

Dongxu Optoelectronic Technology Co., Ltd.

The Semi-annual Report 2017

August 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. Huang Jinliang,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 semi-annual report.

All the directors attended the board meeting for reviewing the semi-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 X Operation Conditions Discussion and Analysis.

The Company has no plan of cash dividends carried out, bonus issued and capitalizing of common reserves either.

Table of Contents

2017 Semi-Annual Report

I. Important Notice and Definitions

II. Corporate Profile and Key Financial Indicators

III. Business Profile

IV. Performance Discussion and Analysis

V. Important Events

VI. Change of share capital and shareholding of Principal Shareholders

VII. Situation of the Preferred Shares

VIII. Information about Directors, Supervisors and Senior Executives

IX. Corporate Bonds

X. Financial Report

XI. Documents available for inspection

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
Tunghsu Group	Refers to	Tunghsu 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.
Guangzhou Securities , Sponsor institutions	Refers to	Guangzhou Securities Co., Ltd.
Dongxu (Yingkou) Optoelectronic	Refers to	Dongxu (Yingkou) Optoelectronic Display Co., Ltd.
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".
Dongxu Construction	Refers to	Dongxu Construction Group Co., Ltd.(Original Sichuan Ruiyi Construction Engineering Co., Ltd.)
Fuzhou Xufu	Refers to	Fuzhou Xufu 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"
Fuzhou Optoelectronic	Refers to	Fuzhou 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"
Dongxu finance		Tunghsu Group Finance Co., Ltd.

Shanghai Tanyuan Huigu	Refers to	Shanghai Tanyuan Huigu New Material Technology Co., Ltd.
Mingshuo Technology	Refers to	Mingshuo (Beijing) Electronic Technology Co., Ltd
SUNLONG	Refers to	Shanghai Sunlong Bus Co., Ltd. , 2017 issue of shares and payment of cash to buy the assets of the enterprise
BOE	Refers to	BOE Technology Group Co., Ltd.
IVO	Refers to	Infovision Optoelectronics Co., Ltd.
CSOT	Refers to	China Star optoelectronics Technology Co., Ltd.
JONHON	Refers to	China Aviation Optical-Electrical Technology Co Ltd
Innolux	Refers to	Innolux Display Corporation
Tianma	Refers to	Tianma Microelectronics Co Ltd
TFT-LCD	Refers to	Thin Film Transistor Liquid Crystal Display
LTPS	Refers to	Low Temperature Poly-silicon
AMOLED	Refers to	Active-matrix organic light emitting diode
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.
G8.5glass substrate	Refers to	The size of the 8.5 th -generation glass substrate is 2200mm×2500mm
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
Cover glass	Refers to	In addition to mobile phones, tablet PCs and other displays, for the touch screen touch module, display and non-touch screen display to protect the transparent glass lens

II. Corporate Profile and Key Financial Indicators

1. 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		

2. 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

3. Other

(1). Way of contact

Whether registrations address, offices address and codes as well as website and email of the Company changed in reporting period or not

Applicable Not applicable

Registrations address, offices address and codes as well as website and email of the Company has no change in reporting period, found more details in annual report 2016.

(2). Information inquiry

Whether information disclosure and preparation place changed in reporting period or not

Applicable Not applicable

None of the official presses, website, and place of enquiry has been changed in the semi report period. For details

please find the Annual Report 2016.

(3). Change of business registration

Whether the registration has changed during the report period

Applicable

Applicable Not applicable

On May 12, 2017, The Company received a notice from the sponsor-Guangzhou Securities: Mr. Wang Hongwei, the original sponsor representative, cannot continue to perform his duties due to changes in his work, thus Guangzhou securities hereby appoints Ms. Shi Jianhua to take the place of Mr. Wang Hongwei to perform the relevant duties of continuous supervision, with the continuous supervision period lasts to December 31, 2017. For the detailed information, please refer to the Company's announcement disclosed on Cninfo.com.cn website: No2017-.051, Announcement about Alteration of the Continuous Supervision Sponsor Representative of Non-public Share Issuance.

4. Summary of Accounting Data and Financial Indicators

Indicate by tick mark whether the Company needs to retroactively restate any of its accounting data.

Yes No

	Reporting period	Same period of last year	YoY+/- (%)
Operating income (RMB)	4,641,285,527.91	2,882,059,154.41	61.04%
Net profit attributable to the shareholders of the listed company (RMB)	635,855,750.37	545,963,710.72	16.46%
Net profit after deducting of non-recurring gain/loss attributable to the shareholders of listed company (RMB)	559,990,548.41	459,894,653.13	21.76%
Cash flow generated by business operation, net (RMB)	-1,414,361,686.97	1,281,108,942.94	-210.40%
Basic earning per share(RMB/Share)	0.13	0.14	-7.14%
Diluted gains per share(RMB/Share)(RMB/Share)	0.13	0.14	-7.14%
Weighted average income/asset ratio (%)	2.84%	3.79%	-0.95%
	As at the end of the reporting period	As at the end of last year	YoY+/- (%)
Gross assets (RMB)	47,746,487,539.58	46,826,319,570.41	1.97%
Shareholders' equity attributable to shareholders of the listed company (RMB)	22,506,905,931.67	22,216,300,365.86	1.31%

5. Differences between accounting data under domestic and overseas 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

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

Applicable Not applicable

In RMB

Items	Amount	Notes
Non-current asset disposal gain/loss(including the write-off part for which assets impairment provision is made)	-30,537.14	
Government subsidies recognized in current gain and loss(excluding those closely related to the Company's business and granted under the state's policies)	65,632,104.25	
Gain/loss on loans obtained by entrusting others	4,137,082.94	
Operating income and expenses other than the aforesaid items	18,148.98	
Other non-business income and expenditures other than the above	22,183,417.04	
Less: Amount of influence of income tax	15,552,946.64	
Amount of influence of minority interests(after tax)	522,067.47	
Total non current gains and losses attributable to shareholders of the parent company	75,865,201.96	--

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. Business Profile

1. 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

During the reporting period, the company's main business covered glass substrate, sapphire, color filters, polarizers and other optoelectronic display materials, whole-set equipment and its technical services, building and installation engineering construction, etc; meanwhile, the company has been making great efforts to promote the industrialization of graphene technology represented by grapheme-based lithium batteries and graphene heat dissipation film.

(1). Optoelectronic display material business

The company's products in the field of optoelectronic display materials cover LCD glass substrate, sapphire, color filters, polarizers, etc., and the domestically-made materials for the mentioned products showed the core competitiveness of China in the display industry. The company's liquid crystal glass substrate business steadily ranked first in China and ranked fourth in the world. The company had successively implemented the layout of 20 production lines (including under-construction lines and planned lines) of glass substrate in places such as Shijiazhuang, Zhengzhou, Wuhu and Fuzhou, including G5, G6 and G8.5 glass substrate production lines. At the time when the company continued to consolidate its position in the glass substrate industry, in order to utilize industrial cluster effect, the company had successively expanded the business of sapphire, color filter, polarizer, etc. During the reporting period, the company's Fuzhou first G8.5 production line and Fuzhou Xuyou polarizer production line were put into operation, thus further consolidated the company's position in the industry. The company has a steady and good cooperation relationship with the downstream panel manufacturers, and the LCD glass substrate, polarizer and other products have been mainly sold to BOE, Huaxing Optoelectronic, Dragon Optoelectronics, AVIC Optoelectronics, Qunchuang Optoelectronic, Shen Tianma and other mainstream panel manufacturers, thus gained good economic results.

(2). High-end equipment and technical services business

The whole-set equipment of the LCD glass substrate and touch screen glass production equipment belongs to the head-end equipment of electronic equipment having the highest technology. The company, upon its own independent research and development, made breakthroughs to the foreign blockade of the above-mentioned equipment, realized the comprehensive independent research and development, design, production, manufacture and installation and so on. After years of development, the company has accumulated rich experience in the intelligent manufacturing field, and its relevant equipment has a strong spillover effect. In recent years, the company, based on the previous research and development of glass substrate whole-set equipment, actively expanded and applied more high-end equipment and technical services, continuously developed Group clients of all kinds of intelligent application fields and ensured the growth ability of the company's high-end equipment and technical services business. Currently, the company's high-end equipment and technical services mainly adopts the customized production and service, with the settlement in accordance with the progress node of the production line, mainly including the products of Stocker automation control system, automatic polishing line host synthesis equipment, automatic grinding and cleaning equipment.

(3). Construction and installation business

The company's wholly-owned subsidiary-Dongxu Construction is the implementation main-body for the

company's construction and installation business, which effectively reduced the company's construction costs in the assistance of the company's production base construction, maintenance and so on aspects. In recent years, with the continuous development of domestic industrialization and urbanization, the company's construction and installation business has realized a stable growth. Currently, influenced by the national policy, the PPP mode that's characterized in local government's introducing of social capital to participate in public utilities investment will lead the main market of the domestic infrastructure construction. In order to fit the market development trend, the company, during the reporting period, had increased RMB 2 billion-by self-owned funds-to the capital of Dongxu Construction, so as to enhance its competitiveness in the PPP business to the underground integrated pipe gallery, municipal infrastructure, sponge city and smart city.

2. Major Changes in Main Assets

(1). Major Changes in Main Assets

Main assets	Major changes
Equity assets	The main reason for this period is to invest in dongxu financial company
Fixed assets	The main reason for this period is the increase of the fixed assets under construction of the 8.5 generation glass base plate production line in fuzhou
Construction in process	This period increases mainly the project construction of polarizing film

(2) Main Conditions of Overseas Assets

Applicable Not applicable

3. Analysis On core Competitiveness

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

No

In the annual report of 2016, the Company has disclosed five core competencies, namely, "strong ability of independent R & D and innovation", "domestic substrate leading position and scale advantage", "control-oriented industry chain integration advantage", "policy support and costs advantage" and "efficient management and decision-making mechanism advantage".

IV. Performance Discussion and Analysis

1. General

The year of 2017 is the year of strategic transformation for Dongxu Optoelectronic. When the previous glass substrate and display materials investment enter into the harvest period, the company committed to put great effort

into the industry synergy of big manufacturing industry, and based on the breakthroughs in the field of graphene and grapheme-based lithium-ion batteries, the company launched the acquisition matter of Sunlong Bus, striving to shape a closed-loop industrial chain of "high-end materials – grapheme-based lithium battery-new energy vehicles". In the first half of 2017, every business of the company has been steadily moved forward and has a good operation status, thus further consolidated the company's industrial position and gained certain extent of good economic results.

During the reporting period, the Company achieves an operating income of RMB4641.2855 million, an increase of 61.04% over the same period in 2016; the net profit attributable to the parent Company of RMB 635.8558 million, an increase of 16.46% over the same period in 2016.

The company's each business development status in the first half of 2017 and the industry planning of the second half of 2017:

(1). Conforming to the trend and speeding up the construction of high-generation glass substrate production line

In recent years, the large-size and high-generation panel and glass substrate have become the industry trend. According to the research report by research company Witsvie, the average size of television panel worldwide reached 44.7 inches in the first half of 2007, an increase of 1.7 inches from the previous year. The Fuzhou 8.5 generation TFT-LCD liquid crystal glass substrate project, as the company's project invested by the raised money of RMB 6.95 billion by private placement, is an important project in the company's layout for coping with the industrial changes. During the reporting period, the first line of the company's Fuzhou 8.5 generation glass substrate production line has been put into operation and the second line has been under the steady construction. The successful launch of the company's 8.5 generation product into the market had an important impact to consolidate the company's industrial position and balance the rising of the new-generation AMOLED display technology. In the future, the company will, according to the downstream market demand, constantly optimize the LTPS technology and other new glass substrate production technology, thus to better fit the new development trend of the market.

(2). Advance shoulder to shoulder, many achievements of optoelectronic display materials

The company has been engaged in the optoelectronic display industry for more than a decade, starting with the glass substrate industry, closely following-up the world trend of display technology and the innovation trend, thus grasped the historical opportunity of home-manufacturing materials replacing the core display materials, continuously rolled out new products and horizontally expanded, and constructed the core competitiveness based on the opportunity of the high-tech optoelectronic display materials. On the basis of the company's constant consolidation and enhancement of the main business of LCD glass substrate, combined with the main business, the company continuously expanded the new business area, and currently the company has successfully been engaged in the three high-end display materials namely sapphire, color filter and polarizer, thus realized achievements in many aspects.

During the reporting period, the company has made a new progress in the lateral extension of core display material. The company's color film project has been speeding up the progress, and it's expected there will be new product line completed in the second half of the year. Fuzhou Xuyou polarizer project has been put into operation in a relatively fast speed, marking that the company officially entered the field of polarizer manufacturing. The polarizer industry will be one of the core pillar industries of the company's optoelectronic display business after the production of glass substrate, and that will shape an industrial synergy effect of the company's existing optoelectronic business that has the industry of glass substrate, color filters and sapphire, thus further enhancing the company's comprehensive strength.

(3). Preliminary achievement, the optimized layout of graphene business accelerated

During the reporting period, the monolayer grapheme and the grapheme-based lithium ion battery fabricated by Shanghai Tanyuan Graphene has gained the market attention and recognition, and the subsequent single product and the technological upgrading have been actively promoted. The company's Taizhou grapheme-based lithium ion battery project, which has successfully completed the land bidding and auction, project filing, EIA publicity and other procedures, is currently under the communication with the design and construction unit about the design and construction plan under the company's full efforts, and it's carrying out the multi-round demonstration and striving to realize the commencement of project construction as soon as possible.

Meanwhile, the company together with Taizhou graphene industry fund, through the means of acquisition and capital increase, obtained the 51% stake of Ming Shuo Technology Company, which has the reversible liquid crystal phase-change graphene composite heat dissipation material as the core technology and it is specializing in providing high-power LED lighting equipment and integrated lighting solutions, with its related graphene lighting products have been actually applied in Beijing and other places and that has gained some extent of economic benefits. In addition, the company's industrial application of heat-dissipation graphene film technology has achieved stage achievement, and the company has signed a "strategic cooperation agreement" with Shanxi Energy Investment and Shanxi Jian Bang Group in connection to the project cooperation of the Graphene electric heating replacing loose coal combustion heating project of Shanxi Provincial rural area.

(4). Regular development but with novelty thoughts and innovation, acquired SUNLONG Bus to enter the new energy automotive industry

With the company's smooth progress and putting-into operation of each project of optoelectronic display materials, the company's main business will tend to become mature and steady. In order to give full play to the industrial synergies of big manufacturing industries and find new profit growth points, the company has decided to enter the field of new energy passenger cars and logistics vehicles. During the reporting period, the Company launched the restructuring project that planned to acquire 100% equity of Sunlong Bus through the way to buy assets by issuing shares and paying cash. The company has been engaged in the high-end equipment manufacturing industry for nearly 20 years, possessing a strong ability in technology, management, funds and talents. Sulong Bus has the mature technology, rich-experience industrial management team and excellent product design ability. Meanwhile, upon more than ten years accumulated experience in new energy passenger car, Sulong Bus possessed the good market channels and the excellent overseas market development capabilities. The company acquired Sulong Bus to formally enter the field of new energy passenger car, so as to enrich the company's existed industrial structure. By utilizing the advantage of each other, the company can snatch the good industrial opportunity in the field of new energy passenger bus and logistics vehicles, thus to better provide more opportunities for the company's rapid growth in the next few years.

Furthermore, during the reporting period, the Company invested RMB 100 million to subscribe the new shares of Yi Huatong issued by directional added share-issuance. Yi Huatong is a high-tech company that specialized in hydrogen fuel cell engine research and development and the industrialization. For one hand, the company's subscription is based on the optimistic future development and the profitability of Yi Huatong, and for the other hand, the company can utilize this to build strategic partnership with Yi Huatong, thus speeding up bringing the advanced hydrogen fuel cell engine technology of Yi Huatong into the company's layout of new energy automotive projects, further accelerating the market-launch speed of the company's hydrogen fuel cell vehicle, so as to consolidate the company's industrial position in the new energy automotive market and to bring the new profit growth point for the company.

(5). Fulfilling the commitment, injecting the cover-glass business to enrich the company's profit growth point

Cover glass belongs to the windows protective screen industry of panel display, and the industry is high technological and has large market scale, large industrial radiation and the obvious stimulation effect. Xuhong Optoelectronic mainly engaged in high aluminum cover glass production and sales, and the high aluminum cover glass possesses the characteristics of high transmittance, high impact resistance, high scratch resistance, high bending toughness, ultra thin and other technical characteristics. In order to solve the horizontal competition, in 2011, Tunghsu Group entrusted the company to carry out the management of Xuhong Optoelectronic and promised to inject its equity into the company. Currently, Xuhong Optoelectronic has a large-scale ultra-thin touch screen glass production line, with the annual production scale of 7 million pieces, and the company had won the first prize award of science and technology progress of Sichuan province and the National Invention Exhibition Gold Award. Xuhong Optoelectronic is one of the domestic companies that take the lead in the research and mass production of high aluminum cover glass, and the Panda Glass, which was rolled out in 2014 by Xuhong, successfully broke the situation of the foreign enterprises' long-term absolute monopoly in the domestic market. Currently, its business covered the area and regions of East China, North China, Southwest China and Southern China.

With the approaching of mobile phone wireless charging and 5G and other new transmission mode, the wide use of flexible OLED brings a vast market space for 3D curve glass. During the reporting period, the company has officially launched the acquisition of Xuhong Optoelectronic equity and will use the raised match funds to construct "Curve Surface display Cover-glass production project". After the completion of the acquisition, the company will have the new income from cover glass, and the flat display glass business layout will be more perfect, which will be conducive to consolidate the company's domestic leading position in the panel glass display.

2. Main business analysis

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

Changes in the financial data

In RMB

	This report period	Same period last year	YOY change (%)	Cause change
Operating income	4,641,285,527.91	2,882,059,154.41	61.04%	The expansion of major departments caused sales increase
Operating cost	3,338,875,149.90	1,938,309,643.65	72.26%	The main line of business expansion leads to increased costs
Sale expenses	29,084,235.15	31,577,716.56	-7.90%	
Administrative expenses	193,715,154.96	236,706,264.85	-18.16%	
Financial expenses	317,954,221.40	94,439,392.61	236.68%	The main financing cost increases
Income tax expenses	179,430,671.23	90,283,601.51	98.74%	The increase in the total profit
R & D Investment	60,448,452.51	45,720,772.21	32.21%	
Cash flow generated by	-1,414,361,686.97	1,281,108,942.94	-210.40%	

business operation, net				
Net cash flow generated by investment	-1,221,706,350.75	-607,815,301.45	-101.00%	
Net cash flow generated by financing	-484,304,608.85	3,091,864,784.09	-115.66%	
Net increasing of cash and cash equivalents	-3,111,660,192.21	3,774,917,627.41	-182.43%	

Major changes to the profit structure or sources of the Company in the reporting period

Applicable Not applicable

Breakdown of main business

In RMB

	Operation revenue	Operation cost	Gross profit	Increase/decrease of revenue in the same period of the previous year(%)	Increase/decrease of business cost the same period of the previous year(%)	Increase/decrease of gross profit in the same period of the previous year(%)
Industry						
Equipment and Technology services	2,447,761,486.65	1,493,187,482.28	39.00%	45.72%	52.21%	-2.60%
Optoelectronic display materials	1,010,179,019.72	705,344,018.20	30.18%	33.41%	29.12%	2.32%
Graphene	553,117.12	212,805.97	61.53%	8,882.50%	290.54%	846.44%
New-type urbanization construction	518,052,658.25	496,996,645.73	4.06%	18.96%	21.72%	-2.17%
Electronic communication products	656,139,547.42	642,040,363.66	2.15%			
Products						
Equipment and Technology services	2,447,761,486.65	1,493,187,482.28	39.00%	45.72%	52.21%	-2.60%
Optoelectronic display materials	1,010,179,019.72	705,344,018.20	30.18%	33.41%	29.12%	2.32%
Graphene	553,117.12	212,805.97	61.53%	8,882.50%	290.54%	846.44%
New-type urbanization construction	518,052,658.25	496,996,645.73	4.06%	18.96%	21.72%	-2.17%
Electronic	656,139,547.42	642,040,363.66	2.15%			

communication products						
Area						
China mainland	4,254,203,301.68	2,975,051,195.40	30.07%	59.93%	70.16%	-4.20%
Hongkong, Macao and Taiwan	378,386,334.24	362,687,161.44	4.15%	78.15%	93.72%	-7.70%
Overseas	96,193.24	42,959.00	55.34%			

3.Non-core business analysis

Applicable Not applicable

	Amount	Proportion in total profit(%)	Related factors description	Sustainable(yes or not)
Non-operation revenue	66,069,887.52	7.55%	Government grants	Yes

4.Analysis of assets and liabilities

(1).Significant changes in asset composition

In RMB

	End of Reporting period		End of same period of last year		Change in percentage(%)	Reason for significant change
	Amount	As a percentage of total assets(%)	Amount	As a percentage of total assets(%)		
Monetary fund	22,873,558,641.80	47.91%	26,056,117,216.86	55.64%	-7.73%	
Accounts receivable	2,341,912,029.32	4.90%	1,652,714,640.77	3.53%	1.37%	
Inventories	3,670,952,734.10	7.69%	2,688,967,436.27	5.74%	1.95%	
Real estate Investment	58,974,678.04	0.12%		0.00%	0.12%	
Long-term equity investment	477,648,310.87	1.00%	72,354,803.70	0.15%	0.85%	

Fixed assets	9,068,489,094. 66	18.99%	8,952,341,070. 47	19.12%	-0.13%	
Construction in process	2,457,153,171. 64	5.15%	1,772,629,310. 84	3.79%	1.36%	
Short-term loans	4,474,513,562. 31	9.37%	4,940,816,200. 13	10.55%	-1.18%	
Long-term loans	5,830,941,823. 23	12.21%	6,596,159,000. 00	14.09%	-1.88%	

(2). Asset and Liabilities Measured by Fair Value

Applicable Not applicable

(3). Restricted asset rights as of end of the reporting period

Items	Ending book value	Limited reason
Monetary fund	947,883,742.41	Certificates of deposit and pledge
Investment property	58,974,678.04	Get the loan with pawn
Fixed assets	7,559,438,628.83	Get the loan with pawn
Construction in process	751,214,924.79	Get the loan with pawn
Intangible assets	248,103,470.07	Get the loan with pawn
Total	9,565,615,444.14	

5. Investment situation

(1). External investment

Applicable Not applicable

Investments made in the reporting period	Investments made in same period of last year	+/- %
6,175,411,729.77	1,102,954,500.00	459.90%

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

Applicable Not applicable

Name of the Company Invested	Main Business	Investment Way	Investment Amount	Share Proportion %	Capital Source	Partner	Investment Horizon	Product Type	Progress to	Anticipated	Gain or Less than	Whether to Involve	Date of Disclosure (Note)	Disclosure Index
------------------------------	---------------	----------------	-------------------	--------------------	----------------	---------	--------------------	--------------	-------------	-------------	-------------------	--------------------	---------------------------	------------------

			t			n		Balance Sheet Date	Income	Current Investment	in Lawsuit	5)	
Mingzhuo(Beijing) Electronic Technology Co., Ltd	Technology development, technology transfer ; asset management, investment management; sales of building materials, metal materials, electronic products, household appliances, etc	Purchase	80,142,857.00	51.00%	Self fund	Qian Xinming, Jin Xiuzhen, Chen Wei, Wang Yingchao, Beijing Heyiyou Investment Partnership (LP), Jiang Wei, Li Honglei and Zhu Lei.	Long-term	Graphene	Completed	-375,927.67	No	May 11,2017	Announcement number: 2017-046 CNINF
Chuanglian (Huatai) Hongkong Co., Ltd.	Sales of electronic products	Purchase	0.00	100.00%	Self fund	No	Long-term	Supply chain	Completed	5,185,962.98	No		
Tianlong huatai industrial (Hong Kong) co.	Sales of electronic products	Purchase	0.00	100.00%	Self fund	No	Long-term	Supply chain	Completed	0.00	No		

LTD														
Dongxu(Xuhua) International Equipment Co., Ltd.	Electronic communication products	acquisition	100,208.63	55.00%	Self fund	Harald Ramming Doctor	Long-term	Electronic communication products	Completed		-320,045.40	No		
Total	--	--	80,243,065.63	--	--	--	--	--	--	0	4,489,989.91	--	--	--

(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

(2) Investment in Derivatives

Applicable Not applicable

The Company had no investment in derivatives in the reporting period.

6. Sales of major assets and equity

(1). Sales of major assets

Applicable Not applicable

The Company had no sales of major assets in the reporting period.

(2).Sales of major equity

Applicable Not applicable

7.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
--------------	--------------	--------------------	--------------------	--------------	------------	----------	------------------	------------

Wuhu Dongxu Optoelectronic Equipment Technology Co., Ltd	Subsidiary	Equipment and Technology serves	98,000,000.00	8,944,733,895.68	2,826,899,344.11	2,830,168,466.00	803,918,979.70	755,485,990.80
Wuhan Dongxu Optoelectronic Technology Co., Ltd	Subsidiary	Photoelectric display glass substrate	2,000,000.00	12,006,625,058.06	5,466,612,485.58	404,414,266.30	-119,404.26	12,622,231.34
Dongxu Construction Group Co., Ltd.	Subsidiary	Engineering construction	100,000,000.00	4,602,669,212.25	3,143,968,409.52	518,052,658.30	19,559,654.65	14,644,719.84
Beijing Xufeng Real estate Co., Ltd.	Subsidiary	Real estate Development and sales	870,000,000.00	2,903,023,958.16	468,486,727.21	0.00	6,604,655.21	6,624,244.60
Dongxu (Kunshan) Display Material Co., Ltd.	Subsidiary	Sales of optoelectronic devices and other electronic devices	500,000,000.00	526,028,832.69	498,217,899.62	0.00	-364,830.51	-360,330.51
Jiangsu Jixing New Material Co., Ltd.	Subsidiary	Sapphire material	392,000,000.00	619,817,363.43	477,257,330.78	223,319,885.36	22,824,563.51	20,274,253.55
Beijing Xutan New Material Technology Co., Ltd.	Subsidiary	Technological development	15,000,000.00	11,218,649.26	5,636,967.58	264,245.28	-2,837,414.77	-2,837,414.77
Beijing Dongxu Huaqing Investment Co., Ltd.	Subsidiary	Project investment	5,000,000.00	104,363,042.44	102,357,112.91		-977,503.65	-977,503.65
Zhengzhou Xufei Optoelectronic Technology Co., Ltd.	Subsidiary	Optoelectronic display materials	1,650,000.00	5,537,882,265.31	1,947,564,316.60	671,849,865.60	56,428,410.52	53,750,338.21
Shijiazhuang Xuxin Optoelectronic Technology Co., Ltd.	Subsidiary	Optoelectronic display materials	1,906,000.00	3,441,192,630.26	2,068,503,557.21	230,378,513.20	26,641,852.24	29,045,244.66
Fuzhou Dongxu Optoelectronic Technology Co., Ltd.	Subsidiary	Optoelectronic display materials	10,000,000.00	3,638,855,650.73	2,877,969,805.34	46,983,656.18	5,446,776.41	4,434,987.61
Xuyou Electronic	Subsidiary	The	JPY18150	744,019,016.	739,920,421.		5,752,136.43	5,895,922.83

Material Technology (Wuxi) Co., Ltd.		development, production and process of Graphene	million	61	08			
Shenzhen Xuhui Investment Co., Ltd.	Subsidiary	Investment Management	100,000,000.00	115,859,060.24	110,079,953.85	94,042.74	-1,188,861.73	-1,088,467.27
Shanghai Tanyuan Huigu New Material Technology Co., Ltd.	Subsidiary	Technological development	60,000,000.00	106,800,734.97	104,463,802.03	194,829.10	-6,900,666.23	20,745,934.23

Subsidiaries obtained or disposed in the reporting period

√ Applicable □ Not applicable

Name	Mode	Influence
Huzhou Mingshuo Optoelectronic Technology Co., Ltd.	Acquisition	Profit increase
Mingshuo (Beijing) Electronic Technology Co., Ltd.	Acquisition	Profit increase
Chuanglianhuatai (Hongkong) Co., Ltd.	Acquisition	Profit increase
Tianlonghuatai Industry (Hongkong) Co., Ltd.	Acquisition	Profit increase
Dongxu (Xuhua) International Equipment Co., Ltd.	Acquisition	Profit increase
Hunan Dongxu Weisheng Smart Technology Co., Ltd.	New establishment	Profit increase
Hunan Dongxu Delai Electronic Technology Co., Ltd.	New establishment	Profit increase
Wuhu Dongxu Weiyu Medical Apparatus Technology Co., Ltd.	New establishment	Profit increase
Hunan Dongxu Weigao Medical Apparatus Technology Co., Ltd.	New establishment	Profit increase
Shandong Qihui Medical Technology Co., Ltd.	New establishment	Profit increase
Guangdong Dongxuweiyu Medical Apparatus Technology Co., Ltd.	New establishment	Profit increase

8. Structured vehicle controlled by the Company

□ Applicable √ Not applicable

9. Prediction of business performance for January -September 2017

Estimation of accumulative net profit from the beginning of the year to the end of next report period to be loss probably or the warning of its material change compared with the corresponding period of the last year and explanation of reason.

Applicable Not applicable

10.Risks facing the Company and countermeasures

(1). Risk of market competition

The TFT-LCD glass substrate production industry the company belongs to has been monopolized by foreign manufacturers for a long time, and the USA Corning, Japan Asahi Glass, Nippon Electric Glass and other international giants have a high market share. The glass substrate products produced by the company have the advantages of low costs in production and transportation and timely delivery in the domestic market. At present, the company has a number of 5G and 6G glass substrate production lines in the mass production, having a relatively high market share in the domestic market. The company's 8.5 generation glass substrate production line is under construction, but in the process of project construction, it is facing with the uncertainties of industrial policy, market change and technological upgrading, which may lead to the difference occurred between the forecast and the implementation schedule and implementation effect of the project. Furthermore, compared with the USA Corning, the production line already planned by the company is relatively small, especially in the reserve of production technology of 10G and above 10G glass substrate, the company still has a large gap to catch. In the future, there still will be some uncertainties for the company in connection to whether the company can fit the market trend to develop and roll out the larger size LCD glass substrate products and continuously expand the market share, so that may have a certain impact on the company's operating results.

Solutions: The Company will summarize the construction and operation experience of the 5G and 6G glass substrate production lines and speed up the construction progress of the 8.5G glass substrate line. Meanwhile, in order to snatch the good market opportunity, the company, together with Japan NEG, has already set up a joint venture company to build the postprocessing line of 8.5G line, which will further accelerate the Market launch of the company's 8.5 generation glass substrate, thus reducing the implementation risk of the production line. Furthermore, relying on the company's customer resources and market advantages in the liquid crystal glass substrate, the company actively made the layout of optoelectronic display materials like color filters and polarizers, thus to enhance the added value of products and deepen the cooperation with the downstream customers, so as to shape a good industrial synergy and cluster effect.

(2). Technical upgrading and replacement risk

The TFT-LCD glass substrate's downstream LCD panel has a high maturity of technology, which is suitable for large-scale production. Although the liquid crystal glass substrate, especially the large size liquid crystal glass substrate, can cover many lines and have a long life cycle, the panel display technology belongs to the filed featuring fast-upgrading and replacement of technology. At present, the TFT-LCD technology occupies a dominant position-which has a relatively stable demand of glass substrate, but if there are significant technological changes occurred in the downstream flat panel display industry-like the TFT-LCD technology is replaced by other new technologies such as OLED and the company failed to achieve timely upgrading of the

technology, then the company will face a certain degree of risk in technological upgrading and replacement.

Solutions: the company has a strong technical strength, and the company is the only domestic company that mastered the two production technological processes of glass substrate namely the overflow melting method and the floating method. The whole-set equipment production line of TFT-LCD glass substrate was recognized as the "National strategic product innovation" and the processing method of molten glass in platinum channel had won the "China Patent Gold Award". In order to cope with the risks of alternative technology, the Company will, based on the gained successful experience of industrialization, continue to increase the R & D funding and strengthen the R & D cooperation with universities and research institutes and enhance the research and development on new-technological display glass products such as ultra-thin glass products, large-size glass products, LTPS glass products and OLED.

(3). Risks in asset acquisitions and business integration

In March 2017, the Company disclosed "Issuing shares and paying cash to buy assets and raise matching funds namely the related transaction scheme", and the scheme has been examined and approved by the Board of Directors, the Supervisory Committee and the Extraordinary Shareholders' General Meeting and then it has been submitted to the CSRC for examination and approval. At present, the scheme has passed the centralized examination of operators by the Ministry of Commerce, and received the "Acceptance notice of administrative license application" issued by CSRC on June 29. Now it is in the stage of giving-reply process to the first feedback. This acquisition of Sunlong Bus will enable the company to enter the field of new energy bus, and the injection of the new assets will face a certain extent risk of business integration.

Solutions: After the completion of the acquisition, the company plans to reorganize the organizational structure of Sunlong Bus and improve its corporate governance; through sending financial staff into the company to strengthen the financial supervision and management of Sunlong Bus; through staff training and cultural exchanges to enhance the cultural identity of staff in Sunlong Bus; maintaining the stabilization of the existing management team and the core technical team of Sunlong Bus and providing the necessary support to the production and operation of Sunlong Bus.

V. Important Events

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

(1).Annual General Meeting

Meeting	Type	Investor participation ratio	Convened date	Disclosure date	Index to disclosed information
The First provisional shareholders' General meeting in 2017	Provisional shareholders' General meeting	31.02%	February 10,2017	February 11,2017	Announcement No. 2017-010, www.cninfo.com.cn
The Second provisional shareholders' General meeting in 2017	Provisional shareholders' General meeting	18.22%	March 31,2017	April 1,2017	Announcement No. 2017-032, www.cninfo.com.cn
2016 Shareholders' general meeting	Annual Shareholders' General Meeting	20.43%	April 17,2017	April 18,2017	Announcement No. 2017-038, www.cninfo.com.cn
The Third provisional shareholders' General meeting in 2017	Provisional shareholders' General meeting	23.62%	June 2,2017	June 3,2017	Announcement No. 2017-059, www.cninfo.com.cn
The Fourth provisional shareholders' General meeting in 2017	Provisional shareholders' General meeting	28.76%	June 26,2017	June 27,2017	Announcement No. 2017-068, www.cninfo.com.cn

2. Preferred stockholders restored voting rights to request to convene Provisional Shareholders' Meeting.

Applicable Not applicable

2. Proposal for profit distribution and converting capital Reserve into share actual for the reporting period

Applicable Not applicable

For the reporting period, the Company plans not to distribute cash dividends or bonus shares or convert capital reserve into share capital.

3. 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 parties.

√ Applicable □ Not applicable

Commitment	Commitment maker	Type	Contents	Time of making commitment	Period 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	Tunghsu Group,Li Zhaoting		Not overstepping its authority to interfere with the company's management activities. (2) Not encroach the interests of the company. (3) If the CSRC or Shenzhen Stock Exchange has different requirements on the commitment made by the Company / I to ensure the sound implementation of the returns fill-up measures for the diluted returns at the period caused by this transaction, the Company / I shall voluntarily and unconditionally make the commitment in accordance with the requirements of the CSRC or the Shenzhen Stock Exchange. (4) As one of the relevant liability subjects to the returns fill-up measures, the Company / I undertake that strictly abide by the above commitment made by the Company / I and ensure that the returns fill-up measures of the Company / I can be soundly implemented. If the Company / I violate the above commitments or refuse to fulfill the above commitments, the Company / I	June 10,2017	Long-term effective	Under Fulfillment

		hereby agree to impose relevant penalties or relevant management measures on the Company / I in accordance with the relevant regulations and rules formulated and issued by the securities regulatory authorities such as the CSRC and the Shenzhen Stock Exchange.			
	Gong Xin, Han Zhiguo, Huang Jinliang, Li Zhaoting, Liu Wentai, Lu Guihua, Wang Jianqiang, Wang Junming, Wang Lipeng, Wang Zhonghui and Zhang Shuangcai.	Undertake that faithfully and diligently perform duties and protect the lawful rights and interests of the company and all its shareholders; (2) undertake that not transfer benefits to other units or individuals in gratuitous or unfair conditions and not take any other ways to damage the interests of the company; (3) undertake that curb the position-related consumption behavior; (4) undertake not to use the company's assets to engage in investment or consumption activities that have nothing to do with the performance of the duties; (5) undertake that the remuneration system established by the board of directors or the remuneration and assessment committee is linked to the company's implementation of the returns fill-up measures, and make affirmative vote for the relevant motions of the board of directors and the general meeting of shareholders when participating in the decision; (6) if the company launches the equity incentive policy subsequently, then undertake that the terms of exercise of the company's equity incentive to be announced are linked to the performance of the company's measures of returns fill-up and make affirmative vote for the relevant motions of the board of directors and the general meeting of shareholders when participating in the decision; (7) If the CSRC or Shenzhen Stock Exchange has different requirements on the commitment made by I to ensure the sound implementation of the returns fill-up measures for the diluted returns at the period caused by this transaction, I shall voluntarily and unconditionally make the commitment in accordance with the requirements of the CSRC or the Shenzhen Stock Exchange. (8) As one of the relevant liability subjects to the returns fill-up measures, I undertake that strictly abide by the above commitment made by I and ensure that the returns-fill-up measures of the Company shall be soundly implemented. I hereby	June 10,2017	Long-term effective	Under Fulfillment

			agree to impose relevant penalties or relevant management measures on the Company / I in accordance with the relevant regulations and rules formulated and issued by the securities regulatory authorities such as the CSRC and the Shenzhen Stock Exchange.			
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 Dongxu Optoelectronic and its subsidiaries are the same, or similar, future Dongxu Optoelectronic shares and its subsidiaries are not engaged in the same or similar businesses.	December 22, 2011	Long-term effective	Under Fulfillment
	Dongxu Optoelectronic Investment Co., Ltd., Shijiazhuang Baoshi Electronics Group Co., Ltd.Tunghsu Group,	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 and its subsidiaries are not engaged in the same or similar businesses. 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. 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. 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	April, 2012	Long-term effective	Under Fulfillment

			<p>Optoelectronics; Before December 31, 2016, by way of designated placement, the company will transfer all the shares that Tunghsu Group entrusted to Dongxu Yingkou and Sichuan Xuhong to Dongxu 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, Dongxu Optoelectronic Investment , Tunghsu 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 Dongxu Optoelectronics. Within the period when the company is still the controlling shareholder of Dongxu Optoelectronics, the commitments are in effect.</p>			
	Tunghsu Group	Other commitment	<p>In view of: 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 ,bonds (2) Tunghsu Group is the controlling shareholder of Dongxu Optoelectronic; and during the period of holding, Tunghsu 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). For this purpose, Tunghsu 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 Tunghsu Group in the future, Tunghsu 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</p>	February 8,2015	Valid for December 31,2020	Under Fulfilment

			licensing contract. After the company successfully completed the issuance of corporate bonds, whether Tunghsu Group control the company during the duration of the bonds, Tunghsu 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.			
	Dongxu Optoelectronic Technology Co., Ltd.	To raise funds to use the commitment	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 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.	February 10, 2015	Valid for December 31, 2020	Under Fulfillment
	Baosi Group	Performance compensation commitment	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; 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	March 2, 2015	Valid for December 31, 2018	Under Fulfillment

			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. The compensation period includes the year contained the date on which the transaction completed and the subsequent two consecutive accounting years.			
	Tunghsu Group	Other commitment	In view of: (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) Tunghsu Group is the controlling shareholder of Dongxu Optoelectronic; and during the period of holding, Tunghsu 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). For this purpose, Tunghsu 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 Tunghsu Group or not, Tunghsu 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.	June 17, 2015	Long-term effective	Under Fulfillment
	Tunghsu Group, Li Zhaoting	Commitments on horizontal	To avoid the horizontal competition with the issuer, the company's actual controller-Zhaoting, Li and the holding company-Tunghsu Group promised: 1. As of	Decembert 16, 2015	Long-term effective	Under Fulfillment

		competition, related transaction and capital occupation	<p>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>		ve	lment
	Tunghsu Group	Other commitment	<p>In order to safeguard the the company's main business of TFT-LCD glass substrate production, the controlling shareholder-Tunghsu 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) Tunghsu 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</p>	December 16,2015	Valid for December 31,2018	Under Fulfilment

			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, Tunghsu Group made a commitment as follows: In the term of validity of the patents involved in the patent licensing contract, whether Tunghsu Group controls Dongxu Optoelectronic or not, after the commitment of the above-said Patent Licensing Contract expired, Tunghsu 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.			
	Tunghsu Group; Changjia Group 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 for December 16, 2018	Under Fulfillment
	Tunghsu 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 for December 31, 2019	Under Fulfillment
	Li Zhaoting, Zhou Bo, Niu Jianlin, Gong Xin, Lu Guihua, Mu	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)	February 6, 2016	Valid for December 31, 2019	Under Fulfillment

	Tiehu, Zhang Shuangcai, Shi Zhiqiang , Liu Wentai,Xiao Zhaoxiong and Zhou Bo		Promised that not use the company's assets to engage in the investment & consuming 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.		9	
	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., Ltd.; Shenzhen Taianer Information	Share limited commitment	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., 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.	August 26, 2016	Valid for August 25, 2017	Under Fulfillment

	Technology Co., Ltd.; AEGON-Industrial Fund.; Zhongou STAS Asset Management(Shanghai)Co., Ltd; CITIC Fund Management Co., Ltd..					
	Tunghsu 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 Tunghsu 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, Tunghsu 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 for 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 arrangements	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 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	January 20, 2015	Long-term effective	Under Fulfillment

			(HK) Co., Ltd. and Lubao, Wang in cash.			
	Guo Shouwu, Ma Shengjie, Wu Haixia, Shen Wenzhuo and Shen Li	Performance commitment and compensation arrangement	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 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.	March 8,2016	Valid for December 31,2019	Under Fulfillment
	Beijing Heyiyou Investment Partnership(LP);Chen Wei, Jiang Wei, Jin Xiuzhen, Li Honglei, Qian Xinming, Wang Yingchao and Zhu Lei.	Performance commitment and compensation arrangement	All eight shareholders of Ming Shuo (Beijing) Electronic Technology Co., Ltd namely Chen Wei, Zhu Lei, Wang Yingchao, Jin Xiuzhen, Jiang Wei, Li Honglei, Beijing He Yiyou Investment Partnership (limited partnership) and Qian Xinming voluntarily make the commitment for the profits of the next three years of Ming Shuo (Beijing) Electronic Technology Co., Ltd and such commitment is as follows: The audited net profits after tax in 2017, 2018 and 2019 (determined by the lower principle after the deduction of non recurring gains and losses) are no less than RMB 10.5 million, RMB 20 million and RMB 40 million respectively.	May 11,2017	Valid for June 30,2020	Under Fulfillment
Executed timely or not?	Yes					

4. Particulars about engagement and disengagement of CPAs firm

Whether the semi-annual financial report had been audited?

Yes No

Name	Zhongxingcai Guanghua Certified Public Accountants (LLP)
The Remuneration of auditing the semi annual financial report by the domestic accounting firm(RMB'0000)	

Whether to change the accounting firm?

Yes No

5.Explanations given by board of directors and supervisory board regarding “ Modified auditor’s” Issued by CPAs firm for the reporting period

Applicable Not applicable

6. Explanations given by Board of Directors regarding “ Modified auditor’s Report” Issued for last year

Applicable Not applicable

7. Bankruptcy and restructuring

Applicable Not applicable

No such cases in the reporting period.

8. Legal matters

Significant lawsuits or arbitrations

Applicable Not applicable

No such cases in the reporting period.

Other legal matters

Applicable Not applicable

9. Punishments and rectifications

Applicable Not applicable

No such cases in the reporting period.

10. Credit conditions of the Company as well as its Controlling shareholder and actual Controller

Applicable Not applicable

11.Equity incentive plans, employee stock ownership plans or other incentive measures for employees

Applicable Not applicable

1.Equity Incentive Plan

During the reporting period, the third installment of 1.192 million restricted shares of the company's restricted stock incentive plan implemented in 2014 that have yet to be unlocked remained locked state. (For the details, please refer to the "Restricted stock incentive plan (Draft) of Dongxu Optoelectronics Technology Co., Ltd" disclosed on <http://Cninfo.com.cn>)

2.The Company's Employee Stock Ownership Plan

1. On July 30, 2017, the Second Phase Employee Stock Ownership Plan (Draft) and its Summary of Dongxu Optoelectronics Technology Co., Ltd was examined and approved in the 19th meeting of the 8th term Board of

Directors. The company planned to implement the Second Phase Employee Stock Ownership Plan to attract and retain outstanding management talent and business backbone personnel. This employee stock ownership planned to use the means of subscribing collective fund trust plan (The collection fund trust plan has an upper limit of 570 million shares and per share is RMB1.0) to purchase in the secondary market (including bulk transactions and auction transactions) and by other ways permitted by laws and regulations to obtain and hold the A shares of Dongxu Optoelectronics, and that shall not be used to buy other listed companies' shares. The related draft plan shall be implemented after getting approval from the company's shareholders' general meeting (For the details, please refer to the "The second-phase employee stock ownership plan (Draft) of Dongxu Optoelectronics Technology Co., Ltd" disclosed on <http://Cninfo.com.cn>)

2. In the report period, the first phase employee stock ownership plan of Dongxu Optoelectronics Technology Co., Ltd that was implemented in 2015 by the company remained in the lock-up period. (For the details, please refer to "The first-phase employee stock ownership plan (Draft) of Dongxu Optoelectronics Technology Co., Ltd" and the No. 2015-007, Announcement disclosed on <http://Cninfo.com.cn>)

12. 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 RMB0'000	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
Yingchuan Fengxiang Street Comprehensive Construction Management Co., Ltd	Controlled by the same actual controller	Sales Goods/Labor service received	Construction & installation	Reference price setting	9,778.90	9,778.9		30,000	No	Currency	9,778.90	April 29, 2017	2017-041
Yixian Xuhua Park Construction	Controlled by the same actual controller	Sales Goods/Labor service	Construction & installation	Reference price setting	778.38	778.38		280,000	No	Currency	778.38	April 29, 2017	2017-041

Development Co., Ltd.	controll er	received											
Guangdong Huakai Real estate Development Co., Ltd.	Controlled by the same actual controller	Labor service received	Construction & installation	Reference price setting	756.60	756.6		9,528	No	Currency	756.6	June 01,2017	
Shijiazhuang Bofa Mechanical Equipment Co., Ltd	Controlled by the same actual controller	Sales Goods/Labor service received	A frame	Reference price setting	253.38	253.38		1,000	No	Currency	253.38	April 29,2017	2017-041
Dongxu (Yingkou) Optoelectronic Display Co., Ltd	Controlled by the same actual controller	Sales Goods/Labor service received	A frame	Reference price setting	307.69	307.69		1,000	No	Currency	307.69	April 29,2017	2017-041
Sichuan Xuhong Optoelectronic Technology Co., Ltd.	Controlled by the same actual controller	Sales Goods/Labor service received	Custodian fee	Reference price setting	319.37	319.37		1,000	No	Currency	319.37	April 29,2017	2017-041
Tunghsu Group Finance Co., Ltd.	Controlled by the same actual controller	Sales Goods/Labor service received	Interest income	Reference price setting	1,427.88	1,427.88		10,000	No	Currency	1,427.88	April 29,2017	2017-041

Dongxu (Yingko u) Optoele ctronic Display Co., Ltd	Controll ed by the same actual controll er	Sales Goods/L abor service received	Semi-fin ished products , PP cases	Referen ce price setting	1,204.98	1,204.98		3,200	No	Currenc y	1,204.98	April 29,2017	2017-0 41
Total				--	--	14,827.1 8	--	335,728	--	--	--	--	--
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 sold

Applicable Not applicable

No such cases in the reporting period.

(3). Related-party transitions with joint investments

Applicable Not applicable

No such cases in the reporting period.

(4). Credits and liabilities with related parties

Applicable Not applicable

Whether has non-operational contact of related liability and debts or not

Yes No

No such cases in the reporting period.

(5). Other significant related-party transactions

Applicable Not applicable

No such cases in the reporting period.

13. Particulars about the non-operating occupation of funds by the Controlling shareholder and other related parties of the Company

Applicable Not applicable

The company was not involved in the non-operating occupation of funds by the controlling shareholder and other related parties during the reporting period.

14. Significant contracts and execution

(1).Entrustments, contracting and leasing

(1) Entrustment

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, Tunghsu 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
Tunghsu 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	707,547.18
Tunghsu Group, Mianyang Investment City Development (Group) Co., Ltd., Sichuan Changhong Electric Co., Ltd.	Co., Ltd.	Management Right of Sichuan Xuhong Optoelectronic Technology Co., Ltd.	March 2012	Notes 2	3,429,535.76
Total					4,137,082.94

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 Tunghsu 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

No such cases in the reporting period.

(2) Contracting

Applicable Not applicable

No such cases in the reporting period.

(3) Leasing

Applicable Not applicable

No such cases in the reporting period.

(2) Contracting

Applicable Not applicable

No such cases in the reporting period.

(3) Leasing

Applicable Not applicable

No such cases in the reporting period.

(2).Significant guarantees

Applicable Not applicable

(1) Guarantees

In RMB'0000

External Guarantee (Exclude controlled subsidiaries)								
Name of the Company	Relevant disclosure date/No. of	Amount of Guarantee	Date of happening (Date of	Actual amount of guarantee	Guarantee type	Guarantee term	Complete implementation	Guarantee for associated

	the guaranteed amount		signing agreement)				or not	parties (Yes or no)
Total of external guarantee approved in Period(A1)				Total of actual external guarantee in Period(A2)				
Total of external guarantee approved at Period-end(A3)				Total balance of actual external guarantee at Period-end(A4)				
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 Technology Co., Ltd.	June 20,2013	132,000	November 12,2013	94,000	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	10,000	The joint liability guaranty	8 years	No	No
Wuhu Dongxu Optoelectronic Technology Co., Ltd.	September 27,2013	20,000	February 19,2014	10,000	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	8 years	No	No
Wuhu Dongxu Optoelectronic	September 27,2013	20,000	April 8,2014	20,000	The joint liability	8 years	No	No

Technology Co., Ltd.					guaranty			
Wuhu Dongxu Optoelectronic Technology Co., Ltd.	September 27,2013	20,000	May 6,2014	20,000	The joint liability guaranty	8 years	No	No
Wuhu Dongxu Optoelectronic Technology Co., Ltd.	June 23,2016	7,500	May 31,2017	7,500	The joint liability guaranty	1 year	No	No
Wuhu Dongxu Optoelectronic Technology Co., Ltd.	June 23,2016	9,000	June 9,2017	9,000	The joint liability guaranty	1 year	No	No
Wuhu Dongxu Optoelectronic Technology Co., Ltd.	June 23,2016	3,000	June 9,2017	3,000	The joint liability guaranty	1 year	No	No
Wuhu Dongxu Optoelectronic Technology Co., Ltd.	June 21,2016	15,000	June 28,2017	15,000	The joint liability guaranty	1 year	No	No
Wuhu Dongxu Optoelectronic Technology Co., Ltd.	June 21,2016	14,316	June 28,2017	14,316	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 year	No	No
Wuhu Dongxu Optoelectronic Technology Co., Ltd.	October 31,2016	52,300	November 25,2016	52,300	The joint liability guaranty	6 years	No	No
Wuhu Dongxu Optoelectronic Technology Co., Ltd.	April 19,2016	6,000	February 23,2017	6,000	The joint liability guaranty	1 year	No	No

Ltd.								
Zhengzhou Xufei Optoelectronic Technology Co., Ltd.	May 27,2016	10,000	May 30,2016	10,000	The joint liability guaranty	1.5 years	No	No
Zhengzhou Xufei Optoelectronic Technology Co., Ltd.	October 31,2016	10,000	November 29,2016	5,000	The joint liability guaranty	1 year	No	No
Wuhu Dongxu Optoelectronic Equipment Technology Co., Ltd.	June 20,2013	150,000	September 25,2014	45,000	The joint liability guaranty	Two years from te date of advance of the loan due date	No	No
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 the loan due date	No	No
Total of guarantee for subsidiaries approved in the Period (B1)			70,000	Total of actual guarantee for subsidiaries in the Period (B2)				54,816
Total of guarantee for subsidiaries approved at Period-end (B3)			528,616	Total of actual guarantee for subsidiaries at Period-end (B4)				354,616
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 o signing agreement)	Actual mount of guarantee	Guarantee type	Guarantee term	Complete implemen tation or not	Guarante e for associate d parties (Yes or no)
Total guarantee quota to the subsidiaries approved in the reporting period (C1)				Total amount of guarantee to the subsidiaries actually incurred in the reporting period (C2)				

Total guarantee quota to the subsidiaries approved at the end of the reporting period (C3)		Total balance of actual guarantee to the subsidiaries at the end of the reporting period (C4)	
Total of Company's guarantee (namely total of the large three aforementioned)			
Total of guarantee in the Period (A1+B1+C1)	54,816	Total of actual guarantee in the Period (A2+B2+C2)	54,816
Total of guarantee at Period-end (A3+B3+C3)	528,616	Total of actual guarantee at Period-end (A4+B4+C4)	354,616
The proportion of the total amount of actually guarantee in the net assets of the company(A4+B4+C4)		15.76%	

Description of the guarantee with complex method

(2) Illegal providing of external guarantees

Applicable Not applicable

No illegal providing of external guarantees in the report period.

(3). Other significant contracts

Applicable Not applicable

No such cases in the reporting period.

15.Social responsibilities

(1).Overview of the annual targeted poverty alleviation

(1) Half-year poverty relieving summary

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.

During the reporting period, the Company actively followed up and supervised the use of donation funds for poverty alleviation. In July 2017, Shanxi Province Jinsui Cultural and Educational Development Foundation has set up the special commonweal fund "Special fund for Assistance of School Learn and Realizing Dreams ", which is the Going-school assistance commonweal fund specifically used for helping the fresh high-school graduates who have passed the graduation-year college entrance examination and would enter the college & universities from martyrs families and poor families in the old revolutionary base areas of Shanxi Jinsui.

The Foundation will carry out the organization and implementation work of the special fund in Xing County Shanxi Province from July 2017 to September 2017. According to the commonweal purpose and the relevant provisions of the foundation, this special fund in 2017 will provide no more than RMB 1 million to the 40 new college students of poor families in Dai County Xinzhou City, the 100 new college students of poor families in Xing County Luliang City and the 60 new college students of poor families in Shilou County Luliang City, thus to help them go learning in the college and realize their college & university learning dream.

(2).Major environmental protection

The Listed Company and its subsidiary whether belongs to the key sewage units released from environmental protection department

No

16.Other material events

Applicable Not applicable

No such cases in the reporting period.

17. Material events of subsidiaries

Applicable Not applicable

VI. Change of share capital and shareholding of Principal Shareholders

1.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	1,700,531,769	34.42%				-299,922	-299,922	1,700,231,847	34.42%
1. State-owned legal person shares	43,988,269	0.89%				0	0	43,988,269	0.89%

3.Other domestic shares	1,656,543,500	33.53%				-299,922	-299,922	1,656,243,578	33.53%
Incl: Domestic legal person shares	1,654,982,828	33.50%				0	0	1,654,982,828	33.50%
Domestic Natural Person shares	1,560,672	0.03%				-299,922	-299,922	1,260,750	0.03%
II.Shares with unconditional subscription	3,239,397,214	65.58%				299,922	299,922	3,239,697,136	65.58%
1.Common shares in RMB	2,989,397,213	60.52%				299,922	299,922	2,989,697,135	60.52%
2.Foreign shares in domestic market	250,000,001	5.06%				0	0	250,000,001	5.06%
III. Total of capital shares	4,939,928,983	100.00%				0	0	4,939,928,983	100.00%

Reasons for share changed:

Applicable Not applicable

On July 28, 2016, the general elections of the board of directors and the board of supervisors were completed. After six months commenced from the date the directors, supervisors and senior executives leave the post, all the shares held by such executives will become the outstanding shares.

Approval of Change of Shares

Applicable Not applicable

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

2.Issuing and listing

Applicable Not applicable

3. Shareholders and shareholding

In Shares

Total number of common shareholders at the end of the	391,573 (Including 373,915 shareholders holding A shares and 17,658 shareholders holding B shares)	Total number of preferred shareholders that had restored the	0
---	--	--	---

reporting period							voting right at the end of the reporting period (if any) (note 8)	
Particulars about shares held above 5% by shareholders or top ten shareholders								
Shareholders	Nature 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 of shares pledged/frozen	
							State of share	Amount
Tunghsu Group	Domestic Non-State-owned legal person	11.32%	558,968,800	0	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	153,520,000
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	0	222,575,516	0		
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	0	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	0	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	0	111,287,758	0		

Shenzhen Taianer Information Technology Co., Ltd.	Domestic Non-State-owned legal person	2.24%	110,492,845	0	110,492,845	0	Pledge	110,492,845
Qianhai Equity Investment Fund (LP)	Domestic Non-State-owned legal person	2.24%	110,492,845	0	110,492,845	0	Pledge	48,492,845
Nuoan Fund-Industrial Securities-Nanjing Shuangan Assets Management Co., Ltd.	Other	2.24%	110,492,845	0	110,492,845	0		
Minsheng Royal Fund Management Co., Ltd.-Ping An Bank-Ping An Trust-Ping An Wealth* Huitai No.163 Single Fund Trust	Other	2.09%	103,146,380	-80,138,077	0	103,146,380		
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) Where 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 28,2016 to August 17,2017.							
Notes to the related relationship between the top ten shareholders or their concerted action	Among the shareholders , Tunghsu Group and Baoshi Group have relationship and constitute persons taking concerted action. The company does not know whether there is relationship between other 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					
Tunghsu Group	119,086,103	RMB Common shares	119,086,103					
Minsheng Royal Fund Management Co., Ltd.-Ping An Bank-Ping An Trust-Ping An Wealth* Huitai No.163 Single Fund Trust	103,146,380	RMB Common shares	103,146,380					
HuaAn Future Asset-ICBC-No.1 Asset Management Plan of Dongxu Optoelectronic's Private Placement	49,877,765	RMB Common shares	49,877,765					

China Securities Finance Co., Ltd.	34,080,112	RMB Common shares	34,080,112
Bank of China—Huaxia New Economic Mixed Securities Investment Funds	34,078,650	RMB Common shares	34,078,650
Huijin Asset Management Co., Ltd.	24,205,500	RMB Common shares	24,205,500
Xie Xiantuan	17,044,700	RMB Common shares	17,044,700
Shen Jufeng	9,474,500	RMB Common shares	9,474,500
Wang Yong	7,780,000	RMB Common shares	7,780,000
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	The top 10 tradable shareholders of Shijiazhuang Baoshi Electronic Group Co., Ltd. and the top ten shareholders of Tunghsu Group Co., Ltd. have relationship and constitute persons taking concerted action.		
Notes to the shareholders involved in financing securities (if any)(See Notes 4)	The top 10 tradable common shareholders Xie Xiantuan and Shen Jufeng by Huatai Securities Co., Ltd. and Shanghai Securities Co., Ltd. customer credit-backed securities trading account were holding 17,044,700 shares, 9,469,500 shares, accounting for 0.35% and 0.19% of the total shares respectively.		

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.

4. Change of the controlling shareholder or the actual controller

Change of the controlling shareholder in the reporting period

Applicable Not Applicable

There was no any change of the controlling shareholder of the Company in the reporting period.

Change of the actual controller in the reporting period

Applicable Not applicable

There was no any change of the actual controller of the Company in the reporting period.

VII. Situation of the Preferred Shares

Applicable Not applicable

The Company had no preferred shares in the reporting period

VIII. Information about Directors, Supervisors and Senior Executives

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

√ Applicable □ Not applicable

Name	Position	Office status	Shares held at the year-begin in (share)	Amount of shares increased at the reporting period (share)	Amount of shares decreased at the reporting period (share)	Shares held at the year-end ing (share)	Number of restricted stock granted at the year-begin . share)	Number of restricted stock granted at the reporting period (share)	Number of restricted stock granted at the year-ending (share)
Li Zhaoting	Board chairman	In office	0	0	0	0	0	0	0
Wang Lipeng	Director, GM	In office	0	0	0	0	0	0	0
Gong Xin	Director, Board secretary	In office	100,000	0	0	100,000	100,000	0	100,000
Zhang Shuangcai	Independent director	In office	0	0	0	0	0	0	0
Lu Guihua	Independent director	In office	0	0	0	0	0	0	0
Han Zhiguo	Independent director	In office	0	0	0	0	0	0	0
Guo Chunlin	Chairman of the supervisory committee	In office	0	0	0	0	0	0	0
Xu Lingzhi	Supervisor	In office	0	0	0	0	0	0	0
Chen Dewei	Supervisor	In office	0	0	0	0	0	0	0
Xie Juwen	Supervisor	In office	0	0	0	0	0	0	0
Wang Huanhuan	Supervisor	In office	0	0	0	0	0	0	0
Wang Jianqiang	Deputy GM	In office	0	0	0	0	0	0	0
Wang Zhonghui	Deputy GM	In office	0	0	0	0	0	0	0
Liu Wentai	Deputy GM	In office	125,000	0	0	125,000	150,000	0	150,000
Wang Junming	Deputy GM	In office	0	0	0	0	0	0	0
Huang	CFO	In office	0	0	0	0	0	0	0

Jinliang									
Zhou Bo	Director, CFO	Dimission	0	0	0	0	0	0	0
Total	--	--	225,000	0	0	225,000	250,000	0	250,000

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

Applicable Not applicable

Name	Positions	Types	Date	Reason
Zhou Bo	Director,CFO	Dimission	April 28,2017	Job change
Huang Jinliang	CFO	Appointment	April 28,2017	New Appointment

IX. Corporate Bond

Whether the company has corporate bonds that have been publicly issued and listed on the stock exchange, and not yet due or due but not fully cashed on the approval date of annual report

Yes

1. Basic information of the corporate bonds

Bond Name	Abbreviated Bond Name	Code	Issue Date	Date Due	Bond Balance(R MB'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	Business Address	Address	Contacts	Telephone			
Guangzhou Securities Co., Ltd.	19-20/F, Main Tower , Guangzhou International Finance Center, No.5 Zhujiang West Road, Tianhe District Guangzhou City		Shi Jianhua, Yan Xiangjun		020-88836999		
The credit rating agency who follow up and rate the corporate bonds in the reporting period:							
Name	Business Address						
United Rating Co.,Ltd	Room 508 Ailiyuan Apartment, No.38 Water Park North Road, Nankai District, Tianjin City						

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
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 May 24, 2017, United Ratings Co., Ltd. issued trace rating report LHPZ [2017] No. 448 based on the company's 2016 Annual Report. This rating result is long-term credit rating AA+ and its outlook is "Steady". "15 Dongxu bond" bond credit rating of AA ,

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 15 days 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 June 2017, 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	As at the end of the reporting period	As at the end of last year	YoY+/- (%) he same period
Current ratio	331.70%	380.90%	-49.20%
Debt ratio	50.52%	50.73%	-0.21%
Quick ratio	296.36%	316.23%	-19.87%
	Reporting period	Same period of last year	YoY+/- (%)
EBITDA/Total debts	2.8326	2.9984	-5.53%
Interest coverage ratio	100.00%	100.00%	0.00%
Cash interest coverage ratio	100.00%	100.00%	0.00%

The material reasons for the changed ratio of the accounting data or financial indicators exceeds 30% over the last

year

Applicable Not applicable

9. The company fails to repay the debt

Applicable Not applicable

No such cases in the reporting period.

10. 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.

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

12. 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.

13. Major events occurred during the reporting period

14. Whether the corporate bonds have a guarantor

Yes No

X. Financial Report

I. Auditor's report

Whether the semi-annual report is audited

Yes No

Type of audit opinion	Standard Unqualified Audit Opinion
Date for signing the auditor's report	August 10,2017
Name of audit firm	Zhongxingcai Guanghua Certified Public Accountants (LLP)
The audit report number	ZXCGHSZZD(2017)No.:105085
Name of the certified accountants	Qi Zhenghua, Meng Xiaoguang

Whether the semi-annual report is non-standard audit report

Yes No

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.

June 30,2017

In RMB

Items	Year-end balance	Year-beginning balance
Current asset:		
Monetary fund	22,873,558,641.80	26,056,117,216.86
Settlement provision		
Outgoing call loan		
Financial assets measured at fair value with variations accounted into current income account		
Derivative financial assets		
Bill receivable	94,998,273.32	55,340,287.95
Account receivable	2,341,912,029.32	1,652,714,640.77
Prepayments	1,800,672,152.60	862,432,895.10
Insurance receivable		
Reinsurance receivable		

Provisions of Reinsurance contracts receivable		
Interest receivable	16,239,166.23	
Dividend receivable		
Other account receivable	1,028,308,709.54	186,071,085.24
Repurchasing of financial assets		
Inventories	3,670,952,734.10	2,688,967,436.27
Assets held for sales	3,855,435.58	
Non-current asset due in 1 year		
Other current asset	2,624,314,218.42	3,203,453,317.38
Total of current assets	34,454,811,360.91	34,705,096,879.57
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	477,648,310.87	72,354,803.70
Property investment	58,974,678.04	
Fixed assets	9,068,489,094.66	8,952,341,070.47
Construction in progress	2,457,153,171.64	1,772,629,310.84
Engineering material		304,468.05
Fixed asset disposal		
Production physical assets		
Gas & petrol		
Intangible assets	570,576,105.15	578,194,545.68
R & D petrol	1,941,747.58	
Goodwill	67,977,513.17	33,935,384.57
Long-germ expenses to be amortized	16,507,614.66	11,756,506.76
Differed income tax asset	302,145,572.07	312,555,500.36
Other non-current asset	270,262,370.83	387,151,100.41
Total of non-current assets	13,295,531,614.25	12,121,222,690.84
Total of assets	47,746,487,539.58	46,826,319,570.41
Current liabilities		
Short-term loans	4,474,513,562.31	4,940,816,200.13

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	219,260,464.01	393,136,676.05
Account payable	1,218,159,019.40	1,165,418,491.73
Advance payment	742,441,952.77	414,078,061.38
Selling of repurchased financial assets		
Fees and commissions receivable		
Employees' wage payable	45,837,714.84	42,851,392.30
Tax payable	136,565,229.52	224,310,530.71
Interest payable	178,823,882.97	81,610,513.91
Dividend payable	62,702,011.96	30,000,000.00
Other account payable	130,162,161.94	114,993,136.80
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	3,083,133,090.74	1,618,589,512.42
Other current liability	95,735,818.64	85,535,473.05
Total of current liability	10,387,334,909.10	9,111,339,988.48
Non-current liabilities:		
Long-term loan	5,830,941,823.23	6,596,159,000.00
Bond payable	5,660,557,536.50	5,653,912,494.73
Including: preferred stock		
Sustainable debt		
Long-term payable	1,366,525,476.86	1,514,308,568.67
Long-term payable employees's remuneration		
Special payable		
Expected liabilities		

Differed income	375,000,727.41	380,949,662.27
Differed income tax liability	401,452.67	413,257.79
Other non-current liabilities	500,000,000.00	500,000,000.00
Total non-current liabilities	13,733,427,016.67	14,645,742,983.46
Total of liability	24,120,761,925.77	23,757,082,971.94
Owners' equity		
Share capital	4,939,928,983.00	4,939,928,983.00
Other equity instruments		
Including: preferred stock		
Sustainable debt		
Capital reserves	15,207,757,024.07	15,207,210,810.89
Less: Shares in stock	4,422,320.00	4,422,320.00
Other comprehensive income	-1,368.93	
Special reserves		
Surplus reserves	188,044,070.48	188,044,070.48
Common risk provision		
Undistributed profit	2,175,599,543.05	1,885,538,821.49
Total of owner's equity belong to the parent company	22,506,905,931.67	22,216,300,365.86
Minority shareholders' equity	1,118,819,682.15	852,936,232.61
Total of owners' equity	23,625,725,613.81	23,069,236,598.47
Total of liabilities and owners' equity	47,746,487,539.58	46,826,319,570.41

Legal representative : Li Zhaoting

Person-in-charge of the accounting work: Huang Jinliang

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	10,805,236,113.83	16,951,756,537.76
Financial assets measured at fair value		

with variations accounted into current income account		
Derivative financial assets		
Bill receivable	450,000.00	946,400.00
Account receivable	14,559,673.35	19,896,753.26
Prepayments	9,921,641.91	4,280,852.37
Interest receivable		
Dividend receivable		570,000,000.00
Other account receivable	7,811,632,642.58	4,925,419,456.78
Inventories	479,930,164.82	500,254,494.97
Assets held for sales		
Non-current asset due in 1 year		
Other current asset	1,501,365,249.58	2,000,019,211.84
Total of current assets	20,623,095,486.07	24,972,573,706.98
Non-current assets:		
Disposable financial asset		
Expired investment in possess		
Long-term receivable		
Long term share equity investment	15,476,184,303.46	11,373,791,986.49
Property investment		
Fixed assets	46,995,082.55	49,516,721.87
Construction in progress		
Engineering material		
Fixed asset disposal		
Production physical assets		
Gas & petrol		
Intangible assets	9,784,286.69	9,951,171.11
R & D petrol		
Goodwill		
Long-germ expenses to be amortized		
Differed income tax asset	337,853.35	3,712,603.85
Other non-current asset	1,381,400.00	
Total of non-current assets	15,534,682,926.05	11,436,972,483.32
Total of assets	36,157,778,412.12	36,409,546,190.30
Current liabilities		

Short-term loans	2,660,000,000.00	3,242,500,000.00
Financial liabilities measured at fair value with variations accounted into current income account		
Derivative financial liabilities		
Bill payable		159,820,750.00
Account payable	146,849,648.18	147,012,816.26
Advance payment	421,587.90	10,587.90
Employees' wage payable	3,845,281.50	3,700,741.68
Tax payable	19,655,819.05	20,970,299.00
Interest payable	168,253,395.67	72,569,720.24
Dividend payable	62,702,011.96	
Other account payable	2,802,343,584.48	2,889,692,312.04
Liabilities held for sales		
Non-current liability due in 1 year	1,775,233,333.36	400,005,000.00
Other current liability		
Total of current liability	7,639,304,662.10	6,936,282,227.12
Non-current liabilities:		
Long-term loan	2,535,266,666.62	2,887,600,000.00
Bond payable	5,660,557,536.50	5,653,912,494.73
Including: preferred stock		
Sustainable debt		
Long-term payable		
Employees' wage payable		
Special payable		
Expected liabilities		
Differed income		
Differed income tax liability		
Other non-current liabilities		
Total of Non-current liabilities	8,195,824,203.12	8,541,512,494.73
Total of liability	15,835,128,865.22	15,477,794,721.85
Owners' equity		
Share capital	4,939,928,983.00	4,939,928,983.00
Other equity instrument		
Including: preferred stock		

Sustainable debt		
Capital reserves	15,130,988,536.27	15,130,191,736.27
Less: Shares in stock	4,422,320.00	4,422,320.00
Other comprehensive income		
Special reserves		
Surplus reserves	169,054,846.15	169,054,846.15
Undistributed profit	87,099,501.48	696,998,223.03
Total of owners' equity	20,322,649,546.90	20,931,751,468.45
Total of liabilities and owners' equity	36,157,778,412.12	36,409,546,190.30

3.Consolidated income statement

In RMB

Items	Report period	Same period of the previous year
I. Income from the key business	4,641,285,527.91	2,882,059,154.41
Incl: Business income	4,641,285,527.91	2,882,059,154.41
Interest income		
Insurance fee earned		
Fee and commission received		
II. Total business cost	3,925,002,093.95	2,325,029,677.70
Incl: Business cost	3,338,875,149.90	1,938,309,643.65
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	45,165,094.52	20,441,727.88
Sales expense	29,084,235.15	31,577,716.56
Administrative expense	193,715,154.96	236,706,264.85
Financial expenses	317,954,221.40	94,439,392.61
Asset impairment loss	208,238.02	3,554,932.15
Add: Gains from change of fir value (“-”for loss)		

Investment gain (“-”for loss)	6,676,924.21	81,758.31
Incl: investment gains from affiliates	-15,506,492.83	81,758.31
Gains from currency exchange (“-”for loss)		
Other income	86,680,000.00	
III. Operational profit (“-”for loss)	809,640,358.17	557,111,235.02
Add : Non-operational income	66,069,887.52	103,509,279.68
Including: Income from disposal of non-current assets		
Less: Non business expenses	450,171.43	12,489.34
Incl: Loss from disposal of non-current assets	30,537.14	4,430.74
IV.Total profit(“-”for loss)	875,260,074.26	660,608,025.36
Less: Income tax expenses	179,430,671.23	90,283,601.51
V. Net profit	695,829,403.03	570,324,423.85
Net profit attributable to the owners of parent company	635,855,750.37	545,963,710.72
Minority shareholders’ equity	59,973,652.66	24,360,713.13
VI. Other comprehensive income	-1,368.93	
Net of profit of other comprehensive income attributable to owners of the parent company.	-1,368.93	
(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.	-1,368.93	
1.Other comprehensive income under the equity method investee can be reclassified into profit or loss.		
2.Gains and losses from changes in fair v		

alue 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	-1,368.93	
6.Other		
Net of profit of other comprehensive income attributable to Minority shareholders' equity		
VII. Total comprehensive income	695,828,034.10	570,324,423.85
Total comprehensive income attributable to the owner of the parent company	635,854,381.44	545,963,710.72
Total comprehensive income attributable minority shareholders	59,973,652.66	24,360,713.13
VIII. Earnings per share		
(I) Basic earnings per share	0.13	0.14
(II)Diluted earnings per share	0.13	0.14

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: Huang Jinliang

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	38,597,681.18	383,847,821.44
Incl: Business cost	28,092,263.28	236,140,885.06
Business tax and surcharge	3,585,313.26	521,358.24
Sales expense		684,247.25
Administrative expense	22,819,056.56	27,351,438.20
Financial expenses	251,791,850.48	75,426,926.67

Asset impairment loss	-279,738.15	230,615.03
Add: Gains from change of fair value (“-”for loss)		
Investment gain (“-”for loss)	6,675,734.01	81,758.31
Incl: investment gains from affiliates	-15,507,683.03	81,758.31
Other income		
II. Operational profit (“-”for loss)	-260,735,330.24	43,574,109.30
Add : Non-operational income	6,388.00	51,255.93
Including: Income from disposal of non-current assets		
Less: Non business expenses		
Incl: Loss from disposal of non-current assets		
III.Total profit(“-”for loss)	-260,728,942.24	43,625,365.23
Less: Income tax expenses	3,374,750.50	6,546,013.74
IV. Net profit (“-”for net loss)	-264,103,692.74	37,079,351.49
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	-264,103,692.74	37,079,351.49
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
I.Cash flows from operating activities		
Cash received from sales of goods or rendering of services	4,944,527,769.84	3,428,041,704.57
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	71,010,781.41	121,533,678.40
Other cash received from business operation	205,407,031.15	160,131,838.12

Sub-total of cash inflow	5,220,945,582.40	3,709,707,221.09
Cash paid for purchasing of merchandise and services	5,057,263,911.26	1,610,664,099.74
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	237,953,186.59	292,568,158.80
Taxes paid	531,991,037.56	313,119,724.25
Other cash paid for business activities	808,099,133.96	212,246,295.36
Sub-total of cash outflow from business activities	6,635,307,269.37	2,428,598,278.15
Cash flow generated by business operation, net	-1,414,361,686.97	1,281,108,942.94
II. Cash flow generated by investing		
Cash received from investment retrieving	5,399,999,000.00	
Cash received as investment gains	22,183,417.04	
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	190,962.49	6,120,000.00
Sub-total of cash inflow due to investment activities	5,422,373,379.53	6,120,000.00
Cash paid for construction of fixed assets, intangible assets and other long-term assets	1,215,593,735.72	306,468,934.04
Cash paid as investment	5,375,599,000.00	299,846,640.00
Net increase of loan against pledge		
Net cash received from subsidiaries and other operational units	2,886,994.56	7,619,727.41
Other cash paid for investment	50,000,000.00	

activities		
Sub-total of cash outflow due to investment activities	6,644,079,730.28	613,935,301.45
Net cash flow generated by investment	-1,221,706,350.75	-607,815,301.45
III.Cash flow generated by financing		
Cash received as investment	185,130,000.00	81,000,000.00
Incl: Cash received as investment from minor shareholders	185,130,000.00	81,000,000.00
Cash received as loans	3,252,676,666.66	4,077,100,000.00
Cash received from bond placing		
Other financing –related cash received	235,701,557.06	1,878,688,941.32
Sub-total of cash inflow from financing activities	3,673,508,223.72	6,036,788,941.32
Cash to repay debts	2,975,447,331.44	2,251,801,800.00
Cash paid as dividend, profit, or interests	732,650,977.80	598,359,752.63
Incl: Dividend and profit paid by subsidiaries to minor shareholders	30,000,000.00	
Other cash paid for financing activities	449,714,523.33	94,762,604.60
Sub-total of cash outflow due to financing activities	4,157,812,832.57	2,944,924,157.23
Net cash flow generated by financing	-484,304,608.85	3,091,864,784.09
IV. Influence of exchange rate alternation on cash and cash equivalents	8,712,454.36	9,759,201.83
V.Net increase of cash and cash equivalents	-3,111,660,192.21	3,774,917,627.41
Add: balance of cash and cash equivalents at the beginning of term	25,037,335,091.60	11,964,769,404.73
VI .Balance of cash and cash equivalents at the end of term	21,925,674,899.39	15,739,687,032.14

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	51,105,726.47	404,441,782.23

Tax returned		
Other cash received from business operation	4,513,958,096.78	200,000,000.00
Sub-total of cash inflow	4,565,063,823.25	604,441,782.23
Cash paid for purchasing of merchandise and services	172,870,594.52	363,482,385.72
Cash paid to staffs or paid for staffs	5,039,091.78	5,700,415.82
Taxes paid	8,445,826.76	9,832,273.74
Other cash paid for business activities	7,197,399,250.81	878,044,549.66
Sub-total of cash outflow from business activities	7,383,754,763.87	1,257,059,624.94
Cash flow generated by business operation, net	-2,818,690,940.62	-652,617,842.71
II.Cash flow generated by investing		
Cash received from investment retrieving	5,399,999,000.00	
Cash received as investment gains	592,183,417.04	
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		6,120,000.00
Sub-total of cash inflow due to investment activities	5,992,182,417.04	6,120,000.00
Cash paid for construction of fixed assets, intangible assets and other long-term assets		7,800.00
Cash paid as investment	9,117,899,000.00	1,392,801,140.00
Net cash received from subsidiaries and other operational units		
Other cash paid for investment activities	170,000,000.00	
Sub-total of cash outflow due to investment activities	9,287,899,000.00	1,392,808,940.00
Net cash flow generated by investment	-3,295,716,582.96	-1,386,688,940.00
III.Cash flow generated by financing		

Cash received as investment		
Cash received as loans	2,016,666,666.66	3,062,700,000.00
Cash received from bond placing		
Other financing –related ash received	108,271,893.76	70,281,601.36
Sub-total of cash inflow from financing activities	2,124,938,560.42	3,132,981,601.36
Cash to repay debts	1,576,266,666.68	1,220,000,000.00
Cash paid as dividend, profit, or interests	552,539,171.23	389,290,594.79
Other cash paid for financing activities	28,679,113.18	245,087,948.72
Sub-total of cash outflow due to financing activities	2,157,484,951.09	1,854,378,543.51
Net cash flow generated by financing	-32,546,390.67	1,278,603,057.85
IV. Influence of exchange rate alternation on cash and cash equivalents	433,490.32	
V.Net increase of cash and cash equivalents	-6,146,520,423.93	-760,703,724.86
Add: balance of cash and cash equivalents at the beginning of term	16,951,756,537.76	9,835,157,652.41
VI ..Balance of cash and cash equivalents at the end of term	10,805,236,113.83	9,074,453,927.55

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	4,939,928,983.00				15,207,210,810.89	4,422,320.00			188,044,070.48		1,885,538,821.49	852,936,232.61	23,069,236,598.47

Add: Change of accounting policy													
Correcting of previous errors													
Merger of entities under common control													
Other													
II. Balance at the beginning of current year	4,939,928,983.00			15,207,210,810.89	4,422,320.00			188,044,070.48		1,885,538,821.49	852,936,232.61	23,069,236,598.47	
III. Changed in the current year				546,213.18	-1,368.93					290,060,721.56	265,883,449.54	556,489,015.35	
(I) Total comprehensive income										635,855,750.37	59,973,652.66	695,829,403.03	
(II) Investment or decreasing of capital by owners											186,888,381.50	187,434,594.68	
1. Ordinary Shares invested by shareholders				546,213.18							186,888,381.50	186,888,381.50	
2. Holders of other equity instruments invested capital													
3. Amount of shares paid and accounted as owners' equity													
4. Other				546,213.18								546,213.18	
(III) Profit allotment										-345,795,028.81		-345,795,028.81	
1. Providing of surplus reserves													
2. Providing of common risk provisions													

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 shareholders	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. Allotment to the owners (or shareholders)						-4,589,200.00							4,589,200.00
4. Other					10,314,236.16								10,314,236.16
(IV) Internal transferring of owners' equity									55,320,542.06		-323,770,578.88	-30,000,000.00	-298,450,036.82
1. Capitalizing of capital reserves (or									55,320,542.06		-55,320,542.06		

to capital shares)													
2. Capitalizing of surplus reserves (or to capital shares)													
3. Making up losses by surplus reserves.											-268,450,036.82	-30,000,000.00	-298,450,036.82
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												49,131,095.82	49,131,095.82
IV. Balance at the end of this term	4,939,928,983.00				15,207,210,810.89	4,422,320.00		188,044,070.48			1,885,538,821.49	852,936,232.61	23,069,236,598.47

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	Other							

			debt								
I.Balance at the end of last year	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
Add: Change of accounting policy											
Correcting of previous errors											
Other											
II.Balance at the beginning of current year	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
III.Changed in the current year					796,800.00					-609,898,721.55	-609,101,921.55
(I) Total comprehensive income										-264,103,692.74	-264,103,692.74
(II) Investment or decreasing of capital by owners					796,800.00						796,800.00
1. Ordinary Shares invested by shareholders											
2. Holders of other equity instruments invested capital											
3.Amount of shares paid and accounted as owners' equity											
4. Other					796,800.00						796,800.00
(III) Profit allotment										-345,795,028.81	-345,795,028.81
1.Providing of surplus reserves											
2. Allotment to the owners (or										-345,795,028.81	-345,795,028.81

shareholders)											1
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				15,130,988,536.27	4,422,320.00			169,054,846.15	87,099,501.48	20,322,649,546.90

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	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	4,939,92 8,983.00				15,130,19 1,736.27	4,422,320 .00			169,054,8 46.15	696,998 ,223.03	20,931,75 1,468.45

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 Corporation 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 stock 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 June 30, 2017, 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 Tunghsu Group, Ultimate controller is Li Zhaoting.

In the reporting period, 16 subsidiaries and 29 sub-subsidiaries were included in the consolidation scope by the company, see details at Note 7 “Rights and Interests in Other Subjects”. The consolidation scope of the company increased by 11 companies year on year at this reporting period, see details at Note 6 “Change of Consolidation Scope”

Financial statements and notes to the financial statements approved at the 20th meeting of the 8th Board of Directors on August 10, 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).

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.

V. Principal Accounting Policies and Estimations

Important prompt:

Nil

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 June 30,2017 , operational results, cash flow, and other relevant information of January –June 2017.

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., which is engaged in manufacturing industry, with normal operating cycle that is one year;The Subsidiary-Wuhu Dongxu Optoelectronic Equipment Co., Ltd., Which is engaged in Manufacturing industry, with normal operating cycle that is more than one year; The subsidiarys-Wuhu Dongxu Optoelectronic Technology Co., Ltd., Shijiazhuang Xuxin Optoelectronic Technology Co., Ltd. , Zhenzhou Xufei Optoelectronic Technology 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-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 service 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 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 Euipment Technology Co., Ltd, which is engaged in Manufacturing industry, with normal operating cycle that is one year; The Sub-Subsidiary,Beijing Dongxu Investment Development Co., Ltd., which is engaged in Investment industry, with normal operating cycle that is one year; The sub-subsubsidiary, Wuhu Ruiyi Service Co.,Ltd, is engaged in labor dispatch, 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 3, 13 "Long-term Equity Investment" or Notes 3, 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 13, (2) ④ in Notes 3,) 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 spot 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 spot 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 group	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

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

No

(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. 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 III.9 "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.

③Purchase 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.

④Disposal 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.

14. 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.

15. Fixed assets

(1) Recognition criteria of fixed assets

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.

16. Projects under construction

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.

17. 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.

18. 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.

19. 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.

20. 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

21. 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.

22. 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.

23 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.

24.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 inflow 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: ①measurement of the completed jobs; ②the proportion of the completed services to all; ③the 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

25. Governmental subsidy

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

Government grants means that the Company obtains monetary or non monetary assets free of charge from the government, excluding the capital invested by the government as an investor who also enjoys the corresponding owner's equity. Government grants consist of the government grants pertinent to assets and the government grants pertinent to income. If the government grant is a monetary asset, it shall be measured according to the amount received or receivable. If the government grant is a non-monetary asset, it shall be measured at fair value; if the fair value cannot be obtained reliably, it shall be measured according to the nominal amount. Government grants measured in nominal terms are directly included in the current profits and losses.

The government grants pertinent to assets are recognized as deferred income and are credited to profit or loss by stages in accordance with a reasonable and systematic method within the useful life of the pertinent assets. If the pertinent assets are sold, transferred, scrapped or destroyed before the end of their useful life, the non-allocated pertinent deferred income balance shall be transferred to the profit or loss of the period of assets disposal, and the recognized government grant needs to be refunded, then it shall write down the carrying amount of the relevant

deferred income and the excess part shall be included in the current profit and loss.

(2) Accounting Method

The government grants pertinent to income that are used to compensate the relevant costs or losses of the subsequent period of the enterprise are recognized as deferred income and are credited to the current profit or loss for the period when the relevant costs, expenses or losses are recognized; those government grants used for compensating the related expenses or losses incurred to the enterprise shall be directly included in the current profits and losses.

26. 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.

27. 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.

28. 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.

29. 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

30. 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	15%、16.5%、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.	15%
Wuhu Dongxu Optoelectronic Technology Co., Ltd	15%
Wuhu Dongxu Optoelectronic Equipment Technology Co., Ltd	15%
Wuhu Dongxu Optoelectronic Equipment Technology Co., Ltd	15%
Zhengzhou Xufei Optoelectronic Technology Co., Ltd.	15%
Shijiazhuang Xuxin Optoelectronic Technology Co., Ltd	15%
Hebei Xubao Construction Installation Engineering Co., Ltd.	25%
Shijiazhuang Baoshi Color Bulb Co., Ltd.	25%
Wuhan Dongxu Optoelectronic Technology Co., Ltd.	25%
Dongxu Construction Group Co., Ltd.	25%
Beijing Xufeng Real Estate Co., Ltd.	25%
Dongxu (Kunshan) Display Material Co., Ltd.	25%
Beijing Dongxu Investment Development Co., Ltd.	25%
Wuhu Ruiyi Labor Co., Ltd.	25%
Jiangsu Jixing New Material Co., Ltd.	15%
Beijing Xutan New Material Co., Ltd.	25%
Beijing Dongxu Huuaqing Investment Co., Ltd.	25%
Jiangsu Dongxu Yitai Intelligent Equipment Co., Ltd.	25%
Fuzhou Dongxu Optoelectronic Technology Co., Ltd.	25%
Shenzhen Xuhui Investment Holdings Co., Ltd	25%
hanghai Tanyuan Huigu New Material Technology Co., Ltd.	15%
Fuzhou Dongxu Investment Development Co., Ltd.	25%
Fuzhou Xufu Optoelectronic Technology Co., Ltd.	25%
Taizhou Xiwang New Energy Technology Co., Ltd.	25%
Xiamen Xuqi Investment Management Co., Ltd.	25%
Shenzhen Xinyingtong Technology Co., Ltd.	25%
Xuyou Electronic Material Technology (Wuxi) Co., Ltd.	25%
Fuzhou Xuyou Electronic Material Technology Co., Ltd.	25%

Sichuan Dongxu Ruiyi Enterprise Management Co., Ltd.	25%
Sichuan Dongxu Ruiyi Environment Engineering Co., Ltd.	25%
Sichuan Dongxu Ruiyi Survey & Design Co., Ltd.	25%
Sichuan Dongxu Ruiyi Trade Co., Ltd.	25%
Sichuan Dongxu Prosperity Construction Development Co., Ltd.	25%
Shenzhen Xingxinda Technology Co., Ltd.	25%
Mingshuo(Beijing)Electronic Technology Co., Ltd.	15%
Huzhou Mingshuo Optoelectronic Technology Co., Ltd.	25%
Dongxu Xuhua(International) Equipment Co., Ltd.	Not applicable
Hunan Dongxu Delai Electronic Technology Co., Ltd.	25%
Wuhu Dongxu Weiyu Medical Apparatus Technology Co., Ltd.	25%
Hunan Dongxu Weishi Electronic Technology Co., Ltd.	25%
Hunan Dongxu Weigao Medical Apparatus Technology Co., Ltd.	25%
Guangdong Dongxu Weiyu Medical Apparatus Technology Co., Ltd.	25%
Shandong Qihui Medical Technology Co., Ltd	25%
Chuanglian Huatai(Hongkong) Co., Ltd.	16.5%
Tianlong Huatai Industry(Hongkong) Co., Ltd.	16.5%
Taizhou Dongxu Graphene Industry Investment Fund Management Center(LP)	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 On November 24, 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.

⑨ On December 1, 2016, Mingshuo(Beijing)Electronic 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.

VII. Notes to the major items of consolidated financial statement

1. Monetary Capital

In RMB

Items	Year-end balance	Year-beginning balance
Cash	425,749.93	187,232.52
Bank deposit	22,254,637,844.45	25,349,745,448.62
Other	618,495,047.42	706,184,535.72
Total	22,873,558,641.80	26,056,117,216.86

Other notes

Notes 1: The amount of restricted monetary capital of the total monetary capital in the end of the period is RMB 943,221,108.77. Mainly for the draft earnest money and the fixed deposit receipt.

2. Bills receivable

(1) Classification bill receivable

Items	Year-end balance	Year-beginning balance
Bank acceptance	91,708,273.32	50,040,287.95
Trade acceptance	3,290,000.00	5,300,000.00
Total	94,998,273.32	55,340,287.95

(2) 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	99,462,400.00	

Trade acceptance	59,710,478.59	
Total	159,172,878.59	

3. 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	2,363,805,007.31	99.97%	21,892,977.99	0.93%	2,341,912,029.32	1,674,205,803.42	100.00%	21,491,162.65	1.28%	1,652,714,640.77
Receivables that are individually insignificant but with provision for bad debts made on an individual basis	746,626.84	0.03%	746,626.84							
Total	2,364,551,634.15	100.00%	22,639,604.83	0.96%	2,341,912,029.32	1,674,205,803.42	100.00%	21,491,162.65	1.28%	1,652,714,640.77

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	1,897,527,356.92		
Within 1 year after credit period	304,454,799.49	15,222,739.94	5.00%
Subtotal within 1 year	2,201,982,156.41	15,222,739.94	0.69%
1-2 years	20,054,690.29	2,006,069.03	10.00%
2-3 years	11,519,231.55	3,455,169.46	30.00%
Over 3 years	2,153,404.39	1,208,999.56	
3-4 years	1,888,809.68	944,404.85	50.00%

Over 5 years	264,594.71	264,594.71	100.00%
Total	2,235,709,482.64	21,892,977.99	0.98%

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	128,095,524.67	

(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 4,964,564.17;The amount of the reversed or collected part during the reporting period was of RMB4,223,221.57.

Where the current bad debts back or recover significant amounts:

In RMB

Name	Back or withdraw money	Method
------	------------------------	--------

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

The total receivable amount of top five closing balances collected by the debtors in the current reporting period is RMB507,068,428.48, which accounts for 21.44% of the total receivables. The total amount of closing balance for corresponding accrued bad-debt provision is RMB792,218.65.

4. 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	1,530,035,703.49	84.97%	776,749,368.51	90.06%
1-2 years	211,566,799.70	11.75%	57,435,800.50	6.66%
2-3 years	34,077,114.54	1.89%	28,247,726.09	3.28%
Over 3 years	24,992,534.87	1.39%		
Total	1,800,672,152.60	--	862,432,895.10	--

Notes:

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

As of June 30,2017,The total prepayment amount of top five closing balances collected by the objects of prepayment in the current reporting period is RMB1,135,009,252.91, which accounts for 63.03% 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.

5. Interest receivable

(1) Classification Interest receivable

In RMB

Items	Amount in year-end	Amount in year-begin
Fixed deposit	16,239,166.23	
Total	16,239,166.23	

6. Other accounts receivable

(1) Other accounts receivable disclosed by Classification

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(%)	
Other receivables subject to provision for bad debts on credit risk characteristics basis	1,030,084,273.89	100.00%	1,775,564.35	0.17%	1,028,308,709.54	188,125,067.48	100.00%	2,053,982.24	1.09%	186,071,085.24
Total	1,030,084,273.89	100.00%	1,775,564.35	0.17%	1,028,308,709.54	188,125,067.48	100.00%	2,053,982.24	1.09%	186,071,085.24

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(%)
Subitem within 1 year			
Within credit period	1,342,173.52		0.00%
Within 1 year after credit period	2,146,378.10	107,318.90	5.00%
Subtotal within 1 year	3,488,551.62	107,318.90	3.00%

1-2 years	1,155,138.40	115,513.84	10.00%
2-3 years	130,129.79	39,038.94	30.00%
3-4 years	8,497.64	4,248.82	50.00%
Over 5 years	1,509,443.85	1,509,443.85	100.00%
Total	6,291,761.30	1,775,564.35	28.22%

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

(2) Other account receivable classified by account nature

In RMB

Nature	Closing book value	Opening book value
Related party exchange		
Current account	55,797,728.61	7,072,359.41
Deposit	13,671,610.51	72,905,814.34
Personal official borrowing	20,914,377.23	9,218,737.75
Persona Returnable Insuranc	6,327,909.07	18,908,561.60
e Deposit	898,830,410.30	1,577,343.37
Export tax refunds	28,250,476.87	75,152,190.18
Total	1,023,792,512.59	188,125,067.48

(3) 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
Beijing culture Silicon Valley Asset Operation Co., Ltd.	Deposit	370,000,000.00	Within 1 year	35.92%	
Beijing Hua Xi travel culture industry Co.	Deposit	230,000,000.00	Within 1 year	22.33%	
Chengdu rural property rights exchange Co., Ltd.	Deposit	80,000,000.00	Within 1 year	7.77%	
Shanghai Huimao	Deposit	50,000,000.00	Within 1 year	4.85%	

Management Co., Ltd.					
Xian Runyin Finance leasing Co., Ltd.	Deposit	23,000,000.00	Within 1 year	2.23%	
Total	--	753,000,000.00	--	73.10%	

7. 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	1,859,267,689.87	2,130,151.05	1,857,137,538.82	898,356,338.67	1,993,847.52	896,362,491.15
Processing products	109,104,315.18		109,104,315.18	75,349,308.19		75,349,308.19
Stock goods	350,584,459.75	69,316.24	350,515,143.51	267,103,365.46		267,103,365.46
Construction contract has been completed unsettled assets	214,516,430.63		214,516,430.63	368,022,163.44		368,022,163.44
Development cost	1,139,225,487.35		1,139,225,487.35	1,082,130,108.03		1,082,130,108.03
Goods in transit	453,818.61		453,818.61			
Total	3,673,152,201.39	2,199,467.29	3,670,952,734.10	2,690,961,283.79	1,993,847.52	2,688,967,436.27

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	Increase	Decrease	Year-end balance
-------	----------------	----------	----------	------------------

	balance	Accrual	Other	Switch back	Other	
Raw materials	1,993,847.52	136,303.53				2,130,151.05
Stock goods		69,316.24				69,316.24
Total	1,993,847.52	205,619.77				2,199,467.29

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

A. The development cost details

No	Name	(Planned) Start time	Expected first batch completion time	Estimated total investment	Year-beginning balance	Year-end balance
01	Dongxu International Center	2015-12-29	2017-12-31	2.2 billion	1,082,130,108.03	1,139,225,487.35

B. Capitalization of project interest

Name	Interest amount of interest in current period	Interest capitalization accumulated amount	Interest capitalization rate (%)
Dongxu International Center		94,597,013.19	7.00

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

In RMB

Items	Amount
Accumulated Incurred Cost	2,091,078,268.52
Accumulated Confirmed Gross Profit	393,675,037.02
Settlement Amount	2,270,236,874.91
Unliquidated Completed Assets Formed in the Construction Contract	214,516,430.63

8. 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	1,066,314,218.42	1,124,023,317.38
Short-term Financing	1,500,000,000.00	2,021,430,000.00
Total	2,624,314,218.42	3,203,453,317.38

Other notes:

Notes: The decrease in other current assets at the end of the period was mainly due to the decrease in short-term financial management.

9. Available-for-sale financial assets

(1) Available-for-sale financial assets

In RMB

Items	Closing balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value

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

No

10. Long-term equity investment

In RMB

Investees	Opening balance	Increase/decrease								Closing balance	Closing balance of impairment provision
		Add 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.	72,354,803.70			171,370.96						72,526,174.66	
Tunghsu Group Finance Co., Ltd.		400,000.00		-15,702.580.22						384,297.419.78	
Dongxu (Deyang)		20,800.00		24,716.43						20,824.716.43	

Graphene Industry Development Fund Partnership (LP)											
Subtotal	72,354,803.70	420,800,000.00		-15,506,492.83						477,648,310.87	
Total	72,354,803.70	420,800,000.00		-15,506,492.83						477,648,310.87	

Other notes:

Note: The deadline for the investee has not been audited.

11. 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	1,226,566,989.39	8,768,047,126.90	43,197,759.54	58,817,344.45	10,096,629,220.28
2. Increase in the current period	167,291,490.29	268,536,975.56	3,079,970.82	3,469,290.13	442,377,726.80
(1) Purchase		62,688,587.96	3,079,970.82	3,333,626.06	69,102,184.84
(2) Inventory\Fixed assets\ Transferred from construction in progress	167,291,490.29	205,848,387.60			373,139,877.89
(3) Increased of Enterprise Combination				135,664.07	135,664.07
3. Decreased amount of the period			787,832.00	91,549.87	879,381.87
(1) Disposal			787,832.00	91,549.87	879,381.87
4. Balance at	1,393,858,479.68	9,036,584,102.46	45,489,898.36	62,195,084.71	10,538,127,565.21

period-end					
II. Accumulated depreciation					
1. Opening balance	236,064,086.50	856,391,505.22	25,311,875.86	26,484,237.39	1,144,251,704.97
2. Increased amount of the period	16,809,605.02	301,663,230.38	3,020,809.02	4,629,983.26	326,123,627.68
(1) Withdrawal	16,809,605.02	301,663,230.38	3,020,809.02	4,550,880.76	326,044,525.18
(2) Increased of Enterprise Combination				79,102.50	79,102.50
3. Decrease in the reporting period			712,609.21	60,697.73	773,306.94
(1) Disposal			712,609.21	60,697.73	773,306.94
4. Closing balance	252,873,691.52	1,158,054,735.60	27,620,075.67	31,053,522.92	1,469,602,025.71
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	1,140,984,788.16	7,878,492,922.02	17,869,822.69	31,141,561.79	9,068,489,094.66
2. Book value of the period-begin	990,502,902.89	7,911,619,176.84	17,885,883.68	32,333,107.06	8,952,341,070.47

(2) Details of fixed assets failed to accomplish certification of property

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
Rear engineering workshop(101)	45,425,185.54	Processing
Auxiliary building (102)	4,145,856.57	Processing
Comprehensive power station (I) (103)	4,584,314.54	Processing
Water Station (104)	5,995,777.21	Processing
Guard Room (105)	422,219.31	Processing

Other notes

Notes 1: The main reason for the increase in fixed assets at the end of the period is the reversal of the glass substrate production line.

12. 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	1,854,902,937.28		1,854,902,937.28	1,676,291,711.39		1,676,291,711.39
Wuhan LCD glass substrate production line project	14,645,209.52	14,645,209.52		14,645,209.52	14,645,209.52	
Kunshan Color film project	159,319,216.99		159,319,216.99	60,284,978.33		60,284,978.33
Sapphire crystal	276,923.08		276,923.08	205,128.21		205,128.21

sultivation and processing of production line equipment						
Project of Production Line for the 8.5th-generation Glass glass substrate	19,227,737.81		19,227,737.81	35,847,492.91		35,847,492.91
Polarized	423,426,356.48		423,426,356.48			
Total	2,471,798,381.16	14,645,209.52	2,457,153,171.64	1,787,274,520.36	14,645,209.52	1,772,629,310.84

(2) Changes of significant construction in progress

In RMB

Name of project	Budget	Opening balance	Increase	Transferred to fixed assets	Other decrease	End balance	Proportion %	Project process	Capitalization of interest	Including: capitalization of interest this period	Capitalization of interest rate (%)	Source of funding
Xinyingdong Jingji Office	1,175.16		58,541,138.40	58,541,138.40			100.00%	100.00%				Other
Wuhan LCD glass substrate production line project	757,652.00	1,676,291,711.39	178,611,225.89			1,854,902,937.28	91.28%	91.28%	643,201,595.57	55,936,059.10	31.32%	Raise funds
Kunshan Color film project	311,550.00	60,284,978.33	99,034,238.66			159,319,216.99	9.61%	9.61%				Raise funds
Sapphire crystal sultivation and	5,906.40	205,128.21	2,061,408.62	1,989,613.75		276,923.08	95.12%	95.12%				Other

processing of production line equipment												
Project of Production Line for the 8.5th-generation Glass glass substrate	612,694.00	35,847,492.91	116,381,472.61	133,001,227.71		19,227,737.81	3.49%	3.49%				Raise funds
Fuzhou Xu Fu 8.5 generations of industrial lines	82,306.00		176,368,200.05	176,368,200.05								Raise funds
Phase 1 project of Asahi polarizer	220,000.00		423,426,356.48			423,426,356.48	28.60%	28.6%				Raise funds
Other			3,239,697.98	3,239,697.98								Other
Total	1,991,283.56	1,772,629,310.84	1,057,663,738.69	373,139,877.89		2,457,153,171.64	--	--	643,201,595.57	55,936,059.10		--

(3) Provision for impairment of construction projects

In RMB

Items	Amount	Reason
Wuhu LCD glass substrate production line project		

Other notes

Note 1: Subsidiary Wuhan 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, Therefore, the subsidiary of Wuhan Dongxu Optoelectronic Technology Co., Ltd. 2016 shareholders' meeting resolution of the full amount of impairment provision.

13. Engineering Material

In RMB

Items	Closing balance	Opening balance
Special Equipment		263,312.81
Special material		41,155.24
Total		304,468.05

14. Intangible assets

(1) Information

Items	Land use right	Patent right	Non patent technology	Patent technology	Total
I. Original price					
1. Balance at period-beginning	567,156,948.81	1,677,806.92	47,023,137.22	22,120,666.71	637,978,559.66
2. Increase in the current period		99,976.23		1,040,000.00	1,139,976.23
(1) Purchase		99,976.23		1,040,000.00	1,139,976.23
(2) Internal Development					
(3) Increased of Enterprise Combination					
3. Decreased amount of the period					
(1) Disposal					
4. Balance at period-end	567,156,948.81	1,777,783.15	47,023,137.22	23,160,666.71	639,118,535.89
II. Accumulated					

amortization					
1. Balance at period-beginning	43,923,262.93	632,128.66	13,540,982.34	1,687,640.05	59,784,013.98
2. Increase in the current period	5,677,279.46	96,989.24	2,265,509.52	718,638.54	8,758,416.76
(1) Withdrawal	5,677,279.46	96,989.24	2,265,509.52	718,638.54	8,758,416.76
3. Decreased amount of the period					
(1) Disposal					
4. Balance at period-end	49,600,542.39	729,117.90	15,806,491.86	2,406,278.59	68,542,430.74
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	517,556,406.42	1,048,665.25	31,216,645.36	20,754,388.12	570,576,105.15
2. Book value at period-beginning	523,233,685.88	1,045,678.26	33,482,154.88	20,433,026.66	578,194,545.68

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	55,668,374.98	Processing

15. Development expenditure

In RMB

Items	Beginning balance	Increase In the period			Decrease in period			Ending balance
A kind of graphene-based water-based anti-corrosion coating and its ancillary products which can be used in the field of heavy preserving		1,941,747.58						1,941,747.58

16. Goodwill

(1) Original book value of goodwill

In RMB

Name of the investees or the events formed goodwill	Opening balance	Increase			Decrease		Closing balance
Shanghai Tanyuan Huigu New Material Co., Ltd.	33,935,384.57						33,935,384.57
Mingshuo (Beijing) Electronic Technology Co., Ltd.		33,319,677.71					33,319,677.71
Chuanglian Huatai(Hongkong) Co., Ltd.		722,450.89					722,450.89
Total	33,935,384.57	34,042,128.60					67,977,513.17

17. 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	11,756,506.76	2,641,353.65	3,852,355.75		10,545,504.66
NEG Technology Use fee		6,167,700.00	205,590.00		5,962,110.00
Total	11,756,506.76	8,809,053.65	4,057,945.75		16,507,614.66

18. 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	28,658,373.79	5,713,064.67	24,724,135.41	5,154,470.27
Not realized the internal profit	1,901,559,690.60	286,978,331.46	1,949,789,000.92	294,212,728.05
Deductible loss			22,417,562.27	3,362,634.34
Deferred income difference	62,948,666.55	9,442,299.98	65,420,100.08	9,813,015.00
Impairment of assets under the control of enterprises under the same control	79,173.07	11,875.96	84,351.33	12,652.70
Total	1,993,245,904.01	302,145,572.07	2,062,435,150.01	312,555,500.36

(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	2,676,351.13	401,452.67	2,755,051.93	413,257.79

Total	2,676,351.13	401,452.67	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 Deductable or Taxable Difference at the End of Report Period	Deferred Income Tax Assets or Liabilities at the Beginning of Report Period	Temporarily Deductable or Taxable Difference at the Beginning of Report Period
Deferred income tax assets		302,145,572.07		312,555,500.36
Deferred income tax liabilities		401,452.67		413,257.79

(4) Details of income tax assets not recognized

In RMB

Items	End of term	Beginning of term
Deductible losses	328,343,011.44	57,681,700.17
Bad debt provision	86,413.68	814,857.00
Impairment of fixed assets	36,444.84	36,444.84
Provision for impairment of construction projects	14,645,209.52	14,645,209.52
Inventory falling price reserves	69,316.24	
Total	343,180,395.72	73,178,211.53

(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	856,290.76	
2018	15,649.80	15,649.80	
2019	4,010,267.09	944,397.82	
2020	3,995,431.56	4,898,217.97	
2021	50,803,937.37	50,967,143.82	
2022	268,661,434.86		
Total	328,343,011.44	57,681,700.17	--

19. Other non-current assets

In RMB

Items	Closing balance	Opening balance
Prepaid engineering equipment	238,462,370.83	387,151,100.41
Prepaid Investment	31,800,000.00	
Total	270,262,370.83	387,151,100.41

Other notes

The main reason for the decrease of other non-current assets at the end of the period is the equipment received in the current period.

20. Short-term loan

(1) Categories of short-term loans

In RMB

Items	Closing balance	Opening balance
Pledge loan	637,338,652.73	443,307,086.78
Mortgage loan	118,497,469.58	172,315,413.35
Guarantee loan	3,518,677,440.00	4,325,193,700.00
Total	4,474,513,562.31	4,940,816,200.13

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 RMB118,497,469.58:

Thereinto, the collateral for the borrow money of RMB 25,000,000.00 is the house property of Jiangsu Jixing New Materials Co., Ltd with the House property number of YangFangzi No.81800980-81800982 and the land of No. 10483, No.10484 and No. 10486 of YangGuoYong; the collateral for the borrow money of RMB 19,000,000.00 is the land of No. 10485-2011 of YangGuoYong and the land of No. 10487-2011 of YangGuoYong; the subsidiary-Shenzhen Xinyingtong Technology Co. Ltd has a mortgage loan of RMB 74,497,469.58; thereinto: the RMB 15,000,000.00 loan was provided a joint and several liability guarantee by Zeng Jiankai and Zhong Yuhua and was provided the mortgage-backed guarantee by Liu Jun, Zhong Yuhua and Zhang Lixia with the mortgage of lands of No. 50000671902, No. 3000415955 and No. 5000615797 of Shen Real-estate Zi; the RMB 38,000,000.00 loan was provided a joint and several liability guarantee by Zeng Jianyi and was provided the mortgage-backed guarantee by Zhao Baomei using the House property of certificate of property No. 3000492775 of No.6 buliding of Xiangmi Lake First Ecology as the mortgage; the RMB 21,497,469.58 loan was provided the mortgage-backed guarantee by using the cash deposit of RMB 21,430,000.00 as the mortgage.

4. Guarantee loan was RMB 3,518,677,440.00:

Whereby, Li Zhaoting offered RMB 58,000,000.00 joint liability guarantee to Zhengzhou Xufei Optoelectronic Technology Co., Ltd., Tunghsu Group Co., Ltd and Li Zhaoting offered RMB 350,677,440.00 joint liability guarantee to Zhengzhou Xufei Optoelectronic Technology Co., Ltd., Tunghsu Group, The Company and Li Zhaoting offered RMB 50,000,000.00 joint liability guarantee to Zhengzhou Xufei Optoelectronic Technology Co., Ltd., Tunghsu Group offered RMB 500,000,000.00 joint liability guarantee to The Company, Li Zhaoting offered RMB 400,000,000.00 joint liability guarantee to The Company, Tunghsu Group and Li Zhaoting offered RMB 700,000,000.00 joint liability guarantee to The Company, Tunghsu Group, Li Zhaoting and Li Qing offered RMB 860,000,000.00 joint liability guarantee to The Company. The company offered RMB 105,000,000.00 guarantee to subsidiary -- Wuhu Dongxu Optoelectronic Technology Co., Ltd., Tunghsu Group offered RMB 105,000,000.00 joint liability guarantee to Wuhu Dongxu Optoelectronic Technology Co., Ltd., Tunghsu Group offered RMB 50,000,000.00 joint liability guarantee to Wuhu Dongxu Optoelectronic Technology Co., Ltd., The Company and Li Zhaoting offered RMB 250,000,000.00 guarantee to subsidiary -- Wuhu Dongxu Optoelectronic Technology Co., Ltd., Li Zhaoting offered RMB 100,000,000.00 joint liability guarantee to Wuhu Dongxu Optoelectronic Technology Co., Ltd., The Company offered RMB 95,000,000.00 Joint liability guarantee to subsidiary- Wuhu Dongxu Optoelectronic Equipment Technology Co., Ltd.

5. The amount of loan with a pledge of collateral at the end of the period was RMB 637,338,652.73: thereinto, the RMB 28,683,304.13 was provided a pledge guarantee by Shenzhen Xinyingtong Technology Co., Ltd by using certificate of time deposit; the RMB 125,326,400.00 loan with a pledge of collateral was provided a pledge guarantee by Shenzhen Xinyingtong Technology Co. Ltd by using the deposit of USD 18,481,500.00 as a pledge; the object of pledge for the RMB 483,328,948.60 was the other monetary funds deposited in the special account for deposit.

(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:

In RMB

Unit	Closing balance	Interest rate	Time	Overdue interest rate
------	-----------------	---------------	------	-----------------------

Other notes:

21. Note payable

In RMB

Type	Closing balance	Opening balance
Commercial acceptance		159,820,750.00
Bank acceptance	219,260,464.01	233,315,926.05
Total	219,260,464.01	393,136,676.05

Amount due in next fiscal period is RMB 0.00.

22. Account payable

(1) Account payable

In RMB

Items	Closing balance	Opening balance
Engineering fund	216,639,043.03	266,567,513.92
Material fund	978,299,169.90	849,166,049.63
Transportation expenses	2,118,059.68	1,263,084.00
Other	21,102,746.79	48,421,844.18
Total	1,218,159,019.40	1,165,418,491.73

(2) Significant accounts payable that aged over one year

In RMB

Items	Balance in year-end	The reason for not repaid or carried forward
Beijing Guoshun Investment Co., Ltd.	41,088,123.25	Not reached the agreed payment terms and deadlines
Ningxia Tianshun Electric Power Engineering Co., Ltd.	31,115,140.33	Not reached the agreed payment terms and deadlines
Dingzhou Jiaping Construction Engineering Co., Ltd.	24,969,982.50	Not reached the agreed payment terms and deadlines
Qinghai Construction Engineering Co., Ltd.	14,643,907.65	Not reached the agreed payment terms and deadlines
Total	111,817,153.73	--

Other notes: The increase of the accounts payable of the period are mainly due to the increase of material payment payable and freight payable.

23. Advance account

(1) Advance account

In RMB

Items	Closing balance	Opening balance
Goods	85,689,449.05	173,306,846.80
Engineering fund	423,224,878.72	9,243,589.58
House selling	231,527,625.00	231,527,625.00
Other	2,000,000.00	
Total	742,441,952.77	414,078,061.38

24. 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	42,104,784.31	228,011,761.01	224,571,685.19	45,544,860.13
II. Post-employment benefits - defined contribution plans	746,607.99	18,690,851.71	19,144,604.99	292,854.71
Total	42,851,392.30	246,702,612.72	243,716,290.18	45,837,714.84

(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	18,652,928.59	188,383,769.02	186,779,978.50	20,256,719.11
2. Employee welfare		13,616,866.62	13,616,866.62	
3. Social insurance premiums	408,535.42	10,324,945.78	10,570,430.36	163,050.84
Including: Medical insurance	366,897.76	9,336,391.63	9,665,771.88	37,517.51
Work injury insurance	12,214.89	553,461.58	554,313.56	11,362.91
Maternity insurance	29,422.77	435,092.57	350,344.92	114,170.42
4. Public reserves for housing	375,641.47	8,674,426.92	8,893,160.35	156,908.04
5. Union funds and staff education fee	22,667,582.74	5,999,838.28	3,864,900.11	24,802,520.91
7. Short term profit sharing plan	96.09	1,011,914.39	846,349.25	165,661.23
Total	42,104,784.31	228,011,761.01	224,571,685.19	45,544,860.13

(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	715,861.56	17,837,865.92	18,301,663.76	252,063.72

2.Unemployment insurance	30,746.43	852,985.79	842,941.23	40,790.99
Total	746,607.99	18,690,851.71	19,144,604.99	292,854.71

Other notes:

Note : Employee benefits payable has no arrears of wages.

25. Taxes payable

In RMB

Items	Closing balance	Opening balance
VAT	42,572,313.79	83,366,319.90
Enterprise Income tax	55,477,471.01	97,859,353.22
Individual income tax	20,316,022.94	22,560,220.31
City Construction tax	3,048,648.21	3,774,222.43
Business Tax	3,789,219.75	3,789,219.75
House property tax	6,970,326.94	6,187,382.79
Land use tax	945,440.24	746,349.07
Educational surtax	2,100,924.84	2,619,192.11
Stamp Tax	159,412.38	544,438.49
Other	1,185,449.42	2,863,832.64
Total	136,565,229.52	224,310,530.71

26. Interest payable

In RMB

Items	Closing balance	Opening balance
Interest on long-term borrowings payable	28,839,315.61	3,602,056.66
Enterprise bond interest	148,052,010.66	66,833,709.29
Interest on short-term borrowings	1,932,556.70	2,133,954.29
Total	178,823,882.97	81,610,513.91

Particulars of significant overdue unpaid interest:

In RMB

Name	Overdue amount	Overdue reason

27. Dividends payable

In RMB

Items	Closing balance	Opening balance

Common stock dividend	62,702,011.96	30,000,000.00
Total	62,702,011.96	30,000,000.00

Note: Including significant unpaid dividends payable over one year, the unpaid reason shall be disclosed:

28. Other accounts payable

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

In RMB

Items	Closing balance	Opening balance
Current account	37,631,454.33	27,062,361.47
Deposit	7,330,341.69	17,201,477.44
Individual official borrowing	350,363.60	106,501.37
Government Subsidy	15,000,000.00	15,000,000.00
Deposit	5,937,709.42	1,533,593.97
Social security withholding	2,108,864.35	352,709.67
Engineering fund		1,553,725.90
Equipment fund	12,291,891.45	6,065,857.97
Material fund		
Petty cash	3,148,000.00	484,092.66
Equity section	22,594,191.20	22,594,191.20
Restricted stock repurchase obligations	4,422,320.00	4,422,320.00
Other	19,347,025.90	18,616,305.15
Total	130,162,161.94	114,993,136.80

In RMB

29. Non-current liabilities due within 1 year

In RMB

Items	Closing balance	Opening balance
Long-term loans due 1 year	2,618,261,390.49	1,049,874,000.00
Long-term payable due 1 year	423,174,302.28	525,979,430.08
Deferred income due within one year	41,697,397.97	42,736,082.34
Total	3,083,133,090.74	1,618,589,512.42

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.

30. Other current liabilities

In RMB

Items	Closing balance	Opening balance
USD exchange	67,744,000.00	69,370,000.00
For resale tax	27,991,818.64	16,165,473.05
Total	95,735,818.64	85,535,473.05

Increase or decrease in short-term bonds payable:

In RMB

Name	Par value	Issuing date	Term	Issuing amount	Amount in year-beg in	This issue	Interest	Premium and discount amortization	This period for repayment	Balance in year-end
------	-----------	--------------	------	----------------	-----------------------	------------	----------	-----------------------------------	---------------------------	---------------------

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 June 30, 2017, the Group still consults with the Exchange Unit on the returning of the exchange.

31. Long-term loan

(1) Category of long-term loan

In RMB

Items	Closing balance	Opening balance
Mortgage loans	3,263,703,213.74	4,758,433,000.00
Guarantee loans	4,985,499,999.98	2,487,600,000.00
Credit loans	200,000,000.00	400,000,000.00
Less : Long-term loan due 1 year	-2,618,261,390.49	-1,049,874,000.00
Total	5,830,941,823.23	6,596,159,000.00

Notes:

Notes 1: At the end of the period, the Company has no long-term borrowings that have not yet been repaid.

Note 2: The mortgage of RMB 3,263,703,213.74 is both the mortgage loan and the guarantee loan, reclassified into the non-current liabilities due within one year RMB 673,028,057.13.

(1) Among the loan of RMB 408,000,000.00, due within one year is RMB 136,000,000.00, the collateral and guarantor of the loan: a. Wuhu Dongxu 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 1,640,000,000.00, due within one year is RMB 327,500,000.00, the collateral

and guarantor of the loan: a. Wuhu Dongxu Optoelectronic Technology Co. Ltd mortgages 8 precious metal platinum channel assets to provide the collateral; b. Dongxu Optoelectronic Technology Co., Ltd. provide full joint liability guarantee for its subsidiary Wuhu Dongxu Optoelectronic Technology Co., Ltd.

(3) Among the loan of RMB 450,000,000.00, due within one year is RMB 80,000,000.00, the collateral and guarantor of the loan: a. Wuhu Dongxu 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. Dongxu optoelectronic Technology Co., Ltd. provide full joint liability guarantee for its subsidiary Wuhu Dongxu Optoelectronic Equipment Technology Co., Ltd.

(4) Among the loan of RMB 709,195,200.00元, Non-current Liability due within one year is RMB 123,548,800.00, the collateral and guarantor: a. the guarantor is Henan Energy and Chemical Industry Group Co., Ltd., Dongxu 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 Tunghsu 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.

(5) For the RMB 56,508,013.74 loan, of which the non-current liabilities due within one year are RMB 5,979,257.13, and such loan with a pledge of collateral not only is the collateral loan but also is the guarantee loan, which was provided a joint and several liability guarantee by Zneg Jiankai and his spouse Zhong Yuhua and was a collateral loan that was provided a collateral of house by Shenzhen Xinyingtong Technology Co. Ltd.

Note 3: Among the credit loan of RMB 200,000,000.00, due within one year is RMB 200,000,000.00.

Note 4: Among the guarantee loan of RMB 4,985,499,999.98, due within one year is RMB 1,745,233,333.36, of which: TUNGHSU GROUP, Li Zhaoting, Li Qing provide the joint liability guarantee for the Company's loan of RMB 2,487,500,000.00, TUNGHSU GROUP and Li Zhaoting provides the joint liability guarantee for the Company's loan of RMB 600,000,000.00; TUNGHSU GROUP provides the joint liability guarantee for the Company's loan of RMB498,000,000.00; TUNGHSU GROUP, Dongxu Optoelectronic Investment Co., Ltd. and Li Zhaoting provides the joint liability guarantee for the Company's loan of RMB 400,000,000.00; Li Zhaoting provides the joint liability guarantee for the Company's loan of RMB 124,999,999.98.

Among the loan of RMB 695,000,000.00, due within one year is RMB 170,000,000.00, 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. TUNGHSU GROUP and Li Zhaoting provides the joint liability guarantee for Fuzhou Dongxu Optoelectronic Technology Co., Ltd's loan of RMB 100,000,000.00; Nippon Electric Co., Ltd. provides the joint liability guarantee for Fuzhou Dongxu Optoelectronic Technology Co., Ltd's loan of RMB 80,000,000.00.

Notes 5. Rate of annual long-term borrowing is generally ranged from 4.90% to 9.00%.

Other notes:

32. Bonds payable

(1) Bonds payable

In RMB

Items	Closing balance	Opening balance
15 Dongxu Bonds	992,015,480.73	990,780,313.28
Mid-term Note I	2,981,029,962.31	2,976,537,353.65
Mid-term Note II	1,687,512,093.46	1,686,594,827.80
Total	5,660,557,536.50	5,653,912,494.73

(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	990,780,313.28	30,000,000.00	1,235,167.45	60,000,000.00	992,015,480.73
Mid-term Note I	3,000,000,000.00	2016.11.17	5 years	3,000,000,000.00	2,976,537,353.65	91,025,643.83	4,492,608.66		2,981,029,962.31
Mid-term Note II	1,700,000,000.00	2016.12.02	5 Years	1,700,000,000.00	1,686,594,827.80	20,192,657.54	917,265.66		1,687,512,093.46
Total	--	--	--	5,700,000,000.00	5,653,912,494.73	141,218,301.37	6,645,041.77	60,000,000.00	5,660,557,536.50

(3) Other financial instruments that are classified as financial liabilities

The issuance of preferred stock and other financial instruments such as perpetual debt

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.

Table of changes in financial instruments such as preferred stock and perpetual debt

In RMB

External financial instruments	Balance in year-begin		Increase at this period		Decrease at this period		Balance in year-end	
	Amount	Book value	Amount	Book value	Amount	Book value	Amount	Book value

33. Long-term payable

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

In RMB

Items	Closing balance	Opening balance
Long-term payable	2,025,481,796.75	2,335,133,534.47
Less: Unconfirmed financing costs	-235,782,017.61	-294,845,535.72
Less: Port due Within 1 year	-423,174,302.28	-525,979,430.08
Total	1,366,525,476.86	1,514,308,568.67

Other notes:

Detail:

Name of lessor	Initial amount	Increase in the period	Repayment amount	Closing balance
Wuxi Finance Leasing Co., Ltd.	206,000,000.00		206,000,000.00	
Beijing Cultural Technology Finance Leasing Co., Ltd.	278,478,157.00		55,695,631.40	222,782,525.60
Beijing Guozi Finance Leasing Co., Ltd.	259,979,122.62		28,886,569.18	231,092,553.44
Haitong Hengxin International Leasing Co., Ltd.	402,769,234.00		57,538,462.00	345,230,772.00
Ligen Finance Leasing(Shanghai) Co., Ltd.	90,749,640.25		18,149,928.04	72,599,712.21
Jiangsu Runxing Finance Leasing Co., Ltd.	240,000,000.00		8,000,000.00	232,000,000.00
Hebei Finance Leasing Co., Ltd.	60,755,349.99		15,542,800.00	45,212,549.99
Lujin Shenhua Finance Leasing (Shanghai) Co., Ltd.	171,417,988.80		17,141,798.88	154,276,189.92
Xian Runyin Finance Leasing Co., Ltd.	624,984,041.81		13,624,722.22	611,359,319.59
Dongyin Finance leasing (Tianjing)Co., Ltd.		110,928,174.00		110,928,174.00
Total	2,335,133,534.47	110,928,174.00	420,579,911.72	2,025,481,796.75

Notes Tunghsu Group Co., Ltd, Li Zhaoting and Li Qing offered a guarantee of melts rent at RMB 1,001,584,005.42.

34. Deferred income

In RMB

Items	Balance in	Increase at this	Decrease at this	Balance in year-end	Reason
-------	------------	------------------	------------------	---------------------	--------

	year-begin	period	period		
Government Subsidy	373,714,638.12		391,273.75	373,323,364.37	
Less : Government subsidies due within one year	-26,809,305.17	-13,399,652.78	-13,404,652.59	-26,804,305.36	
Not realized after sale rental return	49,971,106.49		6,596,345.48	43,374,761.01	
Less: Unrealized customer service due within 1 year rent to profit or loss	-15,926,777.17	-6,929,704.03	-7,963,388.59	-14,893,092.61	
Total	380,949,662.27	-20,329,356.81	-14,380,421.95	375,000,727.41	--

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	27,683,400.00		1,122,300.00		26,561,100.00	Related to assets
Grant of Industry Revitalization and Technology Reconstruction Project	2,877,777.88		116,666.64		2,761,111.24	Related to assets
Grant of Glass-tube Secondary Environmental Protection	5,000.00		5,000.00			Related to assets
Technical reconstruction	2,933,333.31		133,333.33		2,799,999.98	Related to assets
Grant of Glass Substrate Project	11,000,000.00		500,000.00		10,500,000.00	Related to assets
Industry Development Fund	5,133,333.31		233,333.33		4,899,999.98	Related to assets
Project finance discount	344,666.69		15,666.67		329,000.02	Related to assets

Grant of Industry Revitalization and Technology Reconstruction Project	78,184,000.02		3,257,666.67		74,926,333.35	Related to assets
2013 Provincial strategic emerging industries of special grant funds	4,583,333.35		166,666.67		4,416,666.68	Related to assets
Technology reconstruction Special funds	30,978,333.32		1,078,000.00		29,900,333.32	Related to assets
Investment and Subsidies of “Double Hundred Plan” Project granted by the People's Government of Henan Province	1,983,333.33		100,000.02		1,883,333.31	Related to assets
TFT glass substrate technology R&D fund	99,166.67		4,999.98		94,166.69	Related to assets
TFT glass substrate project Subsidy	6,611,111.10		333,333.36		6,277,777.74	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	9,255,555.57		466,666.68		8,788,888.89	Related to assets

Technology						
TFT glass substrate project Subsidy	13,222,222.23		666,666.66		12,555,555.57	Related to assets
Subsidy Major Scientific and Technical Projects by Finance Bureau of Zhengzhou City	661,111.10		33,333.36		627,777.74	Related to assets
Financial Supports for National Key Industry and Technical Transformation on Projects Granted by the Municipal Finance Bureau	9,255,555.57		466,666.68		8,788,888.89	Related to assets
Financial Supports for Industrial Development Granted by the Finance Bureau of the Economic and Technological Development Zone	4,627,777.77		233,333.34		4,394,444.43	Related to assets
Funds for Independent Innovation of Provincially Supported Enterprises	3,966,666.67		199,999.98		3,766,666.69	Related to assets
Supporting Funds on Finance Discounts	1,322,222.23		66,666.66		1,255,555.57	Related to assets
Funds for	991,666.67		49,999.98		941,666.69	Related to assets

Education, Science and Culture Granted by the Finance Bureau						
Supporting Funds for Industrial Structure -adjusting Projects Granted by the Regional Finance Bureau	1,928,888.88		93,333.36		1,835,555.52	Related to assets
Industry discount and expenses	1,111,111.10		53,333.34		1,057,777.76	Related to assets
Financial discount	3,527,777.86		166,666.68		3,361,111.18	Related to assets
Industrial restructuring project financial funds	3,813,333.33		160,000.02		3,653,333.31	Related to assets
Special Funds for High-end Information Industry Chain Granted by the Finance Bureau of the Economic and Technological Development Zone	4,194,444.45		166,666.68		4,027,777.77	Related to assets
2015 project equipment investment subsidies	32,273,366.64		1,145,800.03		31,127,566.61	Related to assets
Zhengzhou City Finance Bureau in 2011 and 2012 has been the acceptance of the provincial industrial structure adjustment pr	2,585,555.55		86,666.64		2,498,888.91	Related to assets

object the second batch of funds						
Strategic emerging industry Development project funds	27,500,000.00		1,000,000.00		26,500,000.00	Related to assets
High-tech Zone appropriated substrate project	6,293,333.33		213,333.33		6,080,000.00	Related to assets
The production line of incentive funds	20,748,842.77		753,471.70		19,995,371.07	Related to assets
Special funds for 2015 scientific and technological achievements transform project	7,028,417.42		301,701.96		6,726,715.46	Related to assets
G8.5tft-lcd glass substrate manufacturing precision intelligent digital workshop construction project	45,000,000.00				45,000,000.00	Related to assets
Green key technology reform of glass substrate (1200)		12,000,000.00			12,000,000.00	Related to assets
Intelligent manufacturing pilot demonstration project grant (100)		1,000,000.00			1,000,000.00	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	373,714,638.12	13,000,000.00	13,391,273.75		373,323,364.37	--
-------	----------------	---------------	---------------	--	----------------	----

35. Other Non-current liabilities

In RMB

Items	Closing balance	Opening balance
CDB financing	500,000,000.00	500,000,000.00
Total	500,000,000.00	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.

36. 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	4,939,928,983. 00						4,939,928,983. 00

37. Capital reserves

In RMB

Items	Year-beginning balance	Increase in current	Decrease in current	Year-end balance
Share premium	15,175,688,435.63	796,800.00	250,586.82	15,176,234,648.81
Other	31,522,375.26			31,522,375.26
Total	15,207,210,810.89	796,800.00	250,586.82	15,207,757,024.07

Other notes, including changes and reason of change:

Notes :Equity incentive amortization expenses RMB796,800.00 should be added to the capital reserves. In current period, capital of subsidiary company Fuzhou Dongxu Optoelectronic Technology Co., Ltd was increased, thus resulting capital reserves decrease RMB 250,586.82.

38. Treasury stock

In RMB

Items	Year-beginning balance	Increase in the current	Decrease in the current period	Year-end balance
The obligation to repurchase equity incentive	4,422,320.00			4,422,320.00
Total	4,422,320.00			4,422,320.00

39. Other comprehensive income

In RMB

Items	Year-beginning balance	Amount of current period					Year-end balance
		Amount for the period before income tax	Less : Previously recognized in profit or loss in other comprehensive income	Less: Income tax	After - tax attributable to the parent company	After - tax attributable to minority shareholders	
II. Other comprehensive income to be subsequently reclassified into profit loss		-1,368.93			-1,368.93		-1,368.93
Balance from the translation of foreign currency financial statements		-1,368.93			-1,368.93		-1,368.93
Total of Other comprehensive income		-1,368.93			-1,368.93	0.00	-1,368.93

40. Special reserves

In RMB

Items	Year-beginning balance	Increase in the current	Decrease in the current period	Year-end balance
Safety production cost		5,289,190.20	5,289,190.20	

41. Surplus reserve

In RMB

Items	Year-beginning balance	Increase in the current period	Decrease in the current period	Year-end balance

Statutory surplus reserve	188,044,070.48			188,044,070.48
Total	188,044,070.48			188,044,070.48

42. Retained profits

In RMB

Items	Amount of current period	Amount of previous period
Before adjustments: Retained profits in last period end	1,885,538,821.49	969,380,500.97
After adjustments: Retained profits at the period beginning	1,885,538,821.49	969,380,500.97
Add: Net profit belonging to the owner of the parent company	635,855,750.37	1,239,928,899.40
Less: Statutory surplus reserve		55,320,542.06
Dividend of common stock payable	345,795,028.81	268,450,036.82
Retained profits at the period end	2,175,599,543.05	1,885,538,821.49

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.

43. Business income, Business cost

In RMB

Items	Amount of current period		Amount of previous period	
	Income	Cost	Income	Cost
Main business	4,632,685,829.16	3,337,781,315.84	2,872,447,933.52	1,935,634,364.40
Other business	8,599,698.75	1,093,834.06	9,611,220.89	2,675,279.25
Total	4,641,285,527.91	3,338,875,149.90	2,882,059,154.41	1,938,309,643.65

44. Business tax and subjoin

In RMB

Items	Amount of current period	Amount of previous period
Urban construction tax	15,013,280.82	11,474,361.56
Education surcharge	10,904,037.45	8,203,130.71
Property tax	4,756,218.45	
Land use tax	8,002,134.32	
vehicle and vessel usage tax	8,618.64	
Stamp tax	5,606,307.49	
Business tax		761,365.31
Other	874,497.35	2,870.30
Total	45,165,094.52	20,441,727.88

Other notes:

Note: 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.

45.Sales expenses

In RMB

Items	Amount of current period	Amount of previous period
Wage and welfare insurance	7,294,517.68	8,043,637.06
Shipment	15,328,447.68	10,518,390.78
Travel	943,021.18	1,564,588.04
Business expenses	1,092,211.73	889,762.89
Consumables and repairs	44,401.46	35,298.52
Office fee	63,078.18	693,969.53
Depreciation	242,381.24	115,233.72
Advertising	847,755.97	9,039,375.46
Other	3,228,420.03	677,460.56
Total	29,084,235.15	31,577,716.56

46. Administrative expenses

In RMB

Items	Amount of current period	Amount of previous period
Wage and additional cost	68,826,404.16	68,805,600.28
Business expenses	1,322,409.53	1,479,520.63
Labor protect fee	1,207,592.76	3,529,985.13
Office fees	4,267,054.65	20,578,493.71
Travel fees	2,219,022.10	3,054,740.65
Publicize Fees	2,197,489.82	1,393,515.31
Miscellaneous charges	1,218,777.26	319,840.58
Tax		14,572,906.28
Depreciation accumulative	26,238,710.55	23,481,335.52
Low value consumables and repair costs	917,518.47	1,090,291.06
Research expenses	53,235,234.93	45,720,772.21
Consultation fees	10,915,428.13	12,360,432.61
Rental fees	8,040,238.09	19,769,433.60
Communication fees	124,253.08	625,548.95
Transportation feed	125,702.79	2,920,583.91
Equity incentive cost	796,800.00	1,992,000.00
Other	12,062,518.64	15,011,264.42
Total	193,715,154.96	236,706,264.85

47. Financial expenses

In RMB

Items	Amount of current period	Amount of previous period
Interest expenses	519,566,583.75	193,938,482.48
Less: Interest income	193,951,294.79	83,547,417.93
Net interest expenses	325,615,288.96	110,391,064.55
Exchange gains and losses	-12,688,695.73	-18,221,357.21
Financial institution	1,926,814.75	649,340.38
Bill discount rate		1,519,815.05
Other	7,500.50	100,529.84
Financing fee	3,093,312.92	

Total	317,954,221.40	94,439,392.61
-------	----------------	---------------

48. Asset impairment loss

In RMB

Items	Amount of current period	Amount of previous period
I. Bad debt loss	2,618.25	3,554,932.15
II. Losses for falling price of inventory	205,619.77	
Total	208,238.02	3,554,932.15

49. Investment income

In RMB

Items	Amount of current period	Amount of previous period
Long-term equity investment income by equity method	-15,506,492.83	81,758.31
Financing	22,183,417.04	
Total	6,676,924.21	81,758.31

50. Other income

In RMB

Source	Amount of current period	Amount of previous period
Tax returns	86,680,000.00	

51. Non-operating income

In RMB

Items	Amount of current period	Amount of previous period	The amount of non-operating gains & losses
Government Subsidy	65,632,104.25	103,218,866.64	65,632,104.25
Other	437,783.27	290,413.04	437,783.27
Total	66,069,887.52	103,509,279.68	66,069,887.52

Government subsidy reckoned into current gains/losses

In RMB

Items	Issuing body	Issuing Reason	Nature	Whether the impact of	Whether special	Amount of	Amount of	Assets-related/income
-------	--------------	----------------	--------	-----------------------	-----------------	-----------	-----------	-----------------------

				subsidies on the current profit and loss	subsidies	current period	previous period	-related
Talent project funds	Yangzhong Finance Bureau	Subsidy	Grants obtained due to the country encourage and support specific industries (Obtained in accordance with the national policies and regulations)	Yes	No	600,000.00	240,000.00	Related to income
Innovation fund	Yangzhong Technology Bureau	Award	Grants obtained due to research and development, technical renovation and transformatio n, etc	Yes	No		10,000.00	Related to income
Equipment investment fund	Yangzhong Developme nt and Reform Commission	Award	Grants obtained due to research and development, technical renovation and transformatio n, etc	Yes	No	109,100.00	298,200.00	Related to income
Technology Patent fund	Yangzhong Technology Bureau	Award	Grants obtained due to research and development, technical	Yes	No	20,000.00	9,000.00	Related to income

			renovation and transformation, etc					
Technology Innovation Award.	Yangzhong Technology Bureau	Award	Grants obtained due to research and development, technical renovation and transformation, etc	Yes	No	15,000.00		Related to income
Provincial Industry and information industry transformation and upgrading of special funds	Yangzhong Finance Bureau	Subsidy	Grants obtained due to the country encourage and support specific industries (Obtained in accordance with the national policies and regulations)	Yes	No			Related to income
Provincial Science and technology awards in 2015	Yangzhong Technology Bureau	Award	Grants obtained due to research and development, technical renovation and transformation, etc	Yes	No			Related to income
Labor and employment management center steady post subsidies	Yangzhong Social Security Bureau	Award	Grants obtained due to the country encourage and support specific	Yes	No			Related to income

			industries (Obtained in accordance with the national policies and regulations)					
The fourth batch of grant funds	Yangzhong Technology Bureau	Subsidy	Grants obtained due to research and development, technical renovation and transformation, etc	Yes	No			Related to income
Patent fund	Yangzhong Technology Bureau	Subsidy	Grants obtained due to research and development, technical renovation and transformation, etc	Yes	No			Related to income
16 provincial special funds for business development	Yangzhong Finance Bureau	Award	Grants obtained due to the country encourage and support specific industries (Obtained in accordance with the national policies and regulations)	Yes	No			Related to income
16 national special fund for foreign	Yangzhong Finance Bureau	Award	Grants obtained due to the country	Yes	No			Related to income

trade and economic development			encourage and support specific industries (Obtained in accordance with the national policies and regulations)					
Patent funding	Yangzhong Technology Bureau	Subsidy	Grants obtained due to research and development, technical renovation and transformation, etc	Yes	No			Related to income
16 years of special funds for research cooperation	Yangzhong Technology Bureau	Subsidy	Grants obtained due to research and development, technical renovation and transformation, etc	Yes	No			Related to income
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	Yes	No			Related to income
Zhengzhou	Zhenzhou	Subsidy	Grants	Yes	No			Related to

City Finance Bureau students apply for subsidies	Finance Bureau		obtained due to conforming to the local supporting policies such as local government's investment attraction policy					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	Yes	No			Related to 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	Yes	No			Related to income
Zhengzhou City Science and Technology Bureau, Finance Bureau 2016 the first batch	Zhengzhou Technology Bureau	Subsidy	Grants obtained due to conforming to the local supporting policies such as local	Yes	No			Related to income

of large-scale scientific equipment and facilities to share subsidies			government's investment attraction policy					
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 policy	Yes	No			Related to income
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	Yes	No			Related to income
Zhengzhou City Bureau of Commerce in 2015 Zhengzhou City, opening up special funds (national p	Zhengzhou Commercial Bureau	Award	Grants obtained due to conforming to the local supporting policies such as local government's investment attraction policy	Yes	No			Related to income
Zhengzhou	Zhengzhou	Subsidy	Grants	Yes	No			Related to

Economic and Technological Development Zone Finance Bureau 2016 annual R & D costs ladder subsidy	Technology Bureau		obtained due to conforming to the local supporting policies such as local government's investment attraction policy					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	Yes	No			Related to income
Received the quality of the opening district quality promotion district leading group office, director of quality award 2016	Zhengzhou economic and Technological Development Zone quality leading group office	Award	Grants obtained due to conforming to the local supporting policies such as local government's investment attraction policy	Yes	No	200,000.00		Related to income
Received the Zhengzhou Finance Bureau, social security fund, college graduates	Zhengzhou Finance Bureau	Subsidy	Grants obtained due to conforming to the local supporting policies such as local	Yes	No	492,000.00		Related to income

employment trainee subsidies			government's investment attraction policy					
To receive foreign intellectual resources from Zhengzhou human resources and Social Security Bureau	Henan Provincial Department 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	Yes	No	50,000.00		Related to income
Human Resources Office funding for funding	Province Finance Dept	Subsidy	Grants obtained due to the country encourage and support specific industries (Obtained in accordance with the national policies and regulations)	No	No			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)	Yes	No	100,000.00		Related to income
Wuhu social	Wuhu human	Subsidy	Grants	Yes	No		108,000.00	Related to

security center steady hillock subsidy	resources service center		obtained due to the country encourage and support specific industries (Obtained in accordance with the national policies and regulations)					income
R & D equipment grants	Economic and Trade Development Bureau of Wuhu economic and Technology Development Zone	Subsidy	Grants obtained due to research and development, technical renovation and transformation, etc	Yes	No		519,000.00	Related to income
Disposable Industrial Development Award Fund	Economic and Trade Development Bureau of Wuhu economic and Technology Development Zone	Award	Grants obtained due to conforming to the local supporting policies such as local government's investment attraction policy	Yes	No			Related to income
Innovative construction special funds	Wuhu Finance	Subsidy	Grants obtained due to the country encourage and support specific industries (Obtained in accordance	Yes	No			Related to income

			with the national policies and regulations)					
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)	Yes	No			Related to income
Private enterprises hundred special funds	Economic and Trade Development Bureau of Wuhu economic and Technology	Award	Grants obtained due to the country encourage and support specific industries (Obtained in accordance with the national policies and regulations)	Yes	No			Related to income
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)	Yes	No			Related to income

Economic and Trade Development Council Award	Economic and Trade Development Bureau of Wuhu economic and Technology Development Zone	Award	Grants obtained due to the country encourage and support specific industries (Obtained in accordance with the national policies and regulations)	Yes	No			Related to 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)	Yes	No			Related to income
Wuhu economic and Technological Development Zone Economic and Trade Development Bureau R & D funding	Economic and Trade Development Bureau of Wuhu economic and Technology Development Zone	Subsidy	Grants obtained due to research and development, technical renovation and transformation, etc	Yes	No			Related to income
Wuhu social insurance center post subsidies	Wuhu social insurance center	Subsidy	Grants obtained due to the country encourage and support specific	Yes	No			Related to income

			industries (Obtained in accordance with the national policies and regulations)					
Provincial innovation pilot Award	Economic and Trade Development Bureau of Wuhu economic and Technology Development Zone	Award	Grants obtained due to the country encourage and support specific industries (Obtained in accordance with the national policies and regulations)	Yes	No			Related to 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)	Yes	No			Related to income
Financial incentives for high-tech products	Finance Bureau	Award	Grants obtained due to the country encourage and support specific industries (Obtained in accordance with the	Yes	No			Related to income

			national policies and regulations)					
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)	Yes	No			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)	Yes	No			Related to income
Development Zone Economic and Trade Development Bureau (2012-2015) Land use tax incentives	Economic and Trade Development Bureau of Wuhu economic and Technology Development Zone	Award	Grants obtained due to conforming to the local supporting policies such as local government's investment attraction policy	Yes	No			Related to income
Technology project	Wuhu Technology	Subsidy	Grants obtained due	Yes	No			Related to income

funds	Bureau		to conforming to the local supporting policies such as local government's investment attraction policy					
National key R & D program	Bengbu Inst of glass technology design	Subsidy	Grants obtained due to research and development, technical renovation and transformation, etc	Yes	No			Related to income
Suqian Economic and Technological Development Zone 2015 Industrial Development Guided Fund Award	Suqian economic and Technology Development Zone Administration Committee	Award	Grants obtained due to conforming to the local supporting policies such as local government's investment attraction policy	Yes	No		20,000.00	Related to 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	Yes	No			Related to income

			policies and regulations)					
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	Yes	No		90,342,000.00	Related to income
Suqian Economic Development Zone Finance Bureau personnel introduction of special funds	Finance Bureau	Subsidy	Grants obtained due to conforming to the local supporting policies such as local government's investment attraction policy	Yes	No	230,000.00		Related to income
Awards for science and technology	Jiangsu Taizhou New Energy Administrative Committee	Award	Grants obtained due to conforming to the local supporting policies such as local government's investment attraction policy	Yes	No	36,497,930.50		Related to income
2015 achievements transformation Fund	Yangzhong Technology Bureau	Subsidy	Grants obtained due to the country encourage and support	Yes	No	301,701.96		Related to assets

			specific industries (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	Yes	No	5,000.00	5,000.00	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	Yes	No	100,000.02	100,000.02	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	Yes	No	4,999.98	4,999.98	Related to assets
TFT glass substrate project	Zhengzhou Municipal Finance	Subsidy	Grants obtained due to	Yes	No	333,333.36	333,333.36	Related to assets

Subsidy	Bureau		conforming to the local supporting policies such as local government's investment attraction policy					
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)	Yes	No	466,666.68	466,666.68	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	Yes	No	666,666.66	666,666.66	Related to assets
Special Funds for Major Scientific and Technical	Zhengzhou Technology Bureau	Subsidy	Grants obtained due to conforming to the local	Yes	No	33,333.36	33,333.36	Related to assets

Projects by Finance Bureau of Zhengzhou City			supporting policies such as local government's investment attraction policy					
Financial Supports for National Key Industry and Technical Transformation Projects Granted by the Municipal 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	Yes	No	466,666.68	466,666.68	Related to assets
Financial Supports for Industrial Development Granted by the Finance Bureau of the Economic and Technological Development Zone	Zhengzhou Municipal Finance Bureau	Subsidy	Grants obtained due to conforming to the local supporting policies such as local government's investment attraction policy	Yes	No	233,333.34	233,333.34	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	Yes	No	199,999.98	199,999.98	Related to assets

			policy					
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	Yes	No	66,666.66	66,666.66	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	Yes	No	49,999.98	49,999.98	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	Yes	No	93,333.36	93,333.36	Related to assets
Industry discount and expenses	Zhengzhou Municipal Finance Bureau	Subsidy	Grants obtained due to conforming to the local supporting	Yes	No	53,333.34	53,333.34	Related to assets

			policies such as local government's investment attraction policy					
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	Yes	No	166,666.68	166,666.68	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	Yes	No	160,000.02	160,000.02	Related to assets
Special Funds for High-end Information Industry Chain Granted by Finance Bureau of the Economic and Technological Development	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	Yes	No	166,666.68	166,666.68	Related to assets

2015 project equipment investment subsidies	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	Yes	No	1,145,800.02	954,833.35	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	Yes	No	86,666.64		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	133,333.34	133,333.34	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	No	No	500,000.00	500,000.00	Related to assets

			as local government's investment attraction policy					
Industrial Development Fund	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	233,333.34	233,333.34	Related to assets
Project finance discount	Shijiazhuang Finance Bureau	Subsidy	Grants obtained due to research and development, technical renovation and transformation, etc	No	No	15,666.66	15,666.66	Related to assets
Industrial revitalization and technological transformation project	Shijiazhuang 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	3,257,666.66	3,257,666.66	Related to assets
2013 Production line	Shijiazhuang Municipal Development	Subsidy	Grants obtained due to	No	No	166,666.66	166,666.66	Related to assets

technology research and development granted funds	and deform Commission		conforming to the local supporting policies such as local government's investment attraction policy					
Technology reconstruction Special funds	Shijiazhuang Finance Bureau	Subsidy	Grants obtained due to research and development, technical renovation and transformation, etc	No	No	1,078,000.00	411,333.34	Related to assets
Strategic emerging industries of special grant funds	Shijiazhuang Municipal Development and deform Commission	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
Glass substrate project grants	Shijiazhuang Finance Bureau	Subsidy	Grants obtained due to the country encourage and support specific industries (Obtained in accordance with the national policies and	No	No	213,333.34		Related to assets

			regulations)					
Product line grants	Shijiazhuang high-tech Administrative Committee	Award	Grants obtained due to conforming to the local supporting policies such as local government's investment attraction policy	No	No	753,471.70		Related to assets
Grant of Government Infrastructure	Wuhu Economic and Technological Development Zone Finance Bureau		Grants obtained due to conforming to the local supporting policies such as local government's investment attraction policy	Yes	No	1,122,300.00	1,122,300.00	Related to assets
Grant of Industry Revitalization and Technology Reconstruction Project	Wuhu Development & Reform Commission		Grants obtained due to the country encourage and support specific industries (Obtained in accordance with the national policies and regulations)	Yes	No	116,666.64	116,666.64	Related to assets
Wuhu economic and Technological Development	Economic and Trade Development Bureau	Award	Grants obtained due to the country encourage and support	Yes	No	114,800.00		Related to income

Zone Economic and Trade Development Bureau export incremental Award			specific industries (Obtained in accordance with the national policies and regulations)					
Economic and Trade Development Bureau of the Development Zone (2012-2016) income tax rebate	Economic and Trade Development Bureau	Award	Grants obtained due to conforming to the local supporting policies such as local government's investment attraction policy	Yes	No	13,312,000.00		Related to income
The center of the Party Organization Department allocation of the third batch of funding	Finance Bureau	Subsidy	Grants obtained due to the country encourage and support specific industries (Obtained in accordance with the national policies and regulations)	Yes	No	500,000.00		Related to income
Total	--	--	--	--	--	65,632,104.24	102,724,666.77	--

52.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	30,537.14	4,430.74	30,537.14
Including: Disposal of fixed assets	30,537.14	4,430.74	30,537.14
Other	47,405.21	8,058.60	47,405.21
Late fee	372,229.08		372,229.08
Total	450,171.43	12,489.34	

53. 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	168,815,696.55	96,541,646.19
Deferred income tax	10,614,974.68	-6,258,044.68
Total	179,430,671.23	90,283,601.51

(2) Accounting profit and income tax expense adjustment process

In RMB

Items	Amount of current period
Total profit	875,260,074.26
Income tax expense at statutory / applicable tax rates	131,289,011.14
Effect of different tax rates applicable to subsidiaries	5,128,640.60
Income tax adjustments on prior periods	-455,067.73
Effect of non-taxable income	3,468,853.45
Affect the use of deferred tax assets early unconfirmed deductible losses	-299,981.46
The current period does not affect the deferred tax assets recognized deductible temporary differences or deductible loss	40,299,215.23
Income tax expense	179,430,671.23

54. 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	46,287,121.18	834,422.60
Government subsidy	151,920,830.50	37,959,400.00
Deposits income	7,195,087.47	87,399,022.47
Fine income		149,451.17
Current account income		3,450,177.56
Other	3,992.00	30,339,364.32
Petty cash		
Total	205,407,031.15	160,131,838.12

(2) Other cash paid related to operating activities

In RMB

Items	Amount of current period	Amount of previous period
Consultation Services fee	11,033,384.47	32,247,294.56
Business expenses	2,414,621.26	2,127,609.09
Current account	18,284,472.99	91,000,000.00
Labour insurance expenses	1,467,300.61	1,782,256.94
Advertising expenses	3,035,900.89	9,282,425.84
Water and electricity expense	8,040,238.09	18,775,746.81
Travel expenses	3,162,043.28	4,427,379.48
Petty cash	1,202,892.54	549,954.75
Office expenses	19,931,417.84	16,145,841.08
Deposit	703,722,436.70	2,900,000.00
Meeting expenses	664,731.28	82,754.80
Communication fees	181,311.02	625,548.95
Transportation Fees	1,500,571.81	10,179,140.76
R &D	23,904,716.85	12,716,824.11
Auto Fees	1,742,196.91	136,936.54
Other	7,810,897.42	9,266,581.65
Total	808,099,133.96	212,246,295.36

(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.		
Total	190,962.49	6,120,000.00

(4) Other Cash payable related to investment activities

In RMB

Items	Amount of current period	Amount of previous period
Investment		
Total	50,000,000.00	

(5) Other Cash received related to Financing activities

In RMB

Items	Amount of current period	Amount of previous period
Interest income	131,901,557.06	82,859,831.69
Finance lease	103,800,000.00	1,237,280,000.00
Bill finance		58,549,109.63
CDB financing		500,000,000.00
Total	235,701,557.06	1,878,688,941.32

(6) Other Cash payable related to Financing activities

In RMB

Items	Amount of current period	Amount of previous period
Bank charges	1,926,814.75	702,462.93
cash deposit	953,930.20	
Bill financing		77,900,000.00
Finance lease	419,037,111.72	16,160,141.67
Financing service	1,130,000.00	
Total	449,714,523.33	94,762,604.60

55. 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	695,829,403.03	570,324,423.85
Add: Impairment loss provision of assets	208,238.02	3,554,932.15
Depreciation of fixed assets, oil and gas assets and consumable biological assets	326,123,627.68	228,573,241.42
Amortization of intangible assets	8,758,416.76	7,533,311.24
Amortization of long-term deferred expenses	4,057,945.75	3,393,264.63
Loss on disposals of fixed assets, intangible assets and other long-term assets ("-" for gains)	30,537.14	4,430.74
Financial expenses	364,241,342.58	104,180,049.74
Investment loss	-6,676,924.21	-81,758.31
Decrease of deferred income tax assets	10,409,928.29	-6,258,044.68
Deferred tax liabilities increase	-11,805.12	
Decrease of inventory	-981,985,297.83	-41,358,720.57
Decrease of operating receivables	-2,509,332,255.72	-548,903,925.81
Increased of operating Payable	673,985,156.66	960,147,738.54
Net cash flows arising from operating activities	-1,414,361,686.97	1,281,108,942.94
2. Significant investment and financing activities that without cash flows:	--	--
Fixed assets acquired under finance leases	110,928,174.00	1,652,037,077.85
3. Changes Balance of cash and cash equivalents	--	--
Ending balance of cash	21,925,674,899.39	15,739,687,032.14
Less: Beginning balance of cash	25,037,335,091.60	11,964,769,404.73
Net increase of cash and cash equivalents	-3,111,660,192.21	3,774,917,627.41

(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	57,243,065.638,000,000.00
Including:	--
Mingshuo(Beijing)Electronic Technology Co., Ltd.	57,142,857.00
Chuanglian Huatai (Hongkong) Co., Ltd.	
Dongxu(xuhua) International equipment co. LTD	100,208.63
Less: Cash or Cash Equivalent Owned by Subsidiary on the Purchasing Date	54,547,033.56
Including:	--
Ming shuo(Beijing) electronics Technology Co., Ltd.	54,255,862.44
Chuang lian hua tai(hongkong) Co., Ltd.	108,530.20
Dongxu(xuhua) International equipment co. LTD	182,640.92
Including:	--
Received Net Cash Paid by Subsidiary	2,696,032.07

(3) Composition of cash and cash equivalents

In RMB

Items	Balance in year-end	Balance in year-Beginning
I. cash	21,925,674,899.39	25,037,335,091.60
Including: value-cash	425,749.93	187,232.52
Bank deposit on demand	21,914,145,210.81	25,009,252,814.98
Other monetary funds on demand	11,103,938.65	27,895,044.10
III. Balance of cash and cash equivalents at the period end	21,925,674,899.39	25,037,335,091.60

56. The assets with the ownership or use right restricted

In RMB

Items	Book value in year-end	Reason
Monetary funds	943,221,108.77	Pledge of collateral
Fixed assets	7,559,438,628.83	Pledge loans
Intangible assets	248,103,470.07	Pledge loans
Real estate investment	58,974,678.04	Pledge loans
Construction in process	751,214,924.79	Pledge loans
Total	9,560,952,810.50	--

57. 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	2,906,419.39	6.7744	19,689,247.52
Euro	135,576.50	7.7496	1,050,663.64
HKD	4,697.04	0.8679	4,076.56
JPY	4,110,917,807.00	0.0605	248,710,527.32
GBP	2,277.81	8.8144	20,077.53
Including: USD	18,210,668.16	6.7744	123,366,350.38
JPY	1,705,632,320.16	0.0605	103,190,755.37
Account receivable			
Including: USD	10,593,354.68	6.7744	71,763,621.94
Short-term loan			
Including: USD	22,023,777.99	6.7744	149,197,881.62

VIII.Changes of consolidation scope

1.Enterprise consolidation not 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
Mingshuo(Beijing)Electronic Technology Co., Ltd.	May 31,2017	57,142,857.00	36.36%	Purchase	May 31,2017	Acquired the control right and the business registration has been	94,042.74	-375,927.67

						changed.		
Chuanglian Huatai (Hongkong) Co., Ltd.	January 1, 2017		100.00%	Purchase	January 1, 2017	Acquired the control right	386,643,953.88	5,185,962.98
Tianlong Huatai Industry(Hongkong) Co., Ltd.	January 1, 2017		100.00%	Purchase	January 1, 2017	Acquired the control right		
Dongxu(Xuhua) International Equipment Co., Ltd.	January 1, 2017	100,208.63	55.00%	Purchase	January 1, 2017	Acquired the control right		-320,045.40

(2) Consolidation Cost and Goodwill

In RMB

Combined cost	Mingshuo(Beijing)Electronic Technology Co., Ltd.	Chuanglian Huatai (Hongkong) Co., Ltd	Dongxu(Xuhua) International Equipment Co., Ltd.
--Cash	57,142,857.00		100,208.63
Total Consolidation cost	57,142,857.00		100,208.63
Less: Reduction: Obtained Definable Net Assets Fair Proportion	23,823,179.29	-722,450.89	100,208.63
Goodwill/ The Consolidation Cost is Less Than the Obtained Definable Net Assets Fair Proportion	33,319,677.71	722,450.89	

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

In RMB

	Mingshuo(Beijing)Electronic Technology Co., Ltd.		Chuanglian Huatai (Hongkong) Co., Ltd		Dongxu(Xuhua) International Equipment Co., Ltd.	
	Fair value on purchase date	Book value on purchase date	Fair value on purchase date	Book value on purchase date	Fair value on purchase date	Book value on purchase date
Monetary fund	54,255,862.44	54,255,862.44	108,530.20	108,530.20	182,640.92	182,640.92
Account receivable	3,237,093.72	3,237,093.72	33,330,248.60	33,330,248.60		

Inventories	3,410,416.00	3,410,416.00				
Fixed assets	1,760,577.41	1,760,577.41				
Prepayments	337,280.70	337,280.70				
Other receivable	6,017,888.47	6,017,888.47			4,294.43	4,294.43
Long-term equity Investment	3,855,435.58	3,855,435.58				
Long-term Deferred expenses	11,000.00	11,000.00				
Deferred Income tax assets	16,381.78	16,381.78				
Other non-current assets	2,200.00	2,200.00				
Borrowing			33,328,948.60	33,328,948.60		
Account payable	2,337,681.38	2,337,681.38	690,688.59	690,688.59		
Advance Payments	202,015.40	202,015.40				
Employees' wage payable	332,415.27	332,415.27				
Tax payable	59,542.45	59,542.45				
Other account payable	2,647,520.16	2,647,520.16	141,592.50	141,592.50	4,737.84	4,737.84
Other current liabilities	1,811,333.04	1,811,333.04				
Net assets	65,513,628.40	65,513,628.40	-722,450.89	-722,450.89	182,197.51	182,197.51
Less: Minority shareholders equity	41,690,449.11	41,690,449.11			81,988.88	81,988.88
Acquire net assets	23,823,179.29	23,823,179.29	-722,450.89	-722,450.89	100,208.63	100,208.63

2. Other reasons for the merger scope change

Other causes of the consolidation scope changes (e.g., the new subsidiary, liquidation subsidiary, etc.) and its related conditions:

On April 26, 2017, Wuhu Dongxu Optoelectronic Equipment Technology Co., Ltd. and Changsha Shunyan Management Firm (limited partnership) and Liu Xuehua jointly set up Hunan Dongxu Wei Sheng Intelligent Technology Co., Ltd. with the registered capital of RMB 50 million, of which Wuhu Dongxu Optoelectronic Equipment Technology Co., Ltd. subscribed RMB 25.5 million, Changsha Shunyan Administration Enterprise (LP) subscribed RMB 17 million and Liu Xuehua subscribed RMB 7.5 million, and the paid-up capital was RMB 50 million;

On April 26, 2017, the subsidiary-Wuhu Dongxu Optoelectronic Equipment Technology Co., Ltd. and Liu

Haijun and Liao Shaoye jointly set up Hunan Dongxu Deilai Electronic Technology Co., Ltd, With the Registered capital of RMB 50 million, of which Wuhu Dongxu Optoelectronic Equipment Technology Co., Ltd.subscribed RMB 25.5 million, Liu Haijun Subscribed RMB 17 million and Liao Shaoye subscribed RMB 7.5 million, and the paid-up capital was RMB 36.8883815 million;

On April 18, 2017, the subsidiary- Wuhu Dongxu Optoelectronic Equipment Technology Co., Ltd, Changsha Wenchao Administration Enterprise (LP) and Ning Yongchao jointly set up Wuhu Dongxu Weiyu Medical apparatus Technology Co., ltd,the Registered capital of RMB 100 million, of which Wuhu Dongxu Optoelectronic Equipment Technology Co., Ltd subscribed RMB 51 million, Changsha Wenchao Administration Enterprise (LP) subscribed RMB 34 million and Ning Yongchao subscribed RMB 15 million, and the paid-up capital was RMB 100 million;

On April 26, 2017, Wuhu Dongxu Weiyu Medical apparatus Technology Co., ltd sep up wholl owned subsidiary Hunan Dongxu Weigao Medical apparatus Technology Co., ltd, The Registered capital of RMB 20 million, and the paid-up capital was RMB 20 million.

, Optoelectronic Equipment Technology Co., Ltd and Liu Haijun and Liao Shaoye jointly set up Hunan Dongxu Deilai Electronic Technology Co., Ltd;

On May 8, 2017, the subsidiary-Shenzhen Xuhui Investment Holding Co., Ltd. and Taizhou Dongxu Graphene Industry Investment Fund Management Center (limited partnership) acquired Mingshuo (Beijing) Electronic Technology Co., Ltd and part of the equity of its wholly-owned subsidiary-Huzhou Mingshuo Optoelectronics Technology Co., Ltd. with the registered capital of Ming Shuo (Beijing) Electronic Technology Co., Ltd was RMB 78.571429, and the paid-up capital was RMB 44.255429. Thereinto, Shenzhen Xu Hui Investment Holdings Co.,Ltd contributed funds of RMB 28.571429,Taizhou Dongxu Graphene Industry Investment Fund Management Center (limited partnership) contributed funds of 11.5 million, Qian Xinming contributed funds of RMB 3.85 million, Jin Xiuzhen contributed funds of RMB 2.04435 million, Chen Wei contributed funds of RMB 7.5922 million, Wang Yingchao contributed funds of RMB 2.86055 million, Beijing Heyiyou Investment Partnership contributed funds of RMB 10.89935 million , Jiang Wei contributed funds of RMB 1.43605 million, Li Honglei contributed funds of RMB 5.63255 million and Zhu Lei contributed fund of 4.18495 million.

On June 6, 2017, Wuhu Dongxu Weiyu Medical apparatus Technology Co., ltd, set up a wholly-owned subsidiary-Shandong Qi Hui Medical apparatus Technology Co., ltd, with the registered capital of RMB 20 million and the paid-up capital of RMB 5 million.

On June 29, 2017, Wuhu Dongxu Weiyu Medical apparatus Technology Co., ltd, set up a wholly-owned subsidiary-Guangdong Dongxu Weiyu Medical apparatus Technology Co., ltd, with the registered capital of RMB 20 million and the paid-up capital of RMB 0.00.

On April 13, 2017, the subsidiary-Dongxu Construction Group Co., Ltd acquired 100.00% stake of Hebei Xubao Construction and Installation Co., Ltd-which is a wholly-owned subsidiary of the company, thus Hebei Xubao Construction and Installation Co., Ltd has become the sub-subsiary of the company.

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	
Shijiazhuang Colour Bulb Co.,	Shijiazhuang	9 Huanghe Road, Shijiazhuang	Manufacturing	81.26%		Establish

Ltd.		High-tech Industrial Development Area, Shijiazhuang, Hebei Province				
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
Dongxu Construction Group Co., Ltd.	Sichuan	Building 15, No. 21, Ring Road 18 1 West Third Section, Jinniu District, Chengdu	Construction & installation	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)	Kunshan	Room 1517, Building 1	Manufacturing	80.00%		Establish

Display Material Co., Ltd.		(International Building), No. 167, Qianjin Middle Road, Suzhou City, Jiangsu Province				
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 Service	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)1 2/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,	Manufacturing	100.00%		Establish

		Xinjiang Road, Xincuo Town, Fuqing City)				
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, Fengtai District, Beijing.	Investment		100.00%	Establish
Hebei Xubao Construction Installation Engineering Co., Ltd.	Shijiazhuang	9 Huanghe Road, Shijiazhuang High-tech Industrial Development Area, Shijiazhuang, Hebei Province	Onstruction & installation		100.00%	Establish
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,, Jiangcchuan East Road, Minhang District ,Shang hai	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.	Investnebt	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		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 Eernity Technology Co., Ltd.	Taizhou	A, C Building, No.29-1 Shiji Road, Jiulong Town, Hailing District , Taizhou	Manufacturing		100.00%	Establish
Xiamen Xuqi Investment	Xiamen	D,3 unit, D Building, Xiamen	Investment Management		100.00%	Establish

Management Co., Ltd.		International Shipping Center, No.97 Xiangyu Road, Fujian) free trade zone (FTZ) in Xiamen area, China				
Shenzhen Xinyingtong Technology Co., Ltd.	Shenzhen	No.1509, A unit, Spaceflight Building Shennan Road, Futian District ,Shenzhen.	Supply chain		70.00%	Non control combination
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, Technology Innovation Center , Rongqiao Economic & Technology Development Zone, No.36 Xihuan North Road, Shizhu Street, Fuqing	Manufacturing		100.00%	Establish
Sichuan DongxuRuiyi Environment Co., Ltd.	Chengdu	Room 605, Machinery Building, No.14 First Huan Road, Jinjiang District Chendu	Environment control		100.00%	Establish
Sichuan Dongxu 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 Dongxuruiyi Trade Co., Ltd.	Chengdu	Room 607 Machinery Building, No.14 First Huan Road, Jinjiang District Chendu	rade		100.00%	Establish
Sichuan Dongxu 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 Dongxu 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-Hongk ang Cooperation Area, Shenzhen	Supply chain		100.00%	Non control combination
Chuanglian Huatai (Hongkong) Co., Ltd.	Hongkong	Romm C,21/F.,Central 88,88 Des Vorux Road Central,Hong Kong	Supply chain		100.00%	Non control combination
Tianlong Huatai Industry (Hongkong) Co., Ltd.	Hongkong	Romm C,21/F.,Central 88,88 Des Vorux Road Central,Hong Kong	Supply chain		100.00%	Non control combination
Dongxu (Xuhua) International Equipment Co., Ltd.	Germany	Zeil 79, Frankfurt am Main	Supply chain		100.00%	Non control combination
Hunan Dongxu	Changsha	201-2,2 Building	Supply chain		100.00%	Establish

Weisheng intelligent technology Co., Ltd.		g, No.1 Tongxin Road, Wangcheng Economic Development Zone, Changsha.				
Hunan Dongxu Delai Electronic Technology Co., Ltd.	Changsha	01-2,2 Building g, No.1 Tongxin Road, Wangcheng Economic Development Zone, Changsha.	Supply chain		100.00%	Establish
Wuhu Dongxu Weiyu Medical Instrument Technology Co., Ltd.	Wuhu	Room 307-1, B Building, CMC of Jiangbei Industrial Concentration Area, Wuhu, Anhui			100.00%	Establish
Hunan Dongxu Weigao Medical Instrument Technology Co., Ltd.	Changsha	Room 1313, 13/F, 4 Building, 2 District, Jinqiao Market, Purui west Road, Wangcheng Economic Development Zone, Changsha.	Supply chain		100.00%	Establish
Mingshuo (Beijing) Electronic Technology Co., Ltd.	Beijing	Room B288, 2/F, Beijing Chenmao Hongxiang Hotel, No.15 Longxiang Road, Haidian District, Beijing	Manufacturing		51.00%	Non control combination
Huzhou Mingshuo Optoelectronic Technology Co., Ltd.	Huzhou	No.800, Rujiadian Road, Lianshi Town, Huzhou	Manufacturing		100.00%	Non control combination

Shandong QihuiMedical Technology Co., Ltd.	Jinan	Room 902, 9/F, International Wealth Center, No.156, Jingqi Road, Shizhong District, Jinan, Shandong	Supply chain		100.00%	Establish
Guangdong Dongxu Weiyu Medical Instrument Co., Ltd.	Foshan	Room B, 104 Unit, No.Building, Tianfu Technology Center, Xianan Ershang Yuanxi Industry Area, Guicheng Street, Nanhai District, Foshan	Supply chain		100.00%	Establish

Notes: holding proportion in subsidiary different from voting proportion:

Other notes:

According to the signed agreement, Taizhou Dongxu 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	5.00%	40,110,808.85	30,000,000.00	241,895,271.51

Co., Ltd.				
Jiangsu Jixing New Material Co., Ltd.	49.50%	10,035,755.51		236,242,378.74
Xuyou Electronic Material Technology (Wuxi) Co., Ltd.	49.00%	2,876,620.75		359,413,409.33
Shanghai Tanyuan Huigu New Material Technology Co., Ltd.	49.50%	10,269,237.44		51,709,582.00
Dongxu (Kunshan) Display Material Co., Ltd.	20.00%	-72,066.10		99,643,579.92

(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 Dongxu Optoelectronic Equipment Technology Co., Ltd.	8,643,586,658.24	301,147,237.44	8,944,733,895.68	5,697,305,794.96	420,528,756.61	6,117,834,551.57	8,143,197,927.02	239,681,494.27	8,382,879,421.29	5,986,433,459.96	410,000,000.00	6,396,433,459.96
	289,579,766.77	330,237,596.66	619,817,363.43	136,468,478.93	6,091,553.72	142,560,032.65	267,316,881.20	347,522,378.96	614,839,260.16	151,462,927.25	6,393,255.68	157,856,182.93
Xuyou Electronic Material Technology (Wuxi	318,428,029.81	425,590,986.80	744,019,016.61	4,098,595.53	0.00	4,098,595.53	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.	27,880,695.96	78,920,039.01	106,800,734.97	1,935,480.27	401,452.67	2,336,932.94	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.	264,352,678.60	261,676,154.09	526,028,832.69	27,810,933.07	0.00	27,810,933.07	380,566,410.60	153,271,205.53	533,837,616.13	35,259,386.00	0.00	35,259,386.00

In RMB

Name	Amount of current period				Amount of previous period			
	Business income	Net profit	Total Comprehensive income	Cash flows from operating activities	Business income	Net profit	Total Comprehensive income	Cash flows from operating activities
Wuhu Dongxu Optoelectronic Equipment Technology Co., Ltd.	2,830,168,466.16	755,485,990.77	755,484,621.84	-701,105,382.38	1,423,880,484.78	479,358,368.65	479,358,368.65	1,081,984,212.37
Jiangsu Jixing New Material Co., Ltd.	223,319,885.36	20,274,253.55	20,274,253.55	2,406,278.55	223,976,847.42	16,278,201.03	16,278,201.03	6,352,806.87
Xuyou Electronic Material Technology (Wuxi) Co., Ltd.		5,895,922.83	5,895,922.83	-1,414,361.687.00				
Shanghai Tanyuan	194,829.10	20,745,934.2	20,745,934.2	-6,548,738.14	6,157.72	-1,106,271.37	-1,106,271.37	-816,509.12

Huigu New Material Technology Co., Ltd.		3	3					
Dongxu (Kunshan) Display Material Co., Ltd.	0.00	-360,330.51	-360,330.51	337,152,293.10		-1,811,972.93	-1,811,972.93	-7,143,942.55

2. Equity in joint venture arrangement or associated enterprise

(1) Significant joint venture arrangement or associated enterprise

Name	Main operating place	Registration place	Business nature	Proportion		Accounting treatment of the investment of joint venture or associated enterprise
				Directly	Indirectly	
Tunghsu Group Finance Co., Ltd.	Hebei	2814-2816, Office Building (A), Letai Center, No.39. Zhongshan East Road, Shijiazhuang, Hebei	Finance services	40.00%		Equity method accounting

(2) Main financial information of significant associated enterprise

In RMB

	Closing balance/This period	Opening balance/Last period
Current assets	4,222,854,038.02	
Non-current assets	4,951,451,490.74	
Total of assets	9,174,305,528.76	
Current liabilities	8,213,561,979.32	
Total liabilities	8,213,561,979.32	
Attributable to shareholders of the parent company	960,743,549.44	
Share of net assets calculated by stake	384,297,419.78	
Book value of equity investment in	384,297,419.78	

associates		
Business income	75,053,678.73	
Net profit	-39,256,450.56	
Total comprehensive income	-39,256,450.56	

(3) Summary financial information of insignificant joint venture or associated enterprise

In RMB

	Closing balance/This period	Opening balance/Last period
Joint venture:	--	--
Total investment book value	93,350,891.09	72,354,803.70
The total number of shares in each of the following shares	--	--
--Net	196,087.39	81,758.31
-- Total comprehensive income	196,087.39	81,758.31
Associated enterprise:	93,350,891.09	72,354,803.70
The total number of shares in each of the following shares	--	--

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.

The company ensures that the company's overall credit risk is within a manageable range through quarterly audits of existing customer credit ratings and monthly audits of accounts receivable aging analysis. In monitoring the customer's credit risk, according to the customer's credit characteristics of its grouping. Customers who are rated as "high risk" will be placed on the restricted

customer list and the company will be able to credit it in the next period, subject to additional approval, otherwise it must be required to pay the corresponding payment in advance.

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 2016 and January –June 2017.

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	2017.06.30	Exchange rate	2017.6.30
	balance of foreign currency		balance of RMB Conversion
Monetary fund			
Including: USD	2,906,419.39	6.7744	19,689,247.52
Euro	135,576.50	7.7496	1,050,663.64
HKD	4,697.04	0.8679	4,076.56
JPY	4,110,917,807.00	0.0605	248,710,527.32
GBP	2,277.81	8.8144	20,077.53
Account receivable			
Including: USD	18,210,668.16	6.7744	123,366,350.38
JPY	1,705,632,320.16	0.0605	103,190,755.37
Account payable			
Including: JPY			
USD	10,593,354.68	6.7744	71,763,621.94
Euro			
Long-term loans			
Including: USD			

Short-term loan			
Including: USD	22,023,777.99	6.7744	149,197,881.62

XI. 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
Tungshu Group	No.369, Zhujiang Road, High-tech zone, Shijiazhuang	Investment , production and R & D, etc.	RMB16.8. billion	11.32%	18.14%

2. Subsidiaries of the Company

See details to Notes VII, Situation of the enterprise subsidiaries refer to the Notes.

3. 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 Intelligent 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 Leasing Co., Ltd.	Controlled by the same actual controller

Li Qing	The spouse of the actual controller
---------	-------------------------------------

4. 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				574,553.06
Baoshi Group	Security fees	360,500.00			1,500,000.00
Chengdu Dongxu Energy Saving Technology Co., Ltd.	ESL	1,326,857.00			1,787.18
Shijiazhuang Baoshi Zhonghe Steel Plastic Shape Co., Ltd.	Door				259,246.66
Shijiazhuang Bofa Mechanical Equipment Co., Ltd.	Machining part and A frame				18,568,179.46
Sichuan Southwest Mechanery Industry Group Co., Ltd.	House lease	62,400.00	60,000.00		
Total		1,749,757.00	60,000.00		20,903,766.36

Related transactions on sale goods and receiving services

In RMB

Related parties	Content of related transaction	Amount of current period	Amount of previous period
Chengdu Zhong Optoelectronic Technology Co., Ltd.	Semi-manufacture		3,106,153.76
Chengdu Zhong Optoelectronic Technology Co., Ltd.	Traction roll project	504,871.80	188,888.89
Yinchuan Fengxxiang Street Comprehensive Construction Management Co., Ltd.	Construction installation	97,789,036.93	
Yixian Xuhuayuan Park	Construction installation	7,783,800.00	

Construction Development Co., Ltd.			
Guangdong Huakai Real Estate Development Co., Ltd.	Construction installation	7,565,972.68	
Dongxu Technology Group Co., Ltd.	Graphene (Battery)	2,735.05	
Shijiazhuang Bofa Mechanical Equipment Co., Ltd	A frame	2,533,760.68	
Dongxu (Yingkou) Optoelectronic Display Co., Ltd.	Semi-manufacture	12,049,825.21	
Dongxu (Yingkou) Optoelectronic Display Co., Ltd.	A frame	3,076,923.08	
Total		131,306,925.43	3,295,042.65

(2) Related trusteeship or contracting

Related trusteeship or contracting in which the Company is the undertake

In RMB

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
Tunghsu 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	707,547.18
Tunghsu Group, Mianyang Investment City Development (Group) Co., Ltd., Sichuan Changhong Electric Co., Ltd.		Management Right of Sichuan Xuhong Optoelectronic Technology Co., Ltd.	March 2012	Notes 2	3,429,535.76
Total					4,137,082.94

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, Tunghsu 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.

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%.

Notes 4: 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

In RMB

Name of the entruster/contractee	Name of the trustee/contractor	Type	Initial date	Due date	Pricing basis	Charge recognized in the reporting period
----------------------------------	--------------------------------	------	--------------	----------	---------------	---

Notes

(3) Related guarantee condition

The Company as a guarantor

Secured party	Guarantee amount	Start date	End date	Execution accomplished or not
---------------	------------------	------------	----------	-------------------------------

The Company was secured party

In RMB

Guarantor	Guarantee Amount	Starting date	Stop date	If completed or not
Tunghsu Group , Li Zhaoting	200,000,000.00	November 4,2016	November 3,2017	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
Tunghsu Group , Li Zhaoting, Li Qing	200,000,000.00	November 4,2016	November 4,2017	No
Tunghsu Group , Li Zhaoting, Li Qing	360,000,000.00	December 29,2016	December 29,2017	No
Tunghsu Group , Li Zhaoting, Li Qing	200,000,000.00	September 30,2016	September 29,2017	No

Tunghsu Group , Li Zhaoting, Li Qing	200,000,000.00	November 4,2016	November 4,2017	No
Tunghsu Group	200,000,000.00	November 3,2016	November 3,2017	No
Tunghsu Group	200,000,000.00	September 28,2016	September 27,2017	No
Tunghsu Group	50,000,000.00	November 23,2016	November 23,2017	No
Li Zhaoting	40,000,000.00	December 29,2016	December 29,2017	No
Li Zhaoting	60,000,000.00	May 17,2016	May 17,2017	Yes
Li Zhaoting	60,000,000.00	December 6,2016	December 6,2017	No
Tunghsu Group	50,000,000.00	December 29,2016	December 29,2017	No
Li Qing, Li Zhaoting	50,000,000.00	November 29,2016	November 29,2017	No
Tunghsu Group , Li Zhaoting	20,000,000.00	August 10,2016	August 9,2017	No
Tunghsu Group , Li Zhaoting	30,000,000.00	September 29,2016	August 9,2017	No
Tunghsu Group , Li Zhaoting	50,000,000.00	October 13,2016	August 8,2017	No
Tunghsu Group , Li Zhaoting	693,700.00	September 26,2016	August 9,2017	No
Tunghsu Group , Li Zhaoting, Li Qing	100,000,000.00	December 23,2016	December 23,2018	No
Tunghsu Group , Li Zhaoting, Li Qing	200,000,000.00	December 27,2016	December 27,2018	No
Tunghsu Group , Li Zhaoting, Li Qing	200,000,000.00	December 29,2016	December 29,2018	No
Tunghsu Group , Li Zhaoting, Li Qing	387,700,000.00	April 29,2016	April 29,2018	No
Tunghsu Group , Li Zhaoting, Li Qing	599,800,000.00	June 7,2016	June 7,2019	No
Tunghsu Group , Li Zhaoting, Li Qing	100,000,000.00	May 17,2016	May 17,2018	No
Tunghsu Group	100,000,000.00	May 20,2016	May 20,2018	No
Tunghsu Group	81,500,000.00	May 25,2016	May 26,2018	No
Tunghsu Group	18,500,000.00	June 13,2016	June 13,2018	No
Tunghsu Group, Dongxu Optoelectronic Investment Co., Ltd., Li Zhaoting	400,000,000.00	November 30,2016	November 30,2019	No

Tunghsu Group	200,000,000.00	December 15,2016	December 15,2018	No
Tunghsu Group	100,000,000.00	August 5,2016	August 3,2018	No
Tunghsu Group, Li Zhaoting, Li Qing.	150,000,000.00	May 2,2013	April 11,2022	No
Tunghsu Group, Li Zhaoting, Li Qing.	100,000,000.00	September 26,2013	April 11,2022	No
Tunghsu Group, Li Zhaoting, Li Qing.	300,000,000.00	April 1,2014	April 11,2022	No
Tunghsu Group, Li Zhaoting, Li Qing.	150,000,000.00	April 10,2015	April 12,2022	No
Tunghsu Group, Li Zhaoting, Li Qing, and Li Zhaoting holds 10% of the shares of Dongxu Technology Group, Tunghsu Group holds 90% of the shares of Dongxu Technology Group,	150,000,000.00	May 19,2016	May 18,2018	No
Tunghsu Group, Li Zhaoting, Li Qing, and Li Zhaoting holds 10% of the shares of Dongxu Technology Group, Tunghsu Group holds 90% of the shares of Dongxu Technology Group,	150,000,000.00	May 26,2016	May 25,2018	No
Tunghsu Group, Li Zhaoting, Li Qing, and Li Zhaoting holds 10% of the shares of Dongxu Technology Group, Tunghsu Group holds 90% of the shares of Dongxu Technology Group,	159,000,049.50	June 8,2016	April 7,2018	No
Tunghsu Group, Li Zhaoting, Li Qing, and Li Zhaoting holds 10% of the shares of Dongxu	40,999,950.50	June 21,2016	April 20,2018	No

Technology Group, Tunghsu Group holds 90% of the shares of Dongxu Technology Group,				
Tunghsu Group , Li Zhaoting	100,000,000.00	March 3,2017	March 2,2019	No
Tunghsu Group , Li Zhaoting	204,000,000.00	March 29,2017	September 28,2018	No
Tunghsu Group , Li Zhaoting, Li Qing	100,000,000.00	March 31,2017	March 30,2018	No
Tunghsu Group , Li Zhaoting, Li Qing	300,000,000.00	June 2,2017	June 2,2019	No
Tunghsu Group , Li Zhaoting, Li Qing	200,000,000.00	May 15,2017	May 15,2019	No
Li Zhaoting	108,333,333.32	January 6,2017	January 6,2019	No
Li Zhaoting	16,666,666.66	January 17,2017	January 6,2019	No
Tunghsu Group , Li Zhaoting	199,000,000.00	February 24,2017	August 23,2018	No
Tunghsu Group , Li Zhaoting	97,000,000.00	March 29,2017	September 28,2018	No
Tunghsu Group , Li Zhaoting	200,000,000.00	June 28,2017	June 27,2018	No
Tunghsu Group	50,000,000.00	June 30,2017	June 29,2018	No
Tunghsu Group , Li Zhaoting	45,000,000.00	January 3,2017	December 28,2017	No
Tunghsu Group	100,000,000.00	June 19,2017	April 4,2018	No
Tunghsu Group , Li Zhaoting	100,000,000.00	March 25,2016	February 28,2017	Yes
Tunghsu Group	200,000,000.00	January 15,2016	January 15,2017	Yes
Li Zhaoting	400,000,000.00	April 15,2016	April 14,2017	Yes
Tunghsu Group	200,000,000.00	June 3,2016	June 3,2017	Yes
Tunghsu Group , Li Zhaoting, Li Qing	100,000,000.00	April 14,2016	April 13,2017	Yes
Tunghsu Group , Li Zhaoting	42,500,000.00	April 15,2016	April 17,2017	Yes
Tunghsu Group	60,000,000.00	June 30,2016	June 29,2017	Yes
Tunghsu Group	100,000,000.00	March 25,2016	March 25,2017	Yes

Tunghsu Group	30,000,000.00	March 31,2016	March 30,2017	Yes
Tunghsu Group	45,000,000.00	January 27,2016	January 27,2017	Yes
Tunghsu Group	45,000,000.00	February 29,2016	February 28,2017	Yes
Tunghsu Group	15,000,000.00	April 1,2016	March 31,2017	Yes
Tunghsu Group	450,000,000.00	January 28,2013	January 27,2021	No
Tunghsu Group, Li Zhaoting, Li Qing	90,000,000.00	April 12,2013	April 11,2022	No
Tunghsu Group, Li Zhaoting, Li Qing	200,000,000.00			Yes
Tunghsu Group, Li Zhaoting	228,046,429.92			No
Tunghsu Group	254,117,655.73			No
Tunghsu Group, Li Zhaoting	85,000,000.00			No
Tunghsu Group, Li Zhaoting	150,000,000.00			No
Tunghsu Group, Li Zhaoting	84,419,919.77			No
Tunghsu Group, Li Zhaoting	200,000,000.00			No

Notes

(4) Rewards for the key management personnel

In RMB

Items	Amount of current period	Amount of previous period
Rewards for the key management personnel	289.98	247.91

5. 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	Dongxu (Yingkou) Optoelectronic	14,128,295.50			

	Display Co., Ltd.				
Account receivable	Hebei Baoshi Energy saving lighting technology Co., Ltd.	10,000.00		10,000.00	
Account receivable	Sichuan Xuhong Optoelectronic Technology Co., Ltd	1,925,162.08		5,458,541.80	
Account receivable	Yinchuan Fengxiang Street Comprehensive Construction Management Co., Ltd.	103,801,081.48			
Prepayments	Chengdu Dongxu Intelligent Technology Co., Ltd.	166,857.00			
Prepayments	Hebei Baoshi Energy saving lighting technology Co., Ltd.	60,000.00		60,000.00	
Prepayments	Hebei Decoration Printing Machinery Co., Ltd.	835,680.87		835,680.87	
Prepayments	Shijiazhuang Baoshi Electronic vacuum Glass Co., Ltd.	420,000.00			
Prepayments	Shijiazhuang Baoshi Group	270,279.00		620,279.00	
Bill receivable	Chengdu Zhong Optoelectronic Technology Co., Ltd			710,000.00	
Other non-current assets	Tungshu Group	132,132,857.44		132,132,857.44	

(2) Payables

In RMB

Name	Related party	Book balance at year end	Book balanc at year beginning
Account payable	Shijiazhuang Bofa Mechanical	8,747.20	8,959,301.52

	Equipment Co., Ltd.		
Account payable	Shijiazhuang XumingTube Co., Ltd.		14,948.00
Account payable	Shijiazhuang Baoshi Electronic vacuum Glass Co., Ltd.		4,354,418.46
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.	240,296.40	441,578.40
Account payable	Shijiazhuang Xuling Electronic Technology Co., Ltd.	1,320,164.09	1,320,164.09
Account payable	Shijiazhuang Baoshi Group		514,401.13
Account payable	Chengdu Dongxu Intelligent Technology Co., Ltd.	1,253,553.92	
Advance revenue	Tunghsu Group	66,261,470.09	69,676,000.00
Advance revenue	Chengdu Zhong Optoelectronic Technology Co., Ltd	724,355.00	207,291.65
Other payable	Jinzhou Xulong New Material Technology Co., Ltd.		1,500,000.00
Other payable	Shijiazhuang Baoshi Group	12,024,173.50	10,455,242.86
Other payable	Tunghsu Group	13,951,402.32	13,873,229.83
Other payable	Shijiazhuang Baoshi Electronic vacuum Glass Co., Ltd.		264,000.00
Other payable	Sichuan Xuhong Optoelectronic Technology Co., Ltd.		872,857.78
Other payable	Shijiazhuang XumingTube Co., Ltd.	97,031.00	97,031.00

XII. Stock payment

1. The Stock payment overall situation

Applicable Not applicable

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	11,419,300.00
This period of equity-settled share-based payment confirmation total costs	796,800.00

XIII. Commitments

1. Significant commitments

Significant commitments at balance sheet date

As of June 30, 2017, there was no significant commitment or contingency in the Group.

2. Contingency

(1) Significant contingency at balance sheet date

Nil

(2) The Company have no significant contingency to disclose, also should be stated

There was no significant contingency in the Company.

XIV. Events after balance sheet date

1. Notes of other significant events

On July 3, 2017, Wuhu Dongxu Weiyu Medical Devices Technology Co., Ltd set up a wholly-owned subsidiary-Anhui Weiwang Medical Devices Technology Co., Ltd., with the Registered capital Of RMB 20 million and the paid-up capital of RMB 0.00.

On July 5, 2017, Wuhu Dongxu Weiyu Medical Devices Technology Co., Ltd set up a wholly-owned subsidiary-Liaoning Dongxu Weiyu Medical Devices Technology Co., Ltd., with ther registered capital of RMB 20 million and the paid-up capital of RMB 0.00.

On July 12, 2017, Wuhu Dongxu Weiyu Medical Devices Technology Co., Ltd set up a wholly-owned subsidiary-Guangxi Dongxu Weigao Medical Devices Technology Co., Ltd., with ther registered capital of RMB 20 million and the paid-up capital of RMB 0.00.

On July 19, 2017, Zhengzhou Xufei Optoelectronic Technology Co., Ltd. acquired 100% stake of Suzhou Tengda Phonology Technology Co., Ltd. with ther registered capital of RMB 24 million and the paid-up capital of RMB 24 million .

XIV. 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	15,279,102.26	100.00%	719,428.91	4.71%	14,559,673.35	20,464,248.49	100.00%	567,495.23	2.77%	19,896,753.26
Total	15,279,102.26	100.00%	719,428.91	4.71%	14,559,673.35	20,464,248.49	100.00%	567,495.23	2.77%	19,896,753.26

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
Sub item within 1 year			
3-4 years	909,668.39	454,834.20	50.00%
Over 5 years	264,594.71	264,594.71	100.00%
Total	1,174,263.10	719,428.91	61.27%

Notes:

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

 Applicable Not applicable

Receivable account in Group on which bad debt provisions were provided on other basis:

Aging	Year-end balance		
	Account receivable	Bad debt provision	Proportion
Related party combination	14,104,839.16		
Total	14,104,839.16		

(2) 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 13,846,839.16 , which accounts for 90.63% 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.

2. Other receivable

(1) Classification of Other receivable

In RMB

Classification	Amount in year-end					Amount in year-beginng				
	Book Balance		Bad debt provision		Book value	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	7,813,099,223.07	100.00%	1,466,580.49	0.02%	7,811,632,642.58	4,927,387,025.34	100.00%	1,967,568.56	0.04%	4,925,419,456.78
Total	7,813,099,223.07	100.00%	1,466,580.49	0.02%	7,811,632,642.58	4,927,387,025.34	100.00%	1,967,568.56	0.04%	4,925,419,456.78

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
Sub item within 1 year			
Credit period	830,521.97		
Subtotal within 1 year	39.90	2.00	5.00%
1-2 years	2,605.70	260.57	10.00%
2-3 years	130,129.79	39,038.93	30.00%
3-4 years	8,497.64	4,248.82	50.00%
Over 5 years	1,423,030.17	1,423,030.17	100.00%
Total	2,392,397.27	1,466,580.49	61.30%

Notes:

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

Applicable Not applicable

Name	Closing balance	Bad debt provision
Related party transaction	7,049,173,656.75	
Deposit	760,643,666.66	
Personal loans	284,950.89	
Personal insurance and provident fund	457,898.51	
Export rebate	146,652.99	
Total	7,810,706,825.80	

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

Applicable Not applicable

(2) Accrual period, recovery or reversal of bad debts situation

The current amount of provision for bad debts is RMB 0.00; recovery or payback for bad debts Amount is RMB 5 00,988.07.

Where the current bad debts back or recover significant amounts:

In RMB

Name	Amount	Method

(3) Other account receivable classified by account nature

In RMB

Nature	Closing book value	Opening book value
Deposit	760,643,666.66	5,853,833.34
Personal loans	284,950.89	179,023.27
Related party transaction	7,049,173,656.75	4,918,192,744.41
Current fund	1,635,319.74	
Personal insurance and provident fund	457,898.51	21,023.59
Export rebate	146,652.99	
Other	757,077.53	3,140,400.73
Total	7,813,099,223.07	4,927,387,025.34

(4) 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	2,200,142,347.30	Credit period	28.16%	
Wuhu Dongxu	Current account	1,677,351,260.33	Credit period	21.47%	

Optoelectronic Equipment Technology Co., Ltd.					
Wuhu Dongxu Optoelectronic Technology Co., Ltd.	Current account	1,104,687,825.99	Credit period	14.14%	
Zhengzhou Xufei Optoelectronic Technology Co., Ltd.	Current account	1,407,336,950.00	Credit period	18.01%	
Dongxu Construction Group Co., Ltd.	Current account	318,069,264.18	Credit period	4.07%	
Total	--	6,707,587,647.80	--	85.85%	

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	15,377,709,832.63	378,172,649.84	14,999,537,182.79	11,679,609,832.63	378,172,649.84	11,301,437,182.79
Investment to joint ventures and associated enterprises	476,647,120.67		476,647,120.67	72,354,803.70		72,354,803.70
Total	15,854,356,953.30	378,172,649.84	15,476,184,303.46	11,751,964,636.33	378,172,649.84	11,373,791,986.49

(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	100,000,000.00		100,000,000.00			

Engineering Installation Co., Ltd.						
Wuhu Dongxu Optoelectronic Equipment Technology Co., Ltd.	93,100,000.00			93,100,000.00		
Wuhu Dongxu Optoelectronic Technology Co., Ltd.	4,711,064,000.00			4,711,064,000.00		
Dongxu Construction Group Co., Ltd.	1,000,453,728.53	2,000,000,000.00		3,000,453,728.53		
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.	400,000,000.00			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.,	1,966,568,609.92			1,966,568,609.92		

Ltd.						
Zhengzhou Xufei Optoelectronic Technology Co., Ltd.	1,791,853,741.58			1,791,853,741.58		
Fuzhou Dongxu Optoelectronic Technology Co., Ltd.	10,000,000.00	1,735,000,000.00		1,745,000,000.00		
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	13,100,000.00		24,000,000.00		
Shenzhen Xuhui Investment Holding Co., Ltd.	20,000,000.00	50,000,000.00		70,000,000.00		
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					378,172,649.84
Total	11,679,609,832.63	3,798,100,000.00	100,000,000.00	15,377,709,832.63		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.	72,354,803.70			171,370.96						72,526,174.66	
Tunghsu Group Finance Co., Ltd.		400,000,000.00		-15,702,580.22						384,297,419.78	
Dongxu(Deyang)Graphene Development Fund Partnership (LP)		19,800,000.00		23,526.23						19,823,526.23	
Total	72,354,803.70	419,800,000.00		-15,507,683.03						476,647,120.67	

4. Business income and Business cost

In RMB

Items	Amount of current period		Amount of previous period	
	Income	Cost	Income	Cost
Main business	11,006,532.52	6,941,391.49	369,700,169.65	236,073,823.43
Other business	27,591,148.66	21,150,871.79	14,147,651.79	67,061.63
Total	38,597,681.18	28,092,263.28	383,847,821.44	236,140,885.06

5. Investment income

In RMB

Items	Amount of current period	Amount of previous period
Income from long-term equity investment measured by adopting the Equity method	-15,507,683.03	81,758.31
Other investment income	22,183,417.04	
Total	6,675,734.01	81,758.31

XVI. 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	-30,537.14	
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	65,632,104.25	
Gain/loss on loans obtained by entrusting others	4,137,082.94	
Other non-operating income and expenditure beside for the above items	18,148.98	
Other profit and loss items that meet the definition of non-recurring profit and loss	22,183,417.04	
Less: Influenced amount of income tax	15,552,946.64	
Amount of influence of minority interests	522,067.47	
Total	75,865,201.96	--

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.	2.84%	0.13	0.13
Net profit attributable to the Common stock shareholders of Company after deducting of non-recurring gain/loss.	2.50%	0.11	0.11

3. Differences between accounting data under domestic and overseas 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

XI. Documents available for inspection

- 1.The original semi-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: August , 2017