

Dongxu Optoelectronic Technology Co., Ltd.

2016 Annual Report

March 2017

I. Important Notice, Table of Contents and Definitions

The Board of Directors ,Supervisory Committee, all directors, supervisors and senior executives of the Company hereby guarantees that there are no misstatement, misleading representation or important omissions in this report and shall assume joint and several liability for the authenticity, accuracy and completeness of the contents hereof.

Mr.Li Zhaoting, The Company leader, Mr.Zhou Bo, Chief financial officer and the Mr.Gao Feipeng, the person in charge of the accounting department (the person in charge of the accounting)hereby confirm the authenticity and completeness of the financial report enclosed in this annual report.

All the directors attended the board meeting for reviewing the Annual Report.

The development strategy, operation plan and other forward-looking statements involved in this report will not constitute any substantive commitment to the investors by the Company. Investors please be aware of the investment risks.

The company has already described the risk items existed in details in the report with reference to (IV) possible risks of IX Future Development and Prospect in Section IV Operation Conditions Discussion and Analysis.

The profit distribution proposal reviewed and approved by the boarding meeting was summarized as follows: total share of 4,939,928,983 for Base on the Company's total share capital as at December 31,2016, the Company would distribute cash dividend to all the shareholders at the rate of CNY 0.70 for every 10 shares(including tax), 0 bonus share (including tax) and no reserve would be converted into share capital.

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Definition

Terms to be defined	Refers to	Definition
Company Law	Refers to	Company Law of the People's Republic of China
Securities Law	Refers to	Securities Law of the People's Republic of China
CSRC	Refers to	China Securities Regulatory Commission
SZSE	Refers to	Shenzhen Stock Exchange
Dongxu Group	Refers to	Dong Xu Group Co., Ltd.
Baoshi Group	Refers to	Shijiazhuang Baoshi Electronics Group Co., Ltd
Dongxu Optoelectronic , Company, The Company	Refers to	Dongxu Optoelectronic Technology Co., Ltd.
Dongxu (Yingkou) Optoelectronic	Refers to	Dongxu (Yingkou) Optoelectronic Display Co., Ltd.
Sichuan Xuhong Optoelectronic	Refers to	Sichuan Xuhong Optoelectronic Technology Co., Ltd.
Wuhu Optoelectronic	Refers to	Wuhu Dongxu Optoelectronic Technology Co., Ltd., was the implementation unit of the non-public item to raise money for and invest in of "The Project of Production Line for Panel Display Plate" in 2013
Wuhu Equipment	Refers to	Wuhu Dongxu Optoelectronic Equipment Technology Co., Ltd.
Shijiazhuang Equipment	Refers to	Shijiazhuang Dongxu Optoelectronic Equipment Technology Co., Ltd.
Dongxu (Kunshan)	Refers to	Dongxu (Kunshan) Display material Co., Ltd., In 2015, was the implementation unit of the non-public item to raise money for and invest in "Project of Production Line for the 5th-generation CF for TFT-LCD".
Sichuan Ruiyi	Refers to	Sichuan Ruiyi Construction Engineering Co., Ltd.
Fuzhou Optoelectronic	Refers to	Dongxu Optoelectronic Technology Co., Ltd., In 2016, was the non-public item to raise money for and invest in "Project of Production Line for the 8.5th-generation CF for TFT-LCD"
BOE	Refers to	BOE Technology Group Co., Ltd.
IVO	Refers to	Infovision Optoelectronics Co., Ltd.
CPT	Refers to	Chunchwa Picture Tubes Co., Ltd.
CRT	Refers to	Cathode Ray Tube
TFT-LCD	Refers to	"Thin Film Transistor Liquid Crystal Display"
Glass substrate	Refers to	A thin glass sheet with extremely smooth surface is a basic

		component of constituting LCD display device as well as one of the critical basic materials in panel display industry. The glass sheet can be divided into various generations by its size, and the higher the generation is, the bigger the size will be.
G5 glass substrate	Refers to	The size of the 5th-generation glass substrate is 1100 mm×1300 mm.
G6 glass substrate	Refers to	The size of the 6th-generation glass substrate is 1500 mm×1850 mm.
G8.5 glass substrate	Refers to	The size of the 8.5th-generation glass substrate is 2300 mm×2500 mm
CF	Refers to	Critical original materials of LCD panel for realizing colorization display
Polaroid	Refers to	A two-dimensional carbon material composed of carbon atoms closely and cyclically packed by benzene ring structures (ie, hexagonal honeycomb structures)
Grapheme materials	Refers to	Refers to two-dimensional carbon materials related to grapheme, with a layer less than 10 carbon atoms

II. Basic Information of the Company and Financial index

I. Company Information

Stock abbreviation	Dongxu Optoelectronic, Dongxu B	Stock code:	000413、200413
Stock abbreviation after change (if any)	Dongxu Optoelectronic, Dongxu B		
Stock exchange for listing:	Shenzhen Stock Exchange		
Name in Chinese	东旭光电科技股份有限公司		
Chinese Abbreviation	东旭光电		
English name (If any)	Dongxu Optoelectronic Technology Co., Ltd.		
English abbreviation (If any)	Dongxu Optoelectronic		
Legal Representative	Li Zhaoting		
Registered address	No.9, Huanghe Road, Shijiazhuang High-tech Industrial Development Area, Shijiazhuang, Hebei Province		
Postal code of the Registered Address	050035		
Office Address	No.5 Court, No.23 A Fuxing Road, Haidian District, Beijing		
Postal code of the office address	100036		
Internet Web Site	www:dongxuguangdian.com.cn		
E-mail	dxgd@dong-xu.com		

II. Contact person and contact manner

	Board secretary	Securities affairs Representative
Name	Gong Xin	Wang Qingfei
Contact address	No.5 Court, No.23 A Fuxing Road, Haidian District, Beijing	No.5 Court, No.23 A Fuxing Road, Haidian District, Beijing
Tel	010-68297016	010-68297016
Fax	010-68297016	010-68297016
E-mail	gongxin_dx@126.com	wangqingfei@dong-xu.com

III. Information disclosure and placed

Newspapers selected by the Company for information disclosure	China Securities Journal ,Shanghai Securities News,Securities Times, Securities Daily and Hong Kong Commercial Daily
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Internet website designated by CSRC for publishing the Annual report of the Company	http://www.cninfo.com.cn
The place where the Annual report is prepared and placed	Securities Dept of the Company

IV. Registration changes of the Company

Organization Code	No Change
Changes in principal business activities since listing (if any)	No Change
Changes is the controlling shareholder in the past (is any)	No Change

V. Other Relevant Information

CPAs engaged

Name of the CPAs	Hebei Guanghuacai Guanghua Certified public Accountants LLP.
Office address	4/F, Anqiao Business Building , No.77 Guangan Street, Changan District, Shijiazhuang
Names of the Certified Public Accountants as the signatories	Wang Fengqi, Meng Xiaoguang

The sponsor performing persist ant supervision duties engaged by the Company in the reporting period.

Applicable Not applicable

Name	Office address	Representative	Consistent supervision period
Guangzhou Securities Co., Ltd.	19-20/F, Guangzhou International Finance Center Tower , No.5 Zhujiang West Road, Tianhe District ,Guangzhou.	Wu Jian, Wang Hongwei	2016.3.21-2017.12.31

The sponsor performing persist ant supervision duties engaged by the Company in the reporting period.

Applicable Not applicable

VI. Summary of Accounting data and Financial index

May the Company make retroactive adjustment or restatement of the accounting data of the previous years due to change of the accounting policy and correction of accounting errors.

Yes No

	2016	2015	Changed over last year (%)	2014
Operating Gross income	6,901,321,122.65	4,650,208,448.10	48.41%	1,600,750,745.69

(RMB)				
Net profit attributable to the shareholders of the listed company (RMB)	1,239,928,899.40	1,326,233,674.37	-6.51%	468,902,701.44
Net profit after deducting of non-recurring gain/loss attributable to the shareholders of listed company (RMB)	953,819,209.18	822,699,390.70	15.94%	78,312,630.78
Cash flow generated by business operation, net (RMB)	1,390,048,492.32	1,780,128,962.94	-21.91%	-1,017,554,188.65
Basic earning per share(RMB/Share)	0.29	0.48	-39.58%	0.17
Diluted gains per share(RMB/Share)(RMB/Share)	0.29	0.48	-39.58%	0.17
Net asset earning ratio (%)	7.28%	14.99%	-7.71%	6.11%
	End of 2016	End of 2015	Changed over last year (%)	End of 2014
Gross assets (RMB)	46,826,319,570.41	28,798,623,253.33	62.60%	18,488,221,665.49
Net assets attributable to shareholders of the listed company (RMB)	22,216,300,365.86	14,319,481,941.28	55.15%	7,677,125,274.36

VII. The differences between domestic and international accounting standards

1. Simultaneously pursuant to both Chinese accounting standards and international accounting standards disclosed in the financial reports of differences in net income and net assets.

Applicable Not applicable

Nil

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

Applicable Not applicable

Nil

VIII. Main Financial Index by Quarters

In RMB

	First quarter	Second quarter	Third quarter	Fourth quarter
Operating income	1,581,690,834.17	1,300,368,320.24	1,379,624,393.30	2,639,637,574.94
Net profit attributable to the shareholders of the listed company	347,750,532.74	198,213,177.98	255,873,197.91	438,091,990.77
Net profit after deducting of non-recurring gain/loss attributable to the shareholders of listed company	269,369,501.10	190,525,152.03	158,346,261.62	335,578,294.43
Net Cash flow generated by business operation	-934,819,444.05	2,215,928,386.99	348,241,152.18	-239,301,602.80

Whether significant variances exist between the above financial index or the index with its sum and the financial index of the quarterly report as well as semi-annual report index disclosed by the Company.

Yes No

IX. Items and amount of non-current gains and losses

Applicable Not applicable

In RMB

Items	Amount (2016)	Amount (2015)	Amount (2014)	Notes
Non-current asset disposal gain/loss(including the write-off part for which assets impairment provision is made)	19,167.58	-42,342.96	-89,370.72	
Government subsidies recognized in current gain and loss(excluding those closely related to the Company's business and granted under the state's policies)	356,943,995.55	514,763,264.28	441,054,640.22	
Income from the exceeding part between investment cost of the Company paid for obtaining subsidiaries , associates and joint-ventures and recognizable net assets fair value attributable to the Company when acquiring the investment	1,804,209.86	18,763,137.14	580.38	
Net profit or loss of subsidiaries from the beginning of the period up to the business combination date recognized as a result of business combination of enterprises under common control		84,703,345.09	44,240,758.16	
Reversal of impairment provisions for the accounts receivable on which		14,009,355.59		

impairment tests were carried out separately				
Gain/loss on loans obtained by entrusting others	8,022,209.26	4,500,000.00	4,083,333.33	
Other non-operating income and expenditure beside for the above items	-9,601,776.32	2,588,776.63	175,950.50	
Less: Influenced amount of income tax	52,541,535.96	82,348,493.83	65,281,344.97	
Amount of influence of minority interests (After tax)	18,536,579.75	53,402,758.27	33,594,476.24	
Total	286,109,690.22	503,534,283.67	390,590,070.66	--

For the Company's non-recurring gain/loss items as defined in the Explanatory Announcement No.1 on information disclosure for Companies Offering their Securities to the Public-Non-recurring Gains and Losses and its non-recurring gain/loss items as illustrated in the Explanatory Announcement No.1 on information Disclosure for Companies offering their securities to the public-non-recurring Gains and losses which have been defined as recurring gains and losses, it is necessary to explain the reason.

Applicable Not applicable

None of Non-recurring gain /loss items recognized as recurring gain /loss/items as defined by the information disclosure explanatory Announcement No.1- Non -recurring gain/loss in the report period.

III. Outline of Company Business

I. Main Business the Company is Engaged in During the Report Period

Whether the company needs to comply with the disclosure requirements of the particular industry

No

The company has successfully completed the transformation and upgrading from the traditional CRT industry to the panel display industry since the recombination in 2011, the company main business covers production of the optoelectronic display materials including TFT-LCD, sapphire, color filter and polaroid, etc., sales of high-end equipment with provision of corresponding technical services. As well as undertaking the building installation project and other business. Apart from the main business, the company arranged the strategic newly-developing materials field related to graphene positively and realized the breakthrough in the single-layer graphene and graphene lithium ion cell business.

1. High-end equipment and technical service business

Through the independent research and development and technology accumulation for many years, the company broke through the techniques blockade of foreign manufacturers firstly, developed the whole-set processing equipment and manufacture technology for the flat panel display glass substrate with the proprietary intellectual property rights and became the fifth liquid crystal glass substrate manufacturer globally as well as the enterprise with the electronic glass manufacturing processes for overflow down-draw process and float glass process. The effective breakthrough in the electronic-grade glass manufacture equipment field provides the solid foundation for the company high-end equipment business entry into the extension market. The company high-end equipment and the technology service business adopt mainly the customized production and service methods, which will be settled based on the production line works progress note and the mainly products include Stocker automatic control system, polishing automatic line host synthesis equipment and automatic grinding cleaning equipment, etc.

Recently, the state has been continuously increasing the policy support on the intelligent manufacturing equipment industry and has issued in succession the "12th five-year plan" Development Program for the High-End Equipment Manufacturing Industry, "12th five-year plan" Development Program for the Intelligent Manufacturing Equipment Industry, "12th five-year plan" Special Program for Intelligent Manufacturing Scientific and Technological Development and Made in China 2025, etc., which provide the huge market space for the equipment manufacturing industry. As China is on the way transforming from the big manufacturing country to the powerful manufacturing country, the intelligent manufacturing equipment industry will usher in an era with rapid-development opportunities and broad market space under the joint action of the domestic equipment replacement of imported goods, the industrial production replacement of the human work, etc.

2. Display materials business including LC glass substrate and others

The LD glass substrate is the core raw material of the upstream LC display panel and one panel comprises two glass substrates commonly accounting for 15%-20% of the overall panel production cost or so, which is characterized with high technical barrier, high monopolization and high profit space, etc. Based on the breakthrough in the LC glass substrate set manufacturing equipment field, the company breaks the international monopoly firstly and achieves the domestication of the LC glass substrate. At present, the company possesses 20

LC glass substrate production lines (including under-construction and proposed projects) covering G5, G6 and G8.5 production lines and ranks firstly on the volume production capacity stably. To strive for the territory advantages and reduce the transport cost, the company adopts the factory building strategy matching nearby with the panel clients as well as the point-to-point sales strategy and at present the clients extend all over the mainstream panel factories in Chinese Mainland and Taiwan such as BOE, CATIC, Tianma, IVO, CPT, and Innolux Corporation, etc.

The company, apart from strengthening the LC glass substrate main business, started to enrich the industrial structure in 2015 gradually, focused on the horizontal expansion in the optoelectronic display core materials field and arranged the sapphire materials, CF and polaroid, etc. in succession with continuous improvement of the industrial distribution frontier, safety and profitability. The sapphire crystal is used extensively in LED substrate materials, consumer electronics, optical elements and other fields; at present the main products of the company are 2-inch and 4-inch substrate products; CF and polaroid projects are during investment and construction and will give full play to the co-movement effects after construction together with the company glass substrate business and increase the ratio of display materials domestication.

As a series of policies at home has been supporting TFT-LCD industry since 2006, the LC panel industry has risen and developed successively from Japan, South Korea, Taiwan and the Chinese Mainland has become the second LCD panel industry base following Korea. Up to now, there is a batch of LCD panel manufacturers with the large scale and international competition including BOE, Huaxing Optoelectronic , CATIC, IVO and Tianma, etc., and the domestication for the upstream raw materials production will usher in an era with historic opportunities combining the continuous release of the panel capacity at home.

3. Building installation business

As the company traditional business, the building installation business played an important role in assisting the company production base building and maintenance, etc. and decreased effectively each engineering construction cost of the company. At the same time, as the supplement to the main business, the building installation business has brought about a certain incomes and profits for the company in recent years along with the continuous development of the industrialization and urbanization at home. Such business of the company mainly takes the subsidiary Sichuan Ruiyi Constructional Engineering Co., Ltd. as the operation subject, which possesses the qualification of the architectural engineering construction general contracting Class I and municipal public works construction general contracting Class I, etc. and mainly conducts the housing building, civil engineering, public facilities building, other works lump sum and professional construction.

The building installation industry is an important pillar industry for the national economy and also the important guarantee for the new-type urbanization executed by the state. The new-type urbanization is the largest domestic-demand potential and also the important driving force for the economic development, which will bring about the broader market space for the company building installation business through the covered underground comprehensive pipe rack transformation, sponge city building and shantytown transformation, etc.

II. Major Changes in Main Assets

1. Major Changes in Main Assets

Main assets	Major changes
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Fixed assets	The increase for the period was mainly caused by the fixed assets conversion from the LC glass substrate production lines projects under construction of Shijiazhuang Xuxin, Wuhu Optoelectronic Technology and Zhengzhou Xufei Company.
Intangible assets	The increase for the period was mainly caused by the acquisition of Shanghai Tanyuan Huigu New Materials Technology Co., Ltd., the proprietary technology purchase after the successful acquisition as well as the land usage rights purchase by subsidiaries Fuzhou Dongxu Optoelectronic Technology Co., Ltd. and Taizhou Xiwang New Energy Technology Co., Ltd.
Construction in process	The decrease for the period was mainly caused by the fixed assets conversion from the LC glass substrate production lines projects under construction of Shijiazhuang Xuxin, Wuhu Optoelectronic Technology and Zhengzhou Xufei Company.

2. Main Conditions of Overseas Assets

Applicable Not applicable

III. Analysis On core Competitiveness

Whether the company needs to comply with the disclosure requirements of the particular industry

No

The company's core competitiveness is mainly reflected in the following aspects:

1. Strong ability of independent R & D and innovation

As of the end of the reporting period, the company and the trusteeship company and the controlling shareholder have about 1000 items of independent intellectual property rights related to liquid crystal glass substrate, PDP glass substrate and High alumina float plate glass being obtained and/or under the application process. After years of technology accumulation and upon the strong independent research and development ability, the company has become the only company in China that simultaneously mastered the two kinds of glass-substrate production process which are the overflow melting method and the floating method. The TFT-LCD glass substrate whole-set equipment production line was identified as the "National strategic innovation product", and the method for treating glass liquid in platinum channel was awarded "Golden prize of Chinese patents". Besides, the company stressed the cooperation and exchanges with domestic and foreign well-known research institutions and professional universities and colleges, and set up the National Engineering Laboratory for flat panel display glass technology and equipment, national enterprise technology center, academician workstation, graphene research institute and so on, which will provide a strong technical support and R&D support for the company's further development.

2. The leading position in domestic substrate industry and the scale advantage

At the end of the reporting period, the company has four LCD glass substrate production bases which are Zhengzhou, Shijiazhuang, Wuhu and Fuzhou production base, with the comprehensive coverage of G5, G6 and G8.5 TFT-LCD glass substrate products and the production capacity ranked first in China while ranked fourth in the world. With each production line being put into production, the company's market share of the domestic LCD

glass substrate increased year by year, and the company's pricing power towards the downstream customers enhanced, while the scale effect effectively ensured the profitability of the company's substrate product. Upon the company's leading position in the field of LCD glass substrate, the company expanded the new display material business represented by polarizer and color filter. The above-mentioned three core display materials will achieve good tandem effect, thus to effectively enhance the company's core competitiveness in the field of TFT-LCD.

3. The industry chain integration advantages with the lead of the control power

Dongxu Group as the company dominant shareholder, has evolved into the multi-industry group of synergetic development of high-end manufacture, new materials, new energy and new-type environmental protection, etc. through the sound development for 20 years and was listed into "Top 100 Enterprises of the Brand Value in 2016 China" with the value of 15.896 billion yuan in 2016, whose brand influence became more prominent. Based on the powerful resources of the dominant shareholder and brand advantages, Dongxu Optoelectronic started the extended development strategy oriented by "merger plus joint venture", introduced in succession several advanced production technologies of Japanese enterprises, entered into fields of polaroid, sapphire and graphene (graphene lithium ion cell), etc. with the mainline of full play of the industrial synergy, orientation of realizing the absolute control power and purpose of "one plus one greater than two" effect, and added the new energy to the rapid development of the company.

4. Policy Support and Costs Advantage

In recent years, the central government has issued a series of policies to boost the domestically-made photoelectric display materials, and the policies include "raised the tariff of 6-G and below 6-G glass substrate to 6%", "raised the export tax rebate rate of liquid crystal glass substrate etc. to 17%" and "critical material matching rate of small and middle size TFT-LCD panel manufacturing up to 60%". Meanwhile, considering the investment promotion and capital introduction and adjustment for industrial structure and so forth factors, many local governments will provide supports in terms of land, taxes and subsidies. To better cover the needs of downstream customers, the company adopted the strategy of setting up the matching factory near the panel manufacturers. Compared to the foreign manufacturers, the strategy would save tariff costs while effectively avoiding the high transportation costs and reducing the risk of damage to the product. With the company's expanding production capacity, constant development of technology and the further dilution of fixed costs such as depreciation, the company's costs advantage is increasingly obvious.

5. High-efficient management and decision-making mechanism

Since Dongxu Group becoming the master of the company, the company's management system got a thorough transformation from the state-owned enterprise to private company. The company inherited Dongxu Group's rich and good operation and management experiences in the electronic glass industry, and developed a high-efficient management system and incentive mechanism. The company brings together a large number of high-tech talents, and the management can accurately judge the market and the industrial development direction to quickly and flexibly grasp the opportunity, with market-oriented means to mobilize the talented people and capital resources and other resources to timely seize the strategic high ground. In the rapid-changing and high-barrier consumer electronics industry chain, the company's advantage of high-efficient management and decision-making mechanism is becoming more outstanding.

IV. Management's Discussion and Analysis

I. General

The year 2016 was the crucial year for implementation of Dongxu Optoelectronic strategies centering on mainly several main lines of building advanced-line substrate production line, deepening existed products market layout and promoting the horizontal expansion in the new-material field vigorously, when each production operation activity were prompted stably. Under the leading of the company Board of Directors and the management layer as well as the unremitting endeavor of all staff, the company leading position as the LC glass substrate was strengthened and the optoelectronic display materials and graphene business were laid out smoothly with forming the good industrial collaboration and cluster effects. Within the report period, the company achieved the operation revenue of 6.901 billion yuan with comparing by 48.41% compared with that in 2015 and the net profits of 1.24 billion yuan belonging to the parent company .

Each business of the company was developed in details in 2016 as follows:

1.Strengthen the leading position of LC glass substrate and fill up the black of G8.5 domestication

Under the influence of the tightened supply of LCD panel caused by South Korean production line switching to OLED, the price of the small and medium size LCD panels in 2016 kept increasing, drove the strong demands of the LC glass substrate market and stabilization of the price and gross margin. Until the end of the report period, the company G5 and G6 LC glass substrate production lines with number of 7 and 6 all had realized volume production with above 80% average comprehensive yield and realization of 1.213 billion yuan for the total sales incomes of the whole year (increase by 23.82% compared with that in 2015) and 428 million yuan for the gross profit. The company took part actively in the industrial exhibitions home and abroad, promoted persistently and strengthened the cognition and reputation of the company brands. At present, the company substrate products have already covered the mainstream panel manufacturers in Chinese Mainland and Taiwan including BOE, Shenchao Optoelectronic, Innolux Corporation, IVO, Tianma and AU Optoelectronic, etc. with continuous promotion of the industrial safety and reliability.

In August 2016, the company collected 6.95 billion yuan capital for the non-public offer shares and such amount was used for investment and building G8.5 LC glass substrate production line and BOE production line nearby was selected to build the factory, which would fill in the domestication black effectively of the large-size glass substrate after reaching the design capacity. Until the end of the report period, The factories and ancillary clean rooms for partial production lines of the project are completed; and the ancillary electromechanical and power equipment are being installed. Otherwise, to copy with the display technology upgrading in the future, the company intensified the research and development, completed smoothly the overall performance parameters test and overall-performance optimization integration for the LTPS (low-temperature polycrystalline silicon) glass substrate material and built the communication channel with clients of Everdisplay Optronics and CSOT, etc. In the future, the company will transform G5 and G6 production lines properly based on the downstream market demands.

2. Give play to the substrate production technology spillover effects and the high-end equipment business develops continuously

At present, as the only enterprise grasping both the overflow melting method and float glass substrate production process at home, the company, based on the advanced set-type equipment technology of independent research and development, realizes the design, production, manufacturing, installation and technology services for the LC glass substrate and high-alumina cover-plate glass production lines equipment in set and all production lines are in stable operation with stable promotion of the yield. The strong R&D, production and integration capacities for the electronic-grade glass manufacture equipment in set bring about the obvious spillover effects for the high-end equipment business of the company. In 2004, the company entered into the strategic cooperation agreements with BOE and Invision Optoelectronics (Kunshan) Co., Ltd. for expanding the panel production line equipment business with the downstream panel manufacturers.

As the company breaks through the foreign blockade at the aspect of the independent research and development and settles the solid foundation based on the breakthrough of the front-end equipment with the highest technical content among the electronic equipment, the company high-end equipment and technical service business develops continuously, exploit and store a large batch of large-size group clients in the intelligent application field under the background of the industrial manufacturing equipment replacement of the manual work and satisfaction of the high-efficient production. Within the report period, the company high-end equipment and technical service business realized the revenue of 3.887 billion yuan with the gross profit declining to 38.17% reasonably due to the original whole-set customized equipment transformation into partial generalized equipment.

3. Arrange the optoelectronic display core raw materials and the industrial cluster effects appear

To realize the strategic target of the "the largest optoelectronic display materials manufacturer in China" and keep up with the global display technology and innovation trend, the company, on the basis of strengthening and improving LC glass substrate main business continuously, expand the new business field continuously combining the main business and has already laid out the sapphire, CF and polaroid high-end display materials.

Within the period, the company sapphire business was expanded partially with smooth market expansion, achieved the operation revenue of 550 million yuan with increasing by 95.21% compared that in 2015 and possessed the stable clients including Xuzhou GAPSS, North Microelectronics and Sino Nitride Semiconductor. The present products cover the large-size sapphire crystal ingot, 2-6 inches sapphire crystal bar, 2-6 inches sapphire substrate, optical window materials and Mobile phone panel and lens cover, etc. The company G5 TFT-LCD using CF production line project is under construction and will improve efficiently the additional value of the existed G5 LC glass substrate products after reaching the design capacity, which will also become another new profit increase point for the company.

Otherwise, to seize quickly the polaroid demands of the large-size LC panel enterprises at home, fill up efficiently the black for the original polaroid volume production, in February 2016, the company cooperated with Sumitomo Chemical as one enterprise of the global Top 3 polaroid manufacturer in the polaroid industry hand in hand. In October 2016, the joint-venture Xuyou Electronic Material Technology (Wuxi) Co., Ltd. was registered and established officially with Tunghsu photoelectricity holding 51% and the wholly-owned subsidiary thereof Fuzhou Xuyou Electronic Material Technology Co., Ltd. was registered in December. Such project will invest and build 2 wide polaroid production lines, among which, the front-end preparation work for 1 line at present is completed and the front and back sections for one original volume production line are located in Wuxi and Fuzhou respectively. The workshop transform in Wuxi has already been completed and relevant production equipment will enter into the site with installation commission.

4. The endogenous and extended two-wheel drive and the graphene business completes multiple-point layout

Since 2014, the company conducted the industrial layout (graphene industry) through adoption of the "endogenous and extended" two-wheel drive. The company has conducted the cooperation and exchange with multiple scientific research institutions in succession including Beijing Institute of Technology, Shanghai Jiaotong University, China Graphene Alliance and the Catalan Institute of Nanoscience and Nanotechnology, etc., constructed the overall industry-university-research technical innovation system and settled the strong technical strength for the rapid development of the company graphene business. Within the report period, the company built the graphene industry development funds in the scale of 100 and 200 million yuan respectively with Taizhou New Energy Industrial Park Management Committee and Jingyang People's Government in Deyang city, which will speed up the company layout of the graphene industry.

In March 2016, the company completed the acquisition of Shanghai Tanyuan Huigu through the capital increment, which is the graphene preparation and application enterprise owning the single-layer graphene preparation technology, graphene lithium ion materials and cell preparation technology, issued the first "graphene lithium ion cell product" in July, which can realize the short-time rapid charging and discharging and may be applied in the various power battery fields including the new-energy automobile and unmanned aerial vehicles. Otherwise, the company plans to invest 1.65 billion yuan in Taizhou to build the graphene lithium ion cell product project and such project had already obtained the land and completed the filing by the end of the report period with the continuous promoting of relevant environmental, safety and profession assessment.

5. Correspond to the new-type urbanization building trend and maintain the stability of the building installation business

As the company traditional business, the building installation business gives an important play to the aspect of the company production lines building assistance and external works contracting, decreases effectively the company operation cost and improves the production lines building efficiency. Simultaneously, conforming to the policy background of the new-type urbanization at present, as the industrialization and urbanization develop continuously, the company building installation business maintains the stable performance increase through applying its own advantages. The company building installation business was completed mainly by Sichuan Ruiyi achieved the total operation revenue of 1.18 billion yuan and 40 million yuan for profits within the report period.

II. Main business analysis

1. General

Refer to relevant contents of "1.Summarization" in "Discussion and Analysis of Management".

2. Revenue and cost

(1)Component of Business Income

In RMB

	2016		2015		Increase /decrease
	Amount	Proportion	Amount	Proportion	
Total operating revenue	6,901,321,122.65	100%	4,650,208,448.10	100%	48.41%

Industry					
Equipment and Technology serves	3,886,546,674.10	56.32%	2,335,561,840.90	50.22%	66.41%
Glass substrate	1,213,279,834.92	17.58%	979,843,906.90	21.07%	23.82%
Sapphire material	547,559,756.10	7.93%	280,494,160.83	6.03%	95.21%
Supply chain business	24,058,595.55	0.35%	0.00	0.00%	
Graphene	1,376,522.48	0.02%	0.00	0.00%	
Construction Installation	1,183,752,400.10	17.15%	890,941,023.85	19.16%	32.87%
Electric vacuum glass devices and supporting electronic device	421,367.52	0.01%	7,123,333.34	0.15%	-94.08%
Other	44,325,971.88	0.64%	156,244,182.28	3.37%	-71.63%
Products					
Equipment and Technology serves	3,886,546,674.10	56.32%	2,335,561,840.90	50.22%	66.41%
Glass substrate	1,213,279,834.92	17.58%	979,843,906.90	21.07%	23.82%
Sapphire material	547,559,756.10	7.93%	280,494,160.83	6.03%	95.21%
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Electric vacuum glass devices and supporting electronic device	421,367.52	0.01%	7,123,333.34	0.15%	-94.08%
Other	44,325,971.88	0.64%	156,244,182.28	3.37%	-71.63%
Area					
China mainland	6,457,021,842.84	93.56%	4,354,395,626.02	93.64%	48.29%
Hongkong, Macao and Taiwan	444,175,683.53	6.44%	295,812,822.08	6.36%	50.15%
Overseas	123,596.28	0.00%			

(2) Situation of Industry, Product and District Occupying the Company's Business Income and Operating Profit with Profit over 10%

√ Applicable □ Not applicable

Whether the company needs to comply with the disclosure requirements of the particular industry

No

In RMB

	Turnover	Operation cost	Gross profit rate(%)	Increase/decrease of revenue in the same period of the previous year(%)	Increase/decrease of business cost over the same period of the previous year (%)	Increase/decrease of gross profit rate over the same period of the previous year (%)
Industry						
Equipment and Technology serves	3,886,546,674.10	2,403,113,251.28	38.17%	66.41%	122.79%	-29.08%
Glass substrate	1,213,279,834.92	785,083,264.44	35.29%	23.82%	25.96%	-3.02%
Construction Installation	1,183,752,400.10	1,143,803,109.42	3.37%	32.87%	42.91%	-66.80%
Products						
Area						

Under circumstances of adjustment in reporting period for statistic scope of main business data, adjusted main business based on latest on year's scope of period-end.

Applicable Not applicable

(3) Whether the Company's Physical Sales Income Exceeded Service Income

Yes No

(4) Degree of Performance of the Significant Sales Contract Signed up to this Report Period

Applicable Not applicable

(5) Component of business cost

In RMB

Industry	Items	2016		2015		Increase/Decrease (%)
		Amount	Proportion in the operating costs (%)	Amount	Proportion in the operating costs (%)	
Equipment and Technology serves	Operation costs	2,403,113,251.28	49.84%	1,078,657,382.33	38.52%	122.79%
Glass substrate	Operation costs	785,083,264.44	16.28%	623,256,190.80	22.26%	25.96%
Sapphire material	Operation costs	443,149,119.86	9.19%	227,573,985.00	8.13%	94.73%
Supply chain business	Operation costs	23,708,484.55	0.49%	0.00	0.00%	

Graphene	Operation costs	1,499,115.44	0.03%	0.00	0.00%	
Construction Installation	Operation costs	1,143,803,109.42	23.72%	800,382,739.30	28.58%	42.91%
Electric vacuum glass devices and supporting electronic devices	Operation costs	337,094.02	0.01%	5,956,064.28	0.21%	-94.34%
Other	Operation costs	20,909,327.23	0.43%	64,527,156.33	2.30%	-67.60%

(6) Whether Changes Occurred in Consolidation Scope in the Report Period

√ Yes □ No

1. Enterprise consolidation not under the same control

(1) Enterprise consolidation not under the same control in reporting period

In RMB'0000

Name of Acquirer	Time-point of Obtained Equity	Obtained Cost of Equity	Ratio of Obtained Equity (100%)	Method of Obtained Equity	Purchasing Date	Determination Basis on the Purchasing Date	Income of Acquiree from the Purchasing Date to the End of the Period	Net Profit of Acquiree from the Purchasing Date to the End of the Period
Shanghai Tanyuan Huigu New Material Technology Co., Ltd.	March 2016	7,345.45	50.50	Purchase and add share	March 31, 2016	Pay consideration and complete industrial and commercial change registration	123.27	546.22
Shenzhen Xinyingtong Technology Co., Ltd.	December 2016	2,310.00	70.00	Purchase	December 21, 2016	Pay consideration and complete industrial and commercial change registration	2,405.86	44.42

Notes: Shenzhen Xinyingtong Technology Co., Ltd. has the wholly-owned subsidiary Shenzhen Xingxinda Technology Co., Ltd.

(2) Consolidation Cost and Goodwill

Items	Shanghai Tanyuan Huigu New Material Technology Co., Ltd.	Shenzhen Xinyingtong Technology Co., Ltd.
Consolidation Cost		
—Cash	73,454,500.00	23,100,000.00

Total consolidation cost	73,454,500.00	23,100,000.00
Less: Reduction: Obtained Definable Net Assets Fair Proportion	39,519,115.43	24,904,209.86
Amount of merging cost which is less than the fair value proportion of obtained net identifiable asset	33,935,384.57	-1,804,209.86

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

Items	Shanghai Tanyuan Huigu New Material Technology Co., Ltd.		Shenzhen Xinyingtong Technology Co., Ltd.	
	Fair value on purchase date	Book value on purchase date	Fair value on purchase date	Book value on purchase date
Assets:				
Monetary fund	65,834,772.59	65,834,772.59	449,174,013.01	449,174,013.01
Account receivable	1,600.00	1,600.00	456,374,640.98	456,374,640.98
Prepayments	2,006,750.00	2,006,750.00	73,978,005.72	73,978,005.72
Other receivable	457,262.00	457,262.00	72,724,712.95	72,724,712.95
Inventories	802,979.59	1,243,387.97	26,617,601.37	26,617,601.37
Other current assets	198,033.10	198,033.10	26,318,818.20	26,318,818.20
Fixed assets	1,939,350.28	1,847,248.70	736,208.40	736,208.40
Intangible assets	4,444,692.24	7,317,795.33		
Long-term deferred expenses	303,253.20	303,253.20		
Deferred income tax asset		13,815.24		
Other Non-current assets			58,094,513.00	58,094,513.00
Liability				
Short-term loans			218,628,784.13	218,628,784.13
Bill payable			362,481,473.06	362,481,473.06
Account payable	362,292.10	362,292.10	447,800,348.58	447,800,348.58
Advance receipts			2,441,552.99	2,441,552.99
Employees' wage payable	37,656.00	37,656.00	954,355.90	954,355.90
Tax payable			5,079,161.51	5,079,161.51
Other account payable	71,269.20	71,269.20	91,055,394.81	91,055,394.81
Deferred income tax liability		497,026.72		
Net assets	75,517,475.70	78,255,674.11	35,577,442.65	35,577,442.65

Less: Minority interest				
Acquire net assets	75,517,475.70	78,255,674.11	35,577,442.65	35,577,442.65

2. Due to new subsidiaries set up in the current period

On March 17, 2016, Beijing Dongxu Huaqing Investment Co., Ltd as a general partner, Dongxu Optoelectronic Technology Co.,Ltd as a limited partner and Taizhou Golden Sun Energy Co., Ltd as a limited partner together set up Taizhou Dongxu Graphene Industry Investment Fund Management Center(Limited partnership). Such limited partnership company was incorporated in May 4, 2016, and the total amount of capital contribution agreed in the agreement was RMB 100million, but as of December 31,2016, the actual received amount of capital contribution was RMB 100 million. For the capital contribution, Taizhou Golden Sun Energy Co., Ltd subscribed the amount of capital contribution of RMB 75 million, Dongxu Optoelectronic Technology Co.,Ltd subscribed the amount of capital contribution of RMB 25 million.

On March 8, 2016, Wuhu Dongxu Optoelectronic Technology Co.,Ltd set up subsidiary Fuzhou Dongxu Investment Development Co., Ltd which the registered capital was RMB 10 million. On December 28, 2016, State Development Funds Co., Ltd. contributed 500 million yuan with shareholding ratio of 49.5%, Wuhu Dongxu Optoelectronic Technology Co., Ltd. paid in the registered capital of 500 million yuan with the shareholding ratio of 50.5% and the total registered capital increase for the company was 1010 million yuan with the paid-in capital of 500 million yuan by the end of the current period.

On March 31, 2016, Dongxu Optoelectronic Technology Co.,Ltd set up Shenzhen Xuhui Investment Holdings Co.,Ltd, of which the registered capital was RMB 100 million and the paid-in capital was RMB 20 million.

On June 24, 2016, Fuzhou Dongxu Optoelectronic Technology Co.,Ltd and Dongxu Optoelectronic Technology Co.,Ltd together set up a new company of Fuzhou Xufu Optoelectronic Technology Co.,Ltd, of which the registered capital is RMB 65.40 million, among which, Fuzhou Dongxu Optoelectronic Technology Co.,Ltd shall contribute RMB 54.50 million, Dongxu Optoelectronic Technology Co.,Ltd shall contribute RMB 10.90 million, and the paid-in capital was RMB 65.40 million.

On July 19, 2016, Shanghai Tanyuan Huigu New Materials Technology Co., Ltd. Set up the wholly-owned subsidiary Taizhou Tanyuan Huigu New Energy Technology Co., Ltd with the registered capital of 150 million yuan and paid-in capital of 9.9 million yuan; Taizhou Tanyuan Huigu New Materials Technology Co., Ltd. was changed into Taizhou Xiwang New Energy Technology Co., Ltd. on September 6, 2016.

On July 27, 2016, Wuhu Dongxu Optoelectronic Equipment Technology Co., Ltd. invested and set up the wholly-owned subsidiary Xiamen Xuqi Investment Management Co., Ltd. with the registered capital of 10 million yuan and paid-in capital of 2.5 million yuan.

On October 17,2016, Sichuan Ruiyi Construction engineering Co., Ltd.invested and set up the wholly-owned subsidiary Sichuan Dongxu Ruiyi Environment Engineering Co., Ltd.with the registered capital of 10 million yuan and paid-in capital of 0.00 yuan.

On October 17,2016, Sichuan Ruiyi Construction engineering Co., Ltd.invested and set up the wholly-owned subsidiary Sichuan Dongxu Ruiyi Survey & Disign Co., Ltd. with the registered capital of 10 million yuan and paid-in capital of 0.00 yuan.

On October 18,2016, Sichuan Ruiyi Construction engineering Co., Ltd.invested and set up the wholly-owned subsidiary Sichuan Dongxu Ruiyi Trade Co., Ltd. with the registered capital of 10 million yuan and paid-in capital

of 0.00 yuan.

On October 18,2016, Sichuan Ruiyi Construction engineering Co., Ltd.invested and set up the wholly-owned subsidiary Sichuan Dongxu Ruiyi Enterprise Management Co., Ltd. with the registered capital of 10 million yuan and paid-in capital of 0.00 yuan.

On October 19, 2016, Dongxu Optoelectronic Technology Co., Ltd. set the subsidiary Xuyou Electronic Material Technology (Wuxi) Co., Ltd. together with Sumitomo Chemical, Dongwoo Fine-chem Co., Ltd. and TOMI International Co., Ltd. with the registered capital of 18.15 billion Yen and paid-in capital of 12.1 billion Yen (converted into 748.6546 million yuan based on the current rate upon registration), of which, the holding ratio is 51%, 17%, 30% and 2% respectively for Dongxu Optoelectronic Technology Co., Ltd., Sumitomo Chemical, Dongwoo Fine-chem Co., Ltd. and TOMI International Co., Ltd. As specified by the articles of association, the registered capital will be input by stage based on the company building and operation demands, among which, the first period contributed capital will be 35% of the contribution amount paid once within 30 days after the company registration and establishment and the remaining amount will be paid off within one year after the joint-venture company.

On December 2,2016, Xuyou Electronic Material Technology (Wuxi) Co., Ltd.invested and set up the wholly-owned subsidiary Fuzhou Xuyou Electronic Material Technology Co., Ltd. with the registered capital of 150 million yuan and paid-in capital of 5 million yuan.

On December 8, 2016, Sichuan Ruiyi Constructional Engineering Co., Ltd. and Sichuan Prosperity Building Engineering Co., Ltd. set jointly Sichuan Dongxu Prosperity Building Development Co., Ltd. with the registered capital of 30 million yuan and paid-in capital of 0 yuan, among which, Sichuan Ruiyi Constructional Engineering Co., Ltd. and Sichuan Prosperity Building Engineering Co., Ltd. paid in 21 million yuan 9 million yuan respectively.

(7)Relevant Situation of Significant Changes or Adjustment of the Business, Product or Service in the Company's Report Period

Applicable Not applicable

(8)Situation of Main Customers and Main Supplier

Information of the Company's top 5 customers

Total sales amount to top 5 customers (RMB)	2,180,750,941.73
Proportion of sales to top 5 customers in the annual sales(%)	31.60%
Proportion of the sales volume to the top five customers in the total sales to the related parties in the year	0.00%

Information of the Company's top 5 customers

No	Name	Amount (RMB)	Proportion
1	Customer 1	588,632,477.87	8.53%
2	Customer 2	520,831,109.22	7.55%
3	Customer 3	393,005,303.17	5.69%
4	Customer 4	348,461,538.50	5.05%

5	Customer 5	329,820,512.97	4.78%
Total	--	2,180,750,941.73	31.60%

Notes

Applicable Not applicable

Principal suppliers

Total purchase of top 5 Suppliers (RMB)	1,643,049,327.78
Percentage of total purchase of top 5 suppliers In total annual purchase(%)	29.96%
Proportion of purchase amount from the top 5 suppliers in the total purchase amount from the related parties in the year	0.00%

Information about the top 5 suppliers

No	Name	Amount (RMB)	Proportion
1	Supplier 1	539,810,478.72	9.84%
2	Supplier 2	382,007,676.38	6.96%
3	Supplier 3	322,200,094.25	5.87%
4	Supplier 4	235,707,454.38	4.30%
5	Supplier 5	163,323,624.06	2.98%
Total	--	1,643,049,327.78	29.96%

Notes

Applicable Not applicable

3. Expenses

In RMB

	2016	2015	Increase/Decrease(%)	Notes
Sale expenses	64,047,044.01	44,944,240.87	42.50%	Due to increased sales, marketing costs rose
Administration expenses	418,934,541.34	421,789,075.31	-0.68%	
Financial expenses	344,079,731.62	294,416,400.12	16.87%	

4. Research and Development

Applicable Not applicable

R & D investment situation

	2016	2015	Increase/Decrease(%)
Number of Research and Development persons (persons)	546	390	40.00%
Proportion of Research and Development persons	10.08%	7.72%	2.36%
Amount of Research and Development Investment (In	88,786,641.58	95,340,666.01	-6.87%

RMB)			
Proportion of Research and Development Investment of Operation Revenue	1.29%	2.05%	-0.76%
Amount of Research and Development Investment Capitalization (In RMB)	0.00	18,520,903.08	-100.00%
Proportion of Capitalization Research and Development Investment of Research and Development Investment	0.00%	19.43%	-19.43%

The Reason of the Prominent Change in Total Amount of Research and Development Input Occupying the Business Income Year on Year

Applicable Not applicable

Explanation of the Reason for Substantial Changes in the Research and Development Input's Capitalization Rate and Its Reasonableness

Applicable Not applicable

5.Cash Flow

In RMB

Items	2016	2015	Increase/Decrease(%)
Subtotal of cash inflow received from operation activities	8,268,927,687.19	5,974,728,361.07	38.40%
Subtotal of cash outflow received from operation activities	6,878,879,194.87	4,194,599,398.13	63.99%
Net cash flow arising from operating activities	1,390,048,492.32	1,780,128,962.94	-21.91%
Subtotal of cash inflow received from investing activities	6,792,787.54	1,143,295,255.26	-99.41%
Subtotal of cash outflow for investment activities	3,166,453,644.21	5,338,967,728.49	-40.69%
Net cash flow arising from investment activities	-3,159,660,856.67	-4,195,672,473.23	-24.69%
Subtotal cash inflow received from financing activities	22,536,445,731.53	15,122,597,079.50	49.02%
Subtotal cash outflow for financing activities	7,681,012,713.62	4,091,475,189.10	87.73%
Net cash flow arising from financing activities	14,855,433,017.91	11,031,121,890.40	34.67%
Net increase in cash and cash equivalents	13,072,565,686.87	8,614,877,020.69	51.74%

Notes to the year-on-year change of the relevant data

Applicable Not applicable

Notes to the big difference between cash flow from operating activities and net profit in the reporting year

Applicable Not applicable

III. Analysis of Non-core Business

Applicable Not applicable

In RMB

	Amount	Proportion in total profit	Explanation of cause	Sustainable (yes or no)
Non-operating revenue	359,451,816.98	23.57%	Government grants	Yes

IV. Condition of Asset and Liabilities

1. Condition of Asset Causing Significant Change

In RMB

	End of 2016		End of 2015		Proportion increase/decrease	Notes to the significant change
	Amount	Proportion in the total assets(%)	Amount	Proportion in the total assets(%)		
Monetary fund	26,056,117,216.86	55.64%	12,409,510,170.26	43.09%	12.55%	
Accounts receivable	1,652,714,640.77	3.53%	1,042,538,312.51	3.62%	-0.09%	
Inventories	2,688,967,436.27	5.74%	2,177,979,684.06	7.56%	-1.82%	
Real estate Investment		0.00%		0.00%	0.00%	
Long-term equity investment	72,354,803.70	0.15%	72,426,252.41	0.25%	-0.10%	
Fixed assets	8,952,341,070.47	19.12%	6,900,189,927.76	23.96%	-4.84%	
Construction in process	1,772,629,310.84	3.79%	3,433,016,388.90	11.92%	-8.13%	
Short-term loans	4,940,816,200.13	10.55%	3,783,300,000.00	13.14%	-2.59%	
Long-term loans	6,596,159,000.00	14.09%	6,249,397,300.00	21.70%	-7.61%	

2. Asset and Liabilities Measured by Fair Value

Applicable Not applicable

3. Restricted asset rights as of the end of this Reporting Period

Items	End of Book value	Reason
Monetary fund	1,018,782,125.26	Pledged deposit
Fixed assets	7,846,343,779.55	Borrowing as collateral
Invisible assets	250,829,465.51	Borrowing as collateral
Construction in process	550,493,081.70	Borrowing as collateral
Total	9,666,448,452.02	

V. Investment situation

1. General

√ Applicable □ Not applicable

Investment Amount in 2016(RMB)	Investment Amount in 2015(RMB)	Change rate
1,640,735,606.57	4,975,533,648.00	-67.02%

2. Condition of Acquiring Significant Share Right Investment during the Report Period

√ Applicable □ Not applicable

In RMB

Name of the Company Invested	Main Businesses	Investment Way	Investment Amount	Share Proportion %	Capital Source	Partner	Investment Horizon	Product Type	Progress up to Balance Sheet Date	Anticipated Income	Gain or Less or the Current Investment	Whether to Involve in Lawsuit	Date of Disclosure(Not e 5)	Disclosure Index
Shanghai Tanyuan Huigu New Material Technology Co., Ltd.	Technical research and development, technology transfer, technical service, technical consulting, sales of nano materials in the field of new materials and equipment	Acquisition	73,454,500.00	50.50%	Self fund	Guo Shouwu, Ma Shengjie, Wu Haixia, Shen Wenzhuo and Shen Li	Long-term	Graphene	Completed	5,000,000.00	5,462,193.69	No	March 9, 2016	
Shenzhen Xinyin	Computer hardware	Acquisition	23,100,000.00	70.00%	Self fund	Zhang Li and Zeng	Long-term	Supply chain	Completed	444,179.21	444,179.21	No		

gton Techno logy Co., Ltd.	re and softwar e technol ogy develop ment, import and export busines s					Shaoy ing								
Total	--	--	96,554, 500.00	--	--	--	--	--	--	5,444,1 79.21	5,906,3 72.90	--	--	--

3.Situation of the Significant Non-equity Investment Undergoing in the Report Period

Applicable Not applicable

4.Investment of Financial Asset

(1) Securities investment

Applicable Not applicable

Nil

(2) Investment in Derivatives

Applicable Not applicable

Nil

5.Application of the raised capital

Applicable Not applicable

(1) General application of the raised funds

Applicable Not applicable

In RMB'0000

Year of Raising	Way of Raising	Total raised capital	Total Amount of the Raised Fund Used at the	Total amount of Raised Funds	Amount of raised capital of which the purpose was changed in the report period	Accumulative amount of raised capital of which the purpose has been changed	Proportion of raised capital of which the purpose has been changed (%)	Total Amount of the Unused Raised Fund at the Current Period	Use and Whereabouts of the Unused Raised Fund	Amount of the Raised Fund with over 2 Years' Idling
2013	directional add-issua	503,880	0	471,469.53	0	0	0.00%	25,159.03	Temporary supplement current	

	nce									
2015	directional add-issuance	800,000	25,262.98	514,847.05	0	0	0.00%	289,923.31	Continue to invest	
2015	Corporate bonds	100,000	33.71	100,000	0	0	0.00%	0	Temporary supplement current	
2016	directional add-issuance	695,000	13,874.82	13,874.82	0	0	0.00%	684,513.91	Continue to invest	
Total	--	2,098,880	39,171.51	1,100,191.4	0	0	0.00%	999,596.25	--	

Notes to use of raised capital

In 2016, The company strictly accordance with "use of funds raised management system" and "raise funds tripartite regulatory agreement" to raise funds and special accounts storage use, and timely, truly, accurately and completely disclosure of the deposit and use of proceeds, there is no violation circumstances.

(2) Promised projects of raised capital

√ Applicable □ Not applicable

In RMB'0000

Committed investment projects and investment	Project changed(including partial change)	Total raised capital invested as committed	Total investment after adjustment (1)	Amount invested in the reporting period	Accumulated amount invested at the end of the reporting period(2)	Investment progress ended the reporting period(%)(3)=(2)/(1)	Date when the project has reached the predicted applicable status	Benefit realized in the reporting period	Has the predicted result be realized	Has any material change taken place in feasibility
Committed investment projects										
Wuhu Optoelectronic Panel display galass substrate Production line project	No	496,106.4	496,106.4	0	471,469.53	95.03%	December 31, 2017	5,021.16	Yes	No
Project of Production Line for the 5th-Generation CF for TFT-LCD	No	300,000	300,000	4,051.63	14,760.05	4.92%	March 31, 2018		not applicable	No

Acquisition for 100% share rights of Xufei Optoelectronic	No	177,000	177,000	7,408.33	177,000	100.00%	December 31, 2015	8,499.07	Yes	No
Acquisition for 100% share rights of Xuxin Optoelectronic	No	198,000	198,000	13,803.02	198,000	100.00%	December 31, 2015	6,063.03	Yes	No
To supplement the circulating fund	No	125,000	125,000	0	121,537	97.23%	December 31, 2015		Yes	No
To supplement the circulating fund (Corporate bonds)	No	100,000	100,000	33.71	100,000	100.00%			Yes	No
Project of Production Line for the 8.5th-Generation CF for TFT-LCD	No	695,000	695,000	11,074.78	11,074.78	1.59%	June 30, 2019		not applicable	No
Subtotal of Committed investment projects	--	2,091,106.4	2,091,106.4	36,371.47	1,093,841.36	--	--	19,583.26	--	--
Investment of excessive raised capital										
Nil										
Total	--	2,091,106.4	2,091,106.4	36,371.47	1,093,841.36	--	--	19,583.26	--	--
Reason or situation that not on schedule (on specific project)	Wuhu Optoelectronic panel display glass substrate production-line project will be constructed, input and realize the profits per stage; the overall input by the end of the project is not applicable; G5 TFT-LCD CF production lines are not applicable for partial under-construction production lines; G8.5 TFT-LCD glass substrate production lines are not applicable for partial under-construction production lines.									
Notes to major changes in project feasibility	Nil									
Amount, application and application progress of the unbooked proceeds	Not applicable									
About the change of the implementation site of the projects invested with the proceeds	Not applicable									
Adjustment of the implementation way of investment funded by	Not applicable									

raised capital	
Investment projects initial investment and replacement	Applicable
	<p>(1) On April 17, 2013, The 36th Meeting of the sixth Board of Directors of the Company has examined and approved the “Proposal on the Replacement of the Self-financing Funds pre-put into Investment Project with the RAISED Funds”, and agreed the company to make arrangement for the funds-raising on the replacement of the pre-investment based on the plan of non-public issuance of stocks, with the pre-invested self-financing funds of RMB 2,077,426,324.50 replaced by the raised funds. The company’s independent directors, board of supervisors and the sponsor institution-Guangzhou securities issued the clear statement of consent. A special audit report- No.5002-Zhongxin Cai Guan Hua specially Certified (2013) pertain to the item of replacing the funds pre-invested in the project which should be invested by the funds raised was issued by Zhongxincai Guanhua Certified Public Accountants (LLP).</p> <p>(2) On December 29, 2015, the 46th meeting of the 7th board of directors and the 18th meeting of the 7th board of supervisors of the Company examined and adopted “Proposal on Using the Raised Fund to Replace the Self-raised Fund of the Advanced Invested Item to Raise Money for and Invest”, The company replaced the self-raising funds in amount of RMB 107,084,200 with the funds raised by the non-public issuing pertain to the relevant projects, which had been audited and certified by Zhongxincai Guanhua Certified Public Accountants (special general partnership) with the report of No.5037 Zhongxincai Guanhua specially Certified (2015) provided.</p> <p>(3) On January 25, 2017, the 9th meeting of the 8th board of directors of the Company examined and adopted “Proposal on Using the Raised Fund to Replace the Self-raised Fund of the Advanced Invested Item to Raise Money for and Invest”, The company replaced the self-raising funds in amount of RMB 110.7478 million with the funds raised by the non-public issuing pertain to the relevant projects, which had been audited and certified by Zhongxincai Guanhua Certified Public Accountants (special general partnership) with the report of No.105001 Zhongxincai Guanhua specially Certified (2017) provided.</p>
	Applicable
About the initial investment in the projects planned to be invested with the proceeds and the replacement	<p>(1) On May 29, 2015, the 37th Meeting of the 7th Board of Directors of the company deliberated and approved Proposal of Using Partial Idle Raised Fund to Supplement Circulating Fund, which agreed the company to use the idle raised fund valuing 250 million yuan (taking 5.04% of the actual net raised fund) to temporarily supplement the circulating fund of the company. Service life lasts for 12 months since the approval date by the Board of Directors. The company will return to the special account for fund-raising in time when the fund used to supplement the circulation is due. The raised fund above was already refunded on May 26, 2016 and deposited in the special account for the company raising fund. (2) The company convoked the 8th meeting of the 8th Board of Directors on December 9, 2016, agreed through deliberation that the idle 3000 million yuan (43.17% of the actual-raised net fund) among 6950 million yuan raising fund for “G8.5 TFT-LCD glass substrate production lines project” would be used to supplement the company working capital temporarily for not less than 12 months from the approval date by Board of Directors, upon which, such amount would be refunded to the special account for the raising fund.</p>
Using the idle proceeds to supplement the working capital on	Not applicable

temporary basis	
About application and status of the proceeds unused	Used for the construction of the project
Problems existing in application of the proceeds and the information disclosure or other issues	Nil

(3) Changes of raised funds projects

Applicable Not applicable

There is no change in raised funds in company reporting period.

VI. Significant Asset and Right Offering

1.Situation of Significant Asset Sale

Applicable Not applicable

Nil

2.Situation of Substantial Stake Sale

Applicable Not applicable

VII. Analysis of the Main Share Holding Companies and Share Participating Companies

Applicable Not applicable

Situation of Main Subsidiaries and the Joint-stock Company with over 10% net profit influencing to the Company

In RMB

Company Name	Company type	Sectors engaged in	Registered capital	Total assets	Net assets	Turnover	Operating profit	Net Profit
Hebei Xubao Construction Installation Engineering Co., Ltd.	Subsidiary	Construction Installation	100,000,000.00	134,636,097.87	124,718,269.06	628,097.23	-1,171,356.71	-1,148,056.54
Shijiazhuang Baoshi Color Bulb Co., Ltd..	Subsidiary	Color bulb.	540,680,000.00	184,226,939.94	88,577,329.95		-5,450,146.44	-5,450,146.44
Wuhu Dongxu Optoelectronic Equipment	Subsidiary	Equipment and Technology	98,000,000.00	8,382,879,421.29	1,986,445,961.33	3,324,620,483.37	1,002,180,830.37	1,091,144,746.84

Technology Co., Ltd		serves						
Wuhu Dongxu Optoelectronic Technology Co., Ltd.	Subsidiary	Photoelectric display glass substrate industry investment	2,000,000.00	11,660,440.918.56	5,453,990,254.24	657,255,208.71	6,532,830.53	50,271,830.19
Wuhan Dongxu Optoelectronic Technology Co., Ltd	Subsidiary	Photoelectric display glass substrate industry investment	5,000,000.00	225,674.12	-10,934,269.70		-14,815,690.86	-14,815,692.17
Sichuan Ruiyi Construction Engineering Co., Ltd.	Subsidiary	Construction Installation	100,000,000.00	3,467,084,777.11	1,098,605,420.62	1,183,752,400.10	15,901,698.99	11,888,064.26
Beijing Xufeng Real estate Co., Ltd.	Subsidiary	Real estate Development and sales	870,000,000.00	2,501,130,758.96	461,862,482.61	141,105.00	-4,654,628.91	-6,214,762.21
Dongxu (Kunshan) Display Material Co., Ltd.	Subsidiary	Sales of optoelectronic devices and other electronic devices	500,000,000.00	533,837,616.13	498,578,230.13		-1,441,439.75	-1,416,584.10
Jiangsu Jixing New Material Co., Ltd.	Subsidiary	Sapphire material	392,000,000.00	614,839,260.16	456,983,077.23	570,400,891.46	59,091,537.12	58,154,261.18
Beijing Xutan New Material Technology Co., Ltd.	Subsidiary	Technology Development	15,000,000.00	9,070,282.15	8,474,382.35	143,846.17	-5,916,674.86	-5,916,674.85
Beijing Dongxu Huaqing Investment Co., Ltd.	Subsidiary	Project investment	5,000,000.00	103,393,929.11	103,334,616.56		-1,665,730.93	-1,665,768.44
Beijing Dongxu Huaqing Investment Co., Ltd.	Subsidiary	Project investment	1,650,000.00	4,495,774,510.06	1,893,813,978.39	905,520,209.95	95,937,691.09	95,509,796.29

ShijiazhuangXuxin Optoelectronic Technology Co., Ltd.	Subsidiary	Photoelectric Display glass substrate industry investment	1,906,000.00	3,434,997,815.33	2,039,458,312.55	411,308,292.16	72,782,314.26	72,889,702.63
Fuzhou Dongxu Optoelectronic Technology Co., Ltd.	Subsidiary	Photoelectric Display glass substrate industry investment	10,000,000.00	568,342,304.81	19,434,817.73		-1,416,278.35	-1,465,182.27
Xuyou Electronic Material Technolog (Wuxi) Co., Ltd.	Subsidiary	Development, Production and processing of polaroid	JPY 18150 million	735,474,481.63	734,024,498.25		-14,621,054.08	-14,621,054.08
Shenzhen Xuhui Investment Co., Ltd.	Subsidiary	Investment Management	100,000,000.00	19,503,861.30	19,477,972.01		-521,976.43	-522,027.99
Shanghai Tanyuan Huigu New Material Technology Co., Ltd.	Subsidiary	Technology and development	60,000,000.00	99,347,781.26	83,717,867.80	1,232,676.31	-5,966,123.09	5,462,193.69

Acquirement and disposal of subsidiaries in the Reporting period

√ Applicable □ Not applicable

Name	Mode	Influence
Shanghai Tanyuan Huigu New Material Technology Co., Ltd.	Acquisition	Increase profit
Shenzhen Xinyingtong Technology Co., Ltd.	Acquisition	Increase profit
Taizhou Dongxu Graphene Industry Investment Fund Management Center(Limited Partnership)	New establishment	Under construction period
Fuzhou Dongxu Investment Development Co., Ltd.	New establishment	Under construction period
Shenzhen Xuhui Investment Holding Co.,Ltd.	New establishment	Under construction period

Fuzhou Xufu Optoelectronic Technology Co., Ltd.	New establishment	Under construction period
Taizhou Tanyuan Huigu New Energy Technology Co., Ltd.	New establishment	Under construction period
Xiamen Xuqi Investment Management Co., Ltd.	New establishment	Under construction period
Sichuan Ruiyi Environment Engineering Co., Ltd.	New establishment	Under construction period
Sichuan Dongxu Ruiyi Survey and Design Co., Ltd.	New establishment	Under construction period
Sichuan Dongxu Ruiyi Trade Co., Ltd.	New establishment	Under construction period
Sichuan Dongxu Ruiyi Enterprise Management Co., Ltd.	New establishment	Under construction period
Xuyou Electronic Material Technology(Wuxi) Co., Ltd.	New establishment	Under construction period
Fuzhou Xuyou Electronic Material Technology(Co., Ltd.	New establishment	Under construction period
Sichuan Dongxu Prosperity ConstructionDevelopment Co., Ltd.	New establishment	Under construction period

Notes

VIII. Special purpose vehicle controlled by the Company

Applicable Not applicable

IX. Prospect for future development of the Company

1. The Development Trend of the Industry

The LC glass substrate industry is the typical technology-intensive and capital-intensive industry characterized with large investment scale, high technical barriers and complicated product process, etc. At present, there are only several enterprises grasping the whole-set production technologies for the panel display glass substrate, which is Corning of the USA, Japanese Asahi Glass Co., Ltd. and NEG, AvenStrate Taiwan Inc. and Tunghsu Group in Mainland etc., and forms the oligopoly structure in the glass substrate industry worldwide and the first four LC glass substrate manufacturers High occupancy of the global market share.

China is the country with the fastest development of the panel display industry worldwide, the global panel capacity transfers to the Mainland China in acceleration and the panel manufacturers have strong demands on the downstream key raw materials including LC glass substrate, polaroid and CF, etc. The self-sufficiency rate for the display materials in Mainland China is extremely low due to the monopolization of TFT-LCD industrial core raw materials by the USA, Japan and South Korea. The domestic companies break through the technical blockade through the independent research and development and bring about the huge import substitution market space for

the display materials field.

II. Development strategy of the company

Within 3-5 years in the future, the company will grasp firmly the important opportunity of the panel display industry support by the state, aim at "building the optoelectronic industry flagship in China", follow the talents-based, technology-based and independent development road and strengthen the comprehensive competition and sustainable development capacity. To realize the "brand internationalization" through refining, professionalizing, strengthening and enlarging the existed enterprises, make Dongxu Optoelectronic become the world-class LC display materials supplier and strengthen the company industrial position in the LC display industry at home.

The company will give full play to advantages of the technology, scale and client resources, strengthen the glass substrate main business through continuously building and completing the remaining production lines for the G6 TFT-LCD glass substrate production line project with number of 10 as well as investing and building 3 G8.5 TFT-LCD glass substrate production lines, etc. and stabilize the industrial leading position at home; simultaneously, speed up the optoelectronic display upstream key materials layout through injecting assets for the collocation high-alumina cover glass, investing and building G5 TFT-LCD using CF and wide polaroid, etc., enrich the product system continuously and highlight sufficiently the optoelectronic industry synergy effects; otherwise, the company will strengthen the core advantages of the set-equipment and technical service, expand the high-end intelligent equipment business especially 3C equipment business and finally become the important optoelectronic display flagship enterprise globally.

As the early substrate and materials investment enters into the harvesting period, the company will give full play to the industrial synergy of large manufacturing industry, focus on the business layout of the new-energy auto field based on the technical breakthrough in the graphene and graphene lithium ion cell fields, strive to build one closed industrial chain for "Graphene material - graphene coated lithium iron phosphate cathode material - graphene lithium-ion battery - new energy automotive industry chain closed loop" and create the condition for the company entering into the blue ocean market, which will drive the rapid increase of the performance.

III. Business plan in 2017

In 2017, the company continues the orientation of development strategy and goal of "Market Exploring, Cost Optimizing and Profit Increasing". Detailed tasks are as follows:

1. Accelerate the construction and production of G6 LCD substrate glass, G8.5 LCD substrate glass, color filter and polarizer film and closely meet demands of downstream panel maker, so impressive profit can be achieved by prior large-scale industry investment.

2. Improve qualified product's rate of LCD substrate glass conscientiously and reduce production cost effectively by constant research and development and technological reform. Meanwhile, enhance the research and development of ultrathin glass products and LTPS glass technology.

3. Implement cooperation agreement and investment projects of graphene signed in early stage gradually and seek excellent contract objects in business circles energetically and push the industrialization of graphene's related products in order to improve the renown and discourse power of the company in business circles.

4. Propel actively the company shares issuing, cash payment for purchase of assets and raising the supporting funds and push rapid development of industry by assets, which is a new profit way for the company.

5. By the brand advantage, improve the market exploring of all businesses in the company and push LCD

materials, high-end devices and installation of instruction to realize the steady increase of income and profit.

IV. Possible risks

1. Macro economy's periodic fluctuation

Substrate glass industry's downstream industry is TFT-LCD panel industry, a periodic one. TFT-LCD substrate glass products are mainly used in production of TFT-LCD panel, so fluctuation of TFT-LCD panel industry directly influences the development of substrate glass industry.

2. Uncertainty of expected performance of LCD substrate glass project

The company's substrate glass production line project is invested by a large fund and is constructed for a long run. It may run into industrial risk of substrate glass, failure of mass production of substrate glass production line project of the company or sales income and profit of substrate glass lower than expectation.

3. Substitution of technological upgrading

The company continues research and development and technological reserve and makes breakthrough in fields. However, in case important technological change happens in its downstream panel LCD industry and the company fails to realize technological innovation in time, the company faces substitution of technological upgrading to a certain extent.

X. Particulars about researches, visits and interviews received in this reporting period

1. Particulars about researches, visits and interviews received in this reporting period

Applicable Not applicable

Reception time	Way of reception	Types of visitors	Basic index
February 18,2016	By Phone	Organization	Details are disclosed in the investor relationship event record on CNINFO On February 19,2016
March 10,2016	Onsite investigation	Organization	Details are disclosed in the investor relationship event record on CNINFO On March 10,2016
September 8,2016	Onsite investigation	Organization	Details are disclosed in the investor relationship event record on CNINFO On September 9,2016
January 1,2016	By Phone	Individual	Company telephone records
Reception times			1,603
Reception agency amount			21
Reception personal number			1,600
Others			0
Whether to disclose, reveal or disclose non-public material information		No	

V. Important Events

I. Specification of profit distribution of common shares and capitalizing of common reserves

Formulation, implementation and adjustment of profit distribution policy of common shares especially cash dividend policy during the reporting period

Applicable Not applicable

According to the Company Law, Further Implementation of the Cash Dividends of Listed Companies and The No.3 Regulatory Guidelines for Listed Companies released by China Securities Regulatory Commission, considering the sustainable development of the company based on comprehensively analyzing the characteristics of the industry, the company's operation strategy and planning, the shareholders' requirements and desires, as well as considering the company's current profitability and possible future profit scale, current cash flow, development stage, funds demand of the invested projects, bank credit and debt finance environment, the company further improved the cash dividend policy, that the Amendments of Articles of Association on the profit distribution policy and The Next Three-year Plan on Company Shareholder Returns (2015-2017) were approved in the 27th meeting of the Seventh Board of Directors on Jan 27, 2015 and 2015 First Extraordinary General Meeting on Mar 18, 2015. The revised profit distribution policy shall increase the transparency of the profit distribution, better protect the rights of the public investors and elevate the company's operation level.

Within the report period, the company profit distribution program would be subject to the Articles of Association and the Future 3-year Planning for Shareholders Returns of Dongxu Optoelectronic Technology Co., Ltd.(2015-2017) strictly, through which, the bonus standards and proportion were definite and clear, relevant decision-making procedures and mechanisms were complete, the independent shareholders fulfilled their duties and played a proper role and the medium and small shareholder had opportunities to express opinions and appeals with practical safeguard of the legal rights and interests thereof.

Special cash dividend policy description	
Whether meets the requirements of the provisions of the articles of association or shareholders' meeting resolutions:	Yes
Whether dividends standard and proportion are clear	Yes
Whether decision making and supervision mechanism for profit distribution are completed	Yes
Whether independent directors perform their duties responsibly and play its due role:	Yes
Whether the Minority shareholders have adequate opportunity to express their views and aspirations and Their legitimate rights and interests have been fully protected	Yes
Whether the Cash dividend policy to adjust or change the conditions and procedures are compliant and transparent	Yes

The profit distribution preplan or proposal and the preplan or proposal of conversion of the capital reserve into share capital in the past three years(with the reporting period inclusive):

In 2014, the company total share capital of 2,662,080,001 shares on December 31, 2014 as base to undistributed profits to all shareholders for every 10 shares of cash dividends CNY 1,0 (including tax). there was no turning of capital reserve into share capital.

In 2015, the company total share of 3,835,000,526 shares on January 1, 2016 for base on the Company's total share capital, the Company would distribute cash dividend to all the shareholders at the rate of CNY 0.70 For every 10 shares(including tax) , 0 bonus shares (including tax) and no reserve would be converted into share capital.

In 2016, the company total share of 4,939,928,983 shares on December 31, 2016 for base on the Company's total share capital, the Company would distribute cash dividend to all the shareholders at the rate of CNY 0.70 For every 10 shares(including tax) , and no reserve would be converted into share capital.

Dividend distribution of the latest three years

In RMB

Year	Cash dividend (Including Tax)	Net profit attributable to the over of the parent company in the consolidated financial statements	Ratio in net profit attributable to the parent company in the consolidated financial statements	Amount of cash dividends from cash offer to repurchase shares of the funds	Proportion of cash dividends from cash offer to repurchase shares of the funds
2016	345,795,028.81	1,239,928,899.40	27.89%	0.00	0.00%
2015	268,450,036.82	1,326,233,674.37	20.24%	0.00	0.00%
2014	266,208,000.10	468,902,701.44	56.77%	0.00	0.00%

In the reporting period, both the Company's profit and the parent company's retained earnings were positive however not cash dividend distribution proposal has been put forward.

Applicable Not applicable

II. Profit distribution plan and capitalizing of common reserves plan for the Period

Applicable Not applicable

Bonus shares for every ten shares(Shares)	0
Cash dividend for every ten shares (Yuan)(Tax-included)	0.70
Distribute additional (shares)for 10 shares	0
A total number of shares as the distribution basis(shares)	4,939,928,983
Total cash dividend (Yuan)(Tax-included)	345,795,028.81
Profit dividend (Yuan)	696,998,223.03
Proportion of cash dividend in the distributable profit (%)	100.00%
Cash dividend distribution policy	

When the development stage of the company is a growth period and there is a significant capital expenditure arrangement, that in the profit distribution, cash dividend shall not be less than 20% in proportion.

Details of profit distribution or reserve capitalization plan

III. Commitments to fulfill the situation

1.The fulfilled commitments in the reporting period and under-fulfillment commitments by the end of the reporting period made by the company, shareholder, actual controller, acquirer, director, supervisor, senior management personnel and other related parities.

√ Applicable □ Not applicable

Commitment	Commitment maker	Type	Contents	Time of making commitment	Peiod of commitment	Fulfillment
Commitment on share reform	Shijiazhuang Baoshi Electronics Group Co., Ltd	Share reduction commitment	If listed companies plans to sell tradable stocks through the bid trading system of Shenzhen Stock Exchange and sell greater than 5% of shares within six months after the first sales, will disclose the contents specified by the Form Guide to Prompt Announcement of Removing Restriction on Sales of Non-tradable Stocks of Listed Companies through the prompt announcement of disclosing sales of listed companies.	March 29,2007	Long-term effective	Under Fulfillment
Commitment in the acquisition report or the report on equity changes						
Commitment made upon the assets replacement						
Commitments made upon issuance	Li Zhaoting	Commitments on horizontal competition, related transaction and capital occupation	1.From the date of commitment letter issued, except the managed hosting company for Dongxue Optoelectronic , this company and majority-owned subsidiaries do not in any way, directly or indirectly engaged in business and Dongxue Optoelectronic and its subsidiaries are the same, or similar, future Dongxue Optoelectronic shares	December 22, 2011	Long-term effective	Under Fulfillment

			and its subsidiaries are not engaged in the same or similar businesses.			
	Dongxu Optoelectronic Investment Co., Ltd., Shijiazhuang Baoshi Electronics Group Co., Ltd.Dongxu Group,	Commitments on horizontal competition, related transaction and capital occupation	<p>1.From the date of commitment letter issued, except the managed hosting company for Dongxue Optoelectronic , this company and majority-owned subsidiaries do not in any way, directly or indirectly engaged in business and Dongxue Optoelectronic and its subsidiaries are the same, or similar, future Dongxue Optoelectronic shares and its subsidiaries are not engaged in the same or similar businesses.</p> <p>2.The company assurances against the use of precious stones share any act prejudicial to the control relationship of Dongxu Optoelectronic interests and its wholly-owned subsidiaries, holding, or causing Dongxue Optoelectronic shares and its wholly-owned subsidiaries, holding form business competition decisions. 3. The company will not directly invest, purchase and Dongxu Optoelectronic identical or similar business enterprises and projects.</p> <p>4.If the assets owned by the Dongxu Optoelectronic . compete with , the company will adopt effective measures and give up the same business. 5. If the company has horizontal competition with Dongxu Optoelectronic and lead to lose to it, the company will bear all the responsibilities.</p> <p>6. Before December 31, 2015, by way of designated placement, the company will transfer all the shares that Dongxu Optoelectronic Investment, entrusted to Zhengzhou Xufei company and all the shares that are entrusted to Baoshi Group, to Dongxu Optoelectronics; Before December 31, 2016, by way of designated placement, the company will transfer all the shares that Dongxu Group entrusted to Dongxu Yingkou</p>	April 1, 2012	Long-term effective	Under Fulfillment

			and Sichuan Xuhong to Dongxun Optoelectronics. Within the time limit mentioned above, if there were the external factors such as a depression of industry as a whole, or the changes in regulatory requirements, which lead to the result that the shares of hosting company can not meet the requirements of capital investment, Li Zhaoting, the actual controller, Dongxun Optoelectronic Investment, Dongxun Group and Baoshi Group as well as the company will actively negotiate with related parties, continue to entrust the above mentioned shares and the power of management to Dongxun Optoelectronics. Within the period when the company is still the controlling shareholder of Dongxun Optoelectronics, the commitments are in effect.			
	Dongxun Group	Share limited commitment	Dongxun Group Co., Ltd. subscribed for 25.01% of the shares privately issued by the Company and promised that the period of sale restriction of such shares was 36 months from the first day of listing.	April 18, 2013	Valid period to April 18, 2016	Under Fulfillment
	Dongxun Group	Other commitment	In view of: The main business of Dongxun Optoelectronic is the production of TFT-LCD glass substrate, and the company now is applying for non-public offering of bonds (2) Dongxun Group is the controlling shareholder of Dongxun Optoelectronic; and during the period of holding, Dongxun Group has signed patent license contracts separately with Dongxun Optoelectronic and its subsidiaries including Wuhu Dongxun Optoelectronic Science and Technology Co., Ltd. (hereinafter referred to as Wuhu Optoelectronic), Wuhu Dongxun Optoelectronic Equipment Technology	February 8, 2015	Valid for 5 years	Under Fulfillment

			<p>Co., Ltd. (hereinafter referred to as Wuhu Equipment) and Shijiazhuang Dongxu Optoelectronic Equipment Technology Co., Ltd. (hereinafter referred to as Shijiazhuang Equipment).</p> <p>For this purpose, Dongxu Group has made following promises: Any patents related to panel display glass substrate not included in the aforesaid Contract on the Licensing of Patent Exploitation obtained by Dongxu group in the future, Dongxu group shall sign a free contract of licensing the new pertinent patents with the company and the company's subsidiaries (Wuhu Optoelectronic Technology Co.,Ltd, Wuhu Equipment Company and Shijiazhuang Equipment Company) with the same articles of the former patent licensing contract. After the company successfully completed the issuance of corporate bonds, whether Dongxu group control the company during the duration of the bonds, Dongxu group shall renew the patent licensing contract unreserved with the company and the company's subsidiaries (Wuhu Optoelectronic Technology Co.,Ltd, Wuhu Equipment Company and Shijiazhuang Equipment Company) under the company's requirement until the bonds expired.</p>			
	Dongxu Optoelectronic Technology Co., Ltd.	To raise funds to use the commitment	<p>In view of: Dongxu Optoelectronic Technology Co., Ltd. is applying for public offering of corporate bonds, and the total scale of bonds will not exceed 1 billion yuan. After the deduction of issue expenses, all the funds raised are planed to be used to supplement the liquidity and support the R&D, production and material purchase of glass substrate and the equipment. Thus, the demands of business operation and expansion in the company will be satisfied. The company promises: 1. The</p>	February 10, 2015	Valid period to December 31,2016	Under Fulfillment

			<p>funds raised through the public offering of corporate bonds will not be directly or indirectly invested in real estate development business, or used to increase the capital fund or as loans in subsidiaries engaged in real estate business; 2. the funds raised through the public offering of corporate bonds will not be used for real estate development business in any form.</p>			
	Baosi Group	Performance compensation commitment	<p>Dongxu investment/Baoshi group promised the net profit level of the next three years and profit compensation scheme in respective to Xufei Optoelectronic Technology Co., Ltd and Xuxin Optoelectronic Technology Co., Ltd as follows: The Net profits after deducting non-recurring gain or loss that are attributable to Xufei Optoelectronic Technology Co., Ltd in year 2015, year 2016, year 2017, year 2018 shall accordingly be not less than RMB 36,669,800, RMB 84,562,800, RMB 156,531,100, RMB 225,405,200;</p> <p>The Net profits after deducting non-recurring gain or loss that are attributable to Xuxin Optoelectronic Technology Co., Ltd in year 2015, year 2016, year 2017, year 2018 shall accordingly be not less than RMB23,348,800, RMB55,420,500, RMB 86,627,700, RMB 158,345,000. If any year's actual net profits are less than the estimated profits as aforesaid within the compensation period, Dongxu investment/Baoshi group shall make up the difference in accordance with the aforesaid principles in cash to Dongxu Optoelectronic Technology Co., Ltd; If the actual net profits are not less than the estimated profits, there is no need for Dongxu investment / Baoshi group to carry out the compensation.</p>	March 2, 2015	Valid period to December 31, 2018	Under Fulfillment

			The compensation period includes the year contained the date on which the transaction completed and the subsequent two consecutive accounting years.			
	Dongxu Group	Other commitment	<p>In view of:</p> <p>(1) The main business of Dongxu Optoelectronic is the production of TFT-LCD glass substrate, and the company now is applying for non-public offering of stock; (2) Dongxu Group is the controlling shareholder of Dongxu Optoelectronic; and during the period of holding, Dongxu Group has signed patent license contracts separately with Dongxu Optoelectronic and its subsidiaries including Wuhu Dongxu Optoelectronic Science and Technology Co., Ltd. (hereinafter referred to as Wuhu Optoelectronic), Wuhu Dongxu Optoelectronic Equipment Technology Co., Ltd. (hereinafter referred to as Wuhu Equipment) and Shijiazhuang Dongxu Optoelectronic Equipment Technology Co., Ltd. (hereinafter referred to as Shijiazhuang Equipment).</p> <p>For this purpose, Dongxu Group has made following promises: within the term of validity involving patent right stated in patent license contracts, whether Dongxu Optoelectronic is in the control of Dongxu Group or not, Dongxu Group promises that when the above mentioned patent license contracts expire, the group will unconditionally renew the contracts with Dongxu Optoelectronic and its subsidiaries (Wuhu Optoelectronic, Wuhu Equipment, Shijiazhuang Equipment and etc) according to the terms of original contracts based on the requirements of Dongxu Optoelectronic.</p>	June 17, 2015	Long-term effective	Under Fulfillment

	Dongxu Group,Li Zhaoting	<p>To avoid the horizontal competition with the issuer, the company's actual controller-Zhaoting, Li and the holding company-Dongxu group promised: 1. As of this declaration and from the date of commitment letter issued, except the managed hosting companies, the other companies directly or indirectly controlled by the controller or holding company have no horizontal competitions with Dongxu Optoelectronic Technology Co., Ltd. 2. Any other companies controlled by the actual controller or holding company shall avoid businesses identical or similar to the company may lead to a competitive relation and cannot do any harm activities to Dongxu Optoelectronic Technology Co., Ltd and companies controlled by Dongxu Optoelectronic Technology Co., Ltd as long as there are no alterations of the actual controller and the holding company. Any businesses opportunities under the main business scope of Dongxu Optoelectronic Technology Co., Ltd and its controlled companies shall not take by the companies controlled by the actual controller or the holding company, and the business opportunities shall be given to Dongxu Optoelectronic Technology Co., Ltd and its controlled companies.3. As long as the actual controller and the holding company are the same, the actual controller and the holding company shall continue to strictly performance the relevant declarations and commitments of avoiding horizontal competition. If I (the company) violated the above commitment, I (the company) will bear all the losses of Dongxu Optoelectronic and its controlled enterprises arising from this.</p>	December 16, 2015	Long-term effective	Under Fulfillment
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	Dongxu Group	Other commitment	<p>In order to safeguard the the company's main business of TFT-LCD glass substrate production, the controlling shareholder-Dongxu Group Co. Ltd made a commitment valid in the period of the company's application for non-public share issuance: given (1) The main business of Dongxu Optoelectronic Technology Co., Ltd is TFT-LCD glass substrate production, and currently it is applying for non-public share issuance; (2) Dongxu Group, which is the controlling shareholder of Dongxu Optoelectronic, respectively signed Patent Licensing Contract with Dongxu Optoelectronic, Dongxu Optoelectronic's subsidiaries of Wuhu Dongxu Optoelectronic Technology Co., Ltd (hereinafter referred to as "Wuhu Optoelectronics"), Wuhu Dongxu Optoelectronic Equipment Technology Co., Ltd (hereinafter referred to as "Wuhu Equipment") and Shijiazhuang Dongxu Optoelectronic Equipment Technology Co., Ltd (hereinafter referred to as "Shijiazhuang Equipment") during the control period. Therefore, Dongxu Group made a commitment as follows: In the term of validity of the patents involved in the patent licensing contract, whether Dongxu Group controls Dongxu Optoelectronic or not, after the commitment of the above-said Patent Licensing Contract expired, Dongxu Group will, according to the requirements by Dongxu Optoelectronic, unconditionally renew Patent Licensing Contract with Dongxu Optoelectronic and Dongxu Optoelectronic's subsidiaries (Wuhu Optoelectronics, Wuhu Equipment and Shijiazhuang Equipment) according to the original contract terms.</p>	December 16,2015	Valid period to December 31,2030	Under Fulfillment
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	Dongxu Group;Changjiang Securities (Shanghai)Asset Management Co., Ltd.;Kunshan Development Zone State Investment Co., Ltd.;Beijing Yingfei Hailin Investment Center (Limited partnership).	Share limited commitment	The company, one of the subscription objects, promised that after Dongxu Optoelectronic Technology Co., Ltd completed the non public issuance of shares to the company and specific objects for raising funds, the shares (New shares) issued by Dongxu Optoelectronic Technology Co., Ltd and subscribed by the company shall not be transferred to any others in 36 months commenced from the publicly listed date of the new shares. As a result of the issuance of new shares by the Company to the Company, the shareholding of Dongxu Optoelectronic Co., Ltd. by Dongxu Optoelectronic Co., Ltd. will also be subject to the above commitments.	December 16, 2015	Valid period to December 16, 2016	Under Fulfillment
	Guangzhou Securities Co., Ltd., Huaan Future Asset Management (Shanghai) Co., Ltd.;Minsheng Bank Fund Management Co., Ltd.;Boshi Assets Management Co., Ltd.	Share limited commitment	It was promised that after Dongxu Optoelectronic Technology Co., Ltd completed the non public issuance of shares to the company and specific objects for raising funds, the new shares subscribed by the company shall not be transferred to any others in 12 months commenced from the publicly listed date of the new shares.	December 16, 2015	Valid period to December 16, 2016	Fulfill
	Dongxu Group, Li Zhaoting	Other Commitment	Not act in excess of authority to interfere the company's management and operating activities, not encroach on the interests of the company.	February 6, 2016	Valid period to December 31, 2019	Under Fulfillment
	Li Zhaoting, Zhou Bo, Niu Jianlin, Gong Xin, Lu Guihua, Mu Tiehu, Zhang Shuangcai, Shi Zhiqiang, Liu Wentai, Xiao Zhaoxiong and	Other Commitment	(a) Promised that not freely or unfairly transfer interests to other units or individuals, nor adopt other ways to jeopardize the company's interests. (b) Promised that restrict the post consumer behaviors of the directors and senior management personnel. (c) Promised that not use the company's assets to engage in the investment & consuming	February 6, 2016	Valid period to December 31, 2019	Under Fulfillment

	Zhou Bo		<p>activities which are irrelevant to perform the duties. (d) Promised that the salary system set up by the board of directors or the Remuneration Committee is relevant to the implementation status of the company's fill-up return measures. (e) Promised that the vesting conditions of the company's equity incentive are relevant to the implementation status of the company's fill-up return measures. (f) Promised the full implementation of the relevant fill-up return measures established by the company and any commitment related to the fill-up return measures, if such commitment is breached and resulted in losses to the company or the investors, the concerning party shall take the responsibility for compensating the company or the investors according to the law. As one of the relevant responsibility bodies of the fill-up return measures, if the oneself breaches the above-said commitments or refuse to fulfill the above-said commitments, the oneself agrees the punishments or relevant supervise measures carried out in accordance with the regulations and rules issued or enacted by CSRC, Shenzhen Stock Exchange and other securities regulatory organizations.</p>			
	China Life AMP Asset Management Co., Ltd.; Nuoan Fund Management Co., Ltd.; Penghua Fund Management Co., Ltd.; Qianhai Equity Investment Fund (LP); Sws Mu Fund Management Co.,	Share limited commitment	<p>The subscription of this issue a total of nine, namely Qianhai Equity Investment Fund (LP); AEGON-Industrial Fund, Shenzhen Taianer Information Technology Co., Ltd., Penghua Fund Management Co., Ltd.; China Fund Management Co., Ltd., China Life AMP Asset Management Co., Ltd., Nuoan Fund Management Co., Ltd., Zhongou STAS Asset Management(Shanghai)Co., Ltd. And Sws Mu Fund Management Co.,</p>	August 26, 2016	Valid period to August 25, 2017	Under Fulfillment

	Ltd.; Shenzhen Taianer Information Technology Co., Ltd.; AEGON-Industrial Fund.; Zhongou STAS Asset Management(Shanghai)Co., Ltd.; CITIC Fund Management Co., Ltd..		Ltd.The aforesaid issuer has issued the following commitments on the non-public issue of shares: The allocated shares shall not be transferred within 12 months from the date of listing of the new shares and apply for new shares in the new shares within 12 months Increase the shares to lock.			
	Dongxu Group	Commitments on horizontal competition, related transaction and capital occupation	Before December 31, 2017, the whole stake of Dongxu Yingkou and Sichuan Xu Hong-which is held by Dongxu Group and it's commissioned to the company for management-will be injected into Dongxu Optoelectronic by the way of directional add-share-issuance. In the above period, if any other external factors such as the decline of overall industry boom and changes of regulatory requirements led to the trusteeship company's stake not meeting the conditions of asset injection, then the actual controller Li Zhaoting, Dongxu Optoelectronic Investment, Dongxu Group and Baoshi Group will actively consult with the relevant parties to keep the above-mentioned stake to be continuously commissioned to Dongxu Optoelectronic for management.	December 9,2016	Valid period to December 31,2017	Under Fulfillment
Equity incentive commitment						
Other commitments made to minority shareholders	Jixing New Material Investment (HK) Co., Ltd. ; Wang Lubao	Performance commitment and compensation arrangement	Jixing New Material Investment (HK) Co., Ltd. and Lubao, Wang (The legal representative of the company (HK)) jointly promised that the net profits after tax attributable to Jixing New Material Investment Co., Ltd in year 2015, year	January 20, 2015	Long-term effective	Under Fulfillment

		s	2016, year 2017 shall accordingly be not less than RMB30, 000,000, RMB60,000,000, RMB 100,000,000. If the net profits attributable to Jixing New Material Investment Co., Ltd after audited in any year of year 2015, year 2016 and year 2017 are less than the promised net profits, the difference shall be compensated by Jixing New Material Investment (HK) Co., Ltd. and Lubao, Wang in cash.			
	Dongxu Group	Share holdings commitment	The holding company-Dongxu group and its controlled subsidiaries have planned to buy the company's shares in the transaction market (i.e secondary market) via Trading System of the Shenzhen Stock Exchange with the total amount no more than RMB 100 million in six months commenced from the date of the announcement (Jul 11, 2015). Dongxu group promised that it will not reduce its stake in six months subsequently. In light of Dongxu Optoelectronic Technology Co., Ltd planned to release its 2015 annual report on Feb 6, 2016, and the impact of the window period for regular reports, the company's controlling shareholder plans to extend three months for the plan of buying shares, beyond that, any other commitments unchanged.	July 11, 2015	Valid period to April 11,2018	Under Fulfillment
	Guo Shouwu, Ma Shengjie, Wu Haixia , Shen Wenzhuo and Shen Li	Performance commitment and compensation arrangements	To ensure Dongxu Optoelectronic Technology Co., Ltd realizing expected benefits on the M&A of Shanghai Tanyuan Huigu New Materials Technology Co., Ltd, the promisee voluntarily promised the profits of Shanghai Tanyuan Huigu New Materials Technology Co., Ltd for the next three years as follows: (a) Business performance commitment: the net profits of Shanghai Tanyuan Huigu New Materials Technology Co., Ltd in year-2016, year-2017, year-2018 shall	March 8,2016	Valid period to December 31,2019	Under Fulfillment

			accordingly not be less than RMB 5 million, RMB 10 million, RMB 20 million. (b) Compensation mode: if the net profits of Shanghai Tanyuan Huigu New Materials Technology Co., Ltd in year-2016, year-2017, year-2018 accordingly do not reach the promised net profits, the promised party shall fully compensate the difference by cash.			
Executed timely or not?	Yes					

2.The existence of the company's assets or projects earnings forecasts and earnings reporting period is still in the forecast period, the company has assets or projects meet the original profit forecast made and the reasons explained

Applicable Not applicable

Asset or Project Name of Earnings Forecast	Start date of the forecasting period	End date of the forecasting period	Forecast earnings	Actual earnings	Reason for less than forecast	Disclosure date of the Forecast	Reference for the Forecast
Zhengzhou Xufei Optoelectronic Technology Co., Ltd.	January 1, 2016	December 31, 2016	8,456.28	8,499.07	Completed	March 2, 2015	Pre-program for Private-offering A Shares of Dongxu Optoelectronic Technology Co., Ltd. in 2015 (revised version) as published on cninfo.com.cn
Shijiazhuang Xuxin Optoelectronic Technology Co., Ltd.	January 1, 2016	December 31, 2016	5,542.05	6,063.03	Completed	March 2, 2015	Pre-program for Private-offering A Shares of Dongxu Optoelectronic Technology Co., Ltd. in 2015 (revised version) as published on cninfo.com.cn
Jiangsu Jixing New Material Co., Ltd.	January 1, 2016	December 31, 2016	6,000	6,174.7	Completed	March 2,2015	Disclosed on cinfo.com.cn.(2015-004)
Shanghai Tanyuan Huigu New Material Technology Co., Ltd.	March 1,2016	December 31,2016	500	546.22	Completed	March 9,2016	Disclosed on cinfo.com.cn.(2016-030)

The commitments of the operating earnings made by the company's shareholder and relevant transaction parties

Applicable Not applicable

IV. Particulars about the non-operating occupation of funds by the controlling shareholder

Applicable Not applicable

Nil

V. Explanation of the Supervisory Committee and Independent Directors (If applicable) on the Qualified Auditor's Report Issued by the CPAs.

Applicable Not applicable

VI. Explain change of the accounting policy, accounting estimate and measurement methods as compared with the financial reporting of last year.

Applicable Not applicable

Nil

VII. Explain retrospective restatement due to correction of significant accounting errors in the reporting period

Applicable Not applicable

Nil

VIII. Explain change of the consolidation scope as compared with the financial reporting of last year.

Applicable Not Applicable

1. Enterprise consolidation not under the same control

(1) Enterprise consolidation not under the same control in reporting period

In RMB'0000

Name of Acquirer	Time-point of Obtained Equity	Obtained Cost of Equity	Ratio of Obtained Equity (100%)	Method of Obtained Equity	Purchasing Date	Determination Basis on the Purchasing Date	Income of Acquire from the Purchasing Date to the End of the Period	Net Profit of Acquire from the Purchasing Date to the End of the Period
Shanghai Tanyuan Huiyu New Material Technology Co., Ltd.	March 2016	7,345.45	50.50	Purchase and add share	March 31, 2016	Pay consideration and complete industrial and commercial change registration	123.27	546.22
Shenzhen Xinyingtong Technology Co.,	December 2016	2,310.00	70.00	Purchase	December 21, 2016	Pay consideration and complete industrial and commercial change	2,405.86	44.42

Ltd.						registration		
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Note: Shenzhen Xinyingtong Technology Co., Ltd. has the wholly-owned subsidiary Shenzhen Xingxinda Technology Co., Ltd.

2. Due to new subsidiaries set up in the current period

On March 17, 2016, Beijing Dongxun Huaqing Investment Co., Ltd as a general partner, Dongxun Optoelectronic Technology Co.,Ltd as a limited partner and Taizhou Golden Sun Energy Co., Ltd as a limited partner together set up Taizhou Dongxun Graphene Industry Investment Fund Management Center(Limited partnership). Such limited partnership company was incorporated in May 4, 2016, and the total amount of capital contribution agreed in the agreement was RMB 100million, but as of December 31,2016, the actual received amount of capital contribution was RMB 100 million. For the capital contribution, Taizhou Golden Sun Energy Co., Ltd subscribed the amount of capital contribution of RMB 75 million, Dongxun Optoelectronic Technology Co.,Ltd subscribed the amount of capital contribution of RMB 25 million.

On March 8, 2016, Wuhu Dongxun Optoelectronic Technology Co.,Ltd set up subsidiary Fuzhou Dongxun Investment Development Co., Ltd which the registered capital was RMB 10 million. On December 28, 2016, State Development Funds Co., Ltd. contributed 500 million yuan with shareholding ratio of 49.5%, Wuhu Dongxun Optoelectronic Technology Co., Ltd. paid in the registered capital of 500 million yuan with the shareholding ratio of 50.5% and the total registered capital increase for the company was 1010 million yuan with the paid-in capital of 500 million yuan by the end of the current period.

On March 31, 2016, Dongxun Optoelectronic Technology Co.,Ltd set up Shenzhen XuHui Investment Holdings Co.,Ltd, of which the registered capital was RMB 100 million and the paid-in capital was RMB 20 million.

On June 24, 2016, Fuzhou Dongxun Optoelectronic Technology Co.,Ltd and Dongxun Optoelectronic Technology Co.,Ltd together set up a new company of Fuzhou Xufu Optoelectronic Technology Co.,Ltd, of which the registered capital is RMB 65.40 million, among which, Fuzhou Dongxun Optoelectronic Technology Co.,Ltd shall contribute RMB 54.50 million, Dongxun Optoelectronic Technology Co.,Ltd shall contribute RMB 10.90 million, and the paid-in capital was RMB 65.40 million.

On July 19, 2016, Shanghai Tanyuan Huigu New Materials Technology Co., Ltd. Set up the wholly-owned subsidiary Taizhou Tanyuan Huigu New Energy Technology Co., Ltd with the registered capital of 150 million yuan and paid-in capital of 9.9 million yuan; Taizhou Tanyuan Huigu New Materials Technology Co., Ltd. was changed into Taizhou Xiwang New Energy Technology Co., Ltd. on September 6, 2016.

On July 27, 2016, Wuhu Dongxun Optoelectronic Equipment Technology Co., Ltd. invested and set up the wholly-owned subsidiary Xiamen Xuqi Investment Management Co., Ltd. with the registered capital of 10 million yuan and paid-in capital of 2.5 million yuan.

On October 17,2016, Sichuan Ruiyi Construction engineering Co., Ltd.invested and set up the wholly-owned subsidiary Sichuan Dongxun Ruiyi Environment Engineering Co., Ltd.with the registered capital of 10 million yuan and paid-in capital of 0.00 yuan.

On October 17,2016, Sichuan Ruiyi Construction engineering Co., Ltd.invested and set up the wholly-owned subsidiary Sichuan Dongxun Ruiyi Survey & Disign Co., Ltd. with the registered capital of 10 million yuan and paid-in capital of 0.00 yuan.

On October 18,2016, Sichuan Ruiyi Construction engineering Co., Ltd.invested and set up the wholly-owned subsidiary Sichuan Dongxun Ruiyi Trade Co., Ltd. with the registered capital of 10 million yuan and paid-in capital

of 0.00 yuan.

On October 18,2016, Sichuan Ruiyi Construction engineering Co., Ltd.invested and set up the wholly-owned subsidiary Sichuan Dongxu Ruiyi Enterprise Management Co., Ltd. with the registered capital of 10 million yuan and paid-in capital of 0.00 yuan.

On October 19, 2016, Dongxu Optoelectronic Technology Co., Ltd. set the subsidiary Xuyou Electronic Material Technology (Wuxi) Co., Ltd. together with Sumitomo Chemical, Dongwoo Fine-chem Co., Ltd. and TOMI International Co., Ltd. with the registered capital of 18.15 billion Yen and paid-in capital of 12.1 billion Yen (converted into 748.6546 million yuan based on the current rate upon registration), of which, the holding ratio is 51%, 17%, 30% and 2% respectively for Dongxu Optoelectronic Technology Co., Ltd., Sumitomo Chemical, Dongwoo Fine-chem Co., Ltd. and TOMI International Co., Ltd. As specified by the articles of association, the registered capital will be input by stage based on the company building and operation demands, among which, the first period contributed capital will be 35% of the contribution amount paid once within 30 days after the company registration and establishment and the remaining amount will be paid off within one year after the joint-venture company.

On December 2,2016, Xuyou Electronic Material Technology (Wuxi) Co., Ltd.invested and set up the wholly-owned subsidiary Fuzhou Xuyou Electronic Material Technology Co., Ltd. with the registered capital of 150 million yuan and paid-in capital of 5 million yuan.

On December 8, 2016, Sichuan Ruiyi Constructional Engineering Co., Ltd. and Sichuan Prosperity Building Engineering Co., Ltd. set jointly Sichuan Dongxu Prosperity Building Development Co., Ltd. with the registered capital of 30 million yuan and paid-in capital of 0 yuan, among which, Sichuan Ruiyi Constructional Engineering Co., Ltd. and Sichuan Prosperity Building Engineering Co., Ltd. paid in 21 million yuan 9 million yuan respectively.

IX. Engagement/Disengagement of CPAs

CPAs currently engaged

Name of the domestic CPAs	Hebei Guanghai Accounting Firms Co., Ltd.(Special General Partnership)
Remuneration for domestic accounting firm (RMB'0000)	158
Continuous life of auditing service for domestic accounting firm	5
Name of domestic CPA	Wang Fengqi, Meng Xiaoguang

Has the CPAs been changed in the current period

Yes No

CPAs firm for the internal control audit

applicable Not applicable

In this year, the Company Guangzhou Securities Co., Ltd. as the Company sponsor in reason of the matter of non-public issue, during which the Company paid RMB 0.37 million for the sponsor fee.

2. In this year, the Company hired Guangzhou Securities Co., Ltd. as the Company sponsor in reason of the matter of non-public issue, during which the Company paid RMB 19 million for the sponsor fee.

X. Situation of Facing Listing Suspension and Listing Termination after the Disclosure of the Yearly

Report

Applicable Not applicable

XI. Relevant Matters of Bankruptcy Reorganization

Applicable Not applicable

Nil

XII. Matters of Important Lawsuit and Arbitration

Applicable Not applicable

Nil

XIII. Situation of Punishment and Rectification

Applicable Not applicable

Nil

XIV. Credit Condition of the Company and its Controlling Shareholders and Actual Controllers

Applicable Not applicable

XV. Implementation Situation of Stock Incentive Plan of the Company, Employee Stock

Ownership Plan or Other Employee Incentive Measures

Applicable Not applicable

1. Equity Incentive Plan

1. During the reporting period, as the incentive objects left the job, the company totally bought-back and wrote-off 100,000 restrictive shares which had been originally granted to the incentive objects but yet being unlocked.

2. The Company's business income of 2015 was RMB 4,650,208,448.10, of which the net profit attributable to listed company's shareholders was RMB 1,326,233,674.37 and the net profit attributable to listed company's shareholders after deducting non-recurring gains and losses was RMB 822,699,390.70; The 40 incentive objects were qualified in performance appraisal, meeting the requirement of unlocking. On October 28, 2016, the 5th meeting of the 8th board of directors and the 3rd meeting of the 8th board of supervisors of the Company examined and adopted "Proposal on Unlocking Restricted Stocks Incentive Plan in the Second Unlocking Period", agreeing on the appliance for unlocking 40% of the 2.98 million awarded restricted shares of those 40 incentive objects.

2. Employee Stock Ownership Plan

The scale of Phase 1 for Employee Stock Ownership Plan of Dongxu Optoelectronic was 495.4 million RMB, subscribing 72,639,296 of non-publicly issued shares of 2015 with full amount through No.2 Changjiang Xingli

Oriented Plan, where the above shares were listed in SZSE on December 17, 2015, which was with 36-month locking period.

The employee stock ownership plan is still locked in the reporting period

XVI. Material related transactions

1. Related transactions in connection with daily operation

√Applicable □ Not applicable

Related parties	Relationship	Type of trade	Subjects of the related transactions	Principle of pricing the related transactions	Price of trade	Amount of trade RMB'000	Ratio in similar trades	Trading limit approved (RMB'0000)	Whether over the approved limited or not (Y/N)	Way of payment	Market price of similar trade available	Date of disclosure	Index of information disclosure
Shijiazhuang Baoshi Group Co., Ltd.	Controlled by the same actual controller	Commodity purchased/labor service received	Energy	Reference price setting	93.16	93.16	0.54%	142.03	No	Currency	93.16	July 1, 2016	
Shijiazhuang Bofa Mechanical Equipment Co., Ltd.	Controlled by the same actual controller	Commodity purchased/labor service received	Machining parts, processing fees and a frame	Reference price setting	3640.36	3,640.36	1.40%	4,000	No	Currency	3640.36	July 1, 2016	
Dongxu Group	The parent company of the company	Related management/Contract	Equity custodian fee	Reference price setting	95.75	95.76	11.94%	100	No	Currency	95.75	July 1, 2016	
Sichuan Xuhong Optoelectronic	Controlled by the same	Related management/Contract	Equity custodian fee	Reference price setting	610.71	610.71	76.13%	100+ Incentive custodian	Yes	Currency	610.71	July 1, 2016	

Technology Co., Ltd.	actual controller	Related management/Contract	Equity custody fee	Reference price setting	95.75	95.76	11.94%	100	No	Currency	95.75	July 1, 2016	
Dongxu(Yingkou) Optoelectronic Display Co., Ltd	Controlled by the same actual controller	Related management/Contract	Equity custody fee	Reference price setting	95.75	95.76	11.94%	100	No	Currency	95.75	July 1, 2016	
Total				--	--	4,535.75	--	4,442.03	--	--	--	--	--
Details of any sales return of a large amount				Nil									
Give the actual situation in the report period where a forecast had been made for the total amounts of routine related-party transactions by type to occur in the current period(if any)				Nil									
Reason for any significant difference between the transaction price and the market reference price (if applicable)				Nil									

2. Related-party transactions arising from asset acquisition or sale

Applicable Not applicable

Nil

3. Related-party transactions with joint investments

Applicable Not applicable

Nil

4. Credits and liabilities with related parties

Applicable Not applicable

Was there any non-operating credit or liability with any related party?

Yes No

Nil

5. Other significant related-party transactions

Applicable Not applicable

Nil

XVII. Particulars about significant contracts and their fulfillment

1. Particulars about trusteeship, contract and lease

(1) Trusteeship

√Applicable □Not applicable

Description of custodies

During the reporting period, the Company continued entrusted with the management of Dongxu(Yingkou) Optoelectronic Display Co., Ltd. and Sichuan Xuhong Optoelectronic Technology Co., Ltd.

In December 2011, Dongxu Group signed the Equity Trusteeship Agreement with the Company , of which 60% share rights of Dongxu (Yingkou) Optoelectronic Display Co., Ltd., 51% share rights of Sichuan Xuhong Optoelectronic Technology Co., Ltd. were entrusted by the Company, where the agreement went into effect as of March 2012. The clients paid the Company 500 thousand RMB of management fee per year for each subject.

See details in the table below:

Name of Clients/Contractee	Name of Trustee/Contractee	Type of Entrusting Asset/Contracting Asset	Starting Date of Entrusting /Contracting	Expiration Date of Entrusting /Contracting	Confirmed Entrusting /Contracting Fee at the Current Period
Dongxu Group, Yingkou Coastal Development Construction Co., Ltd. Minmetals (Yingkou) Industrial Park Development Co., Ltd.	Dongxu Optoelectronic Technology Co., Ltd.	Management Right of Dongxu(Yingkou) Optoelectronic Display Co., Ltd.	January 2012	Notes 1	1,436,320.75
Dongxu Group, Mianyang Investment City Development (Group) Co., Ltd., Sichuan Changhong Electric Co., Ltd.	Sichuan Xuhong Optoelectronic Technology Co., Ltd.	Management Right of Sichuan Xuhong Optoelectronic Technology Co., Ltd.	March 2012	Notes 2	6,585,888.51
Total					8,022,209.26

Note 1: The trustee fee includes share right trustee fee(500 thousand RMB/year) and operation trustee fee. The operation trustee fee is basic management fee and incentive management fee, of which the basic management fee is 1 million RMB/year, the incentive management fee is counted by 5% of the after-tax net profit yearly achieved by the trustee company(the base of the incentive management fee deducts the loss of the previous year.)

Note 2: The trustee fee includes share right trustee fee(500 thousand RMB/year) and operation trustee fee. The operation trustee fee is basic management fee and incentive management fee, of which the basic management fee is 1 million RMB/year, the incentive management fee is counted by 5% of the after-tax net profit yearly achieved by the trustee company

Note3:On April 20, 2016, Dongxu (Yingkou) Optoelectronic Display Co.,Ltd, upon the approval by general shareholders' meeting, amended the Article of Association, thus the stake of Dongxu (Yingkou) Optoelectronic Display Co.,Ltd held by Dong Xu Group was changed to 47.8% from 60%.

Note 4:On April 1, 2016, Sichuan Xuhong Optoelectronic Technology Co. Ltd, with the consent of the shareholders' meeting, increased the capital with in accordance with the relevant provisions of Articles of Association; after capital increase, the stake of Sichuan Xuhong Optoelectronic Technology Co. Ltd held by Dong Xu Group was changed to 86.64% from 51%.

Items which resulted in profit or loss achieving over 10% of the total profit for the Company

Applicable Not applicable

Nil

(2) Contract

Applicable Not applicable

Nil

(3) Lease

Applicable Not applicable

Nil

2.Guarantees

Applicable Not applicable

(1) Guarantees

In RMB'0000

Guarantee of the Company for the controlling subsidiaries (Exclude controlled subsidiaries)								
Name of the Company	Relevant disclosure date/No. of the guaranteed amount	Amount of Guarantee	Date of happening (Date of signing agreement)	Actual amount of guarantee	Guarantee type	Guarantee term	Complete implementation or not	Guarantee for associated parties (Yes or no)
Guarantee of the Company for the controlling subsidiaries								
Name of the Company guaranteed	Relevant disclosure date/No. of the guaranteed amount	Amount of guarantee	Date of happening (Date of signing agreement)	Actual amount of guarantee	Guarantee type	Guarantee term	Complete implementation or not	Guarantee for associated parties (Yes or no)
Wuhu Dongxu Optoelectronic Equipment	June 20,2013	150,000	September 25,2014	47,500	The joint liability guaranty	Two years from te date of advance of	No	No

Technology Co., Ltd.						te loan due date		
Wuhu Dongxu Optoelectronic Equipment Technology Co., Ltd.	July 1,2016	9,500	September 23,2016	9,500	The joint liability guaranty	Two years from te date of advance of te loan due date	No	No
Wuhu Dongxu Optoelectronic Equipment Technology Co., Ltd.	July 1,2016	15,700	June 21,2016	15,700	The joint liability guaranty	Te debtor agreed upon by te main contract is tow years from the date of expiry of the debt.	No	No
Wuhu Dongxu Optoelectronic Technology Co., Ltd.	June 20,2013	132,000	November 12,2013	93,000	The joint liability guaranty	8 years	No	No
Wuhu Dongxu Optoelectronic Technology Co., Ltd.	September 27,2013	10,000	December 13,2013	10,000	The joint liability guaranty	8 years	No	No
Wuhu Dongxu Optoelectronic Technology Co., Ltd.	September 27,2013	10,000	December 19,2013	5,000	The joint liability guaranty	8 years	No	No
Wuhu Dongxu Optoelectronic Technology Co., Ltd.	September 27,2013	20,000	February 19,2014	20,000	The joint liability guaranty	8 years	No	No
Wuhu Dongxu Optoelectronic Technology Co., Ltd.	September 27,2013	10,000	February 25,2014	10,000	The joint liability guaranty	8years	No	No
Wuhu Dongxu Optoelectronic Technology Co., Ltd.	September 27,2013	20,000	April 8,2014	20,000	The joint liability guaranty	8 years	No	No
Wuhu Dongxu Optoelectronic Technology Co., Ltd.	September 27,2013	20,000	May 6,2014	20,000	The joint liability guaranty	8years	No	No
Wuhu Dongxu Optoelectronic Technology Co., Ltd.	July 1,2016	7,500	June 23,2016	7,500	The joint liability guaranty	1 year	No	No
Wuhu Dongxu Optoelectronic Technology Co., Ltd.	July 1,2016	12,000	June 28,2016	12,000	The joint liability	1 year	No	No

Technology Co., Ltd.					guaranty			
Wuhu Dongxu Optoelectronic Technology Co., Ltd.	July 1,2016	15,000	June 21,2016	15,000	The joint liability guaranty	1 year	No	No
Wuhu Dongxu Optoelectronic Technology Co., Ltd.	October 31,2016	10,000	December 6,2016	10,000	The joint liability guaranty	1 year	No	No
Wuhu Dongxu Optoelectronic Technology Co., Ltd.	October 31,2016	10,000	December 26,2016	4,000	The joint liability guaranty	1 years	No	No
Wuhu Dongxu Optoelectronic Technology Co., Ltd.	October 31,2016	52,300	November 25,2016	52,300	The joint liability guaranty	6 year	No	No
Jiangsu Jixing New Material Co., Ltd.	March 8,2016	20,000	March 8,2016	20,000	The joint liability guaranty	1 year	No	No
Zhengzhou Xufei Optoelectronic Technology Co., Ltd.	May 27,2016	5,500	May 30,2016	5,500	The joint liability guaranty	1 year	No	No
Zhengzhou Xufei Optoelectronic Technology Co., Ltd.	October 31,2016	10,000	November 22,2016	10,000	The joint liability guaranty	1 year	No	No
Guarantee of the subsidiaries for the controlling subsidiaries								
Name of the Company guaranteed	Relevant disclosure date/No. of the guaranteed amount	Amount of guarantee	Date of happening (Date of signing agreement)	Actual amount of guarantee	Guarantee type	Guarantee term	Complete implementation or not	Guarantee for associated parties (Yes or no)
Total guarantee quota to the subsidiaries approved in the reporting period (C1)			197,500	Total amount of guarantee to the subsidiaries actually incurred in the reporting period (C2)				166,500
Total guarantee quota to the subsidiaries approved at the end of the reporting period (C3)			569,500	Total balance of actual guarantee to the subsidiaries at the end of the reporting period (C4)				392,000

The Company's total guarantee(i.e.total of the first three main items)			
Total guarantee quota approved in the reportingperiod (A1+B1+C1)	197,500	Total amount of guarantee actually incurred in the reporting period (A2+B2+C2)	166,500
Total guarantee quota already approved at theendof the reporting period (A3+B3+C3)	569,500	Total balance of the actual guarantee at the end of the reporting period (A4+B4+C4)	392,000
The proportion of the total amount of actually guarantee in the netassetsof the Company (that is A4+B4+C4) %		17.64%	
Including:			

Description of the guarantee with complex method

(2) Illegal external guarantee

Applicable Not applicable

Nil

3.Situation of Entrusting Others for Managing Spot Asset

(1)Situation of Entrusted Finance

Applicable Not applicable

In RMB'0000

Trustee	Is a related transaction or not	Kinds	Amount for trust financing	Start Date	Expiry	Determine way for remuneration	Principal actually recover in the period	Impairment provision(If any)	Anticipated income	Actual gains/losses in period	Gains/losses actually recover in period
CITIC Bank Centruy Branch	No	Fixed financing	100,000	December 16, 2016	March 16, 2017	Guaranteed income	0		458.16	0	0
SPD Bank, Zongsan East Road, Branch	No	Fixed financing	100,000	December 20, 2016	January 19, 2017	Guaranteed income	0		205.48	0	0
Total			200,000	--	--	--	0		663.64	0	--

Capital resources	Rasied fund
Accumulated overdue uncollected principal and interest	0
Lawsuit involved (if applicable)	Nil
Disclosure date for the notice of approval by the board(if any)	
Disclosure date for the notice of approval by shareholders' General Meeting (If any)	
Whether there is the trust financing in the future	Yes

(2)Situation of Entrusted Loans

Applicable Not applicable

Nil

4. Other significant contract

Applicable Not applicable

Nil

XVIII. Social responsibilities

1.Overview of the annual targeted poverty alleviation

Applicable Not applicable

(1) Overview of the annual targeted poverty alleviation

In December 2016, the company, for promoting the original old liberated area culture of “Jinsui revolutionary base area” in Shanxi and the sustainable development of the educational business as well as inheriting the spirit of arduous struggle for the nation and people of the older generation of revolutionaries, entered into the *Donation Agreement* with Shanxi Jinsui Culture and Education Development Foundation (hereinafter referred to as “Jinsui Foundation”), under which, the company would donate 3 million yuan to Shanxi Jinsui Culture and Education Development Foundation freely from the its own fund.

The donation purpose is as below:

1. In 2017, it plans to donate 200 students with the college entrance examination score higher than the college entrance examination 2nd-batch admission score in Xingxian, who will be given 5000 yuan as the first tuition of the first year, which totals 1 million yuan;

2. Donate 1 million as the special fund to donate more excellent students from poor families in Lvliang and Jinsui;

3. The donation above is the special reflection of the company targeted poverty alleviation, serving the national strategy of poverty overcoming and assaulting fortified positions as well as careful-performance of social responsibilities and is also the public-benefit activity to promote the original old liberated area culture of “Jinsui revolutionary base area” centering on Xingxian in Lvliang of Shanxi and the sustainable development of the

educational business. The company exercised the core value of “behave thanksgiving and act dedicatedly” through the targeted poverty alleviation in the culture and education field.

(2) Information of the listed company’s annual work in targeted poverty alleviation

Index	Measurement unit	Quantity / Status
I. General situation	——	——
II. Itemized investment	——	——
1. Industrial development for getting rid of poverty	——	——
2. Transferred to employment to get rid of poverty	——	——
3. Relocation to get rid of poverty	——	——
4. Education to get rid of poverty	——	——
5. Improving Health to get rid of poverty	——	——
6. Ecological protection to poverty alleviation	——	——
7. Bottom-line Safeguard	——	——
8. Social poverty alleviation	——	——
9. Other items	——	——
III. Awards (content, level)	——	——

(3) Subsequent targeted poverty alleviation program

2. Information of performance of other social responsibilities

For details, please see the Social Responsibility Report disclosed by the company on the same day.

Listed company and its subsidiary belongs to the key pollution enterprise listed by Department of Environmental Protection

No

Whether released Social Responsibility Report

Yes No

Corporate Social Responsibility Report					
Enterprise nature	Whether contain environmental information	Whether contain social information	Whether contain corporate governance information	Standards in the released report	
				Domestic standards	Foreign standards
Private enterprise	Yes	Yes	Yes		

Specific description

1. Whether the company has passed the environmental management system certification (ISO14001)	Yes
2. Investment and expense for the annual environmental protection of the company (RMB'0000)	901.78
3. Performance for the three wastes (industrial wastewater, waste gases and residues) emission reduction of the company	Standard
4. Company investment in the employee personal knowledge and skills improvement to improve the employee occupational development capacity (RMB'0000)	147.32
5. Company donation amount for public welfare (capital, goods and materials and free professional service) (RMB'0000)	300
2. Investment and expense for the annual environmental protection of the company (RMB'0000)	901.78

XIX. Major issues of subsidiary

Applicable Not applicable

Nil

XX. Material issues of the subsidiaries

Applicable Not applicable

VI. Change of share capital and shareholding of Principal Shareholders

I. Changes in share capital

1. Changes in share capital

In Shares

	Before the change		Increase/decrease (+, -)					After the Change	
	Amount	Proportion	Share allotment	Bonus shares	Capitalization of common reserve fund	Other	Subtotal	Quantity	Proportion

1.Shares with conditional subscription	1,565,845,404	40.83%	1,104,928,457			-970,242,092	134,686,365	1,700,531,769	34.42%
1. State-owned legal person shares	43,988,269	1.15%				0	0	43,988,269	0.89%
3.Other domestic shares	1,521,857,135	39.68%	1,104,928,457			-970,242,092	134,686,365	1,656,543,500	33.53%
Incl: Domestic legal person shares	1,519,326,256	39.62%	1,104,928,457			-969,271,885	135,656,572	1,654,982,828	33.50%
Domestic Natural Person shares	2,530,879	0.06%				-970,207	-970,207	1,560,672	0.03%
II.Shares with unconditional subscription	2,269,255,122	59.17%				970,142,092	970,142,092	3,239,397,214	65.58%
1.Common shares in RMB	2,019,255,121	52.65%				970,142,092	970,142,092	2,989,397,213	60.52%
2.Foreign shares in domestic market	250,000,001	6.52%				0	0	250,000,001	5.06%
III. Total of capital shares	3,835,100,526	100.00%	1,104,928,457			-100,000	1,104,828,457	4,939,928,983	100.00%

Reasons for share changed:

Applicable Not applicable

On January 4, 2016, senior manager's locked shares increased to be 321,793.

On January 26, 2016, Chen Yinwei resigned from the company, who is one member of stock option incentive plan. The company repurchased and later cancelled his authorized but not unlocked 100,000 restricted stocks.

On April 18, 2016, among non-public offering shares issued by the company in 2013, 390,093,000 shares locked for 3 years was released and circulated in stock market.

On August 26, 2016, non-public offering shares issued by the company in 2016 and locked for 12 months reached 1,104,928,457.

On November 8, 2016, restricted stocks for stock incentive meets the unlocking requirement of the second phase, 1,19,200 shares was released and circulated in stock market.

On December 19, 2016, among non-public offering shares issued by the company in 2015, 579,178,885 shares locked for 12 months was released and circulated in stock market.

Approval of Change of Shares

Applicable Not applicable

1. On October 29, 2015, Bill on Repurchasing and Cancellation of Certain Restricted Shares was submitted for deliberation and approval in the 43th meeting of the 7th Board of Director and agreed to repurchase and cancel Chen Yinwei's authorized but not unlocked 100,000 restricted stocks due to his resignation and inconformity with stock option incentive plan.

2. On December 11, 2012, the company received ZJXK [2012]No. 1661 Approval on Authorization of

Non-Public Offering Shares of Shijiazhuang Baoshi Electronic Glass Co., Ltd. approved and issued by China Securities Regulatory Commission and the file agreed that issuer's new non-public offering shares not exceeded 520 million.

3. On July 28, 2016, the company received ZJXX [2016]No. 1322 Approval on Authorization of Non-Public Offering Shares of Dongxu Optoelectronic Co., Ltd., approved and issued by China Securities Regulatory Commission and the file agreed that issuer's new non-public offering shares not exceeded 1,104,928,457.

4. On October 28, 2016, Bill on Stock Optional Incentive Plan of the 2ndUnlocking Restricted Shares was submitted for deliberation and approval in the 3th meeting of the 8th Board of Director and consulted 40 members of incentive plan met unlocking requirement of stock optional incentive plan of unlocking restricted shares and were qualified in the company, so the file agreed the 2nd unlocking restricted shares for the 40 members.

5. On October 15, 2015, the company received ZJXX [2015]No. 2270 Approval on Authorization of Non-Public Offering Shares of Dongxu Optoelectronic Co., Ltd., approved and issued by China Securities Regulatory Commission and the file agreed that issuer's new non-public offering shares not exceeded 1,186,943,620.

Ownership transfer of share changes

Applicable Not applicable

Influence on the basic EPS and diluted EPS as well as other financial indexes of net assets per share attributable to common shareholders of Company in latest year and period

Applicable Not applicable

Other information necessary to disclose for the company or need to disclosed under requirement from security regulators

Applicable Not applicable

2. Change of shares with limited sales condition

Applicable Not applicable

In Shares

Shareholder Name	Initial Restricted Shares	Number of Unrestricted Shares This Term	Number of Increased Restricted Shares This Term	Restricted Shares in the End of the Term	Reason for Restricted Shares	Date of Restriction Removal
Dongxu Group	829,975,697	390,093,000	0	439,882,697	New non-agency restricted shares after the first issue with non-public issue of 2013	April 18,2016
China Fund Management Co., Ltd.—Huaxia Bank—TTCO Trust Co.,	0	0	222,575,516	222,575,516	New non-agency restricted shares after the first issue with	222,575,516 shares will be released on August 26, 2017

Ltd. – TTCO Trust Co., Ltd. – Shunjing No.5 Single capital trust					non-public issue of 2016	
Minsheng Royal Fund Management Co., Ltd.-Ping An Bank-Ping An Trust-Ping An Wealth* Huitai No.163 Single Fund Trust	183,284,457	183,284,457	0	0	New non-agency restricted shares after the first issue with non-public issue of 2015	December 17,2016
Bosera Capital-Ping An Bank- Ping An Trust-Ping An Wealth* Huitai No.164 Single Fund Trust	167,155,426	167,155,426	0	0	New non-agency restricted shares after the first issue with non-public issue of 2015	December 17,2016
Sws Mu Fund Management Co.,Ltd. – China Merchants Bank – Huarun Shen State investment trust – Ruihua increase funds No. 2 Collective capital trust plan	0	0	111,287,758	111,287,758	New non-agency restricted shares after the first issue with non-public issue of 2016	111,287,758 shares will be released on August 26, 2017
Penghua Fund – Ningbo Bank – Daye Trust – Daye Trust Dongxu Optoelectronic increase funds II Single fund trust	0	0	111,287,758	111,287,758	New non-agency restricted shares after the first issue with non-public issue of 2016	111,287,758 shares will be released on August 26, 2017
STAS Asset Management – Ningbo Bank – Minsheng Trust – China Minsheng Trust Zhixin No.208 Dongxu	0	0	111,287,758	111,287,758	New non-agency restricted shares after the first issue with non-public issue of 2016	111,287,758 shares will be released on August 26, 2017

Optoelectronic increase collective fund trust plan						
Shenzhen Taianer Information Technology Co., Ltd.	0	0	110,492,845	110,492,845	New non-agency restricted shares after the first issue with non-public issue of 2016	110,492,845 shares will be released on August 26, 2017
Qianhai Investment fund (Limited Partnership)	0	0	110,492,845	110,492,845	New non-agency restricted shares after the first issue with non-public issue of 2016	110,492,845 shares will be released on August 26, 2017
Nuoan Fund-Industrial Securities-Nanjing Shuangan Assets Management Co., Ltd.	0	0	110,492,845	110,492,845	New non-agency restricted shares after the first issue with non-public issue of 2016	110,492,845 shares will be released on August 26, 2017
The 40 Shareholders Awarded Stock Incentive	2,530,879	1,292,000	0	1,238,879	Stock incentive hasn't been unlocked; Executives locked the shares	The shares will be unlocked by stages after meeting the unlocking condition for restricted stock with stock incentive; Repurchase of stock incentive object
The 9 Non-agency Restricted Shareholders before the First Issue	201,000	0	0	201,000	Non-agency restricted shares after the first issue	Till the relevant shareholders entrust the Company to conduct the release business for the restricted shares
Other	382,697,945	228,417,209	217,011,132	371,291,868	New non-agency	217,011,132

					restricted shares after the first issue with non-public issue of 2016	shares will be released on August 26, 2017
Total	1,565,845,404	970,242,092	1,104,928,457	1,700,531,769	--	--

II. Issuing and listing

1.Explanation of the Situation of the Security Issue(No Preferred Shares) in the Report Period

Applicable Not applicable

Description of stock and its Derivative securities	Issuing date	Issuing price(Or interest rate)	Issuing quantity	Listing date	Quantity approved for listing	Expiration date of transaction
Stocks						
Dongxu Optoelectronic	August 2,2016	RMB 6.29	1,104,928,457	August 26,2016	1,104,928,457	
Convertible Corporate Bonds, Detachable Convertible Bond and Corporate Bonds						
Other derivative securities						

Notes

2.Change of asset and liability structure caused by change of total capital shares and structure

Applicable Not applicable

Approved by CSRC permission[2016] Document No.1322 for “Reply on Approving Non-public Issue of Share by Dongxu Optoelectronic Technology Co., Ltd.”, the company non-publicly issued 1,104,928,457 of A shares, of which the issue price was RMB 6.29 /share and the net raised fund was RMB6,908,073,597.53. On August 26, 2016, 1,104,928,457 of new shares listed in SZSE, where RMB 1,104,928,457 increased in the company’s share capital, the general share capital was up to RMB 4,939,928,983 and RMB 5,803,145,140.53 increased in the company’s capital reserve.

3.About the existing employees’ shares

Applicable Not applicable

III. Shareholders and actual controlling shareholder

1. Number of shareholders and shareholding

In Share

Total number of common shareholders at the end of the reporting period	361,573 (A shares of 343931 households; B shares of the 17642 households)	Total shareholders at the end of the month from the date of disclosing the annual report	344,054(A shares of 332924 households; B shares of the 17568 households)	The total number of preferred shareholders voting rights restored at period-end (if any)(See Notes 8)		Total preferred shareholders at the end of the month from the date of disclosing the annual report(if any)(See Notes 8)	0	
Particulars about shares held above 5% by shareholders or top ten shareholders								
Shareholders	Nuture of shareholder	Proportion of shares held (%)	Number of shares held at period -end	Changes in reporting period	Amount of restricted shares held	Amount of un-restricted shares held	Number os share pledged/frozen	
							State of share	Amount
Dongxu Group	Domestic Non-State-owned legal person	11.32%	558,968,800	-271,006,897	439,882,697	119,086,103	Pledge	558,962,697
Shijiazhuang Baoshi Electronic Group Co., Ltd.	Domestic Non-State-owned legal person	6.73%	332,382,171	0	0	332,382,171	Pledge	182,376,500
China Fund Management Co., Ltd. — Huaxia Bank — TTCO Trust Co., Ltd. — TTCO Trust Co., Ltd. — Shunjing No.5 Single capital trust	Other	4.51%	222,575,516	222,575,516	222,575,516	0		
Minsheng Royal Fund Management Co., Ltd.-Ping An Bank-Ping An Trust-Ping An Wealth* Huitai No.163 Single Fund Trust	Other	3.71%	183,284,457	0	0	183,284,457		
Bosera Capital-Ping An Bank- Ping An Trust-Ping An Wealth* Huitai No.164 Single Fund Trust	Other	3.03%	149,609,426	-17,546,000	0	149,609,426		

Sws Mu Fund Management Co.,Ltd. — China Merchants Bank—Huarun Shen State investment trust — Ruihua increase funds No. 2 Collective capital trust plan	Other	2.25%	111,287,758	111,287,758	111,287,758	0		
Penghua Fund— Ningbo Bank—Daye Trust—Daye Trust Dongxu Optoelectronic increase funds II Single fund trust	Other	2.25%	111,287,758	111,287,758	111,287,758	0		
STAS Asset Management— Ningbo Bank— Minsheng Trust— China Minsheng Trust Zhixin No.208 Dongxu Optoelectronic increase collective fund trust plan	Other	2.25%	111,287,758	111,287,758	111,287,758	0		
Shenzhen Taianer Information Technology Co., Ltd.	Domestic Non-State-owned legal person	2.24%	110,492,845	110,492,845	110,492,845	0	Pledge	32,000,000
Qianhai Equity Investment Fund (LP)	Domestic Non-State-owned legal person	2.24%	110,492,845	110,492,845	110,492,845	0	Pledge	110,492,845
Nuoan Fund-Industrial Securities-Nanjing Shuangan Assets Management Co., Ltd.	Other	2.24%	110,492,845	110,492,845	110,492,845	0		
Strategy investors or general legal person becomes top 10 shareholders due to rights issued (if applicable) (See Notes 3)	Before the country's top ten shareholders of Shenzhen Taianer Information Technology Co., Ltd. and Qianhai Equity Investment Fund (LP) was involved in the company in 2016 non-public offering to subscribe, became the top 10 shareholders. The sub-holding restricted period of 12 months, ie August 26, 2016 to August 25, 2017.							
Explanation on shareholders participating in the margin trading business	Among the top ten shareholders , Dongxu Group and Baoshi Group have relationship and constitute persons taking concerted action. The company does not know whether there is relationship between other 9 shareholders or whether they are persons taking concerted							

action defined in Administrative Measures Relating to Acquisitions of Listed Companies.			
Shareholding of top 10 shareholders of unrestricted shares			
Name of the shareholder	Quantity of unrestricted shares held at the end of the reporting period (Note 4)	Share type	
		Share type	Quantity
Shijiazhuang Baoshi Electronic Group Co., Ltd.	332,382,171	RMB Common shares	332,382,171
Minsheng Royal Fund Management Co., Ltd.-Ping An Bank-Ping An Trust-Ping An Wealth* Huitai No.163 Single Fund Trust	183,284,457	RMB Common shares	183,284,457
Bosera Capital-Ping An Bank- Ping An Trust-Ping An Wealth* Huitai No.164 Single Fund Trust	149,609,426	RMB Common shares	149,609,426
Dongxu Group	119,086,103	RMB Common shares	119,086,103
HuaAn Future Asset-ICBC-No.1 Asset Management Plan of Dongxu Optoelectronic's Private Placement	96,774,193	RMB Common shares	96,774,193
Bank of China – Huaxia New Economic Mixed Securities Investment Funds	34,078,650	RMB Common shares	34,078,650
Gu Bin	29,597,600	RMB Common shares	29,597,600
Huijin Asset Management Co., Ltd.	24,205,500	RMB Common shares	24,205,500
Xie Xiantuan	17,045,700	RMB Common shares	17,045,700
Cuiyi International Marble Co., Ltd.	6,526,399	Foreign shares placed in domestic exchange	6,526,399
Explanation on associated relationship or consistent action among the top 10 shareholders of non-restricted negotiable shares and that between the top 10 shareholders of non-restricted negotiable shares and top 10 shareholders	Among the top ten shareholders holding non-restricted negotiable shares, Baoshi Group and Dongxu Group have relationship and constitute persons taking concerted action.		
Explanation on shareholders participating in the margin trading business(if any)(See Notes 4)	Gu Bin and Xie Xiantuan, the first 10 ordinary shareholders with shares without restricted condition, separately held 29,597,500 and 15,688,700 of the Company's shares by means of the securities accounts with customer credit guarantee of Orient Securities and Huatai Securities, which separately occupy 0.60% and 0.32% of the Company's total shares.		

Whether top ten common shareholders or top ten common shareholders with un-restrict shares held have a buy-back agreement dealing in reporting period.

Yes No

The top ten common shareholders or top ten common shareholders with un-restrict shares held of the Company have no buy –back agreement dealing in reporting period.

2. Controlling shareholder

Nature of Controlling Shareholders: Corporation Group Holding; Natural Person Holding

Type of Controlling Shareholders: Legal person

Name of the Controlling shareholder	Legal representative/ Leader	Date of incorporation	Organization code	Principal business activities
Dongxu Group	Li Zhaoting	November 5, 2004	76813036-3	Investing projects with owned funds; Development of mechanical equipment and electronic products; Productions and process formulation of various non-standard equipment and components; Process and sales of component for abrasive materials and electromechanical products(no equipment of public security); Import and export of self-run and agent goods and technology; Computer system integration ; Software development; Technology consulting; Installation and engineering consulting of electromechanical device(no pre-licensing projects included above). (Operation is allowed only if being within the confines of the above laws and regulations and the matters forbidden or restricted by the State Council; Operation is allowed once the matters are examined and approved by other departments.
The equity of the controlling shareholder in other domestic and foreign listed companies held or partly held by it in the report period	1.As of December 31, 2016, Dongxu Group held 414,270,000 shares of Tunghsu Azure Renewable Energy Co., Ltd. (Stock Abbreviation :Dongxu Azure; Stock code: 000040), accounting for 30.98% of the company's total equity. 2. As of December 31, 2016, Dongxu Group directly held 8.45 million shares of Shanghai Challenge Textile Co., Ltd. (A Share's stock name: "Challenge" and stock code: 002468), accounting for 1.015%; indirectly held 163.19 million shares of Shanghai Challenge Textile Co., Ltd. through Shanghai Guojun Investment Co., Ltd., accounting for 19.61%; held 25.35 million shares of Shanghai Challenge Textile Co., Ltd. by having the right to vote by trustee, accounting for 3.045%. To sum up, Tunghsu Group had voting right corresponding to 196.99 million shares of Shanghai Challenge Textile Co., Ltd., accounting for 23.67%.			

Change of the actual controller in the reporting period

Applicable Not applicable

Nil

3. Information about the controlling shareholder of the Company

Actual controller nature: Domestic natural person

Actual controller type: Natural person

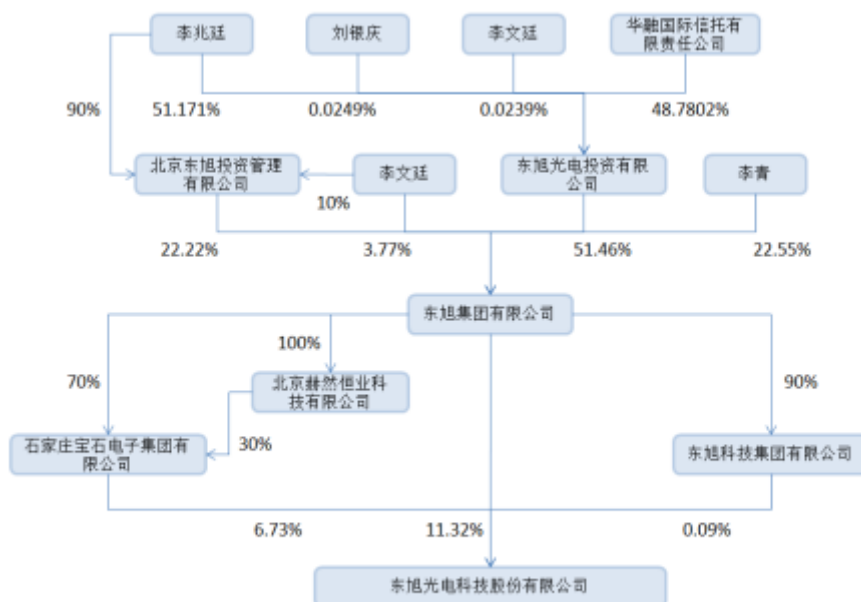
Name	Nationality	Whether to obtain the right of abode in other countries or regions
Li Zhaoting	China	No
Main occupations and duties	Refer to: 3.Tenure Situation in Chapter 8 Situation of Directors, Supervisors, Senior Executives and Employee of the Company	
Situation of domestic and abroad holding listed companies in the part 10 years	1.As of December 31, 2016, Dongxu Group held 414,270,000 shares of Tunghsu Azure Renewable Energy Co., Ltd. (Stock Abbreviation :Dongxu Azure; Stock code: 000040), accounting for 30.98% of the company's total equity. 2. As of December 31, 2016, Dongxu Group directly held 8.45 million shares of Shanghai Challenge Textile Co., Ltd. (A Share's stock name: "Challenge" and stock code: 002468), accounting for 1.015%; indirectly held 163.19 million shares of Shanghai Challenge Textile Co., Ltd. through Shanghai Guojun Investment Co., Ltd., accounting for 19.61%; held 25.35 million shares of Shanghai Challenge Textile Co., Ltd. by having the right to vote by trustee, accounting for 3.045%. To sum up, Tunghsu Group had voting right corresponding to 196.99 million shares of Shanghai Challenge Textile Co., Ltd., accounting for 23.67%.	

Change of the actual controller in the reporting period

Applicable Not applicable

Nil

Block Diagram of the ownership and control relations between the company and the actual controller



The actual controller controls the company by means of trust or managing the assets in other way

Applicable Not applicable

4. Other corporate shareholder holding over 10% of the Company's shares

Applicable Not applicable

5. Situation of Share Limitation Reduction of Controlling Shareholders, Actual Controllers, Restructuring Party and Other Commitment Subjects

Applicable Not applicable

II. Situation of the Preferred Shares

Applicable Not applicable

No preference shares in the Company.

VIII. Information about Directors, Supervisors and Senior Executives

I. Change in shares held by directors, supervisors and senior executives

Name	Positions	Office status	Sex	Age	Starting date of tenure	Expiry date of tenure	Shares held at the year-begin (share)	Amount of shares increased at the reporting period (share)	Amount of shares decreased at the reporting period (share)	Other changes increase/decrease	Shares held at the year-end (share)
Li Zhaoting	Board chairman	In office	Male	51	July 29,2013		0	0	0		0
Wang Lipeng	Director, GM	In office	Male	49	July 28,2016		0	0	0		0
Gong Xin	Director, Board secretary	In office	Female	37	June 1,2015		100,000	0	0		100,000
Zhou Bo	Director, CFO	In office	Female	37	December 16, 2015		0	0	0		0
Zhang Shuangcai	Independent director	In office	Male	55	July 29,2013		0	0	0		0
Lu Guihua	Independent director	In office	Male	48	July 29,2013		0	0	0		0
Han Zhiguo	Independent director	In office	Male	53	July 28,2016		0	0	0		0
Guo Chunlin	Chairman of the supervisory committee	In office	Male	37	July 28,2016		0	0	0		0
Xu Lingzhi	Supervisor	In office	Female	50	July 28,2016		0	0	0		0
Chen Dewei	Supervisor	In office	Male	53	July 28,2016		0	0	0		0
Xie Juwen	Supervisor	In office	Male	39	October 15,2014		0	0	0		0
Wan Huanhuan	Supervisor	In office	Female	31	October 15,2014		0	0	0		0
Wang Jianqiang	Deputy GM	In office	Male	52	July 28,2016		0	0	0		0

Wang Zhonghui	Deputy GM	In office	Male	39	July 28,2016		0	0	0	0
Wang Junming	Deputy GM	In office	Male	53	July 28,2016		0	0	0	0
Liu Wentai	Deputy GM	In office	Male	47	July 29,2013		150,000	0	25,000	125,000
Niu Jianlin	Director	Dimission	Male	52	July 29,2013	July 28,2016	150,000	0	18,000	132,000
Zhou Bo	Director	Dimission	Male	51	July 29,2013	July 28,2016	129,172	0	0	129,172
Mu Tiehu	Independent director	Dimission	Male	49	July 29,2013	July 28,2016	0	0	0	0
Guo Zhisheng	Chairman of the supervisory committee	Dimission	Male	52	July 29,2013	July 28,2016	0	0	0	0
Xie Mengxiong	Supervisor	Dimission	Male	60	July 29,2013	July 28,2016	0	0	0	0
Wang Jianqiang	Supervisor	Dimission	Male	52	July 29,2013	July 28,2016	0	0	0	0
Shi Zhiqiang	GM	Dimission	Male	50	July 29,2013	July 28,2016	200,000	0	0	200,000
Xiao Zhaoxiong	Deputy GM	Dimission	Male	32	May 15,2015	July 28,2016	0	0	0	0
Total	--	--	--	--	--	--	729,172	0	43,000	686,172

II. Change in shares held by directors, supervisors and senior executives

Name	Positions	Types	Date	Reason
Niu Jianlin	Director	Departure on his term	July 28,2016	Departure on his term
Zhou Bo	Director	Departure on his term	July 28,2016	Departure on his term
Mu Tiehu	Independent director	Departure on his term	July 28,2016	Departure on his term
Guo Zhisheng	Chairman of the supervisory committee	Departure on his term	July 28,2016	Departure on his term
Xie Mengxiong	Supervisor	In office	July 28,2016	Departure on his term
Wang Jianqiang	Supervisor	In office	July 28,2016	Departure on his term
Shi Zhiqiang	GM	Departure on his term	July 28,2016	Departure on his term

Xiao Zhaoxiong	Deputy GM	Departure on his term	July 28,2016	Departure on his term
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III.Posts holding

The professional background, working experience and main responsibilities of the current board members, supervisors and senior managers in the company

1. Mr. Li Zhaoting, Chinese, born in 1965, graduated from Hebei University of Technology as a mechanical engineering major, senior engineer, member of the Communist Party of China and the founder of Dongxu Group. Li has served successively as the general manager assistant and vice-general manager of Shijiazhuang Diesel Engine Factory, and Chairman of Hebei Dongxu Investment Group Co., Ltd. Li is now the chairman of the company and the subsidiaries including Wuhu Dongxu Photo-electric Science & Technology Co., Ltd. At the same time, he is also the chairman of Dongxu Group and Dongxu Photoelectric Investment, general manager of COE, and the vice chairman as well as general manager of Chengdu COE. Li is the 12th National People's Congress member, vice chairman of Innovation Promotion Committee of The Chinese Association of Productivity Science, vice chairman of Electronic Glass Branch of the Chinese Ceramic Society, honorary board member of Peking University, board director of Renmin University of China and Beijing Jiaotong University, member of the standing committee of Hebei Youth Federation, and the executive council member of young entrepreneurs in Hebei. He has been awarded the "10 Person of the Year of 2012 Innovative China", "The Most Respected Listed Company Leaders in 2013", "Ten Innovation Leaders of China's Economy in 2014", "Person of the Year in 2014 of Brand China (Electronic Information)", "2014 Individual Quality Prize by Hebei Provincial Government", "The Most Respected Listed Company Chairman in 2015", "China's ten largest economy 2016", "The Outstanding Private Entrepreneurs of Hebei" and "Outstanding Young Entrepreneurs of Shijiazhuang" etc.

2. Mr. Wang Lipeng, Chinese nationality, was born in 1968, master's degree of Tianjin University. Beginning to work in 1989, he had served as the factory director of the electron gun factory of Shijiazhuang Baoshi Electronics Group Co., Ltd, the general manager of Shijiazhuang Bao Dong Electronics Co., Ltd, the director and the general manager of Shijiazhuang Baoshi Electronic Glass Co., Ltd, the director of chairman office of Dongxu Group Co., Ltd, the general manager of Sichuan Xu Hong Optoelectronics Technology Co., Ltd and so on.

3. Ms.Gong Xin, Nationality: Chinese, born in 1979, bachelor degree. She once worked in Capital Edge Investment and Management as Project Manager of Investment-banking Department, Assistant to Chairman, Vice General Manager and etc. Now Gong is Chief of Securities Department, Company Director and Board Secretary of the company.

4.Mr. Zhou Bo, Chinese nationality, was born in 1979, master of School of economics and management of Tsinghua University (MBA), CPA, CTA. He had served as the general manager of the financial assets management department of China National Electronics Import and Export Corporation. Currently, he is the company's director and chief financial officer.

5.Mr. Lu Guihua, male, born in May 1968, Dr. Accounting, Applied Economics postdoctoral, Central University of Finance and Economics Professor of Accounting, Master Instructor, Chinese Certified Public Accountant. Former Tianjin University associate professor, associate professor at the Central University of Finance and professor at the Central University of Finance and Economics, master's and doctoral tutor. Now is Independent Director of Hanvon Technology Co., Ltd., China Minsheng Investment Corp., Ltd., Hebei Iron and Steel Co., Ltd. and the company.

6.Mr. Zhang Shuangcai, Chinese Nationality, born in 1961, PhD in Management, Business Administration postdoctoral, Democratic National Construction Association. He serves as Associate Dean School of Management,

Hebei University business professor, World Economic doctoral tutor, accounting, business management professional master tutor. He used to be Baoding CPPCC Standing Committee, representative of 11th People's Congress of Hebei Province. Now he is the representative of 12th People's Congress of Hebei Province, Executive director of the Institute of Hebei Province in budget management, deputy director of the private Center for Economic Research of Hebei Province, Accounting association executive director, executive director of Private Entrepreneur Association of Hebei Province, director of the Private Economic and Financial Committee of Hebei Province, committee member of National Central Economic Committee, independent director of Lekai film Co., Ltd., Boshen tools Co., Ltd. and Tianwei Baobian Electrical Co., Ltd..

7. Mr. Han Zhiguo, Chinese nationality, was born in 1964, bachelor degree, lawyer of Hebei Dianfan Law Firm. He had served as the teacher of Hebei Vocational College of Politics and Law, and the lawyer of Hebei Zhengchen Law Firm. From September 2006 to September 2013, he had been served as the independent director of Shijiazhuang Baoshi Electronic Glass Co., Ltd. Since August 2013, he has been served as the independent director of Bosun Tools Co., Ltd and the independent director of the company.

8. Mr. Guo Chunlin, Chinese nationality, was born in 1980, bachelor degree in law. He began to work in 2004. From September 2004 to November 2005, he had been served for Beijing Zhongfu Law Firm; from November 2005 to October 2007, he taught at Communication University of China. He joined Dongxu Group Co. Ltd in October 2007, and now he is one of the supervisors of Dongxu Group Co. Ltd.

9. Ms. Xu Lingzhi, Chinese nationality, was born in 1967, bachelor degree in accounting. She began to work in 1988 and joined Dongxu Group Co. Ltd in 2006. Currently, she serves as the director of financial center of Dongxu Group Co. Ltd and the general manager and supervisor of risk-control center of board-office headquarter of Dongxu Group Co. Ltd.

10. Mr. Chen Dewei, Chinese nationality, was born in 1964, college degree. Currently, he serves as the general manager and supervisor of the management center of Dongxu Group Co., Ltd.

11. Mr. Xie Juwen, was born in June 1977, master degree, professional in project management of Beijing University of Technology. He had served as the R & D Engineer and the project leader of Beiren Group, the project leader and other posts of Sheet-folding Machine Branch of Beiren Group. Currently, he serves as the project manager of comprehensive office of the company and the employee-representative supervisor of the company's eighth board of supervisors.

12. Ms. Wan Huanhuan, was born in July 1985, bachelor degree, professional in accounting of Industrial and Commercial University of Chongqing. She had served as the audit manager of Sino Railway Information Group Co., Ltd, the business manager of Jiangsu Huaxing Certified Public Accountants and the business specialist of Shenzhen JunZhiYuan Certified Public Accountants. Currently, she serves as the audit manager of the company's audit supervision department and the employee-representative supervisor of the company's eighth board of supervisors.

13. Mr. Wang Zhonghui, Chinese nationality, was born in 1978, master's degree of Renmin University of China, having lawyer qualification of People's Republic of China. Over ten years experiences of being a lawyer, in 2009 he joined Dongxu Group, and he had served as the minister of the legal department, the general manager of legal center and the vice president of the group. Since 2014, he has been served as the chairman of Shenzhen Xuhui Investment Holdings Ltd, the chairman of Beijing Dongxu Huaqing Investment Co., Ltd, the chairman of Beijing Tunghsu Carbon New Materials Technology Co., Ltd and the chairman of Shanghai Tan Yuan Graphene Co., Ltd, responsible for graphene industry investment and development.

14. Mr. Wang Jianqiang, Chinese nationality, was born in 1964, university degree, graduated from mechanical specialty of Hebei University of Science and Technology. He had served for Shijiazhuang Baoshi Electronics Group Co., Ltd and had served as the supervisor of the company's seventh session board of supervisors. Currently,

he serves as the chairman of Fuzhou Dongxu Optoelectronic Technology Co., Ltd which is the company's 8.5 generation glass substrate project company.

15.Mr. Liu Wentai, Chinese nationality, born in 1969, graduated from chemical-mechanical professional of Qingdao Institute of Chemical Industry, bachelor's degree. He had served as the workshop equipment supervisor of Shijiazhuang Baoshi Electronics Group Co., Ltd, equipment supervisor of maintenance and engineering department of Shijiazhuang Baoshi Electric Nitrate Co., Ltd, the director of liquid crystal glass research institute of Dongxu Group Co., Ltd, the general manger of the thermal engineering department, the vice president of Dongxu Group with a concurrent post of purchasing director. Currently, he serves as the company's vice-general manager and is responsible for the company's whole sets of equipment and technical services .

16.Mr. Wang Junming, Chinese nationality, was born in 1964, master of Beijing Jiaotong University. He had served as the vice-general manager of Henan Anfei Electronic Glass Co. Ltd and the general manager of Zhengzhou Xufei Optoelectronic Technology Co. Ltd. Currently, he is responsible for the company's polarizer business.

Office taking in shareholder companies

Applicable Not applicable

Names of the persons in office	Names of the shareholders	Titles engaged in the shareholders	Sharing date of office term	Expiry date of office term	Does he /she receive remuneration or allowance from the shareholder
Li Zhaoting	Dongxu Group	Board chairman			Yes
Guo Chunlin	Dongxu Group	General Manager of Administration center,supervisor			Yes
Xu Lingzhi	Dongxu Group	Director of Finance Center and General Manager of Risk control center			Yes
Chen Dewei	Dongxu Group	Geneeral Manager of Comprehensive management Center,supervisor			Yes

Offices taken in other organizations

Applicable Not applicable

Name	Name of other units	Position	Office term start from	Office term ended	Whether receiving remuneration from other units or not
Li Zhaoting	Beijing Dongxu Investment Management Co., Ltd.	Executive director, Manager			No
Li Zhaoting	Beijing Dongxu Investment Development Co., Ltd	Executive director, Manager			No
Li Zhaoting	Dongxu Optoelectronic	Board chairman			No

	Investment Co., Ltd.				
Li Zhaoting	Sichan Xuhong Optoelectronic Technology Co., Ltd.	Executive director			No
Li Zhaoting	Mudanjiang Xuyang Solar energy Technology Co., Ltd.	Board chairman			No
Li Zhaoting	Jinzhou Xulong Solar energy Technology Co., Ltd.	Board chairman			No
Li Zhaoting	Tongliao Xutong Solar energy Technology Co., Ltd.	Board chairman			No
Li Zhaoting	Dongxu (Yingkou) Optoelectronic Display Co., Ltd.	Board chairman			No
Li Zhaoting	Chengdu Xushuang Solar energy Technology Co., Ltd.	Board chairman			No
Li Zhaoting	Zhong Optoelectronic Technology Co., Ltd.	General Manager			No
Li Zhaoting	Zhengzhou Xufei Optoelectronic Technology Co., Ltd.	Director			No
Li Zhaoting	Shijiazhuang Baoshi Large-diameter plastic tube Co., Ltd	Board chairman			No
Li Zhaoting	Beijing Dongxu Tianze Real Estate Development Co., Ltd.	Board chairman			No
Li Zhaoting	Hebei Rongzhuo Real Estate Development Co., Ltd.	Board chairman			No
Li Zhaoting	Beijing Dongxu Enterprise Planning Co., Ltd.	Board chairman			No
Li Zhaoting	Ningbo Xuze Industrial Co., Ltd.	Vice Board chairman, General Manager			No
Li Zhaoting	Tibet Financial Leasing Co., Ltd.	Board chairman			No
Li Zhaoting	Beijing Xufeng Real Estate Co., Ltd.	Board chairman			No
Li Zhaoting	Wuhu Dongxu Optoelectronic Technology Co., Ltd.	Director			No
Li Zhaoting	Wuhu Dongxu Optoelectronic Equipment Technology Co., Ltd.	Executive director,, General Manager			No
Li Zhaoting	Shijiazhuang Dongxu Optoelectronic Equipment Technology Co., Ltd.	Executive director,, Manager			No
Li Zhaoting	Wuhan Dongxu Optoelectronic	Executive director,, Manager			No

	Technology Co., Ltd.				
Li Zhaoting	Chengdu Zhong Optoelectronic Technology Co., Ltd.	Executive director,, Manager			No
Li Zhaoting	Shijiazhuang Xuling Electric Technology Co., Ltd.	Board chairman			No
Li Zhaoting	Shijiazhuang XumingTube Co., Ltd.	Executive director,, Manager			No
Li Zhaoting	Shijiazhuang Xuxin Optoelectronic Technology Co., Ltd.	Board chairman			No
Li Zhaoting	Hebei Xubao Construction Installation Engineering Co., Ltd.	Board chairman			No
Li Zhaoting	Dongxu Technology Group Co., Ltd.	Director			No
Li Zhaoting	Dongxu Technology Development Co., Ltd.	Executive director,, Manager			No
Li Zhaoting	Beijing Heran Hengye Technology Co., Ltd.	Executive director,General Manager			No
Li Zhaoting	Ningxia Dongxu Solar Energy TechnologyCo., Ltd.	Board chairman, General Manager			No
Li Zhaoting	Beijing Dongxu Hongda Technology Co., Ltd.	Executive director,, Manager			No
Wang Jianqiang	Mudanjiang Xuyang Solar energy Technology Co., Ltd.	Director			No
Wang Jianqiang	Jinzhou Xulong Solar energy Technology Co., Ltd.	Director			No
Wang Jianqiang	Dongxu (Yingkou) Optoelectronic DisplayCo., Ltd.	Director			No
Wang Jianqiang	Chengdu Xushuang Solar energy Technology Co., Ltd.	Director			No
Wang Jianqiang	Wuhu Dongxu Optoelectronic Technology Co., Ltd.	Director			No
Wang Jianqiang	Wuhan Dongxu Optoelectronic Technology Co., Ltd.	Director			No
Wang Jianqiang	Chengdu Dongxu Energy Technology Co.,Ltd.	Director			No
Wang Jianqiang	Jiangsu Dongxu Yitai Intelligent EquipmentCo., Ltd.	Executive director,General Manager			No
Wang Jianqiang	Beijing Hexue Guanglu	Board chairman			No

	Technology Co., Ltd.				
Wang Jianqiang	Ningxia Xutang New Material Technology Co., Ltd.	Supervisor			No
Liu Wentai	Beijing Dongxu Investment Development Co., Ltd.	Director			No
Liu Wentai	Wuhu Dongxu Optoelectronic Equipment Technology Co., Ltd.	Director			No
Zhang Shuangcai	Hebei University , College of Management	Professor			Yes
Zhang Shuangcai	Boshen Tools Co., Ltd.	Independent director			Yes
Zhang Shuangcai	Baoding Tianwei Electric Co., Ltd.	Independent director			Yes
Lu Guihua	Hanvon Polytron echnology Co., Ltd.	Independent director			Yes
Lu Guihua	Mensheng Holding Co., Ltd.	Independent director			Yes
Lu Guihua	Hebei Iron & steel Co., Ltd.	Independent director			Yes
Lu Guihua	Central University of Finance and Economics	Professor			Yes
Han Zhiguo	Hebei Zhengchen Law firm	Lawyer			Yes
Han Zhiguo	Boshen Tools Co., Ltd.	Independent director			Yes

Punishments to the current and leaving board directors, supervisors and senior managers during the report period by securities regulators in the recent three years

Applicable Not applicable

IV. Remuneration to directors, supervisors and senior executives in the reporting period

Decision-making procedures, basis for determination and actual payment of the remuneration to directors , supervisors and senior executives

The payments for the company board directors, supervisors and senior managers are determined on the salary management system. The annual payments (including basic wages, bonus, allowance, subsidy, welfare expense and insurance premium, housing accumulation funds and other pretax net payments paid by the company) paid to board directors, supervisors and senior managers in 2016 are all based on the salary standard administration related to the job responsibilities, performance appraisal and salary level of the corresponding post. During the report period, the salaries for board directors, supervisors and senior managers have been paid monthly.

Remuneration to directors, supervisors and senior executives in the reporting period

In RMB'0000

Name	Positions	Sex	Age	Office status	Total remuneration received from the	Whether to get paid in the company related

					Company	party
Li Zhaoting	Board chairman	Male	51	In Office		Yes
Wang Lipeng	Director, GM	Male	49	In Office	47.8	
Gong Xin	Director/Board secretary	Female	37	In Office	62.8	
Zhou Bo	Director, CFO	Male	37	In Office	64.7	
Zhang Shuangcai	Independent Director	Male	55	In Office	5	
Lu Guihua	Independent Director	Male	48	In Office	5	
Han Zhiguo	Independent Director	Male	53	In Office	2.5	
Guo Chunlin	Chairman of the supervisory committee	Male	37	In Office		Yes
Xu Lingzhi	Supervisor	Female	50	In Office		Yes
Chen Dewei	Supervisor	Male	53	In Office		Yes
Xie Juwen	Supervisor	Male	39	In Office	32.3	
Wang Huanhuan	Supervisor	Female	31	In Office	19.6	
Wang Jianqiang	Deputy GM	Male	52	In Office	36.9	
Wang Zhonghui	Deputy GM	Male	39	In Office	38.7	
Wang Junming	Deputy GM	Male	53	In Office	30.8	
Liu Wentai	Deputy GM	Male	47	In Office	64	
Niu Jianlin	Director	Male	52	Dimission	25.7	
Zhou Bo	Director	Male	51	Dimission	25.5	
Mu Tiehu	Independent Director	Male	49	Dimission	2.5	
Guo Zhisheng	Chairman of the supervisory committee	Male	52	Dimission		Yes
Xie Mengxiong	Supervisor	Male	60	Dimission		Yes
Wang Jianqiang	Supervisor	Male	52	Dimission		Yes
Shi Zhiqiang	GM	Male	50	Dimission	54.45	
Xiao Zhaoxiong	Deputy GM	Male	32	Dimission	33.8	
Total	--	--	--	--	552.05	--

Incentive equity to directors, supervisors or/and senior executives in the reporting period

√Applicable □Not applicable

In shares

Name	Position	Number of Vesting Shares Within Reporting	Number of Vested Shares Within Reporting	Exercise Price of Vested Shares Within	Market Price in the End of Reporting Period	Number of Restricted Shares at the Beginning	Number of shares to unlock of reporting period	Number of Restricted Shares Granted Within	Grant Price of Restricted Shares (yuan/shar)	Number of Restricted Shares in the End of Reporting

		Period	Period	Reporting Period (yuan/shar e)	(yuan/shar e)	of Reporting Period		Reporting Period	e)	Period
Gong Xin	Director, Board secretary					80,000	40,000	0	0	40,000
Li Wentai	Deputy General Manager					120,000	60,000	0	0	60,000
Total	--	0	0	--	--	200,000	100,000	0	--	100,000
Remark (If any)	The equity-incentive restricted shares obtained by the above-said directors and senior management personnel reached the unlock condition in the current reporting period, and the second lock-period of the restricted-share incentive- plan finished, thus the unlocked proportion accounted for 40% of the total granted restricted shares, and the remaining 40% is still the restricted shares.									

V. Particulars about employees.

(1) Particulars about employees.

Number of in-service staff of the parent company(person)	275
Number of in-service staff of the main subsidiaries(person)	4,185
The total number of the in-service staff(person)	4,461
The total number of staff receiving remuneration in the current period(person)	4,461
Retired staff with charges paid by the parent company and main subsidiaries (person)	0
Professional	
Category	Number of persons (person)
Production	1,476
Sales	100
Tech	1,941
Finance	107
Administration	837
Total	4,461
Education	
Category	Number of persons (person)
Bachelor degree or above	1,643

College diploma	1,630
Below college diploma	1,188
Total	4,461

2. Remuneration policies

To keep fair to all employees and competitive in business circles and more importantly to inspire employees, we stick to a principle "payment closely matches value of job position, employee's performance and operation, development and change of performance of the company itself" and stick to another principle "High responsibility, high requirement, high payment" based on the company's fact. In addition, payment inclines to core job positions and core talents. Make short-term, medium-term and long-term incentive plans. Short-term incentives mainly include payment (annual pay) and profit sharing. Medium-term incentives include equity subscription and option subscription. Long-term incentives include employee stock ownership plan and partnership.

3. Training plan

1. Employment training for recruiters: one training is taken per month. Professional learning of recruiters shall be not less than 2h.

2. (Leadership) training for administrative personnel: build "Sunshine Plan" leadership training system in Tunghsu Group; design blending learning to improve efficiency based on learning preferences of administrators at different levels.

3. (Professional) training for ready-to-be professionals: provide professional training for ready-to-be professionals. Professional learning shall be not less than 2h. Build "Dongxu School" and "Dongxu Posthouse".

4. (Profession Enhancement) training of performance improvement: based on management and profession channels, provide sub-channel and systematic training separately. Train and reserve administrative personnel to make performance of company achievable and push the implementation of strategy.

4. Outsourcing situation

Applicable No Applicable

IX. Administrative structure

I. General situation

The company adheres to honest operation, standard operation and performs obligation of information disclose required in Company Law, Securities Law, Rule of Stock Exchange Listing in Shenzhen Stock Exchange and Guideline on Standard Operation of Listing Companies on Main Board in Shenzhen Stock Exchange and other laws and regulations as well as related standard files in order to ensure fairness, timeliness and accuracy of information disclosure.

Based on standard files on listing companies issued by China Securities Regulatory Commission, the company constantly adjusts and improves its organizations to ensure completeness, independence and standardization of organizations. Core management organization is composed of general meeting of shareholders, Board of Directors, Board of Supervisors and administrative personnel. A good mechanism shall be created among authorities, decision-making body, supervising body and administrative personnel, namely clearly defined powers and responsibilities, standard operation, mutual coordination and balance of mutual distraction. Separation of positions, clearly defined powers and responsibilities and balance of mutual distraction among different organizations and departments shall be maintained in order to effectively ensure the "Profession", "Standardization" and "Transparency" of company's management and even to guarantee all shareholders' benefits, especially minority shareholders.

General meeting of shareholders is an authority of the company. In 2016, 5 meetings was held totally, among which 1 meeting was annual general meeting of shareholders, 4 were temporary. Board of Directors serves general meeting of shareholders. During reporting period, 18 meetings were held in Board of Director and 75 bills were approved. Special committee is set under Board of Director and 7 meetings were held in 2016. Board of Supervisors serves all shareholders and 8 meeting were held in reporting period. Above meetings were held in conformity with related regulations of Articles of Association, Rule of Procedure of General Meeting of Shareholders, Rule of Procedure of Board of Director, Rule of Procedure of Board of Supervisor. Above meetings were convened, held and voted reasonably and legally while resolutions were all legal and valid, so the meetings play an important role in rapid development of the company.

Does there exist any difference in compliance with the corporate governance , the PRC Company Law and the relevant provisions of CSRC,

Yes No

There exist no difference in compliance with the corporate governance , the PRC Company Law and the relevant provisions of CSRC.

II. Independence and Completeness in business, personnel , assets, organization and finance

The controlling shareholder of the company has the standard behavior and hasn't directly or indirectly interfered the decision-making and operations of the company beyond the shareholders' meeting. "Five Separations" achieved on the fields of human resource, finance, assets, organization and business by the company and holding shareholders.

1. Human resource: Management on labor, personnel and wages by the company is independent from holding shareholders. Senior managers all receive payments in the company; none of them receive payment from or serve in controlling shareholder's entities.

2. Finance: An independent financial management department and accounting system have been established. A formal financial management system has been set up for independent financial decisions. An independent bank account has been opened for independent tax payment in accordance with the law. No accountant work simultaneously in controlling shareholder's entities.

3. Assets: The property rights of company's assets are clear and complete. Production system and supporting facilities independent from holding shareholders have been built up, and free use and embezzlement of corporate assets by holding shareholders or other related parties will not happen.

4. Organization: A sound organization system has been constructed in the company, with which Board of Directors, Board of Supervisors and internal organizations operate independently and no affiliation exists between holding shareholders and functional departments. All the holding shareholders participate in corporate decisions in accordance with legal procedures and have caused no influence on the independence of the corporate operation and management.

5. Business: The company operates independently with complete business structure as well as independent production, sale and financial systems. The company operates and manages independently in accordance with the statutory scope of business, and no shareholders will directly or indirectly control and intervene in the supply and sale. Complete and independent business has been maintained with major shareholders.

III. Competition situations of the industry

√ Applicable e □ Not applicable

Problem Types	Name of Holding Shareholders	Nature of Holding Shareholders	Causes of Problems	Solving Measures	Schedule and Follow-up Plan
Competitions in the industry	Dongxu Group	Individual	The non-public issuing of stocks for funds raising "G6 FPD LCD glass substrate production line" carried out by Sichuan Xuhong and Dongxu (Yingkou), which are controlled by the holding shareholder Dongxu Group, has caused competition	Dongxu Group, Sichuan Xuhong, Dongxu (Yingkou) and the shareholders signed entrusted management agreements with the company, which authorizes the company to manage the right of operation uniformly	It is planned to inject all the equities of Dongxu (Yingkou) and Sichuan Xuhong into the company before December 31, 2016. If the equities of the trustee companies are unable to satisfy the conditions of capital infusion due to the industry downturn, changes of supervision requirements and other external factors, the above mentioned equities and right of operation will be still host by the company.

IV. Annual General Meeting and Extraordinary Shareholders' Meetings in the Reporting Period

1. Annual General Meeting

Sessions	Type	Investor participation ratio	Meeting Date	Disclosure date	Disclosure index
The First provisional shareholders' General meeting in 2016	Provisional shareholders' General meeting	30.37%	February 22,2016	February 23,2016	Announcement No.2016—024,China Securities Daily, Securities Time, Shanghai Securities News ,Hongkong Commercial Daily and www.cninfo.com.cn
2015 Shareholders' general meeting	Annual Shareholders' General Meeting	30.42%	February 29,2016	March 1,2016	Announcement No.2016—026,China Securities Daily, Securities Time, Shanghai Securities News ,Hongkong Commercial Daily and www.cninfo.com.cn
The Second provisional shareholders' General meeting in 2016	Provisional shareholders' General meeting	30.46%	July 28,2016	July 29,2016	Announcement No.2016—087,China Securities Daily, Securities Time, Shanghai Securities News ,Hongkong Commercial Daily and www.cninfo.com.cn
The Third provisional shareholders' General meeting in 2016	Provisional shareholders' General meeting	20.50%	Septembet 26,2016	September 27,2016	Announcement No.2016—109,China Securities Daily, Securities Time, Shanghai Securities News ,Hongkong Commercial Daily and www.cninfo.com.cn
The Fourth	Provisional	28.77%	December 26,2016	December 27,2016	Announcement

provisional shareholders' General meeting in 2016	shareholders' General meeting				No.2016—135,China Securities Daily, Securities Time, Shanghai Securities News ,Hongkong Commercial Daily and www.cninfo.com.cn
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2. Preferred stockholders restored voting rights to request to convene Provisional Shareholders' Meeting.

Applicable Not applicable

V. Duty performance of independent Directors

1. Attendance of Board Meetings and General Meetings

Independent Directors' Attendance at Board Meetings						
Independent Directors	Number of Board meetings necessary to be attended in the reporting period	Number of spot attendances	Number of meetings attended by Communication	Number of attendances by representative	Number of absence	Failure to personally attend board meetings successively twice (Yes/No)
Lu Guihua	18	18	0	0	0	No
Zhang Shuangcai	18	18	0	0	0	No
Han Zhiguo	8	8	0	0	0	No
Mu Tiehu	10	10	0	0	0	No
Number of general meetings attended by independent directors as non-voting delegates		5				

Notes to failure to personally attend Board Meetings Successively Twice

2.Objection of independent directors on some relevant issues

Objection of independent directors on some relevant issues

Yes No

Independent directors proposed no objection against the relevant matters in the reporting period.

3. Other notes to duty performance of independent directors

Has an independent director's advice to the Company been accepted

Yes No

Explanation on acceptance of or failure to accept an independent director's advice to the Company.

During the report period, the independent directors of the company has strictly followed the relevant laws and regulations of “Governance Rules of Listed Companies”, “Stock Listed Rules in Shenzhen Stock Exchange” and “Guidance Suggestion on the Establishment of Independent Directors System by the Listed Company”, and the provisions of “Articles of Association” to attend the Board of Directors and Shareholders of the company, conscientiously perform their duties, express the constructive comments or suggestions for the development decisions of the company, review the major matters, such as the affiliated transactions, the appointment of senior executives, use of funds-raising and external guarantee, and issue the opinions of the independent directors, which has effectively ensured the impartiality and objectivity of decision-making of the Board of Directors, maintained the whole interests of the company and the legitimate rights of medium and small shareholders, and played a positive role in the company’s standard operation and healthy development.

VI. Duty Performance of Special Committees under the Board of Directors in the Reporting period

1. Performance of duties of the Nomination Committee

In 2016, The Nomination Committee of the Board of Directors earnestly performs their duties, and reviews and make recommendations on the company’s general manager ,Deputy general manager, Board secretary and CFO candidates as per the provisions of “Implementation Rules of Nomination Committee of the Board of Directors”.

2. Performance of Remuneration and Appraisal Committee

In 2016, Remuneration and Appraisal Committee under the Board of Directors have conscientiously performed their duties, and conducted the review and provide the suggestions on the subsidy of the independent directors of the company according to the provisions of “Detailed Rules for Implementation of Remuneration and Appraisal Committee under the Board of Directors”.

3. Performance of Audit Committee

In 2016, Audit Committee under the Board of Directors has conscientiously performed the duties, conducted the duty of care, actively performs all kinds of works according to the relevant provisions of “Detailed Rules for Implementation of Audit Committee under the Board of Directors” and “Articles of Association”, and mainly made communication, control and review on the annual audits of the company.

Audit Committee and the certified accountants have made fully communication on the audit plans, business engagement letters, risks and control matters. The Audit Committee has reviewed the audit opinions and the financial accounting statements issued by the certified accountants, and supervised the certified accountants to submit the audit report within the appointment time. At the same time, the Audit Committee believes that the certified accountants have strictly followed the provisions of the independent audit rules from CPAs to perform the audit work, the audit time is enough, the audit personnel is allocated reasonably, the certificated competence is qualified, and the financial accounting statements audited by the certified accountants shall reflect the true, accurate and complete financial condition.

4. Performance of Strategy Committee

In accordance with related provisions of The Detailed Rules for Implementing the Strategy Committee of the Board and Articles of Incorporation, Strategy Committee of the company is diligent and dutiful in fulfilling its duties and carrying out its work in 2016. It mainly focuses on the discussion and revision of strategic development planning of the company.

VII. Work of the supervisory Committee

Did the supervisory Committee find any risk existing in performing the supervision activities in the reporting period

Yes No

The supervisory Committee has no objection against any matters under supervision in the reporting period

VIII. Assessment and incentive Mechanism for Senior executives

The company puts store by performance evaluation of administrative personnel, so the company gradually improves evaluation and inspiration mechanism of administrative personnel and builds improved payment management system and performance management system and finally found payment and evaluation committee under Board of Director, which is in charge of evaluating administrative personnel. Performance evaluation has a close influence on payment of administrative personnel. The company makes a scientific and effective inspiration mechanism.

IX. Internal control situations

1. Specific situations on major defects of internal control discovered during report period

Yes No

2. Self-evaluation report on internal control

Disclosure date of appraisal report on internal control	March 28,2017	
Disclosure index of appraisal report on internal control	http://www.cninfo.com.cn	
Proportion of total unit assets covered by appraisal in the total assets of the consolidated financial statements of the company	90.00%	
Proportion of total unit incomes covered by appraisal in the total business incomes of the consolidated financial statements of the company	90.00%	
Standards of Defects Evaluation		
Type	Financial Report	Non-financial Report
Standard	Evaluation standards of internal control defects in financial reports are based on the degree of importance of the misstatement due to the internal control defects. The degree of importance mainly relies on following factors: (1) the possibility of loss or fraud of related assets or debts; the severity degree of defect control relies on the possibility of prevention, discovery or correction of misstatement concerning to account or presentation; (2) involved account, presentation and related recognized property: whether there is a recognized direct relationship with the one or more financial statements; (3) whether the control for evaluation and compensation can offset the control defects,	Criteria of quality refers to the severity of involved business nature, which can be determined by the nature, range of influence and other factors of direct or potential negative effects. The following signs indicate possible major defects in internal control of non-financial reports: (1) invalid supervision on internal control by Audit Committee and the internal audit authority; (2) lack of democratic decision-making process,

	<p>whether the control for evaluation and compensation is precise enough to prevent, discover or correct possible majors misstatements; (4) whether it can arouse attention of personnel in charge of supervising enterprise financial reports: a. control defects have been existed since previous year and recognized as major ones; b. control defects exist in the rising business or high-risk business of the company; c. control defects exist in fields highly focused by Board of Directors or Audit Committee, such as special part or sensitive business; (5) the interaction among control defects: whether control defects, which influence the same important account, presentation and related recognized or internal control factors, form major defects; (6) the possible influences caused by control defects in future. When a cautious manager considers a control defect or the combination of control defects are obstacles in formulating basic recording transactions with applicable financial reports in a reasonable way, then the control defect or the combination of control defects should be considered as the indication of major defects. The following signs indicate major defects in internal control of financial reports: (1) any degree of fraud carried out by board members, supervisors and senior managers; (2) financial statements re-published by the company to correct major misstatements due to fraud or mistakes; (3) major misstatements existed in the current financial statements of the company, which have not been discovered during the operation of internal control; (4) invalid supervision on internal control carried out by Audit Committee and internal audit authority; (5) invalid internal control environment in the company; (6) major deviation on budgets; (7) negative effects due to the punishments by regulators; (8) huge losses of the company; (9) total amount of associated business surpasses the upper limit of associated business amount approved by general meeting of shareholders; (10) defects influencing the revenue trend, such as profit and loss results; (11) other defects influencing the sound judgment by statement users.</p>	<p>such as the decision-making process of “major policies, appointment or dismissal of cadres in important positions, arrangement of major projects and utilization of sizable funds”; (3) violation of state laws and regulations, for example environment pollution; (4) the outflow of managers and technicians; (5) lack of system control or systemic failure in major business; (6) no rectification of major or important defects concerning to the results of internal control appraisal.</p>
Standards of Quantitation	<p>① Single defect: a. when the influence level reaches or surpasses 3% of the profits before tax when appraising the annual consolidated statements of Dongxu Photo-electricity, it will be considered as major defect; b. when the influence level is lower than 3% but reaches or surpasses 0.3% of the profits before tax when appraising the annual consolidated statements of Dongxu Photo-electricity, it will be considered as major defect; c. when it is not belonged to major or important defects, then it will be considered as normal defect. ② The collection of defects influencing the same important account title or disclosure: a.</p>	<p>(1) Defects and problems concerning to the internal control: Single defect: when the influence level reaches or surpasses 0.3% of the sales revenue when appraising the annual consolidated statements of Dongxu Photo-electricity, it will be considered as major defect; b. when the influence level is lower than 3% but reaches or surpasses 0.3% of the sales revenue when appraising the annual</p>

	<p>when the influence level after collection reaches or surpasses 3% of the profits before tax when appraising the annual consolidated statements of Dongxu Photo-electricity, it will be considered as major defect; b. when the influence level after collection is lower than 3% but reaches or surpasses 0.3% of the profits before tax when appraising the annual consolidated statements of Dongxu Photo-electricity, it will be considered as major defect; c. when it is not belonged to major or important defects, then it will be considered as normal defect.</p>	<p>consolidated statements of Dongxu Photo-electricity, it will be considered as major defect; c. when it is not belonged to major or important defects, then it will be considered as normal defect. ② The collection of defects influencing the same important account title or disclosure: a. when the influence level after collection reaches or surpasses 0.3% of the sales revenue when appraising the annual consolidated statements of Dongxu Photo-electricity, it will be considered as major defect; b. when the influence level after collection is lower than 0.3% but reaches or surpasses 0.03% of the sales revenue when appraising the annual consolidated statements of Dongxu Photo-electricity, it will be considered as major defect; c. when it is not belonged to major or important defects, then it will be considered as normal defect. (2) For internal control defects and problems including personal fraud, please refer to the integrity management related rules of the company. Standards of internal control defects and problems including personal fraud: a. normal defects: less than one million yuan, or punishments by the government departments following the provincial level (including provincial) without negative effects on regular reports or disclosures published by Dongxu Photo-electricity; b. major defects: one million yuan (including one million) to ten million yuan, or punishments by the government departments at the national level without negative effects on regular reports or disclosures published by Dongxu Photo-electricity; c. major defects: 10 million yuan or more or defects which have been officially announced and caused negative effects on regular reports</p>
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	or disclosures published by Dongxu Photo-electricity
Number of major defects in financial reporting (a)	0
Number of major defects in non financial reporting (a)	0
Number of important defects in financial reporting (a)	0
Number of important defects in non financial reporting (a)	0

X. Internal Control audit report

Applicable Not applicable

Review opinions in the internal control audit report
<p style="text-align: center;">Internal Control audit report ZXCGHSZZD(2017)No.:105007</p> <p>To All Shareholders of Dongxu Optoelectronic Technology Co., Ltd :</p> <p>In accordance with Audit Guideline for Enterprise Internal Control and relevant requirement of the practicing standards of Chinese Certified Public Accountant, we audited the effective-ness of the financial report’s internal control for Dongxu Optoelectronic Technology Co., Ltd . (the Company) dated 31December 2016.</p> <p style="padding-left: 40px;">I. As for responsibility of internal control,</p> <p>The Company established and improved and implemented internal control effectively based on Basic Norms of Enterprises Internal Control, Supporting Guidelines for Enterprise Internal Control and Evaluation Guild lines for Enterprises Internal Control, and board of the director is responsible for evaluating its effectiveness.</p> <p style="padding-left: 40px;">II. Auditor’s responsibilities</p> <p>Our responsibility is to express an opinion on the effectiveness of internal control for the financial statements based on our audit. And disclosed major deficits of noted internal control without financial statement concerned.</p> <p style="padding-left: 40px;">III. Inherent feature of internal control:</p> <p>The internal control has an inherent limitation, and exist mistakes that can not prevent and being discovered. Moreover, the internal control might be inappropriate due to the changes of conditions, or fails to follow the controlling policies and procedures, to speculate future effectiveness of the internal control in line with the auditing result has a certain risks.</p> <p style="padding-left: 40px;">IV. Auditing opinion: in our opinion, the Company.</p> <p>In line with Basic Norms of Enterprises Internal Control and relevant regulations, shows an effectiveness internal control of financial report in all major aspects dated 31 December 2016.</p>

Disclosure of internal audit report	Disclosure
Disclosure date of audit report of internal control (full-text)	March 28,2017
Index of audit report of internal control (full-text)	http://www.cninfo.com.cn
Internal audit report's opinion	Unqualified audit opinion
Non-financial reporting the existence of significant deficiencies	No

Has the CPAs issued a qualified auditor's report of internal control .

Yes No

Does the internal control audit report issued by the CPAs agree with the self-assessment report of the Board of Directors

Yes No

X. Corporation bonds

Whether or not the Company public offering corporation bonds in stock exchange, which undue or without payment in full at maturity on the approval date for annual report disclosed

Yes

1. Basic information of the corporate bonds

Bond Name	Abbreviated Bond Name	Code	Issue Date	Date Due	Bond Balance(RMB'0000)	Interest Rate	Method of repayment of the principal and interest payment
2015- corporate bond of Dongxu Optoelectronic Technology Co., Ltd	15 Dongxu bonds	112243	May 19,2015	May 19,2020	100,000	6.00%	Interest paid every year, the principal will be repaid with the last unpaid interest in one time as the bond due
Listed place or Transaction place for the corporate bonds	Shenzhen Stock Exchange						
Arrangement of investor's eligibility	Investor's puttable right						
Information about interest paid and bonds honored during the reporting period	The first period bond interest 60,000,000.00 was paid in full amount on schedule in the current period.						
Implementation of relevant special clauses(if applicable) such as option clause for the bond issuer or investors and exchangeable clause	None happened in the reporting period						

2.Information about the bond trustee and credit rating agency

Bond trustee:							
Name	Guangzhou Securities Co., Ltd.	Business Address	19-20/F, Main Tower , Guangzhou International Finance Center, No.5 Zhujiang West Road, Tianhe District Guangzhou City	Contacts	Shi Jianhua, Yan Xiangjun	Telephone	020-88836999
The credit rating agency who follow up and rate the corporate bonds in the reporting period:							

Name	United Rating Co.,Ltd	Business Address	Room 508 Ailiyuan Apartment, No.38 Water Park North Road, Nankai District, Tianjin City
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3.Information about the use of the funds raised by issuing corporate bonds

The information of the use of the funds raised by issuing corporate bonds and related implementation procedure	Using the funds raised by issuing corporate bonds strictly conforming to the purpose stipulated by Rules of Management and Use of the Raised Funds and the Prospectus, and implemented the corresponding approval procedures
Ending balance of the year(RMB'0000)	33.81
Operation status of the special account for the raised funds	Normal
Whether the use of the raised funds conforming to the purpose, use plan and other provisions specified in the Prospectus	The use of the raised funds conformed to the purpose promised in the Prospectus

4. Information about the rating of the corporate bonds

On April 1, 2016, United Ratings Co., Ltd. issued trace rating report LHPZ [2016] No.243 based on the company's 2015 Annual Report. This rating result is long-term credit rating AA+ and its outlook is "Steady".

According to the United Rating Co.,Ltd's requirements on tacking and rating, a regular rating shall be carried out within 2 months after the company's disclosure of 2016 annual report. Also, the United Rating Co.,Ltd shall carry out randomly tracking and rating during the duration of the corporate bonds based on relevant information.

5. The corporate bond's credit mechanism, repayment plan and other safeguard measures for repayment

Repayment Plan

I. Payment of the interest

1. The interest of the bonds shall be paid each year and the last payment of interest shall be paid with the principal. Every payment of interest shall not be charged on interest after the interest paying day and the principal shall not be charged on interest after the bond's date due. The interest payment day of this corporate bond is May 19 of each year from 2016 to 2020(If it is not a working day, the payment day will be postponed to the first working day after the day).If the investors exercise the puttable right at the end of the third year in the duration of the bond, the interest payment day of the bonds sold back is May 19 of each year from 2016 to 2018.

2. The payment of the interest of the bonds shall be handled through the bond registration institution and other related institutions. The concrete information of the interest payment will be specified in the Interest Payment Announcement issued on the media designated by CSRC, with in accordance with the relevant state regulations.

3. According to relevant national tax laws and regulations, the investor of the corporate bond shall fully bear the relevant tax should be paid.

II. The repayment of the principal

1. The principal will be fully repaid in a time, and its repaying day is May 19, 2020. If the investors exercise the puttable right at the end of the third year in the duration of the bond, the repaying day of the principal of the bonds being sold back is May 19, 2018. (If the repaying day aforesaid is not a working day, the repaying day shall be postponed to the first working day after the original day, and there is no need to pay interest in the deferred period)

2. The repayment of the principal of the bonds will be handled through the bond registration institution and

other related institutions. The concrete information of repayment of the principal of the bonds will be specified in the Principal Repayment Announcement issued on the media designated by CSRC, with in accordance with the relevant state regulations.

Safeguard measures for the repayment

I. A designated special department in charge of the repayment working

The company designated its finance department to take the lead in the coordination work for repayment of the bonds and the finance department shall coordinate other relevant departments to schedule the demanded funds for the repayment of the bonds in every year's financial budget, for ensuring the repayment of the interest and principal of the bonds is timely, guaranteeing the bond-holder's interest. The company will set up a working team for repayment 15days before the day that is the interest paying day or principal repaying day of the bonds, with the personnel of the finance department being included, to specially in charge of the work of paying the interest of the bonds and the repayment of the principal.

II. Establishing Meeting Rules for Bond-holders

According to the provisions specified in the Pilot Approach, the company with bond trustee has established the Meeting Rules for Bond-holders for the corporate bonds. The Meeting Rules for Bond-holders specified the scope, procedures and other important items for the bond-holders to exercise rights through the Meeting of the Bond-holders, which provided a reasonable institutional arrangement for the timely and full payment to the interest and the principal of the corporate bonds.

III. Making the full use of the bond trustee

According to the requirements specified in the Pilot Approach, the company has adopted the institution of bond trustee, engaged Guangzhou Securities Co.,Ltd as the trustee of the bonds this time and signed the Agreement of Bond Entrusted Management with Guangzhou Securities. The Bond Trustee shall represent all the bond-holders to supervise the relevant information about the company and take all necessary measures to protect the legitimate interest of the bond-holders when the interest or principal of the bonds cannot be repaid in time. The company shall strictly conform to the provisions specified in the Agreement of Bond Entrusted Management, being cooperative when the bond trustee performance its duties, and regularly submit the report of commitment fulfillment status to the bond trustee. When there is a possible bond default, the company shall notice the bond trustee in time, thus the bond trustee can take other necessary measures in time according to the Bond Entrusted Management.

IV. Strictly fulfilling the obligation of information disclosure

The company shall adhere to the information disclosure principles of authentic, accurate and completed, making the information of the company's repaying ability and use of the raised funds to be supervised by the bond trustee and shareholders, for preventing the risk of repayment. According to the Agreement of Bond Entrusted Management and relevant regulations, the company shall release the information of major issues, which include but not limited to the following contents: (1) According to the Prospectus and agreement with the registered trustee institution, the company shall transfer the maturity interest payment or principal to the account designated by the registered trustee institution; (2) By estimate or in fact, the company cannot fully repay the interest or principal of the bonds in time according to the provisions stipulated in the Prospectus; (3) Signing the guarantee contract for external or other major contracts may have significant adverse effects of repaying the interest and principal of the bonds; (4) A severe loss occurred or expected to occur, and the loss exceeds 10% of the net asset audited in the last accounting year; (5) Occurrence of capital reduction, merger, division, dissolution, file for bankruptcy, entering into bankruptcy procedure or other main changes of the company; (6) Occurrence of the amount of subject in the major arbitration or lawsuit exceeding 10% of the net asset audited in the last accounting year; (7) Planning to dispose the asset or debt with subject amount exceeding 10% of the net asset audited in the

last accounting year; (8) Planning to change the bond trustee; (9) Failing to perform or Planning to change the stipulations specified in the Prospectus; (10) Alteration of the designated person for specially in charge of the relevant matters of the corporate bonds; (11) Occurrence of suspending the bond transaction; (12) Others may significantly impact the repaying of the interest and principal or circumstances specified by laws, administrative regulations and stipulations by the CSRC or exchange.

V. Setting up the capital management plan and strictly implementing the plan

After the issuance of the bonds, the company shall further reinforce the company's assets and liabilities management, liquidity management, use management of the raised funds, funds management and so forth according to the company's debt structure. Also, the company will set up monthly and yearly funds use plan based on the maturity of repaying the interest and principal, ensuring on-schedule, timely and full-amount preparing of the funds for repaying every year's interest or principal of the bonds to adequately protect the investor's interest.

VI. Commitments

According to the resolutions of the issuance of the bonds approved on the board meeting on Oct 21, 2014 and the general meeting of shareholders on Nov 6, 2014, when the company cannot repay the interest or principal of the bonds in time or fully repay the interest or principal of the bonds, the company shall take the following resolutions and make corresponding measures: (1) None profit distribution to shareholders; (2) Postponing capital expenditure items, such as major investment, merger and acquisition; (3) Reducing or stopping the salaries and bonuses of the directors and senior management personnel; (4) No transferring of principal responsible personnel and so on.

6. Information about the bond-holder meeting during the reporting period

There was no bond-holder meeting convened in the reporting period.

7. Information about the obligations fulfilled by the bond trustee in the reporting period

The bond trustee has been continuously following up the company's credit status, and paid a visit to the company in Dec, 2016, checking the bank statement of the designated account for the raised funds. Also, the trustee has been continuously supervising the use of the raised funds.

8. The key accounting data and financial indicators of the latest two years to the end of the reporting period

In RMB'0000

Items	2016	2015	Rate of change in the same period
Earnings before interest, tax, depreciation and amortization	262,082.19	233,623.36	12.18%
Current ratio	380.90%	259.46%	121.44%
Debt ratio	50.73%	49.44%	1.29%
Quick ratio	316.23%	208.76%	107.47%
EBITDA/Total debts	11.03%	16.41%	-5.38%
Interest coverage ratio	3.79	5.69	-33.39%
Cash interest coverage ratio	3.13	4.4	-28.86%
EBITDA interest coverage ratio	4.79	6.72	-28.72%
Loans repayment rate	100.00%	100.00%	0.00%

Interest payment rate	100.00%	100.00%	0.00%
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The material reasons for the changed ratio of the accounting data or financial indicators exceeds 30% over the last year

Applicable Not applicable

The company current ratio and quick-action ratio both increase and the cashability improves.

9. Information about the repayment of interest and principal for other bonds or debt financing instruments

1. Bonds issuing, interest payment and cashing within the report period

The company 8th Board of Directors approved the application to National Association of Financial Market Institutional Investors (NAFMII) for registration and issuance of less than 4.7 billion yuan medium term note on September 8, 2016. The extraordinary general shareholders' meeting was convoked on September 26, 2016 and approved the program concerning the proposed registration and issuance of the medium term note. The medium term note in 2016 was 4.7 billion yuan in two periods including the first period with two types of (3+2 years) and 5 years totaling up to 3 billion yuan and the second period with two types of (3+2 years) and 5 years totaling up to 1.7 billion yuan, which would both adopt the interest payment per year, principal repayment upon expiration and the interest payment together with the principal cashing for the last period. The interest payment period has not expires within the report period and the interest accrued was 23,924,931.51 yuan.

2. Unmatured bonds issuing, interest payment and cashing in previous years

As approved by China Securities Regulatory Commission file of ZJXK[2015] No. 635, the company issued toward the public 1 billion bones on May 19, 2015 and the first period bond interest 60,000,000.00 was paid in full amount on schedule in the current period.

10. Information about the bank credit obtaining and use, as well as repayment of the bank loans during the reporting period

The balance of the total amount of the short-term and long-term loans is RMB 12,586,849,200.13, increased RMB1,705,164,700.13 compared with the end of year 2015, which mainly because of the need of the production and operation and the construction of projects. The company strictly conformed to requests of bank loans to use the funds and fully repaid the interest and principal to the bank in time.

11. Information about fulfillment of the stipulations or commitments specified in the Prospectus of the issuance of the bonds during the reporting period

During the reporting period, the company had been strictly conforming to the stipulations specified in the Prospectus of the issuance of the bonds to use the raised funds, and the company had fulfilled the commitments of not using any raised funds to indirectly or directly invest real estate business or raise capital for the subsidiaries engaged in real estate business.

12. Major events occurred during the reporting period

During the reporting period, the company had increased the guarantee amount of RMB1.665 million for its controlled subsidiaries and wholly-owned subsidies, beyond that, there were no major events occurred in accordance with the article-45 specified in the Measures on Issuance and Management for Corporate Bonds

13. Whether the corporate bonds have a guarantor

Yes No

XI. Financial Report

I. Audit report

Type of audit opinion	Unqualified audit opinion
Date for signing the auditor's report	March 27,2017
Name of audit firm	Zhongxingcai Guanghua Certified Public Accountants (SpecialGeneral Partnership)
The audit of the report	ZXCGHSKZD(2017)No.:105010
Certified public accountant's name	Wang Fengqi ,Meng Xiaoguang

Auditors Report

To all shareholders of Shareholders of Dongxu Optoelectronic Technology Co., Ltd.:

We audited accompanying financial statements of Dongxu Optoelectronic Technology Co., Ltd.. (hereinafter referred to as "the Company"), including Consolidation and parent Company balance sheet on December 31, 2016, Consolidation and parent Company profit statement, Consolidation and parent Company cash flow statement for the year 2016 and Consolidation and parent Company statement of change in shareholders' equity and the notes to financial statements..

I .Management's responsibility for the financial statements

Preparation of financial statements in accordance with the Accounting Standards for Business Enterprises is the responsibility of the management of the Company. Such responsibility includes: (1) Prepare the financial statements according to business enterprises regulation, so that making reasonable accounting estimate. (2) design, implementation and maintenance of internal control related to the preparation of financial statements so that financial statements are free from material misstatement caused by fraudulent practices or errors;

II. Responsibility of certified public accountants

We are responsible for expressing opinions on financial statements based on our audit. We conducted audit in accordance with the audit criteria for Chinese certified public accountants. The audit criteria for Chinese certified public accountants require us to abide by professional ethics, plan and conduct audit to obtain reasonable assurance as to whether financial statements are free from material misstatement. Audit involves carrying out audit procedure to obtain the audit evidences about the amounts and disclosure of financial statements. The selected audit procedure relies on the judgment of certified public accountants, including the appraisal of risk of material misstatement of financial statements caused by fraudulent practices or errors. While appraising risks, we considered the internal control related to the preparation of financial statements to design proper audit procedure but the purpose is not to express an opinion on the effectiveness of internal control. The audit also includes the appraisal of suitability of accounting policies selected by the management, the reasonableness of accounting

estimate and the overall presentation of financial statements.

We believe that the audit evidences obtained by us are full and appropriate and provide a basis for expressing audit opinion.

III. Audit opinion

In our opinion, the financial statements of Dongxu Optoelectronic Technology Co., Ltd. Wharf present fairly, in all material respects, the company's and consolidated financial position as of 31 December 2016, and the Company's and consolidated results of operations and cash flows for the year then ended in accordance with Accounting Standards for Business Enterprises.

II. Financial statements

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

1.Consolidated Balance sheet

Prepared by: Dongxu Optoelectronic Technology Co., Ltd.

December 31,2016

In RMB

Items	Year-end balance	Year-beginning balance
Current asset:		
Monetary fund	26,056,117,216.86	12,409,510,170.26
Settlement provision		
Outgoing call loan		
Financial assets measured at fair value with variations accounted into current income account		
Derivative financial assets		
Bill receivable	55,340,287.95	51,014,152.00
Account receivable	1,652,714,640.77	1,042,538,312.51
Prepayments	862,432,895.10	418,910,587.57
Insurance receivable		
Reinsurance receivable		
Provisions of Reinsurance contracts receivable		
Interest receivable		
Dividend receivable		
Other account receivable	186,071,085.24	55,197,871.28
Repurchasing of financial assets		

Inventories	2,688,967,436.27	2,177,979,684.06
Assets held for sales		
Non-current asset due in 1 year		139,395.72
Other current asset	3,203,453,317.38	1,216,401,769.76
Total of current assets	34,705,096,879.57	17,371,691,943.16
Non-current assets:		
Loans and payment on other's behalf disbursed		
Disposable financial asset		
Expired investment in possess		
Long-term receivable		
Long term share equity investment	72,354,803.70	72,426,252.41
Property investment		
Fixed assets	8,952,341,070.47	6,900,189,927.76
Construction in progress	1,772,629,310.84	3,433,016,388.90
Engineering material	304,468.05	38,214.99
Fixed asset disposal		
Production physical assets		
Gas & petrol		
Intangible assets	578,194,545.68	462,291,286.50
R & D petrol		
Goodwill	33,935,384.57	
Long-germ expenses to be amortized	11,756,506.76	16,560,387.39
Differed income tax asset	312,555,500.36	299,129,677.91
Other non-current asset	387,151,100.41	243,279,174.31
Total of non-current assets	12,121,222,690.84	11,426,931,310.17
Total of assets	46,826,319,570.41	28,798,623,253.33
Current liabilities		
Short-term loans	4,940,816,200.13	3,783,300,000.00
Loan from Central Bank		
Deposit received and hold for others		
Call loan received		
Financial liabilities measured at fair value with variations accounted into current income account		
Derivative financial liabilities		

Bill payable	393,136,676.05	410,594,929.94
Account payable	1,165,418,491.73	675,736,226.62
Advance payment	414,078,061.38	97,920,689.41
Selling of repurchased financial assets		
Fees and commissions receivable		
Employees' wage payable	42,851,392.30	36,856,257.86
Tax payable	224,310,530.71	105,451,423.67
Interest payable	81,610,513.91	55,405,608.76
Dividend payable	30,000,000.00	20,000,000.00
Other account payable	114,993,136.80	539,796,113.78
Reinsurance fee payable		
Insurance contract provision		
Entrusted trading of securities		
Entrusted selling of securities		
Liabilities held for sales		
Non-current liability due in 1 year	1,618,589,512.42	905,454,163.08
Other current liability	85,535,473.05	64,936,000.00
Total of current liability	9,111,339,988.48	6,695,451,413.12
Non-current liabilities:		
Long-term loan	6,596,159,000.00	6,249,397,300.00
Bond payable	5,653,912,494.73	988,400,388.00
Including: preferred stock		
Sustainable debt		
Long-term payable	1,514,308,568.67	57,000,000.00
Long-term payable employees's remuneration		
Special payable		
Expected liabilities		
Differed income	380,949,662.27	246,925,387.61
Differed income tax liability	413,257.79	
Other non-current liabilities	500,000,000.00	
Total non-current liabilities	14,645,742,983.46	7,541,723,075.61
Total of liability	23,757,082,971.94	14,237,174,488.73
Owners' equity		
Share capital	4,939,928,983.00	3,835,000,526.00

Other equity instruments		
Including: preferred stock		
Sustainable debt		
Capital reserves	15,207,210,810.89	9,391,388,905.89
Less: Shares in stock	4,422,320.00	9,011,520.00
Other comprehensive income		
Special reserves		
Surplus reserves	188,044,070.48	132,723,528.42
Common risk provision		
Undistributed profit	1,885,538,821.49	969,380,500.97
Total of owner's equity belong to the parent company	22,216,300,365.86	14,319,481,941.28
Minority shareholders' equity	852,936,232.61	241,966,823.32
Total of owners' equity	23,069,236,598.47	14,561,448,764.60
Total of liabilities and owners' equity	46,826,319,570.41	28,798,623,253.33

Legal representative : Li Zhaoting

Person-in-charge of the accounting work: Zhou Bo

Person-in -charge of the accounting organ: Gao Feipeng

2. Balance sheet of the Parent Company

In RMB

Items	Year-end balance	Year-beginning balance
Current asset :		
Monetary fund	16,951,756,537.76	9,835,157,652.41
Financial assets measured at fair value with variations accounted into current income account		
Derivative financial assets		
Bill receivable	946,400.00	611,200.00
Account receivable	19,896,753.26	25,928,808.63
Prepayments	4,280,852.37	5,148,881.09
Interest receivable		
Dividend receivable	570,000,000.00	380,000,000.00
Other account receivable	4,925,419,456.78	1,257,350,098.69

Inventories	500,254,494.97	337,875,634.06
Assets held for sales		
Non-current asset due in 1 year		
Other current asset	2,000,019,211.84	19,211.84
Total of current assets	24,972,573,706.98	11,842,091,486.72
Non-current assets:		
Disposable financial asset		
Expired investment in possess		
Long-term receivable		
Long term share equity investment	11,373,791,986.49	9,838,056,379.92
Property investment		
Fixed assets	49,516,721.87	54,559,265.28
Construction in progress		
Engineering material		
Fixed asset disposal		
Production physical assets		
Gas & petrol		
Intangible assets	9,951,171.11	10,196,051.07
R & D petrol		
Goodwill		
Long-germ expenses to be amortized		
Differed income tax asset	3,712,603.85	784,271.45
Other non-current asset		
Total of non-current assets	11,436,972,483.32	9,903,595,967.72
Total of assets	36,409,546,190.30	21,745,687,454.44
Current liabilities		
Short-term loans	3,242,500,000.00	2,630,000,000.00
Financial liabilities measured at fair value with variations accounted into current income account		
Derivative financial liabilities		
Bill payable	159,820,750.00	69,458,800.00
Account payable	147,012,816.26	131,278,936.59
Advance payment	10,587.90	115,587.90
Employees' wage payable	3,700,741.68	3,725,606.27

Tax payable	20,970,299.00	15,710,028.19
Interest payable	72,569,720.24	42,908,777.78
Dividend payable		
Other account payable	2,889,692,312.04	3,495,678,670.89
Liabilities held for sales		
Non-current liability due in 1 year	400,005,000.00	
Other current liability		20,000.00
Total of current liability	6,936,282,227.12	6,388,896,407.62
Non-current liabilities:		
Long-term loan	2,887,600,000.00	640,000,000.00
Bond payable	5,653,912,494.73	988,400,388.00
Including: preferred stock		
Sustainable debt		
Long-term payable		
Employees' wage payable		
Special payable		
Expected liabilities		
Differed income		5,000.00
Differed income tax liability		
Other non-current liabilities		
Total of Non-current liabilities	8,541,512,494.73	1,628,405,388.00
Total of liability	15,477,794,721.85	8,017,301,795.62
Owners' equity		
Share capital	4,939,928,983.00	3,835,000,526.00
Other equity instrument		
Including: preferred stock		
Sustainable debt		
Capital reserves	15,130,191,736.27	9,321,098,967.43
Less: Shares in stock	4,422,320.00	9,011,520.00
Other comprehensive income		
Special reserves		
Surplus reserves	169,054,846.15	113,734,304.09
Undistributed profit	696,998,223.03	467,563,381.30
Total of owners' equity	20,931,751,468.45	13,728,385,658.82

Total of liabilities and owners' equity	36,409,546,190.30	21,745,687,454.44
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3.Consolidated income statement

In RMB

Items	Report period	Same period of the previous year
I. Income from the key business	6,901,321,122.65	4,650,208,448.10
Incl: Business income	6,901,321,122.65	4,650,208,448.10
Interest income		
Insurance fee earned		
Fee and commission received		
II. Total business cost	5,725,821,216.58	3,581,146,792.66
Incl: Business cost	4,821,602,766.24	2,800,353,518.04
Interest expense		
Fee and commission paid		
Insurance discharge payment		
Net claim amount paid		
Insurance policy dividend paid		
Insurance policy dividend paid		
Reinsurance expenses		
Business tax and surcharge	51,699,289.86	35,549,264.79
Sales expense	64,047,044.01	44,944,240.87
Administrative expense	418,934,541.34	421,789,075.31
Financial expenses	344,079,731.62	294,416,400.12
Asset impairment loss	25,457,843.51	-15,905,706.47
Add: Gains from change of fir value (“-”for loss)		
Investment gain (“-”for loss)	553,208.83	4,147,238.73
Incl: investment gains from affiliates	-71,448.71	426,252.41
Gains from currency exchange (“-”for loss)		
III. Operational profit (“-”for loss)	1,176,053,114.90	1,073,208,894.17
Add : Non-operational income	359,451,816.98	557,753,811.42
Including: Income from disposal of non-current assets	34,237.22	
Less: Non business expenses	10,286,220.31	656,012.54

Incl: Loss from disposal of non-current assets	15,069.64	43,425.70
IV.Total profit("-"for loss)	1,525,218,711.57	1,630,306,693.05
Less: Income tax expenses	214,694,055.23	237,783,006.87
V. Net profit	1,310,524,656.34	1,392,523,686.18
Net profit attributable to the owners of parent company	1,239,928,899.40	1,326,233,674.37
Minority shareholders' equity	70,595,756.94	66,290,011.81
VI. Other comprehensive income		
Net of profit of other comprehensive income attributable to owners of the parent company.		
(I) Other comprehensive income items that will not be reclassified into gains/losses in the subsequent accounting period		
1.Re-measurement of defined benefit plans of changes in net debt or net assets		
2.Other comprehensive income under the equity method investee can not be reclassified into profit or loss.		
(II) Other comprehensive income that will be reclassified into profit or loss.		
1.Other comprehensive income under the equity method investee can be reclassified into profit or loss.		
2.Gains and losses from changes in fair value available for sale financial assets		
3.Held-to-maturity investments reclassified to gains and losses of available for sale financial assets		
4.The effective portion of cash flow hedges and losses		
5.Translation differences in currency financial statements		
6.Other		
Net of profit of other comprehensive income attributable to Minority shareholders'		

equity		
VII. Total comprehensive income	1,310,524,656.34	1,392,523,686.18
Total comprehensive income attributable to the owner of the parent company	1,239,928,899.40	1,326,233,674.37
Total comprehensive income attributable minority shareholders	70,595,756.94	66,290,011.81
VIII. Earnings per share		
(I) Basic earnings per share	0.29	0.48
(II) Diluted earnings per share	0.29	0.48

The current business combination under common control, the net profits of the combined party before achieved net profit of RMB 0, last period the combined party realized RMB 0.

Legal representative : Li Zhaoting

Person-in-charge of the accounting work: Zhou Bo

Person-in -charge of the accounting organ: Gao Feipeng

4. Income statement of the Parent Company

In RMB

Items	Report period	Same period of the previous year
I. Income from the key business	594,015,768.80	721,162,496.33
Incl: Business cost	377,499,453.37	389,424,836.30
Business tax and surcharge	2,310,745.51	1,025,210.11
Sales expense	684,247.25	2,744.00
Administrative expense	50,896,860.49	66,780,037.74
Financial expenses	173,879,327.05	218,014,246.30
Asset impairment loss	372,456.70	-10,244,819.52
Add: Gains from change of fir value (“-”for loss)		
Investment gain (“-”for loss)	570,553,208.83	380,426,252.41
Incl: investment gains from affiliates	-71,448.71	426,252.41
II. Operational profit (“-”for loss)	558,925,887.26	436,586,493.81
Add : Non-operational income	49,775.95	29,440.95
Including: Income from disposal of non-current assets	10,914.16	
Less: Non business expenses	8,698,575.00	33,908.44

Incl: Loss from disposal of non-current assets		41,000.83
III.Total profit("-"for loss)	550,277,088.21	436,582,026.32
Less: Income tax expenses	-2,928,332.40	8,313,698.99
IV. Net profit ("-"for net loss)	553,205,420.61	428,268,327.33
V.Net of profit of other comprehensive income		
(I) Other comprehensive income items that will not be reclassified into gains/losses in the subsequent accounting period		
1.Re-measurement of defined benefit plans of changes in net debt or net assets		
2.Other comprehensive income under the equity method investee can not be reclassified into profit or loss.		
(II) Other comprehensive income that will be reclassified into profit or loss.		
1.Other comprehensive income under the equity method investee can be reclassified into profit or loss.		
2.Gains and losses from changes in fair value available for sale financial assets		
3.Held-to-maturity investments reclassified to gains and losses of available for sale financial assets		
4.The effective portion of cash flow hedges and losses		
5.Translation differences in currency financial statements		
6.Other		
VI. Total comprehensive income	553,205,420.61	428,268,327.33
VII. Earnings per share:		
(I) Basic earnings per share		
(II)Diluted earnings per share		

5. Consolidated Cash flow statement

In RMB

Items	Report period	Same period of the previous year
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I.Cash flows from operating activities		
Cash received from sales of goods or rendering of services	7,709,262,453.89	5,320,383,955.63
Net increase of customer deposits and capital kept for brother company		
Net increase of loans from central bank		
Net increase of inter-bank loans from other financial bodies		
Cash received against original insurance contract		
Net cash received from reinsurance business		
Net increase of client deposit and investment		
Net increase of trade financial asset disposal		
Cash received as interest, processing fee and commission		
Net increase of inter-bank fund received		
Net increase of repurchasing business		
Tax returned	335,301,799.88	201,893,711.00
Other cash received from business operation	224,363,433.42	452,450,694.44
Sub-total of cash inflow	8,268,927,687.19	5,974,728,361.07
Cash paid for purchasing of merchandise and services	5,330,442,354.14	2,802,640,506.75
Net increase of client trade and advance		
Net increase of savings in central bank and brother company		
Cash paid for original contract claim		
Cash paid for interest, processing fee and commission		
Cash paid for policy dividend		
Cash paid to staffs or paid for staffs	506,670,414.87	450,784,386.72
Taxes paid	558,240,024.97	627,085,942.98
Other cash paid for business activities	483,526,400.89	314,088,561.68
Sub-total of cash outflow from	6,878,879,194.87	4,194,599,398.13

business activities		
Cash flow generated by business operation, net	1,390,048,492.32	1,780,128,962.94
II.Cash flow generated by investing		
Cash received from investment retrieving		1,080,000,000.00
Cash received as investment gains	624,657.54	3,720,986.32
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	48,130.00	
Net cash received from disposal of subsidiaries or other operational units		
Other investment-related cash received	6,120,000.00	59,574,268.94
Sub-total of cash inflow due to investment activities	6,792,787.54	1,143,295,255.26
Cash paid for construction of fixed assets, intangible assets and other long-term assets	828,349,480.63	539,895,733.55
Cash paid as investment		4,792,951,994.94
Net increase of loan against pledge		
Net cash received from subsidiaries and other operational units	338,104,163.58	
Other cash paid for investment activities	2,000,000,000.00	6,120,000.00
Sub-total of cash outflow due to investment activities	3,166,453,644.21	5,338,967,728.49
Net cash flow generated by investment	-3,159,660,856.67	-4,195,672,473.23
III.Cash flow generated by financing		
Cash received as investment	7,931,678,682.37	7,984,999,980.50
Incl: Cash received as investment from minor shareholders	521,242,556.53	20,500,000.00
Cash received as loans	7,771,761,556.00	5,848,934,138.87
Cash received from bond placing	4,662,400,000.00	987,000,000.00
Other financing –related ash received	2,170,605,493.16	301,662,960.13
Sub-total of cash inflow from financing activities	22,536,445,731.53	15,122,597,079.50
Cash to repay debts	6,289,451,400.00	2,886,415,300.00

Cash paid as dividend, profit, or interests	1,026,672,454.15	910,290,074.11
Incl: Dividend and profit paid by subsidiaries to minor shareholders	20,000,000.00	30,000,000.00
Other cash paid for financing activities	364,888,859.47	294,769,814.99
Sub-total of cash outflow due to financing activities	7,681,012,713.62	4,091,475,189.10
Net cash flow generated by financing	14,855,433,017.91	11,031,121,890.40
IV. Influence of exchange rate alternation on cash and cash equivalents	-13,254,966.69	-701,359.42
V.Net increase of cash and cash equivalents	13,072,565,686.87	8,614,877,020.69
Add: balance of cash and cash equivalents at the beginning of term	11,964,769,404.73	3,349,892,384.04
VI ..Balance of cash and cash equivalents at the end of term	25,037,335,091.60	11,964,769,404.73

6. Cash Flow Statement of the Parent Company

In RMB

Items	Amount in this period	Amount in last period
I.Cash flows from operating activities		
Cash received from sales of goods or rendering of services	699,026,374.97	836,777,633.78
Tax returned	1,087,987.52	400,038.32
Other cash received from business operation	357,156,884.07	2,778,636,800.26
Sub-total of cash inflow	1,057,271,246.56	3,615,814,472.36
Cash paid for purchasing of merchandise and services	520,896,541.92	638,609,349.11
Cash paid to staffs or paid for staffs	10,818,244.29	12,448,459.82
Taxes paid	13,408,035.17	5,254,948.30
Other cash paid for business activities	3,116,834,772.50	698,242,344.14
Sub-total of cash outflow from business activities	3,661,957,593.88	1,354,555,101.37
Cash flow generated by business operation, net	-2,604,686,347.32	2,261,259,370.99
II.Cash flow generated by investing		
Cash received from investment retrieving		
Cash received as investment gains	380,624,657.54	
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets		

Net cash received from disposal of subsidiaries or other operational units		
Other investment-related cash received	23,563,779.00	
Sub-total of cash inflow due to investment activities	404,188,436.54	
Cash paid for construction of fixed assets, intangible assets and other long-term assets	91,025.64	
Cash paid as investment	1,871,949,217.01	4,616,797,294.94
Net cash received from subsidiaries and other operational units		
Other cash paid for investment activities	3,223,701,000.00	6,120,000.00
Sub-total of cash outflow due to investment activities	5,095,741,242.65	4,622,917,294.94
Net cash flow generated by investment	-4,691,552,806.11	-4,622,917,294.94
III.Cash flow generated by financing		
Cash received as investment	6,910,436,125.84	7,964,499,980.50
Cash received as loans	6,172,700,000.00	3,268,000,000.00
Cash received from bond placing	4,662,400,000.00	987,000,000.00
Other financing –related cash received	183,657,813.79	46,580,667.53
Sub-total of cash inflow from financing activities	17,929,193,939.63	12,266,080,648.03
Cash to repay debts	2,912,600,000.00	1,300,000,000.00
Cash paid as dividend, profit, or interests	603,168,436.60	477,547,800.15
Other cash paid for financing activities	587,464.25	28,491,515.51
Sub-total of cash outflow due to financing activities	3,516,355,900.85	1,806,039,315.66
Net cash flow generated by financing	14,412,838,038.78	10,460,041,332.37
IV. Influence of exchange rate alternation on cash and cash equivalents		
V.Net increase of cash and cash equivalents	7,116,598,885.35	8,098,383,408.42
Add: balance of cash and cash equivalents at the beginning of term	9,835,157,652.41	1,736,774,243.99
VI ..Balance of cash and cash equivalents at the end of term	16,951,756,537.76	9,835,157,652.41

7. Consolidated Statement on Change in Owners' Equity

Amount in this period

In RMB

Items	Amount in this period												
	Owner's equity Attributable to the Parent Company											Minor shareholders' equity	Total of owners' equity
	Share Capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specialized reserve	Surplus reserves	Common risk provision	Attributable profit		
preferred stock		Sustainable debt	Other										
I. Balance at the end of last year	3,835,000,526.00				9,391,388,905.89	9,011,520.00			132,723,528.42		969,380,500.97	241,966,823.32	14,561,448,764.60
Add: Change of accounting policy													
Correcting of previous errors													
Merger of entities under common control													
Other													
II. Balance at the beginning of current year	3,835,000,526.00				9,391,388,905.89	9,011,520.00			132,723,528.42		969,380,500.97	241,966,823.32	14,561,448,764.60
III. Changed in the current year	1,104,928,457.00				5,815,821,905.00	-4,589,200.00			55,320,542.06		916,158,320.52	610,969,409.29	8,507,787,833.87
(I) Total comprehensive income											1,239,928,899.40	70,595,756.94	1,310,524,656.34
(II) Investment or decreasing of capital by owners	1,104,928,457.00				5,815,821,905.00	-4,589,200.00						521,242,556.53	7,446,582,118.53
1. Ordinary Shares invested by holders	1,104,928,457.00				5,805,507,668.84							521,242,556.53	7,431,678,682.37
2. Holders of other equity instruments invested capital													
3. Amount of shares paid and						-4,589,200.00							4,589,200.00

accounted as owners' equity													
4. Other					10,314,236.16								10,314,236.16
(III) Profit allotment								55,320,542.06		-323,770,578.88	-30,000,000.00		-298,450,036.82
1.Providing of surplus reserves								55,320,542.06		-55,320,542.06			
2.Providing of common risk provisions													
3. Allotment to the owners (or shareholders)										-268,450,036.82	-30,000,000.00		-298,450,036.82
4. Other													
(IV) Internal transferring of owners' equity													
1. Capitalizing of capital reserves (or to capital shares)													
2. Capitalizing of surplus reserves (or to capital shares)													
3. Making up losses by surplus reserves.													
4. Other													
(V). Special reserves													
1. Provided this year								5,758,164.61					5,758,164.61
2. Used this term								-5,758,164.61					-5,758,164.61
(VI) Other											49,131,095.82		49,131,095.82
IV. Balance at the	4,939,928.98				15,207,210,810	4,422,3		188,044		1,885,538,821.	852,936		23,069,236,598

end of this term	3.00				.89	20.00			,070.48		49	,232.61	.47
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Amount in last year

In RMB

Items	Amount in last year												
	Owner's equity Attributable to the Parent Company										Minor shareholders' equity	Total of owners' equity	
	Share Capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specialized reserve	Surplus reserves	Common risk provision			Attributable profit
preferred stock		Sustainable debt	Other										
I. Balance at the end of last year	2,662,080.00 1.00				4,972,966.918. 24				82,025,280.68		-39,946,925.56	1,633,164,105.99	9,310,289,380.35
Add: Change of accounting policy													
Correcting of previous errors													
Merger of entities under common control													
Other													
II. Balance at the beginning of current year	2,662,080.00 1.00				4,972,966.918. 24				82,025,280.68		-39,946,925.56	1,633,164,105.99	9,310,289,380.35
III. Changed in the current year	1,172,920.52 5.00				4,418,421,987.65	9,011,520.00			50,698,247.74		1,009,327,426.53	-1,391,197,282.67	5,251,159,384.25
(1) Total comprehensive income											1,326,233,674.37	66,290,011.81	1,392,523,686.18
(II) Investment or decreasing of capital by owners	1,172,920.52 5.00				6,538,406,824.45	9,011,520.00						25,000,000.00	7,727,315,829.45
1. Ordinary Shares invested by shareholders	1,173,020.52 5.00				6,767,502,719.49							25,000,000.00	7,965,523,244.49
2. Holders of oth													

er equity instruments invested capital													
3. Allotment to the owners (or shareholders)						9,011,520.00							-9,011,520.00
4. Other	-100,000.00					-229,095,895.04							-229,195,895.04
(IV) Internal transferring of owners' equity								50,698,247.74		-316,906,247.84	-20,000,000.00		-286,208,000.10
1. Capitalizing of capital reserves (or to capital shares)								50,698,247.74		-50,698,247.74			
2. Capitalizing of surplus reserves (or to capital shares)													
3. Making up losses by surplus reserves.										-266,208,000.10	-20,000,000.00		-286,208,000.10
4. Other													
(VI) Special reserves													
1. Provided this year													
2. Used this term													
(VII) Other													
IV. Balance at the end of this term													
(V) Special reserves													
1. Provided this year								5,758,164.61					5,758,164.61
2. Used this term								-5,758,164.61					-5,758,164.61
(VI) Other						-2,119,984,836.80					-1,462,487,294.48		-3,582,472,131.28

IV. Balance at the end of this term	3,835,000.526.00				9,391,388,905.89	9,011,520.00			132,723,528.42		969,380,500.97	241,966,823.32	14,561,448,764.60
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8. Statement of change in owner's Equity of the Parent Company

Amount in this period

In RMB

Items	Amount in this period										
	Share Capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Surplus reserves	Common risk provision	Attributable profit	Total of owners' equity
		preferred stock	Sustainable debt	Other							
I. Balance at the end of last year	3,835,000.526.00				9,321,098,967.43	9,011,520.00			113,734,304.09	467,563,381.30	13,728,385,658.82
Add: Change of accounting policy											
Correcting of previous errors											
Other											
II. Balance at the beginning of current year	3,835,000.526.00				9,321,098,967.43	9,011,520.00			113,734,304.09	467,563,381.30	13,728,385,658.82
III. Changed in the current year	1,104,928,457.00				5,809,092,768.84	-4,589,200.00			55,320,542.06	229,434,841.73	7,203,365,809.63
(I) Total comprehensive income										553,205,420.61	553,205,420.61
(II) Investment or decreasing of capital by owners	1,104,928,457.00				5,809,092,768.84	-4,589,200.00					6,918,610,425.84
1. Ordinary Shares invested by shareholders	1,104,928,457.00				5,805,507,668.84						6,910,436,125.84
2. Holders of other equity instruments invested capital											

3.Amount of shares paid and accounted as owners' equity						-4,589,200.00					4,589,200.00
4. Other					3,585,100.00						3,585,100.00
(III) Profit allotment								55,320,542.06	-323,770,578.88		-268,450,036.82
1.Providing of surplus reserves								55,320,542.06	-55,320,542.06		
2. Allotment to the owners (or shareholders)									-268,450,036.82		-268,450,036.82
3. Other											
(IV)Internal transferring of owners' equity											
1. Capitalizing of capital reserves (or to capital shares)											
2. Capitalizing of surplus reserves (or to capital shares)											
3. Making up losses by surplus reserves.											
4. Other											
(V) Special reserves											
1. Provided this year											
2. Used this term											
(VI) Other											
IV. Balance at the end of this term	4,939,928,983.00				15,130,191,736.27	4,422,320.00		169,054,846.15	696,998,223.03		20,931,751,468.45

Amount in last year

In RMB

Items	Amount in last year										
	Share Capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Surplus reserves	Common risk provision	Attributable profit	Total of owners' equity
		preferred stock	Sustainable debt	Other							
I. Balance at the end of last year	2,662,080,001.00				2,782,714,603.79				70,907,471.36	348,329,886.80	5,864,031,962.95
Add: Change of accounting policy											
Correcting of previous errors											
Other											
II. Balance at the beginning of current year	2,662,080,001.00				2,782,714,603.79				70,907,471.36	348,329,886.80	5,864,031,962.95
III. Changed in the current year	1,172,920,525.00				6,538,384,363.64	9,011,520.00			42,826,832.73	119,233,494.50	7,864,353,695.87
(I) Total comprehensive income										428,268,327.33	428,268,327.33
(II) Investment or decreasing of capital by owners	1,172,920,525.00				6,538,384,363.64	9,011,520.00					7,702,293,368.64
1. Ordinary Shares invested by shareholders	1,173,020,525.00				6,767,502,719.49						7,940,523,244.49
2. Holders of other equity instruments invested capital											
3. Amount of shares paid and accounted as owners' equity						9,011,520.00					-9,011,520.00
4. Other	-100,000.00				-229,118,355.85						-229,218,355.85
(III) Profit									42,826,834,832.8	-309,034,832.8	-266,208,355.85

allotment									2.73	3	000.10
1.Providing of surplus reserves									42,826,832.73	-42,826,832.73	
2. Allotment to the owners (or shareholders)										-266,208,000.10	-266,208,000.10
3. Other											
(IV)Internal transferring of owners' equity											
1. Capitalizing of capital reserves (or to capital shares)											
2. Capitalizing of surplus reserves (or to capital shares)											
3. Making up losses by surplus reserves.											
4. Other											
(V) Special reserves											
1. Provided this year											
2. Used this term											
(VI) Other											
IV. Balance at the end of this term	3,835,000,526.00				9,321,098,967.43	9,011,520.00			113,734,304.09	467,563,381.30	13,728,385,658.82

III. Brief introduction of the Company

Approved by Hebei Economic System Reform Commission with the Approval of Establishment of Dongxu Optoelectronic Technology Co., Ltd. (Hereinafter referred to as "The Company" or "Dongxu Optoelectronic") (Ji Ti Gfai Wei Gu Zi(1992) No.5 Document) in 1992, Shijiazhuang Baoshi Electronic Glass Co., Ltd. is a joint stock limited company jointly established by Shijiazhuang Kinescope General Factory (transformed into Shijiazhuang Baoshi Electronics Group Co., Ltd.later), China Electronic Import and export Corporaqtion and Zonghua Hebei Import and Export Company. At the Time of establishment, the Company had 25.68 million shares (the par value of each share is RMB 10) and total share capital of RMB 256.80 million.

On July 17, 1993, the Company held a provisional shareholders' general meeting and decided to split the stock

equity with par value of RMB 10 per share into stock equity with par value of RMB 1 per share. As a result, the total number of the Company's shares became 256.80 million and its total share capital became RMB 256.80 million.

Approved by Securities Commission under State Council with the Approval of Issue of 100 Million Domestically Listed Foreign Investment Shares by Shijiazhuang Baoshi Electronic Glass Co., Ltd. (Zheng Wei Fa (1996) No. 15 Document) on June 11, 1996, the Company issued 100 million domestically listed foreign investment shares (B shares) (the par value of each share is RMB 1). Approved by China Securities Regulatory Commission with the Approval of the Application of Shijiazhuang Baoshi Electronic Glass Co., Ltd. to Publicly Issue Shares (Zheng Jian Fa Zi (1996) No. 174 Document) on August 30 of the same year, the Company publicly issued 26.20 million shares (the par value of each share is RMB 1). As of September 17, 1996, the total share capital of the Company increased to RMB 383 million.

On July 17, 1993, the Company held a provisional shareholders' general meeting and decided to split the stock equity with par value of RMB 10 per share into stock equity with par value of RMB 1 per share. As a result, the total number of the Company's shares became 256.80 million and its total share capital became RMB 256.80 million.

Approved by Securities Commission under State Council with the Approval of Issue of 100 Million Domestically Listed Foreign Investment Shares by Shijiazhuang Baoshi Electronic Glass Co., Ltd. (Zheng Wei Fa (1996) No. 15 Document) on June 11, 1996, the Company issued 100 million domestically listed foreign investment shares (B shares) (the par value of each share is RMB 1). Approved by China Securities Regulatory Commission with the Approval of the Application of Shijiazhuang Baoshi Electronic Glass Co., Ltd. to Publicly Issue Shares (Zheng Jian Fa Zi (1996) No. 174 Document) on August 30 of the same year, the Company publicly issued 26.20 million shares (the par value of each share is RMB 1). As of September 17, 1996, the total share capital of the Company increased to RMB 383 million.

The 6th Provisional shareholder meeting in 2013 approved the name change of Shijiazhuang Baoshi Electronic Glass Co., Ltd. to Dongxu Optoelectronic Technology Co., Ltd..

According to the resolution of annual shareholder meeting in 2013 and the provisions of amendments to articles of association approved on April 27, 2014, the company has transferred 20 shares for each 10 shares to all shareholders, and with total shares of 1806 million transferred on the basis of the general capital of 903 million on December 31, 2013. Thus, the registered capital of RMB1806 million applied to add by the company should be transferred into the share capital by the capital reserve with the reference date on May 27, 2014, and the registered capital is RMB2709 million after changed.

As per the provisions of "Restricted Stock Incentive Plan of Dongxu Optoelectronic Technology Co., Ltd. (Draft)" and its summary proposal approved after the second temporary shareholders' resolution in 2014, the company has implemented the stock option incentive to grant 41 people the restricted stocks of RMB3,080,000.00 with the price of RMB3.88 per share, which are all in cash subscription. Thus, the company shall increase the share capital of RMB3.08 million and the capital reserve of RMB 8,870,400.00, and the share capital is RMB2,712,080,000.00 after changed.

Under the provisions of "Proposal on Repurchase of Part of Domestic Listed Foreign Shares (Share B)" approved after the second temporary shareholders' resolution in 2014, the company has repurchased 49,999,999.00 B shares released outside, and the repurchased shares shall be written off and the registered capital is reduced correspondingly. Thus, the company shall decrease the share capital of RMB49,999,999.00 and the capital reserve of RMB218,024,376.60, and the share capital is RMB2,662,080,001.00 after changed.

Referring to the resolutions determined on the 27th Meeting of the 7th Board of Directors of the company, the 31st Meeting of the 7th Board of Directors, the 1st General Meeting of Extraordinary Shareholders in 2015, the 38th Meeting of the 7th Board of Directors and the Regulatory Approval No. [2015] 2270 by China Securities Regulatory Commission: Replies on Approval of Private Issuing of Stocks by Dongxu Photoelectric Technology

Co., Ltd., it is approved that the company issues new shares less than 1,186,943,620 privately. The planned number of privately issued stocks is less than (including) 1,186,943,620. The actual issuance number of the stock is 1,173,020,525, and the modified equity capital is 3,835,100,526.00 yuan.

According to ZJXX [2016] NO. 1322 document On the Approval of Non-public Stock to Dongxu Photoelectric Science&Technology Co. Ltd permitted by China Securities Regulatory Commission and also was resolved in the 7th board of the forty-eight meeting and the first extraordinary shareholders' general meeting, it is approved that the company issues new shares less than 1,104,928,457.00 privately. The planned number of privately issued stocks is less than (including) 1,104,928,457.00. The actual issuance number of the stock is 1,104,928,457.00, and the modified equity capital is 4,939,928,983.00 yuan.

As of December 31, 2016, Registered capital :RMB 4,939,928,983.00, Legal representative: Li Zhaoting, Enterprise unified social credit code: 911301001043959836, Registered Address: No.9, Huanghe Road, Shijiazhuang High-tech Industrial Development Area, Shijiazhuang, Hebei Province.

Dongxu Optoelectronic Parent Company is the Dongxu Group, Ultimate controller is Li Zhaoting.

Financial statements and notes to the financial statements approved at the 12th meeting of the August Board of Directors on March 24, 2017.

Business scope: electronic vacuum glass devices and supporting electronic components, automotive parts production and sales and after-sales services; management of the enterprise's own products export business and the business of mechanical equipment, spare parts, raw materials imports business (except the goods and technology that the country limit or prohibit to import and export), flat panel display glass substrate industry, investment, construction and operation and related technology development, technology consulting, technology services, technology transfer. (Can not operate the laws, regulations and the State Council decided to ban or restrict, ; can operate after get approval from other departments).

In 2016, 17 subsidiaries and 17 sub-subsidiaries were included in the consolidation scope by the company, see details at Note IX “Rights and Interests in Other Subjects”. The consolidation scope of the company increased by 16 companies year on year at this reporting period, see details at Note VIII. “Change of Consolidation Scope”

IV. Basis for the preparation of financial statements

1. Basis for the preparation

The financial statements of the company are prepared based on the going-concern assumption and the actual transactions and items, the Company prepared financial statements in accordance with the ASBE-Basic Standard and revised thereafter, Application Guidance of Accounting Standard for Business Enterprises, Interpretation of Accounting Standards for Business Enterprises and other regulations (hereinafter referred to as “the Accounting Standards for Business Enterprises”, “China Accounting Standards” or “CAS”), Rules for Preparation Convention of Disclosure of Public Offering Companies No.15 – General Regulations for Financial Reporting (revised in 2014) by China Securities Regulatory Commission.

In accordance with relevant provisions of the Accounting Standards for Business Enterprises, the Group adopted the accrual basis in accounting. Except for some financial instruments, where impairment occurred on an asset, an impairment reserve was withdrawn accordingly pursuant to relevant requirements.

2. Going-concern

The company has the capacity to continually operate within 12 months at least since the end of report period,

and hasn't the major issues impacting on the sustainable operation ability.

Whether the company needs to comply with the disclosure requirements of the particular industry

No

V. Principal Accounting Policies and Estimations

Whether the company needs to comply with the disclosure requirements of the particular industry

No

Important prompt:

1.Statement on compliance with accounting standards for business Enterprises

The Company state: the financial statements prepared are in line with the requirements in enterprise accounting standards in line with of system, and have truly and completely reflected of the financial status in December 31, 2016 , operational results, cash flow, and other relevant information of January –December 2016.

2.Accounting year:

The Group's fiscal periods include fiscal years and fiscal periods shorter than a complete fiscal year..from January 1 to December 31 as one accounting year.

3. Operating Cycle

The normal business cycle refers to the period from the assets used for processing after purchased by the company to the cash or cash equivalents achieved. 12 months are regarded as one operating cycle in the company, and which is as the division criterion for the liquidity of assets and liabilities. The parent company and the subsidiary- Shijiazhuang Colour Bulb Co., Ltd., Wuhu Dongxu Optoelectronic Equipment Co., Ltd., Wuhu Dongxu Optoelectronic Technology Co., Ltd., Shijiazhuang Xuxin Optoelectronic Technology Co., Ltd. , Zhenzhou Xufei Optoelectronic Technology Co., Ltd, Jiangsu Jixing New Material Co., Ltd., Dongxu(Kunshan) Display Material Co., Ltd.and Wuhan Dongxu Optoelectronic Technology Co., Ltd., Which are engaged in Manufacturing industry, with normal operating cycle that is shorter than one year ;The Subsidiary-Fuzhou Dongxu Optoelectronic Technology Co., Ltd., Xuyou Electronic Material Technology(Wuxi) Co., Ltd. And Shanghai Tanyuan Huigu New Material Technology Co., Ltd.which are engaged in manufacturing industry, with normal operating cycle that is shorter than one year; The Subsidiary-Sichuan Ruiyi Construction Engineering Co., Ltd. And Hebei Xubao Construction installation engineering Co., Ltd., which are engaged in Construction installation, with normal that is more than one year; The Subsidiary-Beijing Xufeng Real estate, which is engaged in real estate Development industry, with normal operating cycle that is more than one year; The Subsidiary-Beijing Xutan New Material Co., Ltd., which is engaged in Technology development industry, with normal operating cycle that is shorter than one year; The Subsidiary-Beijing Dongxu Huaqing Investment Co., Ltd., which is engaged in Investment Management Industry, with normal operating cycle that is shorter than one year; The Subsidiary-Shenzhen Xuhui Investment Holding Co., Ltd.,which are engaged in investment management industry, with normal operating cycle that is shorter than one year ;The Sub-Subsidiary,Jiangsu Dongxu Yitai Intelligent Equipment Co.,Ltd, is engaged in manufacturing industry but with uncertain operating cycle; The Sub-Subsidiary,Shijiazhuang Dongxu Optoelectronic Equipment Technology Co., Ltd, which is engaged in Manufacturing industry, with normal operating cycle that is one year; The Sub-Subsidiary-Fuzhou Xufu Optoelectronic Technology Co., Ltd, Taizhou Xiwang New energy Technology Co., Ltd.and Fuzhou Xuyou Electronic Material Technology Co., Ltd.,which are engaged in Manufacturing industry, with normal operating cycle that is one year;The Sub-subsidiary-Sichuan Dongxu Ruiyi Survey Design Co., Ltd. And Sichuan Dongxu Frosper Construction Development Co., Ltd., which are engaged in Construction installation industry, with normal operating cycle that is one year;The Sub-Subsidiary –Sichuan Dongxu Ruiyi Enterprise Management Co., Ltd.,,which is engaged in technology serves industry; with normal operating cycle that is one year;The Sub-Subsidiary- Beijing Dongxu Investment Development Co., Ltd, which is engaged in

investment management industry, with normal operating cycle that is one year; The Sub-Subsidiary- Xiamen Xuqi Investment Management Co., Ltd., Fuzhou Dongxu Investment Development , Taizhou Dongxu Graphene Industry Investment Fund Management Center(LP), which are engaged in investment management industry, with normal operating cycle that is one year; The Sub-Subsidiary- Shenzhen Xinyingtong Technology Co., Ltd., Shenzhen Xingxinda Technology Co., Ltd., which are engaged in supply chain industry, with normal operating cycle that is one year; The sub-subsidiary-Sichuan Ruiyi Trade Co.,Ltd, is engaged in Trade industry, with normal operating cycle that is one year.

4. Standard currency for bookkeeping:

The Company takes RMB as the standard currency for bookkeeping.

5. Accounting treatment methods of the merger of enterprises under the control of the same company and different companies

Business combination refers to the transactions or items with one reporting entity formed by the combination of two or more separate enterprises. The business combination shall be divided into the business combination under common control and the business combination under non-common control.

(1) Business Combination under Common Control

The business combination under common control refers to the business combination in which all of the combining enterprises are ultimately controlled by the same party or parties both before and after the combination, and that control is not transitory. Of which, the combining party is that acquiring the control right to other combining enterprises at combining date, and the combining date means the date that the combining party actually acquires the control right of the combined party.

The assets and liabilities acquired by the combining party are measured in accordance with the book value of the combined party at the combining date. For the balance between the book value of net assets acquired by the combining party and the book value of the combining valuable consideration (or the nominal amount of issued shares), the capital reserves (stock premium) shall be adjusted, or the retained earnings shall be adjusted when the capital reserves (stock premium) are insufficient.

All the costs directly incurred for the business combination by the combining party shall be recorded into the current profits and losses when occurred.

(2) Business Combination under Non-common Control

The business combination under non-common control refers to the business combination in which all of the combining enterprises are not ultimately controlled by the same party or parties both before and after the combination. Of which, the acquirer is that obtaining the control right to other combining enterprises at acquisition date, and other combining enterprises refers to the acquiree. The acquisition date means the date that the acquirer actually obtains the control right of the acquiree. For the business combination under non-common control, the merger costs include the assets paid for obtaining the control right of acquiree by the acquirer, the liabilities occurred or borne and the fair value of equity securities issued, the intermediary fees for audit, legal services, evaluation and consultation when the business combination issued, and other management costs shall be recorded into the current profits and losses when occurred. The transaction costs of equity securities or debt securities issued for the merger consideration by the acquirer shall be included into the initially recognized amount of the equity securities or the debt securities. The contingent consideration involved shall be recorded into the merger cost as per the fair value at the acquisition date. Within 12 months after the acquisition date, the combining business reputation should be adjusted correspondingly if the contingent consideration is required to adjust because of new or further evidence for the existed situation on the acquisition date. The merger cost issued by the acquirer and the identifiable net assets acquired in the combination are measured as per the fair value on the acquisition date. The difference of the merger cost minus the fair value shares of identifiable net assets obtained

by the acquiree during the merger on the acquisition date, is recognized as the business reputation. While the merger cost is less than the fair value shares of identifiable net assets obtained by the acquiree during the merger, all the measurement on the identifiable assets, the liabilities, the fair value of liabilities and the merger cost obtained by the acquiree should firstly be rechecked, and the difference shall be recorded into the current profits and costs if the merger cost is still less than the fair value shares of identifiable net assets obtained by the acquiree during the merger after rechecking.

If the deductible temporary difference of acquiree obtained by the acquirer is not recognized due to the recognition condition of the deferred income tax assets unmet on the acquisition date. Within 12 months after the acquisition date, the relevant deferred income tax assets shall be recognized and the business reputation shall be reduced if the acquired new or further evidence shows that the relevant situation has already existed and the economic benefit gained by the acquiree from the deductible temporary difference is expected to achieve, and the differences are recognized as the current profits and losses if the business reputation is insufficient to offset. With the exception of the above, the deferred income tax assets related to the business combination are recorded into the current profits and losses.

For the business combination under non-common control realized step-by-step through multiple transactions, the multiple transactions shall be judged if belong to “the package deal” according to the “Notice on Issuance of Interpretation of Accounting Standards for Business Enterprises from Ministry of Finance” (Finance and Accounting [2012] No.19) and the judgment standards on “the package deal” in Article 51 of “Accounting Standards for Business Enterprises No.33 – Consolidated Financial Statement” (please see 5 (2) in Notes 3). For the package deal, please refer to above description of this section and Notes 3, 12 “Long-term Equity Investment” to conduction the accounting treatment. For the non-package deal, the relevant accounting treatment should be respectively conducted for the individual financial statement and the consolidated financial statements:

For the individual financial statements, the sum of the book value of equity investment from the purchased party held before the purchase date and the new investment cost at the purchase date shall be as the initial investment cost of the investment. For the other comprehensive incomes involved in the equity of the acquiree held before the acquisition date, the investment and the relevant other comprehensive incomes shall be disposed through the accounting treatment on the same basis of the direct disposal of the relevant assets or liabilities by the acquiree (Namely, the rest is transferred into the current investment incomes with the exception of the corresponding shares of changes caused by the net liabilities or the net assets of the defined benefit plans re-measured by the acquiree as per the equity method).

In the consolidated financial statements, the equity of the acquiree held before the acquisition date shall be measured again as per the fair value of the equity on the acquisition date, and the difference between the fair value and the book value is recorded into the current investment income. For the other comprehensive incomes involved in the equity of the acquiree held before the acquisition date, the relevant other comprehensive incomes shall be disposed through the accounting treatment on the same basis of the direct disposal of the relevant assets or liabilities by the acquiree (Namely, the rest is transferred into the current investment incomes on the acquisition date, with the exception of the corresponding shares of changes caused by the net liabilities or the net assets of the defined benefit plans re-measured by the acquiree as per the equity method).

6. Compiling method of consolidated accounting statements

(1) Compiling method of consolidated accounting statements

The company starts to include the actual control right to the net assets and the production and management decisions of the subsidiaries into the combination scope since the date of the actual right acquired, and will stop covering into the combination scope on the date of the actual right lost. For the disposed subsidiaries, the business performance and the cash flow before the disposal date have been properly covered in the consolidated profit statement and the consolidated cash flow statement. For the subsidiaries disposed in the current period, the opening balance of the consolidated balance sheet shall not be adjusted. Meanwhile, for the subsidiaries increased

through the business combination under non-common control, the business performance and the cash flow after the acquisition date have been properly included in the consolidated profit statement and the consolidated cash flow statement, and the opening balance and the comparison balance of the consolidated financial statement shall not be adjusted. For the subsidiaries increased through the business combination under common control, the business performance and the cash flow from the beginning of current combination period to the combination date have been properly included in the consolidated profit statement and the consolidated cash flow statement, and the comparison balance of the consolidated financial statement shall be adjusted simultaneously.

When the preparation of the consolidated financial statement, the necessary adjustment shall be made according to the accounting policy of the company and the financial statement of the subsidiaries during the fiscal period if the accounting policy or the fiscal period adopted by the subsidiaries and the company is discrepant. For the subsidiaries acquired through the business combination under non-common control, the financial statement shall be adjusted on the basis of the fair value of the identifiable net assets on the acquisition date.

All the major balances, transactions and the unrealized profits of the company shall be offset in the preparation of the consolidated financial statement.

Those not belong to the company in the shareholders' equity and the current net profit or loss of the subsidiaries shall be respectively as the minority equity and the minority interest income and individually listed under the shareholders' equity and the net profit of the consolidated financial statement. The minority equity portion from the net profit or loss in current period shall be as "minority interest income" and listed under the net profit in the consolidated financial statement. Moreover, the minority equity is still offset even if the losses of the subsidiaries undertaken by the minority shareholders are beyond the portion of the shareholders' equity shared by the minority shareholders of the company at the beginning of period.

When the control on the original subsidiaries lost due to the disposal of partial equity investment or other reasons, the remaining equity should be measured again according to the fair value on the control lost date. The difference of the consideration acquired by the disposal of equity and the fair value of the surplus equity minus the net assets portion of the original subsidiaries calculated from the purchase date as per the original stock proportion shall be recorded into the current investment income after the control lost. Other comprehensive returns relevant to the original subsidiary shares investment shall be disposed through the accounting treatment on the same basis of the direct disposal of the relevant assets or liabilities by the acquiree when the control lost (Namely, all the rest are transferred into the current investment incomes, with the exception of the changes caused by the net liabilities or the net assets of the defined benefit plans re-measured by the original subsidiaries). Thereafter, the subsequent measurement shall be made for the rest equity according to the relevant provisions of "Accounting Standards for Business Enterprises No. 2 – Long-term Equity Investment" or "Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments". For the details, please see Notes V, 14 "Long-term Equity Investment" or Notes V, 10 "Financial Instruments".

For the equity investment in the subsidiary through the step-by-step disposal of multiple transactions till the control right lost, the company should respectively dispose all the transactions if belong to the package deal. As long as the terms, conditions and economic influence on all the transactions of the disposal of the equity investment in the subsidiary meet one status below, it usually shows that the multiple transactions matters should be conducted the accounting treatment as the package deal: ① these transactions are made simultaneously or under the consideration of the influence each other. ② these transactions shall be as the whole to achieve one complete business results. ③ one transaction occurs depending on the appearance of other one transaction at least. ④ one transaction is economic under the consideration with other transactions even if it is not economic when individually considerate. For the non-package deal, each transaction shall be respectively conducted the accounting treatment according to the applicable principles of "Partial Disposal of Long-term Equity Investment in Subsidiary without Control Lost" (please refer to 14, (2) ④ in Notes V,) and "The Control on Original Subsidiary Lost due to Disposal of Part of Equity Investment or Other Reasons" (details please see forepart). For

the package deal from the transactions after the disposal of equity investment in the subsidiary till the control right lost, the transactions shall be as one transaction of the disposal of subsidiary and the control lost for the accounting treatment. Therefore, every balance between the net assets proportion of the subsidiary shared relative to the disposal price and the disposal investment before the control right lost, shall be recognized as other comprehensive incomes in the consolidated financial treatment and transferred into the current profits and losses when the control lost.

7. Joint venture arrangements classification and Co-operation accounting treatment

Joint enterprise arrangement is two or more parties jointly control the enterprise. The company enjoys rights and bears obligations based on joint enterprise arrangement. Joint enterprise arrangement is composed of joint operation and joint enterprises. Joint operation means the company has the right to arrange related assets and related liabilities. Joint enterprises means the company only has the right to arrange the net asset.

The company adopts equity method to calculate investment to joint enterprises by referring to accounting policies stated in "Long-term Stock Ownership for Equity Method Calculation" in Annex V 14 (2).

As one party of joint operation, the company confirms assets and liabilities only held by itself and confirms joint assets and liabilities as proportion of the company's shares; confirm incomes from sales and production in the way of joint operation as proportion of the company's shares; confirm the company's own expenses and all expenses in the way of joint operation as proportion.

As a party of joint operation, the company funds or sells assets (not used for operation, the same below) of joint operation or purchases assets from joint operation. Before the assets are sold to a third party, the company only confirms the loss and benefit in the trade which belong to other parties in the joint operation. In case the assets is in conformity to the asset impairment loss regulated in Asset Impairment --No.8 of Accounting Criteria for Enterprises, the company confirms all losses in full amount for the company funding or selling assets of joint operation. The company confirms the loss as proportion of shares for the company purchasing assets from joint operation.

8. Recognition Standard of Cash & Cash Equivalents

The cash stated in cash flow statement refers to cash in hand and bank deposits usable for payment at any time. Cash equivalent refers to the investments with holding period of less than three months that are readily convertible to known amount of cash and subject to insignificant risk of changes in value.

9. Accounting and Translation Method of Foreign Currency Transaction

(1) Translation Method of Foreign Currency Transaction

The shot exchange rate (usually refers to the middle rate at the date of currency exchange published by the People's Bank of China, hereinafter inclusive) on the transaction date is adopted to convert to the amount of functional currency when the foreign currency transaction issued in the company is initially recognized. However, the foreign currency exchanges or the transactions relative to the foreign currency exchanges occurred in the company shall be translated into the amount of functional currency as per the actually adopted exchange rate.

(2) Translation Method for Monetary Items of Foreign Currency and Non-monetary Items of Foreign Currency

On the balance sheet date, the monetary items of foreign currency are translated as per the shot exchange rate on the balance sheet date, and the foreign exchange conversion gap arising from which shall be recorded into the

profits and losses of the current period, except for ① the balance of exchange arising from special foreign currency borrowings for the purchase and construction of qualified assets subject to the principle of borrowing costs. ② the exchange balance generated from other book balances in the foreign currency monetary items available for sale with the exception of the post-amortization costs shall be recorded into other comprehensive incomes.

The non-monetary items of foreign currency measured at the historical cost shall still be measured by the amount of functional currency translated at the spot exchange rate on the transaction date. The non-monetary items of foreign currency measured at the fair value shall be translated at the spot exchange rate on the fair value recognized date, and the gap of the translated amount of functional currency and the original the amount of functional currency shall be as the fair value variation (change in exchange rate included) to make treatment and recorded into the current profits and losses or recognized as other comprehensive incomes.

(1) Translation Method of Foreign Currency Financial Statement

For the overseas business operation involved in the preparation of the consolidated financial statement, the exchange balance arising from the change in exchange rate for the foreign currency monetary items of the net investment in the overseas business, shall be as “translation reserve of foreign currency statement” and recognized as other comprehensive incomes. The profits and losses of the current disposal period shall be recorded when disposal of the overseas business operations.

The foreign currency financial statement of the overseas business operation shall be translated as RMB statement as per the following methods: the assets and liabilities in the balance sheet shall be translated at a spot exchange rate on the balance sheet date. For the shareholders' equity items, other items shall be translated at a spot exchange rate when occurring, except for the “undistributed profit” items. The earnings and expenses items in the profit statement shall be translated at a spot exchange rate on the transaction date. Moreover, the undistributed profits at the beginning of this year are the profits translated at the end of last year which shall be distributed and listed all the items measurement as per the translated profits. The difference between the translated assets items and the sum of the liabilities items and the shareholders' equity items shall be as the translation reserve of foreign currency statement and recognized as other comprehensive incomes. When disposing the overseas business operation and losing the control right, the translation reserves of foreign currency statement related to the overseas business operation which listed in the shareholders' equity items in the balance sheet, are all recorded into the current disposal profits and losses or shifted as per the disposal proportion of the overseas business operation.

The cash flows of foreign currency and overseas subsidiary shall be translated at the spot exchange rate on the cash flow date. The influence amount of the change in exchange rate on the cash shall be individually listed and reported as the adjustment items in the cash flow statement.

The amount at the beginning of this year and the actual amount of last year shall be listed according to the translated amount of the financial statement.

If the control on the overseas business operation lost due to the disposal of partial equity investment or other reasons when disposing all the owners' equity of the overseas business operation of the company, the translation reserves of foreign currency statement belong to the owners' equity of the parent company related to the overseas business operation which listed in the shareholders' equity items in the balance sheet, are all recorded into the current disposal profits and losses.

If the held equity proportion of the overseas business operation reduced due to the disposal of partial equity investment or other reasons, but the control on the overseas business operation not lost, the translation reserves of foreign currency statement related to the partial disposal of the overseas business operation shall be belong to the minority equity and not recorded into the current profits and losses. When disposing partial equity of the joint ventures or the cooperative enterprises of the overseas business operations, the translation reserves of foreign currency statement related to the overseas business operations shall be recorded into the current disposal profits

and losses as per the disposal proportion of the overseas business operations.

10. Financial instruments

One financial asset or financial liability shall be recognized when the company becomes the party in the financial instrument contract. The financial assets and the financial liabilities are measured at the fair value in the initial recognition. For the financial assets and liabilities that measured at the fair values and the variation included in the current profits and losses, the relative transaction expenses shall be directly recorded into the profits and losses. For the financial assets and liabilities of other categories, the expenses related to transactions are recognized as initial amount.

(1) Determination Method for the Fair Value of Financial Assets and Liabilities

The fair value refers to the price that receivable for the sale of one asset or paid for the transfer of one liability in the orderly transactions occurring on the measurement date for the market participants. If there exists the active market for the financial instrument, the company shall recognize the fair value according to the quotation in the active market which refers to the price that easy to periodically acquire from Exchanges, Commission Brokers, Guilds and Pricing Services, and stands for the price of the market transactions actually occurred in the fair dealing. For there isn't the active market for the financial instrument, the company shall recognize the fair value with adopting the valuation technique which includes the price used in the market transactions recently conducted by the parities with voluntary trade and under the consideration and acquainting of the situation, the current fair value in reference to other same financial instruments, the discount cash flow method and the option pricing model.

(2) Classification, Recognition and Measurement of Financial Assets

The accounting recognition and de-recognition shall be conducted at the transaction date in the conventional way for the financial assets dealing. The financial assets are divided into the financial assets, the held-to-maturity investment, the loans, the receivables and the sellable financial assets which are measured at their fair values and of which the variation are recorded into the current profits and losses when recognized initially.

① The financial assets measured at the fair value and of which the variation recorded into the current profits and losses

Including the tradable financial assets and the financial assets designated at their fair values and of which the variation is recorded into the current profits and losses.

The tradable financial assets refer to the financial assets meeting any of the following requirements: A. the purpose to acquire the financial assets is for selling in the short-term. B. forming a part of the identifiable combination of financial instruments which are managed in a centralized way and for which there are objective evidences proving that the company may manage the combination by way of short-term profit making in the near future. C. being a derivative instrument, excluding the designated derivative instruments which are effective hedging instruments, or derivative instruments belong to financial guarantee contracts, and the derivative instruments which are connected with the equity instrument investments for which there is no quotation in the active market and whose fair value cannot be reliably measured, and which shall be settled by the delivery of the equity instruments.

The financial assets meeting any of the following requirements can be designated when they are initially recognized as financial assets measured at their fair values and of which the variation is recorded into the current profits and losses: A. the designation is able to eliminate or obviously reduce the discrepancies in the recognition or measurement of relevant gains or losses arisen from the different basis of measurement of the financial assets. B. the official written documents on risk management or investment strategies of the company have recorded that the combination of the financial assets, or the combination of the financial assets and liabilities will be managed

and evaluated on the basis of the fair value and reported to the key management personnel.

The financial assets measured at their fair values and of which the variation is recorded into the current profits and losses shall be made the subsequent measurement as per the fair value, and the gains or losses formed from the variation of the fair value as well as the dividend and interest incomes related to the financial assets shall be recorded into the current profits and losses.

(2)The investments of held-to-maturity

The held-to-maturity investment refers to a non-derivative financial asset with a fixed date of maturity, a fixed or determinable amount of repo price and the company holds for a definite purpose or is able to hold until its maturity.

The held-to-maturity investments shall be made the subsequent measurement on the basis of the actual interest rate and the post-amortization costs, and the gains or losses arising from de-recognition, impairment or amortization shall recorded into the current profits and losses.

The actual interest rate method is the way to calculate the post-amortization costs and the interest incomes or expenditure at each period as per the actual interest rate of the financial assets or liabilities (a group of financial assets or liabilities included). The actual interest rate means that the future cash flow of the financial assets or liabilities within the predicted term of existence or within a shorter applicable term shall be discounted as the rate used for the current book value of the financial assets or liabilities.

When calculating the actual interest rate, the company should consider all the contract terms of the financial assets or liabilities to estimate the future cash flow (without regard to the future credit loss), and take account of all the charges, transaction expenses and discounts or premium belong to the actual interest rate and paid or received between all the parties of the financial assets or liabilities contracts.

(3)Loans and Receivables

The loans and the receivables refer to a non-derivative financial asset without the quotation, a fixed or determinable amount of repo price in the active market. The financial assets divided into loans and receivables of the company shall include the bill receivable, the accounts receivable, the interest receivable, the dividends receivable and other receivables

The loans and the receivables shall be made the subsequent measurement on the basis of the actual interest rate and the post-amortization costs, and the gains or losses arising from de-recognition, impairment or amortization shall recorded into the current profits and losses.

④ The financial assets available for sale

The sellable financial assets refer to the non-derivative financial assets which are designated as sellable when they are initially recognized as well as the financial assets other than the financial assets, the loans, the receivables and the held-to-maturity investments measured at the fair value and of which the variation recorded into the current profits and losses.

The costs of the sellable liability instrument investments at the end of period shall be recognized as per the post-amortization cost method, which is the amount that the accumulated amortization amount, formed after the amortization for the initially recognized amount with the compensated capital deducted plus or minus the difference between the initially recognized amount and the amount at the maturity date with use of the actual interest rate method, with deduction of the impairment losses occurred. The costs of the sellable equity instrument investments at the end of period are the initially acquired costs.

The sellable financial assets shall be conducted the subsequent measurement at the fair value, the balance

The gains or losses arising from the change in the fair value, except that the impairment losses and the exchange balance related to the monetary financial assets of foreign currency and the post-amortization costs are recorded into the current profits and losses, shall be recognized as other comprehensive incomes, transferred out

and recorded into the current profits and losses when the de-recognition of the financial assets. However, The equity instrument investment which has no quotation in the active market and whose fair value cannot be reliably measured, and the derivative financial assets which are connected with the equity instrument and required to settle by the delivery of the equity instrument shall be conducted the subsequent measurement by costs.

The interests acquired from the sellable financial assets during the holding period and the cash dividends declared to deliver by the investee shall be recognized as the investment returns.

② The financial assets impairment available for sale

The decline for the fair value of the sellable equity instrument investments can be judged as serious or non-transient depreciation by the relevant comprehensive factors, which shows that the sellable equity instrument investments have the impairment. Of which, the “serious depreciation” refers to the decline range of the fair value accumulatively over 20%, and the “non-transient depreciation” is the decline period of the fair value continuously beyond 12 months.

When the sellable financial assets impair, the accumulated losses formed due to the depreciation of the fair value for other comprehensive incomes originally recorded shall be transferred out and recognized as the current profits and losses, and the transferred accumulative losses are the balances of the costs of the assets initially acquired with deduction of the withdrawn capitals, the amortized amount, the current fair value and the impairment losses initially recorded into profits and losses.

After the impairment losses recognized and if there are objective evidences proving that the financial assets values have resumed after the period and have objectively involved in the matters occurred after the losses recognized, the impairment losses originally recognized shall be switched back, the reverse of the impairment losses for the sellable equity instrument investments shall be recognized as other comprehensive incomes and the reverse of the impairment losses for the sellable liability instrument shall be recorded into the current profits and losses.

The equity instrument investment which has no quotation in the active market and whose fair value cannot be reliably measured, or the impairment losses of the derivative financial assets which are connected with the equity instrument and required to settle by the delivery of the equity instrument shall not be reversed.

(3) Recognition criteria and measurement methods of transferred financial asset

For financial asset that satisfies the following criteria, it shall stop recognizing the financial asset: 1) the contract rights to collect the cash flow of the financial asset has been terminated; 2) the financial asset has been transferred with nearly all of the risks and rewards related to the ownership of the financial asset transferred to transferee; 3) the financial asset has been transferred with the control to such financial assets waived, though this enterprise has not transferred or retained nearly all the risks and rewards related to the ownership of the financial asset.

If this enterprise has neither transferred nor retained almost all the risks and rewards on the asset ownership, it shall, within the extent of its continuous involvement in the transferred financial asset and recognize the relevant liability. The term "continuous involvement in the transferred financial asset" shall refer to the risk level that this enterprise faces resulting from the change of the value of the financial asset.

If the transfer of an entire financial asset satisfies the conditions for stopping recognition, the difference between the amounts of the book value of the transferred financial asset and the sum of consideration received from the transfer, and the accumulative amount of the changes of the fair value originally recorded in the owner's equities of other comprehensive income, shall be recorded in the profits and losses of the current period.

If the transfer of partial financial asset satisfies the conditions to stop the recognition, the book value of the transferred financial asset shall, between the portion whose recognition has been stopped and the portion whose recognition has not been stopped, be apportioned according to their respective relative fair value, and the difference between the amounts of the following 2 items shall be included into the profits and losses of the current

period: 1) sum of consideration the portion whose recognition has been stopped and the accumulative amount changes in fair value originally recorded owner's equities which is corresponding to stopped, the book value of the portion whose recognition has been stopped; 2) the book value of the portion whose recognition has been stopped.

For the financial asset sold with recourse attached, it is to transfer the financial asset held by endorsement, prior to confirmation that nearly all of the risks and rewards related to the ownership of the financial asset has been transferred to transferee. Where this enterprise has transferred nearly all of the risks and rewards related to the ownership of the financial asset to the transferee, it shall stop recognizing the financial asset. If it retained nearly all of the risks and rewards related to the ownership of the financial asset, it shall not stop recognizing the financial asset. Where this enterprise does not transfer or retain nearly all of the risks and rewards related to the ownership of a financial asset, it shall deal with it according to principles stipulated above.

(4) Classification and Measurement of Financial Liability

Financial liabilities shall be classified into the two categories when they are initially recognized: the financial liabilities which are measured at their fair values and of which the variation is included in the current profits and losses; other financial liabilities. For the financial liabilities which are measured at their fair values and of which the variation is included in the current profits and losses, the related transaction cost shall be included directly in the current profits and losses; for other financial liabilities, the related transaction cost included in the initially recognized amount.

1) The condition for classifying the financial liabilities which are measured at their fair values and of which the variation is included in the current profits and losses

as transactional financial liabilities and the financial liabilities which are measured at their fair values at initial recognition and of which the variation is included in the current profits and losses is the same as these for classifying it as the transaction financial asset and the financial asset which are measured at their fair values and of which the variation is included in the current profits and losses.

This enterprise shall make subsequent measurement on its financial liabilities according to their fair values. The profits and losses, arising from the change in the fair value of the financial asset, and the dividends and interests expenses associated with the financial asset, shall be recorded into the profits and losses of the current period.

2) Other Financial Liability

And are not quoted in an active market, for which there is no quoted price in the active market and whose fair value cannot be reliably measured, this enterprise shall make subsequent measurement according to its cost. For other financial liabilities, this enterprise shall make subsequent measurement on the basis of the post-amortization costs by adopting the actual interest rate method, with profits or losses resulting from stopping recognition or amortization recorded into the profits and losses of the current period.

(5) Termination from Recognition of Financial Liability

Only when the prevailing obligations of a financial liability are relieved in all or in part may the recognition of the financial liability be terminated in all or partly. Where this enterprise (debtor) enters into an agreement with a creditor so as to substitute the existing financial liabilities by way of any new financial liability, and if the contractual stipulations regarding the new financial liability is substantially different from that regarding the existing financial liability, it shall terminate the recognition of the existing financial liability, and shall at the same time recognize the new financial liability.

Where the recognition of a financial liability is totally or partially terminated, this enterprise shall include into the profits and losses of the current period the gap between the carrying amount which has been terminated from recognition and the considerations it has paid (including the non-cash assets it has transferred out and the

new financial liabilities it has assumed).

(6) Offset of Financial Asset and Financial Liability

Where this enterprise has the legal right to offset its recognized financial asset and financial liability, and it is able to perform this legal right, and if it plans to settle with the net amount of and cash the financial asset and liquidate the financial liability, it shall itemize and show in the balance sheet the amounts after the financial asset and the financial liability offset each other. For any other circumstances, the financial asset and financial liability shall not offset each other, and shall be itemized and shown separately in the balance sheet

(7) Equity Instruments

The "equity instruments" refers to the contracts which can prove that this enterprise holds the surplus equities of the assets after the deduction of all the debts. This enterprise deal the equity instruments issued (including refinancing), repurchased, sold or cancelled as changes of equity. It shall not recognize the changes of fair value of equity instruments. The transaction expenses associated with equity transactions shall be deducted from the equity.

This enterprise shall deduct the shareholders' equity for various kinds of distributions (not including stock dividends) to the holders of equity instruments. It shall not recognize the amount of changes in the fair value of equity instruments.

11.Account receivable

(1) Provision for bad debts of account receivable that are individually significant

The judgment basis for significant single-item amount or standard for significant amount	The accounts receivable with single-item amount of RMB 5 million and above
The method of separate provision for bad debts for the accounts receivable with significant single-item amount	Impairment test shall be separately conducted. If the test proves the occurrence of impairment, impairment loss shall be determined and provision for bad debts shall be made according to the difference between the present value of its future cash flow and its book value. For the accounts receivable whose impairment is not proved by separate test, such accounts receivable, together with those with insignificant single-item amount, are divided into some groups based on similar characteristics of credit risks. For these groups of accounts receivable, provision for bad debts shall be made according to the regulation mentioned in "(2) provision for bad debts shall be made for accounts receivable on group basis".

(2)The accounts receivable of bad debt provisions made by credit risk Group

Name	Withdrawing Method
Aging Group	Aging Analysis Method
Other Group	Other method

In Group ,Accounts on age basis in the portfolio:

Applicable Not applicable

Aging	Rate for receivables(%)	Rate for other receivables(%)
During the credit period	0.00%	0.00%
The credit period within 1 year	5.00%	5.00%
1—2 years	10.00%	10.00%
2—3 years	30.00%	30.00%
3—4 years	50.00%	50.00%
4—5 years	70.00%	70.00%
Over 5 years	100.00%	100.00%

In Group, adopting balance percentage method for bad debt provision:

Applicable Not applicable

In Group ,adopting other method for bad debt provision:

Applicable Not applicable

Name	Account receivable proportion	Other account receivable proportion
Related party combination	0.00%	0.00%

(3) Accounts receivable that are individually insignificant but with bad debt provision provided on an

individual basis

Reason for separate provision for bad debts	The accounts receivable with single-item amount of less than RMB 5 million whose risk characteristics can't be reflected by provision for bad debts on basis of group.
Method of provision for bad debts	Provision for bad debts is made according to the difference between the present value of its future cash flow and its book value.

12. Inventories

(1) Classification of Inventories

This enterprise's inventories is classified as raw materials, works in process, finished products, circulation materials, low-value consumption goods, packing materials, supplies purchasing, engineering construction, development cost,etc.

(2) Obtaining and Measurement of Inventories

The perpetual inventory systems are adopted for this enterprise's inventories. The inventories shall be measured by their actual cost when they are obtained. Raw materials, works in process, finished products, etc. shall be measured with the weighted average method when they are being sent out. Low-value consumption goods shall be written off by one-off write-off method when they are withdrawn for use. Circulation packaging materials shall be recorded into cost according to the predicted usage times.

(3) Methods to make provision for loss on decline in value of inventories

If the cost of inventories is higher than the net realizable value at the end of each period, this enterprise shall

make the provision for the loss on decline in value of inventories. This enterprise makes provision for the loss on decline in value of inventories on the ground of each item of inventories. If the factors causing any write-down of the inventories have disappeared, the amount of write-down shall be resumed and be reversed from the provision for the loss on decline in value of inventories that has been made.

(4) Method for confirming the net realizable value of inventories

The net realizable value of inventories refers to the amount of the estimated selling price, less the estimated costs of completion, the estimated selling costs and related tax payments.

(5) Cost of Development

Cost of development includes completed development product, development product under construction, leasing development product and simulated development land.

Completed development product means the estate which has been built and up for sale; Development product under construction means the estate which hasn't been built and in the purpose of sale; Leasing development product means the estate which is temporarily leased under business mode for which the company's intents to sell, which the leasing development product amortizes by stages within the estimated available years; Simulated development land means the land which has been purchased and determined to be developed as Sales or Leasing Estate.

13. Held-for-sale assets

14. Long-term Equity Investment

The long-term equity investment in this section refers to the long-term equity investment of this enterprise that is able to control to or does joint control with or significant influences over the invested enterprise. For the long-term equity investment of this enterprise that is not able to control to or does not do joint control with or have significant influences over the invested enterprise, this enterprise shall record it as available-for-sale financial asset or the financial asset measured by its fair value with its changes in fair value recorded into the profits or losses of current period as the changes. For details of its accounting policy, please refer to Note V.10 "Financing Instruments"

The term "joint control" refers to the joint control over an arrangement of this enterprise in accordance with the contracts and agreements, and decisions over relevant activity of such arrangement shall not be unless the assent on sharing the control power. The term "significant influences" refers to this enterprise's power to participate in making decisions on the financial and operating policies of the invested enterprise, but not to control or do joint control together with other parties over the formulation of these policies.

(1) Ascertaining of Investment Cost

For the merger of enterprises under the same control, it shall, on the date of merger, regard the share of the book value of the owner's equity of the merged enterprise as the initial cost of the long-term equity investment. The difference between the initial cost of the long-term equity investment and the payment in cash, no-cash assets transferred as well as the book value of the debts borne by the merging party shall offset against the capital reserve. If the capital reserve is insufficient to dilute, the retained earnings shall be adjusted. If the consideration of the merging enterprise is that it issues equity securities, it shall, on the date of merger, regard the share of book value of the owner's equity of the merged enterprise as the initial cost of the long-term equity investment. The total face value of the stocks issued shall be regarded as the capital stock, while the difference between the initial cost of the long-term equity investment and total face value of the shares issued shall offset against the capital reserve. If the capital reserve is insufficient to dilute, the retained earnings shall be adjusted. For the merger of enterprises under the same control through gaining the shares of the combined enterprise by multiple steps of deals, it shall deal

with it in the following two ways depending on that if it belongs to "a package deal": if it belongs to "a package deal", it shall deal with all the deals as one obtaining the control power; if it does not belong to "a package deal", it shall, on the date of merger, regard the share of book value of the owner's equity of the merged enterprise as the initial cost of the long-term equity investment. The total face value of the stocks issued shall be regarded as the capital stock, while the difference between the initial cost of the long-term equity investment and total face value of the shares issued shall offset against the capital reserve. If the capital reserve is insufficient to dilute, the retained earnings shall be adjusted. The equity investment held by this enterprise before the date of merger shall be accounted for by equity method, or shall be recorded as the other comprehensive income recognized as available-for-sale financial asset and not accounted for.

For the merger of enterprises not under the same control, it shall, on the date of merger, regard the share of the book value of the owner's equity of the merged enterprise as the initial cost of the long-term equity investment. The merger costs include the assets paid, liabilities occurred or borne and sum of the fair value of the equity securities issued by the purchaser. For the merger of enterprises not under the same control through gaining the shares of the combined enterprise by multiple steps of deals, it shall deal with it in the following two ways depending on that if it belongs to "a package deal": if it belongs to "a package deal", it shall deal with all the deals as one obtaining the control power; if it does not belong to "a package deal", it shall, on the date of merger, regard the sum of book value of the owner's original equity of the merged enterprise and the newly increased investment cost as the initial cost of the long-term equity investment. For the shares originally held by this enterprise accounted for by weighted equity method, the relevant other comprehensive income shall not be accounted for temporarily. For the equity investment accounted for as available-for-sale financial asset, the difference of its fair value and its face value and the accumulated changes in its fair value originally recorded as other comprehensive income shall be switched to the profits or losses of the current period.

The audit cost, law service cost, evaluation and consultation fees and agent commissions as well as other related administration costs occurred and borne by the merging or purchasing enterprise for the purpose of merger, shall be recorded into the profits or losses of current period at the time when the costs occurred.

Other equity investments except the long-term equity investment formed by merger of enterprises shall be initially ascertained by their costs which, depending on the different ways in acquiring the long-term equity investments, shall be recognized separately as cash purchasing prices actually paid by this enterprise, fair value of the equity securities issued by this enterprise, agreed value of the investment contracts or agreements, fair value or original book value of the assets obtained by exchange of no-monetary assets, the fair value of the long-term equity investment itself, etc. The relevant expenses, tax payments as well as other necessary expenses directly associated with obtaining the long-term equity investment shall be recorded into the investment costs as well. If this enterprise is able to do joint control or significant influence, which does not constitute control, over the invested entity as a result of additional investment, the long-term equity investment cost shall be the sum of the fair value of the equity investment ascertained in accordance with the Accounting Standards for Enterprises No. 22 - Recognition and Measurement of Financial Instrument and the cost of the increased investment.

(2) Subsequent Measurement and Recognition Method

A long-term equity investment of this enterprise that does joint control (not including joint venture) or significant influences over the invested entity shall be measured by employing the equity method. Besides, the cost method is employed in this enterprise's financial reports to measure the long-term equity investment that could form control over the invested entity.

(1) Long-term equity investment measured by employing the cost method

The price of a long-term equity investment measured by employing the cost method shall be included at its initial investment cost. If there are additional investments, the cost of the long-term equity investment shall be adjusted. Except the prices actually paid when obtaining the investment or cash dividends or profits being

approved in the consideration but not yet issued, the investment income of the current period shall be recognized in accordance with the cash dividends or profits being approved by the invested entity.

(2) Long-term equity investment measured by employing the equity method

If the initial cost of a long-term equity investment is more than the investing enterprise's attributable share of the fair value of the invested entity's identifiable net assets for the investment, the initial cost of the long-term equity investment may not be adjusted. If the initial cost of a long-term equity investment is less than the investing enterprise's attributable share of the fair value of the invested entity's identifiable net assets for the investment, the difference shall be included in the current profits and losses and the cost of long-term equity investment shall be adjusted simultaneously.

When employing the equity method, this enterprise shall, in accordance with the attributable share of the net profits or losses of the invested entity, recognize the investment profits or losses and adjust the book value of the long-term equity investment. This enterprise shall, in the light of the profits or cash dividends declared to distribute by the invested entity, calculate the proportion it shall obtain, and shall reduce the book value of the long-term equity investment correspondingly. Where any change is made to the owner's equity other than the net profits and losses of the invested entity, the book value of the long-term equity investment shall be adjusted and included in the capital reserves. This enterprise shall, on the ground of the fair value of all identifiable assets of the invested entity when it obtains the investment, recognize the attributable share of the net profits and losses of the invested entity after it adjusts the net profits of the invested entity. If the accounting policies and accounting periods adopted by the invested entity are different from those adopted by this enterprise, an adjustment shall be made to the financial statements of the invested entity in accordance with the accounting policies and accounting periods of this enterprise and recognize the investment profits or losses and other comprehensive incomes. For the transactions between this enterprise and its joint ventures and associated entities, where the assets invested or sold do not constitute a business, the unrealized internal transaction profits or losses shall be calculated in accordance with proportion shared, with the proportion shared by this enterprise offset and recognize the investment profits or losses based thereof. However, if losses occurred in the internal transaction between the invested entities is the impairment loss of transferred assets, they shall not be offset. When the assets invested by this enterprise to its joint ventures or associated entities constitute a business, and the investing party obtains long-term equity but without control power, the fair value of the invested business shall be recognized as the initial investment cost of the additional long-term equity investment. The total difference between the original investment cost and the book face of the invested business shall be recorded into the profits or losses of the current period. If the assets purchased from the joint ventures or associated entities constitute a business, this enterprise shall account for the business in accordance with this enterprise Accounting Standard No. 20 - Business Combinations, with the total profits or losses associated with the transaction recognized.

The Company bears the net losses of its invested business to the limit of the book value of its long-term equity investment and other long-term equity that in real terms constitutes investment on the business. For additional loss of its invested business, if the Company is obligated to undertake, it shall be recognized as estimated liabilities accordingly and recorded in current investment losses. If the invested business earns profits afterwards, the Company shall reinstate and recognize its share of gains after compensating its unrecognized share of losses.

③ Purchase of minority interest

While compiling consolidated financial statements, the Company adjusts its capital reserve in terms of the difference between the increase of long-term equity investments due to purchase of minority interest and its share of the subsidiaries' net assets since the purchase (or combination) date or dates. If its capital reserve is not sufficient to write down the difference, then the Company adjusts its retained income.

④ Disposal of long-term equity investments

In consolidated financial statements, the Company records in shareholders' equity the difference between partial disposals of its long-term equity investments in its subsidiaries and its share of the subsidiaries' net assets if it does not lose control of the subsidiaries; and if such partial disposals result in loss of its control of the subsidiaries, the difference shall be treated in accordance with the accounting policies related and specified in "Compiling Principles for Consolidated Financial Statements", Note III.6.(2).

For disposals of long-term equity investments under other circumstances, the difference between the book value and the actual received consideration is recorded in current profit and loss.

For the long-term equity investments calculated by equity method, the same method applies to the remaining equity after disposal. Meanwhile, the other comprehensive gains originally recorded in shareholders' equity is treated pro rata by the same method how the invested businesses handle the accounts while directly disposing the related assets or liabilities. The investor recognizes the ownership interest due to equity changes except net profit and loss, other comprehensive gains and profit distribution, and carries it over pro rata to current profit and loss.

For long-term equity investments calculated by costs method, the same method applies to the remaining equity after disposal. Other comprehensive gains calculated and recognized by equity method or recognition and measurement principles for financial instruments before the Company obtains control of the invested businesses are treated on the same basis that the invested businesses directly dispose the related assets or liabilities, and it will be carried over pro rata to current profit and loss; and among the invested businesses' net assets that are calculated and recognized by equity method are all other equity changes than net profit and loss, other comprehensive gains and profit distribution carried over pro rata to current profit and loss.

For disposals of long-term investment equity resulting in loss of control over the invested businesses, when compiling individual financial statements, the Company changes to adopt equity method to calculate the remaining equity that is still sufficient to exert joint control or significant influence, and to make adjustments as since it was acquired; and if the remaining equity is not sufficient, it will be handled in accordance with the relevant recognition and measurement principles for financial instruments and the difference between its fair value and book value will be recorded in current profit and loss since the Company loses control of the invested businesses. For other comprehensive gains recognized by equity method or recognition and measurement principles for financial instruments before the Company obtains control over the invested businesses, the Company adopts the same basis to handle the accounts as the invested businesses directly dispose the related assets or liabilities, and among the invested businesses' net assets that are calculated and recognized by equity method are all other equity changes than net profit and loss, other comprehensive gains and profit distribution carried over pro rata to current profit and loss. For the remaining equity calculated by equity method, other comprehensive gains and other ownership interests will be carried over pro rata while for those treated in accordance with the recognition and measurement principles for financial instruments, other comprehensive gains and other ownership interests will be carrier over entirely.

Under the circumstances that the Company loses joint control over or has no significant influence on the invested businesses due to partial equity disposal, the remaining equity changes to be calculated in accordance with the recognition and measurement principles for financial instruments, and the difference between its fare value on the date that the Company loses the joint control and significant influence and the book value is recorded in current profit and loss. For other comprehensive gains recognized due to calculation of the original equity investments by equity method, the Company adopts the equity method no longer but the same basis to handle the accounts as the invested businesses directly dispose the related assets or liabilities while carrying over to current profit and loss all the ownership interest recognized due to other equity changes than net profit and loss, other comprehensive gains and profit distribution.

If the Company gradually loses control of a subsidiary through multiple transactions, which is a package deal as a whole, then all these transactions will be treated as control losing equity disposal, and before loss of control,

the difference between each transaction consideration and the book value of the corresponding long-term equity investment is recognized as other comprehensive gains and in the end, carried over to current profit and loss upon loss of control.

15. Investment real estate

The measurement mode of investment property

The measurement by the cost method

Depreciation or amortization method

Investment real estate refers to the properties held for the purpose of generating rent and/or capital appreciation. The company's investment real estate includes the land use right rented and the constructions leased.

The Company makes initial measurement at the costs that the properties is acquired and records as part of the property costs the subsequent expenses that could bring economic benefit inflows and be measured reliably while other subsequent expenses as part of current profit and loss. Such properties are depreciated or amortized in accordance with the relevant regulations for fixed assets or intangible assets.

16. Fixed assets

(1) Recognition criteria of fixed assets¹

Fixed assets refer to tangible assets that are held for production, services, leases or operations and the useful life of which are over one accounting year. Fixed assets are recognized if it produces economic benefit inflows and its costs can be measured reliably. The Company makes initial measurements on fixed assets at the costs that they are acquired.

(2) Depreciation method

Type	Detail	Estimated useful Life	Estimated residual value rate	Depreciation rate(%)
House and Building	Straight-line method	Over the period of title (the period specified on the real estate title certificate or land use right certificate) or 30 years in case of no period of title	5%	3.17%
Machinery equipment-Kiln	Straight-line method	5	5%	19%
Machinery equipment-Platinum passage	Straight-line method	3	95.5%	1.5%
Machinery equipment-Glass flat-panel and other equipment	Straight-line method	15	5%	6.33%
Machinery equipment-Other Production equipment	Straight-line method	10	5%	9.5%

Transportation equipment	Straight-line method	5	5%	19%
Other equipment	Straight-line method	5	5%	19%

(3) Cognizance evidence and pricing method of financial leasing fixed assets

Fixed assets from finance lease are depreciated during the useful life if it is reasonable to determine that the ownership could be obtained upon lease expiration; otherwise, the Company chooses the shorter of the lease period and the remaining useful life to depreciate the assets.

17. Projects under construction

Whether the company needs to comply with the disclosure requirements of the particular industry

No

The costs of construction in progress include all necessary project expenditures, the borrowing expenses that should be capitalized before the works reaches the expected usable status and other relevant expenses.

Construction in progress changes to fixed assets when it reaches the expected usable status.

18. Borrowing expenses

Borrowing expenses include interest, amortization of discount or premium, auxiliary expenses, translation differences arising from borrowings in foreign currency etc. The Company starts to capitalize the borrowing expenses in direct connection to purchase, construction or production of the assets that meet capitalization conditions when there are assets expenditures and borrowing expenses incurred and/or the Company starts all the necessary events to purchase, construct or produce such assets till the assets can be used and sold. Other borrowing expenses are recognized as costs when incurred.

The Company capitalizes the actual interest expense incurred by use of special borrowings, minus the interest income from the remaining borrowing funds in bank or any investment income earned from the interim investment of those borrowings; and for general borrowings, the amount to capitalize is the weighted average of the accumulated assets expenditures in exceed of the special borrowings times the capitalization rate of the used general borrowings, which is determined by the weighted average interest rate of the general borrowings.

During capitalization, all translation differences of special borrowings in foreign currency should be capitalized while those of general borrowings in foreign currency are recorded in current profit and loss.

The assets to capitalize are fixed assets, investment properties, inventories etc., which can be used or sold after a certain period of time to purchase, construct or produce.

The Company stops capitalization of borrowing costs if an abnormal interruption more than 3 consecutive months occurs during purchase, construction or production of the assets that are eligible to capitalization till all those restart.

If general borrowings are used to purchase, construct or produce the capitalization eligible assets, the borrowing cost to capitalize is the weighted average of the accumulated assets expenditures in exceed of the special borrowings times the capitalization rate of the used general borrowings, which is determined by the weighted average interest rate of the general borrowings.

19. Biological assets**20. Oil & Gas Assets****21. Intangible assets****1. Valuation Method, Service Life and Impairment Test of Intangible Assets****(1) Valuation method, service life and impairment test**

The Company makes initial measurements on intangible assets in terms of the costs and determines the useful life when obtaining the assets. For intangible assets of a limited useful life, from the time the assets are available for use, the Company adopts the amortization method that reflects realization of the expected economic benefits, or the straight-line amortization method if unable reliably to determine how to realize the expected economic benefits; and no amortization are made for intangible assets of an unlimited useful life.

At the end of each year, the Company reviews the useful life and amortization methods of intangible assets of a limited useful life and makes adjustments and accounting treatment if different from the previous estimates.

For the intangible assets that are estimated to produce no more economic benefits in the future, the Company records the book value of such assets all in current profit and loss.

2. Accounting Policy of Internal Research and Development Expenditure

The expenditures for internal research and development projects of an enterprise shall be classified into research expenditures and development expenditures.

The research expenditures shall be recorded into the profit or loss for the current period.

Development expenses can only be capitalized when the following conditions are satisfied: the technology is feasible for use or sales; there is the intention to use or sell the intangible assets; it can be proven that the product generated by the intangible assets is demanded or the intangible assets in demanded; if the intangible is used internally, it can be proven that it is useful; with necessary technical and financial resources and other resources to complete the development of the intangible assets and the intangible assets can be used or sold; the development expense can be reliably measured. If not, the development expense is accounted into the current gain/loss account.

If a research project meets the above-mentioned conditions and passes the technical and economic feasibility study, the project will enter the development stage.

22. Impairment of the long-term assets

On balance sheet dates, the Company determines whether there are impairments occurring to fixed assets, construction in progress, intangible assets of a limited life, investment properties measured in the cost model as well as non-current and non-financial assets like the long-term equity investments on subsidiaries, joint ventures and associated companies. If impaired, the Company estimates the retrievable amount and conducts an impairment test. Impairment tests need to be done on goodwill, intangible assets of an unlimited life and the intangible assets that are not yet to reach the usable status, no matter they are impaired or not.

If the impairment test result shows the retrievable amount lower than the book value, impairment provisions will be set aside and recorded in impairment loss. The retrievable amount is the fair value of the assets minus the disposal expenses or the present value of the estimated future cash flows of the assets, whichever is higher. The fair value of the assets is determined in terms of the price specified in the selling agreement that is fair trade; if no selling agreement but there is an active assets market existing, it is determined in terms of the buyer's offer; and if no selling agreement and active assets market, the fair value can be estimated based on the best available information. Disposal expenses include all related legal charges, taxes, delivery fees or the direct expenses

incurred to have the assets reach the usable or sellable status. To determine the present value of the estimated future cash flows from the assets, the Company chooses an appropriate discount rate in the light of the continual usage of the assets and the estimated future cash flows occurring upon final disposal. Impairment provisions of the assets are calculated and recognized on the basis of individual assets. If unable to estimate the retrievable amount of individual assets, the Company determines the amount by reference to the asset group that includes the individual assets. Asset groups are the minimum assets combination that independently produces cash inflows.

For the goodwill separately listed in financial statements, while an impairment test being conducted, the book value is apportioned to the asset groups or combination of asset groups expected to benefit from the synergy effects arising from business combinations. The Company recognizes impairment losses when the test result shows that the retrievable amount of the asset groups or combination of asset groups is lower than their book values. The impairment loss will be first used to write down the book values of the asset groups or combination of asset groups and then those of other assets pro rata.

Once the aforesaid impairment losses are recognized, they cannot be reinstated in the future.

23. Long-term amortizable expenses

Long-term unamortized expenses are valued at the actual costs and amortized at average in an estimated beneficial period of time. If those cannot benefit the Company in future accounting periods, the remaining will be recorded all in current profit and loss.

24. Remuneration

(1) Accounting methods for short-term compensation

Employee remuneration refers to all kinds of rewards or compensations given in return for employees' services or employment termination. It includes short-term compensation, post-employment benefits, demission benefits and other long-term employee benefits as well as the benefits the Company provides to employees' spouses, children, dependents, deceased employees' family and other beneficiaries.

The Company classifies into short-term compensation the employee remuneration that needs to be paid off entirely in the twelve months following the reporting year the employees have provided their services, which excludes those given for employment termination. Short-term compensation includes payroll, bonus, allowances and subsidies, employee welfare, social security expenses including medical insurance, injury insurance and birth insurance, housing fund, labor union and employee training expenditures, short-term paid leaves, short-term profit share plans, non-monetary benefits and other short-term rewards. It recognizes as liabilities the actual short-term compensation incurred during the accounting period that the employees provide their services and records in current profit and loss or the relevant asset costs. Non-monetary benefits are measured at the fair value.

(2) Accounting methods for post-employment benefits

Post-employment benefits are mainly defined contribution plans, which include basic pension, unemployment insurance etc. The corresponding contributions are recorded in the relevant asset costs or current profit and loss when incurred.

(3) Accounting methods for demission benefits

Demission benefits are the compensations paid to terminate employment before expiration or encourage employees to accept lay-off.

(4) Accounting methods for other long-term employee benefits

Other long-term employee benefits are all other employee compensations than short-term compensation,

post-employment benefits and demission benefits. They are long-term paid leaves, long-term benefits for the disabled, long-term profit sharing plans etc.

25. Estimated Liabilities

The Company recognizes as estimated liabilities the obligations that meet the following conditions:

- A. Current obligations being undertaken by the Company;
- B. Fulfillment of the obligations that lead to cash flow out of the Company;
- C. The amount of the obligations that can be measured reliably.

If it is expected that a third party can compensate for all or partial expenditures to pay off the recognized estimated liabilities, the compensation can be recognized separately as assets only when the Company is sure to receive it. The amount to recognize cannot exceed the book value of the recognized liabilities.

26. Share-based Payment

(1) Types of Share-based Payment

It is divided into equity-settled share-based payment and cash-settled share-based payment.

(2) Recognition of Equity Instruments' Fair Value

For the granted equity instruments that there is an active market for, e.g. options, the Company determines the fair value by reference to the quotation prevailing in the active market. For those that there is no active market for, the options pricing model is adopted to determine the fair value.

(3) Recognition Basis for Best Estimates on Exercisable Equity Instruments

On each balance sheet date during the vesting period, the Company makes best estimates based on the latest number changes of its employees and adjusts the quantity of estimated exercisable equity. The final quantity of estimated exercisable equity instruments should be consistent with that of the actual ones on vesting dates.

27. Other financial instruments including senior shares and perpetual bonds

28. Revenues

Whether the company needs to comply with the disclosure requirements of the particular industry

No

Income, is an enterprise formed in daily activities, will lead to an increase in shareholders' equity, the total in flow of capital has nothing to do with the economic interests of the owner of investment. The company involved in income, including revenue from selling goods, income of labor, transferring assets use right and real estate development income..

(1) Recognition time for sales of goods

After transferring the significant risks and compensation of the merchandise ownership to the buyer, the Company no longer holds the rights to manage and have control over the merchandise, and recognizes the revenue if the economic benefits arising from the related transactions can flow into the Company and all the costs and revenues related to such product sales can be measured reliably.

(2) Services

Service transaction can be estimated reliably, meaning the following conditions are satisfied: amount of revenue can be measured reliably; the relevant economic benefits are likely to flow into the enterprise; completion of the transaction can be measured reliably; transactions that have occurred and will occur costs can be reliably measured

For the services that start and end during the same accounting year, the revenue shall be recognized upon completion; if the services end in a different accounting year and the service transaction results can be measured reliably, the Company adopts the completion percentage method to recognize the revenue on balance sheet dates; if not measurable reliably, the Company recognizes the revenue at the amount of the service costs that are incurred and can be compensated expectedly; otherwise, the service costs incurred are recognized as current expenses.

The Company adopts the following methods to determine the completion progress of service transactions: ① measurement of the completed jobs; ② the proportion of the completed services to all; ③ the proportion of the costs incurred to the total.

The company provides services at the balance sheet date, the transaction can not be reliably estimated, it shall be treated as follows: the costs incurred are expected to be compensated, according to the amount of labor costs that have occurred service revenue is recognized, and the same amount knot turn labor costs; the costs incurred are not expected to be compensated, labor costs should be recognized in profit or loss has occurred, no service revenue is recognized.

Contract or agreement entered into with other companies, including the sale of goods when providing services, the sale of goods and rendering of services can be measured in part to distinguish and separate, should be part of the sale of goods as sale of goods, the provision of services and as part of the provision of services deal with. Sales of goods and rendering of services can not be distinguished, or can be distinguished but can not be measured separately, should be part of the sale of goods and provision of services as part of the total sales of goods.

(3) Use Rights of Assets on Alienation

Transfer of right to Use Rights of Assets on Alienation consists of interest income, fee income etc.

If the related economic benefits can flow into the Company and the revenue can be measured reliably, the amount of usage revenue will be calculated and determined according to the payment time and terms of the related contract or agreement.

(4) Construction Contracts

A construction contract is a contract for the construction of one or more of the assets in terms of design, technology and features, end-use and other closely related and approved.

Construction contracts are divided into fixed price contracts and cost-plus contracts.

A fixed price contract is to determine the price of a construction contract works in accordance with a fixed price or fixed unit price contract.

Cost-plus contracts, refers to the contract or otherwise agreed cost basis, plus the cost of a fixed fee or a percentage of the project to determine the price of a construction contract.

At the balance sheet date, shall be multiplied by the total contract revenue before completion less the cumulative amount of revenue recognized after the accounting period, recognized as the current contract revenue; at the same time, according to the contract multiplied by the estimated total cost of completion less accumulated previous accounting period after the amount recognized as an expense is recognized as current contract costs.

Current period complete a construction contract, the contract shall be in accordance with the actual total income before deducting the cumulative amount of revenue recognized after the accounting period, recognized as the current contract revenue; at the same time, according to the contract costs incurred for the deductible costs previously accumulated recognized after the accounting period recognized as current contract costs.

If the results cannot be measured reliably but the costs can be retrieved, the revenue will be recognized at the

retrievable amount of the actual construction contract costs and the costs treated as expenses when incurred; if not retrievable, the costs will also be treated as expenses and no revenue will be recognized.

(5) Income of Real Estate Development

The company's real estate development products can confirm the income when meeting the follow conditions:

The sales contract has been signed; the down-payment has been charged and the bank mortgage procedure has been completed or has obtained the rights to charge the purchase payment; the main-body of the house has been completed and has passed the acceptance and inspection; the costs of the sales of the item can be measured reliably.

29. Governmental subsidy

(1) Basis and accounting methods for assets related government subsidies

The government grants of monetary assets shall be measured in accordance with the received or receivable amount. Of which, the grants can be measured at the receivable amount if there exists exact evidence to prove they are allocated according to the fixed quota standard, otherwise they shall be measured at the amount actually received. The government grants of non-monetary assets shall be measured at the fair value. If the fair value cannot be reliably obtained, it shall be measured according to the nominal amount of RMB 1. The government grants related to assets are recognized as the deferred incomes, which are equally distributed within the service life of related assets and account into the current profit or loss.

(2) Accounting Method

The government grants related to incomes shall be accounted into the current profit or loss if they are used to compensate for the correlative expenses or losses occurred, and shall be recognized as the deferred income and accounted into the current profit or loss during the expense confirmation period if they are used to compensate for the correlative expenses or losses occurred in the subsequent period. The government grants measured at the nominal amount shall be directly accounted into the current profit or loss.

30. Deferred income tax assets/Deferred income tax liability

The balance between the book value and the tax basis of some items of assets and liabilities, as well as the temporary differences issued as the balance between the book value and the tax basis of the tax basis items that unrecognized as assets and liabilities but can be determined as per the provisions of tax law, which shall be determined as the deferred income tax assets and the deferred income tax liabilities in accordance with the balance sheet debt law.

Taxable temporary differences related to the initial recognition of goodwill, as well as the initial recognition of an asset or liability in a transaction that neither belongs to a business consolidation, nor affects the accounting profit and taxable income (or deductible loss) when it happens, the relevant deferred income tax liabilities shall not be recognized. In addition, as for taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, if the Company could control the reverse time of such differences and such differences cannot be reversed in the foreseeable future, the relevant deferred income tax liabilities also shall not be recognized. Apart from the above-mentioned exceptional cases, the Company recognizes all other deferred income tax liabilities caused by taxable temporary differences.

Deductible temporary differences related to the initial recognition of an asset or liability in a transaction that neither belongs to a business consolidation, nor affects the accounting profit and taxable income (or deductible loss) when it happens, the relevant deferred income tax assets shall not be recognized. In addition, as for

deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, if such differences cannot be reversed in the foreseeable future or are not likely to obtain the taxable income to deduct the deductible temporary differences of the taxable income, the relevant deferred income tax liabilities shall not be recognized. Apart from the above-mentioned exceptional cases, the Company recognizes other deferred income tax liabilities caused by deductible temporary differences within the limit of likely obtained taxable income that can be used to deduct the deductible temporary differences of the taxable income.

The corresponding deferred tax assets of deductible loss and tax reduction that can be carried forward during subsequent years shall be recognized within the limit of likely obtained future taxable income that can be used to deduct the deductible loss and tax reduction.

As per the provisions of tax law, the deferred income tax assets and deferred income tax liabilities shall be measured at the applicable tax rates used during the period of expectation recovery of relevant assets or pay-off relevant liabilities at the balance sheet date.

The book value of the deferred income tax assets shall be re-checked at the balance sheet date. The book value of the deferred income tax assets shall be written-down if it is unlikely to obtain sufficient taxable income in the future to deduct the benefit of the deferred tax assets and the written-down amount shall be carried forward if it is likely to obtain sufficient taxable income.

31.Operational leasing

(1) Accounting of operational leasing

The Company will transfer substantially all the risks and rewards of ownership of an asset lease is recognized as a finance lease. Other forms of lease besides financial leasing are considered as operating leasing.

Lease payments under an operating lease shall be accounted into the relevant asset cost or current profit or loss over the lease term on a straight-line basis.

(2) Accounting Method for Financing Leases

At the commencement of the lease term, an amount equal to the lower of the fair value of the leased asset and the present value of the minimum lease payments shall be regarded as the recorded value of the leased assets and an amount equal to the minimum lease payments shall be recognized as a long-term recorded value of the leased assets of payables. The balance between the recorded amount of the leased asset and the recorded amount of the payable shall be accounted for as unrecognized finance charge.

32. Other significant accounting policies and estimates

1. Share Repurchase

Share repurchase refers to the behavior of repurchasing a certain sum of Company's outstanding stocks from the stock market by cash and other methods; and the behavior that the incentive objects of restricted stocks fail to submit a written application to the Board in the prescribed period shall be deemed as voluntarily give up the unlocking, the corresponding restricted stocks shall no longer be unlocked and shall be logged out after the repurchase at the awarded price by the Company. If any period fails to meet the unlocking conditions within the unlocking period, the restricted stock with the unlocking application qualification in the current period cannot be unlocked and shall be logged out after the repurchase by the Company.

Upon the legal procedures and reporting approval and through repurchasing the Company's stocks, the Company's reduction of capital is conducted according to the total nominal value of written-off stocks. The part of price paid to stock repurchase (including transaction expenses) that exceeds the total nominal amount shall offset the capital reserve (share premium), earned surplus and undistributed profits in sequence; The part of price paid to stock repurchase (including transaction expenses) that less than the total nominal amount shall increase the capital reserve (share premium).

2. Safety production expenses

The company counts and draws safety production expenses specified in Notification on Printing and Distributing and Administrative Measures on Drawing and Using Enterprise's Safety Production Expenses issued by Ministry of Finance and State Administration of Work Safety. Safety production expenses is specialized in improving safe production.

Safety production expense is counted into related product's cost or current profit and loss. At the same time, it is also counted into specialized reserve. In case the safety production expense to be delivered is used in expense, we directly consume specialized reserve. In case safety production expense to be delivered belongs to fixed asset and is spent in construction in-process, confirm it as fixed asset when the project is completed safely and is ready to put into use. Meantime, consume specialized reserve as the cost forming into fixed asset and confirm it as equivalent accumulated depreciation.

33.Change of main accounting policies and estimations

(1)Change of main accounting policies

Applicable Not applicable

(2) Change of main accounting estimations

Applicable Not applicable

34.Other

1. Income tax

Income tax is composed of current income tax and deferred income tax. All taxes and expenses are written in current profit and loss except those for reputation adjustment in enterprise combination or trades directly counted into shareholder's equity or some deferred income tax which is counted in shareholder's equity.

Current income tax is payable tax amount currently calculated as current taxable income. Payable tax amount is calculated by adjusting pre-tax accounting profit specified in related tax laws.

The company confirms deferred income tax by adopting liability method in Balance Sheet based on the temporary difference between book value of asset and liability in Balance Sheet and tax base.

Temporary difference of items of payable taxes are confirmed to be related deferred income tax liabilities, except the temporary difference of payable taxes are made in the following conditions:

A. Initial confirmation of reputation or that of assets or liabilities made in trades with these features: the trade is not enterprise combination and it neither influences accounting profit nor amount of payable tax when it

happens.

B. As for temporary difference of items of payable taxes related to investment to subsidiaries, joint enterprises and associated enterprises. The temporary difference return time may be controlled and may not return in foreseeable future.

On the date of balance sheet , the company will calculate deferred income tax assets and deferred income tax liabilities according to applicable tax between expected recovered assets and paid liabilities, and also the company will reflect the income tax influence in ways of expected recovered assets and paid liabilities on the date of balance sheet.

On the date of balance sheet, the company will check the book value of the deferred income tax assets. If it was unlikely to obtain sufficient taxable income taxes to offset benefit of deferred income tax assets, while it was likely to obtain sufficient taxable income, carrying amount of deferred income tax assets shall be written down.

VI.Taxation

1.Main categories and rates of taxes

Taxes	Tax references	Applicable tax rates
VAT	Sales revenue and Technical services revenue	3%、6%、11%、17%
Urban construction tax	Turnover tax to be paid allowances	7%
Enterprises income tax	Taxable income	10%、15%、25%
Educational surtax	Turnover tax to be paid allowances	3%
Local education surcharge	Turnover tax to be paid allowances	2%

The disclosure on the rate of income tax of taxpayers in different enterprises is stated below

Name of Taxpayer	Rate of Income Tax
Dongxu Optoelectronic Technology Co., Ltd. (The Company)	15%
Wuhu Dongxu Optoelectronic Technology Co., Ltd. (Subsidiary)	15%
Wuhu Dongxu Optoelectronic Equipment Technology Co., Ltd (Subsidiary)	15%
Shijiazhuang Dongxu Optoelectronic Equipment Technology Co., Ltd(Sub-subsidiary)	15%
Zhengzhou Xufei Optoelectronic Technology Co., Ltd (Subsidiary)	15%
Shijiazhuang Xuxin Optoelectronic Technology Co., Ltd (Subsidiary)	15%
Hebei Xubao Construction Installation Engineering Co., Ltd (Subsidiary)	25%
Hebei Xubao Construction Installation Engineering Co., Ltd (Subsidiary)	25%
Wuhan Dongxu Optoelectronic Technology Co., Ltd (Subsidiary)	25%
Sichuan Ruiyi Construction Engineering Co., Ltd. (Subsidiary)	25%
Beijing Xufeng Real Estate Co., Ltd. (Subsidiary)	25%
Dongxu (Kunshan) Display Material Co., Ltd. (Subsidiary)	25%
Beijing Dongxu Investment Development Co., Ltd. (Sub-subsidiary)	25%

Wuhu Ruiyi Labor Co., Ltd (Sub-subsidiary)	10%
Jiangsu Jixing New Material Co., Ltd. (Subsidiary)	15%
Jiangsu Jixing New Material Co., Ltd. (Subsidiary)	25%
Beijing Xutan New Material Co., Ltd. (Subsidiary)	25%
Jiangsu Dongxu Yitai Intelligent Equipment Co., Ltd. (Sub-subsidiary)	25%
Fuzhou Dongxu Optoelectronic Technology Co., Ltd. (Subsidiary)	25%
Shenzhen Xuhui Investment Holding Co., Ltd. (Subsidiary)	25%
Shanghai Tanyuan Huigu New Material Technoogy Co., Ltd. (Subsidiary)	15%
Fuzhou Dongxu Investment Development Co., Ltd. (Sub-Subsidiary)	25%
Fuzhou Xufu Optoelectronic Technology Co., Ltd. (Sub-Subsidiary)	25%
Taizhou Xiwang New Energy Technology Co., Ltd. (Sub-Subsidiary)	25%
Xiamen Xuqi Investment Management Co., Ltd. (Sub-Subsidiary)	25%
Shenzhen Xinyingtong Technology Co., Ltd. (Sub-Subsidiary)	25%
Xuyou Electronic Material Technology (Wuxi) Co., Ltd. (Sub-Subsidiary)	25%
Fuzhou Xuyou Electronic Material Technology Co., Ltd. (Sub-Subsidiary)	25%
Sichuan Dongxu Ruiyi Enterprise Management Co., Ltd. (Sub-Subsidiary)	25%
Sichuan Dongxu Ruiyi Environment Engineering Co., Ltd. (Sub-Subsidiary)	25%
Sichuan Dongxu Ruiyi Survey & Design Co., Ltd. (Sub-Subsidiary)	25%
Sichuan Dongxu Ruiyi Trade Co., Ltd. (Sub-Subsidiary)	25%
Sichuan Dongxu Prosperity Construction Development Co., Ltd. (Sub-Subsidiary)	25%
Shenzhen Xingxinda Technology Co., Ltd. (Sub-Subsidiary)	25%
Taizhou Dongxu Graphene Industry Investment Fund Management Center (Sub-Subsidiary)	Not applicable

2. Tax Preference

① On September 29, 2015, The Company was rated as the national high-tech enterprise with validity of 3 years. As per the provisions of enterprise income tax law, the Company adopts 15% enterprise tax rate applicable for high-tech enterprises for three years since 2015.

② On October 21, 2014, Wuhu Dongxu Optoelectronic Technology Co., Ltd. was rated as the national high-tech enterprise with validity of 3 years. As per the provisions of enterprise income tax law, the Company adopts 15% enterprise tax rate applicable for high-tech enterprises for three years since 2014.

③ On October 21, 2016, Wuhu Dongxu Optoelectronic Equipment Technology Co., Ltd. was rated as the national high-tech enterprise with validity of 3 years. As per the provisions of enterprise income tax law, the Company adopts 15% enterprise tax rate applicable for high-tech enterprises for three years since 2016.

④ On November 21, 2016, Shijiazhuang Dongxu Optoelectronic Equipment Technology Co., Ltd. was rated as the national high-tech enterprise with validity of 3 years. As per the provisions of enterprise income tax law, the Company adopts 15% enterprise tax rate applicable for high-tech enterprises for three years since 2016.

⑤ On August 3, 2015, Zhengzhou Xufei Optoelectronic Technology Co., Ltd. was rated as the national high-tech enterprise with validity of 3 years. As per the provisions of enterprise income tax law, the Company

adopts 15% enterprise tax rate applicable for high-tech enterprises for three years since 2015.

⑥ On November 21,2016,Shijiazhuang Xuxin Optoelectronic Technology Co., Ltd. was rated as the national high-tech enterprise with validity of 3 years. As per the provisions of enterprise income tax law, the Company adopts 15% enterprise tax rate applicable for high-tech enterprises for three years since 2016.

⑦ On November 30, 2016, Jiangsu Jixing New Material Co., Ltd. was rated as the national high-tech enterprise with validity of 3 years. As per the provisions of enterprise income tax law, the Company adopts 15% enterprise tax rate applicable for high-tech enterprises for three years since 2016.

⑧ Wuhu Ruiyi Labor Service co., Ltd has been certified as small micro enterprise since 2014, in accordance with *Notification of Income Taxation Related Preferential Policies on Small Profit-making Enterprise* approved and issued by the State Council and the State Administration of Taxation on April 9, 2014, and the company pays enterprise income tax at a rate of 10% which was reduced by 50%.

⑨ On November r24,2016,Shanghai Tanyuan Huigu New Material Co., Ltd. was rated as the national high-tech enterprise with validity of 3 years. As per the provisions of enterprise income tax law, the Company adopts 15% enterprise tax rate applicable for high-tech enterprises for three years since 2016.

3.Other

VII. Notes to the major items of consolidated financial statement

1.Monetary Capital

In RMB

Items	Year-end balance	Year-beginning balance
Cash	187,232.52	245,781.01
Bank deposit	25,349,745,448.62	12,181,847,699.04
Other	706,184,535.72	227,416,690.21
Total	26,056,117,216.86	12,409,510,170.26

Other notes

Notes 1: The material reasons for the increase of monetary funds at the end of the period compared with the beginning include the Increase in the amount of non-public offering of shares to raise funds and borrowings;

Notes 2: The amount of restricted monetary capital of the total monetary capital in the end of the period is RMB 1,018,782,125.26. Mainly for the draft earnest money and the fixed deposit receipt.

2.Financial assets measured by fair value and with variations reckoned into current gains/losses

3.Derivative financial assets

Applicable Notes

4. Bills receivable

(1) Classification bill receivable

In RMB

Items	Year-end balance	Year-beginning balance
Bank acceptance	50,040,287.95	51,014,152.00
Trade acceptance	5,300,000.00	
Total	55,340,287.95	51,014,152.00

(2) Bills receivable pledged at period-end

(3) Bills transferred to accounts receivable because drawer of the Bills fails to execute the contract or agreement, and undue Bills endorsed to other parties at the end of the period.

In RMB

Items	End of the period amounts derecognizing	End of the period amount untermiated
Bank acceptance	173,631,823.53	
Trade acceptance	6,000,000.00	
Total	179,631,823.53	

(4) Bills transferred to accounts receivable because drawer of the Bills fails to execute the contract or agreement

5. Account receivable

(1) Classification account receivables.

In RMB

Classification	Amount in year-end					Amount in year- begin				
	Book Balance		Bad debt provision		Book value	Book Balance		Bad debt provision		Book value
	Amount	Proportion(%)	Amount	Proportion(%)		Amount	Proportion(%)	Amount	Proportion(%)	
Receivables subject to provision for bad debts on credit risk characteristics basis	1,674,205,803.42	100.00%	21,491,162.65	1.28%	1,652,714,640.77	1,055,392,294.94	100.00%	12,853,982.43	1.22%	1,042,538,312.51
Total	1,674,205,803.42	100.00%	21,491,162.65	1.28%	1,652,714,640.77	1,055,392,294.94	100.00%	12,853,982.43	1.22%	1,042,538,312.51

Receivable accounts with large amount individually and bad debt provisions were provided

Applicable Not applicable

Account receivable on which bad debt provisions are provided on age basis in the group

Applicable Not applicable

In RMB

Aging	Balance in year-end		
	Receivable accounts	Bad debt provision	Proportion
Subitem within 1 year			
Within credit period	1,303,633,244.80		
Within 1 year after credit period	291,240,991.63	14,562,049.58	5.00%
1-2 years	1,594,874,236.43	14,562,049.58	0.91%
2-3 years	42,903,203.75	4,290,320.38	10.00%
3-4 years	5,767,644.70	1,730,293.36	30.00%
Over 5 years	1,287,809.23	643,904.62	50.00%
Total	264,594.71	264,594.71	100.00%
合计	1,645,097,488.82	21,491,162.65	1.31%

Notes:

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

Group Name	Closing balance	Bad debt provision
Related party group	29,108,314.60	

(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 8,637,180.22;The amount of the reversed or collected part during the reporting period was of RMB0 .00.

Where the current bad debts back or recover significant amounts:

(3)The current accounts receivable write-offs situation

Of which the significant actual write-off accounts receivable:

(4) The ending balance of account receivables owed by the imputation of the top five parties

Information about the top5 of accounts receivable of ending balance sorted by borrower by Dec, 31, 2016

The total receivable amount of top five closing balances collected by the debtors in the current reporting period is RMB819,609,582.36, which accounts for 48.96% of the total receivables. The total amount of closing balance for corresponding accrued bad-debt provision is RMB 819,529.61.

(5) Account receivables recognition terminated due to transfer of financial assets

(6) Account receivables transferred and assets & liability formed by its continuous involvement

6. Payment in advance

(1) Payment in advance:

In RMB

Aging	Amount in year-end		Amount in year- begin	
	Amount	Proportion(%)	Amount	Proportion(%)
Within 1 year	776,749,368.51	90.06%	144,188,241.68	34.42%
1-2 years	57,435,800.50	6.66%	261,349,437.53	62.39%
2-3 years	28,247,726.09	3.28%	6,788,329.79	1.62%
Over 3 years			6,584,578.57	1.57%
Total	862,432,895.10	--	418,910,587.57	--

Notes:

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

As of December 31,2016,The total prepayment amount of top five closing balances collected by the objects of prepayment in the current reporting period is RMB 396,833,060.00, which accounts for 46.01% of the total closing prepayment balance.

Other notes:

Compared with prepaid account at the beginning, increase in prepaid account at the end of this year was caused by advanced-material prepayment's increase.

7. Interest receivable

(1) Classification Interest receivable

(2) Important overdue interest

8. Dividend receivable

(1) Dividend receivable

(2) Dividend receivable aging over 1 years

9. Other accounts receivable

(1) Other accounts receivable disclosed by category

In RMB

Classification	Amount in year-end	Amount in year- begin
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	Book Balance		Bad debt provision		Book value	Book Balance		Bad debt provision		Book value
	Amount	Proportion(%)	Amount	Proportion(%)		Amount	Proportion(%)	Amount	Proportion(%)	
Other receivables subject to provision for bad debts on credit risk characteristics basis	188,125,067.48	100.00%	2,053,982.24	1.09%	186,071,085.24	57,070,247.27	100.00%	1,872,375.99	3.28%	55,197,871.28
Total	188,125,067.48	100.00%	2,053,982.24	1.09%	186,071,085.24	57,070,247.27	100.00%	1,872,375.99	3.28%	55,197,871.28

Receivable accounts with large amount individually and bad debt provisions were provided

Applicable Not applicable

Account receivable on which bad debt provisions are provided on age basis in the group

Applicable not applicable

In RMB

Aging	Amount in year-end		
	Account receivable	Bad debt provision	Rate of allowance(%)
Within item 1 year			
Within credit period	7,097,603.94	0.00	0.00%
Within 1 year after credit period	295,600.10	14,780.01	5.00%
1-2 years	474,822.31	47,482.23	10.00%
2-3 years	718,105.55	215,431.66	30.00%
Over 5 yearsw	1,776,288.34	1,776,288.34	100.00%
Total	10,362,420.24	2,053,982.24	19.82%

Notes of the basis of recognizing the group:

Other receivable account in Group on which bad debt provisions were provided on percentage basis:

Applicable Not applicable

Other Receivable accounts on which bad debt provisions are provided by other ways in the portfolio:

Applicable Not applicable

Group Name	Closing balance	Bad debt provision
Deposit	18,908,561.60	
Individual retirement insurance	1,577,343.37	
Personal official loans	9,218,737.75	
Deposit	72,905,814.34	
Export tax refunds	75,152,190.18	
Total	177,762,647.24	

(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 RMB181,606.25; the amount of the reversed or collected part during the reporting period was of RMB 0.00.

Significant amount of reversed or recovered bad debt provision:

(3) Other account receivables actually cancel after write-off

(4) Other account receivables category by nature of money

In RMB

Naature	Ending book balance	Beginning book balance
Internal current account		299,905.00
Current account	7,072,359.41	1,205,904.65
Deposit	72,905,814.34	33,980,966.75
Personal official borrowing	9,218,737.75	9,287,709.26
Deposit	18,908,561.60	7,709,572.64
Persona Returnable Insurance	1,577,343.37	2,812,157.82
Export tax refunds	75,152,190.18	
Other	3,290,060.83	1,774,031.15
Total	188,125,067.48	57,070,247.27

(5) The ending balance of other receivables owed by the imputation of the top five parties

In RMB

Name	Nature	Amount in year-end	Aging	Proportion	The closing balance of bad debts
Xian Runyin Finance lease Co., Ltd.	Deposit	23,000,000.00	Within 1 year	12.23%	
Beijing Cultural Technology Financial Leasing Co., Ltd.	Deposit	15,000,000.00	Within 1 year	7.97%	
Beijing State Owned Financial Leasing Co., Ltd.	Deposit	12,500,000.00	Within 1 year	6.64%	
Wuhu Economic and Technological Development Zone Finance Bureau	Deposit	9,978,000.00	2 -3 years	5.30%	
Hebei Finance Leasing Co., Ltd.	Deposit	5,100,000.00	1-2 years	2.71%	
Total	--	65,578,000.00	--	34.85%	

(6) Account receivables with government subsidies involved

(7) Other account receivables recognition terminated due to transfer of financial assets

(8) Other account receivables transferred and assets & liability formed by its continuous involvement

10.Inventory

Whether the company needs to comply with the disclosure requirements of the particular industry

No

(1) Inventory types

In RMB

Items	Year-end balance			Year-beginning balance		
	Book Balance	Provision for bad debts	Book value	Book Balance	Provision for bad debts	Book value
Raw materials	898,356,338.67	1,993,847.52	896,362,491.15	997,984,608.47		997,984,608.47
Processing products	75,349,308.19		75,349,308.19	55,124,671.25		55,124,671.25
Stock goods	267,103,365.46		267,103,365.46	182,763,166.25		182,763,166.25
Construction contract has been completed unsettled assets	368,022,163.44		368,022,163.44	27,390,555.01		27,390,555.01
Development cost	1,082,130,108.03		1,082,130,108.03	914,716,683.08		914,716,683.08
Total	2,690,961,283.79	1,993,847.52	2,688,967,436.27	2,177,979,684.06		2,177,979,684.06

Whether the company is required to comply with the "Shenzhen Stock Exchange Industry Information Disclosure Guidelines No. 4 - listed companies engaged in seed industry, planting business" disclosure requirements

No

(2) Inventory depreciation reserve

In RMB

Items	Year-beginning balance	Increase		Decrease		Year-end balance
		Accrual	Other	Switch back	Other	
Raw materials		1,993,847.52				1,993,847.52
Total		1,993,847.52				1,993,847.52

Notes1: basis of provision for inventory revaluation reserve was cost and net realizable value, and reason of

inventory revaluation reserve provision was that final realizable net value was lower than cost.

(3) Explanation on inventories with capitalization of borrowing costs included at ending balance

The final cost of development contains interest capitalization was RMB 94,597,013.19.

(4) Assets unsettled formed by construction contract which has completed at period-end

In RMB

Items	Amount
Accumulated Incurred Cost	1,989,364,381.01
Accumulated Confirmed Gross Profit	552,689,725.14
Settlement Amount	2,174,031,942.71
Unliquidated Completed Assets Formed in the Construction Contract	368,022,163.44

Other notes:

11. Divided into assets held for sale

12. Non-current assets due within 1 year

In RMB

Items	Closing balance	Opening balance
Hydropower installation dormitory renovation project		139,395.72
Total		139,395.72

Other notes:

Non-current assets due within one year is the long-term unamortized assets

13. Other current assets

In RMB

Items	Closing balance	Opening balance
USD exchange	58,000,000.00	58,000,000.00
Prepaid or pending certified taxes	1,124,023,317.38	1,158,401,769.76
Short-ter Financing	2,021,430,000.00	
Total	3,203,453,317.38	1,216,401,769.76

Other notes:

Notes :In 1993,the Group signed the agreement on exchange of US dollars which agreed returning 10,000,000 US dollars to the Exchange Unit and repossess the RMB 58,000,000 exchanged in November 1998, As of December 31, 2016, the Group still consults with the Exchange Unit on the returning of the exchange.

Notes :The reason that other current assets at the end of the year was higher than those of in the beginning was new financial management's increase.

14. Available-for-sale financial assets

(1) Available-for-sale financial assets

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

(3) Available-for-sale financial assets measured by cost at the period-end

(4) Changes of the impairment of the available-for-sale financial assets during the reporting period

(5) Relevant description of the end of the fair value of the equity instruments at the end of a serious decline in fair value or non temporary decline but not related to impairment provision

15. Held-to-maturity investment

(1) Held-to-maturity investment

(2) Important held-to-maturity investment at period-end

(3) Reclassify of held-to-maturity investment in the period

16. Long-term account receivables

(1) Long-term account receivables

(2) Long-term account receivables recognition terminated due to transfer of financial assets

(3) Long-term account receivables transferred and assets & liability formed by its continuous involvement

17. Long-term equity investment

In RMB

Investees	Opening balance	Increase/decrease								Closing balance	Closing balance of impairment provision
		Add investment	Decreased investment	Gain/loss of Investment	Adjustment of other comprehensive income	Other equity changes	Declaration of cash dividends or profit	Withdrawn impairment provision	Other		
I. Joint ventures											

II. Associated enterprises											
Zhongda Chengxin International Commercial Factoring Co., Ltd.	72,426,252.41										72,354,803.70
Subtotal	72,426,252.41										72,354,803.70
Total	72,426,252.41										72,354,803.70

18. Investment real estate

(1) Investment real estate by cost measurement

Applicable Not applicable

(2) Investment real estate by fair value

Applicable Not applicable

(3) Investment real estate without certificate of ownership

19. Fixed assets

(1) List of fixed assets

In RMB

Items	House, building	Machinery equipment	Transportations	Other equipment	Total
I. Original price					
1. Balance at period-beginning	1,099,869,204.05	6,565,156,510.66	39,358,222.50	49,655,303.76	7,754,039,240.97
2. Increase in the current period	126,697,785.34	4,028,477,490.25	3,880,840.94	9,267,422.34	4,168,323,538.87
(1) Purchase	7,537,733.41	60,499,317.94	3,142,832.54	7,846,599.25	79,026,483.14
(2) Transferred from construction in p	119,160,051.93	2,296,034,841.23		274,701.10	2,415,469,594.26

Progress					
(3) Increased of Enterprise Combination		821,876.44	738,008.40	1,146,121.99	2,706,006.83
Leasebacks		1,671,121,454.64			1,671,121,454.64
3. Decreased amount of the period		1,825,586,874.01	41,303.90	105,381.65	1,825,733,559.56
(1) Disposal		1,089,959.46	41,303.90	105,381.65	1,236,645.01
(2) Leaseback		1,824,496,914.55			1,824,496,914.55
4. Balance at period-end	1,226,566,989.39	8,768,047,126.90	43,197,759.54	58,817,344.45	10,096,629,220.28
II. Accumulated depreciation					
1. Opening balance	205,168,394.85	612,002,791.63	19,548,829.87	17,092,852.02	853,812,868.37
2. Increased amount of the period	30,895,691.65	480,495,418.98	5,802,284.69	9,472,424.43	526,665,819.75
(1) Withdrawal	30,895,691.65		5,787,954.38	9,233,793.03	526,341,511.12
(2) Increased of Enterprise Combination		71,346.92	14,330.31	238,631.40	324,308.63
3. Decrease in the reporting period		236,106,705.39	39,238.70	81,039.06	236,226,983.15
(1) Disposal		388,620.44	39,238.70	81,039.06	508,898.20
(2) Leaseback		235,718,084.95			235,718,084.95
4. Closing balance	236,064,086.50	856,391,505.22	25,311,875.86	26,484,237.39	1,144,251,704.97
III. Impairment provision					
1. Opening balance		36,444.84			36,444.84
2. Increase in the reporting period					
(1) Withdrawal					
3. Decrease in the reporting period					
(1) Disposal					

4. Closing balance		36,444.84			36,444.84
IV. Book value					
1. Book value of the period-end	990,502,902.89	7,911,619,176.84	17,885,883.68	32,333,107.06	8,952,341,070.47
2. Book value of the period-begin	894,700,809.20	5,953,117,274.19	19,809,392.63	32,562,451.74	6,900,189,927.76

(2) Fixed assets temporarily idled

(3) Fixed assets rented by finance leases

In RMB

Items	Original book value	Accumulated depreciation	Accumulated depreciation	Book value
Machinery equipment	1,626,791,238.70	102,540,637.32		1,524,250,601.38

(4) Fixed assets leased in the operating leases

(5) Fixed assets without certificate of title completed

In RMB

Items	Book value	Reason
108# Gas station	185,203.53	Processing
109#Oxygen gasification station	363,180.76	Processing
Main entrance Guard room	155,598.44	Processing
Bathroom	79,845.61	Processing
East entrance Guard room	85,167.80	Processing
Compressed air station, circulating water pump house, refrigeration station	799,359.47	Processing
Dangerous goods warehouse	347,448.54	Processing
Wastewater treatment plant	822,944.36	Processing
Broken glass warehouse	2,593,172.40	Processing
Substation	340,535.78	Processing
Boiler room	4,424,742.33	Processing
Total	10,197,199.02	

20. Project under construction

(1)Project under construction

In RMB

Items	Year-end balance			Year-beginning balance		
	Book balance	Provision for devaluation	Book value	Book balance	Provision for devaluation	Book value
Wuhu LCD glass substrate production line project	1,676,291,711.39		1,676,291,711.39	1,860,043,071.45		1,860,043,071.45
Wuhan LCD glass substrate production line project	14,645,209.52	14,645,209.52		14,645,209.52		14,645,209.52
Xufei LCD glass substrate production line II and supporting				1,013,527,351.59		1,013,527,351.59
Xuxin LCD glass substrate production line				485,548,460.69		485,548,460.69
Kunshan Color film project	60,284,978.33		60,284,978.33	16,309,892.75		16,309,892.75
Sapphire crystal sultivation and processing of production line equipment	205,128.21		205,128.21	42,942,402.90		42,942,402.90
Project of Production Line for the 8.5th-generation Glass glass substrate	35,847,492.91		35,847,492.91			
Total	1,787,274,520.36	14,645,209.52	1,772,629,310.84	3,433,016,388.90		3,433,016,388.90

(2) Changes of significant construction in progress

In RMB

Name of project	Budget	Opening balance	Increase	Transfer red to fixed assets	Other decrease	End balance	Proporti on %	Project process	Capitaliz ation of interest	Includin g: capitaliz ation of interest this period	Capitaliz ation of interest rate (%)	Source of funding
Wuhu LCD	757,652.	1,860,04	527,924,	711,676,		1,676,29	88.45%	88.45%	587,265,	136,883,		Raise

glass substrate production line project	00	3,071.45	709.69	069.75		1,711.39			536.47	434.90		funds
Wuhan LCD glass substrate production line project		14,645,209.52				14,645,209.52						Other
Xufei LCD glass substrate production line II and supporting	250,000.00	1,013,527,351.59	80,474,944.53	1,094,002,296.12			100.00%	100.00%	208,707,367.83	36,000,329.41		Loans of financial institutions
Xuxin LCD glass substrate production line	270,000.00	485,548,460.69	67,713,527.80	553,261,988.49			100.00%	100.00%	138,981,145.52	23,580,878.65		Loans of financial institutions
Kunshan Color film project	311,550.00	16,309,892.75	43,975,085.58			60,284,978.33	5.17%	5.17%				Raise funds
Sapphire crystal cultivation and processing of production line equipment	5,906.40	42,942,402.90	10,983,038.73	53,720,313.42		205,128.21	91.33%	91.33%				Other
Project of Production Line for the 8.5th-generation Glass substrate	439,364.49		35,847,492.91			35,847,492.91	0.82%	0.82%				Raise funds
Other			2,808,926.48	2,808,926.48								Other
Total	2,034,4700	3,433,0101	769,727,064.81	2,415,4606.48		1,787,2706.48	--	--	934,954,367.83	196,464,329.41		--

	2.89	6,388.90	725.72	9,594.26		4,520.36			049.82	642.96		
--	------	----------	--------	----------	--	----------	--	--	--------	--------	--	--

(3) Provision for impairment of construction projects

In RMB

Items	Amount	Reason
Wuhu LCD glass substrate production line project	14,645,209.52	Notes I
Total	14,645,209.52	--

Other notes

Notes 1: The under-construction project decrease in the end of the period compared with that in the beginning of the period is mainly caused by the conversion into fixed assets of the Xuxin, Wuhu Technology LC glass substrate production lines and Xufei glass substrate production lines upon completion in the current period.

Note 2: Subsidiary Wu Han Dongxu Optoelectronic Technology Co. Ltd stopped its on-construction projects at the end of 2014. The produced fee was upfront cost rather than physical assets which has no disposal value. According to book value and recoverable value, cash flow will not be produced in the future, so a accrual total amount reduced-value allowance was made.

Note 3: final mortgage situation of projects under construction was listed in Chapter V II.76.

21. Engineering Material

In RMB

Items	Closing balance	Opening balance
Special Equipment	263,312.81	31,267.87
Special material	41,155.24	6,947.12
Total	304,468.05	38,214.99

Other notes:

22. Disposal of fixed assets**23. Productive biological assets**

(1) Measured by cost

Applicable Not applicable

(2) Measured by fair value

Applicable Not applicable

24. Oil-and-gas assets

□ Applicable √ Not applicable

25. Intangible assets

(1) Information

In RMB

Items	Land use right	Patent right	Non patent technology	Patent technology	Total
I. Original price					
1. Balance at period-beginning	452,895,904.31	1,558,843.24	46,984,667.98	4,500,000.00	505,939,415.53
2. Increase in the current period	114,261,044.50	118,963.68	38,469.24	17,620,666.71	132,039,144.13
(1) Purchase	114,261,044.50	118,963.68	38,469.24	9,708,737.90	124,127,215.32
(2) Internal Development					
(3) Increased of Enterprise Combination				7,911,928.81	7,911,928.81
3. Decreased amount of the period					
(1) Disposal					
4. Balance at period-end	567,156,948.81	1,677,806.92	47,023,137.22	22,120,666.71	637,978,559.66
II. Accumulated amortization					
1. Balance at period-beginning	34,002,566.91	476,690.66	9,000,121.46	168,750.00	43,648,129.03
2. Increase in the current period	9,920,696.02	155,438.00	4,540,860.88	1,518,890.05	16,135,884.95
(1) Withdrawal	9,920,696.02	155,438.00	4,540,860.88	971,589.76	15,588,584.66
(2) Increased of Enterprise Combination				547,300.29	547,300.29
3. Decreased amount of the period					
(1) Disposal					

4. Balance at period-end	43,923,262.93	632,128.66	13,540,982.34	1,687,640.05	59,784,013.98
III. Impairment provision					
1. Balance at period-beginning					
2. Increase in the current period					
(1) Withdrawal					
3. Decreased amount of the period					
(1) Disposal					
4. Balance at period-end					
4. Book value					
1. Book value at period-end	523,233,685.88	1,045,678.26	33,482,154.88	20,433,026.66	578,194,545.68
2. Book value at period-beginning	418,893,337.40	1,082,152.58	37,984,546.52	4,331,250.00	462,291,286.50

The intangible assets by the end of the formation of the company's internal R & D accounted of the proportion of the balance of intangible assets

(2) Details of Land use right failed to accomplish certification of property

In RMB

Items	Book value	Reason
Land use right	113,419,099.89	Processing

Other notes:

Notes 1: The merger increase is caused by the newly-added subsidiary of Shanghai Tanyuan Huigu New Materials Technology Co., Ltd. in the current period.

Notes :See Note VII No.76 for detailed conditions for the land usage rights mortgage by the end of the period

26. Development expenditure

27. Goodwill

(1) Original book value of goodwill

In RMB

Name of the investees or the events formed	Opening	Increase	Decrease	Closing balance
--	---------	----------	----------	-----------------

goodwill	balance				
Shanghai Tanyuan Huigu New Material Co., Ltd.		33,935,384.57			33,935,384.57
Total					

(2) Impairment provision of goodwill

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

Notes: At the end of the final test, no impairment of goodwill.

Other notes:

28. Long-term amortization expenses

In RMB

Items	Balance in year-begin	Increase at this period	Amortization at this period	Decrease	Balance in year-end
Building renovation	16,560,387.39	1,958,579.43	6,762,460.06		11,756,506.76
Total	16,560,387.39	1,958,579.43	6,762,460.06		11,756,506.76

29. Deferred income tax assets and deferred income tax liability

(1) Details of the un-recognized deferred income tax assets

In RMB

Items	Balance in year-end		Balance in year-begin	
	Temporarily Deductible or Taxable Difference	Deferred Income Tax Assets	Temporarily Deductible or Taxable Difference	Deferred Income Tax Assets
Assets devaluation provision	24,724,135.41	5,154,470.27	14,651,027.92	2,394,366.85
Not realized the internal profit	1,949,789,000.92	294,212,728.05	1,942,130,426.59	291,319,564.00
Deductible loss	22,417,562.27	3,362,634.34	3,065,869.27	459,880.39
Deferred income difference	65,420,100.08	9,813,015.00	33,039,111.11	4,955,866.67
Impairment of assets under the control of enterprises under the same control	84,351.33	12,652.70		
Total	2,062,435,150.01	312,555,500.36	1,992,886,434.89	299,129,677.91

(2) Deferred income tax assets and liabilities are presented as net amount after neutralization

In RMB

Items	Balance in year-end		Balance in year-begin	
	Deductible temporary difference	Deferred income tax liabilities	Deductible temporary difference	Deferred income tax liabilities
Value added evaluation of enterprise merger under the same control	2,755,051.93	413,257.79		
Total	2,755,051.93	413,257.79		

(3) Deferred income tax assets and liabilities are presented as net amount after neutralization

In RMB

Items	Deferred Income Tax Assets or Liabilities at the End of Report Period	Temporarily Deductible or Taxable Difference at the End of Report Period	Deferred Income Tax Assets or Liabilities at the Beginning of Report Period	Temporarily Deductible or Taxable Difference at the Beginning of Report Period
Deferred income tax assets		312,555,500.36		299,129,677.91
Deferred income tax liabilities		413,257.79		

(4) Details of income tax assets not recognized

In RMB

Items	End of term	Beginning of term
Deductible losses	57,681,700.17	5,928,841.93
Bad debt provision	814,857.00	75,330.50
Impairment of fixed assets	36,444.84	36,444.84
Provision for impairment of construction projects	14,645,209.52	
Total	73,178,211.53	6,040,617.27

(5) The un-recognized deductible losses of deferred income tax assets will due in the following years:

In RMB

Year	End of term	Beginning of term	Remark
2017	856,290.76	918,382.44	
2018	15,649.80	15,649.80	
2019	944,397.82	544,310.34	
2020	4,898,217.97	4,450,499.35	

2021	50,967,143.82		
Total	57,681,700.17	5,928,841.93	--

Other notes:

30 .Other non-current assets

In RMB

Items	Closing balance	Opening balance
Prepaid engineering equipment	387,151,100.41	243,279,174.31
Total	387,151,100.41	243,279,174.31

Other notes:

Notes: compared with other non-current assets from the beginning, main reason for increase at the end of the year was that engineering equipment prepayment was increased.

31. Short-term loan

(1) Categories of short-term loans

In RMB

Items	Closing balance	Opening balance
Pledge loan	443,307,086.78	265,000,000.00
Mortgage loan	172,315,413.35	53,300,000.00
Guarantee loan	4,325,193,700.00	3,465,000,000.00
Total	4,940,816,200.13	3,783,300,000.00

Notes:

1. There is no mature but unredeemed short-term borrowing in the company during the accounting period.
2. The increase of short-term borrowings at the end compared to the beginning is mainly due to the production, business operation and property investment, which jointly cause borrowing increase.
3. the final mortgage was RMB 172,315,413.35, and RMB 55,000,000.00 of them was guarantee loans for mortgages, and guarantors are Zhenjiang Huantai Silicon Technology Co., Ltd. and Dongxu Optoelectronic Technology Co. Ltd. Collaterals are 110 sets of machinery and equipment of Jiangsu Jixing New Material Co.,Ltd. Collaterals of RMB 25,000,000.00 loans are YFZ No. 81800980-81800982 house property and YGY No. 10483, 10484 and 10486 land property which are owned by Jiangsu Jixing New Material Co.,Ltd. Collaterals of RMB 19,000,000.00 are YGY (2011) No. 10485 and YGY (2011) No. 10487 land property. The rest guarantee loans for mortgages was RMB 73,315,413.35 which was owned by Shenzhen Xinyingtong Technology Co.,Ltd. Among them, RMB 17,804,946.75 was guaranteed by No. 2315, Building B, East Times square; No. B-2313, Building 1, South Peak Garden; No. 2506, Jin Zhonghuan Commercial Building and No. 16B, Building 1, Shidai Huating; Zeng Jiankai, Zeng Shaoying, Guarantor Zhong Yuhua, Zeng Lijun, Zhang Lixia are added to be personal unlimited joint liability assures. RMB 15,000,000.00 loans was provided maximum amount guarantee security by Zeng Jiankai, Zhang Lixia, and was provided mortgage of maximum amount guarantee by Liu Jun,

Zhong Yuhua and Zhang Lixia. RMB 40,000,000.00 loans was provided guarantee by Zeng Jianyi, and mortgage by Zhao Baomei. RMB 510,466.60 borrowed by Mercedes-benz Financial Co., Ltd was guaranteed by Zeng Jiankai, and was mortgaged by cars of Shenzhen Xinyingtong Technology Co.,Ltd.

4. Guarantee loan was RMB 4,325,193,700.00. Whereby, Dongxu Group Co., Ltd offered RMB 105,000,000.00 joint liability guarantee to Zhengzhou Xufei Optoelectronic Technology Co., Ltd. Dongxu Group Co., Ltd and Li Zhaoting offered RMB 100,693,700.00 joint liability guarantee to Zhengzhou Xufei Optoelectronic Technology Co., Ltd. Our company offered RMB 100,000,000.00 joint liability guarantee to Zhengzhou Xufei Optoelectronic Technology Co., Ltd. Our company, Li Zhaoting and Li Qing offered RMB 50,000,000.00 joint liability guarantee to Zhengzhou Xufei Optoelectronic Technology Co., Ltd. Dongxu Group Co., Ltd offered RMB 1,040,000,000.00 joint liability guarantee to our company. Li Zhaoting offered RMB 800,000,000.00 guarantee to our company. Dongxu group Co., Ltd and Li Zhaoting offered RMB 542,500,000.00 guarantee to our company. Dongxu group Co., Ltd, Li Zhaoting and Li Qing offered RMB 860,000,000.00 guarantee to our company. Our company offered RMB 225,000,000.00 guarantee to subsidiary -- Wuhu Dongxu Optoelectronic Technology Co., Ltd. Li Zhaoting offered 100,000,000.00 joint liability guarantee to subsidiary -- Wuhu Dongxu Optoelectronic Technology Co., Ltd. Dongxu Group Co., Ltd offered 50,000,000.00 joint liability guarantee to Wuhu Dongxu Optoelectronic Technology Co., Ltd. Our company and Li Zhaoting offered 100,000,000.00 joint liability guarantee to subsidiary --- Wuhu Dongxu Optoelectronic Technology Co., Ltd. Our company offered 252,000,000.00 joint liability guarantee to subsidiary --- Wuhu Dongxu Optoelectronic Equipment Technology Co., Ltd.

5. Final pledge loan amount was RMB 443307086.78. Among them, the mortgage of RMB was 293,000,000.00 offered loans with a bank deposit certificates of 307,000,000.00. As for the rest RMB 150,307,086.78 was the mortgage and other monetary funds deposited in the margin account.

(2) Situation of Overdue Outstanding Short-Term Borrowing

Final overdue outstanding short-term borrowing was zero, and situation of important overdue outstanding short-term borrowing was as follows:

32. Financial liabilities measured at fair value through current profit and loss

33. Derivative financial liabilities

Applicable Not applicable

34. Note payable

In RMB

Type	Closing balance	Opening balance
Commercial acceptance	159,820,750.00	69,458,800.00
Bank acceptance	233,315,926.05	341,136,129.94
Total	393,136,676.05	410,594,929.94

Amount due in next fiscal period is RMB 0.00.

35.Account payable

(1) Account payable

In RMB

Items	Closing balance	Opening balance
Engineering fund	266,567,513.92	253,090,961.95
Material fund	849,166,049.63	388,295,104.60
Transportation expenses	1,263,084.00	4,086,308.99
Other	48,421,844.18	30,263,851.08
Total	1,165,418,491.73	675,736,226.62

(2) Significant accounts payable that aged over one year

In RMB

Items	Balance in year-end	The reason for not repaid or carried forward
Sichuan Hongzhi Puhui Trade Co., Ltd.	44,986,200.00	Not reached the agreed payment terms and deadlines
Sichuan Tianzun Construction Services Co., Ltd.	37,186,200.00	Not reached the agreed payment terms and deadlines
Ningxia Tianshun Electric Power Engineering Co., Ltd.	19,777,618.55	Not reached the agreed payment terms and deadlines
Sichuan Yilong Construction Co., Ltd. Kezhou Branch	13,382,220.00	Not reached the agreed payment terms and deadlines
Total	115,332,238.55	--

Other notes: The increase of the accounts payable of the period are mainly due to the increase of material payment payable and freight payable.

36.Advance account

(1) Advance account

In RMB

Items	Closing balance	Opening balance
Goods	173,306,846.80	70,046,067.70
Engineering fund	9,243,589.58	27,874,621.71
House selling	231,527,625.00	
Total	414,078,061.38	97,920,689.41

(2) Accounts payable with major amount and aging of over one year

(2) Information of unliquidated completed assets formed in the construction contract at the end of the period

Notes : Compared with the beginning of the period, the reason that the final account collected in advance was increased was that subsidiary house-selling revenue and goods-selling revenue had increased.

37. Employee compensation payable

(1) Classification of employee compensation payable

In RMB

Items	Balance in year-begin	Increase at this period	Decrease at this period	Balance in year-end
I. Short-term remuneration	36,631,509.99	491,312,870.26	485,839,595.94	42,104,784.31
II. Post-employment benefits - defined contribution plans	224,747.87	42,200,002.02	41,678,141.90	746,607.99
Total	36,856,257.86	533,512,872.28	527,517,737.84	42,851,392.30

(2) Short-term remuneration

In RMB

Items	Balance in year-begin	Increase at this period	Decrease at this period	Balance in year-end
1. Wages, bonuses, allowances and subsidies	23,161,895.76	402,754,096.00	407,263,063.17	18,652,928.59
2. Employee welfare		35,372,673.64	35,372,673.64	
3. Social insurance premiums	9,523.21	22,573,781.31	22,174,769.10	408,535.42
Including: Medical insurance	344.40	20,192,428.45	19,825,875.09	366,897.76
Work injury insurance	9,130.81	1,196,983.12	1,193,899.04	12,214.89
Maternity insurance	48.00	1,184,369.74	1,154,994.97	29,422.77
4. Public reserves for housing	318,104.05	18,147,701.20	18,090,163.78	375,641.47
5. Union funds and staff education fee	13,067,214.57	12,066,538.29	2,466,170.12	22,667,582.74
7. Short term profit sharing plan	74,772.40	398,079.82	472,756.13	96.09
Total	36,631,509.99	491,312,870.26	485,839,595.94	42,104,784.31

(3) Defined contribution plans listed

In RMB

Items	Balance in year-begin	Increase at this period	Decrease at this period	Balance in year-end
1. Basic old-age insurance premiums	224,687.87	39,904,346.00	39,413,172.31	715,861.56

2.Unemployment insurance	60.00	2,295,656.02	2,264,969.59	30,746.43
Total	224,747.87	42,200,002.02	41,678,141.90	746,607.99

Other notes:

Note : Employee benefits payable has no arrears of wages.

38. Taxes payable

In RMB

Items	Closing balance	Opening balance
VAT	83,366,319.90	4,699,249.82
Enterprise Income tax	97,859,353.22	67,526,265.91
Individual income tax	22,560,220.31	13,798,236.93
City Construction tax	3,774,222.43	1,179,317.86
Business Tax	3,789,219.75	11,761,731.75
House property tax	6,187,382.79	4,088,234.58
Land use tax	746,349.07	1,273,515.66
Educational surtax	2,619,192.11	767,574.48
Stamp Tax	544,438.49	70,532.82
Stamp Tax	2,863,832.64	286,763.86
Other	224,310,530.71	105,451,423.67

Other notes:

39. Interest payable

In RMB

Items	Closing balance	Opening balance
Interest on long-term borrowings payable	3,602,056.66	18,738,942.09
Enterprise bond interest	66,833,709.29	36,666,666.67
Interest on short-term borrowings	2,133,954.29	
Total	81,610,513.91	55,405,608.76

Particulars of significant overdue unpaid interest:

40. Dividends payable

In RMB

Items	Closing balance	Opening balance
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Common stock dividend	30,000,000.00	20,000,000.00
Total	30,000,000.00	20,000,000.00

Note: Including significant unpaid dividends payable over one year, the unpaid reason shall be disclosed:

41. Other accounts payable

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

In RMB

Items	Closing balance	Opening balance
Current account	27,062,361.47	414,964,454.37
Deposit	17,201,477.44	19,010,735.95
Individual official borrowing	106,501.37	786,231.71
Government Subsidy	15,000,000.00	15,000,000.00
Deposit	1,533,593.97	605,520.16
Social security withholding	352,709.67	778,586.04
Engineering fund	1,553,725.90	1,829,473.81
Equipment fund	6,065,857.97	6,065,857.97
Material fund		685,725.31
Petty cash	484,092.66	3,272,874.81
Equity section	22,594,191.20	58,889,712.93
Restricted stock repurchase obligations	4,422,320.00	9,011,520.00
Other	18,616,305.15	8,895,420.72
Total	114,993,136.80	539,796,113.78

(2) Other payables with large amount and aging of over one year

Note: compared with the beginning of the period, accounts payable was lower than that of at the end of the period because of early acquisition of subsidiary of consideration in current period.

42. Divided into liability held for sale

43. Non-current liabilities due within 1 year

In RMB

Items	Closing balance	Opening balance
Long-term loans due 1 year	1,049,874,000.00	848,987,200.00
Long-term payable due 1 year	525,979,430.08	28,000,000.00

Deferred income due within one year	42,736,082.34	28,466,963.08
Total	1,618,589,512.42	905,454,163.08

Other notes:

Note 1: compared with the beginning of the period, non-current liabilities due within one year was increased at the end of the period because of the increased maturity of loans and financing lease.

Note 2: long-term payable accounts due within one year could be referred to Note VII.47.

Note 3: long-term loans due within one year could be referred to Note VII.45.

Note 4: Deferred income due within one year could be referred to Note VII.51.

44. Other current liabilities

In RMB

Items	Closing balance	Opening balance
USD exchange	69,370,000.00	64,936,000.00
For resale tax	16,165,473.05	
Total	85,535,473.05	64,936,000.00

Increase or decrease in short-term bonds payable:

Other notes:

Notes : In 1993, the Group signed the agreement on exchange of US dollars which agreed returning 10,000,000 US dollars to the Exchange Unit and repossess the RMB 58,000,000 exchanged in November 1998, As of December 31, 2016, the Group still consults with the Exchange Unit on the returning of the exchange.

45. Long-term loan

(1) Category of long-term loan

In RMB

Items	Closing balance	Opening balance
Mortgage loans	4,758,433,000.00	6,638,384,500.00
Guarantee loans	2,487,600,000.00	60,000,000.00
Credit loans	400,000,000.00	400,000,000.00
Less : Long-term loan due 1 year	-1,049,874,000.00	-848,987,200.00
Total	6,596,159,000.00	6,249,397,300.00

Notes:

Note 1: The mortgage of RMB 4,758,433,000.00 is both the mortgage loan and the guarantee loan, reclassified into the non-current liabilities due within one year RMB 649,874,000.00.

(1) Among the loan of RMB 476,000,000.00, due within one year is RMB 136,000,000.00, the collateral and guarantor of the loan: a. Wuhu Donggxu Optoelectronic Technology Co. Ltd mortgages 202 acres of state-owned land use rights and the factory after the completion of the project, and two precious metal platinum channels to provide the collateral; b. the loan guarantor is Wuhu Construction Investment Co., Ltd.

(2) Among the loan of RMB 1,780,000,000.00, due within one year is RMB 280,000,000.00, the collateral and guarantor of the loan: a. Wuhu Donggxu Optoelectronic Technology Co. Ltd mortgages 8 precious metal platinum channel assets to provide the collateral; b. Donggxu Optoelectronic Technology Co., Ltd. provide full joint liability guarantee for its subsidiary Wuhu Donggxu Optoelectronic Technology Co., Ltd.

(3) Among the loan of RMB 475,000,000.00, due within one year is RMB 65,000,000.00, the collateral and guarantor of the loan: a. Wuhu Donggxu Optoelectronic Equipment Technology Co., Ltd. mortgages the Wukai (construction) state-owned 2013 No. 020, Wukai (construction) state-owned 2013 No. 021, Wukai (construction) state-owned 2014 No. 008 land use rights and the fixed assets after the completion of the project; b. Donggxu optoelectronic Technology Co., Ltd. provide full joint liability guarantee for its subsidiary Wuhu Donggxu Optoelectronic Equipment Technology Co., Ltd.

(4) The collateral and guarantor for the loan of RMB 500,000,000.00: a. Li Zhaoting holds 10% stake of Donggxu Technology Group Co., Ltd, and TUNGHSU GROUP holds 90% stake of Donggxu Technology Group Co., Ltd; b. TUNGHSU GROUP, Li Zhaoting, Li Qing provide a guarantee for Donggxu Optoelectronic Technology Co., Ltd.

(5) Among the loan of RMB 737,433,000.00元, Non-current Liability due within one year is RMB 73,874,000.00, the collateral and guarantor: a. the guarantor is Henan Energy and Chemical Industry Group Co., Ltd., Donggxu Group, and Henan Energy and Chemical Industry Group Co., Ltd. provides the joint liability guarantee for the loan principal equivalent to RMB 200 million under the project and its interest, penalty interest, compound interest, compensation, liquidated damages, compensation for damage and the cost of debt to the lender; the guarantor Donggxu Group provides the joint liability guarantee for the loan principal equivalent to RMB 450 million under the project and its interest, penalty interest, compound interest, compensation, liquidated damages, compensation for damage and the cost of debt to the lender. On the ground buildings, machinery and equipment (including 4 Precious Metals Platinum channel) collateral valuation value of RMB1,055,713,019.27.

(6) Among the loan of RMB 790,000,000.00, due within one year is RMB95,000,000.00, and the loan is both the mortgage loan and the guarantee loan: the guarantor Shijiazhuang Xuxin Optoelectronic Technology Co., Ltd. mortgages the assets owned by itself according to the law and formed by this project, including land use rights, factories and other buildings, machinery and equipment (including three precious metal platinum channels) to provide the collateral; b. TUNGHSU GROUP and Li Zhaoting and Li Qing provide the guarantee.

Note 2: Among the credit loan of RMB 400,000,000.00, due within one year is RMB 400,000,000.00.

Note 3: Among the guarantee loan of RMB 2,487,600,000.00, of which: Donggxu Group, Li Zhaoting, Li Qing provide the joint liability guarantee for the Company's loan of RMB 1,487,600,000.00, Donggxu Group provides the joint liability guarantee for the Company's loan of RMB 500,000,000.00; Donggxu Group and Donggxu Optoelectronic Investment Co., Ltd. provides the joint liability guarantee for the Company's Loan of RMB 400,000,000.00; Donggxu Group provides the joint liability guarantee for the subsidiary-Fuzhou Donggxu Optoelectronic Technology Co., Ltd 's loan of RMB100,000,000.00.

Notes 4: The company has no overdue long-term loans.

Notes 5: Rate of annual long-term borrowing is generally ranged from 4.90% to 10.00%.

46. Bonds payable

(1) Bonds payable

In

RMB

Items	Closing balance	Opening balance
15 Dongxu Bonds	990,780,313.28	988,400,388.00
Mid-term Note I	2,976,537,353.65	
Mid-term Note II	1,686,594,827.80	
Total	5,653,912,494.73	988,400,388.00

(2) Changes on bonds payable (not including other financial instrument classified as preferred stock and perpetual capital securities of financial liabilities)

In RMB

15 Dongxu Bonds	1,000,000,000.00	2015.5.19	5 years	1,000,000,000.00	988,400,388.00	60,000,000.00	2,379,925.28	60,000,000.00		990,780,313.28
Mid-term Note I	3,000,000,000.00	2016.11.17	5 years	3,000,000,000.00		3,000,000,000.00	17,171,506.85	-23,462,646.35		2,976,537,353.65
Mid-term Note II	1,700,000,000.00	2016.12.02	5 years	1,700,000,000.00		1,700,000,000.00	6,753,424.66	-13,405,172.20		1,686,594,827.80
Total	--	--	--	5,700,000,000.00	988,400,388.00	4,700,000,000.00	83,924,931.51	-34,487,893.27	60,000,000.00	5,653,912,494.73

(3) Note to conditions and time of share transfer of convertible bonds

(4) Other financial instruments that are classified as financial liabilities

The issuance of preferred stock and other financial instruments such as perpetual debt

Table of changes in financial instruments such as preferred stock and perpetual debt

Notes

Note: on September 8, 2016, the 8th board of directors meeting of the company examined and approved the company's application for registration of the medium-term notes issued no more than RMB 4.7 billion. The accepting institution was National Association of Financial Market Institutional Investors. On September 26, 2016, the extraordinary shareholders' general meeting adopted the bill on the registration and issuance of medium-term notes.

RMB 4.7 billion medium-term notes was divided into 2 phases in 2016. Among them: total amount of the first phase of the medium-term notes varieties (3 + 2) and five-year notes was RMB 3 billion. Total amount of the second phase of the medium-term notes varieties (3 + 2) and five-year notes was RMB 1.7 billion.

47. Long-term payable

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

In RMB

Items	Closing balance	Opening balance
Long-term payable	2,335,133,534.47	93,426,666.67
Less: Unconfirmed financing costs	294,845,535.72	8,426,666.67
Less: Port due Within 1 year	525,979,430.08	28,000,000.00
Total	1,514,308,568.67	57,000,000.00

Other notes:

Note: long-term accounts payable was increased because after-sale leaseback of subsidiary Wuhu Dongxu Optoelectronic Technology Co. Ltd was increased.

Detail:

Name of lessor	Initial amount	Repayment amount	Closing balance
Wuxi Jinkong Financial leasing Co., Ltd.	212,000,000.00	6,000,000.00	206,000,000.00
Beijing Cultural Technology Financial leasing Co., Ltd.	333,964,121.76	55,485,964.76	278,478,157.00
Beijing State asset Financial Leasing Co., Ltd.	288,865,691.80	28,886,569.18	259,979,122.62
Haitong Hengxin International Leasing Co., Ltd.	460,307,696.00	57,538,462.00	402,769,234.00
Ligen Financial Leasing (Shanghai) Co., Ltd.	108,899,568.29	18,149,928.04	90,749,640.25
Jiangsu Runxing Financial Leasing Co., Ltd.	248,000,000.00	8,000,000.00	240,000,000.00
Hebei Finance Leasing Co., Ltd.	92,870,750.00	32,115,400.01	60,755,349.99
Lujin Shenhua Financial Leasing(Shanghai) Co., Ltd.	171,417,988.80		171,417,988.80
Xian Runying Financial Leasing Co., Ltd.	626,705,847.37	1,721,805.56	624,984,041.81
Total	2,543,031,664.02	207,898,129.55	2,335,133,534.47

Notes Dongxu Group Co., Ltd, Li Zhaoting and Li Qing offered a guarantee of melts rent at RMB 1,201,584,005.42.

48. Long-term employee salary payable

(1) Long-term employee salary payable

(2) Changes of defined benefit plans

Net liabilities(net assets) of defined benefit plans

Notes to the influence of the content and related risk of defined benefit plans to the future cash flows, time and uncertainty of the Company:

Notes to analysis results of major actuarial assumptions and sensibility of defined benefit plans

49. Specific payable**50. Estimates liabilities****51. Deferred income**

In RMB

Items	Balance in year-begin	Increase at this period	Decrease at this period	Balance in year-end	Reason
Government Subsidy	290,985,722.35	106,964,000.00	24,235,084.23	373,714,638.12	
Less : Government subsidies due within one year	-20,457,266.66	-6,352,038.51		-26,809,305.17	
Not realized after sale rental return	-15,593,371.66	65,564,478.15		49,971,106.49	
Less: Unrealized customer service due within 1 year rent to profit or loss	-8,009,696.42	-7,917,080.75		-15,926,777.17	
Total	246,925,387.61	158,259,358.89	24,235,084.23	380,949,662.27	--

Details of government subsidies

In RMB

Items	Beginning of term	New subsidy in current period	Amount transferred to non-operational income	Other changes	End of term	Asset-related or income-related
Grant of Government Infrastructure	29,928,000.00		2,244,600.00		27,683,400.00	Related to assets
Grant of Industry Revitalization and Technology Reconstruction Project	3,111,111.16		233,333.28		2,877,777.88	Related to assets
Grant of Glass-tube Secondary Environmental Protection	25,000.00		20,000.00		5,000.00	Related to assets
Technical reconstruction	3,199,999.99		266,666.68		2,933,333.31	Related to assets
Grant of Glass Substrate Project	12,000,000.00		1,000,000.00		11,000,000.00	Related to assets
Industry Development Fund	5,599,999.99		466,666.68		5,133,333.31	Related to assets
Project finance discount	376,000.01		31,333.32		344,666.69	Related to assets
Project finance discount	84,699,333.34		6,515,333.32		78,184,000.02	Related to assets

2013 Provincial strategic emerging industries of special grant funds	4,916,666.67		333,333.32		4,583,333.35	Related to assets
Technology reconstruction Special funds	32,134,333.33		1,156,000.01		30,978,333.32	Related to assets
Investment and Subsidies of "Double Hundred Plan" Project granted by the People's Government of Henan Province	2,183,333.33		200,000.00		1,983,333.33	Related to assets
TFT glass substrate technology R&D fund	109,166.67		10,000.00		99,166.67	Related to assets
TFT glass substrate project Subsidy	7,277,777.77		666,666.67		6,611,111.10	Related to assets
Investment and Subsidies within Budget for Technological Transformation Project by National Development and Reform Commission and the Ministry of Industry and Information Technology	10,188,888.90		933,333.33		9,255,555.57	Related to assets
TFT glass substrate project Subsidy	14,555,555.56		1,333,333.33		13,222,222.23	Related to assets
TFT glass substrate project Subsidy Major Scientific and Technical Projects by Finance Bureau of Zhengzhou City	727,777.77		66,666.67		661,111.10	Related to assets
Financial Supports for National Key Industry and Technical Transformation Projects Granted by the Municipal Finance Bureau	10,188,888.90		933,333.33		9,255,555.57	Related to assets
Financial Supports for Industrial Development Granted by the Finance Bureau of the Economic and Technological Development Zone	5,094,444.44		466,666.67		4,627,777.77	Related to assets
Funds for Independent	4,366,666.67		400,000.00		3,966,666.67	Related to assets

Innovation of Provincially Supported Enterprises						
Supporting Funds on Finance Discounts	1,455,555.56		133,333.33		1,322,222.23	Related to assets
Funds for Education, Science and Culture Granted by the Finance Bureau	1,091,666.67		100,000.00		991,666.67	Related to assets
Supporting Funds for Industrial Structure -adjusting Projects Granted by the Regional Finance Bureau	2,115,555.55		186,666.67		1,928,888.88	Related to assets
Industry discount and expenses	1,217,777.77		106,666.67		1,111,111.10	Related to assets
Financial discount	3,861,111.19		333,333.33		3,527,777.86	Related to assets
Industrial restructuring project financial funds	4,133,333.33		320,000.00		3,813,333.33	Related to assets
Special Funds for High-end Information Industry Chain Granted by the Finance Bureau of the Economic and Technological Development Zone	4,527,777.78		333,333.33		4,194,444.45	Related to assets
2015 project equipment investment subsidie		34,374,000.00	2,100,633.36		32,273,366.64	Related to assets
Zhengzhou City Finance Bureau in 2011 and 2012 has been the acceptance of the provincial industrial structure adjustment project the second batch of funds		2,600,000.00	14,444.45		2,585,555.55	Related to assets
Strategic emerging industry Development project funds	29,500,000.00		2,000,000.00		27,500,000.00	Related to assets
High-tech Zone appropriated substrate project	6,400,000.00		106,666.67		6,293,333.33	Related to assets
The production line of incentive funds		21,000,000.00	251,157.23		20,748,842.77	Related to assets
Special funds for 2015	6,000,000.00	2,000,000.00	971,582.58		7,028,417.42	Related to assets

scientific and technological achievements transform project		0				
G8.5tft-lcd glass substrate manufacturing precision intelligent digital workshop construction project		45,000,000.00			45,000,000.00	Related to assets
Research funding 159		1,590,000.00			1,590,000.00	Related to income
Special funds for scientific research 40		400,000.00			400,000.00	Related to income
Total	290,985,722.35	106,964,000.00	24,235,084.23		373,714,638.12	--

Other notes:

52.Other Non-current liabilities

In RMB

Items	Closing balance	Opening balance
CDB financing	500,000,000.00	
Total	500,000,000.00	

Other notes:

Notes: According to the investment contract signed by Dongxu Optoelectronic Technology Co., Ltd, Wuhu Dongxu Photoelectric Technology Co., Ltd., Fuzhou Dongxu Investment Development Co., Ltd and China Development Fund Co., Ltd, China Development Fund Co., Ltd increased the capital of RMB 500,000,000.00 to Fuzhou Dongxu Investment Development Co., Ltd, annually enjoying a fix rate of return. After the project is completed, Dongxu Optoelectronic Technology Co., Ltd shall make the installment redemption to the stake held by China Development Fund Co., Ltd.

53.Stock capital

In RMB

	Balance Year-beginning	Increase/decrease this time (+, -)					Balance year-end
		Issuing of new share	Bonus shares	Transferred from reserves	Other	Subtotal	
Total of capital shares	3,835,000,526.00	1,104,928,457.00				1,104,928,457.00	4,939,928,983.00

Oter notes:

Note: according to ZJXX [2016] NO. 1322 document On the *Approval of Non-public Stock to Dongxu*

Optoelectronic Technology Co. Ltd permitted by China Securities Regulatory Commission and also was resolved in the 7th board of the forty-eight meeting and the first extraordinary shareholders' general meeting. 1,104,928,457.00 non - public issuance of shares with RMB 1 of each share was issued by price of RMB 6.29 per share, accounting to total RMB 6,949,999,994.53 (SAY Six Billion Nine Hundred And Forty Nine Billion Nine Hundred And Ninety Nine Thousand Nine Hundred And Ninety Four Point Five Three Only). Among them: the equity capital of RMB 1,104,928,457.00 was included, and capital reserves - equity premium RMB 5,805,507,668.83 were included . Capital verification procedure was carried out and a capital verification report was issued by Zhongxing Guanghai Certified Public Accountants LLP.

54. Other equity instruments

(1) Basic information of preferred stock, perpetual capital securities and other financial instruments outstanding issued at period-end

(2) Change list of preferred stock, perpetual capital securities and other financial instruments outstanding issued at period-end Changes, reason of change and basis of relevant accounting treatment of other equity instruments in reporting period:

55. Capital reserves

In RMB

Items	Year-beginning balance	Increase in current	Decrease in current	Year-end balance
Share premium	9,359,866,530.63	5,815,821,934.94	29.94	15,175,688,435.63
Other	31,522,375.26			31,522,375.26
Total	9,391,388,905.89	5,815,821,934.94	29.94	15,207,210,810.89

Other notes, including changes and reason of change:

Note: current non-public stock added the capital reserves of RMB5,805,507,668.84; equity incentive amortization expenses RMB 3,585,100.00 should be added to the capital reserves. In current period, capital of subsidiary company Dongxu (Kunshan) Display Material Co., Ltd was increased, thus resulting capital reserves increase RMB 278,725.58. In current period, acquisitions payment of Zhengzhou Xufei Optoelectronic Technology Co., Ltd brought RMB 6,450,440.52 to increase equity capital reserves. In current period, investment capital to subsidiary company Beijing Dongxu HuaQing Investment Co., Ltd was increased, so capital reserves were decreased by RMB 29.94 .

56. Treasury stock

Other notes, including changes and reason of change:

Note: the ending inventory stock was less than that at the beginning because part of the restricted unlocked shares in October 2016.

57. Other comprehensive income

Other notes, including the adjustment of the recognition of initial amount of effective part of the cash flow hedging gains and losses

58. Special reserves

In RMB

Items	Year-beginning balance	Increase in the current	Decrease in the current period	Year-end balance
Safety production cost		5,758,164.61	5,758,164.61	
Total		5,758,164.61	5,758,164.61	

Other notes, including changes and reason of change:

59. Surplus reserve

In RMB

Items	Year-beginning balance	Increase in the current period	Decrease in the current period	Year-end balance
Statutory surplus reserve	132,723,528.42	55,320,542.06		188,044,070.48
Total	132,723,528.42	55,320,542.06		188,044,070.48

Other note, including changes and reason of change

60. Retained profits

In RMB

Items	Amount of current period	Amount of previous period
Before adjustments: Retained profits in last period end	969,380,500.97	-39,946,925.56
After adjustments: Retained profits at the period beginning	969,380,500.97	-39,946,925.56
Add: Net profit belonging to the owner of the parent company	1,239,928,899.40	1,326,233,674.37
Less: Statutory surplus reserve	55,320,542.06	50,698,247.74
Dividend of common stock payable	268,450,036.82	266,208,000.10
Retained profits at the period end	1,885,538,821.49	969,380,500.97

As regards the details of adjusted the beginning undistributed profits

(1)As the retroactive adjustment on Enterprise Accounting Standards and its related new regulations, the affected beginning undistributed profits are RMB 0.00.

(2) As the change of the accounting policy, the affected beginning undistributed profits are RMB 0.00.

(3) As the correction of significant accounting error, the affected beginning undistributed profits are RMB 0.00.

(4) As the change of consolidation scope caused by the same control, the affected beginning undistributed profits are RMB 0.00.

(5) Other adjustment of the total affected beginning undistributed profits are RMB 0.00.

61. Business income, Business cost

In RMB

Items	Amount of current period		Amount of previous period	
	Income	Cost	Income	Cost
Main business	6,856,995,150.77	4,800,693,439.01	4,493,964,265.82	2,735,826,361.71
Other business	44,325,971.88	20,909,327.23	156,244,182.28	64,527,156.33
Total	6,901,321,122.65	4,821,602,766.24	4,650,208,448.10	2,800,353,518.04

62. Business tax and subjoin

In RMB

Items	Amount of current period	Amount of previous period
Urban construction tax	24,147,057.30	15,207,933.71
Education surcharg	17,280,750.58	10,866,794.71
Property tax	6,390,238.82	
Land use tax	8,831,856.54	
vehicle and vessel usage tax	16,380.44	
Business tax	-6,511,625.69	9,473,064.36
Other	1,544,631.87	1,472.01
Total	51,699,289.86	35,549,264.79

Other notes

Note 1. after comprehensive regulations, subsidiary Sichuan Ruiyi Construction Engineering Co., Ltd rushed back to camp to unpaid business tax before regulations, and calculated the VAT according to regulations, thus causing that the business tax was negative.

Note 2. according to CK (2016) NO. 22 notice "On printing and Distributing Value-Added tax Accounting Regulations" issued by the Ministry of Finance, after comprehensive regulations for business tax paid VAT, business tax and additional course changed name to "tax and additional" course. The course accounts consumption tax of business activities, urban maintenance and construction tax, resource tax, educational expenses additional and the property tax, land-using tax, vehicle-using taxes, stamp duty and other relevant taxes. The "business tax and additional" column in the income statement should be changed to "tax and additional" column. The company's property tax, land-using tax, vehicle-using taxes, stamp duty and other relevant taxes should be listed in the management fees. And also be listed in this course since May 1, 2016.

63.Sales expenses

In RMB

Items	Amount of current period	Amount of previous period
Wage and welfare insurance	12,877,702.65	9,577,304.17
Shipment	29,891,127.61	15,029,206.52
Travel	1,880,579.05	2,537,857.51
Business expenses	1,837,088.12	2,400,435.65
Consumables and repairs	48,495.23	872,295.58
Office fee	276,872.08	1,380,825.27
Depreciation	322,014.99	299,452.46
Advertising	9,388,489.17	7,406,776.38
Other	7,524,675.11	5,440,087.33
Total	64,047,044.01	44,944,240.87

64. Administrative expenses

In RMB

Items	Amount of current period	Amount of previous period
Wage and additional cost	120,954,588.80	120,695,243.98
Business expenses	2,653,544.93	5,801,409.26
Labor protect fee	6,188,091.34	6,362,151.05
Office fees	25,908,861.29	24,301,594.73
Travel fees	5,123,625.14	6,781,275.98
Publicize Fees	4,447,985.54	6,795,381.48
Miscellaneous charges	904,919.74	2,187,603.33
Tax	17,520,658.76	27,453,898.17
Depreciation accumulative	49,113,655.16	29,571,273.02
Low value consumables and repair costs	8,350,729.04	5,224,169.65
Research expenses	88,786,641.58	64,450,967.01
Consultation fees	26,217,877.59	23,013,499.24
Rental fees	27,472,492.83	38,532,218.78
Communication fees	776,523.86	2,564,574.20
Transportation feed	141,672.27	7,358,972.61
Equity incentive cost	3,585,100.00	5,975,200.00

Other	30,787,573.47	44,719,642.82
Total	418,934,541.34	421,789,075.31

65. Financial expenses

In RMB

Items	Amount of current period	Amount of previous period
Interest expenses	546,771,232.70	347,894,592.83
Less: Interest income	239,468,776.21	55,904,591.07
Net interest expenses	307,302,456.49	291,990,001.76
Exchange gains and losses	18,889,490.64	-5,299,549.89
Financial institution	3,371,190.15	1,410,194.60
Bill discount rate	1,519,815.05	6,309,273.36
Financing fee	12,975,780.69	
Other	20,998.60	6,480.29
Total	344,079,731.62	294,416,400.12

66. Asset impairment loss

In RMB

Items	Amount of current period	Amount of previous period
I. Bad debt loss	8,818,786.47	-15,905,706.47
II. Losses for falling price of inventory	1,993,847.52	
IX. In the construction of the impairment loss	14,645,209.52	
Total	25,457,843.51	-15,905,706.47

Other notes:

67. Gains on the changes in the fair value

68. Investment income

In RMB

Items	Amount of current period	Amount of previous period
Long-term equity investment income by equity method	-71,448.71	426,252.41
Other	624,657.54	3,720,986.32
Total	553,208.83	4,147,238.73

Other notes:

69. Non-operating income

In RMB

Items	Amount of current period	Amount of previous period	The amount of non-operating gains & losses
Total gains from disposal of non-current assets	34,237.22		34,237.22
Including: Gains from disposal of fixed assets	34,237.22		34,237.22
Government Subsidy	356,943,995.55	535,584,924.37	356,943,995.55
Pre-entry income tax Profit and loss arising from the current period		2,439,717.82	
Enterprise merger	1,804,209.86	18,763,137.14	1,804,209.86
Other	669,374.35	966,032.09	669,374.35
Total	359,451,816.98	557,753,811.42	359,451,816.98

Government subsidy reckoned into current gains/losses

In RMB

Items	Issuing body	Issuing reason	Nature	Whether the impact of subsidies on the current profit and loss	Whether special subsidies	Amount of current period	Amount of previous period	Assets-related/income-related
Special funds for transformation of achievements in 2015	Technology Bureau	Subsidy	Grants obtained due to the country encourage and support specific industries (Obtained in accordance with the national policies and regulations)	No	No	971,582.58		Related to assets
Grant of Government Infrastructure	Wuhu Economic and Technological Development Zone Finance Bureau	Subsidy	Grants obtained due to conforming to the local supporting policies such as local government's investment attraction policy	No	No	2,244,600.00	2,244,600.00	Related to assets
Grant of Industry Revitalization and Technology	Wuhu Development &	Subsidy	Grants obtained due to the country encourage and support specific industries	No	No	233,333.28	233,333.28	Related to assets

Reconstruction Project	Reform Commission		(Obtained in accordance with the national policies and regulations)					
Grant of Glass-tube Secondary Environmental Protection	Shijiazhuang Municipal Finance Bureau	Subsidy	Grants obtained due to research and development, technical renovation and transformation, etc.	No	No	20,000.00	20,000.00	Related to assets
Investment and Subsidies of “Double Hundred Plan” Project granted by the People's Government of Henan Province	Henan Office of industry and information	Subsidy	Grants obtained due to conforming to the local supporting policies such as local government's investment attraction policy	No	No	200,000.00	200,000.00	Related to assets
TFT glass substrate technology R&D fund	Zhengzhou Science & Technology Bureau	Subsidy	Grants obtained due to research and development, technical renovation and transformation, etc.	No	No	10,000.00	10,000.00	Related to assets
TFT glass substrate project Subsidy	Zhengzhou Municipal Finance Bureau	Subsidy	Grants obtained due to conforming to the local supporting policies such as local government's investment attraction policy	No	No	666,666.67	666,666.67	Related to assets
Investment and Subsidies within Budget for Technological Transformation Project by National Development and Reform Commission and the Ministry of Industry and Information Technology	National Development & Reform Commission	Subsidy	Grants obtained due to the country encourage and support specific industries (Obtained in accordance with the national policies and regulations)	No	No	933,333.33	933,333.33	Related to assets
TFT glass	Zhengzhou	Subsidy	Grants obtained due to	No	No	1,333,333.33	1,333,333	Related to

substrate project Subsidy	u Municipal Finance Bureau		conforming to the local supporting policies such as local government's investment attraction policy				3.33	assets
Special Funds for Major Scientific and Technical Projects by Finance Bureau of Zhengzhou City	Zhengzhou u Technology Bureau	Subsidy	Grants obtained due to conforming to the local supporting policies such as local government's investment attraction policy	No	No	66,666.67	66,666.67	Related to assets
Financial Supports for National Key Industry and Technical Transformation Projects Granted by the Municipal Finance Bureau	Zhengzhou u Economic and Technology Development Zone Finance Bureau	Subsidy	Grants obtained due to conforming to the local supporting policies such as local government's investment attraction policy	No	No	933,333.33	933,333.33	Related to assets
Financial Supports for Industrial Development Granted by the Finance Bureau of the Economic and Technological Development Zone	Zhengzhou u Municipal Finance Bureau	Subsidy	Grants obtained due to conforming to the local supporting policies such as local government's investment attraction policy	No	No	466,666.67	466,666.67	Related to assets
Funds for Independent Innovation of Provincially Supported Enterprises	Henan provincial finance department	Subsidy	Grants obtained due to conforming to the local supporting policies such as local government's investment attraction policy	No	No	400,000.00	400,000.00	Related to assets
Supporting Funds on Finance Discounts	Henan provincial finance department	Subsidy	Grants obtained due to conforming to the local supporting policies such as local government's investment attraction policy	No	No	133,333.33	133,333.33	Related to assets

Funds for Education, Science and Culture Granted by the Finance Bureau	Zhengzhou Municipal Finance Bureau	Subsidy	Grants obtained due to conforming to the local supporting policies such as local government's investment attraction policy	No	No	100,000.00	100,000.00	Related to assets
Supporting Funds for Industrial Structure -adjusting Projects Granted by the Regional Finance Bureau	Zhengzhou Economic and Technology Development Zone Finance Bureau	Subsidy	Grants obtained due to conforming to the local supporting policies such as local government's investment attraction policy	No	No	186,666.67	186,666.67	Related to assets
Industry discount and expenses	Zhengzhou Municipal Finance Bureau	Subsidy	Grants obtained due to conforming to the local supporting policies such as local government's investment attraction policy	No	No	106,666.67	106,666.67	Related to assets
Financial discount	Henan provincial finance department	Subsidy	Grants obtained due to conforming to the local supporting policies such as local government's investment attraction policy	No	No	333,333.33	333,333.33	Related to assets
Industrial restructuring project financial funds	Zhengzhou Economic and Technology Development Zone Finance Bureau	Subsidy	Grants obtained due to conforming to the local supporting policies such as local government's investment attraction policy	No	No	320,000.00	320,000.00	Related to assets
Special Funds for High-end Information Industry Chain Granted by the	Henan Office of industry and informatio	Subsidy	Grants obtained due to conforming to the local supporting policies such as local government's investment attraction	No	No	333,333.33	333,333.33	Related to assets

Finance Bureau of the Economic and Technological Development Zone	n		policy					
2015 project equipment investment subsidie	Zhengzhou Municipal Commission of industry and information	Subsidy	Grants obtained due to conforming to the local supporting policies such as local government's investment attraction policy	No	No	2,100,633.36		Related to assets
Zhengzhou City Finance Bureau in 2011 and 2012 has been the acceptance of the provincial industrial structure adjustment project the second batch of funds	Henan Provincial Department of Finance and Zhengzhou Municipal Bureau of Finance	Subsidy	Grants obtained due to conforming to the local supporting policies such as local government's investment attraction policy	No	No	14,444.45		Related to assets
Technical reconstruction	Shijiazhuang Municipal Development and Reform Commission	Subsidy	Grants obtained due to research and development, technical renovation and transformation, etc.	No	No	266,666.68	266,666.67	Related to assets
Grant of Glass Substrate Project	Shijiazhuang high-tech Administrative Committee	Subsidy	Grants obtained due to conforming to the local supporting policies such as local government's investment attraction policy	No	No	1,000,000.00	1,000,000.00	Related to assets
Industrial Development	Shijiazhuang high-tech	Subsidy	Grants obtained due to conforming to the local supporting policies such	No	No	466,666.68	466,666.67	Related to assets

Fund	Administrative Committee		as local government's investment attraction policy					
Project finance discount	Shijiazhuang Finance Beruau	Subsidy	Grants obtained due to research and development, technical renovation and transformation, etc.	No	No	31,333.32	31,333.33	Related to assets
Industrial revitalization and technological transformation project	Shijiazhuang Finance Beruau	Subsidy	Grants obtained due to research and development, technical renovation and transformation, etc.	No	No	6,515,333.32	6,515,333.33	Related to assets
Production line technology research and development granted funds	Shijiazhuang Municipal Development and Reform Commission	Subsidy	Grants obtained due to conforming to the local supporting policies such as local government's investment attraction policy	No	No	333,333.32	83,333.33	Related to assets
Technology reconstruction Special funds	Shijiazhuang Finance Bureau	Subsidy	Grants obtained due to research and development, technical renovation and transformation, etc.	No	No	1,156,000.01	205,666.67	Related to assets
Strategic emerging industries of special grant funds	Zhengzhou Economic and Technology Development Zone Finance Bureau	Subsidy	Grants obtained due to the country encourage and support specific industries (Obtained in accordance with the national policies and regulations)	No	No	2,000,000.00	500,000.00	Related to assets
Glass substrate project grants	Shijiazhuang high-tech Administrative Committee	Subsidy	Grants obtained due to conforming to the local supporting policies such as local government's investment attraction policy	No	No	106,666.67		Related to assets

Product line grants	Shijiazhuang high-tech Administrative Committee	Subsidy	Grants obtained due to conforming to the local supporting policies such as local government's investment attraction policy	No	No	251,157.23		Related to assets
Talent project funds	Finance Bureau	Subsidy	Grants obtained due to the country encourage and support specific industries (Obtained in accordance with the national policies and regulations)	No	No	240,000.00		Related to income
Innovation fund	Technology Bureau	Award	Grants obtained due to research and development, technical renovation and transformation, etc.	No	No	10,000.00		Related to income
Equipment investment fund	Development and Reform Commission	Award	Grants obtained due to research and development, technical renovation and transformation, etc.	No	No	298,200.00		Related to income
Technology patent fund	Technology Bureau	Award	Grants obtained due to research and development, technical renovation and transformation, etc.	No	No	9,000.00		Related income
Provincial Industry and information industry transformation and upgrading of special funds	Finance Bureau	Subsidy	Grants obtained due to the country encourage and support specific industries (Obtained in accordance with the national policies and regulations)	No	No	1,000,000.00		Related to income
Provincial Science and technology awards in 2015	Technology Bureau	Award	Grants obtained due to research and development, technical renovation and transformation, etc.	No	No	20,000.00		Related income
Labor and employment management center steady post subsidies	Social Security Bureau	Award	Grants obtained due to the country encourage and support specific industries (Obtained in accordance with the national policies	No	No	53,878.05		Related to income

			and regulations)					
The fourth batch of grant funds	Technology Bureau	Subsidy	Grants obtained due to research and development, technical renovation and transformation, etc.	No	No	50,000.00		Related income
Patent fund	Technology Bureau	Subsidy	Grants obtained due to research and development, technical renovation and transformation, etc.	No	No	31,000.00		Related to income
16 provincial special funds for business development	Finance Bureau	Award	Grants obtained due to the country encourage and support specific industries (Obtained in accordance with the national policies and regulations)	No	No	34,200.00		Related income
16 national special fund for foreign trade and economic development	Finance Bureau	Award	Grants obtained due to the country encourage and support specific industries (Obtained in accordance with the national policies and regulations)	No	No	11,000.00		Related to income
Patent funding	Technology Bureau	Subsidy	Grants obtained due to research and development, technical renovation and transformation, etc.	No	No	40,000.00		Related income
16 years of special funds for research cooperation	Technology Bureau	Subsidy	Grants obtained due to research and development, technical renovation and transformation, etc.	No	No	95,000.00		Related to income
Central innovation team support fund	Wuhu Finance	Award	Grants obtained due to the country encourage and support specific industries (Obtained in accordance with the national policies and regulations)	No	No	100,000.00		Related income
Wuhu social security center steady hillock subsidy	Wuhu human resources service center	Subsidy	Grants obtained due to the country encourage and support specific industries (Obtained in accordance with the national policies and regulations)	No	No	108,000.00		Related to income

R & D equipment grants	Economic and Trade Development Bureau of Wuhu economic and Technological Development Zone	Subsidy	Grants obtained due to research and development, technical renovation and transformation, etc.	No	No	519,000.00		Related income
Disposable Industrial Development Award Fund	Economic and Trade Development Bureau of Wuhu economic and Technological Development Zone	Award	Grants obtained due to conforming to the local supporting policies such as local government's investment attraction policy	No	No	30,000,000.00		Related to income
Innovative construction special funds	Wuhu Finance Bureau	Subsidy	Grants obtained due to the country encourage and support specific industries (Obtained in accordance with the national policies and regulations)	No	No	519,000.00		Related income
Wuhu science and Technology Award in 2015	Wuhu Technology Bureau	Award	Grants obtained due to the country encourage and support specific industries (Obtained in accordance with the national policies and regulations)	No	No	100,000.00		Related to income
Private enterprises hundred special funds	Economic and Trade Development Bureau of Wuhu economic and Technological	Award	Grants obtained due to the country encourage and support specific industries (Obtained in accordance with the national policies and regulations)	No	No	200,000.00		Related income

	Development Zone							
Wuhu science and Technology Award 2016	Wuhu Technology Bureau	Award	Grants obtained due to the country encourage and support specific industries (Obtained in accordance with the national policies and regulations)	No	No	280,000.00		Related to income
Economic and Trade Development Council Award	Economic and Trade Development Bureau of Wuhu economic and Technological Development Zone	Award	Grants obtained due to the country encourage and support specific industries (Obtained in accordance with the national policies and regulations)	No	No	50,000.00		Related income
Wuhu Municipal Administration of work safety to pay for the demonstration of occupational health	Wuhu Municipal Administration of work safety	Award	Grants obtained due to the country encourage and support specific industries (Obtained in accordance with the national policies and regulations)	No	No	10,000.00		Related to income
Wuhu economic and Technological Development Zone Economic and Trade Development Bureau RD R & D funding	Economic and Trade Development Bureau of Wuhu economic and Technological Development Zone	Subsidy	Grants obtained due to research and development, technical renovation and transformation, etc.	No	No	100,000.00		Related income
Wuhu social insurance center post subsidies	Wuhu social insurance center	Subsidy	Grants obtained due to the country encourage and support specific industries (Obtained in accordance with the national policies and regulations)	No	No	402,376.00		Related to income

Provincial innovation pilot Award	Economic and Trade Development Bureau of Wuhu economic and Technological Development Zone	Award	Grants obtained due to the country encourage and support specific industries (Obtained in accordance with the national policies and regulations)	No	No	300,000.00		Related income
Patent financial reward	Finance Bureau	Award	Grants obtained due to the country encourage and support specific industries (Obtained in accordance with the national policies and regulations)	No	No	45,216.00		Related to income
Financial incentives for high-tech products	Finance Bureau	Award	Grants obtained due to research and development, technical renovation and transformation, etc.	No	No	50,000.00		Related income
15 Wuhu provincial treasury payment center provincial foreign trade policy	Finance Bureau	Subsidy	Grants obtained due to the country encourage and support specific industries (Obtained in accordance with the national policies and regulations)	No	No	100,000.00		Related to income
Wuhu social security center steady hillock subsidy	Wuhu social insurance center	Subsidy	Grants obtained due to the country encourage and support specific industries (Obtained in accordance with the national policies and regulations)	No	No	1,343,824.00		Related income
Development Zone Economic and Trade Development Bureau (2012-2015) Land use tax incentives	Economic and Trade Development Bureau of Wuhu economic and Technological	Award	Grants obtained due to conforming to the local supporting policies such as local government's investment attraction policy	No	No	13,514,000.00		Related to income

	Development Zone							
The second batch of patent applications for funding by the opening of the CMC in 2015	Zhengzhou Technology Bureau	Subsidy	Grants obtained due to conforming to the local supporting policies such as local government's investment attraction policy	No	No	10,400.00		Related income
Zhengzhou City Finance Bureau students apply for subsidies	Zhenzou Finance Bureau	Subsidy	Grants obtained due to conforming to the local supporting policies such as local government's investment attraction policy	No	No	478,800.00		Related to income
Zhengzhou City Social Security Bureau in the fifth installment of unemployment insurance in 2015	Zhengzhou Social security Bureau	Subsidy	Grants obtained due to conforming to the local supporting policies such as local government's investment attraction policy	No	No	386,200.00		Related income
Zhengzhou City Economic Development Zone in 2016 the second batch of patent funds	Zhengzhou Technology Bureau	Subsidy	Grants obtained due to conforming to the local supporting policies such as local government's investment attraction policy	No	No	10,000.00		Related to income
Zhengzhou City Science and Technology Bureau, Finance Bureau 2016 the first batch of large-scale scientific equipment and facilities to share subsidies	Zhengzhou Technology Bureau	Subsidy	Grants obtained due to conforming to the local supporting policies such as local government's investment attraction policy	No	No	58,700.00		Related income
Zhengzhou City Bureau of Finance cited the project funding	Zhengzhou Finance Bureau	Subsidy	Grants obtained due to conforming to the local supporting policies such as local government's investment attraction	No	No	70,000.00		Related to income

			policy					
Zhengzhou City Social Security Bureau in December 2016 work injury prevention fee	Zhengzhou Social Security Bureau	Subsidy	Grants obtained due to conforming to the local supporting policies such as local government's investment attraction policy	No	No	80,000.00		Related income
Zhengzhou City Bureau of Commerce in 2015 Zhengzhou City, opening up special funds (national patent awards)	Zhengzhou Commercial Bureau	Award	Grants obtained due to conforming to the local supporting policies such as local government's investment attraction policy	No	No	100,000.00		Related to income
Zhengzhou Economic and Technological Development Zone Finance Bureau 2016 annual R & D costs ladder subsidy	Zhengzhou Technology Bureau	Subsidy	Grants obtained due to conforming to the local supporting policies such as local government's investment attraction policy	No	No	1,000,000.00		Related income
Zhengzhou City, Human Resources and Social Security Department of college graduates employment awards	Zhengzhou human resources and social security department	Award	Grants obtained due to conforming to the local supporting policies such as local government's investment attraction policy	No	No	30,000.00		Related to income
Wuhu City Science and Technology Project	Wuhu Technology Bureau	Subsidy	Grants obtained due to conforming to the local supporting policies such as local government's investment attraction policy	No	No	375,000.00		Related income
National key research and development program special	Bengbu Glass Craft Design	Subsidy	Grants obtained due to research and development, technical renovation and transformation, etc.	No	No	2,913,000.00		Related to income

	Inst							
Suqian Economic and Technological Development Zone 2015 Industrial Development Guided Fund Award	Suqian economic and Technological Development Zone Administration Committee	Award	Grants obtained due to conforming to the local supporting policies such as local government's investment attraction policy	No	No	20,000.00		Related income
15 years of software products after the first tax return	State Administration of Taxation of Shijiazhuang hi tech Industrial Development Zone	Subsidy	Grants obtained due to the country encourage and support specific industries (Obtained in accordance with the national policies and regulations)	No	No	9,548,117.27		Related to income
Technology Award	Taizhou Jiangsu new energy	Award	Grants obtained due to conforming to the local supporting policies such as local government's investment attraction policy	No	No	15,000,000.00		Related income
Human Resources Office funding for funding	Human society has funding	Subsidy	Grants obtained due to conforming to the local supporting policies such as local government's investment attraction policy	No	No	200,000.00		Related to income
Wuhu Economic and Technological Development Zone Finance Bureau one - time financial subsidies to reward funds	Wuhu economic and Technological Development Zone Finance Bureau	Subsidy	Grants obtained due to conforming to the local supporting policies such as local government's investment attraction policy	No	No		30,000,000.00	Related income

Financial Grant of Bureau of Finance in Wuhu Economic and Technological Development Zone	Wuhu economic and Technological Development Zone Finance Bureau	Subsidy	Grants obtained due to conforming to the local supporting policies such as local government's investment attraction policy	No	No		60,000,000.00	Related to income
Tax Returns	Anhui Jiangbei Industrial Concentration Zone Administration Committee	Subsidy	Grants obtained due to conforming to the local supporting policies such as local government's investment attraction policy	No	No	252,795,000.00	138,420,000.00	Related income
Stable job subsidy	Wuhu social security center	Subsidy	Grants obtained due to conforming to the local supporting policies such as local government's investment attraction policy	No	No		1,512,391.00	Related to income
Wuhu Economic and Technological Development Zone Economic and Trade Development Bureau Innovative provinces Construction supporting policies The first batch of cash grants	Economic and Trade Development Bureau of Wuhu economic and Technological Development Zone	Subsidy	Grants obtained due to research and development, technical renovation and transformation, etc.	No	No		533,300.00	Related income
Wuhu City Science and Technology Bureau of innovative provinces to build	Wuhu Technology Bureau	Subsidy	Grants obtained due to research and development, technical renovation and transformation, etc.	No	No		533,300.00	Related to income

supporting policies the first batch of cash subsidies								
Technology project funds	Wuu Technology Bureau	Subsidy	Grants obtained due to conforming to the local supporting policies such as local government's investment attraction policy	No	No		350,000.00	Related income
Wuhu City Treasury Payment Center Innovation Team Support Fund	Wuhu finance treasury payment center	Subsidy	Grants obtained due to conforming to the local supporting policies such as local government's investment attraction policy	No	No		100,000.00	Related to income
Wuhu City Human Resources Service college graduates trainees subsidies	Wuhu human resources service center	Subsidy	Grants obtained due to conforming to the local supporting policies such as local government's investment attraction policy	No	No		99,200.00	Related income
Wuhu Economic and Technological Development Zone Economic and Trade Development Bureau patent awards	Economic and Trade Development Bureau of Wuhu economic and Technological Development Zone	Award	Grants obtained due to research and development, technical renovation and transformation, etc.	No	No		43,000.00	Related to income
High - tech enterprise awards	Economic and Trade Development Bureau of Wuhu economic and Technological Development	Award	Grants obtained due to research and development, technical renovation and transformation, etc.	No	No		200,000.00	Related income

	ent Zone							
Economic and Trade Development Bureau export incremental incentives	Economic and Trade Development Bureau of Wuhu economic and Technological Development Zone	Award	Grants obtained due to conforming to the local supporting policies such as local government's investment attraction policy	No	No		47,400.00	Related to income
Wuhu City Finance Bureau technical innovation one-time subsidy funds	Wuhu Finance Bureau	Subsidy	Grants obtained due to research and development, technical renovation and transformation, etc.	No	No		200,000.00	Related income
Employment subsidy for college students	Zhengzhou Municipal Bureau of human resources and social security	Subsidy	Grants obtained due to conforming to the local supporting policies such as local government's investment attraction policy	No	No		226,800.00	Related to income
Zhengzhou City Finance Bureau of the second batch of scientific and technological projects in 2015 project funding	Zhengzhou Finance Bureau	Subsidy	Grants obtained due to conforming to the local supporting policies such as local government's investment attraction policy	No	No		1,500,000.00	Related income
Zhengzhou City Finance Bureau of the first batch of scientific and technological projects in 2015	Zhengzhou Finance Bureau	Subsidy	Grants obtained due to conforming to the local supporting policies such as local government's investment attraction policy	No	No		1,000,000.00	Related to income
Provincial finance department in 2014 the first batch of major	Zhengzhou Finance Bureau	Subsidy	Grants obtained due to conforming to the local supporting policies such as local government's	No	No		750,000.00	Related income

investment projects grant funds			investment attraction policy					
Zhengzhou 2015 the first batch of patent applications for funding	Zhengzhou Finance Bureau	Subsidy	Grants obtained due to research and development, technical renovation and transformation, etc.	No	No		4,400.00	Related to income
Economic Development Zone Administrative Committee 2014 independent innovation fund	Zhengzhou Economic Development Zone Administrative Committee	Award	Grants obtained due to research and development, technical renovation and transformation, etc.	No	No		16,500.00	Related income
Zhengzhou Municipal Bureau of social security	Zhengzhou Social Security Bureau	Subsidy	Grants obtained due to conforming to the local supporting policies such as local government's investment attraction policy	No	No		50,000.00	Related to income
Zhengzhou Bureau of human resources and social security talent recruitment project funds	Zhengzhou Bureau of human resources and social security	Subsidy	Grants obtained due to conforming to the local supporting policies such as local government's investment attraction policy	No	No		20,000.00	Related income
Zhengzhou human resources and Social Security Bureau postdoctoral research funding	Environmental Protection Bureau of Zhengzhou Economic Development Zone	Subsidy	Grants obtained due to conforming to the local supporting policies such as local government's investment attraction policy	No	No		200,000.00	Related to income
2015 Zhengzhou city through the construction of the Environmental Protection Bureau	Environmental Protection Bureau of Zhengzhou	Award	Grants obtained due to conforming to the local supporting policies such as local government's investment attraction	No	No		20,000.00	Related income

emission reduction Award	Wuhu Economic Development Zone		policy					
TFT-LCD glass based digital board grant	Shijiazhuang Finance Bureau	Subsidy	Grants obtained due to conforming to the local supporting policies such as local government's investment attraction policy	No	No		30,000,000.00	Related to income
Science and Technology Bureau of the three items of the project cost assessment grants	Yangzong Technology Bureau	Subsidy	Grants obtained due to research and development, technical renovation and transformation, etc.	No	No		25,000.00	Related income
Finance Bureau talent project grant	Financial Innovation Award	Subsidy	Grants obtained due to conforming to the local supporting policies such as local government's investment attraction policy	No	No		50,000.00	Related to income
Financial Innovation Award	Financial Innovation Award	Award	Grants obtained due to research and development, technical renovation and transformation, etc.	No	No		70,000.00	Related income
Yangzhong Municipal Bureau of Finance patent subsidies	Yangzong Finance Bureau	Subsidy	Grants obtained due to research and development, technical renovation and transformation, etc.	No	No		39,000.00	Related to income
Foreign Trade Promotion Fund	Wuhu economic and Technological Development Zone Trade Development Bureau	Award	Grants obtained due to conforming to the local supporting policies such as local government's investment attraction policy	No	No		40,000.00	Related income
Wuhu economic	Wuhu	Subsidy	Grants obtained due to	No	No		50,000,0	Related to

and Technological Development Zone Finance Bureau reward	economic and Technological Development Zone Finance Bureau		conforming to the local supporting policies such as local government's investment attraction policy				00.00	income
Development and application of TFT-LCD display equipment	Wuhu Science and technology Bureau	Award	Grants obtained due to research and development, technical renovation and transformation, etc.	No	No		60,000.00	Related income
Wuhu Municipal Bureau of Finance imports of mechanical and electrical equipment subsidies	Wuhu Finance Bureau	Subsidy	Grants obtained due to the country encourage and support specific industries (Obtained in accordance with the national policies and regulations)	No	No		73,500.00	Related to income
Hi Tech Award	Shijiazhuang Finance Bureau	Award	Grants obtained due to conforming to the local supporting policies such as local government's investment attraction policy	No	No		20,000.00	Related income
Finance Bureau of high tech Zone	Shijiazhuang Finance Bureau	Award	Grants obtained due to conforming to the local supporting policies such as local government's investment attraction policy	No	No		1,421,626.76	Related to income
2014 development support funds policy incentives	Zhongguancun science and Technology Park Fengtai Park Administrative Committee	Subsidy	Grants obtained due to conforming to the local supporting policies such as local government's investment attraction policy	No	No		15,000.00	Related to income

	e							
Suqian economic and Technological Development Zone CMC talent introduction Award	Suqian economic and Technological Development Zone Administration Committee	Subsidy	Grants obtained due to conforming to the local supporting policies such as local government's investment attraction policy	No	No		54,240.00	Related income
Total	--	--	--	--	--	356,943,995.55	535,584,924.37	--

Other notes:

70. Non-Operation expense

In RMB

Items	Amount of current period	Amount of previous period	The amount of non-operating gains & losses
Total of Non-current assets Disposition	15,069.64	43,425.70	15,069.64
Including: Disposal of fixed assets	15,069.64	43,425.70	15,069.64
Fine expenses	3,000,000.00		3,000,000.00
Late fee	7,267,721.90		7,267,721.90
Other	3,428.77	612,586.84	3,428.77
Total	10,286,220.31	656,012.54	10,286,220.31

71. Income tax expense

(1) Lists of income tax expense

In RMB

Items	Amount of current period	Amount of previous period
Income tax at current period	228,189,831.37	281,156,931.10
Deferred income tax	-13,495,776.14	-43,373,924.23
Total	214,694,055.23	237,783,006.87

(2) Accounting profit and income tax expense adjustment process

In RMB

Items	Amount of current period
Total profit	1,525,218,711.57

Income tax expense at statutory / applicable tax rates	228,782,806.74
Effect of different tax rates applicable to subsidiaries	-3,856,588.64
Income tax adjustments on prior periods	-14,558,349.02
Effect of non-taxable income	-967,782.69
Effect of non-taxable income	5,280,169.03
Affect the use of deferred tax assets early unconfirmed deductible losses	-168,452.43
The current period does not affect the deferred tax assets recognized deductible temporary differences or deductible loss	7,645,071.57
The influence of R & D expenses deduction	-7,462,819.33
Income tax expense	214,694,055.23

72. Other comprehensive income

Refer to the notes V.

73. Supplementary information to cash flow statement

(1) Other cash received relevant to operating activities

In RMB

Items	Amount of current period	Amount of previous period
Interest income	37,692,392.68	1,972,658.94
Government subsidy	177,221,794.05	421,474,657.76
Deposits income	7,365,729.82	20,701,950.00
Current account income		2,271,838.62
Other	2,083,516.87	6,029,589.12
Total	224,363,433.42	452,450,694.44

(2) Other cash paid related to oprating activities

In RMB

Items	Amount of current period	Amount of previous period
Consultation Services fee	22,632,687.20	23,013,411.24
Business expenses	3,995,325.42	8,179,216.91
Current account	199,617,973.63	120,839,492.34
Labour insurance expenses	6,045,043.94	1,413,458.02
Communication expenses	198,961.70	510,470.81
Advertising expenses	12,071,798.50	17,260,303.83
Water and electricity expense	25,096,432.52	26,127,241.57
Travel expenses	7,049,431.68	9,124,005.99

Petty cash	1,496,783.82	1,111,823.10
Office expenses	24,354,323.40	24,412,506.00
Deposit	99,325,096.49	9,429,817.52
Meeting expenses	344,060.46	1,732,562.40
Communication fees	1,369,776.29	4,830,018.48
Transportation Fees	27,278,643.54	16,594,445.04
R &D	21,782,255.74	10,536,569.04
Auto Fees	3,793,313.31	8,121,331.91
Other	24,074,493.25	30,851,887.48
Donation	3,000,000.00	
Total	483,526,400.89	314,088,561.68

(3) Other Cash received related to investment activities

In RMB

Items	Amount of current period	Amount of previous period
Investment	6,120,000.00	
The post-money balance of the cash and cash equivalents of Jiangsu Jixing's acquisition date which deducted the currency paid for the acquisition.		59,574,268.94
Total	6,120,000.00	59,574,268.94

(4) Other Cash payable related to investment activities

In RMB

Items	Amount of current period	Amount of previous period
Investment		6,120,000.00
Short-term Financing	2,000,000,000.00	
Total	2,000,000,000.00	6,120,000.00

(5) Other Cash received related to Financing activities

In RMB

Items	Amount of current period	Amount of previous period
Interest income	201,776,383.53	53,931,932.13
Finance lease	1,910,280,000.00	85,000,000.00
Bill finance	58,549,109.63	162,731,028.00

Total	2,170,605,493.16	301,662,960.13
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(6) Other Cash payable related to Financing activities

In RMB

Items	Amount of current period	Amount of previous period
Bank charges	3,277,234.76	1,374,512.49
Pay the share repurchase		378,000.00
Deposit	28,830,000.00	3,500,000.00
Bill financing	112,000,000.00	265,000,000.00
Finance lease	207,898,129.55	
Issue fee		24,517,302.50
Financing service	12,883,495.16	
Total	364,888,859.47	294,769,814.99

74. Supplement Information for cash flow statement

(1) Supplement Information for cash flow statement

In RMB

Supplement Information	Amount of current period	Amount of previous period
I. Adjusting net profit to cash flow from operating activities	--	--
Net profit	1,310,524,656.34	1,392,523,686.18
Add: Impairment loss provision of assets	25,457,843.51	-15,905,706.47
Depreciation of fixed assets, oil and gas assets and consumable biological assets	526,341,511.12	339,608,348.67
Amortization of intangible assets	15,588,584.66	12,293,674.61
Amortization of long-term deferred fexpenses	6,901,855.78	6,130,323.70
Loss on disposals of fixed assets, intangible assets and other long-term assets ("-" for gains)	-19,167.58	43,425.70
Financial expenses	394,569,450.62	303,754,658.76
Investment loss	-553,208.83	-4,147,238.73
Decrease of deferred income tax assets	-13,412,007.21	-43,373,924.23
Increase of deferred income tax Liability	-83,768.93	
Decrease of inventories	-400,747,693.07	-1,533,411,151.57
Decease of operating receivables	-1,249,571,402.07	2,444,394,493.59

Increased of operating Payable	775,051,837.98	-1,121,781,627.27
Net cash flows arising from operating activities	1,390,048,492.32	1,780,128,962.94
2. Significant investment and financing activities that without cash flows:	--	--
Fixed assets acquired under finance leases	2,274,378,184.47	93,426,666.67
3. Changes Balance of cash and cash equivalents	--	--
Ending balance of cash	25,037,335,091.60	11,964,769,404.73
Less: Beginning balance of cash	11,964,769,404.73	3,349,892,384.04
Net increase of cash and cash equivalents	13,072,565,686.87	8,614,877,020.69

(2) Net Cash paid of obtaining the subsidiary

In RMB

	Amount
Cash or Cash Equivalent of Enterprise consolidation that Occurred in the Current Period Paid in the Current Period	31,100,000.00
Including:	--
Shanghai Tanhuiyuan Huigu New Material Technology Co., Ltd.	8,000,000.00
Shenzhen Xinyingtong Technology Co., Ltd.	23,100,000.00
Less: Cash or Cash Equivalent Owned by Subsidiary on the Purchasing Date	22,687,557.63
Including:	--
Shanghai Tanhuiyuan Huigu New Material Technology Co., Ltd.	380,272.59
Shenzhen Xinyingtong Technology Co., Ltd.	22,307,285.04
Add: The enterprises incurred in the previous period are merged into cash or cash equivalents paid in the current period	329,691,721.21
Including:	--
Shijiazhuang Xuxin Optoelectronic Technology Co., Ltd.	153,617,460.00
Zhengzhou Xufei Optoelectronic Technology Co., Ltd.	176,074,261.21
Received Net Cash Paid by Subsidiary	338,104,163.58

(3) Net Cash receive of disposal of the subsidiary

(4) Composition of cash and cash equivalents

In RMB

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Items	Balance in year-end	Balance in year-Beginning
I. Cash	25,037,335,091.60	11,964,769,404.73
Of which: Cash in stock	187,232.52	245,781.01

Bank savings could be used at any time	25,009,252,814.98	11,897,196,843.45
Other monetary capital could be used at any time	27,895,044.10	67,326,780.27
III. Balance of cash and cash equivalents at the period end	25,037,335,091.60	11,964,769,404.73

75. Note of statement of changes in the owner's equity

Explain "other" project name and adjustment amount of the adjustment of closing balance in previous year, etc.:

Nil

76. The assets with the ownership or use right restricted

In RMB

Items	Book value in year-end	Reason
Monetary funds	1,018,782,125.26	Pledge of collateral
Fixed assets	7,846,343,779.55	Pledge loans
Intangible assets	250,829,465.51	Pledge loans
Construction in process	550,493,081.70	Pledge loans
Total	9,666,448,452.02	--

77. Foreign currency monetary items

(1) Foreign currency monetary items

In RMB

Items	Closing foreign currency balance	Exchange rate	Closing convert to RMB balance
Including: USD	32,378,360.63	6.9370	224,608,687.69
Euro	135,576.44	7.3068	990,629.93
HKD	18,206,926.70	0.8945	16,286,095.93
JPY	7,230,060,573.00	0.0595	430,188,604.09
GBP	2,277.81	8.5094	19,382.80
Including: USD	3,209,544.56	6.9370	22,264,610.61
JPY	2,184,650,424.52	0.0595	129,986,700.26
Including: USD	9,000,000.00	6.9370	62,433,000.00
Short-term loan			
Including: USD	22,769,499.00	6.9370	157,952,014.56
Account payable			
Including: JPY	9,663,877.00	0.0595	575,000.68
USD	53,511.41	6.9370	371,208.65
Euro	29,799.80	7.3068	217,741.18

Other notes:

(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

78. Arbitrage

According to arbitrage category to disclose arbitrage item, relevant arbitrage tools and the arbitrated risk qualitative and quantitative

79. Other

VIII.Changes of consolidation scope

1.Enterprise consolidation nnt under the same control

(1) Enterprise consolidation not under the same control in reporting period

In RMB

Name of Acquiree	Time-point of Obtained Equity	Obtained Cost of Equity	Ratio of Obtained Equity (100%)	Method of Obtained Equity	Purchasing Date	Determination Basis on the Purchasing Date	Income of Acquire from the Purchasing Date to the End of the Period	Net Profit of Acquire from the Purchasing Date to the End of the Period
Shanghai Tanhuiyuan Huigu New Material Technology Co., Ltd.	March 31,2016	73,454,500.00	50.50%	Purchase and add share	March 31,2016	Obtain a business license	1,232,676.31	5,462,193.69
Shenzhen Xinyingtong Technology Co., Ltd.	December 21,2016	23,100,000.00	70.00%	Purchase	December 21,2016	Obtain a business license	24,058,595.55	444,179.21

Other notes:

Shenzhen Xinyingtong Technology Co., Ltd. has the wholly-owned subsidiary Shenzhen Xingxinda Technology Co., Ltd.

(2) Consolidation Cost and Goodwill

In RMB

Combined cost	Shanghai Tanhuiyuan Huigu New Material Technology Co., Ltd.	Shenzhen Xinyingtong Technology Co., Ltd.
--Cash	73,454,500.00	23,100,000.00
Total Consolidation cost	73,454,500.00	23,100,000.00
Less: Reduction: Obtained Definable Net Assets Fair Proportion	39,519,115.43	24,904,209.86
Goodwill/ The Consolidation Cost is Less Than the Obtained Definable Net Assets Fair Proportion	33,935,384.57	-1,804,209.86

Notes to determination method, consideration and changes of fair value of combined cost:

The main formation reason for the large goodwill:

Other notes:

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

In RMB

	Shanghai Tanhuiyuan Huigu New Material Technology Co., Ltd.		Shenzhen Xinyingtong Technology Co., Ltd.	
	Fair value on purchase date	Book value on purchase date	Fair value on purchase date	Book value on purchase date
Monetary fund	65,834,772.59	65,834,772.59	449,174,013.01	449,174,013.01
Account receivable	1,600.00	1,600.00	456,374,640.98	456,374,640.98
Inventories	1,243,387.97	802,979.59	26,617,601.37	26,617,601.37
Fixed assets	1,847,248.70	1,939,350.28	736,208.40	736,208.40
Intangible assets	7,317,795.33	4,444,692.24		
Prepayments	2,006,750.00	2,006,750.00	73,978,005.72	73,978,005.72
Other receivable	457,262.00	457,262.00	72,724,712.95	72,724,712.95
Other current assets	198,033.10	198,033.10	26,318,818.21	26,318,818.21
Long-term deferred expenses	303,253.20	303,253.20		
Deferred Income tax assets	13,815.24			
Other non-current assets			58,094,513.00	58,094,513.00
Borrowing			218,628,784.13	218,628,784.13
Account payable	362,292.10	362,292.10	447,800,348.58	447,800,348.58
Deferred income tax liability	497,026.72			
Bill payable			362,481,473.06	362,481,473.06
Advance Payments			2,441,552.99	2,441,552.99
Employees' wage payable	37,656.00	37,656.00	954,355.90	954,355.90
Tax payable			5,079,161.51	5,079,161.51
Other account payable	71,269.20	71,269.20	91,055,394.81	91,055,394.81
Net assets	78,255,674.11	75,517,475.70	35,577,442.65	35,577,442.65
Acquire net assets	78,255,674.11	75,517,475.70	35,577,442.65	35,577,442.65

Determination method for fair value of the identifiable assets and liabilities:

Contingent liability of the acquiree bear during combination:

Other explanation:

(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

(6) Other notes:

2. Business combination under the same control

(1) Business combination under the same control during the reporting period

(2) Combination cost

(3) The book value of the assets and liabilities of the combined party at combining date

Contingent liabilities of the combined party undertaken in combination

3. Counter purchase

Basic information of trading, the basis of transactions constitute counter purchase, the retain assets , liabilities of the listed companies

whether constituted a business and its basis, the determination of the combination costs, the amount and calculation of adjusted rights

3. Counter purchase

Basic information of trading, the basis of transactions constitute counter purchase, the retain assets , liabilities of the listed companies whether constituted a business and its basis, the determination of the combination costs, the amount and calculation of adjusted rights and interests in accordance with the equity transaction process.

4. 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

5. 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:

On March 17, 2016, Beijing Dongxu Huaqing Investment Co., Ltd as a general partner, Dongxu Optoelectronic Technology Co.,Ltd as a limited partner and Taizhou Golden Sun Energy Co., Ltd as a limited partner together set up Taizhou Dongxu Graphene Industry Investment Fund Management Center(Limited partnership). Such limited partnership company was incorporated in May 4, 2016, and the total amount of capital contribution agreed in the agreement was RMB 101 million, but as of December 31, 2016, the actual received amount of capital contribution was RMB 100 million. For the capital contribution, Taizhou Golden Sun Energy Co., Ltd subscribed the amount of capital contribution of RMB 75 million, Dongxu Optoelectronic Technology Co.,Ltd subscribed the amount of capital contribution of RMB 25 million.

On March 8, 2016, Wuhu Dongxu Optoelectronic Technology Co.,Ltd set up subsidiary Fuzhou Dongxu Investment Development Co., Ltd which the registered capital was RMB 10 million.On December 28, 2016,

China Development Funds actually invested RMB 500 million, and hold a share proportion of 49.5%. Wuhu Dongxu Optoelectronic Technology Co., Ltd. subscribed registered capital of RMB 500 million, and hold a share a share proportion of 50.5%. The Company increased its total registered capital to RMB1010 million and the actual paid-in capital was RMB 500 million by the end of the current period.

On March 31, 2016, Dongxu Optoelectronic Technology Co.,Ltd set up Shenzhen XuHui Investment Holdings Co.,Ltd, of which the registered capital was RMB 100 million and the paid-in capital was RMB 20 million.

On June 24, 2016, Fuzhou Dongxu Optoelectronic Technology Co.,Ltd and Dongxu Optoelectronic Technology Co.,Ltd together set up a new company of Fuzhou Xufu Optoelectronic Technology Co.,Ltd, of which the registered capital is RMB 65.40 million, among which, Fuzhou Dongxu Optoelectronic Technology Co.,Ltd shall contribute RMB 54.50 million, Dongxu Optoelectronic Technology Co.,Ltd shall contribute RMB 10.90 million, and the paid-in capital was RMB 65.40 million.

On July 19, 2016, Shanghai Tanyuan Huigu New Materials Technology Co., Ltd. Set up the wholly-owned subsidiary Taizhou Tanyuan Huigu New Energy Technology Co., Ltd with the registered capital of 150 million yuan and paid-in capital of 9.9 million yuan; Taizhou Tanyuan Huigu New Materials Technology Co., Ltd. was changed into Taizhou Xiwang New Energy Technology Co., Ltd. on September 6, 2016.

On July 27, 2016, Wuhu Dongxu Optoelectronic Equipment Technology Co., Ltd. invested and set up the wholly-owned subsidiary Xiamen Xuqi Investment Management Co., Ltd. with the registered capital of 10 million yuan and paid-in capital of 2.5 million yuan.

On October 17,2016, Sichuan Ruiyi Construction engineering Co., Ltd.invested and set up the wholly-owned subsidiary Sichuan Dongxu Ruiyi Environment Engineering Co., Ltd.with the registered capital of 10 million yuan and paid-in capital of 0.00 yuan.

On October 17,2016, Sichuan Ruiyi Construction engineering Co., Ltd.invested and set up the wholly-owned subsidiary Sichuan Dongxu Ruiyi Survey & Disign Co., Ltd. with the registered capital of 10 million yuan and paid-in capital of 0.00 yuan.

On October 18,2016, Sichuan Ruiyi Construction engineering Co., Ltd.invested and set up the wholly-owned subsidiary Sichuan Dongxu Ruiyi Trade Co., Ltd. with the registered capital of 10 million yuan and paid-in capital of 0.00 yuan.

On October 18,2016, Sichuan Ruiyi Construction engineering Co., Ltd.invested and set up the wholly-owned subsidiary Sichuan Dongxu Ruiyi Enterprise Management Co., Ltd. with the registered capital of 10 million yuan and paid-in capital of 0.00 yuan.

On October 19, 2016, Dongxu Optoelectronic Technology Co., Ltd. set the subsidiary Xuyou Electronic Material Technology (Wuxi) Co., Ltd. together with Sumitomo Chemical, Dongwoo Fine-chem Co., Ltd. and TOMI International Co., Ltd. with the registered capital of 18.15 billion Yen and paid-in capital of 12.1 billion Yen (converted into 748.6546 million yuan based on the current rate upon registration), of which, the holding ratio is 51%, 17%, 30% and 2% respectively for Dongxu Optoelectronic Technology Co., Ltd., Sumitomo Chemical, Dongwoo Fine-chem Co., Ltd. and TOMI International Co., Ltd. As specified by the articles of association, the registered capital will be input by stage based on the company building and operation demands, among which, the first period contributed capital will be 35% of the contribution amount paid once within 30 days after the company registration and establishment and the remaining amount will be paid off within one year after the joint-venture company.

On December 2,2016, Xuyou Electronic Material Technology (Wuxi) Co., Ltd.invested and set up the wholly-owned subsidiary Fuzhou Xuyou Electronic Material Technology Co., Ltd. with the registered capital of 150 million yuan and paid-in capital of 5 million yuan.

On December 8, 2016, Sichuan Ruiyi Constructional Engineering Co., Ltd. and Sichuan Prosperity Building Engineering Co., Ltd. set jointly Sichuan Dongxu Prosperity Building Development Co., Ltd. with the registered capital of 30 million yuan and paid-in capital of 0 yuan, among which, Sichuan Ruiyi Constructional Engineering Co., Ltd. and Sichuan Prosperity Building Engineering Co., Ltd. paid in 21 million yuan 9 million yuan respectively.

6.Other

IX. Equity in other entities

1. Equity in subsidiary

(1) The structure of the enterprise group

Name of Subsidiary	Main Places of Operation	Registration Place	Nature of Business	Shareholding Ratio (%)		Obtaining Method
				direct	indirect	
Hebei Xubao Construction Installation Engineering Co., Ltd.	Shijiazhuang	9 Huanghe Road, Shijiazhuang High-tech Industrial Development Area, Shijiazhuang, Hebei Province	Construction Installation	100.00%		Establish
Shijiazhuang Colour Bulb Co., Ltd.	Shijiazhuang	9 Huanghe Road, Shijiazhuang High-tech Industrial Development Area, Shijiazhuang, Hebei Province	Manufacturing	81.26%		Establish
Wuhu Dongxu Optoelectronic Equipment Technology Co., Ltd.	Wuhu	Room 302, A floor, Management Committee of Jiangbei Industry Zone, Anhui Prov	Manufacturing	95.00%		Establish
Wuhu Dongxu Optoelectronic Technology Co., Ltd.	Wuhu	No.36, Daowei 2 Road, Wanchun Street, Wuhu Economy Technology Development Zone	Manufacturing	100.00%		Establish
Wuhan Dongxu Optoelectronic Technology Co., Ltd.	Wuhan	1/F, No.2 Business tower, Huazhong Shuguang Software park, No.1Guanshan Road, Donghu Development Zone, Wuhan	Manufacturing	62.50%		Establish
Sichuan Ruiyi Construction Engineering Co., Ltd.	Sichuan	Building 15, No. 21, Ring Road 181 West Third Section, Jinniu District, Chengdu	Manufacturing	100.00%		Non control combination

Beijing Xufeng Real Estate Co., Ltd.	Beijing	Room C17, Building 1, No.10, Xinghuo Road, Technology City, Fengtai District, Beijing	Real estate Development	100.00%		Establish
Dongxu (Kunshan) Display Material Co., Ltd.	Kunshan	Room 1517, Building 1 (International Building), No.167, Qianjin Middle Road, Suzhou City, Jiangsu Province	Manufacturing	80.00%		Establish
Zhengzhou Xufei Optoelectronic Technology Co., Ltd.	Zhengzhou	66, No 3 Jingnan Road, Economic & Technology Development Zone, Zhengzhou	Manufacturing	100.00%		Non control combination
Shijiazhuang Xuxin Optoelectronic Technology Co., Ltd.	Shijiazhuang	No.69, Tianshan Street, High-tech Area, Shijiazhuang, Hebei	Manufacturing	100.00%		Non control combination
Beijing Xutan New Material Technology Co., Ltd.	Beijing	No.1198, 689 Building, No.5, Zhongguan Village South Street, Haiding District, Beijing	Technology Development	70.00%		Establish
Jiangsu Jixing New Material Co., Ltd.	Jiangsu	New Material Industry Zone, Youfang Town, Yangzhong City	Manufacturing	50.50%		Non control combination
Beijing Dongxu Huaqing Investment Co., Ltd.	Beijing	1201-E18(Area)12/F, No.1, 6-3 Building, Automobile Museum East Road, Fengtai District, Beijing	Investment Management	70.00%		Establish
Fuzhou Dongxu Optoelectronic Technology Co., Ltd.	Fuzhou	(072) Room 109, Supervision Building, Processing trade Free zone, Fuzhou, Fujian. (No.9, Xinjiang Road, Xincuo Town, Fuqing City)	Manufacturing	100.00%		Establish
Shijiazhuang Dongxu Optoelectronic Equipment Technology Co., Ltd.	Shijiazhuang	9 Huanghe Road, Shijiazhuang High-tech Industrial Development Area, Shijiazhuang, Hebei Province	Manufacturing		95.00%	Establish
Beijing Dongxu Investment Development Co., Ltd.	Beijing	Room 267, 2/F, No.2, Building, No.9 Haiying Road, Technology City,	Investment Management		100.00%	Establish

		Fengtai District, Beijing.				
Wuhu Ruiyi Service Co., Ltd.	Anhui	Room 311-D, B Building, Jiangbei Industrial Concentration Zone Administrative Committee, Anhui	Labor dispatch		100.00%	Establish
Jiangsu Dongxu Yitai Intelligent Equipment Co., Ltd.	Suqian	Room 2369, No.888, CBD, Renmin Road, Economic Technology Development Zone, Suqian	Manufacturing		100.00%	Establish
Shanghai Tanyuan Huigu New Material Technology Co., Ltd.	Shanghai	Room 02, 2/F, No.3 Building, No.28,, Jiangchuan East Road, Minhang District ,Shanghai	Manufacturing	50.50%		Non control combination
Shenzhen Xuhui Investment Co., Ltd.	Shenzhen	Room 201, A unit, No.1 Qianwan Road, Qianhai Shengang Cioeration Area, Shenzhen.	Investment Management	100.00%		Establish
Fuzhou Xufu Optoelectronic Technology Co., Ltd.	Fuzhou	297, Room 109, Supervision Building, Processing trade Free zone, Fuzhou, Fujian	Manufacturing	16.67%	83.33%	Establish
Fuzhou Dongxu Investment Development Co., Ltd.	Fuzhou	230, Room 109, Supervision Building, Processing trade Free zone, Fuzhou, Fujian	Investment Management		100.00%	Establish
Dongxu Taizhou Graphene Industry Investment Fund Management Center (limited partnership)	Taizhou	Room 205, 2/F, 7 Building , No.818 , Longfeng Road, New Energy Industry Zone , Taizhou	Investment Management	25.00%		Establish
Taizhou Xiwang New Energy Technology Co., Ltd.	Taizhou	A, C Building, No.29-1 Shiji Road, Jiulong Town, Hailing District , Taizhou	Manufacturing		100.00%	Establish
Xiamen Xuqi Investment Management Co., Ltd.	Xiamen	D,3 unit, D Building, Xiamen Internationa Shipping Center, No.97 Xiangyu Road, Fujian) free trade zone (FTZ) in Xiamen area, China	Investment Management		100.00%	Establish
Shenzhen Xinyingtong Technology Co., Ltd.	Shenzhen	No.1509, A unit, Spacefight Building Shennan Road,	Supply chain business		70.00%	Non control combination

		Futian District ,Shenzhen.				
Xuyou Electronic Material Technology (Wuxi) Co., Ltd.	Wuxi	No. 61 Xinmei Road, Xinwu District, Wuxi	Manufacturing	51.00%		Establish
Fuzhou Xuyou Electronic Material Technology Co., Ltd.	Fuzhou	1/F, TechnologyInnovation Center , Rongqiao Economic & Technology Development Zone, No.36 Xihuan North Road, Shizhu Street, Fuqing	Manufacturing		100.00%	Establish
Sichuan DongxunRuiyi Environment Co., Ltd.	Chengdu	Room 605, Machinery Building, No.14 First Huan Road, Jinjiang District Chendu	Envinoment control		100.00%	Establish
Sichuan Dongxun Ruiyi Survey and Design Co. Ltd.	Chengdu	Room 606 Machinery Building, No.14 First Huan Road, Jinjiang District Chendu	Construction installation		100.00%	Establish
Sichuan DongxunRuiyi Trade Co., Ltd.	Chengdu	Room 607 Machinery Building, No.14 First Huan Road, Jinjiang District Chendu	Trade		100.00%	Establish
Sichuan Dongxun Ruiyi Enterprise Management Co., Ltd.	Chengdu	Room 608 Machinery Building, No.14 First Huan Road, Jinjiang District Chendu	Technology consultation Service		100.00%	Establish
Sichuan Dongxun Prosperity Construction Development Co., Ltd.	Chengdu	No.846.Tianfu South Road Huayang Street, Tianfu District, Chengdu, Sichuan	Construction Installation		70.00%	Establish
Shenzhen Xngxinda Technology Co., Ltd.	Shenzhen	Room 201, A Building, No. Qianhai Bay 1 Road, Shenzhen-Hongkang Cooperation Area, Shenzhen	Supply chain business		100.00%	Purchase

Notes: holding proportion in subsidiary different from voting proportion:

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:

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

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

Other notes:

According to the signed agreement, Taizhou Dongxun Graphene Industry Investment Fund Management

Center (limited partnership) sets up the investment decision committee as the highest decision-making organ, which is responsible for making decisions on project investment, disinvestment and other matters. The investment decision committee is made up of five committee members. Wherein, the general partner Beijing Dongxu Huaqing Investment Co., Ltd. appoints 2 members, the limited partner Dongxu Photo-electricity Technology Co., Ltd. appoints 1 member and the other 2 members are appointed through social recruiting. The limited partner Taizhou Jintaiyang Energy Co., Ltd. doesn't appoint members. And the chairman of committee shall be assumed by the representative of general partner. The decisions will be valid with the consent of the majority of committee members (4 votes and above), and the chairman of investment committee has the one-vote veto. As the executive partner, the general partner Beijing Dongxu Huaqing Investment Co., Ltd. assumes unlimited, joint liabilities for the limited partnership's debts. As the posterity limited partner, Dongxu Photo-electricity Technology Co., Ltd. bears responsibilities for the limited partnership's debts with its subscribed investment. And Taizhou Jintaiyang Energy Co., Ltd., as the priority limited partner, assumes responsibilities for the limited partnership's debts with its subscribed investment.

(2) Significant not wholly owned subsidiary

In RMB

Name of Subsidiary	Shareholding Ratio of Minority Shareholders (%)	Profit or Loss Owned by the Minority Shareholders in the Current Period	Dividends Distributed to the Minority Shareholders in the Current Period	Equity Balance of the Minority Shareholders in the End of the Period
Wuhu Dongxu Optoelectronic Equipment Technology Co., Ltd.	5.00%	54,687,640.48		116,815,701.71
Jiangsu Jixing New Material Co., Ltd.	49.50%	28,786,359.28		226,206,623.23
Xuyou Electronic Material Technology (Wuxi) Co., Ltd.	49.00%	-7,164,316.50		358,078,240.03
Shanghai Tanyuan Huigu New Material Technology Co., Ltd.	49.50%	2,703,785.88		41,440,344.56
Dongxu (Kunshan) Display Material Co., Ltd.	20.00%	-5,291.31		99,715,646.03

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

Other notes:

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

In RMB

Name	Year-end balance						Year-beginning balance					
	Current assets	Non current assets	Total assets	Current Liabilities	Non current liabilities	Total liabilities	Current assets	Non current assets	Total assets	Current Liabilities	Non current liabilities	Total liabilities
Wuhu	8,143,19	239,681,	8,382,87	5,986,43	410,000,	6,396,43	5,047,42	191,953,	5,239,37	3,254,74	500,000,	3,754,74

Dongxu Optoelectronic Equipment Technology Co., Ltd.	7,927.02	494.27	9,421.29	3,459.96	000.00	3,459.96	3,350.95	488.35	6,839.30	8,857.61	000.00	8,857.61
Jiangsu Jixing New Material Co., Ltd.	267,316,881.20	347,522,378.96	614,839,260.16	151,462,927.25	6,393,255.68	157,856,182.93	250,572,836.25	366,026,457.66	616,599,293.91	211,770,477.86	6,000,000.00	217,770,477.86
Xuyou Electronic Material Technology (Wuxi) Co., Ltd.	715,998,252.12	19,476,229.51	735,474,481.63	1,449,983.38		1,449,983.38						
Shanghai Tanyuan Huigu New Material Technology Co., Ltd.	23,077,926.17	76,269,855.09	99,347,781.26	15,216,655.67	413,257.79	15,629,913.46						
Dongxu (Kunshan) Display Material Co., Ltd.	380,566,410.60	153,271,205.53	533,837,616.13	35,259,386.00	0.00	35,259,386.00	245,778,816.22	87,111,269.45	332,890,085.67	32,895,271.44		32,895,271.44

In RMB

Name	Amount of current period				Amount of previous period			
	Business	Net profit	Total	Cash flows	Business	Net profit	Total	Cash flows

	income		Comprehensive income	from operating activities	income		Comprehensive income	from operating activities
Wuhu Dongxu Optoelectronic Equipment Technology Co., Ltd.	3,324,620,483.37	1,091,144,746.84	1,091,144,746.84	909,189,313.99	2,706,633,712.47	1,102,907,654.44	1,102,907,654.44	-37,907,737.98
Jiangsu Jixing New Material Co., Ltd.	570,400,891.46	58,154,261.18	58,154,261.18	55,813,323.21	281,152,806.99	30,297,257.36	30,297,257.36	42,909,137.29
Xuyou Electronic Material Technology (Wuxi) Co., Ltd.		-14,621,054.08	-14,621,054.08	-2,273,781.12				
Shanghai Tanyuan Huigu New Material Technology Co., Ltd.	1,232,676.31	5,462,193.69	5,462,193.69	18,911,025.01				
Dongxu (Kunshan) Display Material Co., Ltd.		-1,416,584.10	-1,416,584.10	-14,333,589.49		-5,185.77	-5,185.77	32,145,381.08

Other notes:

(4) Significant restrictions of using enterprise group assets and pay off enterprise group debt

(5) Provide financial support or other support for structure entities incorporate into the scope of consolidated financial statements

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

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

3. Equity in joint venture arrangement or associated enterprise

(1) Significant joint venture arrangement or associated enterprise

Notes to holding proportion of joint venture or associated enterprise different from voting proportion:

Basis of holding less than 20% of the voting rights but has a significant impact or holding 20% or more voting rights but does not have a significant impact:

(3) Main financial information of significant associated enterprise

(4) Summary financial information of insignificant joint venture or associated enterprise

In RMB

	Amount of current period/2016	Amount of previous period/2015
Joint venture:	--	--
Total investment book value	--	--
Associated enterprise:	--	--
Total book value of investment	72,354,803.70	72,426,252.41
The total number of the following	--	--
Net profit	-71,448.71	426,252.41
Total comprehensive income	-71,448.71	426,252.41

Other notes

On March 10, 2016, Beijing Dongxu Huaqing Investment Co., Ltd as a general partner, Dongxu Optoelectronic Technology Co.,Ltd as a limited partner and Deyang Jinghua Carbon Materials Science & Technology Development Co.,Ltd as a limited partner together co-funded and set up Dongxu(Deyang) Graphene Industry Development Fund Partnership Company(Limited partnership). Such limited partnership company was incorporated in April 17, 2016, and the total amount of capital contribution agreed in the agreement was RMB 200,000,000, but as of June 30, 2016, the actual received amount of capital contribution was RMB 0.00. For the capital contribution, Beijing Dongxu Huaqing Investment Co., Ltd subscribed the amount of capital contribution of RMB 2 million which accounts for 1.00% of the total amount of capital contribution; Deyang Jinghua Carbon Materials Science & Technology Development Co.,Ltd subscribed the amount of capital contribution of RMB 158,400,000 which accounts for 79.20% of the total amount of capital contribution; Dongxu Optoelectronic Technology Co.,Ltd subscribed the amount of capital contribution of RMB 39,600,000 which accounts for 19.80% of the total amount of capital contribution. Meanwhile, the agreement stipulated that the limited partners shall respectively complete 50% of their totally subscribed capital contribution within 30 days commenced from the date of the fund incorporation date, the general partner shall complete 50% of the totally subscribed capital contribution within 30 days commenced from the date of the fund incorporation date and the rest capital contribution by all parties shall be completed before December 30, 2017.

At the same time, all the parties agreed to set up an investment decision-making committee as the highest decision-making body for the limited partnership company. The investment committee is consisted by 5 members, among which, Beijing Dongxu Huaqing Investment Co., Ltd appoints 1 member, Dongxu Optoelectronic Technology Co.,Ltd appoints 1 member, Deyang Jinghua Carbon Materials Science & Technology Development Co.,Ltd appoints 1 member and the remaining 1 member will be jointly determined by Dongxu party and Deyang party. Any decision shall be passed by winning not less than 3 votes in the decision-making committee.

The general partner of Beijing Dongxu Huaqing Investment Co., Ltd as a managing partner shall bear unlimited joint and several liability for the liabilities of the limited partnership company, Dongxu Optoelectronic Technology Co.,Ltd as a posterior limited partner shall assume the limited partnership company's liability no more than the subscribed capital contribution and Deyang Jinghua Carbon Materials Science & Technology Development Co.,Ltd as a prior limited partner shall assume the limited partnership company's liability no more than the subscribed capital contribution.

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

to the Company

(6) The excess loss of joint venture or associated enterprise

(7) The unrecognized commitment related to joint venture investment

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

4. Significant common operation

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

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

Other notes:

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

6. Other

X. The risk related financial instruments

The Company faces a variety of financial risks in the course of operation: credit risk, market risk and liquidity risk. The Business Management Department of the Company management is fully responsible for the determination of risk management objectives and policies, and assumes the ultimate responsibility for the risk management objectives and policies. The Business Management Department of the Company reviews the effectiveness of the performed programs as well as the rationality of risk management objectives and policies through monthly work statement submitted by the Functional Department.

The objective of the Company's engagement in risk management is to obtain a proper balance between the risks and benefits, reduce the risks' negative impact on the Company's operating performance to the lowest level and maximize the interests of shareholders and other equity investors. Based on the risk management objectives, the basic strategy of the Company's risk management is to identify and analyze the risks faced by the Company, establish appropriate baseline of risk tolerance, conduct risk management as well as timely and reliably supervise various risks to control the risks within a limited range.

1. Credit Risk

Credit risk refers to the financial loss risk of the other Party if one Party of financial instruments fails to perform its obligations. The Company mainly faces customer credit risk caused by the credit sale. The Company would make an evaluation on new customers' credit risk before signing new contracts, which includes external credit rating and bank reference letter (when available) under certain circumstances. The Company sets quota on credit sale for each customer and such quota is the maximum amount without additional approvals.

2. Market Risk

The market risk of financial instruments refers to the risk that the fair value or future cash flow of the financial instruments would fluctuate due to the market price changes, which includes interest rate risk, foreign exchange risk and other price risks.

(1) Interest Rate Risk

Interest rate risk refers to the risk that the fair value or future cash flow of the financial instruments would fluctuate due to the market price changes. The interest rate risk faced by the Company mainly comes from short-term bank loans. The Company meets various short-term financing needs through establishing good bank-enterprise relationship as well as reasonably designing credit line, credit type and credit term to guarantee the sufficient bank credit line. In addition, the Company also reasonably reduces the fluctuation risk of interest rate by shortening the term of single loan and performing specially agreed prepayment term.

(2) Foreign Exchange Risk

Foreign exchange risk refers to the risk that the fair value or future cash flow of the financial instruments would fluctuate due to the market price changes. The Company would match the foreign currency incomes and

expenses as far as possible to reduce the foreign exchange risk. On account of the small proportion of foreign financial assets and liabilities in the total assets, there's no forward foreign exchange contract or currency swap contract signed by the Company in 2015 and 2016.

The foreign exchange risk faced by the Company mainly comes from the financial assets and financial liabilities priced by US dollar, Yen and Euro. The exchanged RMB amounts of foreign financial assets and foreign financial liabilities are presented as below:

Items	2016.12.31	Exchange rate	2016.12.31
	balance of foreign currency		balance of RMB Conversion
Monetary fund			
Including: USD	32,378,360.63	6.9370	224,608,687.69
Euro	135,576.44	7.3068	990,629.93
HKD	18,206,926.70	0.8945	16,286,095.93
JPY	7,230,060,573.00	0.0595	430,188,604.09
GBP	2,277.81	8.5094	19,382.80
Account receivable			
Including: USD	3,209,544.56	6.9370	22,264,610.61
JPY	2,184,650,424.52	0.0595	129,986,700.26
Account payable			
Including: JPY	9,663,877.00	0.0595	575,000.68
USD	53,511.41	6.9370	371,208.65
Euro	29,799.80	7.3068	217,741.18
Long-term loans			
Including: USD	9,000,000.00	6.9370	62,433,000.00
Short-term loan			
Including: USD	22,769,499.00	6.9370	157,952,014.56

XI. The disclosure of the fair value

1. Closing fair value of assets and liabilities calculated by fair value

In RMB

Items	Closing fair value			
	Fir value measurement items at level 1	Fiar value measurement items at level 2	Fiar value measurement items at level 3	Total
II. Consistent fair value	--	--	--	--
II. Inconsistent fair valuemeasurement	--	--	--	--

2. Market price recognition basis for consistent and inconsistent fair value measurement items at level 1
3. Valuation technique adopted and nature and amount determination of important parameters for consistent and inconsistent fair value measurement items at level 2
4. Valuation technique adopted and nature and amount determination of important parameters for consistent and inconsistent fair value measurement items at level 3
5. Sensitiveness analysis on unobservable parameters and adjustment information between opening and

closing book value of consistent fair value measurement items at level 3

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

7. Changes in the valuation technique in the current period and the reason for change

8. Fair value of financial assets and liabilities not measured at fair value

9. Other

XII. Related party and related party transactions

1. Parent company information of the enterprise

Name	Registered address	Nature	Registered capital	The parent company of the Company's shareholding ratio	The parent company of the Company's vote ratio
Dongxu Group	No.369, Zhujiang Road, High-tech zone, Shijiazhuang	Investment, production and R & D, etc.	RMB16.8. billion	11.32%	18.14%

Notes

During the reporting period, the following changes in the real-up capital of the parent company:

Items	Beginning of term	Increase	Decrease	End of term
Paid in capital	11,070,000,000.00	5,730,000,000.00		16,800,000,000.00

The final control of the company was Li Zhaoting.

Other notes:

2. Subsidiaries of the Company

See details to Notes IX..

Situation of the enterprise subsidiaries refer to the Notes.

3. Information on the joint ventures and associated enterprises of the Company

The details of significant joint venture and associated enterprise of the Company

Information on other joint venture and associated enterprise of occurring related party transactions with the Company in reporting period, or from balance due to related party transactions in previous period:

Name	Relationship
Zhongda Xincheng International Business factoring Co., Ltd.	Associated enterprises

Other notes

4. Other Related parties information of the enterprise

Other Related parties name	Relation of other Related parties with the company
Dongxu Technology Group Co., Ltd.	The shareholders of the company
Dongxu Optoelectronic Investment Co., Ltd.	Controlled by the same actual controller

Shijiazhuang Baoshi Electronic vacuum Glass Co., Ltd.	Controlled by the same actual controller
Shijiazhuang Baoshi Large-diameter plastic tube Co., ltd.	Controlled by the same actual controller
Shijiazhuang Baoshi Zhonghe Steel Plastic Shape Co., Ltd.	Controlled by the same actual controller
Shijiazhuang Baoshi Xuming Tube Co., Ltd.	Controlled by the same actual controller
Shijiazhuang Baodong Electronic Co.,Ltd.	Controlled by the same actual controller
Hebei Baoshi Lighting Co., Ltd.	Controlled by the same actual controller
Dongxu (Yingkou) Optoelectronic Display Co., Ltd.	Controlled by the same actual controller
Jinhou Xulong Solar energy Technology Co., Ltd.	Controlled by the same actual controller
Sichuan Xuhong Optoelectronic Technology Co., Ltd	Controlled by the same actual controller
Shijiazhuang Bofa Mechanical Equipment Co., Ltd.	Controlled by the same actual controller
Hebei Decoration Printing Machine Co., Ltd.	Controlled by the same actual controller
Chengdu Zhong Optoelectronic Technology Co., Ltd.	General Manager: Li Zhaotin
Chengdu Dongxu Energy saving Technology Co., Ltd.	Controlled by the same actual controller
Shijiazhuang Xuling Electronic Technology Co., Ltd.	Controlled by the same actual controller
Shijiazhuang Baoshi Electronic Group Co., Ltd.	Controlled by the same actual controller
Chengdu Taiyisi Technology Co., Ltd.	Controlled by the same actual controller
Tibet Financial Lease Co., Ltd.	Controlled by the same actual controller
Li Qing	The spouse of the actual controller

Other notes

5. Related transactions.

(1) Related transactions on purchasing goods and receiving services

Acquisition of goods and reception of labor service

In RMB

Related parties	Content of related transaction	Amount of current period	Amount of previous period	Over the trading limit or not?	Amount of last period
Baoshi Group	Energy	931,595.85	1,420,300.00	No	874,346.02
Baoshi Group	Security fees	2,500,000.00	500,000.00	Yes	1,000,000.00
Chengdu Dongxu Energy Saving Technology Co., Ltd.	ESL	1,787.18	0.00	Yes	156,577.78
Shijiazhuang Baoshi Zhonghe Steel Plastic Shape Co., Ltd.	Door	259,246.66	692,600.00	No	
Shijiazhuang Bofa Mechanical Equipment Co., Ltd.	Machining part and A frame	36,403,672.64	5,000,000.00	Yes	7,981,043.56

Shijiazhuang Bofa Mechanical Equipment Co., Ltd	Processing charges		35,000,000.00	No	1,449,230.79
Sichuan Xuhong Optoelectronic Technology Co., Ltd.	Raw material		0.00	No	719,858.03
Chengdu Zhong Optoelectronic Technology Co., Ltd.	Material		0.00	No	15,384.62
Shijiazhuang Xuling Electric Technology Co., Ltd.	Monitoring system		0.00	No	445,238.07
Hebei Baoshi Lighting Co., Ltd.	Lamps	9,743.59	0.00	Yes	13,470.09
Dongxu Technology Group Co., Ltd.	Service charges	8,000.00	0.00	Yes	

Related transactions on sale goods and receiving services

In RMB

Related parties	Content of related transaction	Amount of current period	Amount of previous period
Shijiazhuang Bofa Mechanical Equipment Co., Ltd	Packing Equipment		5,544,871.80
Shijiazhuang Bofa Mechanical Equipment Co., Ltd	Inspection equipment		36,412,136.75
Sichuan Xuhong Optoelectronic Technology Co., Ltd.	Line technological transformation		150,471,698.11
Jinzhou Xulong New Material Technology Co., Ltd.	tester		223,076.93
Chengdu Zhong Optoelectronic Technology Co., Ltd.	Semi-manufacture	3,106,153.76	2,685,888.56
Chengdu Zhong Optoelectronic Technology Co., Ltd.	Traction roll project	188,888.89	
Tibet Financial Lease Co., Ltd.	Graphene	34,102.56	
Dongxu Group	Material		657,008.55
Dongxu Group	National Engineering laboratory test equipment		82,115,384.62
Laboratory equipment			11,909,433.96
Sichuan Xuhong Optoelectronic Technology Co., Ltd.	Technology Service		9,135,849.06
Dongxu (Yingkou) Optoelectronic Display Co., Ltd.	Technology Service		

Notes

(2) Related trusteeship or contracting

Related trusteeship or contracting in which the Company is the undertaker

In RMB

Name of the employer	Name of the undertaker	Asset situation of the undertaker	Start date	Terminating date	Pricing basis	Gains from the deal in report
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						period
Dongxu Group, Yingkou Coastal Development Construction Co., Ltd., Wukuang (Yingkou) Industrial Park Development Co., Ltd.	Dongxu Optoelectronic Technology Co., Ltd.	Dongxu (Yingkou) Optoelectronic Display Co., Ltd.	January 1,2012		Notes 1	1,436,320.75
Dongxu Group, Mianyang Investment (Group) Co., Ltd.Sichuan Changhong Electrical Co., Ltd.	Dongxu Optoelectronic Technology Co., Ltd.	The right to operate of Sichuan Changhong Electrical Co., Ltd.	March 1,2012		Notes2	6,585,888.51

Notes

During the reporting period, the Company continued entrusted with the management of Dongxu(Yingkou) Optoelectronic Display Co., Ltd., Sichuan Xuhong Optoelectronic Technology Co., Ltd.

In December 2011, Dongxu Group, Dongxu Optoelectronic Investment Co., Ltd. and Shijiazhuang Baoshi Electronic Group Co., Ltd signed the Equity Trusteeship Agreement with the Company , of which 60% share rights of Dongxu (Yingkou) Optoelectronic Display Co., Ltd., 51% share rights of Sichuan Xuhong Optoelectronic Technology Co., Ltd., were entrusted by the Company, where the agreement went into effect as of March 2012. The clients paid the Company 500 thousand RMB of management fee per year for each subject.

Lists of entrust/contractee

Notes 1: Trusteeship costs include basic management fees and incentive management fees(0.5 million/years), including basic management fee of 1 million per year, incentive management fees per year managed company with net operating profit after tax of 5% calculation (Base incentive management fees deduct prior years' losses)

Notes 2: Trusteeship costs include basic management fees and incentive management fees(0.5 million/years), including basic management fee of 1 million per year, incentive management fees per year managed company with net operating profit after tax of 5% calculation.

Notes 3:On April 20, 2016, Dong Xu (Yingkou) Optoelectronic Display Co.,Ltd, upon the approval by general shareholders' meeting, amended the Article of Association, thus the stake of Dong Xu (Yingkou) Optoelectronic Display Co.,Ltd held by Dong Xu Group was changed to 47.8% from 60%.

Notes4. On April 1, 2016, Sichuan Xu Hong Optoelectronic Technology Co. Ltd, with the consent of the shareholders' meeting, increased the capital with in accordance with the relevant provisions of Articles of Association; after capital increase, the stake of Sichuan Xu Hong Optoelectronic Technology Co. Ltd held by Dong Xu Group was changed to 86.64% from 51%.

Lists of entrust/contractee

(3) Information of related lease

(4) Related guarantee condition

The Company was secured party

In RMB

Guarantor	Guarantee Amount	Starting date	Stop date	If completed or not

Dongxu Group, Li Zhaoting, Li Qing	599,900,000.00	June 7,2016	June 7,2019	No
Dongxu Group	450,000,000.00	January 28,2013	January 27,2021	No
Li Zhaoting	400,000,000.00	April 15,2016	April 14,2017	No
Dongxu Group, Dongxu Optoelectronic Investment Co., Ltd.	400,000,000.00	November 30,2016	November 30,2019	No
Dongxu Group, Li Zhaoting, Li Qing	387,700,000.00	April 29,2016	April 29,2018	No
Dongxu Group, Li Zhaoting, Li Qing	360,000,000.00	December 29,2016	December 29,2017	No
Dongxu Group, Li Zhaoting, Li Qing	300,000,000.00	April 11,2014	April 11,2022	No
Li Zhaoting	200,000,000.00	August 30,2016	August 30,2017	No
Li Zhaoting	200,000,000.00	October 19,2016	October 19,2017	No
Dongxu Group, Li Zhaoting, Li Qing	200,000,000.00	November 4,2016	November 4,2017	No
Dongxu Group, Li Zhaoting	200,000,000.00	September 30,2016	September 29,2017	No
Dongxu Group	200,000,000.00	January 15,2016	January 15,2017	No
Dongxu Group	200,000,000.00	June 3,2016	June 3,2017	No
Dongxu Group, Li Zhaoting, Li Qing	200,000,000.00	November 4,2016	November 4,2017	No
Dongxu Group	200,000,000.00	November 3,2016	November 3,2017	No
Dongxu Group	200,000,000.00	September 28,2016	September 27,2017	No
Dongxu Group, Li Zhaoting	200,000,000.00	November 4,2016	November 4,2017	No
Dongxu Group, Li Zhaoting, Li Qing	200,000,000.00	December 27,2016	December 27,2018	No
Dongxu Group, Li Zhaoting, Li Qing	200,000,000.00	December 29,2016	December 29,2018	No
Dongxu Group	200,000,000.00	December 15,2016	December 15,2018	No
Dongxu Group, Li Zhaoting, Li Qing, and Li Zhaoting holds 10% of the shares of Dongxu Technology Group, Dongxu Group holds 90% of the shares of Dongxu Technology Group,	159,000,049.50	June 8,2016	April 7,2018	No
	150,000,000.00	May 19,2016	May 18,2018	No
	40,999,950.50	June 21,2016	April 20,2018	No
	150,000,000.00	May 26,2016	May 25,2018	No
Dongxu Group, Li Zhaoting, Li Qing	150,000,000.00	April 10,2015	April 12,2022	No
Dongxu Group, Li Zhaoting, Li Qing	150,000,000.00	May 2,2013	April 11,2022	No
Dongxu Group, Li Zhaoting, Li Qing	100,000,000.00	April 14,2016	April 13,2017	No
Dongxu Group	100,000,000.00	March 25,2016	Marh 25,2017	No
Dongxu Group, Li Zhaoting	100,000,000.00	March 25,2016	February 28,2017	No
Li Zhaoting	60,000,000.00	December 6,2016	December 6,2017	No

Dongxu Group, Li Zhaoting, Li Qing	100,000,000.00	December 23,2016	December 23,2018	No
Dongxu Group	100,000,000.00	May 17,2016	May 17,2018	No
Dongxu Group	100,000,000.00	May 20,2016	May 20,2018	No
Dongxu Group	100,000,000.00	August 5,2016	August 3,2018	No
Dongxu Group, Li Zhaoting, Li Qing	100,000,000.00	September 26,2013	April 11,2022	No
Dongxu Group	81,500,000.00	May 26,2016	May 26,2018	No
Dongxu Group	60,000,000.00	June 30,2016	June 29,2017	No
Li Zhaoting	60,000,000.00	May 17,2016	May 17,2017	No
Dongxu Group	50,000,000.00	November 23,2016	November 23,2017	No
Dongxu Group	50,000,000.00	December 29,2016	December 29,2017	No
Li Zhaoting, Li Qing	50,000,000.00	November 29,2016	November 29,2017	No
Dongxu Group, Li Zhaoting	50,000,000.00	October 13,2016	August 8,2017	No
Dongxu Group	45,000,000.00	January 27,2016	January 27,2017	No
Dongxu Group	45,000,000.00	February 29,2016	February 28,2017	No
Dongxu Group, Li Zhaoting	42,500,000.00	April 15,2016	April 17,2017	No
Li Zhaoting	40,000,000.00	December 29,2016	December 29,2017	No
Dongxu Group	30,000,000.00	March 31,2016	March 30,2017	No
Dongxu Group, Li Zhaoting	30,000,000.00	September 29,2016	August 9,2017	No
Dongxu Group, Li Zhaoting	20,000,000.00	August 10,2016	August 9,2017	No
Dongxu Group	18,500,000.00	June 13,2016	June 13,2018	No
Dongxu Group	15,000,000.00	April 1,2016	March 31,2017	No
Dongxu Group, Li Zhaoting	693,700.00	September 26,2016	August 9,2017	No
Dongxu Group, Li Zhaoting, Li Qing	90,000,000.00	April 12,2013	April 11,2022	No
Dongxu Group, Li Zhaoting	350,000,000.00	August 31,2015	August 16,2016	Yes
Li Zhaoting	300,000,000.00	February 13,2015	February 13,2016	Yes
Dongxu Group	200,000,000.00	September 23,2015	September 23,2016	Yes
Dongxu Group	200,000,000.00	July 22,2015	July 22,2016	Yes
Dongxu Group	200,000,000.00	September 29,2015	September 29,2016	Yes
Dongxu Group, Li Zhaoting	200,000,000.00	September 11,2015	September 11,2016	Yes
Li Zhaoting	200,000,000.00	May 19,2015	May 19,2016	Yes
Dongxu Group, Li Zhaoting	200,000,000.00	October 23,2015	October 23,2016	Yes
Dongxu Group, Li Zhaoting, Li Qing	200,000,000.00	January 4,2015	January 4,2016	Yes
Dongxu Group, Li Zhaoting, Li Qing	200,000,000.00	January 4,2015	January 4,2016	Yes
Dongxu Group	100,000,000.00	January 22,2015	January 22,2016	Yes

Dongxu Group	100,000,000.00	April 23,2015	March 22,2016	Yes
Dongxu Group, Li Zhaoting	200,000,000.00	December 30,2015	December 30,2016	Yes
Li Zhaoting	100,000,000.00	February 13,2015	February 13,2016	Yes
Dongxu Group	80,000,000.00	January 23,2015	January 23,2016	Yes
Dongxu Group	50,000,000.00	April 23,2015	March 22,2016	Yes
Baoshi Group ,Dongxu Optoelectronic Investment Co., Ltd., Li Zhaoting	80,000,000.00	July 24,2015	July 24,2016	Yes
Li Zhaoting	40,000,000.00	December 22,2015	December 22,2016	Yes
Dongxu Group, Li Zhaoting	20,000,000.00	December 22,2015	June 22,2016	Yes
Dongxu Group, Li Zhaoting, Li Qing	80,000,000.00	March 25,2015	March 25,2016	Yes
Dongxu Group, Li Zhaoting, Li Qing	60,000,000.00	June 24,2015	June 24,2016	Yes
Dongxu Group, Li Zhaoting, Li Qing	50,000,000.00	May 4,2015	May 4,2016	Yes
Dongxu Group, Li Zhaoting, Li Qing	30,000,000.00	April 23,2015	April 23,2016	Yes
Dongxu Group, Li Zhaoting, Li Qing	100,000,000.00	April 12,2013	October 20,2016	Yes
Dongxu Group, Li Zhaoting, Li Qing	20,000,000.00	May 12,2015	May 12,2016	Yes
Dongxu Group	45,000,000.00	November 30,2015	November 30,2016	Yes
Dongxu Group, Li Zhaoting, Li Qing	100,000,000.00	April 12,2013	October 20,2016	Yes
Dongxu Group, Li Zhaoting, Li Qing	200,000,000.00			No
Dongxu Group, Li Zhaoting	228,046,429.92			No
Dongxu Group	254,117,655.73			No
Dongxu Group, Li Zhaoting	85,000,000.00			No
Dongxu Group, Li Zhaoting	150,000,000.00			No
Dongxu Group, Li Zhaoting	84,419,919.77			No
Dongxu Group, Li Zhaoting	200,000,000.00			No

Notes

(5) Inter-bank lending of capital of related parties:

(6) Related party asset transfer and debt restructuring

(7) Rewards for the key management personnel

In RMB

Items	Amount of current period	Amount of previous period
Rewards for the key management personnel	5,520,500.00	4,609,100.00

(8) Other related party transactions

6. Payables and receivables of the related party

(1) Receivable

In RMB

Name	Related party	Amount at year end		Amount at year beginning	
		Balance of Book	Bad debt Provision	Balance of Book	Bad debt Provision
Account receivable	Shijiazhuang Bofa Mechanical Equipment Co., Ltd.			3,756,250.00	
Account receivable	Chengdu Zhong Optoelectronic Technology Co., Ltd	6,502,630.67		13,872,414.13	
Account receivable	Hebei Baoshi Energy saving lighting technology Co., Ltd.	10,000.00		10,000.00	
Account receivable	Sichuan Xuhong Optoelectronic Technology Co., Ltd.	5,458,541.80		914,000.00	
Bill receivable	Sichuan Xuhong Optoelectronic Technology Co., Ltd			21,500,000.00	
Prepayments	Hebei Baoshi Energy saving lighting technology Co., Ltd.	60,000.00		60,000.00	
Prepayments	Shijiazhuang Baoshi Group	620,279.00			
Prepayments	Hebei Decoration Printing Machinery Co., Ltd.	835,680.87		775,680.87	
Prepayments	Shijiazhuang XumingTube Co., Ltd.			335,052.00	
Prepayments	Shijiazhuang Bofa Mechanical Equipment Co., Ltd.			8,521,569.97	
Other Account receivable	Shijiazhuang Baodong Electric Co., Ltd.			299,905.00	
Bill receivable	Chengdu Zhong Optoelectronic Technology Co., Ltd	710,000.00			
Other non-current assets	Dongxu Group	132,132,857.44		155,505,869.52	

(2) Payables

In RMB

Name	Related party	Book balance at year end	Book balanc at year beginning
Account payable	Shijiazhuang Bofa Mechanical Equipment Co., Ltd.	8,959,301.52	
Account payable	Shijiazhuang XumingTube Co., Ltd.	14,948.00	
Account payable	Shijiazhuang Baoshi Electronic vacuum Glass Co., Ltd.	4,354,418.46	5,755,158.95
Account payable	Shijiazhuang Baoshi Large-diameter plastic tube Co., ltd	533,942.80	533,942.80
Account payable	Shijiazhuang Baoshi Zhonghe Steel Plastic Shape Co., Ltd.	441,578.40	152,978.40
Account payable	Shijiazhuang Xuling Electronic Technology Co., Ltd.	1,320,164.09	1,335,136.31
Account payable	Shijiazhuang Baoshi Group	514,401.13	
Account payable	Dongxu Group	69,676,000.00	73,125,716.06
Advance revenue	Chengdu Zhong Optoelectronic Technology Co., Ltd	207,291.65	
Other payable	Jinzhou Xulong New Material Technology Co., Ltd.	1,500,000.00	1,500,000.00
Other payable	Shijiazhuang Baoshi Group	10,455,242.86	165,815,170.48
Other payable	Dongxu Group	13,873,229.83	88,910,757.77
Other payable	Dongxu Optoelectronic Investment Co., Ltd.		146,229,180.00
Other payable	Shijiazhuang Baoshi Electronic vacuum Glass Co., Ltd.	264,000.00	264,000.00
Other payable	Sichuan Xuhong Optoelectronic Technology Co., Ltd.	872,857.78	100,000.00
Other payable	Shijiazhuang XumingTube Co., Ltd.	97,031.00	

7. Related party commitment

8. Other

XIII. Stock payment

1. The Stock payment overall situation

√ Applicable □ Not applicable

In RMB

The current total equity instruments granted to the company	0.00
Amount of the equity instruments company right of this line	1,192,000.00
Company current total failure of the equity instruments	0.00

2. The Stock payment settled by equity

√ Applicable □ Not applicable

In RMB

The determined methods of the fair value of the equity instruments granted to date	The 20 trading days prior to the announcement of the stock incentive plan average stock trading company
Determine the number of vested equity instruments	《Unlock the first phase of the company restricted stock incentive plan period can unlock the object list》
This estimate and it is estimated that there are significant differences of the previous period	Nil
Equity-settled share-based payment included in the total amount of capital reserves	10,622,500.00
This period of equity-settled share-based payment confirmation total costs	3,585,100.00

3. The Stock payment settled by cash

□ Applicable √ Not applicable

4. Modification and termination of the stock payment

Nil

5. Other

XIV. Commitments

1. Significant commitments

Significant commitments at balance sheet date

As of December 31, 2016, there was no significant commitment or contingency in the Group.

2. Contingency

(1) Significant contingency at balance sheet date

(2) The Company have no significant contingency to disclose, also should be stated

There was no significant contingency in the Company.

3.Other

XV. Events after balance sheet date

1. Significant events had not adjusted

2. Profit distribution

In RMB

Profit or dividend to be distributed	345,795,028.81
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3. Sales return

4. Notes of other significant events

Profit Distribution Plan of the Company in 2016, deliberated by the 12th meeting of the 8th board of directors, distributed dividend to all shareholders for every 10 shares represented 0.70 per cash dividend (tax included) and the total distributed cash dividend was 345,795,028.81 RMB based on 4,939,928,983 shares in total of the Company on December 31, 2016. The Company did not carry out the plan of bonus shares and transfer of reserve to common shares, it remained to be deliberated and adopted by the shareholder's meeting of the Company in 2016 before being carried out

On March 15, 2017, the company held the 8th board tenth meeting. According to the Company's 2016 Annual Non-Public A-Share Stock Plan, this non-public issued capital-raise project was the construction of "8.5 generation of TFT - LCD glass production line project". Implementing subject was the company's subsidiary---Fuzhou Dongxu Optoelectronic & Technology Co. Ltd (hereinafter referred to as the "Fuzhou Xufu"). Each TFT - LCD glass production line consisted of one former working procedure production line and one latter processing production line. Fuzhou Xufu was responsible for the investment and construction work of two generation-8.5 latter processing production line in the capital-raise project, which involving total RMB 823.06 million, accounting for 11.83% of the total amount of raising money. Investment amount, capital-raising investment amount and construction content of above offering investment project would not change.

XVI. Other significant events

1.The accounting errors correction in previous period

(1) Retrospective restatement

(2) Prospective application

2. Debt restructuring

3. Replacement of assets

(1) Non-monetary assets exchange

(2) Other assets replacement

4. Pension plan

5.Discontinuing operation

6. Segment information

(1) Recognition basis and accounting policies of reportable segment

(2) The financial information of reportable segment

(3) There was no reportable segment, or the total amount of assets and liabilities of each part of reportable segment, shall disclose the reason.

(4) Other notes

7. Other important transactions and events have an impact on investors' decision-making

8.Other

XVII. Notes s of main items in financial reports of parent company**(1) Account receivable**

1.Classification accojunt receivables.

In RMB

Classification	Amount in year-end					Amount in year-beginning				
	Book Balance		Bad debt provision		Book value	Book Balance		Bad debt provision		Book value
	Amount	Proportion(%)	Amount	Proportion(%)		Amount	Proportion(%)	Amount	Proportion(%)	

Account receivables provided bad debt provision in credit risk groups	20,464,248.49	100.00%	567,495.23	2.73%	19,896,753.26	26,294,370.18	100.00%	365,561.55	1.39%	25,928,808.63
Ttotal	20,464,248.49	100.00%	567,495.23	2.73%	19,896,753.26	26,294,370.18	100.00%	365,561.55	1.39%	25,928,808.63

Accounts receivable of individual significance and subject to individual impairment assessment.

Applicable Not applicable

Account receivable on which bad debt provisions are provided on age basis in the group

Applicable Not applicable

In RMB

Aging	Year-end balance		
	Account receivable	Bad debt provision	Proportion
Subitem within 1 year			
2-3 years	1,009,668.39	302,900.52	30.00%
Over 5 years	264,594.71	264,594.71	100.00%
Total	1,274,263.10	567,495.23	44.54%

Notes :

Receivable account in Group on which bad debt provisions were provided on percentage basis:

Applicable Not applicable

In RMB

Name	Balance at year-end		
	Account receivable	Bad debt provision	Proportion
Related group	19,189,985.39		
Total	19,189,985.39		

Notes :

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

(2) Bad debt provision withdrawal, reversed or recovered in the report period

The current amount of provision for bad debts is RMB201,933.68; recovery or payback for bad debts Amount is RMB0.00.

Significant amount of reversed or recovered bad debt provision:

(3) Particulars of the actual verification of accounts receivable during the reporting period

(4) Top five of account receivable of closing balance collected by arrears party

The total receivable amount of top five closing balances collected by the debtors in the current reporting period is RMB 12,170,538.75, which accounts for 61.17% of the total other receivables. The total amount of balances in the end of the period for corresponding accrued bad-debt provision is RMB 0.00.

(5) Derecognition of account receivable due to the transfer of financial assets

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

Other notes:

2.Other receivable

1. Category of Other receivable

In RMB

Classification	Amount in year-end					Amount in year-beginng				
	Book Balance		Bad debt provision		Book value on(%)	Book Balance		Bad debt provision		Book value
	Amount	Proportion(%)	Amount	Proportion(%)		Amount	Proportion(%)	Amount	Proportion(%)	
Other account receivables provided bad debt provision in credit risk groups	4,927,387,025.34	100.00%	1,967,568.56	0.04%	4,925,419,456.78	1,259,147,144.18	100.00%	1,797,045.49	0.14%	1,257,350,098.69
Ttotal	4,927,387,025.34	100.00%	1,967,568.56	0.04%	4,925,419,456.78	1,259,147,144.18	100.00%	1,797,045.49	0.14%	1,257,350,098.69

Other Receivable accounts on which bad debt provisions are provided by other ways in the portfolio:

Applicable Not applicable

Other receivable accounts in Group on which bad debt provisions were provided on age analyze basis:

Applicable Not applicable

In RMB

Aging	Amount in year-end		
	Other receivable	Bad debt provision	Withdrawal proportion
Subitem within 1 year			
Credit period	25,926.54	0.00	0.00%
Subtotal within 1 years	73,935.50	3,696.78	5.00%
1-2 years	474,822.31	47,482.28	10.00%
2-3 years	718,105.55	215,431.66	30.00%
Over 5 years	1,700,957.84	1,700,957.84	100.00%
Total	2,993,747.74	1,967,568.56	65.72%

Notes:

Other Receivable accounts on which bad debt provisions are provided by other ways in the portfolio:

Applicable Not applicable

In RMB

Name	Closing balance		
	Other receivable	Bad debt provision	Proportion
Related party transaction	4,918,192,744.41		
Deposit	5,853,833.34		
Personal loans	179,023.27		
Personal insurance and provident fund	21,023.59		
Export rebate	146,652.99		
Total	4,924,393,277.60		

(2) Bad debt provision withdrawal, reversed or recovered in the report period.

The amount of bad debt provision was RMB0.00 , The amount of reversed or recovered bad debt provision in the report period RMB0.00.

(3) Particulars of the actual verification of other accounts receivable during the reporting period.

(4) Other account receivable classified by account nature

In RMB

Nature	Closing book value	Opening book value
Deposit	5,853,833.34	9,620,000.00
Personal loans	179,023.27	156,609.86
Related party transaction	4,918,192,744.41	1,248,135,068.38
Current account		
Personal insurance and provident fund	21,023.59	455,012.80
Other	3,140,400.73	780,453.14
Total	4,927,387,025.34	1,259,147,144.18

(5) The top five other account receivable classified by debtor at period end

In RMB

Name	Nature	Closing balance	Aging	Proportion %	Closing balance of bad debt provision
Beijing Xufeng Property Co., Ltd.	Current account	1,804,142,347.30	Credit period	36.63%	
Sichuan Ruiyi Construction Engineering Co., Ltd.	Current account	1,471,961,845.76	Credit period	29.89%	
Zhengzhou Xufei Optoelectronic Technology Co., Ltd.	Current account	717,043,902.74	Credit period	14.56%	
Fuzhou Dongxu Optoelectronic	Current account	280,000,000.00	Credit period	5.68%	

Technology Co., Ltd.					
Beijing Dongxu Investment Development Co., Ltd.	Current account	280,000,000.00	Credit period	5.68%	
Total	--	4,553,148,095.80	--	92.44%	

(6) Accounts receivable involved with government subsidies

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

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

3.Long-term equity investment

In RMB

Items	Year-end balance			Year-beginning balance		
	Book balance	Bad debt provision	Book value	Book balance	Bad debt provision	Book value
Investment to the subsidiary	11,679,609,832.63	378,172,649.84	11,301,437,182.79	10,143,802,777.35	378,172,649.84	9,765,630,127.51
Investment to joint ventures and associated enterprises	72,354,803.70		72,354,803.70	72,426,252.41		72,426,252.41
Total	11,751,964,636.33	378,172,649.84	11,373,791,986.49	10,216,229,029.76	378,172,649.84	9,838,056,379.92

(1) Investment to the subsidiary

In RMB

Name	Opening balance	Increase	Decrease	Closing balance	Withdrawn impairment provision in the reporting period	Closing balance of impairment provision
Shijiazhuang Baoshi Color Bulb Co., Ltd.	439,341,956.80			439,341,956.80		
Hebei Xubao Construction Engineering Installation Co., Ltd.	100,000,000.00			100,000,000.00		
Wuhu Dongxu Optoelectronic Equipment Technology Co., Ltd.	93,100,000.00			93,100,000.00		
Wuhu Dongxu Optoelectronic	4,711,064,000.00			4,711,064,000.00		

Technology Co., Ltd.				0	
Sichuan Ruiyi Construction Engineering Co., Ltd.	100,453,728.53	900,000,000.00		1,000,453,728.53	
Wuhan Dongxu Optoelectronic Technology Co., Ltd.	3,125,000.00			3,125,000.00	
Beijing Xufeng Real Estate Co., Ltd.	470,000,000.00			470,000,000.00	
Dongxu (Kunshan) Display Material Co., Ltd.	280,500,000.00	119,500,000.00		400,000,000.00	
Jiangsu Jixing New Material Co., Ltd.	167,345,300.00			167,345,300.00	
Beijing Xutan New Material Technology Co., Ltd.	10,500,000.00			10,500,000.00	
Beijing Dongxu Huaqing Investment Co., Ltd.	3,500,000.00			3,500,000.00	
Shijiazhuang Xuxin Optoelectronic Technology Co., Ltd.	1,966,568,609.92			1,966,568,609.92	
Zhengzhou Xufei Optoelectronic Technology Co., Ltd.	1,798,304,182.10		6,450,440.52	1,791,853,741.58	
Fuzhou Dongxu Optoelectronic Technology Co., Ltd.		10,000,000.00		10,000,000.00	
Shanghai Tanyuan Huigu New Material Technology Co., Ltd.		73,454,500.00		73,454,500.00	
Fuzhou Xufu Optoelectronic Technology Co., Ltd.		10,900,000.00		10,900,000.00	
Shenzhen Xuhui Investment Holding Co., Ltd.		20,000,000.00		20,000,000.00	
Taizhou Dongxug Graphene Industry Investment Fund Management Center (Limited Partnership)		25,000,000.00		25,000,000.00	
Xuyou Electronic Material Technology (Wuxi) Co., Ltd.		383,402,995.80		383,402,995.80	
Less: Long-term investment depreciation reserves					378,172,649.84
Total	10,143,802,777.35	1,542,257,495.80	6,450,440.52	11,679,609,832.63	378,172,649.84

(2) Investment to joint ventures and associated enterprises

In RMB

Name	Opening balance	Increase /decrease in reporting period								Closing balance	Closing balance of impairment provision
		Add investment	Decreased investment	Gain/loss of Investment	Adjustment of other comprehensive income	Other equity changes	Declaration of cash dividends or profit	Withdrawn impairment provision	Other		
I. Joint ventures											
II. Associated enterprises											
Zhongda Chengxin International Commercial Factoring Co., Ltd.	72,426,252.41			-71,448.71						72,354,803.70	
Subtotal	72,426,252.41			-71,448.71						72,354,803.70	
Total	72,426,252.41			-71,448.71						72,354,803.70	

(3) Other notes

Long-term investment depreciation reserves

Name	Year-beginning balance	Increase in the current period	Decrease in the current period	Year-end balance
Shijiazhuang Colour Bulb Co., Ltd.	378,172,649.84			378,172,649.84
Total	378,172,649.84			378,172,649.84

4. Business income and Business cost

In RMB

Items	Amount of current period	Amount of previous period

	Income	Cost	Income	Cost
Main business	582,234,699.27	375,617,762.25	704,155,982.26	388,287,892.82
Other business	11,781,069.53	1,881,691.12	17,006,514.07	1,136,943.48
Total	594,015,768.80	377,499,453.37	721,162,496.33	389,424,836.30

5. Investment income

In RMB

Items	Amount of current period	Amount of previous period
Income from long-term equity investment measured by adopting the cost method	570,000,000.00	380,000,000.00
Income from long-term equity investment measured by adopting the Equity method	-71,448.71	426,252.41
Other investment income	624,657.54	
Total	570,553,208.83	380,426,252.41

6. Other

XVIII. Supplementary Information

1. Current non-recurring gains/losses

√ Applicable □ Not applicable

In RMB

Items	Amount	Notes
Gains/Losses on the disposal of non-current assets	19,167.58	
Government grants recognized in the current period, except for those acquired in the ordinary course of business or granted at certain quotas or amounts according to the country's unified standards	356,943,995.55	
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	1,804,209.86	
Gain/loss on loans obtained by entrusting others	8,022,209.26	
Other non-operating income and expenditure beside for the above items	-9,601,776.32	
Less: Influenced amount of income tax	52,541,535.96	
Amount of influence of minority interests	18,536,579.75	
Total	286,109,690.22	--

For the Company's non-recurring gain/loss items as defined in the Explanatory Announcement No.1 on

information disclosure for Companies Offering their Securities to the Public-Non-recurring Gains and Losses and its non-recurring gain/loss items as illustrated in the Explanatory Announcement No.1 on information Disclosure for Companies offering their securities to the public-non-recurring Gains and losses which have been defined as recurring gains and losses, it is necessary to explain the reason.

Applicable Not applicable

2 Return on net assets and earnings per share

Profit of the report period	Return on net assets . Weighted (%)	Earnings per share	
		Basic earnings per share	Diluted gains per share
Net profit attributable to the Common stock shareholders of Company.	7.31%	0.29	0.29
Net profit attributable to the Common stock shareholders of Company after deducting of non-recurring gain/loss.	5.63%	0.23	0.23

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

4. Other

XII. Documents available for inspection

- 1.The original annual report bearing the signature of the Chairman of the Board of Directors of the Company;
- 2.The text of the financial report bearing the seal and signature of the person in charge of the Company, financial controller and the person in charge of accounting organ
- 3.Original audit report seal with accounting firms and signature and seal from CPA;
4. Originals of all documents and manuscripts of public Notices of the Company Disclosed in public in the newspapers as designated by China Securities Regulatory Commission.

【Notes】This Report has been prepared in both Chinese and English. In case of any discrepancy, the Chinese version shall prevail.

Dongxu Optoelectronic Technology Co., Ltd.

Chairman: Li Zhaoting

Issue day approved by the Board of Directors: March 27, 2017