lessee:

The Group

Name of lessor	Types of lease assets	Rental expenses confirmed in 2019 2019年確認的租賃費	Rental expenses confirmed in 2018 2018年確認的租賃費
出租方名稱	租賃資產種類		
Yangtze Optical Fibre and Cable (Shanghai) Co., Ltd 長飛光纖光纜(上海)有限公司	Machinery and equipments 機器設備	900,115	–
Sichuan Lefei Optoelectric Technology Company Limited 四川樂飛光電科技有限公司	Building structures 房屋建築	62,903	–
Wuhan Yunjingfei Optical Fibre Material Co., Ltd. 武漢雲晶飛光纖材料有限公司	Plant structures 廠房建築	–	114,286
Total	合計	963,018	114,286

The Company

本公司

Name of lessor	Types of lease assets	Rental expenses confirmed in 2019 2019年確認的租賃費	Rental expenses confirmed in 2018 2018年確認的租賃費
出租方名稱	租賃資產種類		
Sichuan Lefei Optoelectric Technology Company Limited 四川樂飛光電科技有限公司	Building structures 房屋建築	62,903	–
Wuhan Yunjingfei Optical Fibre Material Co., Ltd. 武漢雲晶飛光纖材料有限公司	Plant structures 廠房建築	–	114,286
Wuhan YOFC Cable Company Limited 武漢長飛通用電纜有限公司	Plant structures 廠房建築	–	339,762
Total	合計	62,903	454,048

十、關聯方及關聯交易(續)

4、關聯交易情況(續)

(3) 關聯租賃(續)

(b) 承租：

本集團

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

X. RELATED PARTIES AND TRANSACTIONS (Cont'd)

4. Related transactions (Cont'd)

(4) Related party guarantees

The company as a guarantor

十、關聯方及關聯交易 (續)

4、關聯交易情況 (續)

(4) 關聯擔保

本公司作為擔保方

Name of guaranteed party	Amount guaranteed	Commencement date of guarantee	Due date of guarantee	Whether the guarantee has been completed
被擔保方	擔保金額	擔保起始日	擔保到期日	擔保是否已經履行完畢
Yangtze Optical Fibre and Cable Company (Hong Kong) Limited 長飛光纖光纜(香港)有限公司	146,680,763	28 February 2018 2018年2月28日	28 February 2019 2019年2月28日	Yes 是
Yangtze Optical Fibre and Cable Company (Hong Kong) Limited 長飛光纖光纜(香港)有限公司	125,925,551	1 March 2019 2019年3月1日	30 December 2019 2019年12月30日	Yes 是
Yangtze Optical Fibre and Cable Company (Hong Kong) Limited 長飛光纖光纜(香港)有限公司	125,925,551	31 December 2019 2019年12月31日	31 December 2020 2020年12月31日	No 否
PT Yangtze Optics Indonesia	20,589,600	23 August 2018 2018年8月23日	23 August 2019 2019年8月23日	Yes 是
PT Yangtze Optics Indonesia	20,928,600	24 August 2019 2019年8月24日	23 August 2020 2020年8月23日	No 否
Yangtze Optics Africa Holdings Proprietary Limited	2,106,246	21 March 2018 2018年3月21日	31 March 2019 2019年3月31日	Yes 是
YOFC Perú S.A.C	197,598,630	10 July 2019 2019年7月10日	10 July 2020 2020年7月10日	No 否
YOFC Perú S.A.C	664,138,303	18 July 2019 2019年7月18日	18 July 2020 2020年7月18日	No 否

The aforesaid guarantee is the credit facilities guarantee, which is the financing guarantee provided for the above subsidiaries.

以上擔保為本公司通過銀行為上述子公司提供的授信額度擔保。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

X. RELATED PARTIES AND TRANSACTIONS (Cont'd)

4. Related transactions (Cont'd)

(5) Funding with related parties

The Company

Related party 關聯方	Note 附註	Amount 拆借金額	Commencement date 起始日	Due date 到期日
Lendings 借入				
Yangtze Optical Fibre (Qianjiang) Co., Ltd. 長飛光纖潛江有限公司	Note 註	313,344,249	Without fixed due date 無固定到期期限	Without fixed due date 無固定到期期限
Yangtze Optical Fibre and Cable Shenyang Co., Ltd. 長飛光纖光纜瀋陽有限公司	Note 註	3,066,129	Without fixed due date 無固定到期期限	Without fixed due date 無固定到期期限
Wuhan YOFC Cable Co., Ltd. 武漢長飛通用電纜有限公司	Note 註	20,604,731	Without fixed due date 無固定到期期限	Without fixed due date 無固定到期期限
YOFC Gas (Qianjiang) Co., Ltd. 長飛氣體潛江有限公司	Note 註	131,030	Without fixed due date 無固定到期期限	Without fixed due date 無固定到期期限
Yangtze Optical Fibre and Cable Company (Hong Kong) Limited 長飛光纖光纜香港有限公司		35,454,545	September 2019 2019年9月	September 2020 2020年9月
Borrowings 借出				
Shenzhen YOFC Connectivity Technologies Co., Ltd. 深圳長飛智連技術有限公司	Note 註	45,395,561	Without fixed due date 無固定到期期限	Without fixed due date 無固定到期期限
Yangtze Optical Fibre and Cable Lanzhou Co., Ltd. 長飛光纖光纜蘭州有限公司	Note 註	33,085,786	Without fixed due date 無固定到期期限	Without fixed due date 無固定到期期限
Yangtze Optical Fibre and Cable (Tianjin) Company Limited 長飛光纖光纜(天津)有限公司	Note 註	160,082,339	Without fixed due date 無固定到期期限	Without fixed due date 無固定到期期限
Yangtze Optical Fibre (Qianjiang) Co., Ltd. 長飛光纖潛江有限公司		1,214,776,667	From January 2019 to December 2019 2019年1月至2019年12月	From March 2019 to December 2022 2019年3月至2022年12月
Yangtze Optical Fibre and Cable (Tianjin) Company Limited 長飛光纖光纜(天津)有限公司		105,585,881	September 2019 2019年9月	Without fixed due date 無固定到期期限
Everpro Technology Company Limited 長芯盛(武漢)科技有限公司		120,000,000	From August 2019 to October 2019 2019年8月至2019年10月	From August 2020 to October 2020 2020年8月至2020年10月

十、關聯方及關聯交易(續)

4、關聯交易情況(續)

(5) 關聯方資金拆借

本公司

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

X. RELATED PARTIES AND TRANSACTIONS (Cont'd)

4. Related transactions (Cont'd)

(5) Funding with related parties (Cont'd)

The Company (Cont'd)

十、關聯方及關聯交易 (續)

4、關聯交易情況 (續)

(5) 關聯方資金拆借 (續)

本公司 (續)

Related party 關聯方	Note 附註	Amount 拆借金額	Commencement date 起始日	Due date 到期日
Shenzhen YOFC Connectivity Technologies Co., Ltd 深圳長飛智連技術有限公司		10,000,000	June 2019 2019年6月	June 2020 2020年6月
Hubei Feiling Optical Fiber Material Co., Ltd. 湖北飛菱光纖材料有限公司		10,000,000	August 2019 2019年8月	August 2020 2020年8月
Yangtze Optical Fibre and Cable Company (Hong Kong) Limited 長飛光纖光纜香港有限公司		146,500,200	From March 2019 to May 2019 2019年3月至 2019年5月	From June 2019 to September 2019 2019年6月至 2019年9月
PT Yangtze Optical Fibre Indonesia		99,881,000	From May 2019 to November 2019 2019年5月至 2019年11月	From June 2019 to November 2020 2019年6月至 2020年11月
PT. Yangtze Optics Indonesia		13,952,400	May 2019 2019年5月	May 2020 2020年5月
Wuhan YOFC Ruitong Industrial Development Company 武漢長飛睿通產業發展有限公司		9,640,000	June 2019 2019年6月	Without fixed due date 無固定到期期限
Wuhan E3 Cloud Information Technologies Co., Ltd 中標易雲信息技術有限公司		500,000	May 2019 2019年5月	August 2019 2019年8月

Note: The company and some subsidiaries signed a fund pool service agreement with the bank this year, during which the cooperative bank regularly collected the balance of funds in the subsidiaries' account to the Company's account in accordance with the agreement as the entrusted loan issued by the subsidiary to the Company. In the meanwhile, the subsidiaries use the Company's funds in accordance with the agreement as an entrusted loan issued by the Company to the subsidiaries. In view of the frequent transactions of the fund accounts mentioned, the Company only shows the net changes in the cash flow statement and related party transactions.

註：本年度，本公司及部分子公司與銀行簽訂資金池服務協議，合作銀行依照協議定時將子公司賬戶內資金餘額向本公司賬戶歸集，作為子公司向本公司發放的委託貸款；子公司依據協議使用本公司的資金，作為本公司向子公司發放的委託貸款。鑑於上述資金賬戶的交易頻繁，本公司僅在現金流量表及關聯方交易中以本年淨變動額列示。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

X. RELATED PARTIES AND TRANSACTIONS (Cont'd)

4. Related transactions (Cont'd)

(6) Assets transfer of Related Parties

The Group

Related party 關聯方	Transaction 關聯交易內容	2019 2019年	2018 2018年
Shantou Hi-Tech Zone Ao Xing Optical Communication Equipment Co., Ltd 汕頭高新區奧星光通信設備有限公司	Disposal of fixed assets 處置固定資產	40,000,000	–
Wuhan Yangtze communications industry Group Co.,Ltd 武漢長江通信產業集團股份有限公司	Purchasing non-controlling interests 購買少數股東權益	–	25,383,349
Total	合計	40,000,000	25,383,349

The Company

本公司

Related party 關聯方	Transaction 關聯交易內容	2019 2019年	2018 2018年
Shantou Hi-Tech Zone Ao Xing Optical Communication Equipment Co., Ltd 汕頭高新區奧星光通信設備有限公司	Disposal of fixed assets 處置固定資產	40,000,000	–
Wuhan Yangtze communications industry Group Co.,Ltd 武漢長江通信產業集團股份有限公司	Purchasing non-controlling interests 購買少數股東權益	–	25,383,349
Total	合計	40,000,000	25,383,349

十、關聯方及關聯交易 (續)

4、關聯交易情況 (續)

(6) 關聯方資產轉讓

本集團

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

X. RELATED PARTIES AND TRANSACTIONS (Cont'd)

4. Related transactions (Cont'd)

(7) The emoluments of the key managements

The Group

十、關聯方及關聯交易 (續)

4、關聯交易情況 (續)

(7) 關鍵管理人員報酬

本集團

Item	項目	2019 2019年	2018 2018年
Emoluments of the key managements	關鍵管理人員報酬	21,495,085	34,790,240
Share-based payment	股份支付	645,743	–
Total	合計	22,140,828	34,790,240

The Company		本公司	
Item	項目	2019 2019年	2018 2018年
Emoluments of the key managements	關鍵管理人員報酬	21,495,085	34,790,240
Share-based payment	股份支付	645,743	–
Total	合計	22,140,828	34,790,240

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

X. RELATED PARTIES AND TRANSACTIONS (Cont'd)

5. Receivables and Payables of Related Parties

(1) Receivables of related parties

The Group

十、關聯方及關聯交易 (續)

5、關聯方應收應付款項

(1) 應收關聯方款項

本集團

Names of items 項目名稱	Related parties 關聯方	31 December 2019 2019年12月31日		31 December 2018 2018年12月31日	
		Book balance 賬面餘額	Allowance for doubtful debts 壞賬準備	Book balance 賬面餘額	Allowance for doubtful debts 壞賬準備
Trade receivables 應收賬款	Yangtze Zhongli Optical Fibre and Cable (Jiangsu) Co., Ltd. 江蘇長飛中利光纖光纜有限公司	21,704,039	53,422	99,354,328	2,980,630
	Yangtze Optical Fibre and Cable (Shanghai) Co., Ltd 長飛光纖光纜(上海)有限公司	18,288,056	45,014	519,198	15,576
	Shantou Hi-Tech Zone Ao Xing Optical Communication Equipment Co., Ltd 汕頭高新區奧星光通信設備有限公司	7,719,678	19,001	29,938,983	898,169
	Shenzhen SDGI Optical Fibre Co., Ltd. 深圳特發信息光纖有限公司	–	–	61,332,000	1,839,960
	Yangtze (Wuhan) Optical System Corporation 長飛(武漢)光系統股份有限公司	700,481	1,724	–	–
	Draka Comteq Fibre B.V.	–	–	65,266,694	1,958,001
	Draka Comteq Fibre B.V.	–	–	–	–

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

X. RELATED PARTIES AND TRANSACTIONS (Cont'd)

5. Receivables and Payables of Related Parties (Cont'd)

(1) Receivables of related parties (Cont'd)

The Group (Cont'd)

十、關聯方及關聯交易 (續)

5、關聯方應收應付款項 (續)

(1) 應收關聯方款項 (續)

本集團 (續)

Names of items 項目名稱	Related parties 關聯方	31 December 2019 2019年12月31日		31 December 2018 2018年12月31日	
		Book balance 賬面餘額	Allowance for doubtful debts 壞賬準備	Book balance 賬面餘額	Allowance for doubtful debts 壞賬準備
	YOFC-Yadanarbon Fibre Company Limited	16,118,431	4,675,325	17,563,531	1,261,143
	YOFC-Yadanarbon Fibre Company Limited				
	Singapore Cables Manufacturers Pte Ltd.	47,046	1,645	2,311,973	69,359
	Singapore Cables Manufacturers Pte Ltd.				
	Prysmian Wuxi Cable Co., Ltd	7,958,822	19,590	1,125,077	33,752
	無錫普睿司曼電纜有限公司				
	Shin-Etsu YOFC (Hubei) Optical Preform Co., Ltd.	41,835,259	103,081	7,252,823	217,585
	長飛信越(湖北)光棒有限公司				
	RiT Tech (Intelligence Solutions) Ltd.	716,793	15,587	4,370,202	131,145
	RiT Tech (Intelligence Solutions) Ltd.				
	PT Prysmian Cables Indonesia	-	-	307	9
	PT Prysmian Cables Indonesia				
	China Huaxin Post and Telecom Technologies Co., Ltd.	819,756	2,018	1,895,221	56,857
	中國華信郵電科技有限公司				
	Wuhan Puli Polymerization Technology Co., Ltd	-	-	637,241	38,972
	武漢普利聚合技術有限公司				
	Tianjin YOFC XMJ Optical Communication Co., Ltd.	-	-	42,245,050	1,267,352
	天津長飛鑫茂光通信有限公司				
	Sichuan Lefei Optoelectric Technology Company Limited	130,509	2,619	56,200	1,686
	四川樂飛光電科技有限公司				
	AVIC Baosheng Ocean Engineering Cable Company	21,807	54	-	-
	中航寶勝海洋工程電纜有限公司				
	Sub-total 小計	116,060,677	4,939,080	333,868,828	10,770,196

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

X. RELATED PARTIES AND TRANSACTIONS (Cont'd)

5. Receivables and Payables of Related Parties (Cont'd)

(1) Receivables of related parties (Cont'd)

The Group (Cont'd)

十、關聯方及關聯交易 (續)

5、關聯方應收應付款項 (續)

(1) 應收關聯方款項 (續)

本集團 (續)

Names of items 項目名稱	Related parties 關聯方	31 December 2019	31 December 2018
		Book balance 2019年 12月31日 賬面餘額	Book balance 2018年 12月31日 賬面餘額
Other receivables 其他應收款	Sichuan Lefei Optoelectric Technology Company Limited 四川樂飛光電科技有限公司	–	30,037,683
	AVIC Baosheng Ocean Engineering Cable Company 中航寶勝海洋工程電纜有限公司	377,358	377,358
	Wuhan Yunjingfei Optical Fibre Materials Co., Ltd. 武漢雲晶飛光纖材料有限公司	693,918	364,739
	Tianjin YOFC XMKJ Optical Communication Co., Ltd. 天津長飛鑫茂光通信有限公司	–	100,000
	Tianjin YOFC XMKJ Optical Cable Co., Ltd. 天津長飛鑫茂光纜有限公司	275,000	200,000
	Shenzhen SDGI Optical Fibre Co., Ltd. 深圳特發信息光纖有限公司	43,474	108,684
	Shantou Hi-Tech Zone Ao Xing Optical Communication 汕頭高新區奧星光通信設備有限公司	12,000,000	114,000
	YOFC-Yadanarbon Fibre Company Limited	101,199	80,631
	YOFC-Yadanarbon Fibre Company Limited		
	Yangtze Zhongli Optical Fibre and Cable (Jiangsu)Co.,Ltd 江蘇長飛中利光纖光纜有限公司	51,000	51,000
	Ningbo Ruiteng Business Management Consulting Partnership Enterprise 寧波睿騰企業管理諮詢合夥企業	–	5,000
	Ningbo Ruihong Business Management Consulting Partnership Enterprise 寧波睿鴻企業管理諮詢合夥企業	–	5,000
	Ningbo Ruiyue Business Management Consulting Partnership Enterprise 寧波睿越企業管理諮詢合夥企業	–	5,000
	Ningbo Ruitu Business Management Consulting Partnership Enterprise 寧波睿圖企業管理諮詢合夥企業	–	5,000

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

X. RELATED PARTIES AND TRANSACTIONS (Cont'd)

5. Receivables and Payables of Related Parties (Cont'd)

(1) Receivables of related parties (Cont'd)

The Group (Cont'd)

十、關聯方及關聯交易 (續)

5、關聯方應收應付款項 (續)

(1) 應收關聯方款項 (續)

本集團 (續)

Names of items 項目名稱	Related parties 關聯方	31 December 2019	31 December 2018
		Book balance 2019年 12月31日 賬面餘額	Book balance 2018年 12月31日 賬面餘額
	Yangtze (Wuhan) Optical System Corporation 長飛(武漢)光系統股份有限公司	353,880	4,056
	Wuhan YOFC Industrial Fund Management Co., Ltd. 武漢長飛產業基金管理有限公司	83,980	–
	Sub-total 小計	13,979,809	31,458,151
Dividend receivables 應收股利	Yangtze Optical Fibre and Cable (Shanghai) Co., Ltd. 長飛光纖光纜(上海)有限公司	–	13,273,485
	Wuhan Guangyuan Electronic Technology Co., Ltd. 武漢光源電子科技有限公司	522,213	522,213
	Sub-total 小計	522,213	13,795,698
Long-term receivables 長期應收款	Santou Hi-Tech Zone Ao Xing Optical Communication Equipment Co., Ltd 汕頭高新區奧星光通信設備有限公司	16,000,000	–

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

X. RELATED PARTIES AND TRANSACTIONS (Cont'd)

5. Receivables and Payables of Related Parties (Cont'd)

(1) Receivables of related parties (Cont'd)

The Company

十、關聯方及關聯交易 (續)

5、關聯方應收應付款項 (續)

(1) 應收關聯方款項 (續)

本公司

Names of items 項目名稱	Related parties 關聯方	31 December 2019 2019年12月31日		31 December 2018 2018年12月31日	
		Book balance 賬面餘額	Allowance for doubtful debts 壞賬準備	Book balance 賬面餘額	Names of items 項目名稱
Trade receivables 應收賬款	Yangtze Zhongli Optical Fibre and Cable (Jiangsu) Co., Ltd. 江蘇長飛中利光纖光纜有限公司	21,704,039	53,422	99,354,328	2,980,630
	Shantou Hi-Tech Zone Ao Xing Optical Communication Equipment Co., Ltd 汕頭高新區奧星光通信設備有限公司	7,493,520	18,445	29,938,983	898,169
	Shenzhen SDGI Optical Fibre Co., Ltd. 深圳特發信息光纖有限公司	—	—	61,332,000	1,839,960
	Yangtze (Wuhan) Optical System Corporation 長飛(武漢)光系統股份有限公司	700,481	1,724	—	—
	Draka Comteq Fibre B.V. Draka Comteq Fibre B.V.	—	—	65,266,694	1,958,001
	YOFC-Yadanarbon Fibre Company Limited YOFC-Yadanarbon Fibre Company Limited	16,118,431	4,675,325	14,786,667	1,177,837
	Singapore Cables Manufacturers Pte Ltd. Singapore Cables Manufacturers Pte Ltd.	47,046	1,645	2,301,815	69,054
	Prismian Wuxi Cable Co., Ltd. 無錫普睿司曼電纜有限公司	7,958,822	19,590	1,125,077	33,752
	Shin-Etsu YOFC (Hubei) Optical Preform Co., Ltd. 長飛信越(湖北)光棒有限公司	31,167,462	76,823	4,269,702	128,091
	PT Prismian Cables Indonesia PT Prismian Cables Indonesia	—	—	307	9

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

X. RELATED PARTIES AND TRANSACTIONS (Cont'd)

5. Receivables and Payables of Related Parties (Cont'd)

(1) Receivables of related parties (Cont'd)

The Company (Cont'd)

十、關聯方及關聯交易 (續)

5、關聯方應收應付款項 (續)

(1) 應收關聯方款項 (續)

本公司 (續)

Names of items 項目名稱	Related parties 關聯方	31 December 2019 2019年12月31日		31 December 2018 2018年12月31日	
		Book balance 賬面餘額	Allowance for doubtful debts 壞賬準備	Book balance 賬面餘額	Names of items 項目名稱
	China Huaxin Post and Telecom Technologies Co., Ltd. 中國華信郵電科技有限公司	819,756	2,018	1,895,221	56,857
	Wuhan Puli Polymerization Technology Co., Ltd. 武漢普利聚合技術有限公司	–	–	637,241	38,972
	Tianjin YOFC XMKJ Optical Communication Co., Ltd. 天津長飛鑫茂光通信有限公司	–	–	42,029,603	1,260,889
	AVIC Baosheng Ocean Engineering Cable Company 中航寶勝海洋工程電纜有限公司	21,807	54	–	–
	Yangtze Optical Fibre (Qianjiang) Co., Ltd. 長飛光纖潛江有限公司	27,817,644	–	286,283,564	–
	Ally First Optical Fibre and Cable Co., Ltd 浙江聯飛光纖光纜有限公司	–	–	6,163,509	–
	Everpro Technologies Company Limited 長芯盛(武漢)科技有限公司	6,353,082	–	10,653,506	–
	PT. Yangtze Optical Fibre Indonesia	43,247,718	–	4,205,635	–
	PT. Yangtze Optical Fibre Indonesia				
	Yangtze Optics Africa Cable Proprietary Limited	32,144,667	–	7,888,127	–
	Yangtze Optics Africa Cable Proprietary Limited				
	Yangtze Optical Fibre and Cable Company (Hong Kong) Limited	16,244,164	–	–	–
	YOFC International Mexico S.A de C.V.	69,614,788	–	–	–
	YOFC International Mexico S.A de C.V. 長飛光纖光纜(香港)有限公司				
	PT Yangtze Optics Indonesia	55,080,746	–	64,483,976	–
	PT Yangtze Optics Indonesia				
	PT. YOFC International Indonesia	6,158,262	–	19,699	–
	PT. YOFC International Indonesia				

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

X. RELATED PARTIES AND TRANSACTIONS (Cont'd)

5. Receivables and Payables of Related Parties (Cont'd)

(1) Receivables of related parties (Cont'd)

The Company (Cont'd)

十、關聯方及關聯交易 (續)

5、關聯方應收應付款項 (續)

(1) 應收關聯方款項 (續)

本公司 (續)

Names of items 項目名稱	Related parties 關聯方	31 December 2019 2019年12月31日		31 December 2018 2018年12月31日	
		Book balance 賬面餘額	Allowance for doubtful debts 壞賬準備	Book balance 賬面餘額	Names of items 項目名稱
	YOFC International (Singapore) Pte. Ltd.	34,444,797	–	2,538,848	–
	YOFC International (Singapore) Pte. Ltd.				
	YOFC International (Thailand) Co.,Ltd.	23,590,193	–	3,484,741	–
	YOFC International (Thailand) Co.,Ltd.				
	Hubei Flying Optical Fibre Material Company Limited 湖北飛菱光纖材料有限公司	–	–	21,000	–
	YOFC International Philippines Corporation	15,046,855	–	–	–
	YOFC International Philippines Corporation				
	Yangtze Optics Africa Holdings Proprietary Limited	8,114,968	–	–	–
	Yangtze Optics Africa Holdings Proprietary Limited				
	E3cloud Information Technologies Company Limited 中標易雲信息技術有限公司	413,693	–	–	–
	YOFC Perú S.A.C	6,088,836	–	–	–
	YOFC Perú S.A.C				
	Wuhan YOFC Cable Company Limited 武漢長飛通用電纜有限公司	4,824,832	–	–	–
	Sub-total 小計	435,216,609	4,849,046	708,680,243	10,442,221

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

X. RELATED PARTIES AND TRANSACTIONS (Cont'd)

5. Receivables and Payables of Related Parties (Cont'd)

(1) Receivables of related parties (Cont'd)

The Company (Cont'd)

十、關聯方及關聯交易 (續)

5、關聯方應收應付款項 (續)

(1) 應收關聯方款項 (續)

本公司 (續)

Names of items 項目名稱	Related parties 關聯方	31 December 2019	31 December 2018
		Book balance 2019年 12月31日 賬面餘額	Book balance 2018年 12月31日 賬面餘額
Other receivables 其他應收款	Sichuan Lefei Optoelectric Technology Company Limited 四川樂飛光電科技有限公司	–	30,037,683
	AVIC Baosheng Ocean Engineering Cable Company 中航寶勝海洋工程電纜有限公司	377,358	377,358
	Wuhan Yunjingfei Optical Fibre Materials Co., Ltd. 武漢雲晶飛光纖材料有限公司	693,918	364,739
	Tianjin YOFC XMKJ Optical Communication Co., Ltd. 天津長飛鑫茂光通信有限公司	–	100,000
	Tianjin YOFC XMKJ Optical Cable Co., Ltd. 天津長飛鑫茂光纜有限公司	275,000	200,000
	Shenzhen SDGI Optical Fibre Co., Ltd. 深圳特發信息訊光纖有限公司	43,474	108,684
	Shantou Hi-Tech Zone Ao Xing Optical Communication Equipment Co., Ltd 汕頭高新區奧星光通信設備有限公司	12,000,000	114,000
	YOFC-Yadanarbon Fibre Company Limited	101,199	80,631
	YOFC-Yadanarbon Fibre Company Limited		
	Yangtze Zhongli Optical Fibre and Cable (Jiangsu) Co., Ltd. 江蘇長飛中利光纖光纜有限公司	51,000	51,000
	Ningbo Ruiteng Business Management Consulting Partnership Enterprise 寧波睿騰企業管理諮詢合夥企業	–	5,000
	Ningbo Ruihong Business Management Consulting Partnership Enterprise 寧波睿鴻企業管理諮詢合夥企業	–	5,000
	Ningbo Ruiyue Business Management Consulting Partnership Enterprise 寧波睿越企業管理諮詢合夥企業	–	5,000

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

X. RELATED PARTIES AND TRANSACTIONS (Cont'd)

5. Receivables and Payables of Related Parties (Cont'd)

(1) Receivables of related parties (Cont'd)

The Company (Cont'd)

十、關聯方及關聯交易 (續)

5、關聯方應收應付款項 (續)

(1) 應收關聯方款項 (續)

本公司 (續)

Names of items 項目名稱	Related parties 關聯方	31 December 2019	31 December 2018
		Book balance 2019年 12月31日 賬面餘額	Book balance 2018年 12月31日 賬面餘額
	Ningbo Ruitu Business Management Consulting Partnership Enterprise 寧波睿圖企業管理諮詢合夥企業	–	5,000
	Yangtze (Wuhan) Optical System Corporation 長飛(武漢)光系統有限公司	353,880	4,056
	Wuhan YOFC Industrial Fund Management Co., Ltd. 武漢長飛產業基金管理有限公司	83,980	–
	Yangtze Optical Fibre (Qianjiang) Co., Ltd. 長飛光纖潛江有限公司	1,041,855,666	472,685,789
	Yangtze Optical Fibre and Cable Shenyang Company Ltd 長飛光纖光纜瀋陽有限公司	3,461,288	68,539,139
	Everpro Technologies Company Limited 長芯盛(武漢)科技有限公司	106,050,148	202,675,342
	Yangtze Optical Fibre and Cable Lanzhou Company Ltd 長飛光纖光纜蘭州有限公司	33,190,073	60,075,465
	Wuhan YOFC Cable Co., Ltd. 武漢長飛通用電纜有限公司	2,762,412	19,923,254
	Shenzhen YOFC Connectivity Technologies Co., Ltd. 深圳長飛智連技術有限公司	60,314,940	31,422,802
	Ally First Optical Fiber and Cable Co., Ltd 浙江聯飛光纖光纜有限公司	4,101,999	4,204,310
	PT. Yangtze Optical Fibre Indonesia PT. Yangtze Optical Fibre Indonesia	60,781,366	2,058,960
	Hubei Flying Optical Fibre Material Co., Ltd. 湖北飛菱光纖材料有限公司	79,548,093	29,956,052
	PT. YOFC International Indonesia PT. YOFC International Indonesia	–	54,405

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

X. RELATED PARTIES AND TRANSACTIONS (Cont'd)

5. Receivables and Payables of Related Parties (Cont'd)

(1) Receivables of related parties (Cont'd)

The Company (Cont'd)

十、關聯方及關聯交易 (續)

5、關聯方應收應付款項 (續)

(1) 應收關聯方款項 (續)

本公司 (續)

Names of items 項目名稱	Related parties 關聯方	31 December 2019	31 December 2018
		Book balance 2019年 12月31日 賬面餘額	Book balance 2018年 12月31日 賬面餘額
	PT Yangtze Optics Indonesia	14,779,891	739,969
	PT Yangtze Optics Indonesia		
	YOFC International Philippines Corporation	–	124,780
	YOFC International Philippines Corporation		
	Yangtze Optical Fibre and Cable (Tianjin) Company Limited 長飛光纖光纜(天津)有限公司	265,968,380	–
	Wuhan YOFC Ruitong Industrial Development Company Limited 武漢長飛睿通產業發展有限公司	9,640,000	–
	YOFC Perú S.A.C	34,049	–
	YOFC Perú S.A.C		
	Sub-total 小計	1,696,468,114	923,918,418
Dividend receivables 應收股利	Yangtze Optical Fibre and Cable (Shanghai) Co., Ltd. 長飛光纖光纜(上海)有限公司	–	13,273,485
	Wuhan Cuangyuan Electronic Technology Co., Ltd. 武漢光源電子科技有限公司	522,213	522,213
	Sub-total 小計	522,213	13,795,698

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

X. RELATED PARTIES AND TRANSACTIONS (Cont'd)

5. Receivables and Payables of Related Parties (Cont'd)

(1) Receivables of related parties (Cont'd)

The Company (Cont'd)

十、關聯方及關聯交易 (續)

5、關聯方應收應付款項 (續)

(1) 應收關聯方款項 (續)

本公司 (續)

Names of items 項目名稱	Related parties 關聯方	31 December 2019	31 December 2018
		Book balance 2019年 12月31日 賬面餘額	Book balance 2018年 12月31日 賬面餘額
Long-term receivables 長期應收款	Shantou Hi-Tech Zone Ao Xing Optical Communication Equipment Co., Ltd 汕頭高新區奧星光通信設備有限公司	16,000,000	–
	Yangtze Optical Fibre (Qianjiang) Co., Ltd. 長飛光纖潛江有限公司	42,000,000	418,000,000
	Hubei Flying Optical Fibre Material Co., Ltd. 湖北飛菱光纖材料有限公司	40,600,000	76,400,000
	Ally First Optical Fibre and Cable Co., Ltd 浙江聯飛光纖光纜有限公司	–	4,000,000
	Sub-total 小計	98,600,000	498,400,000

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

X. RELATED PARTIES AND TRANSACTIONS (Cont'd)

5. Receivables and Payables of Related Parties (Cont'd)

(2) Payables to related parties

The Group

十、關聯方及關聯交易 (續)

5、關聯方應收應付款項 (續)

(2) 應付關聯方款項

本集團

Names of items 項目名稱	Related parties 關聯方	31 December 2019	31 December 2018
		Book balance 2019年 12月31日 賬面餘額	Book balance 2018年 12月31日 賬面餘額
Trade payables 應付賬款	Sichuan Lefei Optoelectric Technology Company Limited 四川樂飛光電科技有限公司	94,427,491	107,898,172
	Shin-Etsu YOFC (Hubei) Optical Preform Co., Ltd. 長飛信越(湖北)光棒有限公司	89,309,196	55,255,920
	Tianjin YOFC XMJ Optical Cable Co., Ltd. 天津長飛鑫茂光纜有限公司	1,445,062	6,278,289
	Draka Comteq Fibre B.V. Draka Comteq Fibre B.V.	8,281,457	824,310
	Wuhan Yunjingfei Optical Fibre Material Co., Ltd. 武漢雲晶飛光纖材料有限公司	12,326,947	16,160,460
	Wuhan Guangyuan Electronic Technology Co., Ltd. 武漢光源電子科技有限公司	3,428,683	7,590,745
	Yangtze Optical Fibre and Cable (Shanghai) Co., Ltd. 長飛光纖光纜(上海)有限公司	31,555,125	41,649,668
	Shantou Hi-Tech Zone Ao Xing Optical Communication Equipment Co., Ltd 汕頭高新區奧星光通信設備有限公司	440,497	273,461
	Yangtze (Wuhan) Optical System Corporation 長飛(武漢)光系統股份有限公司	—	236,104
	Wuhan Puli Polymerization Technology Co., Ltd 武漢普利聚合技術有限公司	—	51,282
	Yangtze Zhongli Optical Fibre and Cable (Jiangsu) Co., Ltd. 江蘇長飛中利光纖光纜有限公司	95,156	—
	YOFC & YADANARBON FIBRE COMPANY LIMITED YOFC & YADANARBON FIBRE COMPANY LIMITED	6,126,147	—
	Shenzhen SDGI Optical Fibre Co., Ltd. 深圳特發信息光纖有限公司	3,712,830	—
	RIT TECH (INTLIGENCE SOLUTIONS) LTD RIT TECH (INTLIGENCE SOLUTIONS) LTD	54,290	—
	Sub-total 小計	251,202,881	236,218,411

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

X. RELATED PARTIES AND TRANSACTIONS (Cont'd)

5. Receivables and Payables of Related Parties (Cont'd)

(2) Payables to related parties (Cont'd)

The Group (Cont'd)

十、關聯方及關聯交易(續)

5、關聯方應收應付款項(續)

(2) 應付關聯方款項(續)

本集團(續)

Names of items 項目名稱	Related parties 關聯方	31 December 2019	31 December 2018
		Book balance 2019年 12月31日 賬面餘額	Book balance 2018年 12月31日 賬面餘額
Other payables 其他應付款	Draka Comteq Fibre B.V. Draka Comteq Fibre B.V.	18,418,848	37,194,245
	Sub-total 小計	18,418,848	37,194,245
Contract Liabilities 合同負債	Singapore Cables Manufacturers Pte Ltd. Singapore Cables Manufacturers Pte Ltd. Shenzhen SDGI Optical Fibre Co., Ltd. 深圳特發信息光纖有限公司 Shin-Etsu YOFC (Hubei) Optical Preform Co., Ltd. 長飛信越(湖北)光棒有限公司 Tianjin YOFC XMJ Optical Communication Co., Ltd 天津長飛鑫茂光通信有限公司	– 26,537,842 13,276,096 –	21,207 25,280,000 8,655,474 52,360
	Sub-total 小計	39,813,938	34,009,041
Deferred income 遞延收益	Wuhan Yunjingfei Optical Fibre Material Co., Ltd. 武漢雲晶飛光纖材料有限公司 Tianjin YOFC XMJ Optical Communication Co., Ltd. 天津長飛鑫茂光通信有限公司 Tianjin YOFC XMJ Optical Cable Co., Ltd. 天津長飛鑫茂光纜有限公司	3,456,000 – –	3,888,000 1,466,667 1,000,000
	Sub-total 小計	3,456,000	6,354,667

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

X. RELATED PARTIES AND TRANSACTIONS (Cont'd)

5. Receivables and Payables of Related Parties (Cont'd)

(2) Payables to related parties (Cont'd)

The Company

十、關聯方及關聯交易 (續)

5、關聯方應收應付款項 (續)

(2) 應付關聯方款項 (續)

本公司

Names of items 項目名稱	Related parties 關聯方	31 December 2019	31 December 2018
		Book balance 2019年 12月31日 賬面餘額	Book balance 2018年 12月31日 賬面餘額
Trade payables 應付賬款	Sichuan Lefei Optoelectric Technology Company Limited 四川樂飛光電科技有限公司	36,027,393	106,403,739
	Shin-Etsu YOFC (Hubei) Optical Preform Co., Ltd. 長飛信越(湖北)光棒有限公司	89,309,196	55,255,920
	Tianjin YOFC XMJ Optical Cable Co., Ltd. 天津長飛鑫茂光纜有限公司	1,414,718	6,278,289
	Draka Comteq Fibre B.V. Draka Comteq Fibre B.V.	1,389,236	824,310
	Wuhan Yunjingfei Optical Fibre Material Co., Ltd. 武漢雲晶飛光纖材料有限公司	2,465,172	12,782,712
	Wuhan Guangyuan Electronic Technology Co., Ltd. 武漢光源電子科技有限公司	933,778	5,376,227
	Yangtze Optical Fibre and Cable (Shanghai) Co., Ltd. 長飛光纖光纜(上海)有限公司	26,016,445	39,218,505
	Yangtze (Wuhan) Optical System Corporation 長飛(武漢)光系統股份有限公司	–	236,104
	Wuhan Puli Polymerization Technology Co., Ltd. 武漢普利聚合技術有限公司	–	51,282
	Yangtze Zhongli Optical Fibre and Cable (Jiangsu) Co., Ltd. 江蘇長飛中利光纖光纜有限公司	7,080	–
	YOFC & Yadanarbon Fibre Company Limited YOFC & Yadanarbon Fibre Company Limited	6,126,147	–

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

X. RELATED PARTIES AND TRANSACTIONS (Cont'd)

5. Receivables and Payables of Related Parties (Cont'd)

(2) Payables to related parties (Cont'd)

The Company (Cont'd)

十、關聯方及關聯交易 (續)

5、關聯方應收應付款項 (續)

(2) 應付關聯方款項 (續)

本公司 (續)

Names of items 項目名稱	Related parties 關聯方	31 December 2019	31 December 2018
		Book balance 2019年 12月31日 賬面餘額	Book balance 2018年 12月31日 賬面餘額
	Shenzhen SDGI Optical Fibre Co., Ltd. 深圳特發信息光纖有限公司	3,712,830	–
	Yangtze Optical Fibre (Qianjiang) Co., Ltd. 長飛光纖潛江有限公司	621,126,919	760,828,465
	Wuhan YOFC Cable Co., Ltd. 武漢長飛通用電纜有限公司	19,749,695	31,640,903
	Yangtze Optical Fibre and Cable Lanzhou Co., Ltd. 長飛光纖光纜蘭州有限公司	28,018,228	30,427,216
	Yangtze Optical Fibre and Cable Shenyang Co., Ltd. 長飛光纖光纜瀋陽有限公司	12,676,247	27,258,418
	Shenzhen YOFC Connectivity Technologies Co., Ltd. 深圳長飛智連技術有限公司	35,379,804	27,251,715
	Yangtze Optical Fibre and Cable Company (Hong Kong) Ltd. 長飛光纖光纜(香港)有限公司	48,908,355	4,213,361
	Ally First Optical Fibre and Cable Co., Ltd 浙江聯飛光纖光纜有限公司	11,391,090	–
	PT Yangtze Optical Fibre Indonesia	–	2,051,786
	PT Yangtze Optical Fibre Indonesia	–	1,335,798
	Yangtze Optics Africa Cable Proprietary Limited	–	–
	Yangtze Optics Africa Cable Proprietary Limited	–	–
	Yangtze Optical Fibre and Cable (Tianjin) Company Limited 長飛光纖光纜(天津)有限公司	43,153,843	–
	Sub-total 小計	987,806,176	1,111,434,750
Other payables 其他應付款	Draka Comteq Fibre B.V. Draka Comteq Fibre B.V.	18,418,848	37,194,245
	Shenzhen YOFC Connectivity Technologies Co., Ltd. 深圳長飛智連技術有限公司	11,711	74,435

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

X. RELATED PARTIES AND TRANSACTIONS (Cont'd)

5. Receivables and Payables of Related Parties (Cont'd)

(2) Payables to related parties (Cont'd)

The Company (Cont'd)

十、關聯方及關聯交易 (續)

5、關聯方應收應付款項 (續)

(2) 應付關聯方款項 (續)

本公司 (續)

Names of items 項目名稱	Related parties 關聯方	31 December 2019	31 December 2018
		Book balance 2019年 12月31日 賬面餘額	Book balance 2018年 12月31日 賬面餘額
	Yangtze Optical Fibre and Cable Shenyang Co., Ltd. 長飛光纖光纜瀋陽有限公司	3,066,129	–
	Yangtze Optical Fibre (Qianjiang) Co., Ltd. 長飛光纖潛江有限公司	314,271,567	–
	Wuhan YOFC Cable Co., Ltd. 武漢長飛通用電纜有限公司	20,642,371	–
	Sub-total 小計	356,410,626	37,268,680
Contract liabilities 合同負債	Singapore Cables Manufacturers Pte Ltd.	–	21,207
	Singapore Cables Manufacturers Pte Ltd.	–	–
	Shenzhen SDGI Optical Fibre Co., Ltd. 深圳特發信息光纖有限公司	26,537,842	25,280,000
	Shin-Etsu YOFC (Hubei) Optical Preform Co., Ltd. 長飛信越(湖北)光棒有限公司	13,276,096	8,655,474
	Tianjin YOFC XMKJ Optical Communication Co., Ltd. 天津長飛鑫茂光通信有限公司	–	52,360
	PT. Yangtze Optical Fibre Indonesia	6,383,048	988,936
	PT. Yangtze Optical Fibre Indonesia	–	–
	Yangtze Optics Africa Cable Proprietary Limited	2,791,010	527,281
	Yangtze Optics Africa Cable Proprietary Limited	–	–
	Yangtze Optical Fibre and Cable Company (Hong Kong) Limited 長飛光纖光纜(香港)有限公司	2,454,639	–
	Sub-total 小計	51,442,635	35,525,258

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

X. RELATED PARTIES AND TRANSACTIONS (Cont'd)

5. Receivables and Payables of Related Parties (Cont'd)

(2) Payables to related parties (Cont'd)

The Company (Cont'd)

十、關聯方及關聯交易 (續)

5、關聯方應收應付款項 (續)

(2) 應付關聯方款項 (續)

本公司 (續)

Names of items 項目名稱	Related parties 關聯方	31 December 2019	31 December 2018
		Book balance 2019年 12月31日 賬面餘額	Book balance 2018年 12月31日 賬面餘額
Deferred income 遞延收益	Wuhan Yunjingfei Optical Fibre Material Co., Ltd. 武漢雲晶飛光纖材料有限公司	3,456,000	3,888,000
	Tianjin YOFC XMKJ Optical Communication Co., Ltd. 天津長飛鑫茂光通信有限公司	–	1,466,667
	Tianjin YOFC XMKJ Optical Cable Co., Ltd. 天津長飛鑫茂光纜有限公司	–	1,000,000
	Ally First Optical Fibre and Cable Co., Ltd 浙江聯飛光纖光纜有限公司	12,829,940	13,584,740
	Sub-total 小計	16,285,940	19,939,407

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

XI. SHARE-BASED

十一、股份支付

1. Information about share-based payment

1、股份支付總體情況

Total amount of equity instruments granted during the year	公司本年授予的各項權益工具總額	2,000,000
Total amount of equity instruments exercised during the year	公司本年行權的各項權益工具總額	—
Total amount of equity instruments forfeited during the year	公司本年失效的各項權益工具總額	—

Expenses recognised during the year arising from share-based payments are as follows:

本年發生的股份支付費用如下：

Item	項目	2019 2019年	2018 2018年
Equity-settled share-based payments	以權益結算的股份支付	12,940,738	—

2. Equity-settled share-based payments

The Company has phase I employee share ownership plan following the approval by the 19th Meeting of the Second Board of Directors, the 12th Meeting of the Second Board of Supervisors and the First Extraordinary General Meeting in 2019. In accordance with the plan, the Company purchased H shares of issued shares of the Company in the secondary market and granted to 100 employees participating in the plan. As at 8 May 2019, the Company has completed the purchased 2,000,000 H shares, or 0.26% of total number of issued shares of the Company in the secondary market. The average transaction price was RMB16.83 per share, and the total transaction amount was RMB33,653,461.

According to the provisions of the “Phase I Employee Share Ownership Plan of Yangtze Optical Fibre and Cable Joint Stock Limited Company”, the shares mentioned before will be locked. The Shares will be unlocked in four phases, namely in 12 months, 24 months, 36 months and 48 months after completing the purchase of the shares, with 25% of the Shares being unlocked in each phase.

As at 31 December 2019, the accumulated amount of equity-settled share-based payments recognised in the capital reserve was RMB12,940,738 and total expenses recognised for the year arising from equity-settled share-based payments amounted to RMB12,940,738.

2、以權益結算的股份支付情況

根據本公司第二屆董事會第十九次會議、第二屆監事會第十二次會議和2019年第一次臨時股東大會的批准，本公司實施第一期員工持股計畫。本公司通過滬港通在二級市場購買公司H股股票授予參與該員工持股計畫的100名員工。截至2019年5月8日，公司第一期員工持股計畫已完成股票購買，累計在二級市場買入公司H股股票2,000,000股，佔公司總股本的0.26%，成交均價為人民幣16.83元/股，成交總金額為人民幣33,653,461元。

按照《長飛光纖光纜股份有限公司第一期員工持股計畫》的規定，上述購買的股票予以鎖定。鎖定的股票將分別於完成購買日起的12個月、24個月、36個月以及48個月後分四期解鎖。每期解鎖的鎖定的股票比例均為25%。

截止2019年12月31日，資本公積中確認以權益結算的股份支付的累計金額為人民幣12,940,738元。本年以權益結算的股份支付確認的費用總額為人民幣12,940,738元。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

XI. SHARE-BASED (Cont'd)

2. Equity-settled share-based payments (Cont'd)

The fair value of equity instruments on the date of grant is based on the stock market price on the date of grant, and the fair value of equity instruments is recognized after adjustments of the terms and conditions under which the shares are granted.

At each balance sheet date during the vesting period, the best estimation is made according to the latest information, such as the number of employees who are granted options, and the number of equity instruments expected to vest is revised accordingly. On the vesting date, the estimated number is equal to the number of equity instruments that are ultimately vested.

XII. CAPITAL MANAGEMENT

The Group's primary objectives of capital management are to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders, by pricing products and services commensurately with the level of risk and by ensuring access to finance at reasonable financial costs.

The Group defines "capital" as shareholders' equity. The Group's capital excludes balances of related party transactions.

The Group's capital structure is regularly reviewed and managed to achieve an optimal structure and returns to shareholders. The factors considered by the Group include: the Group's fund demands in the future, capital efficiency, actual and expected profitability, expected cash flow, and estimated capital expenditures. If any change of the economic conditions influences the Group, the Group will adjust its capital structure.

The Group supervises its capital structure through adjusted net debt-to-capital ratio. For this purpose, adjusted net debt is defined as total debt (which includes current bank loans, non-current bank loans and lease liabilities), less cash and cash equivalents.

十一、股份支付 (續)

2、以權益結算的股份支付情況 (續)

授予日權益工具的公允價值以授予日股票市場價格為基礎，同時考慮授予股票所依據的條款和條件進行調整後確認權益工具的公允價值。

在等待期內每個資產負債表日，根據最新取得的可行權職工人數變動等後續信息做出最佳估計，修正預計可行權的權益工具數量。在可行權日，最終預計可行權權益工具的數量與實際可行權工具的數量一致。

十二、資本管理

本集團資本管理的主要目標是保障本集團的持續經營，能夠通過制定與風險水準相當的產品和服務價格並確保以合理融資成本獲得融資的方式，持續為股東提供回報。

本集團對資本的定義為股東權益。本集團的資本不包括與關聯方之間的業務往來餘額。

本集團定期覆核和管理自身的資本結構，力求達到最理想的資本結構和股東回報。本集團考慮的因素包括：本集團未來的資金需求、資本效率、現實的及預期的盈利能力、預期的現金流、預期資本支出等。如果經濟狀況發生改變並影響本集團，本集團將會調整資本結構。

本集團通過經調整的淨債務資本率來監管集團的資本結構。經調整的淨債務為總債務（包括短期借款、長期借款以及租賃負債），扣除貨幣資金。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

XII. CAPITAL MANAGEMENT (Cont'd)

The adjusted net debt-to-capital ratio is as follows:

十二·資本管理(續)

經調整的淨債務資本率如下：

The Group

本集團

		2019 2019年	2018 2018年
Current liabilities	流動負債		
Current bank loans	短期借款	895,576,208	277,271,416
Non-current bank loans due within one year	一年內到期的長期借款	21,023,100	276,854,467
Non-current lease liabilities due within one year	一年內到期的租賃負債	19,156,139	-
Non-current liabilities	非流動負債		
Non-current bank loans	長期借款	42,000,000	817,000,000
Lease liabilities	租賃負債	48,585,433	-
Total debts	總債務合計	1,026,340,880	1,371,125,883
Add: proposed dividends	加：提議分配的股利	-	189,476,277
Less: cash and cash equivalents	減：現金及現金等價物	2,123,861,315	2,684,163,417
Adjusted net debt	經調整的淨債務	(1,097,520,435)	(1,123,561,257)
Shareholders' equity	股東權益	8,942,132,767	8,376,329,206
Less: proposed dividends	減：提議分配的股利	-	189,476,277
Adjusted net capital	經調整的資本	8,942,132,767	8,186,852,929
Adjusted net debt-to-capital ratio	經調整的淨債務資本率	(12%)	(14%)

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

XII. CAPITAL MANAGEMENT (Cont'd)

十二·資本管理(續)

The Company		本公司	
		2019	2018
		2019年	2018年
Current liabilities	流動負債		
Current bank loans	短期借款	784,605,321	239,134,889
Non-current bank loans due within one year	一年內到期的長期借款	21,023,100	276,854,467
Non-current lease liabilities due within one year	一年內到期的租賃負債	4,366,551	–
Non-current liabilities	非流動負債		
Non-current bank loans	長期借款	42,000,000	817,000,000
Lease liabilities	租賃負債	18,905,820	–
Total debts	總債務合計	870,900,792	1,332,989,356
Add: proposed dividends	加：提議分配的股利	–	189,476,277
Less: cash and cash equivalents	減：現金及現金等價物	1,279,401,817	2,206,124,328
Adjusted net debt	經調整的淨債務	(408,501,025)	(683,658,695)
Shareholders' equity	股東權益	7,764,415,076	7,488,730,414
Less: proposed dividends	減：提議分配的股利	–	189,476,277
Adjusted net capital	經調整的資本	7,764,415,076	7,299,254,137
Adjusted net debt-to-capital ratio	經調整的淨債務資本率	(5%)	(9%)

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

XIII. COMMITMENTS AND CONTINGENCIES

I. Significant commitments

(1) Capital commitment

Items	項目	31 December	31 December
		2019	2018
		2019年	2018年
		12月31日	12月31日
Construction projects	工程項目	1,529,290,983	2,227,269,128
Other long-term equity investments	其他長期股權投資	122,654,840	26,340,312
Total	合計	1,651,945,823	2,253,609,440

十三、承諾及或有事項

I、重要承諾事項

(1) 資本承擔

(2) Operating Lease Commitments

The minimum lease payment payables of the Group under irrevocable relevant housing operating lease agreement after 31 December are as follows:

(2) 經營租賃承擔

根據不可撤銷的有關房屋經營租賃協議，本集團於12月31日以後應支付的最低租賃付款額如下：

Items	項目	31 December
		2018
		2018年
		12月31日
Within 1 year (1 year inclusive)	1年以內(含1年)	15,631,021
1 to 2 years (2 years inclusive)	1年以上2年以內(含2年)	14,574,435
2 to 3 years (3 years inclusive)	2年以上3年以內(含3年)	14,510,472
Over 3 years	3年以上	17,618,639
Total	合計	62,334,567

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

XIV. POST BALANCE SHEET DATE EVENTS

1. Material non-adjusting post balance sheet date events

As at 26 December 2019, the Company signed an acquisition agreement with third parties to acquire 51% equity interests of Sunstar Communication with amounting to RMB151,203,140. According to the agreement, the completion date of the delivery is the day that Sunstar Communication completes the industrial and commercial change registration, since then the rights and risks of Sunstar Communication will transfer to the Company. As at 2 January 2020, Sunstar Communication has completed the change of industrial and commercial registration. As at the date of the annual report, the Company has paid the purchase price of RMB105,842,198.

2. Profit appropriations after the balance sheet date

The Board proposed the distribution of a final dividend of RMB0.318 per share totaling RMB241,013,824 on 23 April 2020. The proposed dividend is subject to approval by shareholders of the Company at the forthcoming annual general meeting. As at the balance sheet date, the proposed dividends were not recognized as liabilities.

3. Assessment of the impact of Novel Coronavirus Pneumonia outbreak (the “NCP Outbreak”)

The NCP Outbreak since early 2020 has brought about several uncertainties in the Group's operating environment and may impact the Group's operations and financial position.

The Group has been closely monitoring the impact from the NCP Outbreak on the Group's businesses and has commenced to put in place various contingency measures. These contingency measures include but not limited to negotiating with customers and suppliers on deliverables and payment to improve the Group's cash management. The Group will keep the contingency measures under review as the NCP Outbreak situation evolves. The Group has actively fulfilled its social responsibility to deploy resources to support the network construction of Huoshenshan Hospital, Leishenshan Hospital and Dabieshan Medical Centre in Huanggang. Those impact will be reflected in the financial information for the year ending 31 December 2020, and the actual impact may differ from estimates as the coronavirus outbreak situation continues to evolve and when further information may become available.

十四、資產負債表日後事項

1、重要的資產負債表日後非調整事項說明

於2019年12月26日，本公司與第三方簽訂收購協議，協議約定本公司以人民幣151,203,140元購買四川光恒51%的股權，交割完成日為四川光恒完成工商變更登記之日，四川光恒股權的權利和風險自交割完成日起轉移給本公司。於2020年1月2日四川光恒已完成工商登記變更。截至報告出具日，本公司已支付收購對價人民幣105,842,198元。

2、資產負債表日後利潤分配情況說明

董事會於2020年4月23日提議本公司向普通股股東派發現金股利，每股人民幣0.318元，共人民幣241,013,824元。此項提議尚待股東大會批准。於資產負債表日後提議派發的現金股利並未在資產負債表日確認為負債。

3、對新型冠狀病毒肺炎疫情的影響評估

自2020年初以來的新型冠狀病毒性肺炎（「新冠肺炎」）暴發給集團的運營環境帶來了很多不確定因素，並可能影響集團的運營和財務狀況。

本集團一直密切監控新冠肺炎爆發對本集團業務的影響，並已積極開始採取各種應急措施。本集團的應急措施包括但不限於與客戶就可能延遲交付時程表進行談判，加強對客戶業務環境的監控，並通過加快債務人的清算並與供貨商就延期付款進行談判，以改善本集團的現金管理。隨着新冠肺炎疫情的發展情況，本集團將繼續審查應急措施。同時，本集團積極履行社會責任，調配資源支持武漢火神山及雷神山醫院、湖北黃岡大別山醫療中心等網絡基礎設施建設。上述影響將反映在截至2020年12月31日止年度的財務信息中，隨着新冠肺炎疫情的不斷發展，以及何時能獲得進一步信息，可能與估計有所不同。

XV. OTHER SIGNIFICANT MATTERS

I. Segment Reporting

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

- Optical fibres and optical fibre preforms segment—mainly responsible for the production and sales of optical fibers and optical fiber preforms.
- Optical fibre cables segment—mainly responsible for the production and sales of optical fibre cables.

(1) Information of Profit or Loss and Asset of Reporting Segments

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

Segment assets include all tangible assets, other non-current assets and receivables and other current assets attributable to each segment, but exclude deferred income tax assets, long-term equity investments, intangible assets and other unallocated assets.

十五·其他重要事項

I、分部報告

本集團根據內部組織結構、管理要求及內部報告制度確定了光纖及光纖預製棒和光纜共兩個報告分部。每個報告分部為單獨的業務分部，提供不同的產品。本集團管理層將會定期審閱不同分部的財務信息以決定向其配置資源、評價業績。

- 光纖及光纖預製棒分部 — 主要負責光纖及光纖預製棒的生產和銷售。
- 光纜分部 — 主要負責光纜的生產和銷售。

(1) 報告分部的利潤或虧損及資產的信息

為了評價各個分部的業績及向其配置資源，本集團管理層會定期審閱歸屬於各分部資產、收入、費用及經營成果，這些資訊的編製基礎如下：

分部資產包括歸屬於各分部的所有的有形資產、其他長期資產及應收款項等流動資產，但不包括遞延所得稅資產、長期股權投資、無形資產及其它未分配的資產。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

XV. OTHER SIGNIFICANT MATTERS (Cont'd)

I. Segment Reporting (Cont'd)

(1) Information of Profit or Loss and Asset of Reporting Segments (Cont'd)

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

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

Items	項目	2019					Total
		Optical fibres and optical fibre preforms segment 光纖及光纖預製棒分部	Optical fibre cables segment 光纜分部	Others 其他	Offset between segments 分部間抵銷	Unallocated amounts 未分配金額	
Revenue from external transactions	對外交易收入	2,508,413,385	4,002,028,543	1,258,733,567	-	-	7,769,175,499
Inter-segment revenue	分部間交易收入	327,502,804	37,831,735	737,696,522	(1,103,031,061)	-	-
Segment profit	分部利潤	1,061,268,611	689,506,156	149,346,366	(66,594,527)	-	1,833,526,606
Including: Depreciation and amortization expenses	其中：折舊和攤銷費用	(149,262,183)	(29,238,536)	(112,202,900)	3,721,121	-	(286,982,498)
Taxes and surcharge	稅金及附加	-	-	-	-	(26,708,981)	(26,708,981)
Selling expenses	銷售費用	-	-	-	-	(347,325,663)	(347,325,663)
Administrative expenses	管理費用	-	-	-	-	(428,531,381)	(428,531,381)
R&D expenses	研發費用	-	-	-	-	(413,538,214)	(413,538,214)
Financial expenses	財務費用	-	-	-	-	(6,223,776)	(6,223,776)
Other income	其他收益	-	-	-	-	203,936,325	203,936,325

十五、其他重要事項 (續)

I、分部報告 (續)

(1) 報告分部的利潤或虧損及資產的信息 (續)

分部經營成果是指各個分部產生的對外交易收入，扣除各個分部發生的營業成本。本集團並沒有將銷售及管理費用、財務費用等其他費用分配給各分部。

下述披露的本集團各個報告分部的資訊是本集團管理層在計量報告分部利潤/(虧損)、資產時運用了下列數據，或者未運用下列數據但定期提供給本集團管理層的：

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

XV. OTHER SIGNIFICANT MATTERS (Cont'd)

I. Segment Reporting (Cont'd)

(1) Information of Profit or Loss and Asset of Reporting Segments (Cont'd)

十五·其他重要事項(續)

I、分部報告(續)

(1) 報告分部的利潤或虧損及資產的信息(續)

Items	項目	2019 2019年					Unallocated amounts 未分配 金額	Total 合計
		Optical fibres and optical fibre preforms segment 光纖及光纖 預製棒分部	Optical fibre cables segment 光纜分部	Others 其他	Offset between segments 分部間 抵銷			
Investment income	投資收益	-	-	-	-	121,786,023	121,786,023	
Including: Investment Income in associates and joint ventures	其中：對聯營和合營企業的投資收益	-	-	-	-	109,848,127	109,848,127	
Gains from changes in fair value	公允價值變動收益	-	-	-	-	238,970	238,970	
Credit loss	信用減值損失	-	-	-	-	(33,407,343)	(33,407,343)	
Impairment loss	資產減值損失	-	-	-	-	(33,325,145)	(33,325,145)	
Gains from disposal of assets	資產處置收益	-	-	-	-	7,367,173	7,367,173	
Operating profit/(loss)	營業利潤/(虧損)	1,061,268,611	689,506,156	149,346,366	(66,594,527)	(955,732,012)	877,794,594	
Non-operating income	營業外收入	-	-	-	-	6,520,253	6,520,253	
Non-operating expenses	營業外支出	-	-	-	-	(805,799)	(805,799)	
Profit before taxation	利潤/(虧損)總額	1,061,268,611	689,506,156	149,346,366	(66,594,527)	(950,017,558)	883,509,048	
Income tax	所得稅費用	-	-	-	-	(99,224,076)	(99,224,076)	
Profit for the year	淨利潤/(虧損)	1,061,268,611	689,506,156	149,346,366	(66,594,527)	(1,049,241,634)	784,284,972	

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

XV. OTHER SIGNIFICANT MATTERS (Cont'd)

I. Segment Reporting (Cont'd)

(1) Information of Profit or Loss and Asset of Reporting Segments (Cont'd)

十五·其他重要事項(續)

I、分部報告(續)

(1) 報告分部的利潤或虧損及資產的信息(續)

		2018 2018年						
Items	項目	Optical fibres and optical fibre preforms segment 光纖及光纖 預製棒分部	Optical fibre cables segment 光纜分部	Others 其他	Offset between segments 分部間 抵銷	Unallocated amounts 未分配 金額	Total 合計	
Revenue from external transactions	對外交易收入	4,691,213,906	5,726,732,615	941,817,565	–	–	11,359,764,086	
Inter-segment revenue	分部間交易收入	621,561,325	17,654,034	525,995,092	(1,165,210,451)	–	–	
Segment profit	分部利潤	2,517,076,356	701,142,395	218,590,815	(208,385,873)	–	3,228,423,693	
Including: Depreciation and amortization expenses	其中：折舊和攤銷費用	(109,192,139)	(26,271,833)	(85,978,027)	3,895,436	–	(217,546,563)	
Taxes and surcharge	稅金及附加	–	–	–	–	(61,749,553)	(61,749,553)	
Selling expenses	銷售費用	–	–	–	–	(385,304,803)	(385,304,803)	
Administrative expenses	管理費用	–	–	–	–	(646,920,902)	(646,920,902)	
R&D expenses	研發費用	–	–	–	–	(516,757,100)	(516,757,100)	
Financial expenses	財務費用	–	–	–	–	(40,148,836)	(40,148,836)	
Other income	其他收益	–	–	–	–	27,858,039	27,858,039	
Investment income	投資收益	–	–	–	–	151,058,214	151,058,214	
Including: Investment income in associates and joint ventures	其中：對聯營和合營企業 的投資收益	–	–	–	–	152,089,231	152,089,231	
Gains from changes in fair value	公允價值變動收益	–	–	–	–	257,993	257,993	
Credit loss	信用減值損失	–	–	–	–	(48,290,427)	(48,290,427)	
Impairment loss	資產減值損失	–	–	–	–	(38,615,213)	(38,615,213)	
Gains from disposal of assets	資產處置收益	–	–	–	–	(2,741,721)	(2,741,721)	
Operating profit/(loss)	營業利潤/(虧損)	2,517,076,356	701,142,395	218,590,815	(208,385,873)	(1,561,354,309)	1,667,069,384	
Non-operating income	營業外收入	–	–	–	–	3,514,740	3,514,740	
Non-operating expenses	營業外支出	–	–	–	–	(1,059,066)	(1,059,066)	
Profit before taxation	利潤/(虧損)總額	2,517,076,356	701,142,395	218,590,815	(208,385,873)	(1,558,898,635)	1,669,525,058	
Income taxes	所得稅費用	–	–	–	–	(181,491,174)	(181,491,174)	
Profit for the year	淨利潤/(虧損)	2,517,076,356	701,142,395	218,590,815	(208,385,873)	(1,740,392,809)	1,488,030,884	

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

XV. OTHER SIGNIFICANT MATTERS (Cont'd)

I. Segment Reporting (Cont'd)

(1) Information of Profit or Loss and Asset of Reporting Segments (Cont'd)

十五·其他重要事項(續)

I、分部報告(續)

(1) 報告分部的利潤或虧損及資產的信息(續)

		31 December 2019 2019年12月31日					
Items	項目	Optical fibres and optical fibre preforms segment 光纖及光纖 預製棒分部	Optical fibre cables segment 光纜分部	Others 其他	Offset between segments 分部間 抵銷	Unallocated amounts 未分配 金額	Total 合計
Total assets	資產總額	4,106,497,871	3,438,873,331	6,432,644,814	(202,116,421)	–	13,775,899,595
Other items:	其他項目：						
– Long-term equity investment in associates and joint ventures	– 對聯營企業和合營企業的長期股權投資	–	–	1,495,444,610	–	–	1,495,444,610
– Increase in other non-current assets other than long-term equity investment	– 長期股權投資以外的其他非流動資產增加額	643,384,184	189,045,242	196,325,876	(21,844,499)	–	1,006,910,803

		31 December 2018 2018年12月31日					
Items	項目	Optical fibres and optical fibre preforms segment 光纖及光纖 預製棒分部	Optical fibre cables segment 光纜分部	Others 其他	Offset between segments 分部間 抵銷	Unallocated amounts 未分配 金額	Total 合計
Total assets	資產總額	3,339,243,003	2,947,812,542	6,762,745,736	(163,918,972)	–	12,885,882,309
Other items:	其他項目：						
– Long-term equity investment in associates and joint ventures	– 對聯營企業和合營企業的長期股權投資	–	–	1,626,151,304	–	–	1,626,151,304
– Increase in other non-current assets other than long-term equity investment	– 長期股權投資以外的其他非流動資產增加額	1,046,540,370	42,664,890	339,565,101	(92,436,608)	–	1,336,333,753

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

XV. OTHER SIGNIFICANT MATTERS (Cont'd)

I. Segment Reporting (Cont'd)

(2) Geographical Information

Information about the external transaction income and non-current assets (including fixed assets, construction in progress, intangible assets, long-term equity investment and other prepayments (specific non-current assets)) listed by the Group in different regions are shown in the table below. External transaction revenue is divided by the location of the customer who receives the service or purchases the product. Non-current assets are classified according to the physical location of assets (for fixed assets) or the location of related business (for intangible assets and other prepayments) or the location of joint ventures and associates.

十五·其他重要事項(續)

I、分部報告(續)

(2) 地區信息

本集團按不同地區列示的有關取得的對外交易收入以及非流動資產(包括固定資產、在建工程、無形資產、長期股權投資及其他預付款項(特定非流動資產)，下同)的信息見下表。對外交易收入是按接受服務或購買產品的客戶的所在地進行劃分。非流動資產是按照資產實物所在地(對於固定資產而言)或被分配到相關業務的所在地(對無形資產和其他預付款項而言)或合營及聯營企業的所在地進行劃分的。

Country or region	國家或地區	Total revenue from external customers 對外交易收入總額	
		2019 2019年	2018 2018年
China	中國		
Including: Mainland China	其中：中國大陸	6,107,898,424	9,473,773,438
Sub-total	小計	6,107,898,424	9,473,773,438
Others	其他	1,661,277,071	1,885,990,648
Total	合計	7,769,175,495	11,359,764,086

Country or region	國家或地區	Total non-current assets 非流動資產總額	
		31 December 2019 2019年 12月31日	31 December 2018 2018年 12月31日
China	中國		
Including: Mainland China	其中：中國大陸	5,432,937,986	5,061,324,721
Sub-total	小計	5,432,937,986	5,061,324,721
Others	其他	320,824,173	187,002,145
Total	合計	5,753,762,159	5,248,326,866

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

XV. OTHER SIGNIFICANT MATTERS (Cont'd)

I. Segment Reporting (Cont'd)

(3) Key customers

Among the Group's customers, the Group has one customer (2018: one) derived from a single customer's income which accounted for 10% or more of the Group's total income, accounting for approximately 12% of the Group's total income (2018: 23%). The amount of income from those customers is as follows:

十五. 其他重要事項 (續)

I. 分部報告 (續)

(3) 主要客戶

在本集團客戶中，本集團來源於單一客戶收入佔本集團總收入10%或以上的客戶有1個(2018年：1個)，約佔本集團總收入12%(2018年：23%)。來自該等客戶的收入金額列示如下：

2019 2019年		
Customers 客戶	Name of segment 分部名稱	Amounts 金額
Customer I 客戶I	Optical fibre cables segment 光纜分部	941,497,047

2018 2018年		
Customers 客戶	Name of segment 分部名稱	Amounts 金額
Customer I 客戶I	Optical fibre cables segment 光纜分部	2,667,326,865

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

XV. OTHER SIGNIFICANT MATTERS (Cont'd)

2. Directors' emoluments

(1) Directors' remuneration

Details of the directors' remuneration (including the chief executive officer and the supervisor) disclosed in Section 383 of the "Hong Kong Company Law" and Section 2 of the "Corporate Remuneration Disclosure Information" of the company regulations are as follows:

十五·其他重要事項 (續)

2·董事薪酬

(1) 董事酬金

依照《香港公司法》第383節第一條以及公司法規第二部分「有關董事酬金披露資訊」所披露的董事酬金(包括行政總裁及監事)詳情如下:

		2019 2019年度				
Current or previous positions		Fee	Salaries, allowances and other benefits	Discretionary bonus	Retirement benefit plan contributions	Total
現任或曾任職位		袍金	薪金、津貼及其他福利	酌情花紅	退休福利計劃供款	合計
Director						
董事						
Ma Jie	Director	468,421	960	–	–	469,381
馬傑	董事					
Philippe Claude Vanhille	Director	435,100	–	–	–	435,100
Philippe Claude Vanhille	董事					
Yao Jingming	Director	468,421	–	–	–	468,421
姚井明	董事					
Zhuang Dan	Director & President	–	1,774,473	–	91,074	1,865,547
莊丹	董事兼總經理					
Pier Francesco Facchini	Director	435,100	–	–	–	435,100
Pier Francesco Facchini	董事					
Frank Franciscus Dorjee	Director	435,100	–	–	–	435,100
Frank Franciscus Dorjee	董事					
Xiong Xiangfeng	Director	468,421	–	–	–	468,421
熊向峰	董事					
Zheng Huili	Director	468,421	244,937	–	76,955	790,313
鄭慧麗	董事					

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

XV. OTHER SIGNIFICANT MATTERS (Cont'd)

2. Directors' emoluments (Cont'd)

(1) Directors' remuneration (Cont'd)

十五·其他重要事項 (續)

2·董事薪酬 (續)

(1) 董事酬金 (續)

		2019 2019年度				
Current or previous positions		Fee	Salaries, allowances and other benefits	Discretionary bonus	Retirement benefit plan contributions	Total
現任或曾任職位		袍金	薪金、津貼 及其他福利	酌情花紅	退休福利 計劃供款	合計
獨立非執行董事	Independent non-executive director					
Ngai Wai Fung	Independent non-executive director	435,100	-	-	-	435,100
魏偉峰	獨立非執行董事					
Ip Sik On Simon	Independent non-executive director	435,100	-	-	-	435,100
葉錫安	獨立非執行董事					
Li Ping	Independent non-executive director	468,421	-	-	-	468,421
李平	獨立非執行董事					
Li Zhuo	Independent non-executive director	468,421	-	-	-	468,421
李卓	獨立非執行董事					
監事	Supervisor					
Wang Ruichun	Supervisor	-	1,094,473	-	91,074	1,185,547
王瑞春	監事					
Liu Deming	Supervisor	178,571	-	-	-	178,571
劉德明	監事					
Li Chang'ai	Supervisor	178,571	-	-	-	178,571
李長愛	監事					
合計	Total	4,874,747	3,583,264	-	259,103	8,717,114

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

XV. OTHER SIGNIFICANT MATTERS (Cont'd)

2. Directors' emoluments (Cont'd)

(1) Directors' remuneration (Cont'd)

Details of the directors' remuneration (including the chief executive officer and the supervisor) disclosed in Section 383 of the "Hong Kong Company Law" and Section 2 of the "Corporate Remuneration Disclosure Information" of the company regulations are as follows:

十五·其他重要事項(續)

2·董事薪酬(續)

(1) 董事酬金(續)

依照《香港公司法》第383節第一條以及公司法規第二部分「有關董事酬金披露資訊」所披露的董事酬金(包括行政總裁及監事)詳情如下:

		2018 2018年度				
Current or previous positions		Fee	Salaries, allowances and other benefits	Discretionary bonus	Retirement benefit plan contributions	Total
現任或曾任職位		袍金	薪金、津貼及其他福利	酌情花紅	退休福利計劃供款	合計
董事	Director					
Ma Jie 馬傑	Director 董事	468,421	–	–	–	468,421
Philippe Claude Vanhille Philippe Claude Vanhille	Director 董事	468,421	–	–	–	468,421
Yao Jingming 姚井明	Director 董事	468,421	–	–	–	468,421
Zhuang Dan 莊丹	Director & President 董事兼總經理	–	1,860,515	3,450,000	94,178	5,404,693
Pier Francesco Facchini Pier Francesco Facchini	Director 董事	468,421	–	–	–	468,421
Frank Franciscus Dorjee Frank Franciscus Dorjee	Director 董事	468,421	–	–	–	468,421
Xiong Xiangfeng 熊向峰	Director 董事	468,421	–	–	–	468,421
Zheng Huili 鄭慧麗	Director 董事	468,421	387,082	1,000,000	94,178	1,949,681

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

XV. OTHER SIGNIFICANT MATTERS (Cont'd)

2. Directors' emoluments (Cont'd)

(1) Directors' remuneration (Cont'd)

十五·其他重要事項(續)

2·董事薪酬(續)

(1) 董事酬金(續)

		2018 2018年度				
Current or previous positions		Fee	Salaries, allowances and other benefits	Discretionary bonus	Retirement benefit plan contributions	Total
現任或曾任職位		袍金	薪金、津貼 及其他福利	酌情花紅	退休福利 計劃供款	合計
獨立非執行董事	Independent non-executive director					
Ngai Wai Fung	Independent non-executive director	468,421	–	–	–	468,421
魏偉峰	獨立非執行董事					
Ip Sik On Simon	Independent non-executive director	468,421	–	–	–	468,421
葉錫安	獨立非執行董事					
Li Ping	Independent non-executive director	468,421	–	–	–	468,421
李平	獨立非執行董事					
Li Zhuo	Independent non-executive director	468,421	–	–	–	468,421
李卓	獨立非執行董事					
監事	Supervisor					
Wang Ruichun	Supervisor	–	1,083,096	1,020,000	94,178	2,197,274
王瑞春	監事					
Liu Deming	Supervisor	178,572	–	–	–	178,572
劉德明	監事					
Li Chang'ai	Supervisor	178,572	–	–	–	178,572
李長愛	監事					
合計	Total	5,509,775	3,330,693	5,470,000	282,534	14,593,002

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

XV. OTHER SIGNIFICANT MATTERS (Cont'd)

2. Directors' emoluments (Cont'd)

(2) Highest paid person

During the year, the number of directors, chief executives, supervisors, non-directors and non-supervisors in the five highest paid individuals are set out below:

		2019 2019年	2018 2018年
Directors, chief executives and supervisors	董事、行政總裁及監事	1	2
Non-directors and non-supervisors	非董事及非監事	4	3
Total	合計	5	5

The remunerations of directors including chief executives and supervisors are set out at Note 10. Related parties and transactions IV(7). The total remunerations of other highest paid individuals except the above are as follows:

		2019 2019年	2018 2018年
Remuneration and other emoluments	酬金和其他酬金	6,276,737	4,692,122
Discretionary bonus	酌情花紅	491,539	4,228,761
Contributions to retirement plans	退休計劃供款	221,298	227,921
Total	合計	6,989,574	9,148,804

十五·其他重要事項(續)

2·董事薪酬(續)

(2) 最高酬金人士

於本年度內，五名最高酬金人士內的董事、行政總裁、監事、非董事及非監事人數列示如下：

董事(包括行政總裁及監事的酬金詳見附註十，關聯方及聯聯交易4(7))。其餘最高酬金人士的酬金總額列示如下：

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

XV. OTHER SIGNIFICANT MATTERS (Cont'd)

2. Directors' emoluments (Cont'd)

(2) Highest paid person (Cont'd)

The remuneration of non-directors and non-supervisors in the highest paid individuals is within the following range:

十五·其他重要事項 (續)

2·董事薪酬 (續)

(2) 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：

		2019 2019年	2018 2018年
HKD\$1,500,001 to HKD\$2,000,000 (RMB1,343,701 to RMB1,791,600)	1,500,001 港元至2,000,000港元 (人民幣1,343,701元至 人民幣1,791,600元)	3	—
HKD\$2,500,001 to HKD\$3,000,000 (RMB2,239,501 to RMB2,687,400)	2,500,001 港元至3,000,000港元 (人民幣2,239,501元至 人民幣2,687,400元)	1	1
HKD\$3,000,001 to HKD\$3,500,000 (RMB2,687,401 to RMB3,135,300)	3,000,001 港元至3,500,000港元 (人民幣2,687,401元至 人民幣3,135,300元)	—	1
HKD\$4,000,001 to HKD\$4,500,000 (RMB3,583,201 to RMB4,031,100)	4,000,001 港元至4,500,000港元 (人民幣3,583,201元至 人民幣4,031,100元)	—	1
		4	3

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

XVI. NOTES FOR MAIN ITEMS ON FINANCIAL STATEMENTS OF PARENT COMPANY

I. Bills receivable

(1) Classification of bills receivable

Type	種類	31 December 2019 2019年 12月31日	31 December 2018 2018年 12月31日
Bank acceptance bills	銀行承兌匯票	125,632,634	193,781,885
Commercial acceptance bills	商業承兌匯票	98,556,109	114,261,465
Sub-total	小計	224,188,743	308,043,350
Less: allowance for doubtful debts	減：壞賬準備	—	—
Total	合計	224,188,743	308,043,350

All of the above bills are due within one year.

(2) Outstanding endorsed or discounted bills that have not matured at the end of the year

十六·母公司財務報表主要項目註釋

I、應收票據

(1) 應收票據的分類

Type	種類	31 December 2019 2019年 12月31日	31 December 2018 2018年 12月31日
Bank acceptance bills	銀行承兌匯票	125,632,634	193,781,885
Commercial acceptance bills	商業承兌匯票	98,556,109	114,261,465
Sub-total	小計	224,188,743	308,043,350
Less: allowance for doubtful debts	減：壞賬準備	—	—
Total	合計	224,188,743	308,043,350

上述應收票據均為一年內到期。

(2) 年末本公司已背書或貼現且在資產負債表日尚未到期的應收票據：

Type	種類	Amount not derecognized at the end of 2019 年末未終止 確認金額
Bank acceptance bills	銀行承兌匯票	51,844,724

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

XVI. NOTES FOR MAIN ITEMS ON FINANCIAL STATEMENTS OF PARENT COMPANY (Cont'd)

十六、母公司財務報表主要項目註釋(續)

2. Trade receivables

(1) Trade receivables analyzed by customers' type are as follows:

2、應收賬款

(1) 應收賬款按客戶類別分析如下：

Type of customers	客戶類別	31 December 2019 2019年 12月31日	31 December 2018 2018年 12月31日
Due from related parties	應收關聯公司	435,216,609	708,680,243
Due from third parties	應收第三方客戶	2,759,433,780	2,561,082,366
Sub-total	小計	3,194,650,389	3,269,762,609
Less: allowance for doubtful debts	減：壞賬準備	87,319,860	74,040,684
Total	合計	3,107,330,529	3,195,721,925

(2) Trade receivables analyzed by ageing are as follows:

(2) 應收賬款賬齡分析如下：

Ageing	賬齡	31 December 2019 2019年 12月31日	31 December 2018 2018年 12月31日
Within 1 year (1 year inclusive)	1年以內(含1年)	2,798,249,280	3,062,348,011
1 to 2 years (2 years inclusive)	1年至2年(含2年)	325,557,667	141,353,859
2 to 3 years (3 years inclusive)	2年至3年(含3年)	16,842,078	34,285,899
3 to 4 years (4 years inclusive)	3年至4年(含4年)	23,270,723	11,249,905
4 to 5 years (5 years inclusive)	4年至5年(含5年)	11,202,007	8,131,261
Over 5 years	5年以上	19,528,634	12,393,674
Sub-total	小計	3,194,650,389	3,269,762,609
Less: allowance for doubtful debts	減：壞賬準備	87,319,860	74,040,684
Total	合計	3,107,330,529	3,195,721,925

Ageing calculated from the confirmation date of trade receivables.

賬齡自應收賬款確認日起開始計算。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

XVI. NOTES FOR MAIN ITEMS ON FINANCIAL STATEMENTS OF PARENT COMPANY (Cont'd)

2. Trade receivables (Cont'd)

(3) Trade receivables by provision method

十六·母公司財務報表主要項目註釋(續)

2· 應收賬款(續)

(3) 應收賬款按壞賬準備計提方法分類披露

		31 December 2019 2019年12月31日				
Type	類別	Book value 賬面餘額		Allowance for doubtful debts 壞賬準備		Carrying amount 賬面價值
		Amount 金額	Proportion (%) 比例(%)	Amount 金額	Proportion (%) 比例(%)	
Individually assessed for Customers in default	按單項計提壞賬準備 發生違約的客戶群體	-	-	-	-	-
Collectively assessed for impairment by group	按組合計提壞賬準備					
Group 1	群體1	86,031,364	3%	4,849,046	6%	81,182,318
Group 2	群體2	1,736,146,044	54%	42,246,893	2%	1,693,899,151
Group 3	群體3	1,023,287,736	32%	40,223,921	4%	983,063,815
Group 4	群體4	349,185,245	11%	-	-	349,185,245
Total	合計	3,194,650,389	100%	87,319,860	3%	3,107,330,529

		31 December 2018 2018年12月31日				
Type	類別	Book value 賬面餘額		Allowance for doubtful debts 壞賬準備		Carrying amount 賬面價值
		Amount 金額	Proportion (%) 比例(%)	Amount 金額	Proportion (%) 比例(%)	
Individually assessed for Customers in default	按單項計提壞賬準備 發生違約的客戶群體	-	-	-	-	-
Collectively assessed for impairment by group	按組合計提壞賬準備					
Group 1	群體1	322,937,638	10%	10,442,221	3%	312,495,417
Group 2	群體2	1,685,065,104	52%	28,366,888	2%	1,656,698,216
Group 3	群體3	876,017,262	27%	35,231,575	4%	840,785,687
Group 4	群體4	385,742,605	11%	-	-	385,742,605
Total	合計	3,269,762,609	100%	74,040,684	2%	3,195,721,925

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

XVI. NOTES FOR MAIN ITEMS ON FINANCIAL STATEMENTS OF PARENT COMPANY (Cont'd)

2. Trade receivables (Cont'd)

(3) Trade receivables by provision method (Cont'd)

(a) Standard and explanation of making allowance for doubtful debts by group in 2019

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

- Group 1: Related parties outside the Group;
- Group 2: Operators under China Telecom network and other companies with good credit records;
- Group 3: Other customers outside of 1, 2, 4 groups.
- Group 4: Subsidiaries of the group.

(4) Allowance for doubtful debts changes for the year:

		Note	2019 2019年	2018 2018年
Balance at the beginning of the year	年初餘額		74,040,684	41,391,914
Addition during the year	本年計提		26,706,421	41,022,309
Written-off during the year	本年核銷	(a)	(13,427,245)	(8,373,539)
Balance at the end of the year	年末餘額		87,319,860	74,040,684

(5) The top five trade receivables by year-end balance of arrears

As of 31 December 2019 and 31 December 2018, the total amount of trade receivables of the top five balances of the Company was RMB1,399,113,957, and RMB1,654,481,682, respectively. Accounted for 45% and 52% of the total balance of accounts receivable at the end of the year. Total accrued bad-debt provisions balance at the end of the year was RMB30,269,168 and RMB25,891,420 respectively.

十六、母公司財務報表主要項目註釋 (續)

2、應收賬款 (續)

(3) 應收賬款按壞賬準備計提方法分類披露 (續)

(a) 2019年按組合計提壞賬準備的確認標準及說明：

本公司根據歷史經驗，不同細分客戶群體發生損失的情況存在差異，將本公司客戶細分為以下群體：

- 群體1：集團外關聯方；
- 群體2：中國電信網絡運營商及其他信用記錄良好的企業；
- 群體3：除群體1、2、4以外的其他客戶；
- 群體4：集團內子公司。

(4) 壞賬準備的變動情況：

	Note	2019 2019年	2018 2018年
Balance at the beginning of the year		74,040,684	41,391,914
Addition during the year		26,706,421	41,022,309
Written-off during the year	(a)	(13,427,245)	(8,373,539)
Balance at the end of the year		87,319,860	74,040,684

(5) 按欠款方歸集的年末餘額前五名的應收賬款情況

本公司年末餘額前五名的應收賬款合計分別為人民幣1,399,113,957元(2018年：人民幣1,654,481,682元)，佔應收賬款年末餘額合計數的45%(2018年：52%)。相應計提的壞賬準備年末餘額合計人民幣30,269,168元(2018年：人民幣25,891,420元)。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

XVI. NOTES FOR MAIN ITEMS ON FINANCIAL STATEMENTS OF PARENT COMPANY (Cont'd)

3. Receivables under financing

Type	項目	31 December 2019 2019年 12月31日	31 December 2018 2018年 12月31日
Bills receivable	應收票據	80,806,788	114,408,041

There is no change in fair value of receivables under financing of the Group in 2019. The accumulated impairment losses recognized in other comprehensive income is zero.

Outstanding endorsed or discounted receivables under financing that have not matured at the end of the year

十六、母公司財務報表主要項目註釋(續)

3、應收款項融資

2019年本公司應收款項融資公允價值無變化，累計在其他綜合收益中確認的損失準備為零。

年末本公司已背書或貼現且在資產負債表日尚未到期的應收款項融資：

Type	種類	Amount derecognized at the end of 2019 年末終止 確認金額
Bank acceptance bills	銀行承兌匯票	179,874,657

4. Other receivables

4、其他應收款

Item	種類	Note 註	31 December 2019 2019年 12月31日	31 December 2018 2018年 12月31日
Dividends receivable	應收股利	(1)	522,213	13,795,698
Others	其他	(2)	1,759,375,056	971,092,424
Total	合計		1,759,897,269	984,888,122

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

XVI. NOTES FOR MAIN ITEMS ON FINANCIAL STATEMENTS OF PARENT COMPANY (Cont'd)

十六、母公司財務報表主要項目註釋(續)

4. Other receivables (Cont'd)

4. 其他應收款(續)

(1) Dividends receivable:

(1) 應收股利

Invested company	被投資單位	31 December	31 December
		2019	2018
		2019年	2018年
		12月31日	12月31日
Yangtze Optical Fibre and Cable (Shanghai) Company Ltd.	長飛光纖光纜(上海)有限公司	–	13,273,485
Wuhan Guangyuan Electronic Technology Co., Ltd.	武漢光源電子科技有限公司	522,213	522,213
Total	合計	522,213	13,795,698

(2) Others

(2) 其他

(a) Others analyzed by customers category are as follows:

(a) 按客戶類別分析如下:

Customers' category	客戶類別	31 December	31 December
		2019	2018
		2019年	2018年
		12月31日	12月31日
Due from related parties within the Group	應收集團內關聯方	1,682,488,305	892,460,267
Due from related parties outside the Group	應收集團外關聯方	13,979,809	31,458,151
Due from non-related parties	應收非關聯公司	62,906,942	47,174,006
Sub-total	小計	1,759,375,056	971,092,424
Less: allowance for doubtful debts	減：壞賬準備	–	–
Total	合計	1,759,375,056	971,092,424

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

XVI. NOTES FOR MAIN ITEMS ON FINANCIAL STATEMENTS OF PARENT COMPANY (Cont'd)

4. Other receivables (Cont'd)

(2) Others (Cont'd)

(b) Others analyzed by ageing are as follows:

Ageing	賬齡	31 December 2019 2019年 12月31日	31 December 2018 2018年 12月31日
Within 1 year (1 year inclusive)	1年以內(含1年)	1,738,399,814	967,225,794
1 to 2 years (2 years inclusive)	1年至2年(含2年)	19,352,579	2,738,542
2 to 3 years (3 years inclusive)	2年至3年(含3年)	869,743	791,725
Over 3 years	3年以上	752,920	336,363
Sub-total	小計	1,759,375,056	971,092,424
Less: allowance for doubtful debts	減：壞賬準備	—	—
Total	合計	1,759,375,056	971,092,424

Ageing calculated from the confirmation date of other receivables.

賬齡自其他應收款確認日起開始計算。

(c) Other receivables classified by nature of payment

(c) 按款項性質分類情況

Payment nature	款項性質	31 December 2019 2019年 12月31日	31 December 2018 2018年 12月31日
Subsidiary receivable	應收子公司	1,682,488,305	892,460,267
Others affiliates receivable	應收其他關聯公司	13,979,809	31,458,151
Bid bond	保證金	41,572,266	25,091,030
Others	其他	21,334,676	22,082,976
Sub-total	小計	1,759,375,056	971,092,424
Less: allowance for doubtful debts	減：壞賬準備	—	—
Total	合計	1,759,375,056	971,092,424

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

XVI. NOTES FOR MAIN ITEMS ON FINANCIAL STATEMENTS OF PARENT COMPANY (Cont'd)

4. Other receivables (Cont'd)

(2) Others (Cont'd)

(d) Top five other receivables by debtor as at the end of the year

As at the end of 31 December 2019 and 31 December 2018, the Group's top five balances of other receivables for the year totalled RMB1,554,203,653 and RMB826,856,414, respectively, accounting for 88% and 85% of the Group's total balance of other receivables as at the end of the year.

5. Long-term equity investment

(1) Long-term equity investments are classified as follows:

十六、母公司財務報表主要項目註釋 (續)

4. 其他應收款 (續)

(2) 其他 (續)

(d) 按欠款方歸集的年末餘額前五名的情況

截至2019年12月31日，本公司餘額前五名的其他應收賬合計為人民幣1,554,203,653元（2018年：人民幣826,856,414元），佔其他應收款年末餘額合計數的88%（2018年：85%）。

5. 長期股權投資

(1) 長期股權投資分類如下：

		31 December 2019 2019年12月31日		
		Book balance	Impairment	Book value
Items	項目	賬面餘額	減值準備	賬面價值
Investment in subsidiaries	對子公司投資	1,337,837,262	179,613,900	1,158,223,362
Investment in associates and joint ventures	對聯營、合營企業投資	1,436,249,607	—	1,436,249,607
Total	合計	2,774,086,869	179,613,900	2,594,472,969

		31 December 2018 2018年12月31日		
		Book balance	Impairment	Book value
Items	項目	賬面餘額	減值準備	賬面價值
Investment in subsidiaries	對子公司投資	1,157,265,940	179,613,900	977,652,040
Investment in associates and joint ventures	對聯營、合營企業投資	1,624,396,804	4,130,000	1,620,266,804
Total	合計	2,781,662,744	183,743,900	2,597,918,844

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

XVI. NOTES FOR MAIN ITEMS ON FINANCIAL STATEMENTS OF PARENT COMPANY (Cont'd)

5. Long-term equity investment (Cont'd)

(2) Investment in subsidiaries

十六、母公司財務報表主要項目註釋(續)

5、長期股權投資(續)

(2) 對子公司投資

Units name	單位名稱	Balance on 1 January 2019	Increase of the year	Decrease of the year	Balance on 31 December 2019	Provision for impairment of the current year 本年計提 減值準備	Impairment prepared year-end balances 減值準備 年末餘額
Yangtze Optical Fibre and Cable Company (Hong Kong) Limited	長飛光纖光纜(香港)有限公司	63,280	-	-	63,280	-	-
Everpro Technologies Company Limited	長芯盛(武漢)科技 有限公司	225,000,000	-	-	225,000,000	-	(179,613,900)
Shenzhen YOFC Connectivity Technologies Co., Ltd.	深圳長飛智連技術 有限公司	22,500,000	17,295,100	-	39,795,100	-	-
PT. Yangtze Optical Fibre Indonesia	PT. Yangtze Optical Fibre Indonesia	93,824,209	-	-	93,824,209	-	-
Yangtze Optical Fibre and Cable Shenyang Co., Ltd.	長飛光纖光纜瀋陽 有限公司	40,000,000	-	-	40,000,000	-	-
Yangtze Optical Fibre and Cable Lanzhou Co., Ltd.	長飛光纖光纜蘭州 有限公司	30,000,000	-	-	30,000,000	-	-
Yangtze Optical Fibre (Qianjiang) Co., Ltd.	長飛光纖潛江有限公司	404,000,000	-	-	404,000,000	-	-
Ally First Optical Fiber and Cable Co., Ltd	浙江聯飛光纖光纜 有限公司	94,860,000	-	-	94,860,000	-	-
Wuhan YOFC Cable Co., Ltd.	武漢長飛通用電纜 有限公司	61,615,889	-	-	61,615,889	-	-
Hubei Flying Optical Fibre Material Co., Ltd.	湖北飛菱光纖材料 有限公司	52,200,000	-	-	52,200,000	-	-
Wuhan E3cloud Information Technologies Co., Ltd.	中標易雲資訊技術 有限公司	30,000,000	-	-	30,000,000	-	-
Yangtze Optics Africa Holdings Proprietary Limited	Yangtze Optics Africa Holdings Proprietary Limited	33,586,050	-	-	33,586,050	-	-
PT. Yangtze Optics Indonesia	PT. Yangtze Optics Indonesia	66,046,512	-	-	66,046,512	-	-
Baosheng YOFC Marine Engineering Company Ltd.,	長飛寶勝海洋工程 有限公司	3,570,000	-	-	3,570,000	-	-

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

XVI. NOTES FOR MAIN ITEMS ON FINANCIAL STATEMENTS OF PARENT COMPANY (Cont'd)

5. Long-term equity investment (Cont'd) (2) Investment in subsidiaries (Cont'd)

十六、母公司財務報表主要項目註釋(續)

5、長期股權投資(續) (2) 對子公司投資(續)

Units name	單位名稱	Balance on 1 January 2019	Increase of the year	Decrease of the year	Balance on 31 December 2019	Provision for impairment of the current year 本年計提 減值準備	Impairment prepared year-end balances 減值準備 年末餘額
Wuhan YOFC Capital Management Company Limited	武漢市長飛資本管理 有限責任公司	-	55,476,222	-	55,476,222	-	-
Yangtze Optical Fibre and Cable (Tianjin) Company Limited	長飛光纖光纜(天津) 有限公司	-	107,800,000	-	107,800,000	-	-
YOFC SDGI Optical Preform Qianjiang Company Limited	長飛特發光棒潛江 有限公司	-	-	-	-	-	-
Wuhan YOFC Ruitong Industrial Development Company Limited	武漢長飛睿通產業發展 有限公司	-	-	-	-	-	-
Wuhan YOFC Intelligent Network Technology Company Limited	武漢長飛智慧網絡技術 有限公司	-	-	-	-	-	-
Total	合計	1,157,265,940	180,571,322	-	1,337,837,262	-	(179,613,900)

Please refer to note VII for the relevant information of the Company's subsidiaries.

本公司子公司的相關信息參見附註七。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

XVI. NOTES FOR MAIN ITEMS ON FINANCIAL STATEMENTS OF PARENT COMPANY (Cont'd)

5. Long-term equity investment (Cont'd)

(3) Investment in associates and joint ventures:

十六、母公司財務報表主要項目註釋(續)

5、長期股權投資(續)

(3) 對聯營、合營企業投資：

Invested units	被投資單位	Balance on 1 January 2019	Additional investment	Reduce in investment	Increases or decreases changes of the year 本年增減變動			Balance on 31 December 2019	Impairment prepared year-end balances
					Investment income recognised under the equity method	Declaring distribution of cash dividends or profits	Impacts of downstream transactions		
		年初餘額	追加投資	減少投資	權益法下 確認的 投資收益	發放現金 股利或利潤	順流交易 的影響	年末餘額	減值準備 年末餘額
Joint ventures	合營企業								
Shantou Hi-Tech Zone Ao Xing Optical Communication Equipment Co., Ltd	汕頭高新區奧星光通信設備有限公司	95,831,930	-	-	4,073,005	(5,090,400)	14,176,009	108,990,544	-
Sichuan Lefei Optoelectric Technology Company Limited	四川樂飛光電科技有限公司	71,199,445	-	-	6,786,582	(5,515,726)	(74,980)	72,395,321	-
Shenzhen SDGI Optical Fibre Co., Ltd.	深圳特發信息光纖有限公司	177,342,311	-	-	(5,268,913)	(5,175,172)	5,301,549	172,199,775	-
Yangtze Zhongli Optical Fibre and Cable (Jiangsu) Co., Ltd.	江蘇長飛中利光纖光纜有限公司	145,007,286	-	-	8,210,219	(11,220,972)	6,060,170	148,056,703	-
Yangtze Optical Fibre and Cable (Shanghai) Co., Ltd.	長飛光纖光纜(上海)有限公司	235,192,135	-	-	8,798,489	(13,870,311)	9,397,424	239,517,737	-
Wuhan Guangyuan Electronic Technology Co., Ltd.	武漢光源電子科技有限公司	1,900,450	-	-	(111,044)	-	-	1,789,406	-
Yangtze (Wuhan) Optical System Corporation	長飛(武漢)光系統股份有限公司	39,131,541	-	-	1,106,818	-	-	40,238,359	-
Tianjin YOFC XMKJ Optical Communication Co., Ltd.	天津長飛鑫茂光通信有限公司	222,559,267	-	(251,363,149)	(484,364)	-	29,288,246	-	-
Tianjin YOFC XMKJ Optical Cable Co., Ltd.	天津長飛鑫茂光纜有限公司	4,130,000	-	(4,130,000)	-	-	-	-	-
Shin-Etsu YOFC (Hubei) Optical Preform Co., Ltd.	長飛信越(湖北)光棒有限公司	307,541,037	-	-	29,392,616	(3,822,000)	-	333,111,653	-
YOFC-Yadanarbon Fibre Company Limited	YOFC-Yadanarbon Fibre Company Limited	11,252,748	-	-	(4,203,644)	-	-	7,049,104	-
Sub-total	小計	1,311,088,150	-	(255,493,149)	48,299,764	(44,694,581)	64,148,418	1,123,348,602	-

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

XVI. NOTES FOR MAIN ITEMS ON FINANCIAL STATEMENTS OF PARENT COMPANY (Cont'd)

十六、母公司財務報表主要項目註釋 (續)

5. Long-term equity investment (Cont'd)

5、長期股權投資 (續)

(3) Investment in associates and joint ventures: (Cont'd)

(3) 對聯營、合營企業投資：(續)

Invested units	被投資單位	Increases or decreases changes of the year							Balance on 31 December 2019	Impairment prepared year-end balances
		Balance on 1 January 2019	Additional investment	Reduce in investment	Investment recognised under the equity method	Declaring of cash dividends or profits	Impacts of downstream transactions	Investment income		
		年初餘額	追加投資	減少投資	權益法下確認的投資收益	宣告發放現金股利或利潤	順流交易的影響	本年增減變動	年末餘額	減值準備
Associates	聯營企業									
Wuhan Yunjingfei Optical Fibre Material Co., Ltd.	武漢雲晶飛光纖材料有限公司	12,382,120	-	-	(290,531)	-	-	-	12,091,589	-
AVIC Baosheng Ocean Engineering Cable Company	中航寶勝海洋工程電纜有限公司	300,926,534	-	-	(117,118)	-	-	-	300,809,416	-
Sub-total	小計	313,308,654	-	-	(407,649)	-	-	-	312,901,005	-
Total	合計	1,624,396,804	-	(255,493,149)	47,892,115	(44,694,581)	64,148,418		1,436,249,607	-

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

XVI. NOTES FOR MAIN ITEMS ON FINANCIAL STATEMENTS OF PARENT COMPANY (Cont'd)

十六、母公司財務報表主要項目註釋(續)

6. Operating revenue, operating cost

6、營業收入、營業成本

(1) Operating revenue, operating cost

(1) 營業收入、營業成本

Items	項目	2019 2019年		2018 2018年	
		Revenue 收入	Cost 成本	Revenue 收入	Cost 成本
Principal activities	主營業務	7,447,298,335	6,326,845,010	11,609,689,456	9,287,246,148
Other operating activities	其他業務	499,489,203	494,142,455	800,848,688	752,598,536
Total	合計	7,946,787,538	6,820,987,465	12,410,538,144	10,039,844,684
Including: Revenue generated from contract	其中：合同產生的收入	7,946,787,538	6,820,987,465	12,410,538,144	10,039,844,684

(2) The details of operating revenue:

(2) 營業收入明細：

Type of contract	合同分類	2019 2019年	2018 2018年
Revenue from principal operating activities	主營業務收入		
– Revenue from optical fibres and preforms	– 光纖及光纖預製棒銷售收入	2,980,323,907	5,386,662,450
– Revenue from optical fibre cables	– 光纜銷售收入	3,762,672,785	5,575,472,695
– Revenue from integration system	– 系統集成銷售收入	289,134,152	30,439,991
– Revenue from others	– 其他銷售收入	415,167,491	617,114,320
Sub-total	小計	7,447,298,335	11,609,689,456
Revenue from other operating activities	其他業務收入		
– Revenue from material sales	– 材料銷售收入	476,958,597	707,963,716
– Revenue from commission processing	– 受託加工收入	17,454	61,679,591
– Revenue from technology usage and service	– 技術使用和服務收入	3,503,074	24,535,897
– Others	– 其他	19,010,078	6,669,484
Total	合計	7,946,787,538	12,410,538,144

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

XVI. NOTES FOR MAIN ITEMS ON FINANCIAL STATEMENTS OF PARENT COMPANY (Cont'd)

十六、母公司財務報表主要項目註釋(續)

7. Investment income

7、投資收益

Items	項目	2019 2019年	2018 2018年
Income from long-term equity investments under cost method	成本法核算的長期股權投資收益	–	3,471,141
Income from long-term equity investments under equity method	權益法核算的長期股權投資收益	112,040,533	152,089,231
Investment income from disposal of long-term equity investments	處置長期股權投資產生的投資收益	10,290,909	–
Investment income from disposal of financial assets held for trading	處置交易性金融資產取得的投資收益	1,093,535	89,564
Investment income from financial assets held for trading during holding	交易性金融資產在持有期間的投資收益	–	–
Dividend income of other equity instrument investments	其他權益工具投資的股利收入	267,600	133,800
Including: Dividend income of other equity instrument investments during holding	其中：與資產負債表日仍持有的其他權益工具投資相關的股利收入	267,600	133,800
Total	合計	123,692,577	155,783,736

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

XVII. STATEMENT OF NON-RECURRING PROFIT OR LOSS IN 2019

十七·2019年非經常性損益明細表

Type	種類	Note 附註	Amount 金額
(1) Losses from non-current assets disposals	(1) 非流動資產處置損失	V、46 五、46	7,367,173
(2) Government grant accounted into current gains and losses (other than government grants closely related to the business of the Company, and in a fixed or quantifiable amount in conformity with the common standards of the State)	(2) 計入當期損益的政府補助(與企業業務密切相關，按照國家統一標準定額或定量享受的政府補助除外)	V、41、47 五、41、47	207,936,325
(3) Changes in fair value of financial assets and liabilities held for trading, and disposal of financial assets and liabilities held for trading and available-for-sale financial assets, other than those held for effective hedging related to normal operations	(3) 除同公司正常經營業務相關的有效套期保值業務外，持有交易性金融資產、交易性金融負債產生的公允價值變動損益，以及處置交易性金融資產、交易性金融負債和可供出售金融資產取得的投資收益	V、42、43 五、42、43	1,618,357
(4) Reversal of allowance for doubtful debts and contracts assets assessed on an individual basis	(4) 單獨進行減值測試的應收款項、合同資產減值準備轉回		1,678,420
(5) Gain or loss arising from entrusted loans	(5) 對外委託貸款取得的損益		933,749
(6) Other items conformed to the definition of non-recurring profit or loss	(6) 其他符合非經常性損益定義的項目		3,688,549
(7) Other non-operating income and expenses other than the above items	(7) 除上述各項之外的其他營業外收入和支出		1,714,454
Sub-total	小計		224,937,027
(8) Income tax effect	(8) 所得稅影響額		(33,779,694)
(9) Impact on non-controlling interests (after tax)	(9) 少數股東權益影響額(稅後)		(2,869,393)
Total	合計		188,287,940

Note: Above items from (1) to (7) were presented at the amount before tax.

註：上述(1)-(7)項各非經常性損益項目按稅前金額列示。

Notes to the Financial Statements

財務報表附註

(All amounts expressed in RMB unless otherwise specified)

(除特別註明外，金額單位為人民幣元)

XVIII. RETURN ON EQUITY AND EARNINGS PER SHARE

In accordance with Guidelines on the Compilation of Information Disclosure Documents by Companies that Offer Securities to the Public No. 9 – Calculation and Disclosure of Return on Equity and Earnings Per Share (as amended in 2010) issued by the CSRC and relevant requirements of accounting standards, the calculation of return on equity and earnings per share of the Group is listed as follows:

十八、淨資產收益率及每股收益

本集團按照證監會頒佈的《公開發行證券公司信息披露編報規則第9號——淨資產收益率和每股收益的計算及披露》(2010年修訂)以及會計準則相關規定計算的淨資產收益率和每股收益如下：

Profit for the Reporting Period	報告期利潤	Weighted average return on equity (%) 加權平均淨資產收益率(%)	Basic earnings per share 基本每股收益	Diluted earnings per share 稀釋每股收益
Net profit attributable to ordinary shareholders	歸屬於公司普通股股東的淨利潤	9.46	1.06	1.06
Net profit (exclusive of non-operating profit) attributable to ordinary shareholders	扣除非經常性損益後歸屬於公司普通股股東的淨利潤	7.05	0.81	0.81

Corporate Information

公司資料

BOARD OF DIRECTORS

EXECUTIVE DIRECTOR

Mr. Zhuang Dan

NON-EXECUTIVE DIRECTORS

Mr. Ma Jie (*Chairman*)

Mr. Philippe Claude Vanhille

Mr. Guo Tao

Mr. Pier Francesco Facchini

Mr. Frank Franciscus Dorjee

Mr. Xiong Xiangfeng

Ms. Lai Zhimin

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Bingsheng Teng

Mr. Liu Deming

Mr. Song Wei

Dr. Wong Tin Yau, Kelvin

BOARD COMMITTEES

AUDIT COMMITTEE

Mr. Song Wei (*Chairman*)

Dr. Wong Tin Yau, Kelvin

Mr. Liu Deming

NOMINATION AND REMUNERATION COMMITTEE

Mr. Bingsheng Teng (*Chairman*)

Mr. Frank Franciscus Dorjee

Mr. Song Wei

STRATEGY COMMITTEE

Mr. Ma Jie (*Chairman*)

Mr. Philippe Claude Vanhille

Mr. Zhuang Dan

Mr. Bingsheng Teng

BOARD OF SUPERVISORS

Mr. Li Ping (*Chairman*)

Mr. Li Zhuo

Mr. Jiang Zhikang

(*employee representative supervisor*)

董事會

執行董事

莊丹先生

非執行董事

馬杰先生 (*主席*)

菲利普·范希爾先生

郭韜先生

皮埃爾·法奇尼先生

范·德意先生

熊向峰先生

賴智敏女士

獨立非執行董事

滕斌聖先生

劉德明先生

宋瑋先生

黃天祐博士

董事委員會

審計委員會

宋瑋先生 (*主席*)

黃天祐博士

劉德明先生

提名及薪酬委員會

滕斌聖先生 (*主席*)

范·德意先生

宋瑋先生

戰略委員會

馬杰先生 (*主席*)

菲利普·范希爾先生

莊丹先生

滕斌聖先生

監事會

李平先生 (*主席*)

李卓博士

江志康先生

(*職工代表監事*)

REGISTERED NAME OF THE COMPANY IN CHINESE

長飛光纖光纜股份有限公司

NAME OF THE COMPANY IN ENGLISH

Yangtze Optical Fibre and Cable Joint Stock Limited Company

LEGAL REPRESENTATIVE OF THE COMPANY

Mr. Ma Jie

AUTHORISED REPRESENTATIVES

Mr. Zhuang Dan

Ms. Choy Yee Man

SECRETARY OF THE BOARD

Mr. Liang Guanning

COMPANY SECRETARY

Ms. Choy Yee Man

AUDITORS

KPMG Huazhen LLP

Public Interest Entity Auditor recognised

in accordance with the Financial Reporting Council Ordinance

LEGAL ADVISORS TO THE COMPANY

Simpson Thacher & Bartlett (as to Hong Kong law)

Commerce & Finance Law Offices (as to PRC law)

REGISTERED OFFICE

No. 9 Guanggu Avenue,

East Lake High-tech Development Zone,

Wuhan, Hubei Province 430073, the PRC

PRINCIPAL PLACE OF BUSINESS IN THE PRC

No. 9 Guanggu Avenue,

East Lake High-tech Development Zone, Wuhan,

Hubei Province 430073, the PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Level 54, Hopewell Centre

183 Queen's Road East

Hong Kong

H SHARE REGISTRAR

Tricor Investor Services Limited

Level 54, Hopewell Centre

183 Queen's Road East

Hong Kong

公司中文註冊名稱

長飛光纖光纜股份有限公司

公司英文名稱

Yangtze Optical Fibre and Cable Joint Stock Limited Company

公司法定代表人

馬杰先生

授權代表

莊丹先生

蔡綺文女士

董事會秘書

梁冠寧先生

公司秘書

蔡綺文女士

核數師

畢馬威華振會計師事務所(特殊普通合伙)

於《財務彙報局條例》下的認可公眾利益實體核數師

公司法律顧問

盛信律師事務所(香港法律)

通商律師事務所(中國法律)

註冊辦事處

中國湖北省武漢市

東湖高新技術開發區光谷大道9號

郵編430073

中國總部

中國湖北省武漢市

東湖高新技術開發區光谷大道9號

郵編430073

香港主要營業地點

香港

皇后大道東183號

合和中心54樓

H股股份過戶登記處

卓佳證券登記有限公司

香港

皇后大道東183號

合和中心54樓

Corporate Information

公司資料

PLACE OF LISTING

The Stock Exchange of Hong Kong Limited
The Shanghai Stock Exchange

STOCK CODE

Hong Kong 06869
Shanghai 601869

CONTACT INFORMATION

INVESTOR RELATIONSHIP DEPARTMENT

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

WEBSITE

www.yofc.com

上市地點

香港聯合交易所有限公司
上海證券交易所

股份代碼

香港06869
上海601869

聯繫方式

投資者關係部

電話: +8627 6878 9088
傳真: +8627 6878 9089
總部地址: 中國湖北省武漢市
東湖高新技術開發區
光谷大道9號
郵編430073
電郵: ir@yofc.com

網址

www.yofc.com

Definitions and Glossary of Technical Terms

釋義及技術詞彙

In this report, unless the context otherwise requires, the following terms shall have the meanings set out below:

於本報告中，除文義另有所指外，以下詞彙具有下列載涵義：

“AGM” 「週年股東大會」	the annual general meeting 週年股東大會
“A Share(s)” 「A股」	ordinary share(s) of the Company, with a nominal value of RMB1.00 each, which are traded in RMB and listed on the SSE (stock code: 601869) 本公司以人民幣買賣及於上交所上市每股面值人民幣1.00元的普通股（股份代號：601869）
“Baosheng Cable” 「寶勝電纜」	AVIC Baosheng Ocean Engineering Cable Company, one of the associates of the Company 中航寶勝海洋工程電纜有限公司，為本公司聯營公司之一
“Board” 「董事會」	the board of directors of the Company 本公司董事會
“Board of Supervisors” 「監事會」	the board of supervisors of the Company 本公司監事會
“CASBE” 「中國企業會計準則」	China Accounting Standards for Business Enterprises 中國企業會計準則
“CG Code” 「企業管治守則」	the Corporate Governance Code as set out in Corporate Governance Code and Corporate Governance Report contained in Appendix 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 Telecom Technologies Co., Ltd., an entity incorporated in the PRC, one of the substantial shareholders of the Company 中國華信郵電科技有限公司，於中國註冊成立的企業，為本公司主要股東之一
“Company” 「本公司」	Yangtze Optical Fibre and Cable Joint Stock Limited Company*, a joint stock limited company incorporated in the PRC with limited liability, of which the H shares are listed on the Main Board of the Hong Kong Stock Exchange and the A shares are listed on the SSE 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，其A股於上海證券交易所上市
“CSAs” 「審計準則」	China Standards on Auditing for Certified Public Accountants 中國註冊會計師審計準則
“CSRC” 「證監會」	China Securities Regulatory Commission 中國證券監督管理委員會
“TCA” 「光纖技術合作協定」	Optical fibre technology cooperation agreement 光纖技術合作協定

Definitions and Glossary of Technical Terms

釋義及技術詞彙

“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
“ECL” 「預期信用損失」	Expected credit loss 預期信用損失
“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
“EPC” 「工程總承包」	Engineering, Procurement and Construction (EPC) is a particular form of contracting arrangement used in some industries where the EPC contractor is made responsible for all the activities from design, procurement, construction, commissioning and handover of the project to the end-user or owner 某些行業中特殊的合同安排，工程總承包商受最終用戶或業主的委託，對項目的設計、採購、施工、運行及交付負責
“FKM” 「芯公里」	fibres 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」	fibres-to-the-home 光纖到戶
“FTTX” 「光纖接入」	fibres-to-the-X 光纖接入
“FVOCI” 「以公允價值計量且其變動計入其他綜合收益」	at fair value through other comprehensive income 以公允價值計量且其變動計入其他綜合收益
“FVTPL” 「以公允價值計量且其變動計入當期損益」	at fair value through profit or loss 「以公允價值計量且其變動計入當期損益」
“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开发售及國際發售方式發行H股

Definitions and Glossary of Technical Terms

釋義及技術詞彙

“Group”, “the Group”, “YOFC Group”, “us” or “we” 「本集團」或「長飛集團」或「我們」	the Company and its subsidiaries (i.e. the entities listed as subsidiaries Company in Note VII.1 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七、1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
“H Share(s)” 「H股」	overseas listed foreign shares in the share capital of the Company, with a nominal value of RMB1.00 each, which are listed on the Main Board of the Hong Kong Stock Exchange and traded in Hong Kong dollars (stock code: 6869) 本公司股本中於香港聯交所主版上市及以港元買賣的每股面值人民幣1.00元的境外上市外資股（股份代號：6869）
“IFRS” 「國際財務報告準則」	the International Financial Reporting Standards 國際財務報告準則
“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
“MOF” 「財政部」	Ministry of Finance of the People’s Republic of China 中華人民共和國財政部
“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

釋義及技術詞彙

“Prysmian Group” 「普睿司曼集團」	Prysmian S.p.A and its associates Prysmian及其緊密聯繫人
“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
“SSE” 「上交所」	Shanghai Stock Exchange 上海證券交易所
“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 Gas” 「長飛氣體」	YOFC Gas Qianjiang Co., Ltd, one of the subsidiaries of the YOFC Qianjiang 長飛氣體潛江有限公司，為長飛潛江附屬公司之一
“YOFC Hong Kong” 「長飛香港」	Yangtze Optical Fibre and Cable Company (Hong Kong) Limited, a company established in Hong Kong and one of the subsidiaries of the Company 長飛光纖光纜(香港)有限公司，一間於香港成立之公司，為本公司附屬公司之一
“YOFC Indonesia” 「長飛印尼光纖」	PT. Yangtze Optical Fibre Indonesia, a company established in Indonesia, and one of the subsidiaries of the Company 長飛印尼光纖有限公司，一家成立於印尼的公司，為本公司附屬子公司之一
“YOFC Qianjiang” 「長飛潛江」	Yangtze Optical Fibre (Qianjiang) Co., Ltd, one of the subsidiaries of the Company 長飛光纖光纜潛江有限公司，為本公司附屬公司之一
“YOFC Singapore” 「長飛新加坡」	YOFC INTERNATIONAL (SINGAPORE) PTE. LTD, a company established in Singapore and one of the subsidiaries of the YOFC Hong Kong 長飛國際(新加坡)有限公司，一間於新加坡成立之公司，為長飛香港附屬公司之一

This annual report is prepared in Chinese and English. In case of any discrepancies in interpretation, the Chinese version shall prevail.
本報告分別以中、英文編製。在對中、英文文本的理解上發生歧義時，以中文文本為準。



長飛光纖光纜股份有限公司

YANGTZE OPTICAL FIBRE AND CABLE JOINT STOCK LIMITED COMPANY

地址：武漢市光谷大道9號，430073

ADD：9 Optics Valley Avenue, Wuhan, China, 430073

網址 (Website)：www.yofc.com

  Yangtze Optical Fibre and Cable Joint Stock Limited Company