

Annex F10.B.
(Non - Confidential version)

YOFC Optical Fibre & Cable Co., Ltd. Annual Report 2020 (EN)

Annex to OFC Application Form

Company code: 601869
Bond code: 175070

YOFC 2020 Annual Report
Company abbreviation: YOFC
Bond abbreviation: 20 YOFC 01

YOFC Optical Fiber and Cable Co., Ltd.
2020 Annual Report

important hint

1. The company's board of directors, board of supervisors, directors, supervisors, and senior management ensure that the contents of the annual report are true, accurate and complete. There are no false records, misleading statements or major omissions, and the company assumes individual and joint legal responsibilities.
2. All directors of the company attended the board meeting.
3. KPMG Huazhen Certified Public Accountants (special general partnership) issued a standard unqualified audit report for the company.
4. The person in charge of the company Ma Jie, the person in charge of accounting work Zhuang Dan and the person in charge of the accounting organization (accounting officer) Li Ming: Guarantee the truthfulness, accuracy and completeness of the financial report in the annual report.
- V. The profit distribution plan for the reporting period or the plan for converting public reserve funds into share capital after consideration by the board of directors

It is proposed to use the total share capital on the equity registration date of the implementation of the equity distribution as the base, and distribute cash dividends of RMB to a 2.16 yuan (tax included). As of December 31, 2020, the total share capital of the company is 757,905,108 shares. It is found that the gold dividend is RMB 163,707,503. This dividend will not be given out bonus shares, nor will the capital reserve be converted into share capital. The remaining profit is carried forward to the next year.

6. Risk statement of forward-looking statements

☒Applicable ☐Not applicable

The forward-looking descriptions of future plans and development strategies involved in this report do not constitute the company's substantive commitments to investors. Please pay attention to investment risks.

7. Whether there is any non-operating capital occupation by the controlling shareholder and its related parties

no

8. Are there any cases of providing external guarantees in violation of the prescribed decision-making procedures?

no

9. Is there more than half of the directors who cannot guarantee the authenticity, accuracy and completeness of the annual report disclosed by the company

no

10. Significant risk warning

The company has described the risks in this report in detail. Please refer to Section 4 "Discussion and Analysis of Operation and Management" and "4. Possible risks" in "3. The company's discussion and analysis on the company's future development".

11. Other

☐Applicable ☒Not applicable

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Interpretation of Section One

1. Interpretation

In this report, unless the context requires otherwise, the following terms have the following meanings:

Interpretation of common words	
Company, the company, YOFC, YOFC	refer to YOFC Optical Fiber and Cable Co., Ltd.
The group, the group	refer to YOFC Optical Fiber and Cable Co., Ltd. and its subsidiaries
China Securities Regulatory Commission	refer to China Securities Regulatory Commission
Shanghai Stock Exchange	refer to Shanghai Stock Exchange
Reporting period	refer to January 1, 2020 to December 31, 2020
China Huaxin, Huaxin	refer to China Huaxin Post and Telecommunications Technology Co., Ltd.
Drake Technology	refer to Draka Comteq BV
Yangtze Communications	refer to Wuhan Changjiang Communication Industry Group Co., Ltd.
A shares	Approved to be listed on the stock exchange, denominated in RMB, Common stocks subscribed and traded in RMB
H shares	Companies registered in Mainland China are approved to be listed on the Hong Kong Stock Exchange refer to Market, denote the face value in RMB, subscribe and trade in Hong Kong dollars Easy Common Stock
AOC	refer to Active optical cable, active optical cable products
PCVD	refer to Plasma vapor deposition
VAD	refer to Axial vapor deposition
OVD	refer to External chemical vapor deposition
WDM	refer to Wavelength Division Multiplexing, Wavelength Division Multiplexing
4G	refer to The fourth generation mobile phone mobile communication standard
5G	refer to Fifth generation mobile phone mobile communication standard
IDC	refer to Internet Data Center
The general term for optical fiber connection to the terminal network. FTTx Technology Master To be used for access network optical fiber, ranging from regional telecommunication equipment	

		The central office equipment of the room to the user terminal equipment, the central office equipment is The optical line terminal and user equipment are optical network units or optical
FTTX	refer to	Network terminal. According to the distance from the fiber to the user, it can be classified Divided into fiber to the exchange box FTTCab (Fiber To The Cabinet), fiber to the curb FTTC (Fiber To The Curb), fiber to the building FTTB (Fiber To The Building) and fiber to the home FTTH (Fiber To The Home) and other 4 types, collectively referred to as FTTx
Yuan	refer to	RMB British Commodity Institute. In the field of optical communications, CRU is A well-known independent third-party market analysis agency in the world. Its regular
CRU	refer to	Demand for global optical fiber preform, optical fiber and optical cable products Demand, production, trade, inventory and prices, and global Key optical communications markets such as Asia Pacific, Europe, North America and emerging markets In-depth analysis

Section 2 Company Profile and Main Financial Indicators

1. Company Information

Chinese name of the company	YOFC Optical Fiber and Cable Co., Ltd.
Chinese abbreviation of the company	YOFC
Company's foreign name	Yangtze Optical Fibre and Cable Joint Stock Limited Company
Abbreviation of the company's foreign name	YOFC
The legal representative of the company	Yan Jie

2. Contact person and contact information

	Board secretary	Securities Affairs Representative
Name	Liang Guanning	Xiong Jun
contact address	9 Guanggu Avenue, Wuhan City, Hubei Province	9 Guanggu Avenue, Wuhan City, Hubei Province
telephone	027-68789088	027-68789088
fax	027-68789089	027-68789089
email	IR@yofc.com	IR@yofc.com

3. Introduction to the basic situation

Registered address of the company	No. 9, Guanggu Avenue, East Lake High-tech Development Zone, Wuhan City, Hubei Province
Postal code of the company's registered address	430073
Company office address	No. 9, Guanggu Avenue, East Lake High-tech Development Zone, Wuhan City, Hubei Province
Postal code of the company's office address	430073
company website	www.yofc.com
email	IR@yofc.com

4. Information Disclosure and Place of Preparation

The name of the information disclosure media selected by the company	Shanghai Securities Journal, Shanghai Securities News, Securities Times, Securities Daily
The website of the website designated by the China Securities Regulatory Commission that publishes the annual report	www.sse.com.cn
Place where the company's annual report is prepared	Office of the Board of Directors of the Company

5. Company stock profile

Company stock profile			
Type of stock	Stock exchange	Stock abbreviation	Stock code
A shares	Shanghai Stock Exchange	YOFC	601869
H shares	Hong Kong Stock Exchange	YOFC	06869

6. Other relevant information

name	KPMG Huazhen Certified Public Accountants (Special General Partnership)
Accountant hired by the company	8th Floor, KPMG Building, Oriental Plaza, 1 East Chang'an Avenue, Beijing
office address	
Division Office (Domestic)	
Signing accountant name	Chen Yi, Duan Yuhua

name	China International Capital Corporation
During the reporting period office address	Block 2, China World Trade Center, No. 1 Jianguomenwai Street, Chaoyang District, Beijing
Renewal of supervisory duties	27th and 28th floors
Recommending institution	Name of sponsor representative who signed: Yin Xidong, Guo Yun
Period of continuous supervision	July 20, 2018 to December 31, 2020

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7. Major accounting data and financial indicators in the past three years

(1) Main accounting data

Unit: Currency: RMB

Main accounting data	2020 year	2019 year	Compared with this period Year-on-year increase or decrease (%)	2018
Operating income	8,221,542,967	7,769,175,495	5.82	11,359,764,086
Net profit attributable to shareholders of listed companies	647,617,809	801,225,042	-32.14	1,489,185,053
Deductions attributable to shareholders of listed companies	348,699,216	612,937,102	-43.11	1,461,405,280
Net profit from recurring gains and losses				
Net cash flow from operating activities	140,866,409	842,663,893	-83.28	565,350,945
	End of 2020	End of 2019	End-of-period ratio last year	End of 2018
Net assets attributable to shareholders of listed companies	10,474,881,832	8,788,220,362	2.95	8,188,034,194
Total assets	15,855,597,394	13,775,899,595	15.10	12,885,882,309

(2) Main financial indicators

Main financial indicators	2020 year	2019 year	Increase/decrease over the same period as the previous year in this period (%)
Basic earnings per share (yuan/share)	0.72	1.06	-32.08 2.09
Diluted earnings per share (yuan/share)	0.72	1.06	-32.08 2.09
After deducting non-recurring gains and losses, the basic			
Share income (yuan/share)	0.46	0.81	-43.21 2.05
Weighted average return on equity (%)	6.13	9.46	Reduced by 3.33 percentage point 22.06
Weighted average after deducting non-recurring gains and losses	3.93	7.05	3.12 percentage point reduction 21.65
Return on average net assets (%)			

Explanation of the company's main accounting data and financial indicators for the first three years at the end of the reporting period

☐Applicable ☒Not applicable

8. Differences in accounting data under domestic and foreign accounting standards

(1) At the same time, the net profit in the financial report disclosed in accordance with the International Accounting Standards and the Chinese Accounting Standards and attributable Differences in net assets

☐Applicable ☒Not applicable

(2) At the same time, the net profit in the financial report disclosed in accordance with the overseas accounting standards and the Chinese accounting standards and the net profit attributable Differences in net assets

☐Applicable ☒Not applicable

(3) Explanation of differences between domestic and foreign accounting standards:

☐Applicable ☒Not applicable

9. Main financial data by quarter in 2020

Unit: Currency: RMB

the first season (1-3 months)	Second quarter (4-6 months)	the third quarter (July-9 months)	Fourth quarter (10-12 months)
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Operating income	1,224,338,757	2,182,416,969	2,035,684,813	2,779,102,428
Attributable to shareholders of listed companies	-7,174,583	269,754,452	143,338,077	137,759,863
Net profit				
Attributable to shareholders of listed companies				
After deducting non-recurring gains and losses	15,628,420	260,051,049	126,016,198	-21,739,611
Net profit				
Cash flow from operating activities	-274,937,756	2,652,833	67,652,513	345,498,819
Net amount				

Explanation of discrepancies between quarterly data and disclosed periodic report data

☐Applicable ☒Not applicable

10. Items and amounts of non-recurring gains and losses

☒Applicable ☐Not applicable

Unit: Currency: RMB			
Non-recurring profit and loss items	Amount in 2020	Amount in 2019	2018 amount
Non-current asset disposal gains and losses	-1,839,569	7,367,173	-6,384,092
Government subsidies included in the current profit and loss, but with the company's normal economic Business is closely related, in line with national policies and regulations, in accordance with			
Government subsidies that are continuously enjoyed by a certain standard fixed amount or a certain amount are in addition to outside	128,593,868	207,936,325	28,604,039
Except for effective hedging related to the company's normal business operations			
Outside of business, holding transactional financial assets and derivative financing			
Assets, transactional financial liabilities, derivative financial liabilities	103,485,464	1,618,357	2,735,547
Gains and losses from changes in fair value, and disposal of transactional financial financing			
Property, derivative financial assets, transactional financial liabilities, derivative			
Investment income from financial liabilities and other debt investments			
Receivables and contract assets that have been separately tested for impairment		1,678,420	2,799,376
Value ready to switch back			
Gains and losses from external entrusted loans		933,749	1,619,945
Other non-operating income and expenses other than the above	1,287,597	1,714,454	2,455,674
Other profit and loss items that meet the definition of non-recurring profit and loss	872,453	3,688,549	5,407,072
Amount of influence of minority shareholders' equity	-2,400,026	-2,869,393	-3,231,681
Income tax impact	-35,020,994	-33,779,694	-6,226,107
total	194,978,593	188,287,940	27,779,773

11. Items measured by fair value

☒Applicable ☐Not applicable

Unit: Currency: RMB				
project name	Opening Balance	Ending balance	Current changes	Impact on current profit Amount
Transactional financial assets	9,902,598	891,831,588	881,928,990	93,817,488
Investment in other equity instruments	57,172,099	41,378,280	-15,793,819	
Other non-current financial assets		45,378,370	45,378,370	378,370
total	67,074,697	978,588,238	911,513,541	94,195,858

12. Other

☐Applicable ☒Not applicable

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Section 3 Company Business Overview

1. The company's main business, business model and industry description during the reporting period

The company focuses on the communication industry and is the world's leading research and development of optical fiber preforms, optical fibers, optical cables and data communication innovative and manufacturing enterprises, and formed fiber optic cables, integrated wiring, optical modules and communication network engineering and other optical communication A complete industrial chain with integrated services and a diversified and international business model. The company's main business conditions are as follows:

1. Optical cable business

Optical cable is one of the company's products, which are generally used for the construction of communication networks. The core customers of optical cable business are telecommunications. By 2018, driven by the centralized construction of 4G networks and fiber to the home, the demand for fiber optic cables will continue to grow at a relatively rapid rate, and the unit price will be broken promotion. Since the second half of 2018, due to the over-peak network construction in the early stage and the scale of 5G has not yet started, customer demand has changed. In the first half of 2019, the main domestic telecom operators carried out a centralized procurement project for ordinary optical cable products.

According to the report, the average unit price of the product has dropped by nearly 50%. In the centralized procurement carried out by operators in the second half of 2020, the average unit price further decreased by about 30%. Such extreme pressure prices will fully test the profitability of enterprises in the optical fiber and cable industry.

Fiber optic cable is an important communication network infrastructure. Although the construction of domestic communication networks was affected by the new crown pneumonia epidemic, after the epidemic has been effectively controlled, 5G construction has continued to accelerate. According to the data released by the Ministry of Industry and Information Technology, in 2020, the number of domestic 5G base stations, the coverage area, and the number of terminal connections will all meet or exceed expectations. According to data, in 2020, the number of domestic 5G base stations, the coverage area, and the number of terminal connections will all meet or exceed expectations. International leading level. In the optical fiber and cable industry, the total amount of centralized procurement by operators in the second half of 2020 has rebounded from the previous year. The continuous large-scale installation is expected to bring a new round of growth for the industry.

2. Preform and optical fiber business

The preform is used to draw the optical fiber, which is the main raw material of the optical cable. Since 2015, it has been affected by market shortages and relative profit levels. High and the expected impact on the scale of 5G deployment, industry companies have begun to expand the production of preforms, and the expanded production capacity will be released to the market in the second half of the year coincided with the inflection point of market demand at that time, resulting in a sharp change in the industry's supply-demand balance. The price is falling rapidly, and changes in the price of optical cables are also transmitted upstream simultaneously, affecting the profit level of preforms and optical fibers. With fiber demand has picked up due to the scale of 5G deployment, the centralized purchase of optical cables from major domestic operators has stabilized and rebounded, and the industry structure. With the optimization under extreme price pressure, the supply and demand structure of this segment and the market environment are expected to improve.

3. Product and solution business

The company provides optical communication-related products and solutions, including data center wiring, optical modules and optical devices, system integration, Rail transit wiring, "5G + all-optical" industrial Internet solutions, etc. With the upgrading and application of 5G, Internet of Things, cloud computing and other technologies. It is expected that the data traffic in the global communication network will continue to grow, which will drive the steady development of data center construction and will promote the demand for products and services.

Multimode optical fiber and cable products are mainly used for internal connections in data centers. The company's PCVD preform manufacturing process is in multi-mode. Related products, especially high-end multimode optical fiber products, have obvious technological leadership and capacity advantages; the company's expanded optical module and optical device business will achieve phased results in the communications market and data communication market in 2020; the company will deploy 5G networks in the fronthaul WDM solution provided by the feature has been promoted in the construction of the operator's network; at the same time, the company's AOC products are also being applied. Scenarios such as electronics and medical treatment have been applied on a large scale.

4. International business

The stimulating effect of global digitalization and intelligence on the economy has become a consensus, and waves of informatization construction continue one after another. The construction of communication networks in overseas markets has been affected by the new crown pneumonia epidemic, but the epidemic is also gradually changing people's living habits. In this way, the role of communication network infrastructure level in national competitiveness is further enhanced. Released in February 2021 according to CRU. According to the report, from 2021 to 2025, global optical cable demand is expected to maintain an average annual growth rate of more than 5%.

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The company continues to promote overseas communication network engineering projects, especially in the Philippines construction project, the company's local team overcame various unfavorable factors during the period completed the main node targets of the project construction on time, fully demonstrating the company's project delivery capabilities, and the expansion of overseas communication network engineering business has laid a solid foundation.

2. Explanation of major changes in the company's main assets during the reporting period

☒Applicable ☐Not applicable

During the reporting period, the major changes in the company's main assets are detailed in the "Section IV, II, (3) Analysis of Assets and Liabilities".

Among them: overseas assets 400,754,104 (unit: yuan currency: RMB), accounting for 2.53% of total assets.

3. Analysis of core competitiveness during the reporting period

☒Applicable ☐Not applicable

1. Leading market position

As a leading enterprise in the global optical fiber and cable industry, the company is one of the earliest optical fiber and cable manufacturers in China. After years of cultivation, it has strong technical reserves and a wide range of customer groups, and has the first-mover advantage. In the day of increasing customer concentration and Under the intense development trend, the company's leading technology foundation, strong production capacity and stable customer base enable the company to stimulate Maintain sufficient influence and attractiveness in the fierce market competition, especially in the high-end optical fiber preform and optical fiber parts of the industry chain. Power position.

2. Complete business chain

The company is one of the few domestic companies capable of large-scale integrated development and production of optical fiber preforms, optical fibers and optical cables. Expand to the upstream and downstream of the industrial chain. The integrated production of rods and cables has improved the company's production and operation levels. Through With multiple production supply chains in the industry, the company is able to better predict and adapt to market trends, for the company to optimize production structure and plan the It is of great significance to flexibly respond to market changes, thereby enhancing the company's overall competitiveness. Vertically integrated business model helps companies

Promote the increase in demand for upstream optical fiber preforms and optical fiber products. By adopting a vertically integrated and integrated business model, the company can better allocate production resources within the value chain of the entire industry, improve operational efficiency and flexibility, and enhance competitiveness and risk resistance.

3. Leading manufacturing technology and strict quality control system

The company adopts the world's leading technology and technology to produce various high-quality optical fiber preforms, optical fibers and optical cables and other related products. Optical fiber preforms are important upstream raw materials in the industry. The quality and performance of optical fiber preforms can directly affect the quality of optical fibers and cables. Quantity and performance. The company is the first domestic enterprise with the production capacity of optical fiber preforms, and it is also one of the few in the industry. It is one of the companies that produce optical fiber preforms through PCVD process and VAD/OVD process at the same time. PCVD process is better than other optical fibers. In terms of the preform production process, it has many advantages such as more precise refractive index distribution control and greater processing flexibility, which helps the company grasp the market development direction and seize more market opportunities. In addition to the PCVD production process, the company also masters the VAD/OVD production process. The use of VAD/OVD technology can help improve the efficiency of optical fiber preform manufacturing and reduce production costs. The company adopts advanced production technology, excellent product quality and excellent customer service have won a stable customer base including the three major state-owned telecom operators. At the same time, the company has formulated strict quality control procedures to ensure product quality and performance.

4. Fast-growing international business

The company actively establishes overseas production bases and overseas offices, implements the strategy of localization of overseas sales, and strengthens overseas sales strength, has a high reputation in the international arena. In 2020, the company adopts the policies of "One District, One Policy" and "One Country, One Policy" to improve overseas production and sales capabilities, and expand the business to network engineering and service areas. At the same time, the company has gradually formed a strong localization camp. Sales capabilities, improve the company's overseas marketing and service capabilities, and better meet the needs of overseas customers.

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5. Leading R&D capabilities

The company has a complete research and development platform, and has the only national key laboratory and national enterprise technology in the domestic optical fiber and cable industry, Group Innovation Center and Testing Laboratory. The company's innovative research and development are mainly divided into basic research and development, product line R&D and hatch. Among them, basic R&D focuses on cutting-edge technology and solution research, and product line R&D focuses on materials, fiber optic cables, high-tech R&D of technologies and products such as fast optical modules, special optical fibers and cables and their applications; new business R&D focuses on electronic chips, glass lenses, thermal materials, grating sensing and other related industries. The company's national key laboratory has been awarded the National Accreditation Committee for Conformity Assessment. The CNAS-ISO/IEC17025 certification and the fiber optic cable laboratory certification issued by Telcordia and the German VDE certification will be issued. male. The company has successfully developed low-water peak optical fibers, single-multimode bending resistant optical fibers, ultra-low attenuation optical fibers, ultra-low loss and large number of proprietary innovative products such as fiber, dispersion compensation fiber and polarization maintaining fiber. As of December 2020, the company has a total of 475 Chinese patents (including 298 invention patents), and 90 overseas authorized patents.

Advanced technology and excellent products have won many honors for the company. The company is the only company in the optical fiber and cable industry to win three times the National Science and Technology Progress Award: In 2005 and 2017, the company's Dabaoshi® G.655 optical fiber and new optical fiber won the National Science and Technology Progress Award; in 2018, the "Yangtze Optical Fiber and Cable Technology Innovation Project" won the second prize of the National Science and Technology Progress Award; In 2019, the company's "Super-large-size VAD optical fiber core rod high-efficiency preparation technology and industrialization" achievement won the first prize of Hubei Province Science and Technology Award; In 2020, the company's "Ultra-High Resolution Optical Vector Analysis Technology and Application" won the first prize of Jiangsu Science and Technology Award. In 2020, the company's equipment technology won the first prize of scientific and technological progress of China Building Materials Federation. In 2019, the company participated in 7 national key research and development projects. In 2020, the company participated in one key research and development plan of Hubei Province and four national natural science fund projects.

6. Experienced management and efficient personnel training system

The company's senior management can accurately grasp the industry through in-depth observation of industry trends and combined with rich management experience. Make appropriate strategic decisions based on the company's development direction and help the company maintain its leading position in the industry. At the same time, the company has established a talent development system. Individuals and technicians have set up independent promotion channels, which can give talents in both fields the opportunity to realize their professional ideals and peace. tower. In addition, the company combines short-term incentives with long-term incentives, and through employee stock ownership incentives, the company's growth is aligned with personal development is firmly bound to promote the company's long-term and sustainable development.

Section 4 Discussion and Analysis of Business Situation

1. Discussion and analysis of business situation

At the beginning of 2020, the company's production and operations were greatly affected by the new crown pneumonia epidemic, while the situation of the optical fiber and cable industry was also severe. However, facing the challenge of the epidemic, the company strictly implemented prevention and control measures to quickly resume work and production; in the face of industry challenges, the company has fully utilized its leading advantages in main business research and development, technology, cost, market, etc., while increasing diversification and international expansion. Following the industry demand picking up and supply structure optimization, the company is expected to achieve long-term sustainable development.

1. Successfully prevent and control the epidemic and quickly resume work and production

The company's headquarters and main preform production capacity are located in Hubei Province. The production and operation of the first quarter of 2020 have been greatly affected. As a result, the company's net profit attributable to shareholders of the listed company was approximately RMB -7.17 million, which resulted in a single quarterly loss. Facing the challenges of the epidemic, the company has fully utilized its leading advantages in main business research and development, technology, cost, market, etc., while increasing diversification and international expansion. Following the industry demand picking up and supply structure optimization, the company is expected to achieve long-term sustainable development.

The company strictly implements prevention and control measures and actively fulfills its social responsibilities. It will resume work and production in mid-March 2020, and realize The capacity utilization rate of the main production facilities in Hubei Province is close to full production. But at the same time, the overseas epidemic situation is still severe, affect Product sales in overseas markets, normal operation of overseas production capacity, and implementation of communication network engineering projects. The company will pay clc To ensure the smooth implementation of the internationalization strategy.

2. Demand stabilizes and picks up, prices continue to be under pressure

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In 2020, domestic 5G construction will proceed steadily in accordance with the principle of moderate advancement. According to the figures released by the Ministry of Industry and Information Technology, there will be more than 600,000 new 5G base stations in China in 2020, and more than 718,000 5G base stations have been opened. Currently, 5G networks have covered cities above prefecture-level and key counties and cities nationwide, and the number of 5G terminal connections has exceeded 200 million. At the same time, the epidemic scenes such as expenses and entertainment are shifting from offline to online, and communication network traffic continues to rise. According to data released by the Ministry of Industry and Information Technology, Mobile Internet access traffic consumption reached 165.6 billion GB, an increase of 35.7% over the previous year; annual average monthly mobile Internet traffic (DOU) reached 10.35GB/household-month, an increase of 32% over the previous year. The accelerated deployment of 5G networks and the continuous growth of data traffic have contributed to the development of the optical fiber and cable industry. While putting forward new requirements, it also promoted the development of the optical fiber and cable industry. In 2020, the length of new optical cable lines in my country is 4.21 million kilometers, an increase of approximately 9.0% year-on-year, the total length of optical cable lines has reached 51.69 million kilometers. In July 2020, China Mobile aimed at ordinary optical cable procurement reached 119 million core kilometers, an increase of about 13% compared to the previous centralized procurement. The market demand for optical cable products has picked up. In this centralized procurement, the company won the first place in the bid, and the allocated share was approximately 19.4%. Further consolidated the company's industry leading position.

In terms of industry supply, despite the nearly 50% drop in optical fiber and cable prices in 2019, the industry lacks core technologies. Companies with large scale advantages have brought greater pressure on profits, but based on expectations of future growth cycles, the industry's production capacity structure has formed a realistic qualitative adjustment. In the second half of 2020, in the centralized procurement of ordinary optical cable products by major domestic operators, the average unit price will step down by about 30%. This limit price has been generally implemented since the fourth quarter of 2020, and will fully test the production of optical fiber and cable companies. The level of production technology and cost control capabilities are expected to optimize the supply situation in the industry. As demand picks up and supply improves, operators in the centralized procurement of China, price pressure may be gradually eased.

3. Continue to develop diversified businesses

In 2020, the deployment of new infrastructure construction will be accelerated, 5G network, industrial Internet, artificial intelligence, big data center, automatic driving fields such as driving are booming. According to the mobile communications report released by Ericsson in November 2020, from 2020 to 2026, the global mobile network and fixed network monthly average traffic will achieve an average annual growth rate of 28% and 19% respectively. The total traffic is expected to increase 221EB/month in the year will be increased to 716EB/month in 2026. The rapid growth of data traffic will drive the construction of big data centers and promote the demand for related products and services. At present, the data transmission in the data center is mainly carried out by multi-mode fiber optic cable products. The company has developed multi-mode products with global leading advantages will develop rapidly in 2020, and both sales and revenue will achieve rapid growth. In optical modules and optical devices, in early 2020, the company acquired Sichuan Guangheng Communication Technology Co., Ltd., which is engaged in this business, and subsequently won the bid for the domestic mobile telecom operators are required to centrally purchase optical modules, and vigorously develop the data center market for optical modules and optical devices. At present, this business production delivery is normal.

In response to 5G network requirements, the company uses its technological advantages to develop related supporting products and services. The company lays the actual foundation in this case, the ultra-low attenuation and large effective area G.654.E fiber, the new-type fiber with flat dispersion, and the ultra-small outer diameter bend-insensitive single-mode fiber. A series of new optical fiber products suitable for 5G network construction are combined with self-developed optical modules, fronthaul splitters and multiplexers, etc. to provide 5G fronthaul WDM solutions. These solutions have been introduced by major domestic telecom operators such as China Mobile and China Telecom. In February 2021, the company's "5G fronthaul semi-active wave division solution" was also awarded the "2021 Annual Communication Product Technology Industry Leadership Award".

The active optical cable products independently developed and produced by the company's subsidiary, Changxin Shengzhilian, will be used in ultra-high-definition video and virtual reality, high-end medical equipment and other fields. At the beginning of 2020, these products were successfully applied to high-end brands such as Siemens and General Medical CT medical equipment, especially during the prevention and control of the new crown pneumonia virus, the production line of this product in Wuhan has been specially approved for To rush to the front line of epidemic prevention and control and assist in the detection of new coronary pneumonia. At the same time, the AOC cable used in virtual reality scenes also Large-scale procurement of international mainstream VR equipment manufacturers.

4. Deeply implement the internationalization strategy

In 2020, the epidemic will continue to spread overseas, affecting the laying of overseas communication networks, and having a short-term negative impact on the demand for communication equipment. Faced with the pressure of overseas markets in 2020, the company has increased its efforts to expand overseas markets on the premise of ensuring the health and safety of employees.

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Overseas business grew against the trend. In 2020, the company's overseas business revenue reached RMB 2.103 billion, compared with RMB 1.61 in 2019. Revenue increased by about 26.56%, and reached 25.57% of the company's overall operating income. The company is located in the Philippines, Peru, Thailand and other markets. Although the progress of the network engineering project is affected by the epidemic, it is still advancing, especially in the Philippines, where the company continues to cooperate with local cooperation to promote network construction, and successfully won the bid for China Telecom's local network laying project. The local team overcomes the epidemic, earthquake, flood and other difficulties, we successfully completed the phased project delivery at the time required by the customer, which helped the company's overseas communications network development. The development of the business has laid a solid foundation. In 2020, the revenue of overseas communication network engineering projects will reach 243 million yuan, an increase of 304.9%.

2. Main business situation during the reporting period

In 2020, the Group's operating income was approximately RMB 8.222 billion, an increase of approximately RMB 7.769 billion compared with approximately RMB 7.769 billion in 2019, an increase of 5.82%. The gross profit of the Group was RMB 1.788 billion, a decrease of 2.50% from RMB 1.834 billion in 2019, while the gross profit margin was 21.74% (2019: 23.60%).

(1) Main business analysis

1. Analysis table of changes in related subjects of income statement and cash flow statement

subject	Unit: Currency: RMB		
	Number of current period	Same period last year	Change ratio (%)
Operating income	8,221,542,967	7,769,175,495	5.82
Operating costs	6,433,899,209	5,935,648,889	8.39
Sales expense	370,922,594	347,325,663	6.79
Management costs	476,220,543	428,531,381	11.13
R&D expenses	414,571,192	413,538,214	0.25
Financial expenses	60,876,636	6,223,776	878.13
Net cash flow from operating activities	140,866,409	842,663,893	-83.28
Net cash flows from investing activities	-1,550,713,839	-667,072,798	not applicable
Net cash flow from financing activities	719,479,615	-720,928,044	not applicable

2. Revenue and cost analysis

√Applicable □Not applicable

The Group's annual operating income was approximately RMB 8.222 billion, an increase of approximately RMB 7.769 billion compared with approximately RMB 7.769 billion in 2019, an increase of 5.82%.

Divided by product segment, the total revenue of approximately RMB 2.953 billion comes from the optical fiber preform and the optical fiber segment, compared to 2019. Approximately RMB 2.508 billion increased by 17.72%, accounting for 35.92% of the Group's revenue (2019: 32.29%); and the total amount was RMB 32.88 billion. The revenue of RMB 100 million came from the optical cable segment, which was a decrease of 17.85% compared to approximately RMB 4.002 billion in 2019, accounting for 39.11% (2019: 51.51%).

Other products and services contributed to total revenue of approximately RMB 1.98 billion, an increase of 57.38% from approximately RMB 1.259 billion in 2019. And accounted for 24.10% of the Group's revenue (2019: 16.20%), mainly due to the newly added consolidation scope this year, Sichuan Guangheng Communication Technology. The company contributed approximately RMB 500 million in revenue.

Divided by region, the total revenue of approximately RMB 6.119 billion came from domestic customers, which was approximately RMB 61.08 in 2019. RMB 100 million increased by 0.18% (2019: a decrease of 35.53%), accounting for 74.43% of the Group's revenue. The total amount in 2020 is approximately RMB 21.03 billion. The revenue of RMB 100 million was derived from overseas customers, an increase of 26.56% from approximately RMB 1.661 billion in 2019 (2019: a decrease of 11.91%). And accounted for approximately 25.57% of the Group's revenue.

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(1). Main business by industry, product, and region

Unit: Currency: RMB

Main business by industry						
sector	Operating income	Operating costs	Gross margin (%)	Operating income Increase from the previous year (%)	Operating costs Increase from the previous year (%)	Gross margin ratio Increase from the previous year (%)
Optical communication products	8,035,411,039	6,272,506,588	21.94	7.27	10.49	Decrease 2.27 Percentage point
Main business by product						
Sub-product	Operating income	Operating costs	Gross margin (%)	Operating income Increase from the previous year (%)	Operating costs Increase from the previous year (%)	Gross margin ratio Increase from the previous year (%)

				reduce(%)	reduce(%)	(%)
Optical fiber and optical fiber	Preform	2,952,996,546	1,965,524,009	33.44	17.72	31.66
						Decrease 7.04
						Percentage point
Optical cable		3,287,516,698	2,810,768,932	14.50	-17.85	-15.25
						2.63 reduction
						Percentage point
Other products and service		1,794,897,795	1,496,213,647	16.64	83.13	72.40
						Increase 5.19
						Percentage point
Main business by region						
Sub-region	Operating income	Operating costs	Gross margin (%)	Operating income Increase from the previous year reduce(%)	Operating costs Increase from the previous year reduce(%)	Gross margin ratio increase and decrease last year (%)
China Mainland	5,937,090,773	4,724,530,964	20.42	1.74	6.39	3.48 reduction
						Percentage point
other	2,098,320,266	1,547,975,624	26.23	26.77	25.18	Increase by 0.94
						Percentage point

Explanation of main business by industry, product and region
not applicable

(2). Analysis table of production and sales

□Applicable √Not applicable

(3). Cost analysis table

unit: yuan						
Sub-industry situation						
sector	Cost structure project	Current Amount	Account for this period		Same as last year	Current gold
			total cost	Amount of the same period last year	Period accounted for	Higher
			Proportion		Cost ratio	Year-on-year
			(%)		example(%)	illustrate
Optical Communication	Material	5,121,708,226	81.65	4,747,651,723	83.63	7.88
Optical Communication	Labor	399,373,442	6.37	272,628,725	4.8	46.49
Optical Communication	Manufacturing costs	751,424,920	11.98	656,926,188	11.57	14.38
By product situation						
Sub-product	Cost structure project	Current Amount	Account for this period		Same as last year	Current gold
			total cost	Amount of the same period last year	Period accounted for	Higher
			Proportion		Cost ratio	Year-on-year
			(%)		example(%)	illustrate
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YOFC 2020 Annual Report example(%)						
Optical fiber and light	direct material	1,325,425,773	67.43	925,988,810	62.03	43.14
Fiber preform						
Optical fiber and light	Direct labor	136,411,810	6.94	133,384,831	8.93	2.27
Fiber preform						
Optical fiber and light	Manufacturing costs	503,686,426	25.63	433,533,544	29.04	16.18
Fiber preform						
Optical cable	direct material	2,536,221,302	90.23	3,040,485,331	91.68	-16.58
Optical cable	Direct labor	125,284,642	4.46	118,068,825	3.56	6.11
Optical cable	Manufacturing costs	149,262,988	5.31	157,869,874	4.76	-5.45
other products	direct material	1,260,061,151	84.22	781,177,583	90.01	61.30
And service						
other products	Direct labor	137,676,990	9.20	21,175,068	2.44	550.18
And service						
other products	Manufacturing costs	98,475,506	6.58	65,522,769	7.55	50.29
And service						

Cost analysis and other explanations
not applicable

(4). Main sales customers and main suppliers

√Applicable □Not applicable

The top five customers have sales of RMB 2,058,828,200, accounting for 25.04% of the total annual sales; among the top five customers, the sales are related Fang's sales amounted to RMB 308,191,900, accounting for 3.75% of total annual sales.

The purchase amount of the top five suppliers was RMB 196,603,600, accounting for 28.79% of the total annual purchase; among them, the purchase amount of the top five su

The related party purchases amounted to RMB 1,639,593,300, accounting for 24.01% of the total annual purchases.

other instructions
not applicable

3. Cost

☒Applicable ☐Not applicable

unit: yuan			
project	2020 year	2019 year	Change range (%)
sales expense	370,922,594	347,325,663	6.79
Management costs	476,220,543	428,531,381	11.13
R&D expenses	414,571,192	413,538,214	0.25
Financial expenses	60,876,636	6,223,776	878.13
Asset impairment loss	45,091,143	33,325,145	35.31
Credit impairment loss	76,837,297	33,407,343	130.00

- (1) Reasons for the increase in sales expenses: due to the substantial increase in overseas operating income, the sales freight for this year increased compared with the previous year;
- (2) Reasons for the increase in administrative expenses: due to the increase in salary expenses this year compared with the previous year, and the addition of Sichuan Guangheng Co Technology Co., Ltd. is caused by a subsidiary within the scope of the company's consolidated statements;
- (3) Reasons for the increase in financial expenses: due to fluctuations in the exchange rate of the RMB against the US dollar, Indonesian rupiah, Mexican peso and South African Rand. Caused by the increase in exchange losses after the remeasurement of foreign currency assets or debts compared with the previous year;
- (4) The reason for the increase in asset impairment loss: the increase in the amount of inventory depreciation provision for this year due to the increase in inventory compared with the previous year.

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- (5) Reasons for the increase in credit impairment losses: due to the increase in the balance of accounts receivable, the amount of provision for bad debts this year increased compared with the previous year.

4. R&D investment

(1). R&D investment status table

☒Applicable ☐Not applicable

unit: yuan	
Expendable R&D investment in this period	414,571,192
Capitalized R&D investment in this period	0
Total R&D investment	414,571,192
Proportion of total R&D investment in operating income (%)	5.04
Number of company R&D personnel	862
The proportion of the number of R&D personnel in the total number of the company (%)	12.73
Proportion of capitalization of R&D investment (%)	0

(2). Description of the situation

☐Applicable ☒Not applicable

5. Cash flow

☒Applicable ☐Not applicable

unit: yuan			
project	2020 year	2019 year	Change range (%)
Net cash flow from operating activities	140,866,409	842,663,893	-83.28
Net cash flow used in investing activities	-1,550,713,839	-667,072,798	not applicable
Net cash flow from financing activities	719,479,615	-720,928,044	not applicable

- (1) Reasons for the decrease in net cash flow from operating activities: mainly due to the increase in the Group's operating receivables by approximately RMB 822.4 million, operating receivables increased by approximately RMB 246.4 million in the same period last year;
- (2) Reasons for the increase in net cash flow used in investment activities: Mainly because the Group's new debt instrument investment was approximately RMB 567.3 million, which was due to approximately RMB 275.7 million of new equity instrument investment;
- (3) Reasons for the increase in net cash flow from financing activities: Mainly due to the increase in the group's bank loan balance this year compared to the end of the previous year. Approximately RMB 600.34 million, while the balance of bank borrowings in the same period last year decreased by approximately RMB 412.53 million from the end of 2018 and This year, the company raised approximately RMB 498.46 million by issuing corporate bonds to professional investors.

(2) Explanation of major changes in profits caused by non-main business

☐Applicable ☒Not applicable

(3) Analysis of assets and liabilities

√Applicable □Not applicable

1. Assets and liabilities

project name					unit: yuan	
	The end of the current period	Current period Last account proportion (%)	End of last period	Total assets proportion (%)	Change at the end of the period Dynamic ratio (%)	At the end of the period Higher amount condition Say bright

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Money funds	1,444,270,151	9.11	2,123,861,315	15.42	-32.00
Transactional financial assets	891,831,588	5.62	9,902,598	0.07	8,906.04
bill receivable	274,422,718	1.73	232,508,205	1.69	18.03
accounts receivable	3,776,762,957	23.82	3,123,505,778	22.67	20.91
Receivables financing	138,133,247	0.87	95,235,940	0.69	45.04
Prepayments	199,027,986	1.26	120,994,458	0.88	64.49
Other receivables	143,998,093	0.91	109,599,839	0.80	31.39
stock	2,337,549,891	14.74	1,779,342,250	12.92	31.37
Other current assets	244,226,485	1.54	256,866,780	1.86	-4.92
Long-term receivables			16,000,000	0.12	-100.00
Long-term equity investment	1,636,031,916	10.32	1,495,444,610	10.86	9.40
Investment in other equity instruments	43,378,280	0.26	57,172,099	0.42	-27.63
Other non-current financial assets	45,378,370	0.29			not applicable
Fixed assets	3,694,140,835	23.30	3,650,781,975	26.50	1.19
Construction in progress	258,911,145	1.63	104,852,760	0.76	146.93
Right-of-use asset	76,251,881	0.48	64,400,158	0.47	18.40
Intangible assets	342,005,409	2.16	307,136,373	2.23	11.35
Goodwill	20,027,705	0.13			not applicable
Long-term prepaid expenses	9,129,148	0.06	5,046,886	0.04	80.89
Deferred tax assets	138,033,575	0.87	97,148,174	0.71	42.09
Other non-current assets	144,086,014	0.91	126,099,397	0.92	14.26
Total non-current assets	6,405,374,278	40.40	5,924,082,432	43.00	8.12
short-term loan	1,033,657,703	6.52	895,576,208	6.50	15.42
Bills payable	659,423,906	4.16	574,793,263	4.17	14.72
accounts payable	1,539,623,899	9.71	1,261,607,902	9.16	22.04
Contract liabilities	360,704,641	2.27	262,900,550	1.91	37.20
Employee compensation payable	252,632,361	1.59	219,940,848	1.60	14.86
Taxes payable	93,383,446	0.59	103,566,255	0.75	-9.83
Other payables	372,357,376	2.35	410,686,340	2.98	-9.33
Non-current due within one year	39,960,759	0.25	40,179,239	0.29	-0.54
Debt					
Other current liabilities	24,605,476	0.16			not applicable
Long term loan	524,700,000	3.31	42,000,000	0.30	1,149.29
Bonds payable	487,575,358	3.08			not applicable
Lease liability	58,456,419	0.37	48,585,433	0.35	20.32
Deferred income	260,265,226	1.64	166,769,940	1.21	56.06
Deferred income tax liabilities	11,448,729	0.07			not applicable
Other non-current liabilities	751,278,679	4.74	807,160,850	5.86	-6.92

other instructions

(1) The main reason for the decrease in monetary funds: this year's new transactional financial asset investment was approximately RMB 788.11 million;

(2) The main reason for the increase in transactional financial assets: this year's new investment in Hangzhou Zhongxin Wafer Semiconductor Co., Ltd. This was caused by RMB 250.00 million and the investment of approximately RMB 522.34 million in new trading financial assets of debt instruments;

(3) The main reason for the increase in the financing of receivables: at the end of the year, the amount of Due to a substantial decrease of approximately RMB 72.35 million at the end of the period;

(4) The main reason for the increase in prepayments: the increase in prepayments for equipment purchased for the delivery of the system integration project this year and from This year, due to the consolidation of the prepayment balance of the subsidiary Sichuan Guangheng Communication Technology Co., Ltd. within the scope of the newly added cons

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- (5) The main reason for the increase in other receivables: due to the newly increased receivables from related companies for labor services and equipment this year, approximately R
Due to
- (6) The main reason for the increase in inventory: the domestic market demand rebounded, the group increased the stock of preforms and optical fibers, and the
The scope of consolidation was caused by the consolidation of the inventory balance of Sichuan Guangheng Communication Technology Co., Ltd.;
- (7) The main reason for the decrease in long-term receivables: the balance of long-term receivables at the end of the year will be reclassified to other receivables due within 1 year
Caused by
- (8) The main reason for the increase in other non-current financial assets: this year's new investment in debt instruments with a maturity of more than one year was approximately R
Caused by one million yuan;
- (9) The main reason for the increase in construction in progress: the group headquarters building project and other projects under construction continued to increase investment in the
- (10) The main reason for the increase in goodwill: the Group acquired 51% of the shares of Sichuan Guangheng Communication Technology Co., Ltd. in the current period, and the
Due to the formation of goodwill through the fair value of identifiable assets and liabilities obtained in proportion;
- (11) The main reason for the increase in long-term deferred expenses:
Due to the consolidation of the balance of long-term deferred expenses;
- (12) The main reason for the increase in deferred income tax assets: the deductible temporaryity caused by asset impairment provision and deductible losses this year
The difference has increased significantly from the previous period, resulting in a substantial increase in the recognized deferred income tax assets;
- (13) The main reason for the increase in contract liabilities: some equipment and system integration projects received contract payments in advance, but the project has not yet been
Due to income
- (14) The main reason for the increase in other current liabilities: This year, the output tax included in the contract liabilities received in advance from customers was re-distributed
Due to other current liabilities;
- (15) The main reason for the increase in long-term loans: due to the increase in long-term loans due to the adjustment of the company's loan structure this year;
- (16) The main reason for the increase in bonds payable: due to the company's public issuance of corporate bonds to professional investors this year;
- (17) The main reason for the increase in deferred income: the government subsidy projects related to assets passed the acceptance inspection and transferred to the deferred income a
Caused by
- (18) The main reason for the increase in deferred income tax liabilities: due to the group's merger of enterprises not under the same control this year, Sichuan Guangheng Communic
It is caused by the recognition of deferred income tax liabilities due to temporary differences caused by the limited company.

2. As of the end of the reporting period, major asset restrictions

☒Applicable ☐Not applicable

As of December 31, 2020, Zhejiang Lianfei Optical Fiber and Cable Co., Ltd.

Houses and buildings worth RMB 51,276,467 and land use rights worth RMB 27,147,834 were mortgaged to the bank to guarantee their
credits.

3. Other instructions

☐Applicable ☒Not applicable

(4) Analysis of industry operating information

☒Applicable ☐Not applicable

Please refer to the "Industry Pattern and Trends" in the "Company's Discussion and Analysis on the Company's Future Development" in Section 4 of this report.

(5) Analysis of investment status

1. Overall analysis of foreign equity investment

☒Applicable ☐Not applicable

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The beginning balance of the company's long-term equity investment was 1,495,444,610 yuan, and the ending balance was 1,636,031,916 yuan, which was an increase from the
140,587,306 yuan, a change of 9.40%. The main reason for the change is: this year's newly-added associate company Yunhui Technology Co., Ltd.
This is due to the investment of RMB 144,852,068. For details of the company's long-term equity investment, please refer to Section 11 "VII. Consolidated Financial Statements" of
"17. Long-term equity investment" in "Project Notes".

(1) Significant equity investment

☐Applicable ☒Not applicable

(2) Significant non-equity investment
☐Applicable ☒Not applicable

(3) Financial assets measured at fair value
☒Applicable ☐Not applicable

During the reporting period, the company holds financial assets measured at fair value and the income obtained is as follows:

project name	Opening Balance	Ending balance	Current changes	unit: yuan
				Impact on current profits Impact amount
Transactional financial assets	9,902,598	891,831,588	881,928,990	93,817,488
Investment in other equity instruments	57,172,099	41,378,280	-15,793,819	
Other non-current financial assets		45,378,370	45,378,370	378,370
total	67,074,697	978,588,238	911,513,541	94,195,858

(6) Major assets and equity sales
☐Applicable ☒Not applicable

(7) Analysis of major holding companies
☒Applicable ☐Not applicable

Company Name	Registered capital (person shareholding	Business Scope	Total assets (ten thousand	Net assets (ten thousand	Operating income	
	Ten thousand yuan)		Proportion	Yuan)	Yuan)	(Ten thousand yu
Jiangsu Changfei Zhongli Optical Fiber and Cable Co., Ltd.	9,288.1	48.00%	Production and sales of optical cables	59,136.36	31,035.90	56,867.29
YOFC Optical Fiber and Cable (Shanghai) Co., Ltd.	10,030	75.00%	Production and sales of optical cables	51,659.10	32,837.35	54,599.29
Shenzhen Tefa Information Optical Fiber Co., Ltd.	38,652	35.36%	Production and sales of optical fiber	59,580.56	45,810.04	23,726.98
YOFC Xinyue (Hubei) Optical Rod Co., Ltd.	8 million yen	49.00%	Manufacture and sales of optical fiber preforms	113,737.17	66,883.80	47,231.07
AVIC Baosheng Offshore Engineering Cable Co., Ltd.	100,000	30.00%	Production and sales of cables	222,996.29	101,712.90	30,598.98

(8) Situation of structured entities controlled by the company

☐Applicable ☒Not applicable

3. The company's discussion and analysis on the company's future development

(1) Industry structure and trends

☒Applicable ☐Not applicable

(1) The pattern and trend of the optical fiber and cable industry

In 2020, the construction of domestic 5G mobile networks will be steadily advancing in accordance with the principle of moderate advancement; fixed networks are also moving forward. The fifth generation (5G) represented by PON, Wi-Fi 6, 200G/400G and other technologies; at the same time, unmanned driving, artificial intelligence, cloud computing, etc. will be widely applied. In the future, applications such as the industrial Internet will greatly promote the growth of data in the communication network and promote the development of the optical communication network. The construction of the letter network is expected to continue to accelerate.

In terms of 5G mobile networks, integrating 5G spectrum and corresponding coverage enhancement solutions, the number of 5G macro base stations is expected to reach 4G base stations 1.2-2 times of that. If the mobile network moves to a higher frequency band in the future, and small base stations are used indoors for network deployment, the number of base stations will reach tens of millions of levels. According to statistics from China Industry Information Network, it is estimated that during the period 2021-2023, domestic operators will build 800,000, 1.1 million, and 850,000 5G base stations respectively. At the same time, 5G package subscriptions of major domestic operators will reach 10.35 billion. The number of readers and the penetration rate have continued to increase, which has brought about a rapid growth of DOU. The DOU for the whole year of 2020 will reach 10.35G/

Regarding fixed networks, in the “Government Work Report” reviewed and approved by the Fourth Session of the 13th National People’s Congress on March 11, “Government

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The “big 5G network and gigabit optical network construction efforts” have been written into the key work in 2021. At present, the domestic fixed broadband network is speeding up. The pace of development has accelerated, and the promotion of gigabit broadband services has continued to advance. According to data released by the Ministry of Industry and Information Technology, the number of fixed Internet broadband access users with an access rate of 100Mbps and above has reached 435 million, accounting for the total number of fixed broadband users 89.9%; the number of users with access rates of 1000Mbps and above reached 6.4 million, a net increase of 5.53 million over the end of the previous year, but accounted for only 1.3%, and there is still a lot of room for development.

In the overseas optical fiber and cable market, according to the CRU report released in November 2020, due to the emergence of a new round of the epidemic in the fourth quarter and the implementation of strict prevention and control measures, overseas operators cannot provide the human resources. Conditions, the decline in the demand for optical cables in the second quarter after being hit by the epidemic could not be reversed. The global demand for optical cables has been hit. For the first time since 1999, there was a negative growth. But on the other hand, the epidemic is accelerating the digitalization process, fast and stable fixed and mobile communication. The importance of network connections has continued to increase, and network data traffic has continued to increase. According to the report released by CRU in February 2021, the expected average annual growth rates of optical cable demand in 2021 and 2022 are 6.2% and 7% respectively. With the gradual alleviation of the epidemic, North America, Europe, and Southeast Asia. With the active investment in 5G and fiber optic broadband networks in major regions such as Europe and Southeast Asia, the global fiber optic cable market demand is expected to grow by more than 10% in 2021.

(2) Data center industry pattern and trends

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At present, the construction of new domestic infrastructure is booming. In addition to 5G networks, industrial Internet, data centers and other fields also have broad market opportunities. According to the world's leading network solution provider Cisco, published in the Global Cloud Index 2016-2021, the report predicts that the global data flow will increase from 6.8ZB in 2016 to 20.6ZB in 2021, an average annual growth rate of 25%, and more than 70% of the data occurs inside the data center. This trend will drive the construction of data centers and promote optical communication equipment, multi-mode optical fiber, integrated wiring and other products and services.

According to data released by Synergy Research, an IT and cloud service market research organization, as of June 2020, the number of large-scale data centers has reached 541, of which the United States accounts for 30%, while China only accounts for about 9%. There is also a broad space for development. In April 2020, Alibaba Cloud announced that it will invest RMB 200 billion in the next three years for research and development of major core technologies such as cloud operating systems, servers, chips, networks, and future-oriented data center construction; 2020

In May 2005, Tencent announced that it would invest RMB 500 billion in the next five years for the further deployment of new infrastructure projects, including A number of large-scale data centers with a server scale of one million have been built successively across the country.

In the field of optical modules, according to data released by Nomura Research, the global optical module market for data communication and telecommunications markets The scale will maintain an average annual growth rate of 20% and 7% from 2019, and reach USD 12.1 billion and USD 5.6 billion respectively in 2025 Yuan. And high-speed optical module products including 400G and 800G will occupy a higher proportion in the market. Among them, 400G optical module Block sales are expected to achieve an average annual growth rate of 65% between 2019 and 2025.

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(2) Company development strategy

√Applicable □Not applicable

Adhering to the mission of "Wisdom Connecting a Better Life", the company implements strategic measures such as full business growth, diversification, and internationalization. Committed to becoming the world's leading provider of products and solutions in the field of information transmission and smart connection.

(3) Business plan

√Applicable □Not applicable

In 2021, the fiber optic cable market will continue to face price pressure. The company will strengthen its main business cost efficiency and international leadership in technology advantages, while increasing diversification and international expansion, providing products and solutions for 5G, industrial Internet and other application scenarios case.

Facing the competition and price pressure of ordinary optical cable products, the company will continue to maintain the leading production efficiency and cost in the industry. On the other hand, it will further promote new products and increase differentiated competitiveness. With the continuous deployment and new types of 5G networks. With the continuous development of applications, users' requirements for network quality will continue to increase. The company develops and manufactures ultra-low degradation fiber. Reduced effective area G.654.E fiber, new-type fiber with flat dispersion, ultra-small outer diameter bend-insensitive single-mode fiber and other new optical fiber products. It is at the international leading level and will be widely used in future network construction. At the same time, the company combines its own advantages in the module field, has successfully launched 5G fronthaul WMD and other related solutions, which will provide operators with comprehensive solutions case.

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In 2020, the company is the only enterprise in the domestic optical communications industry that has won the title of "Intelligent Manufacturing Benchmarking Enterprise" by the Ministry of Industry and Information Technology. In the field of industrial Internet, the company will actively carry out the exploration and practice of intelligent manufacturing transformation and upgrading, and the integrated development of industrial Internet. Through the implementation of the Internet of Things platform and cloud platform projects, the introduction of industrial Internet ideas and technologies, relying on intelligence with The application of chemical equipment, the management and control of the manufacturing execution system, and the support of the intelligent process system to realize the high-end And quality traceability, digital management of production performance, and then realize the integration of business management and manufacturing process control, data-driven lean Production and agile manufacturing to achieve the goal of building a leading "digital collaborative manufacturing platform capability" in the optical communications industry, and for Promotable development experience, dedicated to promoting the upstream and downstream of the industrial chain and cross-industry and cross-regional applications.

In terms of diversification, the company will vigorously expand its competitiveness in the fields of optical modules, system integration, integrated wiring, and active optical components. Provide new momentum for the company's sustainable development. In terms of internationalization, under the guidance of the "Belt and Road" policy, the company will focus on overseas Aiming at emerging market regions such as Southeast Asia, Africa, South America, etc., which have huge market demand for optical fiber and cable, and cooperate with the implementation. According to the relevant plans of the letter network, complete the international production capacity layout and sales coverage, expand the communication network engineering projects.

(4) Possible risks

√Applicable □Not applicable

1. Market risk

Before the arrival of large-scale 5G construction, the growth rate of domestic customer demand slowed rapidly, while the production capacity of preforms, optical fibers and optical cables. In the long term, increasingly fierce market competition has led to a sharp drop in the prices of optical fibers and cables, and the industry is facing the risk of changes in the structure. If the company fails to maintain a leading position in the market competition, or the price of terminal products continues to fall, the company's operating results may face disadvantages. Influence.

2. Policy risk

At present, the 5G construction and the "Belt and Road" strategies that the country is vigorously promoting constitute a good industry for the company's business development environment. The company's main customers are telecom operators, and the investment needs of operators constitute the main driving force for the company's development. In view of the comprehensive influence of the cyclical fluctuations of the macro economy, the speed of economic development and other factors, the state's investment in communication Business policy adjustments, or operators' investment in 5G less than expected, will have a negative impact on the company's business development.

3. Overseas risks

The company has been actively developing foreign markets for a long time. The "One Belt, One Road" strategy has brought new opportunities for enterprises to "go global", but Most of the countries along the route are emerging economies and developing countries. The construction environment and level of construction are uneven. Some countries have political Risks such as war, policy and economic fluctuations. At the same time, the financial, legal, fiscal and taxation of overseas countries are quite different from China, and the exchange Large fluctuations will also increase the complexity of overseas operations. In addition, the current pneumonia epidemic caused by the new coronavirus is still spreading overseas. The epidemic prevention and control measures are still continuing, and the uncertainty of short-term overseas demand and the progress of operator's network deployment has increased. Will increase the uncertainty and risk of the company's overseas business and overseas investment.

4. Financial risk

With the expansion of the company's scale, the demand for working capital has increased rapidly along with the expansion of the business scale. Moreover, the company's bills The total amount of accounts receivable and accounts receivable is relatively large. If it cannot be recovered on time and bad debt losses occur, it may adversely affect the company's ring.

5. Technology upgrade risk

With the further development of the fiber optic cable market at home and abroad and the upgrading of fiber optic cable products, if the company's new technology and new Products that cannot be successfully developed in time, or deviations in the grasp of technology, products and market trends will weaken the company's technical advantages And competitiveness. In addition, with the development of various technologies, if other competitors have successfully developed new technologies that effectively replace existing And it is quickly applied to the production and manufacturing of optical fiber and cable products, which will also have a greater adverse impact on the company's operating performance

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6. New business development risk

The company continues to develop related diversified businesses. In addition to the upstream and downstream industrial extensions of preforms, optical fibers, and optical cable Test the cultivation and incubation of new businesses in related fields of optical communications. If the development of the new business fails to meet expectations, it will also impact Into an adverse effect.

(5) Other

☐Applicable ☒Not applicable

4. Circumstances and reasons why the company did not disclose in accordance with the standards due to non-applicable standards or special reasons such as state secrets and trade secrets

☐Applicable ☒Not applicable

Section 5 Important Matters

1. The plan for the distribution of common stock profits or the capitalization of the capital reserve

(1) The formulation, implementation or adjustment of the cash dividend policy

☒Applicable ☐Not applicable

The company implements a continuous, stable, scientific and active profit distribution policy, attaches importance to a reasonable return on investment to shareholders, and maintains The continuity and stability of the distribution policy. The company's "Articles of Association" stipulates the principles of profit distribution, the conditions for the implementation of The decision-making mechanism and procedures for the ratio, differentiated cash dividend policy, profit distribution and policy adjustments are stipulated. Relevant terms meet China Securities Regulatory Commission "Notice on Further Implementing Issues Related to Cash Dividends of Listed Companies", "Listed Companies Supervision Guidelines No. —Relevant requirements of "Cash Dividends of Listed Companies".

The company's 2020 profit distribution plan is based on the total share capital on the equity registration date when the A cash dividend of RMB 2.16 (tax included) is distributed for every 10 shares. As of December 31, 2020, the company's total share capital is 757,905,108 Based on this calculation, a total cash dividend of RMB 163,707,503 will be distributed. This dividend will not be given out, nor will the capital reserve be transferred to increase Equity, and the remaining undistributed profits are carried forward to the next year. The profit distribution plan still needs to be reviewed and approved by the company's shareholders

(2) The company's common stock dividend distribution plan or plan for the past three years (including the reporting period), and the capital reserve conversion plan or plan

Unit: Currency: RMB

Dividends year	Consolidation of dividends			Attributable to	
	Attributable to listed companies			Attributable to listed companies	
	Every 10 shares	For every 10 shares	For every 10 shares	Attributable to listed companies	Attributable to listed companies
	Number of bonds	Dividend (yuan)	Increase	Amount	Ratio of net profit
	(share)	(Tax included)	(share)	(Tax included)	Shareholder's net profit
					Run
					Rate(%)
2020 year	0	2.16	0	163,707,503	543,677,809
2019 year	0	3.18	0	241,013,824	801,225,042
2018	0	7.50	0	568,428,831	1,489,185,053

(3) Repurchase shares in cash and included in cash dividends

☐Applicable ☒Not applicable

(IV) During the reporting period, it was profitable and the parent company's profit available for distribution to ordinary shareholders was positive, but no cash profit distribution plan

In the case of a plan, the company shall disclose in detail the reason, the purpose of the undistributed profit and the use plan

☐Applicable ☒Not applicable

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2. Implementation of Commitments

(1) Commitments made by the company's actual controllers, shareholders, related parties, acquirers, and the company and other related parties during the reporting period or continuing
√Applicable □Not applicable

promise background	Inherit kind type	Promise party	promise content	Committed time And deadline	Is there Performance limit	whether period strict fulfill	If it fails Fulfilment Unfinished des Fulfilled specific reason
And the first Second father share Development Behavior Off promise	share	Companies holding more than 5%	The company's shares will not be transferred within 36 months from the date when the company's shares are listed on the Shanghai Stock Exchange	Since the company's shares are listed on the Shanghai Stock Exchange	Yes	Yes	Completed
	share	China Hua	Or entrust others to manage the company's shares directly and indirectly held by the holder	the higher			Completed
	limit	Xin, Yangtze River Communication	The company will not repurchase this part of the shares. 2. After the lock-up period expires, the company	From the 30th			Completed
	Sell		If the holdings are reduced within two years, the price at which the holdings are reduced shall not be lower than the issue price; after the 20 consecutive trading days of stocks within 6 months (except for company stocks that are suspended throughout the day)	Three days			Completed
			The closing price is lower than the issue price, or at the end of the 6-month period and the company's domestic listing	And the company's domestic listing			Completed
			If the closing price is lower than the issue price, the lock-up period of the stock held by the shareholder will be automatically extended 6 Months. During this period, the company's stocks have dividends, bonuses, and public reserve funds.	Hold by the shareholder			Completed
			For ex-rights and ex-dividend matters such as share capital and allotment, the issue price will be subject to ex-rights and ex-dividends. Should be adjusted.				Completed
		In July 2018 at	1. Twelve months from the day when the company's shares are listed on the Shanghai Stock Exchange and the second half of the company's	highly stock exchange and the second half of the company's			Completed
		The company's directors, high	During the year, I will not transfer or entrust others to manage my directly and indirectly held shares	directly held shares			Completed
		Senior management staff Yao Jie	The company's shares are not repurchased by the company. Domestically listed	From the company's stock			Completed
Off promise	Sell	village Dan , Frank	Twelve months after the	Period to leave			Completed
		Franciscus Dorjee, bear	I directly and indirectly hold 25% of the company's total shares. Second, the	Half a year			Completed
		Xiang Feng, Zheng Huili, Peter	If the company's A-shares are reduced within two years after the lock-up period expires, the price of the reduction	the price of the reduction			Completed
		Johannes Wijnandus	Not lower than the issue price. During this period, the company's stocks have dividends, bonuses, and public offerings.				Completed
		Marie Bongaerts, Yan	In case of ex-rights and ex-dividend matters such as the conversion of reserve funds into share capital, allotments, etc., the issue price will				Completed
		Long Kun, Zhou Lijing, Liang	The ex-dividend rights are adjusted accordingly. Lock-up of company shares directly or indirectly held by me				Completed
		Ning, Luo Jie, Zheng Xin, Jiang	After the expiration of the time limit, when I reduce my direct or indirect holdings of the company's shares, I will follow				Completed
		Kang	Relevant laws and regulations and the rules of the stock exchange are carried out and implemented in a timely and accurate manner				Completed
			Information disclosure obligations.				Completed
	share	In July 2018, within twelve months from the day when the company's shares were listed on the Shanghai Stock Exchange or half of the employment period applicable					Completed

share limit	Supervisor Wang Rui	During the year, I will not transfer or entrust others to manage my directly and indirectly held public	After the lock-up period expires, I reduce my holdings	Yes	not applicable
Sell	spring	The company's shares are not repurchased by the company. Domestically listed with the company's stock	When holding company shares directly or indirectly, it will be in accordance with relevant laws and regulations and securities		
		Twelve months after the	The exchange's rules conduct and timely and accurately fulfill the obligation of information disclosure.		
share limit	Companies holding more than 5%	(1) Intention to hold shares As a shareholder of the company, the unit will continue to hold shares about the	Yes		not applicable
Sell	China Hua	The development prospects of the company and its industry, willing to hold company stocks for a long time. Book			
	Xin, Yangtze River Communication	The unit will be relatively stable and hold company shares for a long time. (2) Plans to reduce shareholding			
		1. If the unit intends to reduce its holdings after the lock-up period expires, it will strictly comply with it			
		The relevant regulations of the China Securities Regulatory Commission and the Shanghai Stock Exchange on shareholder reductions, (
		The need to determine the stock price, conduct business, and capital operation, and carefully formulate stock reduction plans			
		After the lock-up period expires, the shareholding will be gradually reduced, and the shareholding will be reduced within 12 months aft			
		The cumulative number of shares held does not exceed 5% of the company's total share capital, and the shareholding will be reduced w			
		The cumulative number of shares does not exceed 10% of the company's total share capital. 2. The company reduces its shareholding ir			
		The copy shall comply with the relevant laws, regulations, and rules. The specific methods include but not			
		Limited to exchange centralized bidding trading methods, block trading methods, and negotiated transfer parties			
		式等。 Equations and so on. 3. Before the company reduces its shareholding in the company, it should be given three trading days in a			
		Announcement, and timely and accurately fulfill the obligations of information disclosure in accordance with the rules of the Shanghai			
		Services; except when the company holds less than 5% of the company's shares. 4. If in			
		Within two years after the expiration of the lock-up period, if the unit intends to reduce its holdings, the reduction price shall not be low			
		Issuance price (refers to the issuance price of the company's domestic IPO shares.			
		After the company's domestic listing, dividends, bonuses, capitalization of public reserves, and allotment of shares occur			
		For ex-rights and ex-dividend matters, the issue price will be adjusted accordingly).			
		(3) Other matters 1. The share reduction plan made by the unit shall comply with the Chinese certificate			

The relevant regulations of the Supervisory Committee, Shanghai Stock Exchange and other regulatory authorities on the reduction of shares. If the relevant regulations issued by the regulatory authorities on the reduction of shareholder shares are less than the original holding plan, the unit will follow the revised regulations of the regulatory authorities. The unit will follow the revised regulations of the regulatory authorities. Plan to implement the reduction plan. 2. If the company needs to pay compensation to the company or investors, And must reduce the shareholding in order to compensate, what happens in these circumstances

		The reduction of shareholding does not need to comply with this shareholding reduction plan. 3. The unit promises to be strict in the future. According to this share reduction plan, if the unit violates this share reduction plan For share reduction, the unit will voluntarily bear the corresponding legal consequences, and in accordance with the supervision The method and amount of compensation determined by the administrative department or judicial authority are due to non-fulfillment of Loss to the company or investors.
That	Company; holding more than 5%	The company promises: In order to ensure the company's continuous and stable development and protect the interests of investors, the company will actively perform the obligation to increase the shareholding of the company as stipulated in the stock price stabilization plan. And urge the company to fulfill its share repurchase obligations as stipulated in the stock price stabilization plan. The relevant measures include but are not limited to the general meeting of shareholders and class shares The East Conference voted in favor. If the unit fails to perform the increase in accordance with the stable stock price plan Holding obligation, the unit will suspend receiving cash equivalent to the obligation to perform the holding increase obligation Dividends until fulfillment of these obligations. During the validity period of the stock price stabilization plan, the
he	China Hua	Within three years from the date of domestic listing and trading of the company's stock, if the company's A shares
	Letter, Yangtze River Communications	The closing price of the company's A shares was lower than the company's public disclosure for 20 consecutive trading days
	Directors, senior managers	The most recent audited period (refers to the audit in accordance with the Chinese Accounting Standards for Business Enterprises, the Same) net assets per share, that is, shareholders' equity in the audited consolidated statement divided by the company's The number of common stocks outside the bank (after the most recent audit base date, due to the distribution of cash The company's
		Audited net assets per share (after the most recent audit base date, due to the distribution of cash The company's
		The company's
		If there is a change in the total number of assets or shares, the net assets per share shall be adjusted accordingly),
		The company will start the stock price stabilization plan and fulfill the company's share price stabilization plan.
		obligation. If the company fails to fulfill the obligation to repurchase shares in accordance with the provisions of the stock price stabilization Business, the company will perform the repurchase obligations on the expiry date
		Freezing within 5 trading days is equivalent to the audit attributable to the
		10% of the company's shareholders' net profit
		promise. If the company fails to fulfill its obligation to stabilize stock prices, causing investors to lose,
		The company will compensate according to the method and amount determined by the regulatory authority or judicial authority
		Investor losses. Huaxin and Yangtze Communications, major domestic shareholders holding more than 5% of the shares
		Commitment: In order to ensure the company's sustainable and stable development, protect the interests of investors, self-disclosure
		Within three years from the date of domestic listing and trading of the company's stock, if the company's A
		For 20 consecutive trading days, the price is lower than the company's publicly disclosed latest audited
		Calculated net assets per share (after the most recent audit base date, due to the distribution of gold
		The company's net capital
		If there is a change in the total number of assets or shares, the net assets per share shall be adjusted accordingly), the capital
		The unit will actively perform the obligation to increase the shareholding of the company as stipulated in the stock price stabilization plan
		And urge the company to fulfill its share repurchase obligations as stipulated in the stock price stabilization plan.
		The relevant measures include but are not limited to the general meeting of shareholders and class shares
		The East Conference voted in favor. If the unit fails to perform the increase in accordance with the stable stock price plan
		Holding obligation, the unit will suspend receiving cash equivalent to the obligation to perform the holding increase obligation
		Dividends until fulfillment of these obligations. During the validity period of the stock price stabilization plan, the

The unit will not refuse to fulfill the stock price stabilization plan because it is no longer a major shareholder of the company Required obligations. Company directors and senior managers Ma Jie, Yao Jingming, Zhuang Dan, Xiong Xiangfeng, Zheng Huili, Yan Changkun, Zhou Lijing, Liang Guanning, Luo Jie, Zheng Xin, Jiang Zhikang and Zhou Rongrong promised to protect the investment The interests of investors, within three years from the date of domestic listing and trading of the company's shares, if the The closing price of the company's A shares was lower than the company's public disclosure for 20 consecutive trading days The most recent audited period (refers to the audit in accordance with the Chinese Accounting Standards for Business Enterprises, the Same) net assets per share, that is, shareholders' equity in the audited consolidated statement divided by the company's The number of common stocks outside the bank (after the most recent audit base date, due to the distribution of cash The company's

If there is a change in the total number of assets or shares, the net assets per share shall be adjusted accordingly), I will actively fulfill the obligation to increase the shareholding of the company as stipulated in the stock price stabilization plan (Except for independent directors and directors who do not receive remuneration from the company), the purchase price is not Higher than the company's most recent audited net assets per share and urge the company to perform The stock repurchase obligations stipulated in the stock price stabilization plan, the specific measures include but are not limited Vote in favor of the board of directors that is deliberating on relevant matters (if applicable). If I have not

Able to fulfill the obligation to increase shareholding in accordance with the stock price stabilization plan, I will be unable to perform the obligation. From the month holding the obligation, 30% of the monthly salary and cash dividends (such as Yes), the cumulative amount is equal to the amount that I should pay for fulfilling these obligations, directly To fulfill the obligation to increase holdings. During the effective period of the stock price stabilization plan, I will not be due to duty Refusal to perform the obligations stipulated in the stock price stabilization plan under circumstances such as change of business, resignation The company's foreign directors and senior executives Philippe Claude Vanhille, Pier Francesco Facchini, Frank Franciscus Dorjee, Peter Johannes Wijnandus Marie Bongaerts promise: To ensure the company's continuous and stable development Development, protect the interests of investors, three years from the date of domestic listing and trading of the company's shares If the closing price of the company's A shares is lower than the company's The most recent audit publicly disclosed (refers to Then audited, the same below) net assets per share, that is, shareholders' equity in the audited consolidated statement Divide by the number of common shares issued by the company (after the most recent audit base date, Due to the distribution of cash dividends, bonus shares, capitalization of capital reserves, additional issuance, etc. Leading to changes in the company's net assets or the total number of shares, the net assets per share shall be correspondingly

That he	Company directors, senior managers and personnel	Adjustments), if the Chinese laws and regulations and relevant policies in force at that time allow foreign Directors/senior managers open A-share securities accounts and buy and sell A-shares, As a foreign director/senior manager, I will pass Chinese laws and regulations Other directors/senior management required to perform and stabilize the stock price plan in an allowable manner The same obligation of the personnel to buy the company's shares to stabilize the company's A share price, buy The price is not higher than the company's most recent audited net assets per share, and urges public The company fulfills the share repurchase obligations stipulated in the stock price stabilization plan. Specific measures include But it is not limited to voting in favor of the board of directors that is deliberating on related matters (if applicable). remove In addition to the above-mentioned circumstances, if I fail to perform the increase in accordance with the stabilizing stock price plan Holding obligations, I will suspend receiving monthly 30% of salary and cash dividends (if any), the cumulative amount is equal to my performance The amount of such obligations to be paid until the obligation to increase holdings is fulfilled. In the stable stock price forecast Within the validity period of the case, I will not refuse to perform due to changes in position, resignation, etc. Obligations stipulated in the stock price stabilization plan.	Long-term effective	Yes	not applicable
		(1) I promise not to give to other units or individuals without compensation or without the company's approval. (2) I People convey benefits and do not use other methods to harm the company's interests. (2) I Commit to restraint on my duty consumption behavior. (3) I promise not to move Use company assets to engage in investment and consumption activities that are not related to the performance of their duties. (4) I promise the remuneration set by the board of directors or the nomination and remuneration committee The system should be linked to the implementation of the company's compensation measures. (5) If The company subsequently launched the company's equity incentive policy, and I promised that the company to be announced The conditions for the exercise of equity incentives should be consistent with the implementation of the company's compensation measures. Phase hook. (6) I will strictly abide by the compensation and return measures formulated by the company, Will be issued according to the future China Securities Regulatory Commission, Shanghai Stock Exchange and other regulatory agencies Relevant regulations, actively take all necessary and reasonable measures, Supervise and urge the implementation of the compensation measures formulated by the company.			
Domestic holdings of more than 5%	Domestic holdings of more than 5%	The unit and its controlled subsidiaries have not directly or indirectly engaged in the same business as the company's main business. The company's main business constitutes a business that competes in the same industry. This unit and its control	Long-term effective	Yes	not applicable
Decide same industry Compete	Major shareholders China Huafeng Yangtze Communications	The company has no undisclosed business that is the same or similar to the company's main business Operating assets and branches or controlling subsidiaries engaged in such businesses manage. Since the date of issuance of this letter of commitment, this unit and its controlled subsidiaries will not			

Content	Engage in or participate in new businesses that constitute horizontal competition with the company's main business. two, This unit and its controlled subsidiaries need to consider the further expansion of their business scope. Consider whether the new business may compete with the company's main business in the same industry. Such as this single Any business opportunities obtained by the company and its controlled subsidiaries from any third party If there is substantive competition with the company's main business, the company will promptly notify the company
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Company, and try to coordinate relevant enterprises to make the business opportunity in accordance with reasonable terms and conditions. The pieces are first provided to the company. This unit will urge itself and the subordinate companies under its control.

The industry is not directly or indirectly engaged in the company's main business, which may have substantial peers.

Competitive business. 3. If this unit and its controlled subsidiary companies conduct business with the company.

Transactions or the development of co-investment, joint ventures, etc., will be based on general commercial and market.

Fair terms and prices on the field. 4. The unit and its controlled subsidiaries.

If the industry violates the above commitments and causes losses to the company, the company will be compensated for its losses.

The actual loss. 5. The above promise to hold more than 5% of the company's shares in the company.

The period continues to be valid and is irrevocable.

untie	Company, Drake Technology	The business area of Drake Technology (and its affiliates) is Europe, North America and the Middle East except Israel (hereinafter referred to as "Draco Technology" (And its affiliates) business area"), and the company's business area is Asia (excluding two	Fixed-term	Yes	Yes	not applicable
Decide		Outside the Middle East, but including Israel) (hereinafter referred to as "the company's business area"); in Africa	Indefinite			
same		Zhouhe In addition to Drake Technology (and its affiliates) business area and company business area				
industry		In other regions outside the territory, Drake Technology (and its affiliates) and the company are independent				
Compete		Ways and ways of mutual coordination, continue to serve existing customers. Drake Technology (And its affiliates) can continue to serve in the "Optical Fiber Technology" in the company's business area				
Contend		"Technical Cooperation Agreement" was signed a few days ago, Drake Technology (and its affiliates) Existing customers who have sold products. If Drake Technology (and its affiliates) are in the public				
		Preforms, optical fibers and cables are sold in the company's business area.				
		Do not approach customers proactively, and coordinate with the company on new opportunities and challenges in the region,				
		And to promote the company's brand in Asia. If the company submits to Draco				
		Technology (and its affiliates)'s business area sells preforms, optical fibers and cables, and				
		The company only sells to the company's				
		Existing customers who have sold products. The division of the aforementioned business areas is in Drake Technology				
		The proportion of the company's equity held or controlled is less than 20% of the company's total share capital (not				

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untie	Companies, holding more than 10% company promises: 1. The company will not provide or	Long-term effective	Yes	not applicable
Decide	China Hua	Accepting related party funds, goods, services or other assets, or engaging in any		
shut	Xin, Yangtze River Communications	Actions that harm the interests of the company and shareholders. 2. The company will develop in the standard		
United		Under the premise, we will try our best to study practical and feasible methods, and strive to effectively reduce the existing associations		
pay		Transactions and avoid unnecessary related business dealings or transactions. 3. For		
easy		If there are related business contacts or transactions that are really needed, the company conducts transactions with related parties.		
		Yijun will follow the principles of equality, voluntariness, equivalence, and compensation to ensure fair transactions,		
		Fair, safeguard the legitimate rights and interests of the company and shareholders, and in accordance with laws and administrative law		
		Regulations, relevant regulations of the China Securities Regulatory Commission and stock exchanges and the company's articles of as:		
		The corresponding review procedures shall be disclosed in a timely manner. China Huaxin, Yangtze River Communications		
		Promise: 1. This unit will try its best to avoid and reduce the relationship with the company.		
		Easy; 2. For connected transactions that cannot be avoided or that occur for reasonable reasons, this		
		The unit will comply with relevant laws, regulations and normative documents as well as the company's company		
		The articles of association and the related party transaction system shall follow equal, voluntary, and equal paid		
		General business principles, sign a related party transaction agreement with the company and ensure related party transactions		
		The price is fair, and the price of related transactions does not deviate from the independent third party in the market in principle		
		Price or charging standards to protect the interests of the company and other shareholders, and		
		Perform transaction procedures and promotion in accordance with relevant laws, regulations and regulatory documents		
		The company fulfills the obligation of information disclosure; 3. This unit guarantees not to use the information in the company		
		Position and influence, damage the legality of the company and other shareholders through related transactions		
		Equity; 4. This unit will urge the company, enterprise or other business controlled by this unit		
		The operating entity abides by the above commitments. For example, due to this unit or a company or enterprise controlled by this unit		
		Business or other operating entities' failure to fulfill the above commitments and cause losses to the company.		
		The unit will compensate all the actual losses caused to the company; 5. The above commitments		
		Continuing to be effective during the unit's period as a major shareholder holding more than 5% of the company's shares,		
		And it is irrevocable.		

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(2) The company's assets or projects have profit forecasts, and the reporting period is still in the profit forecast period, the company's assets or projects

Whether the original profit forecast is reached and the reasons are explained

☐ reached ☐ not reached ☒ not applicable

(3) The completion of the performance commitment and its impact on the goodwill impairment test

☐ Applicable ☒ Not applicable

3. During the reporting period, the situation of capital occupation and the progress of clearing debts

☐ Applicable ☒ Not applicable

4. The company's explanation on the "non-standard opinion audit report" of the accounting firm

☐ Applicable ☒ Not applicable

5. The company's analysis and explanation of the reasons and effects of changes in accounting policies, accounting estimates or corrections of major accounting errors

(1) The company's analysis and explanation of the reasons and effects of changes in accounting policies and accounting estimates

☐ Applicable ☒ Not applicable

(2) The company's analysis and explanation of the reasons and impact of the correction of major accounting errors

☐ Applicable ☒ Not applicable

(3) Communication with the former accounting firm

☐ Applicable ☒ Not applicable

(4) Other explanations

☐ Applicable ☒ Not applicable

6. Appointment and dismissal of accounting firms

Unit: Currency: RMB

Currently hired

Name of domestic accounting firm	KPMG Huazhen Certified Public Accountants (Special General Partnership)
Remuneration of domestic accounting firm	4,700,000
Audit period of domestic accounting firm	4
	name remuneration
Internal control auditing accounting firm	KPMG Huazhen Certified Public Accountants (Special General Partnership)
Sponsor	China International Capital Corporation

Description of the appointment and dismissal of accounting firms

☒ Applicable ☐ Not applicable

On June 16, 2020, the company's 2019 Annual General Meeting of Shareholders reviewed and approved the "Renewal of the Appointment of KPMG Huazhen Certified Public Accountants (Special General Partnership) is the company's 2020 audit agency, agreeing to continue to hire KPMG Huazhen Certified Public Accountants (Special General Partnership) is the company's 2020 financial audit agency and internal control audit agency, and at the same time authorizes the management to determine its Audit related expenses.

Explanation of the situation of reappointing an accounting firm during the audit

☐ Applicable ☒ Not applicable

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7. Situations facing the risk of listing suspension

(1) Reasons leading to the suspension of listing

☐ Applicable ☒ Not applicable

(2) The response measures the company intends to take

☐ Applicable ☒ Not applicable

8. Situations and reasons facing the termination of listing

☐ Applicable ☒ Not applicable

9. Matters related to bankruptcy and reorganization

☐Applicable ☒Not applicable

X. Major litigation and arbitration matters

☐The company has major litigation or arbitration this year ☒The company has no major litigation or arbitration this year

11. Punishment and rectification of listed companies and their directors, supervisors, senior managers, controlling shareholders, actual controllers, and acquirers

Condition

☐Applicable ☒Not applicable

XII. Explanation of the integrity status of the company and its controlling shareholders and actual controllers during the reporting period

☒Applicable ☐Not applicable

The company has no controlling shareholders or actual controllers. During the reporting period, the company did not have failed to implement the court's effective judgment, a Bad integrity conditions such as large debts that have not yet been repaid.

13. The situation and impact of the company's equity incentive plan, employee stock ownership plan or other employee incentive measures

(1) Related incentive matters have been disclosed in the temporary announcement and there is no progress or change in subsequent implementation

☒Applicable ☐Not applicable

Overview of matters

Query index

The company held the second board of directors on December 14, 2019, please refer to the company's

At the 19th meeting, YOFC's Optical Fiber and Cable Unit was awarded the "2019 China Securities News, Securities Times, Securities Daily

The first phase of the company's employee stock ownership plan (the "YOFC Phase I Employee Stock Ownership Plan")

The proposal has been held by the company on February 21, 2019, announcement on Resolutions of the Nineteenth Meeting of the Second Session of the Board of Directors and YOFC

Deliberated and approved at the first extraordinary general meeting of the company on February 21, 2019, "YOFC Phase I Employee Stock Ownership Plan (Draft)"; the company launched in 2019

On May 8, 2019, the company's first phase of employee stock ownership plan was published in "China Securities Journal", "Shanghai Securities

Has passed the "CIC Wealth YOFC Phase I Employee Stock Ownership Plan" Securities Times", "Securities Daily" and Shanghai Stock Exchange website

Plan a single asset management plan" accumulatively bought (in the secondary market) 2,000,000 shares of YOFC Optical Fiber

2,000,000 H shares in the company, accounting for the company's total shares on the Resolutions of the Second Extraordinary General Meeting of Shareholders and the First Phase

0.26% of this, the average transaction price is 16.83 yuan per share. The company's publication on May 10, 2019

The total transaction amount was RMB 33,653,460.78. The company's publication in "China Securities News", "Shanghai Securities News", "Securities Times"

The first phase of the employee stock ownership plan has completed the purchase of 2,000,000 shares. The company's publication in "China Securities News", "Shanghai Securities News", "Securities Times"

The purchased shares will be locked in accordance with the relevant provisions of the "Measures for the Locking of Shares of Listed Companies"

From May 9, 2019 to May 8, 2020, cut Announcement on the completion of the stock purchase of the Industrial Shareholding Plan"

As of December 31, 2020, the cumulative H shares purchased above

2,000,000 shares of the stock have not yet been sold.

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(2) Incentives that are not disclosed in the temporary announcement or have follow-up progress

Equity incentive situation

☐Applicable ☒Not applicable

other instructions

☐Applicable ☒Not applicable

Employee stock ownership plan

☐Applicable ☒Not applicable

Other incentives

☐Applicable ☒Not applicable

14. Material related transactions

(1) Related party transactions related to daily operations

1. Matters that have been disclosed in the temporary announcement and have no progress or changes in subsequent implementation

☐Applicable ☒Not applicable

2. It has been disclosed in the temporary announcement, but there are progress or changes in subsequent implementation

☒Applicable ☐Not applicable

The maximum amount of daily connected transactions between YOFC and related related parties in 2020 has been approved by December 20, 2019.

The twenty-sixth meeting of the company's second board of directors held on January 23, 2020, and the second meeting of the company's third board of directors held on January 23

Meeting, the third meeting of the company's third board of directors held on March 27, 2020, and the

The first extraordinary general meeting of shareholders in 2020 and the 2019 annual general meeting of shareholders to be held on June 16, 2020 approved the approval of the company

The daily business of purchasing goods, selling goods and providing labor services between the parties has been estimated.

During the reporting period, the daily related transactions between the company and related parties are as follows:

			currency: RMB	
Related party	connection relation	Transaction Type	2020 year Estimated transaction amount	Actual during the reporting period Amount
YOFC Optical Fiber and Cable (Shanghai) Co., Ltd. manage	Joint ventures	Purchase goods	450,000,000	339,211,721
		Sales of goods and provision of services	350,000,000	193,845,748
Jiangsu YOFC Zhongli Optical Fiber and Cable Co., Ltd. company	Joint ventures	Purchase goods	370,000,000	231,919,991
		Sales of goods and provision of labor services	300,000,000	175,059,660
Sichuan Lefei Optoelectronics Technology Co., Ltd. Joint Venture		Purchase goods	800,000,000	504,774,378
		Sales of goods and provision of services	470,000,000	207,255,627
Aoxingguang Communication Equipment of Shantou High-tech Zone Limited company	Joint ventures	Purchase goods	350,000,000	219,718,478
		Sales of goods and provision of labor services	300,000,000	308,191,922
YOFC (Wuhan) Optical System Co., Ltd. company	Joint ventures	Purchase goods	10,000,000	8,595,014
		Sales of goods and provision of labor services	120,000,000	63,877,856
YOFC Xinyue (Hubei) Optical Rod Co., Ltd. manage	Joint ventures	Purchase goods	700,000,000	471,470,586
		Sales of goods and provision of services	150,000,000	144,108,885
Joint Venture of Shenzhen Tefa Information Optical Fiber Co., Ltd.		Purchase goods	80,000,000	7,787,612
		Sales of goods and provision of labor services	300,000,000	308,880,529
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			YOFC 2020 Annual Report	
Joint Venture of Wuhan Guangyuan Electronic Technology Co., Ltd.		Purchase goods	30,000,000	5,298,800
Wuhan Yunjingfei Optical Fiber Material Co., Ltd. manage	Joint venture	Purchase goods	50,000,000	26,415,633
AVIC Baosheng Offshore Engineering Cable Co., Ltd. company	Joint venture	Purchase goods	50,000,000	53,767
Draka Comteq Fibre BV	Major shareholder	Technology usage fee	25,000,000	18,601,261
Prysmian SpA and its affiliated companies manage	Major shareholder	Purchase goods	100,000,000	16,106,995
	Subsidiary of the same family	Sales of goods and provision of labor services	200,000,000	200,000,528
China Huaxin Post and Telecommunications Technology Co., Ltd. And its affiliates	Major shareholder	Purchase goods	200,000,000	91,775,390
	Subsidiary of the same family	Sales of goods and provision of services	600,000,000	154,274,782
Shanghai Nokia Bell Co., Ltd. Company and its subsidiaries	Major shareholder	Purchase goods	400,000,000	64,230,090
	Subsidiary of the same family			

3. Matters not disclosed in the temporary announcement

☐Applicable ☒Not applicable

(2) Related party transactions in the acquisition or sale of assets or equity

1. Matters that have been disclosed in the temporary announcement and have no progress or changes in subsequent implementation

☐Applicable ☒Not applicable

2. It has been disclosed in the temporary announcement, but there are progress or changes in subsequent implementation

☐Applicable ☒Not applicable

3. Matters not disclosed in the temporary announcement

☐Applicable ☒Not applicable

4. Where performance agreements are involved, the performance achieved during the reporting period shall be disclosed

☐Applicable ☒Not applicable

(3) Significant related transactions for joint external investment

1. Matters that have been disclosed in the temporary announcement and have no progress or changes in subsequent implementation

☐Applicable ☒Not applicable

2. It has been disclosed in the temporary announcement, but there are progress or changes in subsequent implementation

☐Applicable ☒Not applicable

3. Matters not disclosed in the temporary announcement

☐Applicable ☒Not applicable

(4) Related credit and debt transactions

1. Matters that have been disclosed in the temporary announcement and have no progress or changes in subsequent implementation

☐Applicable ☒Not applicable

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2. It has been disclosed in the temporary announcement, but there are progress or changes in subsequent implementation

☐Applicable ☒Not applicable

3. Matters not disclosed in the temporary announcement

☐Applicable ☒Not applicable

(5) Other

☐Applicable ☒Not applicable

15. Major contracts and their performance

(1) Custody, contracting, and leasing matters

1. Custody

☐Applicable ☒Not applicable

2. Contracting situation

☐Applicable ☒Not applicable

3. Lease situation

☐Applicable ☒Not applicable

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(2) Guarantee

√Applicable □Not applicable

Unit: Currency: R

The company's external guarantees (excluding guarantees to subsidiaries)										
Guarantor and Listed company Relationship	Guarantee occurs Amount guaranteed by the guarantor Date (Agreement Signing date)	guarantee Starting date	guarantee expiry date	Type of guarantee	Is the guarantee filled complete	Is the guarantee Overdue	Overdue guarantee Amount	Does it exist Counter-guarantee	Is it off? Amount	
Total amount of guarantees during the reporting period (excluding guarantees to subsidiaries)										
Total guarantee balance at the end of the reporting period (A) (excluding guarantees to subsidiaries)										
The guarantees of the company and its subsidiaries to its subsidiaries										
Total amount of guarantees to subsidiaries during the reporting period										1,204
Total balance of guarantees to subsidiaries at the end of the reporting period (B)										1,132
The total amount of company guarantees (including guarantees to subsidiaries)										
Total guarantee (A+B)										1,132
The proportion of total guarantees to the company's net assets (%)										
in:										
Amount of guarantee provided for shareholders, actual controllers and their related parties (C)										
Debt guarantee provided directly or indirectly for a guaranteed object with an asset-liability ratio of more than 70%										1,081
Amount (D)										
The amount of the total guarantee exceeding 50% of the net assets (E)										
The total amount of the above three guarantees (C+D+E)										1,081
Description of unexpired guarantees that may bear joint liability for repayment										
Description of guarantee										

(3) Entrusting others to manage cash assets

1. Entrusted financial management

(1) Overall situation of entrusted financial management

√Applicable □Not applicable

Unit: Currency: RM
Overdue unrecovered

type	Sources of funds	Amount	Unexpired balance
Bank wealth management products	temporarily idle raised funds/own funds	592,344,600	522,344,600

Other cases

□Applicable √Not applicable

(2) Individual entrusted financial management

√Applicable □Not applicable

Unit: Currency: RM

trustee	Entrusted financial management type	Entrusted financial management Forehead	Entrusted financial management Start date	Entrusted financial management Expiration date	funds management source	funds Cast towards	remuneration Sure Way	annualized rate of return	Expected receipt beneficial (If any)	actual Income or loss	Actual receipt go through Back to the situation	whether the future Trust mon program plan
Bank of China Wu	Guaranteed income	80,000,000	December 2019	2020 1	Temporarily idle	/	/	3.400%	/	238,466 retracted	Yes	
Han Province Sub-branch			Month 13	2020 2	Fund raising	/	/	3.400%	/	149,041 retracted	Yes	
Bank of China Wu	Guaranteed income	50,000,000	2020 1	2020 2	Temporarily idle	/	/	3.400%	/	63,123 retracted	Yes	
Han Province Sub-branch			Month 16	2020 5	Fund raising	/	/	3.600%	/			
Bank of China Wu	Guaranteed income	20,000,000	2020 4	2020 5	Temporarily idle	/	/	3.600%	/		Yes	
Han Province Sub-branch			Month 10	December 2020	Fund raising	/	/	3.147%	/			
Bank of China Wu	Structured deposits	100,000,000	December 2020	2021 1	private capital	/	/			Not expired	Yes	
Han Province Sub-branch			Month 7	On the 11th								

Ping An Bank Wu	Guaranteed Linked Exchange	50,000,000	December 2020	2021 4
Hanguang Valley Securities	Structured deposits	20,000,000	2020 11	Month 1
Bank of China Han	Structured deposits	20,000,000	2020 11	2021 1
Chuan Branch				Month 4
Scotiabank of Peru	Floating income type	352,344,600	2020 8	
Row			Month 14	

private capital	/	/	3.400%	/	Not expired	Yes
private capital	/	/	3.147%	/	Not expired	Yes
private capital	/	/	float	/	Not expired	Yes
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Other cases
☐Applicable ☒Not applicable

(3) Provision for impairment of entrusted financial management
☐Applicable ☒Not applicable

2. Entrusted loans

(1) Overall situation of entrusted loans
☐Applicable ☒Not applicable
Other cases
☐Applicable ☒Not applicable

(2) Individual entrusted loans
☐Applicable ☒Not applicable
Other cases
☐Applicable ☒Not applicable

(3) Provision for impairment of entrusted loans
☐Applicable ☒Not applicable

3. Other situations
☐Applicable ☒Not applicable

(4) Other major contracts
☐Applicable ☒Not applicable

16. Explanation of other important matters
☐Applicable ☒Not applicable

17. Active performance of social responsibilities

(1) Poverty alleviation work of listed companies
☐Applicable ☒Not applicable

(2) Social responsibility work
☒Applicable ☐Not applicable

As a leading company in the global optical communications industry, YOFC adheres to the mission of

The core values of "responsibility, innovation and win-win", adhere to the concept of "citizen participation" social responsibility, and are committed to becoming an outstanding corp. In 2020, as a company headquartered in Wuhan, the company will face the challenges of the epidemic and will carry forward the spirit of cohesiveness and determination.

Under the development "fast forward button". The company is one of the first batch of enterprises to resume work and production in Wuhan, quickly resume production and business. The internationalization strategy responds to the new development pattern of "domestic cycle as the main body, domestic and international dual cycle mutual promotion", internal and external constantly open up new space for high-quality development.

Please refer to the company's website on the Shanghai Stock Exchange on the same day for the company's performance of social responsibility in 2020 (Www.sse.com.cn) and the "Yangtze Optical Fiber and Cable Co., Ltd. Social Responsibility Report 2020" disclosed on the company's website.

(3) Environmental information

1. Description of the environmental protection situation of companies and their important subsidiaries that are key pollutant emission units announced by the environmental protection

√Applicable □Not applicable

(1) Pollutant discharge information

√Applicable □Not applicable

1. The Wuhan Municipal Environmental Protection Bureau defines enterprises that discharge more than 100 tons of hazardous waste as key pollutants. Company is located in Wuhan. The waste hydrofluoric acid emissions of the production facilities in 2020 will exceed 100 tons per year. Therefore, the Wuhan Municipal Environmental Protection Bureau defines the company as a key pollutant emission unit. Regulatory items.

2. In 2020, the company applied to the Wuhan Municipal Environmental Protection Administration for the transfer of hazardous waste (waste hydrofluoric acid) for 550 tons. As of December 31, 2020, the actual transfer volume was 205.52 tons, and the actual acid discharge volume was much smaller than the application volume.

3. The company strictly in accordance with the requirements of the hazardous waste management plan system, after reporting the waste hydrofluoric acid to the environmental protection department. All were handed over to the qualified unit Hubei Yongshao Technology Co., Ltd. for disposal, and the hazardous waste transfer procedures were handled.

(2) Construction and operation of pollution prevention facilities

√Applicable □Not applicable

The company attaches great importance to pollution prevention and management. After the company's production and living waste water and waste gas have been treated, various pollutants are all superior to the requirements of national environmental protection laws and regulations. The company always adheres to the production and management philosophy of environmental protection. Passed environmental management system certification.

Regarding the discharge of waste water, waste gas, solid waste and noise at the plant boundary, the company has

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Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes, the "Law of the People's Republic of China on the Water Pollution Prevention and Control Law of the People's Republic of China, provincial, municipal and local laws and regulations have formulated corresponding internal management measures in accordance with ISO14001 environmental management system. The company strictly implements the corresponding emission regulatory requirements, for each new, expansion and reconstruction projects all strictly implement the environmental impact assessment and the "three simultaneous" system of environmental protection.

1. Waste management: Regarding the management of solid waste, all hazardous waste generated will be handed over to a qualified unit for management. Disposal, the non-hazardous waste generated in production and operation is transferred to the material recovery unit for processing or recycling.

2. Wastewater discharge management: the company's drainage system is designed according to the principles of clean sewage diversion and rain and sewage diversion, and domestic sewage treatment plant treatment, production wastewater is treated by the sewage treatment station, and the pre-treated domestic sewage and production wastewater are mixed and discharged into the municipal sewage pipe network through standardized sewage outlets and enter the local municipal sewage treatment plant. Installed at the main outlet in conjunction with the online monitoring system of the network ensures the stable discharge of wastewater up to the standard.

3. Exhaust gas emission: The main sources of the company's exhaust gas emission are the acidic exhaust gas generated during pipe cleaning and the chlorine produced by the FAD process. As well as chlorine, hydrogen chloride and particulate matter produced by the VAD process. The company ensures that all kinds of waste gas of the project are treated by the purification system. Discharge after the second standard in the Comprehensive Emission Standard of Dyestuffs (GB16297-1996).

4. Noise management: With the growth of business, the company actively carried out corresponding measures to further reduce the noise at the factory boundary to reduce production noise. The impact of noise generated by the project's gradual superposition on surrounding residents. To this end, we are ensuring that the company's factory boundary noise reaches the national standard "Environmental Noise Emission Standards at Enterprise Plant Boundaries" (GB12348-2008), based on Category 3 and 4 standards, set higher internal control indicators. The company regularly identifies the highest noise sources, hires professional noise management companies to formulate plans, and implement noise reduction renovation projects.

(3) Environmental impact assessment of construction projects and other environmental protection administrative permits

√Applicable □Not applicable

During the reporting period, the company's production supporting gas supply station relocation project completed the environmental protection acceptance work, and the YOF approved the EIA comments. The above projects are required to complete environmental protection procedures in accordance with the requirements of the government management.

(4) Emergency plan for environmental emergencies

√Applicable □Not applicable

At present, the environmental emergency plan filed by the company with the environmental protection department is in its validity period, and the plan was not activated during

(5) Environmental self-monitoring plan

☒Applicable ☐Not applicable

Due to the epidemic, the company's production facility in Hubei did not arrange third-party environmental monitoring in the first quarter.

In the second, third and fourth quarters, environmental monitoring of major production facilities was arranged, and the monitoring results showed that all pollutants were better than
The company's environmental information has been published on the government's website in accordance with relevant regulations and the specific requirements of local government
Information public.

(6) Other environmental information that should be disclosed

☐Applicable ☒Not applicable

2. Description of the environmental protection situation of companies other than the key pollutant discharge units

☐Applicable ☒Not applicable

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3. Explanation of the reasons why companies other than key pollutant emission units did not disclose environmental information

☐Applicable ☒Not applicable

4. Explanation of the follow-up progress or changes in the environmental information disclosure during the reporting period

☐Applicable ☒Not applicable

(4) Other explanations

☐Applicable ☒Not applicable

18. Convertible corporate bonds

☐Applicable ☒Not applicable

Section 6 Changes in Common Shares and Shareholders

1. Changes in common stock

(1) Table of changes in common shares

1. Table of changes in common shares

During the reporting period, the total number of common shares and share capital structure of the company remained unchanged.

2. Description of changes in common shares

☐Applicable ☒Not applicable

3. The impact of changes in common stocks on financial indicators such as earnings per share and net assets per share in the most recent year and the most recent period (if any)

☐Applicable ☒Not applicable

4. Other content that the company deems necessary or required by the securities regulatory agency to disclose

☐Applicable ☒Not applicable

(2) Changes in restricted shares

☐Applicable ☒Not applicable

2. Securities issuance and listing

(1) Securities issuance as of the reporting period

☒Applicable ☐Not applicable

Unit: Share Currency: RMB

Stocks and derivatives Types of securities	issue date	Issue price Grid (or interest rate)	issue number	Listing date	Number of approved listing transaction quantity	transaction Transacted
Common stock	without	not applicable	not applicable	not applicable	not applicable	not applicable

Convertible corporate bonds, separate transaction convertible bonds, corporate bonds

YOFC Optical Fiber and Cable Co., Ltd. 2020 Public offering company to professional investors Bond (first tranche) Other derivative securities	August 27, 2020	3.5% RMB 500 million	September 3, 2020	RMB 500 million	August 28,
without	not applicable	not applicable	not applicable	not applicable	not applicable

Explanation of the issuance of securities as of the reporting period (for bonds with different interest rates during the duration, please explain separately):

☐Applicable ☒Not applicable

(2) The total number of common shares of the company, changes in the shareholder structure, and changes in the company's assets and liabilities structure

☒Applicable ☐Not applicable

On August 27, 2020, the company issued corporate bonds with a total face value of RMB 500.00 million to professional investors, with a maturity of 3 years and an issue price of 100.00%, and the total amount of raised funds is RMB 500.00 million. After deducting the underwriting costs of approximately RMB 1.54 million, the company actually received approximately RMB 498.46 million.

As of December 31, 2020, the company's total assets were 15,855,597,394 yuan, net assets were 9,385,523,416 yuan, total liabilities were 6,470,073,978 yuan, and the debt-to-assets ratio was 40.75%.

(3) Existing internal employee shares
□Applicable √Not applicable
3. Shareholders and actual controllers

(1) Total number of shareholders
As of the end of the reporting period, the total number of ordinary shareholders (households)
The total number of ordinary shareholders (households) at the end of the previous month before the disclosure of the annual report
The total number of preferred shareholders whose voting rights have been restored as of the end of the reporting period (households)
The total number of preferred shareholders whose voting rights were restored at the end of the previous month before the disclosure of the annual report (households)

(2) As of the end of the reporting period, the top ten shareholders and top ten tradable shareholders (or shareholders with unrestricted sales conditions) shareholding status table

Shareholding of the top ten shareholders								YOFC 2020 Ann	
Shareholder name (Full name)	Increase or decrease during the reporting period	Number of shares held at the end of the reporting period quantity	Percentage of total shares (%)	Number of shares	Pledge or freeze situation			s	r
					Shares state	number	quantity		
China Huaxin Post and Telecommunications Technology Co., Ltd.	0	179,827,794	23.73	179,827,794	without	0	State-owned		
Dutch Drake Communication Technology Co., Ltd.	0	179,827,794	23.73	0	without	0	Foreign lega		
Hong Kong Securities Clearing (Nominees) Limited	-18,000	171,519,349	22.63	0	without	0	Foreign lega		
Wuhan Changjiang Communication Industry Group Co., Ltd.	0	119,937,010	15.82	119,937,010	without	0	State-owned		
Ningbo Ruitu Enterprise Management Consulting Partnership (Limited Partnership)	12,421,390	12,421,390	1.64	0	without	0	other		
China Resources Shenzhen International Investment Trust Co., Ltd.-China Resources Trust Shengli No. 5 Single fund trust	7,031,537	7,031,537	0.93	0	without	0	other		
Ningbo Ruiying Enterprise Management Consulting Partnership (Limited Partnership)	6,533,500	6,533,500	0.86	0	without	0	other		
Hong Kong Securities Clearing Company Limited	1,434,469	3,045,291	0.40	0	without	0	Foreign lega		
Ningbo Ruiqi Enterprise Management Consulting Partnership (Limited Partnership)	2,465,345	2,465,345	0.33	0	without	0	other		
Ningbo Ruiyue Enterprise Management Consulting Partnership (Limited Partnership)	1,698,910	1,698,910	0.22	0	without	0	other		
Shareholding status of the top ten shareholders with unrestricted sales conditions									
Shareholder name		The number of unrestricted shares held			Type and number of shar				qu
					type				
Dutch Drake Communication Technology Co., Ltd.		179,827,794			Overseas listed foreign shares			1	
Hong Kong Securities Clearing (Nominees) Limited		171,519,349			Domestically listed foreign shares			1	
Ningbo Ruitu Enterprise Management Consulting Partnership (Limited Partnership)		12,421,390			RMB ordinary shares				
China Resources Shenzhen International Investment Trust Co., Ltd.-China Resources Trust Shengli No. 5 Single Fund Trust		7,031,537			RMB ordinary shares				
Ningbo Ruiying Enterprise Management Consulting Partnership (Limited Partnership)		6,533,500			RMB ordinary shares				
Hong Kong Securities Clearing Company Limited		3,045,291			RMB ordinary shares				
Ningbo Ruiqi Enterprise Management Consulting Partnership (Limited Partnership)		2,465,345			RMB ordinary shares				
Ningbo Ruiyue Enterprise Management Consulting Partnership (Limited Partnership)		1,698,910			RMB ordinary shares				
Bank of China Limited-Wells Fargo China Securities State-owned Enterprises One Belt One Road Transactional Open Index		802,200			RMB ordinary shares				
Digital Securities Investment Fund									
Industrial and Commercial Bank of China Co., Ltd.-Cathay Pacific and China Securities refer to all communications equipment trading open		771,180			RMB ordinary shares				
Index Securities Investment Fund									

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Ningbo Ruitu Enterprise Management Consulting Partnership (Limited Partnership), Ningbo l
Description of the above-mentioned shareholders' connected relationship or concerted action (limited partnership), Ningbo Ruiqi Enterprise Management Consulting Partnership (Limited
Partnerships (limited partnerships) have common executive partners and there are related
Description of preferred shareholders whose voting rights have been restored and the number of shares held
Number of shares held by the top ten shareholders with restrictions on sales and restrictions on sales
√Applicable □Not applicable

Serial number	Name of shareholders with restricted sale conditions	Restricted sale	Conditions of listing and trading of restricted shares		Restrictions
		Conditional number of shares	Available trading hours	The number of newly listed shares	
1	China Huaxin Post and Telecommunications Technology Co., Ltd.	6,794,827,794	July 20, 2021	0	The company's stock is restricted for 36 months from the date of listing.
2	Wuhan Changjiang Communication Industry Group Co., Ltd.	19,937,010	July 20, 2021	0	The company's stock is restricted for 36 months from the date of listing.
Description of the above-mentioned shareholders' connected relationships: The above shareholders have no connected relationship or concerted action arrangement.					

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(3) Strategic investors or general legal persons become the top 10 shareholders due to the placement of new shares

☐Applicable ☒Not applicable

Fourth, the controlling shareholder and actual controller

(1) Situation of controlling shareholders

1 Legal person

☐Applicable ☒Not applicable

2 Natural person

☐Applicable ☒Not applicable

3 Special explanation on the situation that the company does not have a controlling shareholder

☒Applicable ☐Not applicable

The company does not have controlling shareholders and actual controllers. As of the end of the reporting period, shareholders holding more than 5% of the company's total shares are 3 companies, namely China Huaxin, Drake Technology and Yangtze River Communications, which hold 23.73%, 23.73% and 15.82% of the company's shares respectively. The company's shareholding structure is dispersed, a single shareholder cannot control the general meeting of shareholders, and there is no agreement or other security agreement between shareholders in which more than half of the voting rights of the company are controlled.

The company has a total of 12 directors. The directors recommended by the company's shareholders to the board of directors have a relatively balanced distribution of board seats. Among them, 3 directors recommended by China Huaxin, 3 directors recommended by Drake Technology, 2 directors recommended by Yangtze River Communications, single-shareholder cannot control the board of directors.

There is no concerted action relationship among shareholders holding more than 5% of the company's shares. As of the end of the reporting period, the board of directors of the company has issued a statement from the relevant shareholders on the existence of a concerted action relationship.

In summary, as of the release date of this report, the company's shareholding structure is decentralized, and a single shareholder cannot control the board of directors and the general meeting. There is no concerted action relationship between shareholders holding more than 5% of the company's shares. Relationships, agreements or other arrangements can actually control the subject of the company's behavior, so the company does not have controlling shareholders and actual controllers.

4 Index and date of changes in controlling shareholders during the reporting period

☐Applicable ☒Not applicable

5 Block diagram of the property rights and control relationship between the company and the controlling shareholder

☐Applicable ☒Not applicable

(2) Actual controller situation

1 Legal person

☐Applicable ☒Not applicable

2 Natural person

☐Applicable ☒Not applicable

3 Special explanation that the company does not have an actual controller

☒Applicable ☐Not applicable

Please refer to Section VI, IV. (1) 3. "Special Explanation of the Company's No Controlling Shareholders".

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4 Index and date of the actual controller change during the reporting period

☐Applicable ☒Not applicable

5 Block diagram of the property rights and control relationship between the company and the actual controller

☐Applicable ☒Not applicable

6 The actual controller controls the company through trust or other asset management methods

☐Applicable ☒Not applicable

(3) Other information about the controlling shareholder and actual controller

☐Applicable ☒Not applicable

5. Other corporate shareholders holding more than 10% of the shares

☒Applicable ☐Not applicable

Unit: Currency: RMB

Corporate shareholder name	Unit is responsible Person or statutory Representative	Founding date Expect	organization Code	Registered capital Book	Main business or management activities, etc.
China Huaxin Post and Telecommunications Technology Limited company	Yuan Xin	1993 January 21st	91110000100012711U	500,000 Ten thousand yuan	Technology development, technology promotion, technology transfer, technology consulting, technical services; engineering and technical research And experimental development; sales of computers, software and auxiliary Auxiliary equipment, communication equipment, household appliances, construction Materials; undertake communication engineering construction, contract overseas Mechanical and electrical engineering and domestic bidding engineering, import and export industry Services; computer system integration; computer system services Services; software development; business management; market research; Economic and trade consulting; business management consulting.
Draka Comteq BV (Netherlands) Drachton	not applicable	2004 May 14th	not applicable	Not applicable	to operate optical fiber, Optical cable, copper cable and optical cable, copper cable Parts business, management of other companies and companies, And provide financial support for the third party's debt Provide guarantees, and related or Business that is conducive to the above matters.
Xin Technology has Limited company)					
Wuhan Yangtze River Kunhai Communication industry Group shares Limited company	Xin Kunhai	1996 January 2 days	9142000030019146XY	19,800 Ten thousand yuan	Communication, semiconductor lighting and display, electronics, computing and computer technology and product development, research, production, Technical service and sales; communication engineering design, Construction (must hold a valid qualification to operate); correspondence letter Information consulting services; operating the company and member companies Export business and operating costs of self-produced products and technologies Principles required for scientific research and production of enterprises and member enterprises Auxiliary materials, instruments, machinery and equipment, spare parts Parts and technology import business (national limited company Business and the country's banned imports and exports of commodities and technologies Except technology); foreign investment; project investment.

Situation statement not applicable

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VI. Explanation of share restriction reduction

☐Applicable ☒Not applicable

Section 7 Preference Shares Relevant Situation

☐Applicable ☒Not applicable

Section 8 Directors, Supervisors, Senior Management and Employees

1. Shareholding changes and remuneration

(1) Changes in shareholding and remuneration of current and resigned directors, supervisors and senior executives during the reporting period

☒Applicable ☐Not applicable

Name	Position (Note)	sex	year of birth	term of office Start date	term of office Expiration date	The beginning of Number of shares	the end of the Number of shares	Within the year Increase or decrease Variation	Increase or decrease reason	Obtained from Pre-tax
										Total remuneration (Ten thousand Yuan)
Ma Jie	Chairman, Non-executive Director	Male	50	January 2017	January 2023					35.13
Guo Tao	Non-Executive Director	Male	51	January 2020	January 2023					31.23
Zhuang Dan	Executive Director, President	Male	50	January 2017	January 2023	2,350,000	1,762,500	-587,500	Personal reasons Indirect holding A shares	255.87
Philippe Claude Vanhille	Vice Chairman, Non-executive Director	Male	57	January 2017	January 2023					43.51
Pier Francesco Facchini	Non-Executive Director	Male	53	January 2017	January 2023					43.51
Frank Franciscus Dorjee	Non-Executive Director	Male	60	December 2013	January 2023	336,000	215,000	-121,000	Personal reasons Hold unlimited sale Overseas listing Foreign shares (H share)	43.51
Xiong Xiangfeng	Non-Executive Director	Male	56	December 2013	January 2023	705,000	528,750	-176,250	Personal reasons Indirect holding A shares	46.84
Lai Zhimin	Non-Executive Director	Female	52	January 2020	January 2023					42.94
Bingsheng Teng	Independent Non-Executive Director	Male	50	January 2020	January 2023					42.94

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										YOFC 2020 Annual Report
(Teng Binsheng)										
Liu Deming	Independent non-executive director	Male	64	January 2020	January 2023					44.43
Song Wei	Independent non-executive director	Male	56	January 2020	January 2023	200,000	200,000			42.94
Huang Tianyou	Independent non-executive director	Male	60	January 2020	January 2023					39.88
Li Ping	Chairman of the Board of Supervisors, Independent Supervisor	Male	67	January 2020	January 2023					25.73
Li Zhuo	Independent supervisor	Male	51	January 2020	January 2023					25.73
Jiang Zhikang	Employee representative supervisor	Male	59	January 2020	January 2023	723,000	542,250	-180,750	Personal reasons Indirect holding A shares	144.77
Peter Johannes Wijnandus Marie Bongaerts	Senior Vice President	Male	55	January 2020	January 2023	2,350,000	1,762,500	-587,500	Personal reasons Indirect holding A shares	186.92
Yan Changkun	Senior Vice President	Male	57	January 2020	January 2023	972,000	729,000	-243,000	Personal reasons Indirect holding A shares	178.44
Zhou Lijing	Senior Vice President	Female	48	January 2020	January 2023	294,000	220,500	-73,500	Personal reasons Indirect holding A shares	187.53
Zheng Xin	vice president	Male	52	January 2020	January 2023	308,000	231,000	-77,000	Personal reasons Indirect holding A shares	148.02
Nie Lei	vice president	Male	49	January 2020	January 2023	308,000	231,000	-77,000	Personal reasons Indirect holding A shares	141.53
Wang Ruichun	vice president	Male	45	January 2020	January 2023	617,000	462,750	-154,250	Personal reasons Indirect holding A shares	142.85
Liang Guanning	Chief Financial Officer and Secretary	Male	41	February 2017	January 2023	300,000	225,000	-75,000	Personal reasons Indirect holding	150.22

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										YOFC 2020 Ann
								A shares		
								Personal reasons		
Yao Jingming (resigned) Non-executive Director	Male	56	June 2015	January 2020	500,000	200,000	-300,000	Indirect holding	3.90	
								A shares		
								Personal reasons		
Zheng Huili (resigned) Non-executive Director	Female	61	December 2013	January 2020	705,000	528,750	-176,250	Indirect holding	(
								A shares		
Weï Weifeng (resigned) Independent non-executive director	Male	69	September 2014	January 2020					3.63	
Ye Xi'an (resigned) Independent non-executive director	Male	72	September 2014	January 2020					3.63	
Li Changai (outgoing) Independent non-executive director	Female	57	June 2015	January 2020					1.49	
								Personal reasons		
Roger (Note)	technical director	Male	55	December 2013	January 2020	863,000	647,250	-215,750	Indirect holding	
								A shares	145.15	
Zhou Rongrong (Note)	Director of Human Resources	Female	52	May 2017	January 2020	100,000	100,000		174.69	
total	/	/	/	/	/	11,631,000	8,586,250	-3,044,750	/	
									2,376.96	

Note: The company held the 2020 First Extraordinary General Meeting of Shareholders on January 17, 2020, and reviewed and approved the "Proposal on the General Election of the Company's Board of Supervisors and the Nomination of Candidates for Non-Employee Supervisors of the Third Board of Supervisors". On the same day, the meeting reviewed and approved the election of the employee supervisors of the third board of supervisors, the chairman of the board of supervisors, and the appointment of senior management personnel. For details, please refer to the "Yangtze Optical Fiber Optic Co., Ltd. Announcement of Fiber Optic Cable Co., Ltd. on the completion of the general election of the board of directors and the board of supervisors and the appointment of senior management personnel".

Note: From September 17, 2020 until the end of the term of the company's third board of directors, the company's chairman Mr. Ma Jie and director Mr. Guo Tao voluntarily waived the

Note: Mr. Zhuang Dan, Mr. Xiong Xiangfeng, Mr. Jiang Zhikang, Mr. Peter Johannes Wijnandus Marie Bongaerts, Mr. Yan Changkun, Ms. Zhou Lijing, Mr. Zheng Xin, Mr. Nie Lei, W Sheng, Mr. Liang Guanning, Mr. Yao Jingming, Ms. Zheng Huili, and Mr. Luo Jie through holding Ningbo Ruitu Enterprise Management Consulting Partnership (Limited Partner Limited partnership) indirectly holds the company's A shares; Ms. Zhou Rongrong holds the company's H shares through the company's employee stock ownership plan. The above share.

Note: According to the resolutions of the first extraordinary general meeting of shareholders in 2020, the first A-share class meeting in 2020, and the first H-share class meeting in 2020

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Name	main working experience
Ma Jie	Mr. Ma Jie is currently the director and general manager of China Huaxin Post and Telecommunications Technology Co., Ltd., the director of Shanghai Nokia Bell Chairman of Ann Network Technology Co., Ltd., director of ALE Holding and Anforsch Radio Frequency Systems. From 1998 to 2002, he served successively as Co., Ltd. Strategic Consulting and Investment Development Consultant, Director of Human Resources Department of Shanghai Bell Alcatel Mobile Communication Vice President and Executive Vice President of Ercate Co., Ltd. During the period, he also served as director of Shanghai Fuxin Communication Technology Development General Manager of Beijing Alcatel-Lucent Technology Co., Ltd. Mr. Ma Jie has been a director of the company since December 19, 2013, and the chairman of the And the chairman of the strategy committee, responsible for providing strategic opinions and suggestions on the company's operation and management.
Guo Tao	Mr. Guo Tao is currently the deputy general manager and secretary of the board of directors of China Huaxin Post and Telecommunications Technology Co., Ltd., and He successively served as assistant engineer and chief staff member of Shandong Provincial Construction Committee. From 2001 to 2010, he served successively in Director of the Human Resources Department, President's Office, and Strategy Department of the company. From 2010 to 2012, he served as the strategic director Head of Strategy and Investment at Bell Co., Ltd. From 2015 to May 2018, he successively served as senior vice president, executive vice president and supervisor Company strategy and innovation work. Mr. Guo Tao has served as a director of the company since January 17, 2020.
Zhuang Dan	Mr. Zhuang Dan has been the president of the company since September 2011, and is mainly responsible for the company's strategic development and planning and He joined the company in March 1998. From March 1998 to November 2001, he served as the assistant manager and manager of the finance department. From November Mr. Zhuang Dan has served as an executive director of the company since January 24, 2017.
Philippe Claude Vanhille (Philippine Lip Fanchy you)	Mr. Philip Vanhill has more than 25 years of experience in the optical fiber and cable industry. Since May 2013, he has served as the senior vice president of the Pry The group's global telecommunications business, and has served as the executive director of Draka Comteq BV (one of the company's major shareholders, hereinaf Mr. Hill also held various positions in several subsidiaries of Prysmian SpA (a company listed on the Milan Stock Exchange, stock code: PRYMY), including in 20 He has been a non-executive director of Draka Comteq Fibre BV since January, 2013; he has been a member of Comité de Contrôle de Draka Comteq France SAS Since October 2011, he has been the chairman of the board of Fibre Ottiche Sud Srl and has been a non-executive director of Prysmian Cables and Systems USA L Since June 2013, he has served as a non-executive director of Precision Fibre Optics Ltd (a joint venture company in which the Prysmian Group owns 50% of the s Served as the chairman of Europacable (European Trade Association) Communications Committee. Prior to taking up his current position, Mr. Philip Van Hill world

	In February, he served as a R&D engineer for Renault SA, mainly responsible for improving the engine components of the F1 fleet. In 1991, he switched to the optical fiber industry at Alcatel Cable France SA. For the past 22 years, Mr. Philip Vanhill has worked for Alcatel Cable France SA and Draka Holding NV, serving as senior operations and general manager position. After that, he switched to the energy, copper cable and optical fiber industries. When Prysmian SpA acquired Draka Holding NV in 2011, Mr. Philip Vanhill served as Director of Fiber Division. From January 2008 to June 2009, Mr. Philip Vanhill also served concurrently as Shenzhen SD Information Drake Optical Fiber Co., Ltd. Co., Ltd.), and served as the deputy director of the Prysmian Group's optical fiber business from July 2011 to May 2013. He was mainly responsible for the global sales and marketing of Prysmian cables. He also serves as the director of Draka Comteq France SAS. Mr. Philip Vanhill has served as a director of the company since December 19, 2013, and has assumed various duties. He serves as the vice chairman of the board of directors and a member of the strategy committee of the company, and is responsible for providing strategic opinions.
Pier Francesco	Mr. Pierre Facini has been a member of the board of directors of Prysmian SpA since February 2007. He is currently the chief financial officer, information technology and management affairs. Mr. Pierre Facini also held multiple positions in Prysmian SpA subsidiary companies, including Draka Comteq France SAS, Prysmian Cables et Systemes Italia S.p.A., etc.
Facchini (skin)	President of Comité de Controleo de France SAS and Silec Cable SAS, Chairman of the Council of Commissioners of PT Prysmian Cables Indonesia, Prysmian Telecomunicaciones S.L.U., etc.
El Fach	Chairman of the Board of Directors of Prysmian Cavi e Sistemi Srl and Director of Prysmian (China) Investment Company Ltd., Prysmian MKM Magyar Kabel Mfg Rt., etc.
Nepal)	Chairman of the Supervisory Board of KFT. Mr. Pierre Facini has served as a director of the company since January 24, 2017. Mr. Van Deyi joined the board of directors of Oman Cables Industry (SAOG) (a company listed on the Muscat Stock Market (stock code: OCAI) in March 2012. He served as the vice chairman of the board of directors from July 2015 to December 2014. Since April 2014, he has served as Randstad Holding NV (a company listed on the Amsterdam Stock Exchange under No.: RAND) member of the board of supervisors and chairman of the audit committee; since September 2016, he has served as a member of the board of supervisors of Randstad Holding NV.
Frank	Since July 2007, he has served as a member of the Supervisory Board of Fotowatio Renewable Ventures; since August 2017, he has served as a member of the Supervisory Board of Enbridge Energy Services Limited.
Franciscus	Chairman of the Nuclear Commission. Mr. Fan Deyi also served as the strategic director and director of Prysmian SpA from March 2011 to February 2014. Prior to joining Prysmian SpA, Mr. Fan Deyi had worked for Deloitte & Touche LLP (an international accounting firm), where he served as a partner from January 1995 to October 2009.
Dorjee (Fan • German and Italian)	Joined KPMG Accountant NV, an international accounting firm, and was appointed as a partner in January 1995. Van der Moelen joined Van der Moelen en Zonen B.V. (a Dutch equity trading company and one of the chartered securities firms of the New York Stock Exchange), served as chief financial officer and managing director from March 2010 to December 2009, served as the financial controller and member of the management committee of Draka Holding NV; from January 2010 to February 2014, served as Executive Officer and Chairman of the Management Committee; and served as strategic director and director of Prysmian SpA from March 2011 to February 2014.
Xiong Xiangfeng	Served as a director of the company and a member of the nomination and remuneration committee. Mr. Xiong Xiangfeng used to serve as Secretary of the Youth League Committee, Deputy Director of the Office of the Wuhan Research Institute of Posts and Telecommunications Science Technology Co., Ltd. (the company is listed on the Shanghai Stock Exchange, stock code: 600498), including positions from December 2002 to November 2005, Vice President of the Board of Directors, served as Vice President and Secretary of the Board from April 2002 to April 2005, and served as Vice President, Deputy Secretary of the Party Committee and Chairman of the Labor Union from April 2010 to April 2013; Pre-Since May 2014, he has been a director of the board of directors of Wuhan Yangtze Communication Industry Group Co., Ltd. Mr. Xiong Xiangfeng has been a director of the company since January 17, 2020.
Lai Zhimin	Ms. Lai Zhimin used to serve as Assistant General Manager and Deputy General Manager of the Financial Management Department of Fiberhome Communication Equipment Co., Ltd. He has been serving as the Chief Financial Officer of Wuhan Yangtze Communication Industry Group Co., Ltd., and vice president of Wuhan Yangtze Communication Industry Group Co., Ltd.
Bingsheng	He will serve as a director of the company on January 17, 2020. Mr. Binsheng Teng joined the Cheung Kong Graduate School of Business at the end of 2006 and is currently the Vice Dean and Professor of Strategy. Mr. Binsheng Teng has been working for more than ten years in the telecommunications equipment manufacturing industry, holding several senior management positions in major domestic and foreign communication equipment manufacturers.

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Teng (滕斌圣)	He taught at the George Washington University School of Business from 1998 to 2006. He was an associate professor of strategy and a doctoral supervisor. He enjoyed Mr. Teng Binsheng has served as an independent director of the company since January 17, 2020.
Liu Deming	Mr. Liu Deming is currently a professor at Huazhong University of Science and Technology, a member of the China Next Generation Internet Expert Committee, He is the director of the National Engineering Laboratory of Next Generation Internet Access System and the secretary general of Wuhan Internet of Things Industry Asked for advanced studies. He obtained his Ph.D. degree from Huazhong University of Science and Technology in 1999. He went to Nanyang Technological University Director of Sub-Engineering Department (now School of Optics and Electronic Information). Mr. Liu Deming has served as an independent director of the company
Song Wei	Mr. Song Wei has served as the chairman and chief partner of Haihua Tax Agents Co., Ltd. since 2001, and has served as the chairman of Haiwen Technology Co., Before that, Mr. Song Wei served as a chief staff member and assistant investigator of the Offshore Oil Taxation Administration of the Ministry of Finance from 19 Internal trainer of an international accounting firm; from 1995 to 1998, he served as an assistant investigator of the Foreign-related Taxation Management Department Repatriated to Hong Kong as a director of China International Tax Consulting (Hong Kong) Co., Ltd. Mr. Song Wei has served as an independent director of the company
Huang Tianyou	Mr. Huang Tianyou is currently Executive Director, Deputy General Manager and Chairman of Corporate Governance Committee of COSCO SHIPPING Ports Company Independent non-executive director of CIT Limited, all of the above companies are listed in Hong Kong. Mr. Huang Tianyou is also a member of Shanghai Fosun Pharmaceutical Independent non-executive director of Xinjiang Goldwind Technology Co., Ltd., which is listed in Hong Kong and Shenzhen. Mr. Huang Tianyou has served as an
Li Ping	Mr. Li Ping served as the chairman and executive officer of China Communications Services Corporation Limited (a company listed on the Hong Kong Stock Exchange) Director. Prior to this, he served as executive vice president of China Telecom Corporation Limited (a company listed on the Hong Kong Stock Exchange, stock code: A company listed on the stock exchange, stock code: CHL; also a company listed on the Hong Kong Stock Exchange, stock code: 941), vice chairman and chief operating And the predecessor of the Ministry of Information Technology) Deputy Director of the General Administration of Telecommunications. Mr. Li Ping served as an independent From January 2011 to January 2020, he served as the chairman of the nomination and remuneration committee of the company. Mr. Li Ping has served as a non-emergency Mr. Li Zhuo is currently a professor of economics at Wuhan University and the deputy director of the "Wuhan University Economic Development Research Center In August, he worked in Xiangfan Branch of China Real Estate Development Corporation, and later in Guangzhou Branch of People's Bank of China. Mr. Li Zhuo

Li Zhuo	He worked as an assistant professor until 2001, worked as an assistant professor until 2006, and has been a professor at Wuhan University since 2006. During this period, he was a visiting scholar at the University of Illinois at Urbana-Champaign, he was a visiting scholar at the University of Paris III in 2007. Mr. Li Zhuo served as an independent non-executive director of the company from September 2014 to January 2020. Mr. Li Zhuo has been a non-employee supervisor since January 2020. Mr. Jiang Zhikang currently serves as the director of the operation quality center of the company. Mr. Jiang Zhikang worked in Wuhan Research Institute of Posts and Telecommunications. Served as an assistant engineer in April. Mr. Jiang Zhikang joined the company in May 1990 and has served as an engineer, a chief engineer, an assistant to the manager, General Manager of the Management Center and General Manager of the Manufacturing Center. From April 2004 to April 2012, Mr. Jiang Zhikang was appointed as an associate company, now a wholly-owned subsidiary of the company and renamed Wuhan Changfei General Cable Co., Ltd., is the deputy general manager and served as employee supervisor of the company.
Jiang Zhikang	
Peter Johannes Wijnandus	Mr. Yang Bangka has more than 21 years of experience in the optical fiber and cable industry. Before joining the company, Mr. Yang Bangka has worked for Draka Marketing and sales manager, deputy general manager of optical fiber purchasing department, optical fiber commercial director, member of management committee. Served as the director of Prysmian SpA's optical fiber sales and marketing department and a member of the management committee of the Ministry of Commerce.

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Marie Bongaerts (Yang Bangka)	Mr. has served as the senior vice president of the company since January 17, 2020.
Yan Changkun	Mr. Yan Changkun has more than 28 years of experience in the optical fiber and cable industry and is the senior vice president and general manager of the product and sales department. Worked in the company and successively served as sales representative, technical manager, commercial manager, sales director, general manager of the optical fiber division. Since November 2012, he has served as the deputy general manager/vice president of the company. Mr. Yan Changkun has been serving as Senior Vice President of the company since January 2020.
Zhou Lijing	Ms. Zhou Lijing has more than 20 years of experience in the optical fiber and cable industry. She is the senior vice president of the company and the director of the optical fiber division. He has successively served as sales representative, supply chain manager, international business manager, sales director of optical fiber division, deputy general manager of the company. Since January 2017, he has served as the vice president of the company and concurrently served as the secretary of the board of directors until August 2018. Ms. Zhou Lijing has been serving as the senior vice president of the company since January 2020.
Zheng Xin	Mr. Zheng Xin has more than 21 years of experience in the optical fiber and cable industry and is the vice president and deputy general manager of the product and sales department. The company has successively served as the regional manager, the general manager of the Beijing office, the manager of the optical cable sales department, the deputy general manager of the company. From January to January 2017, he was appointed by the company as the general manager of Jiangsu Changfei Zhongli Optical Fiber and Cable Co., Ltd., a joint venture company. Division sales director. Mr. Zheng Xin has been the vice president of the company since January 17, 2020.
Wang Ruichun	Mr. Wang Ruichun is the vice president and general manager of the materials division of the company. Mr. Wang Ruichun worked in Changzhou Huichang Electronics Co., Ltd. From January to January 2002, he was engaged in the research of high-resolution liquid crystal light valve light guide layer at the Institute of Inorganic Non-metallic Materials, Chinese Academy of Sciences. Process engineer, chief engineer of the optical fiber department, technical manager of the optical fiber department, manager of the technical support department of the company. Director of Fiber Technology, General Manager of R&D Center, Deputy General Manager of Telecom Division. Mr. Wang Ruichun was appointed as the employee supervisor of the company. Chairman of the meeting. Mr. Wang Ruichun has been the vice president of the company since January 17, 2020.
Nie Lei	Mr. Nie Lei is the vice president of the company and the general manager of the international business center. Mr. Nie Lei worked in Hubei Shanda Industrial Development Co., Ltd. From October to October 1998, he worked in Hubei Foreign Economic and Trade Industrial Group Corporation. Mr. Nie Lei joined the company in November 1999. Senior sales representative of Guangzhou office, chief representative of Chengdu office, deputy general manager of sales center and manager of public network department. The company appointed as the sales director, deputy general manager and general manager of Jiangsu Changfei Zhongli Optical Fiber and Cable Co., Ltd., a joint venture company. Vice President of the company.
Liang Guanning	Mr. Liang Guanning is the chief financial officer and secretary of the board of directors of the company. Mr. Liang Guanning served as the audit manager of KPMG. From September 2008 to December 2010, he served as the financial manager of GCL-Poly Energy Holdings Co., Ltd. and the senior financial manager of its subsidiary. Served as the Chief Financial Officer of China Media Group from September 2012 to April 2015; Served as Chief Financial Officer of Sina Company from September 2015 to December 2016. Director. Mr. Liang Guanning joined the company in February 2017 as the chief financial officer; in August 2018, he also served as the secretary of the board of directors of the company.
Yao Jingming	From July 1986 to January 2013, Mr. Yao Jingming served as a software engineer, software development manager, technology development manager, customer service manager, General Manager, Vice President and Executive Vice President of the Business Department; From February 2013 to December 2018, he served as Deputy General Manager of the company. Director of Xin Communication Technology Development Co., Ltd.; Director and General Manager of Shanghai Xinhui Technology Co., Ltd. from July 2013 to present. director.

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Zheng Huili	Ms. Zheng Huili worked at Huazhong Information Technology Group Co., Ltd. from April 1988 to October 2005, as the deputy director of labor and personnel, the Chairman, Member of the Party Committee, Secretary of the Disciplinary Committee and Deputy Secretary of the Party Committee; from December 2005 to July 2012, she served as a non-executive director of the company.
Wei Weifeng	Mr. Wei Weifeng has served as the director and general manager of the Hong Kong consulting company Wanniangao Consulting Co., Ltd. and Fangyuan Enterprise Management Consulting Co., Ltd. Director and Chief Executive Officer of a limited company; from September 2014 to January 2020, he served as an independent non-executive director of the company.
Ye Xi'an	Mr. Ye Xi'an practised at Johnson Stokes & Master (a Hong Kong law firm, now known as Mayer Brown) from 1972 to 2004 and has now retired; from 1987 to 1995, he served as President of the Hong Kong Bar Association in 1991; Member of the Legislative Council from 1991 to 1995 (representing the functional constituency of the legal profession); Hong Kong University of Education) founding chairman of the school board; from September 2014 to January 2020, he served as an independent non-executive director of the company. Ms. Li Chang'ai has been teaching at the School of Accounting of Hubei University of Economics since 1988 and is currently a professor (Level 2) in the School of Accounting.

Li Changai	Independent director of Rural Commercial Bank Co., Ltd.; independent director of Wuhan Haite Biopharmaceutical Co., Ltd. since August 2015; served as independent director of Kaile Technology; from June 2015 to January 2020, he served as independent supervisor of the company.
Roger	Mr. Luo Jie is the director of the company's State Key Laboratory. Mr. Luo Jie served as an engineer and senior engineer of Wuhan Research Institute of Posts and From November 2011 to January 2020, he served successively as R&D manager, general manager and technical director.
Zhou Rongrong	Ms. Zhou Rongrong served as a civil servant of the Commercial Bureau of Jinchang District, Suzhou City from 1988 to 1997; from 1997 to 2003, she served as a B (Suzhou) Communication Equipment Co., Ltd., Wyeth Baigong (Suzhou) Pharmaceutical Co., Ltd. Human Resources Manager; from 2003 to 2006, he worked as a Minister of Resources; from 2006 to 2015, he served as the Asia-Pacific supply chain of American Standard Sanitary Ware and the Asia-Pacific Human Resources Served as the human resources director of Ningbo Huaxiang Electronics Co., Ltd.; since May 2017, he has served as the human resources director of the company.

Description of other circumstances

☐Applicable ☒Not applicable

(2) Share incentives granted by directors and senior managers during the reporting period

☐Applicable ☒Not applicable

2. The holdings of current and resigned directors, supervisors and senior executives during the reporting period

(1) Positions in shareholder units

☒Applicable ☐Not applicable

Name of incumbent	Name of shareholder unit	Positions held in shareholder units	Start date of tenure	Term end c
Ma Jie	China Huaxin Post and Telecommunications Technology Co., Ltd.	Managing Director	October 2017	
Guo Tao	China Huaxin Post and Telecommunications Technology Co., Ltd.	Deputy General Manager, Secretary of the Board of Directors	May 2018	
Philippe Claude Vanhille	Dutch Drake Communication Technology Co., Ltd.	executive Director	June 2013	

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Xiong Xiangfeng	President of Wuhan Changjiang Communication Industry Group Co., Ltd.	April 2013
Xiong Xiangfeng	Director of Wuhan Yangtze Communication Industry Group Co., Ltd.	May 2014
Lai Zhimin	Chief Financial Officer of Wuhan Changjiang Communication Industry Group Co., Ltd.	April 2013
Lai Zhimin	Vice President of Wuhan Yangtze Communication Industry Group Co., Ltd.	May 2015

Description of the position in the shareholder unit

(2) Employment in other units

☒Applicable ☐Not applicable

Name of incumbent	Name of other unit	Positions held in other units	Start date of tenure	Term end c
Ma Jie	Shanghai Nokia Bell Co., Ltd.	director	November 2012	
Ma Jie	Anflex Radio Frequency Systems Holdings Limited	director	November 2012	
Ma Jie	Zhongying Youchuang Information Technology Co., Ltd.	Chairman of the board	November 2012	
Ma Jie	Shanghai Huaxin Changan Network Technology Co., Ltd.	Chairman of the board	April 2014	
Ma Jie	ALEHolding	director	October 2014	
Guo Tao	Huaxin Changan Capital Investment Management Co., Ltd.	director	August 2018	
Zhuang Dan	YOFC Xinyue (Hubei) Optical Rod Co., Ltd.	Chairman of the board	May 2017	
Zhuang Dan	YOFC Optical Fiber and Cable (Shanghai) Co., Ltd.	Chairman of the board	May 2017	
Zhuang Dan	Jiangsu Changfei Zhongli Optical Fiber and Cable Co., Ltd.	director	May 2017	
Zhuang Dan	Vice Chairman of Shantou High-tech Zone Aoxingguang Communication Equipment Co., Ltd.	director	June 2017	
Philippe Claude Vanhille	Prysmian SpA (Draco's holding company)	Executive Vice President of Telecom Division	May 2013	
Philippe Claude Vanhille	Draka Comteq Fibre BV	director	January 2013	
Philippe Claude Vanhille	Draka Comteq France SAS	Supervisory committee members	June 2013	
Philippe Claude Vanhille	Fibre Ottiche Sud srl	Chairman of the Board	October 2011	
Philippe Claude Vanhille	Director of Prysmian Cables and Systems USA.LLC		June 2013	
Philippe Claude Vanhille	Precision Fibre Optics Ltd	director	June 2013	
Philippe Claude Vanhille	Europacable (European Trade association)	Chairman of the Communications Committee	May 2013	
Pier Francesco Facchini	Prysmian SpA (Draco's holding company)	Chief Financial Officer, Information Technology Director and executive Director	February 2007	
Pier Francesco Facchini	Draka Comteq France SAS	Chairman of the Supervisory Committee	October 2011	

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Pier Francesco Facchini	Prysmian Cables et Systemes France SAS	Chairman of the Supervisory Committee	March 2008
Pier Francesco Facchini	PT Prysmian Cables Indonesia	Chairman of the Council of Commissioners	March 2008
Pier Francesco Facchini	Prysmian Cavi e Sistemi Srl	director	April 2007
Pier Francesco Facchini	Prysmian Treasury Srl	director	April 2007
Pier Francesco Facchini	Prysmian (China) Investment Company Ltd.	director	May 2008
Pier Francesco Facchini	Prysmian MKM Magyar Kabel Muvek KFT	Chairman of the Supervisory Board	April 2008
Pier Francesco Facchini	Silec Cable SAS	Chairman of the Supervisory Committee	August 2018
Frank Franciscus Dorjee	Prysmian SpA (Draco's holding company)	consultant	March 2014
Frank Franciscus Dorjee	Randstand Holding NV	Supervisory committee members and audit committee members	April 2014
Frank Franciscus Dorjee	Koole Terminal BV (Zaandam, the Netherlands)	Supervisory committee members and audit committee members	September 2016
Frank Franciscus Dorjee	Fotowatio Renewable Ventures	Supervisory committee members	July 2017
Frank Franciscus Dorjee	Beacon Rail Lux Holding SARL	Supervisory committee members and audit committee members	August 2017
Xiong Xiangfeng	Wuhan Yangtze Communication Intelligent Technology Co., Ltd.	Chairman of the board	February 2017
TENG Bingsheng (滕斌圣)	Haisco Pharmaceutical Group Co., Ltd.	Independent non-executive director	January 2017
TENG Bingsheng (滕斌圣)	Aoshikang Technology Co., Ltd.	Independent non-executive director	January 2018
TENG Bingsheng (滕斌圣)	Wanda Hotel Development Co., Ltd.	Independent non-executive director	March 2019
TENG Bingsheng (滕斌圣)	Litian Pictures Holdings Co., Ltd.	Independent non-executive director	May 2020
TENG Bingsheng (滕斌圣)	Cheung Kong Graduate School of Business	associate dean	December 2006
Liu Deming	Wuhan Optics Valley Aoyuan Technology Co., Ltd.	director	March 2016
Liu Deming	Wuhan Optics Valley Optics Network Technology Co., Ltd.	Chairman of the board	November 2015
Liu Deming	Henan Shijia Photonics Technology Co., Ltd.	Independent director	June 2018
Song Wei	Haihua Tax Agent Co., Ltd.	Chairman and Chief Partner	2001
Song Wei	Haiwen Technology Co., Ltd.	Chairman of the board	Year 2008
Huang Tianyou	COSCO SHIPPING Port Co., Ltd.	executive Director	July 1996
Huang Tianyou	China Zhengtong Automotive Services Holdings Limited	Independent non-executive director	November 2010

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Huang Tianyou	IT Limited	Independent non-executive director	August 2007
Huang Tianyou	JS Global Life Co., Ltd.	Independent non-executive director	October 2019
Huang Tianyou	Independent non-executive director of Shanghai Fosun Pharmaceutical (Group) Co., Ltd.		June 2015
Huang Tianyou	Bank of Qingdao Co., Ltd.	Independent non-executive director	April 2015
Huang Tianyou	Huarong International Financial Holdings Co., Ltd.	Independent non-executive director	October 2015
Huang Tianyou	Xinjiang Goldwind Technology Co., Ltd.	Independent non-executive director	October 2016
Jiang Zhikang	Wuhan Guangyuan Electronic Technology Co., Ltd.	Supervisor	April 2014
Yao Jingming	Shanghai Fuxin Communication Technology Development Co., Ltd.	director	December 2012
Yao Jingming	Shanghai Xinhui Technology Co., Ltd.	Managing Director	July 2013
Yao Jingming	Shanghai Fuxin Venture Capital Co., Ltd.	director	January 2016
Yao Jingming	Shanghai Huaxin Changan Network Technology Co., Ltd.	director	April 2014
Yao Jingming	Watson Sam (Chengdu) Technology Co., Ltd.	Chairman of the board	December 2014
Yao Jingming	Xinhui Technology Development Co., Ltd.	Chairman of the board	June 2013
Wei Weifeng	Bosideng International Holdings Limited	Independent non-executive director and audit committee member	September 2007
Wei Weifeng	Powerlong Real Estate Holdings Limited	Independent non-executive director and audit committee member	June 2008
Wei Weifeng	Bawang International (Group) Holdings Co., Ltd.	Independent non-executive director, audit committee Chairman, Nomination Committee and Committee members	December 2008
Wei Weifeng	H&H International Holdings Limited	Independent non-executive director, audit committee Chairman, Nomination Committee and Committee members	July 2010
Wei Weifeng	Capital Juda Co., Ltd.	Independent non-executive director, audit committee Chairman, Remuneration Committee and Committee members	September 2010
Wei Weifeng	Beijing BBMG Group Co., Ltd.	Independent non-executive director and audit committee member	November 2015
Wei Weifeng	China Civil Aviation Information Network Co., Ltd.	Member of Strategy and Investment Committee	January 2016

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		Insurance Management Committee Chairman and Salary and Member of the Assessment Committee		
Wei Weifeng	SPI Energy Co.,Ltd	Independent Director, Chairman of Audit Committee May 2016 And members of the remuneration committee		
Wei Weifeng	China Communications Construction Co., Ltd.	Independent non-executive directors, audit and internal Chairman of the Control Committee, Salary and Appraisal Committee members and nomination committee member		
Wei Weifeng	LDK Solar Co.,Ltd	Independent director and audit committee, salary Remuneration Committee and Corporate Governance and Nomination Committee members	April 2020	
Wei Weifeng	SITC International Holdings Co., Ltd.	Independent director and audit committee, salary Remuneration Committee and Corporate Governance and Nomination Committee members	September 2020	October 2020
Li Changai	Independent Director of Hubei Chibi Rural Commercial Bank Co., Ltd.		May 2016	
Peter Johannes Wijnandus Marie Bongaerts	YOFC Optical Fiber and Cable (Shanghai) Co., Ltd.Vice Chairman		May 2017	
Peter Johannes Wijnandus Marie Bongaerts	Jiangsu Changfei Zhongli Optical Fiber and Cable Co.,Ltd.	Chairman	May 2017	
Yan Changkun	Wuhan Puli Polymerization Technology Co., Ltd. director		March 2016	September 2020
Yan Changkun	Sichuan Lefei Optoelectronics Technology Co., Ltd.Chairman of the board		September 2018	
Yan Changkun	Shenzhen Tefa Information Optical Fiber Co., Ltd. Vice Chairman		May 2017	
Yan Changkun	Wuhan Guangyuan Electronic Technology Co., Ltd.director		June 2017	
Yan Changkun	Jiangsu Changfei Zhongli Optical Fiber and Cable Co.,Ltd.	Chairman	April 2019	
Yan Changkun	Wuhan Yunjingfei Optical Fiber Material Co., Ltd. director		April 2011	
Zhou Lijing	Wuhan Puli Polymerization Technology Co., Ltd. Supervisor		September 2017	
Zhou Lijing	Tianjin Changfei Xinmao Optical Communication Co.,Ltd.	Chairman	May 2017	May 2019
Zhou Lijing	YOFC Optical Fiber and Cable (Shanghai) Co., Ltd.director		April 2019	
Zhou Lijing	AVIC Baosheng Ocean Cable Co., Ltd. Vice Chairman		December 2017	
Zhou Lijing	YOFC (Wuhan) Optical System Co., Ltd. Chairman of the board		June 2017	
Zhou Lijing	Wuhan Changguang Technology Co., Ltd. Supervisor		May 2019	

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Zheng Xin	Sichuan Lefei Optoelectronics Technology Co., Ltd.director		April 2019	
Zheng Xin	Jiangsu Changfei Zhongli Optical Fiber and Cable Co.,Ltd.Supervisor		April 2019	
Zheng Xin	YOFC Optical Fiber and Cable (Shanghai) Co., Ltd.director		May 2020	
Zheng Xin	Director of Shantou High-tech Zone Aoxingguang Communication Equipment Co., Ltd.		May 2020	
Wang Ruichun	YOFC Xinyue (Hubei) Optical Rod Co., Ltd. director		April 2019	
Wang Ruichun	Shenzhen Tefa Information Optical Fiber Co., Ltd. director		April 2019	
Wang Ruichun	Wuhan Yunjingfei Optical Fiber Material Co., Ltd. Supervisor		April 2019	
Nie Lei	AVIC Baosheng Ocean Cable Co., Ltd. Supervisor		December 2017	
Liang Guanning	Sichuan Lefei Optoelectronics Technology Co., Ltd.director		June 2017	
Liang Guanning	YOFC Optical Fiber and Cable (Shanghai) Co., Ltd.Supervisor		March 2017	
Liang Guanning	AVIC Baosheng Ocean Cable Co., Ltd. director		December 2017	
Description of employment in other units				

3. Remuneration of Directors, Supervisors and Senior Management

√Applicable □Not applicable

The company's nomination and remuneration committee is responsible for studying the evaluation standards, performance evaluation and decision-making procedures for the remuneration of directors, supervisors and senior management. The remuneration plan of the directors is approved by the board of directors and submitted to the general meeting of shareholders for approval. The salary plan of the staff is submitted to the board of directors for approval. The remuneration of the company's directors and supervisors is determined by the shareholders' meeting. The remuneration of the company's directors, supervisors and senior management is determined by the shareholders' meeting. The success status and performance appraisal results are determined.

Actual payment of remuneration for directors, supervisors and senior management
Condition Please refer to Chapter I. (1) Changes in shareholding and remuneration of current and resigned directors, supervisors and senior management
At the end of the reporting period, all directors, supervisors and senior management
Total remuneration received RMB 20,826,500 .

Fourth, the company's directors, supervisors, and senior management changes
√Applicable □Not applicable

Name	Position held	Changes	Reason for change
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Guo Tao	Non-Executive Director	Hire	Board of Directors
Lai Zhimin	Non-Executive Director	Hire	Board of Directors
Bingsheng Teng (滕斌圣)	Independent Non-Executive Director	Hire	Board of Directors
Liu Deming	Independent non-executive director	Hire	Board of Directors
Song Wei	Independent non-executive director	Hire	Board of Directors
Huang Tianyou	Independent non-executive director	Hire	Board of Directors
Li Ping	Chairman of the Board of Supervisors	Re-election	Renewal of the Supervisory Board
Li Zhuo	Independent supervisor	Hire	Renewal of the Supervisory Board
Jiang Zhikang	Employee representative supervisor	election	Renewal of the Supervisory Board
Yao Jingming	Non-Executive Director	Leave office	Board of Directors
Zheng Huili	Non-Executive Director	Leave office	Board of Directors
Wei Weifeng	Independent non-executive director	Leave office	Board of Directors
Ye Xi'an	Independent non-executive director	Leave office	Board of Directors
Li Changai	Independent supervisor	Leave office	Renewal of the Supervisory Board
Roger	technical director	Leave office	The position no longer belongs to the senior management personnel stipulated in the company's articles of association
Zhou Rongrong	Director of Human Resources	Leave office	The position no longer belongs to the senior management personnel stipulated in the company's articles of association

V. Explanation of punishments by securities regulatory agencies in the past three years
□Applicable √Not applicable

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6. Employees of the parent company and major subsidiaries		
(1) Staff situation		
Number of employees in the parent company		2,351
Number of employees in major subsidiaries		528
Total number of employees		2,879
Number of retired employees whose parent company and major subsidiaries have to bear expenses		0
Professional composition		
Professional composition category	Professional composition	
Production staff		1,226
salesperson		349

Technical staff	863
Financial officer	73
administration staff	19
Other personnel	349
total	2,879
education level	
Education level category	Quantity (person)
PhD and above	20
master	461
Undergraduate	893
Junior college	795
Technical secondary school, high school and others	710
total	2,879

(2) Salary policy

☒Applicable ☐Not applicable

The company adopts an active compensation strategy to attract and retain outstanding talents in the industry. The company insists on both internal fairness, incentives and The principle of external competitiveness, establish a management system for job level and job matching based on job value and competence, and take performance as the guide To follow the concept of “grading by post, salary by grade, matching between people and positions, changing jobs and changing salaries”, pay for ability and performance, and estab Remuneration system. The company has built a diversified salary structure, and employee salaries are composed of basic salary, job salary, performance salary, subsidies, and award It adopts diversified remuneration strategies for different types of employees, actively promotes equity incentive plans, and achieves high-efficiency attraction And the effect of retaining key talents for a long time. The company combines operating objectives and performance status, industry salary levels, local prices and other factors to ad Dynamic salary management is implemented, and salary adjustments are carried out in a timely manner to ensure that employees' income is reasonable, fair and competitive.

(3) Training plan

☒Applicable ☐Not applicable

The company focuses on the development concept of "Talents to Win", formulates differentiated training programs in accordance with the company's strategy and developmen Continuously improve the existing training system, combine the career development path and career development plan of employees in different positions, from management, sales, Analyze training needs in production, process, safety and legal aspects, and formulate various training plans. In terms of training resources, through Internal curriculum development and sharing, internal lecturer training, learning online platform and other comprehensive, three-dimensional, multi-channel methods for learning res Strengthening and sharing of sources. At the same time, it empowers and trains managers from strategy to execution, and establishes a backbone talent pool and elite The British talent pool conducts special training to strongly support the company's business development.

(4) Labor outsourcing

☐Applicable ☒Not applicable

Seven, other

☐Applicable ☒Not applicable

Section 9 Corporate Governance

I. Explanation of the relevant situation of corporate governance

☒Applicable ☐Not applicable

The company is committed to maintaining a high level of corporate governance and corporate governance, focusing on the role of the board of directors and special committee The functions and responsibilities of the general meeting of shareholders, the board of directors, and the board of supervisors are fully performed to ensure that all shareholders of th Fully exercise their rights.

The general meeting of shareholders is the highest authority of the company and exercises its powers in accordance with all applicable laws and regulations.

The board of directors acts in the interests of the company's shareholders and is accountable to the general meeting of shareholders. The board of directors is specifically respo Approved resolutions; formulate the company's investment strategy and business development plan; formulate annual business plans and financial final accounts; formulate profit Profit allocation plan and loss compensation plan; provide strategic advice; and make suggestions on the company's operation and management, etc. Just supervise my father In terms of specific affairs, the company has three special committees, namely (1) Audit Committee, (2) Nomination and Remuneration Committee, and (3) Strategy Committee. The board of directors has granted relevant powers to the special committees, and the relevant powers are contained in their respective terms of reference. Our c The management provides sufficient information to the board of directors and special committees in a timely manner so that the directors can make decisions.

The board of directors is also responsible for performing corporate governance duties, including: (1) formulating, developing and reviewing the company's corporate governan

(2) Review the training and continuous professional development of directors and senior management personnel; (3) Review the company's compliance with laws and regulatory requirements; (4) develop and review the code of conduct and compliance manuals for employees and directors; and (5) review the company's compliance with corporate governance Rules and disclosures in the corporate governance report. The board believes that an effective corporate governance system can protect the interests of shareholders of the company and enhance corporate value and accountability.

The company's board of directors adopts a diversification policy and considers the diverse background of directors from multiple aspects, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge, length of service and time that will be contributed by serving as a director of the company. The company will consider factors related to its own business model and special needs from time to time to ensure that the directors maintain their skills, experience and different perspectives to achieve a proper balance to satisfy the execution of business strategies and allow the board of directors to make effective decisions.

The board of supervisors is the company's supervisory agency and is responsible to the general meeting of shareholders. The board of supervisors independently exercises the supervisory powers. The legitimate interests of the company are not infringed. The main functions and powers of the board of supervisors are: (1) review the financial status of the company; (2) supervise the company's financial activities; (3) Other senior management members perform their duties and check whether the above-mentioned persons violate any laws, administrative regulations, or the company's articles of association or the resolutions of the general meeting of shareholders; (3) require directors and senior management members to correct any behavior that is contrary to the company's interests; (4) Exercising other powers, functions and responsibilities granted by laws, administrative regulations and the company's articles of association.

The company attaches great importance to listening to and accepting reasonable suggestions and opinions from shareholders and investors, and actively promotes internal communication regarding feedback from the capital market. Through non-deal roadshows, investor relations mailboxes, information disclosures on the company's website, and other communication channels held around the world, the company maintains close contact with investors around the world in a timely and effective manner. In addition, the company through company visits and various other channels, actively and sincerely communicates with investors and analysts.

During the reporting period, the company followed the "Company Law", "Listed Company Governance Guidelines", "Basic Corporate Internal Control Standards" and other laws and regulations.

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Regulations and the requirements of the China Securities Regulatory Commission, the Hong Kong Stock Exchange and the Shanghai Stock Exchange on corporate governance, continue to improve and implement the company's internal control system, and standardize the company's operations. The actual situation of corporate governance and the requirements of the relevant regulations of the China Securities Regulatory Commission. There are no major differences in the requirements of the relevant regulations of the China Securities Regulatory Commission.

Whether there are major differences between corporate governance and the requirements of the relevant regulations of the China Securities Regulatory Commission; if there are major differences, please describe the differences. ☐Applicable ☒Not applicable

2. Brief Introduction to the General Meeting of Shareholders

Sessions	Date	Designated network for the publication of the resolution Disclosure date of resolution
2020 First Extraordinary General Meeting of Shareholders	January 17, 2020	www.hkexnews.hk www.sse.com.cn
The first A-share shareholder in 2020 General Assembly	January 17, 2020	www.hkexnews.hk www.sse.com.cn
The first H-share class shareholder in 2020 General Assembly	January 17, 2020	www.hkexnews.hk www.sse.com.cn
2019 Annual General Meeting of Shareholders	June 16, 2020	www.hkexnews.hk www.sse.com.cn
2020 Second Extraordinary General Meeting of Shareholders	August 4, 2020	www.hkexnews.hk www.sse.com.cn

Description of the general meeting of shareholders

☐Applicable ☒Not applicable

3. Directors' performance of duties

(1) Directors' participation in the board of directors and shareholders meeting

director Name	whether Independent director	Participation in the board of directors					Participating shareholders	
		Participate this year	Personally	By communication	Commissioned	Whether two consecutive shareholders present	Conference situation	Shareholders present
		Add board frequency	Attend frequency	Mode parameter	Number of times	Did not participate in person	Add meeting	number
Ma Jie	no	8	8	8	0	0 No		5
Guo Tao	no	8	8	8	0	0 No		5
Zhuang Dan	no	8	8	0	0	0 No		5
Philippe Claude Vanhille	no	8	8	8	0	0 No		5
Pier Francesco Facchini	no	8	8	8	0	0 No		5
Frank		8	8	8	0	0 No		5

Franciscus	no						
Dorjee							
Xiong Xiangfeng		8	8	8	0	0 No	5
Lai Zhimin	no	8	8	8	0	0 No	5
Bingsheng	Yes	8	8	8	0	0 No	5
Teng							
Bin Sheng)							
Liu Deming	Yes	8	8	8	0	0 No	5
Song Wei	Yes	8	8	8	0	0 No	5

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Huang Tianyou	Yes	8	8	8	0	0 No	5
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Explanation of not attending the board meeting in person for two consecutive times

☐Applicable ☒Not applicable

Number of board meetings held during the year 8

Including: the number of on-site meetings 0

Number of meetings held by communication 0

Number of meetings held on site combined with communication 8 methods

(2) The situation of independent directors' objections to the company's related matters

☐Applicable ☒Not applicable

(Three) other

☐Applicable ☒Not applicable

4. Important opinions and suggestions put forward by special committees under the board of directors when performing their duties during the reporting period, and there are objections, The specific information should be disclosed

☐Applicable ☒Not applicable

V. Explanation that the board of supervisors found that the company has risks

☐Applicable ☒Not applicable

6. The company cannot guarantee its independence and non-compliance with its controlling shareholder in terms of business, personnel, assets, organization, and finance.

Description of the ability to maintain the ability to operate independently

☐Applicable ☒Not applicable

Where there is competition in the same industry, the company's corresponding solution measures, work progress and follow-up work plan

☐Applicable ☒Not applicable

7. During the reporting period, the evaluation mechanism for senior managers, as well as the establishment and implementation of the incentive mechanism

☒Applicable ☐Not applicable

The company has established a performance appraisal mechanism for all employees. There is a nomination and remuneration committee under the company's board of directors. Implementation of annual performance appraisal, according to the company's annual business objectives, combined with annual personal appraisal. The annual work of the employees is evaluated, and the remuneration of the senior management personnel is finally paid based on the evaluation results.

The company strictly follows the remuneration and bonus policies approved by the board of directors, and conducts assessments on senior management personnel based on job. There is no violation of the company's salary management system for incentives and distribution.

8. Whether to disclose the internal control self-evaluation report

☒Applicable ☐Not applicable

For details, please refer to the "Yangtze Optical Fiber and Cable Co., Ltd." disclosed on the website of the Shanghai Stock Exchange (www.sse.com.cn) 2020 Internal Control Evaluation Report."

Explanation of major deficiencies in internal control during the reporting period

☐Applicable ☒Not applicable

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IX. Explanation of the relevant situation of the internal control audit report

☒Applicable ☐Not applicable

The company hired KPMG Huazhen Certified Public Accountants (special general partnership) to independently monitor the company's internal control in 2020 Audit, issue a standard unqualified "Internal Control Audit Report", and agree with the internal control evaluation report of the company's board of directors. To.

The company's "2020 Internal Control Audit Report" is available on the Shanghai Stock Exchange website (www.sse.com.cn). Whether to disclose the internal control audit report: Yes
Opinion type of internal control audit report: standard unqualified opinion

10. Other

☐Applicable ☒Not applicable

Section 10 Relevant Situation of Corporate Bonds

☒Applicable ☐Not applicable

1. Basic situation of corporate bonds

Unit: 100 million yuan Currency: RMB									
Bond name	Abbreviation	Code	Release date	expiry date	Bond Balance	interest rate (%)	Debt repayment method	Interest method	Place
YOFC Fiber Optic Cable Bonds	20	175070	2020 8	August 2023	5	3.5	Pay annually		Shanghai
Co., Ltd. 2020	YOFC		Month 27	28th			To	Securities	
Years for professional investment							Date still	trade	
Public company							Book	Place	
Bond (first tranche)									

Company bond interest payment status

☐Applicable ☒Not applicable

Explanation of other situations of corporate bonds

☐Applicable ☒Not applicable

2. Corporate bond trustee management contact person, contact information and contact information of credit rating agency

Bond trustee	name	China International Capital Corporation
	office address	Block 2, China World Trade Center, No. 1 Jianguomenwai Street, Chaoyang District, Beijing 27th and 28th floors
	Contact person	Pang Han
	contact number	010-65051166
Credit Rating Agency	name	China Chengxin International Credit Rating Co., Ltd.
	office address	Building 6, Yinhe Soho, Chaoyangmen, Dongcheng District, Beijing

other instructions:

☐Applicable ☒Not applicable

3. Use of proceeds from corporate bonds

☒Applicable ☐Not applicable

After deducting the issuance costs, all the proceeds raised from the bonds will be used to supplement working capital.

4. Corporate bond rating

☒Applicable ☐Not applicable

China Chengxin International Credit Rating Co., Ltd. issued the "Yangtze Optical Fiber and Cable Co., Ltd." on August 19, 2020. 2020 Public Issuance of Corporate Bonds (First Phase) Credit Rating Report for Professional Investors", the credit rating of the company's entity is determined to be "AAA", the rating outlook is "stable", and the credit rating of the current corporate bonds is "AAA".

United Credit Rating Co., Ltd. issued the "Yangtze Optical Fiber and Cable Co., Ltd. 2020

Professional Investors Publicly Issued Corporate Bonds (First Phase) Credit Rating Report", and determined the long-term credit rating of the corporate entity as "AAA", The rating outlook is "stable", and the credit rating of the current corporate bonds is "AAA".

The above reports were all disclosed on the Shanghai Stock Exchange website (www.sse.com.cn) on August 25, 2020.

V. During the reporting period, the corporate bond credit enhancement mechanism, debt repayment plan and other related information

☐Applicable ☒Not applicable

VI. Meetings of corporate bondholders

☐Applicable ☒Not applicable

7. Duty performance of corporate bond trustees

☐Applicable ☒Not applicable

8. Accounting data and financial indicators of the company in the past 2 years as of the end of the reporting period

☒Applicable ☐Not applicable

main indicators	2020 year	2019 year	Unit: Currency: RMB	
			This period is the same as last year Period increase and decrease (%)	Reason for change
EBITDA	1,010,068,706	1,231,653,531	-17.99	
Current ratio	2.16	2.08	3.66	
Quick ratio	1.63	1.61	0.88	
Assets and liabilities(%)	40.81	35.09	16.29	
EBITDA total debt ratio	15.61	25.48	-38.73	Due to the profit level during the reporting period Compared to 2019
Interest coverage ratio	12.60	15.45	-18.44	Due to drop
Cash interest protection multiple	2.82	13.78	-79.53	Due to currency capital during the reporting period The gold balance is higher than in 2019
EBITDA interest coverage multiple	20.22	20.14	0.43	Due to drop
Loan repayment rate (%)	100	100		
Interest repayment rate (%)	100	100		

9. Interest payment and redemption of other company bonds and debt financing instruments

☐Applicable ☒Not applicable

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X. Bank credit of the company during the reporting period

☒Applicable ☐Not applicable

The company's credit status is good, with sufficient bank credit lines. As of December 31, 2020, the company has obtained a total of credits The total amount is RMB 15.50 billion. Among them, the used credit line is RMB 3.43 billion, and the remaining unused credit line It is RMB 12.07 billion.

11. The company's implementation of relevant agreements or commitments in the company's bond prospectus during the reporting period

☐Applicable ☒Not applicable

12. Significant events in the company and their impact on the company's operations and solvency

☐Applicable ☒Not applicable

Section 11 Financial Report

1. Audit report

☒Applicable ☐Not applicable

Audit Report

KPMG Huazhenshen Zi No. 2102042

All shareholders of YOFC:

1. Audit opinion

We audited the attached financial statements of YOFC Optical Fiber and Cable Co., Ltd. (hereinafter referred to as "YOFC"), including 2020 Consolidation and parent company's balance sheet on December 31, 2020, merger and parent company's income statement, consolidation and parent company's cash Flow statement, statement of merger and parent company shareholders' equity changes, and notes to relevant financial statements.

We believe that the attached financial statements are in accordance with the Accounting Standards for Business Enterprises promulgated by the Ministry of Finance of the People's Republic of China (Hereinafter referred to as "Accounting Standards for Business Enterprises"), which fairly reflects the merger and parent company of YOFC on December 31, 2020. The company's financial status and the 2020 merger and parent company's operating results and cash flow.

2. Form the basis of audit opinions

We performed our audit in accordance with the Chinese Certified Public Accountants Auditing Standards (hereinafter referred to as the "Auditing Standards"). Audit report The "Certified Accountant's Responsibilities for the Audit of Financial Statements" section of the report further elaborates on our responsibilities under these standards. In accordance with the National Code of Professional Ethics for Certified Public Accountants, we are independent of YOFC and have fulfilled other responsibilities in terms of professional ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

3. Key audit matters

Key audit matters are the matters that we believe are the most important for the audit of the financial statements of the current period based on professional judgment. Of these matters, we have identified the following key audit matters. It should be based on the overall audit of the financial statements and the formation of audit opinions. We do not express opinions on these matters separately.

Provision for bad debts of accounts receivable

Please refer to the accounting policies described in Note 5 "10. Financial Instruments" to the financial statements and 7 "5. Accounts receivable".

Key audit matters

How to deal with the matter in the audit

On December 31, 2020, YOFC and its subsidiaries (with

Included in the audit procedures related to the evaluation of bad debt provision of accounts receivable

(Hereinafter referred to as “Yangfei Group”), the balance of accounts receivable is 3,962 million yuan, with provision for bad debts of accounts receivable 3,962 million yuan. The amount is approximately RMB 185 million, mainly including receivables from China Telecom network operators and independent third parties.

The recoverability of YOFC’s accounts receivable mainly depends on electricity. Trust the financial situation of customers in the industry.

- Understand and evaluate the credit lines and accounts receivable of management and customers
- Key financial reports related to the collection of funds and provision for bad debts
- Report the design and operation effectiveness of internal control;
- Compare the total balance in the accounts receivable aging analysis report with the total ledger amount. Select samples and analyze the aging
- Check the specific items in the report with the relevant receipt,
- Evaluation of the aging interval in the aging analysis report of accounts receivable
- Whether the score is appropriate;

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The management has always followed the expected letter equivalent to the life cycle of the management for single item provision for bad debts. Use the amount of loss to measure the provision for impairment of accounts receivable, and use the basis for the judgment of the recoverability of the payment, ask and understand the customer’s financial status, overdue aging and past settlement status to evaluate. Calculate based on the comparison table of overdue days and LGD. Judgment made by management with provision for bad debts of accounts receivable. Expected credit losses. The LGD is based on the actual rationality; Empirical calculation of international credit loss, and based on historical data collection period; Economic conditions, current economic conditions and YOFC’s. Understand what is used in the management’s expected credit loss model. Between the three economic conditions that are expected to exist during the expected lifetime. Key parameters and assumptions, including management based on customer credit Adjust for differences. When estimating the expected bad debt loss, according to the historical experience, different customer segments have different loss rates. The situation of loss is different, so management based on historical default data included in management’s expected loss rate. Differentiate different customer groups and calculate impairment based on overdue information. Prepare. These factors all involve significant management judgments. By examining the information used by management to make judgments, including Off. Test the accuracy of historical default data and evaluate historical default. Due to the significant amount of accounts receivable in the financial statements, and appropriately based on current economic conditions and previous The judgment made by the management when assessing the provision for bad debts information is adjusted to evaluate management’s Uncertainty, we identify the provision for bad debts of accounts receivable as a reasonable estimate; Key audit matters.

- According to the provision policy of bad debt provision for accounts receivable of YOFC, Check the calculation of the provision for bad debts of accounts receivable;
- Evaluate whether the relevant disclosures in the financial statements Requirements of accounting standards.

Four, other information

The management of YOFC is responsible for other information. Other information includes the letter covered in YOFC’s 2020 annual report. Information, but does not include financial statements and our audit report.

Our audit opinion on the financial statements does not cover other information, and we do not publish any form of other information.

Assurance conclusion.

Combined with our audit of financial statements, our responsibility is to read other information, and in this process, consider other information Whether there is a material inconsistency with the financial statements or what we learned during the audit, or there seems to be a material misstatement.

Based on the work we have performed, if we determine that there is a material misstatement of other information, we should report that fact. In this regard, we have nothing to report.

5. Responsibilities of management and governance for financial statements

The management is responsible for preparing financial statements in accordance with the corporate accounting standards to achieve fair reflection, and design and And maintain the necessary internal controls so that there are no major misstatements due to fraud or errors in the financial statements.

When preparing the financial statements, the management is responsible for assessing the sustainability of YOFC and disclosing relevant Matters (if applicable), and apply the going concern assumption, unless YOFC plans to liquidate, terminate operations, or otherwise Real choice.

The management is responsible for supervising the financial reporting process of YOFC.

6. The responsibility of the certified public accountant for the audit of financial statements

Our goal is to obtain reasonable assurance against whether there are any major misstatements caused by fraud or errors in the overall financial statements. And issue an audit report containing audit opinions. Reasonable assurance is a high level of assurance, but it does not guarantee The audit performed will always find when a major misstatement exists. Misreporting may be caused by fraud or error, if reasonably anticipated

The misstatements, individually or collectively, may affect the economic decisions made by users of financial statements based on the financial statements, it is generally significant. The misstatement is significant.

In the process of performing audit work in accordance with audit standards, we use professional judgment and maintain professional skepticism. At the same time, we also perform the following tasks:

- (1) Identify and evaluate the risk of material misstatement of financial statements due to fraud or errors, design and implement audit procedures to respond to these risks and obtain sufficient and appropriate audit evidence as the basis for issuing audit opinions. Due to fraud may be involved collusion, forgery, deliberate omission, false statement or over the internal control, failure to discover material misstatement. The risk of misstatement is higher than the risk of failing to detect a major misstatement due to an error.
- (2) Understand the internal control related to the audit in order to design appropriate audit procedures.
- (3) Evaluate the appropriateness of the accounting policies used by the management and the reasonableness of accounting estimates and related disclosures.
- (4) Draw conclusions on the appropriateness of management's use of going concern assumptions. At the same time, based on the audit evidence obtained, it is possible to draw a conclusion whether there is significant uncertainty in matters or circumstances that cause major doubts about YOFC's ability to continue operations. If we conclude that there is a significant uncertainty, the auditing standards require us to ask the users of the statements in the audit report to pay attention to the relevant disclosures in the financial statements; if the disclosures are not sufficient, we should issue non-unqualified opinions. Our conclusion is based on information available as of the audit report date. However, future events or circumstances may cause YOFC to be unable to continue operations.
- (5) Evaluate the overall presentation, structure and content (including disclosure) of the financial statements, and evaluate whether the financial statements reflect related transactions and matters.
- (6) Obtain sufficient and appropriate audit evidence for the financial information of the entities or business activities of YOFC in order to provide financial report. The table expresses an audit opinion. We are responsible for directing, supervising and performing group audits, and assume full responsibility for the audit opinions.

We communicate with the management on the planned audit scope, schedule and major audit findings, including communication of internal control deficiencies that we identified in our audit are worthy of attention.

We also provide a statement to the governance team that we have complied with the professional ethics requirements related to independence, and communicate with all relationships and other matters that are reasonably believed to affect our independence, as well as related preventive measures (if applicable).

From the matters communicated with the governance level, we determine which matters are most important to the audit of the financial statements of the current period. Become a key audit matter. We describe these matters in the audit report, unless laws and regulations prohibit public disclosure of these matters, or in rare cases, if it is reasonably expected that the negative consequences of communicating something in the audit report outweigh the public interest. We have determined that this matter should not be communicated in the audit report.

KPMG Huazhen Certified Public Accountants (Special General Partnership) Limited

Chen Yi (Project Partner)

Beijing China

Duan Yuhua

March 26, 2021

2. Financial statements

Consolidated balance sheet

December 31, 2020

Prepared by: YOFC Optical Fiber and Cable Co., Ltd.

Unit: Currency: RMB

project

Note

2020 Nian 12 Yue 31 Ri

2019 Nian 12 Yue 31 Ri

Current assets:			
Money funds	Seven, 1	1,444,270,151	2,123,861,315
Settlement provisions			
Borrowed funds			
Transactional financial assets	Seven, 2	891,831,588	9,902,598
Derivative financial assets			
bill receivable	Seven, 4	274,422,718	232,508,205
accounts receivable	Seven, 5	3,776,762,957	3,123,505,778
Receivables financing	Seven, 6	138,133,247	95,235,940
Prepayments	Seven, 7	199,027,986	120,994,458
Premiums receivable			
Reinsurance accounts receivable			
Reinsurance contract reserves receivable			
Other receivables	Seven, 8	143,998,093	109,599,839
Of which: interest receivable			
Dividend receivable		625,908	522,213
Buy financial assets under resale agreements			
stock	Seven, 9	2,337,549,891	1,779,342,250
Contract assets			
Holding assets for sale			
Non-current assets due within one year			
Other current assets	Seven, 13	244,226,485	256,866,780
Total current assets		9,450,223,116	7,851,817,163
Non-current assets:			
Issuing loans and advances			
Debt investment			
Other debt investments			
Long-term receivables		-	16,000,000
Long-term equity investment	Seven, 17	1,636,031,916	1,495,444,610
Investment in other equity instruments	Seven, 18	41,378,280	57,172,099
Other non-current financial assets	Seven, 19	45,378,370	
Investment real estate			
Fixed assets	Seven, 21	3,694,140,835	3,650,781,975
Construction in progress	Seven, 22	258,911,145	104,852,760
Productive biological assets			
oil and gas asset			
Right-of-use asset	Seven, 25	76,251,881	64,400,158
Intangible assets	Seven, 26	342,005,409	307,136,373
Development expenditure			
Goodwill	Seven, 28	20,027,705	

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YOFC 2020 Annual Report			
Long-term prepaid expenses	Seven, 29	9,129,148	5,046,886
Deferred tax assets	Seven, 30	138,033,575	97,148,174
Other non-current assets	Seven, 31	144,086,014	126,099,397
Total non-current assets		6,405,374,278	5,924,082,432
total assets		15,855,597,394	13,775,899,595
Current liabilities:			
short-term loan	Seven, 32	1,033,657,703	895,576,208
Borrowing from the central bank			
Borrowed funds			
Transactional financial liabilities			
Derivative financial liabilities			
Bills payable	Seven, 35	659,423,906	574,793,263
accounts payable	Seven, 36	1,539,623,899	1,261,607,902
Advance receipt			
Contract liabilities	Seven, 38	360,704,641	262,900,550
Financial assets sold under repurchase agreements			
Deposits and deposits			
Agent trading securities			
Securities underwriting agent			
Employee compensation payable	Seven, 39	252,632,361	219,940,848
Taxes payable	Seven, 40	93,383,446	103,566,255

Other payables	Seven, 41	372,357,376	410,686,340
Of which: interest payable			
Dividend payable			
Fees and commissions			
Reinsurance accounts payable			
Held for sale liabilities			
Non-current liabilities due within one year	Seven, 43	39,960,759	40,179,239
Other current liabilities	Seven, 44	24,605,476	
Total current liabilities		4,376,349,567	3,769,250,605
Non-current liabilities:			
Insurance contract reserve			
Long term loan	Seven, 45	524,700,000	42,000,000
Bonds payable		487,575,358	
Of which: preferred shares			
Perpetual bond			
Lease liability	Seven, 47	58,456,419	48,585,433
Long-term payables			
Long-term employee compensation payable			
Estimated liabilities			
Deferred income	Seven, 51	260,265,226	166,769,940
Deferred income tax liabilities		11,448,729	
Other non-current liabilities	Seven, 52	751,278,679	807,160,850
Total non-current liabilities		2,093,724,411	1,064,516,223
Total Liabilities		6,470,073,978	4,833,766,828
Owners' equity (or shareholders' equity):			
Paid-in capital (or equity)	Seven, 53	757,905,108	757,905,108
Other equity instruments			
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Of which: preferred shares			
Perpetual bond			
Capital reserve	Seven, 55	3,364,333,115	3,364,035,212
Less: treasury stock	Seven, 56	33,653,461	33,653,461
Other comprehensive income	Seven, 57	-5,912,422	37,779,996
Special reserves			
Surplus reserve	Seven, 59	636,629,870	612,010,760
general risk preparation			
undistributed profit	Seven, 60	4,328,187,622	4,050,142,747
Attributable to the owner's equity of the parent company (or shareholders		9,047,489,832	8,788,220,362
Equity) Total			
Minority shareholders' equity		338,033,584	153,912,405
Total owner's equity (or shareholders' equity)		9,385,523,416	8,942,132,767
Liabilities and owner's equity (or shareholders' rights		15,855,597,394	13,775,899,595
Benefit) total			

Legal representative: Ma Jie, person in charge of accounting work: Zhuang Dan, person in charge of accounting department: Liang Guanning

Parent Company Balance Sheet

December 31, 2020

Prepared by: YOFC Optical Fiber and Cable Co., Ltd.

Unit: Currency: RMB

project	Note	2020 Nian 12 Yue 31 Ri	2019 Nian 12 Yue 31 Ri
Current assets:			
Money funds		871,198,233	1,279,401,817
Transactional financial assets		492,403,072	9,902,598
Derivative financial assets			
bill receivable		270,396,954	224,188,743
accounts receivable	Seventeen, 1	3,725,970,588	3,107,330,529
Receivables financing		135,298,456	80,806,788
Prepayments		88,407,359	84,638,833
Other receivables	Seventeen, 2	1,162,819,950	1,759,897,269
Of which: interest receivable		11,739,267	
Dividend receivable		2,912,197	522,213

stock	1,408,700,916	1,212,347,120
Contract assets		
Holding assets for sale		
Non-current assets due within one year		
Other current assets	93,089,629	96,469,423
Total current assets	8,248,285,157	7,854,983,120
Non-current assets:		
Debt investment		
Other debt investments		
Long-term receivables	76,800,000	98,600,000
Long-term equity investment	Seventeen, 3	2,594,472,969
Investment in other equity instruments	41,378,280	56,962,099

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	YOFC 2020 Annual Report	
Other non-current financial assets	45,378,370	
Investment real estate		
Fixed assets	1,170,755,899	1,173,724,449
Construction in progress	120,818,767	37,162,813
Productive biological assets		
oil and gas asset		
Right-of-use asset	17,294,821	22,489,308
Intangible assets	112,885,048	109,468,950
Development expenditure		
Goodwill		
Long-term prepaid expenses		
Deferred tax assets	64,225,603	40,370,545
Other non-current assets	13,997,990	89,515,089
Total non-current assets	4,589,204,476	4,222,766,222
total assets	12,837,489,633	12,077,749,342
Current liabilities:		
short-term loan	709,178,714	784,605,321
Transactional financial liabilities		
Derivative financial liabilities		
Bills payable	1,134,818,707	689,110,593
accounts payable	1,191,939,978	1,597,990,041
Advance receipt		
Contract liabilities	252,164,924	255,609,622
Employee compensation payable	196,671,464	175,874,487
Taxes payable	40,964,087	65,339,958
Other payables	291,858,520	492,931,362
Of which: interest payable		
Dividend payable		
Held for sale liabilities		
Non-current liabilities due within one year	20,928,288	25,389,651
Other current liabilities	22,722,905	
Total current liabilities	3,861,247,587	4,086,851,035
Non-current liabilities:		
Long term loan	524,700,000	42,000,000
Bonds payable	487,575,358	
Of which: preferred shares		
Perpetual bond		
Lease liability	14,800,616	18,905,820
Long-term payables		
Long-term employee compensation payable		
Estimated liabilities		
Deferred income	167,525,807	109,418,576
Deferred income tax liabilities		
Other non-current liabilities	34,343,886	56,158,835
Total non-current liabilities	1,228,945,667	226,483,231
Total Liabilities	5,090,193,254	4,313,334,266
Owners' equity (or shareholders' equity):		
Paid-in capital (or equity)	757,905,108	757,905,108

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Other equity instruments		
Of which: preferred shares		
Perpetual bond		
Capital reserve	3,392,642,301	3,381,585,532
Less: treasury stock	33,653,461	33,653,461
Other comprehensive income	7,827,465	21,073,711
Special reserves		
Surplus reserve	636,629,870	612,010,760
undistributed profit	2,985,945,096	3,025,493,426
Total owner's equity (or shareholders' equity)	7,747,296,379	7,764,415,076
Liabilities and owner's equity (or shareholders' rights	12,837,489,633	12,077,749,342
Benefit) total		

Legal representative: Ma Jie, person in charge of accounting work: Zhuang Dan, person in charge of accounting department: Liang Guanning

Consolidated Income Statement
January-December 2020

Unit: Currency: RMB

project	Note	2020 year	2019 year
I. Total operating income		8,221,542,967	7,769,175,495
Including: operating income	Seven, 61	8,221,542,967	7,769,175,495
Interest income			
Premiums earned			
Fee and commission income			
2. Total operating cost		7,778,769,585	7,157,976,904
Of which: Operating costs	Seven, 61	6,433,899,209	5,935,648,889
Interest expense			
Handling fees and commission expenses			
Surrender money			
Net payouts			
Withdrawal of insurance liability reserve net			
dividend payment policy			
Reinsurance costs			
Taxes and surcharges	Seven, 62	22,279,411	26,708,981
sales expense	Seven, 63	370,922,594	347,325,663
Management costs	Seven, 64	476,220,543	428,531,381
R&D expenses	Seven, 65	414,571,192	413,538,214
Financial expenses	Seven, 66	60,876,636	6,223,776
Including: interest expense		49,943,119	61,161,985
Interest income		15,644,437	43,259,364
Add: other income	Seven, 67	127,390,031	203,936,325
Investment income (losses are listed with "-")	Seven, 68	36,505,003	121,786,023
Including: Investment income from associates and joint ventures		27,068,532	109,848,127
Derecognition of financial assets measured at amortized cost			
income			
Exchange gains (losses are listed with "-")			
Net exposure hedging gains (losses are listed with "-")			

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Gains from changes in fair value (losses are listed with "-")	Seven, 70	94,152,688	238,970
Credit impairment loss (losses are listed with "-")	Seven, 71	-76,837,297	-33,407,343
Asset impairment loss (losses are listed with "-")	Seven, 72	-45,091,143	-33,325,145
Asset disposal gains (losses are listed with "-")	Seven, 73	1,758,577	7,367,173
3. Operating profit (losses are listed with "-")		580,651,241	877,794,594

Plus: non-operating income	Seven, 74	4,441,780	6,520,253
Less: non-operating expenses	Seven, 75	5,852,078	805,799
4. Total profit (total loss is listed with "-")		579,240,943	883,509,048
Deduct: income tax expense	Seven, 76	35,040,964	99,224,076
5. Net profit (net loss is listed with "-")		544,199,979	784,284,972
(1) Classification by business continuity			
1. Net profit from continuing operations (net loss is listed with "-")		544,199,979	784,284,972
2. Net profit from discontinued operations (net loss is listed with "-")			
(2) Classification by ownership			
1. Net profit attributable to shareholders of the parent company (net loss is marked with "-")		544,199,979	801,225,042
2. Minority shareholders' gains and losses (net losses are listed with "-")		522,170	-16,940,070
6. Net after-tax of other comprehensive income		-45,985,553	13,112,671
(1) After-tax of other comprehensive income attributable to the owner of the parent company		43,602,418	11,599,640
Net			
1. Other comprehensive income that cannot be reclassified into profit or loss		-13,414,036	-6,508,537
(1) Re-measurement of changes in defined benefit plans			
(2) Other comprehensive income that cannot be transferred to profit or loss under the equity method			
(3) Changes in the fair value of other equity instrument investments		-13,414,036	-6,508,537
(4) Changes in fair value of the company's own credit risk			
2. Other comprehensive income that will be reclassified into profit and loss		-30,278,382	18,108,177
(1) Other comprehensive income that can be converted to profit or loss under the equity method			
(2) Changes in the fair value of other debt investments			
(3) Amount of financial assets reclassified and included in other comprehensive income			
(4) Other debt investment credit impairment reserves			
(5) Cash flow hedge reserve			
(6) Translation differences of foreign currency financial statements		-30,278,382	18,108,177
(7) Other			
(2) Net after-tax of other comprehensive income attributable to minority shareholders		-2,293,135	1,513,031
Forehead			
7. Total comprehensive income		498,214,426	797,397,643
(1) Total comprehensive income attributable to owners of the parent company		499,985,391	812,824,682
(2) Total comprehensive income attributable to minority shareholders		-1,770,965	-15,427,039
8. Earnings per share:			
(1) Basic earnings per share (yuan/share)		0.72	1.06
(2) Diluted earnings per share (yuan/share)		0.72	1.06

If a business combination under the same control occurs in the current period, the net profit realized by the combined party before the combination is: 0 yuan, and the combined party The net profit is: 0 yuan.

Legal representative: Ma Jie, person in charge of accounting work: Zhuang Dan, person in charge of accounting department: Liang Guanning

YOFC 2020 Annual Report

Parent company income statement

January-December 2020

Unit: Currency: RMB

project	Note	2020 year	2019 year
I. Operating income	Seventeen, 4	7,689,418,918	7,946,787,538
Less: operating costs	Seventeen, 4	6,709,296,002	6,820,987,465
Taxes and surcharges		8,684,525	19,048,732
sales expense		284,266,823	269,394,751
Management costs		308,834,925	289,653,700
R&D expenses		265,588,510	296,131,223
Financial expenses		40,108,400	-4,388,896
Including: interest expense		46,881,291	67,631,621
Interest income		28,968,398	68,024,845
Add: other income		104,707,263	191,235,376
Investment income (losses are listed with "-")	Seventeen, 5	41,014,419	123,692,577
Including: Investment income from associates and joint ventures		23,879,654	112,040,533
Derecognition of financial assets measured at amortized cost			
beneficial			
Net exposure hedging gains (losses are listed with "-")		92,738,272	510,350

Gains from changes in fair value (losses are listed with "-")	-67,340,916	-26,706,421
Credit impairment loss (losses are listed with "-")	-33,977,909	-22,186,760
Asset impairment loss (losses are listed with "-")	1,245,331	7,076,415
Asset disposal gains (losses are listed with "-")	211,026,193	529,582,100
2. Operating profit (losses are listed with "-")	1,121,260	4,062,620
Plus: non-operating income	713,586	150,701
Less: non-operating expenses	211,433,867	533,494,019
3. Total profit (total loss is listed with "-")	-14,650,737	41,111,821
Deduct: income tax expense	226,084,604	492,382,198
4. Net profit (net loss is listed with "-")	226,084,604	492,382,198
(1) Net profit from continuing operations (net loss is listed with "-")	-13,246,246	-6,508,536
(2) Net profit from discontinued operations (net loss is listed with "-")	-13,246,246	-6,508,536
5. Net after-tax other comprehensive income		
(1) Other comprehensive income that cannot be reclassified into profit and loss		
1. Remeasure changes in defined benefit plans		
2. Other comprehensive income that cannot be transferred to profit or loss under the equity method		
3. Changes in the fair value of other equity instrument investments	-13,246,246	-6,508,536
4. Changes in fair value of the company's own credit risk		
(2) Other comprehensive income that will be reclassified into profit and loss		
1. Other comprehensive income that can be converted to profit or loss under the equity method		
2. Changes in the fair value of other debt investments		
3. The amount of financial assets reclassified and included in other comprehensive income		
4. Other debt investment credit impairment reserves		
5. Cash flow hedge reserve		
6. Translation differences of foreign currency financial statements		
7. Other		
6. Total comprehensive income	212,838,358	485,873,662
7. Earnings per share:		
(1) Basic earnings per share (yuan/share)		

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(2) Diluted earnings per share (yuan/share)

Legal representative: Ma Jie, person in charge of accounting work: Zhuang Dan, person in charge of accounting department: Liang Guanning

Consolidated Cash Flow Statement
January-December 2020

Unit: Currency: RMB

project	Note	2020 year	2019 year
1. Cash flow from operating activities:			
Cash received from the sale of goods and the provision of labor services		7,170,745,858	7,306,689,684
gold			
Customer deposits and interbank deposits, net			
Increase			
Net increase in borrowings from the central bank			
Net borrowing of funds from other financial institutions			
Increase			
Received the premium of the original insurance contract			
cash			
Net cash received from reinsurance business			
Net increase in insurance deposits and investment funds			
Cash receipts of interest, handling fees and commissions			
gold			
Net increase in borrowed funds			
Net increase in repurchase business funds			
Net cash received by agent buying and selling securities			
Forehead			
Tax Refund		168,288,776	174,227,827
Receive other related business activities	Seven, 78 (1)	217,804,821	284,726,283
cash			
Subtotal of cash inflow from operating activities		7,556,839,455	7,765,643,794
Purchase goods and accept payment for labor services		6,207,340,884	5,411,153,992
gold			
Net increase in loans and advances to customers			
Deposits with central banks and interbank funds, net			

Increase		
Paying the original insurance contract		
cash		
Net increase in borrowed funds		
Cash payment of interest, handling fee and commission		
gold		
Cash to pay policy dividends		
Payment to and for employees	809,488,093	906,462,316
cash		
Various taxes paid	118,307,155	320,561,323
Pay for other related business activities Seven, 78 (2)	280,836,914	284,802,270
cash		
Subtotal of cash outflows from operating activities	7,415,973,046	6,922,979,901
Cash flow from operating activities	140,866,409	842,663,893
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Net amount		
2. Cash flow from investment activities:		
Cash received from investment	3,078,296,398	693,202,241
Cash received from investment income	45,104,477	97,884,520
Disposal of fixed assets, intangible assets and other	12,774,883	17,562,769
Net cash recovered from his long-term assets		
Disposal of subsidiaries and other business units		
Net cash received		
Receive other related investment activities		
cash		
Subtotal of cash inflows from investing activities	3,136,175,758	808,649,530
Purchase and construction of fixed assets, intangible assets and other	609,118,740	751,661,050
Cash paid for his long-term assets		
Cash Investment	4,077,770,857	724,061,278
Net increase in pledged loans		
Acquire subsidiaries and other business units		
Net cash paid		
Pay for other related investment activities		
cash		
Subtotal of cash outflows from investing activities	4,686,889,597	1,475,722,328
Cash flow from investing activities	-1,550,713,839	-667,072,798
Net amount		
3. Cash flow from financing activities:		
Absorb cash received from investment	64,185,200	
Among them: the subsidiary absorbs minority shareholders to invest	64,185,200	
Cash received		
Obtain the cash received from the loan	3,353,910,261	1,315,595,896
Receive other information related to fundraising activities		
cash		
Subtotal of cash inflows from financing activities	3,418,095,461	1,315,595,896
Cash paid for debt repayment	2,330,426,582	1,707,827,633
Distribution of dividends, profits, or interest payments	341,235,517	257,627,715
Cash paid		
Of which: paid by subsidiary to minority shareholders	62,250,184	
Dividends and profits		
Pay for other related financing activities Seven, 78 (6)	26,953,747	71,068,592
cash		
Subtotal of cash outflows from financing activities	2,698,615,846	2,036,523,940
Cash flow from financing activities	719,479,615	-720,928,044
Net amount		
4. Exchange rate changes are equivalent to cash and cash	-31,584,664	5,826,828
The influence of things		
5. Net increase in cash and cash equivalents	-721,952,479	-539,510,121
Add: cash and cash equivalents at the beginning of the period	2,088,466,320	2,627,976,441
Forehead		
6. Balance of cash and cash equivalents at the end of the period	1,366,513,841	2,088,466,320

Legal representative: Ma Jie, person in charge of accounting work: Zhuang Dan, person in charge of accounting department: Liang Guanning

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Parent company cash flow statement January-December 2020			
project	Note	2020 year	2019 year
Unit: Currency: RMB			
1. Cash flow from operating activities:			
Cash received from the sale of goods and the provision of labor services		6,366,903,265	6,398,002,943
gold			
Tax Refund		146,525,777	174,227,827
Receive other related business activities		358,057,159	269,661,422
cash			
Subtotal of cash inflow from operating activities		6,871,486,201	6,841,892,192
Purchase goods and accept payment for labor services		6,667,007,345	5,618,409,516
gold			
Payment to and for employees		454,530,029	691,507,094
cash			
Various taxes paid		19,535,177	234,155,858
Pay for other related business activities		205,954,616	250,588,511
cash			
Subtotal of cash outflows from operating activities		7,347,027,167	6,794,660,979
Net cash flow from operating activities		-475,540,966	47,231,213
Forehead			
2. Cash flow from investment activities:			
Cash received from investment		3,823,618,748	2,015,092,401
Cash received from investment income		74,044,263	121,985,236
Disposal of fixed assets, intangible assets and other		3,173,927	11,850,166
Net cash recovered from his long-term assets			
Disposal of subsidiaries and other business units			
Net cash received			
Receive other related investment activities			
cash			
Subtotal of cash inflows from investing activities		3,900,836,938	2,148,927,803
Purchase and construction of fixed assets, intangible assets and other		194,834,985	323,492,144
Cash paid for his long-term assets			
Cash Investment		3,965,855,189	2,106,197,693
Acquire subsidiaries and other business units			
Net cash paid			
Pay for other related investment activities			
cash			
Subtotal of cash outflows from investing activities		4,160,690,174	2,429,689,837
Cash flow from investing activities		-259,853,236	-280,762,034
Net amount			
3. Cash flow from financing activities:			
Absorb cash received from investment			
Obtain the cash received from the loan		3,008,733,046	1,167,825,900
Receive other information related to fundraising activities			98,582,453
cash			
Subtotal of cash inflows from financing activities		3,008,733,046	1,266,408,353
Cash paid for debt repayment		2,125,655,832	1,631,557,666

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Distribution of dividends, profits, or interest payments	279,953,284	261,095,820
Cash paid		
Pay for other related financing activities	267,239,031	38,371,255

cash		
Subtotal of cash outflows from financing activities	2,672,848,147	1,931,024,741
Cash flow from financing activities	335,884,899	-664,616,388
Net amount		
4. Exchange rate changes are equivalent to cash and cash	-9,071,216	1,854,856
The influence of things		
5. Net increase in cash and cash equivalents	-408,580,519	-896,292,353
Add: cash and cash equivalents at the beginning of the period	1,275,752,672	2,172,045,025
Forehead		
6. Balance of cash and cash equivalents at the end of the period	867,172,153	1,275,752,672

Legal representative: Ma Jie, person in charge of accounting work: Zhuang Dan, person in charge of accounting department: Liang Guanning

Consolidated Statement of Changes in Owners' Equity
January-December 2020

Unit: Currenc

2020 year

Equity attributable to equity holders

project	Other equity workers		Capital reserve	Less: inventory share	Other comprehensive income	Specialize Store	Surplus reserve	one General wind risk undistributed profit	That he	Subtotal	Minority shareh beneficial
	Paid-in capital (Or equity)	excellence First share									
1. Last year	757,905,108	Tool	3,364,035,212	33,653,461	37,779,996	612,010,760		4,050,142,747		8,788,220,362	153,912,405
Final balance		That he									8,942,100
Add: Accounting Policy		Continued debt									
Policy change											
Early stage											
Error correction											
same											

Under control						
Business merger						
other						
Second, the current year	757,905,108	3,364,035,212	33,653,461	37,779,996	612,010,760	4,050,142,747
Initial balance						8,788,220,362
3. Increase in this period		297,903		-43,692,418	24,619,110	278,044,875
Deduction						259,269,470
Amount (reduced by						184,121,179
Fill in the "-"						
List)						
(1) Comprehensive				-43,692,418	543,677,809	499,985,391
Total income						-1,770,965
(Two) all		297,903				297,903
Input and						205,204,828

Reduce capital					
1. owner					
Devotion					
Common stock					
2. Other rights					
Benefit tool holding					
Have input					
capital					
3. Shares		11,056,769			11,056,769
Pay the accounting					
Owner's rights					
Amount of					
4. other		-10,758,866			-10,758,866
(3) Profit			24,619,110	-265,632,934	-241,013,824
distribute					-19,312,684
1. Withdraw surplus			24,619,110	-24,619,110	
Surplus reserve					
2. Extract one					
General risk standard					
Prepare					
3. To all				-241,013,824	-241,013,824
Person (or share					
East) distribution					
4. other					
(Four) all					
Within the rights					
Carry forward					
1. Capital Corporation					
Accumulated capital increase					
Capital (or share					
Book)					
2. Surplus					
Accumulated capital increase					
Capital (or share					
Book)					

3. Surplus
Make up for losses
damage
4. Set by
Benefit plan change
Moment carryover
retained earnings
5. Other comprehensive
Combined income

Transfer and deposit							
beneficial							
6. other							
(5) Special items							
reserve							
1. Mention in this issue							
Pick							
2. This issue							
use							
(6) Other							
Fourth, this issue	757,905,108		3,364,333,115	33,653,461	-5,912,422	636,629,870	4,328,187,622
Final balance							9,047,489,832

2019 year									
Equity attributable to equity holders									
project	Paid-in capital	Other equity workers		Capital reserve	Less: inventory	Other comprehensive	Specialize	one	Minority shareh
	(Or equity)	excellence	First		share	beneficial	Store	General	beneficial
		share	debt				Prepare	wind	
			he					risk	
								undistributed	
								profit	
								That	
								he	
									Subtotal
1. Last year	757,905,108			3,353,543,988		26,180,356	557,383,759	3,493,020,983	8,188,034,194
Final balance									188,295,012
Add: Accounting Policy									8,376,329

YOFC 2020 Ann									
Policy change									
Early stage									
Error correction									
same									
Under control									
Business merger									
other									
Second, the current	757,905,108			3,353,543,988		26,180,356	557,383,759	3,493,020,983	8,188,034,194
Initial balance									188,295,012
3. Increase in this period				10,491,224	33,653,461	11,599,640	54,627,001	557,121,764	600,186,168
Deduction									-34,382,607
Amount (reduced by									
Fill in the "-"									
List)									
(1) Comprehensive						11,599,640		801,225,042	812,824,682
Total income									-15,427,039
(Two) all				10,491,224	33,653,461				-23,162,237
Input and									-18,955,568
Reduce capital									
1. owner									
Devotion									
Common stock									
2. Other rights									
Benefit tool holding									
Have input									
capital									
3. Shares				12,940,738	33,653,461				-20,712,723
Pay the accounting									
Owner's rights									
Amount of									
4. other				-2,449,514					-2,449,514
(3) Profit							54,627,001	-244,103,278	-189,476,277
distribute									
1. Withdraw surplus							54,627,001	-54,627,001	
Surplus reserve									

2. Extract one		
General risk standard		
Prepare		
3. To all	-189,476,277	-189,476,277
Person (or share		
East) distribution		
4. other		
(Four) all		
Within the rights		
Carry forward		
1. Capital Corporation		
Accumulated capital increase		
Capital (or share		
Book)		
2. Surplus		
Accumulated capital increase		
Capital (or share		
Book)		
3. Surplus		
Make up for losses		
damage		
4. Set by		
Benefit plan change		
Moment carryover		
retained earnings		
5. Other comprehensive		
Combined income		
Transfer and deposit		
beneficial		
6. other		
(5) Special items		
reserve		
1. Mention in this issue		
Pick		
2. This issue		

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use						
(6) Other						
Fourth, this issue	757,905,108	3,364,035,212	33,653,461	37,779,996	612,010,760	4,050,142,747
Final balance						8,788,220,362

Legal representative: Ma Jie, person in charge of accounting work: Zhuang Dan, person in charge of accounting department: Liang Guanning

Statement of changes in owner's equity of the parent company
January-December 2020

Unit: Curre

project	Paid-in capital (Or equity)	Other equity instruments Preferred stock Perpetual bond other	2020 year				Special item Surplus reserve	undistributed profit	Total
			Capital reserve	Less: inventory share	Other comprehensive beneficial	reserve			
1. Balance at the end of the previous year	757,905,108		3,381,585,532	33,653,461	21,073,711		612,010,760	3,025,493,426	7,764,415,076
Add: Accounting policy changes									
Correction of previous errors									
other									
2. The beginning balance of the current year	757,905,108		3,381,585,532	33,653,461	21,073,711		612,010,760	3,025,493,426	7,764,415,076
3. The amount of increase or decrease in the current period (decrease)			11,056,769		-13,246,246		24,619,110		-39,548,330
Fill in with "-" at least)									
(1) Total comprehensive income					-13,246,246				226,084,604
(2) Owner's investment and reduction of capital			11,056,769						
Book									
1. Ordinary shares invested by the owner									
2. Other equity instrument holders vote									
Into the capital									
3. Share payment included in ownership			11,056,769						
Benefit amount									
4. other									
(3) Profit distribution							24,619,110		-265,632,934
1. Withdrawal of surplus reserve							24,619,110		-24,619,110
2. To owners (or shareholders)									-241,013,824
distribute									

[illegible][illegible]

Into the capital			
3. Share payment included in ownership	12,940,738	33,653,461	
Benefit amount			
4. other			
(3) Profit distribution	54,627,001	-244,103,278	-
1. Withdrawal of surplus reserve	54,627,001	-54,627,001	
2. To owners (or shareholders)		-189,476,277	-
distribute			
3. other			
(4) Internal structure of owners' equity			
change			
1. Capital surplus transferred to increase capital (or			
Equity)			
2. The surplus reserve is transferred to capital (or			
Equity)			
3. Surplus reserves make up for losses			
4. Change in defined benefit plan			
Transferred retained earnings			
5. Other comprehensive income carried forward and retained			
income			
6. other			
(5) Special reserves			

1. Current withdrawal
2. Used in this period

(6) Other

4. The ending balance of the current period 33,653,461

3,381,585,532

21,073,711

612,010,760 3,025,493,426 7,764,415,076

Legal representative: Ma Jie, person in charge of accounting work: Zhuang Dan, person in charge of accounting department: Liang Guanning

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3. Basic situation of the company

1. Company profile

☒Applicable ☐Not applicable

YOFC Optical Fiber and Cable Co., Ltd. (hereinafter referred to as the "Company") was established in Wuhan, Hubei Province, the People's Republic of China Sino-foreign joint venture company limited by shares, headquartered in Wuhan. In December 2014, the company sold HK\$7.39 per share (par value per share). RMB 1.00) issued 159,870,000 H shares and listed on the

RMB 26.71 (par value of RMB 1.00 per share) 75,790,510 A shares were issued and listed on the Shanghai Stock Exchange. cut

As of December 31, 2020, the company's major investors, China Huaxin Post and Telecommunications Technology Co., Ltd., and Wuhan Yangtze Communications Industry Group The shareholding ratios of Co., Ltd. and Draka Comteq BV are 23.73%, 15.82% and 23.73%, respectively.

The company and its subsidiaries (hereinafter referred to as the "Group") are mainly engaged in the research, development, production and sales of optical fiber preforms, optical fiber Optical cables and related products. For the relevant information of the company's subsidiaries, please refer to Note 9 "1. Equity in Subsidiaries".

2. Scope of consolidated financial statements

☒Applicable ☐Not applicable

During the reporting period, please refer to Note 8 "Changes in Consolidation Scope" for information on the addition and reduction of subsidiaries of the Group.

Fourth, the basis for the preparation of financial statements

1. Preparation basis

The company's financial statements are prepared on the basis of continuing operations.

2. Going concern

☒Applicable ☐Not applicable

The company has no matters or circumstances that have caused major doubts about the company's ability to continue operations in the 12 months since the end of the reporting period

V. Important accounting policies and accounting estimates

Reminders on specific accounting policies and accounting estimates:

☒Applicable ☐Not applicable

Recognition and measurement of bad debt provision for accounts receivable of the Group, measurement of inventories issued, depreciation of fixed assets, amortization of intangible assets The capitalization conditions for sales and R&D expenses and the relevant accounting policies for the recognition and measurement of revenue are based on the Group's relevant business operations For specific policies, please refer to the relevant notes.

1. Statement of compliance with corporate accounting standards

The financial statements prepared by the company comply with the requirements of corporate accounting standards, and truly and completely reflect the company's financial status, Relevant information such as operating results, changes in shareholder equity and cash flow.

This financial statement complies with the requirements of the Accounting Standards for Business Enterprises promulgated by the Ministry of Finance of the People's Republic of China It truly and completely reflects the company's consolidated financial status and financial status as of December 31, 2020, and the 2020 consolidated operation Results and operating results and consolidated cash flow and cash flow.

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In addition, the company's financial statements also comply with the 2014 revision of the China Securities Regulatory Commission (hereinafter referred to as the "CSRC"). The "Regulations No. 15 for Information Disclosure and Reporting of Companies Offering Securities to the Public-General Provisions on Financial Reporting" related to the financial statements. The disclosure requirements of its notes.

2. Accounting period

The company's fiscal year starts from January 1 to December 31 of the Gregorian calendar.

3. Business cycle

☒Applicable ☐Not applicable

The company takes the period from the purchase of assets for processing to the realization of cash or cash equivalents as the normal operating cycle. Honour The operating cycle of the company's main business is usually less than 12 months.

4. Accounting standard currency

The company's accounting standard currency is Renminbi. The currency used in preparing the financial statements is RMB. Selection of the company and its subsidiaries The functional currency of the account is based on the pricing and settlement currency of the main business income and expenditure. Some of the company's subsidiaries use the company's Currency other than foreign currency is used as the functional currency for bookkeeping. When preparing these financial statements, the foreign currency financial statements of these subsidiaries "Foreign currency business and foreign currency report conversion" has been converted.

5. Accounting treatment methods for business combinations under the same control and not under the same control

☒Applicable ☐Not applicable

If the group obtains control of another or more enterprises (or a group of assets or net assets) and it constitutes a business, the transaction Or the matter constitutes a business combination. Business combinations are divided into business combinations under the same control and business combinations not under the same control.

For transactions not under the same control, the purchaser will consider whether the acquired asset portfolio constitutes a business Whether to choose to adopt the simplified judgment method of "concentration test". If the combination passes the concentration test, it is judged not to constitute a business. If the combination fails the concentration test, it should still be judged according to business conditions.

When the group obtains a group of assets or net assets that do not constitute business, the purchase cost shall be Recognized assets and liabilities are allocated on the basis of the relative fair value, and are not handled in accordance with the following accounting treatment methods for business combinations.

Business combination not under common control

If the parties involved in the merger are not ultimately controlled by the same party or the same multiple parties before and after the merger, it is a business combination not under the same control. As the purchaser, the group paid for the assets (including the purchased assets held before the purchase date) to obtain control of the purchased Party's equity), incurred or assumed liabilities, and the sum of the fair value of the equity securities issued on the purchase date, minus the sum of the The difference in the fair value of the acquired party's identifiable net assets on the purchase date is recognized as goodwill if it is a positive number; it is recognized as goodwill if it is a negative number. Included in the current profit and loss. All direct expenses incurred by the Group for business combination are included in the current profit and loss. The group is The identifiable assets, liabilities and contingent liabilities of the acquiree obtained by the fair value confirmation that meet the confirmation conditions. Purchase date refers to purchase The date when the buyer actually obtains control of the acquiree.

When realizing the merger of enterprises that are not under the same control step by step through multiple transactions, the

The group will re-measure the equity based on the fair value of the equity on the purchase date, and the difference between the fair value and its book value will be included in the current income or other comprehensive income. The equity of the purchased party held before the purchase date can be reclassified later under the equity method accounting Other comprehensive income and other changes in owner's equity (see Note 5 "21. Long-term equity investment (2)(b)) Into the current investment income; the equity of the purchased party held before the purchase date is measured at fair value and its changes are included in other comprehensive income For investment in beneficial equity instruments, other comprehensive income recognized before the purchase date is transferred to retained earnings on the purchase date.

6. Preparation method of consolidated financial statements

√Applicable □Not applicable

(1) General principles

The scope of consolidation of the consolidated financial statements is determined on the basis of control, including the company and the subsidiaries controlled by the company. It means that the group has the power over the investee, enjoys variable returns by participating in the relevant activities of the investee, and has the ability to use the power over the investee to affect the amount of return. When judging whether the group has power over the investee, the group only considers the substantive rights related to the investee (including the substantive rights enjoyed by the group itself and other parties). The financial status, operating results and cash flow of subsidiaries are included in the consolidated financial statements from the control start date to the control end date.

The equity, profit and loss and total comprehensive income attributable to the minority shareholders of the subsidiary are respectively included in the shareholders' equity in the consolidated financial statements. The net profit and total comprehensive income items in the income statement are separately listed.

If the current loss shared by the minority shareholders of the subsidiary exceeds the minority shareholders' equity, the balance shall still be offset against the number of shareholders' equity.

When the accounting period or accounting policy adopted by the subsidiary is inconsistent with the company's accounting period or accounting policy, the company shall make necessary adjustments to the financial statements of subsidiaries. All intra-group transactions and balances at the time of the merger, including unrealized intra-group transaction gains and losses have been offset. Unrealized losses incurred in intra-group transactions, where there is evidence that the losses are related to asset impairment losses, shall be fully confirmed.

(2) Acquired subsidiary company through merger

For a subsidiary acquired through a business combination under the same control, when preparing the consolidated financial statements for the current period, the consolidated subsidiary shall be based on the book value of the assets and liabilities of the ultimate controlling party's financial statements, they are deemed to be the final balances. When the controlling party began to control it, it was included in the scope of the company's consolidation, and the opening balance of the consolidated financial statements and the previous period's financial statements shall be adjusted accordingly.

For a subsidiary acquired through a business combination not under the same control, when preparing the consolidated financial statements for the current period, the purchase date is the date of acquisition. Based on the fair value of the identifiable assets and liabilities of the purchased subsidiary, the purchased subsidiary will be included in the company from the date of purchase. Consolidation scope.

(3) Disposal of subsidiaries

When the group loses control of the original subsidiary, any disposal gains or losses arising therefrom shall be included in the current period of loss of control. For the remaining equity investment, the Group re-measures it at its fair value on the date of loss of control, thus investment income. Any gains or losses incurred are also included in the investment income for the period when control is lost.

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(4) Changes in minority shareholders' equity

The cost of long-term equity investment newly acquired by the company due to the purchase of minority equity and the difference between the share of net assets and the partial disposal of equity investments in subsidiaries without losing control. The difference between the disposal price and the disposal of the long-term equity investment corresponding to the subsidiary's net assets is adjusted to the capital in the consolidated balance sheet (share premium), if the capital reserve (share premium) is not enough to offset, adjust retained earnings.

7. Classification of joint arrangements and accounting treatment methods for joint operations

□Applicable √Not applicable

8. Criteria for determining cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits that can be used for payment at any time, and short holding periods, strong liquidity, and easy access. It is converted into an investment with a known amount of cash and a small risk of value change.

9. Foreign currency business and foreign currency statement translation

√Applicable □Not applicable

When the Group receives capital invested in foreign currencies from investors, it is converted into RMB at the spot exchange rate on the day. Other foreign currency transactions are converted into RMB at the approximate exchange rate of the spot exchange rate on the transaction date. The approximate exchange rate of the spot exchange rate is the average exchange rate of the current period determined by the method and similar to the spot exchange rate on the transaction date.

On the balance sheet date, monetary items in foreign currencies are converted at the spot exchange rate on that date. In addition to the acquisition and construction of assets that meet the criteria for recognition, other exchange differences are included in the current period profit and loss. Non-monetary items in foreign currencies measured at historical cost are still converted at the spot exchange rate on the transaction date. Based on historical cost, the amount of foreign currency non-monetary items is still converted at the spot exchange rate on the transaction date.

When translating the financial statements of overseas operations, the assets and liabilities items in the balance sheet shall adopt the balance sheet date conversion at the spot exchange rate, except for the undistributed profit and other comprehensive income, the foreign currency financial statement conversion difference items, other items are converted at the spot exchange rate at the time of occurrence. The income and expense items in the income statement use the spot exchange rate on the transaction date for approximate exchange rate conversion. The conversion difference of the foreign currency financial statements generated in accordance with the above conversion shall be listed in other comprehensive income. In the case of foreign operations, the relevant foreign currency financial statement translation difference shall be transferred from other comprehensive income to the current profit and loss.

10. Financial instruments

√Applicable □Not applicable

The Group's financial instruments include monetary funds, except for long-term equity investment (see Note 5 "21. Long-term equity investment") Equity investment, receivables, payables, loans, bonds payable and equity, etc.

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

Financial assets and financial liabilities are recognized in the balance sheet when the Group becomes a party to the contract terms of the relevant financial instruments.

At the time of initial recognition, financial assets and financial liabilities are measured at fair value. For fair value measurement and its changes are included in

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For financial assets or financial liabilities in the current profit and loss, the relevant transaction costs are directly included in the current profit and loss; for other types of financial assets or financial liabilities and related transaction costs are included in the initial confirmation amount. For contracts that do not contain major financing components or do not consider the financing component of Tongzhong, the Group enters in accordance with the transaction price determined in accordance with the accounting policy of No. 18. Line initial measurement.

(2) Classification and subsequent measurement of financial assets

(a) Classification of the Group's financial assets

According to the business model of managing financial assets and the contractual cash flow characteristics of financial assets, the Group usually classifies financial assets into different categories: financial assets measured at amortized cost, measured at fair value and their changes are included in other comprehensive income; Profitable financial assets and financial assets that are measured at fair value and whose changes are included in the current profit and loss.

Unless the Group changes its business model for managing financial assets, under this circumstance, all related financial assets affected are in business. Reclassification will be carried out on the first day of the first reporting period after the model is changed, otherwise the financial assets shall not be reclassified after initial recognition kind.

The Group will meet the following conditions at the same time and have not been designated as financial assets measured at fair value and whose changes are included in the current profit and loss. Classified as financial assets measured at amortized cost:

- The business model of the Group to manage the financial assets is to collect contractual cash flow as the goal;
 - The contract terms of the financial asset stipulate that the cash flow generated on a specific date is only for the principal and the outstanding principal
- The payment of interest based on the amount.

The Group will meet the following conditions at the same time and have not been designated as financial assets measured at fair value and whose changes are included in the current profit and loss. Classified as financial assets measured at fair value and whose changes are included in other comprehensive income:

- The Group's business model for managing this financial asset is both aimed at collecting contractual cash flow and selling the financial asset.
- Target;
- The contract terms of the financial asset stipulate that the cash flow generated on a specific date is only for the principal and the outstanding principal
- The payment of interest based on the amount.

For investments in non-trading equity instruments, the Group can irrevocably designate them to be measured at fair value at the time of initial confirmation. And its changes are included in other comprehensive income financial assets. The designation is made on the basis of a single investment, and the related investment is from the issuer. The angle meets the definition of equity instruments.

In addition to the above financial assets measured at amortized cost and at fair value with changes included in other comprehensive income, the Group classifies all other financial assets as financial assets measured at fair value and whose changes are included in the current profits and losses. At the time of initial confirmation, if the accounting mismatch can be eliminated or significantly reduced, the Group can measure that should be measured at amortized cost or measured at fair value and its change. Financial assets that are automatically included in other comprehensive income are irrevocably designated as financial assets that are measured at fair value and whose changes are included in assets.

The business model of managing financial assets refers to how the Group manages financial assets to generate cash flow. Business model

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The source of the cash flow of the financial assets managed by the group is whether it receives contractual cash flow, sells financial assets, or both. our group Based on objective facts and the specific business objectives of financial asset management determined by key management personnel, determine the management The business model of managing financial assets.

The Group evaluates the contractual cash flow characteristics of financial assets to determine the contractual Whether the same cash flow is only the payment of principal and interest based on the amount of outstanding principal. Among them, principal refers to financial assets The fair value at the time of initial recognition; interest includes the time value of money, the credit risk related to the outstanding principal amount in a specific period And other basic borrowing risks, costs and profits. In addition, the Group's The time distribution of the amount or the amount of the contract terms that have changed to determine whether it meets the above-mentioned contract cash flow characteristics Require.

(b) Subsequent measurement of the Group's financial assets

- Financial assets that are measured at fair value and whose changes are included in the current profit and loss

After the initial recognition, the subsequent measurement of such financial assets is carried out at fair value, and the resulting gains or losses (including interest and Dividend income) is included in the current profit and loss, unless the financial asset is part of the hedging relationship.

- Financial assets measured at amortized cost

After the initial recognition, the actual interest rate method is used to measure such financial assets at amortized cost. Measured at amortized cost and does not belong to Any gains or losses arising from financial assets that are part of a hedging relationship shall be derecognized, reclassified, and in accordance with the effective interest rate method. When amortization or impairment is recognized, it is included in the current profit and loss.

- Debt investment that is measured at fair value and whose changes are included in other comprehensive income

After the initial confirmation, the subsequent measurement of such financial assets shall be carried out at fair value. Interest and deduction calculated using the effective interest rate n Value losses or gains and exchange gains and losses are included in the current profit and loss, and other gains or losses are included in other comprehensive income. When the confirmation The accumulated gains or losses previously included in other comprehensive income are transferred from other comprehensive income and included in the current profit and loss.

- Equity instrument investment measured at fair value and its changes included in other comprehensive income

After the initial confirmation, the subsequent measurement of such financial assets shall be carried out at fair value. Dividend income is included in profit and loss, other gains or The loss is included in other comprehensive income. At the time of derecognition, the accumulated gains or losses previously included in other comprehensive income shall be taken from o The transfer out of the benefits will be included in the retained earnings.

(3) Classification and subsequent measurement of financial liabilities

The Group classifies financial liabilities into financial liabilities that are measured at fair value and whose changes are included in the current profit and loss and are calculated at amo The amount of financial liabilities.

- Financial liabilities that are measured at fair value and whose changes are included in the current profit and loss

This type of financial liabilities includes transactional financial liabilities (including derivatives that are financial liabilities) and designated as measured at fair value And its changes are included in the financial liabilities of the current profit and loss.

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After the initial recognition, the subsequent measurement of such financial liabilities at fair value will result in gains or losses (including interest expenses). Use) included in the current profit and loss.

- Financial liabilities measured at amortized cost

After initial recognition, the actual interest rate method is used to measure such financial liabilities at amortized cost.

(4) Offset

Financial assets and financial liabilities are listed separately in the balance sheet without offsetting each other. However, if the following conditions are met at the same time, The net amount after offsetting each other is listed in the balance sheet:

- The Group has the statutory right to offset the confirmed amount, and this statutory right is currently enforceable;
- The Group plans to settle on a net basis, or to realize the financial assets and liquidate the financial liabilities at the same time.

(5) Derecognition of financial assets and financial liabilities

When one of the following conditions is met, the Group terminates the recognition of the financial asset:

- The contractual right to receive the cash flow of the financial asset terminates;
- The financial asset has been transferred, and the Group has transferred almost all risks and rewards in the ownership of the financial asset to the transferee;
- The financial asset has been transferred, although the Group has neither transferred nor retained almost all the risk of ownership of the financial asset.

Insurance and rewards, but did not retain control of the financial assets.

If the transfer of financial assets meets the conditions for termination of confirmation as a whole, the Group will include the difference between the following two amounts in the current

- The book value of the transferred financial asset on the date of derecognition;
 - The consideration received due to the transfer of financial assets shall be compared with the accumulated amount of fair value changes originally directly included in other comprehensive income.
- The amount of the part that should be derecognized (the financial assets involved in the transfer are debts that are measured at fair value and whose changes are included in other comprehensive income).

If the current obligation of the financial liability (or part of it) has been discharged, the Group shall terminate the recognition of the financial liability (or part of the financial liability). Liabilities).

(6) Impairment

Based on expected credit losses, the Group performs impairment accounting treatments on the following items and confirms loss reserves:

- Financial assets measured at amortized cost;
- Debt investments that are measured at fair value and whose changes are included in other comprehensive income.

The expected credit loss model is not applicable to other financial assets measured at fair value held by the Group, including those measured at fair value. Debt investment or equity instrument investment whose amount is included in the current profit and loss is designated as measured at fair value and the change is included in other comprehensive income.

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Measurement of expected credit losses

Expected credit loss refers to the weighted average of the credit losses of financial instruments based on the risk of default. Credit loss,

Refers to all contract cash flows receivable according to the contract and all cash flows expected to be received by the group discounted at the original effective interest rate

The difference between the amounts is the present value of the total cash shortage.

When measuring expected credit losses, the longest period that the Group needs to consider is the longest contract period (including Including consideration of renewal options).

Expected credit loss during the entire lifetime refers to all possible default events that may occur during the entire expected lifetime of a financial instrument. Expected credit loss due to.

Expected credit loss in the next 12 months refers to the Less than 12 months, it is the expected duration) The expected credit loss caused by the possible default event of financial instruments is the entire deposit Renewal part of expected credit loss.

For accounts receivable, the Group always measures its loss reserves at an amount equivalent to expected credit losses during the entire duration. The Group calculates the expected credit losses of the above financial assets based on historical credit loss experience and the use of a reserve matrix. Relevant historical experience Adjust according to the specific factors of the borrower on the balance sheet date and the assessment of the current situation and the forecast of future economic conditions.

Except for accounts receivable, the Group's financial instruments that meet the following For other financial instruments, the loss reserves are measured at the amount equivalent to the expected credit loss during the entire lifetime. Unprepared:

- The financial instrument has only a low credit risk on the balance sheet date; or
- The credit risk of this financial instrument has not increased significantly since its initial confirmation.

Has low credit risk

If the default risk of financial instruments is low, the borrower has a strong ability to fulfill its contractual cash flow obligations in the short term, and Even if there are unfavorable changes in the economic situation and operating environment over a long period of time, it may not necessarily reduce the borrower's obligation to perform its The financial instrument is considered to have low credit risk.

Credit risk has increased significantly

The Group compares the default risk of financial instruments on the balance sheet date with the risk of default on the initial recognition date. To determine the relative change in the default risk of the financial instrument during the expected life, to assess the credit risk of the financial instrument since the initial confirmation Has it increased significantly since then?

When determining whether the credit risk has increased significantly since the initial confirmation, the Group considers not having to pay unnecessary additional costs or efforts. Reasonable and well-founded information that can be obtained with any effort, including forward-looking information. The information considered by the Group includes:

- The debtor fails to pay the principal and interest on the due date of the contract;
- A serious deterioration in the external or internal credit rating (if any) of the financial instrument that has occurred or is expected;

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- A serious deterioration in the debtor's operating results that has occurred or is expected;
- Existing or anticipated changes in technology, market, economic or legal environment will affect the debtor's ability to repay the group Have a major adverse effect.

According to the nature of financial instruments, the Group assesses whether the credit risk is significant on the basis of a single financial instrument or a combination of financial inst Increase. When the assessment is based on a portfolio of financial instruments, the Group can classify financial instruments based on common credit risk characteristics. For example, overdue information and credit risk rating.

Normally, if more than 30 days are overdue, the Group determines that the credit risk of financial instruments has increased significantly. Unless this episode The delegation does not need to pay too much cost or effort to obtain reasonable and well-founded information, which proves that although the payment period stipulated in the contract is e Days, but the credit risk has not increased significantly since the initial confirmation.

Financial assets that have been credit-impaired

The Group assesses financial assets measured at amortized cost and at fair value on the balance sheet date and their changes are included in other Whether the debt investment of comprehensive income has been credit-impaired. When an item that has an adverse effect on the expected future cash flow of a financial asset

When or multiple events occur, the financial asset becomes a financial asset that has been credit-impaired. Proof that the financial asset has been credit-impaired
The data includes the following observable information:

- The issuer or debtor has major financial difficulties;
- The debtor breached the contract, such as default or overdue payment of interest or principal;
- Due to economic or contractual considerations related to the debtor's financial difficulties, the Group grants the debtor

Concessions that will not be made;

- The debtor is likely to go bankrupt or undergo other financial restructuring;
- The issuer or debtor's financial difficulties caused the disappearance of the active market for the financial asset.

Presentation of expected credit loss provisions

In order to reflect the changes in the credit risk of financial instruments since the initial recognition, the Group remeasures the expectations on each balance sheet date
Credit losses, the resulting increase in loss provision or the amount reversed, shall be included in the current profits and losses as impairment losses or gains. right
For a financial asset measured at amortized cost, the loss allowance should be offset against the financial asset's book value as shown in the balance sheet;
For debt investments that are measured at fair value and whose changes are included in other comprehensive income, the Group recognizes its loss in other comprehensive income.
It does not deduct the book value of the financial asset.

Write off

If the Group no longer reasonably expects that the contractual cash flow of financial assets can be recovered in whole or in part, it will directly write down the financial financing
The book balance of the property. This write-down constitutes the derecognition of related financial assets. This situation usually occurs when the group determines the debtor
There is no asset or source of income that can generate sufficient cash flow to repay the amount to be written down. However, the financial assets that have been written down are still
It may be affected by the execution activities related to the Group's reminder to receive the due payment.

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The financial assets that have been written down are later recovered, as the reversal of the impairment loss is included in the current profit and loss of the recovery period.

(7) Equity instruments

The consideration received by the company from issuing equity instruments, after deducting transaction costs, is included in shareholders' equity. Payment for repurchase of equity in
The consideration and transaction costs are reduced to reduce shareholders' equity.

When repurchasing the company's shares, the repurchased shares shall be managed as treasury shares, and all the expenses for repurchasing shares shall be converted to the cost of tre
Register for reference at the time. Treasury shares are listed in the balance sheet as an allowance item for shareholders' equity.

When treasury shares are cancelled, the share capital shall be reduced according to the total face value of the cancelled shares, and the portion of the cost of treasury shares exceeding
Less capital reserve (share premium), surplus reserve and undistributed profit; if the cost of treasury stock is lower than the total face value, it is lower than the total face value
Partial increase in capital reserve (equity premium).

When the treasury stock is transferred, the portion of the transfer income that is higher than the cost of the treasury stock will increase the capital reserve (share capital premium);
This part of the capital will be reduced in turn from capital reserve (share premium), surplus reserve, and undistributed profits.

11. Notes receivable

Determining method and accounting treatment method of expected credit loss of bills receivable

☐Applicable ☒Not applicable

12. Accounts receivable

The determination method and accounting treatment method of the expected credit loss of accounts receivable

☒Applicable ☐Not applicable

Refer to this Note 5 "10. Financial Instruments".

13. Receivables financing

☐Applicable ☒Not applicable

14. Other receivables

Determination method and accounting treatment method of expected credit loss of other receivables

☐Applicable ☒Not applicable

15. Inventory

☒Applicable ☐Not applicable

(1) Classification and cost of inventory

Inventories include raw materials, products in progress, semi-finished products, and finished products.

Inventories are initially measured at cost. Inventory costs include purchasing costs, processing costs and bringing the inventory to the current location and state

Other expenses incurred. In addition to the purchase cost of raw materials, work in progress and finished products also include direct labor and allocation in accordance with appropriate proportion Manufacturing costs.

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(2) Pricing method for issuing inventory

The actual cost of issuing inventories is measured using the weighted average method.

Revolving materials such as low-value consumables and packaging materials are amortized using the one-off write-off method and included in the cost of related assets or current loss beneficial.

(3) The basis for determining the net realizable value of inventories and the method of accruing inventory depreciation reserves

On the balance sheet date, inventories are measured at the lower of cost and net realizable value.

Net realizable value refers to the estimated selling price of inventory minus the estimated cost and estimated

The amount after sales expenses and related taxes and fees. The net realizable value of raw materials held for production is based on the finished products produced

The net realizable value is determined on the basis. The net realizable value of the inventory held for the execution of the sales contract or the labor service contract shall be based on the cost Grid-based calculation. When the quantity of inventory held is more than the quantity ordered by the relevant contract, the net realizable value of the excess inventory shall be equal to one Calculated based on the general selling price.

The difference between the cost calculated according to the inventory category and its net realizable value shall be withdrawn and included in the current profit and loss.

(4) Inventory system for inventories

The inventory system of the Group is a perpetual inventory system.

16. Contract assets**(1). Confirmation methods and standards of contract assets**

☐Applicable ☒Not applicable

(2). The determination method and accounting treatment method of contract assets expected credit loss

☐Applicable ☒Not applicable

17. Holding assets for sale

☐Applicable ☒Not applicable

18. Debt investment**(1). Determining method and accounting treatment method of expected credit loss of debt investment**

☐Applicable ☒Not applicable

19. Other debt investments**(1). The determination method and accounting treatment method of the expected credit loss of other debt investment**

☐Applicable ☒Not applicable

20. Long-term receivables

(1). The method of determining the expected credit loss of long-term receivables and the accounting treatment method

☐Applicable ☒Not applicable

21. Long-term equity investment

☒Applicable ☐Not applicable

(1) Determination of investment cost of long-term equity investment

(a) Long-term equity investment formed through business combination

- For long-term equity investments in subsidiaries formed by business combinations not under the same control, the company obtains the

The fair value of the assets paid, the liabilities incurred or assumed, and the equity securities issued for the control of the acquiree shall be regarded as the fair value of the
The initial investment cost of the investment.

(b) Long-term equity investment obtained by other means

- For long-term equity investments obtained through other means other than business mergers, at the time of initial confirmation, the

For long-term equity investment obtained by the Group, the Group shall use the actual purchase price paid as the initial investment cost; for the issuance of equity certificates

For long-term equity investments obtained by securities, the Group uses the fair value of the issued equity securities as the initial investment cost.

(2) Follow-up measurement and profit and loss confirmation methods of long-term equity investment

(a) Investment in subsidiaries

In the company's individual financial statements, the company adopts the cost method for subsequent measurement of the subsidiary's long-term equity investment, unless
The investment meets the conditions for holding for sale. The part of the cash dividends or profits declared to be distributed to the investee that is enjoyed by the company is recognized as
Current investment income, but the actual price paid or the consideration included in the cash dividends or dividends that have been declared but not yet paid when the investment is obtained
Except for run.

Investments in subsidiaries are listed in the balance sheet at cost minus the provision for impairment.

Refer to Note 5 "30. Impairment of Long-term Assets" for the method of impairment test and the method of withdrawing impairment provision for investment in subsidiaries.

In the consolidated financial statements of the Group, the subsidiaries are treated in accordance with Note 5 "6. Preparation method of consolidated financial statements".

(b) Investment in joint ventures and associates

A joint venture refers to the joint control of the group and other joint ventures (see Note 5 "21. Long-term equity investment" (3)) and only
An arrangement in which assets enjoy rights.

Associated enterprises refer to enterprises to which the Group can exert significant influence (see Note 5 "21. Long-term equity investment" (3)).

In subsequent measurement, long-term equity investments in joint ventures and associates are accounted for using the equity method, unless the investment meets the
Conditions of sale.

The specific accounting treatment when the Group adopts the equity method of accounting includes:

- For long-term equity investment, the initial investment cost is greater than the investment, and the fair value of the identifiable net assets of the investee should be enjoyed

Share, the former is regarded as the cost of long-term equity investment; for long-term equity investment, the initial investment cost is less than that of the investment.

If the investee has an identifiable share of the fair value of the net assets, the latter shall be used as the cost of the long-term equity investment, and the cost of the long-term equity investment. The difference between this and the initial investment cost is included in the current profit and loss.

- After obtaining the investment in joint ventures and associates, the Group realizes the net amount of investment

The share of profit and loss and other comprehensive income shall be recognized respectively for investment profit and loss and other comprehensive income and the book value of long-term equity investment. Calculate the portion that should be distributed according to the declared profit or cash dividends of the invested entity, and reduce the book value of the long-term equity investment accordingly. For joint ventures or associates, in addition to net profit and loss, other comprehensive income and profit distribution, other changes in owner's equity (based on Hereinafter referred to as "changes in other owners' equity"), the Group is included in the shareholders' equity according to the share that should be enjoyed or shared, and at the same time The book value of the equity investment in the period.

- In calculating the net profit and loss, other comprehensive income and other changes in owner's equity that should be enjoyed or shared by the investee

In the case of the share of investment, the Group uses the fair value of the identifiable net assets of the investee at the time the investment is obtained.

After making necessary adjustments to policies or accounting periods, confirm investment income and other comprehensive income. The Group and associates and joint ventures

The unrealized gains and losses arising from the internal transactions between the two parties are calculated according to the proportion that should be enjoyed, and the part attributable to the Group is offset. Unrealized losses arising from internal transactions, if there is evidence that the losses are related to asset impairment losses, the full amount shall be confirmed as impairment loss.

- The group's net losses incurred by joint ventures or associates, in addition to the group's obligation to bear additional losses, are

The book value of the equity investment in the period and other long-term equity that actually constitute the net investment in the joint venture or associate is written down to zero.

limit. If a joint venture or an associated enterprise realizes net profits in the future, the Group shall, after its share of revenues make up for the share of unrecognized losses,

Re-recognition of revenue sharing amount.

The Group's impairment test method and impairment provision method for investment in joint ventures and associates, please refer to Note 5 "30. Period asset impairment".

(3) Determine the criteria for determining joint control and significant influence on the investee

Joint control refers to the common control of an arrangement in accordance with the relevant agreement, and the related activities of the arrangement (that is, the return to the arranger (Reporting activities that have a significant impact) can only be made after the unanimous consent of the participants who share control rights.

The Group usually considers the following matters when judging whether there is joint control over the investee:

- Whether no one participant can independently control the relevant activities of the invested entity;
- Whether the decision-making involving the relevant activities of the investee requires the unanimous consent of the participants who share control rights.

Significant influence means that the group has the power to participate in decision-making on the financial and operating policies of the investee, but is not able to control or jointly control the formulation of these policies with other parties.

22. Investment real estate

not applicable

23. Fixed assets

(1). Confirmation conditions

☒Applicable ☐Not applicable

Fixed assets refer to the tangible assets held by the Group for the production of goods or for operation and management, with a useful life of more than one fiscal year.

The initial cost of outsourcing fixed assets includes the purchase price, relevant taxes and fees issued before the asset reaches its intended useable state.

Health can be attributed to the expenditure of the asset. The initial cost of self-built fixed assets is determined in accordance with Note 5 "24. Construction in progress".

For each component that constitutes a fixed asset, if each has a different service life or provides it to the group in different ways

For economic benefits, if different depreciation rates or depreciation methods are applied, the Group recognizes each component as a single fixed asset.

For subsequent expenditures of fixed assets, including expenditures related to the replacement of certain components of fixed assets,

When the economic benefits are likely to flow into the Group, they will be capitalized and included in the cost of fixed assets, and the book value of the replaced part will be deducted;

Expenses related to the daily maintenance of certain assets are included in the current profit and loss when incurred.

Fixed assets are listed in the balance sheet at cost minus accumulated depreciation and impairment provisions.

Fixed asset disposal:

When a fixed asset meets one of the following conditions, the Group will derecognize it.

- The fixed assets are in a state of disposal;
- The fixed asset is expected to produce no economic benefits through use or disposal.

The profit and loss arising from scrapping or disposing of a fixed asset project is the difference between the net proceeds from the disposal and the carrying amount of the project, and It is recognized in profit and loss on the date of scrapping or disposal.

(2). Depreciation method

☒Applicable ☐Not applicable

category	Depreciation method	Depreciation period (year)	Residual rate	Annual depreciation rate
houses and buildings	Average age method	10-50 years	10%	1.80%-9.00%
mechanical equipment	Average age method	3-20 years	0%	5.00%-33.33%
Office equipment and other equipment	Average age method	4-10 years	0%	10.00%-25.00%
Means of transport	Average age method	4-15 years	10%	6.00%-22.50%
Houses and buildings leased out by operating lease	Average age method	10-20 years	10%	4.50%-9.00%
Machinery and equipment leased out by operating lease	Average age method	15 years	0%	6.67%

The Group deducts the cost of fixed assets from the estimated net salvage value and accumulated impairment provision and calculates it by the average life method during its useful life. Depreciation is provided unless the fixed asset meets the conditions for holding for sale.

No depreciation is provided for the land permanently held by the Group.

The Group reviews the useful life, estimated net residual value and depreciation method of fixed assets at least at the end of each year.

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(3) The identification basis, valuation and depreciation method of fixed assets acquired by financing lease

☐Applicable ☒Not applicable

24. Construction in progress

☒Applicable ☐Not applicable

The cost of self-built fixed assets includes engineering materials, direct labor, and borrowing costs that meet the capitalization conditions (see Note 5 "25. Borrowing costs") and the necessary expenditures incurred before the asset reaches its intended useable state.

Self-built fixed assets are transferred to fixed assets when they reach the expected usable state. They were previously listed in construction in progress and no provision is made depreciation.

Construction in progress is listed in the balance sheet as cost less impairment provision (see Note 5 "30. Impairment of long-term assets").

25. Borrowing costs

☒Applicable ☐Not applicable

The borrowing costs incurred by the Group that can be directly attributable to the acquisition and construction of assets that meet the capitalization conditions shall be capitalized and The cost of related assets and other borrowing costs are recognized as financial expenses in the period in which they are incurred.

During the capitalization period, the Group determines the amount of interest capitalization (including discounts or premiums) for each accounting period in accordance with the following amortization of price):

- For the special loans borrowed for the purchase and construction of assets that meet the capitalization conditions, the Group uses the special loans to calculate the actual interest. Calculated current interest expense, minus interest income obtained by depositing unused borrowed funds in the bank or obtained through temporary investment. The amount after the investment income determines the amount of interest that should be capitalized on the special loan.
- For general borrowings used for the acquisition and construction of assets that meet the capitalization conditions, the Group's accumulative asset expenditure exceeds the. Multiply the weighted average of the asset expenditure of the part of the general borrowings by the capitalization rate of the general borrowings used to calculate and determine the. The capitalized interest amount. The capitalization rate is calculated and determined based on the weighted average actual interest rate of general borrowings.

When the Group determines the actual interest rate of borrowings, it is based on the future cash flow of the borrowings during the expected duration or applicable shorter period. The amount is discounted to the interest rate used for the amount determined at the time of initial recognition of the loan.

During the capitalization period, the exchange difference between the principal and interest of the foreign currency special loan shall be capitalized and included in the capitalization p
The cost of the asset of the piece. The exchange difference arising from the principal and interest of foreign currency borrowings other than foreign currency special borrowings is regarded
Service costs are included in the current profit and loss.

The capitalization period refers to the period from the time when the borrowing costs start to be capitalized to the time when the capitalization is stopped, and the borrowing costs are
The period of capitalization is not included. When capital expenditures and borrowing costs have incurred and are necessary for the asset to reach the intended useable state
When the necessary purchase and construction activities have begun, the borrowing costs begin to be capitalized. When the acquisition and construction of assets that meet the capitalization
In the state, the capitalization of borrowing costs ceases. For assets that meet the conditions of capitalization, abnormal interruptions and
If the suspension period exceeds 3 consecutive months, the Group suspends the capitalization of borrowing costs.

26. Biological assets
☐Applicable ☒Not applicable

27. Oil and gas assets
☐Applicable ☒Not applicable

28. Right-of-use assets
☐Applicable ☒Not applicable

29. Intangible assets
(1). Valuation method, service life, impairment test
☒Applicable ☐Not applicable

Intangible assets are amortized at cost less accumulated amortization (only limited to intangible assets with a limited useful life) and impairment provisions (see note see
Note 5 "30. Impairment of long-term assets") and then listed in the balance sheet. For intangible assets with a limited service life, the Group will have no
The cost of tangible assets is deducted from the estimated net residual value and accumulated impairment provision.
The asset meets the conditions for holding for sale. .

The amortization period of each intangible asset is:	
project	Amortization period (years)
Land use rights	50 years
Unpatented technology	10-20 years
Trademark rights	10 years
patent	10 years

The Group reviews the useful life and amortization method of intangible assets with limited useful lives at least at the end of each year.

The Group regards intangible assets that cannot foresee the term of future economic benefits as intangible assets with an indefinite useful life.
Intangible assets are not amortized. As of the balance sheet date, the Group has no intangible assets with uncertain service life.

(2). Accounting policies for internal research and development expenditures
☒Applicable ☐Not applicable

The Group's internal research and development project expenditures are divided into research phase expenditures and development phase expenditures. Expenses during the research p
The time of birth is included in the current profit and loss. Expenditure in the development stage, if a certain product or process formed by development is technically and commercially fea
Moreover, the Group has sufficient resources and intention to complete the development work, and the development phase expenditure can be reliably measured, the development phase
Expenses will be capitalized. Capitalized development expenditures are based on the cost minus the provision for impairment (see 5. "30. Impairment of long-term assets").
Listed in the balance sheet. Other development expenses are recognized as expenses during the period in which they are incurred.

30. Long-term asset impairment
☒Applicable ☐Not applicable

The Group uses internal and external information on the balance sheet date to determine whether there are signs of impairment for the following assets, including:

- Fixed assets

- Construction in progress
- Right-of-use asset
- Intangible assets
- Long-term equity investment
- Goodwill
- Long-term prepaid expenses
- Other non-current assets, etc.

The Group conducts impairment tests on assets with signs of impairment and estimates the recoverable amount of the assets. In addition, whether it exists or not Indices of impairment, the Group estimates the recoverable amount of intangible assets that have not yet reached the usable state at least every year, and at the end of each year Estimated the recoverable amount of goodwill and intangible assets with uncertain service life. The group is based on the relevant asset group or asset group group The combination can allocate the book value of goodwill from the benefits of the synergy effect of the business combination, and conduct a goodwill impairment test on this basis.

The recoverable amount refers to the fair value of the asset (or asset group, asset group combination, the same below) (see Note 5 "43. Other important Necessary accounting policies and accounting estimates" (1)) between the net amount after deducting disposal expenses and the present value of the expected future cash flow of the asset The higher.

The asset group is composed of assets related to the creation of cash inflows. It is the smallest combination of assets that can be identified. Essentially independent of other assets or asset groups.

The present value of the estimated future cash flow of the asset is based on the estimated future For cash flow, choose the appropriate pre-tax discount rate to determine the amount after discounting it.

The estimation result of the recoverable amount shows that if the recoverable amount of the asset is lower than its book value, the book value of the asset will be written down Up to the recoverable amount, the written-down amount is recognized as asset impairment loss and included in the current profit and loss, and the corresponding asset impairment provision The impairment loss related to the asset group or combination of asset groups is first offset and allocated to the book value of the goodwill in the asset group or combination of asset groups Value, based on the proportion of the book value of each asset other than goodwill in the asset group or combination of asset groups, in proportion to Offset the book value of other assets, but the book value of each asset after the offset shall not be lower than the fair value of the asset minus the disposal The net amount (if ascertainable), the present value of the expected future cash flow of the asset (if ascertainable), and the highest among zero Taller.

Once the asset impairment loss is recognized, it will not be reversed in future accounting periods.

31. Long-term deferred expenses

√Applicable □Not applicable

Long-term deferred expenses are amortized evenly over the benefit period. The amortization periods of various expenses are:

project	Amortization period
Expenditures for the improvement of operating leased fixed assets	3-5 years

32. Contract liabilities

(1). Confirmation method of contract liabilities

√Applicable □Not applicable

See "38. Income" in this Note 5.

33. Employee compensation**(1). Accounting treatment method of short-term salary**√Applicable ☐Not applicable

During the accounting period during which the employees provide services, the Group will collect employee salaries and bonuses actually incurred or accrued according to the Social insurance premiums such as social insurance premiums, medical insurance premiums, work-related injury insurance premiums and maternity insurance premiums, and housing provident fund, and housing provident fund. Period profit and loss or related asset cost.

(2). Accounting treatment method for post-employment benefits√Applicable ☐Not applicable

The defined contribution plan that the Group participates in is in accordance with the requirements of relevant Chinese regulations, and the employees of the Group participate in the Basic pension insurance in the managed social security system. The payment amount of the basic pension insurance is calculated according to the benchmark and proportion set by the state. During the accounting period when the employees provide services, the Group recognizes the amount payable and deposited as a liability, and includes it in the current profit and loss or related asset cost.

(3). Accounting treatment method for dismissal benefits√Applicable ☐Not applicable

The Group terminates the labor relationship with employees before the expiration of the employee's labor contract, or provides for encouraging employees to voluntarily accept reduction of salary. If a recommendation for compensation is made, the liabilities arising from the dismissal benefits shall be recognized at the earliest of the following two dates, and shall be included in the current profit and loss or related asset cost.

- When the Group cannot unilaterally withdraw the dismissal benefits provided by the termination plan or reduction proposal;
- The Group has a detailed and formal reorganization plan involving the payment of termination benefits; and the reorganization plan has been implemented, or have notified the parties affected by it of the main content of the plan, so that the parties have formed a reasonable view of the reorganization of the group when expected.

(4). Accounting treatment methods for other long-term employee benefits☐Applicable √Not applicable**34. Lease liabilities**√Applicable ☐Not applicable

See Note 5 "42. Lease (3)".

35. Estimated liabilities√Applicable ☐Not applicable

If the obligation related to the contingent event is the current obligation assumed by the Group, and the performance of the obligation is likely to result in economic benefits for the Group, and the benefit flows out of the Group and the relevant amount can be reliably measured, the Group will recognize the estimated liabilities.

The estimated liabilities are initially measured in accordance with the best estimate of the expenditure required to perform the relevant current obligations. For the time value of money, if the impact is significant, the estimated liabilities shall be determined at the discounted amount of the estimated future cash flows. When determining the best estimate, the Group comprehensively considers the expected future cash flows.

Factors such as risks, uncertainties and the time value of money related to contingencies are considered. There is a continuous range of required expenditures, and where the probability of occurrence of various results in this range is the same, the best estimate is determined according to the median value in this range; in other cases, the best estimate is determined according to the weighted average of the various possible outcomes. Under the following conditions, the best estimates shall be dealt with separately:

- If a contingent event involves a single item, it shall be determined according to the most likely amount.
- Contingencies involving multiple items shall be calculated and determined in accordance with various possible outcomes and related probabilities.

The Group reviews the book value of estimated liabilities on the balance sheet date, and according to the current best estimate of the book value, the book value shall be adjusted.

36. Share-based payment√Applicable ☐Not applicable**(1) Types of share-based payment**

The Group's share-based payment is an equity-settled share-based payment.

(2) Accounting treatment related to the implementation of share-based payment plans

- Equity-settled share-based payment

When the Group uses shares or other equity instruments as consideration in exchange for services provided by employees, the Fair value measurement. For share-based payment transactions that can be exercised immediately after the grant, the Group will use the fair value of the equity instrument on the grant date. The value is included in related costs or expenses, and the capital reserve is increased accordingly. For the completion of the service within the waiting period after the grant or the achievement. For share-based payment transactions that can only be vested in the Follow-up information such as changes in the number of workers makes the best estimate of the number of exercisable equity instruments. The fair value shall be included in the relevant costs or expenses of the services obtained in the current period, and shall be included in the capital reserve accordingly.

When the group accepts the service but has no settlement obligation, and the employee is granted to the company's ultimate controlling party or its control. In the case of equity instruments of subsidiaries outside the group, the Group treats this share-based payment plan as equity-settled share-based payment.

37. Preferred stocks, perpetual bonds and other financial instruments

☐Applicable ☒Not applicable

38. Income

(1). Accounting policies adopted for revenue recognition and measurement

☒Applicable ☐Not applicable

Income is an economic benefit that is formed in the daily activities of the group that will increase the equity of shareholders and has nothing to do with the capital invested by shareholders. The total inflow.

The Group has fulfilled the performance obligations in the contract, that is, when the customer obtains control of the relevant goods or services, the revenue is recognized.

If the contract contains two or more performance obligations, the Group shall, on the date of contract commencement, in accordance with the commitments of each individual performance obligation. Or the relative proportion of the stand-alone selling price of the service, the transaction price is allocated to each individual performance obligation, and the individual performance obligation. The transaction price measures revenue. Stand-alone selling price refers to the price at which the Group sells goods or provides services to customers separately. Stand-alone selling price

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If it cannot be directly observed, the Group considers all relevant information that can be reasonably obtained, and uses observable input to the greatest extent. Estimated stand-alone selling price.

For contracts with quality assurance clauses, the Group will analyze the nature of the quality assurance provided. If the quality assurance is to assure customers that the goods sold meet the established standards and provide a separate service. The Group regards it as a single performance obligation. Service. Otherwise, the Group conducts accounting treatment in accordance with the "Accounting Standards for Business Enterprises No. 13-Contingent Events".

The transaction price is the amount of consideration that the Group expects to be entitled to receive due to the transfer of goods or services to customers. Withdrawal. The transaction price confirmed by the group does not exceed the accumulated confirmed income when the relevant uncertainty is eliminated. The amount of significant reversal. It is expected that the money returned to the customer will be regarded as a return liability and will not be included in the transaction price. There is a significant reversal. The Group determines the transaction price based on the amount payable in cash when the customer obtains control of the goods or services. The difference between the transaction price and the contract consideration shall be amortized by the effective interest method during the contract period. Contract start date, this episode. The group expects that the interval between the customer's acquisition of control of the goods or services and the customer's payment of the price will not exceed one year, regardless of the Financing component.

When one of the following conditions is met, the group is to perform its performance obligations within a certain period of time, otherwise, it is to perform at a certain point in time. Performance obligations:

- The customer obtains and consumes the economic benefits brought by the performance of the contract at the same time as the performance of the contract by the group;
- Customers can control the products under construction during the performance of the Group;
- The commodities produced during the performance of the contract have irreplaceable uses, and the group has the right to terminate the contract at any time. Accumulated payments have been collected for the fulfillment part that has been completed so far.

For performance obligations performed within a certain period of time, the Group recognizes revenue in accordance with the performance progress during that period. Performance progress. When it cannot be reasonably determined, if the cost incurred by the Group is expected to be compensated, the payment shall be confirmed according to the amount of cost incurred. Until the progress of the contract performance can be reasonably determined.

For performance obligations performed at a certain point in time, the Group recognizes revenue at the point when the customer obtains control of the relevant goods or services. When determining whether a customer has obtained control of goods or services, the Group will consider the following signs:

- The Group has the current right to receive payment for the goods or services;
- The Group has transferred the goods in kind to customers;
- The Group has transferred the legal ownership of the product or the major risks and rewards of ownership to the customer;
- The customer has accepted the goods or services, etc.

The Group judges whether the Group has the right to control the goods or services before transferring the goods or services to customers. The identity at the time of the transaction is the main responsible person or the agent. The Group is able to control the goods or services before transferring the goods or services to customers. For services, the group is the main responsible person, and the income is recognized based on the total consideration received or receivable; otherwise, the group is the agent, The revenue is recognized according to the amount of commission or handling fee expected to be entitled to be collected, and the amount shall be deducted from the total consideration received. The net amount after the price of other related parties may be determined in accordance with the established commission amount or ratio.

For changes to the scope or price of the original contract approved by the parties to the contract, the Group distinguishes between the following situations for contract changes:
Don't do accounting treatments:

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-The contract change adds clearly distinguishable products and contract prices, and the new contract prices reflect the new products sold separately
If the price is higher, the changed part of the contract shall be treated as a separate contract for accounting treatment;

-The contract change does not fall under the above circumstances, and the goods or services provided on the date of the contract change are the same as those of the original contract. If the product or unprovided service can be clearly distinguished, it shall be deemed as the termination of the original contract. At the same time, the unfulfilled part of the original contract shall be partially merged into a new contract for accounting treatment;

-The contract change does not fall under the above circumstances, that is, the goods or services that have been transferred on the date of contract change and the non-transferred business. If the products or unprovided services cannot be clearly distinguished, the changed part of the contract shall be treated as an integral part of the original contract. The resulting impact on the recognized revenue shall be adjusted to the current revenue on the date of contract change.

The Group has transferred goods or services to customers and has the right to receive consideration (and this right depends on other factors). Other factors are listed as contract assets, and contract assets are impaired based on expected credit losses (see Note 5 "10. Financial Instruments"). (6). The Group's unconditional (only depending on the passage of time) right to receive consideration from customers are listed as receivables. The Group's obligation to transfer goods or services to customers for consideration received or receivable from customers is listed as contract liabilities.

The specific accounting policies related to the main activities of the Group's revenue are described as follows:

(1) Selling goods

The sales type of the Group's products is mainly direct sales.

(a) Domestic product sales

The Group's domestic product sales are mainly the sales of optical fiber preforms, optical fibers, optical cables and related products. The Group is generally responsible for the goods. The goods are delivered to the designated delivery place, and after the goods are delivered to the customer for acceptance and receipt of the receipt, the customer obtains control of the goods. The Group confirms the income from the sale of goods.

(b) Overseas product sales

The Group's overseas commodity sales mainly consist of the export of optical fiber preforms, optical fibers, optical cables and related products to overseas exports. The Group and the purchaser obtain the control right of the goods when the goods are declared and shipped offshore, and the Group recognizes the income from the sales of goods.

(2) System integration

System integration contracts between the Group and customers usually include performance obligations such as hardware equipment sales and engineering construction.

(a) Sales of hardware equipment

The sales of hardware equipment of the Group are mainly the sales of communication-related hardware equipment. The group is generally responsible for delivering the goods to the customer. After the goods are delivered to the customer for inspection and acceptance and the acceptance report is obtained, the customer obtains control of the goods, and the Group confirms that the sales revenue.

(b) Engineering construction

For engineering construction, since the customer can control the goods under construction during the performance of the group, the group regards it as a certain period of time

The performance obligations performed within the period shall be recognized as revenue within a period of time based on the performance progress, unless the performance progress cannot be determined. The delegation determines the progress of the performance of the provision of services in accordance with the investment method. When the progress of the contract performance cannot be determined, if it is expected to be compensated, the revenue shall be recognized in accordance with the amount of costs incurred until the progress of the contract performance can be reasonably determined.

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If the same cost cannot be recovered, it shall be recognized as a contract expense immediately when incurred, and no contract revenue shall be recognized. If the total cost of the contract is exceeded, the estimated contract loss will be formed, included in the estimated liability, and recognized as the current cost.

Contract costs include contract performance costs and contract acquisition costs. The cost incurred by the Group for the provision of engineering construction services shall be considered the cost of contract performance. When the Group recognizes revenue, it will carry forward the contract performance cost into the main business according to the completed progress cost.

(3) Income from providing labor services

The Group determines the amount of labor service income based on the fair value of the received or receivable contract or agreement price. The Group is completing the technology content of technical services, and the labor income is determined after obtaining the customer's acceptance form.

If the result of a labor service transaction cannot be estimated reliably, if the labor cost incurred is expected to be compensated, the amount of labor service costs incurred is confirmed to provide labor service income, and the labor service cost is carried forward at the same amount; if the labor service cost has already been incurred and it is expected that the compensation cannot be obtained, the labor cost incurred will be included in the current profit and loss, and the labor service income will not be recognized.

(2). The use of different business models for similar businesses leads to differences in revenue recognition accounting policies

☐Applicable ☒Not applicable

39. Contract costs

☒Applicable ☐Not applicable

Contract costs include incremental costs incurred to obtain contracts and contract performance costs.

The incremental cost incurred to obtain the contract refers to the cost (such as sales commission, etc.) that the Group would not incur without obtaining the contract. Should the cost be expected to be recovered, the Group recognizes it as a contract acquisition cost as an asset. The group is in order to obtain the contract. Expenses other than the incremental cost that is expected to be recovered are included in the current profit and loss when incurred.

The cost incurred for fulfilling the contract does not fall within the scope of other accounting standards for companies such as inventory and meets the following conditions at the same time. The Group recognizes it as a contract performance cost as an asset:

- The cost is directly related to a current or expected contract, including direct labor, direct materials, and manufacturing expenses

(Or similar expenses), clearly define the cost borne by the customer and other costs incurred only due to the contract;

- This cost increases the resources the Group will use to fulfill its performance obligations in the future;
- This cost is expected to be recovered.

Assets recognized for contract acquisition costs and assets recognized for contract performance costs (hereinafter referred to as "assets related to contract costs") shall be amortized on the same basis as the recognition of the income of goods or services related to the asset and included in the current profit and loss. The cost of obtaining the asset shall be included in the current profit and loss when it occurs. If the recognized asset amortization period does not exceed one year, it shall be included in the current profit and loss when it occurs.

When the book value of the assets related to the contract cost is higher than the difference between the following two items, the Group shall make provision for impairment of the expected contract revenue and recognized as asset impairment loss:

- The remaining consideration that the Group expects to obtain due to the transfer of goods or services related to the asset;

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- Estimate the costs that will be incurred for the transfer of the related goods or services.

40. Government subsidies

☒Applicable ☐Not applicable

Government grants are monetary or non-monetary assets obtained by the Group from the government free of charge, but do not include the government as an investor. Share capital invested in the Group.

Government subsidies are recognized when they can meet the conditions attached to the government subsidies and can be received.

If a government subsidy is a monetary asset, it shall be measured at the amount received or receivable. If the government subsidy is a non-monetary asset, it shall be Fair value measurement.

In addition to the following policy-related government subsidies, the Group obtains government subsidies for the purchase and construction or other forms of long-term assets. Government subsidies are used as government subsidies related to assets. The government subsidies obtained by the Group other than those related to assets are regarded as related to income. Related government subsidies. Government subsidies related to assets are recognized by the Group as deferred income and within the useful life of the relevant assets. In accordance with a reasonable and systematic method, it shall be included in other income or non-operating income in installments. Government subsidies related to income, if used for compensation of the Group's related costs or losses in the subsequent periods are included in other income or non-operating income; if used to compensate related costs or losses incurred by the group, it is directly included in other income or non-operating income.

41. Deferred income tax assets / deferred income tax liabilities

☒Applicable ☐Not applicable

Except for income tax arising from business mergers and transactions or events directly included in owner's equity (including other comprehensive income), the Group calculates the current income tax and deferred income tax into the current profit and loss.

The current income tax is calculated based on the current year's taxable income and the expected adjustment of annual income tax payable.

On the balance sheet date, if the group has the legal right to settle on a net basis, the current income tax assets and current income tax liabilities are presented as the net amount after offsetting.

Deferred income tax assets and deferred income tax liabilities are determined based on deductible temporary differences and taxable temporary differences. Temporarily deductible difference refers to the difference between the book value of an asset or liability and its tax base, including the deductible that can be carried forward to subsequent years. Loss and tax credits. Recognition of deferred income tax assets is likely to obtain taxable income that can be used to offset deductible temporary differences. The amount is limited.

If it is not a business combination transaction and the transaction does not affect accounting profits nor taxable income (or deductible loss), the temporary difference in the transaction will not generate deferred income tax. Temporary difference caused by the initial recognition of goodwill. Differences also do not generate related deferred income taxes.

On the balance sheet date, the Group is based on the expected recovery or settlement method of deferred income tax assets and liabilities, and based on the promulgated tax rate. According to the law, the book value of the deferred income tax assets and liabilities shall be measured at the tax rate applicable during the period when the asset is expected to be recovered.

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Amount.

On the balance sheet date, the Group reviews the book value of deferred income tax assets. If the future period is likely to be unavailable sufficient taxable income is used to offset the benefits of deferred income tax assets, the book value of the deferred income tax assets will be written down. When it is possible to obtain sufficient taxable income, the reduced amount shall be reversed.

On the balance sheet date, deferred income tax assets and deferred income tax liabilities are listed as net amount after offset when the following conditions are met at the same time Show:

- The taxpayer has the statutory right to settle current income tax assets and current income tax liabilities on a net basis;
- Deferred income tax assets and deferred income tax liabilities are income taxes levied by the same tax administration department on the same taxpayer

Relevant or relevant to different taxation entities, but in the future when every significant deferred income tax asset and liability is reversed

In time, the taxpayer involved intends to settle the current income tax assets and liabilities on a net basis or obtain assets and settle liabilities at the same time.

42. Lease

(1). Accounting treatment method of operating lease

☐Applicable ☒Not applicable

(2). Accounting treatment methods for financial leasing

☐Applicable ☒Not applicable

(3). The determination method and accounting treatment method of lease under the new lease standard

☒Applicable ☐Not applicable

Lease refers to a contract in which the lessor transfers the right to use the asset to the lessee within a certain period of time to obtain consideration.

On the start date of the contract, the Group assesses whether the contract is a lease or includes a lease. If one party in the contract transfers If the right to use one or more identified assets is controlled in exchange for consideration, the contract is a lease or includes a lease.

In order to determine whether the contract transfers the right to control the use of the identified assets within a certain period of time, the Group conducts the following assessments:

- Does the contract involve the use of identified assets? Identified assets may be clearly specified in the contract or may be available for customers to use Time is implicitly specified, and the asset is physically distinguishable, or if a certain part of the capacity or other parts of the asset is not physically It can be distinguished but substantially represents the entire production capacity of the asset, so that customers can obtain almost all the economic benefits generated by using the asset Benefit. If the supplier of the asset has the substantive right to replace the asset during the entire period of use, the asset does not belong to the identified assets;

- Whether the lessee has the right to obtain almost all the economic benefits arising from the use of the identified assets during the period of use;

- Whether the lessee has the right to direct the use of the identified asset during the period of use.

If the contract contains multiple separate leases at the same time, the lessee and the lessor shall split the contract, and each of the separate leases shall be entered into separately. Line accounting treatment. If the contract contains both lease and non-lease parts, the lessee and lessor shall divide the lease and non-lease parts

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dismantle. However, for the lease of land and buildings in which the Group is the lessee, the Group chose not to separate the lease and non-lease included in the contract.

Lease part, and merge each lease part and its related non-lease part into a lease. Lease and non-lease included in the spin-off contract

In the case of part, the lessee allocates the contract consideration according to the relative proportion of the sum of the individual price of each leased part and the individual price of the non-lease part. The lessor allocates the contract consideration in accordance with the provisions on the transaction price allocation in the accounting policy described in Note 5 "38. Revenue".

(1) The group as the lessee

On the commencement date of the lease term, the Group recognizes the right-of-use assets and lease liabilities for the lease. Right-of-use assets are initialized at cost Measurement, including the initial measurement amount of the lease liability, the amount of lease payments paid on or before the start of the lease term (less the relevant amount of lease incentives), the initial direct costs incurred, and the demolition and removal of the leased assets, restoration of the leased asset's site or other costs. The estimated cost of restoring the leased asset to the state agreed in the lease terms.

The Group uses the straight-line method to depreciate the right-of-use assets. To be able to reasonably determine the ownership of the leased assets when the lease term expires If it is right, the Group shall accrue depreciation during the remaining useful life of the leased asset. Otherwise, the leased asset will be combined with the remaining leased asset during the lease term. Depreciation shall be accrued during the period when the service life is shorter. Right-of-use assets are in accordance with the accounting policies described in Note 5 "30. Long-term asset impairment". Make provision for impairment.

The lease liability is initially measured based on the present value of the lease payment that has not yet been paid at the beginning of the lease term, and the discount rate is included in the interest rate. If the interest rate implicit in the lease cannot be determined, the Group's incremental borrowing interest rate shall be used as the discount rate.

The Group calculates the interest expense of the lease liability during each period of the lease term according to a fixed periodic interest rate, and includes it in the current profit and loss or the cost of related assets. Variable lease payments that are not included in the measurement of lease liabilities are included in the current profit and loss or related assets when they actually occur.

After the start of the lease term, if the following circumstances occur, the Group remeasures the lease liability based on the present value of the lease payment after the change:

- Changes in the amount payable based on the residual value of the guarantee;
- Changes in the index or ratio used to determine lease payments;
- Changes in the Group's assessment results of purchase options, lease renewal options, or lease termination options, or lease renewal options

The actual exercise of the right or the option to terminate the lease is inconsistent with the original assessment result.

When the lease liability is remeasured, the Group adjusts the book value of the right-of-use asset accordingly. Book value of right-of-use asset
If the value has been reduced to zero, but the lease liability still needs to be further reduced, the Group will include the remaining amount in the current profit and loss.

The Group has chosen not to recognize the right to use capital for short-term leases (leases with a lease period not exceeding 12 months) and low-value asset leases
Assets and lease liabilities, and the related lease payments are included in the current profit and loss or related assets during each period of the lease term in accordance with the straight-line cost.

(2) The group as the lessor

On the commencement date of the lease, the Group divides leases into financial leases and operating leases. Finance lease refers to whether the final ownership
A lease that transfers but essentially transfers almost all the risks and rewards related to the ownership of the leased asset. Operating lease refers to in addition to financing
Leases other than leases.

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When the Group acts as a sublease lessor, it is based on the right-of-use asset generated by the original lease, not the underlying asset of the original lease.
Leases are classified. If the original lease is a short-term lease and the Group chooses to apply the simplified treatment of the above short-term lease to the original lease, the
The group classifies this sub-lease as an operating lease.

The lease receipts from operating leases are recognized as rental income based on the straight-line method during the lease term. The Group associates its incurred with operating leas
The relevant initial direct costs are capitalized and allocated during the lease term on the same basis as the confirmation of rental income, and calculated in installments.
Into the current profit and loss. Variable lease payments that are not included in the lease receipts are included in the current profit and loss when they actually occur.

43. Other important accounting policies and accounting estimates

☒Applicable ☐Not applicable

(1) Measurement of fair value

Except for special declarations, the Group measures fair value according to the following principles:

Fair value refers to the orderly transactions that market participants can receive or transfer an asset from the sale of an asset in an orderly transaction on the measurement date.
The price to be paid for the liability.

When the Group estimates the fair value, it considers the characteristics that market participants consider when pricing the relevant asset or liability on the measurement date
(Including asset status and location, restrictions on asset sales or use, etc.), and adopt the
Enough valuation techniques supported by data and other information. The valuation techniques used mainly include market method, income method and cost method.

(2) Dividend distribution

After the balance sheet date, the dividends or profits to be distributed in the deliberated and approved profit distribution plan are not recognized as the balance sheet
The liabilities on the date are separately disclosed in the notes.

(3) Related parties

One party controls, jointly controls the other party or exerts significant influence on the other party, and two or more parties are under the same control,
Jointly controlled constitute related parties. Related parties can be individuals or businesses. Only under the control of the state without other related parties
The enterprise does not constitute a related party.

In addition, the company also determined the group's or the company's
Related party.

(4) Segment report

The Group determines its operating segments based on its internal organizational structure, management requirements, and internal reporting system. If two or more classics
The business segment has similar economic characteristics and is at the same time

The types of households, the method of selling products or providing labor services, the production of products and the provision of labor services are affected by laws and administrative regulations. Same or similar ones can be combined into one operating segment. The Group considers the principle of materiality on the basis of operating segments to determine the report to the branch.

When the Group prepares the segment report, inter-segment transaction revenue is measured on the basis of actual transaction prices. Used to prepare the segment report

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The accounting policies used are consistent with those used in the preparation of the Group's financial statements.

(5) Major accounting estimates and judgments

When preparing financial statements, the management of the Group needs to use estimates and assumptions. These estimates and assumptions will affect the application of accounting policies and the amount of assets, liabilities, income and expenses. Actual conditions may differ from these estimates. The management of the Group has made reasonable estimates and assumptions. The key assumptions and uncertain factors involved in the calculation are continuously evaluated, and the impact of changes in accounting estimates will be confirmed in time.

(a) Major accounting estimates

In addition to the depreciation and amortization of assets such as fixed assets and intangible assets (see Note 5, 23 and 29) and impairment of various assets (see Note 7, 5, 8, 9, 21, 22, and 26 and Note 17, 1 and 2, other than the accounting estimates involved, other major accounting estimates as follows:

(i) Note V. 41-Recognition of deferred income tax assets;

(ii) Note 11-Disclosure of Fair Value; and

(iii) Note 13-Share-based payment.

(b) Major accounting judgments

When preparing these financial statements, the management made significant accounting judgments on the adoption of the Group's accounting policies. Management's response for the accounting policy judgment that the amount recognized in the financial statements constitutes the most significant impact, please refer to Note 5 "10. Financial Instruments (5)" and "Notes receivable" and Note 7 "6. Accounts receivable financing".

(6) Goodwill

The initial cost of goodwill formed due to a business combination not under the same control is that the combination cost is greater than the acquired party's identifiable intangible assets. Identify the difference in the fair value share of net assets.

The Group's goodwill is not amortized, and is listed in the balance sheet at cost less accumulated impairment provisions (see Note V. 30). Goodwill When the related asset group or combination of asset groups is disposed of, it is transferred out and included in the current profit and loss.

44. Changes in important accounting policies and accounting estimates

(1). Changes in important accounting policies

☐Applicable ☒Not applicable

(2). Changes in important accounting estimates

☐Applicable ☒Not applicable

(3). The first implementation of the new revenue standard and the adjustment of the new lease standard from 2020, the first implementation of the financial statement at the beginning of the year

☐Applicable ☒Not applicable

not applicable

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(4). The introduction of the new revenue standard and the new lease standard for the first time from 2020 on the retrospective adjustment of the previous comparative data

☐Applicable ☒Not applicable

45. Other

☒Applicable ☐Not applicable

The relevant provisions of the Group's Accounting Standards for Business Enterprises that will take effect in 2020 are as follows:

- "Accounting Standards for Business Enterprises Interpretation No. 13" (Cai Kuai [2019] No. 21) ("Interpretation No. 13")
- Regulations on Accounting Treatment of Rent Concessions Related to the New Coronavirus Pneumonia Epidemic (Cai Kuai [2020] No. 10)
- (a) Interpretation No. 13

Interpretation No. 13 revised the three elements of business composition, refined the judgment conditions of business, When determining whether a combination of acquired business activities or assets constitutes a business, the purchaser of has introduced the option of "concentration test".

In addition, Interpretation No. 13 further clarifies that the related parties of an enterprise also include other member units of the enterprise group to which the enterprise belongs (including parent company and subsidiaries) joint ventures or joint ventures, and other joint ventures of investors who exercise joint control over the enterprise Or associates, etc.

Interpretation No. 13 will come into effect on January 1, 2020. The Group adopts the future application method to review the above-mentioned accounting policy changes. Handle. The adoption of this interpretation did not have a significant impact on the Group's financial status, operating results and related party disclosures.

(b) Caikuai [2020] No. 10

Caikuai [2020] No. 10 provides a simplified method for rent reduction directly triggered by the new crown pneumonia epidemic that meets certain conditions. Law. If the company chooses to adopt the simplified approach, it does not need to assess whether there is a lease change, nor does it need to reassess the lease classification.

Caikuai [2020] No. 10 will come into effect on June 24, 2020, and it can be used between January 1, 2020 and the effective date of this regulation. The relevant rent reductions incurred are adjusted in accordance with the regulations, and the adoption of the above regulations has not produced any impact on the financial status and operating huge influence.

6. Taxation

1. Main taxes and tax rates

Main taxes and tax rates

☒Applicable ☐Not applicable

Tax	Tax basis	tax rate
VAT	Sales of goods and taxable services calculated in accordance with the provisions of the tax law Calculate the output tax based on income, after deducting the input tax amount After the deductible input tax amount, the difference is the increase payable Value tax	6%, 9%, 13%
corporate income tax	Calculated based on taxable income	(Note 2)

Note 1: According to the announcement No. 39 (2019) of the Ministry of Finance, the State Administration of Taxation, and the General Administration of Customs, since April 1, 2019, tax In the event of VAT taxable sales, the original tax rates of 10% and 16% will be adjusted to 9% and 13%.

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Note 2: If there are taxpayers with different corporate income tax rates, explanation of disclosure

☒Applicable ☐Not applicable

Tax subject name	Income tax rate (%)
The company and its subsidiaries in mainland China	25
The company's subsidiary in Hong Kong	16.5
The company's subsidiary in Singapore	17
The company's subsidiary in Thailand	20
The company's subsidiary in the United States	twenty one
The company's subsidiary in Myanmar	25
A subsidiary established by the company in Indonesia	25

The company's subsidiary in South Africa	28
The company's subsidiary in France	28
The company's subsidiary in Peru	29.5
The company's subsidiary in Australia	30
A subsidiary established by the company in the Philippines	30
The company's subsidiary in Mexico	30
A subsidiary established by the company in Japan	32.08
The company's subsidiary established in Brazil	34

2. Tax incentives

☒Applicable ☐Not applicable

According to the regulations issued by Hubei Provincial Department of Science and Technology, Hubei Provincial Department of Finance, Hubei Provincial State Taxation Bureau and GR201742002234 No. High-tech Enterprise Certificate, from November 30, 2017 to November 30, 2020, Japanese companies enjoy Qualified as a high-tech enterprise, and enjoy a 15% preferential tax rate and tax incentives plus deductions for R&D expenses; newly issued this year High-tech Enterprise Certificate GR202042002069, from December 1, 2020 to December 1, 2023, Japanese companies continue It is qualified as a high-tech enterprise, and enjoys a 15% preferential tax rate and tax incentives for R&D expenses plus deductions. Therefore, this The company will implement the preferential tax rate of 15% this year.

According to the regulations issued by the Hubei Provincial Department of Science and Technology, the Hubei Provincial Department of Finance and the Hubei Provincial Taxation Bureau GR201842002475 No. High-tech Enterprise Certificate, from November 30, 2018 to November 30, 2021, the company's Subsidiary Changxinsheng (Wuhan) Technology Co., Ltd. is qualified as a high-tech enterprise and enjoys a preferential tax rate of 15%.

According to the first issued by the Gansu Provincial Department of Science and Technology, the Gansu Provincial Department of Finance and the Gansu Provincial Taxation Bureau GR201862000033 No. High-tech Enterprise Certificate, from July 23, 2018 to July 23, 2021, the company's subsidiary The company's YOFC Lanzhou Co., Ltd. is qualified as a high-tech enterprise and enjoys a preferential tax rate of 15%.

According to the approval of Shenzhen Science and Technology Innovation Committee, Shenzhen Finance Committee, Shenzhen State Taxation Bureau and Shenzhen Local Taxation High-tech Enterprise Certificate GR201744200547 issued by the company from August 17, 2017 to August 17, 2020. Company's subsidiary Changxin Shengzhilian (Shenzhen) Technology Co., Ltd. (formerly known as "Shenzhen Changfei Zhilian Technology Co., Ltd.") enjoys high-tech Technology enterprise qualification and enjoy the preferential tax rate of 15%; the new high-tech enterprise certificate GR202044206282 was issued this year Book, from December 11, 2020 to December 11, 2023, Changxin Shengzhilian (Shenzhen) Technology Co., Ltd., a subsidiary of the Japanese company

The company continues to enjoy the qualifications of high-tech enterprises and enjoys a preferential tax rate of 15%.

According to the regulations issued by Hubei Provincial Department of Science and Technology, Hubei Provincial Department of Finance, Hubei Provincial State Taxation Bureau and GR201742000482 No. High-tech Enterprise Certificate, from November 28, 2017 to November 28, 2020, the company's Subsidiary Changfei Fiber Optic Qianjiang Co., Ltd. enjoys the qualification of high-tech enterprise and enjoys a 15% preferential tax rate; this year's new approval Issue GR202042000356 high-tech enterprise certificate, from December 1, 2020 to December 1, 2023, the Japanese company's The subsidiary YOFC Qianjiang Co., Ltd. continues to enjoy the qualification of high-tech enterprise and enjoy the preferential tax rate of 15%.

According to the regulations issued by Hubei Provincial Department of Science and Technology, Hubei Provincial Department of Finance, Hubei Provincial State Taxation Bureau and GR202042001383 No. High-tech Enterprise Certificate, from December 1, 2020 to December 1, 2023, the company's subsidiary The company's Hubei Feiling Optical Fiber Material Co., Ltd. is qualified as a high-tech enterprise and enjoys a preferential tax rate of 15%.

According to the number issued by Zhejiang Provincial Department of Science and Technology, Zhejiang Provincial Department of Finance, and Zhejiang Provincial Taxation Bureau GR201833000494 No. High-tech Enterprise Certificate, from November 30, 2018 to November 30, 2021, the company's The subsidiary Zhejiang Lianfei Optical Fiber and Cable Co., Ltd. is qualified as a high-tech enterprise and enjoys a preferential tax rate of 15%.

According to the regulations issued by the Sichuan Provincial Department of Science and Technology, the Sichuan Provincial Department of Finance, and the Sichuan Provincial Taxation Bureau GR202051001520 High-tech Enterprise Certificate, from September 11, 2020 to September 11, 2023, the company's subsidiary The company's Sichuan Guangheng Communication Technology Co., Ltd. is qualified as a high-tech enterprise and enjoys a preferential tax rate of 15%.

According to the regulations issued by the Sichuan Provincial Department of Science and Technology, the Sichuan Provincial Department of Finance, and the Sichuan Provincial Taxation Bureau GR201951000140 high-tech enterprise certificate, from October 14, 2019 to October 14, 2022, the company's The subsidiary Sichuan Feipu Technology Co., Ltd. enjoys the qualification of high-tech enterprise and enjoys a preferential tax rate of 15%.

3. Other

☐Applicable ☒Not applicable

7. Notes on Consolidated Financial Statements

1. Monetary funds

☒Applicable ☐Not applicable

	project	Unit: Currency: RMB	
		Ending balance	Opening Balance
cash in stock		1,246,437	945,976
Bank savings		1,437,902,159	2,103,352,024
Other monetary fund		5,121,555	19,563,315
total		1,444,270,151	2,123,861,315
Including: the total amount of money deposited abroad		310,248,985	727,277,930

other instructions

As of December 31, 2020, the restricted deposits of the Group were RMB 77,756,310 (2019: RMB 35,394,995).

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2. Transactional financial assets

☒Applicable ☐Not applicable

	Unit: Currency: RMB	
project	Ending balance	Opening Balance
Financial assets that are measured at fair value and whose changes are included in the current profit and loss in:	891,831,588	9,902,598
Debt instrument investment	524,119,543	
Equity instrument investment	367,712,045	9,902,598
total	891,831,588	9,902,598

other instructions:

☐Applicable ☒Not applicable

3. Derivative financial assets

☐Applicable ☒Not applicable

4. Notes receivable

(1). Classification of bills receivable

☒Applicable ☐Not applicable

	project	Unit: Currency: RMB	
		Ending balance	Opening Balance
Bank acceptance note		126,397,295	133,952,096
Commercial Acceptance Notes		148,025,423	98,556,109
total		274,422,718	232,508,205

(2). The notes receivable that the company has pledged at the end of the period

☐Applicable ☒Not applicable

(3). At the end of the period, the company has endorsed or discounted notes receivable that are not yet due on the balance sheet date

☒Applicable ☐Not applicable

	project	Unit: Currency: RMB	
		Term-end derecognized amount	Untermiated confirmation amount at the end of the period
Bank acceptance note			23,702,123
Commercial Acceptance Notes			
total			23,702,123

As of December 31, 2020, the book value of the discounted bills and endorsed bills that the Group continued to confirm was Renminbi.

RMB 2,614,000 and RMB 21,088,123 (2019: RMB 39,358,068 and RMB 62,994,234).

Regarding this part of the discounted or endorsed bills, the board of directors believes that the Group still retains almost all of its risks and rewards, including Including the default risk of discounted and endorsed bills, the Group continues to fully confirm these discounted and endorsed bills, and at the same time confirm Recognize the payables related to bank borrowings and endorsed bill settlements arising from discounting. After discounting and endorsement transfer, the group no longer Reserve any right to use discounted and endorsed bills, including the sale, transfer or pledge of discounted and endorsed bills to other third parties.

As of December 31, 2020, the book amounts of the discounted bills and the payables settled by the endorsed bills that continue to be confirmed are respectively

RMB 2,614,000 and RMB 21,088,123 (2019: RMB 39,358,068 and RMB 62,994,234 Yuan) . The board of directors believes that the difference in the fair value of the transferred assets and related liabilities is not significant.

(4). At the end of the period, the company transferred the bill to the accounts receivable due to the failure of the drawer to perform the contract

☐Applicable ☒Not applicable

(5) Disclosure by classification method of bad debt accrual

☐Applicable ☒Not applicable

Provision for bad debts on a single item basis:

☐Applicable ☒Not applicable

Provision for bad debts by combination:

☐Applicable ☒Not applicable

If the provision for bad debts is made according to the general expected credit loss model, please refer to the disclosure of other receivables:

☐Applicable ☒Not applicable

(6). Bad debt provision

☐Applicable ☒Not applicable

(7). Notes receivable actually written off in the current period

☐Applicable ☒Not applicable

other instructions

☐Applicable ☒Not applicable

5. Accounts receivable

(1) Disclosure by age

☒Applicable ☐Not applicable

Unit: Currency: RMB	
Aging	Book balance at the end of the period
Within 1 year (including 1 year)	3,256,130,969
Subtotal within 1 year	3,256,130,969
1 to 2 years	534,582,449
2 to 3 years	102,414,018
over 3 years	68,581,981
total	3,961,709,417

(2) Disclosure by classification method of bad debt accrual
√Applicable □Not applicable

Unit: Currency: RMB									
category	Book balance		Ending balance		Book value	Book balance		Opening Balance	
	Amount	Proportion (%)	Amount	Withdrawal ratio example(%)		Amount	Proportion (%)	Amount	Withdrawal ratio example(%)
Withdraw bad debts per item	18,910,452	0.48	18,910,452	100		11,443,932	0.35	11,443,932	100
Prepare in:									
Credit loss has occurred	18,910,452	0.48	18,910,452	100		11,443,932	0.35	11,443,932	100
Lost customer base									
Accrual of bad debts by portfolio	3,042,798,965	99.52	166,036,008	4.21	3,776,762,957	3,224,988,520	99.65	101,482,742	3.15
Prepare in:									
-Group 1	135,247,149	3.41	658,313	0.49	134,588,836	116,060,677	3.59	4,939,080	4.26
-Group 2	1,821,081,616	45.97	72,234,371	3.97	1,748,847,245	1,752,340,403	54.14	44,124,069	2.52
-Group 3	1,986,470,200	50.14	93,143,324	4.69	1,893,326,876	1,356,587,440	41.92	52,419,593	3.86
total	3,961,709,417		184,946,460		3,776,762,957	3,236,432,452		112,926,674	3.12

Provision for bad debts on a single item basis:
√Applicable □Not applicable

Unit: Currency: RMB				
name	Book balance		Ending balance	
	Amount	Proportion (%)	Amount	Withdrawal ratio (%)
Client 1	1,573,244		1,573,244	100
Client 2	3,230,914		3,230,914	100
Client 3	2,017,743		2,017,743	100
Client 4	44,561		44,561	100
Customer 5	518,004		518,004	100
Customer 6	30,750		30,750	100
Customer 7	808,051		808,051	100
Client 8	109,265		109,265	100
Client 9	276,600		276,600	100
Customer 10	114,760		114,760	100
Customer 11	739,910		739,910	100
Client 12	772,815		772,815	100
Client 13	8,673,835		8,673,835	100
total	18,910,452		18,910,452	100

Explanation of provision for bad debts according to a single item:
√Applicable □Not applicable
Since credit losses have already occurred to such customers, the Group makes a single provision for bad debts for this type of customer group.
Provision for bad debts by combination:
√Applicable □Not applicable
Combination of accrual items: combination according to credit risk characteristics

Unit: Currency: RMB	
name	Ending balance
	Amount

	accounts receivable	Bad debt provision	Withdrawal ratio (%)
Group 1	135,247,149	658,313	0.49
Group 2	1,821,081,616	72,234,371	3.97
Group 3	1,986,470,200	93,143,324	4.69
total	3,942,798,965	166,036,008	4.21

Confirmation standards and instructions for accruing bad debts by combination:

√Applicable □Not applicable

1) In 2020, the confirmation standard and explanation of the provision for bad debts based on portfolio:

According to the historical experience of the Group, there are differences in the loss of different customer segments. Therefore, the group's customers are divided

For the following groups:

-Group 1: Related parties;

-Group 2: China Telecom network operators and other companies with good credit records;

-Group 3: Customers other than the above groups.

2) Assessment of expected credit losses on accounts receivable in 2020:

The Group always measures the provision for impairment of accounts receivable at an amount equivalent to expected credit losses during the entire duration, and exceeds The expected credit loss is calculated based on the comparison table of the number of days and the default loss rate. According to the historical experience of the group, different customer s There are differences in group losses. Therefore, the Group distinguishes different customer groups based on historical experience and calculates based on overdue information

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Provision for impairment.

2020 year

Customer group 1	Default loss rate	Year-end book balance	Year-end impairment provision
Within 1 year (including 1 year)	0.32%	134,402,215	427,801
1-2 years (including 2 years)	22.12%	777,938	172,085
2-3 years (including 3 years)	87.11%	66,464	57,895
over 3 years	100.00%	532	532
total		135,247,149	658,313

	Default loss rate	Year-end book balance	Year-end impairment provision
Within 1 year (including 1 year)	0.90%	1,601,340,170	14,416,502
1-2 years (including 2 years)	10.88%	164,333,243	17,881,666
2-3 years (including 3 years)	43.36%	27,317,220	11,845,220
over 3 years	100.00%	28,090,983	28,090,983
total		1,821,081,616	72,234,371

Customer group 3	Default loss rate	Year-end book balance	Year-end impairment provision
Within 1 year (including 1 year)	2.44%	1,828,468,881	44,638,576
1-2 years (including 2 years)	11.57%	115,676,448	13,378,853
2-3 years (including 3 years)	58.88%	17,506,472	10,307,496
over 3 years	100.00%	24,818,399	24,818,399
total		1,986,470,200	93,143,324

2019 year

Customer group 1	Default loss rate	Year-end book balance	Year-end impairment provision
Within 1 year (including 1 year)	0.25%	105,865,463	260,578
1-2 years (including 2 years)	24.60%	7,274,758	1,789,648
2-3 years (including 3 years)	88.28%	269,706	238,104
over 3 years	100.00%	2,650,750	2,650,750
total		116,060,677	4,939,080

Customer group 2	Default loss rate	Year-end book balance	Year-end impairment provision
Within 1 year (including 1 year)	0.44%	1,658,989,063	7,301,821
1-2 years (including 2 years)	12.04%	57,112,075	6,876,352
2-3 years (including 3 years)	52.92%	13,367,477	7,074,108
over 3 years	100.00%	22,871,788	22,871,788
total		1,752,340,403	44,124,069

Customer group 3	Default loss rate	Year-end book balance	Year-end impairment provision
Within 1 year (including 1 year)	2.28%	1,290,901,697	29,389,279
1-2 years (including 2 years)	11.59%	41,896,921	4,855,614
2-3 years (including 3 years)	49.14%	11,037,736	5,423,614
over 3 years	100.00%	12,751,086	12,751,086
total		1,356,587,440	52,419,593

The default loss rate is calculated based on the actual credit loss experience of the past 5 years, and is based on the economic conditions, Adjust the differences between the current economic conditions and the economic conditions within the expected duration of the Group's perceptions. If the provision for bad debts is made according to the general expected credit loss model, please refer to the disclosure of other receivables:
☐Applicable ☒Not applicable

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(3) The situation of bad debt provision

☒Applicable ☐Not applicable

Unit: Currency: RMB

category	Opening Balance	Accrual	Changes in the current period			Ending balance
			Retract or transfer	Resale or verification	Other changes	
			Back to	pin		
Bad debt provision	112,926,674	79,814,508	2,977,211	7,140,079	2,322,568	184,946,460
total	112,926,674	79,814,508	2,977,211	7,140,079	2,322,568	184,946,460

Among them, the amount of bad debt provision for the current period to be recovered or reversed is important:

☐Applicable ☒Not applicable

(4). Accounts receivable actually written off in the current period

☒Applicable ☐Not applicable

Unit: Currency: RMB

project	Amount written off
Accounts receivable actually written off	7,140,079

Among them, the important accounts receivable write-off situation

☐Applicable ☒Not applicable

Description of accounts receivable write-off:

☐Applicable ☒Not applicable

(5). The top five accounts receivable of the ending balance collected by the owing party

☒Applicable ☐Not applicable

As of December 31, 2020, the top five accounts receivable of the Group's balance totaled RMB 1,502,391,507 (2019 Year: RMB 1,386,721,108), accounting for 38% of the total balance of accounts receivable at the end of the year (2019: 43%). The year-end balance of bad debt provisions totaled RMB 49,269,723 (2019: RMB 32,814,688).

(6). Accounts receivable derecognized due to the transfer of financial assets

☐Applicable ☒Not applicable

(7). The amount of assets and liabilities formed by the transfer of accounts receivable and continued involvement

☐Applicable ☒Not applicable

other instructions:

☐Applicable ☒Not applicable

6. Receivables financing

☒Applicable ☐Not applicable

Unit: Currency: RMB

project	Ending balance	Opening Balance
bill receivable	138,133,247	95,235,940
total	138,133,247	95,235,940

Changes in the financing of receivables and changes in fair value during the current period:

☒Applicable ☐Not applicable

There is no change in the fair value of the Group's receivable financing in 2020, and the accumulated loss reserves recognized in other comprehensive income are zero.

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If the provision for bad debts is made according to the general expected credit loss model, please refer to the disclosure of other receivables:

☐Applicable ☒Not applicable

other instructions:

☒Applicable ☐Not applicable

At the end of the year, the Group has endorsed or discounted the financing of receivables that are not yet due on the balance sheet date:

project	Amount derecognized at the end of the year	Unterminated confirmation amount at the end of the year
Bank acceptance draft	287,942,545	-

In 2020, the Group will discount certain bank bills receivable to certain banks in China or endorse them to the Group's suppliers ("Final Stop confirmation of the bill") and terminate its confirmation on December 31, 2020. On December 31, 2020, it has been discounted and terminated. The confirmed book value of the outstanding notes receivable is RMB 66,417,852 (2019: RMB 138,771,396). At On December 31, 2020, the book value of the outstanding notes receivable that has been endorsed and has been derecognized is RMB 221,524,693 (2019: RMB 180,409,595). As of December 31, 2020, the remaining maturity of derecognized notes is 1 to 7 month.

According to the Bills Law of the People's Republic of China, if the accepting bank of the discounted or endorsed bills receivable of the Group refuses to pay, the holder Has the right of recourse against the Group. The board of directors believes that for the derecognized discounted or endorsed bills, the Group has substantially transferred Since almost all the risks and rewards of these bills have been taken into consideration, the Group has terminated the recognition of these bills in full.

Due to the holder's right of recourse, the group continues to be involved in the derecognized bills, and the continued involvement in the largest risk of losses to the group The exposure is equivalent to its entire amount.

7. Advance payment

(1). Prepayments are listed by age

☒Applicable ☐Not applicable

Aging	Ending balance		Unit: Currency: RMB	
	Amount	Proportion(%)	Opening Balance	Proportion(%)
Within 1 year	178,226,139	89.55	113,121,727	93.49
1 to 2 years	13,359,361	6.71	5,158,983	4.26
2 to 3 years	6,811,353	3.42	2,680,908	2.22
over 3 years	631,133	0.32	32,840	0.03
total	199,027,986	100.00	120,994,458	100.00

Explanation of the reason why prepayments with an aging of more than 1 year and an important amount are not settled in time: not applicable

(2). The top five prepayments of the ending balance collected by prepayment objects

☒Applicable ☐Not applicable

The group's year-end balance of the top five prepayments totaled RMB 59,756,753 (2019: RMB 63,592,675 Yuan), accounting for 30% of the total balance of prepayments at the end of the year (2019: 53%).

other instructions:

☒Applicable ☐Not applicable

As of December 31, 2020, the balance of prepayments mainly consisted of prepayments for goods and spare parts.

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8. Other receivables

List of items

☒Applicable ☐Not applicable

project	Ending balance	Unit: Currency: RMB
		Opening Balance
Interest receivable		
Dividend receivable	625,908	522,213
Other receivables	143,372,185	109,077,626
total	143,998,093	109,599,839

other instructions:

☐Applicable ☒Not applicable

Interest receivable

(1). Classification of interest receivable

☐Applicable ☒Not applicable

(2). Important overdue interest

☐Applicable ☒Not applicable

(3). Provision for bad debts

☐Applicable ☒Not applicable

other instructions:

☐Applicable ☒Not applicable

Dividend receivable

(1). Dividends receivable

☒Applicable ☐Not applicable

Unit: Currency: RMB

Project (or invested unit)	Ending balance	Opening Balance
Wuhan Guangyuan Electronic Technology Co., Ltd.	522,213	522,213
Wuhan Steel & Electricity Co., Ltd.	103,695	
total	625,908	522,213

(2). Important dividends receivable with an aging of more than 1 year

☐Applicable ☒Not applicable

(3). Provision for bad debts

☐Applicable ☒Not applicable

other instructions:

☐Applicable ☒Not applicable

Other receivables

(1) Disclosure by age

☒Applicable ☐Not applicable

Unit: Currency: RMB

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Aging	Book balance at the end of the period
Within 1 year (including 1 year)	100,510,807
Subtotal within 1 year	100,510,807
1 to 2 years	31,598,379
2 to 3 years	6,933,917
over 3 years	4,329,082
total	143,372,185

(2). Classification according to the nature of the funds

☒Applicable ☐Not applicable

Unit: Currency: RMB

Nature of Payment	Book balance at the end of the period	Beginning book balance
Receivable from related companies	56,535,343	13,979,809
Margin	40,691,216	43,866,822
deposit	7,876,449	3,502,918
Reserve fund	6,225,310	3,967,158
other	32,043,867	43,760,919
total	143,372,185	109,077,626

(3). Provision for bad debts

☐Applicable ☒Not applicable

The amount of provision for bad debts in the current period and the basis for assessing whether the credit risk of financial instruments has increased significantly:

☐Applicable ☒Not applicable

(4). The situation of bad debt provision

☐Applicable ☒Not applicable

(5). Other receivables actually written off in the current period

☐Applicable ☒Not applicable

(6). Other receivables of the top five ending balances collected by the owing party

☒Applicable ☐Not applicable

Unit: Currency: RMB						
company name	Sex of money quality	Ending balance	Aging	Accounted for other receivables		
				Balance at the end of the reporting period		End of term
				Total ratio	example(%)	
Shantou High-tech Zone Aoxingguang Communication Equipment Co., Ltd.	Sales equipment	28,000,000	1-2 years	19.53		
HXPT Philippines Inc.	Sales equipment	25,311,869	Within 1 year	17.65		
Wuhan Aerospace Cloud Link Technology Co., Ltd.	Performance bond	5,598,000	1-2 years	3.90		
Consulting service fee for YOFC Xinyue (Hubei) Light Rod Co., Ltd.		1,180,000	Within 1 year	2.22		
Great Wall Computer Software and System Co., Ltd. performance bond		6,665,000	1-2 years	1.85		
total	/	64,744,869	/	45.15		

(7). Receivables involving government subsidies

☐Applicable ☒Not applicable

(8). Other receivables derecognized due to the transfer of financial assets

☐Applicable ☒Not applicable

(9). The amount of assets and liabilities formed by the transfer of other receivables and continued involvement

☐Applicable ☒Not applicable

other instructions:

☐Applicable ☒Not applicable

9. Inventory

(1). Inventory classification

☒Applicable ☐Not applicable

Unit: Currency: RMB						
project	Book balance	Ending balance			Opening Balance	
		Inventory fall	Preparation/Contract	Book value	Inventory fall	Preparation/Contract
		Performance cost	Book value	Book balance	Performance cost	Book value
		Provision for impairment			Provision for impairment	
Raw materials	1,089,014,076	47,208,763	1,041,805,313	948,735,722	35,552,709	913,183,013
In product	136,818,175	833,952	135,984,223	134,870,974	165,288	134,705,686
Commodities in stock	1,176,269,892	16,509,537	1,159,760,355	737,997,494	6,543,943	731,453,551
total	2,402,102,143	64,552,252	2,337,549,891	1,821,604,190	42,261,940	1,779,342,250

(2). Provision for inventory depreciation and contract performance cost impairment provision

☒Applicable ☐Not applicable

Unit: Currency: RMB						
project	Opening Balance	Increase in the current period		Decrease in the current period		Ending balance
		Accrual	other	Revert or revert pin	other	
Raw materials	35,552,709	22,665,376		11,009,322		47,208,763
In product	165,288	833,236		164,572		833,952
Inventory goods	6,543,943	21,365,162		11,399,568		16,509,537
total	42,261,940	44,863,774		22,573,462		64,552,252

The provision for inventory depreciation is mainly due to obsolete inventory or falling sales prices. This year's resale is due to part of the previous

The inventory for which provision for falling prices has been accrued during the year is transferred out of the corresponding provision for falling prices due to sales this year.
The Group uses the method of the lower of the net realizable value and the cost as the basis for the provision of inventory depreciation.

(3). The ending balance of inventory contains a description of the capitalized amount of borrowing costs
☐Applicable ☒Not applicable

(4). Description of the current amortization amount of contract performance costs
☐Applicable ☒Not applicable

other instructions
☐Applicable ☒Not applicable

10. Contract assets

(1). Contract assets
☐Applicable ☒Not applicable
(2) The amount and reason for the significant change in the book value during the reporting period
☐Applicable ☒Not applicable

(3). Provision for impairment of contract assets in the current period
☐Applicable ☒Not applicable
If the provision for bad debts is made according to the general expected credit loss model, please refer to the disclosure of other receivables:
☐Applicable ☒Not applicable
other instructions:
☐Applicable ☒Not applicable

11. Holding assets for sale
☐Applicable ☒Not applicable

12. Non-current assets due within one year
☐Applicable ☒Not applicable
Important debt investments and other debt investments at the end of the period:
☐Applicable ☒Not applicable

other instructions
not applicable

13. Other current assets
☒Applicable ☐Not applicable

		Unit: Currency: RMB	
	project	Ending balance	Opening Balance
VAT input tax to be deducted		181,537,112	210,417,248
Prepaid income tax		62,444,334	45,351,938
other		245,039	1,097,594
	total	244,226,485	256,866,780

other instructions
not applicable

14. Debt investment
(1). Debt investment situation
☐Applicable ☒Not applicable
(2). Important debt investment at the end of the period
☐Applicable ☒Not applicable
(3). Provision for impairment provision
☐Applicable ☒Not applicable

The amount of impairment provision for the current period and the basis for assessing whether the credit risk of financial instruments has increased significantly
☐Applicable ☒Not applicable

other instructions
☐Applicable ☒Not applicable

15. Other debt investments

(1). Other debt investments

☐Applicable ☒Not applicable

(2). Other important debt investments at the end of the period

☐Applicable ☒Not applicable

(3). Provision for impairment provision

☐Applicable ☒Not applicable

The amount of impairment provision for the current period and the basis for assessing whether the credit risk of financial instruments has increased significantly
☐Applicable ☒Not applicable

other instructions:
☐Applicable ☒Not applicable

16. Long-term receivables

(1). Long-term accounts receivable

☐Applicable ☒Not applicable

(2). Provision for bad debts

☐Applicable ☒Not applicable

The amount of provision for bad debts in the current period and the basis for assessing whether the credit risk of financial instruments has increased significantly
☐Applicable ☒Not applicable

(3). Long-term receivables derecognized due to the transfer of financial assets

☐Applicable ☒Not applicable

(4). The amount of assets and liabilities formed by the transfer of long-term receivables and continued involvement

☐Applicable ☒Not applicable

other instructions
☐Applicable ☒Not applicable

17. Long-term equity investment

☒Applicable ☐Not applicable

Unit: Currency: R

Investee	Beginning of period Balance	Additional investment	Reduce investment	Changes in the current period					End of period Balance
				Under the equity method Confirmed vote Capital gains and losses	Other comprehensive income adjustment	Other rights and interests change	Announcement of cash dividend Or profit	Accrual Impairment Prepare	
1. Joint venture									
Shantou High-tech Zone Aoxingguang Communication Equipment Co., Ltd.	108,890,544			686,066			5,090,400	264,202	104,850,411
Sichuan Lefei Optoelectronics Technology Co., Ltd.	72,395,321			2,724,863			3,225,600	4,174,746	76,069,330

Shenzhen Tefa Information Optical Fiber Co., Ltd.	172,199,775	-163,911		410,054	172,445,911
Jiangsu Changfei Zhongli Optical Fiber and Cable Co., Ltd.	48,056,703	2,833,450	3,887,022	1,635,862	148,638,991
YOFC Optical Fiber and Cable (Shanghai) Co., Ltd.	239,517,737	5,440,566	5,201,526	3,104,967	242,861,741
Wuhan Guangyuan Electronic Technology Co., Ltd.	1,789,406	-1,562,037			227,369
YOFC (Wuhan) Optical System Co., Ltd.	40,238,359	1,003,820		-178,250	41,063,929
YOFC Xinyue (Hubei) Optical Rod Co., Ltd.	333,111,653	376,777	2,842,000		330,646,430
YOFC-Yadanarbon Fibre Company Limited	7,049,104			-7,049,104	
Wuhan Changfei Industrial Fund Management Co., Ltd.	4,723,932	-879,999			3,843,933
Subtotal	1,128,072,534	10,459,595	20,246,548	2,362,477	1,120,648,058
2. Joint ventures					
Wuhan Yunjingfei Optical Fiber Material Co., Ltd.	12,091,589	-1,200,817			10,890,772
AVIC Baosheng Offshore Engineering Cable Co., Ltd.	300,809,416	4,329,296			305,138,712
RiT Tech (Intelligence Solutions) Ltd.	4,104,464	-971,683	-333,943		2,798,838
Wuhan Endeavour Intelligent Machine Co., Ltd.	50,366,607	-383,054			49,983,553
Yunhui Technology Co., Ltd.	144,852,068	5,423,614	-3,476,330		146,799,352
Subtotal	367,372,076	144,852,068	7,197,356	-3,810,273	515,611,227
total	1,495,444,610	144,852,068	17,656,951	-3,810,273	20,246,548

other instructions
not applicable

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18. Investment in other equity instruments

(1). Investment in other equity instruments

√Applicable □Not applicable

		Unit: Currency: RMB	
project	Ending balance	Opening Balance	
Listed company	39,148,280	54,732,099	
non-listed company	2,230,000	2,440,000	
total	41,378,280	57,172,099	

(2). Investment in non-trading equity instruments

√Applicable □Not applicable

		Unit: Currency: RMB		
project	This issue is indeed	Other comprehensive income	Designated at fair value	Other comprehensive income
	Subscribed share cumulative gain	Accumulated loss	Combined income measurement and	Transfer to other comprehensive income
	Profit	Transfer to other comprehensive income	Beneficial reasons	Deposit income
		Amount of		s reason
Sichuan Huiyuan Optical Communications Co., Ltd.	14,161,558		For strategic purposes	
Wuhan Steel & Electricity Co., Ltd.	103,695		Plan to hold for a long time	
company			For strategic purposes	
Wuhan Changguang Technology Co., Ltd.		4,550,113	Plan to hold for a long time	
company			For strategic purposes	
Wuhan Zhuxin Consulting has		210,000	Plan to hold for a long time	
Limited company			For strategic purposes	
total	103,695 14,161,558	4,760,113	Plan to hold for a long time	

other instructions:
□Applicable √Not applicable

19. Other non-current financial assets

√Applicable □Not applicable

		Unit: Currency: RMB
project	Ending balance	Opening Balance
Measured at fair value and its changes are included in the current period		
Financial assets		
Of which: investment in debt instruments	45,378,370	
total	45,378,370	

other instructions:
□Applicable √Not applicable

20. Investment real estate
Investment real estate measurement model
not applicable

21. Fixed assets
List of items
☒Applicable ☐Not applicable

		Unit: Currency: RMB	
		Ending balance	Opening Balance
	project		
Fixed assets		3,694,140,835	3,650,781,975
Fixed assets liquidation			
	total	3,694,140,835	3,650,781,975

other instructions:
☐Applicable ☒Not applicable

Fixed assets

(1). Fixed assets

√Applicable □Not applicable

Unit: Currency: R					
project	houses and buildings	mechanical equipment	Office equipment and other equipment	Means of transport	to
1. Original book value:					
1. Beginning balance	1,373,480,838	4,018,692,033	252,997,994	16,363,451	5,66
2. Increase in the current period	110,358,822	252,687,818	48,121,382	1,233,489	4
(1) Purchase	62,457,953	158,790,148	37,761,689	667,763	2:
(2) Transfer of construction in progress	38,402,869	17,306,106	7,297,774		
(3) Increase in business combination	9,498,000	76,591,564	3,061,919	565,726	
3. Reduction in the current period	10,536,025	52,085,641	7,130,022	1,369,844	
(1) Disposal or scrap	377,570	43,203,717	6,532,498	1,246,163	
(2) Foreign currency conversion difference	10,158,455	8,981,924	597,524	123,681	
4. Ending balance	1,473,303,635	4,219,294,210	293,989,354	16,227,096	6,00
2. Accumulated depreciation					
1. Beginning balance	256,835,366	1,624,572,151	122,038,615	6,895,760	2,01
2. Increase in the current period	61,397,201	222,530,674	51,717,129	1,836,849	3:
(1) Withdrawal	61,397,201	222,530,674	51,717,129	1,836,849	3:
(2) Increase in business combination					
3. Reduction in the current period	1,115,136	34,793,930	2,564,546	1,087,122	
(1) Disposal or scrap	85,495	33,629,399	1,903,404	1,027,198	
(2) Foreign currency conversion difference	1,029,641	1,164,531	661,142	59,924	
4. Ending balance	317,117,431	1,812,308,895	171,191,198	7,645,487	2,30
3. Provision for impairment					
1. Beginning balance		410,449			
2. Increase in the current period					
(1) Withdrawal					
3. Reduction in the current period					

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(1) Disposal or scrap					
4. Ending balance		410,449			
4. Book value					
1. Book value at the end of the period	1,156,186,204	2,406,574,866	122,798,156	8,581,609	3,65
2. Book value at the beginning of the period	1,116,645,472	2,393,709,433	130,959,379	9,467,691	3,65

(2) Situation of temporarily idle fixed assets

□Applicable √Not applicable

(3). The situation of fixed assets leased through financial leases

□Applicable √Not applicable

(4). Fixed assets leased out through operating leases

√Applicable □Not applicable

Unit: Currency: R					
project	Book value at the end of the period				
houses and buildings					
mechanical equipment					
total					

(5). The situation of fixed assets that have not completed the property right certificate

√Applicable □Not applicable

Unit: Currency: R					
project	Book value		Reasons for not getting the title certificate		
Science and Technology Park Phase II of YOFC	137,542,307		Completion filing stage		
Hubei Feiling Optical Fiber Material Co., Ltd. plant	28,916,371		under processing		

	YOFC 2020 Ann
Changfei Optical Fiber Qianjiang Co., Ltd. 4a# Disc Cleaning Room	3,749,409 Completion and filing stage
6a Auxiliary Material Warehouse of Science and Technology Park of YOFC	1,606,457 Does not have a significant impact on operating activiti
12# Guard House, Science Park, Changfei Optical Fiber and Cable Co., Ltd.	56,726 has no significant impact on operating activities

other instructions:
☐Applicable ☒Not applicable

Fixed assets liquidation
☐Applicable ☒Not applicable

22. Construction in progress
List of items
☒Applicable ☐Not applicable

	project	Ending balance	Unit: Currency: R Opening Balance
Construction in progress		258,911,145	10
Engineer material			
total		258,911,145	10

other instructions:
☐Applicable ☒Not applicable

Construction in progress
(1). Construction in progress
☒Applicable ☐Not applicable

	project	Ending balance	Unit: Currency: R Opening Balance
		Book balance	Book balance
		Provision for impairment	Provision for impairment

			YOFC 2020 Ann
Plant and equipment construction project of YOFC Qianjiang Co., Ltd.			30,009,672
Plant and equipment renovation project of YOFC Qianjiang Co., Ltd.	22,679,502	22,679,502	
Hubei Feiling Optical Fiber Material Co., Ltd. Plant and Equipment Construction Project	28,818,804	28,818,804	27,863,460
YOFC Headquarters Building	92,744,830	92,744,830	18,511,141
Plant renovation of Changfei Optical Fiber and Cable Co., Ltd.	5,743,512	5,743,512	4,450,816
Zhejiang Lianfei Optical Fiber and Cable Co., Ltd. Plant and Equipment Construction Project	29,925,515	29,925,515	3,322,253
Comprehensive office building of YOFC (Tianjin) Co., Ltd.	4,184,295	4,184,295	1,760,770
YOFC Peru SAC Broadband Network Construction Project	38,529,485	38,529,485	
Sichuan Guangheng Communication Technology Co., Ltd. Plant and Equipment Construction Project	16,659,035	16,659,035	
other	19,626,167	19,626,167	18,934,648
total	258,911,145	258,911,145	104,852,760

(2). Changes in important construction projects in the current period
☒Applicable ☐Not applicable

	This period	Engineering tired	Interest capital	Among them: this interest
		Plan investment		

project name	Budget number	Beginning of period Balance	Increase in this period Amount	This issue is transferred Fixed asset amount	Reduce Amount	End of term Balance	Accounted for Proportion (%)	budget schedule	Chemical accounting Forehead	Capitalized amount Capitalized amount	capital conversion (%)
YOFC Qianjiang Co., Ltd. Company plant and equipment construction Set up the project	1,851,610,000	30,009,672		-30,009,672		0	74.02	100.00	22,902,062		
total	1,851,610,000	30,009,672		-30,009,672		0	/	/	22,902,062		/

(3). Provision for impairment of construction in progress in the current period

☐Applicable ☒Not applicable
other instructions
☐Applicable ☒Not applicable

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Engineer material

(1). Project materials

☐Applicable ☒Not applicable

23. Productive biological assets

(1). Productive biological assets using cost measurement mode

☐Applicable ☒Not applicable

(2). Productive biological assets adopting the fair value measurement model

☐Applicable ☒Not applicable

other instructions

☐Applicable ☒Not applicable

24. Oil and gas assets

☐Applicable ☒Not applicable

25. Right to use assets

☒Applicable ☐Not applicable

Unit: Currency: R

project	houses and buildings	mechanical equipment	Office equipment and other equipment	total
1. Original book value				
1. Beginning balance	79,349,677	3,078,576	1,277,005	
2. Increase in the current period	7,292,377	29,503,363		
3. Reduction in the current period	3,439,087	19,475	80,785	
(1) Disposal	2,159,379		63,381	
(2) Foreign currency conversion difference	1,279,708	19,475	17,404	
4. Ending balance	83,202,967	32,562,464	1,196,220	1
2. Accumulated depreciation				
1. Beginning balance	18,246,040	627,489	431,571	
2. Increase in the current period	20,038,928	3,432,668	412,387	

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(1) Withdrawal	20,038,928	3,432,668	412,387
3. Reduction in the current period	2,404,710	4,879	69,724
(1) Disposal	2,159,379		63,381
(2) Foreign currency conversion difference	245,331	4,879	6,343
4. Ending balance	35,880,258	4,055,278	774,234
3. Provision for impairment			
1. Beginning balance			

2. Increase in the current period			
(1) Withdrawal			
3. Reduction in the current period			
(1) Disposal			
4. Ending balance			
4. Book value			
1. Book value at the end of the period	47,322,709	28,507,186	421,986
2. Book value at the beginning of the period	61,103,637	2,451,087	845,434

other instructions:

The Group leases houses and buildings as its office and production sites, with lease periods ranging from 2 to 10 years. Part of the lease includes the option to lease th

Some leases require the Group to pay payments related to property taxes and insurance premiums that the lessor has to pay, and these amounts are usually determined

26. Intangible assets

(1). Intangible assets

√Applicable □Not applicable

					Unit: Currency: R
project	Land use rights	patent	Unpatented technology	Trademark rights	total
1. Original book value					
1. Beginning balance	299,332,396	168,085,679	58,000,000	12,081,100	5
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					YOFC 2020 Annu
2. Increase in the current period	11,424,373	41,357,930	1,612,525	3,819	
(1) Purchase	6,248,634		119,282		
(2) Internal R&D					
(3) Increase in business combination	5,175,739	41,357,930	1,493,243	3,819	
3. Reduction in the current period		7,600	4,998		
(1) Disposal					
(2) Foreign currency translation differences		7,600	4,998		
4. Ending balance	310,756,769	209,436,009	59,607,527	12,084,919	5
2. Accumulated amortization					
1. Beginning balance	51,172,711	50,091,126	11,600,000	3,624,330	1
2. Increase in the current period	8,445,448	6,588,821	3,276,429	1,208,110	
(1) Withdrawal	8,445,448	6,588,821	3,276,429	1,208,110	
3. Reduction in the current period		977	818		
(1) Disposal					
(2) Foreign currency translation differences		977	818		
4. Ending balance	59,618,159	56,678,970	14,875,611	4,832,440	1
3. Provision for impairment					
1. Beginning balance		113,874,635			1
2. Increase in the current period					
(1) Withdrawal					
3. Reduction in the current period					
(1) Disposal					
4. Ending balance		113,874,635			1
4. Book value					
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					YOFC 2020 Annual Report
1. Book value at the end of the period	251,138,610	38,882,404	44,731,916	7,252,479	3
2. Book value at the beginning of the period	248,159,685	4,119,918	46,400,000	8,456,770	3

The proportion of intangible assets formed through the company's internal research and development at the end of the period to the balance of intangible assets 0

(2). The situation of land use rights that have not completed the ownership certificate

☐Applicable ☒Not applicable

other instructions:

☐Applicable ☒Not applicable

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27. Development expenditure

☐Applicable ☒Not applicable

28. Goodwill

(1). Original book value of goodwill

☒Applicable ☐Not applicable

Unit: Currency: RMB

The name of the investee may form goodwill	Beginning of period Balance	Increase in this period Business combination Made	Decrease in current period Dispose of	Ending balance
Sichuan Guangheng Communication Technology Co., Ltd.	20,027,705			20,027,705
total	20,027,705			20,027,705

The Group paid RMB 151,203,140 for merger costs in 2020 to acquire Sichuan Guangheng Communication Technology Co., Ltd. ("Sichuan Guangheng") 51% equity. The combined cost exceeds the fair value of Sichuan Guangheng's identifiable assets and liabilities obtained on a pro rata basis. The difference of RMB 131,175,435 of RMB 20,027,705 was confirmed as goodwill related to Sichuan Guangheng.

(2). Goodwill impairment provision

☐Applicable ☒Not applicable

(3). Relevant information about the asset group or combination of asset groups where the goodwill is located

☐Applicable ☒Not applicable

(4). Explain the process of goodwill impairment test and key parameters (such as the growth rate of the forecast period when the present value of future cash flows are expected, and the stal Period growth rate, profit rate, discount rate, forecast period, etc., if applicable) and the method of confirming the impairment loss of goodwill

☒Applicable ☐Not applicable

The recoverable amount of Sichuan Guangheng is determined by the method of projecting the present value of future cash flows. According to the latest financial budget for the next 5 years and the 11.18% pre-tax discount rate predict the present value of the future cash flow of the asset group. More than 5 years of financial budget

The cash flow in subsequent years will remain stable. The estimated result of the recoverable amount did not result in the recognition of impairment losses. But it is expected that the capital The key assumptions on which the present value of future cash flows of the production group are based may change. Management believes that if the key assumptions change negatively, Movement, it may cause the book value of the asset group to exceed its recoverable amount.

The calculation of the present value of Sichuan Guangheng Communication Technology Co., Ltd.'s estimated future cash The key assumptions are that the average cash inflow is the average inflow and the cash outflow is the average outflow. Management based on the history before the budget period The situation determines these assumptions.

(5). The impact of the goodwill impairment test

□Applicable √Not applicable

other instructions

□Applicable √Not applicable

29. Long-term deferred expenses

□Applicable √Not applicable

30. Deferred income tax assets/deferred income tax liabilities

(1). Unoffset deferred income tax assets

√Applicable □Not applicable

project	Ending balance		Opening Balance	
	Deductible temporary	Deferred income tax	Deductible temporary	Deferred income tax
	difference	assets	difference	assets
Impairment of assets	235,907,420	36,934,291	144,126,714	22,891,488
Unrealized profits from internal transactions	157,683,094	23,637,314	158,059,614	23,708,942
Deductible loss	162,470,127	32,180,701	107,438,618	26,410,237
Other non-current liabilities	278,798,978	42,299,254	213,448,739	32,416,861
other	138,828,732	20,989,427	3,676,253	629,015
total	973,587,351	156,040,987	626,749,938	106,056,543

(2). Unoffset deferred income tax liabilities

√Applicable □Not applicable

project	Ending balance		Opening Balance	
	Taxable temporary	Deferred income tax	Taxable temporary	Deferred income tax
	difference	Debt	difference	Debt
Consolidated capital of companies not under the same control	766,248,860	-11,448,729	-9,896,500	-2,474,125
Value added				
Fair investment in other equity instruments	27,311,135	-4,096,671	-42,894,954	-6,434,244
Value change				
Fair value of transactional financial assets	92,738,272	-13,910,741		
Value change				
total	-196,374,267	-29,456,141	-52,791,454	-8,908,369

(3). Deferred income tax assets or liabilities listed as net amount after offset

√Applicable □Not applicable

project	Ending balance		Opening Balance	
	Deferred income tax	Deferred after offset	Deferred income tax	Deferred after offset
	End of assets and liabilities	Taxable assets or negative liabilities	Beginning of assets and liabilities	Taxable assets or negative liabilities
	Offset amount	Ending balance of debt	Offset amount	Beginning balance of debt
Deferred tax assets	-18,007,412	138,033,575	-8,908,369	97,148,174
Deferred income tax liabilities	18,007,412	11,448,729	8,908,369	

(4). Details of unrecognized deferred income tax assets

√Applicable □Not applicable

project	Ending balance		Opening Balance	
Deductible temporary differences		179,904,074		165,916,821

Deductible loss	280,480,426	271,767,751
total	460,384,500	437,684,572

(5). The deductible losses of unrecognized deferred income tax assets will expire in the following years
√Applicable ☐Not applicable

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Unit: Currency: RMB

years	Amount at the end of the period	Amount at the beginning of the period	Remark
2021		2,534,449	
2022	79,790	297,552	
2023	6,490,402	6,490,402	
2024	7,337,064	11,643,127	
2025	26,968,355	31,327,817	
2026	9,318,218	9,318,218	
2027	98,053,655	98,053,655	
2028	44,086,817	44,086,817	
2029	58,387,446	58,387,446	
2030	18,300,308		
No expiration period	11,458,371	9,628,268	
total	280,480,426	271,767,751	/

other instructions:
√Applicable ☐Not applicable

According to the "Enterprise Income Tax Law of the People's Republic of China" and its implementation regulations, "Notice on the Carry-over Period of Losses for Technical Enterprises and Small and Medium-sized Technological Enterprises" (Caishui [2018] No. 76), Enterprises or technology-based SME qualifications (hereinafter referred to as "qualifications"), regardless of whether they have the qualifications from 2013 to 2017 Grid, its unrecovered losses incurred from 2013 to 2017 are allowed to be carried forward to make up for subsequent years, and the longest carry-forward year The limit is 10 years. Qualified enterprises in the years after 2018, and so on, will carry forward losses to make up for tax treatment. This episode As high-tech enterprises, many companies under the group have carried forward uncovered losses for 10 years from 2018 to make up for losses in accordance with regulations

31. Other non-current assets
√Applicable ☐Not applicable

Unit: Currency: RMB

project	Ending balance			Opening Balance		
	Book balance	Impairment Prepare	Book value	Book balance	Impairment Prepare	Book value
Prepaid equipment	34,357,714		34,357,714	51,648,827		51,648,827
Advance payment for equity transfer				45,360,942		45,360,942
Contract performance cost	97,310,183		97,310,183	29,089,628		29,089,628
VAT input tax to be deducted	12,418,117		12,418,117			
total	144,086,014		144,086,014	126,099,397		126,099,397

other instructions:

On December 26, 2019, the company signed an acquisition agreement with a third party. The agreement stipulated that the company would pay RMB 151,203,140 Yuan purchases 51% of Sichuan Guangheng's equity. The delivery completion date is the date when Sichuan Guangheng completes the registration of industrial and commercial changes. The profit and risk shall be transferred to the company from the date of completion of the settlement. As of December 31, 2020, the company has paid the purchase consideration person in RMB 151,203,140. On January 2, 2020, Sichuan Guangheng has completed the change of industrial and commercial registration.

32. Short-term loans
(1). Classification of short-term loans
√Applicable ☐Not applicable

Unit: Currency: RMB

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project	Ending balance	Opening Balance
Credit loan	1,033,657,703	895,576,208
total	1,033,657,703	895,576,208

Explanation of short-term loan classification:

As of December 31, 2020, credit loans include loans provided by the Group's internal units to provide mutual guarantees, with an amount of RMB 112,200,000 (2019: RMB 90,690,600).

As of December 31, 2020, the Group had no overdue outstanding loans.

(2). Short-term loans that have been overdue and not repaid

☐Applicable ☒Not applicable

The important short-term loans that have been overdue and have not been repaid are as follows:

☐Applicable ☒Not applicable

other instructions

☐Applicable ☒Not applicable

33. Transactional financial liabilities

☐Applicable ☒Not applicable

34. Derivative financial liabilities

☐Applicable ☒Not applicable

35. Notes payable

(1). List of bills payable

☒Applicable ☐Not applicable

Unit: Currency: RMB		
type	Ending balance	Opening Balance
trade acceptance draft	351,632,323	397,733,603
Bank acceptance draft	307,791,583	177,059,660
total	659,423,906	574,793,263

At the end of the current period, the total amount of notes payable that have not yet been paid is 0 yuan.

36. Accounts payable

(1). List of accounts payable

☒Applicable ☐Not applicable

Unit: Currency: RMB		
project	Ending balance	Opening Balance
Payable to related companies	134,266,119	251,202,881
Deal with third-party suppliers	1,405,357,780	1,010,405,021
total	1,539,623,899	1,261,607,902

(2). Important accounts payable with an age of more than 1 year

☐Applicable ☒Not applicable

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other instructions

☒Applicable ☐Not applicable

The ageing analysis of the Group's accounts payable based on the invoice date is as follows:

project	2020 year	2019 year
Within 1 year (including 1 year)	1,510,602,611	1,224,751,780
1 year to 2 years (including 2 years)	7,169,532	26,180,928
2 years to 3 years (including 3 years)	17,031,826	3,048,371
over 3 years	4,819,930	7,626,823
total	1,539,623,899	1,261,607,902

37. Advance receipts

(1). List of advance receipts
☐Applicable ☒Not applicable

(2). Important advance receipts aged over 1 year

other instructions

☐Applicable ☒Not applicable

38. Contract liabilities

(1). Contract liabilities

☒Applicable ☐Not applicable

Unit: Currency: RMB

project	Ending balance	Opening Balance
Pre-payment for sales of optical fiber and optical fiber preform	60,476,971	61,059,362
Pre-receipt for fiber optic cable sales	185,993,778	77,552,129
Other advance receipts	114,233,892	124,289,059
total	360,704,641	262,900,550

(2) The amount and reason for the significant change in the book value during the reporting period

☐Applicable ☒Not applicable

other instructions:

☐Applicable ☒Not applicable

39. Payable employee compensation

(1). List of payable employee salaries

☒Applicable ☐Not applicable

Unit: Currency: RMB

project	Opening Balance	Increase in this period	Decrease in current period	Ending balance
1. Short-term salary	219,845,856	797,061,073	764,349,299	252,557,630
2. Post-employment benefits-setting up a deposit plan	94,992	45,118,533	45,138,794	74,731
3. Dismissal benefits				
4. Other benefits due within one year				
total	219,940,848	842,179,606	809,488,093	252,632,361

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(2). Short-term salary list

☒Applicable ☐Not applicable

Unit: Currency: RMB

project	Opening Balance	Increase in this period	Decrease in current period	Ending balance
1. Salaries, bonuses, allowances and subsidies	214,764,859	675,360,936	643,215,677	246,910,118
2. Employee Welfare Fee	2,279,879	20,552,156	20,599,460	2,232,575
3. Social insurance premiums	26,254	33,538,834	33,529,481	35,607
Including: medical insurance premium	16,317	30,363,118	30,354,261	25,174
Work injury insurance premium	3,884	854,945	855,523	3,306
Maternity insurance premium	6,053	2,320,771	2,319,697	7,127
4. Housing Provident Fund	254,577	50,839,610	50,849,453	244,734
5. Labor union funds and employee education fund	2,520,287	16,769,537	16,155,228	3,134,596
6. Short-term paid absences				
7. Short-term profit sharing plan				
total	219,845,856	797,061,073	764,349,299	252,557,630

(3). List of set deposit plans

☒Applicable ☐Not applicable

Unit: Currency: RMB

project	Opening Balance	Increase in this period	Decrease in current period	Ending balance
1. Basic pension insurance	89,522	43,282,867	43,302,396	69,993
2. Unemployment insurance premiums	5,470	1,835,666	1,836,398	4,738
3. Corporate Annuity Payment				
total	94,992	45,118,533	45,138,794	74,731

other instructions:

☐Applicable ☒Not applicable

40. Taxes payable

☒Applicable ☐Not applicable

		Unit: Currency: RMB	
project	Ending balance	Opening Balance	
VAT	16,441,505	33,532,727	
corporate income tax	31,942,053	28,542,101	
Personal Income Tax	4,417,637	5,132,606	
Urban maintenance and construction tax	9,155,195	8,498,841	
Education surcharge	14,733,570	14,172,093	
other	16,693,486	13,687,887	
total	93,383,446	103,566,255	

other instructions:

not applicable

41. Other payables

List of items

☒Applicable ☐Not applicable

Unit: Currency: RMB

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		YOFC 2020 Annual Report	
project	Ending balance	Opening Balance	
Interest payable			
Dividend payable			
Other payables	372,357,376	410,686,340	
total	372,357,376	410,686,340	

other instructions:

☐Applicable ☒Not applicable

Interest payable

(1). Classification list

☐Applicable ☒Not applicable

Dividend payable

(1). Classification list

☐Applicable ☒Not applicable

Other payables

(1). List other payables according to the nature of the payment

☒Applicable ☐Not applicable

		Unit: Currency: RMB	
project	Ending balance	Opening Balance	
Equipment payable	208,400,901	278,691,535	
Pay technical commission fee	22,001,438	20,717,764	
Cope with professional service fees	6,385,086	3,991,680	
Sales commission payable	35,557,334	27,824,275	
deposit	29,216,738	9,625,153	
Personal income tax rebate payable	8,762,751	7,321,761	
other	62,033,128	62,514,172	
total	372,357,376	410,686,340	

(2). Important other payables aged over 1 year

☐Applicable ☒Not applicable

other instructions:

☐Applicable ☒Not applicable

42. Liabilities held for sale

☐Applicable ☒Not applicable

43. Non-current liabilities due within 1 year

√Applicable ☐Not applicable

		Unit: Currency: RMB
project	Ending balance	Opening Balance
Long-term loans due within 1 year	586,302	21,023,100
Lease liabilities due within 1 year	22,277,811	19,156,139
Bond interest payable due within 1 year	17,096,646	
total	39,960,759	40,179,239
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other instructions:

not applicable

44. Other current liabilities

Other current liabilities

√Applicable ☐Not applicable

		Unit: Currency: RMB
project	Ending balance	Opening Balance
VAT output tax to be transferred	24,605,476	
total	24,605,476	

Changes in short-term bonds payable:

☐Applicable ☒Not applicable

other instructions:

☐Applicable ☒Not applicable

45. Long-term loans

(1). Classification of long-term loans

√Applicable ☐Not applicable

		Unit: Currency: RMB
project	Ending balance	Opening Balance
Credit loan	525,286,302	63,023,100
Less: long-term loans due within one year	586,302	21,023,100
total	524,700,000	42,000,000

Explanation of long-term loan classification:

not applicable

Other instructions, including interest rate range:

√Applicable ☐Not applicable

As of December 31, 2020, the Japan Group had no long-term loans that were overdue and outstanding. The above borrowings are fixed-rate borrowings, and the interest rate is 1.20%-2.7% (2019: 1.20%).

The group's bank loans (including short-term loans and long-term loans) are listed as follows according to the repayment time:

project	2020 year	2019 year
Within 1 year (including 1 year)	1,034,244,005	916,599,308
1 year to 2 years (including 2 years)	482,700,000	
2 years to 5 years (including 5 years)	42,000,000	21,000,000
More than 5 years		21,000,000
total	1,558,944,005	958,599,308

46. Bonds payable

(1). Bonds payable

√Applicable □Not applicable

project	Ending balance	Unit: Currency: R
Public issuance of corporate bonds to professional investors in 2020	504,672,004	Opening Balance
Less: bond interest payable due within one year	-17,096,646	
total	487,575,358	

(2). Changes in bonds payable: (excluding preferred stocks, perpetual bonds and other financial instruments classified as financial liabilities)

√Applicable □Not applicable

Bond name	face value	issued date	Bond the term	issued Amount	Beginning of period Balance	At face value Raise interest	Premium and discount	This period amortization repay	Unit: Currency: R
2020 for professional investment	100	August 2020	5 years	500,000,000	500,000,000	6,041,096	4,672,004	50	
Public issuance of corporate bonds									
total	100	/	/	500,000,000	500,000,000	6,041,096	4,672,004	50	

(3). Description of conversion conditions and conversion time of convertible corporate bonds

□Applicable √Not applicable

(4) Description of other financial instruments classified as financial liabilities

Basic situation of other financial instruments such as preferred stocks and perpetual bonds issued at the end of the period

□Applicable √Not applicable

Changes in financial instruments such as preferred stocks and perpetual bonds issued at the end of the period

□Applicable √Not applicable

Explanation of the basis for classifying other financial instruments as financial liabilities:

□Applicable √Not applicable

other instructions:

□Applicable √Not applicable

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47. Lease liabilities

√Applicable □Not applicable

project	Ending balance	Unit: Currency: RMB
Long-term lease liabilities	80,734,230	Opening Balance
Less: Lease liabilities due within one year	-22,277,811	-19,156,139
total	58,456,419	48,585,433

other instructions:

project	2020 year	2019 year
Choose short-term rental expenses for simplified treatment	5,000,230	6,247,629
Variable lease payments not included in the measurement of lease liabilities	1,249,754	1,218,872
Total cash outflow related to lease	30,593,506	27,316,700

The Group also rents buildings, office equipment and transportation tools. These leases are short-term leases. The group has chosen to Some leases do not recognize right-of-use assets and lease liabilities.

The group's lease status as a lessor

Operating lease

project	2020 year	2019 year
Rental income	14,675,068	1,390,443

In 2020, the Group will lease part of the buildings and machinery and equipment, with a lease term of 1-15 years. The Group leases It is classified as an operating lease because the lease does not substantially transfer almost all the risks and rewards related to asset ownership.

The undiscounted lease receipts that the Group will receive after the balance sheet date are as follows:

project	2020 year	2019 year
Within 1 year (including 1 year)	12,232,186	1,119,706
1 year to 2 years (including 2 years)	8,449,906	390,706

2 years to 3 years (including 3 years)	8,449,906	390,706
3 years to 4 years (including 4 years)	8,449,906	390,706
4 years to 5 years (including 5 years)	8,091,759	390,706
More than 5 years	28,207,200	32,559
total	73,880,863	2,715,089

48. Long-term payables

List of items

☐Applicable ☒Not applicable

other instructions:

☐Applicable ☒Not applicable

Long-term payables

(1). List long-term payables according to the nature of the payment

☐Applicable ☒Not applicable

Special payables

(1). List the special payables according to the nature of the funds

☐Applicable ☒Not applicable

49. Long-term employee compensation payable

☐Applicable ☒Not applicable

50. Estimated liabilities

☐Applicable ☒Not applicable

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51. Deferred income

Deferred income situation

√Applicable □Not applicable

Unit: Currency: R

project	Opening Balance	Increase in this period	Decrease in current period	Ending balance	Cause of change
government subsidy	163,313,940	121,892,557	27,965,271	257,241,226	Government subsidies for research and development
other	3,456,000		432,000	3,024,000	
total	166,769,940	121,892,557	28,397,271	260,265,226	

Projects involving government subsidies:

√Applicable □Not applicable

Unit: Currency: R

Debt items	Opening Balance	New supplements in this period	This period is included in the current period	Ending balance	Reason for change
RIC+PCVD optical fiber production technology research and development and industrialization project	8,000,000		-1,000,000	8,000,000	related to the project
10GSFP+ high-speed communication chip implementation project	29,920,000	2,280,000	-4,000,000	28,200,000	related to the project
Phase II Expansion Project of YOFC Lanzhou Co., Ltd.	23,738,111		-2,049,333	21,688,778	related to the project
Subsidies for the industrialization of large-diameter and low-water peak optical fiber preforms	3,674,000		-612,000	3,062,000	related to the project
Subsidies for the research and development and transformation of key technologies of the new generation of optical fiber preform equipment	2,025,000		-226,000	2,025,000	related to the project
Zhejiang Lianfei Key Industrial Investment Technical Transformation Financial Special Fund	11,705,369	2,941,000	-1,280,831	11,705,369	related to the project
Government subsidy for the second phase expansion project of YOFC Shenyang Co., Ltd.	2,843,750		-218,750	2,843,750	Asset-related
"One Enterprise One Policy" Five-Year Development Special Fund	32,467,571	12,061,557	-3,804,646	32,467,571	related to the project
Subsidies for research and development of ultra-low attenuation fiber optic cables for next-generation optical communication networks	39,014,159		-4,983,817	39,014,159	related to the project
Zhilian-Technical Transformation Project	1,302,817		-312,676	1,302,817	Related
PG031 Special Funds for the Industrialization Project of Special Optical Fiber Advanced Lasers	9,263,804		-736,196	9,263,804	related to the project
2018 Provincial Major Technological Transformation Demonstration Project	1,600,000		-200,000	1,600,000	related to the project
Qianjiang Gas Project Infrastructure Fund	3,294,077	3,670,000	-375,923	3,294,077	Related
YOFC's independent preform and optical fiber industrialized intelligent manufacturing project	82,455,901		-7,544,099	82,455,901	related to the project

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Changxinsheng Wuhan-Municipal Technological Transformation Demonstration Project	9,940,000	-497,000	9,443,000	related to the project
Special Energy Saving Project-YOFC Production Guarantee System	1,000,000	-125,000	875,000	related to the project
total	163,313,940	121,892,557	-27,965,271	257,241,226

other instructions:

√Applicable □Not applicable

In 2020, the Group received government subsidies from the five-year development special fund for "one enterprise, one policy" to subsidize fixed assets and other costs. Deferred income and apportioned within the useful life of the relevant assets. Government subsidies used to compensate other costs and expenses are included in other income.

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52. Other non-current liabilities

√Applicable □Not applicable

Unit: Currency: RMB

project	Ending balance	Opening Balance
government subsidy	108,272,586	141,269,335
Advance payment for engineering	538,905,993	573,461,515
other	104,100,100	92,430,000
total	751,278,679	807,160,850

other instructions:

The balance of other non-current liabilities is mainly the government grants received but not accepted by the Group and the advance receipts for construction projects.

53. Share capital

√Applicable □Not applicable

Unit: Currency: RMB

Opening Balance	Increase and decrease of this change (+, one)					Ending balance
	issued New shares	Bonus shares	Provident Fund Conversion	other	Subtotal	
Total number of shares	757,905,108					757,905,108

other instructions:

not applicable

54. Other equity instruments

(1) Basic information of other financial instruments such as preferred stocks and perpetual bonds issued at the end of the period

□Applicable √Not applicable

(2). Changes in financial instruments such as preferred stocks and perpetual bonds issued at the end of the period

□Applicable √Not applicable

Other equity instruments' changes in the current period, explanations of the reasons for the changes, and the basis for related accounting treatments:

□Applicable √Not applicable

other instructions:

□Applicable √Not applicable

55. Capital reserve

√Applicable □Not applicable

Unit: Currency: RMB

project	Opening Balance	Increase in this period	Decrease in current period	Ending balance
Capital premium (equity premium)	3,351,094,474	5,177,247		3,356,271,721
Other capital reserves	12,940,738	11,056,769	15,936,113	8,061,394
total	3,364,035,212	16,234,016	15,936,113	3,364,333,115

Other explanations, including changes in the current period and explanations of the reasons for the changes:

Other capital reserves this year were formed by the company's share-based payment plan, see Note 13: Share-based payment.

56. Treasury stocks

√Applicable □Not applicable

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Unit: Currency: RMB				
project	Opening Balance	Increase in this period	Decrease in current period	ending balance
No. 1 in YOFC Optical Fiber and Cable Co., Ltd.	33,653,461			33,653,461
Employee Stock Ownership Plan				
total	33,653,461			33,653,461
Other explanations, including changes in the current period and explanations of the reasons for the changes:				
The company implemented an employee stock ownership plan in 2019 and confirmed RMB 33,653,461 of treasury shares for the repurchase of shares. See note 13. Share payment.				

project	Amount incurred in the current period						
	Beginning of period	Less: pre-calculated	Less: pre-calculated	Less: pre-calculated	Less: pre-calculated	Less: pre-calculated	Attributable to parent company
	Balance	Current income tax	Into other comprehensive income	Less: pre-calculated	Less: pre-calculated	Less: pre-calculated	
		Forehead	Current income tax	Less: pre-calculated	Less: pre-calculated	Less: pre-calculated	
1. Other comprehensive income that cannot be reclassified into profit and loss	11,415,074	16,793,819				-2,337,573	-13,414,036
Including: re-measurement of changes in defined benefit plans							
Other comprehensive income that cannot be transferred to profit or loss under the equity method							
beneficial							
Changes in the fair value of other equity instrument investments	21,415,074	15,793,819				-2,337,573	-13,414,036
Changes in fair value of the enterprise's own credit risk							
2. Other comprehensive income that will be reclassified into profit and loss	6,364,022	-32,529,307					-30,278,382
Including: other comprehensive income that can be transferred to profit or loss under the equity method							-2,250,925
beneficial							-13,914,360
Changes in the fair value of other debt investments							
Reclassification of financial assets included in other comprehensive income							
Amount of							
Other debt investment credit impairment reserves							
Cash flow hedge reserve							
Translation difference of foreign currency financial instruments	16,364,022	-32,529,307					-30,278,382
Total other comprehensive income	37,779,996	-48,323,126				-2,337,573	-43,692,418

Other explanations, including the adjustment of the effective part of the cash flow hedge gains and losses into the initial confirmation amount of the hedged item:
not applicable

58. Special reserve
☐Applicable ☒Not applicable

59. Surplus Reserve
☒Applicable ☐Not applicable

Unit: Currency: RMB				
project	Opening Balance	Increase in this period	Decrease in current period	Ending balance
Statutory surplus reserve	379,043,807			379,043,807
Discretionary surplus reserve	189,521,905	24,619,110		214,141,015
Reserve fund	21,722,524			21,722,524
business development fund	21,722,524			21,722,524
total	612,010,760	24,619,110		636,629,870

The explanation of the surplus reserve, including the changes in the current period and the reasons for the changes:
not applicable

60. Undistributed profits
☒Applicable ☐Not applicable

Unit: Currency: RMB		
project	This period	Previous period
Undistributed profit at the end of the previous period before adjustment	4,050,142,747	3,493,020,983
Adjust the total amount of undistributed profits at the beginning of the period (increase +, decrease -)		
Adjust the undistributed profit at the beginning of the later period	4,050,142,747	3,493,020,983
Plus: net profit attributable to owners of the parent company for the current period	543,677,809	801,225,042
Less: Appropriate statutory surplus reserve		91,253
Withdraw any surplus reserve	24,619,110	54,535,748
Withdraw general risk reserves		
Ordinary stock dividend payable	241,013,824	189,476,277
Ordinary stock dividends converted into equity		
Undistributed profit at the end of the period	4,328,187,622	4,050,142,747

Adjust the details of the undistributed profit at the beginning of the period:

1. Due to the retrospective adjustment of the "Accounting Standards for Business Enterprises" and related new regulations, the undistributed profit at the beginning of the period was affected

2. Due to changes in accounting policies, the undistributed profit at the beginning of the period was affected by RMB 0.

3. Due to the correction of major accounting errors, the undistributed profit at the beginning of the period was affected by RMB 0.
4. The change in the scope of consolidation caused by the same control affects the undistributed profit at the beginning of the period by RMB 0.
5. Other adjustments will affect the undistributed profit at the beginning of the period by RMB 0 in total.
- other instructions:

(1) Distribution of ordinary stock dividends during the year

According to the approval of the general meeting of shareholders on June 16, 2020, the company will distribute cash to ordinary shareholders on August 14, 2020. Dividends are RMB 0.318 per share (2019: RMB 0.25 per share) for a total of RMB 241,013,824 (2019: RMB 189,476,277).

(2) Explanation of undistributed profit at the end of the year

As of December 31, 2020, the Group's undistributed profit attributable to the parent company includes the The surplus reserve of RMB 170,982,828 (2019: RMB 121,453,427).

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61. Operating income and operating costs

(1). Operating income and operating costs

√Applicable □Not applicable

project	Current period		Unit: Currency: RMB Previous period	
	income	cost	income	cost
Main business	8,035,411,039	6,272,506,588	7,490,584,171	5,677,206,635
Other business	186,131,928	161,392,621	278,591,324	258,442,254
total	8,221,542,967	6,433,899,209	7,769,175,495	5,935,648,889

(2). The income generated by the contract

□Applicable √Not applicable

Description of the revenue generated by the contract:

□Applicable √Not applicable

(3) Description of performance obligations

□Applicable √Not applicable

(4). Explanation of allocation to the remaining performance obligations

□Applicable √Not applicable

other instructions:

not applicable

62. Taxes and surcharges

√Applicable □Not applicable

project	Unit: Currency: RMB Current period		Previous period	
Urban maintenance and construction tax		3,607,964		6,918,408
Education surcharge		2,880,131		4,623,659
property tax		7,439,927		7,468,062
land holding tax		2,093,071		1,593,365
vehicle usage tax		29,275		21,543
Stamp duty		6,057,604		6,067,341
other		171,439		16,603
total		22,279,411		26,708,981

other instructions:

not applicable

63. Sales expenses

√Applicable □Not applicable

project	Unit: Currency: RMB Current period		Previous period	
Salary and bonus		80,518,473		69,365,908
Social Security and Housing Provident Fund		12,316,172		19,528,833
Shipping fee		139,618,562		93,190,573
Travel and entertainment		64,114,838		89,790,884

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Bidding fee	3,513,507	4,868,776
Packaging fee	12,811,580	9,155,926
sales commission	21,733,738	18,202,879
Advertising fee	16,551,351	21,494,697
depreciation	2,097,616	1,808,610
other	17,646,757	19,918,577
total	370,922,594	347,325,663

other instructions:

not applicable

64. Management expenses

√Applicable □Not applicable

Unit: Currency: RMB		
project	Current period	Previous period
Salary and bonus	188,766,747	147,505,849
Social Security and Housing Provident Fund	21,421,627	27,848,902
Employee benefits	25,428,193	21,250,159
Depreciation and amortization	74,303,231	54,265,004
Professional service fees	42,913,437	46,450,866
Travel and entertainment	23,929,520	31,174,952
Maintenance and repair costs	10,861,198	17,854,295
Conference promotion fee	3,656,638	5,444,067
Rental fees	3,014,739	9,267,664
Director's fee	5,209,598	4,874,748
Certification test fee	8,787,758	8,730,613
other	67,927,857	53,864,262
total	476,220,543	428,531,381

other instructions:

not applicable

65. R&D expenses

√Applicable □Not applicable

Unit: Currency: RMB		
project	Current period	Previous period
Material fuel power	208,708,028	231,853,880
Salary and bonus	110,779,037	86,441,608
Social Security and Housing Provident Fund	22,200,427	28,823,451
Depreciation and amortization	35,467,472	30,893,365
Technology usage fee	18,601,254	18,307,325
other	18,814,974	17,218,585
total	414,571,192	413,538,214

other instructions:

not applicable

66. Financial expenses

√Applicable □Not applicable

Unit: Currency: RMB		
project	Current period	Previous period
Interest expense on loans and payables	47,415,313	62,148,499

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Interest expense on lease liabilities	4,217,521	3,913,486
Less: capitalized interest expense	-1,689,715	-4,900,000
Less: Financial interest discount to reduce financial expenses		

Interest income from deposits	-15,644,437	-43,159,364
Net exchange (gain)/loss	19,050,478	-19,649,707
Other financial expenses	7,527,476	7,870,862
total	60,876,636	6,223,776

other instructions:

The capitalization rate used by the Group to determine the capitalization amount of borrowing costs this year was 0.17% (2019: 4.24%).

67. Other income

√Applicable □Not applicable

project	Unit: Currency: RMB	
	Current period	Previous period
Government grants related to assets	27,965,271	18,274,111
Government subsidies related to income	99,424,760	185,662,214
total	127,390,031	203,936,325

other instructions:

The sub-projects of government subsidies related to income are as follows:

project	The amount incurred in 2020 is included in the amount of other income and included in the amount of non-operating income	
"One Enterprise One Policy" Five-Year Development Special Fund	70,190,248	
Special funds for trade development	5,004,000	5,004,000
Job stabilization subsidy	4,798,055	4,798,055
Special funds allocated by the Development Zone Management Committee	4,427,600	4,427,600
Special Funding for Intellectual Property	742,000	742,000
Corporate social insurance subsidies	77,455	77,455
2019 Provincial-level R&D investment subsidies, district-level supporting facilities	317,200	
Shenzhen government subsidy	1,347,795	1,347,795
High-tech enterprise awards and supplementary funds	941,161	941,161
Recognition award for technology-based SMEs	10,000	10,000
Qianjiang Science and Technology Bureau Science and Technology Achievement Transformation Award Subsidy	500,000	500,000
Qianjiang Economic and Information Bureau Growth Project	30,000	
Two-in-one integration reward	50,000	50,000
Unemployment Insurance Stable Job Rebate	285,378	285,378
Hydrogen price difference compensation	1,434,149	1,434,149
Strong foundation project subsidy	2,555,322	2,555,322
Industrialization project funding	2,000,000	2,000,000
Science and technology bonus	803,837	803,837
Natural Gas Subsidy from Wangchang Finance Office	2,230,000	2,230,000
South African Ministry of Labour Special Subsidy for the Employment of Black People	203,439	
Sichuan Province Optical Module Industry Research Project Subsidy	981,122	
other	1,699,836	1,299,836
total	100,628,597	99,424,760

68. Investment income

√Applicable □Not applicable

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project	Unit: Currency: RMB	
	Current period	Previous period
Long-term equity investment income calculated by the equity method	27,068,532	109,848,127
Investment income from the disposal of long-term equity investments		10,290,909
Investment income of trading financial assets during the holding period		
Dividend income from other equity instrument investments during the holding period	103,695	267,600
Interest income from debt investment during the holding period		
Interest income from other debt investments during the holding period		
Investment income from disposal of trading financial assets	9,332,776	1,379,387
total	36,505,003	121,786,023

other instructions:

not applicable

69. Net exposure hedging income

□Applicable √Not applicable

70. Gains from changes in fair value

√Applicable □Not applicable

Unit: Currency: RMB		
Sources of income from changes in fair value	Current period	Previous period
Transactional financial assets	94,152,688	238,970
Including: income from changes in fair value generated by derivative financial instruments		
total	94,152,688	238,970
other instructions:		
not applicable		

71. Credit impairment loss

√Applicable □Not applicable

Unit: Currency: RMB		
project	Current period	Previous period
Bad debt losses on accounts receivable	76,837,297	33,407,343
total	76,837,297	33,407,343
other instructions:		
not applicable		

72. Asset impairment loss

√Applicable □Not applicable

Unit: Currency: RMB		
project	Current period	Previous period
1. Loss of bad debts		
2. Loss of inventory depreciation and loss of contract performance cost impairment	44,863,774	26,369,687
3. Long-term equity investment impairment losses	227,369	
4. Devaluation loss of investment real estate		
5. Impairment loss of fixed assets		
6. Devaluation loss of construction materials		
7. Impairment loss of construction in progress		

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8. Impairment loss of productive biological assets		
9. Impairment losses of oil and gas assets		
X. Intangible assets impairment loss		6,955,458
11. Goodwill impairment loss		
12. Other		
total	45,091,143	33,325,145
other instructions:		
not applicable		

73. Asset disposal income

√Applicable □Not applicable

Unit: Currency: RMB		
project	Current period	Previous period
Net income from disposal of fixed assets	1,758,577	7,367,173
total	1,758,577	7,367,173
other instructions:		
not applicable		

74. Non- operating income

Non-operating income

√Applicable □Not applicable

Unit: Currency: RMB			
project	Current period	Previous period	Included in the current non-recurring loss Benefit amount
government subsidy	1,203,837	4,000,000	1,203,837
Revenue from scrap sales	717,690	1,448,968	717,690
other	2,520,253	1,071,285	2,520,253
total	4,441,780	6,520,253	4,441,780

Government subsidies included in current profit and loss

□Applicable √Not applicable

other instructions:

☐Applicable ☒Not applicable

75. Non-operating expenses

☒Applicable ☐Not applicable

Unit: Currency: RMB

project	Current period	Previous period	Included in the current non-recurring loss Benefit amount
Asset retirement losses	3,598,146		3,598,146
other	2,253,932	805,799	2,253,932
total	5,852,078	805,799	5,852,078

other instructions:

not applicable

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76. Income tax expenses

(1). Income tax expense table

☒Applicable ☐Not applicable

Unit: Currency: RMB

project	Current period	Previous period
Current income tax expense	69,418,491	107,021,724
Deferred income tax expense	-35,368,279	-11,334,623
Adjustment of final settlement	990,752	3,536,975
total	35,040,964	99,224,076

(2). Accounting profit and income tax expense adjustment process

☒Applicable ☐Not applicable

Unit: Currency: RMB

project	Current period
Total profit	579,240,943
Income tax expense calculated at statutory/applicable tax rate	144,810,236
The impact of different tax rates applied to subsidiaries	-16,774,318
Adjust the impact of income tax in previous periods	
Impact of non-taxable income	-5,131,493
The impact of non-deductible costs, expenses and losses	5,368,386
The effect of using deductible losses of deferred income tax assets that have not been recognized in the previous period	44,903,475
The impact of deductible temporary differences or deductible losses of unrecognized deferred income tax assets in the current period	7,886,311
R&D expenses plus deduction	-56,775,855
The impact of the adjustment of the final settlement	990,752
Income tax expense	35,040,964

other instructions:

☐Applicable ☒Not applicable

77. Other comprehensive income

☒Applicable ☐Not applicable

For details, please refer to Note 7 "57. Other Comprehensive Income".

78. Cash flow statement items

(1). Other cash received related to operating activities

☒Applicable ☐Not applicable

Unit: Currency: RMB

project	Current period	Previous period
government subsidy	185,945,294	257,176,723
Net decrease in restricted bank deposits		20,791,981
Related party payments	814,313	224,210
Rental income	14,243,068	2,437,557
Recover the advance payment		1,226,392
Waste disposal income	717,690	1,448,968
Fees for technical services	453,113	357,608
other	15,631,343	1,062,844

total 217,804,821 284,726,283

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Description of other cash received related to operating activities:
not applicable

(2). Other cash paid related to operating activities
☒Applicable ☐Not applicable

project	Unit: Currency: RMB	
	Current period	Previous period
Travel and entertainment	85,658,503	133,298,266
Net increase in restricted bank deposits	42,361,315	
Consultation fee	31,521,276	38,578,144
Conference promotion fee	18,129,928	26,028,493
Bidding fee	337,901	12,740,308
Certification test fee	8,787,758	8,730,613
Warehousing and storage fees	8,851,680	7,448,900
Board fee	2,502,659	1,875,900
other	82,685,894	56,101,646
total	280,836,914	284,802,270

Description of other cash paid related to operating activities:
not applicable

(3). Other cash received related to investment activities
☐Applicable ☒Not applicable

(4). Other cash paid related to investment activities
☐Applicable ☒Not applicable

(5). Other cash received related to financing activities
☐Applicable ☒Not applicable

(6). Other cash paid related to financing activities
☒Applicable ☐Not applicable

project	Unit: Currency: RMB	
	Current period	Previous period
Purchase of minority interests		17,295,100
Repayment of the principal and interest of the lease liability	26,953,747	20,120,031
Employee Stock Ownership Plan to buy back shares		33,653,461
total	26,953,747	71,068,592

Description of other cash paid related to financing activities:
not applicable

79. Supplementary information on cash flow statement

(1) Supplementary information on cash flow statement
☒Applicable ☐Not applicable

additional materials	Unit: Currency: RMB	
	Current Amount	Amount of the previous period

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1. Adjust net profit to cash flow from operating activities:

Net profit	544,199,979	784,284,972
Add: Provision for asset impairment	45,091,143	33,525,143
Credit impairment loss	76,837,297	33,407,343
Depreciation of fixed assets, depletion of oil and gas assets, depreciation of production assets	327,640,831	255,320,937
Amortization of right-of-use assets	23,883,983	19,173,287
Amortization of intangible assets	19,518,808	12,488,274
Amortization of long-term deferred expenses		
Losses from the disposal of fixed assets, intangible assets and other long-term assets (income "-" to fill in)	1,680,569	-7,367,173
Loss from scrapping of fixed assets (returns are listed with "-")		
Loss from changes in fair value (returns are listed with "-")	-94,152,688	-238,970
Financial expenses (revenue is listed with "-")	58,232,536	2,715,322
Investment loss (return is listed with "-")	-36,505,003	-121,786,023
Decrease in deferred income tax assets (increase and fill with "-")	-35,368,279	-11,334,623
Increase in deferred income tax liabilities (decrease is listed with "-")		
Decrease of inventory (increase is listed with "-")	-534,451,668	-767,462,892
Decrease in operating receivables (increase is filled with "-")	-822,361,882	-246,380,303
Increase in business payable items (decrease is listed with "-")	556,620,761	856,518,597
other		
Net cash flow from operating activities	140,866,409	842,663,893
2. Major investment and financing activities that do not involve cash receipts and expenditures:		
Conversion of debt into capital		
Convertible corporate bonds due within one year		
Financing lease of fixed assets		
Bank acceptance received from the sale of goods and the provision of labor services	559,036,959	529,037,055
Disposal of the joint venture company's consideration is settled by physical assets and current accounts		251,363,149
Purchase of minority interests	15,936,113	4,109,982
3. Net changes in cash and cash equivalents:		
Ending balance of cash	1,366,513,841	2,088,466,320
Less: the beginning balance of cash	2,088,466,320	2,627,976,441
Add: ending balance of cash equivalents		
Less: opening balance of cash equivalents		
Net increase in cash and cash equivalents	-721,952,479	-539,510,121

(2). Net cash paid in the current period to obtain subsidiaries

☐Applicable ☒Not applicable

(3). Net cash received from disposal of subsidiaries in the current period

☐Applicable ☒Not applicable

(4). The composition of cash and cash equivalents

☒Applicable ☐Not applicable

Unit: Currency: RMB

project	Ending balance	Opening Balance
1. Cash	1,366,513,841	2,088,466,320
Including: cash on hand	1,246,437	945,976

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Bank deposit that can be used for payment at any time	1,365,267,404	2,087,520,344
2. Cash equivalents		
Of which: bond investments due within three months		
3. Balance of cash and cash equivalents at the end of the period	1,366,513,841	2,088,466,320
Among them: the restricted use of cash and cash, etc. by the parent company or subsidiary within the group		
Value		

other instructions:

☒Applicable ☐Not applicable

The use of restricted cash and cash equivalents by the parent company or subsidiary within the group is shown in Note 1 "Monetary Funds".

80. Notes to items in the statement of changes in owner's equity

Explain the name of the "other" items and the amount of adjustment to adjust the balance at the end of the previous year:

☐Applicable ☒Not applicable

81. Assets with restricted ownership or use rights

√Applicable □Not applicable

		Unit: Currency: RMB
project	Book value at the end of the period	Reason for restriction
Money funds	77,756,310	margin
Fixed assets	51,276,467	Credit Line Mortgage
Intangible assets	27,147,834	Credit Line Mortgage
total	156,180,611	/

other instructions:

not applicable

82. Foreign currency monetary items

(1). Foreign currency monetary items

√Applicable □Not applicable

		unit: yuan	
project	Foreign currency balance at the end of the period	Converted into RMB at the end of the period	Balance
Money funds			
Of which: USD	44,462,167	6.5249	290,111,193
EUR	5,511,336	8.0250	44,228,471
Hong Kong dollar	1,595,555	0.8416	1,342,819
accounts receivable			
Of which: USD	107,957,984	6.5249	704,415,050
EUR	3,498,944	8.0250	28,079,026
Hong Kong dollar			
Other receivables			
Of which: USD	145,361	6.5249	948,466
EUR	1,809	8.0249	14,517
Hong Kong dollar	850,335	0.8416	715,642
short-term loan			
Of which: USD	-70,000,000	6.5249	-456,743,000
EUR	-4,496,813	8.0250	-36,086,924
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Hong Kong dollar			
accounts payable			
Of which: USD	-43,359,118	6.5249	-282,913,909
EUR	-5,364,404	8.0250	-43,049,342
Hong Kong dollar	-593,368	0.8416	-499,379
Other payables			
Of which: USD	-4,538,185	6.5249	-29,611,203
EUR	-290,258	8.0250	-2,329,320
Hong Kong dollar	-13,189	0.8416	-11,100
Total balance sheet exposure			
Of which: USD	34,668,209	6.5249	226,206,597
EUR	-1,139,386	8.0250	-9,143,572
Hong Kong dollar	1,839,333	0.8416	1,547,982

other instructions:

not applicable

(2). Description of overseas business entities, including for important overseas business entities, their main overseas business locations and bookkeeping positions should be disclosed
Currency and selection basis, and the reason should be disclosed if the accounting standard currency changes

□Applicable √Not applicable

83. Hedging

□Applicable √Not applicable

84. Government subsidies

(1). Basic situation of government subsidies

√Applicable □Not applicable

		Unit: Currency: RMB
type	Amount	Included in current loss
		Benefit amount
Government grants related to assets	27,965,271	Deferred income (see Note VII. 51)
		27,965,271

Government subsidies related to income	70,490,248	"One Enterprise, One Policy" Five-Year Development Special Fund	70,490,248
Government subsidies related to income	5,004,000	Special funds for trade development	5,004,000
Government subsidies related to income	4,798,055	Stabilization subsidy	4,798,055
Government subsidies related to income	4,427,600	Special funds allocated by the Development Zone Management Committee	4,427,600
Government subsidies related to income	742,000	Intellectual Property Special Funding	742,000
Government subsidies related to income	77,455	Corporate social insurance subsidies	77,455
Government subsidies related to income	317,200	2019 Provincial-level R&D investment subsidies, district-level support facilities	317,200
Government subsidies related to income	1,347,795	Shenzhen government subsidies	1,347,795
Government subsidies related to income	941,161	High-tech enterprise awards and supplementary funds	941,161
Government subsidies related to income	10,000	technology-based SME recognition awards	10,000
Government subsidies related to income	500,000	Qianjiang Science and Technology Bureau Science and Technology Achievement Transformation Reward Subsidy	500,000
Government subsidies related to income	30,000	Qianjiang Economic and Information Bureau Growth Project Award	30,000
Government subsidies related to income	50,000	Incentives for Integration of Two Industrializations	50,000
Government subsidies related to income	285,378	Unemployment Insurance Stable Job Rebate	285,378
Government subsidies related to income	1,434,149	Hydrogen price difference compensation	1,434,149
Government subsidies related to income	2,555,322	Strong foundation project subsidies	2,555,322
Government subsidies related to income	2,000,000	industrialization project funding	2,000,000
Government subsidies related to income	803,837	Science and Technology Bonus	803,837

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Government subsidies related to income	2,230,000	Natural gas subsidy from Wangchang Finance Office	2,230,000
Government subsidies related to income	203,439	Special subsidy from South Africa's Ministry of Labor	203,439
Government subsidies related to income	981,122	Subsidies for Sichuan Optical Module Industry Research Projects	981,122
Government subsidies related to income	1,699,836	other	1,699,836
total	128,593,868		128,593,868

(2). Refund of government subsidies

☐Applicable ☒Not applicable

other instructions:

not applicable

85、 Other

☐Applicable ☒Not applicable

8. Changes in the scope of consolidation

1. Business combination not under common control

☐applicable ☐not applicable

(1). Business combinations not under the same control that occurred in the current period

☒Applicable ☐Not applicable

Unit: Currency: RMB

Was purchased	Equity	Equity acquisition	Equity	Equity	Buy	Purchase date	Date of purchase	Purchase date till
Party name	Get	Book	Get	Get	day	Ok	Last buyer	Purchased at the end of the period
	Time point		Proportion	Way		in accordance with	time	Buyer's net
			(%)					profit
Sichuan Light	2020	Renminbi	51	Commercial	2020	Actually	499,880,017	8,011,472
Constant Communications	Year-end	151,203,140		Acquisition	January	Get control		
Technology has	soon	Yuan				Right time		
Limited company						between		

other instructions:

Sichuan Guangheng Communication Technology Co., Ltd. is a company established in Chengdu, Sichuan Province on December 28, 2001, with its headquarter located in Chengdu City, Sichuan Province, is mainly engaged in the development, production and sales of optical fiber communication equipment and related electronic products.

(2). Merger costs and goodwill

☒Applicable ☐Not applicable

Unit: Currency: RMB

Combined cost	Sichuan Guangheng Communication Technology Co., Ltd.
--cash	151,203,140
--Fair value of non-cash assets	
- the fair value of the debt issued or assumed	
--The fair value of the equity securities issued	
- the fair value of the contingent consideration	
--The fair value of the equity held before the purchase date on the purchase date	
--other	

Total combined cost	151,203,140
Less: the fair value share of identifiable net assets obtained	131,175,435
Goodwill/consolidation cost is less than the amount of the fair value share of identifiable net assets obtained	20,027,705

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The method of determining the fair value of the merger cost, or the explanation of the consideration and its changes:
not applicable

The main reasons for the formation of large amounts of goodwill:
not applicable

other instructions:
not applicable

(3). The acquired party can identifiable assets and liabilities on the purchase date
☒Applicable ☐Not applicable

Unit: Currency: RMB

Sichuan Guangheng Communication Technology Co., Ltd.

	Fair value on purchase date	Book value on purchase day
assets:	448,334,869	379,384,003
Money funds	78,382,066	78,382,066
bill receivable	10,799,216	10,799,216
Accounts receivable	145,646,293	141,916,283
Prepayments	3,608,159	3,608,159
Other receivables	2,104,883	1,977,158
stock	62,889,998	58,343,968
Fixed assets	89,717,209	75,504,944
Construction in progress	1,238,670	1,238,670
Intangible assets	48,030,731	1,695,894
Long-term prepaid expenses	3,349,115	3,349,115
Deferred tax assets	2,568,529	2,568,530
Liabilities:	191,128,134	183,590,954
loan	35,000,000	35,000,000
Bills payable	175,258	175,258
Payable	83,119,644	83,119,644
Contract liabilities	561,803	561,803
Employee compensation payable	12,042,196	12,042,196
Taxes payable	2,534,145	2,534,145
Other payables	340,768	340,768
Dividend payable	42,937,500	42,937,500
Other non-current liabilities	3,579,111	6,879,640
Deferred income tax liabilities	10,837,709	
Net assets	257,206,735	195,793,049
Less: Minority shareholders' equity	126,031,300	95,938,595
Net assets acquired	131,175,435	99,854,454

Method for determining the fair value of identifiable assets and liabilities:

If there is an active market for the above-mentioned identifiable assets, the fair value shall be determined based on the quoted price in the active market; there is no active market, However, if there is an active market for similar or similar assets, the fair value of the same or similar assets shall be determined by reference to the market price; for similar or similar asset If there is no active market for similar assets, the technical commission method is used to determine its fair value.

The company hired Hubei Zhonglian Asset Appraisal Co., Ltd. to conduct an asset appraisal of Sichuan Guangheng in 2019. The base date of the appraisal is On October 31, 2019, the merger date of Sichuan Guangheng was January 2, 2020. Taking into account that from the assessment base date to the merger date

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There is no major change in the market environment and technical situation where Heng is located. The management of the company will
The sum of the asset's book value and the appraised appreciation is the fair value of the identifiable net assets on the merger date. Calculated based on the shareholding ratio of the company
The fair value share of Sichuan Guangheng's identifiable net assets obtained on the merger date was RMB 131,175,435.

The fair value of the above identifiable liabilities is based on the amount payable or the present value of the amount payable.

The contingent liabilities of the acquiree assumed in the business combination:

not applicable
other instructions:
not applicable

(4). Gains or losses arising from re-measurement of equity held before the purchase date at fair value
Whether there is a transaction that realizes a business combination step by step through multiple transactions and obtains control during the reporting period
☐Applicable ☒Not applicable

(5). It is impossible to reasonably determine the merger consideration or the fair value of the acquired party's identifiable assets and liabilities on the purchase date or at the end of the current reporting period
Off description
☐Applicable ☒Not applicable

(6). Other instructions
☐Applicable ☒Not applicable

2. Business combination under the same control
☐Applicable ☒Not applicable

3. Reverse purchase
☐Applicable ☒Not applicable

4. Disposal of subsidiaries
Whether there is a situation where a single disposal of the investment in the subsidiary will lose control of the investment
☐Applicable ☒Not applicable
other instructions:
☐Applicable ☒Not applicable

5. Changes in the scope of consolidation due to other reasons
Explain the changes in the scope of consolidation caused by other reasons (such as the establishment of a new subsidiary, a liquidation subsidiary, etc.) and related conditions:
☒Applicable ☐Not applicable

The Group does not constitute a business combination subsidiary YOFC-Yadanarbon Fibre Company Limited ("YOFC Myanmar") this year,
Since YOFC Myanmar does not have independent production and operation input and output functions, YOFC Myanmar does not constitute a business, and the transaction does not form
Business combination not under the same control.

The detailed information of the newly established subsidiaries of the Group this year are listed in Note IX. 1.

The scope of the consolidation of the Group decreased by one company this year due to the liquidation of subsidiaries: Wuhan Changfei Ruitong Industry Development Co., Ltd.

6. Other
☐Applicable ☒Not applicable

9. Interests in other entities
1. Interests in subsidiaries
(1). The composition of the enterprise group
☒Applicable ☐Not applicable

Subsidiary name	Principal place of business	Registration	Business nature	Shareholding ratio (%)	
				direct	indirect
Wuhan Changfei General Cable Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Production and sales of copper wires and related products	100.00	
Sichuan Guangheng Communication Technology Co., Ltd.	Chengdu, Sichuan Province	Chengdu, Sichuan Province	Development, production and development of optical fiber communication equipment and related products	51.00	
Sichuan Feipu Technology Co., Ltd.	Meishan City, Sichuan Province	Meishan City, Sichuan Province	Processing and development of optical communication optoelectronic devices, equipment and produce	51.00	
YOFC Optical Fiber and Cable (Hong Kong) Co., Ltd.	Hongkong	Hongkong	Raw material trade	100.00	
Changxinsheng (Wuhan) Technology Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Production and sales of fiber optic cables and related products		79.90 Est
Changxinsheng (Hong Kong) Technology Co., Ltd.	Wuhan, Hubei	Hongkong	Raw material trade		79.90 Est

YOFC-Yadanarbon Fibre Company Limited	Myanmar	Myanmar	Import and export of optical fiber, optical cable and related products	50.00	20.00	doe
Changxin Shengzhilian (Shenzhen) Technology Co., Ltd. (Formerly: Shenzhen Changfei Zhilian Technology Co., Ltd.)	Shenzhen City, Guangdong Province	Shenzhen City, Guangdong Province	Optical fiber wiring system production and sales	79.90		
PT.Yangtze Optical Fibre Indonesia	Indonesia	Indonesia	Production and sales of optical fiber and related products	70.00	30.00	set
YOFC Shenyang Co., Ltd.	Tieling City, Liaoning Province	Tieling City, Liaoning Province	Production and sales of optical cables and related products	100.00		
YOFC Lanzhou Co., Ltd.	Lanzhou City, Gansu Province	Lanzhou City, Gansu Province	Production and sales of optical cables and related products	100.00		
YOFC Qianjiang Co., Ltd.	Qianjiang City, Hubei Province	Qianjiang City, Hubei Province	Production and sales of optical fibers, optical fiber preforms and related products	100.00		
Hubei Feiling Optical Fiber Material Co., Ltd.	Qianjiang City, Hubei Province	Qianjiang City, Hubei Province	Production and sales of high-purity silicon tetrachloride for optical fiber	87.00		
Zhejiang Lianfei Optical Fiber and Cable Co., Ltd.	Lin'an City, Zhejiang Province	Lin'an City, Zhejiang Province	Production and sales of fiber optic cables and related products	51.00		
Yangtze Optics Africa Holdings Proprietary Limited South Africa		South Africa	trading	51.00	23.90	Est
Yangtze Optics Africa Cable Proprietary Limited	South Africa	South Africa	Production and sales of optical cables and related products		74.90	Est
Won the bid of Yiyun Information Technology Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Computer software and hardware and consulting services, etc.	26.94	37.66	Est
YOFC International (Thailand) Co., Ltd.	Thailand	Thailand	Import and export of fiber optic cables and related products		100.00	set
PT.Yangtze Optics Indonesia	Indonesia	Indonesia	Production and sales of fiber optic cables and related products	70.00	20.00	set
YOFC International (Philippines) Corporation	the Philippines	the Philippines	Optical fiber and cable sales and related general contract engineering services		100.00	set
YOFC International (Singapore) Pte. Ltd.	Singapore	Singapore	General import and export wholesale trade and other telecommunications-related business	100.00	100.00	set
Changfei Gas Qianjiang Co., Ltd.	Qianjiang City, Hubei Province	Qianjiang City, Hubei Province	Production and sales of steam, sales of chemical raw materials and related technical services	100.00	100.00	set

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GMC-YOFC CONECTA SA	Peru	Peru	Communication engineering general contracting and other related business services	100.00	set
PT YOFC International Indonesia	Indonesia	Indonesia	Trade and engineering services of optical fiber and cable related products		100.00 set
Baosheng Changfei Offshore Engineering Co., Ltd.	Yangzhou City, Jiangsu Province	Yangzhou City, Jiangsu Province	Sales of wires and cables such as submarine cables and submarine optical cables and their accessories	24.00	
Wuhan Changfei Capital Management Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Installation of related cables and components and systems for offshore engineering		
YOFC Perú SAC (Note)	Peru	Peru	Equity investment management and related consulting services	100.00	
YOFC International Mexico SA de CV	Mexico	Mexico	Communication engineering general contracting and other related business services		100.00 set
YOFC International (USA) Corporation			Sales of optical communication terminal products and general contracting and subcontracting	100.00	set
YOFC Glow Stick Qianjiang Co., Ltd.	America	America	Business service		
YOFC Optical Fiber and Cable (Tianjin) Co., Ltd.	Qianjiang City, Hubei Province	Qianjiang City, Hubei Province	Market research and promotion of optical communication products		100.00 set
YOFC International (Australia) Proprietary Limited Australia	Tianjin City	Tianjin City	Production and sales of optical fibers, optical fiber preforms and related products	65.00	
YOFC International (Brazil) Holding Ltda.	Australia	Australia	Production and sales of fiber optic cables and related products	100.00	
Puli Technology Qianjiang Co., Ltd.	Brazil	Brazil	Optical communication product sales and communication engineering general contracting and subcontracting	100.00	set
YOFC International (France) SAS	Qianjiang City, Hubei Province	Qianjiang City, Hubei Province	Computer equipment, electronic components, communication equipment trading and electronic equipment	100.00	set
Wuhan Changfei Wisdom Network Technology Co., Ltd.	France	France	Ready for trade and retail		
YOFC (Hubei) Power Cable Co., Ltd.	Xiaogan City, Hubei Province	Xiaogan City, Hubei Province	Production and sales of chemical raw materials	100.00	set
YOFC Shenzhen Co., Ltd.	Shenzhen City, Guangdong Province	Shenzhen City, Guangdong Province	Purchase, sale, distribution, import and export of optical cables and optical communication materials	100.00	set
			Any materials and accessories		
			Integrated services such as communications, computers, and building intelligent weak current system	100.00	set
			Software Development Service		
			R&D, manufacturing and sales of optical cables, wires and cables, and cable accessories	51.00	
			Production of optical fibers, optical cables, communication cables, special cables and cable accessories,	100.00	
			Engineering design and construction and technical services of components and materials		

Note that the proportion of shares held in the subsidiary is different from the proportion of voting rights:

The company's subsidiary, YOFC Optical Fiber and Cable (Hong Kong) Co., Ltd., and its subsidiary YOFC Perú SAC's counterparty shareholder Yachay Telecomunicaciones SAC

It is agreed that Yachay Telecomunicaciones SAC shall be consistent with YOFC Optical Fiber and Cable (Hong Kong) Co., Ltd. when voting on any matter at the shareholders meeting

All matters are designated by YOFC (Hong Kong) Co., Ltd., and the general manager is appointed by the board of directors; Yachay Telecomunicaciones SAC waives all dividends and

Therefore, the company indirectly enjoys 100% actual control of YOFC Perú SAC through its subsidiary, YOFC (Hong Kong) Co., Ltd.

Basis for holding half or less of the voting rights but still controlling the investee, and holding more than half of the voting rights but not controlling the investee:

not applicable

For important structured entities included in the scope of consolidation, the basis for control:

not applicable

YOFC 2020 Annual Report					
The basis for determining whether the company is an agent or a principal:					
not applicable					

other instructions:
not applicable

(2). Important non-wholly owned subsidiaries

√Applicable □Not applicable

Unit: Currenc

Subsidiary name	Minority shareholders Proportion	Profit and loss attributable to minority shareholders in the current period	Dividends declared to minority shareholders in the current period	Balance of minority shareholders in the current period
Zhejiang Lianfei Optical Fiber and Cable Co., Ltd.	49	996,649		19,312,684
Sichuan Guangheng Communication Technology Co., Ltd.	49	3,767,222		1

Note that the minority shareholder's shareholding ratio is different from the voting rights ratio:

□Applicable √Not applicable

other instructions:

□Applicable √Not applicable

(3). Main financial information of important non-wholly-owned subsidiaries

√Applicable □Not applicable

Unit: Currenc

Subsidiary name	Ending balance				Opening Balance			
	Current assets	Total non-current assets	Current liabilities	Total non-current liabilities	Current assets	Total non-current assets	Current liabilities	Total non-current liabilities
Zhejiang Lianfei Fiber Optic Cable Co., Ltd.	35,510,165	236,101,372	14,525,645	11,705,367	85,596,484	218,681,329	304,277,813	21,472,425
Sichuan Guangheng Communication Technology Co., Ltd.	267,427,545	17,003,834	15,381,191	279,535,525	144,904,254	448,334,869	176,711,314	14,416,820

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Subsidiary name	Current period				Previous period			
	Operating income	Net profit	Total comprehensive income	Cash flow from operating activities	Operating income	Net profit	Total comprehensive income	Cash flow
Zhejiang Lianfei Optical Fiber and Cable Co., Ltd.	25,510,165	236,101,372	261,611,537	14,525,645	11,705,367	26,231,012	85,596,484	
Sichuan Guangheng Communication Technology Co., Ltd.	267,427,545	177,002,924	544,430,469	264,154,334	15,381,191	279,535,525	235,628,637	

other instructions:

not applicable

(4) Significant restrictions on the use of corporate group assets and the settlement of corporate group debts

□Applicable √Not applicable

(5) Financial support or other support provided to structured entities included in the scope of consolidated financial statements

□Applicable √Not applicable

other instructions:

□Applicable √Not applicable

2. The ownership share of the subsidiary changes and the subsidiary still controls the transaction

√Applicable □Not applicable

(1). Explanation of the changes in the share of owner's equity in the subsidiary

√Applicable □Not applicable

Company Name	Capital increase party / contributor	Change time	Shareholding ratio before the change	Shareholding
			direct	indirect
YOFC Optical Fiber and Cable Co., Ltd.				direct
Changxin Shengzhilian (Shenzhen) Technology Co., Ltd.	Hong Kong Weisheng Electronics Co., Ltd.	June 30, 2020	100.00%	87.16%
	Wei Feng Electronics Co., Ltd.			
	VIA Electronics (Shanghai) Co., Ltd.			
Changxinsheng (Wuhan) Technology Co., Ltd.	Changxin Shengzhilian (Shenzhen) Technology Co., Ltd.	June 30, 2020	69.23%	

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					YOFC 2020 Ann
Changxin Shengzhilian (Shenzhen) Technology Co., Ltd.	YOFC Optical Fiber and Cable Co., Ltd.	October 15, 2020	87.16%	79.90%	
	Hong Kong Weisheng Electronics Co., Ltd.				
	Wancheng Electronics Co., Ltd.				
	VIA Electronics (Shanghai) Co., Ltd.				
	Shenzhen Nanshan Shanghua Hongtu Shuangchuang Equity Investment Fund Partnership (Limited Partnership)				

(2). The impact of the transaction on the minority shareholders' equity and the owner's equity attributable to the parent company

√Applicable □Not applicable

		Unit: Currenc
		Changxin Shengzhilian (Shenzhen) Technology Co., Ltd.
Purchase cost/disposal consideration		
--cash		
--Fair value of non-cash assets		
- Equity		
Total purchase cost/disposal consideration		
Less: Subsidiary's share of net assets calculated based on the proportion of acquired/disposed equity difference		-
Of which: adjusted capital reserve		
Adjusted surplus reserve		
Adjust retained profits		

other instructions

√Applicable □Not applicable

Changxin Shengzhilian (Shenzhen) Technology Co., Ltd., a subsidiary of the company, acquired Changxin Sheng (Wuhan) Technology Co., Ltd., a subsidiary of the company, thr 15,936,113 yuan.

The company's other changes in the above-mentioned subsidiary's owner's equity share were caused by the company and the subsidiary's minority shareholders increasing capital i

3. Rights and interests in joint ventures or joint ventures

√Applicable □Not applicable

					YOFC 2020 Ann
(1). Important joint ventures or joint ventures					
√Applicable □Not applicable					

		Unit: Currenc		
Name of joint venture or joint venture	Principal place of business	Registration	Business nature	Shareholding ratio (%) For joint venture
				direct indirect Accounting trea
YOFC Optical Fiber and Cable (Shanghai) Co., Ltd. (Note)	Shanghai	Shanghai	Production and sales of optical cables	75.00 Equity method
Jiangsu Changfei Zhongli Optical Fiber and Cable Co., Ltd.	Production and sales of optical cables in Changshu City, Jiangsu Province			48.00 Equity method
Shenzhen Tefa Information Optical Fiber Co., Ltd.	Shenzhen City, Guangdong Province	Shenzhen City, Guangdong Province	production and sales of optical fiber	35.36 Equity method
YOFC Xinyue (Hubei) Light Rod Co., Ltd.	Qianjiang City, Hubei Province	Qianjiang City, Hubei Province	Production and sales of optical fiber preforms	49.00 Equity method
AVIC Baosheng Offshore Engineering Cable Co., Ltd.	Production and sales of cables in Yangzhou City, Jiangsu Province			30.00 Equity method

Note that the shareholding ratio in a joint venture or joint venture is different from the voting rights ratio:
According to the articles of association of the joint venture company, its financial and operating decisions must be unanimously approved by all investors. Therefore, the company and o
Basis for holding less than 20% of the voting rights but having significant influence, or holding 20% or more of the voting rights but not having significant influence:
not applicable

(2). Main financial information of important joint ventures

√Applicable □Not applicable

		Unit: Currenc					
		Ending balance / current period				Beginning balance / last period	
		YOFC Optical Cable (Shanghai) Yes	Jiangsu YOFC Limited company	Shenzhen Special Limited company	Chang Fei Xinyue (Lak North) Light rod limited company	YOFC Optical Cable (Shanghai) Yes	Jiangsu YOFC Limited company
Current assets		441,543,174	553,374,261	431,720,479	299,507,747	403,828,598	529,086,859
Of which: cash and cash equivalents		159,465,557	88,196,280	288,013,920	71,398,252	110,056,934	53,684,713
Non-current assets		75,047,823	37,989,311	164,085,164	837,863,978	83,867,777	41,487,303

Total assets	516,590,997	591,363,572	595,805,643	1,137,371,725	487,696,375	570,574,162	618,565,376	1,223,707,04
Current liabilities	184,438,127	281,004,566	134,905,275	235,244,384	157,820,721	258,020,214	157,201,458	
Non-current liabilities	3,779,329		2,800,000	233,289,388	1,820,833		2,800,000	
Total Liabilities	188,217,456	281,004,566	137,705,275	468,533,772	159,641,554	258,020,214	160,001,458	
Minority shareholders' equity								

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								YOFC 2020 Annu
Attributable to shareholders' equity of the parent company	328,373,541	310,359,006	458,100,368	668,837,953	328,054,821	312,553,948	458,563,918	
Share of net assets calculated according to shareholding ratio	246,280,156	148,972,323	161,984,290	327,730,597	246,041,116	150,025,895	162,148,201	
Adjustment matters	3,418,412	333,330	10,792,552	2,915,833	6,523,379	1,969,192	11,202,606	
--Goodwill			10,627,090				10,627,090	
--Unrealized profits from internal transactions	3,418,412	333,330	165,462	2,915,833	6,523,379	1,969,192	575,516	
--other								
Book value of equity investment in joint ventures	242,861,744	148,638,993	172,445,918	330,646,430	239,517,737	148,056,703	172,199,775	
Fair value of equity investment in joint ventures with publicly quoted prices								
Operating income	545,992,852	568,672,945	237,269,830	472,310,706	708,790,732	638,732,756	241,626,893	
Financial expenses	2,344,952	-1,829,738	4,530,683	-13,632,373	1,693,463	-1,482,482	3,911,110	
Income tax expense	-1,233,549	-1,134,925		-1,166,929	-2,661,624	-2,347,486	-3,815,000	
Net profit	7,254,088	5,903,021	-463,548	768,932	11,731,319	17,104,623	-14,900,771	
Net profit from discontinued operations								
Other comprehensive income								
Total comprehensive income	7,254,088	5,903,021	-463,548	768,932	11,731,319	17,104,623	-14,900,771	
Dividends received from joint ventures this year	5,201,526	3,887,022		2,842,000	13,870,311	11,220,972	5,175,172	

other instructions

not applicable

(3). Main financial information of important associates

√Applicable □Not applicable

		Unit: Currency: R
	Ending balance / current period	Beginning balance / last per
	AVIC Baosheng Offshore Engineering Cable Co., Ltd.	AVIC Baosheng Offshore Enginee
Current assets	662,046,135	2
Non-current assets	1,567,916,745	9
Total assets	2,229,962,880	1,22
Current liabilities	833,662,290	
Non-current liabilities	379,171,551	2
Total Liabilities	1,212,833,841	2
Minority shareholders' equity		

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			YOFC 2020 Annu
Attributable to shareholders' equity of the parent company	1,017,129,039		1,00
Share of net assets calculated according to shareholding ratio	305,138,712		3
Adjustment matters			
--Goodwill			
--Unrealized profits from internal transactions			
--other			
Book value of equity investment in associates	305,138,712		3
Fair value of equity investment in associates with publicly quoted prices			
Operating income	305,989,821		
Net profit	14,430,986		
Net profit from discontinued operations			
Other comprehensive income			
Total comprehensive income	14,430,986		
Dividends received from associates this year			

other instructions
not applicable

(4). Summary financial information of unimportant joint ventures and associates

☒Applicable ☐Not applicable

	Ending balance / current period	Unit: Currency: R Beginning balance / last period
Joint ventures:		
Total book value of investment	226,054,973	23
The total of the following items calculated according to the shareholding ratio		
--Net profit	1,972,713	
--Other comprehensive income		
--Total comprehensive income	1,972,713	
Associated enterprises:		
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Total book value of investment	210,472,515	YOFC 2020 Annual Report
The total of the following items calculated according to the shareholding ratio		
--Net profit	2,868,060	
--Other comprehensive income	-3,810,273	
--Total comprehensive income	-942,213	

other instructions
not applicable

(5) Explanation of significant restrictions on the ability of joint ventures or joint ventures to transfer funds to the company

☐Applicable ☒Not applicable

(6). Excess losses incurred by joint ventures or associates

☐Applicable ☒Not applicable

(7). Unconfirmed commitments related to joint venture investment

☐Applicable ☒Not applicable

(8). Contingent liabilities related to investment in joint ventures or associates

☐Applicable ☒Not applicable

4. Important joint operations

☐Applicable ☒Not applicable

5. Equity in structured entities not included in the scope of consolidated financial statements

Relevant explanations for structured entities not included in the scope of the consolidated financial statements:

☐Applicable ☒Not applicable

6. Other

☐Applicable ☒Not applicable

10. Risks related to financial instruments

☒Applicable ☐Not applicable

(1) The Group faces various financial instrument risks in its daily activities, mainly including:

-credit risk

- Liquidity risk
- Interest Rate Risk
- currency risk

The following mainly discusses the above-mentioned risk exposures and the reasons for their formation, as well as the changes that have occurred this year, risk management objectives, Procedures, methods of measuring risks and their changes during the year.

The goal of the Group's risk management is to strike an appropriate balance between risks and returns, and strive to reduce the impact of financial risks on this episode. Adverse effects on the group's financial performance. Based on this risk management objective, the Group has formulated a risk management policy to identify and analyze the group For the risks faced, set an appropriate acceptable level of risk and design corresponding internal control procedures to monitor the risk level of the Group flat. The Group will regularly review these risk management policies and related internal control systems to adapt to market conditions or the Group's operating activities. Dynamic changes.

1. Credit risk

Credit risk refers to the risk that one party to a financial instrument cannot perform its obligations, causing the other party to suffer financial losses. The group's Credit risk mainly comes from monetary funds, accounts receivable, etc. The management will continue to monitor these credit risk exposures.

The Group's monetary funds other than cash are mainly deposited in financial institutions with good credit. The management believes that there is no significant Credit risk is not expected to cause losses to the Group due to the counterparty's default.

The maximum credit risk exposure of the Group is the book value of each financial asset (including derivative financial instruments) in the balance sheet Amount. Except for the financial guarantee provided by the Group as set out in Note 14, the Group did not provide any other Use the guarantee of risk. The maximum credit risk exposure for the above financial guarantee as at the balance sheet date has been disclosed in Note 14.

(1) Accounts receivable

The credit risk of the Group is mainly affected by the characteristics of each customer, rather than the industry or country and region where the customer is located. Therefore, the concentration of major credit risks is mainly due to the existence of major accounts receivable from individual customers in the Group. On the balance sheet date, The accounts receivable of the top five customers of the Group accounted for 29% (2019: 43%) of the total accounts receivable of the Group.

For accounts receivable, the Group's Finance and Credit Control Department has formulated credit policies based on actual conditions to provide credit to customers. Evaluation to determine the credit limit and credit period. Credit evaluation is mainly based on the customer's financial status, external ratings and bank credit records (If possible). In order to monitor the Group's credit risk, the Group regularly checks the Group's customer information based on factors such as aging and maturity. Perform analysis. The Group's accounts receivable are mainly due from China Telecom Corporation, China Mobile Communications Corporation and China United Network The purchase price of a subsidiary company of Telecom Group Co., Ltd. The proportion of the receivable balance of the above three Chinese telecom network operators in the total receivable 32% of accounts (2019: 40%). The Group maintains long-term business relationships with these companies, and their credit risks are not significant. In a Under normal circumstances, the Group will not require customers to provide collateral.

For specific information about accounts receivable, please refer to the relevant disclosures in Note 7 "5. Accounts Receivable".

2. Liquidity risk

Liquidity risk refers to a shortage of funds when an enterprise fulfills its obligation to settle settlement by means of cash or other financial assets risks of. The company is responsible for the cash management of itself and its subsidiaries, including short-term investment of cash surplus and raising loans to meet

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Estimated cash requirements (if the loan amount exceeds certain preset authorization limits, the approval of the company's board of directors is required). The group's policies The policy is to regularly monitor short-term and long-term liquidity requirements, and compliance with the provisions of the loan agreement to ensure that sufficient cash flow is maintained Financial reserves and marketable securities that can be realized at any time, and at the same time obtain the commitment of major financial institutions to provide sufficient reserve funds to Long-term and longer-term liquidity requirements.

The Group's financial liabilities on the balance sheet date are based on undiscounted contractual cash flows (including contract interest rates (if floating The interest rate is calculated based on the current interest rate on December 31), the remaining contract period and the earliest date required to pay such as Down:

project	2020 undiscounted contract cash flow					Balance sheet date Book value
	Within 1 year or Real-time repayment	1 year to 2 years	2 years to 5 years	More than 5 years	total	
short-term loan	1,038,061,842				1,038,061,842	1,033,657,703
Bills payable	659,423,906				659,423,906	659,423,906
accounts payable	1,539,623,899				1,539,623,899	1,539,623,899
Other payables	372,357,376				372,357,376	372,357,376
Long-term loans (including within one year (Long-term loans due)	12,189,196	495,467,069	43,017,100		550,673,365	525,286,302
Bonds payable (including one year Bonds payable within maturity Interest)	17,500,000	17,500,000	517,500,000		552,500,000	504,672,004
Lease liabilities (including within one year Lease liabilities due)	25,463,200	19,381,380	30,591,946	16,009,835	91,446,361	80,734,230

total 3,664,619,419 532,348,449 591,109,046 16,009,835 4,804,086,749 4,715,755,420

project	2019 undiscounted contract cash flow				total	Balance sheet date Book value
	Within 1 year or Real-time repayment	1 year to 2 years	2 years to 5 years	More than 5 years		
short-term loan	905,475,457				905,475,457	895,576,208
Bills payable	574,793,263				574,793,263	574,793,263
accounts payable	1,261,607,902				1,261,607,902	1,261,607,902
Other payables	410,686,340				410,686,340	410,686,340
Long-term loans (including within one year (Long-term loans due)	21,756,000	504,000	22,260,000	21,252,000	65,772,000	63,023,100
Lease liabilities (including within one year Lease liabilities due)	20,029,460	18,529,038	30,399,630	4,077,335	73,035,463	67,741,572
total	3,194,348,422	19,033,038	52,659,630	25,329,335	3,291,370,425	3,273,428,385

3. Interest rate risk

Interest-bearing financial instruments with fixed interest rates and floating interest rates expose the Group to fair value interest rate risks and cash flow interest rate risks, respectively. risk. The Group determines the ratio of fixed interest rate to floating interest rate instruments based on the market environment, and maintains the appropriate rate through regular review and a combination of current fixed and floating interest rate instruments. The Group has not used derivative financial instruments to hedge interest rate risk.

(1) The interest-bearing financial instruments held by the Group on the balance sheet date are as follows:

Fixed interest rate financial instruments:

project	2020 year		2019 year	
	Real interest rate	Amount	Real interest rate	Amount
monetary assets				
- Money funds	0.00%-2.03%	149,775,162	1.25%-3.40%	279,227,937
Financial liabilities				
- short-term loan	0.095%-5.00%	-929,420,189	2.27%-5.00%	-670,234,620
-Long-term loans (including within one year)	3.00%-2.70%	-524,700,000	1.20%	-63,000,000

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(Long-term loans due)				
-Lease liabilities (including within one year Lease liabilities due)	4.75%-10.25%	-80,734,230	4.75%-10.25%	-67,741,572
total		-1,385,079,257		-521,748,255

Floating rate financial instruments:

project	2020 year		2019 year	
	Real interest rate	Amount	Real interest rate	Amount
monetary assets				
- Money funds	0%-0.35%	1,293,248,552	0.30%-0.35%	1,843,827,227
Financial liabilities				
- short-term loan	0.85%-4.13%	-103,018,711	3.09%-4.13%	-223,672,068
total		1,190,229,841		1,620,155,159

(2) Sensitivity analysis

As of December 31, 2020, with other variables unchanged, assuming that an interest rate increase of 100 basis points will result in the Group's shares East equity and net profit increased by RMB 11,370,565 (2019: RMB 13,252,482).

For non-derivative instruments with floating interest rates held on the balance sheet date that expose the Group to cash flow interest rate risk, the above-mentioned sensitive The impact of net profit and shareholders' equity in the analysis is the impact of the above-mentioned interest rate changes on the annual estimated interest expense or income.

4. Exchange rate risk

For foreign currency assets and liabilities such as monetary funds, accounts receivable and accounts payable, and short-term loans that are not denominated in the functional currency, If there is a short-term imbalance, the Group will buy and sell foreign currencies at market exchange rates when necessary to ensure that the net risk exposure is maintained at Acceptable level.

(1) The exchange rate risk exposure of each foreign currency asset and liability item of the Group as at December 31 is as follows. For presentation considerations, the risk exposure The export amount is presented in Renminbi and converted at the spot exchange rate on the balance sheet date. The conversion difference of foreign currency statements is not included.

	2020 year		2019 year	
	Foreign currency balance	RMB balance	Foreign currency balance	RMB balance
Money funds				
- Dollar	44,462,167	290,111,193	28,880,789	201,478,160
- EUR	5,511,336	44,228,471	1,707,819	13,347,459

-Hong Kong dollar	1,595,555	1,342,819	427,933	383,342
accounts receivable				
- Dollar	107,957,984	704,415,050	51,311,565	357,959,740
- EUR	3,498,944	28,079,026	6,882,395	53,789,358
Other receivables				
- Dollar	145,361	948,466	177,870	1,240,857
- EUR	1,809	14,517	1,809	14,138
-Hong Kong dollar	850,335	715,642		
short-term loan				
- Dollar	-70,000,000	-456,743,000	-48,046,289	-335,180,519
- EUR	-4,496,813	-36,086,924		
-Hong Kong dollar			-50,116,964	-44,894,776
accounts payable				
- Dollar	-43,359,118	-282,913,909	-18,658,541	-130,165,714

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YOFC 2020 Annual Report				
- EUR	-5,364,404	-43,049,342	-4,823,121	-37,695,102
-Hong Kong dollar	-593,368	-499,379		
Other payables				
- Dollar	-4,538,185	-29,611,203	-1,313,514	-9,163,336
- EUR	-290,258	-2,329,320	-390,214	-3,049,718
-Hong Kong dollar	-13,189	-11,100		
Total balance sheet exposure				
- Dollar	34,668,209	226,206,597	12,351,880	86,169,188
- EUR	-1,139,386	-9,143,572	3,378,688	26,406,135
-Hong Kong dollar	1,839,333	1,547,982	-49,689,031	-44,511,434

(2) The analysis of the exchange rate of RMB to foreign currencies applicable to the Group is as follows:

	Average exchange rate		Intermediate exchange rate at the reporting date	
	2020 year	2019 year	2020 year	2019 year
Dollar	6.8941	6.8944	6.5249	6.9762
EUR	7.9065	7.7181	8.0250	7.8155
Hong Kong dollar	0.8887	0.8800	0.8416	0.8958

(3) Sensitivity analysis

Assuming that other risk variables other than exchange rates remain unchanged, the Group's Changes in the rate of RMB appreciation by 5% will result in (decrease)/increase in shareholders' equity and net profit as follows. This impact is based on assets and liabilities The spot exchange rate on the table date is converted into RMB and displayed.

	Shareholders' equity	Net profit
December 31, 2020		
Dollar	-11,075,492	-11,075,492
EUR	347,293	347,293
Hong Kong dollar	-64,553	-64,553
total	-10,792,752	-10,792,752
December 31, 2019		
Dollar	-2,305,626	-2,305,626
EUR	-1,259,027	-1,259,027
Hong Kong dollar	1,887,289	1,887,289
total	-1,677,364	-1,677,364

On December 31, assuming that other variables remain unchanged, changes in the exchange rate of RMB against the US dollar, the euro, and the Hong Kong dollar A 5% depreciation of the renminbi will cause changes in shareholder equity and net profit to be the same as the amounts listed in the above table but in the opposite direction.

The above sensitivity analysis assumes that the exchange rate on the balance sheet date changes, and the exchange rate after the change is used to compare the balance sheet Japan Grc Or the financial instruments held by the company that face exchange rate risk are remeasured. The above analysis does not include translation of foreign currency statements difference.

(2) Capital management

The main goal of the Group's capital management is to ensure the Group's continuous operation, and to be able to formulate products with a level of risk And service prices, and to ensure that financing is obtained at reasonable financing costs, and continue to provide shareholders with returns.

The Group defines capital as shareholders' equity. The capital of the Group does not include the balance of business transactions with related parties.

The Group regularly reviews and manages its own capital structure, and strives to achieve the most ideal capital structure and shareholder returns. The group test Factors to be considered include: the Group's future funding needs, capital efficiency, actual and expected profitability, expected cash flow, Expected capital expenditure, etc. If economic conditions change and affect the Group, the Group will adjust the capital structure.

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The Group monitors the group's capital structure through an adjusted net debt capital ratio. Adjusted net debt is total debt (including Short-term borrowings, long-term borrowings, and lease liabilities), minus monetary funds.

The adjusted net debt capital ratio is as follows:

project	2020 year	2019 year
Current liabilities		
short-term loan	1,033,657,703	895,576,208
Long-term loans due within one year	586,302	21,023,100
Lease liabilities due within one year	22,277,811	19,156,139
Bond interest payable due within one year	17,096,646	
Non-current liabilities		
Long term loan	524,700,000	42,000,000
Lease liability	58,456,419	48,585,433
Bonds payable	487,575,358	
Total debt	2,144,350,239	1,026,340,880
Plus: the proposed dividend	163,707,503	
Less: monetary funds	1,444,270,151	2,123,861,315
Adjusted net debt	863,787,591	-1,097,520,435)
Shareholders' equity	9,385,523,416	8,942,132,767
Minus: proposed dividend	163,707,503	
Adjusted capital	9,221,815,913	8,942,132,767
Adjusted net debt to capital ratio	9%	-12%

11. Disclosure of fair value

1. The ending fair value of assets and liabilities measured at fair value

√Applicable □Not applicable

Unit: Currency: RMB

project	Fair value at the end of the period			total
	First level fairness Value measurement	Second level fairness Value measurement	Third level fairness Value measurement	
1. Continuous fair value measurement				
(1) Transactional financial assets		342,042,545	549,789,043	891,831,588
1. Measured at fair value and changed				
Financial assets included in the current profit and loss				
(1) Investment in debt instruments			524,119,543	524,119,543
(2) Equity instrument investment		342,042,545	25,669,500	367,712,045
(3) Derivative financial assets				
2. Designated to be measured at fair value and				
The changes included in the current profit and loss				
Financing property				
(1) Investment in debt instruments				
(2) Equity instrument investment				
(2) Other debt investments				
(3) Investment in other equity instruments	39,148,280		2,230,000	41,378,280
(4) Investment real estate				
1. Land use rights for lease				
2. Rental buildings				
3. Holding and preparing to transfer after value-added				

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Land use rights

(5) Biological assets

1. Consumable biological assets

2. Productive biological assets				
(6) Other non-current assets			45,378,370	45,378,370
Assets that continue to be measured at fair value	30,148,280	342,042,545	597,397,413	978,588,238
Total output				
(6) Transactional financial liabilities				
1. Measured at fair value and changed				
Financial liabilities into current profit and loss				
Of which: issued trading bonds				
Derivative financial liabilities				
other				
2. Designated to be measured at fair value and				
Financial whose changes are included in the current profit and loss				
Debt				
Negatives that continue to be measured at fair value				
Total debt				
2. Non-continuous fair value measurement				
(1) Holding assets for sale				
Non-continuously measured at fair value				
Total assets				
Non-continuously measured at fair value				
Total liabilities				

In 2020, there was no conversion between the various levels of the above-mentioned assets continuously measured at fair value. The group is
At the end of the reporting year in which the conversion occurred, the conversion between the various levels is confirmed.

2. The basis for determining the market price of continuous and non-continuous first-level fair value measurement projects

√Applicable □Not applicable

The fair value of financial instruments traded in an active market is determined based on the quoted market prices on the balance sheet date. When the quotation is available in real time
And regularly obtained from stock exchanges, dealers, brokers, industry insiders, pricing service providers or regulatory agencies, and the quotation represents the base
When the actual and regular market transactions are quoted under the principle of fair trading, the market is regarded as an active market. Finance held by the company
The quoted market price of the asset is the current bid price. These financial instruments are shown on the first level. On December 31, 2020, it was listed as the first
Hierarchical instruments are classified as stock investment in trading financial assets and equity in listed companies classified as investment in other equity instruments
Sex investment.

3. Qualitative and quantitative information on the valuation techniques used and important parameters for continuous and non-continuous second-level fair value measurement projects

□Applicable √Not applicable

4. Continuous and non-sustainable third-level fair value measurement projects, using valuation techniques and qualitative and quantitative information on important parameters

√Applicable □Not applicable

Other equity instrument investments are mainly unlisted equity investments held by the Group.

5. Continuous third-level fair value measurement items, adjustment information and unobservable parameter sensitivity between the opening and closing book value

Perceptual analysis

√Applicable □Not applicable

project	2020 year	2019 year
initial balance	2,440,000	30,711,380
Changes in accounting policies		
Total profit this year		
Gain or loss included in profit or loss		
-Investment income	9,213,492	1,379,387
-Gains and losses from changes in the fair value of trading financial assets	2,153,313	-271,380
Gain or loss included in other comprehensive income		
-Gains and losses from changes in fair value of investments in other equity instruments	240,000	
Buy, sell and settle		
- Buy	3,556,325,150	619,000,000
-For sale	-3,008,311,050	-647,000,000
- issued	45,000,000	
-Settlement	-9,213,492	-1,379,387

6. Continuous fair value measurement items, if there is a conversion between various levels in the current period, the reasons for the conversion and the timing of the conversion policy
☐Applicable ☒Not applicable

7. Changes in valuation technology during the current period and reasons for the changes
☐Applicable ☒Not applicable

8. The fair value of financial assets and financial liabilities not measured at fair value
☐Applicable ☒Not applicable

9. Other
☐Applicable ☒Not applicable

12. Related parties and related transactions

1. The company's parent company
☐Applicable ☒Not applicable

2. The company's subsidiaries
Please refer to the notes for details of the company's subsidiaries
☒Applicable ☐Not applicable
For details of the company's subsidiaries, please refer to Note 9 "1. Equity in Subsidiaries".

3. The joint ventures and joint ventures of the company
The important joint ventures or joint ventures of the company are detailed in the notes
☐Applicable ☒Not applicable
Other joint ventures or associates that have related party transactions with the company during the current period, or other joint ventures or associates that have formed a balance with the cc details as following
☒Applicable ☐Not applicable

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Name of joint venture or joint venture	Relationship with the company
Sichuan Lefei Optoelectronics Technology Co., Ltd.	Joint ventures of the Group
Jiangsu Changfei Zhongli Optical Fiber and Cable Co., Ltd.	Joint ventures of the Group
Shantou High-tech Zone Aoxingguang Communication Equipment Co., Ltd.	Joint ventures of the Group
Shenzhen Tefa Information Optical Fiber Co., Ltd.	Joint ventures of the Group
YOFC Xinyue (Hubei) Optical Rod Co., Ltd.	Joint ventures of the Group
YOFC Optical Fiber and Cable (Shanghai) Co., Ltd.	Joint ventures of the Group
Wuhan Guangyuan Electronic Technology Co., Ltd.	Joint ventures of the Group
YOFC (Wuhan) Optical System Co., Ltd.	Joint ventures of the Group
Wuhan Changfei Industrial Fund Management Co., Ltd.	Joint ventures of the Group
Tianjin Changfei Xinmao Optical Cable Co., Ltd.	A joint venture of the Group in the past 12 months
Tianjin Changfei Xinmao Optical Communication Co., Ltd.	A joint venture of the Group in the past 12 months
AVIC Baosheng Offshore Engineering Cable Co., Ltd.	Associates of the group
Wuhan Yunjingfei Optical Fiber Material Co., Ltd.	Associates of the group
RiT Tech (Intelligence Solutions) Ltd.	Associates of the group
other instructions	
<input type="checkbox"/> Applicable <input checked="" type="checkbox"/> Not applicable	
4. Other related parties	
<input checked="" type="checkbox"/> Applicable <input type="checkbox"/> Not applicable	
Names of other related parties	Relationship between other related parties and the company
China Huaxin Post and Telecommunications Technology Co., Ltd.	Major shareholder
Draka Comteq BV	Major shareholder
Wuhan Changjiang Communication Industry Group Co., Ltd.	Major shareholder
HXPT Philippines Inc.	Subsidiaries of major shareholders
Draka Comteq France SAS	Fellow subsidiaries of major shareholders
Draka Comteq Fibre BV	Fellow subsidiaries of major shareholders
Singapore Cables Manufacturers Pte Ltd.	Fellow subsidiaries of major shareholders
Wuxi Prysmian Cable Co., Ltd.	Fellow subsidiaries of major shareholders
NOKIA SHANGHAI BELL PHILIPPINES INC.	Joint ventures of major shareholders
Shanghai Nokia Bell Co., Ltd.	Companies whose directors serve as directors
Shanghai Huaxin Changan Network Technology Co., Ltd.	Companies whose directors serve as directors

Zhongying Youchuang Information Technology Co., Ltd.

Companies whose directors serve as directors

other instructions
not applicable

5. Related party transactions

(1). Affiliated transactions involving the purchase and sale of commodities, provision and acceptance of labor services

Procurement of goods / acceptance of labor status table

√Applicable □Not applicable

Unit: Currency: RMB

Related party	Related transaction content	Current period	Previous period
Tianjin Changfei Xinmao Optical Communication Co., Ltd.	Purchase goods		190,159,427
Sichuan Lefei Optoelectronics Technology Co., Ltd.	Purchase goods	504,774,378	739,575,683
Tianjin Changfei Xinmao Optical Cable Co., Ltd.	Purchase goods		8,718,654
YOFC Optical Fiber and Cable (Shanghai) Co., Ltd.	Purchase goods	339,211,721	384,324,162
YOFC Xinyue (Hubei) Light Rod Co., Ltd.	Purchase goods	471,470,586	557,201,880

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Shantou High-tech Zone Aoxingguang Communication Equipment Co., Ltd.	Purchase goods	219,718,478	280,848,840
Jiangsu Changfei Zhongli Optical Fiber and Cable Co., Ltd.	Purchase goods	231,919,991	307,020,777
Draka Comteq France SAS	Purchase goods	53,223	34,405
Draka Comteq Fibre BV	Purchase goods	16,053,772	12,530,899
Wuhan Yunjingfei Optical Fiber Material Co., Ltd.	Purchase goods	26,415,633	32,842,244
Wuhan Guangyuan Electronic Technology Co., Ltd.	Purchase goods	5,298,800	17,166,518
YOFC (Wuhan) Optical System Co., Ltd.	Purchase goods	8,595,014	18,055,727
Shenzhen Tefa Information Optical Fiber Co., Ltd.	Purchase goods	7,787,612	3,306,053
YOFC-Yadanarbon Fibre Company Limited	Purchase goods		6,156,948
RiT Tech (Intelligence Solutions) Ltd.	Purchase goods	13,050	88,436
AVIC Baosheng Offshore Engineering Cable Co., Ltd.	Purchase goods	53,767	
Shanghai Nokia Bell Co., Ltd.	Purchase goods	63,637,558	
NOKIA SHANGHAI BELL PHILIPPINES INC.	Purchase goods	592,532	
China Huaxin Post and Telecommunications Technology Co., Ltd.	Purchase goods	91,775,390	
Draka Comteq Fibre BV	Technology usage fees and Accept labor	8,601,261	18,418,848
total		2,005,972,766	2,576,449,501

Sales of goods/provided labor status table

√Applicable □Not applicable

Unit: Currency: RMB

Related party	Related transaction content	Current period	Previous period
Tianjin Changfei Xinmao Optical Communication Co., Ltd.	Selling goods and providing labor services		36,314,557
Sichuan Lefei Optoelectronics Technology Co., Ltd.	Selling goods and providing labor services	297,255,627	305,562,591
Jiangsu Changfei Zhongli Optical Fiber and Cable Co., Ltd.	Selling goods and providing labor services	175,059,660	189,732,351
Shantou High-tech Zone Aoxingguang Communication Equipment Co., Ltd.	Selling goods and providing labor services	298,187,293	189,559,146
YOFC Optical Fiber and Cable (Shanghai) Co., Ltd.	Selling goods and providing labor services	93,815,748	252,400,838
Shenzhen Tefa Information Optical Fiber Co., Ltd.	Selling goods and providing labor services	73,848,529	46,645,914
Tianjin Changfei Xinmao Optical Cable Co., Ltd.	Selling goods and providing labor services		12,857,650
YOFC (Wuhan) Optical System Co., Ltd.	Selling goods and providing labor services	63,877,856	53,170,185
YOFC Xinyue (Hubei) Light Rod Co., Ltd.	Selling goods and providing labor services	44,118,885	111,652,682
AVIC Baosheng Offshore Engineering Cable Co., Ltd.	Selling goods and providing labor services	686,645	113,582
Zhongying Youchuang Information Technology Co., Ltd.	Goods for sale	786,658	
HXPT PHILIPPINES INC	Goods for sale	125,553,166	
Shanghai Huaxin Changan Network Technology Co., Ltd.	Goods for sale	9,522	
Draka Comteq Fibre BV	Goods for sale	2,749,897	97,011,693
Draka Comteq France SAS	Goods for sale	4,561	
Singapore Cables Manufacturers Pte Ltd.	Goods for sale	299,696	967,262
Wuxi Prysmian Cable Co., Ltd.	Goods for sale	7,625,374	25,964,110
YOFC-Yadanarbon Fibre Company Limited	Goods for sale		4,667,094
China Huaxin Post and Telecommunications Technology Co., Ltd.	Goods for sale	2,613,567	2,887,959
RiT Tech (Intelligence Solutions) Ltd.	Goods for sale		286,300
Wuhan Yunjingfei Optical Fiber Material Co., Ltd.	Providing services	113,208	113,208
HXPT PHILIPPINES INC	Providing services	25,311,869	
Shantou High-tech Zone Aoxingguang Communication Equipment Co., Ltd.	Technology use and service income	4,629	
Tianjin Changfei Xinmao Optical Communication Co., Ltd.	Technology use and service income		1,466,667

Tianjin Changfei Xinmao Optical Cable Co., Ltd.	Technology use and service income	1,084,956
total	1,331,942,390	1,332,458,745

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Description of related transactions in the purchase and sale of goods, provision and acceptance of labor services
☐Applicable ☒Not applicable

(2). Associated entrusted management/contracting and entrusted management/outsourcing situation

The company's entrusted management/contracting situation table:

☐Applicable ☒Not applicable

Description of related custody/contracting situation

☐Applicable ☒Not applicable

The company's entrusted management / outsourcing situation table

☐Applicable ☒Not applicable

Description of Association Management/Outsourcing

☐Applicable ☒Not applicable

(3). Related leases

The company as the lessor:

☒Applicable ☐Not applicable

		Unit: Currency: RMB	
Lessee's name	Types of leased assets	Confirmed in this period	Confirmed in the previous period
		Rental income	Rental income
Wuhan Yunjingfei Optical Fiber Material Co., Ltd.	Factory building	4,806,878	432,000
YOFC (Wuhan) Optical System Co., Ltd.	Factory building	1,202,590	662,727
YOFC Xinyue (Hubei) Light Rod Co., Ltd.	Plant construction and machinery equipment	8,665,600	295,716
total		14,675,068	1,390,443

The company as the lessee:

☒Applicable ☐Not applicable

			Unit: Currency: RMB
Name of Lessor	Types of leased assets	Rental fee confirmed in the current period	Rental fee confirmed in the previous period
YOFC Optical Fiber and Cable (Shanghai) Co., Ltd.	Optical equipment		900,115
Sichuan Lefei Optoelectronics Technology Co., Ltd.	Plant construction		62,903
total			963,018

Description of related leases

☐Applicable ☒Not applicable

(4). Related guarantees

The company as a guarantor

☒Applicable ☐Not applicable

				Unit: Currency: RMB
Guaranteed party	Guaranteed amount	Guarantee start date	Guarantee expiry date	Is the guarantee
				Fulfilled complete
YOFC Optical Fiber and Cable (Hong Kong) Co., Ltd.	275,149,382	December 31, 2019	December 31, 2021	No
YOFC Optical Fiber and Cable (Hong Kong) Co., Ltd.	125,925,551	December 31, 2019	December 31, 2020	Yes
PT Yangtze Optics Indonesia	19,574,700	August 23, 2018	August 31, 2021	No
PT Yangtze Optics Indonesia	20,928,600	August 24, 2019	August 23, 2020	is
PT.Yangtze Optical Fibre Indonesia	32,624,500	June 23, 2020	June 23, 2021	No

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YOFC Perú SAC	621,174,280	July 18, 2020	July 18, 2021	No
YOFC Perú SAC	184,815,702	July 10, 2020	July 10, 2021	No

YOFC Perú SAC 197,598,630 July 10, 2019 July 10, 2020 is
YOFC Perú SAC 664,138,303 July 18, 2019 July 18, 2020 is

The company as the guaranteed party

☐Applicable ☒Not applicable

Description of related guarantees

☒Applicable ☐Not applicable

The above guarantee is the credit line guarantee provided by the company through the bank for the above-mentioned subsidiaries.

(5). Funds borrowing from related parties

☐Applicable ☒Not applicable

(6) Asset transfer and debt restructuring of related parties

☒Applicable ☐Not applicable

Unit: Currency: RMB

Related party	Related transaction content	Current period	Previous period
Shantou High-tech Zone Aoxingguang Communication Equipment Co., Ltd.	Disposal of fixed assets		40,000,000

(7). Remuneration of key management personnel

☒Applicable ☐Not applicable

Unit: Ten Thousand Yuan Currency: RMB

project	Current period	Previous period
Key management personnel compensation	2,078.05	2,149.51
Share-based payment	4.60	64.57
total	2,082.65	2,214.08

(8). Other related transactions

☐Applicable ☒Not applicable

6. Receivables and payables of related parties

(1). Items receivable

☒Applicable ☐Not applicable

Unit: Currency: RMB

title	Related party	Ending balance		Opening Balance	
		Book balance	Bad debts Prepare	Book balance	Bad debts Prepare
Accounts receivable	Shanghai Changfei Zhongli Optical Fiber and Cable Co., Ltd.	558,337	1,787	21,704,039	53,422
payment	YOFC Optical Fiber and Cable (Shanghai) Co., Ltd.	736,954	2,358	18,288,056	45,014
	Shantou High-tech Zone Aoxingguang Communication Equipment Co., Ltd.	24,783,123	83,288	7,719,678	19,001
	YOFC (Wuhan) Optical System Co., Ltd.	556,496	1,781	700,481	1,724
	Draka Comteq Fibre BV	2,794,469	8,942		
	Draka Comteq France SAS	4,173	13		
	YOFC-Yadanarbon Fibre			16,118,431	4,675,325

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Company Limited				
Singapore Cables Manufacturers Pte Ltd.	44,002	13,550	47,046	1,645
Wuxi Prysman Cable Co., Ltd.	1,124,305	3,598	7,958,822	19,590
YOFC Xinyue (Hubei) Light Rod Co., Ltd.	32,567,074	104,214	41,835,259	103,081
RiT Tech (Intelligence Solutions) Ltd.	670,422	181,960	716,793	15,587
China Huaxin Post and Telecommunications Technology Co., Ltd.	2,101,473	6,725	819,756	2,018
Sichuan Lefei Optoelectronics Technology Co., Ltd.	124,461,749	112,884	130,509	2,619
AVIC Baosheng Offshore Engineering Cable Co., Ltd.	278,208	890	21,807	54
Zhongying Youchuang Information Technology Co., Ltd.	636,850	2,038		
HXPT PHILIPPINES INC	43,930,474	134,288		
Subtotal	135,247,149	658,313	116,060,677	4,939,080
Other application	YOFC Xinyue (Hubei) Optical Rod Co., Ltd.	3,180,000		
Receive payment				
	AVIC Baosheng Offshore Engineering Cable Co., Ltd.		377,358	
	Wuhan Yunjingfei Optical Fiber Material Co., Ltd.		693,918	

	Tianjin Changfei Xinmao Optical Cable Co., Ltd.	275,000
	Shenzhen Tefa Information Optical Fiber Co., Ltd.	43,474
	Shantou High-tech Zone Aoxingguang Communication Equipment Co., Ltd.	12,000,000
	company	
	YOFC-Yadanarbon Fibre Company Limited	101,199
	Jiangsu Changfei Zhongli Optical Fiber and Cable Co., Ltd.	51,000
	YOFC (Wuhan) Optical System Co., Ltd.	353,880
	manage	
	Wuhan Changfei Industrial Fund Management Co., Ltd.	83,980
	HXPT PHILIPPINES INC	25,311,869
	Subtotal	56,535,343
		13,979,809
Receivables	Wuhan Guangyuan Electronic Technology Co., Ltd.	522,213
profit		
	Subtotal	522,213
		522,213
Long-term res	Shantou High-tech Zone Aoxingguang Communication Equipment Co., Ltd.	16,000,000
Receive payment	company	

(2). Payable items

√Applicable □Not applicable

Unit: Currency: RMB			
project name	Related party	Book balance at the end of the period	Book balance at the beginning of the period
accounts payable	Sichuan Lefei Optoelectronics Technology Co., Ltd.	1,489,620	94,427,491
	YOFC Xinyue (Hubei) Light Rod Co., Ltd.	67,732,051	89,309,196
	Tianjin Changfei Xinmao Optical Cable Co., Ltd.		1,445,062
	Draka Comteq Fibre BV	285,864	8,281,457
	Wuhan Yunjingfei Optical Fiber Material Co., Ltd.	11,435,175	12,326,947
	Wuhan Guangyuan Electronic Technology Co., Ltd.		3,428,683
	YOFC Optical Fiber and Cable (Shanghai) Co., Ltd.	23,357,211	31,555,125
	Shantou High-tech Zone Aoxingguang Communication Equipment Co., Ltd.	1,687,997	440,497
	YOFC (Wuhan) Optical System Co., Ltd.	3,728,442	
	Jiangsu Changfei Zhongli Optical Fiber and Cable Co., Ltd.	12,846,976	95,156

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	YOFC-Yadanarbon Fibre Company Limited	6,126,147	
	Shenzhen Tefa Information Optical Fiber Co., Ltd.	3,712,830	
	Shanghai Bell Co., Ltd.	12,575,755	
	RiT Tech (Intelligence Solutions) Ltd.	127,028	54,290
	Subtotal	134,266,119	251,202,881
Other payables	Draka Comteq Fibre BV	18,601,261	18,418,848
	Subtotal	18,601,261	18,418,848
Contract liabilities	Shenzhen Tefa Information Optical Fiber Co., Ltd.	57,264,790	26,537,842
	YOFC Optical Fiber and Cable (Shanghai) Co., Ltd.	297,000	
	Jiangsu Changfei Zhongli Optical Fiber and Cable Co., Ltd.	105,000	
	YOFC (Wuhan) Optical System Co., Ltd.	1,653,080	
	YOFC Xinyue (Hubei) Light Rod Co., Ltd.	15,001,988	13,276,096
	Zhongying Youchuang Information Technology Co., Ltd.	749,707	
	HXPT PHILIPPINES INC	18,897,766	
	Subtotal	93,969,331	39,813,938
Deferred income	Wuhan Yunjingfei Optical Fiber Material Co., Ltd.	3,024,000	3,456,000
	Subtotal	3,024,000	3,456,000

7. Related party commitments

□Applicable √Not applicable

8. Other

□Applicable √Not applicable

13. Share-based payment

1. Overall situation of share-based payment

√Applicable □Not applicable

Unit: Share Currency: RMB	
The total amount of equity instruments granted by the company in the current period	7,056,336
The total amount of equity instruments exercised by the company in the current period	500,000

The total amount of all equity instruments that the company has expired in the current period
 The scope of the exercise price of the stock options issued by the company at the end of the period and the remaining period of the contract
 The scope of the exercise price of other equity instruments issued by the company at the end of the period and the remaining period of the contract
 other instructions
 The share-based payment expenses incurred this year are as follows:

project	2020 year	2019 year
Equity-settled share-based payment	11,056,769	12,940,738

2. The situation of equity-settled share-based payment

☒Applicable ☐Not applicable

Unit: Currency: RMB

Method for determining the fair value of equity instruments on the grant date: Based on the stock market price on the grant date, while considering the grant
 The terms and conditions on which the stock is based are adjusted and confirmed
 The fair value of equity instruments.

The basis for determining the number of exercisable equity instruments: On each balance sheet date during the waiting period, according to the latest
 The follow-up information such as changes in the number of vested employees and other follow-up information to make a
 Best estimate, revise the number of equity instruments that are expected to be exercisable. exist

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On the vesting date, the final estimated number of vesting equity instruments
 Consistent with the number of actual exercisable tools.

Reasons for the significant difference between the current estimate and the previous estimate	
Equity-settled share-based payment is included in the accumulated funds of the capital reserve	23,997,507
Forehead	
The total amount of expenses confirmed by equity-settled share payments in the current period	11,056,770

other instructions

According to the nineteenth meeting of the second board of directors of the company, the twelfth meeting of the second board of supervisors and the first interim meeting of 2019
 Approved by the general meeting of shareholders, the company implemented the first phase of the employee stock ownership plan. The company purchases H shares of the company in the
 The shares are granted to 100 employees participating in the employee stock ownership plan. As of May 8, 2019, the first phase of the company's employee stock ownership plan has been
 Completed the stock purchase and bought 2,000,000 H shares of the company in the secondary market, accounting for 0.26% of the company's total share capital, with an average turnover
 The price is RMB 16.83 per share, and the total transaction amount is RMB 33,653,461. As of December 31, 2020, the
 The 2,000,000 H shares included in the purchase have not yet been sold.

According to the "Yangtze Optical Fiber and Cable Co., Ltd. Phase I Employee Stock Ownership Plan", the above-mentioned purchased shares are locked.
 The underlying stocks will be unlocked in four installments after 12 months, 24 months, 36 months and 48 months from the date of completion of the purchase. Solution for each period
 The proportion of the underlying stocks of the lock is 25%.

As of December 31, 2020, the cumulative amount of equity-settled share payments confirmed in the capital reserve is RMB
 23,997,507 yuan. The total amount of expenses confirmed for equity-settled share-based payment this year was RMB 11,056,769.

The fair value of equity instruments on the grant date is based on the market price of the stock on the grant date, taking into account the terms under which the shares are granted
 The fair value of equity instruments is confirmed after adjustments to the conditions.

On each balance sheet date during the waiting period, the best estimate is made based on the latest follow-up information such as changes in the number of vested employees.
 The number of equity instruments that are expected to be exercisable is revised. On the vesting date, the final estimated number of vesting equity instruments is actually feasible
 The number of right tools is the same.

According to the company's subsidiary Changxin Shengzhilian (Shenzhen) Technology Co., Ltd. ("Changxin Shengzhilian") on September 15, 2020
 Approved by the shareholders meeting, agreed to pass and implement the "Changxin Shengzhilian (Shenzhen) Technology Co., Ltd. 2020 Employee Stock Ownership
 "Draft Plan", grant incentive shares to incentive objects in an indirect way, and establish Wuhan Xinxiangcheng Enterprise Management Consulting Partnership (with
 Limited Partnership) ("Wuhan Xinxiangcheng") and Wuhan Xinruixiang Enterprise Management Consulting Partnership (Limited Partnership) ("Wuhan Xinxiangcheng")
 It is a platform for employee stock ownership and used for the grant of share incentive plans. The fair value of the increased shares shall refer to the latest increase on the date of share grant
 The valuation of the capital is determined, the proposed capital increase is 7,056,336 shares, the capital increase price is RMB 2.32 per share, and the total capital increase is RMB 16,370,7
 Yuan. Since there is no difference between the incentive share grant price and the fair price of this plan, no share-based payment fees will be incurred.

The above-mentioned shares were carried out in accordance with the provisions of the "Changxin Shengzhilian (Shenzhen) Technology Co., Ltd. 2020 Employee Stock Ownership Pl.
 Locked.

3. Cash-settled share-based payment

☐Applicable ☒Not applicable

4. Modification and termination of share-based payment

☐Applicable ☒Not applicable

5. Other
☐Applicable ☒Not applicable

14. Commitments and contingencies

1. Important commitments

☒Applicable ☐Not applicable

Important external commitments, nature, and amount existing on the balance sheet date

Capital commitment

project	December 31, 2020	December 31, 2019
project	1,472,527,339	1,529,290,983
Other long-term equity investments		122,654,840
total	1,472,527,339	1,651,945,823

2. Contingencies

(1). Important contingencies existing on the balance sheet date

☐Applicable ☒Not applicable

(2). The company has no important contingent matters that need to be disclosed, and it should also explain:

☐Applicable ☒Not applicable

3. Other

☐Applicable ☒Not applicable

15. Events after the balance sheet date

1. Important non-adjusting matters

☐Applicable ☒Not applicable

2. Profit distribution

☒Applicable ☐Not applicable

Unit: Currency: RMB

Proposed distribution of profits or dividends	163,707,503
Profits or dividends declared after deliberation and approval	0

On March 26, 2021, the board of directors proposed that the company distribute cash dividends of RMB 0.216 per share to ordinary shareholders. A total of RMB 163,707,503. This proposal has yet to be approved by the shareholders meeting. Cash dividend proposed after the balance sheet date. It is not recognized as a liability on the balance sheet date.

3. Sales return

☐Applicable ☒Not applicable

4. Explanation of other matters after the balance sheet date

☒Applicable ☐Not applicable

On February 18, 2021, the company and the company's shareholder Wuhan Changjiang Communication Industry Group Co., Ltd. Letter") signed an acquisition agreement, which agreed that the company will purchase the company's joint venture held by Yangtze Communications at RMB 20,553,300. Yechangfei (Wuhan) Optical System Co., Ltd. ("Yangtime Optical System") has a 28.42% stake. After the transaction is completed, the company will hold With 74.74% equity of Feiguang System, YOFC will become the holding subsidiary of the company and be included in the scope of the consolidated statement. This transaction The company's public listing and sale through the Beijing Equity Exchange won the bid. Issued for the Beijing Equity Exchange on the delivery completion date On the date of the transaction certificate, the rights and risks corresponding to the acquired equity of YOFC will be transferred to the company from the date of completion of the delivery. / On February 24, 2021, the Beijing Equity Exchange has issued a property rights transaction certificate. As of the date of issuance of the report, the company has paid for the acquisition The price is RMB 20,553,300.

16. Other important matters

1. Correction of previous accounting errors

(1). Retrospective restatement method

□Applicable √Not applicable

(2). Future applicable law

□Applicable √Not applicable

2. Debt restructuring

□Applicable √Not applicable

3. Asset replacement

(1). Exchange of non-monetary assets

□Applicable √Not applicable

(2). Replacement of other assets

□Applicable √Not applicable

4. Annuity plan

□Applicable √Not applicable

5. Termination of operation

□Applicable √Not applicable

6. Branch information

(1). Determining basis and accounting policies of the report segment

√Applicable □Not applicable

According to the internal organizational structure, management requirements and internal reporting system, the Group has determined two optical fibers, optical fiber preforms and optical fiber preform division. Each reporting segment is a separate business segment that provides different products. The management of the Group will review different The financial information of the segment is used to determine the allocation of resources to it and the evaluation of performance.

- Optical Fiber and Optical Fiber Preform Division-Mainly responsible for the production and sales of optical fibers and optical fiber preforms.
- Optical Cable Division-Mainly responsible for the production and sales of optical cables.

(1) Reporting segment profit or loss, assets and liabilities information

In order to evaluate the performance of each segment and allocate resources to it, the management of the Group regularly reviews the assets and revenues attributable to each segment The basis for compiling this information is as follows:

Segment assets include all tangible assets, other long-term assets and current assets such as accounts receivable attributable to each segment, but not Including deferred income tax assets, long-term equity investments, intangible assets and other unallocated assets.

Segment operating results refer to the external transaction income generated by each segment, after deducting the operating costs incurred by each segment. The group does No other expenses such as sales and management expenses, financial expenses, etc. are allocated to each segment.

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(2). Report the financial information of the segment

√Applicable □Not applicable

project				Unallocated amount	Unit: Currency: R Inter-segment elimination
	Optical fiber and optical fiber preform	Optic Cable Division	other		
	Branch				
Foreign transaction income	2,952,996,546	3,287,516,698	1,981,029,723		8,227,542,967
Inter-segment transaction income	591,571,742	93,728,011	531,400,544		1,216,700,297
Segment profit	1,090,934,062	488,794,511	354,226,299		146,311,114 1,787,64
Including: depreciation and amortization expenses	243,276,739	-47,527,857	-94,363,734		-4,283,686 -380,884
Taxes and surcharges				-22,279,411	-
sales expense				-370,922,594	-370,922,594
Management costs				-476,220,543	-476,220,543
R&D expenses				-414,571,192	-414,571,192
Financial expenses				-60,876,636	-60,876,636

Asset impairment loss				-45,091,143		-
Credit impairment loss				-76,837,297		-
Gains from changes in fair value				94,152,688		
Investment income				36,505,003		
Of which: for associates and joint ventures				27,068,532		
Investment income						
Asset disposal income				1,758,577		
Other income				127,390,031		1
Operating profit/ (loss)	1,090,934,062	488,794,511	354,226,299	-1,206,992,517	146,311,114	5
Non-operating income				4,441,780		
Operating expenses				-5,852,078		
Total profit / (loss)	1,090,934,062	488,794,511	354,226,299	-1,208,402,815	146,311,114	5
Income tax expense				-35,040,964		-
Net profit/ (loss)	1,090,934,062	488,794,511	354,226,299	-1,243,443,779	146,311,114	5

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(3). If the company has no reportable segments, or cannot disclose the total assets and total liabilities of each reportable segment, the reasons should be explained

☐Applicable ☒Not applicable

(4). Other instructions

☒Applicable ☐Not applicable

(A) Regional information

The Group lists the relevant foreign transaction income and non-current assets (including fixed assets, construction in progress See the table below for the information on processes, intangible assets, long-term equity investments and other prepayments (specific non-current assets), the same below). Diplomacy Easy income is divided according to the location of the customer receiving the service or purchasing the product. Non-current assets are based on the physical location of the assets (For fixed assets) or allocated to the location of the relevant business (for intangible assets and goodwill) or joint ventures and associates The location is divided.

Country or region	Total foreign transaction income		Total non-current assets	
	2020 year	2019 year	2020 year	2019 year
China				
Of which: Mainland China	6,119,007,728	6,107,898,424	5,759,802,244	5,432,937,986
Subtotal	6,119,007,728	6,107,898,424	5,759,802,244	5,432,937,986
other	2,102,535,239	1,661,277,071	400,754,104	320,824,173
total	8,221,542,967	7,769,175,495	6,160,556,348	5,753,762,159

(B) Major customers

Among the Group's customers, the Group has one customer whose revenue from a single customer accounts for 10% or more of the Group's total revenue (2019 Year: 1), accounting for approximately 11% of the Group's total revenue (2019: 12%). The amount of revenue from these customers is listed below:

customer	2020 year		2019 year	
	Division name	Amount	Division name	Amount
Client 1	Fiber Optic Cable Division	855,286,044	Fiber Optic Cable Division	841,497,047

7. Other important transactions and matters that have an impact on investors' decision-making

☐Applicable ☒Not applicable

8. Other

☒Applicable ☐Not applicable

Directors' remuneration

In accordance with the "Hong Kong Company Law" Section 383 Article 1 and the "Disclosure of Directors' Remuneration Information" in Part II of the Company Law Details of the disclosed directors' remuneration (including the chief executive officer and supervisors) are as follows:

	Current or previous position	2020 year			Retirement benefits total
		Salary, allowance And other benefits	Discretionary bonus	Plan contributions	
director					
Ma Jie	director	351,316			351,316
Philippe Claude Vanhille	director	435,100			435,100

Zhuang Dan	Director and General Manager	1,832,419	660,000	66,325
Pier Francesco Facchini	director	435,100		2,558,744
				435,100

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Frank Franciscus Dorjee	director	435,100			435,100
Xiong Xiangfeng	director	468,421			468,421
Guo Tao	director	312,282			312,282
Lai Zhimin	director	429,387			429,387
Yao Jingming (Note i)	director	39,034			39,034
Independent non-executive director					
Huang Tianyou	Independent non-executive director	398,843			398,843
Liu Deming	Independent non-executive director	444,268			444,268
Song Wei	Independent non-executive director	429,387			429,387
Teng Binsheng	Independent non-executive director	429,387			429,387
Wei Weifeng (Note i)	Independent non-executive director	36,258			36,258
Ye Xi'an (Note i)	Independent non-executive director	36,258			36,258
Supervisor					
Li Ping	Supervisor	257,289			257,289
Li Zhuo	Supervisor	257,289			257,289
Jiang Zhikang	Supervisor	1,141,330	240,000	66,325	1,447,655
Li Changai (Note i)	Supervisor	14,881			14,881
total		5,209,600	2,973,749	900,000	132,650 9,215,999

Note:
(i) The above-mentioned directors and supervisors have resigned on January 20, 2020.

		2019 year			
Current or previous position		Salary, allowance And other benefits	Discretionary bonus	Retirement benefits Plan contributions	total
director					
Ma Jie	director	468,421	960		469,381
Philippe Claude Vanhille	director	435,100			435,100
Yao Jingming	director	468,421			468,421
Zhuang Dan	Director and General Manager	1,774,473		91,074	1,865,547
Pier Francesco Facchini	director	435,100			435,100
Frank Franciscus Dorjee	director	435,100			435,100
Xiong Xiangfeng	director	468,421			468,421
Zheng Huili	director	713,358		76,955	790,313
Independent non-executive director					
Wei Weifeng	Independent non-executive director	435,100			435,100
Ye Xi'an	Independent non-executive director	435,100			435,100
Li Ping	Independent non-executive director	468,421			468,421
Li Zhuo	Independent non-executive director	468,421			468,421
Supervisor					
Wang Ruichun	Supervisor	1,094,473		91,074	1,185,547
Liu Deming	Supervisor	178,571			178,571
Li Changai	Supervisor	178,571			178,571
total		4,874,747	3,583,264	259,103	8,717,114

Highest paid person

During the current year, the number of directors, chief executives, supervisors, non-directors and non-supervisors among the five highest paid individuals is listed as follows:

	2020 year	2019 year
Directors, chief executives and supervisors	1	1
Non-directors and non-supervisors	4	4
total	5	5

The remuneration of directors (including the chief executive officer and supervisors) is detailed in Note 12, Related Party and Related Party Transactions 5(7). The rest of the 1
The total amount of remuneration for the golden person is as follows:

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	2020 year	2019 year
Remuneration and other remuneration	6,015,077	6,276,737
Discretionary bonus	780,000	491,539
Retirement plan contributions	235,909	221,298
total	7,030,986	6,989,574

The remuneration of non-directors and non-supervisors among the highest paid individuals is within the following range:

	2020 year	2019 year
HKD 1,500,001 to HKD 2,000,000 (RMB 1,262,401 to RMB 1,683,200)	1	3
HKD 2,000,001 to HKD 2,500,000 (RMB 1,683,201 to RMB 2,104,000)	3	
HKD 2,500,001 to HKD 3,000,000 (RMB 2,104,001 to RMB 2,524,800)		1
HKD 3,000,001 to HKD 3,500,000 (RMB 2,524,801 to RMB 2,945,600)		
HKD 4,000,001 to HKD 4,500,000 (RMB 3,366,401 to RMB 3,787,200)		
total	4	4

17. Notes to the main items of the financial statements of the parent company

1. Accounts receivable

(1) Disclosure by age

√Applicable □Not applicable

		Unit: Currency: RMB	
Aging		Book balance at the end of the period	
Within 1 year (including 1 year)		3,123,393,859	
Subtotal within 1 year		3,123,393,859	
1 to 2 years		581,466,947	
2 to 3 years		104,932,292	
over 3 years		64,513,877	
total		3,874,306,975	

(2) Disclosure by classification method of bad debt accrual

√Applicable □Not applicable

		Unit: Currency: RM							
		Ending balance				Opening Balance			
category	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision	
	Amount	Proportion(%)	Amount	Withdrawal ratio example(%)		Amount	Proportion(%)	Amount	Withdrawal ratio example(%)
Accrual of bad debts per item	8,673,835	0.22	8,673,835	100.00					
Prepare in:									
Customer base in breach of contract	8,673,835	0.22	8,673,835	100.00					
body									
Accrual of bad debts based on portfolio	3,865,438.40	99.78	139,662,552	3.61	3,725,970,588	3,194,650,389	100%	87,319,860	2.73
Prepare in:									

Group 1	75,614,149	1.95	254,089	0.34	75,360,060	86,031,364	2.69	4,849,046	5.64
Group 2	1,813,339,308	46.80	72,378,830	3.99	1,740,960,478	1,736,146,044	54.35	42,246,893	2.43
Group 3	1,332,380,075	34.39	67,029,633	5.03	1,265,350,442	1,023,287,736	32.03	40,223,921	3.93
Group 4	644,299,608	16.63			644,299,608	349,185,245	10.93		3.
total	3,874,306,975	100.00	148,336,387	/	3,725,970,588	3,194,650,389	100.00	87,319,860	/

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Provision for bad debts on a single item basis:

☒Applicable ☐Not applicable

Bit: Yuan Currency: RMB

name	Ending balance			Reason for provision
	Book balance	Bad debt provision	Withdrawal ratio (%)	
Client 1	8,673,835	8,673,835	100	Low probability of recovery
total	8,673,835	8,673,835	100	/

Explanation of provision for bad debts according to a single item:

☐Applicable ☒Not applicable

Provision for bad debts by combination:

☒Applicable ☐Not applicable

Combination of accrual items: combination according to credit risk characteristics

Unit: Currency: RMB

name	Ending balance		
	accounts receivable	Bad debt provision	Withdrawal ratio (%)
Group 1	75,614,149	254,089	0.34
Group 2	1,813,339,308	72,378,830	3.99
Group 3	1,332,380,075	67,029,633	5.03
Group 4	644,299,608		
total	3,865,633,140	139,662,552	3.61

Confirmation standards and instructions for accruing bad debts by combination:

☒Applicable ☐Not applicable

Based on historical experience, the company's customers are divided into

Lower group:

- Group 1: Related parties outside the group;
- Group 2: China Telecom network operators and other companies with good credit records;
- Group 3: Customers other than groups 1, 2 and 4;
- Group 4: Subsidiaries within the group.

If the provision for bad debts is made according to the general expected credit loss model, please refer to the disclosure of other receivables:

☐Applicable ☒Not applicable

(3) The situation of bad debt provision

☒Applicable ☐Not applicable

Unit: Currency: RMB

category	Opening Balance	Accrual	Changes in the current period			Ending balance
			Retract or Switch back	Resale or write-off	other change	
Provision for bad debts of accounts receivable	87,319,860	67,340,916		6,324,389		148,336,387
total	87,319,860	67,340,916		6,324,389		148,336,387

Among them, the amount of bad debt provision for the current period to be recovered or reversed is important:

☐Applicable ☒Not applicable

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(4). Accounts receivable actually written off in the current period

☒Applicable ☐Not applicable

Unit: Currency: RMB

project	Amount written off	6,324,389
Accounts receivable actually written off		

Among them, the important accounts receivable write-off situation

☐Applicable ☒Not applicable

(5). The top five accounts receivable of the ending balance collected by the owing party

☒Applicable ☐Not applicable

The total balance of the top five accounts receivable of the company at the end of the year was RMB 1,578,695,279 (2019: RMB 1,399,113,957 yuan), accounting for 41% of the total balance of accounts receivable at the end of the year (2019: 44%). Corresponding provision year for bad debts

The total closing balance is RMB 47,161,373 (2019: RMB 30,269,168)

(6). Accounts receivable derecognized due to the transfer of financial assets

☐Applicable ☒Not applicable

(7). The amount of assets and liabilities formed by the transfer of accounts receivable and continued involvement

☐Applicable ☒Not applicable

other instructions:

☐Applicable ☒Not applicable

2. Other receivables

List of items

☒Applicable ☐Not applicable

project	Ending balance	Unit: Currency: RMB Opening Balance
Interest receivable	11,739,267	
Dividend receivable	2,912,197	522,213
Other receivables	1,148,168,486	1,759,375,056
total	1,162,819,950	1,759,897,269

other instructions:

☐Applicable ☒Not applicable

Interest receivable

(1). Classification of interest receivable

☒Applicable ☐Not applicable

project	Ending balance	Unit: Currency: RMB Opening Balance
Entrusted Loan	11,739,267	
total	11,739,267	

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(2). Important overdue interest

☐Applicable ☒Not applicable

(3). Provision for bad debts

☐Applicable ☒Not applicable

other instructions:

☐Applicable ☒Not applicable

Dividend receivable

(1). Dividends receivable

☒Applicable ☐Not applicable

Project (or invested unit)	Unit: Currency: RMB	
	Ending balance	Opening Balance
Wuhan Steel & Electricity Co., Ltd.	103,695	
Wuhan Guangyuan Electronic Technology Co., Ltd.	522,213	522,213
YOFC-Yadanarbon Fibre Company Limited	2,286,289	
total	2,912,197	522,213

(2). Important dividends receivable with an aging of more than 1 year

☐Applicable ☒Not applicable

(3). Provision for bad debts

☐Applicable ☒Not applicable

other instructions:

☐Applicable ☒Not applicable

Other receivables

(1). Disclosure by age

☒Applicable ☐Not applicable

Aging	Unit: Currency: RMB	
	Book balance at the end of the period	
Within 1 year (including 1 year)	1,110,906,534	
Subtotal within 1 year	1,110,906,534	
1 to 2 years	29,918,950	
2 to 3 years	5,820,339	
over 3 years	1,522,663	
total	1,148,168,486	

(2). Classification according to the nature of the payment

☒Applicable ☐Not applicable

Nature of Payment	Unit: Currency: RMB	
	Book balance at the end of the period	Beginning book balance
Receivable subsidiary	1,061,558,678	1,682,488,305
Receivable from other related companies	31,223,474	13,979,809

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Margin	37,048,781	41,572,266
other	18,337,553	21,334,676
total	1,148,168,486	1,759,375,056

(3). Provision for bad debts

☐Applicable ☒Not applicable

The amount of provision for bad debts in the current period and the basis for assessing whether the credit risk of financial instruments has increased significantly:

☐Applicable ☒Not applicable

(4). Bad debt provision

☐Applicable ☒Not applicable

(5). Other accounts receivable actually written off in the current period

☐Applicable ☒Not applicable

(6). Other receivables of the top five ending balances collected by the owing party

√Applicable □Not applicable

				Unit: Currency: RMB	
company name	Sex of money quality	Ending balance	Aging	Account for other	
				Receivables	Bad debts
				At the end of the period	At the end of the period
				Total	End of term
				Ratio of number to balance example(%)	Balance
YOFC Qianjiang Co., Ltd.	Financial support	225,339,018	within one year	19.63	
YOFC Optical Fiber and Cable (Tianjin) Co., Ltd.	financial support	195,411,710	within one year	17.02	
Changxinsheng (Wuhan) Technology Co., Ltd.	financial support	85,725,714	within one year	7.47	
Sichuan Guangheng Communication Technology Co., Ltd.	financial support	67,000,000	within one year	5.84	
Zhejiang Lianfei Optical Fiber and Cable Co., Ltd.	financial support	65,000,000	within one year	5.66	
total	/	638,476,442	/	55.62	

(7). Receivables involving government subsidies

□Applicable √Not applicable

(8). Other receivables derecognized due to the transfer of financial assets

□Applicable √Not applicable

(9). The amount of assets and liabilities formed by the transfer of other receivables and continued involvement

□Applicable √Not applicable

other instructions:

□Applicable √Not applicable

3. Long-term equity investment

√Applicable □Not applicable

Unit: Currency: RMB					
project	Ending balance		Opening Balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment
Investment in subsidiary	1,493,063,458		1,493,063,458	1,337,837,262	1,143,000,000
Investment in associates and joint ventures	1,432,833,609	227,369	1,432,606,240	1,436,249,607	1,436,249,607
total	2,925,897,067	227,369	2,925,669,698	2,774,086,869	179,613,900

(1). Investment in subsidiaries

√Applicable □Not applicable

Unit: Currency: RMB					
Investee	Opening Balance	Increase in this period	Decrease in current period	ending balance	Provision for impairment in the ending balance
YOFC Optical Fiber and Cable (Hong Kong) Co., Ltd.	63,280			63,280	
Changxinsheng (Wuhan) Technology Co., Ltd.	225,000,000		225,000,000		
Changxin Shengzhilian (Shenzhen) Technology Co., Ltd.	39,795,100	90,719,000		130,514,100	
PT. Yangtze Optical Fibre Indonesia	93,824,209			93,824,209	
YOFC Shenyang Co., Ltd.	40,000,000			40,000,000	
YOFC Lanzhou Co., Ltd.	30,000,000			30,000,000	
YOFC Qianjiang Co., Ltd.	404,000,000			404,000,000	
Zhejiang Lianfei Optical Fiber and Cable Co., Ltd.	94,860,000			94,860,000	
Wuhan Changfei General Cable Co., Ltd.	58,800,841			58,800,841	
Hubei Feiling Optical Fiber Material Co., Ltd.	52,200,000			52,200,000	
Won the bid of Yiyun Information Technology Co., Ltd.	30,000,000			30,000,000	
Yangtze Optics Africa Holdings Proprietary Limited	33,586,050			33,586,050	
PT. Yangtze Optics Indonesia	66,046,512			66,046,512	
YOFC Baosheng Offshore Engineering Co., Ltd.	3,570,000	5,600,000		9,170,000	
Wuhan Changfei Capital Management Co., Ltd.	55,476,222	25,670,000		81,146,222	
YOFC Optical Fiber and Cable (Tianjin) Co., Ltd.	107,800,000			107,800,000	
Wuhan Changfei Ruitong Industry Development Co., Ltd.	2,815,048		2,815,048		
Wuhan Changfei Wisdom Network Technology Co., Ltd.		32,000,000		32,000,000	
Sichuan Guangheng Communication Technology Co., Ltd.		151,203,140		151,203,140	

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not applicable

5. Investment income

√Applicable □Not applicable

project	Unit: Currency: RMB	
	Current period	Previous period
Long-term equity investment income calculated by cost method	20,100,956	
Long-term equity investment income calculated by the equity method	23,879,654	112,040,533
Investment income from the disposal of long-term equity investments	-11,982,529	10,290,909
Investment income of trading financial assets during the holding period		
Dividend income from other equity instrument investments during the holding period	103,695	267,600
Interest income from debt investment during the holding period		
Interest income from other debt investments during the holding period		
Investment income from disposal of trading financial assets	8,912,643	1,093,535
Investment income from the disposal of other equity instrument investments		
Investment income from disposal of debt investment		
Investment income from the disposal of other debt investments		
total	41,014,419	123,692,577

other instructions:

not applicable

6. Other

□Applicable √Not applicable

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18. Supplementary information

1. Current non-recurring profit and loss schedule

√Applicable □Not applicable

project	Unit: Currency: RMB	
	Amount	illustrate
Non-current asset disposal gains and losses	-1,839,569	
Tax refunds and exemptions for ultra vires approval or without formal approval documents		
Government subsidies included in the current profit and loss (closely related to the business of the enterprise, in accordance with the unified national standard Except for fixed or quantitative government subsidies)	128,593,868	
Capital occupation fee charged to non-financial enterprises included in current profit and loss		
The investment cost of the company to obtain subsidiaries, associates and joint ventures is less than when the investment is obtained		
Should enjoy the income generated by the fair value of the identifiable net assets of the investee		
Non-monetary asset exchange gains and losses		
Entrust others to invest or manage the profit and loss of assets		
Provisions for impairment of various assets due to force majeure factors, such as natural disasters		
Debt restructuring gains and losses		
Enterprise restructuring expenses, such as staff placement expenses, integration expenses, etc.		
The part of the profit and loss in excess of the fair value generated by the transaction whose transaction price is obviously unfair		
Net profit and loss for the current period from the beginning of the period to the date of the merger arising from a business combination under the same control		
Profits and losses arising from contingent events that have nothing to do with the company's normal business operations		
Except for the effective hedging business related to the company's normal business operations, holding transactional funds	193,485,464	
Fairness arising from financial assets, derivative financial assets, transactional financial liabilities, and derivative financial liabilities		
Value change gains and losses, and disposal of transactional financial assets, derivative financial assets, and transactional funds		
Investment income from financial liabilities, derivative financial liabilities and other debt investments		
Reversal of provision for impairment of receivables and contract assets that have been separately tested for impairment		
Gains and losses from external entrusted loans		
Changes in the fair value of investment real estate that are subsequently measured using the fair value model		
Profit and loss		
According to the requirements of taxation, accounting and other laws and regulations, make a one-time adjustment to the current profit and loss.		
Impact of period profit and loss		
Custody fee income from entrusted operations		
Other non-operating income and expenses other than the above	1,287,597	
Other profit and loss items that meet the definition of non-recurring profit and loss	872,253	
Income tax impact	-35,020,994	
Amount of influence of minority shareholders' equity	-2,400,026	

Note: The above-mentioned non-recurring profit and loss items are listed according to the ^{.total}194,978,593 pre-tax amount.

Define the definition of the company according to the "Explanatory Announcement No. 1 on Information Disclosure of Companies Publicly Issuing Securities-Non-recurring Profits a Non-recurring gains and losses items, and the "Explanatory Announcement No. 1 on Information Disclosure of Companies Offering Securities to the Public-Non-recurring Losses" The non-recurring gains and losses listed in the "Benefits" are defined as recurring gains and losses, and the reasons should be explained.
☐Applicable ☒Not applicable

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2. Return on net assets and earnings per share

☒Applicable ☐Not applicable

Profit during the reporting period	Weighted average net assets rate of return(%)	Earnings per share	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to common shareholders of the company	6.13	0.72	0.72
Attributable to the company after deducting non-recurring gains and losses		0.46	0.46
Net profit of common shareholders			

3. Differences in accounting data under domestic and foreign accounting standards

☐Applicable ☒Not applicable

4. Other

☐Applicable ☒Not applicable

Section 12 List of Documents Available for Inspection

Reference file directory	1. It contains the signatures and stamps of the legal representative, the person in charge of the accounting work, and the person in charge of the accounting Chapter of the financial statements;
Reference file directory	2. The original audit report with the seal of the accounting firm and the signature and seal of the certified public accountant;
Reference file directory	3. The correctness of all company documents publicly disclosed in the newspapers designated by the China Securities Regulatory Commission during the r Manuscripts of this and announcement;
Reference file directory	4. Other relevant documents

Chairman: Ma Jie

Board approval date: March 26, 2021

Revised information
☐Applicable ☒Not applicable