

**BOE**

# **2016 Semi-annual Report**

**August 2016**

**京东方科技集团股份有限公司**  
**BOE TECHNOLOGY GROUP CO., LTD.**

## **Section I Important Statements, Contents and Terms**

**The board of directors (the “Board”), the board of supervisors (the “Board of Supervisors”) as well as the directors, supervisors and senior management of BOE Technology Group Co., Ltd. (the “Company”) hereby guarantee the factuality, accuracy and completeness of the contents of the Report, and shall be jointly and severally liable for any false representation, misleading statements or material omissions in the Report.**

**All the directors attended the board meeting for the review of the Report.**

**The Company plans not to distribute cash dividends or bonus shares or convert capital reserve into share capital.**

**Mr. Wang Dongsheng, Board Chairman, Mr. Chen Yanshun, President of the Executive Committee (CEO), Ms. Sun Yun, accounting head for the Report, and Ms. Yang Xiaoping, head of the accounting organ (head of accounting), hereby guarantee that the Financial Report carried in the Report is factual, accurate and complete.**

**The Report has been prepared as per China’s Accounting Standards for Business Enterprises and other relevant regulations.**

**The Report has been prepared in both Chinese and English. Should there be any discrepancies or misunderstandings between the two versions, the Chinese version shall prevail.**

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## Terms

Term	Meaning
BOE, the Company, Company	BOE Technology Group Co., Ltd.
Stock Listing Rules	Stock Listing Rules of Shenzhen Stock Exchange (Revised in 2014)
SZSE, the Stock Exchange	Shenzhen Stock Exchange
CSRC	China Securities Regulation Commission
CSRC Beijing	China Securities Regulation Commission Beijing Bureau
Articles of Association	Articles of Association of BOE Technology Group Co., Ltd.
The “Company Law”	The “Company Law of the People’s Republic of China”
The “Securities Law”	The “Securities Law of the People’s Republic of China”
The cninfo website	<a href="http://www.cninfo.com.cn/">http://www.cninfo.com.cn/</a>
BOEOST	BOE Optical Science and Technology Co., Ltd.
Chengdu BOE	Chengdu BOE Optoelectronics Technology Co., Ltd.
Hefei BOE	Hefei BOE Optoelectronics Technology Co., Ltd.
BOE Display	Beijing BOE Display Technology Co., Ltd.
Hefei Xinsheng	Hefei Xinsheng Optoelectronics Technology Co., Ltd.
Yuansheng Optoelectronics	Ordos Yuansheng Optoelectronics Co., Ltd.
Chongqing BOE	Chongqing BOE Optoelectronics Technology Co., Ltd.
OASIS Hospital	OASIS International Hospital
SID	The Society for Information Display
Varitronix International Limited	Varitronix International Limited

## Section II Corporate Profile

### I Corporate information

Stock name	BOE A, BOE B	Stock code	000725, 200725
Stock exchange	Shenzhen Stock Exchange		
Company name in Chinese	京东方科技集团股份有限公司		
Abbr. (if any)	京东方		
Company name in English (if any)	BOE TECHNOLOGY GROUP CO., LTD.		
Abbr. (if any)	BOE		
Legal representative	Wang Dongsheng		

### II Contact information

Item	Board Secretary	Securities Representative
Name	Liu Hongfeng	Cui Zhiyong
Address	12 Xihuan Middle Road, Beijing Economic-Technological Development Area, P.R.China	12 Xihuan Middle Road, Beijing Economic-Technological Development Area, P.R.China
Tel.	010—64318888 ext.	010—64318888 ext.
Fax	010—64366264	010—64366264
E-mail	liuhongfeng@boe.com.cn	cuizhiyong@boe.com.cn

### III Other information

#### 1. Ways to contact the Company

Did any change occur to the registered address, office address and their postal codes, website address and email address of the Company during the Reporting Period?

Applicable  Not applicable

The registered address, office address and their postal codes, website address and email address of the Company did not change during the Reporting Period. The said information can be found in the 2015 Annual Report.

#### 2. About information disclosure and where the Report is kept

Did any change occur to information disclosure media and the place where the Report is kept during the Reporting Period?

Applicable  Not applicable

The newspapers designated by the Company for information disclosure, the website designated by the CSRC for disclosing the

Report and the location where the Report is placed did not change during the Reporting Period. The said information can be found in the 2015 Annual Report.

### **3. Change of the registered information**

Did any change occur to the registered information during the Reporting Period?

Applicable  Not applicable

The registration date and place of the Company, its business license No., taxation registration No. and organizational code did not change during the Reporting Period. The said information can be found in the 2015 Annual Report.

## Section III Highlights of Accounting Data and Financial Indicators

### I Major accounting data and financial indicators

Whether the Company performs any retroactive adjustments to or restatements of its accounting data of last year due to change in accounting policies or correction of accounting errors

Yes  No

Item	Reporting Period	Same period of last year	YoY +/- (%)
Operating revenues (RMB Yuan)	26,448,310,717.00	22,970,848,112.00	15.14%
Net profit attributable to shareholders of the Company (RMB Yuan)	-516,472,418.00	1,951,170,852.00	-126.47%
Net profit attributable to shareholders of the Company after excluding exceptional profit and loss (RMB Yuan)	-2,309,697,388.00	1,576,397,937.00	-246.52%
Net cash flows from operating activities (RMB Yuan)	2,734,086,955.00	5,453,391,488.00	-49.86%
Basic earnings per share (RMB Yuan/share)	-0.015	0.055	-127.27%
Diluted earnings per share (RMB Yuan/share)	-0.015	0.055	-127.27%
Weighted average return on equity (%)	-0.67%	2.53%	-3.20%
Item	As at the end of the Reporting Period	As at the end of last year	YoY +/- (%)
Total assets (RMB Yuan)	170,275,785,022.00	152,592,894,442.00	11.59%
Net assets attributable to shareholders of the Company (RMB Yuan)	76,601,140,771.00	77,485,275,564.00	-1.14%

### II Differences between accounting data under domestic and overseas accounting standards

#### 1. Differences of net profit and net assets disclosed in financial reports prepared under international and Chinese accounting standards

Applicable  Not applicable

No such differences for the Reporting Period.

#### 2. Differences of net profit and net assets disclosed in financial reports prepared under overseas and Chinese accounting standards

Applicable  Not applicable

No such differences for the Reporting Period.

### III Exceptional profit and loss

√ Applicable □ Not applicable

Unit: RMB Yuan

Item	Amount	Note
Profit/loss on disposal of non-current assets (including offset asset impairment provisions)	2,530,679.00	--
Tax rebates, reductions and exemptions due to approval beyond authority or the lack of official approval documents	0.00	--
Government grants charged to the profit/loss for the Reporting Period (except for the government grants closely related to the business of the Company and given at a fixed quota or amount in accordance with the State's uniform standards)	1,660,030,393.00	--
Capital occupation charges on non-financial enterprises that are charged to the profit/loss for the Reporting Period	0.00	--
Profit due to the situation where investment costs for the Company to obtain subsidiaries, associates and joint ventures are lower than the enjoyable fair value of identifiable net assets of investees when making investments	105,228,293.00	--
Profit/loss on non-monetary asset swap	0.00	--
Profit/loss on entrusting others with investments or asset management	0.00	--
Asset impairment provisions due to acts of God such as natural disasters	0.00	--
Profit/loss on debt restructuring	0.00	--
Restructuring costs in staff arrangement, integration, etc.	0.00	--
Profit/loss on the part over the fair value due to transactions with distinctly unfair prices	0.00	--
Net Reporting Period profit/loss on subsidiaries acquired through business mergers under the same control from the period-beginning to merger dates	0.00	--
Profit/loss on contingencies irrelevant to the Company's normal business activities	0.00	--
Profit/loss on fair value changes of transactional financial assets and liabilities & investment income from disposal of transactional financial assets and liabilities as well as financial assets available for sale, except for effective hedges related to normal business operations of the Company	71,301,001.00	--
Impairment provision reversal for accounts receivable on which the impairment test is carried out separately	0.00	--
Profit/loss on entrusted loans	0.00	--
Profit/loss on fair value changes in investing properties of which the subsequent measurement is carried out adopting the fair value method	0.00	--
Effect on Reporting Period profit/loss when a one-off adjustment is made to Reporting Period profit/loss according to requirements of taxation, accounting and other relevant laws and regulations	0.00	--
Custody fee income when entrusted with operations	0.00	--



Non-operating income and expense other than the above	20,066,586.00	--
Other profit/loss that meet the definition of exceptional profit/loss	0.00	--
Less: Corporate income tax effects	38,222,530.00	--
Minority interests effects (after tax)	27,709,452.00	--
Total	1,793,224,970.00	--

Explanation of why the Company classified an item as exceptional profit/loss according to the definition in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public—Exceptional Profit and Loss, or reclassified any exceptional profit/loss item given as an example in the said explanatory announcement to recurrent profit/loss

Applicable  Not applicable

No such cases in the Reporting Period.

## Section IV Report by the Board of Directors

### I Overview

Up to the end of the Reporting Period, our operating revenues maintained a growing trend. For the first half of 2016, we expectedly achieved operating revenues of approximately RMB26.4 billion, up 15.14% from the same period of last year. Meanwhile, our percentages of the segment markets have risen steadily, our strength in technology and product innovation have further improved, and In-Cell Touch, LTPS AMOLED and some other new technology have been productized and breakthroughs have been made in the mass production of these products. Our 2.8" LTPS 1600 PPI, 7" FHD LTPS heteromorphic display, 82" 10K curved screen, Alta Max, etc. were spoken highly of in the SID Display Week, the most influential event across the global display sector in US. In addition, we applied for over 4,000 patents in the first half of the year, a 25% increase from a year earlier. Affected by financial volatility and some non-economic factors, the first half of 2016 saw weak demand and growth in the global market. As for the domestic economy, there were no signs of stabilization but mounting downward pressure, and the RMB volatility caused a harsh environment for companies. In terms of the industry, the slowing-down growth in demand and the sharply falling prices in the five major application markets led to loss across the industry, but the markets for products with high added value, new technology and new applications still maintained a fast growth; meanwhile, the emerging new technology & materials, faster market penetration, increasingly fierce competition of patents and reforming business models were producing an oversetting effect through cross-field competition. In face of such a harsh market environment, we managed to do a good job in keeping a low stock of products, increasing our shares in the segment markets and the touch modularized percentage of our products, strengthening our capabilities of technical innovation and product development, making breakthroughs in intelligent manufacturing, pushing forward our major projects, trying to minimize the impact of currency volatility on our business performance, etc.. Details about our performance by business division are given as follows:

#### (1) Display device division

The market share kept increasing in market segments. According to IHS data, as at the end of the 2<sup>nd</sup> quarter, the market share of LCD smart phone and TPC nabbed the top spot in the world, the market share of MNT and TV ranked up to the 2<sup>nd</sup> place in the world, and the market share of NB took the 4<sup>th</sup> place in the globe. With continuous enlargement of new market areas and new strategic clients, the enhancement of cooperation with brand clients and the whole-machine factory industry chain, as well as the expansion of client coverage, the Company has become the 1<sup>st</sup> supplier for plenty of brand clients. The capacity set a record high, the added value kept rising, the bottleneck-procedures were optimized, and the technique capability was improved, which promoted the increase of capacity and yield rate. The Beijing 8.5 Generation Line input-output touched new highs, and the capacity of the Chongqing 8.5 Generation Line was rapidly improved. The integrated completion rate of production plans of all production lines reached above 98%, which satisfied customers' demands. The Company pushed forward the launch of projects of the touch-control modules, the high resolution ratio products, and the new applications, so as to increase the ratio of products with high added-value, and increase the contribution margin of the single baseplates. While focusing on market and customer demands, the Company kept strengthening its technology capability. 130 new product models and 42 kinds of technologies were developed. The product development was mainly based on the touch-control modules and high resolution ratio products. The technology of high resolution ratio for middle and small size products was developed as planned, and was extended to VR/AR area. The Company optimized intelligent integration technology, developed technologies of narrow frame, ultra-thin and ultra-light models, hook face, and heteromorphism into production, and won high praises during the SID exhibition. As for supply system, the Company ensured its stability, introduced new materials and new suppliers, and achieved the goal of cutting down BOM cost through strategic cooperation. The Company applied homemade key materials, equipment, spare products and spare parts, and thus improved the dualization and localization ratio. The Company intensified the tractive efforts brought by new materials and new technologies, emphasized more on

cooperation with core suppliers, so that the development of new technologies and the massive production of new products can be stably processed.

### (2) Smart system division

With Internet and artificial intelligence as the main direction, building mobile health, wisdom, screen couplet, intelligence, wisdom, energy and five business intelligent manufacturing system. As for smart manufacturing division, the Company captured market opportunities, and made breakthroughs in capacity and yield, reaching the planned target for the division. Among them, the big SBU production and sales for one month hit historical high. The Company intensified more on procurement ratio of externally purchased panels, as well as on dualistic introduction of materials, so as to cut down cost and improve efficiency. The Company promoted project manager mechanism, and motivated the vigor and creative power of organizations. As for the mobile SBU unit, the Company developed the industry's leading technologies and products while cooperating with clients, and stabilized mass production. The Company also developed new strategic clients while focusing on markets of the vehicle-mounted products, the industrial automatic controlling products, medical products, and mobile payment products. The yield rate of module products was continuously being improved. As for smart panel division, the Company pushed forward the transformation of business model to "providing consumers with integrated solutions" through five big innovation projects, accomplished strategic source seeking for key projects, as well as the development paths and cooperation module planning for all projects. The Company launched online/offline marketing plans for high end production lines, such as 110"4K、98"4K, etc., which enlarged sales channels. The Company built the entrepreneurial culture for internal staffs, optimized organization structures and business processes, and thus motived innovation vigor and cohesion force. As for the mobile health division, the Company transformed thinking trains and constructed platforms through strategic source seeking, strategic investment and cooperation, and as a result, provided health products and services to target groups. The Company cleared up thoughts on the basis of big data analysis, constructed service and management module in a membership system, and founded the basis of the Company's development of public health service platform. As for smart energy division, the Company carried forward projects of EPC, EMC, and photovoltaic power stations as scheduled, implemented the incentive system, and encouraged whole-staff sales. The environmental lighting business reached the planned net profit index, the engineering projects progressed well, and the promotion of plant factories made efforts. As for smart vehicle connection division, the Company purchased VARITRONIX, a HK listed company, and perfected the business layout of vehicle-mounted display business and vehicle connection net system based on the plat form of VARITRONIX.

### (3) Health service division

With medical information and big data as the basic characteristics, strive to build O2O health care services, O2O health insurance services, park three main business system solutions .As for OASIS Hospital, the Company strengthened more force on department development, enlarged market, and refined management to improve business performance. The Company expanded B2B clients, and gained sharp year-on-year increase in revenue, outpatient amount, and new client amount. As for Hefei Digital Hospital, the project progressed well, the architecture design and medical planning were finished, and the system establishment and talents introduction were being promoted as scheduled. As for the professional park, the Company gained surplus in revenue, and introduced globally well-known enterprise for UBP/UCP divisions, stably implemented in-construction projects, and made smooth progress in project of integration solutions. As for health insurance division, the Company confirmed the cooperate shareholders and signed founder agreement, and submitted company preparation documents to the CIRC for review and approval.

## II Analysis of main business

YoY movements in major financial data

Unit: RMB Yuan

Item	Reporting Period	Same period of last year	YoY +/-%	Main reason for movement
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Operating revenues	26,448,310,717.00	22,970,848,112.00	15.14%	-
Operating costs	23,987,091,158.00	17,509,610,448.00	36.99%	Increased as the sales volume increased
Selling expenses	696,216,454.00	532,688,703.00	30.70%	Increased as the sales volume increased
Administrative expenses	2,311,090,435.00	2,252,419,046.00	2.60%	-
Finance expenses	1,234,879,010.00	176,341,089.00	600.28%	Increase in exchange loss and expensed interest
Corporate income tax	56,258,311.00	411,060,664.00	-86.31%	Lower earnings of the display device division due to a declining market
R&D expenses	1,944,443,159.00	1,414,269,610.00	37.49%	R&D enhancement
Net cash flows from operating activities	2,734,086,955.00	5,453,391,488.00	-49.86%	Considerable drop in our main product prices
Net cash flows from investing activities	-12,633,262,404.00	-11,570,264,006.00	9.19%	-
Net cash flows from financing activities	13,870,080,988.00	1,699,283,524.00	716.23%	Arrival of the funds raised through floating bonds
Net increase in cash and cash equivalents	3,853,303,396.00	-4,495,264,852.00	-185.72%	Arrival of the funds raised through floating bonds
Non-operating revenue	1,793,732,882.00	424,771,458.00	322.28%	Increase in government subsidies

Major changes to the profit structure or sources of the Company in the Reporting Period:

Applicable  Not applicable

No such cases in the Reporting Period.

Reporting Period progress of the future development planning in the disclosed documents of the Company such as share-soliciting prospectuses, offering prospectuses, asset reorganization reports, etc.:

Applicable  Not applicable

No such cases in the Reporting Period.

Review the progress of the previously disclosed business plan in the Reporting Period:

Not applicable

### III Breakdown of main business

Unit: RMB Yuan

Item	Operating revenue	Operating cost	Gross profit margin (%)	Operating revenue: YoY +/-%	Operating cost: YoY +/-%	Gross profit margin: YoY +/-%
By business segment						
Display device	23,281,888,424.00	21,409,179,977.00	8.04%	11.58%	36.38%	-16.73%

Intelligent system	5,316,700,647.00	4,865,343,522.00	8.49%	39.47%	38.22%	0.83%
Health service	421,831,018.00	236,009,523.00	44.05%	21.04%	8.12%	6.68%
Other	397,746,294.00	2,591,623.00	99.35%	22.05%	-56.49%	1.18%
Offset	-2,969,855,666.00	-2,526,033,487.00	14.94%	24.74%	30.71%	-3.89%
<b>By product</b>						
Display devices	23,281,888,424.00	21,409,179,977.00	8.04%	11.58%	36.38%	-16.73%
Intelligent systems	5,316,700,647.00	4,865,343,522.00	8.49%	39.47%	38.22%	0.83%
Health service	421,831,018.00	236,009,523.00	44.05%	21.04%	8.12%	6.68%
Other	397,746,294.00	2,591,623.00	99.35%	22.05%	-56.49%	1.18%
Offset	-2,969,855,666.00	-2,526,033,487.00	14.94%	24.74%	30.71%	-3.89%
<b>By geographical segment</b>						
China	14,391,492,598.00	12,838,812,012.00	10.79%	38.06%	64.38%	-14.28%
Other Asian countries and regions	10,389,678,151.00	9,602,026,112.00	7.58%	7.24%	27.76%	-14.84%
Europe	700,538,195.00	659,442,935.00	5.87%	-38.00%	-21.75%	-19.54%
America	898,981,043.00	824,312,271.00	8.31%	-45.30%	-35.39%	-14.06%
Other regions	67,620,730.00	62,497,828.00	7.58%	-20.53%	-3.15%	-16.57%

#### IV Core competitiveness analysis

1. The Company firmly promoted and implemented DSH business strategy, rapidly formed the layout of new business area, consolidated businesses and improved global competitiveness

In the 1<sup>st</sup> half of Y2016, the BOE firmly promoted and implemented DSH business strategy, made efforts to strengthen and expand display device (D) business, rapidly formed layout of smart system (S) business and health service (H) business, consolidated its businesses and improved global competitiveness. As for display device business, the construction of the Chengdu 6<sup>th</sup> Generation Flexible AMOLED Production Line, as well as the Fuzhou 8.5<sup>th</sup> Generation TFT-LCD Production Line were stably promoted, and capped in advance. The Hefei 10.5<sup>th</sup> TFT-LCD Product Line project construction was rapidly promoted, and the equipment examination progressed smoothly. The aforesaid projects offered the security both in capacity and technology for strengthening and expanding display device business, as well as for making transformation and upgrade of the Company. As for smart system (S) business, the acquirement of VARITRONIX made the foundation for developing smart vehicle connection business for smart system business. As health service (H) business, the architecture design and medical planning of Hefei Digital Hospital project were finished, and the system establishment and talents introduction were being promoted as scheduled.

2. The Company intensified on enlarging and maintaining strategic clients, and deeply ploughed and subdivided the markets

With the policy of “Deep cooperation, Collaborative development, and Value co-creation”, BOE has become the world top supplier in display field. BOE has kept long-term and sustainable cooperation with well-known domestic and overseas clients, including Samsung, LG, Hisense, Konka, Lenovo, Dell, and HP, ranking as the 1<sup>st</sup> supplier for plenty of international 1<sup>st</sup> class brands. While intensifying on enlarging and maintaining strategic clients, the Company deeply ploughed and subdivided the markets, and realized stable increase in market share in subdivided markets. As for display device business, according to IHS data, the market share of LCD smart phone and tablets kept ranking as the world number 1, the market share of laptops ranked in the 4<sup>th</sup> place in the world,

and the displayer and TV business ranked in the 2<sup>nd</sup> place in the world.

3. The Company reinforced independent innovation, and further promoted its ability to innovate

The Company insisted on value creation driven by innovation, and achieved victories by continuous innovation in technologies and products. In the 1<sup>st</sup> half of Y2016, the amount of patents applied broke through 4000, representing a year-on-year increase of 25%. New technologies of TDDI, SLOC, LTPS AMOLED, and so on made breakthroughs in productization and massive production. The Company promoted series of globally leading innovative products. Products and technologies, including 2.8" LTPS 1600 PPI, 7" FHD LTPS heteromorphism display, hook-face product of 82" 10K hook face with the highest resolution rate in the world, and Alta Max, won high praises in global industry in SID.

4. The Company pushed forward transformation and upgrade, and further promoted its brand image

With the promotion of transformation and upgrade, the Company's products and service quality was further improved, the innovation vigor of the organization was further motivated, the publicity and marketing promotion was further enhanced, and the Company's brand image was further improved. In the 1<sup>st</sup> half of Y2016, the CCTV news broadcasting the innovative brand image of the Company for many times, together with the organization and implementation of significant exhibitions in China and overseas, for example, the suppliers' meeting, sharply improved the brand recognition and reputation of the Company.

## V Investment analysis

### 1. Investments in equities of external parties

#### (1) Investments in external parties

Applicable  Not applicable

Investments in external parties		
Investment in the Reporting Period (RMB Yuan)	Investment in the same period of last year (RMB Yuan)	+/-%
467,187,000.00	17,150,625.00	2,624.02%
Investees' profile		
Name of investee	Main business	Proportion of the Company's investment in the investee's total equity interests (%)
Beijing Yingfei Hyleen Investment Center	Project investment, investment consulting service, investment management	33.33%
Hefei BOE Display Technology Co., Ltd.	Investment, R&D, production and sale of TFT-LCD and related products	7.78%
Danhua Capital II, L.P.	Equity investment in TMT (technology, media and telecommunication)	5.00%

#### (2) Equity-holdings in financial enterprises

Applicable  Not applicable

No such cases in the Reporting Period.

**(3) Securities investments**

√ Applicable □ Not applicable

Variety of securities	Code of securities	Name of securities	Initial investment cost (RMB Yuan)	Opening securities-holdings (share)	Opening securities-holdings (%)	Closing securities-holdings (share)	Closing securities-holdings (%)	Closing book value (RMB Yuan)	Profit/loss in the Reporting Period (RMB Yuan)	Accounting title	Securities source
Stock	HK00419	Huayi Tencent Entertainment	7,390,923.00	0	0.00%	60,735,780	0.44%	35,872,347.00	4,623,937.00	Transactional financial asset	Subscription
Other securities investments held at the period-end			0.00	0	--	0	--	0.00	0.00	--	--
Total			7,390,923.00	0	--	60,735,780	--	35,872,347.00	4,623,937.00	--	--
Disclosure date of the announcement about the board's consent for the securities investment			Not applicable								
Disclosure date of the announcement about the general meeting's consent for the securities investment (if any)			Not applicable								

Note: The Company subscribed for 400,000,000 shares of Varitronix International in April 2016, representing a stake of approximately 54.70%, which has made the Company the controlling shareholder of Varitronix International. And Varitronix International holds shares of Huayi Tencent Entertainment.

**(4) Shareholdings in other listed companies**

√ Applicable □ Not applicable

Stock code	Stock name	Initial investment cost (RMB Yuan)	The Company's shareholding percentage in the investee (%)	Closing book value (RMB Yuan)	Profit/loss in the Reporting Period (RMB Yuan)	Accounting title	Stock source
HK00903	TPV Technology	134,658,158	1.04%	30,814,570	205,296.00	Available-for-sale financial assets	Subscription
SH600658	Electronic Zone	90,160,428	1.69%	101,435,363	2,641,444.00	Available-for-sale financial assets	Share swap

HK01963	Bank of Chongqing	120,084,375	0.93%	128,352,894	6,651,480.00	Available-for-sale financial assets	Subscription
HK00003	Hong Kong and China Gas	2,126,541	0.0011%	9,341,587	0.00	Available-for-sale financial assets	Subscription
Total		347,029,502	--	269,944,414	9,498,220.00	--	--

Note: The Company subscribed for 400,000,000 shares of Varitronix International in April 2016, representing a stake of approximately 54.70%, which has made the Company the controlling shareholder of Varitronix International. And Varitronix International holds shares of Hong Kong and China Gas.



## 2. Wealth management entrustment, derivative investments and entrustment loans

### (1) Wealth management entrustment

√ Applicable □ Not applicable

Unit: RMB Ten Thousand Yuan

Name of trustee	Related-party relation	Related-party transaction or not	Type of products	Amount of wealth	Beginning date	Ending date	Payment determination	Principal actually recovered in current period	Impairment provision	Anticipated income	Actual gain or loss in current period
Industrial and Commercial Bank of China	No	No	Bank wealth management product	10,000	5 Feb. 2016	7 Apr. 2016	Pledgeable principal	10,000	0	61	61
Industrial and Commercial Bank of China	No	No	Bank wealth management product	48,000	30 Sep. 2015	27 Jan. 2016	Pledgeable principal	48,000	0	631	137
Industrial and Commercial Bank of China	No	No	Bank wealth management product	20,000	1 Dec. 2015	29 Mar. 2016	Pledgeable principal	20,000	0	243	178
Industrial and Commercial Bank of China	No	No	Bank wealth management product	10,000	3 Feb. 2016	10 May. 2016	Pledgeable principal	10,000	0	97	97
Industrial and Commercial Bank of China	No	No	Bank wealth management product	25,000	11 Dec. 2015	8 Apr. 2016	Pledgeable principal	25,000	0	304	248
China Everbright Bank	No	No	Bank wealth management product	12,800	27 May 2016	27 Aug. 2016	Pledgeable principal	0	0	98	36
China Development Bank	No	No	Bank wealth management product	18,800	3 Jun. 2016	1 Sep. 2016	Pledgeable principal	0	0	134	40
China Development Bank	No	No	Bank wealth management product	20,000	4 Mar. 2016	5 Apr. 2016	Pledgeable principal	20,000	0	47	47
China Development Bank	No	No	Bank wealth	10,000	30 May 2016	30 Jun. 2016	Pledgeable	10,000	0	23	23

			management product				principal				
China Development Bank	No	No	Bank wealth management product	20,000	28 Jun. 2016	28 Sep. 2016	Pledgeable principal	0	0	146	3
Huishang Bank	No	No	Bank wealth management product	20,000	11 Sep. 2015	6 Jan. 2016	Pledgeable principal	20,000	0	269	12
Huishang Bank	No	No	Bank wealth management product	30,000	15 Jan. 2016	5 May 2016	Pledgeable principal	30,000	0	319	319
Huishang Bank	No	No	Bank wealth management product	30,000	25 May 2016	25 Aug. 2016	Pledgeable principal	0	0	253	99
Huishang Bank	No	No	Bank wealth management product	15,000	24 Sep. 2015	20 Jan. 2016	Pledgeable principal	15,000	0	213	34
Huishang Bank	No	No	Bank wealth management product	15,000	13 Nov. 2015	9 Mar. 2016	Pledgeable principal	15,000	0	192	112
China Construction Bank	No	No	Bank wealth management product	100,000	27 May 2016	7 Jul. 2016	Pledgeable principal	0	0	315	261
China Minsheng Banking Corp. Ltd.	No	No	Bank wealth management product	55,000	24 May 2016	26 Jul. 2016	Pledgeable principal	0	0	313	184
China Minsheng Banking Corp. Ltd.	No	No	Bank wealth management product	185,000	26 May. 2016	25 Aug. 2016	Pledgeable principal	0	0	1,545	594
Agricultural Bank of China	No	No	Bank wealth management product	10,000	30 Jun. 2016	28 Sep. 2016	Pledgeable principal	0	0	76	1
Ping An Bank	No	No	Bank wealth management product	20,000	1 Apr. 2016	29 Apr. 2016	Pledgeable principal	20,000	0	52	52
Ping An Bank	No	No	Bank wealth management product	98,400	1 Apr. 2016	29 Apr. 2016	Pledgeable principal	98,400	0	257	257
Ping An Bank	No	No	Bank wealth	128,400	6 May 2016	20 May 2016	Pledgeable	128,400	0	138	138

			management product				principal				
Ping An Bank	No	No	Bank wealth management product	40,000	24 May 2016	23 Jun. 2016	Pledgeable principal	40,000	0	104	104
Ping An Bank	No	No	Bank wealth management product	128,400	25 May 2016	8 Jun. 2016	Pledgeable principal	128,400	0	135	135
Ping An Bank	No	No	Bank wealth management product	128,400	15 Jun. 2016	13 Sep. 2016	Pledgeable principal	0	0	1,061	177
Ping An Bank	No	No	Bank wealth management product	40,000	30 Jun. 2016	28 Jul. 2016	Pledgeable principal	0	0	101	4
Ping An Bank	No	No	Bank wealth management product	40,000	27 May 2016	24 Jun. 2016	Pledgeable principal	40,000	0	81	81
Ping An Bank	No	No	Bank wealth management product	20,000	24 Jun. 2016	22 Jul. 2016	Pledgeable principal	0	0	49	11
Ping An Bank	No	No	Bank wealth management product	20,000	11 Mar. 2016	18 May 2016	Pledgeable principal	20,000	0	116	116
Ping An Bank	No	No	Bank wealth management product	20,000	27 May 2016	26 Aug. 2016	Pledgeable principal	0	0	162	61
Ping An Bank	No	No	Bank wealth management product	10,000	8 Apr. 2016	17 May 2016	Pledgeable principal	10,000	0	35	35
Ping An Bank	No	No	Bank wealth management product	20,000	4 May 2016	18 May 2016	Pledgeable principal	20,000	0	21	21
Ping An Bank	No	No	Bank wealth management product	10,000	26 May 2016	2 Jun. 2016	Pledgeable principal	10,000	0	5	5
Shanghai Pudong Development Bank	No	No	Bank wealth management product	10,000	11 Mar. 2016	11 Apr. 2016	Pledgeable principal	10,000	0	25	25
Shanghai Pudong	No	No	Bank wealth	10,000	30 May 2016	29 Jun. 2016	Pledgeable	10,000	0	22	22

Development Bank				management product				principal				
Shanghai Pudong Development Bank	No	No		Bank wealth management product	10,000	13 Nov. 2015	20 Jan. 2016	Pledgeable principal	10,000	0	97	27
Shanghai Pudong Development Bank	No	No		Bank wealth management product	16,600	13 Nov. 2015	11 Feb. 2016	Pledgeable principal	16,600	0	176	80
Shanghai Pudong Development Bank	No	No		Bank wealth management product	30,000	23 Dec. 2015	22 Mar. 2016	Pledgeable principal	30,000	0	333	300
Shanghai Pudong Development Bank	No	No		Bank wealth management product	20,000	28 Jan. 2016	27 Apr. 2016	Pledgeable principal	20,000	0	212	212
Shanghai Pudong Development Bank	No	No		Bank wealth management product	26,600	25 Feb. 2016	25 Apr. 2016	Pledgeable principal	26,600	0	184	184
Shanghai Pudong Development Bank	No	No		Bank wealth management product	20,000	11 Mar. 2016	10 May 2016	Pledgeable principal	20,000	0	138	138
Shanghai Pudong Development Bank	No	No		Bank wealth management product	30,000	25 Mar. 2016	24 Apr. 2016	Pledgeable principal	30,000	0	101	101
Shanghai Pudong Development Bank	No	No		Bank wealth management product	30,000	25 Mar. 2016	24 Apr. 2016	Pledgeable principal	30,000	0	101	101
Shanghai Pudong Development Bank	No	No		Bank wealth management product	25,000	14 Apr. 2016	14 May 2016	Pledgeable principal	25,000	0	84	84
Shanghai Pudong Development Bank	No	No		Bank wealth management product	106,600	29 Apr. 2016	18 May 2016	Pledgeable principal	106,600	0	172	172
Shanghai Pudong Development Bank	No	No		Bank wealth management product	20,000	12 May 2016	19 May 2016	Pledgeable principal	20,000	0	14	14
Shanghai Pudong Development Bank	No	No		Bank wealth management product	80,000	25 May 2016	24 Jul. 2016	Pledgeable principal	0	0	487	292
Shanghai Pudong Development Bank	No	No		Bank wealth management product	80,000	25 May 2016	23 Aug. 2016	Pledgeable	0	0	730	292

Development Bank				management product				principal				
Shanghai Development Bank	Pudong	No	No	Bank wealth management product	40,000	27 May 2016	27 Jun. 2016	Pledgeable principal	40,000	0	126	126
Shanghai Development Bank	Pudong	No	No	Bank wealth management product	10,000	9 Oct. 2015	7 Jan. 2016	Pledgeable principal	10,000	0	108	7
Shanghai Development Bank	Pudong	No	No	Bank wealth management product	30,400	22 Oct. 2015	20 Jan. 2016	Pledgeable principal	30,400	0	322	68
Shanghai Development Bank	Pudong	No	No	Bank wealth management product	30,000	26 Nov. 2015	24 Feb. 2016	Pledgeable principal	30,000	0	318	191
Shanghai Development Bank	Pudong	No	No	Bank wealth management product	20,000	30 Nov. 2015	29 Feb. 2016	Pledgeable principal	20,000	0	214	139
Shanghai Development Bank	Pudong	No	No	Bank wealth management product	25,000	14 Dec. 2015	14 Mar. 2016	Pledgeable principal	25,000	0	268	215
Shanghai Development Bank	Pudong	No	No	Bank wealth management product	35,000	21 Dec. 2015	20 Mar. 2016	Pledgeable principal	35,000	0	371	326
Shanghai Development Bank	Pudong	No	No	Bank wealth management product	10,000	11 Jan. 2016	11 Apr. 2016	Pledgeable principal	10,000	0	112	112
Shanghai Development Bank	Pudong	No	No	Bank wealth management product	30,000	26 Feb. 2016	26 Apr. 2016	Pledgeable principal	30,000	0	207	207
Shanghai Development Bank	Pudong	No	No	Bank wealth management product	15,000	11 Mar. 2016	11 Apr. 2016	Pledgeable principal	15,000	0	55	55
Shanghai Development Bank	Pudong	No	No	Bank wealth management product	25,000	17 Mar. 2016	16 May 2016	Pledgeable principal	25,000	0	173	173
Shanghai Development Bank	Pudong	No	No	Bank wealth management product	30,000	24 Mar. 2016	25 Apr. 2016	Pledgeable principal	30,000	0	108	108
Shanghai Development Bank	Pudong	No	No	Bank wealth management product	10,000	14 Apr. 2016	16 May 2016	Pledgeable	10,000	0	36	36

Development Bank			management product				principal					
Shanghai Pudong Development Bank	No	No	Bank wealth management product	25,000	14 Apr. 2016	16 May 2016	Pledgeable principal	25,000	0	90	90	
Shanghai Pudong Development Bank	No	No	Bank wealth management product	30,000	4 May 2016	18 May 2016	Pledgeable principal	30,000	0	36	36	
Shanghai Pudong Development Bank	No	No	Bank wealth management product	30,000	5 May 2016	18 May 2016	Pledgeable principal	30,000	0	33	33	
Shanghai Pudong Development Bank	No	No	Bank wealth management product	70,000	25 May 2016	24 Jul. 2016	Pledgeable principal	0	0	426	255	
Shanghai Pudong Development Bank	No	No	Bank wealth management product	60,000	27 May 2016	27 Jun. 2016	Pledgeable principal	60,000	0	189	189	
Industrial Bank	No	No	Bank wealth management product	10,000	28 Dec. 2015	28 Jan. 2016	Pledgeable principal	10,000	0	32	28	
Industrial Bank	No	No	Bank wealth management product	10,000	28 Jan. 2016	20 May 2016	Pledgeable principal	10,000	0	150	150	
Industrial Bank	No	No	Bank wealth management product	10,000	30 May 2016	30 Jul. 2016	Pledgeable principal	0	0	49	25	
China Citic Bank	No	No	Bank wealth management product	10,000	26 May 2016	23 Jun. 2016	Pledgeable principal	10,000	0	20	20	
Total				2,458,400	--	--	--	1,578,400	0	13,915	8,316	
Source of the entrusted funds				Self-owned funds								
Cumulative overdue principals and gains				0								
Lawsuit (if applicable)				Not applicable								
Disclosure date of the announcement about the board approving the wealth management entrustment (if any)				26 Apr. 2016								

Disclosure date of the announcement about the general meeting approving the wealth management entrustment (if any)	21 May 2016
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Notes: the quota of the approved trust management by the Annual General Meeting of the Company was of RMB10 billion Yuan and the quota could be used repeatedly.

## (2) Derivatives investment

Applicable  Not applicable

No such cases in the Reporting Period.

## (3) Entrustment loans

Applicable  Not applicable

No such cases in the Reporting Period.

## 3. Use of raised funds

Applicable  Not applicable

### (1) Overview of the use of raised funds

Applicable  Not applicable

RMB Ten thousand Yuan

Total raised funds	5,488,471
Raised funds input in the Reporting Period	1,243,401
Raised funds accumulatively input	5,052,278
Raised funds with changed use in the Reporting Period	0
Accumulative raised funds with changed use	350,000

Proportion of accumulative raised funds with changed use (%)	6.38%
Overview of the use of raised funds	
<p>The total raised funds stood of RMB5,488,471 billion Yuan. Among them, 2014 non-public raising money fo RMB45,712,999,989.30 Yuan. After deducting the various issuance expense of RMB828,294,936.66 Yuan, the net raised funds via asset and cash subscription stood at RMB44,884,705,052.64, of which including the assets subscription of RMB8,532,999,999.30 Yuan (Beijing State-owned Capital Operation and Management Center subscribed by 48.92% equities of Beijing BOE Display Technology Co., Ltd.) and RMB5,999,999,999.70 Yuan of the relevant creditor's rights subscription with the issuance and raising funds investment projects of the Company that held by Hefei Jianxiang Investment Co., Ltd.. During the Reporting Period, the raised funds gradually invested in each project according to the expected plans. The net amount of the raised funds of the 16BOE01 bonds was of RMB10 billion Yuan, and up to the period-end, the used amount of the raised funds was of RMB8.963 billion Yuan, all of which used in supplementing the circulating funds which met with the agreement of the bond prospectus.</p>	



**(2) Projects invested with raised funds as promised**

√ Applicable □ Not applicable

Unit: RMB Ten thousand Yuan

Projects invested with raised capital as promised and investments with over-raised capital	Project changed or not (including partially changed)	Raised capital input as promised	Investment after adjustment (1)	Input in the Reporting Period	Accumulative input up to the period-end (2)	Investment progress up to the period-end (%) (3) = (2)/(1)	Date when the project reaches the expected usable condition	Profit generated in the Reporting Period	Reach the expected profit or not	Material change in the project feasibility or not
Projects invested with raised capital as promised										
1. Hefei 8.5G Line Project	No	700,000	700,000	78,072	699,500	99.93%	1 Oct. 2014	451,480	Yes	No
2. Touch Screen Production Line Project	No	250,000	250,000	0	250,000	100.00%	31 Dec. 2016	Not applicable	Not applicable	No
3. Erdos 5.5G Line Project	No	400,000	400,000	97,130	380,000	95.00%	31 Dec. 2016	Not applicable	Not applicable	No
4. Chongqing 8.5G Line Project	Yes	1,520,000	1,170,000	105,042	1,022,766	87.42%	31 Dec. 2015	374,413	Not applicable	No
5. Supplementing the working capital	No	165,171	165,171	0	165,171	100.00%	Not applicable	Not applicable	Not applicable	No
6. Subscription to equity interests in BOE Display	No	853,300	853,300	0	853,300	100.00%	Not applicable	Not applicable	Not applicable	No
7. Subscription to creditor's rights on Hefei Jianxiang	No	600,000	600,000	0	600,000	100.00%	Not applicable	Not applicable	Not applicable	No
8. 2016 Supplement circulating funds of the Company's bonds	No	1,000,000	1,000,000	896,300	896,300	89.63%	Not applicable	Not applicable	Not applicable	No

Subtotal of promised investment projects	--	5,488,471	5,138,471	1,176,544	4,867,037	--	--	825,893	--	--
Investments of over-raised capital										
Naught										
Total	--	5,488,471	5,138,471	1,176,544	4,867,037	--	--	825,893	--	--
Reason for failing to reach scheduled progress or projected income (explain one project by one project)	No such cases in the Reporting Period.									
Explanation on significant changes in feasibility of projects	Naught									
Amount, usage and usage progress of over-raised capital	Not applicable									
Change of the implementation location of any raised funds investment project	Not applicable									
Adjustment of the implementation method of any raised funds investment project	Not applicable									
Advanced input and exchange of any raised funds investment project	Not applicable									
Idle raised capital for temporarily supplementing working capital	Not applicable									
Outstanding raised funds in project implementation and reasons	Not applicable									
Usage and whereabouts of unused	The unused raised capital will be input to promise investment projects as planned.									

raised capital	
Problems found in the usage and disclosure affairs of raised capital and other situations	Naught

Notes: among the realized benefits of the Reporting Period, Chongqing 8.5G Line Project and 30k production expansion project should be calculated together.

### (3) Changes in raised-funds-invested projects

√ Applicable □ Not applicable

Unit: RMB Ten thousand Yuan

Project after change	Project before change	Total raised funds planned to be input for the project after change (1)	Actual input for Reporting Period	Actual cumulative input by period-end (2)	Investment progress up to the period-end (3)= (2)/(1)	Date when the project reaches the expected usable condition	Profit generated in the Reporting Period	Reach the expected profit or not	Material change in the after-change project feasibility or not
Chongqing 8.5G 30K production expansion project	Chongqing 8.5G Line Project	350,000	66,857	185,242	52.93%	Second quarter of 2016	374,413	Not applicable	No
Total	--	350,000	66,857	185,242	--	--	374,413	--	--
Reasons for change, decision-making procedure and relevant information disclosure (explain one project by one project)		Considering the narrowing profit margin for touch screen due to increasingly fierce competition, our analysis of market trends and the actual situation of the project, the use of some raised funds has been adjusted according to the Proposal for Adjusting Use of Some Raised Funds to Invest in Chongqing 8.5G Line 30K Production Expansion Project which was reviewed and approved at the 23 <sup>rd</sup> Meeting of the Seventh Board of Directors dated 19 April 2015 and later at the 2014 Annual General Meeting dated 20 May 2015. The adjustment details have been disclosed in the Announcement No. 2015-022 of BOE Technology Group Co., Ltd. on Adjusting Use of Some Raised Funds to Invest in Chongqing 8.5G Line 30K Production Expansion Project dated 20 April 2015.							
Reason for failing to reach scheduled progress or projected income (explain one project by one project)		Not applicable							

Explanation on significant changes in feasibility of projects after change	No significant changes.
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#### (4) Projects invested with raised funds

Overview of raised-funds-invested projects	Disclosure date	Disclosure index
Special Report on Deposit and Actual Use of Raised Funds	30 Aug. 2016	www.cninfo.com.cn

#### 4. Analysis to main subsidiaries and shareholding companies

√ Applicable □ Not applicable

Main subsidiaries and shareholding companies:

Unit: RMB Yuan

Company name	Company variety	Industry	Main products/services	Registered capital	Total assets	Net assets	Operating revenues	Operating profit	Net profit
Beijing BOE Display Technology Co., Ltd.	Subsidiary	Semi-conductor or display	Development and production of TFT-LCD	RMB17.9 billion Yuan	28,893,177,631.00	19,670,655,087.00	6,353,269,332.00	-757,755,043.00	-532,438,351.00
Hefei Xinsheng Optoelectronics Technology Co., Ltd.	Subsidiary	Semi-conductor or display	Investment, construction, R&D, production and sales of the relevant products of thin film transistor LCD and its auxiliary products	RMB19.50 billion Yuan	36,093,050,593.00	20,184,659,508.00	4,630,916,268.00	-1,005,868,405.00	-257,749,100.00
Hefei BOE Optoelectronics Technology Co., Ltd.	Subsidiary	Semi-conductor or display	R&D, production and sales of TFT-LCD	RMB9.00 billion Yuan	16,228,716,157.00	9,017,413,565.00	4,495,705,690.00	-161,830,098.00	-103,239,736.00
Chongqing BOE Optoelectronics Technology Co., Ltd.	Subsidiary	Semi-conductor or display	Investment and construction, R&D, production and sales of the relevant products and the matched products of TFT-LCD	RMB19.226 billion Yuan	34,725,579,791.00	18,846,342,653.00	3,827,127,846.00	-590,121,161.00	-429,443,581.00

Erdos Yuansheng Optoelectronics Co., Ltd.	Subsidiary	Semi-conduct or display	Production and operation of the relevant products of the active-matrix organic light emitting diodes display devices and its auxiliary products	RMB8.904 billion Yuan	16,601,490,689.00	8,592,678,023.00	228,313,551.00	-121,789,239.00	-100,152,872.00
Beijing BOE Optoelectronics Technology Co., Ltd.	Subsidiary	Semi-conduct or display	R&D, design and production of TFT-LCD	RMB5.2069 billion Yuan	6,409,854,751.00	4,802,731,344.00	1,506,252,633.00	-156,004,597.00	-148,160,411.00

### 5. Significant projects invested with non-raised funds

Applicable  Not applicable

No such cases in the Reporting Period.

## VI Performance forecast for January-September 2016

Warning of possible loss or considerable YoY movement in the accumulated net profit made during the period-beginning to the end of the next Reporting Period, as well as the reasons

Applicable  Not applicable

Forecast: Considerable decrease at the same direction

Type of the forecast data: range

Item	January-September 2016	January-September 2015	+/- (%)	
Forecast accumulative net profit (RMB Ten thousand Yuan)	5,000--10,000	199,239	decrease	95%-97%
Basic earnings per share (RMB Yuan/share)	0.0014-0.0028-	0.057	decrease	95%-97%
Notes to the forecast	This is mainly because the prices of our main products decreased significantly from a year earlier due to the impact of the semi-conductor display sector. However, our performance for the third quarter would increase significantly from the second quarter as the supply-demand situation has improved since the second quarter, we accelerate launch of new products and improve our lean management capability for lower costs, and the prices of our products are stabilizing and picking up with a stronger market. In the fourth quarter, the market is expected to remain lively and we will expectedly maintain stable earnings as we push through the relevant measures.			

## VII Explanation of the Board of Directors and the Board of Supervisors on the “non-standard” auditor’s report issued by the CPAs firm for the Reporting Period

Applicable  Not applicable

## VIII Explanation of the Board of Directors on the issues mentioned in the “non-standard” auditor’s report issued by the CPAs firm for last year

Applicable  Not applicable

## IX Profit distribution in the Reporting Period

Profit distribution plan implemented in the Reporting Period, especially execution and adjustment of any cash dividend plan and any plan for converting capital reserve into share capital

Applicable  Not applicable

On 20 May 2016, the 2015 Annual General Meeting reviewed and approved the Preliminary Plan for Profit Distribution 2015, which

explicated the 2015 profits distribution proposal as: based on the total share capital of 35,153,067,743.00 shares, we would distribute a cash dividend of RMB0.10 Yuan (tax included) per 10 shares to our shareholders by retained profits, which amounted to RMB351,530,677.43 Yuan without any bonus share and any plan for converting capital reserve into share capital. The profits distribution proposal had completed on 30 June 2016. For the details, please refer to the Announcement on the Execution of the 2015 Equity Distribution disclosed on 22 June 2016 (Announcement No.: 2016-050).

Special statement about the cash dividend policy	
In compliance with the Company's Articles of Association and the resolution of the general meeting	Yes
Specific and clear dividend standard and ratio	Yes
Complete decision-making procedure and mechanism	Yes
Independent directors fulfilled their responsibilities and played their due role.	Yes
Minority shareholders have the chance to fully express their opinion and desire and their legal rights and interests were fully protected.	Yes
In adjustment or alteration of the cash dividend policy, the conditions and procedure were in compliance with regulations and transparent.	Yes

## X Preliminary plan for profit distribution and converting capital reserve into share capital for the Reporting Period

Applicable  Not applicable

The Company plans not to distribute cash dividends or bonus shares or convert capital reserve into share capital for the first half of the year.

## XI Visits paid to the Company for purposes of research, communication, interview, etc.

Applicable  Not applicable

Date of visit	Place of meeting	Way of visit	Type of visitor	Visitor	Main discussion and materials provided by the Company
7 Jan. 2016	Teleconference	Telephone communication	Institution	Sylebra Capital Management	Main contents of discussion: 1. Information about corporate operation and future development strategy. 2. Industry situation and development tendency. 3. Information about certain production lines of
12 Jan. 2016	Meeting Room of the Company	Field research	Institution	Deutsche Bank, Ping An Asset Management Co., Ltd,	
15 Jan. 2016	Meeting Room of the Company	Field research	Institution	ZBTD Asset Management Ltd.	
25 Jan. 2016	Meeting Room of the Company	Field research	Institution	Credit Suisse (Hong Kong) Limited	
18 Feb. 2016	Meeting Room of the Company	Field research	Institution	Bosera Funds	



19 Feb. 2016	Teleconference	Telephone communication	Institution	Kontiki Capital Management	the Company; Materials provided: public information such as the corporate brochure.
24 Feb. 2016	Teleconference	Telephone communication	Institution	Sumitomo Mitsui Trust Ban, Mitsubishi UFJ Morgan Stanley Securities	
7 Mar. 2016	Meeting Room of the Company	Field research	Institution	Surveyor Capital, Neuberger Berman Asia, 3W Fund Management, Jefferies Finance Group	
17 Mar. 2016	Teleconference	Telephone communication	Institution	Alkeon Capital	
21 Apr. 2016	Meeting Room of the Company	Field research	Institution	ADIA	Main contents of discussion: 1. Information about corporate operation and future development strategy. 2. Industry situation and development tendency. 3. Information about certain production lines of the Company; Materials provided: public information such as the corporate brochure.
6 May 2016	Teleconference	Telephone communication	Institution	Sylebra Capital	
10 May 2016	Meeting Room of the Company	Field research	Institution	Trivest Advisors	
11 May 2016	Teleconference	Telephone communication	Institution	GF Securities, Guotai Junan Assets Management, Bocom Schrodgers, Orient Securities, Shanghai Trust	
12 May 2016	Meeting Room of the Company	Field research	Institution	Sumitomo Mitsui Asset Management Company; CLSA	
23 May 2016	Meeting Room of the Company	Field research	Institution	Coatue Management	
27 May 2016	Meeting Room of the Company	Field research	Institution	JP Morgan Asset Management	
27 May 2016	Teleconference	Telephone communication	Institution	Pictet Asset, Morgan Stanley	
6 Jun. 2016	Meeting Room of the Company	Field research	Institution	Taikang Asset Management	
8 Jun. 2016	Teleconference	Telephone communication	Institution	Mizuho Trust & Banking, Mitsubishi UFJ Morgan Stanley Securities, Mitsubishi UFJ Securities Holdings	
13 Jun. 2016	Meeting Room of the Company	Field research	Institution	Mitsubishi UFJ Morgan Stanley Securities, Mitsubishi UFJ Securities Holdings	
16 Aug. 2016	Meeting Room of	Field research	Institution	Broad Peak Investment	

	the Company			Advisers	
24 Jun. 2016	Meeting Room of the Company	Field research	Institution	Hillhouse Capital Management	
28 Jun. 2016	Teleconference	Telephone communication	Institution	Fidelity International	

## Section V Significant Events

### I. Corporate governance

The situation of the Company's governance did not differ in principle from the Company Law and the relevant CSRC requirements in the Reporting Period.

### II. Significant lawsuits or arbitrations

Significant lawsuits and arbitrations

Applicable  Not applicable

The Company was not involved in any significant lawsuit or arbitration in the Reporting Period.

Other lawsuits

Applicable  Not applicable

### III. Media's queries

Applicable  Not applicable

There was no media's common query during the Reporting Period.

### IV. Bankruptcy reorganization

Applicable  Not applicable

No event involving bankruptcy reorganization occurred to the Company in the Reporting Period.

## V. Asset transaction

### 1. Purchase of assets

√ Applicable □ Not applicable

Transaction party or ultimate controller	Asset acquired or bought in	Transaction price (RMB Ten thousand Yuan)	Progress	Influence on the Company's operation	Influence on the Company's gain/loss	Ratio of the net profit contributed by the asset to the Company to the total profit (%)	Related-party transaction or not	Relationship between the transaction party and the Company (applicable for related-party transactions)	Disclosure date	Disclosure index
Varitronix International Limited	0.4 billion shares of Varitronix International Limited	117,236	The Company had completed the equity subscription delivery process of VARITRONIX on 28 April 2016. After which, the Company held 0.4 billion shares of VARITRONIX, which covered about 54.70% of the total shares capital and became the controlling shareholder of the latter.	There was no any significant influence on the continuity of the Company's business and the stability of the management level from the assets purchase business.	Since the date of purchase until the end of the reporting for listed companies net profit contribution -297.61 (ten thousand yuan)	-0.51%	No	Not applicable	29 Apr. 2016	www.cninfo.com.cn
Beijing Shangjun Properties Development	100% equities of Shangjun Properties	42.03	The Company had completed the delivery procedures such as the shareholders alternation on	There was no any significant influence on the continuity of the Company's business and the stability of	Since the date of purchase until the end of the reporting for listed companies net	0.74%	No	Not applicable	Not applicable	Not applicable

ent Co., Ltd.			25 April.	the management level from the assets purchase business.	profit contribution 434.6 (ten thousand yuan)					
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## 2. Sale of assets

Applicable  Not applicable

No such cases in the Reporting Period.

## 3. Business mergers

Applicable  Not applicable

On 4 February 2016, the Company disclosed the Announcement on the Subscription of the Additional Issued Shares of Varitronix International Limited (Announcement No.: 2016-011). The Company signed the Subscription Agreement between Varitronix International Limited and BOE Technology Group Co., Ltd. on 3 February 2016 according to the development strategic of the Company and based on the sufficient researches as well as demonstrations. The Company had subscribed more than 50% of the Varitronix International Limited's shares by self-owned funds and through the method of subscribing the additional issued shares of the latter, and had integrated the superior resources as well as accelerated the execution of the global strategic of the vehicle-mounted display career and as for the details, please refer to the relevant announcements. On 29 April 2016, the Company disclosed the Announcement on the Completion on the Delivery of the Subscription of the Additional Issued Shares of Varitronix International Limited (Announcement No.: 2016-043). The Company had completed the equity subscription delivery process of Varitronix International Limited on 28 April 2016. After which, the Company held 0.4 billion shares of VARITRONIX, which covered about 54.70% of the total shares capital and became the controlling shareholder of the latter and as for the details, please refer to the relevant announcements.

## VI Implementation of equity incentive and its influence

Applicable  Not applicable

No such cases in the Reporting Period.

## VII Significant related transactions

### 1. Related transactions arising from routine operation

Applicable  Not applicable

No such cases in the Reporting Period.

### 2. Sale of assets

Applicable  Not applicable

No such cases in the Reporting Period.

### 3. Business combination

Applicable  Not applicable

The Company included Chongqing BOE Technology Europe GmbH and Chongqing BOE Display Lighting Co., Ltd. in the consolidation scope, which had no influence on the business continuity and the management stability.

**4. Credits and liabilities with related parties**

Applicable  Not applicable

No such cases in the Reporting Period.

**5. Other significant related-party transactions**

Applicable  Not applicable

Naught

The website to disclose the interim announcements on significant related-party transactions

Title of the interim announcement	Disclosure date of the interim announcement	Website where the interim announcement was disclosed
Announcement on the Prediction of 2016 Annual Routine Related Transaction of BOE Technology Group Co., Ltd.	25 Apr. 2016	www.cninfo.com.cn

**VIII Occupation of the Company's funds for non-operating purposes by the controlling shareholder and its related parties**

Applicable  Not applicable

No such cases in the Reporting Period.

**IX Significant contracts and fulfillment thereof****1. Trusteeship, contracting and leasing****(1) Trusteeship**

Applicable  Not applicable

No such cases in the Reporting Period.

**(2) Contracting**

Applicable  Not applicable

No such cases in the Reporting Period.

**(3) Leasing**

Applicable  Not applicable

No such cases in the Reporting Period.

## 2. Guarantees provided by the Company

√ Applicable □ Not applicable

Unit: RMB Ten thousand Yuan

Guarantees provided by the company for external parties (excluding those for subsidiaries)								
Guaranteed party	Disclosure date on relevant announcement of guaranteed amount	Amount for guarantee	Actual occurrence date (date of agreement)	Actual guarantee amount	Type of guarantee	Period of guarantee	Executed or not	Guarantee for a related party or not
Not applicable								
Guarantees provided by the company for its subsidiaries								
Guaranteed party	Disclosure date on relevant announcement of guaranteed amount	Amount for guarantee	Actual occurrence date (date of agreement)	Actual guarantee amount	Type of guarantee	Period of guarantee	Executed or not	Guarantee for a related party or not
Erdos Yuansheng Photoelectricity Co., Ltd.	2 Apr. 2013	468,298	22 May 2013	431,874	Pledge	17 Jun. 2013 – 9 Jun. 2021	No	No
Beijing BOE Display Technology Co., Ltd.	14 Aug. 2014	1,047,923	30 Sep. 2014	306,902	Joint liability guarantee	27 Jan. 2011 – 26 Jan. 2020	No	No
Hefei Xinsheng Photoelectric Technology Co., Ltd.	14 Aug. 2014	137,000	8 Dec. 2014	22,000	Joint liability guarantee	From the date of the establishing the letter of guarantee – 28 Feb. 2019	No	No
Erdos Yuansheng Optoelectronics Co., Ltd.	14 Aug. 2014	468,298	30 Sep. 2014	431,874	Joint liability guarantee	17 Jun. 2013 – 9 Jun. 2021	No	No
Chongqing BOE Photoelectric	14 Aug. 2014	1,412,446	29 Sep. 2014	1,010,155	Joint liability guarantee	5 Nov. 2014 – 5 Nov. 2022	No	No



Technology Co., Ltd.								
Hefei Xinsheng Photoelectric Technology Co., Ltd.	14 Aug. 2014	1,226,772	15 Jan. 2015	1,167,091	Joint liability guarantee	6 Jan. 2014 – 6 Jan. 2022	No	No
Hefei BOE Photoelectric Co., Ltd.	14 Aug. 2014	738,119	12 Mar. 2015	358,231	Joint liability guarantee	23 Jul. 2010 – 23 Jul. 2019	No	No
Chongqing BOE Photoelectric Technology Co., Ltd.	14 Aug. 2014	300,000	25 May 2015	175,000	Joint liability guarantee	From the date of the establishing the letter of guarantee – 31 Dec. 2020	No	No
Fuzhou BOE Photoelectric Technology Co., Ltd.	10 Dec. 2015	1,326,240	29 Dec. 2015	234,115	Joint liability guarantee	29 Dec. 2015 – 28 Dec. 2018	No	No
The total amount of guarantee limits for subsidiaries approved in the Reporting Period (B1)				0	The total amount of actual occurrence of guarantee for subsidiaries in the Reporting Period (B2)			-321,985
The total amount of guarantee for subsidiaries approved up to the end of Reporting Period (B3)				6,656,797	The total balance of actual guarantee for subsidiaries up to the end of Reporting Period (B4)			3,705,368
Guarantees provided by the subsidiaries for their subsidiaries								
Guaranteed party	Disclosure date on relevant announcement of guaranteed amount	Amount for guarantee	Actual occurrence date (date of agreement)	Actual guarantee amount	Type of guarantee	Period of guarantee	Executed or not	Guarantee for a related party or not
Erdos Yuansheng Photoelectric Co., Ltd.	14 Aug. 2014	468,298	30 Sep. 2014	431,874	Joint liability guarantee	17 Jun. 2013 – 9 Jun. 2021	No	No
The total amount of guarantee limits for subsidiaries approved in the Reporting Period (C1)				0	The total amount of actual occurrence of guarantee for subsidiaries in the Reporting Period (C2)			0

The total amount of guarantee for subsidiaries approved up to the end of Reporting Period (C3)	0	The total balance of actual guarantee for subsidiaries up to the end of Reporting Period (C4)	0
The total amount of guarantee by the Company (the total amount of the first three items)			
The total amount of guarantee limits approved in the Reporting Period (A1+B1+C1)	0	The total amount of actual occurrence of guarantee in the Reporting Period (A2+B2+C2)	-321,985
The total amount of guarantee approved up to the end of Reporting Period (A3+B3+C3)	6,656,797	The total balance of actual guarantee up to the end of Reporting Period (A4+B4+C4)	3,705,368
Proportion of total amount of actual guarantee (A4+B4+C4) in the net assets of the Company			48.37%
Among which:			
Amount of guarantees provided for shareholders, actual controller and other related parties (D)			0
Amount of debt guarantees provided directly or indirectly for parties with asset-liability ratio exceeding 70% (E)			0
Proportion of total guarantee amount exceeding 50% of the Company's net assets (F)			0
Total amount of the above three guarantees (D+E+F)			0
Explanation on possibility of taking several and joint liability involving immature guarantees (if any)		Naught	
Explanation on external guarantees provided by violating regulated procedures (if any)		Naught	

Note: The Company provided a joint-liability guarantee for a syndicated loan for Erdos Yuansheng Optoelectronics Co., Ltd. In the meantime, the Company, Hefei BOE Optoelectronics Technology Co., Ltd. and Beijing BOE Display Technology Co., Ltd. provided guarantees for the said syndicated loan for Erdos Yuansheng Optoelectronics Co., Ltd. with their stakes in Erdos Haosheng Energy Investment Co., Ltd. as the pledges., so C1、C2、C3、C4=0.

Explanation on guarantee that adopts complex method: Naught

**(1) Illegal provision of guarantees for external parties**

Applicable  Not applicable

The Company did not illegally provide any guarantee for any external party in the Reporting Period.

**3. Other significant contracts**

Applicable  Not applicable

There was no other significant contract of the Company in the Reporting Period.

**4. Other significant transactions**

Applicable  Not applicable

The Company was not involved in any other significant transaction in the Reporting Period.

**X. Implementation of commitments****1. Commitments made in the Reporting Period by the Company or its shareholders with equities of over 5% or such commitments carried down into the Reporting Period**

Applicable  Not applicable

Commitment	Commitment maker	Contents of commitment	Date of commitment	Period of commitment	Execution
Commitments made in a share reform					
Commitments made in acquisition reports or report on changes in equity					
Commitments made at the					

time of assets reorganization					
Commitments at the time of initial public issuance or re-financing	Beijing State-owned Capital Operation and Management Center, Hefei Jianxiang Investment Co., Ltd., Chongqing Capital Photoelectricity Investment Co., Ltd.	Committed that the shares acquired from purchasing would not be transferred from the first date of issuing the newly increased shares of the issuer within 36 months	8 Apr. 2014	36 months	Being executing
	Hefei Rongke Project Investment Co., Ltd.	Voluntarily committed that to lock-up the whole shares held by the Company for 24 months since 9 January 2014.	9 Jan. 2014	24 months	Execution completed
Other commitments made for medium and small shareholders of the Company	Beijing Electronics Holding Co., Ltd.	Committed not to decrease the shareholding of the non-restricted RMB ordinary shares of 231,700 shares additional issued through the directional asset plan within 6 months during the execution period of the additional issuance and after the completion of the execution.	31 Jul. 2015	6 months	Execution completed
	Beijing BOE Investment & Development Co., Ltd.	Committed not to decrease the shareholding of the non-restricted RMB ordinary shares of 6,311,100 shares additional issued through the directional asset plan within 6 months during the execution period of the additional issuance and after the completion of the execution.	24 Aug. 2015	6 months	Execution completed
	Whole Directors, Supervisors, Senior Executives Staffs	Committed not to decrease the shareholding of the Company's shares in future 6 months since 11 July 2015.	11 Jul. 2015	6 months	Execution completed
	Beijing Electronics Holding Co., Ltd., Beijing BOE Investment & Development Co., Ltd., Hefei Rongke Project Investment Co., Ltd.	Committed not to decrease the shareholding of the Company's shares in future 6 months since 28 January 2016.	28 Jan. 2016	6 months	Execution completed
	Beijing BDA Technological Investment Development Co., Ltd.	Committed not to decrease the shareholding of the Company's shares in future 6 months since 14 Feb. 2016.	14 Feb. 2016	6 months	Execution completed
Executed timely or not?	Yes				
Detailed reason for failing to execute and the next plan (if any)	Naught				

## XI Engagement and disengagement of the CPAs firm

Has the semi-annual financial report been audited?

Yes  No

This semi-annual report is not audited.

## XII Punishments and rectifications

Applicable  Not applicable

No such cases in the Reporting Period.

## XIII Delisting risk due to violation of any law or regulation

Applicable  Not applicable

No such cases in the Reporting Period.

## XIV Other significant events

Applicable  Not applicable

1. On 4 February 2016, the Company disclosed the Announcement on the Subscription of the Additional Issued Shares of Varitronix International Limited (Announcement No.: 2016-011). The Company signed the Subscription Agreement between Varitronix International Limited and BOE Technology Group Co., Ltd. on 3 February 2016 according to the development strategic of the Company and based on the sufficient researches as well as demonstrations. The Company had subscribed more than 50% of the Varitronix International Limited's shares by self-owned funds and through the method of subscribing the additional issued shares of the latter, and had integrated the superior resources as well as accelerated the execution of the global strategic of the vehicle-mounted display career and as for the details, please refer to the relevant announcements. On 29 April 2016, the Company disclosed the Announcement on the Completion on the Delivery of the Subscription of the Additional Issued Shares of Varitronix International Limited (Announcement No.: 2016-043). The Company had completed the equity subscription delivery process of Varitronix International Limited on 28 April 2016. After which, the Company held 0.4 billion shares of VARITRONIX, which covered about 54.70% of the total shares capital and became the controlling shareholder of the latter and as for the details, please refer to the relevant announcements.

2. On 27 Dec. 2014, the Company disclosed the Announcement on the Investment and Construction of the Production Line Project of Chengdu G6 LTPS/AMOLE (Announcement No.: 2014-058), which approved to invest and construction a production line of G6 LTPS/AMOLE in Chengdu, Sichuan Province, to produce the products such as the high-end cell phone display as well as the cell phone display, and to execute the investment, construction and the operating platform of the production line by regarding Chengdu BOE Photoelectric Technology Co., Ltd. as the project company. On 12 March 2016, the Company disclosed the Announcement on the Additional Investment on the Production Line Project of Chengdu G6 LTPS/AMOLE (Announcement No.: 2016-015), which approved to continue to enlarge the investment scale and to alter the major products as the display products of AMOLED as well as to construct the Phase II project of the production line of G6 AMOLED (flexibility) with the specific information on the relevant announcements.

3. On 10 December 2015, the Company disclosed the Announcement on the Investment by CDB Development Fund on Fuzhou G8.5 Line Project (Announcement No.: 2015-082), and on 12 March 2016, the Company disclosed the Announcement on the Additional

Investment on the Investment on by CDB Development Fund on Fuzhou G8.5 Line Project (Announcement No.: 2016-016), which approved the CDB Development Fund to additionally investemnt with RMB1.6 billion Yuan on Fuzhou BOE Photoelectric Technology Co., Ltd. and the event had been reviewed and approved by the 2016 2<sup>nd</sup> Extraordinary General Meeting of the Company with the specific information on relevant announcements.

4. On 20 May 2016, the 2015 Annual General Meeting was held, at which the proposals on re-election were considered and approved. The re-elections were thus completed. For details, please refer to the Announcement No. 2016-045 on Resolutions of 2015 Annual General Meeting. On the same day, the First Meeting of the Eighth Board of Directors and the First Meeting of the Eighth Board of Supervisors were convened. For details, see the Announcement No. 2016-047 on Resolutions of the First Meeting of the Eighth Board of Directors and the Announcement No. 2016-048 on Resolutions of the First Meeting of the Eighth Board of Supervisors.

5. On 21 March 2016, the Company disclosed the Announcement of the Coupon Rate of the Corporate Bond (Phase I) which Publicly Issued for the Qualified Investors in 2016 (Announcement No.: 2016-024), and the corpoptate bond mentioned (referred to as “16BOE01” for short, and the code of “112358”) was of RMB10 billion Yuan with the ultimate coupon rate of 3.15%.

6. On 26 April. 2016, the Company disclosed the Announcement on Promoting the Life Insurance Company Project (Announcement No.: 2016-037), which the Compnay planed to promote the Guoxiang Life Insurance Co., Ltd. with other 4 companies and the transaction had been reviewed and approved by the 38<sup>th</sup> Session of the 7<sup>th</sup> Board of Directors of the Company with the specific information on relevant announcements.

## XV Corporate bonds

Corporate bonds publicly offered and listed on the stock exchange which were undue before the approval date of the Report or were due but could not be redeemed in full

Yes

### 1. Basic information of the corporate bonds

Name	Abbr.	Code	Issue date	Due date	Balance (RMBTen thousand Yuan)	Interest rate	Redemption method
Corporate bond (Phase I) publicly issued for the qualified investors in 2016 of BOE Technology Group Co., Ltd.	16BOE01	112358	21 Mar. 2016	21 Mar. 2021	1,000,000	3.15%	Interests paid by year with the principal paid once when expired.
Trading place of the listing or transfer of the corporate bonds	SZSE						
Appropriate arrangement of the investors	Qualified investors						
Situation of the interest payment of the corporate bonds during the Reporting Period	The interest of the bonds still needn't to be paid up to the approved presentation date of the 2016 Semi-annual Report.						
Execution situation of the relevant regulation during the Reporting Period if the corporate bonds affiliated by the special clauses such as the option clause of the issuers or the investors and the changeable clause (if applicable)	The 3 <sup>rd</sup> year-end of the bonds duration of the Reporting Period affiliated the option of raising the coupon rate of the issuers and the putting back option of the investors; the bonds still needn't to be executed up to the approved presentation date of the 2016 Semi-annual Report.						

## 2. List of the bond trustee and the rating organization

Bond trustee							
Name	China Securities	Office address	Room 2203, North Tower of Shanghai Securities Building, No. 528 of Pudong South Road, Shanghai	Contact	Zhu Mingqiang, Han Yong, Sheng Cheng	Tel	021-68801565
Rating organization executed the tracking rating on the corporate bonds during the Reporting Period:							
Name	United Ratings Co., Ltd.			Office address	F 12, PICC Building, No. 2 of Jianguomenwai Avenue, Chaoyang District, Beijing		
Alternation reason, executed process and the influences on the investors' benefits if there was alternation of the d bond trustees, rating organizations engaged by the Company during the Reporting Period (if applicable)				Not applicable			

## 3. Usage of the raised funds of the corporate bonds

Usage of the raised funds of the corporate bonds and the execution process	Strictly used according to the application committed in the prospectus and executed the internal decision-making process according to the regulations approved by the Board of Directors as well as the Annual General Meeting.
Year-end balance (RMB Ten thousand Yuan )	105,306.97
situation of the special account of the raised funds	The Company signed the Three-party Supervision Agreement on the Account and Funds of the Corporate Bonds which publicly Issued for the Qualified Investors in 2016 by BOE Technology Group Co., Ltd. with Beijing Ya'ao Branch of Ping An Bank Co., Ltd, Beijing Hepingli Branch of CHINA CITIC BANK CORPORATION LIMITED and Beijing Branch of China Merchants Bank Co., Ltd., upon which set up the raised funds account that ensured the earmarking of the raised funds.
Whether the application of the raised funds met with the usage, use plan and other agreement committed on the prospectus	Yes



#### 4. Rating situation of the Company bonds information

On 25 January 2016, United Ratings Co., Ltd. (hereinafter referred to as “United Ratings”) issued the Analysis Report of the 2016 Corporate Bonds Credit Rating of BOE Technology Group Co., Ltd., with the issuers’ main body credit rating of AAA and AAA of the credit rating of the current corporate bonds. The main body of the credit rating of the Company was AAA, where the rating outlook was stable, which reflected the rather strong debt paying ability which would basically not be influenced by the disadvantage economic environment and rather low default risks. The credit rating of the bonds of the Reporting Period was AAA, which reflected the rather high bond credit quality and the rather low credit risks.

On 24 June 2016, United Ratings issued the Tracking Rating Report of the 2016 Corporate Bonds Credit Rating of BOE Technology Group Co., Ltd., with the issuers’ main body credit rating of AAA for a long period, where the rating outlook was stable. Meanwhile, the credit rating of the bonds of the Reporting Period was AAA, which reflected the rather high bond credit quality and the rather low credit risks. The tracking rating report has been disclosed at [www.szse.cn](http://www.szse.cn) and [www.unitedratings.com.cn](http://www.unitedratings.com.cn) on 25 June 2016.

#### 5. Credit-adding mechanism, repayment plan and other repayment guarantee measures of the Company bonds

There was no guarantee of the corporate bonds of the Reporting Period.

The profits of the main business of the issuers was the main resources of the debt service fund of the bonds of the Reporting Period. The debt repayment plan was as follows: during the duration period of the bonds of the Reporting Period, every 21 March of each year from Y2017 to Y2021 is the interest date of the last interest accrual year (if met with the legal holidays or rest days, should postpone which to the subsequent 1<sup>st</sup> working day); if the investors executed the put-back right, the interest date of the part of the put-back bonds is every 21 March from Y2017 to Y2021 (if met with the legal holidays or rest days, should postpone which to the subsequent 1<sup>st</sup> working day). The principal of the current bonds should be paid at one time when expired. The payment date of the current bonds would be 21 March 2021 (if met with the legal holidays or rest days, should postpone which to the subsequent 1<sup>st</sup> working day); if the investors executed the put-back right, the payment date of the part of the put-back bonds would be 21 March 2019 (if met with the legal holidays or rest days, should postpone which to the subsequent 1<sup>st</sup> working day).

The repayment guarantee measures of the corporate bonds of the Reporting Period: to formulate the Meeting Regulations of the Bondholders and the repayment guarantee measures; to formulate and strictly carry out the funds management plans; to fully exert the functions of the bond trustees; to strictly disclose the information; at the same time, when expected to fail to repay the principals and interest of the bonds on time or failed to repay the principals and interest of the bonds when expired, the Company will at least adopt the measures of the execution of the capital expenditures projects such as to postpone the significant external investment and the purchase as well as merger and so on that guarantee the repayment of the debts.

During the Reporting Period, there was no alternation of the credit-adding mechanism, debt repayment plan and other repayment guarantee measures of the corporate bonds.

#### 6. Convening situation of the bonds holders meeting during the Reporting Period

No convention of the bondholders was held during the duration of the current bonds up to the approval quotation date of the 2016 Semi-annual Report.

#### 7. List of the duty execution of the bonds trustee during the Reporting Period

As the bond trustee of the Reporting Period, China Securities Co., Ltd. constantly paid attention on the operating, finance and credit

situation of the Company strictly according to the relevant laws and regulations such as the Regulations of the Offering and Trading of the Corporate Bonds, Professional Code of Conduct of the Bond Trustee of the Corporate Bonds and vigorously executed the responsibilities as a trustee as well as maintained the legal interests of the bondholders; there was no any situation conflicted to the Company's interests when executing the relevant responsibilities of the trustee.

### 8. Major accounting dates and the financial indicators up to the period-end of the Reporting Period and the year-end of last year (or the Reporting Period and the same period of last year)

Item	30 June 2016	31 Dec. 2015	Increase/decrease of the Reporting Period over the last year-end
Liquidity ratio	291.74%	220.83%	70.91%
Debt-to-assets ratio	52.17%	48.65%	3.52%
Quick ratio	264.99%	197.94%	67.05%
Item	Reporting Period	Same period of last year	Increase/decrease of the Reporting Period over the same period of last year
EBITDA times interest earned	5.34	7.02	-23.93%
Loan repayment rate	100.00%	100.00%	0.00%
Interest coverage	100.00%	100.00%	0.00%

Major reasons about the above accounting data and financial indicators exceeded 30% of the YoY changes

Applicable  Not applicable

The liquidity ratio increased of 70.91% over that of the last year-end, mainly due to the increase of the circulating assets such as the monetary funds for the completion of the issuance of the corporate bonds of the first half year;

The quick ratio increased of 67.05% over that of the last year-end, mainly due to the increase of the circulating assets such as the monetary funds for the completion of the issuance of the corporate bonds of the first half year.

### 9. Restricted situation of the assets right up to the period-end

Unit: RMB Yuan

Item	Book value at the period-end	Restricted reason
Monetary capital	4,483,037,966.00	Pledged for guarantee and the guarantee deposits
Notes receivable	350,139,361.00	Had completed the endorsement transfer as well as affiliated with right of resources and pledged for opening the notes payable
Inventories	0.00	Naught
Fixed assets	53,512,922,062.00	Mortgaged for guarantee
Intangible assets	633,129,338.00	Mortgaged for guarantee
Investment properties	167,211,591.00	Mortgaged for guarantee
Construction in progress	9,138,827,087.00	Mortgaged for guarantee
Total	68,285,267,405.00	--

## **10. Overdue outstanding debt of the Company**

Applicable  Not applicable

No such cases of the Company during the Reporting Period.

## **11. List of the interests payment for other debts and debt financing instruments during the Reporting Period**

No such cases of the Company during the Reporting Period.

## **12. List of the acquired bank credit lines, usage and the repayment of the bank loans**

The operation and reputation of the Company was favorable and the profitability as well as the debt payment ability of the Company was strong. the Company maintained the long-term cooperative partnerships with China Development Bank, Ping An Bank and Industrial and Commercial Bank. Up to 30 June 2016, the total amount of the credit line of the major cooperative banks with the Company was of RMB18.3 billion Yuan with the used credit line of RMB7.6 billion Yuan and the unused amount of which was of RMB10.7 billion Yuan.

No banks' delinquent accounts of the Company during the Reporting Period.

## **13. List of the execution of the agreements or the commitments related to the Company bonds raising specification during the Reporting Period**

Up to the approval quotation date of the 2016 Semi-annual Report, the Company strictly carried out each agreement and commitment of the current bond prospectus, and there was no situation of the inefficient execution of the relevant agreements or commitments according to the bond prospectus by the Company that caused the negative influences on the bonds investors.

## **14. Significant events occurred during the Reporting Period**

There was no any significant event that listed in the Clause No. 45 of Administrative Methods for the Listing and Transactions of the Corporate Bonds up to the approved representation date of the 2016 Semi-annual Report.

## **15. Whether there was guarantor of the corporate bonds**

Yes  No

## Section VI Share Changes and Shareholders' Profile

### I Changes in shares

Unit: Share

Item	Before		Increase/decrease (+/-)					After	
	Number	Percentage	New issues	Bonus shares	Increase from capital reserve	Other	Subtotal	Number	Percentage
I. Shares subject to trading moratorium	10,597,612,766	0.00%	0	0	0	-675,160,058	-675,160,058	9,922,452,708	28.23%
1. State-owned shares	0	0.00%	0	0	0	0	0	0	0.00%
2. Shares held by state-owned corporations	10,595,502,993	30.14%	0	0	0	-675,026,803	-675,026,803	9,920,476,190	28.22%
3. Shares held by domestic investors	2,109,773	0.01%	0	0	0	-133,255	-133,255	1,976,518	0.01%
Among which: shares held by domestic legal person	0	0.00%	0	0	0	0	0	0	0.00%
Shares held by domestic natural person	2,109,773	0.01%	0	0	0	-133,255	-133,255	1,976,518	0.01%
4. Shares held by foreign investors	0	0.00%	0	0	0	0	0	0	0.00%
Among which: shares held by foreign legal person	0	0.00%	0	0	0	0	0	0	0.00%
Shares held by foreign natural person	0	0.00%	0	0	0	0	0	0	0.00%
II. Shares not subject to trading moratorium	24,555,454,977	69.85%	0	0	0	675,160,058	675,160,058	25,230,615,035	71.77%
1. RMB ordinary shares	23,353,364,808	66.43%	0	0	0	675,160,058	675,160,058	24,028,524,866	68.35%
2. Domestically listed foreign shares	1,202,090,169	3.42%	0	0	0	0	0	1,202,090,169	3.42%
3. Overseas listed foreign shares	0	0.00%	0	0	0	0	0	0	0.00%
4. Others	0	0.00%	0	0	0	0	0	0	0.00%
III. Total shares	35,153,067,743	100.00%	0	0	0	0	0	35,153,067,743	100.00%

## Reasons of changes in shares

Applicable  Not applicable

1. On 11 January 2016, the restricted committed shares newly added by the company's shareholders in 2014 were relieved with an amount of 675,026,803 shares.
2. On 22 October 2015, there were changes in the Senior Executives with all of their holding shares transferred to shares subject to trading moratorium and up to the period-end, the lockup period of that part of the shares expired, which were then transferred as shares not subject to trading moratorium with the total amount of 517,405 shares; on 20 May 2016, there were changes in the Directors, Supervisors and Senior Executive Staffs owing to the completion of the general election of the Board of Directors and Board of Supervisors, and the 75% of the Company's shares held by the newly served Directors, Supervisors and Senior Executives Staffs were transferred as shares subject to trading moratorium with all of the shares held by the left Directors, Supervisors and Senior Executives Staffs transferred to shares subject to trading moratorium, so the newly increased shares subject to trading moratorium to 384,150 shares and the total decreased amount of the above was of 133,255 shares.

## Approval for share changes

Applicable  Not applicable

## Transfer of share ownership

Applicable  Not applicable

Effects of share changes on the basic earnings per share, diluted earnings per share, net assets per share attributable to ordinary shareholders of the Company and other financial indicators over last year and the last Reporting Period

Applicable  Not applicable

Other information that the Company considers necessary or is required by the securities regulatory authorities to disclose

Applicable  Not applicable

Changes in the total shares, shareholder structure, asset structure and liability structure

Applicable  Not applicable

## II Total number of shareholders and their shareholdings

Unit: share

Total number of ordinary shareholders at the end of the Reporting Period	1,395,044 (including 1,347,444 A-shareholders and 47,600 B-shareholders)		Total number of preference shareholders who had resumed their voting right at the end of the Reporting Period (if any)	0				
Shareholdings of ordinary shareholders with a stake over 5% or top 10 ordinary shareholders								
Name of shareholder	Nature of shareholder	Shareholding percentage	Number of ordinary shares held at the end of the Reporting Period	Increase/decrease of shares during the Reporting Period	Number of restricted ordinary shares held	Number of non-restricted ordinary shares held	Pledged or frozen shares	
							Status	Number
Beijing State-owned Capital Management Center	State-owned corporation	11.56%	4,063,333,333	0	4,063,333,333	0		
Chongqing Photoelectricity Investment Co., Ltd.	State-owned corporation	8.53%	3,000,000,000	0	3,000,000,000	0	Pledged	955,000,000
Hefei Jianxiang Investment Co., Ltd.	State-owned corporation	8.13%	2,857,142,857	0	2,857,142,857	0		
Hua An Fund – ICBC – Zhongrong International Trust – Zhongrong – RJ No. 1 Assembled Funds Trust Plan	Other	4.45%	1,564,126,904	0	0	1,564,126,904		
China Securities Finance Corporation Limited	Other	2.74%	963,281,982	-87,796,949	0	963,281,982		
Beijing BOE Investment & Development Co., Ltd.	State-owned corporation	2.34%	822,092,180	0	0	822,092,180		

Beijing Economic-technological Investment & Development Corp	State-owned corporation	1.93%	677,423,641	0	0	677,423,641		
Hefei Rongke Project Investment Co., Ltd.	State-owned corporation	1.92%	675,026,803	0	0	675,026,803		
Beijing BDA Technological Investment Development Co., Ltd.	Other	1.60%	564,000,000	0	0	564,000,000		
Beijing Electronics Holding Co. Ltd.	On behalf of the government	0.78%	273,735,583	0	0	273,735,583		
Strategic investor or general corporation becoming a top ten ordinary shareholder due to placing of new shares (if any) (see Note 3)	Not applicable							
Explanation on associated relationship or/and persons acting in concert among the above-mentioned shareholders	<p>1. Beijing State-owned Capital Management Center held 100% equities of Beijing Electronics Holding Co. Ltd..</p> <p>2 As the controlling shareholder, Beijing Electronics Holdings Co., Ltd. held 66.25% equities of Beijing BOE Investment &amp; Development Co., Ltd.</p> <p>3. Beijing Economic-technological Investment &amp; Development Corp held 49% equities of Beijing BDA Technological Investment Development Co., Ltd., and the above two companies were persons acting in concert and both were controlled by Beijing Economic and Technological Development Zone Management Committee.</p> <p>4. After the non-public issuing of the Company in 2014, Hefei Jianxiang Investment Co., Ltd. and Chongqing Capital Photoelectricity Investment Co., Ltd. agreed to maintain unanimous when executing the voting rights of the shareholders of the Company with the whole shareholdings according to the declaration of intention of Beijing BOE Investment &amp; Development Co., Ltd. through the Implementation Protocol of Voting Right.</p> <p>5. After the non-public issuing of the Company in 2014, Beijing State-owned Capital Operation and Management Center handed over its 70% shares to Beijing Electronics Holdings Co., Ltd. for management through Stock Management Protocol, and Beijing Electronics Holdings Co., Ltd. gained the incidental shareholders' rights except for disposing right and usufruct of the shares, of which the rest 30% voting right maintained unanimous with Beijing Electronics Holdings Co., Ltd. through the agreement according to Implementation Protocol of Voting</p>							

	Right.		
	6. Except for relationship among the above shareholders, the Company is not aware of whether the other top ten shareholders exist associated relationship or not, or they are persons acting in concert or not.		
Shareholdings of the top ten non-restricted ordinary shareholders			
Name of shareholder	Number of non-restricted ordinary shares held at the period-end	Type of shares	
		Type	Number
Hua An Fund—ICBC—Zhongrong International Trust—Zhongrong—RJ No. 1 Assembled Funds Trust Plan	1,564,126,904	RMB ordinary share	1,564,126,904
China Securities Finance Corporation Limited	963,281,982	RMB ordinary share	963,281,982
Beijing BOE Investment & Development Co., Ltd.	822,092,180	RMB ordinary share	822,092,180
Beijing Economic-technological Investment & Development Corp	677,423,641	RMB ordinary share	677,423,641
Hefei Rongke Project Investment Co., Ltd.	675,026,803	RMB ordinary share	675,026,803
Beijing BDA Technological Investment Development Co., Ltd.	564,000,000	RMB ordinary share	564,000,000
Beijing Electronics Holding Co. Ltd.	273,735,583	RMB ordinary share	273,735,583
Central Huijin Asset Management Co., Ltd.	248,305,300	RMB ordinary share	248,305,300
Chongqing Jiangbei Mouth CBD Investment Group Co., Ltd.	107,095,238	RMB ordinary share	107,095,238
Sinotrans Air Transportation Development Co., Ltd.	78,200,000	RMB ordinary share	78,200,000
Explanation on associated relationship among the top ten shareholders of tradable share not subject	<p>1. Beijing State-owned Capital Management Center held 100% equities of Beijing Electronics Holding Co. Ltd..</p> <p>2 As the controlling shareholder, Beijing Electronics Holdings Co., Ltd. held 66.25% equities of Beijing BOE Investment &amp; Development</p>		



<p>to trading moratorium, as well as among the top ten shareholders of tradable share not subject to trading moratorium and top ten shareholders, or explanation on acting-in-concert</p>	<p>Co., Ltd..</p> <p>3. Beijing Economic-technological Investment &amp; Development Corp held 49% equities of Beijing BDA Technological Investment Development Co., Ltd., and the above two companies were persons acting in concert and both were controlled by Beijing Economic and Technological Development Zone Management Committee.</p> <p>4. After the non-public issuing of the Company in 2014, Hefei Jianxiang Investment Co., Ltd. and Chongqing Capital Photoelectricity Investment Co., Ltd. agreed to maintain unanimous when executing the voting rights of the shareholders of the Company with the whole shareholdings according to the declaration of intention of Beijing BOE Investment &amp; Development Co., Ltd. through the Implementation Protocol of Voting Right.</p> <p>5. After the non-public issuing of the Company in 2014, Beijing State-owned Capital Operation and Management Center handed over its 70% shares to Beijing Electronics Holdings Co., Ltd. for management through Stock Management Protocol, and Beijing Electronics Holdings Co., Ltd. gained the incidental shareholders' rights except for disposing right and usufruct of the shares, of which the rest 30% voting right maintained unanimous with Beijing Electronics Holdings Co., Ltd. through the agreement according to Implementation Protocol of Voting Right.</p> <p>6. Except for relationship among the above shareholders, the Company is not aware of whether the other top ten shareholders exist associated relationship or not, or they are persons acting in concert or not.</p>
<p>Explanation on top ten non-restricted ordinary shareholders participating in the securities lending and borrowing business</p>	<p>Not applicable</p>

Did any of the top 10 ordinary shareholders or the top 10 non-restricted ordinary shareholders of the Company conduct any promissory repo during the Reporting Period?

Yea  No

No such cases in the Reporting Period.

### **III Change of the controlling shareholder or the actual controller**

Change of the controlling shareholder in the Reporting Period

Applicable  Not applicable

No such cases in the Reporting Period.

Change of the actual controller in the Reporting Period

Applicable  Not applicable

No such cases in the Reporting Period.

### **IV Any shareholding increase plan proposed or implemented by any shareholder or its act-in-concert parties during the Reporting Period**

Applicable  Not applicable

To the best knowledge of the Company, no shareholder or its act-in-concert party proposed or implemented any shareholding increase plan during the Reporting Period.

## Section VII Preference Shares

Applicable  Not applicable

No preference shares in the Reporting Period.

## Section VIII Directors, Supervisors and Senior Management

### I Shareholding changes of directors, supervisors and senior management

√ Applicable □ Not applicable

Name	Office title	Incumbent /former	Opening shareholding (share)	Increase in the Current Period (share)	Decrease in the Current Period (share)	Closing shareholding (share)	Number of granted restricted shares at the period-beginning (share)	Number of restricted shares granted in the Current Period (share)	Number of granted restricted shares at the period-end (share)
Wang Dongsheng	Chairman of the Board	Current	299,905	0	0	299,905	0	0	0
Xie Xiaoming	Executive Director	Current	7,680	0	0	7,680	0	0	0
Chen Yanshun	Executive Director, President of the Executive Council (CEO)	Current	260,000	0	0	260,000	0	0	0
Wang Jing	Director	Current	0	0	0	0	0	0	0
Zhang Jingsong	Director	Current	0	0	0	0	0	0	0
Liu Xiaodong	Director, Vice Chairman of the Executive Committee, President and COO	Current	250,000	0	0	250,000	0	0	0
Song Jie	Director	Current	0	0	0	0	0	0	0
Yao Xiangjun	Director, Executive Committee Member, SVP, Joint Chief Operating Officer and CEO of Intelligence System	Current	100,000	0	0	100,000	0	0	0

	Business Group								
Lv Tingjie	Independent Director	Current	0	0	0	0	0	0	0
Wang Huacheng	Independent Director	Current	0	0	0	0	0	0	0
Hu Xiaolin	Independent Director	Current	0	0	0	0	0	0	0
Chen Ming	Supervisory Board Chairman (Convener)	Current	0	0	0	0	0	0	0
Xu Tao	Supervisor	Current	0	0	0	0	0	0	0
Mu Chengyuan	Supervisor	Current	2,991	0	0	2,991	0	0	0
Zhao Wei	Supervisor	Current	0	0	0	0	0	0	0
Shi Hong	Supervisor	Current	0	0	0	0	0	0	0
Zhuang Haoyu	Supervisor	Current	0	0	0	0	0	0	0
Miao Chuanbin	Employee Supervisor	Current	0	0	0	0	0	0	0
Xu Yangping	Employee Supervisor	Current	0	0	0	0	0	0	0
He Daopin	Employee Supervisor	Current	0	0	0	0	0	0	0
Dong Youmei	Executive Vice President, Strategy Committee Secretary of the Board and Director of the Technology and Product Strategy Committee	Current	200,000	0	0	200,000	0	0	0
Sun Yun	Executive Committee Member, Executive Vice-President, CFO	Current	155,981	0	0	155,981	0	0	0
Yue Zhanqiu	Executive Committee Member, SVP, Chief	Current	150,000	0	0	150,000	0	0	0

	Information Officer								
Feng Liqiong	SVP, Lead Counsel	Current	150,000	0	0	150,000	0	0	0
Zhong Huifeng	Executive Committee Member, SVP, CHO	Current	150,000	0	0	150,000	0	0	0
Xie Zhongdong	Executive Committee Member, Senior Vice President, Chief Risk Control Officer, Chief Auditor	Current	110,000	0	0	110,000	0	0	0
Zhang Zhaohong	Executive Committee Member, SVP, CEO of Display Device Business Group	Current	150,000	0	0	150,000	0	0	0
Feng Qiang	Executive Committee Member, SVP, CEO of Health Services Business Group	Current	100,000	0	0	100,000	0	0	0
Yang Anle	SVP, Chief Investment Officer	Current	100,000	0	0	100,000	0	0	0
Tong Guanshan	SVP, CTO	Current	0	0	0	0	0	0	0
Liu Hongfeng	Vice-President, Board Secretary and Executive Committee Secretary	Current	100,000	0	0	100,000	0	0	0
Jing Linfeng	Vice-President, CSO and Executive Secretary of Executive Committee	Current	100,000	0	0	100,000	0	0	0
Ji Guoping	Independent Director	Former	0	0	0	0	0	0	0

Yu Ning	Independent Director	Former	0	0	0	0	0	0	0
Zhou Yanwen	Employee Supervisor	Former	0	0	0	0	0	0	0
Li Xuezheng	SVP	Former	186,600	0	0	186,600	0	0	0
Total	--	--	2,573,157	0	0	2,573,157	0	0	0

## II Changes in directors, supervisors and senior management

√ Applicable □ Not applicable

Name	Office title	Type of change	Date	Reason
Yao Xiangjun	Director, Executive Committee Member, SVP, Joint Chief Operating Officer and CEO of Intelligence System Business Group	Elected	20 May 2016	Elected
Hu Xiaolin	Independent Director	Elected	20 May 2016	Elected
He Daopin	Employee Supervisor	Elected	20 May 2016	Elected
Dong Youmei	Executive Vice President, Strategy Committee Secretary of the Board and Director of the Technology and Product Strategy Committee	Appointed and dismisses	20 May 2016	Appointed and dismisses
Zhang Zhaohong	Executive Committee Member, SVP, CEO of Display Device Business Group	Engaged	20 May 2016	Engaged
Feng Qiang	Executive Committee Member, SVP, CEO of Health Services Business Group	Engaged	20 May 2016	Engaged
Yang Anle	SVP, Chief Investment Officer	Engaged	20 May 2016	Engaged
Tong Guanshan	SVP, CTO	Engaged	20 May 2016	Engaged
Jing Linfeng	Vice-President, CSO and Executive Secretary of Executive Committee	Engaged	20 May 2016	Engaged
Ji Guoping	Independent Director	Left as service term expired	20 May 2016	Left as service term expired
Yu Ning	Independent Director	Left	1 Jun. 2016	Passed away
Zhou Yanwen	Employee Supervisor	Left as service term expired	20 May 2016	Left as service term expired
Li Xuezheng	SVP	Left as service term expired	20 May 2016	Left as service term expired

## Section IX Financial Report

### I. Audit report

Has this semi-annual report been audited?

Yes  No

The semi-annual financial report has not been audited.

### II. Financial statements

Currency unit for the statements in the notes to these financial statements: RMB Yuan

#### 1. Consolidated balance sheet

Prepared by BOE Technology Group Co., Ltd.

Unit: RMB Yuan

Item	Closing balance	Opening balance
Current assets:		
Monetary funds	44,519,079,579.00	38,866,861,836.00
Settlement reserve	0.00	0.00
Interbank lendings	0.00	0.00
Financial assets at fair value through profit/loss	35,872,347.00	0.00
Derivative financial assets	0.00	0.00
Notes receivable	1,065,793,439.00	362,053,092.00
Accounts receivable	10,729,817,649.00	8,192,514,361.00
Accounts paid in advance	603,407,804.00	226,447,504.00
Premiums receivable	0.00	0.00
Reinsurance premiums receivable	0.00	0.00
Receivable reinsurance contract reserve	0.00	0.00
Interest receivable	107,730,119.00	194,518,278.00
Dividends receivable	6,651,480.00	0.00
Other accounts receivable	533,059,122.00	593,329,847.00
Financial assets purchased under agreements to resell	0.00	0.00
Inventories	7,200,449,513.00	6,609,406,228.00
Assets held for sale	0.00	0.00
Non-current assets due within one year	25,062,419.00	0.00



Other current assets	13,707,855,848.00	8,712,017,517.00
Total current assets	78,534,779,319.00	63,757,148,663.00
Non-current assets:		
Loans and advances to customers	0.00	0.00
Available-for-sale financial assets	446,293,769.00	454,096,246.00
Held-to-maturity investments	0.00	0.00
Long-term accounts receivable	0.00	0.00
Long-term equity investments	1,700,914,108.00	1,260,302,959.00
Investment property	1,210,463,063.00	1,227,099,427.00
Fixed assets	63,258,787,740.00	63,565,099,405.00
Construction in progress	20,213,753,534.00	18,645,461,692.00
Engineering materials	0.00	0.00
Disposal of fixed assets	0.00	0.00
Productive living assets	0.00	0.00
Oil-gas assets	0.00	0.00
Intangible assets	2,605,562,535.00	2,679,239,255.00
R&D expenses	0.00	0.00
Goodwill	197,963,688.00	197,963,688.00
Long-term deferred expenses	348,527,169.00	341,526,213.00
Deferred tax assets	101,021,236.00	117,105,220.00
Other non-current assets	1,657,718,861.00	347,851,674.00
Total non-current assets	91,741,005,703.00	88,835,745,779.00
Total assets	170,275,785,022.00	152,592,894,442.00
Current liabilities:		
Short-term borrowings	1,675,552,145.00	5,091,974,830.00
Borrowings from the Central Bank	0.00	0.00
Money deposits accepted and inter-bank deposits	0.00	0.00
Interbank borrowings	0.00	0.00
Financial liabilities at fair value through profit/loss	0.00	0.00
Derivative financial liabilities	0.00	0.00
Notes payable	491,128,454.00	343,277,037.00
Accounts payable	11,123,142,770.00	9,849,935,031.00
Accounts received in advance	546,562,992.00	386,538,903.00
Financial assets sold for repurchase	0.00	0.00

Fees and commissions payable	0.00	0.00
Payroll payable	701,777,969.00	1,092,103,138.00
Taxes and fares payable	179,704,984.00	224,415,009.00
Interest payable	464,064,882.00	348,173,849.00
Dividends payable	491,253,794.00	9,651,170.00
Other accounts payable	8,230,251,535.00	8,864,929,878.00
Reinsurance premiums payable	0.00	0.00
Insurance contract reserve	0.00	0.00
Payables for acting trading of securities	0.00	0.00
Payables for acting underwriting of securities	0.00	0.00
Liabilities held for sale	0.00	0.00
Non-current liabilities due within one year	2,556,088,170.00	2,283,535,113.00
Other current liabilities	459,770,397.00	376,906,959.00
Total current liabilities	26,919,298,092.00	28,871,440,917.00
Non-current liabilities:		
Long-term borrowings	41,917,658,001.00	36,341,198,145.00
Bonds payable	9,954,719,298.00	0.00
Of which: Preference shares	0.00	0.00
Perpetual bonds	0.00	0.00
Long-term accounts payable	10,423,573.00	0.00
Long-term payroll payable	0.00	0.00
Special payables	0.00	0.00
Provisions	16,060,269.00	16,457,010.00
Deferred income	2,041,535,060.00	2,406,244,676.00
Deferred tax liabilities	450,354,946.00	435,880,215.00
Other non-current liabilities	7,530,096,383.00	6,170,843,660.00
Total non-current liabilities	61,920,847,530.00	45,370,623,706.00
Total liabilities	88,840,145,622.00	74,242,064,623.00
Owners' equity:		
Share capital	35,153,067,743.00	35,153,067,743.00
Other equity instruments	0.00	0.00
Of which: Preference shares	0.00	0.00
Perpetual bonds	0.00	0.00
Capital reserve	39,029,109,178.00	39,018,900,467.00

Less: Treasury shares	0.00	0.00
Other comprehensive income	63,812,600.00	90,153,009.00
Special reserve	0.00	0.00
Surplus reserve	592,242,059.00	592,242,059.00
Provisions for general risks	0.00	0.00
Retained earnings	1,762,909,191.00	2,630,912,286.00
Equity attributable to owners of the Company	76,601,140,771.00	77,485,275,564.00
Minority interests	4,834,498,629.00	865,554,255.00
Total owners' equity	81,435,639,400.00	78,350,829,819.00
Total liabilities and owners' equity	170,275,785,022.00	152,592,894,442.00

Legal representative: Wang Dongsheng

Person-in-charge of the accounting work: Sun Yun

Chief of the accounting division: Yang Xiaoping

## 2. Balance sheet of the Company

Unit: RMB Yuan

Item	Closing balance	Opening balance
Current Assets:		
Monetary funds	5,053,676,982.00	3,327,934,443.00
Financial assets measured by fair value with the changes be included in the current gains and losses	0.00	0.00
Derivative financial assets	0.00	0.00
Notes receivable	100,000.00	0.00
Accounts receivable	66,135,207.00	59,397,930.00
Accounts paid in advance	6,964,617.00	6,825,464.00
Interest receivable	18,700,426.00	52,437,366.00
Dividend receivable	90,941,079.00	90,941,079.00
Other accounts receivable	1,407,340,717.00	1,281,026,259.00
Inventories	11,380,078.00	10,846,799.00
Assets divided available for sale	0.00	0.00
Non-current assets due within 1 year	0.00	0.00
Other current assets	4,189,913,087.00	109,578,393.00
Total current assets	10,845,152,193.00	4,938,987,733.00
Non-current assets:		

Available-for-sale financial assets	150,937,964.00	176,683,497.00
Held-to-maturity investments	0.00	0.00
Long-term accounts receivable	0.00	0.00
Long-term equity investment	85,876,227,448.00	77,551,596,817.00
Investing property	167,132,204.00	169,723,827.00
Fixed assets	820,308,709.00	846,738,969.00
Construction in progress	424,886,414.00	160,409,258.00
Engineering materials	0.00	0.00
Disposal of fixed assets	0.00	0.00
Production biological assets	0.00	0.00
Oil-gas assets	0.00	0.00
Intangible assets	657,207,657.00	638,764,378.00
R&D expense	0.00	0.00
Goodwill	0.00	0.00
Long-term deferred expenses	111,300,710.00	104,917,711.00
Deferred income tax assets	0.00	0.00
Other non-current assets	3,292,057,372.00	2,551,631,765.00
Total of non-current assets	91,500,058,478.00	82,200,466,222.00
Total assets	102,345,210,671.00	87,139,453,955.00
Current liabilities:		
Short-term borrowings	0.00	0.00
Financial liabilities measured by fair value with the changes be included in the current gains and losses	0.00	0.00
Derivative financial liabilities	0.00	0.00
Notes payable	0.00	0.00
Accounts payable	29,865,401.00	13,975,839.00
Accounts received in advance	340,801,630.00	3,439,149.00
Employee's compensation payable	92,644,343.00	111,350,496.00
Tax payable	14,948,749.00	34,371,553.00
Interest payable	102,672,710.00	5,091,297.00
Dividend payable	6,451,170.00	6,451,170.00
Other accounts payable	6,005,992,459.00	7,507,464,657.00
Liabilities divided available for sale	0.00	0.00
Non-current liabilities due within 1 year	670,000,000.00	670,000,000.00

Other current liabilities	0.00	0.00
Total current liabilities	7,263,376,462.00	8,352,144,161.00
Non-current liabilities:		
Long-term borrowings	10,828,240,000.00	4,140,720,000.00
Bonds payable	9,954,719,298.00	0.00
Of which: preferred shares	0.00	0.00
Perpetual capital securities	0.00	0.00
Long-term payables	0.00	0.00
Long-term payroll payables	0.00	0.00
Specific payables	0.00	0.00
Estimated liabilities	0.00	0.00
Deferred income	135,361,036.00	151,809,223.00
Deferred income tax liabilities	1,432,555.00	0.00
Other non-current liabilities	0.00	0.00
Total non-current liabilities	20,919,752,889.00	4,292,529,223.00
Total liabilities	28,183,129,351.00	12,644,673,384.00
Owners' equity:		
Share capital	35,153,067,743.00	35,153,067,743.00
Other equity instruments	0.00	0.00
Of which: preferred shares	0.00	0.00
Perpetual capital securities	0.00	0.00
Capital reserves	38,153,747,101.00	38,152,869,635.00
Less: Treasury stock	0.00	0.00
Other comprehensive income	87,740,701.00	109,786,796.00
Specific reserves	0.00	0.00
Surplus reserves	592,242,059.00	592,242,059.00
Retained profits	175,283,716.00	486,814,338.00
Total owners' equity	74,162,081,320.00	74,494,780,571.00
Total liabilities and owners' equity	102,345,210,671.00	87,139,453,955.00

### 3. Consolidated income statement

Unit: RMB Yuan

Item	Reporting Period	Same period of last year
1. Operating revenues	26,448,310,717.00	22,970,848,112.00

Including: Sales income	26,448,310,717.00	22,970,848,112.00
Interest income	0.00	0.00
Premium income	0.00	0.00
Fee and commission income	0.00	0.00
2. Operating costs	28,837,030,184.00	21,082,716,877.00
Including: Cost of sales	23,987,091,158.00	17,509,610,448.00
Interest expenses	0.00	0.00
Fee and commission expenses	0.00	0.00
Surrenders	0.00	0.00
Net claims paid	0.00	0.00
Net amount provided as insurance contract reserve	0.00	0.00
Expenditure on policy dividends	0.00	0.00
Reinsurance premium	0.00	0.00
Business tax and surtaxes	92,930,181.00	114,336,421.00
Selling expenses	696,216,454.00	532,688,703.00
Administrative expenses	2,311,090,435.00	2,252,419,046.00
Finance costs	1,234,879,010.00	176,341,089.00
Asset impairment loss	514,822,946.00	497,321,170.00
Add: Profit on fair value changes (“-” means loss)	4,623,937.00	0.00
Return on investment (“-” means loss)	64,994,322.00	64,659,150.00
Including: Share of profit/loss of associates and joint ventures	-11,180,961.00	10,557,037.00
Foreign exchange profit (“-” means loss)	0.00	0.00
3. Operating profit (“-” means loss)	-2,319,101,208.00	1,952,790,385.00
Add: Non-operating income	1,793,732,882.00	424,771,458.00
Including: Profit on disposal of non-current assets	4,788,368.00	1,481,675.00
Less: Non-operating expense	5,876,931.00	13,347,411.00
Including: Loss on disposal of non-current assets	2,257,689.00	9,248,574.00
4. Total profit (“-” means loss)	-531,245,257.00	2,364,214,432.00
Less: Corporate income tax	56,258,311.00	411,060,664.00
5. Net profit (“-” means loss)	-587,503,568.00	1,953,153,768.00
Net profit attributable to owners of the Company	-516,472,418.00	1,951,170,852.00
Minority interests’ income	-71,031,150.00	1,982,916.00
6. After-tax net amount of other comprehensive income	-26,340,409.00	71,443,148.00
After-tax net amount of other comprehensive income attributable to owners of the Company	-26,340,409.00	71,517,997.00

6.1 Other comprehensive income that will not be reclassified into profit/loss	0.00	0.00
6.1.1 Changes in net liabilities or assets with a defined benefit plan upon re-measurement	0.00	0.00
6.1.2 Share of other comprehensive income of investees that cannot be reclassified into profit/loss under the equity method	0.00	0.00
6.2 Other comprehensive income to be subsequently reclassified into profit/loss	-26,340,409.00	71,517,997.00
6.2.1 Share of other comprehensive income of investees that will be reclassified into profit/loss under the equity method	-4,418,377.00	0.00
6.2.2 Profit/loss on fair value changes of available-for-sale financial assets	-44,147,531.00	72,615,730.00
6.2.3 Profit/loss on reclassifying held-to-maturity investments into available-for-sale financial assets	0.00	0.00
6.2.4 Effective profit/loss on cash flow hedges	0.00	0.00
6.2.5 Currency translation differences	22,225,499.00	-1,097,733.00
6.2.6 Other	0.00	0.00
After-tax net amount of other comprehensive income attributable to minority interests	0.00	-74,849.00
7. Total comprehensive income	-613,843,977.00	2,024,596,916.00
Attributable to owners of the Company	-542,812,827.00	2,022,688,849.00
Attributable to minority interests	-71,031,150.00	1,908,067.00
8. Earnings per share		
8.1 Basic earnings per share	-0.015	0.055
8.2 Diluted earnings per share	-0.015	0.055

Where business mergers under the same control occurred in the Reporting Period, the net profit achieved by the merged parties before the business mergers was RMB0.00 Yuan, with the corresponding amount for the last period being RMB0.00 Yuan.

Legal representative: Wang Dongsheng

Person-in-charge of the accounting work: Sun Yun

Chief of the accounting division: Yang Xiaoping

#### 4. Income statement of the Company

Unit: RMB Yuan

Item	Reporting Period	Same period of last year
1. Operating revenues	693,427,051.00	395,131,526.00
Less: Operating costs	58,815,389.00	65,325,004.00
Business tax and surtaxes	2,344,938.00	5,608,886.00
Selling expenses	4,386,080.00	1,674,119.00

Administrative expenses	569,405,477.00	466,597,959.00
Finance costs	60,850,293.00	-74,073,299.00
Asset impairment loss	0.00	0.00
Add: profit on fair value changes (“-” means loss)	0.00	0.00
Return on investment (“-” means loss)	18,377,124.00	465,346,985.00
Including: Share of profit/loss of associates and joint ventures	-11,180,961.00	10,557,037.00
2. Operating profit (“-” means loss)	16,001,998.00	395,345,842.00
Add: Non-operating income	27,771,591.00	75,382,251.00
Including: Profit on disposal of non-current assets	83,799.00	24,000.00
Less: Non-operating expense	374,260.00	71,665.00
Including: Loss on disposal of non-current assets	8,690.00	1,555.00
3. Total profit (“-” means loss)	43,399,329.00	470,656,428.00
Less: Corporate income tax	3,399,274.00	0.00
4. Net profit (“-” means loss)	40,000,055.00	470,656,428.00
5. After-tax net amount of other comprehensive income	-22,046,095.00	32,512,068.00
5.1 Other comprehensive income that will not be reclassified into profit and loss	0.00	0.00
5.1.1 Changes in net liabilities or assets with a defined benefit plan upon re-measurement	0.00	0.00
5.1.2 Share of other comprehensive income of investees that cannot be reclassified into profit/loss under the equity method	0.00	0.00
5.2 Other comprehensive income to be subsequently reclassified into profit/loss	-22,046,095.00	32,512,068.00
5.2.1 Share of other comprehensive income of investees that will be reclassified into profit/loss under the equity method	-4,418,377.00	0.00
5.2.2 Profit/loss on fair value changes of available-for-sale financial assets	-17,627,718.00	32,512,068.00
5.2.3 Profit/loss on reclassifying held-to-maturity investments into available-for-sale financial assets	0.00	0.00
5.2.4 Effective profit/loss on cash flow hedges	0.00	0.00
5.2.5 Currency translation differences	0.00	0.00
5.2.6 Other	0.00	0.00
6. Total comprehensive income	17,953,960.00	503,168,496.00
7. Earnings per share		
7.1 Basic earnings per share	0.0011	0.013
7.2 Diluted earnings per share	0.0011	0.013



## 5. Consolidated cash flow statement

Unit: RMB Yuan

Item	Reporting Period	Same period of last year
1. Cash flows from operating activities:		
Cash received from sale of commodities and rendering of service	24,660,608,318.00	22,930,542,755.00
Net increase in money deposits from customers and interbank placements	0.00	0.00
Net increase in loans from the Central Bank	0.00	0.00
Net increase in funds borrowed from other financial institutions	0.00	0.00
Cash received from premium of original insurance contracts	0.00	0.00
Net cash received from reinsurance business	0.00	0.00
Net increase in deposits of policy holders and investment fund	0.00	0.00
Net increase in disposal of financial assets at fair value through profit/loss	0.00	0.00
Interest, fees and commissions received	0.00	0.00
Net increase in interbank borrowings	0.00	0.00
Net increase in funds in repurchase business	0.00	0.00
Tax refunds received	1,773,162,511.00	1,552,640,958.00
Cash received from other operating activities	1,554,539,195.00	822,344,215.00
Subtotal of cash inflows from operating activities	27,988,310,024.00	25,305,527,928.00
Cash paid for goods and services	18,580,530,133.00	14,687,024,246.00
Net increase in loans and advances to customers	0.00	0.00
Net increase in funds deposited in the Central Bank and interbank placements	0.00	0.00
Cash paid for claims of original insurance contracts	0.00	0.00
Interest, fees and commissions paid	0.00	0.00
Cash paid as policy dividends	0.00	0.00
Cash paid to and for employees	3,000,913,336.00	2,722,826,479.00
Taxes and fares paid	793,428,583.00	905,519,911.00
Cash paid for other operating activities	2,879,351,017.00	1,536,765,804.00
Subtotal of cash outflows from operating activities	25,254,223,069.00	19,852,136,440.00
Net cash flows from operating activities	2,734,086,955.00	5,453,391,488.00
2. Cash flows from investing activities:		
Cash received from retraction of investments	15,988,345,399.00	3,721,672,760.00
Cash received as return on investments	83,197,527.00	44,876,285.00

Net cash received from disposal of fixed assets, intangible assets and other long-term assets	81,891,572.00	1,358,403.00
Net cash received from disposal of subsidiaries or other business units	0.00	0.00
Cash received from other investing activities	882,751,810.00	820,946,320.00
Subtotal of cash inflows from investing activities	17,036,186,308.00	4,588,853,768.00
Cash paid to acquire fixed assets, intangible assets and other long-term assets	7,098,361,611.00	10,480,124,471.00
Cash paid for investment	21,154,818,990.00	5,662,064,789.00
Net increase in pledged loans	0.00	0.00
Net cash paid to acquire subsidiaries and other business units	0.00	0.00
Cash paid for other investing activities	1,416,268,111.00	16,928,514.00
Subtotal of cash outflows from investing activities	29,669,448,712.00	16,159,117,774.00
Net cash flows from investing activities	-12,633,262,404.00	-11,570,264,006.00
3. Cash flows from financing activities:		
Cash received from capital contributions	3,008,499,427.00	0.00
Including: Cash received from minority shareholder investments by subsidiaries	0.00	0.00
Cash received as borrowings	9,321,691,631.00	9,068,701,432.00
Cash received from issuance of bonds	10,000,000,000.00	0.00
Cash received from other financing activities	379.00	0.00
Subtotal of cash inflows from financing activities	22,330,191,437.00	9,068,701,432.00
Repayment of borrowings	7,177,513,007.00	6,579,675,703.00
Cash paid for interest expenses and distribution of dividends or profit	1,247,945,239.00	673,357,186.00
Including: dividends or profit paid by subsidiaries to minority interests	0.00	0.00
Cash paid for other financing activities	34,652,203.00	116,385,019.00
Sub-total of cash outflows from financing activities	8,460,110,449.00	7,369,417,908.00
Net cash flows from financing activities	13,870,080,988.00	1,699,283,524.00
4. Effect of foreign exchange rate changes on cash and cash equivalents	-117,602,143.00	-77,675,858.00
5. Net increase in cash and cash equivalents	3,853,303,396.00	-4,495,264,852.00
Add: Opening balance of cash and cash equivalents	36,182,738,217.00	36,504,707,160.00
6. Closing balance of cash and cash equivalents	40,036,041,613.00	32,009,442,308.00

## 6. Cash flow statement of the Company

Unit: RMB Yuan

Item	Reporting Period	Same period of last year
<b>1. Cash flows from operating activities:</b>		
Cash received from sale of commodities and rendering of service	319,644,675.00	95,679,936.00
Tax refunds received	1,327,240.00	0.00
Cash received from other operating activities	1,475,704,664.00	1,023,436,526.00
Subtotal of cash inflows from operating activities	1,796,676,579.00	1,119,116,462.00
Cash paid for goods and services	158,972,319.00	140,067,732.00
Cash paid to and for employees	248,492,467.00	271,101,912.00
Taxes and fares paid	62,726,325.00	30,543,680.00
Cash paid for other operating activities	1,872,139,111.00	301,950,992.00
Subtotal of cash outflows from operating activities	2,342,330,222.00	743,664,316.00
Net cash flows from operating activities	-545,653,643.00	375,452,146.00
<b>2. Cash flows from investing activities:</b>		
Cash received from retraction of investments	4,022,161,515.00	0.00
Cash received as return on investments	29,558,084.00	193,252.00
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	185,464.00	24,000.00
Net cash received from disposal of subsidiaries or other business units	0.00	0.00
Cash received from other investing activities	10,654,523.00	137,529,798.00
Subtotal of cash inflows from investing activities	4,062,559,586.00	137,747,050.00
Cash paid to acquire fixed assets, intangible assets and other long-term assets	490,766,406.00	57,579,111.00
Cash paid for investment	16,374,019,482.00	7,457,064,789.00
Net cash paid to acquire subsidiaries and other business units	0.00	0.00
Cash paid for other investing activities	1,101,301,713.00	457,828.00
Subtotal of cash outflows from investing activities	17,966,087,601.00	7,515,101,728.00
Net cash flows from investing activities	-13,903,528,015.00	-7,377,354,678.00
<b>3. Cash flows from financing activities:</b>		
Cash received from capital contributions	0.00	0.00
Cash received as borrowings	6,940,000,000.00	3,149,242,200.00
Cash received from issuance of bonds	10,000,000,000.00	0.00
Cash received from other financing activities	379.00	0.00

Subtotal of cash inflows from financing activities	16,940,000,379.00	3,149,242,200.00
Repayment of borrowings	423,155,128.00	0.00
Cash paid for interest expenses and distribution of dividends or profit	402,453,000.00	9,665,367.00
Cash paid for other financing activities	1,324.00	2,148,923,200.00
Sub-total of cash outflows from financing activities	825,609,452.00	2,158,588,567.00
Net cash flows from financing activities	16,114,390,927.00	990,653,633.00
4. Effect of foreign exchange rate changes on cash and cash equivalents	10,403,270.00	-316,325.00
5. Net increase in cash and cash equivalents	1,675,612,539.00	-6,011,565,224.00
Add: Opening balance of cash and cash equivalents	3,322,215,443.00	8,671,876,589.00
6. Closing balance of cash and cash equivalents	4,997,827,982.00	2,660,311,365.00

## 7. Consolidated statement of changes in owners' equity

Reporting Period

Unit: RMB Yuan

Item	Reporting Period												
	Equity attributable to owners of the Company											Minority interests	Total owners' equity
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Retained earnings		
	Preference shares	Perpetual bonds	Other										
1. Balance at the end of the prior year	35,153,067,743.00	0.00	0.00	0.00	39,018,900,467.00	0.00	90,153,009.00	0.00	592,242,059.00	0.00	2,630,912,286.00	865,554,255.00	78,350,829,819.00
Add: Changes in accounting policies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Correction of errors in prior periods	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Business mergers under the same control	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2. Balance at the beginning of the year	35,153,067,743.00	0.00	0.00	0.00	39,018,900,467.00	0.00	90,153,009.00	0.00	592,242,059.00	0.00	2,630,912,286.00	865,554,255.00	78,350,829,819.00

3. Increase/decrease in the period (“-” means decrease)	0.00	0.00	0.00	0.00	10,208,711.00	0.00	-26,340,409.00	0.00	0.00	0.00	-868,003,095.00	3,968,944,374.00	3,084,809,581.00
3.1 Total comprehensive income	0.00	0.00	0.00	0.00	0.00	0.00	-26,340,409.00	0.00	0.00	0.00	-516,472,418.00	-71,031,150.00	-613,843,977.00
3.2 Capital increased and reduced by owners	0.00	0.00	0.00	0.00	270,220.00	0.00	0.00	0.00	0.00	0.00	0.00	4,048,708,054.00	4,048,978,274.00
3.2.1 Ordinary shares increased by shareholders	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,000,000,000.00	3,000,000,000.00
3.2.2 Capital increased by holders of other equity instruments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.2.3 Amounts of share-based payments charged to owners' equity	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

3.2.4 Other	0.00	0.00	0.00	0.00	270,220.00	0.00	0.00	0.00	0.00	0.00	0.00	1,048,708,054.00	1,048,978,274.00
3.3 Profit distribution	0.00	0.00	0.00	0.00	379.00	0.00	0.00	0.00	0.00	0.00	-351,530,677.00	-8,732,530.00	-360,262,828.00
3.3.1 Appropriation to surplus reserve	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.3.2 Appropriation to general risk provisions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.3.3 Appropriation to owners (or shareholders)	0.00	0.00	0.00	0.00	379.00	0.00	0.00	0.00	0.00	0.00	-351,530,677.00	-8,732,530.00	-360,262,828.00
3.3.4 Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.4 Internal carry-forward of owners' equity	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.4.1 New increase of capital (or share capital) from capital reserve	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.4.2 New increase of	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

capital (or share capital) from surplus reserve														
3.4.3 Surplus reserve for making up loss	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.4.4 Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.5 Special reserve	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.5.1 Withdrawn for the period	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.5.2 Used in the period	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.6 Other	0.00	0.00	0.00	0.00	9,938,112.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9,938,112.00
4. Closing balance	35,153,067,743.00	0.00	0.00	0.00	39,029,109,178.00	0.00	63,812,600.00	0.00	592,242,059.00	0.00	1,762,909,191.00	4,834,498,629.00	81,435,639,400.00	



Same period of last year

Unit: RMB Yuan

Item	Same period of last year												
	Equity attributable to owners of the Company											Minority interests	Total owners' equity
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Specific reserve	Surplus reserve	General risk reserve	Retained earnings		
	Preference shares	Perpetual bonds	Other										
1. Balance at the end of the prior year	35,289,637,574.00	0.00	0.00	0.00	39,084,393,441.00	198,004,581.00	40,630,611.00	0.00	503,668,861.00	0.00	1,434,745,673.00	804,334,640.00	76,959,406,219.00
Add: Changes in accounting policies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Correction of errors in prior periods	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Business mergers under the same control	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2. Balance at the beginning of the year	35,289,637,574.00	0.00	0.00	0.00	39,084,393,441.00	198,004,581.00	40,630,611.00	0.00	503,668,861.00	0.00	1,434,745,673.00	804,334,640.00	76,959,406,219.00
3. Increase/decrease in the period (“-”)	-136,569,831.00	0.00	0.00	0.00	-65,492,974.00	-198,004,581.00	49,522,398.00	0.00	88,573,198.00	0.00	1,196,166,613.00	61,219,615.00	1,391,423,600.00

means decrease)													
3.1 Total comprehensive income	0.00	0.00	0.00	0.00	0.00	0.00	49,522,398.00	0.00	0.00	0.00	1,636,270,488.00	1,764,596.00	1,687,557,482.00
3.2 Capital increased and reduced by owners	-136,569,831.00	0.00	0.00	0.00	-65,492,974.00	-198,004,581.00	0.00	0.00	0.00	0.00	0.00	61,255,019.00	57,196,795.00
3.2.1 Ordinary shares increased by shareholders	0.00	0.00	0.00	0.00	74,396,532.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	74,396,532.00
3.2.2 Capital increased by holders of other equity instruments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.2.3 Amounts of share-based payments charged to owners' equity	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.2.4 Other	-136,569,831.00	0.00	0.00	0.00	-139,889,506.00	-198,004,581.00	0.00	0.00	0.00	0.00	0.00	61,255,019.00	-17,199,737.00
3.3 Profit distribution	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	88,573,198.00	0.00	-440,103,875.00	-1,800,000.00	-353,330,677.00

3.3.1 Appropriation to surplus reserve	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	88,573,198.00	0.00	-88,573,198.00	0.00	0.00
3.3.2 Appropriation to general risk provisions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.3.3 Appropriation to owners (or shareholders)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-351,530,677.00	-1,800,000.00	-353,330,677.00
3.3.4 Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.4 Internal carry-forward of owners' equity	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.4.1 New increase of capital (or share capital) from capital reserve	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.4.2 New increase of capital (or share capital) from surplus reserve	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

3.4.3 Surplus reserve for making up loss	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.4.4 Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.5 Special reserve	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.5.1 Withdrawn for the period	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.5.2 Used in the period	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.6 Other	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00	
4. Closing balance	35,153,067,743.00	0.00	0.00	0.00	39,018,900,467.00	0.00	90,153,009.00	0.00	592,242,059.00	0.00	2,630,912,286.00	865,554,255.00	78,350,829,819.00

## 8. Statement of changes in owners' equity of the Company

Reporting Period

Unit: RMB Yuan

Item	Reporting Period										
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Total owners' equity
		Preference shares	Perpetual bonds	Other							
1. Balance at the end of the prior year	35,153,067,743.00	0.00	0.00	0.00	38,152,869,635.00	0.00	109,786,796.00	0.00	592,242,059.00	486,814,338.00	74,494,780,571.00
Add: Changes in accounting policies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Correction of errors in prior periods	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2. Balance at the beginning of the year	35,153,067,743.00	0.00	0.00	0.00	38,152,869,635.00	0.00	109,786,796.00	0.00	592,242,059.00	486,814,338.00	74,494,780,571.00
3. Increase/decrease in the period ("-" means)	0.00	0.00	0.00	0.00	877,466.00	0.00	-22,046,095.00	0.00	0.00	-311,530,622.00	-332,699,251.00

decrease)												
3.1 Total comprehensive income	0.00	0.00	0.00	0.00	0.00	0.00	-22,046,095.00	0.00	0.00	40,000,055.00	17,953,960.00	
3.2 Capital increased and reduced by owners	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
3.2.1 Ordinary shares increased by shareholders	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
3.2.2 Capital increased by holders of other equity instruments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
3.2.3 Amounts of share-based payments charged to owners' equity	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
3.2.4 Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
3.3 Profit distribution	0.00	0.00	0.00	0.00	379.00	0.00	0.00	0.00	0.00	-351,530,677.00	-351,530,298.00	

3.3.1 Appropriation to surplus reserve	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.3.2 Appropriation to owners (or shareholders)	0.00	0.00	0.00	0.00	379.00	0.00	0.00	0.00	0.00	-351,530,677.00	-351,530,298.00
3.3.3 Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.4 Internal carry-forward of owners' equity	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.4.1 New increase of capital (or share capital) from capital reserve	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.4.2 New increase of capital (or share capital) from surplus reserve	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.4.3 Surplus reserve for making up	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

loss												
3.4.4 Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.5 Special reserve	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.5.1 Withdrawn for the period	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.5.2 Used in the period	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.6 Other	0.00	0.00	0.00	0.00	877,087.00	0.00	0.00	0.00	0.00	0.00	0.00	877,087.00
4. Closing balance	35,153,067,743.00	0.00	0.00	0.00	38,153,747,101.00	0.00	87,740,701.00	0.00	592,242,059.00	175,283,716.00	74,162,081,320.00	

Same period of last year

Unit: RMB Yuan

Item	Same period of last year										
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Total owners' equity
		Preference shares	Perpetual bonds	Other							
1. Balance at the end of the prior year	35,289,637,574.00	0.00	0.00	0.00	38,218,959,047.00	198,004,581.00	72,651,355.00	0.00	503,668,861.00	41,186,231.00	73,928,098,487.00
Add: Changes in accounting policies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Correction of errors in prior periods	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2. Balance at the	35,289,637,574.00	0.00	0.00	0.00	38,218,959,047.00	198,004,581.00	72,651,355.00	0.00	503,668,861.00	41,186,231.00	73,928,098,487.00



beginning of the year												
3. Increase/ decrease in the period (“-” means decrease)	-136,569,831.00	0.00	0.00	0.00	-66,089,412.00	-198,004,581.00	37,135,441.00	0.00	88,573,198.00	445,628,107.00	566,682,084.00	
3.1 Total comprehensive income	0.00	0.00	0.00	0.00	0.00	0.00	37,135,441.00	0.00	0.00	885,731,982.00	922,867,423.00	
3.2 Capital increased and reduced by owners	-136,569,831.00	0.00	0.00	0.00	-66,089,412.00	-198,004,581.00	0.00	0.00	0.00	0.00	-4,654,662.00	
3.2.1 Ordinary shares increased by shareholders		0.00	0.00	0.00	74,396,532.00		0.00	0.00	0.00	0.00	74,396,532.00	
3.2.2 Capital increased by holders of other equity instruments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
3.2.3 Amounts of share-based payments charged to owners' equity	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
3.2.4 Other	-136,569,831.00	0.00	0.00	0.00	-140,485,944.00	-198,004,581.00	0.00	0.00	0.00	0.00	-79,051,194.00	
3.3 Profit distribution	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	88,573,198.00	-440,103,875.00	-351,530,677.00	
3.3.1 Appropriation to surplus reserve	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	88,573,198.00	-88,573,198.00	0.00	
3.3.2 Appropriation to owners (or shareholders)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-351,530,677.00	-351,530,677.00	
3.3.3 Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
3.4 Internal carry-forward of	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	

owners' equity												
3.4.1 New increase of capital (or share capital) from capital reserve	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.4.2 New increase of capital (or share capital) from surplus reserve	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.4.3 Surplus reserve for making up loss	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.4.4 Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.5 Special reserve	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.5.1 Withdrawn for the period	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.5.2 Used in the period	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.6 Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4. Closing balance	35,153,067,743.00	0.00	0.00	0.00	38,152,869,635.00	0.00	109,786,796.00	0.00	592,242,059.00	486,814,338.00	74,494,780,571.00	

### III. Company profile

BOE Technology Group Company Limited (the “Company”) is a company limited by shares established on 9 April 1993 at Beijing, with its head office located in Beijing. The parent of the Company is Beijing Electronics Holdings Co., Ltd. (“Electronics Holdings”).

The Company and the affiliated subsidiaries (hereinafter referred to as “the Group” for short) divided into three major business group: display device business, intelligent system products and intelligent health service.

The details of the relevant information of the Company and its subsidiaries were on Notes IX. During the Reporting Period, as for the situation of the newly increased and decreased subsidiaries, please refer to Notes VIII.

### IV. Basis for preparation of financial statements

#### 1. Basis for the preparation

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

#### 2. Continuing operations

The continuing operations ability of the Company was favorable.

### V. Significant accounting policies and estimates

Reminder of the specific accounting policies and estimates:

Naught

#### 1. Statement of Compliance with the Accounting Standards for Business Enterprises

1. The financial statements have been prepared in accordance with the requirements of Accounting Standards for Business Enterprises issued by the Ministry of Finance (MOF) . These financial statements present truly and completely the consolidated financial position and financial position as of 30 Jun. 2016, the consolidated results of operations and results of operations and the consolidated cash flows and cash flows in the first half year of 2016 of the Company.

2. These financial statements also comply with the disclosure requirements of “Regulation on the Preparation of Information Disclosures of Companies Issuing Public Shares, No. 15: General Requirements for Financial Reports” as revised by the China Securities Regulatory Commission (hereinafter referred to as “CSRC”) in 2014.

#### 2. Accounting period

The accounting year of the Group is from 1 January to 31 December.

#### 3. Operating cycle

The Company regarded the period from purchasing the assets for processing to realizing the cash or cash equivalents as the normal operating cycle. The operating cycle of the main business of the Company usually is less than 12 months.

#### 4. Functional currency

1. The Company's functional currency is Renminbi. These financial statements are presented in Renminbi. The basis of choosing the functional currency for the Company and its subsidiaries is that it's the pricing and settlement currency for the main business. The Company translates the foreign currency financial statement of subsidiaries when compiling the financial statement.

2. The currency where the overseas subsidiaries and their main economic circumstances of the operation involved is the functional currency. Renminbi is the bookkeeping base currency when preparing the financial statements for the Reporting Period.

#### 5. Accounting treatments for a business combination involving entities under and those not under common control

##### (1) Business combination involving entities under common control

A business combination involving enterprises under common control is a business combination in which all of the combining enterprises are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. The assets and liabilities obtained are measured at the carrying amounts as recorded by the enterprise being combined at the combination date. The difference between the carrying amount of the net assets obtained and the carrying amount of consideration paid for the combination (or the total face value of shares issued) is adjusted to share premium in the capital reserve. If the balance of share premium is insufficient, any excess is adjusted to retained earnings. Other direct expenses occur when the Group conducting business combinations is recognized in current profit and loss. The combination date is the date on which one combining enterprise effectively obtains control of the other combining enterprises.

##### (2) Business combinations involving entities not under common control

A business combination involving entities not under common control is a business combination in which all of the combining entities are not ultimately controlled by the same party or parties both before and after the business combination. When the Group acts as the combination party, the cost of a business combination paid by the acquirer is the aggregate of the fair value at the acquisition date of assets given (including share equity of the acquiree held before the combination date), liabilities incurred or assumed, and equity securities issued by the acquirer. Any excess of the cost of a business combination over the acquirer's interest in the fair value of the acquiree's identifiable net assets is recognized as goodwill, while any excess of the acquirer's interest in the fair value of the acquiree's identifiable net assets over the cost of a business combination is recognized in profit or loss. The cost of equity securities or liability securities as on combination consideration offering is recognized in initial recording capital on equity securities or liability securities. Other direct expenses occur when the Group conducting business combinations is recognized in current profit and loss. The difference between the fair value and the carrying amount of the assets given is recognized in profit or loss. The Group, at the acquisition date, recognized the acquiree's identifiable asset, liabilities and contingent liabilities at their fair value at that date. The acquisition date is the date on which the acquirer effectively obtains control of the acquiree.

In a business combination not under same control realized by two or more transactions of exchange, for the equities of the purchasees held before the purchase date, the Group will execute the remeasurement according to the fair value of the equity on the purchase date with the difference between the fair value and its book value be recorded in the current investment income. The other comprehensive income which could be reclassified in the gains and losses afterwards and the changes of the equities of the other owners under the measurement of the equity method that involved with the afterwards equity of the purchasees held before the purchase date should be transferred in the current investment income.

#### 6. Preparation methods for consolidated financial statements

##### (1) General principle

The scope of consolidated financial statements is determined on the base of control, which comprise the Company and its

subsidiaries. The term “control” is the power of the Group upon an investee, with which it can take part in relevant activities of the investee to obtain variable returns and is able to influence the amount of returns. When judging whether the Group owns the right on the investees or not, the Group only considers the substantive rights related to the investees (including the substantive rights enjoyed by the Group itself and by the other parties). The financial status, operating results and cash flow of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Equity, profit or loss attributable to minority shareholders is presented separately under the item of shareholders’ equity in consolidated income statement and the net profits in the consolidated income statement.

If current loss shoulder by minority shareholders of a subsidy over the proportion enjoyed by minority shareholders in a subsidy at owners’ equity at period-begin, its balance still offset minority shareholders’ equity.

When the accounting period or accounting policies of a subsidiary are different from those of the Company, the Company makes necessary adjustments to the financial statements of the subsidiary based on the Company’s own accounting period or accounting policies. Intra-group balances and transactions, and any unrealized profit or loss arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealized losses resulting from intra-group transactions are eliminated in the same way as unrealized gains but only to the extent that there is no evidence of impairment.

### (2) Acquiring the subsidiaries from merger

Where a subsidiary was acquired during the Reporting Period, through a business combination involving entities under common control, the financial statements of the subsidiary are included in the consolidated financial statements as if the combination had occurred at the date that common control was established. Therefore the opening balances and the comparative figures of the consolidated financial statements are restated. In the preparation of the consolidated financial statements, the subsidiary’s assets, liabilities and results of operations are included in the consolidated balance sheet based on their carrying amounts; while results of operations are included in the consolidated income statement, from the date that common control was established.

Where a subsidiary was acquired during the Reporting Period, through a business combination involving entities not under common control, when prepared the consolidated financial statements, the Company shall included the acquired subsidiaries into the consolidated scope from the acquisition date basing on the fair value of the identifiable assets, liabilities at the acquisition date.

Where a business combination involving entities not under common control was realized through two or more transactions and by several steps, for equity held by acquiree before the acquisition date, the Group will re-account the equity according to fair value at the acquisition date and the difference between the fair value and its carrying value is recognized as investment income. If the said equity is involving in other comprehensive income, other relevant comprehensive income is transferred into investment income at the acquisition date.

Where the Company acquires a minority interest from a subsidiary’s minority shareholders or disposes of a portion of an interest in a subsidiary without a change in control, the difference between the amount by which the minority interests are adjusted and the amount of the consideration paid or received is adjusted to the capital reserve (share premium) in the consolidated balance sheet. If the credit balance of capital reserve (share premium) is insufficient, any excess is adjusted to retained earnings.

### (3) Disposing the subsidiaries

Where the control of former subsidiary was lost, the Group terminated to recognize the assets, liabilities, minority interest and other items of equities relevant to the subsidiary. As for remaining equity investment after disposal, the Group will re-account it according to the fair value at the date the control was lost. Any profit or loss occurred shall be recorded into the investment income during the period of losing control right.

Where the Group losses control on its original subsidiaries due to step by step disposal of equity investments through multiple transactions, should judge whether is the package deal according to the following principles:

- These deals are at the same time or under the condition of considering the influence of each other to concluded;
- These transactions only when be regarded as a whole could achieve a complete business result;
- The occurrence of a deal depends on at least one other transactions;

- A deal alone is not economical, it is economical with other trading together.

If each deal not belongs to a package deal, as for each deal before losing the control right on the subsidiaries, should be disposed according to the accounting policies of partly disposing the equity investment of the subsidiaries under the situation not losing the control right.

If each deal belongs to a package deal, considered as a transaction and conduct accounting treatment, however, before losing control, the differences between every disposal cost and the shares of the book value of the corresponding net assets continuously calculated since the purchase date of the subsidiary of disposal investment are confirmed as other comprehensive income in consolidated financial statements, which together transferred into the current profits and losses in the lose of control , when the Group losing control on its subsidiary.

#### (4) Changes of the equities of the minority shareholders

Where the Company acquires a minority interest from a subsidiary's minority shareholders or disposes of a portion of an interest in a subsidiary without a change in control, the difference between the amount by which the minority interests are adjusted and the amount of the consideration paid or received is adjusted to the capital reserve (share premium) in the consolidated balance sheet. If the credit balance of capital reserve (share premium) is insufficient, any excess is adjusted to retained earnings.

### **7. Classification of joint arrangements and accounting treatment of joint operations**

A joint arrangement refers to an arrangement jointly controlled by two participants or above and all the participants are both restricted by the arrangement; and two or more participants execute the jointly control on the arrangement. Any of the participant should not individually control the arrangement, while any of the participant that owns the jointly control could stop other participants or the participants group from individually control the arrangement.

Joint arrangements divided into joint operations and joint ventures. A joint operation refers to a joint arrangement where the participant party enjoys assets and has to bear liabilities related to the arrangement. A joint venture refers to a joint arrangement where the participant party is only entitled to the net assets of the arrangement.

The participant party should confirm the following items related to the interests portion among the jointly operation and execute the accounting treatment according to the regulations of the relevant ASBE: recognizes the assets and liabilities that it holds and bears in the joint operation, and recognizes the jointly-held assets and jointly-borne liabilities according to the Group's stake in the joint operation; recognizes the income from sale of the Group's share in the output of the joint operation; recognizes the income from sale of the joint operation's outputs according to the Group's stake in it; and recognizes the expense solely incurred to the Group and the expense incurred to the joint operation according to the Group's stake in it.

### **8. Recognition standard for cash and cash equivalents**

In the Group's understanding, cash and cash equivalents include cash on hand, any deposit that can be used for cover, and short-term and high circulating investments, which are easily convertible into known amount of cash and whose risks in change of value are minimal.

### **9. Foreign currency businesses and translation of foreign currency financial statements**

When the Group receives capital in foreign currencies from investors, the capital is translated to Renminbi at the spot exchange rate at the date of the receipt. Other foreign currency transactions are, on initial recognition, translated to Renminbi at the spot exchange rates at the dates of the transactions.

Monetary items denominated in foreign currencies are translated to Renminbi at the spot exchange rate at the balance sheet date. The resulting exchange differences are recognized in profit or loss, except those arising from the principals and interests on foreign

currency borrowings specifically for the purpose of acquisition, construction of qualifying assets. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated to Renminbi using the foreign exchange rate at the transaction date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated using the foreign exchange rate at the date the fair value is determined; the exchange differences, if it's the difference arising from the non-monetary item of available-for-sale financial assets, which shall be considered as other comprehensive income and recognized in capital reserve; other differences shall be recognized in current profit or loss.

The assets and liabilities of foreign operation are translated to Renminbi at the spot exchange rate at the balance sheet date. The equity items, excluding "Retained earning", are translated to Renminbi at the spot exchange rates at the transaction dates. The income and expenses of foreign operation are translated to Renminbi at rates that approximate the spot exchange rates at the transaction dates. The resulting exchange differences are recognized in a separate component of equity. Upon disposal of a foreign operation, the cumulative amount of the exchange differences recognized in equity which relates to that foreign operation is transferred to profit or loss in the period in which the disposal occurs.

## 10. Financial instruments

Financial instruments comprise monetary funds, bonds investment, equity investment other than long-term equity investment, receivables, payables, borrowings and share capital, etc.

### (1) Recognition and measurement of the financial assets and financial liabilities

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

The Group classifies financial assets and liabilities into different categories at initial recognition based on the purpose of acquiring assets or assuming liabilities: financial assets and financial liabilities at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets and other financial liabilities.

Financial assets and liabilities are measured initially at fair value. For financial assets and liabilities at fair value through profit or loss, any directly attributable transaction costs are charged to profit or loss; for other categories of financial assets and financial liabilities, any attributed transaction costs are included in their initial costs. Subsequent to initial recognition financial assets and liabilities are measured as follows:

– Financial assets and financial liabilities at fair value through profit or loss (including financial assets or financial liabilities held for trading)

A financial asset or financial liability held by the Group is classified as at fair value through profit or loss if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term or if it is a derivative.

Subsequent to initial recognition, financial assets and financial liabilities at fair value through profit or loss are measured at fair value, and changes therein are recognized in profit or loss.

– Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Subsequent to initial recognition, receivables are subsequently stated at amortized cost using the effective interest method.

– Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that the Group has the positive intention and ability to hold to maturity.

Subsequent to initial recognition, held-to-maturity investments are stated at amortized cost using the effective interest method.

– Available-for-sale financial assets

Available-for-sale financial assets include non-derivative financial assets that are designated upon initial recognition as available for sale and other financial assets which do not fall into any of the above categories.

As for the available-for-sale financial assets whose fair value cannot be reliably measured is measured at cost subsequent to initial

recognition; except that, subsequent to initial recognition, other available-for-sale financial assets are measured at fair value and changes therein, except for impairment losses and foreign exchange gains and losses from monetary financial assets, which are recognized directly in profit or loss, are considered as other comprehensive income to be recognized directly in capital reserves. When an investment is derecognized, the cumulative gain or loss in equity is removed from equity and recognized in profit or loss. Dividend income from these equity instruments is recognized in profit or loss when the investee declares the dividends. Interest on available-for-sale financial assets calculated using the effective interest method is recognized in profit or loss.

#### – Other financial liabilities

Financial liabilities other than the financial liabilities at fair value through profit or loss are classified as other financial liabilities.

Other financial liabilities include the liabilities arising from financial guarantee contracts. Financial guarantees are contracts that require the issuer (i.e. the guarantor) to make specified payments to reimburse the beneficiary of the guarantee (the holder) for a loss the holder incurs because a specified debtor fails to make payment when due, in accordance with the terms of a debt instrument. Where the Group issues a financial guarantee, subsequent to initial recognition, the guarantee is measured at the higher of the amount initially recognized less accumulated amortization and the amount of a provision determined in accordance with the principles of contingent liabilities.

Except for the liabilities arising from financial guarantee contracts described above, subsequent to initial recognition, other financial liabilities are measured at amortized cost using the effective interest method.

#### (2) Presentation of financial assets and financial liabilities

The financial assets and financial liabilities are respectively presented in the balance sheet without mutual offset. However, for those simultaneously meet with the following conditions, should be presented in the balance sheet by the net amount after mutual offset:

- The Group owns the legal right of neutralizing the recognized amount and the right is executable at present;
- The Group plans to settle by the net amount or to realize the financial assets and to clear off the financial liabilities at the same time.

#### (3) Derecognition of financial assets and financial liabilities

A financial asset is derecognized if the Group's contractual rights to the cash flows from the financial asset expire or if the Group transfers substantially all the risks and rewards of ownership of the financial asset to another party.

Where a transfer of a financial asset in its entirety meets the criteria of derecognition, the difference between the two amounts below is recognized in profit or loss:

- Carrying amount of the financial asset transferred
- The sum of the consideration received from the transfer and any cumulative gain or loss that has been recognized directly in equity.

The Group derecognizes a financial liability (or part of it) only when the underlying present obligation (or part of it) is discharged.

#### (4) Impairment of financial assets

The carrying amounts of financial assets (other than those at fair value through profit or loss) are reviewed at each balance sheet date to determine whether there is objective evidence of impairment.

Objective evidence of impairment includes but not is limited to the followings:

- (a) A serious financial difficulty occurs to the issuer or debtor;
- (b) The debtor breaches any of the contractual stipulations, for example, fails to pay or delays the payment of interests or the principal, etc.;
- (c) The debtor will probably become bankrupt or carry out other financial reorganizations;
- (d) The financial asset can no longer continue to be traded in the active market due to serious financial difficulties of the issuer;
- (e) Any seriously disadvantageous change has occurred to technical, market, economic or legal environment, etc. wherein the issuer of instruments operates its business, which makes the investor of an equity instrument unable to take back its investment;
- (f) Where the fair value of the equity instrument investment drops significantly or not contemporarily (which the fair value declined of 50%) or not contemporarily (which the fair value constantly declined over than 9 months) etc.

For the methods of the impairment of the relevant accounts receivable, please refer to Notes V. 11. The methods of the impairment of



other financial assets are as follows:

– Held-to-maturity investments

Held-to-maturity investments are assessed for impairment on an individual basis. An impairment loss in respect of a held-to-maturity investment is calculated as the excess of its carrying amount over the present value of the estimated future cash flows (exclusive of future credit losses that have not been incurred) discounted at the original effective interest rate. All impairment losses are recognized in profit or loss.

If, after an impairment loss has been recognized on held-to-maturity investments, there is objective evidence of a recovery in value of the financial asset which can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss. The reversed carrying amount shall not be any more than the post-amortization costs of the said financial asset on the day of reverse under the assumption that no provision is made for the impairment.

– Available-for-sale financial assets

Available-for-sale financial assets are assessed for impairment on an individual basis. When an available-for-sale financial asset is impaired, the cumulative loss arising from a decline in fair value that has been recognized directly in equity is removed from equity and recognized in profit or loss even though the financial asset has not been derecognized.

If, after an impairment loss has been recognized on an available-for-sale debt instrument, the fair value of the debt instrument increases in a subsequent period and the increase can be objectively related to an event occurring after the impairment loss was recognized, the impairment loss is reversed through profit or loss. An impairment loss recognized for an investment in an equity instrument classified as available-for-sale is not reversed through profit or loss. However, for the investment on the equity instruments without any quoted price among the active market with the fair value could not be reliable measured, should not be reversed.

(5) Equity investments

After the consideration received from issuing the equity instruments by the Company deducted the transaction expenses, should be recorded in the shareholders' equities. To repurchase the consideration and transaction expenses paid for the equity instruments and to decrease the shareholders' equities.

When repurchasing the shares of the Company, those repurchased shares should be managed as the treasury stocks, and the whole expenses should be transferred as the treasury stocks cost and at the same time executes the future reference registration. The treasury stocks would not participate in the profits distribution and would be represented as the allowance items of the shareholders' equities among the sheet balance.

When executing the written-off of the treasury stocks, should decrease the share capital according to the total amount of the face value of the stocks and for the part that the cost of the treasury stocks exceeds the total amount of the face value, should successively write down the capital surplus (capital stock premium), earned surplus and retained earnings; for the cost of the treasury stocks less than the total amount of the face value, the part that lower than the total amount of the face value should increase the capital surplus (capital stock premium).

When transferring the treasury stocks, for the part of the revenues of the transfer that higher than the cost of the treasury stocks, should increase the capital surplus (capital stock premium); for the part that lower than the cost of the treasury stocks, should successively write down the capital surplus (capital stock premium), earned surplus and retained earnings.

(6) Convertible instruments

– Convertible instruments

For the convertible instruments issued by the Group which could be converted as the equity shares and when converting, the shares number and the amount of the consideration are fixed, the Group consider which as the compound instruments that includes the components of liabilities and equities.

When executing the initial recognition, the Group splits the relevant liabilities and equities and firstly recognizes the fair value of the

liabilities (including the fair value of the non-equity embedded derivative possibly included) then deducts the fair value of the liabilities component from the fair value of the compound instruments as the value of the equities component as well as record which in the equities component. The transaction expenses occurred from issuing the compound instruments, should amortize which according to each proportion of the total issuance price between the liabilities component and the equities component.

After the initial recognition, for the liabilities component without appointed to be measured by fair value and to be recorded in the current gains and losses with the changes, should be measured by the effective interest method according to the amortized cost. And the equities component would not be remeasured after the initial measurement.

When converting the convertible instruments, the Group transfers the liabilities component and the equities component to the relevant subjects. When the convertible instruments are redeemed, the price paid and the occurred transaction expenses should be distributed to the equities and liabilities component. The methods of the distribution price and the transaction expenses are unanimous with the distribution methods adopt when issuing the instruments. After the distribution of the price and transaction expenses, for the differences between which and the book value of the equities component and between the book value of the liabilities component, the part related to the equities component should be recorded in the equity while the part related to the liabilities component should be recorded in the gains and losses.

– Other convertible instruments excluding the equities component

For the other convertible instruments excluding the equities component issued by the Group, when executing the initial recognition, the derivative instruments component of the convertible instruments should be measured by fair value while the remained part should be regarded as the initial recognized amount of the main debt instruments.

After the initial recognition, for the derivative instruments component, should be measured by fair value, and the gains or losses formed from the changes of the fair value should be recorded in the current gains and losses. As for the main debt instruments, should be measured by the effective interest rate according to the amortized cost.

When converting the convertible instruments, the Group transfers the main debt instruments and derivative instruments to the relevant subjects. When the convertible instruments are redeemed, the deference between the paid price and the book value of the main debt instruments as well as the derivative instruments should be recorded in the gains and losses.

## 11. Receivables

### (1) Accounts receivable with significant single amount for which the bad debt provision is made individually

Judgement basis or monetary standards of provision for bad debts of the individually significant accounts receivable	Accounts receivable with the single amount of more than RMB50,000,000 Yuan
Method of individual provision for bad debts of the individually significant accounts receivable	On balance sheet day, the impairment test is carried on individually for the individually significant receivables; if it is impaired after the impairment test, the Company provides provision for impairment loss for the amount which is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, and withdraws relevant bad debt provision.

**(2) Accounts receivable which the bad debt provision is withdrawn by credit risk characteristics**

Name of portfolios	Bad debt provision method
Portfolio of credit risk	Other method

In the groups, adopting aging analysis method to withdraw bad debt provision:

Applicable  Not applicable

In the groups, adopting balance percentage method to withdraw bad debt provision

Applicable  Not applicable

In the groups, adopting other methods to withdraw bad debt provision

Applicable  Not applicable

Name of the group	Withdrawal proportion for accounts receivable	Withdrawal proportion for other accounts receivable
Portfolio of credit risk	0.00%	0.00%

**(3) Accounts receivable with an insignificant single amount but for which the bad debt provision is made individually**

Reason of individually withdrawing bad debt provision:	It refers to the receivables with the closing individual amount not reaching the monetary standards for the above said "accounts receivable with significant amount". On balance sheet day, the impairment test is carried on individually for the individually insignificant receivables; if it is impaired after the impairment test, the Company provides provision for impairment loss for the amount which is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, and withdraws relevant bad debt provision.
Withdrawal method for bad debt provision:	The Company provides provision for impairment loss for the amount which is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, and withdraws relevant bad debt provision.

**12. Inventory****(1) Classification and cost of inventories**

Inventories include raw materials, work in progress, finished goods and reusable materials. Reusable materials include low-value consumables, packaging materials and other materials, which can be used repeatedly but do not meet the definition of fixed assets.

Inventories are initially measured by the cost. Cost of inventories comprises all costs of purchase, costs of conversion and other costs.

Inventories are initially measured at their actual cost. In addition to the purchasing cost of raw materials, work in progress and finished goods include direct labor costs and an appropriate allocation of production overheads.

**(2) Pricing method for outgoing inventories**

Cost of inventories is calculated using the weighted average method.

Revolving materials such as the low priced and easily worn articles and the packing materials should be amortized by adopting one-time amortization method and be recorded in the cost of the relevant assets or the current gains and losses.

**(3) Recognition basis of net realizable value and withdrawal method of depreciation reserves for inventories**

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

Net realizable value is the estimated selling price in the normal course of business less the estimated costs to completion and the estimated expenses and related taxes necessary to make the sale. The net realizable value of materials held for use in the production of inventories is measured based on the net realizable value of the finished goods in which they will be incorporated. The net realizable value of the quantity of inventory held to satisfy sales or service contracts is based on the contract price. If the quantities of inventories specified in sales contracts are less than the quantities held by the Group, the net realizable value of the excess portion of inventories shall be based on general selling prices.

Any excess of the cost over the net realizable value of each class of inventories is recognized as a provision for diminution in the value of inventories, and then recorded into current profit or loss.

(4) Inventory system for inventories:

The Group maintains a perpetual inventory system.

### 13. Divided as assets held for sale

The Group should divide the non-current assets which simultaneously meet with the following conditions as the assets held for sale. The disposal group refers to an asset group concurrently be disposed through selling or other methods as an entirety in a transaction and the liabilities directly related to the assets from the transfer among the transaction.

- The assets could be immediately sold only according to the usual terms of selling this kind of assets under the current condition;
- The Group had made resolutions on disposing the non-current assets;
- The enterprises had signed the irrevocable assignment agreement with the transferees; and the transfer will be completed within 1 year.

When the non-current assets be divided as assets held for sale, the Group measures the non-current assets held for sale, deferred income tax assets and the investment properties be follow-up measured by the fair value mode according to the lower one between the book value and the fair value after deducting the net amount of the disposal expenses, while the deference that the book value higher than the fair value which deducted the disposal expenses should be recognized as the impairment losses of the assets.

The fixed assets and intangible assets be divided as assets held for sale and the investment properties be follow-up measured by the cost mode would not be withdrawn, depreciated or amortized, while the long-term equity investment be divided as assets held for sale that measured by equity method should cease the equity method measurement.

### 14. Long-term equity investments

(1) Recognition of the investment cost of the long-term equity investment

(a) Investments in subsidiaries

- The initial investment cost of a long-term equity investment obtained through a business combination involving entities under common control is the Company's share of the subsidiary's equity at the combination date. The difference between the initial investment cost and the carrying amounts of the consideration given is adjusted to share premium in capital reserve. If the balance of the share premium is insufficient, any excess is adjusted to retained earnings. For the long-term equity investment of the subsidiaries formed from the enterprise merger under the same control that realized step by step of the multiple transaction not belong to package deal, the Company would adjust the capital stock premium among the capital surplus according to the difference between the initial investment cost of the long-term equity investment recognized according to the above principles and the sum of the book value of the long-term equity investment before reaching the merger and the book value of the newly paid consideration which be further received on the merger date, and if the balance of the share premium is insufficient, any excess is adjusted to retained earnings.
- For other long-term equity investment obtained through entities not under common control, the fair values, on the acquisition date, of the assets given, the liabilities incurred or assumed and the equity securities issued by the acquirer in exchange for the control on

the acquiree shall be recognized as initial investment cost of the long-term equity investment. For long-term equity investment obtained through a business combination involving entities not under common control by two or more transactions and by several steps, the initial investment cost is recognized as the aggregation of the carrying value of acquirees' equity investment before the acquisition date held by the Company and newly investment cost at the acquisition date.

(b) Long-term equity investments acquired otherwise than through a business combination

– An investment in a subsidiary acquired otherwise than through a business combination is initially recognized at initial investment cost if the Group acquires the investment by cash, or at the fair value of the equity securities issued if an investment is acquired by issuing equity securities, or at the value stipulated in the investment contract or agreement if an investment is contributed by shareholders.

(2) Subsequent measurement and recognition of profits or losses of the long-term equity investment

(a) Investments in subsidiaries

In the Company's financial statements, investments in subsidiaries are accounted for using the cost method. Cash dividends or profit distributions declared by subsidiaries and attributed to the Company shall be recognized as investment income, without dividing whether it's the net profit realized by the investee before the investment or after the investment, except those that have been declared but unpaid at the time of acquisition and therefore included in the price paid or consideration.

– The investment of the subsidiaries is stated at cost less impairment losses in the balance sheet.

For the impairment test methods and the withdrawal methods of the impairment of the investment of the subsidiaries, please refer to the Notes V. 22.

– In the Group's consolidated financial statements, investments in subsidiaries are accounted for in accordance with the principles.

(b) Investment in jointly controlled enterprises and associates

The joint enterprise refers to an arrangement that the Group and other joint operation parties execute jointly control and only enjoy the rights of their own net assets.

An associate is an enterprise over which the Group has significant influence.

Upon the subsequent measurement, an investment in a jointly controlled enterprise or an associate is accounted for using the equity method, unless the investment is classified as held for sale.

The Group makes the following accounting treatments when using the equity method:

– Where the initial investment cost of a long-term equity investment exceeds the Group's interest in the fair value of the investee's identifiable net assets at the date of acquisition, the investment is initially recognized at the initial investment cost. Where the initial investment cost is less than the Group's interest in the fair value of the investee's identifiable net assets at the date of acquisition, the investment is initially recognized at the investor's share of the fair value of the investee's identifiable net assets, and the difference is charged to profit or loss.

After the acquisition of the investment, the Group recognizes its share of the investee's net profits or losses after deducting the amortization of the debit balance of equity investment difference, which was recognized by the Group before the first-time adoption of CAS, as investment income or losses, and adjusts the carrying amount of the investment accordingly. The debit balance of the equity investment difference is amortized using the straight-line method over a period which is determined in accordance with previous accounting standards. Once the investee declares any cash dividends or profits distributions, the carrying amount of the investment is reduced by that attributable to the Group. As for the other changes of the owners' equities except for the net gains and losses, other comprehensive income and profits distribution of the joint ventures or associated enterprises (hereinafter referred to as "changes of other owners' equities"), the Group included which in the shareholders' equities according to the portion ought to be enjoyed or shared, and at the same time adjust the book value of the long-term equity investment.

The Group recognizes its share of the investee's net profits or losses, other comprehensive income and changes of other owners' equities after making appropriate adjustments to align the accounting policies or accounting periods with those of the Group based on the fair values of the investee's identifiable net assets at the date of acquisition. Unrealized profits and losses resulting from

transactions between the Group and its associates or jointly controlled enterprises are eliminated to the extent of the Group's interest in the associates or jointly controlled enterprises. Unrealized losses resulting from transactions between the Group and its associates or jointly controlled enterprises are eliminated in the same way as unrealized gains but only to the extent that there is no evidence of impairment.

– The Group discontinues recognizing its share of net losses of the investee after the carrying amount of the long-term equity investment and any long-term interest that in substance forms part of the Group's net investment in the associate or the jointly controlled enterprise is reduced to zero, except to the extent that the Group has an obligation to assume additional losses. Where net profits are subsequently made by the associate or jointly controlled enterprise, the Group resumes recognizing its share of those profits only after its share of the profits equals the share of losses not recognized.

For the impairment test methods and the withdrawal methods of the impairment provision of the investment on the joint ventures and the associated enterprises by the Group, please refer to Notes V. 20.

### (3) The basis for determination of joint control or significant influence over investee enterprise

Joint control refers to the control jointly owned on certain arrangement according to relevant agreement and the relevant activities of the arrangement (which are the activities cause significant influences on the arrangement) could only execute the decision-making through the unanimous consent of the parties sharing control.

The following evidences shall be considered when determining whether the Group can exercise joint control over an investee:

- No single venture is in a position to control the operating activities unilaterally;
- Operating decisions relating to the investee's economic activity require the unanimous consent of the parties sharing control.

Significant influence is the power to participate in the financial and operating policy decisions of an investee but is not control or joint control over those policies.

### (4) Impairment test and method of provision for impairment loss

If any indication exists that an asset may be impaired, the recoverable amount of the asset is estimated. The recoverable amount of an asset, asset group or set of asset groups is the higher of its fair value less costs to sell and its present value of expected future cash flows. An asset group is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or asset groups. An asset group is composed of assets directly relating to cash-generation. Identification of an asset group is based on whether major cash inflows generated by the asset group are largely independent of the cash inflows from other assets or asset groups. In identifying an asset group, the Group also considers how management monitors the Group's operations and how management makes decisions about continuing or disposing of the Group's assets. An asset's fair value less costs to sell is the amount determined by the price of a sale agreement in an arm's length transaction, less the costs that are directly attributable to the disposal of the asset. The present value of expected future cash flows of an asset is determined by discounting future cash flows, estimated to be derived from continuing use of the asset and from its ultimate disposal, to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the result of the recoverable amount calculation indicates that the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is recognized as an impairment loss and charged to profit or loss for the current period. A provision for impairment loss of the asset is recognized accordingly. For impairment losses related to an asset group or a set of asset groups, first reduce the carrying amount of any goodwill allocated to the asset group or set of asset groups, and then reduce the carrying amount of the other assets in the asset group or set of asset groups on a pro rata basis. However, the carrying amount of an impaired asset will not be reduced below the highest of its individual fair value less costs to sell (if determinable), the present value of expected future cash flows (if determinable) and zero. Once an impairment loss is recognized, it is not reserved in a subsequent period. For other long-term equity investments, the carrying amount is required to be tested for impairment at the balance sheet date. If there is objective evidence that the investments may be impaired, the impairment shall be assessed on an individual basis. The impairment loss is measured as the amount by which the carrying amount of the investment exceeds the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

Such impairment losses are not reversed. The other long-term equity investments are stated at cost less impairment losses in the balance sheet.

## 15. Investment real estates

Measurement mode of investment real estates

Measurement of cost method

Depreciation or amortization method

An investment property is a property held either to earn rental income or for capital appreciation or both. After deducting the estimated net salvage and accumulative impairment provision of the cost by the Group, the investment property is depreciated or amortized using the straight-line method over its estimated useful life, unless the investment property is classified as held for sale.

The useful lives and estimated residual values as well as annual depreciation rate of each class of investment property are as follows:

	Useful life (years)	Residual value rate (%)	Annual depreciation rate (%)
Buildings	25 years- 40 years	3%-10%	2.6%-3.9%
Land use rights	32 years- 50 years	0%	2%-3.1%

If any indication exists that an asset may be impaired, the recoverable amount of the asset is estimated. The recoverable amount of an asset, asset group or set of asset groups is the higher of its fair value less costs to sell and its present value of expected future cash flows. An asset group is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or asset groups. An asset group is composed of assets directly relating to cash-generation. Identification of an asset group is based on whether major cash inflows generated by the asset group are largely independent of the cash inflows from other assets or asset groups. In identifying an asset group, the Group also considers how management monitors the Group's operations and how management makes decisions about continuing or disposing of the Group's assets.

An asset's fair value less costs to sell is the amount determined by the price of a sale agreement in an arm's length transaction, less the costs that are directly attributable to the disposal of the asset. The present value of expected future cash flows of an asset is determined by discounting future cash flows, estimated to be derived from continuing use of the asset and from its ultimate disposal, to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the result of the recoverable amount calculation indicates that the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is recognized as an impairment loss and charged to profit or loss for the current period. A provision for impairment loss of the asset is recognized accordingly. For impairment losses related to an asset group or a set of asset groups, first reduce the carrying amount of any goodwill allocated to the asset group or set of asset groups, and then reduce the carrying amount of the other assets in the asset group or set of asset groups on a pro rata basis. However, the carrying amount of an impaired asset will not be reduced below the highest of its individual fair value less costs to sell (if determinable), the present value of expected future cash flows (if determinable) and zero.

Once an impairment loss is recognized, it is not reserved in a subsequent period.

## 16. Fixed assets

### (1) Conditions for recognition

Fixed assets represent the tangible assets held by the Group for use in the production of goods or supply of services for rental to others or for operation and administrative purposes with useful lives over one year. The cost of a purchased fixed asset comprises the purchase price, related taxes, and any directly attributable expenditure for bringing the asset to working condition for its intended use. The cost of self-constructed assets is measured in accordance with the policy set out in Note IX (V) 17. Where parts of an item of

fixed assets have different useful lives or provide benefits to the Group in different patterns thus necessitating use of different depreciation rates or methods, each part is recognized as a separate fixed asset. The subsequent costs, including the cost of replacing part of an item of fixed assets, are recognized in the carrying amount of the item if the recognition criteria are satisfied, and the carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of fixed assets are recognized in profit or loss as incurred. Fixed assets are stated in the balance sheet at cost less accumulated depreciation and impairment losses.

## (2) Depreciation methods

Category of fixed assets	Method	Useful life	Expected net salvage value	Annual depreciation
Housing and building	Average method of useful life	20-40 years	10.00%	2.3%-4.9%
Machinery equipments	Average method of useful life	3-15 years	10.00%	6%-33.3%
Other equipments	Average method of useful life	2-10 years	0.00%	9%-50%

## (3) Recognition basis, pricing and depreciation method of fixed assets by finance lease

On the begin date of the lease term, the financing leased assets of the Group should be recorded in the entry value according to the lower one between the fair value of the leasing assets and the net value of the minimum lease payment, and the minimum lease payment should be regarded as the entry value of the long-term account payable with the difference be recognized as the unrecognized financial charges. The Group records the initial direct costs of the financial lease in the leased assets value. If it is reasonable to be certain that the lessee will obtain the ownership of the leased assets when the lease term expires, the leased assets shall be fully depreciated within the available age limit. Otherwise, the leased assets shall be fully depreciated over the shorter one of the lease term or its available age limit. The Group amortizes the unrecognized financial charges by the effective interest rate method within each period during the lease term and manages according to the principles of the borrowing costs. On the balance sheet date, the Group will respectively list the difference from the long-term account payable related to the finance lease minuses the unrecognized financial charges as the long-term liabilities and the long-term liabilities due within 1 year.

## 17. Construction in progress

### (1) Categories of construction in progress

The enterprise's self-constructed fixed asset includes self construction and contract construction. The cost of the self-constructed fixed asset including the engineering materials, direct labor, borrowing expenses met with the capitalization condition and the necessary expenses happened before the assets reach the expected available state.

### (2) Standards and time of transferring construction in progress into fixed asset

When the self-constructed fixed asset reaches the available state, should transfer into the fixed assets, before which should be listed among the construction in progress and not withdraw the depreciation.

### (3) Impairment test method and withdrawal method for impairment provision of construction in progress

If any indication exists that an asset may be impaired, the recoverable amount of the asset is estimated. The recoverable amount of an asset, asset group or set of asset groups is the higher of its fair value less costs to sell and its present value of expected future cash flows. An asset group is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or asset groups. An asset group is composed of assets directly relating to cash-generation. Identification of an asset group is based on whether major cash inflows generated by the asset group are largely independent of the cash inflows from other assets or asset groups. In identifying an asset group, the Group also considers how management monitors the Group's



operations and how management makes decisions about continuing or disposing of the Group's assets.

An asset's fair value less costs to sell is the amount determined by the price of a sale agreement in an arm's length transaction, less the costs that are directly attributable to the disposal of the asset. The present value of expected future cash flows of an asset is determined by discounting future cash flows, estimated to be derived from continuing use of the asset and from its ultimate disposal, to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the result of the recoverable amount calculation indicates that the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is recognized as an impairment loss and charged to profit or loss for the current period. A provision for impairment loss of the asset is recognized accordingly. For impairment losses related to an asset group or a set of asset groups, first reduce the carrying amount of any goodwill allocated to the asset group or set of asset groups, and then reduce the carrying amount of the other assets in the asset group or set of asset groups on a pro rata basis. However, the carrying amount of an impaired asset will not be reduced below the highest of its individual fair value less costs to sell (if determinable), the present value of expected future cash flows (if determinable) and zero.

Once an impairment loss is recognized, it is not reserved in a subsequent period.

## 18. Borrowing costs

### (1) Recognition principles for capitalization of borrowing costs

Borrowing costs of the Company incurred directly attributable to the acquisition, construction of a qualifying asset are capitalized as part of the cost of the asset.

### (2) Capitalization period of borrowing costs

The capitalizations period is the period from the date of commencement of capitalization of borrowing costs to the date of cessation of capitalization, excluding any period over which capitalization is suspended.

When the capital expenses and the borrowing expenses had happened and the necessary purchasing and construction activity which was for leading the capital to reach the expected available state had began, the borrowing expenses had began capitalization.

When the qualified asset under acquisition and construction or production is ready for the intended use or sale, the capitalization of the borrowing costs shall be ceased.

If each part of the qualified asset under acquisition and construction or production is constructed and completed respectively, the Group shall determine the time of ceasing capitalization of the borrowing costs according to different situation.

Where each part of a qualified asset under acquisition and construction or production is completed separately and is ready for use or sale during the continuing construction of other parts, and if the acquisition and construction or production activities which are necessary to prepare this part of the asset for the intended use or sale have already been completed substantially, the capitalization of the borrowing costs in relation to this part of asset shall be ceased. Because such part of asset has reached the expected condition of use or sale.

### (3) Period for suspending capitalization of borrowing costs

Where the acquisition and construction or production of a qualified asset is interrupted abnormally and the interruption period lasts for more than 3 months, the capitalization of the borrowing costs shall be suspended.

### (4) Calculation method of capitalized amount of borrowing costs

– As for specifically borrowed loans for the acquisition and construction or production of assets eligible for capitalization, the to-be-capitalized amount of interests shall be determined in light of the actual cost incurred of the specially borrowed loan at the present period minus the income of interests earned on the unused borrowing loans as a deposit in the bank or as a temporary investment.

– Where a general borrowing is used for the acquisition and construction or production of assets eligible for capitalization, the enterprise shall calculate and determine the to-be-capitalized amount of interests on the general borrowing by multiplying the

weighted average asset disbursement of the part of the accumulative asset disbursements minus the general borrowing by the capitalization rate of the general borrowing used. The capitalization rate shall be calculated and determined in light of the weighted average interest rate of the general borrowing.

– During the period of capitalization, the amount of interest capitalized during each accounting period shall not exceed the amount of interest actually incurred to the relevant borrowings in the current period.

When the Group recognizing the effective interest rate of the borrowings, that means to discount the future cash flow of the borrowings during the expected duration or the applicable shorter period to be the interest rate used of the recognized amount during the initial recognition of the borrowings.

During the capitalization period, should capitalize the exchange differences of the principal and the interests of the Foreign currency specific borrowings and record which in the cost of the assets that meet with the conditions of the capitalization. As for the exchange differences from the principal and the interests of the other foreign currency borrowings except for the foreign currency specific borrowings, should be regarded as the financial expenses and included in the current gains and losses.

## 19. Intangible assets

### (1) Pricing method, useful life and impairment test

#### (a) Pricing method of intangible assets

Intangible assets are stated in the balance sheet at cost less accumulated amortization (where the estimated useful life is finite) and impairment losses. For an intangible asset with finite useful life, its cost less residual value and impairment losses are amortized on the straight-line method over its estimated useful life, unless the intangible assets are classified as held for sale.

#### (b) Estimated useful life of intangible assets with limited useful life

As for the intangible assets with limited useful life, after deducting the salvage of the cost and the impairment provision, the Group amortized the intangible assets through straight line method within the expected service life, unless the intangible assets are classified as held for sale.

Item	Estimated useful life	Basis
Land use rights	40-50 years	Period stipulated by the Land Use Right Certificate
Special technology	9-20 years	Period agreed in the contract or estimated to bring economic benefits for the Company
Computer software	3-10 years	Period agreed in the contract or estimated to bring economic benefits for the Company
Patent and others	5-10 years	Period agreed in the contract or estimated to bring economic benefits for the Company

#### (c) Judgment basis of intangible assets with uncertain useful life

An intangible asset is regarded as having an indefinite useful life and is not amortized when there is no foreseeable limit to the period over which the asset is expected to generate economic benefits for the Group. At the balance sheet date, the Group doesn't have any intangible assets with indefinite useful lives.

#### (d) Withdrawal of impairment provision of intangible assets

If any indication exists that an asset may be impaired, the recoverable amount of the asset is estimated. The recoverable amount of an asset, asset group or set of asset groups is the higher of its fair value less costs to sell and its present value of expected future cash flows. An asset group is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or asset groups. An asset group is composed of assets directly relating to cash-generation. Identification of an asset group is based on whether major cash inflows generated by the asset group are largely independent of the cash inflows from other assets or asset groups. In identifying an asset group, the Group also considers how management monitors the Group's operations and how management makes decisions about continuing or disposing of the Group's assets.

An asset's fair value less costs to sell is the amount determined by the price of a sale agreement in an arm's length transaction, less

the costs that are directly attributable to the disposal of the asset. The present value of expected future cash flows of an asset is determined by discounting future cash flows, estimated to be derived from continuing use of the asset and from its ultimate disposal, to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the result of the recoverable amount calculation indicates that the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is recognized as an impairment loss and charged to profit or loss for the current period. A provision for impairment loss of the asset is recognized accordingly. For impairment losses related to an asset group or a set of asset groups, first reduce the carrying amount of any goodwill allocated to the asset group or set of asset groups, and then reduce the carrying amount of the other assets in the asset group or set of asset groups on a pro rata basis. However, the carrying amount of an impaired asset will not be reduced below the highest of its individual fair value less costs to sell (if determinable), the present value of expected future cash flows (if determinable) and zero.

Once an impairment loss is recognized, it is not reserved in a subsequent period.

## **(2) Accounting policies of internal R & D expenses**

### **(a) Criteria of dividing the research phase and development phase of internal R&D project**

Research is original and planned investigation undertaken with the prospect of gaining new scientific or technical knowledge and understanding. Development is the application of research findings or other knowledge to a plan or design for the production of new or substantially improved materials, devices, or products before the start of commercial production or use.

### **(b) Calculation of the expenditures of internal R&D project**

Expenditures of internal R&D project of the Group divides into expenditures on the research phase and expenditures on the development phase.

Expenditures on the research phase are recognized in profit or loss when incurred. Expenditures on the development phase are capitalized if development costs can be measured reliably, the product or process is technically and commercially feasible, and the Group intends to and has sufficient resources to complete development. Capitalized development costs are stated at cost less impairment losses in the balance sheet. Other development expenditures are recognized as expenses in the period in which they are incurred.

## **20. Impairment of long-term assets**

The Group executes the impairment test on the assets with impairment indication and evaluates the recoverable amount of the assets. Besides, whether there is impairment indication, the Group will evaluate the recoverable amount of the goodwill at the year-end. The Group will amortize the book value of the good according to the benefit situation in the synergistic effect from the enterprise merger by the relevant assets group or the combination of the assets group and based on which executes the impairment test of the goodwill.

The recoverable amount of an asset, asset group or set of asset groups is the higher of its fair value less costs to sell and its present value of expected future cash flows. An asset group is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or asset groups. Fair value refers to the price received from selling an asset or paid for transferring a liability in the orderly transaction on the measurement date by the market participants. When the Group evaluating the fair value, should consider the characteristics when executing pricing of the relevant assets or liabilities on the measurement date of the market participants (including the assets conditions and the location, the restrictions of the sales or use of the assets and so on) as well as adopt the evaluation technology that applicable under the current circumstance and owns adequate available data and supported by other information. The evaluation technology used mainly including the market method, equity method and cost method.

An asset group is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows

from other assets or asset groups. An asset group is composed of assets directly relating to cash-generation. Identification of an asset group is based on whether major cash inflows generated by the asset group are largely independent of the cash inflows from other assets or asset groups. In identifying an asset group, the Group also considers how management monitors the Group's operations and how management makes decisions about continuing or disposing of the Group's assets.

The present value of expected future cash flows of an asset is determined by discounting future cash flows, estimated to be derived from continuing use of the asset and from its ultimate disposal, to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the result of the recoverable amount calculation indicates that the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is recognized as an impairment loss and charged to profit or loss for the current period. A provision for impairment loss of the asset is recognized accordingly. For impairment losses related to an asset group or a set of asset groups, first reduce the carrying amount of any goodwill allocated to the asset group or set of asset groups, and then reduce the carrying amount of the other assets in the asset group or set of asset groups on a pro rata basis. However, the carrying amount of an impaired asset will not be reduced below the highest of its individual fair value less costs to sell (if determinable), the present value of expected future cash flows (if determinable) and zero.

Once an impairment loss is recognized, it is not reserved in a subsequent period.

## 21. Amortization method of long-term deferred expenses

Long-term deferred expenses are amortized on a straight-line method within the benefit period:

Item	Amortization period (years)
Cost of operating lease assets improvement	3-10 years
Cost of construction and use of public facilities	10-15 years
Others	3-10 years

## 22. Payroll

### (1) Accounting treatment of short-term compensation

During the accounting period of an employee' providing services, the Group recognizes the worker wages, bonuses and the social insurance charges such as the medical insurance premiums, industrial injury insurance premium and birth insurance premium that the Group pays according to the specified benchmark and proportion as well as the housing funds as the liabilities and records which in the current gains and losses or the relevant asset costs.

### (2) Accounting treatment of the welfare after demission

Welfare after demission refers to the various of the compensation and welfare provided after the retirement of the employees or after the labor relation relieved by the enterprise owing to not receiving the service provided by the employees, except for the short-term compensation and the demission welfare. Specifically divided as defined contribution plans and defined benefit plans. The defined contribution plans participated by the Group including: the basic endowment insurance and unemployment insurance among the social security system set up and managed by the government institutions according to the requirements of the relevant Chinese regulations of the employees of the Group and the corporation pension plan approved and set up by the relevant departments according to the relevant policies of the state enterprise annuity system. The payment amount of the basic endowment insurance and the unemployment insurance should be calculated according to the benchmark and the proportion stipulated by the nation. The enterprise annuity should be withdrawn according to the certain proportion of the total amount of the worker wages of the employees

voluntarily participated in the pension plan. During the accounting period of the employees providing the service, the Company recognizes the deposited amount as the liabilities and records in the current gains and losses or the relevant asset costs. The Group not involved with any defined benefit plans.

### **(3) Accounting treatment of the demission welfare**

The Group relieves the labor relations with the employees before the maturity of the labor contracts or puts forward the advice for compensation for encouraging the employees voluntarily accept the reduction, and recognizes the liabilities caused from the demission welfare on the earlier date of the followings and at the same time records which in the current gains and losses:

- When the Group could not unilaterally withdraw the demission welfare provided owing to the termination of the labor relations or the reduction advice:
- The Group owns specific and formal reorganization plan that concerning the payment of the demission welfare; and the time when the reorganization plan had been executed or had announced the main content of the plan to the parties influenced by which, then led all parties formed the rational expectations about the Group is going to execute the reorganization.

### **(4) Accounting treatment of the welfare of other long-term staffs**

The welfare of other long-term staffs refers to the all the employees compensation except for the short-term compensation, welfare after demission and demission welfare, which including the long-term compensated absences, long-term sociability benefits and long-term profit sharing plan and so on. The Group not involved with any other long-term employee's welfare.

## **23. Estimated liabilities**

### **(1) Criteria of estimated liabilities**

A provision is recognized for an obligation related to a contingency if the Group has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

### **(2) Measurement of estimated liabilities**

The estimated liabilities should be executed the initial measurement according to the best estimated number needed to be spent when caring out the relevant current obligations. As for those with significant influences on the time value of money, the estimated liabilities should be confirmed according to the amount after the discount of the estimated future cash flow. When recognizing the best estimated number, the Group comprehensively considers the factors such as the risks, uncertainty and the time value of money related to the contingencies. There is a contiguous range of the needed expenses and the possibility of various results within the range is the same and the best estimated number should be recognized according to the mediant within the range; under other circumstance, the best estimated number should be handled respectively according to the following situations:

- If the contingencies involve with a single item, should be recognized according to the most likely happened amount.
- If the contingencies involve with various items, should be recognized according to the calculation of various possible results and the relevant probabilities.

The Group executes the reexamination of the book value of the estimated liabilities on the balance sheet date and adjusts the book value according to the current best estimated number.

## **24. Share-based payments**

Recognition and measurement of share-based payments of the Company are based on the authentic, complete and effective Share-based Payments Agreement. It is classified into equity-settled payment and cash-settled payment. The Company is based on an

equity-settled payment.

(1) Equity-settled share-based payment

Where the Company receives employees' service by share-based payment of equity settlement, the payment is measured by the fair value of employees venting equity. The equity-settled share-based payment with an immediate vested right to receive employees' service shall be accounted into the relevant costs and expenses on the granted date by reference to the fair value of equity instruments and add capital reserves accordingly. The equity-settled share-based payment with a pending right to receive employees' service during the waiting period of service fulfilled or specified performance done shall take the current services into account of expenses, costs and capital reserves by the reference to the fair value on the granted day of equity instruments on the every balance sheet date during waiting period.

Recognition of fair value of equity instruments

As for the shares granted to employees, whose fair value shall be measured by the market price of the Company's shares, and be meanwhile modified by reference to the terms and conditions (excluding the feasible right conditions beyond market conditions). Where the transaction is not open to the market, the share price shall be measured by an estimated market price and be modified by reference to the provisions and conditions.

As for the share options granted to employees, where the trade options similar to terms and conditions are transaction are non-existent, whose fair value shall be estimated by option pricing models.

When the company is to recognize the fair value of equity instruments on granting day, it shall take the influence from the market condition of vesting conditions and non vesting conditions specified in Share-based Payment Agreement. Where non vesting conditions are existent in share-based payment, as long as the employees or the other party meet all the non market conditions of venting conditions, such as service period, the Company shall recognize that it receives the costs and expenses corresponding to the services.

(2) Cash-settled share-based payment

The cash-settled share-based payment shall be measured by the fair value of liabilities calculated on the basis of shares borne by the Company or other equity instruments. The cash-settled share-based payment with immediate vested rights shall be accounted into costs and expenses by reference to the fair value of liabilities borne by the Company on the grant day and add liabilities accordingly. The cash-settled share-based payment with a pending right to receive employees' service during the waiting period of service fulfilled or specified performance done shall take the current services into account of expenses, costs and liabilities by the reference to the fair value amount of liabilities borne by the Company based on the best estimation over the vested rights on the every balance sheet date during waiting period.

The compliance to recognize the best estimation over the vested equity instruments: on the every balance sheet date during waiting period, the Company makes a best estimation according to the latest follow-up information such as change in number of vested employees, modifies the prediction over the quantity of vested equity instruments, and makes the best evaluation on the vested equity instruments.

## 25. Revenue

Revenue is the gross inflow of economic benefit arising in the course of the Group's ordinary activities when the inflows result in increase in shareholder's equity, other than increase relating to contributions from shareholders.

(1) Selling commodities

Revenue is recognized in profit or loss when it is probable that the economic benefits will flow to the Group, the revenue and costs can be measured reliably and the following respective conditions are met:

Revenue from sale of goods is recognized when all of the general conditions stated above and following conditions are satisfied:

– The significant risks and rewards of ownership of goods have been transferred to the buyer;

– The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

Revenue from the sale of goods is measured at the fair value of the considerations received or receivable under the sales contract or agreement.

#### (2) Providing labour services

The Group confirms amount of rendering services according to received or receivable contract or treaty.

In balance sheet date, if the outcome of labor services can be reliably estimated, revenue from rendering services shall be confirmed by percentage-of-completion method, progress of rendering services shall be affirmed by percentage of labor services have already provided to total labor services should be provided.

As for the outcome of labor services can not be reliably estimated, if labor services expenses estimated can receive compensation, revenue from rendering services shall be confirmed by labor services costs and carried down by the same amount; if labor services expenses estimated can not receive compensation, services costs shall be reckoned into current loss and gain and revenue from providing labor services shall not be confirmed.

#### (3) Construction contract revenue

On balance sheet date, if the results of the construction contract could be reliable evaluated, the contract income and the contract expenditure should be recognized according to the completion percentage method.

The Group recognized the progress of the contract completion according to the percentage of the accumulative actual happened contract cost among the expected total contract cost.

If the result of the construction contract couldn't be reliable evaluated, the Group should dispose according to the following situations respectively:

- If the contract cost could be returned, the contract income should be recognized according to the actual contract cost which could be returned, and the contract cost should be recognized as contract expenditure during the period when happened;
- If the contract cost could not be returned, should be recognized as contract expenditure at the time when happened, and not be recognized as contract income.

#### (4) Interest revenue

Interest revenue is recognized according to the calculation of the time of lending monetary capital and the effective interest rate.

#### (5) Royalty revenue of the intangible assets

Royalty revenue of the intangible assets is recognized according to the charging time and methods agreed by the contracts or the protocol.

## 26. Government subsidies

### (1) Judgment basis and accounting treatment of government subsidies related to assets

The government grants gained by the Company and for purchasing and construction or for forming the long-term assets through other methods are as the government grants related to the assets.

A government grant related to an asset is recognized initially as deferred income and amortized to profit or loss on a straight-line basis over the useful life of the asset.

### (2) Judgment basis and accounting treatment of government subsidies related to profits

The other government grants except for the assets-related grants that gained by the Group are as the government grants related to the revenues.

A grant that compensates the Group for expenses to be incurred in the subsequent periods is recognized initially as deferred income and recognized in profit or loss in the same periods in which the expenses are recognized. A grant that compensates the Group for expenses incurred is recognized in profit or loss immediately.

## **27. Deferred income tax assets/deferred income tax liabilities**

### **(1) Recognition basis of deferred income tax assets**

The Group uses the balance sheet liability method to calculate its income tax, which is recognized in accordance with a difference between the carrying amount of an asset or liability and its tax base (temporary difference). For any deductible loss that can be carried forward to the next year to deduct the income tax according to the stipulations of tax law, relevant deferred income tax assets shall be recognized. The deferred income tax asset shall be determined to the extent that the amount of taxable income to be offset by the deductible loss or tax deduction to be likely obtained. For the deductible temporary difference relating to the investments of the subsidiary companies, associated enterprises and joint enterprises, the enterprise shall recognize the corresponding deferred income tax assets for those that meet the following requirements: the temporary differences are likely to be reversed in the expected future; and it is likely to acquire any amount of taxable income that may be used for deducting the deductible temporary differences.

### **(2) Recognition basis of deferred income tax liabilities**

The Group uses the balance sheet liability method to calculate its income tax, which is recognized in accordance with a difference between the carrying amount of an asset or liability and its tax base (temporary difference). As for the temporary difference from the initial recognition of goodwill, no deferred income tax liabilities shall be recognized. The taxable temporary differences relating to the investments of subsidiary companies, associated enterprises and joint enterprises shall be recognized as corresponding deferred income tax liabilities, however, excluding those that simultaneously satisfy the following conditions: the investing enterprise can control the time of the reverse of temporary differences; and the temporary differences are unlikely to reverse in the expected future.

## **28. Lease**

### **(1) Accounting treatment of operating lease**

#### **(a) Operating lease charges**

Rental payments under operating leases are recognized as costs or expenses on a straight-line basis over the lease term.

#### **(b) Assets leased out under operating leases**

Fixed assets leased out under operating leases, except for investment property (see Notes V. 16 (3)), are depreciated in accordance with the Group's depreciation policies described in Notes V. 22. Impairment losses are provided for in accordance with the accounting policy. Income derived from operating leases is recognized in the income statement using the straight-line method over the lease term. If initial direct costs incurred in respect of the assets leased out are material, the costs are initially capitalized and subsequently amortized in profit or loss over the lease term on the same basis as the lease income. Otherwise, the costs are charged to profit or loss immediately.

### **(2) Accounting treatments of financial lease**

When the Group acquires an asset under a finance lease, the asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments, each determined at the inception of the lease. The minimum lease payments are recorded as long-term payables. The difference between the value of the leased assets and the minimum lease payments is recognized as unrecognized finance charges. Initial direct costs that are attributable to a finance lease incurred by the Group are added to the amounts recognized for the leased asset. Depreciation and impairment losses are accounted for in accordance with the accounting



policies described in Notes V. 16 (3) and Notes V. 22, respectively.

If there is reasonable certainty that the Group will obtain ownership of a leased asset at the end of the lease term, the leased asset is depreciated over its estimated useful life. Otherwise, the leased asset is depreciated over the shorter of the lease term and its estimated useful life.

Unrecognized finance charge under finance lease is amortized using an effective interest method over the lease term. The amortization is accounted for in accordance with policies of borrowing costs.

At the balance sheet date, long-term payables arising from finance leases, net of the unrecognized finance charges, are presented into long-term payables and non-current liabilities due within one year, respectively in the balance sheet.

## 29. Other significant accounting policies and estimates

### (1) Related parties

If a party has the power to control, jointly control or exercise significant influence over another party, or vice versa, or where two or more parties are subject to common control, joint control, or significant influence from another party, they are considered to be related parties. Related parties may be individuals or enterprises. Enterprises with which the Company is under common control only from the State and that have no other related party relationships are not regarded as related parties of the Group. Related parties of the Group and the Company include, but are not limited to:

- (a) the Company's parent
- (b) the Company's subsidiaries
- (c) enterprises that are controlled by the Company's parent
- (d) investors that have joint control or over exercise significant influence over the Group
- (e) enterprise or individuals if a party has control, joint control or significant influence over both the enterprises or individuals and the Group
- (f) joint ventures of the Group, including subsidiaries of joint ventures
- (g) associates of the Group, including subsidiaries of associates
- (h) principal individual investors and close family members of such individuals
- (i) key management personnel of the Group and close family members of such individuals
- (j) key management personnel of the Company's parent
- (k) close family members of key management personnel of the Company's parent; and
- (l) other enterprises that are jointly controlled or significantly influenced by principal individual investors, key management personnel of the Group, and close family members of such individuals.

Besides the related parties stated above determined in accordance with the requirements of CAS, the following enterprises and individuals are considered as (but not restricted to) related parties based on the disclosure requirements of "Administrative Procedures on the Information Disclosures of Listed Companies" issued by the CSRC:

- (m) enterprises, or persons that act in concert, that hold 5% or more of the Company's shares
- (n) individuals and close family members of such individuals who directly or indirectly hold 5% or more of the Company's shares
- (o) enterprises that satisfy any of the aforesaid conditions in (a), (c) and (m) during the past 12 months or will satisfy them within the next 12 months pursuant to a relevant agreement
- (p) individuals who satisfy any of the aforesaid conditions in (i), (j) and (n) during the past 12 months or will satisfy them within the next 12 months pursuant to a relevant agreement; and
- (q) enterprises, other than the Company and subsidiaries controlled by the Company, which are controlled directly or indirectly by an individual defined in (i), (j), (n) or (p), or in which such an individual assumes the position of a director or senior executive.

### (2) Segment reporting

Reportable segments are identified based on operating segments which are determined based on the structure of the Group's internal

organization, management requirements and internal reporting system. An operating segment is recognized when all of the following conditions have been satisfied:

- the component engages in business activities from which it may earn revenues and incur expenses;
- whose operating results are regularly reviewed by the Group’s management to make decisions about resource to be allocated to the segment and assess its performance; and
- for which financial information regarding financial position, results of operations and cash flows is available.

Two or more operating segments may be aggregated into a single operating segment if the segments have similar economic characteristics, and are similar in respect of the following conditions:

- The nature of products and services
- The nature of production processes
- The type or class of customers for the products and services
- The methods used to distribute the products or provide the services
- The nature of the regulatory environment

When the Group drafts the report of an operating segment, transaction income from operating segments is measured at the basis of actual transaction price. Policies adopts in preparing the report of an operating segment shall in accordance with accounting policies adopted in the preparation of financial statements of the Group.

### 30. Changes in main accounting policies and estimates

#### (1) Change of accounting policies

Applicable  Not applicable

#### (2) Change of main accounting estimates

Applicable  Not applicable

### 31. Other

Naught

## VI. Taxation

### 1. Main taxes and tax rate

Category of taxes	Tax basis	Tax rate
VAT	Output VAT is calculated on product sales and taxable services revenue, based on tax laws. The remaining balance of output VAT, after subtracting the deductible input VAT of the period, is VAT payable.	5%, 6%, 11%, 13%, 17%
Consumption tax	Naught	Naught
Business tax	Based on taxable revenue of sales	3%, 5%
City maintenance and construction tax	Based on business tax paid, VAT payable and the VAT tax free	7%

	for the Period	
Enterprise income tax	Based on taxable revenue	0 - 25%
Education surcharge and local education surcharge	Based on business tax paid	3%, 2%

Notes of the disclosure situation of the taxpaying bodies with different enterprises income tax rate

Name	Income tax rate
BOE Technology Group Co., Ltd.	15%
Beijing BOE Optoelectronics Technology Co., Ltd.	15%
Chengdu BOE Optoelectronics Technology Co., Ltd.	15%
Hefei BOE Optoelectronics Technology Co., Ltd.	15%
Beijing BOE Display Technology Co., Ltd.	15%
Hefei Xinsheng Optoelectronics Technology Co., Ltd.	15%
Erdos Yuansheng Optoelectronics Co., Ltd.	15%
Chongqing BOE Optoelectronics Technology Co., Ltd.	15%
BOE (Hebei) Mobile Display Technology Co., Ltd.	15%
BOE Optical Science and Technology Co., Ltd.	15%
Beijing BOE Tea Valley Electronic Co., Ltd.	15%
Xiamen BOE Electronic Co., Ltd.	15%
Hefei BOE Display Light Source Co., Ltd.	15%
Beijing BOE Dedicated Display Technology Co., Ltd.	15%
Beijing BOE Vacuum Electronics Co., Ltd.	15%
Beijing BOE Vacuum Technology Co., Ltd.	15%
Beijing BOE Semi-conductor Co., Ltd.	15%
Hefei BOE Semi-conductor Co., Ltd.	15%
Beijing Asahi Electron Glass Co., Ltd.	15%
Beijing BOE Energy Technology Co., Ltd.	15%
Beijing BOE Multimedia Technology Co., Ltd.	15%

## 2. Tax preference

Name of company enjoying the preferential policy	Basis of policy	Approval authority, approval document No. and valid period
Hefei BOE Optoelectronics Technology Co., Ltd.	In accordance with CS [2010] No. 100—Circular on Refund the Closing Retained Tax Deduction for the Imported Devices VAT of Partial Projects jointly	On 4 November 2010, Ministry of Finance and State Administration of Taxation jointly issued the CS [2010] No. 100, approving to refund the

	issued by Ministry of Finance and State Administration of Taxation, approving to refund the closing retained tax deduction for the imported devices VAT of partial projects.	closing retained tax deduction for the imported devices VAT of partial projects, such document executed from 1 December 2010.
Beijing BOE Display Technology Co., Ltd. Hefei BOE Optoelectronics Technology Co., Ltd. Hefei Xinsheng Optoelectronics Technology Co., Ltd.	In accordance with CS [2011] No. 107—Circular on Refund the Closing Retained Tax Deduction for the Procured Equipments VAT of IC Enterprises jointly issued by Ministry of Finance and State Administration of Taxation, approving to refund the closing retained tax deduction for the procured equipments VAT of IC significant enterprises.	On 4 November 2010, Ministry of Finance and State Administration of Taxation jointly issued the CS [2011] No. 107, approving to refund the closing retained tax deduction for the procured equipments VAT of IC significant enterprises, such document executed from 1 January 2011.
Beijing BOE Display Technology Co., Ltd. Erdos Shengyuan Photoelectricity Co., Ltd.	In accordance with CGS [2012] No. 17— Circular on Relevant Policies about Installed Tax Payment for the VAT of Significant Imported Devices of New Flat Panel Display Items jointly issued by the Ministry of Finance and General Administration of Customs, approved the new flat panel display significant enterprises to pay the VAT of imported new devices by installment.	On 4 November 2010, the Ministry of Finance and General Administration of Customs jointly issued the CGS [2012] No. 17, approving the new flat panel display significant enterprises to pay the VAT of imported new devices by installment, such document executed from 1 January 2011.
Beijing BOE Optoelectronics Technology Co., Ltd. Chengdu BOE Optoelectronics Technology Co., Ltd. Hefei BOE Optoelectronics Technology Co., Ltd. Beijing BOE Display Technology Co., Ltd.	In June 2012, the Ministry of Finance issued the CGS [2012] No. 18, stipulating to provide the tariff and import VAT exemption and deduction for the building materials, auxiliary systems, equipment accessories in clean room (unavailable from domestic companies) imported by new display devices enterprises; and provide tariff exemption and deduction for production raw materials and consumption materials (unavailable from domestic companies) imported by new display devices enterprises.	On 20 June 2012, the Ministry of Finance, General Administration of Customs and State Administration of Taxation jointly issued the CS [2012] No. 18, providing the tax preferential policy of VAT and tariff for new display devices significant imported enterprises, the valid period of such document is from 1 January 2012 to 31 December 2015.
Hefei Xinsheng Optoelectronics Technology Co., Ltd. Erdos Shengyuan Photoelectricity Co., Ltd.	In April 2013, the Ministry of Finance issued the CGS [2013] No. 25, affirmed that Hefei Xingchengguang Electronic Technology Co., Ltd. and Erdos Yuansheng Optoelectronics Co., Ltd. have the qualification of enjoying the enterprise import taxes policies of the new type display device production.	In April 2013, the Ministry of Finance, General Administration of Customs and State Administration of Taxation jointly issued the CS [2013] No. 25, providing the tax preferential policy of VAT and tariff for new display devices significant imported enterprises, the valid period lasts to the end of Y2015.
Hefei Xinsheng Optoelectronics Technology Co., Ltd.	According to the regulation of the “Notice on the Staging Taxpaying Policy Enjoyed by the Third Batch of the New Type FPD Project” jointly issue by Ministry of Finance, General Administration of Customs on CGS [2013] No. 63, which approved the enterprises with significant projects of the new type FPD could pay the VAT of the	In September 2013, Ministry of Finance, General Administration of Customs and State Administration of Taxation jointly issued the CGS [2013] No. 63, which approved the enterprises with significant projects of the new type FPD could pay the VAT of the import link

	import link of the key new devices by stage.	of the key new devices by stage and the document had been executed since March 2013.
Chongqing BOE Optoelectronics Technology Co., Ltd.	In April 2014, the Ministry of Finance issued the CGS [2014] No. 46, affirmed that Chongqing BOE Optoelectronics Technology Co., Ltd. have the qualification of enjoying the enterprise import taxes policies of the new type display device production.	In April 2014, the Ministry of Finance, General Administration of Customs and State Administration of Taxation jointly issued the CS [2014] No. 46, providing the tax preferential policy of VAT and tariff for y new display devices significant imported enterprises, the valid period lasts to the end of Y2015.

### 3. Other

Naught

## VII. Notes on major items in consolidated financial statements of the Company

### 1. Monetary funds

Unit: RMB Yuan

Item	Closing balance	Opening balance
Cash on hand	623,590.00	253,600.00
Bank deposits	40,035,404,987.00	36,182,484,617.00
Other monetary funds	4,483,039,369.00	2,684,123,619.00
Total	44,519,067,946.00	38,866,861,836.00
Of which: the total amount deposited in overseas	2,314,694,601.00	540,239,745.00

Other notes

Of which: the total amount deposited in overseas was equivalent to RMB2,314,694,601 Yuan (Y2015: RMB540,239,745 Yuan).

On 30 June 2016, the Company took USD56,477,250 among the other monetary capital (Y2015: USD36,550,000) as the pledge for acquiring the short-term borrowings; took RMB268,000,000 Yuan among the other monetary capital (Y2014: RMB211,842,5600 Yuan) as the pledge for acquiring the long-term borrowings. he rest of the other monetary capital equivalent to RMB 3,840,526,025 Yuan (Y2015: RMB2,234,939,979 Yuan) was the margin deposit for security deposited in the commercial bank.

### 2. Financial assets measured by fair value and the changes be included in the current gains and losses

Unit: RMB Yuan

Item	Closing balance	Opening balance
Tradable financial assets	35,872,347.00	0.00
Of which: debt instruments investment	0.00	0.00
Equity instruments investment	35,872,347.00	0.00
Derivative instruments investment	0.00	0.00

Other	0.00	0.00
Financial assets appointed to measure by fair value and the changes be included in the current gains and losses	0.00	0.00
Of which: debt instruments investment	0.00	0.00
Equity instruments investment	0.00	0.00
Other	0.00	0.00
Total	35,872,347.00	0.00

Other notes:

Naught

### 3. Notes receivable

#### (1) Notes receivable listed by category

Item	Closing balance	Opening balance
Bank acceptance bill	1,064,007,897.00	353,803,012.00
Commercial acceptance bill	1,785,542.00	8,250,080.00
Total	1,065,793,439.00	362,053,092.00

#### (2) Notes receivable pledged by the Company at the period-end

Unit: RMB Yuan

Item	Amount
Bank acceptance bill	3,444,240.00
Commercial acceptance bill	0.00
Total	3,444,240.00

#### (3) Notes receivable which had endorsed by the Company or had discounted and had not due on the balance sheet date at the period-end

Unit: RMB Yuan

Item	Amount of recognition termination at the period-end	Amount of not terminated recognition at the period-end
Bank acceptance bill	0.00	346,595,121.00
Commercial acceptance bill	0.00	100,000.00
Total	0.00	346,695,121.00

**(4) Notes transferred to accounts receivable because drawer of the notes fails to executed the contract or agreement**

Unit: RMB Yuan

Item	Amount of the notes transferred to accounts receivable at the period-end
Naught	

Other notes

Naught

#### 4. Accounts receivable

##### (1) Accounts receivable disclosed by category

Unit: RMB Yuan

Category	Closing balance					Opening balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Proportion	Amount	Withdrawal proportion		Amount	Proportion	Amount	Withdrawal proportion	
Accounts receivable with significant single amount for which bad debt provision separately accrued	0.00	0.00%	0.00	0.00%	0.00	0.00	0.00%	0.00	0.00%	0.00
Accounts receivable withdrawn bad debt provision according to credit risks characteristics	10,712,724,771.00	99.50%	0.00	0.00%	10,712,724,771.00	8,175,630,706.00	99.17%	0.00	0.00%	8,175,630,706.00
Accounts receivable with insignificant single amount for which bad debt provision separately accrued	51,459,911.00	0.50%	34,367,033.00	66.78%	17,092,878.00	68,207,570.00	0.83%	51,323,915.00	75.25%	16,883,655.00
<b>Total</b>	<b>10,764,184,682.00</b>	<b>100.00%</b>	<b>34,367,033.00</b>	<b>0.32%</b>	<b>10,729,817,649.00</b>	<b>8,243,838,276.00</b>	<b>100.00%</b>	<b>51,323,915.00</b>	<b>0.62%</b>	<b>8,192,514,361.00</b>

Accounts receivable with significant single amount for which bad debt provision separately accrued at the period-end

Applicable  Not applicable

In the groups, accounts receivable adopting aging analysis method to accrue bad debt provision:

Applicable  Not applicable



In the groups, accounts receivable adopting balance percentage method to withdraw bad debt provision

Applicable  Not applicable

In the groups, accounts receivable adopting other methods to accrue bad debt provision:

Name of the group	Withdrawal method of the bad debt provision by group	Basic for recognizing the group	Closing balance	Closing balance of the bad debt provision	Withdrawal proportion
Credit risks portfolio	Other method	Owns the similar credit risks characteristics	10,712,724,771.00	0.00	0.00%

## (2) Accounts receivable withdraw, reversed or collected during the Reporting Period

The withdrawal amount of the bad debt provision during the Reporting Period was of RMB 1,106,009.00 Yuan; the amount of the collected part during the Reporting Period was of RMB 17,358,105.00 Yuan.

Of which the significant amount of the reversed or collected part during the Reporting Period was of RMB 000:

Unit: RMB Yuan

Name of the units	Reversed or collected amount	Method
Naught		

Naught

## (3) The actual write-off accounts receivable

Unit: RMB Yuan

Item	Amount
Customer 1	704,787.00

Of which the significant actual write-off accounts receivable:

Unit: RMB Yuan

Name of the units	Nature	Amount	Reason	Process	Whether occurred from the related transactions
Naught					

Notes of the write-off the accounts receivable:

Naught

## (4) Top 5 of the closing balance of the accounts receivable collected according to the arrears party

The total amount of the accounts receivable of the top 5 of the Group at the year-end was of RMB3,953,427,105 Yuan that covered 36.73% of the total amount of the closing balance of the accounts receivable at the year-end, which no need to withdraw the bad debt provision after the assessment.

**(5) Account receivable which terminate the recognition owing to the transfer of the financial assets**

Naught

**(6) The amount of the assets and liabilities formed by the transfer and the continues involvement of accounts receivable**

Naught

Other notes:

Naught

**5. Prepayment****(1) List by aging analysis**

Unit: RMB Yuan

Aging	Closing balance		Opening balance	
	Amount	Proportion	Amount	Proportion
Within 1 year	595,829,763.00	98.74%	222,965,900.00	98.46%
1 to 2 years	4,698,889.00	0.78%	2,911,881.00	1.29%
2 to 3 years	2,598,766.00	0.43%	495,306.00	0.22%
Over 3 years	280,386.00	0.05%	74,417.00	0.03%
Total	603,407,804.00	--	226,447,504.00	--

Notes of the reasons of the prepayment ages over 1 year with significant amount but failed settled in time:

Naught

**(2) Top 5 of the closing balance of the prepayment colleted according to the prepayment target**

The total amount of the prepayment of the top 5 of the Group at the year-end was of RMB 388,173,252.00 Yuan that covered 64.33% of the total amount of the closing balance of the prepayment at the year-end.

Other notes:

Naught

**6. Interest receivable****(1) Category of interest receivable**

Unit: RMB Yuan

Item	Closing balance	Opening balance
Fixed time deposit	107,730,119.00	194,518,278.00
Entrust loans	0.00	0.00

Bond investment	0.00	0.00
Total	107,730,119.00	194,518,278.00

**(2) Significant overdue interest**

Borrower	Closing balance	Overdue time	Reason	Whether occurred impairment and its judgment basis
Naught				

Other notes:

Naught

**7. Dividend receivable****(1) Dividend receivable**

Unit: RMB Yuan

Item (or investees)	Closing balance	Opening balance
Bank of Chongqing	6,651,480.00	0.00
Total	6,651,480.00	0.00

**(2) Significant dividend receivable aged over 1 year**

Unit: RMB Yuan

Item (or investees)	Closing balance	Aging	Reason	Whether occurred impairment and its judgment basis
Naught				

Notes:

Naught

## 8. Other accounts receivable

### (1) Other accounts receivable disclosed by category

Unit: RMB Yuan

Category	Closing balance					Opening balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Proportion	Amount	Withdrawal proportion		Amount	Proportion	Amount	Withdrawal proportion	
Other accounts receivable with significant single amount for which bad debt provision separately accrued	0.00	0.00%	0.00	0.00%	0.00	0.00	0.00%	0.00	0.00%	0.00
Other accounts receivable withdrawn bad debt provision according to credit risks characteristics	533,059,122.00	99.28%	0.00	0.00%	533,059,122.00	593,323,066.00	99.19%	0.00	0.00%	593,323,066.00
Other accounts receivable with insignificant single amount for which bad debt provision separately accrued	3,889,682.00	0.72%	3,889,682.00	100.00%	0.00	4,833,965.00	0.81%	4,827,184.00	100.00%	6,781.00
<b>Total</b>	<b>536,948,804.00</b>	<b>100.00%</b>	<b>3,889,682.00</b>	<b>0.72%</b>	<b>533,059,122.00</b>	<b>598,157,031.00</b>	<b>100.00%</b>	<b>4,827,184.00</b>	<b>0.81%</b>	<b>593,329,847.00</b>

Other accounts receivable with significant single amount for which bad debt provision separately accrued at the period-end

Applicable  Not applicable

In the groups, other accounts receivable adopting aging analysis method to accrue bad debt provision:

Applicable  Not applicable

In the groups, other accounts receivable adopting balance percentage method to withdraw bad debt provision

Applicable  Not applicable

In the groups, other accounts receivable adopting other methods to accrue bad debt provision:

√ Applicable □ Not applicable

Name of the group	Closing balance		
	Other accounts receivable	Bad debt provision	Withdrawal proportion
Credit risks portfolio	533,059,122.00	0.00	0.00%
Total	533,059,122.00	0.00	0.00%

## (2) Accounts receivable withdraw, reversed or collected during the Reporting Period

The withdrawal amount of the bad debt provision during the Reporting Period was of RMB0.00 Yuan; the amount of the reversed or collected part during the Reporting Period was of RMB0.00 Yuan.

Of which the significant amount of the reversed or collected part during the Reporting Period:

Unit: RMB Yuan

Name of units	Reversed or collected amount	Method
Naught		

Naught

## (3) The actual write-off other accounts receivable

Unit: RMB Yuan

Item	Amount
Customer 1	937,502.00

Notes of the significant write-off other accounts receivable:

Unit: RMB Yuan

Name of the units	Nature	Amount	Reason	Process	Whether from the related transactions
Naught					

Notes of write-off other accounts receivable:

Naught

## (4) Other accounts receivable classified by the nature of accounts

Unit: RMB Yuan

Nature	Closing book balance	Opening book balance
VAT refunds	58,601,506.00	105,110,154.00
Equity transfer fee of accounts receivable	200,000,000.00	200,000,000.00
Cash deposit and cash pledge	14,293,335.00	8,822,268.00
Other	264,053,963.00	284,224,609.00
Total	536,948,804.00	598,157,031.00

**(5) Top 5 of the closing balance of the other accounts receivable collected according to the arrears party**

Unit: RMB Yuan

Name of units	Nature	Closing balance	Aging	Proportion of the total year end balance of the accounts receivable	Closing balance of bad debt provision
Customer 1	Transfer amount of the equities receivable	200,000,000.00	Over 3 years	37.25%	0.00
Customer 2	Other	47,500,000.00	Within 1 year, 1 to 2 years, 2 to 3 years	8.85%	0.00
Customer 3	Other	41,200,000.00	Over 3 years	7.67%	0.00
Customer 4	VAT refunds	27,638,301.00	Within 1 year, over 3 years	5.15%	0.00
Customer 5	Export tax refunds	14,681,964.00	Within 1 year	2.73%	0.00
<b>Total</b>	--	331,020,265.00	--	61.65%	0.00

**(6) Accounts receivable involved with government subsidies**

Unit: RMB Yuan

Name of units	Project of government subsidies	Closing balance	Closing age	Estimated received time, amount and basis
Naught				

Naught

**(7) Other account receivable which terminate the recognition owing to the transfer of the financial assets**

Naught

**(8) The amount of the assets and liabilities formed by the transfer and the continues involvement of other accounts receivable**

Naught

Other notes:

Naught

## 9. Inventory

### (1) Category of inventory

Unit: RMB Yuan

Item	Closing balance			Opening balance		
	Book balance	Falling price reserves	Book value	Book balance	Falling price reserves	Book value
Raw materials	2,693,040,674.00	102,270,792.00	2,590,769,882.00	2,140,352,715.00	109,664,234.00	2,030,688,481.00
Goods in process	886,785,832.00	79,823,636.00	806,962,196.00	729,493,187.00	86,221,585.00	643,271,602.00
Inventory goods	4,387,258,314.00	695,053,572.00	3,692,204,742.00	4,670,195,081.00	838,807,123.00	3,831,387,958.00
Turnover materials	111,364,165.00	851,472.00	110,512,693.00	104,891,330.00	833,143.00	104,058,187.00
Total	8,078,448,985.00	877,999,472.00	7,200,449,513.00	7,644,932,313.00	1,035,526,085.00	6,609,406,228.00

### (2) Falling price reserves of inventory

Unit: RMB Yuan

Item	Opening balance	Increased amount		Decreased amount		Closing balance
		Withdrawal	Other	Reverse or write-off	Other	
Raw materials	109,664,234.00	53,905,798.00	0.00	61,299,240.00	0.00	102,270,792.00
Goods in process	86,221,585.00	59,716,137.00	0.00	66,114,086.00	0.00	79,823,636.00
Inventory goods	838,807,123.00	621,124,838.00	0.00	764,878,389.00	0.00	695,053,572.00
Turnover materials	833,143.00	107,688.00	0.00	89,359.00	0.00	851,472.00
Total	1,035,526,085.00	734,854,461.00	0.00	892,381,074.00	0.00	877,999,472.00

Naught

### (3) Notes of the closing balance of the inventory which includes capitalized borrowing expenses

Naught

### (4) Completed unsettled assets formed from the construction contract at the period-end

Unit: RMB Yuan

Item	Amount
Accumulative occurred cost	0.00
Accumulative recognized gross margin	0.00

Less: estimated losses	0.00
Amount had executed settlement	0.00
Completed unsettled assets formed from the construction contract	0.00

Other notes:

Naught

## 10. Assets divided as held-to-sold

Unit: RMB Yuan

Item	Closing book value	Fair value	Estimated disposal expense	Estimated disposal time
Naught				

Other notes:

Naught

## 11. Non-current assets due within 1 year

Unit: RMB Yuan

Item	Closing balance	Opening balance
Bonds payable due within 1 year	25,062,419.00	0.00
Total	25,062,419.00	0.00

Other notes:

Naught

## 12. Other current assets

Unit: RMB Yuan

Item	Closing balance	Opening balance
VAT to be deducted	4,960,734,726.00	4,940,491,392.00
Pre-paid Income tax	123,459,555.00	123,348,135.00
Finance products	8,594,902,146.00	3,620,970,828.00
Other	28,759,421.00	27,207,162.00
Total	13,707,855,848.00	8,712,017,517.00

Other notes:

Naught



### 13. Available-for-sale financial assets

#### (1) List of available-for-sale financial assets

Unit: RMB Yuan

Item	Closing balance			Opening balance		
	Book balance	Depreciation reserves	Book value	Book balance	Depreciation reserves	Book value
Available-for-sale liabilities instruments:	14,586,967.00	0.00	14,586,967.00	0.00	0.00	0.00
Available-for-sale equity instruments:	581,986,457.00	150,279,655.00	431,706,802.00	604,375,901.00	150,279,655.00	454,096,246.00
Measured by fair value	420,044,068.00	150,099,655.00	269,944,413.00	455,620,512.00	150,099,655.00	305,520,857.00
Measured by cost	161,942,389.00	180,000.00	161,762,389.00	148,755,389.00	180,000.00	148,575,389.00
Total	596,573,424.00	150,279,655.00	446,293,769.00	604,375,901.00	150,279,655.00	454,096,246.00

#### (2) Available-for-sale financial assets measured by fair value at the period-end

Unit: RMB Yuan

Category of the available-for-sale financial assets	Available-for-sale equity instruments	Available-for-sale liabilities instruments		Total
Cost of the equity instruments/amortized cost of the liabilities instruments	347,029,503.00	11,857,879.00		358,887,382.00
Fair value	269,944,413.00	14,586,967.00		284,531,380.00
Changes amount of the fair value accumulatively recorded in other comprehensive income	73,014,565.00	2,729,088.00		75,743,653.00

Withdrawn impairment amount	150,099,655.00	0.00	150,099,655.00
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**(3) Available-for-sale financial assets measured by cost at the period-end**

Unit: RMB Yuan

Investee	Book balance				Impairment provision				Shareholding proportion among the investees	Cash bonus of the Reporting Period
	Period-begin	Increase	Decrease	Period-end	Period-begin	Increase	Decrease	Period-end		
Teralane Semiconductor Inc	11,868,000.00	0.00	0.00	11,868,000.00	0.00	0.00	0.00	0.00	7.29%	0.00
Zhejiang BOE Display Technology Co., Ltd.	570,032.00	0.00	0.00	570,032.00	0.00	0.00	0.00	0.00	7.03%	0.00
Beijing Digital TV National Engineering Laboratory Co., Ltd.	6,250,000.00	0.00	0.00	6,250,000.00	0.00	0.00	0.00	0.00	12.50%	0.00
DanhuaCapital, L.P.	23,308,625.00	0.00	0.00	23,308,625.00	0.00	0.00	0.00	0.00	5.48%	0.00
Danhua Capital II, L.P.	0.00	13,187,000.00	0.00	13,187,000.00	0.00	0.00	0.00	0.00	5.00%	0.00
MetaCompany	30,733,954.00	0.00	0.00	30,733,954.00	0.00	0.00	0.00	0.00	5.66%	0.00
Kateeva	75,844,778.00	0.00	0.00	75,844,778.00	0.00	0.00	0.00	0.00	3.40%	0.00
Other	180,000.00	0.00	0.00	180,000.00	180,000.00	0.00	0.00	180,000.00	0.00%	0.00
<b>Total</b>	<b>148,755,389.00</b>	<b>13,187,000.00</b>	<b>0.00</b>	<b>161,942,389.00</b>	<b>180,000.00</b>	<b>0.00</b>	<b>0.00</b>	<b>180,000.00</b>	<b>--</b>	<b>0.00</b>

**(4) Changes of the impairment of the available-for-sale financial assets during the Reporting Period**

Unit: RMB Yuan

Category of the available-for-sale financial assets	Available-for-sale equity instruments	Available-for-sale liabilities instruments		Total
Withdrawn impairment balance at the period-begin	150,279,655.00	0.00		150,279,655.00
Withdrawn amount of the period	0.00	0.00		0.00
Of which: transferred from other comprehensive income	0.00	0.00		0.00
Decreased in the period	0.00	0.00		0.00
Of which: recovered and reversed amount of the fair value after the period	0.00	0.00		0.00
Withdrawn impairment balance at the period-end	150,279,655.00	0.00		150,279,655.00

**(5) Relevant notes of the fair value of the available-for-sale equity instruments which seriously fell or temporarily fell but not withdrawn the impairment provision**

Unit: RMB Yuan

Item of available-for-sale equity instruments	Investment cost	Fair value of the period-end	Falling range of the fair value against the cost	Continued falling time (month)	Withdrawn amount of impairment	Reason of not withdrawn the impairment
Naught						

Other notes:

Naught

**14. Investment held-to-maturity****(1) List of investment held-to-maturity**

Unit: RMB Yuan

Item	Closing balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Convertible bonds for HYDIS Technology	17,960,946.00	17,960,946.00	0.00	17,960,946.00	17,960,946.00	0.00
<b>Total</b>	<b>17,960,946.00</b>	<b>17,960,946.00</b>	<b>0.00</b>	<b>17,960,946.00</b>	<b>17,960,946.00</b>	<b>0.00</b>

**(2) Significant held-to-maturity investment at the period-end**

Unit: RMB Yuan

Bond item	Par value	Nominal interest rate	Actual interest rate	Due date
Naught				

**(3) Re-classified held-to-maturity investment during the Reporting Period**

Naught

Other notes:

Naught

**15. Long-term accounts receivable****(1) List of the long-term accounts receivable**

Unit: RMB Yuan

Item	Closing balance			Opening balance			Discount rate range
	Book balance	Bad debt provision	Book value	Book balance	Bad debt provision	Book value	
Financing lease amount	0.00						
Total			0.00			0.00	--

**(2) Long-term accounts receivable which terminate the recognition owing to the transfer of the financial assets**

Naught

**(3) The amount of the assets and liabilities formed by the transfer and the continues involvement of long-term accounts receivable**

Naught

Other notes:

Naught

## 16. Long-term equity investment

Unit: RMB Yuan

Investees	Opening balance	Increase/decrease								Closing balance	Closing balance of impairment provision	
		Additional investment	Reduced investment	Gains and losses recognized under the equity method	Adjustment of other comprehensive income	Changes of other equity	Cash bonus or profits announced to issue	Withdrawal of impairment provision	Other			
I. Joint ventures												
Naught												
II. Associated enterprises												
Beijing Nissin Electronics Precision Component Co., Ltd. (Nissin Electronics)	3,011,145.00	0.00	0.00	-2,433,168.00	0.00	0.00	0.00	0.00	0.00	0.00	577,977.00	0.00
Beijing Nittan Electronics Co., Ltd. (Nittan Electronics)	29,353,994.00	0.00	0.00	4,662,864.00	0.00	0.00	0.00	0.00	0.00	0.00	34,016,858.00	0.00
Beijing Yingfei Hailin Venture Capital Management Co., Ltd.	324,895.00	0.00	0.00	-292,247.00	0.00	0.00	0.00	0.00	0.00	0.00	32,648.00	0.00

(Yingfei Hailin)												
Ordos BOE Energy Investment Co., Ltd. (BOE Energy Investment)	907,476,536.00	0.00	0.00	-7,245.00	0.00	0.00	0.00	0.00	0.00	907,469,291.00	337,612,177.00	
Beijing Fly Hailin Investment Center	117,872,528.00	11,333,400.00	0.00	-312,506.00	-4,418,377.00	877,087.00	0.00	0.00	0.00	125,352,132.00	0.00	
TPV Display Technology (China) Co., Ltd.	23,715,205.00	0.00	0.00	1,718,405.00	0.00	0.00	0.00	0.00	0.00	25,433,610.00	0.00	
Hefei BOE Display Technology Co., Ltd.	85,566,875.00	444,000.00	0.00	-1,835,249.00	0.00	0.00	0.00	0.00	0.00	527,731,626.00	0.00	
Beijing Xindongneng Investment Fund (limited partnership)	370,261,522.00	0.00	0.00	-8,380,082.00	0.00	0.00	0.00	0.00	0.00	361,881,440.00	0.00	
Beijing Xindongneng Investment	1,921,429.00	0.00	0.00	755,313.00	0.00	0.00	0.00	0.00	0.00	2,676,742.00	0.00	

Management Co., Ltd.											
Shenzhen Yunyinggu Technology Co., Ltd.	58,411,007.00	0.00	0.00	-5,057,046.00	0.00	0.00	0.00	0.00	0.00	53,353,961.00	0.00
Subtotal	1,597,915,136.00	455,333,400.00	0.00	-11,180,961.00	-4,418,377.00	877,087.00	0.00	0.00	0.00	2,038,526,285.00	337,612,177.00
Total	1,597,915,136.00	455,333,400.00	0.00	-11,180,961.00	-4,418,377.00	877,087.00	0.00	0.00	0.00	2,038,526,285.00	337,612,177.00

Other notes:

Naught

## 17. Investment property

### (1) Investment property adopted the cost measurement mode

√ Applicable □ Not applicable

Unit: RMB Yuan

Item	Houses and buildings	Land use right	construction in progress	Total
I. Original book value				
1. Opening balance	854,334,573.00	659,779,217.00	0.00	1,514,113,790.00
2. Increased amount of the period	2,185,443.00	0.00	0.00	2,185,443.00
(1) Outsourcing	0.00	0.00	0.00	0.00
(2) Transfer of inventory\fixed assets\project under construction	2,185,443.00	0.00	0.00	2,185,443.00
(3) Increased from enterprise merger	0.00	0.00	0.00	0.00
3. Decreased amount of the period	0.00	0.00	0.00	0.00
(1) Disposal	0.00	0.00	0.00	0.00
(2) Other transfer	0.00	0.00	0.00	0.00
4. Closing balance	856,520,016.00	659,779,217.00	0.00	1,516,299,233.00
II. Accumulative depreciation and accumulative amortization				
1. Opening balance	202,669,357.00	84,345,006.00	0.00	287,014,363.00
2. Increased amount of the period	10,980,593.00	7,841,214.00	0.00	18,821,807.00



(1) Withdrawal or amortization	10,980,593.00	7,841,214.00	0.00	18,821,807.00
3. Decreased amount of the period	0.00	0.00	0.00	0.00
(1) Disposal	0.00	0.00	0.00	0.00
(2) Other transfer	0.00	0.00	0.00	0.00
4. Closing balance	213,649,950.00	92,186,220.00	0.00	305,836,170.00
III. Depreciation reserves				
1. Opening balance	0.00	0.00	0.00	0.00
2. Increased amount of the period	0.00	0.00	0.00	0.00
(1) Withdrawal	0.00	0.00	0.00	0.00
3. Decreased amount of the period	0.00	0.00	0.00	0.00
(1) Disposal	0.00	0.00	0.00	0.00
(2) Other transfer	0.00	0.00	0.00	0.00
4. Closing balance	0.00	0.00	0.00	0.00
IV. Book value				
1. Closing book value	642,870,066.00	567,592,997.00	0.00	1,210,463,063.00
2. Opening book value	651,665,216.00	575,434,211.00	0.00	1,227,099,427.00

## (2) Investment property adopted fair value measurement mode

Applicable  Not applicable

## (3) Details of investment property failed to accomplish certification of property

Unit: RMB Yuan

Item	Book value	Reason
Naught		

Other notes:

Naught

## 18. Fixed assets

### (1) List of fixed assets

Unit: RMB Yuan

Item	Houses and buildings	Machinery equipment	Transportation	Total
I. Original book value				
1. Opening	19,601,399,268.00	73,620,519,802.00	827,314,126.00	94,049,233,196.00

balance				
2. Increased amount of the Period	215,249,034.00	3,988,385,268.00	304,417,413.00	4,508,051,715.00
(1) Purchase	75,224,490.00	222,952,979.00	199,184,557.00	497,362,026.00
(2) Transfer of project under construction	12,660,136.00	3,576,642,594.00	85,314,287.00	3,674,617,017.00
(3) Enterprise combination increase	124,606,858.00	184,702,235.00	19,487,315.00	328,796,408.00
(4) Exchange rate effect	2,757,550.00	4,087,460.00	431,254.00	7,276,264.00
3. Decreased amount of the Period	7,189,815.00	74,699,760.00	19,608,676.00	101,498,251.00
(1) Disposal or Scrap	7,189,815.00	74,699,760.00	19,608,676.00	101,498,251.00
4. Closing balance	19,809,458,487.00	77,534,205,310.00	1,112,122,863.00	98,455,786,660.00
II. Accumulative depreciation				
1. Opening balance	2,133,566,863.00	27,422,371,406.00	282,075,525.00	29,838,013,794.00
2. Increased amount of the Period	326,960,108.00	4,353,060,520.00	129,850,252.00	4,809,870,880.00
(1) Withdrawal	326,960,108.00	4,353,060,520.00	129,850,252.00	4,809,870,880.00
2. Business combination	0.00	0.00	0.00	0.00

not under the same control				
3. Decreased amount of the Period	9,146,270.00	69,296,376.00	17,395,215.00	95,837,861.00
(1) Disposal or Scrap	9,146,270.00	69,296,376.00	17,395,215.00	95,837,861.00
4. Closing balance	2,451,380,701.00	31,706,135,550.00	394,530,562.00	34,552,046,813.00
III. Depreciation reserves				
1. Opening balance	1,161,260.00	643,793,809.00	1,164,928.00	646,119,997.00
2. Increased amount of the Period	0.00	0.00	0.00	0.00
(1) Withdrawal	0.00	0.00	0.00	0.00
3. Decreased amount of the Period	0.00	1,138,129.00	29,761.00	1,167,890.00
(1) Disposal or Scrap	0.00	1,138,129.00	29,761.00	1,167,890.00
4. Closing balance	1,161,260.00	642,655,680.00	1,135,167.00	644,952,107.00
IV. Book value				
1. Closing book value	17,356,916,526.00	45,185,414,080.00	716,457,134.00	63,258,787,740.00
2. Opening book value	17,466,671,145.00	45,554,354,587.00	544,073,673.00	63,565,099,405.00

**(2) List of temporarily idle fixed assets**

Unit: RMB Yuan

Item	Original book value	Accumulative depreciation	Impairment provision	Book value	Notes
Naught					

**(3) Fixed assets leased in from financing lease**

Unit: RMB Yuan

Item	Original book value	Accumulative depreciation	Impairment provision	Book value
Houses and buildings	11,291,665.00	3,722,783.00	0.00	7,568,882.00

**(4) Fixed assets leased out from operation lease**

Unit: RMB Yuan

Item	Closing book value
Naught	

**(5) Details of fixed assets failed to accomplish certification of property**

Unit: RMB Yuan

Item	Book value	Reason
Naught		

Other notes:

Naught

**19. Construction in progress****(1) List of construction in progress**

Unit: RMB Yuan

Item	Closing balance			Opening balance		
	Book balance	Depreciation reserves	Book value	Book balance	Depreciation reserves	Book value
The 8.5 <sup>th</sup> Generation TFT-LCD Project of Hefei Xinsheng and the touch screen project	3,928,159,055.00	0.00	3,928,159,055.00	3,848,879,771.00	0.00	3,848,879,771.00

AM-OLED Project of Yuansheng Optoelectronics	11,201,156,206.00	0.00	11,201,156,206.00	10,517,718,706.00	0.00	10,517,718,706.00
The 8.5 <sup>th</sup> Generation TFT-LCD Project of Chongqing BOE	320,011,687.00	0.00	320,011,687.00	2,634,406,927.00	0.00	2,634,406,927.00
The 8.5 <sup>th</sup> Generation New Type Semiconductor Display Device Project of Fuzhou	2,104,296,436.00	0.00	2,104,296,436.00	460,185,529.00	0.00	460,185,529.00
The 6 <sup>th</sup> Generation LTPS/AMOLED Production Line Project	1,463,379,941.00	0.00	1,463,379,941.00	126,732,620.00	0.00	126,732,620.00
Others	1,198,061,665.00	1,311,456.00	1,196,750,209.00	1,058,849,595.00	1,311,456.00	1,057,538,139.00
<b>Total</b>	<b>20,215,064,990.00</b>	<b>1,311,456.00</b>	<b>20,213,753,534.00</b>	<b>18,646,773,148.00</b>	<b>1,311,456.00</b>	<b>18,645,461,692.00</b>

## (2) Changes of significant construction in progress

Unit: RMB Yuan

Name of item	Estimated number	Opening balance	Increased amount	Amount that transferred to fixed assets of the period	Other decreased amount of the period	Closing balance	Proportion estimated of the project accumulative input	Project progresses	Accumulative amount of capitalized interests	Of which: the amount of the capitalized interests of the period	Capitalization rate of the interests of the period	Capital resources
The 8.5 <sup>th</sup> Generation TFT-LCD Project of Hefei Xinsheng and the touch screen project	33,897,000,000.00	3,848,879,771.00	285,132,270.00	172,302,953.00	33,550,033.00	3,928,159,055.00	72.95%	72.95%	3,831,721.00	0.00	0.00%	Fund raised by issuing share
AM-OLED Project of Yuansheng Optoelectronics	20,020,000,000.00	10,517,718,706.00	683,437,500.00	0.00	0.00	11,201,156,206.00	57.23%	57.23%	682,504,672.00	119,185,762.00	5.07%	Fund raised by issuing share
The 8.5 <sup>th</sup> Generation TFT-LCD Project of Chongqing BOE	30,000,000,000.00	2,634,406,927.00	735,432,917.00	3,038,565,862.00	11,262,294.00	320,011,687.00	71.04%	71.04%	0.00	152,277,930.00	4.97%	Fund raised by issuing share

The 8.5 <sup>th</sup> Generation New Type Semiconductor Display Device Project of Fuzhou	26,985,000,000.00	460,185,529.00	1,644,110,908.00	0.00	0.00	2,104,296,436.00	7.63%	7.63%	4,384,554.00	4,384,554.00	2.38%	Fund raised by issuing share
The 6 <sup>th</sup> Generation LTPS/AMOLED Production Line Project	44,800,000,000.00	126,732,620.00	1,336,647,320.00	0.00	0.00	1,463,379,941.00	2.98%	2.98%	0.00	0.00	0.00%	Others
<b>Total</b>	<b>155,702,000,000.00</b>	<b>17,587,923,553.00</b>	<b>4,684,760,915.00</b>	<b>3,210,868,815.00</b>	<b>44,812,327.00</b>	<b>19,017,003,325.00</b>	<b>--</b>	<b>--</b>	<b>690,720,947.00</b>	<b>275,848,246.00</b>	<b>--</b>	<b>--</b>

### (3) List of the withdrawal of the impairment provision of the construction in progress

Unit: RMB Yuan

Item	Withdrawn amount	Reason
Naught		

Other notes:

Naught

## 20. Intangible assets

### (1) List of intangible assets

Unit: RMB Yuan

Item	Land use right	Patent right	Non-patent right	Special technology	Computer software	Patent right and other	Total
I. Original book value							
1. Opening balance	1,300,366,510.00			1,007,722,861.00	572,981,178.00	959,121,583.00	3,840,192,132.00
2. Increased amount of the Period	26,570,232.00			0.00	24,942,550.00	66,851,121.00	118,363,903.00
(1) Purchase	11,309,071.00			0.00	24,942,550.00	66,851,121.00	103,102,742.00
(2) Internal R&D	0.00			0.00	0.00	0.00	0.00
(3) Enterprise combination increase	15,261,161.00			0.00	0.00	0.00	15,261,161.00
3. Decreased amount of the Period	69,590,054.00			0.00	0.00	0.00	69,590,054.00
(1) Disposal	69,590,054.00			0.00	0.00	0.00	69,590,054.00
4. Closing balance	1,257,346,688.00			1,007,722,861.00	597,923,728.00	1,025,972,704.00	3,888,965,981.00
II. Accumulated amortization							
1. Opening balance	111,021,207.00			521,825,815.00	315,817,972.00	211,816,430.00	1,160,481,424.00
2. Increased amount of the Period	10,031,823.00			34,950,176.00	24,424,812.00	53,055,345.00	122,462,156.00
(1) Withdrawal	10,031,823.00			34,950,176.00	24,424,812.00	53,055,345.00	122,462,156.00
3. Decreased amount of the Period	0.00			0.00	0.00	0.00	0.00
(1) Disposal	0.00			0.00	0.00	0.00	0.00



4. Closing balance	121,053,030.00			556,775,991.00	340,242,784.00	264,871,775.00	1,282,943,580.00
III. Depreciation reserves							
1. Opening balance	0.00			0.00	471,453.00	0.00	471,453.00
2. Increased amount of the Period	0.00			0.00	0.00	0.00	0.00
(1) Withdrawal	0.00			0.00	0.00	0.00	0.00
3. Decreased amount of the Period	0.00			0.00	0.00	0.00	0.00
(1) Disposal	0.00			0.00	0.00	0.00	0.00
4. Closing balance	0.00			0.00	471,453.00	0.00	471,453.00
IV. Book value							
1. Closing book value	1,136,293,658.00			450,946,870.00	257,209,491.00	761,100,929.00	2,605,550,948.00
2. Opening book value	1,189,345,303.00			485,897,046.00	256,691,753.00	747,305,153.00	2,679,239,255.00

The proportion of the intangible assets formed from the internal R&D through the Company amount the balance of the intangible assets at the period-end was 0.00% .

**(2) Details of fixed assets failed to accomplish certification of land use right**

Unit: RMB Yuan

Item	Book value	Reason
Naught		

Other notes:

Naught

**21. Goodwill****(1) Original book value of goodwill**

Unit: RMB Yuan

Name of the investees or the events formed goodwill	Opening balance	Increase		Decrease		Closing balance
Beijing Yinghe Century Co., Ltd.	42,940,434.00	0.00	0.00	0.00	0.00	42,940,434.00
Gaochuang (Suzhou) Electronics Co., Ltd.	8,562,464.00	0.00	0.00	0.00	0.00	8,562,464.00
Beijing BOE Optoelectronics Technology Co., Ltd.	4,423,876.00	0.00	0.00	0.00	0.00	4,423,876.00
BOE Healthcare Co., Ltd.	146,460,790.00	0.00	0.00	0.00	0.00	146,460,790.00
Total	202,387,564.00	0.00	0.00	0.00	0.00	202,387,564.00

**(2) Impairment provision of goodwill**

Unit: RMB Yuan

Name of the investees or the events formed goodwill	Opening balance	Increase		Decrease		Closing balance
Beijing BOE Optoelectronics Technology Co., Ltd.	4,423,876.00	0.00	0.00	0.00	0.00	4,423,876.00
Total	4,423,876.00	0.00	0.00	0.00	0.00	4,423,876.00

Notes of the testing process of goodwill impairment, parameters and the recognition method of goodwill impairment losses:

See V.22

Other notes:

Naught

**22. Long-term unamortized expenses**

Unit: RMB Yuan

Item	Opening balance	Increased amount	Amortization amount	Decrease	Closing balance
Cost of operating lease assets improvement	10,254,474.00	0.00	849,877.00	0.00	9,404,597.00
Cost of construction and use of public facilities	144,183,461.00	0.00	7,685,112.00	0.00	136,498,349.00
Others	187,088,278.00	37,769,010.00	21,825,651.00	407,414.00	202,624,223.00
<b>Total</b>	<b>341,526,213.00</b>	<b>37,769,010.00</b>	<b>30,360,640.00</b>	<b>407,414.00</b>	<b>348,527,169.00</b>

Other notes:

Naught

**23. Deferred income tax assets/deferred income tax liabilities****(1) Deferred income tax assets had not been off-set**

Unit: RMB Yuan

Item	Closing balance		Opening balance	
	Deductible temporary difference	Deferred income tax assets	Deductible temporary difference	Deferred income tax assets
Assets impairment provision	92,819,038.00	22,608,317.00	153,660,274.00	38,165,517.00
Unrealized internal sales gain and loss	0.00	0.00	0.00	0.00
Deductible losses	122,194,828.00	30,548,707.00	122,194,824.00	30,548,708.00
Differences of depreciation and amortization	23,677.00	3,553.00	23,677.00	3,553.00
Evaluation increment of subsidiary with immovable property investment	155,995,455.00	38,998,864.00	158,772,372.00	39,693,093.00
Others	35,641,439.00	8,861,795.00	34,656,467.00	8,694,349.00
<b>Total</b>	<b>406,674,437.00</b>	<b>101,021,236.00</b>	<b>469,307,614.00</b>	<b>117,105,220.00</b>

**(2) Deferred income tax liabilities had not been off-set**

Unit: RMB Yuan

Item	Closing balance		Opening balance	
	Deductible temporary difference	Deferred income tax liabilities	Deductible temporary difference	Deferred income tax liabilities
Asset evaluation increment of business combination not under the same control	1,156,119,006.00	286,170,396.00	1,141,068,053.00	285,267,013.00
Change in fair value of available-for-sale financial assets	28,168,564.00	4,647,813.00	28,168,564.00	4,647,813.00
Differences of depreciation and amortization	480,159,642.00	72,516,358.00	391,241,676.00	58,686,251.00
Changes in the fair value of financing products	19,748,041.00	2,962,206.00	21,473,098.00	3,220,965.00
Long-term equity investment	560,387,820.00	84,058,173.00	560,387,820.00	84,058,173.00
Total	2,244,583,073.00	450,354,946.00	2,142,339,211.00	435,880,215.00

**(3) Deferred income tax assets or liabilities listed by net amount after off-set**

Unit: RMB Yuan

Item	Mutual set-off amount of deferred income tax assets and liabilities at the period-end	Amount of deferred income tax assets or liabilities after off-set at the period-end	Mutual set-off amount of deferred income tax assets and liabilities at the period-begin	Amount of deferred income tax assets or liabilities after off-set at the period-begin
Deferred income tax assets	0.00	101,021,236.00	0.00	117,105,220.00
Deferred income tax liabilities	0.00	450,354,946.00	0.00	435,880,215.00

**(4) List of unrecognized deferred income tax assets**

Unit: RMB Yuan

Item	Closing balance	Opening balance
Deductible temporary difference	3,653,860,881.00	4,004,972,209.00
Deductible losses	3,177,186,993.00	1,555,680,596.00

Total	6,831,047,874.00	5,560,652,805.00
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**(5) Deductible losses of unrecognized deferred income tax assets will due the following years**

Unit: RMB Yuan

Years	Closing amount	Opening amount	Notes
Y 2016	0.00	99,532,368.00	Naught
Y 2017	398,831,789.00	280,647,569.00	Naught
Y 2018	179,900,672.00	185,377,579.00	Naught
Y 2019	191,711,373.00	231,252,534.00	Naught
Y 2020	731,725,605.00	758,870,546.00	Naught
Y 2021	1,675,017,554.00	0.00	Naught
Total	3,177,186,993.00	1,555,680,596.00	--

Other notes:

Naught

**24. Other non-current assets**

Unit: RMB Yuan

Item	Closing balance	Opening balance
Prepayment for construction	867,921,051.00	38,134,743.00
Prepayment for procurement of fixed assets	152,275,185.00	225,828,407.00
Prepayment for procurement of intangible assets	121,052,479.00	1,348,349.00
The VAT collection of imported equipment	507,195,223.00	75,720,270.00
Others	9,274,923.00	6,819,905.00
Total	1,657,718,861.00	347,851,674.00

Other notes:

Naught

**25. Short-term loans****(1) Category of short-term loans**

Unit: RMB Yuan

Item	Closing balance	Opening balance
Pledge loan	876,461,166.00	223,892,165.00
Mortgage loan	10,000,000.00	10,000,000.00

Guaranteed loan	172,411,200.00	3,896,160,000.00
Credit loan	616,679,779.00	961,922,665.00
Total	1,675,552,145.00	5,091,974,830.00

Notes of short-term loans category

Naught

## (2) List of the short-term loans overdue but not return

The total amount of the overdue but not return short-term borrowings at the period-end was of RMB0.00 Yuan, of which the situation of the significant overdue but not returned short-term borrowings as follows:

Unit: RMB Yuan

Entity	Closing balance	Borrowing rate	Overdue time	Overdue rate
Naught				

Other notes:

Naught

## 26. Notes payable

Unit: RMB Yuan

Category	Closing balance	Opening balance
Trade acceptance	0.00	0.00
Bank acceptance bill	491,128,454.00	343,277,037.00
Total	491,128,454.00	343,277,037.00

The total amount of the due but not pay notes payable at the period-end was of RMB0.00 Yuan.

## 27. Accounts payable

### (1) List of accounts payable

Unit: RMB Yuan

Item	Closing balance	Opening balance
Account payable of related party	10,231,111.00	11,313,820.00
Account payable of third party	11,112,911,659.00	9,838,621,211.00
Total	11,123,142,770.00	9,849,935,031.00

### (2) Notes of the accounts payable aging over one year

Unit: RMB Yuan

Item	Closing balance	Unpaid/ Un-carry-over reason
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Naught		
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Other notes:

Naught

## 28. Advance from customers

### (1) List of advance from customers

Unit: RMB Yuan

Item	Closing balance	Opening balance
Advance from customers of related party	0.00	2,700.00
Advance from customers of third party	546,562,992.00	386,536,203.00
<b>Total</b>	<b>546,562,992.00</b>	<b>386,538,903.00</b>

### (2) Significant advance from customers aging over one year

Unit: RMB Yuan

Item	Closing balance	Unpaid/ Un-carry-over reason
Naught		

### (3) Particulars of settled but unfinished projects formed by construction contract at period-end.

Unit: RMB Yuan

Item	Amount
Cost accumulatively occurred	0.00
Gross margin accumulatively recognized	0.00
Less: estimate losses	0.00
Amount had conduct the settlement	0.00
Completed unsettlement project formed by the construction contract	0.00

Other notes:

Naught

## 29. Payroll payable

### (1) List of Payroll payable

Unit: RMB Yuan

Item	Opening balance	Increase	Decrease	Closing balance
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I. Short-term salary	1,051,226,920.00	2,902,632,223.00	3,294,781,217.00	659,077,926.00
II. Post-employment benefit-defined contribution plans	25,755,886.00	282,221,646.00	280,409,969.00	27,567,563.00
III. Termination benefits	15,120,332.00	5,471,141.00	5,458,993.00	15,132,480.00
IV. Other benefits due within one year	0.00	0.00	0.00	0.00
Total	1,092,103,138.00	3,190,325,010.00	3,580,650,179.00	701,777,969.00

**(2) List of Short-term salary**

Unit: RMB Yuan

Item	Opening balance	Increase	Decrease	Closing balance
1. Salary, bonus, allowance, subsidy	802,297,623.00	2,281,842,272.00	2,684,318,625.00	399,821,270.00
2. Employee welfare	0.00	269,934,247.00	269,934,247.00	0.00
3. Social insurance	34,946,466.00	129,670,900.00	131,338,197.00	33,279,169.00
Of which: 1. Medical insurance premiums	33,257,964.00	108,531,444.00	110,203,936.00	31,585,472.00
Work-related injury insurance	685,379.00	11,248,481.00	11,143,067.00	790,793.00
Maternity insurance	1,003,123.00	9,890,975.00	9,991,194.00	902,904.00
4. Housing fund	18,494,267.00	115,960,153.00	128,382,596.00	6,071,824.00
5. Labor union budget and employee education budget	182,715,621.00	66,385,713.00	42,986,473.00	206,114,861.00
6. Short-term absence with payment	0.00	0.00	0.00	0.00
7. Short-term profit sharing plan	0.00	0.00	0.00	0.00
8. Employee bonus and welfare fund	7,282,591.00	0.00	0.00	7,282,591.00
9. Other	5,490,352.00	38,838,938.00	37,821,079.00	6,508,211.00
Total	1,051,226,920.00	2,902,632,223.00	3,294,781,217.00	659,077,926.00

**(3) List of drawing scheme**

Unit: RMB Yuan



Item	Opening balance	Increase	Decrease	Closing balance
1. Basic pension benefits	22,621,515.00	258,395,258.00	255,986,738.00	25,030,035.00
2. Unemployment insurance	1,284,085.00	15,426,808.00	15,435,698.00	1,275,195.00
Annuity	1,850,286.00	8,399,580.00	8,987,533.00	1,262,333.00
Total	25,755,886.00	282,221,646.00	280,409,969.00	27,567,563.00

Other notes:

Naught

### 30. Taxes payable

Unit: RMB Yuan

Item	Closing balance	Opening balance
VAT	24,155,263.00	6,034,483.00
Consumption tax	0.00	0.00
Business tax	0.00	2,950,474.00
Corporate income tax	28,076,776.00	51,227,464.00
Personal income tax	16,226,631.00	26,686,375.00
Urban maintenance and construction tax	48,240,779.00	61,736,456.00
Others	63,005,535.00	75,779,757.00
Total	179,704,984.00	224,415,009.00

Other notes:

Naught

### 31. Interest payable

Unit: RMB Yuan

Item	Closing balance	Opening balance
Long-term loan interest of installment payment of interest and repay the due capital	202,460,209.00	189,536,603.00
Enterprise bond interest	88,027,397.00	
Interest paid for short-term loans	173,577,276.00	158,637,246.00
Total	464,064,882.00	348,173,849.00

Particulars of significant overdue unpaid interest:

Unit: RMB Yuan

Entity	Overdue amount	Overdue reason

Naught		
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Other notes:

Naught

### 32. Dividends payable

Unit: RMB Yuan

Item	Closing balance	Opening balance
Common stock dividends	491,253,793.86	9,651,170.64
Preferred stock\sustainable debt interest classified as equity instrument	0.00	0.00
Others	0.00	0.00
Total	491,253,794.00	9,651,170.00

Notes: including significant unpaid dividends payable over one year, the unpaid reason shall be disclosed:

Naught

### 33. Other accounts payable

#### (1) Other accounts payable listed by nature of the account

Unit: RMB Yuan

Item	Closing balance	Opening balance
Engineering and equipment	6,333,710,540.00	6,809,238,439.00
The VAT collection of imported equipment	679,302,113.00	980,993,091.00
Margin	347,063,209.00	186,443,738.00
Pre-withdrawal water and electricity	235,037,117.00	183,198,773.00
Logistics freight	7,178,713.00	80,380,590.00
External agency fee	60,981,926.00	32,624,494.00
Others	566,977,917.00	592,050,753.00
Total	8,230,251,535.00	8,864,929,878.00

#### (2) Other significant accounts payable with aging over one year

Unit: RMB Yuan

Item	Closing balance	Unpaid/ Un-carry-over reason
Naught		

Other notes:

Naught

**34. Non-current liabilities due within 1 year**

Unit: RMB Yuan

Item	Closing balance	Opening balance
Long-term loans due within 1 year	2,554,451,743.00	2,283,535,113.00
Bonds payable due within 1 year	0.00	0.00
Long-term account payable due within 1 year	1,636,427.00	0.00
Total	2,556,088,170.00	2,283,535,113.00

Other notes:

Naught

**35. Other current-liabilities**

Unit: RMB Yuan

Item	Closing balance	Opening balance
Short term bond	0.00	0.00
Quality assurance deposit	449,813,064.00	329,744,101.00
Convertible creditor's right	0.00	40,500,000.00
Others	9,957,333.00	6,662,858.00
Total	459,770,397.00	376,906,959.00

Changes on short term bonds payable:

Unit: RMB Yuan

Name of the bond	Book value	Issue date	Period	Issue amount	Opening balance	The current issue	Withdraw interest at par	Overflow discount amortization	Pay in current period		Closing balance
Naught											

Other notes:

Naught

**36. Long-term loan****(1) Category of long-term loan**

Unit: RMB Yuan

Item	Closing balance	Opening balance
Pledge loan	17,310,000.00	19,755,000.00
Mortgage loan	31,072,108,001.00	32,011,893,389.00

Guaranteed loan	0.00	0.00
Credit loan	10,828,240,000.00	4,309,549,756.00
Total	41,917,658,001.00	36,341,198,145.00

Notes of short-term loans category:

Naught

Other notes including interest rate range:

Naught

### 37. Bonds payable

#### (1) Bonds payable

Unit: RMB Yuan

Item	Closing balance	Opening balance
In 2016, BOE Technology Group Co., Ltd. public issued Corporate bond to the qualify investors (Phase I)	9,954,719,298.00	0.00
Total	9,954,719,298.00	0.00

**(2) Increase /decrease of bonds payable (excluding other financial instruments classified as preferred stock, perpetual capital securities and others of financial liabilities)**

Unit: RMB Yuan

In 2016, BOE Technology Group Co., Ltd. public issued Corporate bond to the qualify investors (Phase I)	100.00	3/21/2016	5 years (Attached end of 3 years, the issuer increase coupon rate option and investors selling back options)	10,000,000,000.00	0.00	10,000,000,000.00	90,529,714.00	2,502,317.00	0.00	9,954,719,298.00
Total	--	--	--	10,000,000,000.00	0.00	10,000,000,000.00	90,529,714.00	2,502,317.00	0.00	9,954,719,298.00

**(3) Explanation of convertible conditions, time for convertible company bonds**

Naught

**(4) Explanation of other financial instruments classified as financial liabilities**

Basic situation of outstanding preferred stock, perpetual capital securities and other financial instrument at the period-end

Naught

Change in outstanding preferred stock, perpetual capital securities and other financial instrument at the period-end

Unit: RMB Yuan

Outstanding financial instrument	Opening period		Increase		Decrease		Closing period	
	Amount	Book value	Amount	Book value	Amount	Book value	Amount	Book value
Naught								

Notes to judgment of other financial instrument classified as financial liabilities

Naught

Other notes:

Naught

**38. Long-term payable****(1) Long-term payable listed by nature of the account**

Unit: RMB Yuan

Item	Closing balance	Opening balance
Financing lease after-sales leaseback	10,423,573.00	0.00

Other notes:

Naught

**39. Estimated liabilities**

Unit: RMB Yuan

Item	Closing balance	Opening balance	Formed reason
External guaranty	0.00	0.00	
Pending litigation	0.00	0.00	
Product quality assurance	0.00	0.00	
Restructuring obligations	0.00	0.00	
Loss contract to be executed	0.00	0.00	
Others	16,060,269.00	16,457,010.00	In 2009, the Group ceased producing several products and stopped fulfilling the purchase contract related to production. Due to the indemnity incurred accordingly, the Group withdrew the relevant estimated liabilities according to reasonable estimation of losses.
Total	16,060,269.00	16,457,010.00	--

Other notes, including significant assumptions, valuation explanation related to significant estimated liabilities:

Naught

**40. Deferred revenue**

Unit: RMB Yuan

Item	Opening balance	Increase	Decrease	Closing balance	Formed reason
Government subsidies	2,406,244,676.00	4,346,000.00	369,055,616.00	2,041,535,060.00	Government subsidies
Total	2,406,244,676.00	4,346,000.00	369,055,616.00	2,041,535,060.00	--

Item involving government subsidies:

Unit: RMB Yuan

Item	Opening balance	Amount of newly subsidy	Amount recorded into non-operating income in Report Period	Other changes	Closing balance	Related to assets/related income
Government subsidies related to the assets	2,208,511,573.00	2,000,000.00	215,315,070.00	0.00	1,995,196,503.00	Related to the assets
Government subsidies related to the income	197,733,103.00	2,346,000.00	153,740,546.00	0.00	46,338,557.00	Related to the income
<b>Total</b>	<b>2,406,244,676.00</b>	<b>4,346,000.00</b>	<b>369,055,616.00</b>	<b>0.00</b>	<b>2,041,535,060.00</b>	<b>--</b>

Other notes: Naught

#### 41. Other non-current liabilities

Unit: RMB Yuan

Item	Closing balance	Opening balance
Convertible creditor's right	3,702,101,160.00	3,595,123,390.00
Equity investment with redemption items	3,320,800,000.00	2,500,000,000.00
The VAT collection of imported equipment	507,195,223.00	75,720,270.00
<b>Total</b>	<b>7,530,096,383.00</b>	<b>6,170,843,660.00</b>

Other notes:

Naught

#### 42. Share capital

Unit: RMB Yuan

Item	Opening balance	Increase/decrease (+/-)					Closing balance
		New shares issued	Bonus shares	Capitalized Capital reserves	Others	Subtotal	
The sum of shares	35,153,067,743.00	0.00	0.00	0.00	0.00	0.00	35,153,067,743.00

Other notes:

Naught

#### 43. Capital surplus

Unit: RMB Yuan

Item	Opening balance	Increase	Decrease	Closing balance
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Capital premium	38,115,575,868.00	0.00	0.00	38,115,575,868.00
Other capital reserves	903,324,599.00	10,208,711.00	0.00	913,533,310.00
Total	39,018,900,467.00	10,208,711.00	0.00	39,029,109,178.00

Other notes, including changes and reason of change:

Naught

#### 44. Treasury stock

Unit: RMB Yuan

Item	Opening balance	Increase	Decrease	Closing balance
Naught				
Total	0.00			0.00

Other notes, including changes and reason of change:

Naught

## 45. Other comprehensive income

Unit: RMB Yuan

Item	Opening balance	Reporting Period					Closing balance
		Amount before income tax in current period	Less: recorded in other comprehensive income in prior period and transferred to profit or loss in current period	Less: Income tax expense	Attributable to owners of the Company after tax	Attributable to minority shareholders after tax	
I. Other comprehensive income can not be reclassified into profits and losses in future	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Of which: changes in net assets and liabilities of recalculated defined benefit plans	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Share of other comprehensive income of investees measured by the equity method not reclassifiable to profit or loss	0.00	0.00	0.00	0.00	0.00	0.00	0.00
II. Other comprehensive reclassified into profits or losses	90,153,009.00	-26,599,167.00	0.00	-258,758.00	-26,340,409.00	0.00	63,812,600.00
Of which: other comprehensive income as per equity method recognized into profit and loss in future	26,510,264.00	-4,418,377.00	0.00	0.00	-4,418,377.00	0.00	22,091,887.00
Profits or losses of change in fair value of	124,321,870.00	-44,406,289.00	0.00	-258,758.00	-44,147,531.00	0.00	80,174,339.00

available-for-sale financial assets							
Of which: other comprehensive income as per equity method recognized into profit and loss in future	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Effective hedging gains and losses on cash flows	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Converted difference of the foreign currency financial statement	-60,679,125.00	22,225,499.00	0.00	0.00	22,225,499.00	0.00	-38,453,626.00
Total	90,153,009.00	-26,599,167.00	0.00	-258,758.00	-26,340,409.00	0.00	63,812,600.00

Other explanation, including the active part of the hedging gains/losses of cash flow transfer to initial recognition adjustment for the arbitrated items:

Naught

**46. Surplus reserves**

Unit: RMB Yuan

Item	Opening balance	Increase	Decrease	Closing balance
Statutory surplus reserves	302,570,750.00	0.00	0.00	302,570,750.00
Discretionary surplus reserves	289,671,309.00	0.00	0.00	289,671,309.00
Reserve fund	0.00	0.00	0.00	0.00
Enterprise expansion fund	0.00	0.00	0.00	0.00
Others	0.00	0.00	0.00	0.00
Total	592,242,059.00	0.00	0.00	592,242,059.00

Other notes, including changes and reason of change

Naught

**47. Retained profits**

Unit: RMB Yuan

Item	Reporting Period	Last period
Opening balance of retained profits before adjustments	2,630,912,286.00	1,434,745,673.00
Total opening balance of retained profits before adjustments (Increase+, decrease-)	0.00	0.00
Opening balance of retained profits after adjustments	2,630,912,286.00	1,434,745,673.00
Add: Net profit attributable to owners of the Company	-516,472,418.00	1,951,170,852.00
Less: Withdrawal of statutory surplus reserves	0.00	47,065,643.00
Withdrawal of discretionary surplus reserves	0.00	0.00
Withdrawal of generic risk reserve	0.00	0.00
Dividend of common stock payable	351,530,677.00	0.00
Dividend of common stock transfer into share capital	0.00	0.00
Closing retained profits	1,762,909,191.00	3,338,850,882.00

List of adjustment of opening retained profits:

- 1) RMB0.00 Yuan opening retained profits was affected by retrospective adjustment conducted according to the Accounting Standards for Business Enterprises and relevant new regulations.
- 2) RMB0.00 Yuan opening retained profits was affected by changes on accounting policies.
- 3) RMB0.00 Yuan opening retained profits was affected by correction of significant accounting errors.
- 4) RMB0.00 Yuan opening retained profits was affected by changes in combination scope arising from same control.
- 5) RMB0.00 Yuan opening retained profits was affected totally by other adjustments.

**48. Revenue and Cost of Sales**

Unit: RMB Yuan

Item	Reporting Period		Same period of last year	
	Sales revenue	Cost of sales	Sales revenue	Cost of sales
Main operations	24,881,976,506.00	22,771,274,960.00	21,917,479,361.00	16,736,885,573.00
Other operations	1,566,334,211.00	1,215,816,198.00	1,053,368,751.00	772,724,875.00
Total	26,448,310,717.00	23,987,091,158.00	22,970,848,112.00	17,509,610,448.00

**49. Business tax and surcharges**

Unit: RMB Yuan

Item	Reporting Period	Same period of last year
Consumption tax	0.00	0.00
Business tax	12,436,707.00	16,468,247.00
Urban maintenance and construction tax	45,553,431.00	56,145,938.00
Education Surcharge	33,002,047.00	40,468,922.00
Resource tax	0.00	0.00
Others	1,937,996.00	1,253,314.00
Total	92,930,181.00	114,336,421.00

Other notes:

Naught

**50. Sales expenses**

Unit: RMB Yuan

Item	Reporting Period	Same period of last year
Labor cost	143,741,326.00	134,349,195.00
Logistic transport fees	126,171,928.00	92,303,114.00
Product quality assurance	216,781,885.00	161,630,644.00
Others	209,521,315.00	144,405,750.00
Total	696,216,454.00	532,688,703.00

Other notes:

Naught

**51. Administrative expenses**

Unit: RMB Yuan

Item	Reporting Period	Same period of last year
Labor cost	560,645,612.00	586,790,222.00
Depreciation and amortization	210,067,005.00	165,605,068.00
R&D expenses	738,474,486.00	751,855,875.00
Maintenance cost	299,838,449.00	324,289,194.00
Others	502,064,883.00	423,878,687.00
<b>Total</b>	<b>2,311,090,435.00</b>	<b>2,252,419,046.00</b>

Other notes:

Naught

## 52. Financial expenses

Unit: RMB Yuan

Item	Reporting Period	Same period of last year
Interest expenses	822,841,814.00	757,096,215.00
Interest income	-248,305,319.00	-414,387,936.00
Net amount of exchange loss (gains: negative)	645,198,892.00	-162,626,091.00
Others	15,143,623.00	-3,741,099.00
<b>Total</b>	<b>1,234,879,010.00</b>	<b>176,341,089.00</b>

Other notes:

Naught

## 53. Asset impairment loss

Unit: RMB Yuan

Item	Reporting Period	Same period of last year
I. Bad debt loss	-16,280,180.00	2,088,282.00
II. Inventory falling price loss	531,103,126.00	495,232,888.00
Impairment losses of available-for-sale financial assets	0.00	0.00
IV. Held-to-maturity investments	0.00	0.00
V. Impairment losses of long-term equity investment	0.00	0.00
VI. Investment property	0.00	0.00
VII. Impairment losses of fix asset impairment loss	0.00	0.00
VIII. Engineering materials for impairment losses	0.00	0.00
IX. Impairment losses of construction in process	0.00	0.00
X. Production biological assets	0.00	0.00

XI. Asset impairment loss	0.00	0.00
XII. Impairment losses of intangible asset	0.00	0.00
XIII. Impairment losses of good will	0.00	0.00
XIV. Other	0.00	0.00
Total	514,822,946.00	497,321,170.00

Other notes:

Naught

#### 54. Gains and losses from changes in fair value

Unit: RMB Yuan

Sources	Reporting Period	Same period of last year
2. Financial assets measured by fair value and the changes be included in the current profits and losses	4,623,937.00	0.00
Of which, gains on the changes in the fair value of derivative financial instruments	0.00	0.00
Financial liabilities measured by fair value and the changes included in the current gains and losses	0.00	0.00
Investment property adopted fair value measurement mode	0.00	0.00
Total	4,623,937.00	0.00

Other notes:

Naught

#### 55. Investment income

Unit: RMB Yuan

Item	Reporting Period	Same period of last year
Long-term equity investment income accounted by equity method	-11,180,961.00	10,557,037.00
Investment income arising from disposal of long-term equity investments	0.00	0.00
Investment income received from financial assets measured by fair value and the changes be included in the current profits and losses during holding period	-13,042,225.00	0.00
Investment income received from disposal of financial assets measured by fair value and the changes be included in the current profits and losses during holding period	0.00	0.00
Investment income of held to maturity investment during holding period	0.00	0.00

Investment income received from holding of available-for-sale financial assets	9,498,220.00	2,746,320.00
Investment income received from disposal of available-for-sale financial assets	0.00	0.00
After losing control, gain from the remaining stock remeasured at fair value	0.00	0.00
Investment income from wealth management products on maturity	79,719,288.00	51,355,793.00
Total	64,994,322.00	64,659,150.00

Other notes:

Naught

## 56. Non-operating gains

Unit: RMB Yuan

Item	Reporting Period	Same period of last year	Recorded in the amount of the non-recurring gains and losses
Total gains from disposal of non-current assets	4,788,368.00	1,481,675.00	4,788,368.00
Including: Gains from disposal of fixed assets	1,135,331.00	1,481,675.00	1,135,331.00
Gains from disposal of intangible assets	3,653,037.00	0.00	3,653,037.00
Debt restructuring	0.00	0.00	0.00
income from non-monetary assets exchange	0.00	0.00	0.00
Accepting donations	0.00	0.00	0.00
Government subsidies	1,660,030,393.00	406,391,203.00	1,660,030,393.00
Others	128,914,121.00	16,898,580.00	128,914,121.00
Total	1,793,732,882.00	424,771,458.00	1,793,732,882.00

Government subsidies recorded into current profits and losses

Other notes:Naught

## 57. Non-operating expenses

Unit: RMB Yuan

Item	Reporting Period	Same period of last year	Recorded in the amount of the non-recurring gains and losses
Loss on disposal of non-current assets	2,257,689.00	9,248,574.00	2,257,689.00



Including: Loss on disposal of fixed assets	2,257,689.00	9,248,574.00	2,257,689.00
Losses from disposal of intangible assets	0.00	0.00	0.00
Loss on debt reconstruction	0.00	0.00	0.00
Non-monetary asset exchange losses	0.00	0.00	0.00
Donation	0.00	5,000.00	0.00
Others	3,619,242.00	4,093,837.00	3,619,242.00
Total	5,876,931.00	13,347,411.00	5,876,931.00

Other notes:

Naught

## 58. Income tax expense

### (1) Lists of income tax expense

Unit: RMB Yuan

Item	Reporting Period	Same period of last year
Current income tax expense	25,699,596.00	379,607,482.00
Deferred income tax expense	30,558,715.00	31,453,182.00
Total	56,258,311.00	411,060,664.00

### (2) Adjustment process of accounting profit and income tax expense

Unit: RMB Yuan

Item	Reporting Period
Total profits	-531,245,257.00
Current income tax expense accounted by tax and relevant regulations	-79,686,789.00
Influence of different tax rate suitable to subsidiary	-57,475.00
Influence of income tax before adjustment	0.00
Influence of non taxable income	-10,152,970.00
Influence of not deductible costs, expenses and losses	7,147,445.00
Influence of deductible losses of deferred income tax assets derecognized used in previous period	-98,496,380.00
Influence of deductible temporary difference or deductible losses of deferred income tax assets derecognized in Reporting Period.	259,969,788.00
Making up the annual losses of previous years	-22,465,308.00

Income tax expense	56,258,311.00
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Other notes:

Naught

## 59. Other comprehensive income

Refer to the Notes. 57

## 60. Supplementary information to cash flow statement

### (1) Other cash received relevant to operating activities:

Unit: RMB Yuan

Item	Reporting Period	Same period of last year
Government subsidies related to income	1,288,275,799.00	198,151,361.00
Interest income	161,872,743.00	103,723,264.00
Tender bond / performance bond received	35,509,926.00	18,220,402.00
Exchange earning from carry-forward, repurchase	521,087.00	1,084,048.00
Others	68,359,640.00	501,165,140.00
<b>Total</b>	<b>1,554,539,195.00</b>	<b>822,344,215.00</b>

Notes to other cash received relevant to operating activities:

Naught

### (2) Other cash paid relevant to operating activities:

Unit: RMB Yuan

Item	Reporting Period	Same period of last year
Daily spending paid	2,203,273,931.00	1,124,698,063.00
Bank service charges	10,978,187.00	17,745,833.00
Cash deposit	54,387,310.00	16,816,831.00
Restrictive deposit in financial institutions increased	219,615,038.00	72,862,647.00
Others	391,096,551.00	304,642,430.00
<b>Total</b>	<b>2,879,351,017.00</b>	<b>1,536,765,804.00</b>

Notes to other cash paid relevant to operating activities:

Naught

**(3) Other cash received relevant to investment activities**

Unit: RMB Yuan

Item	Reporting Period	Same period of last year
Cash inflow from combination of subsidiary	657,102,662.00	0.00
Interest income	137,545,845.00	349,454,085.00
Tender shall / guarantee money for a bid	83,723,914.00	5,888,410.00
Government subsidies related to assets	2,000,000.00	179,740,000.00
Restrictive deposit in financial institutions recovered	0.00	278,070,265.00
Others	2,379,389.00	7,793,560.00
<b>Total</b>	<b>882,751,810.00</b>	<b>820,946,320.00</b>

Notes to other cash received relevant to investment activities

Naught

**(4) Other cash paid relevant to investment activity**

Unit: RMB Yuan

Item	Reporting Period	Same period of last year
Refund on bid/performance bond / safety construction bond	27,752,918.00	2,709,050.00
Restrictive deposit in financial institutions increased	1,278,387,586.00	0.00
Others	110,127,607.00	14,219,464.00
<b>Total</b>	<b>1,416,268,111.00</b>	<b>16,928,514.00</b>

Notes to other cash paid relevant to investment activities:

Naught

**(5) Other cash received relevant to financing activities**

Unit: RMB Yuan

Item	Reporting Period	Same period of last year
Scrappy interest of dividends	379.00	0.00
<b>Total</b>	<b>379.00</b>	<b>0.00</b>

Notes to other cash received relevant to financing activities:

Naught

**(6) Other cash paid relevant to financing activities**

Unit: RMB Yuan

Item	Reporting Period	Same period of last year
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Bank service charges	34,652,203.00	75,393,744.00
Paid raise interest	0.00	40,991,275.00
<b>Total</b>	<b>34,652,203.00</b>	<b>116,385,019.00</b>

Notes to other cash paid relevant to financing activities:

Naught

## 61. Supplemental information for Cash Flow Statement

### (1) Information of net profit to net cash flows generated from operating activities

Unit: RMB Yuan

Supplemental information	Reporting Period	Same period of last year
1. Reconciliation of net profit to net cash flows generated from operating activities	--	--
Net profit	-587,503,568.00	1,953,153,768.00
Add: Provision for impairment of assets	514,822,946.00	497,321,170.00
Depreciation of fixed assets, of oil-gas assets, of productive biological assets	4,809,870,880.00	3,590,977,357.00
Amortization of intangible assets	122,450,569.00	122,743,131.00
Long-term unamortized expenses	30,360,640.00	47,685,498.00
Losses on disposal of fixed assets, intangible assets and other long-term assets (gains: negative)	-3,840,860.00	7,713,598.00
Loss on retirement of fixed assets (gains: negative)	-684,336.00	-731,624.00
Losses from variation of fair value (gains: negative)	-4,623,937.00	0.00
Financial cost (gains: negative)	1,234,879,010.00	176,341,089.00
Investment loss (gains: negative)	-64,994,322.00	-64,659,152.00
Decrease in deferred income tax assets (gains: negative)	16,083,984.00	13,203,777.00
Increase in deferred income tax liabilities ("—" means decrease)	14,474,731.00	18,249,405.00
Decrease in inventory (gains: negative)	-1,003,386,330.00	-1,684,902,995.00
Decrease in accounts receivable from operating activities (gains: negative)	-4,079,163,191.00	-2,460,643,170.00
Increase in payables from operating activities (decrease: negative)	2,117,729,336.00	3,465,067,596.00
Others	-382,388,597.00	-228,127,960.00
Net cash flows generated from operating activities	2,734,086,955.00	5,453,391,488.00
2. Significant investing and financing activities without involvement of	--	--

cash receipts and payments		
Conversion of debt into capital	0.00	0.00
Company bonus convertible due within one year	0.00	0.00
Fix assets under financing lease	0.00	0.00
3. Net increase in cash and cash equivalents:	--	--
Closing balance of cash	40,036,041,613.00	32,009,442,308.00
Less: Opening balance of cash	36,182,738,217.00	36,504,707,160.00
Add: Closing balance of cash equivalents	0.00	0.00
Less: Opening balance of cash equivalents	0.00	0.00
Net increase in cash and cash equivalents	3,853,303,396.00	-4,495,264,852.00

**(2) Net Cash paid of obtaining the subsidiary**

Unit: RMB Yuan

Item	Amount
Cash or cash equivalent paid for enterprise combination	1,172,360,000.00
Of which:	--
Less: cash and cash equivalents held by subsidiary on purchase date	1,829,462,662.00
Of which:	--
Add: cash or cash equivalent paid for enterprise combination in previous period	0.00
Of which:	--
Net Cash paid of obtaining the subsidiary	-657,102,662.00

Other notes:

Naught

**(3) Net Cash receive from disposal of the subsidiary**

Unit: RMB Yuan

Item	Amount
Disposal of cash or cash equivalent of subsidiary in Reporting Period	0.00
Of which:	--
Less: cash and cash equivalents held by subsidiary on losing control date	0.00
Of which:	--
Disposal of cash or cash equivalent of subsidiary in previous period	0.00
Of which:	--
Net Cash receive of disposal of the subsidiary	0.00

Other notes:

Naught

**(4) Cash and cash equivalents**

Unit: RMB Yuan

Item	Closing balance	Opening balance
I. Cash	40,036,041,613.00	36,182,738,217.00
Including: Cash on hand	623,590.00	253,600.00
Bank deposit on demand	40,035,418,023.00	36,182,484,617.00
Other monetary funds on demand	0.00	0.00
Payable of due from central bank	0.00	0.00
Deposits in other banks	0.00	0.00
Call loans to banks	0.00	0.00
II. Cash and cash equivalents	0.00	0.00
Of which: Bond investment due within three months	0.00	0.00
III. Closing balance of cash and cash equivalents	40,036,041,613.00	36,182,738,217.00
Note: the restricted cash and cash equivalents of the Company and the subsidiaries of the Group used	4,483,037,966.00	2,684,123,619.00

Other notes:

Naught

**62. Notes to items of changes in owner's equity**

Notes to name of "other" item adjusted closing balance and the adjustment amount:

**63. The assets with the ownership or use right restricted**

Unit: RMB Yuan

Item	Closing book value	Restricted reason
Monetary capital	4,483,037,966.00	The pledge use for guarantee and margin deposit
Notes receivable	350,139,361.00	Has been endorsement for transfer and the right of recourse attached and pledge use for opening account payable
Inventories	0.00	Naught
Fixed assets	53,512,922,062.00	The pledge use for guarantee
Intangible assets	633,129,338.00	The pledge use for guarantee
Investment property	167,211,591.00	The pledge use for guarantee
Construction in progress	9,138,827,087.00	The pledge use for guarantee

Total	68,285,267,405.00	--
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Other notes:

Naught

#### 64. Foreign currency monetary items

##### (1) Foreign currency monetary items

Unit: RMB Yuan

Item	Closing foreign currency balance	Exchange rate	Closing convert to RMB balance
Including: USD	2,411,774,678.00	6.6312	15,992,960,246.00
EUR	316,640.00	7.3750	2,335,224.00
HKD	696,331,250.00	0.8547	595,154,320.00
JPY	551,445,761.00	0.0645	35,563,289.00
GBP	397.00	8.9212	3,545.00
MYR	3,804.00	1.6527	6,287.00
TWD	26,395,044.00	0.2032	5,363,473.00
KRW	953,903,583.00	0.0056	5,315,151.00
SGD	28,515.00	4.9239	140,407.00
CHF	701.00	6.7730	4,747.00
INR	8,039,734.00	0.0982	789,502.00
Including: USD	1,045,413,794.00	6.6321	6,932,347,954.00
EUR	0.00	7.375	0.00
HKD	0.00	0.8547	0.00
JPY	2,636,657,873.00	0.0645	170,064,433.00
GBP	45,703.00	8.9212	407,726.00
Long-term borrowings	--	--	0.01
Including: USD	4,502,592,266.00	6.6312	29,857,589,834.00
EUR	0.00	7.3750	0.00
HKD	0.00	0.8548	0.00

Other notes:

Naught

(2) Note to oversea entities including: for significant oversea entities, shall disclose main operating place, recording currency and selection basis, if there are changes into recording currency, shall also disclose the reason.

Applicable  Not applicable

## 65. Other

Naught

## VIII. Changes of merge scope

### 1. Business combination not under the same control

#### (1) Business combination under the same control during the Reporting Period

Unit: RMB Yuan

Name of acquiree	Time to obtain equity	Time to obtain cost	Equity proportion obtained	Way of equity obtained	Purchase date	Recognition judgment	Income of acquiree from purchase date to period-end	Net profit of acquiree from purchase date to period-end
Varitronix Co., Ltd.	Thursday, April 28, 2016	1,172,360,000.00	54.70%	Business combination not under the same control	Thursday, April 28, 2016	Completed equity delivery and payment	322,492,005.00	-2,976,092.00
Beijing Shangjun Real Estate Co., Ltd.	Saturday, June 25, 2016	420,300.00	100.00%	Business combination not under the same control	25 April 2016	Completed equity delivery	38,798,949.80	4,346,328.70

Other notes:

Naught

#### (2) Combination cost and goodwill

Unit: RMB Yuan

Combination cost	Varitronix Co., Ltd.	Beijing Shangjun Real Estate Co., Ltd.
--Cash	1,172,360,000.00	420,300.00
Total	1,172,360,000.00	420,300.00
Less: share of fair value of net identifiable assets obtained	1,277,588,293.00	420,300.00
Amount of goodwill/ combination cost less than share of fair value of net identifiable	-105,228,293.00	0.00



assets obtained		
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Notes to recognition method, contingent consideration and its changes in fair value of combination cost:

Naught

Main reason of large amount goodwill formed:

Naught

Other notes:

Naught

### (3) The identifiable assets and liabilities of acquiree at purchase date

Unit: RMB Yuan

Item	Varitronix Co., Ltd.		Beijing Shangjun Real Estate Co., Ltd.	
	Fair value on purchase date	Book value on purchase date	Fair value on purchase date	Book value on purchase date
Monetary capital	1,825,336,198.00	1,825,336,198.00	4,126,464.00	4,126,464.00
Accounts receivable	391,642,391.00	391,642,391.00	1,271,542.00	1,271,542.00
Inventories	353,013,834.00	353,013,834.00	68,845.00	68,845.00
Fixed assets	341,639,324.00	310,247,166.00	8,900.00	14,487.00
Intangible assets	15,261,161.00	9,050,368.00	4,126,464.00	4,126,464.00
Loan			0.00	0.00
Payable	75,955,164.00	75,955,164.00	335,084.00	335,084.00
Deferred income tax liabilities	197,658,962.00	197,658,962.00	0.00	0.00
Net assets	12,020,956.00	6,380,513.00	420,300.00	425,887.00
Less: minority interests	2,335,627,591.00	2,303,665,083.00	0.00	0.00
Net assets obtained	1,058,039,298.00	1,043,560,283.00	420,300.00	425,887.00

Recognition methods of identifiable assets and liabilities:

The assets reevaluated by the third party.

Contingent liabilities of acquiree bared in enterprises merger:

Naught

Other notes:

Naught

### (4) The profit or loss from equity held by the date before acquisition in accordance with the fair value measured again

Whether there is a transaction that through multiple transaction step by step to realize enterprises merger and gaining the control during the Reporting Period

Yes  No

**(5) Note to merger could not be determined reasonable consideration or Identifiable assets, Fair value of liabilities of the acquiree at acquisition date or closing period of the merge**

Naught

**(6) Other notes**

Naught

**2. The disposal of subsidiary**

Whether there is a single disposal of the investment to subsidiary and lost control

Yes  No

Whether there are multiple transactions step by step dispose the investment to subsidiary and lost control in Reporting Period

Yes  No

**3. Other reasons for the changes in combination scope**

Notes to reasons for the changes in combination scope (Newly established subsidiary and subsidiary of liquidation) and relevant information:

The Company's subsidiary BOE Optoelectronics Holding Co., Ltd. (Optoelectronics Holding) set up BOE India Co., Ltd.; the Company set up BOE Intelligent technology Co., Ltd. (Intelligent Technology)

**4. Other**

Naught

## IX. Equity in other entities

### 1. Equity in subsidiary

#### (1) The structure of the enterprise group

Name	Main operating place	Registration place	Nature of business	Holding percentage (%)		Way of gaining
				Directly	Indirectly	
Beijing BOE Vacuum Electronics Co., Ltd.	Beijing, China	Beijing, China	Manufacture and sale of vacuum electronic products	55.00%	0.00%	Investment
Beijing BOE Vacuum Technology Co., Ltd.	Beijing, China	Beijing, China	Manufacture and sale of electronic tubes	100.00%	0.00%	Investment
Beijing BOE Special Display Technology Co., Ltd.	Beijing, China	Beijing, China	Development of display products and sale of electronic products	100.00%	0.00%	Investment
Beijing Yinghe Century Co., Ltd.	Beijing, China	Beijing, China	Development and research of real estate, motor vehicles public parking service; market research	100.00%	0.00%	Investment
BOE Optoelectronics Technology Co., Ltd.	Suzhou, China	Suzhou, China	Development and manufacture of backlight and related parts and components for LCD	92.44%	0.00%	Investment
BOE Hyundai LCD (Beijing) Display Technology Co., Ltd.	Beijing, China	Beijing, China	Development, manufacture and sale of liquid display for mobile termination	75.00%	0.00%	Investment
Beijing BOE Optoelectronics Technology Co., Ltd.	Beijing, China	Beijing, China	Research, development, design and manufacture of TFT-LCD	82.49%	17.51%	Investment
BOE (Hebei) Mobile Technology Co., Ltd.	Langfang, China	Langfang, China	Manufacture and sale of mobile flat screen display technical products and related services	100.00%	0.00%	Investment
Beijing BOE Display Technology Co., Ltd.	Beijing, China	Beijing, China	Development of TFT-LCD, manufacture and sale of LCD	100.00%	0.00%	Investment

Beijing BOE Multimedia Technology Co. Ltd.	Beijing, China	Beijing, China	Sale of computer software and hardware, the numeral regards the audio frequency technology	100.00%	0.00%	Investment
Beijing BOE Energy Technology Co., Ltd.	Beijing, China	Beijing, China	Integration and application of photovoltaic system sale of photovoltaic system and ancillary facilities	100.00%	0.00%	Investment
Beijing BOE Video Technology Co., Ltd.	Beijing, China	Beijing, China	Manufacture of LCD TV, LCD; technology development of terminal products and systems such as TFT-LCD display and TV	100.00%	0.00%	Investment
Beijing BOE Smart Commerce Co., Ltd.	Beijing, China	Beijing, China	Technology promotion, property management, and sales of electronic products	100.00%	0.00%	Investment
Beijing Zhongxiangying Technology Co., Ltd.	Beijing, China	Beijing, China	Technology promotion, property management, and sales of electronic products	100.00%	0.00%	Investment
Erdos Haosheng Energy Investment Co., Ltd.	Ordos, China	Ordos, China	Energy investment	20.00%	80.00%	Investment
Ordos Yuansheng Optoelectronics Co., Ltd.	Ordos, China	Ordos, China	Manufacture and sales of AM-OLED products and auxiliary products	100.00%	0.00%	Investment
Beijing BOE Semi-conductor Co., Ltd.	Beijing, China	Beijing, China	Processing, manufacturing and sales of precision electronic components, semi-conductor devices and micro module; micro-electronics devices and electronic materials; import and export of goods	80.77%	0.00%	Investment
BOE Optoelectronics Holding Co., Ltd	Hong Kong, China	Virgin Islands, British	Design, manufacturing and sales of electronic-information industry related products, investment and financing businesses	100.00%	0.00%	Investment
Chengdu BOE Optoelectronics Technology Co., Ltd.	Chengdu, China	Chengdu, China	TFT-LCD; R&D, production and sales of TFT-LCD	100.00%	0.00%	Business combination not under the same control
Beijing Asahi Glass Electronics Co.,	Beijing, China	Beijing, China	Sales of TV bracket glass rod and CTV	100.00%	0.00%	Business

Ltd.			low-melting-point solder glass			combination not under the same control
Hefei BOE Optoelectronics Technology Co., Ltd.	Hefei, China	Hefei, China	R&D, production and sales of TFT-LCD	100.00%	0.00%	Business combination not under the same control
Beijing•Matsushita Color CRT Co., Ltd.	Beijing, China	Beijing, China	Colour TV set, Display tube, materials of color RPTV projection tube, and electronic parts; property management and parking service, etc.	88.80%	0.00%	Business combination not under the same control
Hefei Xinsheng Optoelectronics Technology Co., Ltd.	Hefei, China	Hefei, China	Investment, construction, R&D, production and sales of the relevant products of thin film transistor LCD and its auxiliary products	84.59%	0.03%	Business combination not under the same control
Chongqing BOE Optoelectronics Technology Co., Ltd.	Chongqing, China	Chongqing, China	Investment, construction, R&D, production and sales of the relevant products of thin film transistor LCD and its auxiliary products	88.18%	0.00%	Business combination not under the same control
Fuzhou BOE Optoelectronic Technology Co., Ltd.	Fuzhou, China	Fuzhou, China	Investment, construction, R&D, production and sales of the relevant products of thin film transistor LCD and its auxiliary products	51.82%	0.00%	Business combination not under the same control
BOE Intelligent technology Co., Ltd.	Beijing, China	Beijing, China	Sale of electronic products, mechanical equipment and spare parts, computer software, hardware and auxiliary equipment	100.00%	0.00%	Investment
BOE HealthcareCo., Ltd.	Beijing, China	Beijing, China	Investment management and project investment	100.00%	0.00%	Business combination

						not under the same control
--	--	--	--	--	--	----------------------------

Notes: holding proportion in subsidiary different from voting proportion:

Naught

Basis of holding half or less voting rights but still been controlled investee and holding more than half of the voting rights not been controlled investee:

Naught

Significant structure entities and controlling basis in the scope of combination:

Naught

Basis of determine whether the Company is the agent or the principal:

Naught

Other notes:

Naught

**(2) Significant not wholly owned subsidiary**

Unit: RMB Yuan

Name	Shareholding proportion of minority shareholder	The profits and losses arbitrate to the minority shareholders	Declaring dividends distribute to minority shareholder	Balance of minority shareholder at closing period
Naught				

Holding proportion of minority shareholder in subsidiary different from voting proportion:

Naught

Other notes:

Naught

**(3) The main financial information of significant not wholly owned subsidiary**

Unit: RMB Yuan

Name	Closing balance						Opening balance						
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liability	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liability	Total liabilities	
Naught													

Unit: RMB Yuan

Name	Reporting Period				Same period of last year			
	Operation revenue	Net profit	Total comprehensive income	Operating cash flow	Operation revenue	Net profit	Total comprehensive income	Operating cash flow
Naught								

Other notes:

Naught

**2. The transaction of the Company with its owner's equity share changed but still controlling the subsidiary****(1) Note to owner's equity share changed in subsidiary**

The third party increased share capital to Chongqing BOE amounted to RMB3 billion Yuan, the percentage of shares held by the Company decreased from 96.92% to 81.80% after the capital increase. The Company increased share capital to Optical Science and technology amounted to RMB60 million Yuan, the percentage of shares held by the Company increased from 91.2 to 92.44% after the capital increase.

**(2) The transaction's influence to equity of minority shareholders and attributable to the owner's equity of the parent company**

Unit: RMB Yuan

Item	Chongqing BOE Optoelectronics Technology Co., Ltd.	BOE Optoelectronics Technology Co., Ltd.
--Cash	3,000,000,000.00	60,000,000.00
-Fair value of non-cash assets	0.00	0.00
Total of purchase cost /disposal consideration	3,000,000,000.00	60,000,000.00
Less: subsidiary net assets proportion calculated by share proportion obtained/disposal	3,009,061,025.00	60,270,220.00
Difference	0.00	0.00
Of which: Adjustment of capital reserves	-9,061,025.00	-270,220.00
Surplus reserves adjustments	0.00	0.00
Retained profits adjustments	0.00	0.00

Other notes:

Naught

**3. Equity in joint venture arrangement or associated enterprise****(1) Summary financial information of insignificant joint venture or associated enterprise**

Unit: RMB Yuan

Item	Closing balance/ Reporting Period	Opening balance /last period
Joint venture:	--	--
Total investment book value	0.00	0.00
The total of following items according to the shareholding proportions	--	--
--Net profits	0.00	0.00
--Other comprehensive income	0.00	0.00
--Total comprehensive income	0.00	0.00
Associated enterprise:	--	--
Total investment book value	1,700,914,108.00	1,260,302,959.00
The total of following items according to the shareholding proportions	--	--
--Net profits	-11,180,961.00	4,748,739.00
--Other comprehensive income	-4,418,377.00	26,510,264.00



--Total comprehensive income	-15,599,338.00	31,259,003.00
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Other notes:

Naught

## (2) Note to the significant restrictions of the ability of joint venture or associated enterprise transfer funds to the Company

Naught

## (3) The excess loss of joint venture or associated enterprise

Unit: RMB Yuan

Name	The cumulative recognized losses in previous accumulatively derecognized	The derecognized losses or the share of net profit in Reporting Period	The noncumulative unrecognized losses in Reporting Period
Naught			

Other notes:

Naught

## (4) The unrecognized commitment related to joint venture investment

Naught

## (5) Contingent liabilities related to joint venture or associated enterprise investment

Naught

## 4. Significant common operation

Name	Main operating place	Registration place	Nature of business	Proportion /share portion	
				Directly	Indirectly
Naught					

Notes to holding proportion or share portion in common operation different from voting proportion:

Naught

Basis of common operation as a single entity, classify as common operation

Naught

Other notes:

Naught

## 5. Equity of structure entity not including in the scope of consolidated financial statements

Related notes to structure entity not including in the scope of consolidated financial statements

Naught

## 6. Other

Naught

## X. The risk related financial instruments

Risks related to financial instruments in daily activities for the Group include:

- Credit risk
- Liquidity risk
- Interest rate risk
- Foreign exchange risk
- Other price risks

The risk exposure and causes, changes in this year, risk management objectives, policies and procedures, methods of measuring risks and changes in this year will be discussed below.

Risk management objective of the Company is to balance the risks and profits, minimize the negative effects to business performance and maximize the profits for stockholders and other equity investors. On the basis of risk management objectives, basic strategies of risk management are to determine and analyze all possible risks, establish appropriate risk baseline, control and manage risks and monitor all risks timely and reliably within defined scope. The Group will regularly review the risk management policies and internal control system to adapt to the market and changes of operating activities. The Internal Audit Department will regularly review or randomly inspect whether implementation of internal control system satisfies risk management policies.

### (1) Credit risk

Credit risk is the possibility of financial loss to one party of financial instruments from unfulfillment of obligations of the other party. Credit risk of the Group mainly comes from accounts receivable. The management of this group will monitor the credit risk exposure.

Except that the monetary capital (other than cash) is deposited in financing institution with good credit, the management does not believe that other important credit risks exist or losses are not expected to be made to the group due to the other party's breach.

For the accounts receivable, the board of directors has formulated the credit policies according to actual conditions to determine the credit sale limit and credit term by credit assessment. Credit assessment is performed according to customer s' financial situation, external ratings and transaction history. Relevant accounts receivable will expire within 15-120 days after billing date. Debtor of accounts receivable overdue will be required to pay off the outstanding balance to obtain the credit line.

In order to monitor the credit risk, this group will analyze the customer data by aging, maturity date and other factors.

Credit risk of this group is affected by the customer characteristics, but not the industry, country or region. Therefore, concentration of important credit risk is relied on the important accounts receivable of individual customers. On balance sheet date, accounts receivable of the Group and top 5 customers account for 33% and 1% respectively of all receivables (38% and 1% in 2015). Furthermore, accounts receivable without expiry or decrease in value are most related to customers without arrears recently.

The largest credit risk exposure of this group is the book amount of each financial asset on the balance sheet. Until June 30, 2016, the group did not provide any guaranty that may cause credit risk.

### (2) Liquidity risk

Liquidity risk refers to that with capital shortage when the Company is fulfilling obligations of cash payment or payment by other financial assets methods. The Company and its subsidiaries are responsible for its own cash management, including short-term investment of cash surplus and loan financing to satisfy prospective cash needs (if the borrowing exceeds preauthorized upper limit, it shall be approved by the board of directors). It is the group's policy to regularly monitor short-term and long-term circulating capital needs and confirm whether it satisfies loan agreement in order to keep sufficient cash reserve and negotiable securities

available for realization and obtain sufficient reserve fund as promised by financing institution to satisfy the demands of short-term and long-term circulating capital.

### (3) Interest rate risk

Interest bearing financial instruments of fixed interest rate and floating interest rate will impose interest rate risks of fair value and cash flow on the Group. Proportion of fixed interest rate and floating interest rate instruments is decided by marketing environment. The Group will regularly review and maintain the combination of fixed and floating interest rate instruments. The Group will not hedge interest rate risk by derivative financial instruments.

Until 30 June, 2016, under the circumstance without changes of other variables, it is supposed that the rising/ falling interest rate at 100 base points will result in reduction/ increase of 253,549,000Yuan (RMB200,740,000Yuan in 2015) for net profits and stockholders' equity.

Until balance sheet date, the group has not held any financial instruments that may impose fair value interest rate risk on the Group. For the floating interest rate but not derivative instruments held by the Group and imposing the Group with interest rate risk of cash flow on balance sheet date, the net profits and owners' equity in the above sensitivity analysis will affect the annual interest expenses or income due to above variation of interest rate.

### (4) Foreign exchange risk

For the monetary capital, accounts receivable and payable, short-term borrowing and other foreign currency assets and liabilities not valued by bookkeeping base currency, if short-term unbalance occurs, the Group will buy or sell the foreign currencies at market exchange rate to maintain net risk exposure at an acceptable level.

Until 30 June, 2016, the foreign assets liabilities item with significant risk exposure settled by USD, the total net liabilities exposure of USD item risk exposure was USD 1,757,638,247 (USD3,506,829,240 in 2015) discounted into RMB was RMB 11,655,250,746 Yuan (RMB22,771,925,816 Yuan in 2015) at spot rate on balance sheet date. Under the circumstance without changes of other variables, 5% fluctuation in exchange rate of RMB against U.S. dollar will result in increase/ reduction of 590,641,263 Yuan (RMB943,464,255 Yuan in 2015) for stockholders' equity and net profits.

Above sensitivity analysis is performed based on changes of exchange rate on balance sheet date and re-measurement of financial instruments of foreign exchange risk according to changed exchange rate held by the Group on balance sheet date. Above analysis excludes differences of the foreign currency conversion. Analysis of the last year is based on similar assumption and methods.

### (5) Other price risks

Other price risks include equity price risk, commodity price risk, etc.

## XI. The disclosure of the fair value

### 1. Closing fair value of assets and liabilities calculated by fair value

Unit: RMB Yuan

Item	Closing fair value			
	Fair value measurement items at level 1	Fair value measurement items at level 2	Fair value measurement items at level 3	Total
I. Consistent fair value measurement	--	--	--	--
(I) Financial assets calculated by fair value and changes record into current profits or losses	35,872,347.00	0.00	0.00	35,872,347.00

1. Trading financial assets	35,872,347.00	0.00	0.00	35,872,347.00
(1) Debt instruments investment	0.00	0.00	0.00	0.00
(2) Equity tool investment	35,872,347.00	0.00	0.00	35,872,347.00
(3) Derivative financial assets	0.00	0.00	0.00	0.00
2. Financial assets assigned measured by fair value and the changes be included in the current gains and losses	0.00	0.00	0.00	0.00
(1) Debt instruments investment	0.00	0.00	0.00	0.00
(2) Equity tool investment	0.00	0.00	0.00	0.00
(II) Available-for-sale financial assets	284,531,380.00	0.00	0.00	284,531,380.00
(1) Debt instruments investment	14,586,967.00	0.00	0.00	14,586,967.00
(2) Equity tool investment	269,944,413.00	0.00	0.00	269,944,413.00
(3) Other	0.00	0.00	0.00	0.00
(III) Investment property	0.00	0.00	0.00	0.00
1. Lease the land use right	0.00	0.00	0.00	0.00
2. Rental buildings	0.00	0.00	0.00	0.00
3. Land use right held and prepared to transfer after appreciation	0.00	0.00	0.00	0.00
(IV) Biological assets	0.00	0.00	0.00	0.00
1. Consumable biological assets	0.00	0.00	0.00	0.00
2. Productive biological assets	0.00	0.00	0.00	0.00
Total assets of consistent fair value measurement	320,403,727.00	0.00	0.00	320,403,727.00

(V)Transaction financial liabilities	0.00	0.00	0.00	0.00
Of which: tradable bond issued	0.00	0.00	0.00	0.00
Derivative financial liabilities	0.00	0.00	0.00	0.00
Others	0.00	0.00	0.00	0.00
(VI) Refer as financial liabilities measured by fair value and the changes included in the current gains and losses	0.00	0.00	0.00	0.00
Total liabilities of consistent fair value measurement	0.00	0.00	0.00	0.00
II. Inconsistent fair value measurement	--	--	--	--
(I) Assets held for sale	0.00	0.00	0.00	0.00
Total assets inconsistently measured at fair value	0.00	0.00	0.00	0.00
Total liabilities inconsistent measured at fair value	0.00	0.00	0.00	0.00

## 2. Market price recognition basis for consistent and inconsistent fair value measurement items at level 1

The unadjusted offer in active market obtaining same assets or liabilities on calculation date

## 3. Valuation technique adopted and nature and amount determination of important parameters for consistent and inconsistent fair value measurement items at level 2

Observable input value of related assets or liabilities except level 1 input value

## 4. Valuation technique adopted and nature and amount determination of important parameters for consistent and inconsistent fair value measurement items at level 3

The unobservable input value of related assets or liabilities

### 5. Sensitiveness analysis on unobservable parameters and adjustment information between opening and closing book value of consistent fair value measurement items at level 3

Naught

### 6. Explain the reason for conversion and the policy governing when the conversion happens if conversion happens among consistent fair value measurement items at different levels

Naught

### 7. Changes in the valuation technique in the current period and the reason for change

Naught

### 8. Fair value of financial assets and liabilities not measured at fair value

Naught

### 9. Other

Naught

## XII. Related party and related Transaction

### 1. Information related to parent company of the Company

Name of parent company	Registration place	Nature of business	Registered capital	Proportion of share held by parent company against the Company (%)	Proportion of voting rights owned by parent company against the Company (%)
Electronics Holding	No.12 Jiuxian Bridge, Zhaoyang District, Beijing	Operation and management of state-owned assets within authorization	RMB1,307,370,000 Yuan	0.78%	11.21%

Notes: Information on the parent company:

Naught

The final control of the Company was Electronics Holding

Other notes:

Naught

### 2. Subsidiaries of the Company

See details to Notes 1, IX.

### 3. Information on the joint ventures and associated enterprises of the Company

For the details of significant joint venture and associated enterprise of the Company, see Notes 3, IX.

Information on other joint venture and associated enterprise of occurring related party transactions with the Company in Reporting Period, or form balance due to related party transactions in previous period:

Name	Relationship
Beijing Nissin Electronics Precision Component Co., Ltd.	Associated enterprise with the Group and the Company
Shenzhen Yunyinggu Technology Co., Ltd.	Associated enterprise with the Group and the Company
Beijing Nittan Electronic Co., Ltd.	Associated enterprise with the Group and the Company
TPV Display Technology (China) Limited	Associated enterprise with the Group and the Company
Hefei BOE Display Technology Co., Ltd. )	Associated enterprise with the Group and the Company
Beijing Xindongneng Investment Management Co., Ltd.	Associated enterprise with the Group and the Company
Kateeva, Inc.	Associated enterprise with the Group and the Company

Other notes:

Naught

### 4. Information on other related parties of the Company

Name	Relationship
Beijing Jile Electronics Group Co., Ltd.	Enterprises that are controlled by the Company's ultimate holding company
Beijing Electronic City Co., Ltd.	Enterprises that are controlled by the Company's ultimate holding company
Beijing Sevenstar Huasheng Electronics & Machinery Co., Ltd.	Enterprises that are controlled by the Company's ultimate holding company
Beijing Sevenstar Front Electronics Co., Ltd.	Enterprises that are controlled by the Company's ultimate holding company
Beijing Sevenstar-hitech Electronics Co., Ltd.	Enterprises that are controlled by the Company's ultimate holding company
Beijing Sevenstar Electronics Co., Ltd.	Enterprises that are controlled by the Company's ultimate holding company
Beijing Zhengdong Electronic Power Group Co., Ltd.	Enterprises that are controlled by the Company's ultimate holding company
Beijing Yandong Microelectronic Co., Ltd.,	Enterprises that are controlled by the Company's ultimate holding company
Beijing Orient Electronics Material Corp.	Enterprises that are controlled by the Company's ultimate holding company
Beijing Dongdian Industrial Development Co., Ltd.	Enterprises that are controlled by the Company's ultimate holding company

	company
Beijing PCB Square Corporation	Enterprises that are controlled by the Company's ultimate holding company
Beijing Sevenstar Integrated Circuit Co., Ltd.	Enterprises that are controlled by the Company's ultimate holding company
Beijing Northern Microelectronics Foundation Equipment Technology Research Center	Enterprises that are controlled by the Company's ultimate holding company
Beijing Zhaowei Technology Development Co., Ltd.	Enterprises that are controlled by the Company's ultimate holding company
Beijing Zhaowei Electronic Group Co., Ltd.	Associated individual in the entity performed as a senior management personnel

Other notes:

Naught

## 5. List of related-party transactions

### (1) Information on acquisition of goods and reception of labor service (unit: ten thousand Yuan)

Information on acquisition of goods and reception of labor service

Unit: RMB Yuan

Related party	Content	Reporting Period	The approval trade credit	Whether exceed trade credit or not	Same period of last year
Beijing Electronics Holding Co., Ltd and its subsidiaries	Purchase of goods	77,008,531.00	650,000,000.00	No	18,695,212.00
Beijing Electronics Holding Co., Ltd and its subsidiaries	Accepting labor services	1,911,217.00	6,000,000.00	No	942,193.00
Beijing Nissin Electronics Precision Component Co., Ltd.	Purchase of goods	55,961.00	2,000,000.00	No	339,217.00
Kateeva, Inc	Purchase of goods	2,163,732.00	200,000,000.00	No	0.00
Shenzhen Yunyinggu Technology Co., Ltd.	Purchase of goods	0.00	15,000,000.00	No	0.00

Information of sales of goods and provision of labor service

Unit: RMB Yuan

Related party	Content	Reporting Period	Same period of last year
Beijing Electronics Holding Co., Ltd and its subsidiaries	Sale of goods	57,904.00	65,818.00
Beijing Electronics Holding Co., Ltd and its subsidiaries	Render service	28,963.00	0.00



Beijing Nittan Electronic Co., Ltd.	Sale of goods	455,489.00	374,741.00
TPV Display Technology (China) Limited	Sale of goods	117,507,459.00	137,492,894.00
Beijing Xindongneng Investment Management Co., Ltd.	Render service	23,857.00	0.00
Hefei BOE Display Technology Co., Ltd.)	Sale of goods	50,594.00	0.00

Notes:

Naught

**(2) Related trusteeship/contract**

Lists of related trusteeship/contract:

Unit: RMB Yuan

Name of the entruster/contractee	Name of the trustee/contractor	Type	Initial date	Due date	Pricing basis	Income recognized in the Reporting Period
Naught						

Notes:

Naught

Lists of entrust/contractee

Unit: RMB Yuan

Name of the entruster/contractee	Name of the trustee/contractor	Type	Initial date	Due date	Pricing basis	Charge recognized in the Reporting Period
Naught						

Notes:

Naught

**(3) Information of related lease**

The Company was lessor:

Unit: RMB Yuan

Name of lessee	Category of leased assets	The lease income confirmed in this year	The lease income confirmed in last year
Beijing Electronics Holding Co., Ltd and its subsidiaries	Investment property	339,332.00	348,087.00
Other related parties	Investment property	1,216,899.00	708,622.00

The Company was lessee:

Unit: RMB Yuan

lessor	Category of leased	The lease income confirmed	Category of leased assets
--------	--------------------	----------------------------	---------------------------

	assets	in this year	
Beijing Electronics Holding Co., Ltd and its subsidiaries	Investment property	19,367.00	15,461.00

Notes:

Naught

**(4) Related-party guarantee**

The Company was guarantor:

Unit: RMB Yuan

Secured party	Guarantee amount	Start date	End date	Execution accomplished or not
Naught				

The Company was Secured party

Unit: RMB Yuan

Guarantor:	Guarantee amount	Start date	End date	Execution accomplished or not
Naught				

Notes:

Naught

**(5) Inter-bank lending of capital of related parties:**

Unit: RMB Yuan

Related party	Amount borrowed and loaned	Initial date	Due date	Explanation
Borrowed				
Naught				
Loaned				
Naught				

**(6) Related party asset transfer and debt restructuring**

Unit: RMB Yuan

Related party	Content	Reporting Period	Same period of last year
Naught			

**(7) Rewards for the key management personnel**

Unit: RMB Yuan

Item	Reporting Period	Same period of last year
Rewards for the key management personnel	18,968,374.00	10,210,728.00

**(8) Other related-party transactions**

Naught

**6. Receivables and payables of related parties****(1) Receivables**

Unit: RMB Yuan

Name of item	Related party	Closing balance		Opening balance	
		Book balance	Bad debt provision	Book balance	Bad debt provision
Account receivable	Beijing Electronics Holding Co., Ltd and its subsidiaries	366,565.00	0.00	140,319.00	0.00
Account receivable	Other related parties	50,763,102.00	55,623.00	98,405,432.00	55,623.00
Other accounts receivable	Other related parties	27,272.00	0.00	1,055,976.00	0.00
Prepayment	Beijing Electronics Holding Co., Ltd and its subsidiaries	579,150.00	0.00	0.00	0.00
Prepayment	Other related parties	0.00	0.00	1,771,736.00	0.00
Other non-current assets	Other related parties	71,121,293.00	0.00	0.00	0.00

**(2) Payables**

Unit: RMB Yuan

Name of item	Related party	Closing book balance	Opening book balance
Accounts payable	Beijing Electronics Holding Co., Ltd and its subsidiaries	7,449,623.00	1,441,881.00
Accounts payable	Other related parties	2,781,488.00	9,871,939.00
Advance from customers	Beijing Electronics Holding Co., Ltd and its subsidiaries	0.00	2,700.00
Other account payable	Beijing Electronics Holding Co., Ltd and its subsidiaries	68,387,734.00	47,936,248.00
Other account payable	Other related parties	149,691.00	149,691.00

**7. Related party commitment**

Naught

**8. Other**

Naught

**XIII. Stock payment****1. The Stock payment overall situation** Applicable  Not applicable**2. The Stock payment settled by equity** Applicable  Not applicable**3. The Stock payment settled by cash** Applicable  Not applicable**4. Modification and termination of the stock payment**

Naught

**5. Other**

Naught

**XIV. Commitments****1. Significant commitments**

Significant commitments at balance sheet date

(1) Capital commitments

The Group	30 June 2016	31 December 2015
Investment contracts entered into but not performed or performed partially	18,807,048,586.00	5,327,996,929.00
Investment contracts authorized but not entered into	45,948,822,525.00	60,550,486,510.00
<b>Total</b>	<b>64,755,871,111.00</b>	<b>65,878,483,439.00</b>

The Company's investment contracts authorized but not entered into mainly included the fixed assets

that Chengdu BOE, Chongqing BOE, Fuzhou BOE and Yuansheng Optoelectronics planned to purchase in 2016 and project equipment that the Group planned to purchase in 2016.

The Company	30 June 2016	31 December 2015
Investment contracts entered into but not performed or performed partially	29,272,257,463.00	36,044,597,742.00
Investment contracts authorized but not entered into	0.00	92,652,892.00
<b>Total</b>	<b>29,272,257,463.00</b>	<b>36,137,250,634.00</b>

The Company's investment contracts entered into but not performed or performed partially mainly included guaranteed investments in Chengdu BOE, Chongqing BOE, Fuzhou BOE and Yuansheng Optoelectronics..

## (2) Operating commitments

As at 30 June, the total future minimum lease payments under irrevocable operating leases of the Group's properties were payable as follows:

Item	30 June 2016	31 December 2015
Within 1 year (including 1 year)	19,069,220.00	20,347,968.00
Over 1 year and within 2 years (including 2 year)	16,152,566.00	20,499,876.00
Over 2 year and within 3 years (including 3 year)	8,800,623.00	17,601,350.00
Over 3 years	34,254,421.00	39,958,929.00
<b>Total</b>	<b>78,276,830.00</b>	<b>98,408,123.00</b>

As at 30 June 2016, the Company had no significant operating lease commitments.

## 2. Contingency

### (1) Significant contingency at balance sheet date

Naught

### (2) The Company have no significant contingency to disclose, also should be stated

There was no significant contingency in the Company.

## 3. Other

Naught

## XV. Events after balance sheet date

### 1. Profit distribution

Unit: RMB Yuan

Planning allocation of profits or dividends	0.00
Profits or dividends approved, reviewed and issue by the declaration	0.00

## **XVI. Other significant events**

### **1. Pension plan**

Since 2014, the Group established pension plan in line with the related policies of private pension system and replies of related department; withdraw enterprise pension in line with the total amount of employees' voluntary participation in pension plan.

### **2. Segment information**

#### **(1) Recognition basis and accounting policies of reportable segment**

##### (1) Segment reporting considerations

The Group principal decision-makers review the operation performance and distribute resources in accordance to the business segments below.

(a) Display parts - This business mainly involves the R&D, production and distribution on the panel and module for TFT-LCD and AM-OLED.

(b) Smart system -This business mainly involves the development, manufacture and sales of display terminal products and system; OEM service for terminal products and system of TV, display, special display product; offering safe, energy-saving, healthy, fashionable quality illumination service and solutions; the integration and operation for solar energy application system (e.g. photovoltaic-thermal system), including key parts and overall solution for this area.

(c) Healthcare service -This business mainly covers Health Cloud, Health & Medical product, and Park Solution. Health Cloud is an information management system based on cloud computing and cloud server; Health & Medical product and service mainly includes wearable and testing equipments; Park Solution refers to professional solution for technology estate and health estate and so on.

(d) Others - other service mainly includes technical development service and patent maintenance service

The main reason to separate the segments is that the Group independently manages the display parts business, the smart system business, and healthcare service businesses. Because the business segments manufacture and distribute different products, apply to different manufacturing processes and specify in gross profit, the business segments are managed independently. The management evaluates the performance and allocates resources according to the profit of each business segment and does not take financing cost and investment income into account.

##### (2) Accounting policy for the measurements of segment profit or loss, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's management regularly reviews the assets, liabilities, revenue, cost and results of operations, attributable to each reportable segment on the following bases:

Segment assets include all tangible, intangible, other non-current and current assets, such as accounts receivable, with the exception of deferred tax assets and other unallocated corporate assets. Segment liabilities include payables, bank borrowings and other non-current liabilities attributable to the individual segments, but exclude deferred tax liabilities and other unallocated corporate liabilities.

Financial performance is operating income (including operating income from external customers and inter-segment operating income) after deducting expenses, depreciation, amortization, impairment losses, gains or losses from changes in fair value, investment gain, non-operating income and expenses and income tax expenses attributable to the individual segments. Inter-segment sales are determined with reference to prices charged to external parties for similar orders.

**(2) The financial information of reportable segment**

Unit: RMB Yuan

Item	Display devices business	Intelligent system business	Health services	Others	Offset in segment	Total
Operation revenue	23,281,888,424.00	5,316,700,647.00	421,831,018.00	397,746,294.00	-2,969,855,666.00	26,448,310,717.00
Operation cost	21,409,179,977.00	4,865,343,522.00	236,009,523.00	2,591,623.00	-2,526,033,487.00	23,987,091,158.00

**(3) There was no reportable segment, or the total amount of assets and liabilities of each part of reportable segment, shall disclose the reason.**

Naught

**(4) Other notes**

Naught

## XVII. Notes of main items in the financial statements of the Company

### 1. Accounts receivable

#### (1)Accounts receivable disclosed by category

Unit: RMB Yuan

Category	Closing balance					Opening balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Proportion	Amount	Withdrawal proportion		Amount	Proportion	Amount	Withdrawal proportion	
Accounts receivable with insignificant single amount for which bad debt provision separately accrued	0.00	0.00%	0.00	0.00%	0.00	0.00	0.00%	0.00	0.00%	0.00
Accounts receivable withdrawal of bad debt provision of by credit risks characteristics:	42,398,891.00	61.38%	0.00	0.00%	42,398,891.00	35,709,167.00	57.04%	0.00	0.00%	35,709,167.00
Accounts receivable with insignificant single amount for which bad debt provision separately accrued	26,681,805.00	38.62%	2,945,489.00	11.04%	23,736,316.00	26,896,114.00	42.96%	3,207,351.00	11.92%	23,688,763.00
<b>Total</b>	<b>69,080,696.00</b>	<b>100.00%</b>	<b>2,945,489.00</b>	<b>4.26%</b>	<b>66,135,207.00</b>	<b>62,605,281.00</b>	<b>100.00%</b>	<b>3,207,351.00</b>	<b>5.12%</b>	<b>59,397,930.00</b>

Accounts receivable with single significant amount and withdrawal bad debt provision separately at end of period

Applicable  Not applicable

In the groups, accounts receivable adopting aging analysis method to withdraw bad debt provision:

Applicable  Not applicable



In the groups, accounts receivable adopting balance percentage method to withdraw bad debt provision:

Applicable  Not applicable

In the groups, accounts receivable adopting other methods to withdraw bad debt provision:

Name of the group	Withdraw methods for bad debt provision by group	Basis	Closing balance	Closing balance of bad debt provision	Withdrawal proportion
Credit risk group	Other methods	With similar credit risks characteristics	42,398,891.00	0.00	0.00%

**(2) Accounts receivable withdraw, reversed or collected during the Reporting Period**

The withdrawal amount of the bad debt provision during the Reporting Period was of RMB2, 945,488.00 Yuan; the amount of the reversed or collected part during the Reporting Period was of RMB0.00 Yuan.

Significant amount of reversed or recovered bad debt provision:

Unit: RMB Yuan

Name of the entity	Amount	Method
Naught		

Naught

**(3) The actual write-off accounts receivable**

Unit: RMB Yuan

Item	Amount
Credit risk group	261,863.00

Of which: significant actual verification of accounts receivable

Unit: RMB Yuan

Name of the entity	Nature	Amount	Reason	Procedure	Whether occurred because of related party transactions
Naught					

Notes:

Naught

**(4) Top five of account receivable of closing balance collected by arrears party**

The total amount of top five of account receivable of closing balance collected by arrears party was RMB57, 099,303 Yuan, 82.66% of total closing balance of account receivable, the relevant closing balance of bad debt provision withdrawn was RMB473, 228 Yuan.

**(5) Derecogniton of account receivable due to the transfer of financial assets**

Naught

**(6) The amount of the assets and liabilities formed by the transfer and the continues involvement of accounts receivable**

Naught

Other notes:

Naught

## 2. Other accounts receivable

### (1) Other accounts receivable disclosed by category

Unit: RMB Yuan

Category	Closing balance					Opening balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Proportion	Amount	Withdrawal proportion		Amount	Proportion	Amount	Withdrawal proportion	
Other accounts receivable with insignificant single amount for which bad debt provision separately accrued	0.00	0.00%	0.00	0.00%	0.00	0.00	0.00%	0.00	0.00%	0.00
Other accounts receivable withdrawn bad debt provision according to credit risks characteristics	1,407,340,717.00	100.00%	0.00	0.00%	1,407,340,717.00	1,281,026,259.00	100.00%	0.00	0.00%	1,281,026,259.00
Other accounts receivable with insignificant single amount for which bad	0.00	0.00%	0.00	0.00%	0.00	0.00	0.00%	0.00	0.00%	0.00

debt provision separately accrued										
Total	1,407,340,717.00	100.00%	0.00	0.00%	1,407,340,717.00	1,281,026,259.00	100.00%	0.00	0.00%	1,281,026,259.00

Other receivable with single significant amount and withdrawal bad debt provision separately at end of period:

Applicable  Not applicable

In the groups, other accounts receivable adopting aging analysis method to withdraw bad debt provision:

Applicable  Not applicable

In the groups, other accounts receivable adopting balance percentage method to withdraw bad debt provision:

Applicable  Not applicable

In the groups, other accounts receivable adopting other methods to withdraw bad debt provision:

Applicable  Not applicable

Name of the group	Closing balance		
	Other accounts receivable	Bad debt provision	Withdrawal proportion
Credit risk group	1,407,340,717.00	0.00	0.00%
Total	1,407,340,717.00	0.00	0.00%

## (2) Accounts receivable withdraw, reversed or collected during the Reporting Period

The withdrawal amount of the bad debt provision during the Reporting Period was of RMB0.00 Yuan; the amount of the reversed or collected part during the Reporting Period was of RMB0.00 Yuan.

Of which the significant amount of the reversed or collected part during the Reporting Period:

Unit: RMB Yuan

Name of the entity	Reversed or collected amount	Method
Naught		

Naught

## (3) The actual write-off other accounts receivable

Unit: RMB Yuan

Item	Amount
Naught	

Of which significant actual verification of other accounts receivable:

Unit: RMB Yuan

Name of the entity	Nature	Amount	Reason	Procedure	Whether occurred because of related party transactions
Naught					

Notes of write-off other accounts receivable:

Naught

#### (4) Other accounts receivable classified by the nature of accounts

Unit: RMB Yuan

Nature	Closing book balance	Opening book balance
Intercourse funds	1,063,808,427.00	777,919,107.00
Rent receivable	209,448,315.00	209,470,610.00
Technology using costs	77,893,171.00	227,819,480.00
Others	56,190,804.00	65,817,062.00
<b>Total</b>	<b>1,407,340,717.00</b>	<b>1,281,026,259.00</b>

#### (5) Top 5 of the closing balance of the other accounts receivable collected according to the arrears party

Unit: RMB Yuan

Name of the entity	Nature	Closing balance	Aging	Proportion%	Closing balance of bad debt provision
Customer 1	Rent receivable	189,831,548.00	Over 3 years	13.49%	0.00
Customer 2	Intercourse funds	303,695,076.00	Within 1 year	21.58%	0.00
Customer 3	Technology using costs	23,042,234.00	Within 1 year	1.64%	0.00
Customer 4	Technology using costs	23,725,750.00	Within 1 year	1.69%	0.00
Customer 5	Intercourse funds	702,286,001.00	Within 1 year, 1-2 years, 2-3 years	49.90%	0.00
<b>Total</b>	--	<b>1,242,580,609.00</b>	--	<b>88.29%</b>	<b>0.00</b>

#### (6) Account receivable involving government subsidies

Unit: RMB Yuan

Name of the entity	Project of government subsidies	Closing balance	Closing aging	Estimated recovering time, amount and basis
Naught				

#### (7) Other account receivable derecognized due to the transfer of financial assets

Naught

**(8) Amount of transfer other account receivable and assets and liabilities formed by its continuous involvement**

Naught

Other notes:

Naught

### 3. Long-term equity investment

Unit: RMB Yuan

Item	Closing balance			Opening balance		
	Book balance	Depreciation reserves	Book value	Book balance	Depreciation reserves	Book value
Investment to the subsidiary	84,808,117,713.00	72,416,550.00	84,735,701,163.00	76,924,098,231.00	72,416,550.00	76,851,681,681.00
Investment to joint ventures and associated enterprises	1,140,526,285.00	0.00	1,140,526,285.00	699,915,136.00	0.00	699,915,136.00
Total	85,948,643,998.00	72,416,550.00	85,876,227,448.00	77,624,013,367.00	72,416,550.00	77,551,596,817.00

#### (1) Investment to the subsidiary

Unit: RMB Yuan

Investee	Opening balance	Increase	Decrease	Closing balance	Withdrawn impairment provision in the Reporting Period	Closing balance of impairment provision
Beijing BOE Vacuum Electronics Co., Ltd.	19,250,000.00	0.00	0.00	19,250,000.00	0.00	0.00
Beijing Yinghe Century Co., Ltd.	333,037,433.00	0.00	0.00	333,037,433.00	0.00	0.00
Beijing BOE Semi-conductor Co., Ltd.	9,450,000.00	0.00	0.00	9,450,000.00	0.00	0.00
BOE Optoelectronics Technology Co., Ltd.	359,961,914.00	60,000,000.00	0.00	419,961,914.00	0.00	0.00
BOE Hyundai LCD (Beijing) Display Technology Co., Ltd.	31,038,525.00	0.00	0.00	31,038,525.00	0.00	0.00

BOE (Hebei) Mobile Technology Co., Ltd.	553,651,020.00	0.00	0.00	553,651,020.00	0.00	0.00
Beijing BOE Land Co., Ltd.	7,731,474.00	0.00	0.00	7,731,474.00	0.00	0.00
Beijing Zhongxiangying Technology Co., Ltd.	10,000,000.00	0.00	0.00	10,000,000.00	0.00	0.00
Beijing Zhongpingxun Technology Co., Ltd.	10,000,000.00	0.00	0.00	10,000,000.00	0.00	0.00
Beijing BOE Optoelectronics Technology Co., Ltd.	4,172,288,084.00	0.00	0.00	4,172,288,084.00	0.00	0.00
Beijing BOE Special Display Technology Co., Ltd.	100,000,000.00	0.00	0.00	100,000,000.00	60,000,000.00	60,000,000.00
BOE Optoelectronics Holdings Co., Ltd.	210,894,285.00	33,519,482.00	0.00	244,413,767.00	0.00	0.00
BOE (Korea) Co., Ltd.	788,450.00	0.00	0.00	788,450.00	0.00	0.00
Beijing BOE Marketing Co., Ltd.	500,000.00	0.00	0.00	500,000.00	0.00	0.00
Beijing BOE Digital Technology Co., Ltd.	12,416,550.00	0.00	0.00	12,416,550.00	12,416,550.00	12,416,550.00
Beijing BOE Vacuum Technology Co., Ltd.	32,000,000.00	0.00	0.00	32,000,000.00	0.00	0.00
Beijing Asahi Glass Electronics Co., Ltd.	30,888,470.00	0.00	0.00	30,888,470.00	0.00	0.00
Chengdu BOE Optoelectronics Technology Co., Ltd.	2,833,149,991.00	2,200,000,000.00	0.00	5,033,149,991.00	0.00	0.00
Hefei BOE Optoelectronics Technology Co., Ltd.	9,000,000,000.00	0.00	0.00	9,000,000,000.00	0.00	0.00
Beijing•Matsushita Color CRT Co., Ltd.	424,823,089.00	0.00	0.00	424,823,089.00	0.00	0.00
Beijing BOE Multimedia Technology Co. Ltd.	400,000,000.00	0.00	0.00	400,000,000.00	0.00	0.00
Beijing BOE Energy Technology Co., Ltd.	50,000,000.00	0.00	0.00	50,000,000.00	0.00	0.00
Beijing BOE Video Technology Co., Ltd.	560,000,000.00	400,000,000.00	0.00	960,000,000.00	0.00	0.00
Beijing BOE Display Technology Co., Ltd.	17,418,713,599.00	0.00	0.00	17,418,713,599.00	0.00	0.00
Ordos Yuansheng Optoelectronics Co., Ltd.	6,904,000,000.00	2,000,000,000.00	0.00	8,904,000,000.00	0.00	0.00
Erdos Haosheng Energy Investment Co., Ltd.	2,000,000.00	0.00	0.00	2,000,000.00	0.00	0.00
Hefei Xinsheng Optoelectronics Technology Co., Ltd.	16,575,150,000.00	0.00	0.00	16,575,150,000.00	0.00	0.00
Chongqing BOE Optoelectronics Technology Co.,	15,739,669,199.00	0.00	0.00	15,739,669,199.00	0.00	0.00



Ltd.						
Fuzhou BOE Optoelectronic Technology Co., Ltd.	509,542,079.00	3,040,500,000.00	0.00	3,550,042,079.00	0.00	0.00
Intelligent Technology	0.00	50,000,000.00	0.00	50,000,000.00	0.00	0.00
BOE Healthcare Co., Ltd.	613,154,069.00	100,000,000.00	0.00	713,154,069.00	0.00	0.00
<b>Total</b>	<b>76,924,098,231.00</b>	<b>7,884,019,482.00</b>	<b>0.00</b>	<b>84,808,117,713.00</b>	<b>72,416,550.00</b>	<b>72,416,550.00</b>

**(2) Investment to joint ventures and associated enterprises**

Unit: RMB Yuan

Investee	Opening balance	Increase/decrease in Reporting Period								Closing balance	Closing balance of impairment provision	
		Additional investment	Negative investment	Investment profit and loss recognized under the equity method	Adjustment of other comprehensive income	Other equity changes	Declaration of cash dividends or profits	Withdrawn impairment provision	Others			
<b>I. Joint ventures</b>												
Naught												
<b>II. Associated enterprises</b>												
Beijing Nissin Electronics Precision Component Co., Ltd. (Nissin Electronics )	3,011,145.00	0.00	0.00	-2,433,168.00	0.00	0.00	0.00	0.00	0.00	0.00	577,977.00	0.00
Beijing Nittan Electronic Co., Ltd. (Nittan Electronics)	29,353,994.00	0.00	0.00	4,662,864.00	0.00	0.00	0.00	0.00	0.00	0.00	34,016,858.00	0.00
Beijing Yingfei Hailin Venture	324,895.00	0.00	0.00	-292,247.00	0.00	0.00	0.00	0.00	0.00	0.00	32,648.00	0.00

Capital Management Co., Ltd. (Yingfei Hailin)												
Ordos BOE Energy Investment Co., Ltd. (BOE Energy Investment)	9,476,536.00	0.00	0.00	-7,245.00	0.00	0.00	0.00	0.00	0.00	9,469,291.00	0.00	
Beijing Fly Hailin Investment Center	117,872,528.00	11,333,400.00	0.00	-312,506.00	-4,418,377.00	877,087.00	0.00	0.00	0.00	125,352,132.00	0.00	
TPV Display Technology (China) Limited	23,715,205.00	0.00	0.00	1,718,405.00	0.00	0.00	0.00	0.00	0.00	25,433,610.00	0.00	
Hefei BOE Display Technology Co., Ltd. )	85,566,875.00	444,000,000.00	0.00	-1,835,249.00	0.00	0.00	0.00	0.00	0.00	527,731,626.00	0.00	
Beijing Xindongneng Investment Fund (LLP)	370,261,522.00	0.00	0.00	-8,380,082.00	0.00	0.00	0.00	0.00	0.00	361,881,440.00	0.00	
Beijing Xindongneng Investment Management Co., Ltd.	1,921,429.00	0.00	0.00	755,313.00	0.00	0.00	0.00	0.00	0.00	2,676,742.00	0.00	
Shenzhen Yunyinggu Technology Co., Ltd.	58,411,007.00	0.00	0.00	-5,057,046.00	0.00	0.00	0.00	0.00	0.00	53,353,961.00	0.00	
Subtotal	699,915,136.00	455,333,400.00	0.00	-11,180,961.00	-4,418,377.00	877,087.00	0.00	0.00	0.00	1,140,526,285.00	0.00	

Total	699,915,136.00	455,333,400.00	0.00	-11,180,961.00	-4,418,377.00	877,087.00	0.00	0.00	0.00	1,140,526,285.00	0.00
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### (3) Other notes

Naught

#### 4. Revenue and Cost of Sales

Unit: RMB Yuan

Item	Reporting Period		Same period of last year	
	Sales revenue	Cost of sales	Sales revenue	Cost of sales
Main operations	0.00	0.00	0.00	0.00
Other operations	693,427,051.00	58,815,389.00	395,131,526.00	65,325,004.00
Total	693,427,051.00	58,815,389.00	395,131,526.00	65,325,004.00

Other notes: naught

#### 5. Investment income

Unit: RMB Yuan

Item	Reporting Period	Same period of last year
Long-term equity investment income accounted by cost method	20,375,903.00	452,043,629.00
Long-term equity investment income accounted by equity method	-11,180,961.00	10,557,037.00
Investment income arising from disposal of long-term equity investments	0.00	0.00
Investment income received from financial assets measured by fair value and the changes be included in the current profits and losses during holding period	0.00	0.00
Investment income received from disposal of financial assets measured by fair value and the changes be included in the current profits and losses during holding period	0.00	0.00
Investment income of held to maturity investment during holding period	0.00	0.00
Investment income received from holding of available-for-sale financial assets	2,846,740.00	2,746,319.00
Investment income received from disposal of available-for-sale financial assets	0.00	0.00
After losing control, gain from the remaining stock premeasured at fair value	0.00	0.00
Investment income from wealth management products on maturity	6,335,442.00	0.00
Total	18,377,124.00	465,346,985.00

#### 6. Other

Naught

### XVIII. Supplementary materials

#### 1. Items and amounts of extraordinary gains and losses

√ Applicable □ Not applicable

Unit: RMB Yuan

Item	Amount	Explanation
Gains/losses on the disposal of non-current assets	2,530,679.00	Naught
Tax return and relief approved ultra vires or without any official approval documents	0.00	Naught
Tax rebates, reductions or exemptions due to approval beyond authority or the lack of official approval documents	1,660,030,393.00	Naught
Capital occupation charges on non-financial enterprises that are recorded into current gains and losses	0.00	Naught
Gains due to that the investment costs for the Company to obtain subsidiaries, associates and joint ventures are lower than the enjoyable fair value of the identifiable net assets of the investees when making the investments	105,228,293.00	Naught
Gain/loss on non-monetary asset swap	0.00	Naught
Gain/loss on entrusting others with investments or asset management	0.00	Naught
Asset impairment provisions due to acts of God such as natural disasters	0.00	Naught
Gains and losses from debt restructuring	0.00	Naught
Expenses on business reorganization, such as expenses on staff arrangements, integration, etc.	0.00	Naught
Gain/loss on the part over the fair value due to transactions with distinctly unfair prices	0.00	Naught
Current net gains and losses of subsidiaries acquired in business combination under the same control from period-begin to combination date	0.00	Naught
Profit and loss from contingencies irrelative to the normal business operations of company	0.00	Naught
Gain/loss from change of fair value of transactional assets and liabilities, and investment gains from disposal of transactional financial assets and liabilities and available-for-sale financial assets, other than valid hedging related to the Company's common businesses	71,301,001.00	Naught
Depreciation reserves returns of receivables with separate depreciation test	0.00	Naught
Gain/loss on entrustment loans	0.00	Naught
Gain/loss on change of the fair value of investing real estate of which the subsequent measurement is carried out adopting the fair value method	0.00	Naught
Effect on current gains/losses when a one-off adjustment is made to current gains/losses according to requirements of taxation, accounting and other relevant laws and regulations	0.00	Naught

Custody fee income when entrusted with operation	0.00	Naught
Other non-operating income and expenses other than the above	20,066,586.00	Naught
Project confirmed with the definition of non-recurring gains and losses and losses	0.00	Naught
Less: Income tax effects	38,222,530.00	Naught
Minority interests effects	27,709,452.00	Naught
Total	1,793,224,970.00	--

Explain the reasons if the Company classifies an item as an extraordinary gain/loss according to the definition in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public—Extraordinary Gains and Losses, or classifies any extraordinary gain/loss item mentioned in the said explanatory announcement as a recurrent gain/loss item.

Applicable  Not applicable

## 2. Return on equity and earnings per share

Profit as of Reporting Period	Weighted average ROE (%)	EPS (Yuan/share)	
		EPS-basic	EPS-diluted
Net profit attributable to common shareholders of the Company	-0.67%	-0.015	-0.015
Net profit attributable to common shareholders of the Company after deduction of non-recurring profit and loss	-2.99%	-0.066	-0.066

## 3. Differences between accounting data under domestic and overseas accounting standards

### (1) Differences of net profit and net assets disclosed in financial reports prepared under international and Chinese accounting standards

Applicable  Not applicable

### (2) Differences of net profit and net assets disclosed in financial reports prepared under overseas and Chinese accounting standards

Applicable  Not applicable

### (3) Explain reasons for the differences between accounting data under domestic and overseas accounting standards, for audit data adjusting differences had been foreign audited, should indicate the name of the foreign institutions

Naught

#### 4. Other

Naught

## **Section X. Documents Available For Reference**

(I) The Financial Report has been signed by the head of the Company, President of the Executive Committee (CEO) and Chief Financial Officer.

(II) In the Reporting Period, all originals of the Company's documents and public notices have been publicly disclosed on Securities Times, Ta Kung Pao and <http://www.cninfo.com.cn>.

All the above mentioned documents are available at the Office of the Board of Directors.

**Chairman of the Board: Mr. Wang Dongsheng (signature)**

**Date of the Board of Directors approving to report: 26 Aug 2016**