

BOE

ANNUAL REPORT 2017

April 2018

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

Part I Important Notes, Table of Contents and Definitions

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

Mr. Wang Dongsheng, the Company’s legal representative, Mr. Chen Yanshun, President of the Execution Committee (Chief Executive Officer) of the Company, Ms. Sun Yun, the Company’s Chief Financial Officer, and Ms. Yang Xiaoping, head of the Company’s financial department (equivalent to financial manager) hereby guarantee that the Financial Statements carried in this Report are factual, accurate and complete.

All the Company’s Directors have attended the Board meeting for the review of this Report.

Any plans for the future and other forward-looking statements mentioned in this Report shall NOT be considered as absolute promises of the Company to investors. Investors, among others, shall be sufficiently aware of the risk and shall differentiate between plans and forecasts and promises.

The Board has considered and approved the following dividend payout proposal for common shareholders for the Reporting Period: based on the total shares of 34,798,398,763, a cash dividend of RMB0.50 (tax inclusive) per 10 shares would be distributed to all the common shareholders, with no share dividend converted either from retain earnings or from capital reserves.

This Report has been prepared as per the Chinese Accounting Standards for Business Enterprises and other relevant regulations. KPMG Huazhen LLP has issued an independent auditor’s report with unmodified unqualified opinion for the Company.

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

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Definitions

Term	Definition
The “Company”, “BOE” or “we”	BOE Technology Group Co., Ltd. and its consolidated subsidiaries, except where the context otherwise requires
Parent, Parent Company	BOE Technology Group Co., Ltd. exclusive of subsidiaries, except where the context otherwise requires
The Stock Listing Rules	The Stock Listing Rules of the Shenzhen Stock Exchange (Revised in 2014)
SZSE, the Stock Exchange	The Shenzhen Stock Exchange
The cninfo website	http://www.cninfo.com.cn/
CSRC	China Securities Regulatory Commission
The Articles of Association	The Articles of Association of BOE Technology Group Co., Ltd.
The Company Law	The Company Law of the People’s Republic of China
The Securities Law	The Securities Law of the People’s Republic of China
OASIS Hospital	OASIS International Hospital
DBG	The display and sensor business group of the Company
SBG	The smart systems business group of the Company
HBG	The healthcare business group of the Company
United Ratings	United Credit Ratings Co., Ltd.
TFT- LCD	Thin Film Transistor- Liquid Crystal Display
LCD	Liquid Crystal Display
LTPS	Low Temperature Poly-Silicon
FPXD	Flat Panel X-Ray Detector
AMOLED	Active-Matrix Organic Light Emitting Diode
AMQLED	Active Matrix Quantum-Dot Light Emitting Diode
OLED	Organic Light-Emitting Diode
VR/AR	Virtual Reality /Augmented Reality
IFI	IFI CLAIMS Patent Services
SID	The Society for Information Display
IFA	Internationale Funkausstellung Berlin
TDDI	Touch and Display Driver Integration
KPMG	KPMG Huazhen LLP

The “Reporting Period” or “Current Period”	The period from January 1, 2017 to December 31, 2017
RMB, RMB’0,000	In RMB yuan, in RMB ten thousand yuan

Part II Company Profile and Key Financial Information

I Corporate Information

Stock name	BOE A, BOE B	Stock symbol	000725, 200725
Changed stock name (if any)	N/A		
Stock exchange	Shenzhen Stock Exchange		
Company name in Chinese	京东方科技集团股份有限公司		
Abbr.	京东方		
Company name in English (if any)	BOE TECHNOLOGY GROUP CO., LTD.		
Abbr. (if any)	BOE		
Legal representative	Wang Dongsheng		
Registered address	10 Jiuxianqiao Road, Chaoyang District, Beijing, P.R.China		
Zip code	100015		
Office address	12 Xihuan Middle Road, Beijing Economic-Technological Development Area, P.R.China		
Zip code	100176		
Company website	http://www.boe.com		
Email address	web.master@boe.com.cn		

II Contact Information

Item	Board Secretary	Securities Representative
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Tel.	010—64318888 ext.	010—64318888 ext.
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Email address	liuhongfeng@boe.com.cn	cuiizhiyong@boe.com.cn

III Media for Information Disclosure and Place where this Report Is Kept

Newspapers designated by the Company for information disclosure	China Securities Journal, Shanghai Securities News, Securities Times, Ta Kung Pao (HK)
Website designated by CSRC for publication of this	http://www.cninfo.com.cn/

Report	
Place where this Report is kept	Board Secretary's Office

IV Company Registered Information and Alterations

Organization code	No alterations
Alterations to main business scope of the Company since going public (if any)	No alterations
Alterations to controlling shareholder (if any)	No alterations

V Other Information

The independent certified public accounting (or "CPA") firm hired by the Company:

Name	KPMG Huazhen LLP
Office address	8/F, KPMG Tower, Oriental Plaza, 1 East Chang An Avenue, Beijing, P.R.China
Accountants writing signatures	Zhang Huan and Su Xing

The independent sponsor hired by the Company to exercise constant supervision over the Company in the Reporting Period:

☐ Applicable ☒ Not applicable

The independent financial advisor hired by the Company to exercise constant supervision over the Company in the Reporting Period:

☐ Applicable ☒ Not applicable

VI Key Financial Information

Indicate by tick mark whether there is any retrospectively restated datum in the table below.

☐ Yes ☒ No

Item	2017	2016	2017-over-2016 change	2015
Sales revenue (RMB)	93,800,479,215.00	68,895,658,963.00	36.15%	48,623,732,312.00
Net income attributable to shareholders of the listed company (RMB)	7,567,682,493.00	1,882,571,674.00	301.99%	1,636,270,488.00
Net income attributable to shareholders of the listed company before nonrecurring gains and losses (RMB)	6,679,211,138.00	12,534,878.00	53,185.01%	613,814,833.00
Net cash flows from operating activities (RMB)	26,266,986,015.00	10,073,287,120.00	160.76%	10,493,385,445.00

Basic earnings per share (RMB/share)	0.217	0.054	301.85%	0.046
Diluted earnings per share (RMB/share)	0.217	0.054	301.85%	0.046
Weighted average return on equity (%)	9.25%	2.40%	6.85%	2.13%
Item	December 31, 2017	December 31, 2016	Change of December 31, 2017 over December 31, 2016	December 31, 2015
Total assets (RMB)	256,108,741,849.00	205,135,011,042.00	24.85%	152,592,894,442.00
Equity attributable to shareholders of the listed company (RMB)	84,809,816,377.00	78,699,988,493.00	7.76%	77,485,275,564.00

VII Accounting Data Differences under Chinese Accounting Standards (CAS) and International Financial Reporting Standards (IFRS) and Foreign Accounting Standards

1. Net Income and Equity Differences under CAS and IFRS

☐ Applicable ☒ Not applicable

No such differences for the Reporting Period.

2. Net Income and Equity Differences under CAS and Foreign Accounting Standards

☐ Applicable ☒ Not applicable

No such differences for the Reporting Period.

VIII Key Financial Information by Quarter

Unit: RMB

Item	Q1	Q2	Q3	Q4
Sales revenue	21,854,974,362.00	22,750,053,633.00	24,803,328,149.00	24,392,123,071.00
Net income attributable to shareholders of the listed company	2,413,015,650.00	1,889,589,950.00	2,173,061,620.00	1,092,015,273.00
Net income attributable to shareholders of the listed company before nonrecurring gains and losses	2,301,442,129.00	1,716,401,980.00	1,899,046,822.00	762,320,207.00
Net cash flows from operating activities	6,216,049,821.00	4,422,541,445.00	7,852,416,022.00	7,775,978,727.00

Indicate by tick mark whether any of the financial data in the table above or their summations differs materially from what have been

disclosed in the Company's quarterly or semi-annual reports.

☐ Yes ☒ No

IX Nonrecurring Gains and Losses

☒ Applicable ☐ Not applicable

Unit: RMB

Item	2017	2016	2015	Note
Gains and losses on disposal of non-current assets (inclusive of offset allowance for asset impairments)	-87,930,698.00	-46,754,352.00	-8,350,324.00	N/A
Tax rebates, reductions and exemptions with ultra vires approval or in lack of duly approved document	0.00	0.00	0.00	N/A
Government subsidies charged to current profit and loss (exclusive of government subsidies given in the Company's ordinary course of business at fixed quotas or amounts as per government's uniform standards)	962,283,001.00	1,914,531,603.00	1,045,101,727.00	N/A
Capital occupation charges on non-financial enterprises that are charged to current gains and losses	0.00	0.00	0.00	N/A
Income equal to the amount by which investment costs for the Company to obtain subsidiaries, associates and joint ventures are lower than the Company's enjoyable fair value of identifiable net assets of investees when making investments	0.00	105,228,293.00	163,082.00	N/A
Gains and losses on non-monetary asset swap	0.00	0.00	0.00	N/A
Gains and losses on investment or asset management entrustments to other entities	0.00	0.00	0.00	N/A
Allowance for asset impairments due to acts of God such as natural disasters	0.00	0.00	0.00	N/A
Gains and losses on debt restructuring	0.00	0.00	0.00	N/A
Restructuring costs in staff arrangement, integration, etc.	0.00	0.00	0.00	N/A
Gains and losses on over-fair value amount as a result of transactions with distinctly unfair prices	0.00	0.00	0.00	N/A
Current gains and losses on subsidiaries acquired through business mergers under same	0.00	0.00	0.00	N/A

control from period-beginning to merger dates, net				
Gains and losses on contingencies that do not arise in the Company's ordinary course of business	0.00	0.00	0.00	N/A
Gains and losses on changes in fair value of trading financial assets and liabilities & investment income from disposal of trading financial assets and liabilities and available-for-sale financial assets (exclusive of effective portion of hedges that arise in the Company's ordinary course of business)	134,810,181.00	149,197,609.00	173,197,708.00	N/A
Reversed portion of impairment allowance for accounts receivable which are tested individually for impairment	2,616,024.00	24,547,083.00	4,535,849.00	N/A
Gains and losses on loan entrustment	0.00	0.00	0.00	N/A
Gains and losses on fair value changes in investment property of which subsequent measurement is carried out using fair value method	0.00	0.00	0.00	N/A
Effects of all adjustments required by taxation, accounting and other applicable laws and regulations on current gains and losses	0.00	0.00	0.00	N/A
Income from charges on entrusted management	0.00	0.00	0.00	N/A
Non-operating revenue and expense other than above	46,503,917.00	40,206,943.00	22,787,015.00	N/A
Other gains and losses that meet definition of nonrecurring gain/loss	0.00	0.00	0.00	N/A
Less: Income tax effects	126,533,931.00	305,399,453.00	185,320,551.00	N/A
Non-controlling interests effects (net of tax)	43,277,139.00	11,520,930.00	29,658,851.00	N/A
Total	888,471,355.00	1,870,036,796.00	1,022,455,655.00	--

Explanation of why the Company classifies an item as a nonrecurring gain/loss according to the definition in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public—Nonrecurring Gains and Losses, or reclassifies any nonrecurring gain/loss item listed in the said explanatory announcement as a recurring gain/loss:

☐ Applicable ☒ Not applicable

No such cases for the Reporting Period.

Part III Business Summary

I Main Business Scope of the Company in Reporting Period

Is the Company subject to any disclosure requirements for special industries?

No.

Founded in April 1993, BOE Technology Group Co., Ltd. (BOE) has three major business divisions, namely, the display and sensor business group (DBG), the smart systems business group (SBG) and the healthcare business group (HBG). And BOE is rapidly transforming towards an Internet of Things (IOT) company.

1. Display and Sensor Business Group (DBG)

This business group provides, among others, TFT-LCD, AMOLED and micro display components and solutions. The display business primarily offers display components and solutions for mobile phones, tablet PCs, laptops, displayers, TVs, VR/AR devices, vehicles, wearable devices, industrial control, medical care, tiled display screens, etc. And the sensor business mainly provides core thin film transistors and solutions for photoelectric sensors, gene sequencing sensors, multi-sign sensors, security sensors and molecular antenna, among others.

2. Smart Systems Business Group (SBG)

Following the main direction of “the Internet of Things and artificial intelligence”, this business group consists of five major sub-divisions, namely, smart manufacturing, digital arts, smart retail systems, smart vehicle-mounted systems, and smart energy systems. The smart manufacturing sub-division mainly provides its global partners with the most competitive ODM/OEM and customized smart manufacturing solutions of complete machines, backlight units, etc. The digital arts sub-division focuses on B2C screen systems, providing O+O digital artwork trading platforms for customers. The smart retail systems sub-division mainly offers electronic shelf label, commercial display, hospital-bank smart systems and solutions. And the smart vehicle-mounted systems and smart energy systems sub-divisions mainly provide advanced vehicle-mounted and energy systems and solutions.

3. Healthcare Business Group (HBG)

With “Internet of Things technology and life data” as the core, this business group consists of five major sub-divisions, namely, mobile healthcare, digital hospitals, regenerative medicine, healthcare parks and life insurance, primarily providing portable health monitoring, online medical consulting, offline medical care, regenerative medicine and healthcare park products and solutions.

II Significant Changes in Major Assets

1. Significant Changes in Major Assets

Major assets	Reason for significant changes in the period
Equity assets	No significant changes
Property, plant and equipment	No significant changes

Intangible assets	No significant changes
Construction in progress	Newly invested project was still not turned into fixed assets.

2. Major Assets Overseas

☐ Applicable ☒ Not applicable

III Core Competitiveness Analysis

Is the Company subject to any disclosure requirements for special industries?

No.

1. The Company firmly promoted and implemented DSH business strategy and improved global competitiveness.

In 2017, BOE firmly promoted and implemented DSH business strategy, made efforts to strengthen and expand display and sensor device business, rapidly formed layout of smart system business and health service business, consolidated its businesses and improved global competitiveness.

As for the display and sensor business group (DBG): The 6th Generation Flexible AMOLED Production Line (the first in China and the second in the world)--The 6th BOE Chengdu Flexible AMOLED Production line was put into produce the first product in May 2017, and the MP delivery in October 2017; the first TFT-LCD Production Line of the highest generation in the world--The 10.5th Generation BOE Hefei TFT-LCD Production Line was put into production ahead of the schedule in December 2017; The 8.5th Generation Fuzhou TFT-LCD Production Line was put into mass production and delivery in February, which set a record in the industry for the shortest time (15.8 months) spend during the process from the piling to the formal production, and achieved the best performance in making profits in that year; The 6th Generation Mianyang Flexible AMOLED Production Line Project was also carried out step by step as planned. As the sensor business further developed, unremitting effort will be made to enhance the technical strength and the market promotion related to photoelectric sensors, gene sequencing sensors, multi-sign sensors, security sensors and molecular antennas etc., increase the sales of photoelectric sensors, and establish the strategic cooperation with various clients in such fields as FPXD, Flow Cell (micro-fluidic chips), digital microfluidics and molecular antennas.

As for the smart systems business group (SBG): As the five major businesses developed with a steady pace, the shipments of smart manufacturing service TV and MNT complete machines achieved a new high. Hefei Smart Factory realized its mass production and delivery in January; the main structure of Chongqing Smart Factory was completed one month ahead of the schedule; the first Maker's Workshop in China was successfully open for business; the digital art screen system completed corresponding product upgrading and 21.5- and 49-inch Painted Screen products were sold on the market; the smart retail systems succeeded in purchasing SES-imagotag, and would enter the new retail ecosystem by means of the RFID system; Chengdu vehicle-mounted module base (the smart vehicle-mounted systems) succeeded in its mass production and accelerating the product upgrading; the scale of the power station owned by the smart energy systems exceeded 270MW, and great effort would be made to promote the business development of the energy-saving EMC, the smart microgrid and the plant factory.

As for the healthcare business group (HBG): The Company has strictly adhered to the strategic principles of Human Orientation, Disease Prevention and Life Data, and made unremitting effort to five major business systems--mobile healthcare, digital hospitals, regenerative medicine, life insurance and healthcare centers. For example, mobile healthcare non-invasive blood detector appeared on the market for sales, and online and offline sales channels were successfully established; Hefei Digital Hospital Construction Project was completed as scheduled in September, and Beijing OASIS International Hospital continued making full use of its advantages to conduct the brand construction, realizing a steady development of the digital hospital career; the regenerative medicine institute was formally open for business in August, laying a foundation for the transition into the clinic treatment.

2. The Company stuck to client orientation and further increased its market shares.

With the policy of “Deep cooperation, Collaborative development, and Value co-creation”, BOE has become the world top supplier in semiconductor and display field. BOE has kept long-term and sustainable cooperation with well-known domestic and overseas clients, ranking as the 1st supplier for plenty of international 1st class brands. While intensifying on enlarging and maintaining strategic clients, the Company deeply ploughed and subdivided the markets, and realized stable increase in market share in subdivided markets. According to IHS Markit (Information Handling Services, Inc. & Markit Ltd.) data, the shipment of BOE display screen approached 400 million pieces, ranking first in the world in many consecutive years. However, as for the display and sensor devices group, the market shares of the LCD for smart phones and display screen for tablet PC continued to rank first in the world, that of the display screen for notebooks also ranked first, that of TV sets second and display screen second in the world. As for the smart business group and smart manufacturing systems, the shipment of complete machines exceeded 15 million pieces, and the market occupancy of TV Sets and displays ranked fourth.

3. Reinforced independent innovation and further promoted innovation ability

BOE firmly persisted in self-innovation, as well as innovation ideas of “leading technology, first release in the globe, and joint value creation”, continued to strengthen construction of patent attack and defense system, and kept foresight and primacy of technologies and products. In 2017, BOE applied for 8,678 new patents and authorized more than 4,600 patents with the available patents exceeding 60,000 in total; the number of patents granted by IFI (U.S.A.) in 2017 ranked 21st with its increase speed maintaining top 1 status. In terms of the technology and product, many products applying the cutting-edge technologies in the world were launched for the first time including 5- and 14-inch AMQLED, 1.5-inch FIC (Full In Cell) OLED, 2.1-inch VR (pixel density: 2300PPI), 5.5-inch QHD eye tracking 3D and 8x8 liquid crystal molecular antennas etc.; BOE Painted Screen won the 2017 IFA Product Technology Innovation Award and received positive comments from the entire industry; at 2017 Commercial Display Exhibition (Japan), BOE won the BEST OF SHOW AWARD by virtue of its outstanding integrated commercial display solutions; the regenerative medicine group finished corresponding sample preparation and the technical competence was further promoted.

4. Pushed forward transformation and upgrading and further promoted brand image

With the promotion of transformation and upgrading, BOE has further improved its products and service quality, and improved its brand image. In 2017, the Company’s innovative brand image was publicized by CCTV News, Morning News and Night News; BOE also attended the U.S.A. SID Exhibition, and held a series of grand brand promotion activities including BOE SPC and BOE IPC to improve the brand awareness and reputation of BOE. As the continuous improvement of BOE Brand Value, Customer Satisfaction and Brand Reputation, BOE has ranked among Top 10 China Consumer Electronics Brands in 11 consecutive years, and its brand image has been widely recognized and praised by the world.

Part IV Company Performance Discussion and Analysis

I Overview

In 2017, the global economy experienced a strong recovery, with faster-than-expected growth in trade; and China's economy was developing steadily and healthily with remarkable results produced in its supply-side reform. Regarding the semiconductor display industry, it saw slower growth in the traditional LCD market, but faster growth in new markets such as VR/AR, commercial display, industrial control and vehicle-mounted systems, as well as wider application of AMOLED in mobile phones and wearable equipment, providing new impetuses for growth in the industry, as well as great market opportunities for the Company. Additionally, the rising Internet of Things industry driven by the fast development of AI and big data technologies, an expanding smart terminal range of the Internet of Things incurred by new technologies and applications, as well as a fast growing comprehensive healthcare industry boosted by the integration of information technology and life technology, all created favorable opportunities for the Company's innovation and transformation.

In 2017, the ending year for its "Iron Sword" strategy, the Company united as one man and forged ahead, actively seizing market opportunities and dealing with various challenges. For the year, the Company recorded sales revenue of RMB93.8 billion, up approximately 36.15% compared to 2016, and recorded net income of RMB 7.568 billion, surging around 301.99% year over year, hitting a record high in the Company's history and laying a solid foundation for the Company's next "Wooden Sword" strategy. While improving the core competitiveness of the new display and sensor business including TFT-LCD and AMOLED, the Company has also enhanced the core competitiveness of its smart manufacturing service, digital art, smart retail, smart vehicle-mounted systems and smart energy systems, and made trans-boundary innovations through combining the semiconductor display, AI, sensor technology and other electronic information technologies with the medicine and life science and technology. In 2017, the Company applied for 8678 new patents, and invention patents occupied 85%. The Company's available patents have exceeded 60,000 in total, ranking among the best in the world. The Company has applied for over 3000 patents overseas, including the U.S.A., Europe, Japan and Korea etc. According to relevant America patent data, BOE's United States Patents Granted ranked 21st in 2017 from 40th in 2016, and the number of United States Patents granted reached 1,413 with a year-on-year increase of 62%. In fact, BOE has become one of IFI TOP50 with the highest increase rate in two consecutive years. According to the 2017 Global International Patent Application (PCT) Report issued by WIPO, BOE owned 1,818 patent applications and ranked 7th in the world. The business operation situation of various business divisions is described as follows:

(I) The display and sensor business group (DBG)

In 2017, the market occupancy of five traditional display devices maintained its leading status. The shipment of smart phone LCD, tablet PC display screen and notebook display screen all ranked first in the world, and that of the display screen and TV Sets display screen second; the OLED business made a breakthrough; the 6th generation Chengdu Flexible OLED Production Line realized the mass production and delivery in October; the pile foundation of the 6th generation Mianyang Flexible OLED Production Line was also completed in October, and 50% of the main structure was completed in the year; the 10.5th generation Hefei TFT-LCD Production Line was put into production and corresponding products were delivered to the customers in December; the 8.5th generation Fuzhou TFT-LCD Production Line realized its mass production and delivery in February and fulfilled the planned objective of making profits in the year when it's put into production. Meanwhile, the sensor business also made some progress. For example, X-ray achieved corresponding scale and was on the market; gene sequencing devices were shipped to various brand clients, and the sample preparation of molecular antennas, multi-sign sensors and security sensors was completed. Therefore, it has continuously strengthened its ability in developing clients, and added 9 first suppliers throughout the year. The Company will seek development through making innovations, encourage the technical and product innovations and gradually improve the overall yield.

(II) The smart systems business group (SBG)

The market occupancy of smart manufacturing service TV ranked 4th and that of MNT 4th in the world. Meanwhile, various innovative BU (Business Unit) including Wearable Devices Unit and ESL (Electronic Shelf Label) Unit also made some progress. Hefei Smart Manufacturing Factory realized its mass production and delivery in January, and the structure of Chongqing Factory was completed 43 days ahead of schedule; many famous brand clients were also developed; the prototype development of the wide-angle double imaging vehicle-mounted head-up display was completed, and the smart rear-view mirror technology platform was also developed; the client authentication of Chengdu Vehicle-mounted Systems Base was finished, and many famous automobile brands were successfully introduced; ESL made concerted effort with Ali and Jingdong etc. to establish the new retail ecosystem; iBank succeeded in developing 5 clients and independently worked out the integrated solutions for two smart banks and realized the delivery; the smart retail business layout was further improved; the painted screen won the IFA Product Technology Innovation Award; various new products were launched including 21.5-inch products and 49-inch products, and the production line was diversified.

(III) The healthcare business group (HBG)

The main structure of Hefei Digital Hospital was completed in September, and Chengdu Digital Hospital signed the framework agreement and established the project company; the mobile healthcare product MTX (non-invasive multi-parameter detector) was sold on the market; COG (non-invasive comprehensive glucose meter) passed the authentication of CFDA (China Food and Drug Administration); for the CTC Screening Project, the glass-based colloid structure micro-fluidic chip was prepared and completed; the diagnostic model for the non-invasive blood pressure detection and skin cancer screening project was successfully established; the regenerative medicine cell laboratory was initiated and put into service, and 3 kinds of cell membrane samples were well prepared.

II Analysis of Main Business

1. Summary

See “I Overview” in “Company Performance Discussion and Analysis” herein.

2. Revenue and Cost

(1) Breakdown of Sales Revenue

Unit: RMB

Item	2017		2016		Change
	Sales revenue	Percentage of total sales revenue (%)	Sales revenue	Percentage of total sales revenue (%)	
Total	93,800,479,215.00	100%	68,895,658,963.00	100%	36.15%
By operating division					
Display and Sensor Business Group	82,636,085,228.00	88.10%	61,207,032,381.00	88.84%	35.01%
Smart Systems Business Group	18,134,719,119.00	19.33%	12,503,057,007.00	18.15%	45.04%
Healthcare Business Group	1,023,905,566.00	1.09%	907,225,055.00	1.32%	12.86%

Other	2,225,609,340.00	2.37%	1,835,270,634.00	2.66%	21.27%
Offset	-10,219,840,038.00	-10.90%	-7,556,926,114.00	-10.97%	-35.24%
By product category					
Display and Sensor Business Group	82,636,085,228.00	88.10%	61,207,032,381.00	88.84%	35.01%
Smart Systems Business Group	18,134,719,119.00	19.33%	12,503,057,007.00	18.15%	45.04%
Healthcare Business Group	1,023,905,566.00	1.09%	907,225,055.00	1.32%	12.86%
Others	2,225,609,340.00	2.37%	1,835,270,634.00	2.66%	21.27%
Offset	-10,219,840,038.00	-10.90%	-7,556,926,114.00	-10.97%	-35.24%
By operating segment					
China	44,077,183,105.00	46.99%	36,758,279,462.00	53.35%	19.91%
Other regions in Asia	44,260,377,203.00	47.19%	28,659,907,880.00	41.60%	54.43%
Europe	2,185,981,332.00	2.33%	1,576,844,846.00	2.29%	38.63%
America	3,198,611,737.00	3.41%	1,783,928,923.00	2.59%	79.30%
Other regions	78,325,838.00	0.08%	116,697,852.00	0.17%	-32.88%

(2) Operating Division, Product Category or Operating Segment Contributing over 10% of Sales Revenue or Income

√ Applicable □ Not applicable

Is the Company subject to any disclosure requirements for special industries?

No.

Unit: RMB

Item	Sales revenue	Cost of sales	Gross margin percentage	YoY change in sales revenue	YoY change in cost of sales	YoY change in gross margin percentage
By operating division						
Display and Sensor Business Group	82,636,085,228.00	61,973,888,991.00	25.00%	35.01%	21.93%	8.04%
Smart Systems Business Group	18,134,719,119.00	16,598,309,921.00	8.47%	45.04%	45.13%	-0.06%
By product category						
Display and Sensor Business Group	82,636,085,228.00	61,973,888,991.00	25.00%	35.01%	21.93%	9.55%

Smart Systems Business Group	18,134,719,119.00	16,598,309,921.00	8.47%	45.04%	45.13%	-0.06%
By operating segment						
China	44,077,183,105.00	34,937,348,836.00	20.74%	19.91%	6.92%	9.63%
Other regions in Asia	44,260,377,203.00	30,278,819,001.00	31.59%	54.43%	43.69%	5.12%

Main business data of the prior year restated according to the changed statistical caliber for the Reporting Period:

☐ Applicable ☒ Not applicable

(3) Whether Revenue from Physical Sales Is Higher than Service Revenue

☒ Yes ☐ No

Operating division	Item	Unit	2017	2016	Change
TFT-LCD	Unit sales	K m ²	31,840	28,957	9.96%
	Output	K m ²	31,921	28,242	13.02%
	Inventory	K m ²	1,576	1,120	40.75%

Reason for any over 30% YoY movements in the data above

☒ Applicable ☐ Not applicable

There was newly invested operating production line in 2017, so the overall scale of inventory increased.

(4) Execution Progress of Major Signed Sales Contracts in Reporting Period

☐ Applicable ☒ Not applicable

(5) Breakdown of Cost of Sales

By operating division

Unit: RMB

Operating division	Item	2017		2016 年		Change
		Cost of sales	Percentage of total cost of sales (%)	Cost of sales	Percentage of total cost of sales (%)	
Display and Sensor Business Group	Materials, labor costs, depreciation, etc.	61,973,888,991.00	88.19%	50,827,910,258.00	89.82%	21.93%
Smart Systems Business Group	Materials, labor costs, depreciation, etc.	16,598,309,921.00	23.62%	11,436,764,569.00	20.21%	45.13%
Healthcare Business Group	Materials, labor costs, depreciation, etc.	416,009,475.00	0.59%	404,222,596.00	0.71%	2.92%
Other	Materials, labor costs, depreciation, etc.	33,582,463.00	0.05%	19,378,863.00	0.03%	73.29%
Offset	Materials, labor costs, depreciation, etc.	-8,739,313,265.00	-12.44%	-6,102,580,195.00	-10.77%	-43.21%

Notes:

N/A

(6) Change in Scope of Consolidated Financial Statements for Reporting Period√ Yes ☐ No

The scope of the consolidated financial statements for this Reporting Period has changed. And the relevant data exclusive of the five new subsidiaries are as follows:

Item	Sales revenue	Cost of sales	Gross profit margin	Sales revenue: YoY +/-%	Cost of sales: YoY +/-%	Gross profit margin: YoY +/-%
By operating division						
Display and Sensor Business Group	82,636,083,813.00	61,973,888,991.00	25.00%	35.01%	21.93%	8.05%
Smart Systems Business Group	18,055,846,953.00	16,569,071,254.00	8.23%	44.41%	44.88%	-0.29%
Healthcare Business Group	1,022,091,499.00	414,285,120.00	59.47%	12.66%	2.49%	4.02%

Other	2,225,609,341.00	33,582,463.00	98.49%	21.27%	73.29%	-0.45%
Offset	-10,227,927,771.00	-8,739,313,265.00	14.55%	35.35%	43.21%	-4.69%
By product category						
Display and Sensor Business Group	82,636,083,813.00	61,973,888,991.00	25.00%	35.01%	21.93%	8.05%
Smart Systems Business Group	18,055,846,953.00	16,569,071,254.00	8.23%	44.41%	44.88%	-0.29%
Healthcare Business Group	1,022,091,499.00	414,285,120.00	59.47%	12.66%	2.49%	4.02%
Other	2,225,609,341.00	33,582,463.00	98.49%	21.27%	73.29%	-0.45%
Offset	-10,227,927,771.00	-8,739,313,265.00	14.55%	35.35%	43.21%	-4.69%
By operating segment						
China	43,988,407,725.00	34,906,385,814.00	20.65%	19.67%	10.83%	6.33%
Other regions in Asia	44,260,377,203.00	30,278,819,001.00	31.59%	54.43%	48.18%	2.88%
Europe	2,185,981,332.00	1,915,308,668.00	12.38%	38.63%	38.86%	-0.15%
America	3,198,611,737.00	3,072,165,773.00	3.95%	79.30%	128.53%	-20.69%
Other regions	78,325,838.00	78,835,307.00	-0.65%	-32.88%	-15.01%	-21.16%

(7) Major Change in Business Scope or Product or Service Range in Reporting Period

☐ Applicable ☒ Not applicable

(8) Main Customers and Suppliers

Main customers:

Total sales to top five customers (RMB)	36,994,760,445.00
Total sales to top five customers as a percentage of the total sales for this Reporting Period (%)	39.44%
Total sales to related parties among top five customers as a percentage of the total sales for this Reporting Period (%)	0.00%

Information about top five customers

No.	Customer	Sales amount (RMB)	As a percentage of the total sales for this Reporting Period (%)
1	Customer A	19,073,677,986.00	20.33%
2	Customer B	5,514,610,136.00	5.88%
3	Customer C	5,401,162,046.00	5.76%
4	Customer D	3,923,295,678.00	4.18%
5	Customer E	3,082,014,600.00	3.28%
Total	--	36,994,760,445.00	39.44%

Other information about the main customers

☐ Applicable ☒ Not applicable

Main suppliers

Total purchases from top five suppliers (RMB)	8,094,543,550.00
Total purchases from top five suppliers as a percentage of the total purchases for this Reporting Period (%)	11.52%
Total purchases from related parties among top five suppliers as a percentage of the total purchases for this Reporting Period (%)	0.00%

Information about top five suppliers

No.	Supplier	Purchase amount (RMB)	As a percentage of the total purchases for this Reporting Period (%)
1	Supplier A	2,802,103,170.00	3.99%
2	Supplier B	2,073,493,305.00	2.95%
3	Supplier C	1,207,513,311.00	1.72%
4	Supplier D	1,030,089,983.00	1.47%
5	Supplier E	981,343,781.00	1.40%
Total	--	8,094,543,550.00	11.52%

Other information about the main suppliers

☐ Applicable ☒ Not applicable

3. Expense

Unit: RMB

Item	2017	2016	Change	Reason for material change
Selling expenses	2,591,925,798.00	1,984,361,921.00	30.62%	Increased accordingly as the sales revenues increased
Administrative expenses	7,246,543,340.00	5,618,443,652.00	28.98%	N/A
Finance costs	1,948,024,860.00	2,299,116,897.00	-15.27%	N/A

4. Research and Development Expense

☒ Applicable ☐ Not applicable

N/A

Details about R&D input:

Item	2017	2016	Change
Number of R&D personnel	17,141	13,270	29.17%
R&D personnel as a percentage in the total employees	27.42%	27.00%	0.42%
R&D input (RMB)	6,972,095,396.00	4,139,435,892.00	68.43%
R&D input as a percentage in operating revenues	7.43%	6.01%	1.42%
Capitalized R&D input (RMB)	1,893,143,576.00	919,711,205.00	105.84%
Capitalized R&D input as a percentage in the total R&D input	27.15%	22.22%	4.93%

Reason for any significant YoY change in the proportion of R&D expense in sales revenue:

☐ Applicable ☒ Not applicable

Reason for any sharp variation in the percentage of the capitalized R&D expense and rationale

☐ Applicable ☒ Not applicable

5. Cash Flows

Unit: RMB

Item	2017	2016	Change
Subtotal of cash generated by operating activities	111,934,693,142.00	73,610,884,095.00	52.06%
Subtotal of cash used in operating activities	85,667,707,127.00	63,537,596,975.00	34.83%
Net cash flows from operating activities	26,266,986,015.00	10,073,287,120.00	160.76%

Subtotal of cash generated by investing activities	33,347,868,918.00	34,686,752,663.00	-3.86%
Subtotal of cash used in investing activities	92,409,894,695.00	59,181,683,823.00	56.15%
Net cash flows from investing activities	-59,062,025,777.00	-24,494,931,160.00	141.12%
Subtotal of cash generated by financing activities	66,143,493,674.00	44,117,048,127.00	49.93%
Subtotal of cash used in financing activities	33,218,121,485.00	17,975,955,326.00	84.79%
Net cash flows from financing activities	32,925,372,189.00	26,141,092,801.00	25.95%
Net increase in cash and cash equivalents	-1,441,522,805.00	13,172,072,171.00	-110.94%

Explanation of why the data above varied significantly

☐ Applicable ☒ Not applicable

Reason for any big difference between the net operating cash flow and the net profit for this Reporting Period

☐ Applicable ☒ Not applicable

III Non-Core Business Analysis

☒ Applicable ☐ Not applicable

Unit: RMB

Item	Amount	As a percentage of total profit (%)	Source/reason	Recurring or not
Investment income	115,602,683.00	1.19%	Gains on financial products	No
Profit/Loss on fair value changes	32,048,211.00	0.33%	N/A	No
Asset impairment	2,229,524,682.00	22.89%	Amount provided for inventory falling price impairment according to market conditions	No
Non-operating revenue	180,418,858.00	1.85%	Governmental subsidies received in the Reporting Period	No
Non-operating expense	113,080,601.00	1.16%	Loss on disposal of fixed assets	No

IV Analysis of Assets and Liabilities

1. Material Change in Asset Composition

Unit: RMB

Item	December 31, 2017		December 31, 2016		Change in percentage (%)	Reason for material change
	Value	Percentage of total assets (%)	Value	Percentage of total assets (%)		
Monetary funds	57,128,659,576.00	22.31%	58,152,817,223.00	28.35%	-6.04%	No
Accounts receivable	15,513,763,252.00	6.06%	16,191,791,617.00	7.89%	-1.83%	No
Inventories	8,957,719,381.00	3.50%	7,833,138,532.00	3.82%	-0.32%	No
Investment property	1,296,662,205.00	0.51%	1,192,932,896.00	0.58%	-0.07%	No
Long-term equity investments	6,928,854,415.00	2.71%	1,356,111,395.00	0.66%	2.05%	Increased investment in associated companies during the Reporting Period.
Fixed assets	88,625,296,761.00	34.60%	69,947,586,967.00	34.10%	0.50%	No
Construction in progress	50,761,250,426.00	19.82%	33,008,248,720.00	16.09%	3.73%	Increase of construction in progress because the newly invested project was still not turned into fixed assets.
Short-term borrowings	3,249,736,430.00	1.27%	4,916,965,507.00	2.40%	-1.13%	Repaying part of bank loans during the Reporting Period.
Long-term borrowings	78,973,633,010.00	30.84%	49,885,166,211.00	24.32%	6.52%	Increase of new project's borrowings
Other current assets	15,924,433,978.00	6.22%	5,691,200,226.00	2.77%	3.45%	Increase of financial products during the Reporting Period.
Accounts payable	16,205,788,698.00	6.33%	13,835,615,665.00	6.74%	-0.41%	No
Other accounts payable	15,264,806,774.00	5.96%	14,395,525,248.00	7.02%	-1.06%	No
Non-current liabilities due within one year	9,109,708,511.00	3.56%	3,684,236,935.00	1.80%	1.76%	The long-term borrowing was due and then converted into non-current liabilities during the Reporting Period.

2. Assets and Liabilities Measured at Fair Value

√ Applicable □ Not applicable

Unit: RMB

Item	Opening balance	Gains/losses on fair value changes in Reporting Period	Cumulative fair value changes charged to equity	Allowance for impairment for Reporting Period	Purchased in Reporting Period	Sold in Reporting Period	Closing balance
Financial assets							
1. Financial assets at fair value through profit/loss (excluding derivative financial assets)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2. Derivative financial assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3. Available-for-sale financial assets	394,236,151.00	0.00	102,183,379.00	0.00	141,558,280.00	0.00	527,750,536.00
Subtotal of financial assets	394,236,151.00	0.00	102,183,379.00	0.00	141,558,280.00	0.00	527,750,536.00
Investment property	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Productive living assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Others	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total of the above	394,236,151.00	0.00	102,183,379.00	0.00	141,558,280.00	0.00	527,750,536.00
Financial liabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Significant changes in the measurement attributes of the main assets in this Reporting Period

□ Yes √ No

3. Restricted Asset Rights as of End of Reporting Period

Item	Closing book value	Reason for restriction
Monetary funds	9,215,371,993.00	As pledge for guarantee and as security deposits
Notes receivable	503,406,676.00	Endorsed and transferred with right of recourse, as pledge for opening notes payable
Inventories	0.00	N/A
Fixed assets	56,639,021,799.00	As mortgage for guarantee
Intangible assets	958,034,967.00	As mortgage for guarantee
Investment property	188,015,432.00	As mortgage for guarantee
Construction in progress	8,275,020,678.00	As mortgage for guarantee
Total	75,778,871,545.00	--

V Investments Made

1. Total Investment Amount

☒ Applicable ☐ Not applicable

Investments made in this Reporting Period (RMB)	Investments made in the prior year (RMB)	+/-%
5,781,001,277.00	501,072,666.00	1053.73%

2. Material Equity Investments Made in Reporting Period

☐ Applicable ☒ Not applicable

3. Material Non-Equity Investments Ongoing in Reporting Period

☐ Applicable ☒ Not applicable

4. Financial Investments

(1) Securities Investments

√ Applicable □ Not applicable

Unit: RMB

Variety of securities	Code of securities	Name of securities	Initial investment cost	Accounting measurement model	Opening book value	Profit/loss on fair value changes in this Reporting Period	Cumulative fair value changes charged to equity	Purchased in this Reporting Period	Sold in this Reporting Period	Profit/loss in this Reporting Period	Closing book value	Accounting title	Source of investment funds
Domestic/overseas stock	HK00903	TPV Technology	134,658,158.00	Fair value method	28,763,373.00	0.00	-6,458,604.00	0.00	0.00	792,019.00	21,584,703.00	Available-for-sale financial asset	Self-owned funds
Domestic/overseas stock	SH600658	Electronic Zone	90,160,428.00	Fair value method	129,715,503.00	0.00	62,320,748.00	0.00	0.00	2,062,875.00	108,996,372.00	Available-for-sale financial asset	Self-owned funds
Domestic/overseas stock	HK01963	Bank of Chongqing	120,084,375.00	Fair value method	148,067,613.00	0.00	10,884,385.00	0.00	0.00	7,378,692.00	130,968,760.00	Available-for-sale financial asset	Self-owned funds
Funds	BLK	BlackRock Global Allocation Fund A2 USD	4,004,297.00	Fair value method	5,974,163.00	0.00	2,343,502.00	0.00	0.00	0.00	6,347,799.00	Available-for-sale financial asset	Self-owned funds
Domestic/overseas stock	HK06066	China Securities	70,041,364.00	Fair value method	69,367,469.00	0.00	-4,185,045.00	0.00	0.00	0.00	65,856,319.00	Available-for-sale financial asset	Self-owned funds
Domestic/overseas stock	HK01518	New Century Healthcare	141,558,280.00	Fair value method	0.00	0.00	37,279,591.00	141,558,280.00	0.00	0.00	178,837,871.00	Available-for-sale financial asset	Self-owned funds
Domestic/overseas stock	HK00948	Z-Obee Holdings Ltd.	0.00	Fair value method	0.00	0.00	246,566.00	0.00	0.00	0.00	246,566.00	Available-for-sale financial asset	Self-owned funds

Other securities investments held at the period-end	0.00	--	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--	--
Total	560,506,902.00	--	381,888,121.00	0.00	102,431,143.00	141,558,280.00	0.00	10,233,586.00	512,838,390.00	--	--
Disclosure date of the announcement about the board's consent for the securities investment	N/A										
Disclosure date of the announcement about the general meeting's consent for the securities investment (if any)	N/A										

(2) Investments in Derivative Financial Instruments

☐ Applicable ☒ Not applicable

No such cases in the Reporting Period.

5. Use of Funds Raised

☐ Applicable ☒ Not applicable

No such cases in this Reporting Period.

VI Sale of Major Assets and Equity Interests

1. Sale of Major Assets

☐ Applicable ☒ Not applicable

No such cases in this Reporting Period.

2. Sale of Major Equity Interests

☐ Applicable ☒ Not applicable

VII Main Controlled and Joint Stock Companies

☒ Applicable ☐ Not applicable

Main subsidiaries and joint stock companies with an over 10% influence on the Company's net profit

Unit: RMB

Company name	Relationship with the Company	Main business scope	Registered capital	Total assets	Net assets	Sales revenue	Operating income	Net income
Hefei BOE Optoelectronics Technology Co., Ltd.	Subsidiary	Investment construction, R&D, Production, and sales of relevant products of TFT-LCD and its matching products.	9,000,000,000.00	16,984,354,224.00	10,583,486,274.00	15,761,021,154.00	1,812,276,986.00	1,468,852,365.00
Beijing BOE Display Technology Co., Ltd.	Subsidiary	Development and production of TFT-LCD	17,882,913,500.00	25,807,289,633.00	20,956,085,272.00	18,822,624,217.00	1,664,491,577.00	1,386,066,820.00
Hefei Xinsheng Optoelectronics Technology Co., Ltd.	Subsidiary	Investment construction, R&D, Production, and sales of relevant products of TFT-LCD and its matching products.	19,500,000,000.00	33,649,856,477.00	22,588,249,026.00	13,407,247,490.00	1,882,249,506.00	1,594,702,999.00
Chongqing BOE Optoelectronics Technology Co., Ltd.	Subsidiary	Investment construction, R&D, Production, and sales of relevant products of TFT-LCD and its matching products.	19,226,000,000.00	41,538,306,008.00	23,808,597,959.00	18,883,561,426.00	4,471,188,027.00	3,772,498,662.00

Subsidiaries obtained or disposed in this Reporting Period

☒ Applicable ☐ Not applicable

Subsidiary	How the subsidiary was obtained or disposed in this Reporting Period	Effect on overall production and operation results
Kunming BOE Display Technology Co., Ltd.	Investing to establish	No significant effects

Information about the main controlled and joint stock companies

N/A

VIII Structured Bodies Controlled by the Company

☐ Applicable ☒ Not applicable

IX Outlook for the Future Development of the Company

(I) Analysis of future environment

The 4th industrial revolution with the representative of internet of things, artificial intelligence, big data, life science and technology etc is coming roughly. With the rapid application and development of related technologies, human society is stepping into a new era which all things are perceived and all things are linked with each other intelligently. You can find display anywhere. New display technology including AMOLED develops rapidly and quickly increases its market share. With the deep integration of life technologies and IT, there is an opportunity for breakthroughs in human health and longevity.

(II) Future development of the Company

In the year 2018, many opportunities and changes will coexist. Although the global economy is expected to recover continuously, the specific situation will become much more complicated. For example, the trade protectionism has spread extensively; the geopolitical situation has become increasingly intense; the global monetary policies have been tightened; the tax reform recently conducted by the United States may exert a relatively strong impact on the global economic layout. However, it is expected that Chinese economy would transit from its high-speed growth stage into the high-quality development stage. As the 18th National Congress of the Communist Party of China was successfully held, new energy will be added into China's economy, and various strategies including "Made in China 2015" and "Digital China" will bring new growth points for all industries. In the display industry, as the release of new capacity of the semiconductor display, the competition will become much fiercer. Nevertheless, as stimulated by various factors including the development of large-sized TV sets, the popularization of full-display phones, the rapid development of new application markets and the high expectation for the recovery of global economy, the display market demand is expected to realize a robust growth. As predicted by relevant market research institutes, the semiconductor display demand in 2018 will achieve a highest annual increase since 2014. As the development of AI and big data technology, all industries have accelerated their entry into the age of IoT, creating many development opportunities for the company's integration of software and hardware and innovative transformation. The year 2018 marks the implementation of Wooden Sword Strategy, and will be critical for the company to catch up with the trend of IoT and seize new market opportunities. On this basis the company will further transform and upgrade its businesses by means of the integration of software and hardware, the integration of applications and the servitization transformation.

2018 is the first year for the company's Wooden Sword Strategy. In order to speed up the business transformation, the company has clearly defined its overall strategy in 5 years from 2018 to 2022, completely promoted the innovative transformation of DSH Business and upgraded the business in the age of IoT. To be specific:

Display and Sensor Business Group (DBG): will make concerted effort with partners to improve the user experience of the information interaction interface and its comprehensive upgrade. Special attention will also be paid to develop five major traditional application market segments (TV Sets, Display, Notebook, Tablet PC, and Mobile Phone) in order to increase the market shares. Meanwhile, various new application market segments will also be expanded in order to realize a transformation into the field of transparency, on-board displays, industrial control, medical industry, mirror surface, wearable devices, splicing technology, virtual display, and sensors etc. and accelerate the strategic layout of IoT. The following three aspects will be highlighted: Firstly, the 8425 industrial chain will be fully established to guide the upgrading of the display interface in the IoT age and construct the 8K UHD Display ecosystem. We will work together with the worldwide components & parts, complete machine, software, content, communication device partners and operators to create a win-win situation. Secondly, the flexible OLED business layout will also be accelerated to usher in the new age for flexible display. The company will make full use of OLED technical advantages, positively make an overall arrangement for the flexible mobile products, develop various new application products (wearable devices and medical devices etc.) and satisfy the smart interface's multilevel demands. Thirdly, by taking advantage of the basis and advantages of the semiconductor display technology and making revolutionary innovations, a rapid breakthrough will be made in the non-display field (sensor devices).

Smart Systems Business Group (SBG): has spared no effort to establish the technical platform which focuses on the display, sensors,

AI and Big Data, and the users will be provided with various cloud platform-based innovative products and service in five lines of business (smart manufacturing, Digital Art, smart retail systems, smart vehicle-mounted systems, and smart energy systems). Specifically, by building a series of automatic smart factories, the smart manufacturing business will present the clients with a brand-new service experience, and provide innovators and consumers with customized services and innovative counseling services. The Digital Art and smart retail systems are based on AI and the big data technology to establish two IoT platforms, namely the Digital Art IoT depending on the end product “Painted Screen” and the smart retail IoT based on RFID. In terms of the smart vehicle-mounted systems, the company has ranked first in the world on its Passive vehicle-mounted display market, and almost all mainstream automobile brands in the world have become the company’s clients. The company will seize the opportunity posed by the reform in the automobile industry and occupy market for the vehicle-mounted display systems and the complete automobile electronic system by virtue of various innovative products including head-up displays and molecular antennas. In light of the smart energy systems, special effort will be made to promote the application of AI and the big data technology in the field of energies and set up the smart micro-grid platform to materialize the high-efficiency interconnection between the power generation side and the power consumption side, providing the users with clean, transparent and high-efficiency energy services.

Healthcare Business Group (HBG): aims at providing corresponding health and medical services covering the full life circle. The existing display, sensors, AI and big data technology will be applied to make trans-boundary innovations in association with corresponding medical and life science and technology. Meanwhile, emphasis will be placed on the digital hospitals to develop mobile healthcare, digital hospitals, regenerative medicine, life insurance and healthcare centers, establish the integrated health and medical service system ranging from prevention, diagnosis & treatment, recovery to life after retirement, and benefit the human being’s health and happiness.

X Visits Paid to the Company for Purposes of Research, Communication, Interview, etc.

1. In this Reporting Period

√ Applicable □ Not applicable

Date of visit	Way of visit	Type of visitor	Index to main inquiry information
01/04/2017	One-on-one meeting	Institution	Main contents: 1. the performances of the Company and the basic situations of the industry 2. main operating information of the Company 3. innovations of technology and products 4. future strategy layout For details, see www.cninfo.com.cn
01/05/2017	One-on-one meeting	Institution	
01/09/2017	One-on-one meeting	Institution	
01/12/2017	One-on-one meeting	Institution	
01/12/2017	One-on-one meeting	Institution	
01/19/2017	One-on-one meeting	Institution	
02/08/2017	One-on-one meeting	Institution	
02/08/2017	By phone	Institution	
02/16/2017	By phone	Institution	
02/20/2017	By phone	Institution	
02/21/2017	One-on-one meeting	Institution	
02/28/2017	One-on-one meeting	Institution	
02/28/2017	One-on-one meeting	Institution	
02/28/2017	By phone	Institution	

02/28/2017	One-on-one meeting	Institution
02/28/2017	By phone	Institution
3/07/2017	One-on-one meeting	Institution
03/14/2017	One-on-one meeting	Institution
03/14/2017	One-on-one meeting	Institution
03/20/2017	One-on-one meeting	Institution
03/22/2017	By phone	Institution
03/23/2017	One-on-one meeting	Institution
03/28/2017	One-on-one meeting	Institution
04/24/2017	By phone	Institution
04/25/2017	One-on-one meeting	Institution
04/26/2017	One-on-one meeting	Institution
04/27/2017	One-on-one meeting	Institution
05/02/2017	One-on-one meeting	Institution
05/04/2017	One-on-one meeting	Institution
05/08/2017	One-on-one meeting	Institution
05/11/2017	One-on-one meeting	Institution
05/15/2017	One-on-one meeting	Institution
05/23/2017	One-on-one meeting	Institution
06/07/2017	By phone	Institution
06/12/2017	One-on-one meeting	Institution
06/13/2017	One-on-one meeting	Institution
06/20/2017	By phone	Institution
06/22/2017	By phone	Institution
06/26/2017	By phone	Institution
06/27/2017	By phone	Institution
06/29/2017	One-on-one meeting	Institution
07/03/2017	One-on-one meeting	Institution
07/06/2017	One-on-one meeting	Institution
07/07/2017	By phone	Institution
07/07/2017	By phone	Institution
07/11/2017	One-on-one meeting	Institution
07/11/2017	One-on-one meeting	Institution
07/12/2017	One-on-one meeting	Institution

07/13/2017	One-on-one meeting	Institution
08/21/2017	One-on-one meeting	Institution
08/29/2017	One-on-one meeting	Institution
08/31/2017	By phone	Institution
09/05/2017	One-on-one meeting	Institution
09/11/2017	One-on-one meeting	Institution
09/15/2017	By phone	Institution
09/18/2017	One-on-one meeting	Institution
09/19/2017	By phone	Institution
09/20/2017	One-on-one meeting	Institution
09/20/2017	By phone	Institution
09/21/2017	One-on-one meeting	Institution
09/22/2017	One-on-one meeting	Institution
09/25/2017	One-on-one meeting	Institution
09/28/2017	One-on-one meeting	Institution
09/29/2017	One-on-one meeting	Institution
10/17/2017	One-on-one meeting	Institution
10/19/2017	One-on-one meeting	Institution
10/20/2017	By phone	Institution
10/23/2017	One-on-one meeting	Institution
10/30/2017	One-on-one meeting	Institution
10/31/2017	One-on-one meeting	Institution
11/01/2017	One-on-one meeting	Institution
11/03/2017	One-on-one meeting	Institution
11/15/2017	One-on-one meeting	Institution
11/17/2017	One-on-one meeting	Institution
11/20/2017	One-on-one meeting	Institution
11/21/2017	One-on-one meeting	Institution
11/22/2017	One-on-one meeting	Institution
11/24/2017	One-on-one meeting	Institution
11/28/2017	One-on-one meeting	Institution
11/29/2017	One-on-one meeting	Institution
11/30/2017	One-on-one meeting	Institution
12/05/2017	One-on-one meeting	Institution

12/06/2017	One-on-one meeting	Institution
12/07/2017	One-on-one meeting	Institution
12/08/2017	One-on-one meeting	Institution
12/11/2017	One-on-one meeting	Institution
12/13/2017	One-on-one meeting	Institution
12/14/2017	One-on-one meeting	Institution
12/25/2017	One-on-one meeting	Institution
12/27/2017	One-on-one meeting	Institution
12/28/2017	One-on-one meeting	Institution
Times of visit		119
Number of visiting institutions		745
Number of visiting individuals		0
Number of other visitors		0
Significant undisclosed information disclosed, revealed or leaked		No

Part V Significant Events

I Profit Distribution and Converting Capital Reserve into Share Capital for Common Shareholders

Formulation, execution or adjustments of profit distribution policy, especially cash dividend policy, for common shareholders in this Reporting Period

☐ Applicable ☒ Not applicable

Plans/proposals for profit distribution and converting capital reserve into share capital for common shareholders for the past three years (including this Reporting Period):

For the first half of 2015, based on the total shares of 35,153,067,743 (after deducting the bought-back B-shares), the Company distributed a cash dividend of RMB0.10 (tax inclusive) per 10 shares to all shareholders, representing a total distribution of RMB351,530,677.43, accounting for 75.63% of its undistributed profit. No bonus shares were granted. Nor was any capital reserves converted into share capital.

For 2015, based on the total shares of 35,153,067,743.00, the Company distributed, with the undistributed profit, a cash dividend of RMB0.10 (tax inclusive) per 10 shares to all its shareholders, with the total distributed amount reaching RMB351,530,677.43, representing 72.21% of the total undistributed profit. And no bonus share was granted, nor was any capital reserve converted into share capital.

For 2016, based on the total shares of 34,953,874,916 (excluding the A and B shares bought back) (The total share base for the Company's profit distribution proposal may change). Since the Company is carrying out a plan to buy back some public shares, the total share base for this profit distribution plan shall be subject to the figure in the register of shareholders on the relevant book closure date.) , the Company intended to distribute, with the undistributed profit, a cash dividend of RMB0.30 (tax inclusive) per 10 shares to all its shareholders, with the total amount to be distributed reaching RMB1,048,616,247.48, representing 70.22% of the total undistributed profit. And no bonus shares would be granted, nor would any capital reserve be converted into share capital.

For 2017, based on the total shares of 34,798,398,763, the Company distributed, with the undistributed profit, a cash dividend of RMB0.50 (tax inclusive) per 10 shares to all its shareholders, with the total distributed amount reaching RMB1,739,919,938.15, representing 98.56% of the total undistributed profit. And no bonus share was granted, nor was any capital reserve converted into share capital.

Cash dividend distribution of the Company to common shareholders over the past three years (including this Reporting Period)

Unit: RMB

Year	Cash dividends (tax included)	Net profit attributable to common shareholders of the Company in the consolidated statements for the year	Proportion in net profit attributable to common shareholders of the Company in the consolidated statements for the year (%)	Cash dividends in other forms	Ratio of cash dividends in other forms
2017	1,739,919,938.15	7,567,682,493	22.99%	0.00	0.00%
2016	1,046,578,275.99	1,882,571,674.00	55.59%	0.00	0.00%

2015	703,061,354.86	1,636,270,488.00	42.97%	0.00	0.00%
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Indicate by tick mark whether the Company made profit in this Reporting Period and the profit distributable to common shareholders of the Company was positive, but it did not put forward a proposal for cash dividend distribution to its common shareholders

☐ Applicable ☒ Not applicable

II Proposal for Profit Distribution and Converting Capital Reserve into Share Capital for this Reporting Period

☒ Applicable ☐ Not applicable

Bonus shares for every 10 shares (share)	0
Dividend for every 10 shares (RMB) (tax inclusive)	0.50
Additional shares to be converted from capital reserve for every 10 shares (share)	0
Total shares as the basis for the profit distribution proposal (share)	34,798,398,763
Total cash dividends (RMB) (tax included)	1,739,919,938.15
Distributable profit (RMB)	1,765,291,136.00
Percentage of cash dividends in the total profit to be distributed (%)	100.00%
Cash dividend policy adopted	
If the Company is in a growth stage and has any plan for significant expenditure, in profit distribution, the proportion of cash dividends shall be 20% or above.	
Details about the proposal for profit distribution and converting capital reserve into share capital	
Based on the total shares of 34,798,398,763, the Company planned to distribute a cash dividend of RMB0.50 (tax inclusive) per 10 shares to the shareholders, with no share dividend converted either from retained earnings or from capital reserves. The said proposal is in compliance with the Company's Articles of Association and relevant approval procedure, and the independent directors have expressed their independent opinion on the proposal, which fully protects the legal rights and interests of the minority investors.	

III Fulfillment of Commitments

1. Commitments of the Company's Actual Controller, Shareholders, Related Parties and Acquirer, as well as the Company and Other Commitment Makers, Fulfilled in this Reporting Period or Ongoing at the Period-end

√ Applicable □ Not applicable

Commitment	Commitment maker	Type of commitment	Contents	Date of commitment making	Period of commitment	Fulfillment
Commitments made in share reform						
Commitments made in acquisition documents or shareholding alteration documents						
Commitments made in time of asset restructuring						
Commitments made in time of IPO or refinancing	Beijing State-owned Capital Operation and Management Center, Hefei Jianxiang Investment Co., Ltd., Chongqing Capital Optoelectronics Investment Co., Ltd.	Restricted shares commitments	Committed that the shares acquired from purchasing would not be transferred from the first date of issuing the newly increased shares of the issuer within 36 months	04/08/2014	36 months	Fulfilled
Commitments concerning stock ownership incentive						
Other commitments made to minority interests						
Fulfilled on time or not	Yes					
Specific reasons for failing to fulfill commitments on time and plans for next step	No					

2. Where there had been an Earnings Forecast for an Asset or Project and this Reporting Period was still within the Forecast Period, Explain why the Forecast has been Reached for this Reporting Period.

☐ Applicable ☒ Not applicable

IV Occupation of the Company's Funds by the Controlling Shareholder or its Related Parties for Non-operating Purposes

☐ Applicable ☒ Not applicable

No such cases in this Reporting Period.

V Explanations Given by the Board of Directors, the Supervisory Board and the Independent Directors (if any) regarding the "Modified Auditor's Report" Issued by the CPAs Firm for this Reporting Period

☐ Applicable ☒ Not applicable

VI YoY changes in accounting policies, estimations and methods

☒ Applicable ☐ Not applicable

The MOF issued the Accounting Standards for Business Enterprises No. 42—Non-current Assets and Disposal Groups Held for Sale and Discontinued Operations (ASBE 42) and the revised Accounting Standards for Business Enterprises No. 16 - Government Grants (ASBE 16 (2017)) in April and May 2017 respectively. The effective date of ASBE 42 and ASBE 16 (2017) are 28 May and 12 June 2017.

In addition, the MOF issued the Notice on Issuing the Revised Formats of Financial Statements for General Enterprises (Caikuai [2017] No.30) in December 2017. The Company has prepared its financial statements for the year ended 31 December 2017 in accordance with the Notice.

Impacts of the adoption of the above accounting standards and regulations are as follows:

(i) Held for sale and discontinued operations

The adoption of this standard has no significant impact on the Group's financial position and operating performance.

(ii) Government grants

In accordance with ASBE 16 (2017), the Company has reviewed the government grants on 1 January 2017 and updated corresponding accounting policies using prospective application method. The accounting treatment and disclosure requirements for government grants in 2016 are still subject to relevant enterprise accounting standards before the issuance of ASBE 16 (2017).

Impacts of the adoption of this standard are as follows:

- Certain government grants related to assets were changed from deferred income to write off the book value of related assets;
- Certain government grants related to income are included in the income statement, and changed from non-operating income to other income or used to write off related cost based on the nature of economic businesses in respect of those related to daily activities of the Company, or included in non-operating income and expense in respect of those not related to daily activities of the Company.

(iii) Gains from disposal of assets

The Company has prepared its financial statements for the year ended 31 December 2017 in accordance with Caikuai [2017] No.30. Comparative figures have been adjusted retrospectively. The adoption of Caikuai [2017] No.30 has no material effect on the financial position and operating performance of the Company.

According to this standard, the Company has added a separate line item “Gains from asset disposals” in the income statement to present gains or losses arising from disposals of those classified as non-current assets (excluding financial instruments, long-term equity investments and investment property) or disposal groups, and gains or losses arising from disposals of those not classified as fixed assets, construction in progress and intangible assets. The above gains or losses were previously presented in “Non-operating income” or “Non-operating expenses”.

VII Retroactive Restatement due to Correction of Material Accounting Errors in this Reporting Period

☐ Applicable ☒ Not applicable

No such cases in this Reporting Period.

VIII YoY Changes in the Scope of the Consolidated Financial Statements

☒ Applicable ☐ Not applicable

One newly established second level subsidiary of the Company for 2017: Kunming BOE Display Technology Co., Ltd.

IX Engagement and Disengagement of CPAs Firm

Current CPAs firm

Name of the domestic CPAs firm	KPMG Huazhen LLP
The Company's payment for the domestic CPAs firm (RMB'0,000)	935
Consecutive years of the audit service provided by the domestic CPAs firm	13 years
Names of the certified public accountants from the domestic CPAs firm	Zhang Huan and Su Xing

Consecutive years of the audit service provided by the certified public accountants from the domestic CPAs firm	Zhang Huan 1 year and Su Xing 5 years
Name of the foreign CPAs firm (if any)	N/A
Consecutive years of the audit service provided by the foreign CPAs firm (if any)	N/A
Names of the certified public accountants from the foreign CPAs firm (if any)	N/A
Consecutive years of the audit service provided by the certified public accountants from foreign CPAs firm (if any)	N/A

Indicate by tick mark whether the CPAs firm was changed during this Reporting Period.

☐ Yes ☒ No

CPAs firm, financial advisor or sponsor engaged for internal control audit

☒ Applicable ☐ Not applicable

The Company hired KPMG Huazhen LLP as the internal control auditor for the Current Year at the cost of RMB2.55 million.

X Possibility of Listing Suspension or Termination after Disclosure of this Report

☐ Applicable ☒ Not applicable

XI Bankruptcy and Restructuring

☐ Applicable ☒ Not applicable

No such cases in this Reporting Period.

XII Significant Litigations and Arbitrations

√ Applicable □ Not applicable

Basic information of the lawsuit (arbitration)	Amount involved in the lawsuit (arbitration) (RMB'0,000)	Forming the estimated liabilities or not	Progress of the lawsuit (arbitration)	Trial result and influence of the lawsuit (arbitration)	Enforcement on the judgment of the lawsuit (arbitration)	Disclosure date	Disclosure index
Disputes case of sales contract that BOE Technology (HK) Limited sued LeTV Mobile Intelligent Information Technology (Beijing) Co., Ltd, LeTV Holdings (Beijing) Co., Ltd., Le Sai Mobile Technology (Beijing) Co., Ltd. and Mr. JiaYueting	28,471.43	No	Jurisdiction objection put forward by LeTV Mobile to Beijing High People's Court was rejected, and LeTV Mobile had filed a lawsuit before supreme people's court on jurisdiction objection. At present, the final verdict is waiting to be to be made by supreme people's court.	Unknown	N/A	08/29/2017	For details, see Semi-annual Report 2017 of BOE Technology Group Co., Ltd. disclosed on www.cninfo.com.cn on August 29, 2017
Litigations for 2017 (including carryforwards in previous years)	4,804.02	No	N/A	N/A	N/A	N/A	N/A

XIII Punishments and Rectifications

☐ Applicable ☒ Not applicable

No such cases in this Reporting Period.

XIV Credit Conditions of the Company as well as its Controlling Shareholder and Actual Controller

☐ Applicable ☒ Not applicable

XV Implementation of any Equity Incentive Plan, Employee Stock Ownership Plan or other Incentive Measures for Employees

☐ Applicable ☒ Not applicable

No such cases in this Reporting Period.

XVI Significant Related-party Transactions

1. Related-party Transactions Relevant to Routine Operation

☐ Applicable ☒ Not applicable

No such cases in this Reporting Period.

2. Related Transactions Regarding Purchase or Sales of Assets or Equity Interests

☐ Applicable ☒ Not applicable

No such cases in the Reporting Period.

3. Related Transactions Regarding Joint Investments in Third Parties

☐ Applicable ☒ Not applicable

No such cases in the Reporting Period.

4. Credits and Liabilities with Related Parties

☐ Applicable ☒ Not applicable

No such cases in the Reporting Period.

5. Other Significant Related Transactions

☒ Applicable ☐ Not applicable

No

Index to the public announcements about the said related-party transactions disclosed

Title of public announcement	Disclosure date	Disclosure website
Announcement on the Prediction of 2017 Annual Routine Related Transaction	04/25/2017	www.cninfo.com.cn

XVII Significant Contracts and Execution

1. Entrustment, Contracting and Leasing

(1) Entrustment

☐ 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

Explanation to leasing

1. The fixed assets rent financed by leasing in our group are our youth apartment used for staff dormitory.
 2. The group sold and leased back part of the machinery equipment and construction in progress. The sale of assets and lease transactions are related to each other, and there is almost no doubt that the group will repurchase them after expiry of the lease.
- The project whose profit and loss brought for the company can reach above 10% of the total profit during the Reporting Period

☐ Applicable ☒ Not applicable

No such cases in the Reporting Period.

2. Significant Guarantees

√ Applicable □ Not applicable

(1) Guarantees Provided by the Company

Unit: RMB'0,000

Guarantees provided by the Company and its subsidiaries for external parties (excluding those for subsidiaries)								
Guaranteed party	Disclosure date of the guarantee line announcement	Line of guarantee	Actual occurrence date (date of agreement signing)	Actual guarantee amount	Type of guarantee	Term of guarantee	Due or not	Guarantee for a related party or not
No								
Guarantees provided by the Company for its subsidiaries								
Guaranteed party	Disclosure date of the guarantee line announcement	Line of guarantee	Actual occurrence date (date of agreement signing)	Actual guarantee amount	Type of guarantee	Term of guarantee	Due or not	Guarantee for a related party or not
Hefei BOE Photoelectric Technology Co., Ltd.	08/14/2014	731,955	03/12/2015	206,387	Joint liability guarantee	07/23/2010 - 07/23/2019	No	No
Hefei XinSheng Photoelectric Technology Co., Ltd.	08/14/2014	1,208,827	01/15/2015	757,967	Joint liability guarantee	01/06/2014 – 01/06/2022	No	No
Ordos YuanSheng Photoelectric Co., Ltd.	04/02/2013	463,642	05/22/2013	293,640	Joint liability guarantee	06/17/2013 - 06/09/2021	No	No
Ordos YuanSheng Photoelectric Co., Ltd.	08/14/2014	463,642	09/30/2014	293,640	Pledge	06/17/2013 - 06/09/2021	No	No
Ordos YuanSheng	11/30/2016	544,746	03/15/2017	359,461	Joint liability	03/17/2017 – 03/17/2025	No	No

Photoelectric Co., Ltd.					guarantee			
Chengdu BOE Photoelectric Technology Co., Ltd.	04/25/2017	2,244,479	08/30/2017	1,251,944	Joint liability guarantee	09/06/2017 -09/06/2027	No	No
Chengdu BOE Photoelectric Technology Co., Ltd.	04/25/2017	450,000	08/30/2017	171,000	Joint liability guarantee	Opening date of the letter of guarantee - 07/31/2023	No	No
Chongqing BOE Photoelectric Technology Co., Ltd.	08/14/2014	1,390,897	09/29/2014	1,288,617	Joint liability guarantee	11/05/2014 - 11/05/2022	No	No
Chongqing BOE Photoelectric Technology Co., Ltd.	08/14/2014	300,000	05/25/2015	75,000	Joint liability guarantee	Opening date of the letter of guarantee - 12/31/2020	No	No
Hefei BOE Display Technology Co., Ltd.	12/01/2016	1,625,361	08/30/2017	1,430,133	Joint liability guarantee	09/07/2017 - 09/07/2025	No	No
Fuzhou BOE Photoelectric Technology Co., Ltd.	12/10/2015	1,303,256	11/08/2016	1,075,069	Joint liability guarantee	12/19/2016 - 12/19/2024	No	No
Fuzhou BOE Photoelectric Technology Co., Ltd.	12/10/2015	300,000	11/08/2016	228,000	Joint liability guarantee	Opening date of the letter of guarantee - 12/28/2023	No	No
Total guarantee line for subsidiaries approved during the Reporting Period (B1)		2,694,479		Total actual guarantee amount for subsidiaries during the Reporting Period (B2)				2,827,117
Total approved guarantee line for subsidiaries at the end of the Reporting Period (B3)		11,108,162		Total actual guarantee balance for subsidiaries at the end of the Reporting Period (B4)				7,137,217
Guarantees between subsidiaries								
Guaranteed party	Disclosure date of	Line of guarantee	Actual occurrence date	Actual guarantee	Type of guarantee	Term of guarantee	Due or	Guarantee for

	the guarantee line announcement		(date of agreement signing)	amount			not	a related party or not
Ordos YuanSheng Photoelectric Co., Ltd.	04/02/2013	463,642	05/22/2013	293,640	Pledge	06/17/2013 - 06/09/2021	No	No
Huanda Trading (Hebei) Co., Ltd.	N/A	14,600	05/24/2017	14,570	Joint liability guarantee	06/15//2017 - 01/16/2029	No	No
Guangtai Solar Energy Technology (Suzhou) Co., Ltd	N/A	5,450	12/20/2017	5,345	Joint liability guarantee	12/20/2017 - 04/06/2027	No	No
Baier New Energy Technology (Ningyang) Co., Ltd	N/A	12,800	10/23/2017	12,800	Joint liability guarantee	10/23/2017 - 10/23/2032	No	No
Henghui Investment (Suixi) Co., Ltd.	N/A	25,418	12/01/2017	25,418	Joint liability guarantee	12/01/2017 – 12/01/2032	No	No
Yangyuan Photovoltaic Power Generation (Huanggang) Co., Ltd	N/A	4,552	09/11/2017	4,552	Joint liability guarantee	09/11/2017 – 09/11/2027	No	No
Yaoguang New Energy (Shouguang) Co., Ltd	N/A	4,192	10/31/2017	4,192	Joint liability guarantee	10/31/2017 – 10/31/2027	No	No
Suzhou Industrial Park Taijing Photovoltaic Co., Ltd	N/A	3,484	12/01/2017	3,484	Joint liability guarantee	12/01/2017 – 12/01/2027	No	No
Qingmei Solar Energy Technology (Lishui) Co., Ltd	N/A	4,678	12/21/2017	4,678	Joint liability guarantee	12/21/2017 – 12/21/2027	No	No
Qinghong Solar Energy Technology (Jinhua) Co.,	N/A	2,374	12/21/2017	2,374	Joint liability guarantee	12/21/2017 – 12/21/2027	No	No

Ltd								
Qinghui Solar Energy Technology (Jinhua) Co., Ltd	N/A	3,666	12/15/2017	3,666	Joint liability guarantee	12/15/2017 – 12/15/2027	No	No
Rongke New Energy (Hefei) Co., Ltd	N/A	1,400	12/18/2017	1,400	Joint liability guarantee	12/18/2017 – 12/18/2029	No	No
Tianchi New Energy (Hefei) Co., Ltd	N/A	1,100	12/18/2017	1,100	Joint liability guarantee	12/18/2017 – 12/18/2029	No	No
Qinghao Solar Energy Technology (Jinhua) Co., Ltd	N/A	890	12/18/2017	890	Joint liability guarantee	12/18/2017 – 12/18/2029	No	No
Xiangqing Solar Energy Technology (Dongyang) Co., Ltd	N/A	3,476	12/18/2017	3,476	Joint liability guarantee	12/18/2017 – 12/18/2029	No	No
Qingyue Solar Energy Technology (Wuyi) Co., Ltd	N/A	960	12/18/2017	960	Joint liability guarantee	12/18/2017 – 12/18/2029	No	No
Qingyou Solar Energy Technology (Longyou) Co., Ltd	N/A	2,210	12/18/2017	2,210	Joint liability guarantee	12/18/2017 – 12/18/2029	No	No
Qingfan Solar Energy Technology (Quzhou) Co., Ltd	N/A	1,855	12/18/2017	1,855	Joint liability guarantee	12/18/2017 – 12/18/2029	No	No
Anhui BOE Energy Investment Co., Ltd	N/A	13,575	12/27/2017	13,575	Joint liability guarantee	12/27/2017 – 12/27/2029	No	No
Taihang Electric Power Technology (Ningbo) Co.,	N/A	600	12/19/2017	600	Joint liability guarantee	12/19/2017 – 12/18/2025	No	No

Ltd								
Guoji Energy (Ningbo) Co., Ltd	N/A	2,740	12/19/2017	2,740	Joint liability guarantee	12/19/2017 – 12/18/2025	No	No
Total guarantee line for subsidiaries approved during the Reporting Period (C1)		110,020		Total actual guarantee amount for subsidiaries during the Reporting Period (C2)		110,020		
Total approved guarantee line for subsidiaries at the end of the Reporting Period (C3)		110,020		Total actual guarantee balance for subsidiaries at the end of the Reporting Period (C4)		109,885		
Total guarantee amount (total of the above-mentioned three kinds of guarantees)								
Total guarantee line approved during the Reporting Period (A1+B1+C1)		2,804,499		Total actual guarantee amount during the Reporting Period (A2+B2+C2)		2,937,137		
Total approved guarantee line at the end of the Reporting Period (A3+B3+C3)		11,218,182		Total actual guarantee balance at the end of the Reporting Period (A4+B4+C4)		7,247,102		
Proportion of the total actual guarantee amount (A4+B4+C4) in net assets of the Company				85.45%				
Of which:								
Amount of guarantees provided for shareholders, the actual controller and their related parties (D)				0				
Amount of debt guarantees provided directly or indirectly for entities with a liability-to-asset ratio over 70% (E)				87,566				
Portion of the total guarantee amount in excess of 50% of net assets (F)				3,006,611				
Total amount of the three kinds of guarantees above (D+E+F)				3,006,611				
Joint responsibilities possibly borne or already borne in the Reporting Period for undue guarantees (if any)				N/A				
Provision of external guarantees in breach of the prescribed procedures (if any)				N/A				

Explanation on guarantee that adopts complex method: N/A

(2) Illegal Provision of Guarantees for External Parties

☐ Applicable ☒ Not applicable

No such cases in the Reporting Period.

3. Entrusted Cash Management

(1) Entrusted Cash Management

☒ Applicable ☐ Not applicable

Overviews of entrusted cash management during the Reporting Period

Unit: RMB'0,000

Specific type	Capital resources	Amount incurred	Undue Balance	Overdue amount
Bank financial products	Self-owned funds	4,027,300	975,000	0
Total		4,027,300	975,000	0

Note: The company's general meeting of shareholders approves entrusted financial management quota of RMB 10 billion, which can be recycled

Particulars of entrusted cash management with single significant amount or low security, bad liquidity, and no capital preservation

☐ Applicable ☒ Not applicable

Whether there is the case where the principal cannot be recovered at maturity or other case which may cause impairment for entrusted asset management

☐ Applicable ☒ Not applicable

(2) Entrusted Loans

☐ Applicable ☒ Not applicable

No such cases in this Reporting Period.

4. Other Significant Contracts

☐ Applicable ☒ Not applicable

No such cases in this Reporting Period.

XVIII Social Responsibilities

1. Social Responsibilities Taken

BOE will formulate and issue its Corporate Social Responsibility Report every year, and 2017 Annual BOE Social Responsibility Report is the 8th edition report disclosed by BOE. Please view and download such report via www.boe.com or www.cninfo.com.cn.

2. Targeted Measures Taken to Help People Lift themselves out of Poverty

(1) Plan for Targeted Measures

In response to the national targeted poverty alleviation policy, BOE in 2018 will mainly reply on educational activities and the industrial development to alleviate the poverty situation, and positively promote the implementation of various non-profit educational projects (including “Light Up Your Growth” and “Dream Space”) and the poverty alleviation project based on the PV industry.

(2) Outline of Targeted Measures in the Reporting Period

In 2017, BOE implemented various educational projects to alleviate the poverty including “Light Up Your Growth”, “Yulu Project” and “Dream Space”, subsidize the poverty-stricken students and improve the educational resources investment in various poverty-stricken areas (RMB 500,000 was invested in the year). In addition, BOE has also established the Volunteer Service system covering all entities, and BOE volunteers have earnestly practiced what they advocate and spread their love, kindness and faith nationwide. In 2017, BOE donated RMB 1 million to China Volunteer Service Foundation for the purpose of supporting the development of public welfare and the volunteer service career.

(3) Results of Targeted Measures

Indicator	Measurement unit	Number/Progress
I. General condition	——	——
Of which: 1. capital	RMB'0,000	100
2. materials converted into cash	RMB'0,000	50
II. Itemized investment	——	——
1. Out of poverty by industrial development	——	——
2. Out of poverty by transferring employment	——	——
3. Out of poverty by relocating	——	——
4. Out of poverty by education	——	——
Of which: 4.1 invested amounts to subsidize poor students	RMB'0,000	25
4.2 numbers of poor students subsidized	Person	2,500
4.3 improve the invested amounts n educational resources of poor areas	RMB'0,000	25
5. Out of poverty by improving health	——	——
6. Out of poverty by protecting ecological environment	——	——
7. Subsidy for the poorest	——	——
8. Social poverty alleviation	——	——

9. Other items	—	—
III. Received awards(contents and rank)	—	—

(4) Subsequent Targeted Measure Plans

In 2018, BOE will continue the implementation of various educational projects including “Light up Your Growth” and “Dream Space”, pay special attention to the mental health of stay-at-home children, conduct various activities such as the donation of goods and materials, the volunteer service and the online educational curriculum, and gradually enlarge the coverage scale of various projects based on various locations of BOE Production Lines. Moreover, BOE will rely on its own advantages in the field of PV energy to boost the PV poverty alleviation project, assist the rural poor households to increase their income and enhance their abilities in helping themselves.

3. Particulars Relevant to Environmental Protection

Is the Company or any of its subsidiaries a heavily polluting business identified by the environmental protection authorities of China?

Yes

Name of Company or subsidiary	Name of Main Pollutant and Distinctive Pollutant	Discharge Method	Quantity of Emission Outlet	Distribution Information of Emission Outlet	Emission Concentration	Executed Emission Standard of Pollutant	Total Weight of Emission (t)	Approved Total Weight of Emission (t)	Excessive Emission Condition
Beijing BOE Optoelectronics Technology Co., Ltd.	COD	Standard emission after being treated by sewage treatment system	2	South gate of factory, northwest corner of factory	233mg/L	500mg/L	345.91tons	702.68 tons	None
	Ammonia nitrogen				28.1 mg/L	45 mg/L	50.4 tons	55.93 tons	
The 4.5 th generation TFT-LCD production line of Chengdu BOE Optoelectronics Technology Co., Ltd.	COD		1	North side of factory	231.39mg/L	500mg/L	244.62 tons	490.51 tons	None
	Ammonia nitrogen				20.45mg/L	45 mg/L	21.62 tons	25.249 tons	
Hefei BOE Optoelectronics Technology Co., Ltd.	COD		1	Northwest corner of factory	46.27mg/L	380mg/L	168.87 tons	1059 tons	None
	Ammonia nitrogen				4.84mg/L	30mg/L	18.35 tons	99.2 tons	None
Beijing BOE Display Technology Co., Ltd.	COD		1	East gate of factory	128.84mg/L	500mg/L	597.04 tons	1618.8 tons	None
	Ammonia nitrogen				14.07mg/L	45 mg/L	65.2 tons	134.4 tons	None
Hefei Xinsheng Optoelectronics Technology Co., Ltd.	COD		1	Northeast gate of factory	55.44 mg/L	380mg/L	286.08 tons	1621.97 tons	None
	Ammonia nitrogen				12.14 mg/L	30mg/L	62.64 tons	128.08 tons	None
Erdos Yuansheng Optoelectronics Co., Ltd.	COD		1	North side of factory	32.6mg/L	500mg/L	86.2 tons	713.81 tons	None
	Ammonia nitrogen				1.19mg/L	45mg/L	3.14 tons	76.82 tons	None

The 6 th generation flexible AMOLED production line of Chengdu BOE Optoelectronics Technology Co., Ltd.	COD		1	North side of factory	11.03 mg/L	500mg/L	14.4 tons	2004.15 tons	None
	Ammonia nitrogen				3.25 mg/L	45 mg/L	4.27 tons	216.81 tons	None
Chongqing BOE Optoelectronics Technology Co., Ltd.	COD		1	South side of factory	84.18mg/L	400mg/L	499.14 tons	1861.24 tons	None
	Ammonia nitrogen				13mg/L	30mg/L	77.78 tons	142.27 tons	None
Fuzhou BOE Optoelectronics Technology Co., Ltd.	COD		1	Northeast side of factory	58.07 mg/L	500mg/L	217.08 tons	510.35 tons	None
	Ammonia nitrogen				3.88 mg/L	45 mg/L	13.74 tons	68.05 tons	None

Construction of pollution prevention equipment and operation condition

During report period, the Company did not have important environmental problem. The Company built strict environmental management system, and established internal organizational structure to supervise overall environmental performance of the Company, formulated environmental management regulations and targets, carried out regular supervision for the environmental management condition of subordinate enterprises to promote the implementation of environmental management work.

Currently, the waste water which is generated by each subordinate enterprise of the Company can be divided in to industrial waste water and household waste water. Rain water-waste water shunting system is adopted for drainage system to drain water separately according to different natures. After collecting, the rain water is discharged into rain water pipeline of factory; after the rain water is collected by rain water pipe network, the rain water is discharged. After being treated by sewage treatment system in factory, industrial waste water is discharged into sewage treatment factory through municipal pipe network for intense treatment. Household waste water comprises household fecal waste water and canteen oily waste water etc, after pretreatment, the waste water is discharged into municipal sewage treatment factory. All industrial and household waste water is not discharged directly, and the concentration and total amount of drainage satisfy the requirements of national and local relevant standards.

In additional, the exhaust gas which is emitted by each subordinate enterprise mainly comes from technology exhaust gas during production process, including general exhaust gas, acid exhaust gas, alkaline exhaust gas, special exhaust gas and organic exhaust gas etc. Various exhaust gas can be emitted after being treated by independent emission treatment system. The emission concentration and total amount satisfy the national and local relevant standards.

“4R concept” for the use of materials has been used by the Company since 2007, that is recycle (Recycle), reduction (Reduce), renewal (Renew) and responsibility (responsibly). The Company promises that the used materials are all in accordance with requirements of national relevant environmental regulations and the registration, assessment, permission and restriction system of chemicals. In additional, the Company promotes the recycle of package materials constantly. The waste materials which are generated by each subordinate enterprise can be divided into general

industrial solid waste, hazardous waste materials and household waste materials, and they all handed over to qualified recycler for regular treatment.

The Company focuses on the recycle of water resource and advanced cleaning methods such as adverse cleaning etc are adopted for processing equipment. Most high purity water and chemicals are recycled, reducing the consumption of high purity water, chemical and other materials maximally and reducing the discharge of waste water and waste materials.

At present, each subordinate enterprise formulates various management methods such as water pollution management, air pollution management standard, hazardous waste materials management standard, energy management standard etc. The methods specify the operation and maintenance regulations and requirements of pollutant treatment system, establish regular monitoring and supervising mechanism, in order to ensure the continuous stable operation of each system.

In recent years, the environmental emission index of the Company is up to national standards such as Sewage Comprehensive Discharge Standard (GB8979-1996), Air Pollutant Comprehensive Emission Standard (GB89879-1996), Industrial Enterprise Environmental Noise Emission Standard within Factory Boundary (GB12348-2008) etc and local standards. The Company will continue to promote the environmental management, devote to forging green factory and improve environmental management level constantly.

Environmental Impact Assessment on Construction Project and Other Administrative Licenses for Environmental Protection

At present, corresponding environmental impact assessments have been conducted for all construction projects under the control of the company in conformity with applicable national and local laws and regulations, and corresponding administrative licenses have also been obtained.

Contingency Plan for Emergent Environmental Incidents

The company has formulated and filed corresponding contingency plan for emergent environmental incidents in the environmental protection agency according to relevant local requirements. However, such contingency plan consists of comprehensive plan, special plan and on-site disposal plan, and involves various aspects such as waste water, exhaust gas, hazardous wastes and dangerous chemicals etc. Meanwhile, drills must be conducted regularly.

Self-monitoring Plan

Currently, major pollutant-discharging units subordinated to the company have worked out corresponding self-monitoring plan according to relevant requirements put forward by the local environmental protection agency. The self-monitoring plans respectively formulated by Beijing BOE Display Technology Co., Ltd. and Beijing BOE Photoelectric Technology Co., Ltd. have been published via the company's official website.

Other environment information that should be disclosed

No

Other related environment protection information

No

XIX Other Significant Events

√ Applicable □ Not applicable

1. The public corporate bonds (Phase 1) of BOE Technology Group Co., Ltd. in 2016 issued to qualified investors by BOE from March 21 to March 22, 2016 reach one year on March 21, 2017. The interest shall be settled once a year within interest accrual period based on the regulations. On March 15, 2017, BOE disclosed “16BOE01” 2017 Announcement of Interest Settlement (No.: 2017-007), specifying that the interest of 10 bonds is RMB31.5 (tax included).
2. On July 15, 2016, BOE disclosed Plan on Repurchasing Part of BOE’s Public Share, which was passed in the 3th extraordinary general meeting in 2016. On September 20, 2016, BOE implemented the plan for the first time. The plan is expired on August 18, 2017 (expired date of repurchase period). BOE has repurchased 88,692,299 A-shares with max. price: RMB 2.92/share and min. price: RMB 2.36/share, total payment: RMB226,525,285.07 (commission and other fixed charged included); and 265,976,681 B-shares with max. price: HKD 3.45/share and min. price: HKD 2.12/share, total payment: HKD 799,996,931.17 (commission and other fixed charged included). For details, see Announcement on Completion of Repurchasing Part of BOE’s Public Share disclosed by the Company on August 22 (No.: 2017-046).
3. On December 2, 2015, BOE disclosed Announcement on Investing Intelligent Manufacturing Production Line Project for Complete Machine (No.: 2015-079). BOE has invested RMB 1.19 billion to the project of wholly-owned subsidiaries, which is reviewed and approved in 32th meeting of 7th board of directors of the Company. The project has put into production in Hefei. Under such case, BOE has invested additional RMB 1 billion in the Phase 2 project in Hefei based on the full research and argumentation, which is reviewed and approved in 13th meeting of 8th board of directors of the Company. For details, see Announcement on Investing Intelligent Manufacturing Production Line Project (Phase 2) for Complete Machine in Hefei disclosed by the Company on June 10 (No.: 2017-034).
4. On July 8, 2017, the company published 2016 Annual Equities Allocation Announcement, and 2016 Annual Equities Allocation Plan was also reviewed and approved at 2016 Annual Shareholder Meeting held on June 9, 2017. In 2016, the company distributed the profits based on the standard of RMB 0.3 per 10 shares (however, the distribution of profits of B Share shall be conducted in the form of HKD converted based on the middle rate of CNY: HKD issued by the People’s Bank of China in the first working day after the shareholder meeting) without distributing the bonus shares and converting the reserved funds into the capitals stock.
5. The company respectively published Pre-announcement on Reducing the Shares Held by Shareholders owning 5% or above Shares (No. 2017-061) and Pre-announcement on Reducing the Shares Held by Shareholders owning 5% or above Shares (No. 2017-062) on November 22, 2017 and November 25, 2017. The company’s shareholder Hefei Jianxiang Investment Co., Ltd. and Chongqing Capital Optoelectronics Industry Investment Co., Ltd. were expected to reduce their holding shares no more than 1.00% of the company’s general capital by means of the centralized bidding within 3 months after 15 business days upon the disclosure of such announcements. Up to January 15, 2018 and January 19, 2018, the above shareholders completed their reducing of holding shares.
6. On June 17, 2017, the company issued Announcement on Purchasing Shares of SES-imagotag (NO.: 2017-036), the company proposed to assign its wholly-owned subsidiary on its behalf to purchase more than 50.01% shares of SES and consolidate SES’s financial statements together with the joint-venture company SPV established by the company and the investment platform designated by the SES management. Up to March 16, 2018, SPV purchased 10,789,186 shares from SES in total by means of block trading and comprehensive offer, occupying 79.94% of SES’s issued and outstanding shares, paid the total consideration Euros 323,675,580. Please refer to Announcement on Completing the Purchase of SES-imagotag Shares (NO.: 2018-017) issued on March 17, 2018 for detailed information.
7. BOE Technology (HK) Limited, one of the Company’s wholly-owned subsidiaries, filed a lawsuit before the Beijing High People’s Court over a disputed sales contract against LeTV Mobile Intelligent Information Technology (Beijing) Co., Ltd. (hereinafter referred to as “LeTV Mobile”), LeTV Holdings (Beijing) Co., Ltd., Le Sai Mobile Technology (Beijing) Co., Ltd. and Mr. JiaYueting for approximately USD 41.84 million in total. The court issued the Case Acceptance Notice and the Civil Ruling for property preservation respectively on July 6, 2017 and July 31, 2017. The jurisdiction objection put forward by LeTV Mobile was rejected by

the court, and has instituted an appeal on the ruling of such jurisdiction objection to the Supreme People's Court. Now, the absolute decree of the Supreme People's Court is pending. As for relevant receivables of this lawsuit, the Company has made relevant bad debt provision according to accounting standard. This case is now waiting for the court's trial. Therefore, its effects on the Company are uncertain.

Overview of significant events	Disclosure date	index to disclosure website for interim report
Announcement about the Strategic Cooperation with Beihang University	05/13/2017	www.cninfo.com.cn
Announcement about Signing Investment Framework Agreement	08//11/2017	www.cninfo.com.cn
Announcement about Government Subsidy Received by Subsidiary	09/29/2017	www.cninfo.com.cn
Announcement about Signing Investment Framework Agreement	12/12/2017	www.cninfo.com.cn

XX Significant Events of Subsidiaries

☐ Applicable ☒ Not applicable

Part VI Share Changes and Shareholder Information

I Share Changes

1. Share Changes

Unit: share

Item	Before		Increase/decrease (+/-)					After	
	Amount	Proportion	Newly issue share	Bonus shares	Capitalization of public reserves	Other	Subtotal	Amount	Proportion
I. Restricted shares	9,922,266,108	28.23%	0	0	0	-9,920,476,190	-9,920,476,190	1,789,918	0.01%
1. Shares held by the state	0	0.00%	0	0	0	0	0	0	0.00%
2. Shares held by state-owned corporations	9,920,476,190	28.22%	0	0	0	-9,920,476,190	-9,920,476,190	0	0.00%
3. Shares held by other domestic investors	1,789,918	0.01%	0	0	0	0	0	1,789,918	0.01%
Among which: shares held by domestic corporations	0	0.00%	0	0	0	0	0	0	0.00%
Shares held by domestic individuals	1,789,918	0.01%	0	0	0	0	0	1,789,918	0.01%
4. Shares held by foreign investors	0	0.00%	0	0	0	0	0	0	0.00%
Among which: Shares held by foreign corporations	0	0.00%	0	0	0	0	0	0	0.00%
Shares held by foreign individuals	0	0.00%	0	0	0	0	0	0	0.00%
II. Non-restricted shares	25,230,801,635	71.77%	0	0	0	9,565,807,210	9,565,807,210	34,796,608,845	99.99%

1. RMB ordinary shares	24,028,711,466	68.35%	0	0	0	9,831,783,891	9,831,783,891	33,860,495,357	97.30%
2. Domestically listed foreign shares	1,202,090,169	3.42%	0	0	0	-265,976,681	-265,976,681	936,113,488	2.69%
3. Overseas listed foreign shares	0	0.00%	0	0	0	0	0	0	0.00%
4. Other	0	0.00%	0	0	0	0	0	0	0.00%
III. Total shares	35,153,067,743	100.00%	0	0	0	-354,668,980	-354,668,980	34,798,398,763	100.00%

Reasons for changes in shares

☒ Applicable ☐ Not applicable

1. Parts of the Company's private issuing stock in 2014 was lifted the restriction on sales on April 10, 2017 with the amount of 9,920,476,190 shares.

2. The Company completed the plan of share repurchase in the Reporting Period and cancelled all repurchased shares of 354,668,980 shares on August 25, 2017, of which 88,692,299 shares A-share and 265,976,681 shares B-share.

Approval of share changes

☐ Applicable ☒ Not applicable

Particulars about transferring ownership of shares

☐ Applicable ☒ Not applicable

Influence of changes in shares on financial indicators of the recent year or the recent term including basic EPS, diluted EPS, net asset value per share belonging to common stock holders of the Company, etc.

☒ Applicable ☐ Not applicable

Unit: RMB

Item	Reporting Period
Basic EPS	0.217
Diluted EPS	0.217
Item	Dec. 31, 2017
Net assets per share attributable to common stockholders of the Company	2.43

Other contents that the Company thinks it is necessary to disclose or that the securities regulatory institutions require to disclose

☐ Applicable ☒ Not applicable

2. Changes in Restricted Shares

☒ Applicable ☐ Not applicable

Unit: share

Name of shareholder	Opening restricted shares	Unlocked in Reporting Period	Increased in Reporting Period	Closing restricted shares	Reason for lock-up/unlocking	Date of unlocking
Beijing State-owned Capital Operation and Management Center	4,063,333,333	4,063,333,333	0	0	Non-public issuance	04/10/2017
Chongqing Ezcapital Opto-electronics Industry Investment Co., Ltd.	3,000,000,000	3,000,000,000	0	0	Non-public issuance	04/10/2017
Hefei Jianxiang Investment Co., Ltd.	2,857,142,857	2,857,142,857	0	0	Non-public issuance	04/10/2017
Total	9,920,476,190	9,920,476,190	0	0	--	--

II Issuance and Listing of Securities

1. Securities (Excluding Preference Shares) Issued in this Reporting Period

☐ Applicable ☒ Not applicable

2. Changes in Total Shares of the Company and the Shareholder Structure, as well as the Asset and Liability Structures

☒ Applicable ☐ Not applicable

In the Reporting Period, the Company accumulatively repurchased 88,692,299 shares of A-share and 265,976,681 shares of B-share and cancelled all repurchased shares of 354,668,980. The total shares of the Company decreased to 34,798,398,763 shares from 35,153,067,743 shares. The total assets of the Company at the end of the Reporting period increased to RMB256,108,741,849.00 from RMB205,135,011,042 of the period-begin and the asset-liability ratio was up to 59.24% from 55.14%.

3. Existing Employee-held Shares

☐ Applicable ☒ Not applicable

III Shareholders and Actual Controller

1. Total Number of Shareholders and their Shareholdings

Unit: share

Total number of common shareholders at the period-end	1,259,119 (including 1,222,422A-share holders and 36,697 B-share holders)			Total number of common shareholders at the prior month-end before the disclosure of this Report		1,313,406 (including 1,275,197 A-share holders and 38,209 B-share holders)		
5% or greater shareholders or the top 10 shareholders								
Name of shareholder	Nature of shareholder	Shareholding percentage (%)	Total shares held at the period-end	Increase/decrease during this Reporting Period	Number of restricted shares held	Number of non-restricted shares held	Pledged or frozen shares	
							Status	Number
Beijing State-owned Capital Operation and Management Center	State-owned juridical person	11.68%	4,063,333,333	0	0	4,063,333,333	N/A	0
Chongqing Ezcapital Opto-electronics Industry Investment Co., Ltd.	State-owned juridical person	8.12%	2,826,500,070	-173,499,930	0	2,826,500,070	N/A	0
Hefei Jianxiang Investment Co., Ltd.	State-owned juridical person	7.71%	2,683,642,953	-173,499,904	0	2,683,642,953	N/A	0
Beijing Yizhuang Investment Holdings Limited	State-owned juridical person	3.57%	1,241,423,641	0	0	1,241,423,641	N/A	0

Beijing BOE Investment & Development Co., Ltd.	State-owned juridical person	2.36%	822,092,180	0	0	822,092,180	N/A	0
Hong Kong Securities Clearing Company Ltd.	Foreign juridical person	1.27%	442,527,252	442,527,252	0	442,527,252	N/A	0
Beijing Electronics Holdings Co., Ltd.	On behalf of the government	0.79%	273,735,583	0	0	273,735,583	N/A	0
Central Huijin Asset Management Co., Ltd.	State-owned juridical person	0.71%	248,305,300	0	0	248,305,300	N/A	0
National Social Security Fund Portfolio 101	Other	0.64%	223,371,500	223,371,500	0	223,371,500	N/A	0
Zhang Jianping	Domestic natural person	0.58%	201,712,697	201,712,697	0	201,712,697	N/A	0
Strategic investors or general corporations becoming top-ten shareholders due to placing of new shares (if any) (see Note 3)		N/A						
Related or acting-in-concert parties among the shareholders above		<p>1. Beijing State-owned Capital Operation and Management Center held 100% equities of Beijing Electronics Holdings Co., Ltd.</p> <p>2. Beijing Electronics Holdings Co., Ltd. held 66.25% equities of Beijing BOE Investment & Development Co., Ltd. and was its controlling shareholder.</p> <p>3. After the non-public issuing of BOE in 2014, Hefei Jianxiang Investment Co., Ltd. and Chongqing Capital Photoelectricity Investment Co., Ltd., by entering into Implementation Protocol of Voting Right respectively, agreed to maintain all of the shares held by them respectively unanimous with Beijing BOE Investment & Development Co., Ltd. when executing the voting rights of the shareholders.</p> <p>4. After the non-public issuing of the Company in 2014, Beijing State-owned Capital Operation and Management Center handed over 70% of the shares directly held by it to Beijing Electronics Holdings Co., Ltd. for management through Stock Management Protocol, and Beijing Electronics Holdings Co., Ltd. gained the incidental shareholders' rights except for disposing right and usufruct of the shares, of which the rest 30% voting right maintained unanimous with Beijing Electronics Holdings Co., Ltd. through the agreement according to Implementation Protocol of Voting Right.</p> <p>5. Except for relationship among the above shareholders, the Company is not aware of whether the other top ten shareholders exist associated relationship or not, or they are persons acting in concert or not.</p>						

Shareholdings of the top ten non-restricted shareholders			
Name of shareholder	Number of non-restricted shares held at the period-end	Type of shares	
		Type	Number
Beijing State-owned Capital Operation and Management Center	4,063,333,333	RMB common share	4,063,333,333
Chongqing Ezcapital Opto-electronics Industry Investment Co., Ltd.	2,826,500,070	RMB common share	2,826,500,070
Hefei Jianxiang Investment Co., Ltd.	2,683,642,953	RMB common share	2,683,642,953
Beijing Yizhuang Investment Holdings Limited	1,241,423,641	RMB common share	1,241,423,641
Beijing BOE Investment & Development Co., Ltd.	822,092,180	RMB common share	822,092,180
Hong Kong Securities Clearing Company Ltd.	442,527,252	RMB common share	442,527,252
Beijing Electronics Holdings Co., Ltd.	273,735,583	RMB common share	273,735,583
Central Huijin Asset Management Co., Ltd.	248,305,300	RMB common share	248,305,300
National Social Security Fund Portfolio 101	223,371,500	RMB common share	223,371,500
Zhang Jianping	201,712,697	RMB common share	201,712,697
Related or acting-in-concert parties among the top ten non-restrictedly tradable share holders and between the top ten non-restrictedly tradable share holders and the top	1. Beijing State-owned Capital Operation and Management Center held 100% equities of Beijing Electronics Holdings Co., Ltd. 2. Beijing Electronics Holdings Co., Ltd. held 66.25% equities of Beijing BOE Investment & Development Co., Ltd. and was its		

ten shareholders	controlling shareholder. 3. After the non-public issuing of BOE in 2014, Hefei Jianxiang Investment Co., Ltd. and Chongqing Capital Photoelectricity Investment Co., Ltd., by entering into Implementation Protocol of Voting Right respectively, agreed to maintain all of the shares held by them respectively unanimous with Beijing BOE Investment & Development Co., Ltd. when executing the voting rights of the shareholders. 4. After the non-public issuing of the Company in 2014, Beijing State-owned Capital Operation and Management Center handed over 70% of the shares directly held by it to Beijing Electronics Holdings Co., Ltd. for management through Stock Management Protocol, and Beijing Electronics Holdings Co., Ltd. gained the incidental shareholders' rights except for disposing right and usufruct of the shares, of which the rest 30% voting right maintained unanimous with Beijing Electronics Holdings Co., Ltd. through the agreement according to Implementation Protocol of Voting Right. 5. Except for relationship among the above shareholders, the Company is not aware of whether the other top ten shareholders exist associated relationship or not, or they are persons acting in concert or not.
Top ten common shareholders conducting securities margin trading (if any) (see Note 4)	Among the top 10 common shareholders, Zhang Jianping became a top 10 shareholder due to securities margin trading. And all the 201,712,697 shares held by him in the Company were in his account of collateral securities for margin trading.

Note: Beijing Economic-Technological Investment & Development Corp. has been renamed Beijing Yizhuang Investment Holdings Limited.

Indicate by tick mark whether any of the top ten common shareholders or the top ten non-restricted common shareholders of the Company conducted any promissory repo during this Reporting Period.

☐ Yes ☒ No

No such cases in this Reporting Period.

2. Information about the Controlling Shareholder

Nature of the controlling shareholder: Controlled by the local government

Type of the controlling shareholder: Corporation

Name of controlling shareholder	Legal representative/person in charge	Date of establishment	Credibility code	Main business scope
Beijing Electronics Holdings Co.,	Wang Yan	04/08/1997	91110000633647998H	Operation and management of state-owned assets within authorization; communications equipments, audio &

Ltd.				visual products for broadcasting and television; computer and its supporting equipments and the applied products; electronic raw material and components; home electric appliances and electronic products; electronic surveying instruments and meters; mechanical and electric equipments; electronic transportation products and investment in business fields other than electronics and its management; development of real estate, lease and sales of commodity apartments; property management.
Situation of the equities of the other domestic and overseas listed companies of actual controller during the Reporting Period	Beijing Electronic Shareholding Co., Ltd. held 363,429,503 shares of A share of Electronic City (Stock Code: 600658), which was of 45.49% of the total shares amount of Electronic City; it held 42,287,460 shares of A share of NAURA Technology Group Co., Ltd. (Stock Code: 002371), which accounted for 9.23% of the total shares of NAURA Technology Group Co., Ltd. Beijing Electronic Shareholding Co., Ltd. held 178,175,721 shares of A share of NAURA Technology Group Co., Ltd. through holding the subsidiary Beijing Seven Star Huadian Technology Group Co., Ltd, which covered 38.90% of the total shares amount of NAURA Technology Group Co., Ltd.			

Change of the controlling shareholder during this Reporting Period

☐ Applicable ☒ Not applicable

No such cases in this Reporting Period.

3. Information about the Actual Controller

Nature of the actual controller: Local administrator for state-owned assets

Type of the actual controller: Corporation

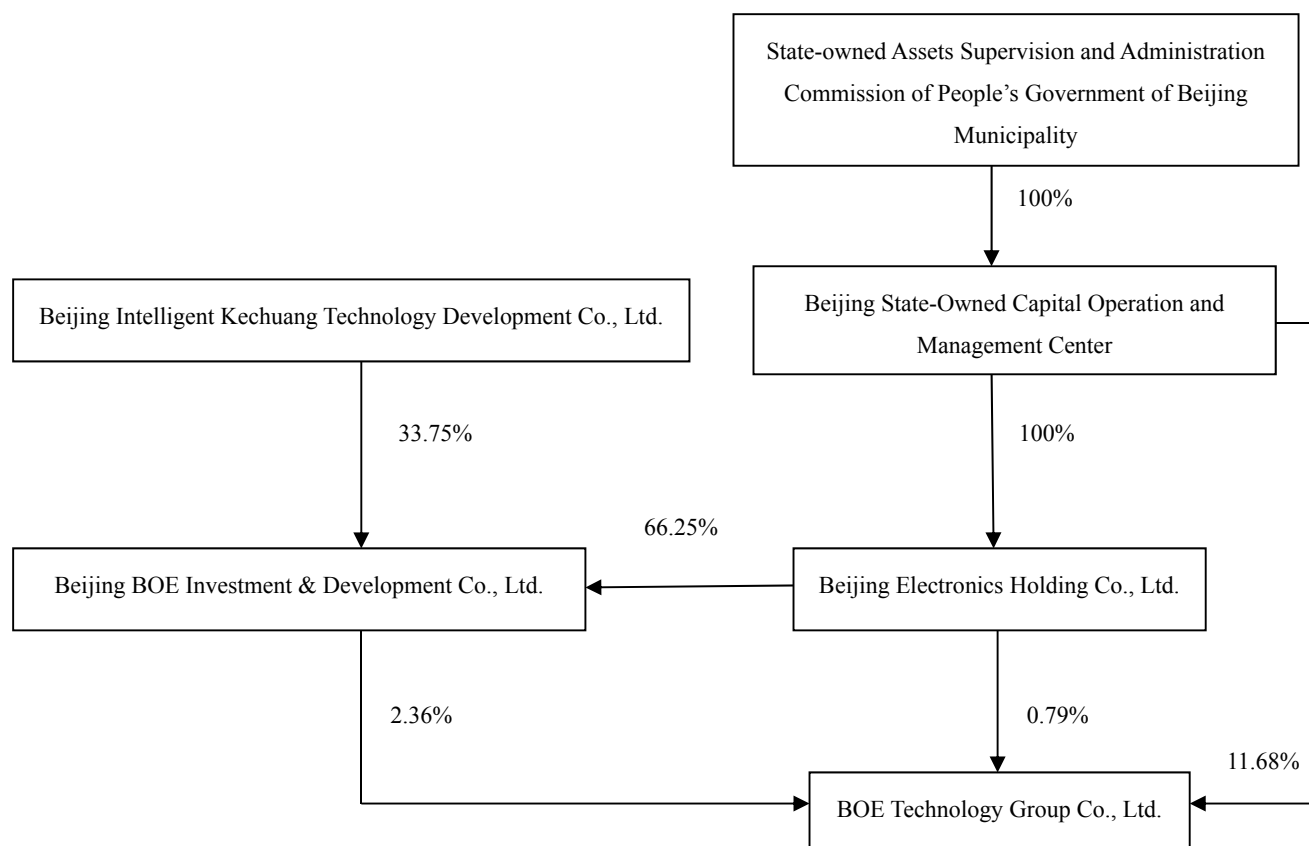
Name of actual controller	Legal representative/ person in charge	Date of establishment	Credibility code	Main business scope
Beijing Electronics Holdings Co., Ltd.	Wang Yan	04/08/1997	91110000633647998H	Operation and management of state-owned assets within authorization; communications equipments, audio & visual products for broadcasting and television; computer and its supporting equipments and the applied products; electronic raw material and components; home electric appliances and electronic products; electronic surveying instruments and meters; mechanical and electric equipments; electronic transportation products and investment in business fields other than electronics and its management; development of real estate, lease and sales of commodity apartments; property management.
Situation of the equities of the other domestic and overseas listed companies of actual controller during the Reporting Period	Beijing Electronic Shareholding Co., Ltd. held 363,429,503 shares of A share of Electronic City (Stock Code: 600658), which was of 45.49% of the total shares amount of Electronic City; it held 42,287,460 shares of A share of NAURA Technology Group Co., Ltd. (Stock Code: 002371), which accounted for 9.23% of the total shares of NAURA Technology Group Co., Ltd.. Beijing Electronic Shareholding Co., Ltd. held 178,175,721 shares of A share of NAURA Technology Group Co., Ltd. through holding the subsidiary Beijing Seven Star Huadian Technology Group Co., Ltd, which covered 38.90% of the total shares amount of NAURA Technology Group Co., Ltd..			

Change of the actual controller during this Reporting Period

☐ Applicable ☒ Not applicable

No such cases in this Reporting Period.

Ownership and control relations between the actual controller and the Company



Notes: 1. Beijing Intelligent Kechuang Technology Development Co., Ltd. (Intelligent Kechuang) is used as a platform for the Company to implement equity incentives for its core technical and managerial personnel, who are the 20 nominal shareholders of Intelligent Kechuang. The ratios of their capital contributions to Intelligent Kechuang do not represent their actual equity percentage. The equities of Intelligent Kechuang are jointly owned by the awardees of the Company's equity incentive plans. The capital contribution ratios of the said 20 people are as follows: Wang Dongsheng 20%, Jiang Yukun 10%, Liang Xinqing 10%, Zhao Caiyong 6.667%, Shi Dong 6.667%, Chen Yanshun 6.667%, Song Ying 6.667%, Han Guojian 6.667%, Gong Xiaoqing 3.333%, Wang Yanjun 3.333%, Wang Jiaheng 3.333%, Liu Xiaodong 3.333%, Ren Jianchang 1.667%, Sun Jiping 1.667%, Zhang Peng 1.667%, Wang Aizhen 1.667%, Mu Chengyuan 1.667%, Xu Yan 1.667%, Hua Yulun 1.667% and Zhong Huifeng 1.667%.

2. When the Company completed a private offering of shares in 2014, Beijing State-Owned Capital Operation and Management Center transferred its 70% stake directly held in the Company to Beijing Electronics Holding Co., Ltd. for managing through a Shares Management Agreement, and Beijing Electronics Holding Co., Ltd. obtained the shareholder's rights other than the disposal and earnings rights attached to the 70% stake; and Beijing State-Owned Capital Operation and Management Center agreed in a Voting Rights Exercise Agreement to align itself with Beijing Electronics Holding Co., Ltd. when exercising its voting rights of the remaining 30% stake directly held by it in the Company.

The actual controller controls the Company via trust or other ways of asset management

☐ Applicable ☒ Not applicable

4. Other Corporate Shareholders with a Shareholding Percentage above 10%

☒ Applicable ☐ Not applicable

Name of corporate shareholder	Legal representative / company principal	Date of establishment	Registered capital	Business scope
Beijing State-owned Capital Management Administrative Center	Lin Fusheng	12/30/2008	35,000,000,000	Investment and investment management; assets management; organize the reorganization as well as the merger and acquisition of the enterprise assets.

5. Limitations on Shareholding Decrease by the Company's Controlling Shareholder, Actual Controller, Reorganizer and Other Commitment Makers

☐ Applicable ☒ Not applicable

Part VII Preferred Shares

☐ Applicable ☒ Not applicable

There was no preferred stock during Reporting Period.

Part VIII Directors, Supervisors, Senior Management and Staff

I Changes in Shareholdings of Directors, Supervisors and Executive Officers in this Reporting Period

Name	Office title	Incumbent/former	Gender	Age	Starting date of tenure	Ending date of tenure	Opening shareholding (share)	Increase in this Reporting Period (share)	Decrease in this Reporting Period (share)	Other increase/decrease (share)	Closing shareholding (share)
Wang Dongsheng	Chairman of the Board	Incumbent	Male	60	05/20/2016	05/19/2019	299,905	0	0	0	299,905
Xie Xiaoming	Vice Chairman of the Board	Incumbent	Male	58	05/20/2016	05/19/2019	7,680	0	0	0	7,680
Chen Yanshun	Vice Chairman of the Board, Chief of Executive Committee(CEO)	Incumbent	Male	51	05/20/2016	05/19/2019	260,000	0	0	0	260,000
Wang Jing	Director	Incumbent	Female	46	05/20/2016	05/19/2019	0	0	0	0	0
Zhang Jinsong	Director	Incumbent	Male	45	05/20/2016	05/19/2019	0	0	0	0	0
Liu Xiaodong	Director, Executive Vice President, President and COO	Incumbent	Male	53	05/20/2016	05/19/2019	250,000	0	0	0	250,000
Song Jie	Director	Incumbent	Male	50	05/20/2016	05/19/2019	0	0	0	0	0
Sun Yun	Director, executive vice president and CFO	Incumbent	Female	47	05/20/2016	05/19/2019	155,981	0	0	0	155,981
Lv Tingjie	Independent Director	Incumbent	Male	62	05/20/2016	05/19/2019	0	0	0	0	0
Wang Huacheng	Independent Director	Incumbent	Male	54	05/20/2016	05/19/2019	0	0	0	0	0

Hu Xiaolin	Independent Director	Incumbent	Male	39	05/20/2016	05/19/2019	0	0	0	0	0
Li Xuan	Independent Director	Incumbent	Male	49	08/19/2016	05/19/2019	0	0	0	0	0
Chen Ming	Chief of Supervisory Board (Convener)	Incumbent	Male	60	05/20/2016	03/01/2018	0	0	0	0	0
Xu Tao	Supervisor	Incumbent	Male	53	05/20/2016	05/19/2019	0	0	0	0	0
Mu Chengyuan	Supervisor, Secretary of the Supervisory Committee	Incumbent	Male	50	05/20/2016	05/19/2019	2,991	0	0	0	2,991
Zhao Wei	Supervisor	Incumbent	Male	49	05/20/2016	05/19/2019	0	0	0	0	0
Shi Hong	Supervisor	Incumbent	Female	35	05/20/2016	05/19/2019	0	0	0	0	0
Zhuang Haoyu	Supervisor	Incumbent	Male	33	05/20/2016	05/19/2019	0	0	0	0	0
Miao Chuanbin	Employee Supervisor	Incumbent	Male	44	05/19/2016	05/19/2019	0	0	0	0	0
Xu Yangping	Employee Supervisor	Incumbent	Male	43	05/19/2016	05/19/2019	0	0	0	0	0
He Daopin	Employee Supervisor	Incumbent	Male	48	05/19/2016	05/19/2019	0	0	0	0	0
Dong Youmei	Executive Vice President,	Incumbent	Female	54	05/20/2016	05/19/2019	200,000	0	0	0	200,000
Yao Xiangjun	Senior vice president, Joint COO and CEO of Intellectual System Business Group	Incumbent	Male	40	05/20/2016	05/19/2019	100,000	0	0	0	100,000
Yue Zhanqiu	Senior Vice President, CIO	Incumbent	Male	50	05/20/2016	05/19/2019	150,000	0	0	0	150,000
Feng Liqiong	Senior Vice President, Chief Lawyer	Incumbent	Female	45	05/20/2016	05/19/2019	150,000	0	0	0	150,000

Zhong Huifeng	Senior Vice President, CHO	Incumbent	Male	47	05/20/2016	05/19/2019	150,000	0	0	0	150,000
Xie Zhongdong	Senior Vice President, Chief Risk Officer and Auditor General	Incumbent	Male	47	05/20/2016	05/19/2019	110,000	0	0	0	110,000
Zhang Zhaohong	Senior Vice President, CEO of Display and Sensing Devices Business Group	Incumbent	Male	47	05/20/2016	05/19/2019	150,000	0	0	0	150,000
Feng Qiang	Senior Vice President, CEO of Health Service Business Group	Incumbent	Male	41	05/20/2016	05/19/2019	100,000	0	0	0	100,000
Yang Anle	Senior Vice President, Chief Investment Officer	Incumbent	Male	47	05/20/2016	05/19/2019	100,000	0	0	0	100,000
Tong Guanshan	Senior Vice President, CTO	Incumbent	Male	49	05/20/2016	05/19/2019	0	0	0	0	0
Liu Hongfeng	Vice President, Secretary of the Board	Incumbent	Male	39	05/20/2016	05/19/2019	100,000	0	0	0	100,000
Jing Linfeng	Vice President, CSO	Incumbent	Male	39	05/20/2016	05/19/2019	100,000	0	0	0	100,000
Total	--	--	--	--	--	--	2,386,557	0	0	0	2,386,557

II Changes in Directors, Supervisors and Executive Officers

√ Applicable □ Not applicable

Name	Office title	Type of change	Date	Reason
Yao Xiangjun	Director	Appointed	04/07/2017	Job adjustment and changes in posts
Sun Yun	Director	Appointed	06/09/2017	Elected as a director from an executive officer

Note: Mr. Chen Ming has submitted the written resignation to the Supervisory Committee of the Company in order to resign as the Chairman of the 8th Supervisory Committee and the supervisor on March 1, 2018 due to his age. Mr. Yang Xiangdong was elected as a supervisor of the 8th Supervisory Committee and the Chairman after the review and approval of the 8th Meeting of the 8th Supervisory Committee, the First Special Meeting of Shareholders in 2018 and the 9th Meeting of the 8th Supervisory Committee.

III Brief Biographies

Professional backgrounds, main working experience and current responsibilities in the Company of the incumbent directors, supervisors and executive officers

Director

Mr. Wang Dongsheng, Master of Engineering, financial experts and system engineering experts, founder of BOE, ever took the posts of Chairman of 1st and 2nd Board of Directors as well as president, and Chairman of the 3rd Board of Directors of the Company, as well as Chairman of Execution Committee, CEO, the Chairman of the 4th Board of Directors of the Company and Chairman of Execution Committee, the Chairman of the 5th Board of Directors of the Company and Chief of Execution Committee and Chairman of the 6th Board of Directors, Chief of Execution Committee of the Company, and the Chairman of the 7th Board of Directors, Chief of Execution Committee of the Company.

Now he takes the posts of Chairman of the 8th Board of Directors, meanwhile, Vice President of China Electronic Chamber of Commerce, President of Beijing Electronic Chamber of Commerce, Vice President of China Optics and Optoelectronics Manufactures Association and Chairman of China Optics and Optoelectronics Manufactures Association LCB, etc.

Mr. Wang Dongsheng led the incorporation of BOE in 1993, and made BOE become a leading enterprise in the field of global display. He first put forward the concept of semiconductor display industry in the global industry. Also in 2010, he put forward life principle of display industry which was known as "Mr. Wang Principle".

Mr. Wang Dongsheng once was awarded "China Top Ten Mergers and Acquisitions Personage", "Chinese Top Ten Smartfortune Personage", "China's information industry leader", "The most influential leader of listed companies", "The National May 1 Labor Medal" and other honorary titles.

Mr. Xie Xiaoming, MBA, a senior engineer at professor grade. He had ever taken the posts of Director of 821 Workshop of Beijing Tube Factory, Plant Manager of First Branch Factory of Beijing Tube Factory, Deputy GM of Beijing Orient Electronics Group Co., Ltd, General Manager and Director of Beijing Yandong Microelectronics Co., Ltd, Director of Beijing Dongguang Micro Electronics Co., Ltd, Party Secretary of Beijing Semiconductor Devices Fifth Factory, and Vice Chairman of the 7th Board of Directors.

Now he takes the posts of Vice Chairman of the 8th Board of Director of the Company, Vice President of Beijing Electronics Holding Co., Ltd, Chairman of Beijing Yandong Microelectronics Co., Ltd, Director of NAURA Technology Group Co., Ltd., Director of Beijing Electronic Control Ai Sikai Technology Co., Ltd. and Director of BAIC BJEV.

Mr. Chen Yanshun, Master of Economics, senior accountant, has ever taken the posts of lecturer of Chongqing Industry &

Commerce University. He had served in the Company from the year of 1993, has taken the posts of Secretary of the Board of the 1st Board of Directors of the Company, Secretary of the 2nd Board of Directors and Vice President, Executive Director of the 3rd Board of Directors and Senior Vice President, Executive Director of the 4th, 5th and the 6th Board of Directors and President, and Vice Chairman of the 7th Board of Directors and President, and Chairman of the Board of Beijing BOE Vision-electronic Technology Co., Ltd, Beijing BOE Optoelectronics Technology Co., Ltd, Hefei BOE Optoelectronics Technology Co., Ltd, and Ordos Yuansheng Optoelectronics Co., Ltd.

Now he takes the posts of Vice Chairman of the 8th Board of Directors of the Company and Chief of Executive Committee(CEO), Chairman of Hefei Xinsheng Optoelectronics Technology Co., Ltd., Chairman of Chongqing BOE Chairman of Optoelectronics Technology Co., Ltd, Beijing Intelligent Kechuang Technology Development Co., Ltd., Chairman of the Board Beijing Matsushita Color CRT Co., Ltd, and Chairman and Director of the Board of BOE Technology (Hong Kong) Co., Ltd., and Director of BOE Health Investment Management Co., Ltd.

Mrs. Wang Jing, Bachelor of Finance, LLM, MBA and Senior Economist. She once worked as Clerk of Securities Department in Beijing Lightbus Co., Ltd., Cadre of General Office of the Economic System Reform Committee of Beijing, assistants to the Directors and Deputy Directors Financing Department of Beijing Enterprises Holdings Ltd. (HK Head office), Entrepreneurship Manager of Beijing Enterprises Holdings Investment Management Ltd., Deputy GM of Beijing BHL Investment Management Center of Beijing Holdings, Manager of Business Operating & Management Department of Beijing Holdings, General Manager Assistant of Beijing Holdings, Chairman and GM of Inland Port International Logistics Co., Ltd., GM of Investment Management Department and Investment Management Department I of Beijing State-owned Capital Operation Management Center, and Director of the 7th Board of Directors of the Company.

Now she worked as Director of the 8th Board of Directors of the Company, Deputy GM of Beijing State-owned Capital Operation Management Center, Director of Huarun Pharmaceutical Group Co., Ltd, Director of Beijing Automobile Co., Ltd, Director of BAIC BJEV and Director of Zhongxin Construction Securities Co., Ltd.

Mr. Zhang Jinsong, Master Degree, Senior Accountant. He ever took posts of Chief of Finance Department of Beijing Jianzhong Machinery Factory, CFO of Beijing Boda Integrated Circuit Co., Ltd. and Deputy CFO of the Company and Supervisor of the 6th Supervisory Committee and Chairman(convener) of the 7th Supervisory Committee, and Director of the 7th Board of Directors.

Now he acts as Director of the 8th Board of Directors of the Company, Vice President of Beijing Electronics Holdings Corp., Chairman of NAURA Technology Group Co., Ltd., and Chairman of Beijing Hezhida Investment Co., Ltd., and vice president of Beijing BOE Investment & Development Co., Ltd, Director of Beijing Electronic Control Ai Sikai Technology Co., Ltd, Director of Beijing Yandong Microelectronics Co., Ltd. and Director of Beijing Jingguorui Equity Investment Fund Management Co., Ltd.

Mr. Liu Xiaodong, Bachelor' degree, Engineer, he ever worked in Research Institute of Beijing Information Optics Apparatus. He successively took the posts of Director, Deputy General Manager and Secretary of CPC of Beijing Matsushita Color CRT Co., Ltd., Vice President of the Company and concurrently Director and General Manager of Beijing BOE Optoelectronics Technology Co., Ltd., Director and General Manager of Hefei BOE Optoelectronics Technology Co., Ltd. Chairman of the Board of Beijing BOE Vision-electronic Technology Co., Ltd. and GM of Hefei Xinsheng Optoelectronics Technology Co., Ltd., President of Beijing BOE Multimedia Science and Technology Co., Ltd. and Beijing BOE Technology Wisdom Commerce Co., Ltd, Director of the 7th Board of Directors, Executive Vice President and COO of the Company

Now he takes the posts of Director of the 8th Board of Director, Executive Vice President, President and COO of the Company, Deputy Chairman of Chongqing BOE Optoelectronics Technology Co., Ltd., Chairman of Mianyang BOE Optoelectronics Technology Co., Ltd., Chongqing BOE Display Technology Co., Ltd., Wuhan BOE Optoelectronics Technology Co., Ltd., Kunming BOE Display Technology Co., Ltd. and Beijing BOE Sensor Technology Co., Ltd., Director of Hefei Xinsheng Optoelectronics

Technology Co., Ltd, and TPV Display Technology (China) Co., Ltd.

Mr. Song Jie, Senior Economist, MBA of Peking University, Countries travelled visiting scholar of University of Sydney from Feb, 2005 to Mar. 2006. He once worked as Assistant Engineer of Design Institute Wire Plant of Shougang Corporation, Officer of Project examination and approval of Beijing Economic and Technological Development Zone Management Committee, Officer of Foreign Investment Service Center, the Director of Yi Da Tong Paging Center, Deputy General Manager of Chinese Human Genome Research Center, Beijing (SinoGenoMax Co., Ltd.), Project Manager of East Zone Sewage project of Beijing Yizhuang Investment Holdings Co., Limited, Director of the 7th Board of Directors of the Company.

Now he is the Director of the 8th Board of Directors of the Company, Manager of Department of investment and financing of Beijing Yizhuang Investment Holdings Co., Limited.

Ms. Sun Yun, Master of Business, is a senior Accountant. She successively took the posts of Deputy Chief, Chief of Finance Department of the Company, as well as Deputy CFO and Chief Auditor of the Company.

Now she is Director of the 8th Board of Directors, Executive Vice President and CFO of the Company, Director of Beijing BOE Land Co., Ltd., Director of Beijing Yinghe Century Science & Technology Development Co., Ltd., Director of Beijing Matsushita Color CRT Co., Ltd.

Independent Director

Mr. Lv Tingjie, Doctor Degree, Professor and Doctorial Tutor, Assistant, Lecturer, Associate Professor, Professor, Doctorial Tutor, Vice Dean, Standing vice President and President, and Assistant Principal of Beijing University of Posts and Telecommunications. Social part-time job: Executive Director of Union International Telecommunications, Vice Chairman of Information Economy Society of China, Deputy Director of the Ministry of Education Electronic Commerce Teaching Committee, Standing Director of China Institute of Communications (Director of the Communication Management Branch) Standing Director of China Association of Communication Enterprises, Standing Director of Chinese Research Council of Technical Economy (Director of Communications Technology and Economy), Member of Ministry of Industry and Information Science Committee and Telecom Economic Experts Committee. He was once the Independent Director of the 7th Board of Directors of the Company

Now he is the independent director of the 8th Board of Directors of the Company. He has been working in Beijing University of Posts and Telecommunications since May 1985, and he acts as the Independent Director of BOE, Gohigh Data Networks Technology Co., Ltd, Shenzhen Ai Shide Co., Ltd. and China Unicom.

Mr. Wang Huacheng, Doctoral Candidate Degree, Professor Doctoral Supervisor, In July 1985, graduate from Department of Finance, Renmin University of China, obtained bachelor of economics degree, in July 1988, graduated from Department of Accounting, Renmin University of China, obtained master's degree in economics, in July 1998, graduated from Department of Accounting, Renmin University of China, obtained PhD degree. Since September 1988, worked as a teacher in Renmin University of China, He successively worked as teaching assistant, lecturer, associate professor, professor, PhD supervisor, social appointments: Director of the institute of Chinese accounting. He once was the Independent Director of the 7th Board of Directors of the Company

Now he is the Independent Director of the 8th Board of Directors of the Company, HXB and China Railway Construction Corporation Limited.

Mr. Hu Xiaolin, doctor, associate professor of Tsinghua University, artificial intelligence professor.

Now he serves as Senior Member of Institute of Electrical and Electronics Engineers (IEEE), Editorial Board Member of IEEE Transactions on Neural Networks and Learning Systems, Independent Director of 8th board of directors.

Mr. Li Xuan, doctor of laws, associate professor, graduate student tutor. He once worked as the Teaching Assistant, Lecturer, Chief Assistant, Deputy Chief of Central University of Finance and Economics, Vice Dean of Central University of Finance and Economics School of Law, Chief of Central University of Finance and Economics Legal Affairs Office, Independent Director of Beijing Da Bei Nong Science and Technology Group Co., Ltd.

Now he serves as the Independent Director of the 8th board of directors of the Company, Chief of Central University of Finance and Economics Master of Laws (J.M) Education Center, Deputy Chief of Central University of Finance and Economics Public Policy-Making Research Center, Deputy Chief of Committee for Social and Legal Affairs of Beijing Municipal Committee of the CDL, Secretary General of Case Study Association of China Law Society, Executive Director of Law Society of China Law Society, Arbitrator of Harbin Arbitration Commission, Independent Director of China Minzu Securities Co., Ltd., Independent Supervisor of China Shengmu Organic Milk Limited (listed in Hong Kong Exchange) and CNBM (listed in Hong Kong Exchange).

Supervisor

Mr. Chen Ming, Bachelor degree, once worked as Manager of Beijing Wireless Power Plant Peony Electronic Engineering Company, Chairman of the Board and Chief of Execution Committee, Factory Director of Beijing Wireless Power Plant and GM of Beijing Ether-led Electronic Group Co., Ltd. He once was the Chairman (Convener) of the 7th Supervisory Committee of the Company.

Currently, the Chairman (Convener) of the 8th Supervisory Committee of the Company, the Chairman of the Supervisory Committee of Beijing Electronics Zone Investment and Development Co., Ltd, Beijing Zhaowei Electronics (Group) Co., Ltd, and NAURA Technology Group Co., Ltd.

Mr. Xu Tao, Senior Accountant, Minister of Finance Department of Beijing TV Accessories Third Factory, Chief Accountant and CFO of Beijing Jile Economics Group Co., Ltd, Supervisor of the 7th Supervisory Committee of the Company.

Currently, a Supervisor of the 8th Supervisory Committee of the Company. the Financial/Accounting Center Director of Beijing Electronics Holdings Co., Ltd.

Mr. Mu Chengyuan, master, is an Economist. He ever took the posts of Manager of Comprehensive Department of International Trade Branch of the Company, Deputy General Manager of Beijing Orient Lighting Fixture Engineering Co., Ltd., Division Chief of Assets Operating and Management Division of and Deputy Factory Manager of Beijing Electronic Tube Factory, Supervisor of the 3rd Supervisory Committee of the Company, Supervisor and Secretary of the 4th and the 5th Supervisory Committee of the Company, the Supervisor and Secretary of the 6th Supervisory Committee, Supervisor and Secretary of the 7th Supervisory Committee of the Company.

Now he is the Supervisor and Secretary of the 8th Supervisory Committee, Chief of Investment Securities Department of Beijing Electronics Holdings Co., Ltd., as well as Director and Vice President of Beijing BOE Investment & Development Co., Ltd. and Secretary General of Zhongguancun Yunti Technology Innovation Alliance.

Mr. Zhao Wei, Bachelor, Joined the Communist Party of China in 2001, he successively worked as Manager of Financial Department of Hefei City Construction Investment Co., Ltd. Deputy Minister, Minister of Financial Department and Minister of Financing Department of Hefei City Construction Investment Co., Ltd, Supervisor of the 7th Supervisory Committee of the Company. Now he is the Supervisor of the 8th Supervisory Committee of the Company, Member of CPC Committee, Director, Deputy GM of Hefei City Construction Investment Co., Ltd..

Ms. Shi Hong, Master of Economics, Senior Economist, Supervisor of the 7th Supervisory Committee of the Company.

Now he is the Supervisor of the 8th Supervisory Committee of the Company, worked in Department of Investment and Financing of Beijing Yizhuang Investment Holdings Limited. Member of Investment Decision Committee of China Reform Fund Management Co., Ltd. Director of Beijing Jinyuanjingkai Limited Liability Company for Sewage Treatment and Supervisor of Beijing Boda Xinyuan House Real Estate Development Co., Ltd..

Mr. Zhuang Haoyu, Bachelor, he once worked as Project Assistant, Investment Manager, Senior Investment Manager of Beijing Industrial Development Investment Management Co., Ltd, Supervisor of the 7th Supervisory Committee of the Company.

Now he is Senior Investment Manager of SENSEGAIN ASSET MANAGEMENT Co., Ltd.

Mr. Miao Chuanbin, Master degree, once worked as Manager of Market Department Beijing Wireless Power Plant Putai Technology Company, Secretary of Party Committee Work Department and Deputy Secretary of Beijing Wireless Power Plan, Deputy General Manager of Beijing Ether-led Electronic Group Co., Ltd., Secretary of Party Committee Work Department, Enterprise Minister of Culture of Beijing Electronics Holdings Co., Ltd, Employee Supervisor of the 7th Supervisory Committee of the Company.

Now he is the Employee Supervisor of the 8th Supervisory Committee of the Company, Vice Secretary of Party Committee, Secretary of the Commission for Discipline Inspection, Union Chairman and Chief Officer of Culture, member of Beijing Electronic Union and member of the Commission for Discipline Inspection in Beijing Electronics Holding Co., Ltd.

Mr. Xu Yangping, Master of Civil and Commercial Law. He was former Deputy Minister, Minister of the Company's Legal Department, and Employee Supervisor of the 7th Supervisory Committee of the Company.

Now he acts as Employee Supervisor of the 8th Supervisory Committee of the Company, Minister and Deputy Director of the Company's Legal Department and Organization, Senior Chief Officer and the Director of Board of Directors of Gaochuang (Suzhou) Electronics Co., Ltd, Supervisor of Beijing BOE Vacuum Electric Appliance Co., Ltd and Beijing BOE Technology Development Co., Ltd.

Mr. He Daopin, master. He once worked as Production Supervisor, Purchasing Supervisor, Financial Manager, Vice General Manager of Beijing Oriental Aristocratic Paper Co., Ltd., Vice General Manager, General Manager of Industrial Gas Underwriting Company of Business Department of Park of the Company, Management Representative of Business Department of Park, Chief of HR and Administrative Department, Chief of Property Department and Chief of Labor Union, Deputy Chief, Chief of Party Mass Work Department of the Company, Corporate Cultural Center.

He now serves as Employee Supervisor of the 8th board of supervisors of the Company, Chairman of Labor Union of Beijing BOE Display Technology Co., Ltd., Secretary of Committee for Discipline Inspection, Deputy Chief of Party Mass Work Department, Corporate Cultural Center.

Executive Officer

Ms. Dong Youmei, she successively took the posts of Deputy Chief of New Product Development Division of Shuguang Electronic Group Co., Ltd., Deputy Chief of Liquid Crystal Center in Tsinghua University, and Strategic Chief Technical Officer of the Company.

Now she serves as Senior Vice President, Member of Advisory Committee for the State Information, Member of Electronic Science and Technology Committee of Ministry of Industry and Information Technology.

Mr. Yao Xiangjun, MBA, Chinese CPA. He once worked as Chief Inspector of Financing Department of the Company, Director of Business Planning Center, Chief Strategic Officer of the Company, CEO of Intelligent System Business Group, Financial Controller of Hefei BOE Optoelectronics Technology Co., Ltd.

Now he serves as Senior Vice President, Co-Chief Operating Officer and Chief Executive Officer of Intelligent System Business Group, Chairman of Beijing BOE Optical Science and Technology Co., Ltd., Beijing BOE Video Science and Technology Co., Ltd., Beijing BOE Multi-Media Science and Technology Co., Ltd., Beijing BOE Intelligent Science and Technology Co., Ltd., Beijing BOE Smart Commerce Co., Ltd., Hefei BOE Video Science and Technology Co., Ltd., Chongqing BOE Smart Electronic System Co., Ltd., and Varitronix International Limited, and Director of SES-imagotag.

Mr. Yue Zhanqiu, obtained EMBA in CEIBS, Senior Accountant. He ever took post of Chief and Chief Accountant of Finance Section of Power Business Department, Financial Manager of Beijing Huamin Smart Card System Co., Ltd., CFO of Beijing Seven Star Electronics Co., Ltd., CFO and Secretary to the Board of Beijing Seven Star Science & Technology Co., Ltd., and CFO, Deputy General Manager, General Manager of Beijing BOE Optoelectronics Technology Co., Ltd..

Now he acts as Senior Vice President and CIO of the Company.

Ms. Feng Liqiong, Bachelor Degree and Lawyer of the Company, she has served as Department Director of Legal Affairs Department of the Company. And as Secretary of the 5th and 6th Board of Directors.

Now she is Senior Vice President, Chief Counsel and Secretary to the Board of the Company as well as Director of Beijing BOE Land Co., Ltd. and Director of Beijing Yinghe Science & Century Technology Development Co., Ltd.

Mr. Zhong Huifeng, Master Degree, awarded certification on Secretary of the Board of Shenzhen Stock Exchange. He ever took posts of Securities Affairs Representative and Manager of Security Department of the 2nd Board of Directors, Secretary to the Board of the 3rd, 4th and 5th Board of Directors of the Company, Employee Supervisor of the 6th Supervisory Committee and Employee Supervisor of the 7th Supervisory Committee, Supervisor of Beijing Orient Top Victory Electronics Co., Ltd.. and Vice Secretary of the CPC, Secretary of Discipline Inspection Commission and Principal of Labor Union of the Company, member of the Third National Committee of China's Defense of Posts and Telecommunications Union.

Now he acts as Senior Vice President and CHO of the Company.

Mr. Xie Zhongdong, Master, CIA. He has ever taken posts of Deputy Chief of Basic Construction Office in the Yi-Shu-Si Water Conservancy Administration of Huaihe Water Resources Commission under the Ministry of Water Resource of P.R.C, Chief and Deputy Auditor of Auditing & Supervision Division of the Company, Vice Chief and Chief of Auditing & Supervision Division of Beijing BOE Optoelectronics Technology Co., Ltd.

Now he acts as Senior Vice President, Chief Risk Control Officer and Chief Auditor of the Company, Vice President of Beijing Internal Audit Association, Supervisor of Hefei BOE Optoelectronics Technology Co., Ltd., Chengdu BOE Optoelectronics Technology Co., Ltd., Hefei BOE Display Light Co., Ltd., Chongqing BOE Optoelectronics Technology Co., Ltd., Hefei Xinsheng Optoelectronics Technology Co., Ltd., Beijing BOE Display Technology Co., Ltd., and OASIS Investment Co., Ltd., Beijing BOE Vision-electronic Technology Co., Ltd. Chongqing BOE Display Technology Co., Ltd., Beijing BOE Sensor Technology Co., Ltd. Erdos Yuansheng Optoelectronics Technology Co., Ltd. and Gaochuang (Suzhou) Electronics Co., Ltd.

Mr. Zhang Zhaohong, bachelor of inorganic nonmetallic materials, engineer. He joined in the Company in 1992, he once worked as General Manager of China of Beijing Asahi Glass Co., Ltd., General Manager of Chengdu BOE Optoelectronics Technology Co., Ltd., Chairman of BOE (Hebei) Mobile Display Technology Co., Ltd., General Manager of Beijing BOE Display Technology Co.,

Ltd., Chief Operating Officer of BOE Display Device Business Group.

Now he serves as Senior Vice President, Chief Executive Officer of Display and Sensing Device Business Group of the Company, Chairman of Beijing BOE Optoelectronics Technology Co., Ltd., Chairman of Chengdu BOE Optoelectronics Technology Co., Ltd., Chairman of Hefei BOE Optoelectronics Technology Co., Ltd., Chairman of Beijing BOE Display Technology Co., Ltd., Chairman of Erdos Yuansheng Optoelectronics Co., Ltd., Chairman of Fuzhou BOE Optoelectronics Technology Co., Ltd., Vice President of Beijing BOE Sensor Technology Co., Ltd. and Director of Wuhan BOE Optoelectronics Technology Co., Ltd.

Mr. Feng Qiang, MBA, master of engineering. He joined in the Company in 1998. He once worked as Vice General Manager of Science & Technology Park Business Head Office of the Company, Executive Director and General Vice General Manager of Beijing BOE Land Co., Ltd., Executive Director and Vice General Manager of Beijing Yinghe Century Land Co., Ltd.

Now he works as Senior Vice President, Chief Executive Officer of Health Service Business Group of the Company, Chairman of Beijing BOE Land Co., Ltd., Chairman of Beijing Yinghe Century Land Co., Ltd., General Manager of Beijing Matsushita Color CRT Co., Ltd.

Mr. Yang Anle, master. He once worked as Deputy Chief of Financial Division of Beijing Electronic Tube Factory, Manager of Financial Department of Beijing BOE Investment & Development Co., Ltd., Chief Financial Officer of Beijing Dongdian Industrial Development Co., Ltd., Supervisor of the 2nd, 3rd, 4th Board of Supervisors of the Company, Employee Supervisor of 5th, 6th Board of Supervisors.

He now serves as Senior Vice President of the Company, Chief Investment Officer, Chairman of Beijing North Asahi Electronic Glass Co., Ltd., Chairman of Beijing Rishen Electronic Precise Parts Co., Ltd., Chairman of Beijing Nittan Electronics Co., Ltd., Director of Beijing BOE Optoelectronics Technology Co., Ltd., Director of Chengdu BOE Optoelectronics Technology Co., Ltd., Director of Hefei BOE Optoelectronics Technology Co., Ltd., Director of Beijing BOE Display Technology Co., Ltd., Director of Erdos Yuansheng Optoelectronics Co., Ltd., Director of Hefei BOE Display Technology Co., Ltd., Director of Fuzhou BOE Optoelectronics Technology Co., Ltd., Director of BOE Optoelectronics Technology Co., Ltd., Director of OASIS Investment Co., Ltd., Director of Hefei BOE Hospital Co., Ltd., Director of Beijing Yingfei Hailin Venture Capital Management Co., Ltd, Director of Beijing BOE Vacuum Electric Co., Ltd.

Mr. Tong Guanshan, doctor of computer science of University of Chicago (Ph.D.) and MBA of Massachusetts Institute of Technology (MBA). He once worked in IBM Global Headquarter. He was in charge of IBM global mergers and acquisitions, divestitures and strategic alliances and building of partnerships. He acted as leader for several research & development groups in IBM global research and development department.

He now serves as Senior Vice President, Chief Technology Officer of the Company

He is the specially-hired expert for National “Thousand Talents Program”.

Mr. Liu Hongfeng, master. He once worked as the Deputy Chief of the Financial Planning Department of the Company, the Deputy Chief and Chief of the BOD Office, the Securities Representative and the Secretary of the 7th Board of the Company.

Now he is a vice president and the Board Secretary of the Company, as well as a director of Beijing Nissin Electronics Precision Component Co., Ltd.

Mr. Jing Linfeng, bachelor. He once worked as Sales Manager, Sales Chief of Beijing BOE Optoelectronics Technology Co., Ltd., General Manager of DBG Laptop Business Department.

He now works as Senior Vice President and Chief Strategic Officer of the Company.

Posts concurrently held in shareholding entities

√ Applicable □ Not applicable

Name	Shareholding entity	Post	Starting date of tenure	Ending date of tenure	Allowance from the shareholding entity (yes/no)
Xie Xiaoming	Beijing Electronics Holdings Co., Ltd.	Vice president	06/22/2011	Naught	Yes
Wang Jing	Beijing State-owned Capital Management Center	Vice GM	01/26/2014	Naught	Yes
Zhang Jinsong	Beijing Electronics Holdings Co., Ltd.	Vice president	08/29/2011	Naught	Yes
Zhang Jinsong	Beijing BOE Investment & Development Co., Ltd.	Deputy chairman	12/23/2015	Naught	No
Song Jie	Beijing Yizhuang Investment Holdings Limited	Manager of Investment Securities Department	05/26/2008	Naught	Yes
Mu Chengyuan	Beijing Electronics Holdings Co., Ltd.	Minister of Investment Securities Department	06/01/2011	Naught	Yes
Mu Chengyuan	Beijing BOE Investment & Development Co., Ltd.	Director, Vice president	12/14/2012	Naught	No
Xu Tao	Beijing Electronics Holdings Co., Ltd.	Finance Minister	10/26/2012	Naught	Yes
Shi Hong,	Beijing Yizhuang Investment Holdings Limited	Investment & Financing Director	09/18/2012	Naught	Yes
Notes to post-holding in shareholder's unit	The documents for holding the posts of shareholders entities haven't listed the expiry date.				

Post-holding in other units

√ Applicable □ Not applicable

Name	Other entity	Post	Starting date of tenure	Ending date of tenure	Allowance from the entity (yes/no)
Lv Tingjie	Beijing University of Posts and Telecommunications	Doctor Advisor	--	--	Yes
Wang Huacheng	Renmin University of China	Doctor Advisor	--	--	Yes

Hu Xiaolin	Tsinghua University	Associate professor	--	--	Yes
Li Xuan	The Central University of Finance and Economics	Post-graduate Tutor	--	--	Yes
Zhao Wei	Hefei Construction Investment Holding (Group) Co., Ltd.	Vice General Manager	--	--	Yes
Notes to post-holding in other unit	Due to the above personnel's units were special, their start dates and ending dates of the office terms have not been fixed.				

Punishments imposed in the recent three years by the securities regulators on the incumbent directors, supervisors and executive officers as well as those who left in this Reporting Period

☐ Applicable ☒ Not applicable

IV Remuneration of Directors, Supervisors and Executive Officers

Decision-making procedure, determination basis and actual remuneration payment of directors, supervisors and executive officers

(1) Determining basis and procedures for the remuneration of directors, supervisors and senior management staffs

Proposal on Principle of Recognition of Remunerations for Directors, Supervisors and Senior management staffs was reviewed and approved by The 2005 Annual Meeting of Shareholders held on May 29, 2006. Allowance for directors and supervisors of the Company was reviewed and approved at the Second Special Meeting of Shareholders in 2013 held on July 10, 2013.

(2) Up to the end of the Reporting Period, the current directors, supervisors and senior management staffs drew their remuneration from the Company total RMB41.4292 million (before tax). Allowance for independent directors is RMB150,000 (after tax) per year in 2016. For details please referred to the statement below.

Remuneration for directors, supervisors and senior management staffs of the Company during the Reporting Period

Unit: RMB'0,000

Name	Office title	Gender	Age	Incumbent/former	Total before-tax remuneration from the Company	Remuneration from related parties of the Company (yes/no)
Wang Dongsheng	Chairman of the Board	Male	60	Incumbent	231.11	No
Xie Xiaoming	Vice Chairman of the Board	Male	58	Incumbent	0	
Chen Yanshun	Vice Chairman of the Board, Chief of Executive Committee(CEO)	Male	51	Incumbent	438.64	No
Wang Jing	Director	Female	46	Incumbent	0	
Zhang Jinsong	Director	Male	45	Incumbent	0	
Liu Xiaodong	Director, Executive Vice	Male	53	Incumbent	356.39	No

	President, President and COO					
Song Jie	Director	Male	50	Incumbent	4	
Sun Yun	Executive Vice President, CFO and director	Female	47	Incumbent	262.65	No
Lv Tingjie	Independent Director	Male	62	Incumbent	15	
Wang Huacheng	Independent Director	Male	54	Incumbent	15	
Hu Xiaolin	Independent Director	Male	39	Incumbent	15	
Li Xuan	Independent Director	Male	49	Incumbent	15	
Chen Ming	Chief of Supervisory Board (Convener)	Male	60	Incumbent	0	
Xu Tao	Supervisor	Male	53	Incumbent	0	
Mu Chengyuan	Supervisor and the Secretary of the Supervisory Committee	Male	50	Incumbent	0	
Zhao Wei	Supervisor	Male	49	Incumbent	2	
Shi Hong	Supervisor	Female	35	Incumbent	8	
Zhuang Haoyu	Supervisor	Male	33	Incumbent	8	
Miao Chuanbin	Employee Supervisor	Male	44	Incumbent	96.09	No
Xu Yangping	Employee Supervisor	Male	43	Incumbent	91.15	No
He Daopin	Employee Supervisor	Male	48	Incumbent	63.58	No
Dong Youmei	Executive Vice President	Female	54	Incumbent	223.02	No
Yao Xiangjun	Senior Vice President, Joint COO and CEO of Intellectual System Business Group	Male	40	Incumbent	223.76	No
Yue Zhanqiu	Executive Committee Member, Senior Vice President, CIO	Male	50	Incumbent	188.44	No
Feng Liqiong	Senior Vice President, Chief Lawyer	Female	45	Incumbent	196.06	No
Zhong Huifeng	Senior Vice President, CHO	Male	47	Incumbent	193.72	No
Xie Zhongdong	Senior Vice President, Chief Risk Officer and Auditor General	Male	47	Incumbent	197.71	No
Zhang Zhaohong	Senior Vice President,	Male	47	Incumbent	290.48	No

	CEO of Display and Sensing Devices Business Group					
Feng Qiang	Senior Vice President, CEO of Health Service Business Group	Male	41	Incumbent	201.86	No
Yang Anle	Senior Vice President, Chief Investment Officer	Male	47	Incumbent	188.12	No
Tong Guanshan	Senior Vice President, CTO	Male	49	Incumbent	300.42	No
Liu Hongfeng	Vice President, Secretary of the Board	Male	39	Incumbent	149.03	No
Jing Linfeng	Vice President, CSO	Male	39	Incumbent	168.69	No
Total	--	--	--	--	4,142.92	--

Equity incentives for directors, supervisors and executive officers in this Reporting Period

☐ Applicable ☒ Not applicable

V Employees

1. Number, Functions and Educational Backgrounds of Employees

Number of in-service employees of the Parent Company	2,078
Number of in-service employees of main subsidiaries	58,455
Total number of in-service employees	62,516
Total number of employees with remuneration in this Reporting Period	62,516
Number of retirees to whom the Parent Company or its main subsidiaries need to pay retirement pension	21
Functions	
Function	Number of employees
Production	38,208
Sales	1,859
Technical	19,088
Financial	671
Administrative	644
Manager	1,642
Others	404
Total	62,516

Educational backgrounds	
Educational background	Number of employees
Doctor and post-doctorate	313
Master	7,324
Bachelor	14,609
College	16,584
Technical secondary school	10,554
Other	13,132
Total	62,516

2. Employee Remuneration Policy

The Company has established the remuneration system based on the position, ability and business performance, paid attention to the external competitive compensation and internal fairness, established compensation benefit, performance management, cadre administration, employee rank and related compensation and appraisal management system

3. Employee Training Plans

For the purpose that exploiting and inheriting the intelligent assets with BOE genes and forming the talent cultivation mode with BOE features, BOE University was set-up in July, 2015, which with the purpose of “Academic drive and professional guide” and a vision of “being international competitive and respectful Industrial University”. And it undertakes the strategy and service as main line, driving the development of the Company personnel training system’s further improvement and upgrade and forms training products line including four categories of leaders, managers, professionals and industry personnel as well as provides targeted solutions for talent growth at different stages. In 2017, BOE University organized and carried out a lot of trainings covering various aspects such as management, professional and all-purpose vocational ability, etc. Meanwhile the data of participation people and the participation period and satisfaction of the training keep continuously increasing.

4. Labor Outsourcing

☐ Applicable ☒ Not applicable

Part IX Corporate Governance

I Basic Situation of Corporate Governance

1. Standardized operation and perfection of corporate governance structure of the Company in the Reporting Period

The Company has stringently followed laws and rules such as *Company Law*, *Securities Laws*, *Code of Corporate Governance for Listed Companies*, etc., and requirements of *Guidelines of the Shenzhen Stock Exchange for the Standardized Operation of Companies Listed on the Main Board*, to continuously improve the corporate governance of the Company, to perfect internal control system as well as to promote corporate governance level of the Company.

During Reporting Period, the Company's board of directors, board of supervisors and senior executives strictly in line with the requirement of related laws and Company rules and regulations perform their obligations; ensure the standardization and effectiveness of corporate governance. During the Reporting Period, the Company revised the *Articles of Association* and Rules of Procedure of the Board and newly set up Financing Business Management System, Implementing Rules for the Enterprise Annuity Plan Further promote the standardization of the corporate governance level. During the Reporting Period, the Company continued to promote the Company's governance in many ways. Actively arranged the Company's new directors, supervisors to join special training organized by the Securities regulatory bureau of Beijing, regularly carry out the theme of the franco-prussian propaganda inside the Company. The Company preserved the related party fund transaction, external guarantee and regularly self-inspection of the shareholding and its changes of the directors, supervisors and senior executives, through maintaining and perfecting the Shenzhen Stock Exchange Investors Interactive Platform to strengthen the communication of the investors.

In the Reporting Period, corporate governance of the Company was perfected and operated normally, which was in total compliance with various requirements on corporate governance of listed companies. No problems such as horizontal competition or illegal related-party transactions caused by partial restructuring or other reasons were found. The Company will continue to follow the concept of "honesty, standard, transparency and responsibility", regulate itself and continuously improve the level of governance.

Main governance of the Company was as follows:

(1) About shareholders and shareholders' general meetings

As per the Company's *Articles of Association*, shareholders enjoyed rights and assumed obligations according to the shares they held. Organizing and convening procedures of the Company's shareholders' general meetings were in compliance with laws and regulations. The Company paid high attention to legal interests of its shareholders, especially its minority shareholders. Meanwhile, on the basis of ensuring legitimacy and validity of shareholders' general meetings, actively provided conveniences including internet voting for minority shareholders' joining the general meeting of the shareholders.

(2) About relationship between the controlling shareholder and the Company

The Company was independent from the controlling shareholder and the actual controller in terms of personnel, assets, financing, organization and business. The controlling shareholder and actual controller of the Company was able to strictly control its behaviors, with no direct or indirect intervention in the Company's decision-making, production and operating activities by violating relevant laws, regulations and the *Articles of Association*, no behaviors in relation to occupying significant funds of the Company, and no behaviors in relation to asking the Company to provide guarantees for it or other parties.

(3) About directors and the Board of Directors

During the Reporting Period, the composition of the Board of Directors of the Company was in line with requirements of regulations and the Company's actual situation. All directors possessed necessary knowledge, skills and quality for duty performance. They all performed their duties as stipulated in the *Articles of Association* honestly, faithfully and diligently. They learned about and kept a constant focus on the Company's production and operation, its financial status and influence and risks of significant events. They also

took the initiative to search for information needed in their decision-making so as to ensure efficient operation and scientific decision-making of the Board of Directors. Board sessions were organized and convened in strict compliance with the *Articles of Association* and *Rules of Procedure for the Board of Directors*. There were three special committees under the Board of Directors, namely, the Execution Committee, the Nomination, Remuneration and Appraisal Committee and the Audit Committee. The Company also formulated rules of procedure for all the said special committees so that they could perform better.

(4) About supervisors and the Supervisory Committee

In the Reporting Period, by way of attending shareholders' general meetings, sitting in on board sessions, checking the Company's compliance with laws and finance periodically, issuing its opinions on relevant matters, etc., the Supervisory Committee supervised the Company's finance, duty performance of directors and senior management staffs, management and capital flows between the Company and its related parties, and safeguarded the legitimate interests and rights of the Company and its shareholders. Sessions of the Supervisory Committee were organized and convened in strict compliance with the *Articles of Association* and the *Rules of Procedure for the Supervisory Committee* so as to ensure the Supervisory Committee's activities for duty performance were rightful and valid.

(5) About information disclosure and transparency

According to the *Company Law*, the *Stock Listing Rules of the Shenzhen Stock Exchange*, the *Guidelines of the Shenzhen Stock Exchange for the Standardized Operation of Companies Listed on the Main Board*, *Companies Publicly Issuing Securities Information Disclosure Standards on the Contents and Formats No.2 - Content And Format of the Annual Report* (2014 revision), the *Disclosure of Information A Business Memo No. 21 - Regular Report Disclosure Related Matters* (2014 revision). The *Articles of Association* and *Management Methods for Information Disclosure* and other requirements, the Company disclosed information in a timely and fair manner and ensured the factuality, accuracy and completeness of the information disclosed.

The Company attached importance to communication with investors through investor visits reception, investors interaction platform, online business performance explanation session, telephone and attending the investment strategy session organized by the securities brokers, etc. Except for the aforesaid services, the Company's senior management joined in the investor conference held by large international investment institutions, actively communicated with the global institutional investors and discussed the situation and development strategy of the Company with investors and analyst, so as to promote the open, transparent, efficient and consistent communication between the Company, investors and analyst of securities, made them known more about the strategy, operation and development of the Company.

2. Corporate governance system established in the Reporting Period

During the Reporting Period, the Company revised many corporate governance systems in accordance the requirements of the regulatory authorities and the needs for self-development, relevant systems were disclosed on <http://www.cninfo.com.cn>, and the details of revision were presented as follows:

Time of Disclosure	Name of System	New Creation/Revision
04/25/2017	Articles of the Company	Revision
04/25/2017	Members of Board Strategic Committee and Rules of Procedure	Revision
04/25/2017	Members of Board Strategic Advisory Committee and Rules of Procedure	New creation
04/25/2017	Members of Executive Committee and Rules of Procedure	Revision

Any significant incompliance with the regulatory documents issued by the CSRC governing the governance of listed companies

☐ Yes ☒ No

No such cases in this Reporting Period.

II Independence of Businesses, Personnel, Asset, Organizations and Finance which are Separate from the Controlling Shareholder

The Company was independent from the controlling shareholder and the actual controller in terms of business, personnel, assets, organization and financing, with independent & complete business and capability to operate independently.

1. In business, the Company was independent from the controlling shareholder and the actual controller, with its own production and business departments and management system, the Company had the capability to make its own decisions, assume sole responsibility for its profits and losses, and operate independently with independent and complete business.
2. In personnel, the Company was completely independent in labor, staff and remunerations. The Company had its own operating management team. CEO, President, Chief Financial Officer, Secretary of the Board as well as other senior management staffs of the Company all worked on full-time basis in the Company and did not hold any post in or receive any remuneration in the controlling shareholder unit.
3. In assets, the Company had independent and complete assets. With clear ownership on its assets, the Company independently owned the production system, ancillary production system as well as supporting facilities for major businesses, as well as assets like land use rights and intellectual property rights, etc.. Neither the controlling shareholder nor the actual controller appropriated any assets of the Company.
4. In organization, the Company had established its organization completely independent from the controlling shareholder and the actual controller, with independent and sound organs and corporate governance structure. The Company had not handled any official affairs jointly with the controlling shareholder or the actual controller. There were no subordinate relationships between the controlling shareholder & its functional departments and the Company & its functional departments.
5. In financing, the Company had established independent financial departments, with full-time finance personnel. The Company had also formulated a standard and independent finance accounting system as well as financial measurement system, established the corporate financial management archives and deployed relevant administrative personnel for them, opened independent account in bank, and paid tax independently.

III Horizontal Competition

☐ Applicable ☒ Not applicable

IV Annual and Special Meetings of Shareholders Convened during this Reporting Period

1. Meetings of Shareholders Convened during this Reporting Period

Meeting	Type	Investor participation ratio	Convened date	Disclosure date	Index to the disclosed information
The 2016 Annual Meeting of Shareholders	Annual Meeting of Shareholders	35.65%	06/09/2017	06/10/2017	<i>Announcement on Resolution of the 2016 Annual Meeting of Shareholders (2017-031) disclosed on China Securities</i>

					Journal, Shanghai Securities News, Securities Times, and Hong Kong Ta Kung Pao as well as http://www.cninfo.com.cn .
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2. Special Meetings of Shareholders Convened at the Request of Preference Shareholders with Resumed Voting Rights

☐ Applicable ☒ Not applicable

V Performance of Independent Directors in this Reporting Period

1. Attendance of Independent Directors in Board Meetings and Meetings of Shareholders

Attendance of independent directors in board meetings and meetings of shareholders							
Independent director	Due presence for board meetings in this Reporting Period (times)	Presence on site for board meetings (times)	Presence by telecommunication for board meetings (times)	Presence through a proxy for board meetings (times)	Absence for board meetings (times)	Absent for two consecutive times for board meetings	Presence for meetings of shareholders (times)
Lv Tingjie	13	2	11	0	0	No	1
Wang Huacheng	13	2	11	0	0	No	1
Hu Xiaolin	13	2	11	0	0	No	1
Li Xuan	13	2	11	0	0	No	1

Explanation on failing to be present in person for two consecutive sessions

N/A

2. Objections Raised by Independent Directors on Issues of the Company

Indicate by tick mark whether any independent directors raised any objections on issues of the Company.

☐ Yes ☒ No

No such cases in this Reporting Period.

3. Other Details about the Performance of Duties by Independent Directors

Whether the advices of independent directors for the Company were adopted or not?

☒ Yes ☐ No

Explanation on the advices of independent directors for the Company being adopted or not adopted

The Company has four current independent directors, who are experts and scholars in the fields of finance, law and industry. During

the Reporting Period, in accordance with *Company Law*, *Securities Law*, *Stock Listing Rules*, *Guidance on Establishing Independent Director System for Listed Companies*, *Articles of Association* and *Independent Director System*, the independent directors paid special attention to the standardized operation of the Company, performed their duties independently and diligently, issued many precious professional advice in terms of the perfection of systems and routine operating decision-making, etc., and issued their independent and fair opinion as independent directors on the related-party transactions, engagement of audit firm, decision of annual remuneration of senior management staffs, external guarantee and other events needing their opinion occurred in the Reporting Period, as well as played their due roles in perfecting the supervisory mechanism of the Company, protecting the legal right of the Company and the whole shareholders.

VI Performance of Duties by Specialized Committees under the Board during this Reporting Period

1. Duty fulfillment of the Strategy Committee under Board of Directors

In the Reporting Period, the Strategy Committee under Board of Directors conscientiously controlled the strategic guidance, significant projects, and production and operation activities. During the recess of the board session, the Strategy Committee was in charge of working out the operating strategies of the Company, planning its significant investment and financing projects, and monitoring its major operation activities, which played an important role in ensuring the Company's stable and smooth operation in the year.

2. Duty fulfillment of the Audit Committee under Board of Directors

In the Reporting Period, the Audit Committee conscientiously performed its routine duties, and actively advanced the launch of the audit work for Y2017. Before the periodic reports were submitted to the Board for review, the Audit Committee convened special sessions to discuss the reports. At the sessions, the committee members listened to relevant reports, expressed their opinions and put forward constructive advices concerning the Company's internal control, financial auditing and so on.

The 2017 annual audit work on financial report of the Audit Committee was detailed as follows:

- 1) Before the audit, the Committee discussed and decided the schedule of audit work for the 2017 annual report with KPMG Huazhen Certified Public Accountants (LLP) (hereinafter referred to as "KPMG");
- 2) Before the presence of KPMG, the Committee reviewed the financial statements prepared by the Company and issued a written opinion;
- 3) Upon the presence of KPMG, the Audit Committee convened meetings to communicate with KPMG, reviewed the Company's financial statements following the preliminary audit opinion issued by KPMG, and issued the written opinion concerned. Before the Board reviewed the annual report, the Committee reviewed the annual financial statements, the employment of the CPAs firm, etc., and made resolutions for further review by the Board.
- 4) In the audit process, the Committee issued a written Audit Urge Letter to KPMG, asking KPMG to finish the audit in an orderly manner in strict accordance with the set schedule, so as to submit the annual audit report on time;

The Audit Committee is of the opinion that the Financial Report is complete and factual with complete consolidated entities and statements, an accurate consolidation basis, a steady and consistent accounting policy, proper application of the accounting policy and reasonable accounting estimates, which is in line with the Enterprise Accounting Standards and other regulations promulgated by the Ministry of Finance.

3. Duty fulfillment of Nomination & Remuneration & Appraisal Committee under Board of Directors

In the Reporting Period, in accordance with relevant rules and laws, the Nomination & Remuneration & Appraisal Committee conscientiously performed its duties endowed by the Board through strictly executing the appointment procedure of directors, and senior management staffs, as well as the appraisal procedure for directors and senior management staffs. And it reviewed the basic remuneration of senior managerial staffs of the Company.

VII Performance of Duties by the Supervisory Committee

Whether the Supervisory Committee finds the Company existing risks or not in the supervisory activities during the Reporting Period?

☐ Yes ☒ No

The Supervisory Committee has no objection on the supervised events during the Reporting Period

VIII Appraisal and Incentive for Senior Management Staff

According to the performance appraisal method of the Company, Senior management staffs sign an Annual Target Responsibility Paper with the Company, which sets the annual operation targets, key performance indicators (KPI) as well as the evaluation, reward and punishment standards. As for the accomplishment of the targets, quarterly analyses, semi-annual reports and annual appraisal will be conducted. The examination and evaluation results will determine the remunerations, position changes as well as the trainings to receive of senior management staffs.

IX Internal Control

1. Serious Internal Control Defects Found in this Reporting Period

☐ Yes ☒ No

2. Internal Control Self-evaluation Report

Disclosure date of the internal control self-evaluation report	04/24/2018	
Index to the disclosed internal control self-evaluation report	On April 24, 2018, the Company published 2017 Internal Control Appraisal Report; disclosure website: www.cninfo.com.cn	
Total assets of the evaluated entities as a percentage in the consolidated total assets	91.00%	
Operating revenues of the evaluated entities as a percentage in the consolidated operating revenues	95.00%	
Defect identification standards		
Type	Financial-report related	Non-financial-report related
Nature standard	The material fault in a financial report includes but not limited to the following types: (1) the enterprise corrects the publicized financial statements; (2) material misstatement is found in the current financial statement, which is not found during internal control.	Defect included but not limited to the following characteristics: (1) the Corporate governance did not form operation mechanism and execution, a significant decision failed to run; (2) Existing control designed for the board of directors, managers above risk of control; (3) The directors, supervisors and senior management were found fraud; (4) The audit committee and internal audit institutions' supervision of the internal control is invalid

Quantitative standard	<p>1) The internal control of a financial report (company level, consolidated statements at group level) refers to the internal control designed and implemented for objectives in the financial report. The fault in the internal control of a financial report is classified into major fault, important fault and general fault, identified with a standard directly depending on the importance of misstatement in a financial report that may be caused by the fault. The potential misstated amount shall be calculated based on the proportion of faulty sample and the specific identification and quantitative procedures and quantitative criteria at company level are as follows:</p> <p>(1) record misstatement sample</p> <p>(2) confirm potential misstatement rate</p> <p>(3) calculate potential misstated amount (=co-current accumulated amount in corresponding accounting subject × potential misstatement rate)</p> <p>(4) generally, for misstated amount and fault grade, the following can be taken as reference for the standard for identifying and quantifying the fault in the internal control of a financial report (company level): General fault: 0.1%*total group assets ≤ misstated amount < 0.5%* total group assets; important fault: 0.5%* total group assets ≤ misstated amount < 1%* total group assets; major fault: misstated amount ≥ 1%* total group assets. In addition, it must be noted that the company with relatively small assets amount and scales may separately confirm quantitative standard in formulating a scheme for assessment and the importance level shall not be higher than the abovementioned standard.</p> <p>2) the assessment team (process level), based on the auditing standard, after confirming a proper criterion, generally applies professional judgment to reasonably select a percentage based on which to confirm the importance level. The following are examples of reference value:</p>	1) Quantitative standard I of defect identification standards of the non-financial report:		
		Type	The amount of direct property losses	Significant negative impact
		Common defect	RMB100 thousand(including RMB100 thousand)- RMB5 million	Or punishment by the government provincial level (including provincial) below but had no negative influence to the disclosure of the Company’s periodic report
		Significant defect	RMB5 million(including RMB5 million) - RMB10 million	Or punishment by the state government but had no negative influence to the disclosure of the Company’s periodic report
	Major Defect	RMB10 million above	Or public disclosed but had no negative influence to the disclosure of the Company’s periodic report	
	2) The Quantitative standard II when the defect of internal control related to quantifiable assessment KPI target but unable or unable specifically use the aforesaid methods to recognized the type of defect of internal control and the actual recognition procedure and standards were as following:			

	<p>(1) for a profit-making enterprise, the percentage is 5% of profit before tax or net profit after tax from current operations, or 0.5% of the total revenue. Under appropriate circumstances, a certain proportion of total assets or net assets may be adopted;</p> <p>(2) for a non-profit organization, 0.5% of the total expenses or revenue;</p> <p>(3) for a mutual fund company, 0.5% of the net assets. Misstated amount and fault grade: General fault: 25%*importance level \leq misstated amount $< 50\%*$ importance level; important fault: 50%* importance level \leq misstated amount $< 75\%*$ importance level; the standard for quantifying and identifying the fault in internal control of a financial report (process level) when misstated amount $\geq 75\%*$ importance level shall be based on the confirmed importance level.</p>	Type	The completeness of Group KPI target	The completeness of some organization's KPI target
		Common defect	10% \leq KPI completeness of target $< 30\%$	30% \leq KPI completeness of target $< 50\%$
		Significant defect	30% \leq KPI completeness of target $< 50\%$	50% \leq KPI completeness of target $< 80\%$
		Major Defect	KPI completeness of target $\geq 50\%$	KPI completeness of target $\geq 80\%$
Number of serious financial-report-related defects				0
Number of serious non-financial-report-related defects				0
Number of important financial-report-related defects				0
Number of important non-financial-report-related defects				0

X Auditor's Report on Internal Control

☒ Applicable ☐ Not applicable

Opinion paragraph in the auditor's report on internal control	
We believe that the Company and important subsidiaries make valid internal control on financial report in all significant aspects on December 31, 2017 according to the Basic Rules on Enterprise Internal Control and other relevant stipulations.	
Auditor's report on internal control disclosed or not	Disclosed
Disclosure date	04/24/2018
Index to the disclosed auditor's report on internal control	The Company disclosed the Audit Report on Internal Control on April 24, 2018, for details, please refer to http://www.cninfo.com.cn
Type of the auditor's opinion	Standard unqualified opinion
Serious non-financial-report-related defects	No

Note: The disclosure index can disclose the number, title and the website name where the announcement was published.

Whether any modified opinions are expressed by the CPAs firm in its auditor's report on the Company's internal control

☐ Yes ☒ No

Whether the auditor's report on the Company's internal control issued by the CPAs firm is consistent with the self-evaluation report of the Board

☒ Yes ☐ No

Part X Corporate Bonds

Are there any corporate bonds publicly offered and listed on the stock exchange, which were undue before the approval date of this Report or were due but could not be redeemed in full

Yes

I. Basic Information of the Company Bonds

Name	Abbr.	Code	Release date	Due date	Bonds balance (RMB'0,000)	Interest rate	Way of redemption
2016 Public offering of the corporation bonds for the qualified investors of BOE Technology Group Co., Ltd. (Phase I)	16BOE01	112358	03/21/2016	03/21/2021	1,000,000	3.15%	Paid for the interests by year and the principals once when expired.
Listed or transferred trading place of the Company bonds	List on the SZSE.						
Appropriate arrangement of the investors	the qualified investors						
List of the interests payment of the Company bonds during the Reporting Period	On March 21, 2018, the Company completed the 2017 annual interest payout for the qualified investors of its 2016 corporate bonds.						
Execution of the relevant regulations during the Reporting Period such as the affiliated option clause of the issuers or investors, special clauses such as the exchangeable regulations of the Company bonds (if applicable)	There was affiliated issuers' up-regulation nominal interest rate option and the investors' sell-back option at the year-end of the third year of the current bond duration; and up to the approval quotation date of the Annual Report, the bonds were not yet needed to be executed.						

II. List of the Bond Trustee and the Rating Organization

Bond trustee:							
Name	China Securities Co., Ltd.	Office address	Rm. 2203, North Tower, Shanghai Securities Plaza, 528 Pudong Road South, Shanghai	Contact person	Zhu Mingqiang, Han Yong, Sheng Cheng	Contact number	021-68801565
Rating organization executed the tracking rating of the Company bonds of the Reporting Period:							
Name	United Ratings Co., Ltd.			Office address	12/F, PICC Building, No.2 Jianwai Street, Chaoyang District, Beijing		
Alternation reasons, execution process and influences on the investors' interests etc. if there was alternation of the bond trustees and the credit rating agencies engaged by the Company during the Reporting Period (if applicable)			Not applicable				

III. List of the Usage of the Raised Funds of the Company Bonds

List of the usage of the raised funds and the execution process of the Company bonds	The Company executed the internal decision-making process strictly according to the applications committed by the prospectus as well as the reviewal regulations of the Board of Directors and meetings of shareholders of the Company.
Ending balance (RMB'0,000)	2.66
Operating situation of the raised funds special account	The Company signed the Agreement on the 2016 Public Offering of the Corporation Bonds Account for the Qualified Investors and the Funds Tripartite Authorities of BOE Technology Group Co., Ltd. with the Beijing Olympic Branch of Ping An Bank Co, Beijing Hepingli Branch of China CITIC Bank Corporation Limited and Beijing Branch of China Merchants Bank Co., Ltd., which set up the raise funds account that ensure the exclusive use of the special fund of the raise funds.
Whether the usage of the raised funds met with the usage, using plan and other agreements committed on the prospectus	Yes

IV. Rating Situation of the Company Bonds Information

On Jun. 24, 2016, United Ratings issued *the Tracking Rating Report of the 2016 Corporate Bonds Credit Rating of BOE Technology Group Co., Ltd.*, with the issuers' main body credit rating of AAA and AAA of the credit rating of the current corporate bonds. On Jun. 25, 2016, the tracking rating report of the current bonds by the United Rating will be disclosed on www.szse.cn and www.unitedratings.com.cn with the public disclosure date of www.szse.cn not later than that of other trading places, media or other places.

On Jun. 23, 2017, United Ratings issued *the Tracking Rating Report of the 2017 Corporate Bonds Credit Rating of BOE Technology Group Co., Ltd.*, with the issuers' main body credit rating of AAA and AAA of the credit rating of the current corporate bonds. On

Jun. 24, 2017, the tracking rating report of the current bonds by the United Rating will be disclosed on www.szse.cn and www.unitedratings.com.cn with the public disclosure date of www.szse.cn not later than that of other trading places, media or other places.

Before Jun. 24, 2018, United Ratings will issue *the Tracking Rating Report of the 2018 Corporate Bonds Credit Rating of BOE Technology Group Co., Ltd.* The Company will disclose the tracking rating analysis report on www.szse.cn in time. And please investors pay attention to it.

V. Credit-adding Mechanism, Repayment Plan and Other Repayment Guarantee Measures of the Company Bonds

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

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

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

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

VI. Convene Situation of the Bonds Holders Meeting during the Reporting Period

No such cases in the Reporting Period.

VII. List of the Duty Execution of the Bonds Trustee during the Reporting Period

As the bond trustee of the Reporting Period, China Securities Co., Ltd. constantly paid attention to the operating, finance and credit situation of the Company strictly according to the relevant laws and regulations such as the *Regulations of the Offering and Trading of the Corporate Bonds*, *Professional Code of Conduct of the Bond Trustee of the Corporate Bonds* and vigorously executed the responsibilities as a trustee as well as maintained the legal interests of the bondholders; there was no any situation conflicted to the Company's interests when executing the relevant responsibilities of the trustee.

VIII. The Major Accounting Data and the Financial Indicators of the Recent 2 Years of the Company up the Period-end

Unit: RMB'0,000

Item	2017	2016	Change rate of the same period
EBITDA	2,416,492.00	1,490,865.00	62.09%
Current ratio	2.01	2.20	-8.64%
Asset-liability ratio	59.28%	55.14%	4.14%
Quick ratio	1.83	2.01	-8.96%
Total debt ratio of EBITDA	15.92%	13.18%	2.74%
Times interest earned	3.89	1.93	101.55%
Times interest earned of cash	10.03	7.05	42.27%
Times interest earned of EBITDA	11.03	8.05	37.02%
Loan repayment rate	100.00%	100.00%	0.00%
Interest coverage	100.00%	100.00%	0.00%

Main reason of the above accounting data and the financial indicators with the YoY change exceeded 30%

☒ Applicable ☐ Not applicable

EBITDA increased of 62.09% over the same period of last year, which mainly due to increase in net profit this year of Y2017.

IX. List of the Interest Payment of Other Bonds and Bonds Financing Instruments during the Reporting Period

No such cases in the Reporting Period.

X. List of the Acquired Bank Credit Lines, Usage and the Repayment of the Bank Loans

The Company operates normatively with good reputation and strong ability of profitability and debt payment. And the Company maintained the long-term strategic partnerships with major cooperative banks. Up to Dec. 31, 2017, the total amount of the credit line of the major cooperative banks with the Company was of RMB35.8 billion with the used credit line of RMB7.1 billion and the unused amount of which was of RMB28.7 billion. The principal and the interest of bank loans were repaid on time. There was no default of bank loans for the Company in the Reporting Period.

XI. List of the Execution of the Agreements or the Commitments Related to the Company Bonds Raising Specification during the Reporting Period

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

XII. Significant Events Occurring during the Reporting Period

Up to Dec. 31, 2017, the audited balance of loans (consolidated statement) of the Company is RMB101.12 billion, increasing RMB32.68 billion compared with RMB68.44 billion of audited balance of loans (consolidated statement) of the Company on Dec. 31, 2016. The increased amount accounts for 35.51% in RMB92.016 billion of audited net asset (consolidated statement) on Dec. 31, 2016. The increased amount is within the limit which is approved in the annual shareholders meeting, mainly comprising entrusting loans, borrowing from bank etc.

The above increased loans do not have significant influence on debt paying ability of the Company.

The Company has disclosed on December 6, 2017 the announcement about accumulative newly increased loans in the year on <http://www.cninfo.com.cn/>.

XIII. Whether there Was Guarantor of the Company Bonds

☐ Yes ☒ No

Part XI Financial Report

I. Audit Report

Type of audit opinion	Standard unqualified audit opinion
Signature date of audit report	20 Apr. 2018
Name of the audit agency	KPMG Huazhen Certified Public Accountants (LLP)
Reference number of audit report	KPMGHZSZ No. 1802368
Name of CPA	Zhang Huan, Su Xing

AUDITORS' REPORT

毕马威华振审字第 1802368 号

All Shareholders of BOE Technology Group Company Limited:

Opinion

We have audited the accompanying financial statements of BOE Technology Group Company Limited ("BOE"), which comprise the consolidated and parent company's balance sheet as at 31 December 2017, the consolidated and parent company's income statement, the consolidated and parent company's cash flow statement, and the consolidated and parent company's statement of changes in shareholders' equity for the year then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated and parent company's financial position of BOE as at 31 December 2017, and its consolidated and parent company's financial performance and cash flows of BOE for the year then ended in accordance with Accounting Standards for Business Enterprises issued by the Ministry of Finance of the People's Republic of China.

Basis for Opinion

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

AUDITORS' REPORT (continued)

毕马威华振审字第 1802368 号

Key Audit Matters

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

Revenue recognition	
Refer to the accounting policies set out in the notes to the financial statements "III. Significant accounting policies and accounting estimates" 23 and "V. Notes to the consolidated financial statements" 40.	
The Key Audit Matter	How the matter was addressed in our audit
<p>The revenue of BOE and its subsidiaries ("BOE Group") is mainly derived from the sales of products relating to display device across the domestic and overseas market.</p> <p>The sales contracts/orders signed between BOE Group and its customers (mainly electronic equipment manufacturers) contain various trading terms. BOE Group judges the transfer timing of major risks and rewards according to the trading terms, and recognises revenue accordingly. Depending on the trading terms, the income is usually recognized when the goods are delivered and received, or when they are received by the carrier.</p> <p>We identified the recognition of BOE Group's revenue as a key audit matter because revenue, as one of BOE Group's key performance indicators, involves various trading terms, and there is an inherent risk that revenue may not be recognised in a correct period.</p>	<p>Our audit procedures to evaluate revenue recognition included the following:</p> <ul style="list-style-type: none"> • Evaluate the design and operation effectiveness of key internal controls related to revenue recognition; • Check key sales contracts/orders on a sampling basis to identify relevant trading terms, and evaluate whether the accounting policies for revenue recognition of BOE Group meet the requirements of the Enterprise Accounting Standards; • On a sampling basis and according to different trading terms, reconcile the revenue recorded in the current year to relevant supporting files such as relevant orders, shipping orders, sales invoices, customs declarations, delivery receipts, etc. to evaluate whether revenue is recognized in accordance with the accounting policy of BOE Group;

AUDITORS' REPORT (continued)

毕马威华振审字第 1802368 号

Key Audit Matters (continued)

Revenue recognition	
Refer to the accounting policies set out in the notes to the financial statements "III. Significant accounting policies and accounting estimates" 23 and "V. Notes to the consolidated financial statements" 40.	
The Key Audit Matter	How the matter was addressed in our audit
	<ul style="list-style-type: none"> • On a sampling basis and according to different trading terms, cross check the revenue recorded before and after the balance sheet date against relevant supporting files such as relevant orders, shipping orders, sales invoices, customs declarations, delivery receipts, etc. to evaluate whether revenue is recorded in the appropriate period; • Select a sample based on the characteristics and nature of customer's transaction, and perform certification on the balance of accounts receivable as at the balance sheet date and the sales transaction amount during the current year; • On a sampling basis, check the written-back of revenue after the balance sheet date (including sales discounts and sales returns, etc.) with relevant supporting documents to assess whether revenue is recorded in the appropriate period; • Select revenue accounting entries that meet specific risk criteria and check related supporting documents.

AUDITORS' REPORT (continued)

毕马威华振审字第 1802368 号

Key Audit Matters (continued)

Book value of fixed assets and construction in progress	
Refer to the accounting policies set out in the notes to the financial statements "III. Significant accounting policies and accounting estimates" 14, 15 and "V. Notes to the consolidated financial statements" 11, 12.	
The Key Audit Matter	How the matter was addressed in our audit
<p>BOE Group continued to invest in building production lines of display device to expand its production capacity. As at 31 December 2017, the book value of fixed assets and construction in progress amounted to RMB 139.387 billion.</p> <p>The judgement made by the management on the following aspects will affect the book value of fixed assets and construction in progress, including:</p> <ul style="list-style-type: none"> • Determine which type of expenditures are qualified for capitalization; • Determine the timing for transferring construction in progress to fixed assets and making depreciation; • Estimate the useful life and residual value of corresponding fixed assets. <p>We identified the book value of fixed assets and construction in progress of BOE Group as a key audit matter because the valuation of the book value of fixed assets and construction in progress involves significant judgement from the management and it is of importance to the consolidated financial statements.</p>	<p>Our audit procedures to assess the book value of fixed assets and construction in progress included the following:</p> <ul style="list-style-type: none"> • Evaluate the design and operation effectiveness of key internal controls (including estimating useful life and residual values, etc.) related to the integrity, existence and accuracy of fixed assets and construction in progress; • Check the physical status of construction in progress and fixed assets on a sampling basis; • Check capital expenditures with relevant supporting documents (including purchase agreements/orders, acceptance orders, engineering construction contracts, project progress reports, etc.) on a sampling basis; • Assess whether the capitalized commissioning expenses for the current year are in compliance with relevant capitalization conditions; check the commissioning expenses with relevant supporting documents on a sampling basis; • On the basis of sampling, assess the timing for transferring construction in progress to fixed assets, through the inspection of commissioning situation and the documents for transferring construction in progress to fixed assets; • Based on our understanding of industry practices and actual operating conditions of assets, we evaluate the management's estimation of the useful life and residual value of fixed assets.

AUDITORS' REPORT (continued)

毕马威华振审字第 1802368 号

Other Information

BOE's management is responsible for the other information. The other information comprises all the information included in 2017 annual report of BOE, other than the financial statements and our auditor's report thereon.

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

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

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

Those charged with governance are responsible for overseeing the financial reporting process of BOE.

AUDITORS' REPORT (continued)

毕马威华振审字第 1802368 号

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- (1) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (2) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- (3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (4) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the BOE's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause BOE to cease to continue as a going concern.
- (5) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

AUDITORS' REPORT (continued)

毕马威华振审字第 1802368 号

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- (6) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within BOE to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

KPMG Huazhen LLP

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

Zhang Huan (Engagement Partner)

Beijing, China

Su Xing

20 April 2018

II. Financial Statements

1. Financial Statements (see schedules)
2. Notes to financial statements (see attachments)

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

Part XII Documents Available for Reference

(I) The financial statements with the signatures and seals of the Company's legal representative, the President of the Execution Committee (Chief Executive Officer) of the Company, the Company's Chief Financial Officer and the head of the Company's financial department (equivalent to financial manager); and

(II) The originals of all the Company's announcements and documents that were disclosed on <http://www.cninfo.com.cn> in the Reporting Period.

The above documents can be found at the Board Secretary's Office.

Chairman of the Board: Wang Dongsheng

Date of the Board's approval of this Report: April 20, 201

BOE Technology Group Company Limited

ENGLISH TRANSLATION OF FINANCIAL STATEMENTS
FOR THE YEAR 1 JANUARY 2017 TO 31 DECEMBER 2017
IF THERE IS ANY CONFLICT OF MEANING BETWEEN THE CHINESE VERSION
AND ENGLISH TRANSLATION, THE CHINESE VERSION WILL PREVAIL

AUDITORS' REPORT

毕马威华振审字第 1802368 号

All Shareholders of BOE Technology Group Company Limited:

Opinion

We have audited the accompanying financial statements of BOE Technology Group Company Limited ("BOE"), which comprise the consolidated and parent company's balance sheet as at 31 December 2017, the consolidated and parent company's income statement, the consolidated and parent company's cash flow statement, and the consolidated and parent company's statement of changes in shareholders' equity for the year then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated and parent company's financial position of BOE as at 31 December 2017, and its consolidated and parent company's financial performance and cash flows of BOE for the year then ended in accordance with Accounting Standards for Business Enterprises issued by the Ministry of Finance of the People's Republic of China.

Basis for Opinion

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

AUDITORS' REPORT (continued)

毕马威华振审字第 1802368 号

Key Audit Matters

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

Revenue recognition	
Refer to the accounting policies set out in the notes to the financial statements “III. Significant accounting policies and accounting estimates” 23 and “V. Notes to the consolidated financial statements” 40.	
The Key Audit Matter	How the matter was addressed in our audit
<p>The revenue of BOE and its subsidiaries (“BOE Group”) is mainly derived from the sales of products relating to display device across the domestic and overseas market.</p> <p>The sales contracts/orders signed between BOE Group and its customers (mainly electronic equipment manufacturers) contain various trading terms. BOE Group judges the transfer timing of major risks and rewards according to the trading terms, and recognises revenue accordingly. Depending on the trading terms, the income is usually recognized when the goods are delivered and received, or when they are received by the carrier.</p> <p>We identified the recognition of BOE Group’s revenue as a key audit matter because revenue, as one of BOE Group’s key performance indicators, involves various trading terms, and there is an inherent risk that revenue may not be recognised in a correct period.</p>	<p>Our audit procedures to evaluate revenue recognition included the following:</p> <ul style="list-style-type: none">• Evaluate the design and operation effectiveness of key internal controls related to revenue recognition;• Check key sales contracts/orders on a sampling basis to identify relevant trading terms, and evaluate whether the accounting policies for revenue recognition of BOE Group meet the requirements of the Enterprise Accounting Standards;• On a sampling basis and according to different trading terms, reconcile the revenue recorded in the current year to relevant supporting files such as relevant orders, shipping orders, sales invoices, customs declarations, delivery receipts, etc. to evaluate whether revenue is recognized in accordance with the accounting policy of BOE Group;

AUDITORS' REPORT (continued)

毕马威华振审字第 1802368 号

Key Audit Matters (continued)

Revenue recognition	
Refer to the accounting policies set out in the notes to the financial statements “III. Significant accounting policies and accounting estimates” 23 and “V. Notes to the consolidated financial statements” 40.	
The Key Audit Matter	How the matter was addressed in our audit
	<ul style="list-style-type: none">• On a sampling basis and according to different trading terms, cross check the revenue recorded before and after the balance sheet date against relevant supporting files such as relevant orders, shipping orders, sales invoices, customs declarations, delivery receipts, etc. to evaluate whether revenue is recorded in the appropriate period;• Select a sample based on the characteristics and nature of customer's transaction, and perform certification on the balance of accounts receivable as at the balance sheet date and the sales transaction amount during the current year;• On a sampling basis, check the written-back of revenue after the balance sheet date (including sales discounts and sales returns, etc.) with relevant supporting documents to assess whether revenue is recorded in the appropriate period;• Select revenue accounting entries that meet specific risk criteria and check related supporting documents.

AUDITORS' REPORT (continued)

毕马威华振审字第 1802368 号

Key Audit Matters (continued)

Book value of fixed assets and construction in progress	
Refer to the accounting policies set out in the notes to the financial statements "III. Significant accounting policies and accounting estimates" 14, 15 and "V. Notes to the consolidated financial statements" 11, 12.	
The Key Audit Matter	How the matter was addressed in our audit
<p>BOE Group continued to invest in building production lines of display device to expand its production capacity. As at 31 December 2017, the book value of fixed assets and construction in progress amounted to RMB 139.387 billion.</p> <p>The judgement made by the management on the following aspects will affect the book value of fixed assets and construction in progress, including:</p> <ul style="list-style-type: none">• Determine which type of expenditures are qualified for capitalization;• Determine the timing for transferring construction in progress to fixed assets and making depreciation;• Estimate the useful life and residual value of corresponding fixed assets. <p>We identified the book value of fixed assets and construction in progress of BOE Group as a key audit matter because the valuation of the book value of fixed assets and construction in progress involves significant judgement from the management and it is of importance to the consolidated financial statements.</p>	<p>Our audit procedures to assess the book value of fixed assets and construction in progress included the following:</p> <ul style="list-style-type: none">• Evaluate the design and operation effectiveness of key internal controls (including estimating useful life and residual values, etc.) related to the integrity, existence and accuracy of fixed assets and construction in progress;• Check the physical status of construction in progress and fixed assets on a sampling basis;• Check capital expenditures with relevant supporting documents (including purchase agreements/orders, acceptance orders, engineering construction contracts, project progress reports, etc.) on a sampling basis;• Assess whether the capitalized commissioning expenses for the current year are in compliance with relevant capitalization conditions; check the commissioning expenses with relevant supporting documents on a sampling basis;• On the basis of sampling, assess the timing for transferring construction in progress to fixed assets, through the inspection of commissioning situation and the documents for transferring construction in progress to fixed assets;• Based on our understanding of industry practices and actual operating conditions of assets, we evaluate the management's estimation of the useful life and residual value of fixed assets.

AUDITORS' REPORT (continued)

毕马威华振审字第 1802368 号

Other Information

BOE's management is responsible for the other information. The other information comprises all the information included in 2017 annual report of BOE, other than the financial statements and our auditor's report thereon.

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

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

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

Those charged with governance are responsible for overseeing the financial reporting process of BOE.

AUDITORS' REPORT (continued)

毕马威华振审字第 1802368 号

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- (1) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (2) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- (3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (4) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the BOE's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause BOE to cease to continue as a going concern.
- (5) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

AUDITORS' REPORT (continued)

毕马威华振审字第 1802368 号

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- (6) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within BOE to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

KPMG Huazhen LLP

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

Zhang Huan (Engagement Partner)

Beijing, China

Su Xing

20 April 2018

BOE Technology Group Company Limited
Consolidated balance sheet as at 31 December 2017
(Expressed in Renminbi Yuan)

	Note	2017	2016
Assets			
Current assets			
Cash at bank and on hand	V.1	57,128,659,576	58,152,817,223
Bills receivable	V.2	833,268,127	1,369,836,650
Accounts receivable	V.3	15,513,763,252	16,191,791,617
Prepayments	V.4	587,126,751	708,511,473
Interest receivable		89,628,559	125,141,573
Other receivables	V.5	728,395,573	903,069,416
Inventories	V.6	8,957,719,381	7,833,138,532
Non-current assets due within one year		17,303,152	66,321,715
Other current assets	V.7	15,924,433,978	5,691,200,226
Total current assets		99,780,298,349	91,041,828,425
Non-current assets			
Available-for-sale financial assets	V.8	859,899,356	622,502,556
Long-term equity investments	V.9	6,928,854,415	1,356,111,395
Investment properties	V.10	1,296,662,205	1,192,932,896
Fixed assets	V.11	88,625,296,761	69,947,586,967
Construction in progress	V.12	50,761,250,426	33,008,248,720
Intangible assets	V.13	2,982,664,308	3,136,873,387
Goodwill	V.14	197,963,688	197,963,688
Long-term deferred expenses	V.15	379,829,430	344,891,227
Deferred tax assets	V.16	106,255,657	146,538,565
Other non-current assets	V.17	4,189,767,254	4,139,533,216
Total non-current assets		156,328,443,500	114,093,182,617
Total assets		256,108,741,849	205,135,011,042

The notes on pages 21 to 147 form part of these financial statements.

BOE Technology Group Company Limited
Consolidated balance sheet as at 31 December 2017(continued)
(Expressed in Renminbi Yuan)

	Note	2017	2016
Liabilities and shareholders' equity			
Current liabilities			
Short-term loans	V.18	3,249,736,430	4,916,965,507
Bills payable	V.19	543,798,835	640,262,461
Accounts payable	V.20	16,205,788,698	13,835,615,665
Advances from customers	V.21	781,324,522	548,942,714
Employee benefits payable	V.22	2,217,066,944	1,542,852,266
Taxes payable	V.23	775,621,146	656,351,894
Interest payable		847,955,186	676,358,748
Dividends payable	V.24	9,651,170	9,651,170
Other payables	V.25	15,264,806,774	14,395,525,248
Non-current liabilities due within one year	V.26	9,109,708,511	3,684,236,935
Other current liabilities	V.27	730,709,590	532,983,474
Total current liabilities		<u>49,736,167,806</u>	<u>41,439,746,082</u>
Non-current liabilities			
Long-term loans	V.28	78,973,633,010	49,885,166,211
Bonds payable	V.29	9,966,467,496	9,956,719,508
Long-term payables	V.30	1,176,250,982	1,261,446,565
Provisions	V.31	16,457,010	16,457,010
Deferred income	V.32	2,261,955,307	2,494,122,929
Deferred tax liabilities	V.16	563,302,910	448,625,054
Other non-current liabilities	V.33	9,130,244,495	7,616,672,523
Total non-current liabilities		<u>102,088,311,210</u>	<u>71,679,209,800</u>
Total liabilities		<u>151,824,479,016</u>	<u>113,118,955,882</u>

The notes on pages 21 to 147 form part of these financial statements.

BOE Technology Group Company Limited
Consolidated balance sheet as at 31 December 2017(continued)
(Expressed in Renminbi Yuan)

	Note	2017	2016
Liabilities and shareholders' equity (continued)			
Shareholders' equity			
Share capital	V.34	34,798,398,763	35,153,067,743
Capital reserve	V.35	38,585,515,122	39,031,357,529
Less: Treasury shares	V.36	-	314,350,824
Other comprehensive income	V.37	150,602,933	75,718,703
Surplus reserve	V.38	889,640,475	743,139,855
Retained earnings	V.39	10,385,659,084	4,011,055,487
		<hr/>	<hr/>
Total equity attributable to shareholders of the Company		84,809,816,377	78,699,988,493
		<hr/>	<hr/>
Non-controlling interests		19,474,446,456	13,316,066,667
		<hr/>	<hr/>
Total shareholders' equity		104,284,262,833	92,016,055,160
		<hr/>	<hr/>
Total liabilities and shareholders' equity		256,108,741,849	205,135,011,042
		<hr/>	<hr/>

These financial statements were approved by the Board of Directors of the Company on 20 April 2018.

Wang Dongsheng Chairman of the Board (Signature and stamp)	Chen Yanshun Chief Executive Officer (Signature and stamp)	Sun Yun Chief Financial Officer (Signature and stamp)	Yang Xiao Ping Financial Officer (Signature and stamp)	(Company stamp)
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The notes on pages 21 to 147 form part of these financial statements.

BOE Technology Group Company Limited
Company balance sheet as at 31 December 2017
(Expressed in Renminbi Yuan)

	Note	2017	2016
Assets			
Current assets			
Cash at bank and on hand	XV.1	2,990,801,501	7,649,349,412
Bills receivable		-	200,197,354
Accounts receivable	XV.2	39,897,385	45,853,859
Prepayments		10,315,083	7,462,061
Interest receivable		-	21,525,261
Dividends receivable	XV.3	10,404,147	1,007,950,479
Other receivables	XV.4	1,824,727,573	1,629,176,234
Inventories		12,751,847	12,069,865
Non-current assets due within one year		3,648,840,000	-
Other current assets	XV.5	61,082,075	25,504,074
Total current assets		8,598,819,611	10,599,088,599
Non-current assets			
Available-for-sale financial assets	XV.6	149,269,107	177,166,908
Long-term equity investments	XV.7	121,193,680,391	99,918,451,449
Investment properties		292,544,063	164,540,581
Fixed assets		982,985,346	862,860,227
Construction in progress		274,400,649	468,494,838
Intangible assets		530,490,988	624,007,700
Long-term deferred expenses		112,776,691	98,745,001
Deferred tax assets	XV.8	150,206,185	47,679,645
Other non-current assets		480,909,226	4,010,146,153
Total non-current assets		124,167,262,646	106,372,092,502
Total assets		132,766,082,257	116,971,181,101

The notes on pages 21 to 147 form part of these financial statements.

BOE Technology Group Company Limited
Company balance sheet as at 31 December 2017 (continued)
(Expressed in Renminbi Yuan)

	Note	2017	2016
Liabilities and shareholders' equity			
Current liabilities			
Accounts payable		50,152,503	34,015,337
Advances from customers		1,375,022,585	1,093,593,891
Employee benefits payable	XV.9	283,000,193	169,917,103
Taxes payable		119,584,927	80,897,741
Interest payable		312,029,252	281,124,448
Dividends payable		6,451,170	6,451,170
Other payables	XV.10	9,713,912,548	10,791,929,737
Non-current liabilities due within one year		4,031,840,000	100,000,000
		<hr/>	<hr/>
Total current liabilities		15,891,993,178	12,557,929,427
		<hr/>	<hr/>
Non-current liabilities			
Long-term loans	XV.11	23,943,000,000	18,922,400,000
Bonds payable	V.29	9,966,467,496	9,956,719,508
Deferred income	XV.12	130,652,127	148,987,694
Other non-current liabilities		7,600,000,000	-
		<hr/>	<hr/>
Total non-current liabilities		41,640,119,623	29,028,107,202
		<hr/>	<hr/>
Total liabilities		57,532,112,801	41,586,036,629
		<hr/>	<hr/>

The notes on pages 21 to 147 form part of these financial statements.

BOE Technology Group Company Limited
 Company balance sheet as at 31 December 2017 (continued)
 (Expressed in Renminbi Yuan)

	Note	2017	2016
Liabilities and shareholders' equity (continued)			
Shareholders' equity			
Share capital	V.34	34,798,398,763	35,153,067,743
Capital reserve	XV.13	37,588,541,593	38,157,600,408
Less: Treasury shares	V.36	-	314,350,824
Other comprehensive income	XV.14	192,097,489	152,323,461
Surplus reserve	V.38	889,640,475	743,139,855
Retained earnings	XV.15	1,765,291,136	1,493,363,829
		<hr/>	<hr/>
Total shareholders' equity		75,233,969,456	75,385,144,472
		<hr/>	<hr/>
Total liabilities and shareholders' equity		132,766,082,257	116,971,181,101
		<hr/>	<hr/>

These financial statements were approved by the Board of Directors of the Company on 20 April 2018.

Wang Dongsheng Chairman of the Board (Signature and stamp)	Chen Yanshun Chief Executive Officer (Signature and stamp)	Sun Yun Chief Financial Officer (Signature and stamp)	Yang Xiao Ping Financial Officer (Signature and stamp)	(Company stamp)
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The notes on pages 21 to 147 form part of these financial statements.

BOE Technology Group Company Limited
Consolidated income statement for the year ended 31 December 2017
(Expressed in Renminbi Yuan)

	Note	2017	2016
I. Operating income	V.40	93,800,479,215	68,895,658,963
II. Less: Operating costs	V.40	70,282,477,585	56,585,696,091
Taxes and surcharges	V.41	708,381,529	459,263,933
Selling and distribution expenses	V.42	2,591,925,798	1,984,361,921
General and administrative expenses	V.43	7,246,543,340	5,618,443,652
Financial expenses	V.44	1,948,024,860	2,299,116,897
Impairment losses	V.45	2,229,524,682	1,594,488,553
Add: Gains from changes in fair value	V.46	32,048,211	-
Investment income	V.47	115,602,683	151,006,609
Including: Gains/ (Loss) from investment in associates and joint ventures		169,034	(15,121,347)
Losses from disposal of assets	V.48	(69,145)	(2,264,480)
Other income	V.49	732,550,112	-
III. Operating profit		9,673,733,282	503,030,045
Add: Non-operating income	V.50	180,418,858	2,080,912,372
Less: Non-operating expense	V.50	113,080,601	71,543,342
IV. Profit before income tax		9,741,071,539	2,512,399,075
Less: Income tax expenses	V.51	1,880,659,980	467,228,316
V. Net profit for the year		7,860,411,559	2,045,170,759
Attributable to:			
Shareholders of the Company		7,567,682,493	1,882,571,674
Non-controlling interests		292,729,066	162,599,085

The notes on pages 21 to 147 form part of these financial statements.

BOE Technology Group Company Limited
Consolidated income statement for the year ended 31 December
2017(continued)
(Expressed in Renminbi Yuan)

	Note	2017	2016
VI. Other comprehensive income, net of tax	V.37	44,387,083	32,059,196
Other comprehensive income (net of tax) attributable to shareholders of the Company		74,884,230	(14,434,306)
Items that may be reclassified to profit or loss:			
1 Share of other comprehensive income of the equity-accounted investee that may be reclassified to profit or loss		76,051,151	42,053,252
2 Gains or losses arising from changes in fair value of available-for-sale financial assets		12,910,506	(16,836,007)
3 Translation differences arising from translation of foreign currency financial statements		(14,077,427)	(39,651,551)
Other comprehensive income (net of tax) attributable to non-controlling interests		(30,497,147)	46,493,502
		<u>7,904,798,642</u>	<u>2,077,229,955</u>
VII. Total comprehensive income for the year			
Attributable to:			
Shareholders of the Company		7,642,566,723	1,868,137,368
Non-controlling interests		262,231,919	209,092,587
VIII. Earnings per share			
(1) Basic earnings per share	V.52	0.217	0.054
(2) Diluted earnings per share	V.52	0.217	0.054

These financial statements were approved by the Board of Directors of the Company on 20 April 2018.

Wang Dongsheng Chairman of the Board (Signature and stamp)	Chen Yanshun Chief Executive Officer (Signature and stamp)	Sun Yun Chief Financial Officer (Signature and stamp)	Yang Xiao Ping Financial Officer (Signature and stamp)	(Company stamp)
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The notes on pages 21 to 147 form part of these financial statements.

BOE Technology Group Company Limited
Company income statement for the year ended 31 December 2017
(Expressed in Renminbi Yuan)

	Note	2017	2016
I. Operating income	XV.16	2,815,561,521	1,890,892,555
II. Less: Operating costs		29,212,906	73,853,601
Taxes and surcharges	XV.17	39,649,316	21,040,511
Selling and distribution expenses		2,224,628	2,769,587
General and administrative expenses		1,719,668,597	1,393,918,778
Financial expenses	XV.18	505,879,539	211,354,173
Impairment losses		-	500,604
Add: Investment income	XV.19	950,279,403	1,111,742,988
Including: Gains/ (Loss) from investment in associates and joint ventures		169,034	(14,730,259)
Losses from disposal of assets		(157,430)	(20,682)
Other income	XV.20	23,513,456	-
III. Operating profit		1,492,561,964	1,299,177,607
Add: Non-operating income	XV.21	3,552,572	260,227,913
Less: Non-operating expense	XV.21	18,008,134	1,634,108
IV. Profit before income tax		1,478,106,402	1,557,771,412
Less: Income tax expenses	XV.22	13,100,199	48,793,448
V. Net profit		1,465,006,203	1,508,977,964

The notes on pages 21 to 147 form part of these financial statements.

BOE Technology Group Company Limited
 Company income statement for the year ended 31 December 2017(continued)
 (Expressed in Renminbi Yuan)

	Note	2017	2016
VI. Other comprehensive income, net of tax	XV.14	39,774,028	42,536,665
Items that may be reclassified to profit or loss:			
1 Share of other comprehensive income of the equity-accounted investee that may be reclassified to profit or loss		76,051,151	42,053,252
2 Gains arising from changes in fair value of available-for-sale financial assets		(36,277,123)	483,413
		<hr/>	<hr/>
VII. Total comprehensive income for the Year		<u>1,504,780,231</u>	<u>1,551,514,629</u>

These financial statements were approved by the Board of Directors of the Company on 20 April 2018.

Wang Dongsheng Chairman of the Board (Signature and stamp)	Chen Yanshun Chief Executive Officer (Signature and stamp)	Sun Yun Chief Financial Officer (Signature and stamp)	Yang Xiao Ping Financial Officer (Signature and stamp)	(Company stamp)
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The notes on pages 21 to 147 form part of these financial statements.

BOE Technology Group Company Limited
Consolidated cash flow statement for the year ended 31 December 2017
(Expressed in Renminbi Yuan)

	<i>Note</i>	<i>2017</i>	<i>2016</i>
I. Cash flows from operating activities:			
Proceeds from sale of goods and rendering of services		102,954,356,249	68,853,018,038
Refund of taxes		8,111,061,033	3,917,650,651
Proceeds from other operating activities		869,275,860	840,215,406
		<hr/>	<hr/>
Sub-total of cash inflows		111,934,693,142	73,610,884,095
		<hr/>	<hr/>
Payment for goods and services		(73,250,817,397)	(55,859,347,637)
Payment to and for employees		(8,015,171,249)	(6,063,846,083)
Payment of various taxes		(2,480,139,386)	(604,705,988)
Payment for other operating activities		(1,921,579,095)	(1,009,697,267)
		<hr/>	<hr/>
Sub-total of cash outflows		(85,667,707,127)	(63,537,596,975)
		<hr/>	<hr/>
Net cash inflow from operating activities	V.53(1)	26,266,986,015	10,073,287,120
		<hr/>	<hr/>

The notes on pages 21 to 147 form part of these financial statements.

BOE Technology Group Company Limited
Consolidated cash flow statement for the year ended 31 December 2017
(continued)
(Expressed in Renminbi Yuan)

	<i>Note</i>	<i>2017</i>	<i>2016</i>
II. Cash flows from investing activities:			
Proceeds from disposal of investments		29,310,620,000	31,157,802,962
Investment returns received		114,521,291	149,197,609
Net proceeds from disposal of fixed assets, intangible assets and other long-term assets		6,906,760	214,137,335
Cash received from acquisition of subsidiaries		-	2,403,114,462
Proceeds from government grants related to assets		459,943,640	47,729,081
Proceeds from other investing activities		3,455,877,227	714,771,214
		<hr/>	<hr/>
Sub-total of cash inflows		33,347,868,918	34,686,752,663
		<hr/>	<hr/>
Payment for acquisition of fixed assets, intangible assets and other long-term assets		(47,741,900,710)	(30,702,614,717)
Payment for acquisition of investments		(44,667,993,985)	(28,468,266,548)
Net payment for disposal of subsidiaries		-	(10,802,558)
		<hr/>	<hr/>
Sub-total of cash outflows		(92,409,894,695)	(59,181,683,823)
		<hr/>	<hr/>
Net cash outflow from investing activities		(59,062,025,777)	(24,494,931,160)
		<hr/>	<hr/>
III. Cash flows from financing activities:			
Proceeds from investors		9,851,250,000	4,500,000,000
Including: Proceeds from non-controlling shareholders of subsidiaries		9,851,250,000	4,500,000,000
Proceeds from borrowings		53,106,623,454	38,124,199,131
Proceeds from other financing activities		3,185,620,220	1,492,848,996
		<hr/>	<hr/>
Sub-total of cash inflows		66,143,493,674	44,117,048,127
		<hr/>	<hr/>

The notes on pages 21 to 147 form part of these financial statements.

BOE Technology Group Company Limited
Consolidated cash flow statement for the year ended 31 December 2017
(continued)
(Expressed in Renminbi Yuan)

	Note	2017	2016
III. Cash flows from financing activities: (continued)			
Repayments of borrowings		(18,337,522,432)	(15,306,109,721)
Payment for dividends or interest		(3,860,122,769)	(2,273,801,245)
Including: Dividends paid to non-controlling shareholders of subsidiaries		(7,359,220)	(8,732,530)
Net change of cash pledged for borrowing		(3,435,366,588)	(17,853,536)
Payment for other financing activities		(7,585,109,696)	(378,190,824)
Sub-total of cash outflows		<u>(33,218,121,485)</u>	<u>(17,975,955,326)</u>
Net cash inflow from financing activities		<u>32,925,372,189</u>	<u>26,141,092,801</u>
IV. Effect of foreign exchange rate changes on cash and cash equivalents		<u>(1,571,855,232)</u>	<u>1,452,623,410</u>
V. Net increase in cash and cash equivalents	V.53(1)	(1,441,522,805)	13,172,072,171
Add: Cash and cash equivalents at the beginning of the year		<u>49,354,810,388</u>	<u>36,182,738,217</u>
VI. Cash and cash equivalents at the end of the year	V.53(2)	<u>47,913,287,583</u>	<u>49,354,810,388</u>

These financial statements were approved by the Board of Directors of the Company on 20 April 2018.

Wang Dongsheng Chairman of the Board (Signature and stamp)	Chen Yanshun Chief Executive Officer (Signature and stamp)	Sun Yun Chief Financial Officer (Signature and stamp)	Yang Xiao Ping Financial Officer (Signature and stamp)	(Company stamp)
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The notes on pages 21 to 147 form part of these financial statements.

BOE Technology Group Company Limited
Company cash flow statement for the year ended 31 December 2017
(Expressed in Renminbi Yuan)

	Note	2017	2016
I. Cash flows from operating activities:			
Proceeds from sale of goods and rendering of services		2,646,300,929	2,674,977,287
Proceeds from other operating activities		34,989,298	3,981,911,784
		<u>2,681,290,227</u>	<u>6,656,889,071</u>
Sub-total of cash inflows		<u>2,681,290,227</u>	<u>6,656,889,071</u>
Payment for goods and services		(538,392,970)	(464,475,338)
Payment to and for employees		(702,175,894)	(514,664,760)
Payment of various taxes		(127,394,546)	(79,647,917)
Payment for other operating activities		(5,016,674,918)	(158,578,872)
		<u>(6,384,638,328)</u>	<u>(1,217,366,887)</u>
Sub-total of cash outflows		<u>(6,384,638,328)</u>	<u>(1,217,366,887)</u>
Net cash inflow from operating activities	XV.23(1)	<u>(3,703,348,101)</u>	<u>5,439,522,184</u>
II. Cash flows from investing activities:			
Proceeds from disposal of investments		-	8,236,000,000
Investment returns received		1,949,256,701	128,126,936
Net proceeds from disposal of fixed assets		773,888	775,023
Proceeds from other investing activities		1,280,375,880	934,888,042
		<u>3,230,406,469</u>	<u>9,299,790,001</u>
Sub-total of cash inflows		<u>3,230,406,469</u>	<u>9,299,790,001</u>

The notes on pages 21 to 147 form part of these financial statements.

BOE Technology Group Company Limited
Company cash flow statement for the year ended 31 December
2017(continued)
(Expressed in Renminbi Yuan)

	2017	2016
II. Cash flows from investing activities: (continued)		
Payment for acquisition of fixed assets, intangible assets and other long-term assets	(137,047,424)	(848,208,277)
Payment for acquisition of investments	(21,200,608,757)	(30,995,624,582)
Payment for other investing activities	(800,000,000)	(2,040,000,000)
	<hr/>	<hr/>
Sub-total of cash outflows	(22,137,656,181)	(33,883,832,859)
	<hr/>	<hr/>
Net cash outflow from investing activities	(18,907,249,712)	(24,584,042,858)
	<hr/>	<hr/>
III. Cash flows from financing activities:		
Proceeds from borrowings	9,933,000,000	24,830,951,698
Proceeds from other financing activities	11,300,000,000	1,280,000,000
	<hr/>	<hr/>
Sub-total of cash inflows	21,233,000,000	26,110,951,698
	<hr/>	<hr/>
Repayments of borrowings	(980,560,000)	(670,000,000)
Distribution of dividends and payment for interest	(1,562,806,447)	(511,706,064)
Payment for other financing activities	(609,376,971)	(1,584,350,197)
	<hr/>	<hr/>
Sub-total of cash outflows	(3,152,743,418)	(2,766,056,261)
	<hr/>	<hr/>
Net cash inflow from financing activities	18,080,256,582	23,344,895,437
	<hr/>	<hr/>

The notes on pages 21 to 147 form part of these financial statements.

BOE Technology Group Company Limited
Company cash flow statement for the year ended 31 December
2017(continued)
(Expressed in Renminbi Yuan)

	<i>Note</i>	<i>2017</i>	<i>2016</i>
IV. Effect of foreign exchange rate changes on cash and cash equivalents		<u>(27,557,680)</u>	<u>26,110,206</u>
V. Net (decrease) / increase in cash and cash equivalents	XV.23(1)	(4,557,898,911)	4,226,484,969
Add: Cash and cash equivalents at the beginning of the year		<u>7,548,700,412</u>	<u>3,322,215,443</u>
VI. Cash and cash equivalents at the end of the year	XV.23(2)	<u>2,990,801,501</u>	<u>7,548,700,412</u>

These financial statements were approved by the Board of Directors of the Company on 20 April 2018.

Wang Dongsheng Chairman of the Board <i>(Signature and stamp)</i>	Chen Yanshun Chief Executive Officer <i>(Signature and stamp)</i>	Sun Yun Chief Financial Officer <i>(Signature and stamp)</i>	Yang Xiao Ping Financial Officer <i>(Signature and stamp)</i>	(Company stamp)
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The notes on pages 21 to 147 form part of these financial statements.

BOE Technology Group Company Limited

Consolidated statement of changes in shareholders' equity for the year ended 31 December 2017

(Expressed in Renminbi Yuan)

	Attributable to shareholders of the Company									
	Note	Share capital	Capital reserve	Less: treasury shares	Other comprehensive income	Surplus reserve	Retained earnings	Sub-total	Non-controlling interests	Total
I. Balance at the beginning of the year		35,153,067,743	39,031,357,529	314,350,824	75,718,703	743,139,855	4,011,055,487	78,699,988,493	13,316,066,667	92,016,055,160
II. Changes in equity for the year										
1. Total comprehensive income		-	-	-	74,884,230	-	7,567,682,493	7,642,566,723	262,231,919	7,904,798,642
2. Shareholders' contributions and decrease of capital										
(1) Acquisitions of subsidiaries' minorities interests		-	123,216,408	-	-	-	-	123,216,408	5,903,507,090	6,026,723,498
(2) Repurchase of treasury shares		-	-	609,376,971	-	-	-	(609,376,971)	-	(609,376,971)
(3) Written off treasury shares		(354,668,980)	(569,058,815)	(923,727,795)	-	-	-	-	-	-
3. Appropriation of profits	V.39									
(1) Appropriation for surplus reserve		-	-	-	-	146,500,620	(146,500,620)	-	-	-
(2) Distributions to shareholders		-	-	-	-	-	(1,046,578,276)	(1,046,578,276)	(7,359,220)	(1,053,937,496)
III. Balance at the end of the year		34,798,398,763	38,585,515,122	-	150,602,933	889,640,475	10,385,659,084	84,809,816,377	19,474,446,456	104,284,262,833

These financial statements were approved by the Board of Directors of the Company on 20 April 2018.

Wang Dongsheng Chairman of the Board (Signature and stamp)	Chen Yanshun Chief Executive Officer (Signature and stamp)	Sun Yun Chief Financial Officer (Signature and stamp)	Yang Xiao Ping Financial Officer (Signature and stamp)	(Company stamp)
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The notes on pages 21 to 147 form part of these financial statements.

BOE Technology Group Company Limited

Consolidated statement of changes in shareholders' equity for the year ended 31 December 2016

(Expressed in Renminbi Yuan)

	Note	Attributable to shareholders of the Company						Non-controlling interests	Total	
		Share capital	Capital reserve	Less: treasury shares	Other comprehensive income	Surplus reserve	Retained earnings			Sub-total
I. Balance at the beginning of the year		35,153,067,743	39,018,900,467	-	90,153,009	592,242,059	2,630,912,286	77,485,275,564	865,554,255	78,350,829,819
II. Changes in equity for the year										
1. Total comprehensive income		-	-	-	(14,434,306)	-	1,882,571,674	1,868,137,368	209,092,587	2,077,229,955
2. Shareholders' contributions and decrease of capital										
(1) Acquisitions of subsidiaries' minorities interests		-	11,579,348	-	-	-	-	11,579,348	12,250,152,355	12,261,731,703
(2) Repurchase of treasury shares		-	-	314,350,824	-	-	-	(314,350,824)	-	(314,350,824)
3. Appropriation of profits	V.39									
(1) Appropriation for surplus reserve		-	-	-	-	150,897,796	(150,897,796)	-	-	-
(2) Distributions to shareholders		-	-	-	-	-	(351,530,677)	(351,530,677)	(8,732,530)	(360,263,207)
4. Others		-	877,714	-	-	-	-	877,714	-	877,714
III. Balance at the end of the year		35,153,067,743	39,031,357,529	314,350,824	75,718,703	743,139,855	4,011,055,487	78,699,988,493	13,316,066,667	92,016,055,160

These financial statements were approved by the Board of Directors of the Company on 20 April 2018.

Wang Dongsheng Chairman of the Board	Chen Yanshun Chief Executive Officer	Sun Yun Chief Financial Officer	Yang Xiao Ping Financial Officer	(Company stamp)
(Signature and stamp)	(Signature and stamp)	(Signature and stamp)	(Signature and stamp)	

The notes on pages 21 to 147 form part of these financial statements.

BOE Technology Group Company Limited

Company statement of changes in shareholders' equity for the year ended 31 December 2017

(Expressed in Renminbi Yuan)

	Share capital	Capital reserve	Less: treasury shares	Other comprehensive income	Surplus reserve	Retained earnings	Total
I. Balance at the beginning of the year	35,153,067,743	38,157,600,408	314,350,824	152,323,461	743,139,855	1,493,363,829	75,385,144,472
II. Changes in equity for the year							
1. Total comprehensive income	-	-	-	39,774,028	-	1,465,006,203	1,504,780,231
2. Shareholders' contributions and decrease of capital							
(1) Repurchase of treasury shares	-	-	609,376,971	-	-	-	(609,376,971)
(2) Written off treasury shares	(354,668,980)	(569,058,815)	(923,727,795)	-	-	-	-
3. Appropriation of profits							
(1) Appropriation for surplus reserve	-	-	-	-	146,500,620	(146,500,620)	-
(2) Distributions to shareholders	-	-	-	-	-	(1,046,578,276)	(1,046,578,276)
III. Balance at the end of the year	34,798,398,763	37,588,541,593	-	192,097,489	889,640,475	1,765,291,136	75,233,969,456

These financial statements were approved by the Board of Directors of the Company on 20 April 2018.

Wang Dongsheng	Chen Yanshun	Sun Yun	Yang Xiao Ping	(Company stamp)
Chairman of the Board	Chief Executive Officer	Chief Financial Officer	Financial Officer	
(Signature and stamp)	(Signature and stamp)	(Signature and stamp)	(Signature and stamp)	

The notes on pages 21 to 147 form part of these financial statements.

BOE Technology Group Company Limited

Company statement of changes in shareholders' equity for the year ended 31 December 2016

(Expressed in Renminbi Yuan)

	Share capital	Capital reserve	Less: treasury shares	Other comprehensive income	Surplus reserve	Retained earnings	Total
I. Balance at the beginning of the year	35,153,067,743	38,152,869,635	-	109,786,796	592,242,059	486,814,338	74,494,780,571
II. Changes in equity for the year							
1. Total comprehensive income	-	-	-	42,536,665	-	1,508,977,964	1,551,514,629
2. Shareholders' contributions and decrease of capital							
(1) Repurchase of treasury shares	-	-	314,350,824	-	-	-	(314,350,824)
(2) Written off treasury shares	-	-	-	-	-	-	-
3. Appropriation of profits							
(1) Appropriation for surplus reserve	-	-	-	-	150,897,796	(150,897,796)	-
(2) Distributions to shareholders	-	-	-	-	-	(351,530,677)	(351,530,677)
4. Others	-	4,730,773	-	-	-	-	4,730,773
III. Balance at the end of the year	35,153,067,743	38,157,600,408	314,350,824	152,323,461	743,139,855	1,493,363,829	75,385,144,472

These financial statements were approved by the Board of Directors of the Company on 20 April 2018.

Wang Dongsheng Chairman of the Board (Signature and stamp)	Chen Yanshun Chief Executive Officer (Signature and stamp)	Sun Yun Chief Financial Officer (Signature and stamp)	Yang Xiao Ping Financial Officer (Signature and stamp)	(Company stamp)
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The notes on pages 21 to 147 form part of these financial statements.

BOE Technology Group Company Limited

Notes to the financial statements

(Expressed in Renminbi Yuan unless otherwise indicated)

I. Company status

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

The Company and its subsidiaries (referred to as “the Group”) comprise three main business segments: Display device and sensor device business, Smart system business and Healthcare service business. For information about the subsidiaries of the Company, please refer to Note VII. During the reporting period, the information about increases and decreases in the Group’s subsidiaries is disclosed in Note VI.

II. Basis of preparation

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

III. Significant accounting policies and accounting estimates

1. Statement of compliance

The financial statements have been prepared in accordance with the requirements of Accounting Standards for Business Enterprises or referred to as China Accounting Standards (“CAS”). These financial statements present truly and completely the consolidated financial position and financial position of the Company as at 31 December 2017, and the consolidated financial performance and financial performance and the consolidated cash flows and cash flows of the Company for the year then ended.

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

2. Accounting period

The accounting period is from 1 January to 31 December.

3. Operating cycle

The Company takes the period from the acquisition of assets for processing to until the ultimate realisation of cash or cash equivalents as a normal operating cycle. The operating cycle of the Company is usually less than 12 months.

4. Functional currency

The Company's functional currency is Renminbi and these financial statements are presented in Renminbi. Functional currency is determined by the Company and its subsidiaries on the basis of the currency in which major income and costs are denominated and settled. Some of the Company's subsidiaries have functional currencies that are different from the Company's functional currency. Their financial statements have been translated based on the accounting policy set out in Note III.8.

5. Accounting treatments for business combinations involving entities under common control and not under common control

(1) Business combinations involving entities under common control

A business combination involving entities under common control is a business combination in which all of the combining entities are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. The assets acquired and liabilities assumed are measured based on their carrying amounts in the consolidated financial statements of the ultimate controlling party at the combination date. The difference between the carrying amount of the net assets acquired and the consideration paid for the combination (or the total par value of shares issued) is adjusted against share premium in the capital reserve, with any excess adjusted against retained earnings. Any costs directly attributable to the combination are recognised in profit or loss when incurred. The combination date is the date on which one combining entity obtains control of other combining entities.

(2) Business combinations involving entities not under common control

A business combination involving entities not under common control is a business combination in which all of the combining entities are not ultimately controlled by the same party or parties both before and after the business combination. Where (1) the aggregate of the fair value at the acquisition date of assets transferred (including the acquirer's previously held equity interest in the acquiree), liabilities incurred or assumed, and equity securities issued by the acquirer, in exchange for control of the acquiree, exceeds (2) the acquirer's interest in the fair value at the acquisition date of the acquiree's identifiable net assets, the difference is recognised as goodwill (see Note III.18) Where (1) is less than (2), the difference is recognised in profit or loss for the current period. The costs of issuing equity or debt securities as a part of the consideration for the acquisition are included in the carrying amounts of these equity or debt securities upon initial recognition. Other acquisition-related costs are expensed when incurred. The acquiree's identifiable asset, liabilities and contingent liabilities, if the recognition criteria are met, are recognised by the Group at their acquisition-date fair value. The acquisition date is the date on which the acquirer obtains control of the acquiree.

For a business combination involving entities not under common control and achieved in stages, the Group remeasures its previously-held equity interest in the acquiree to its acquisition-date fair value and recognises any resulting difference between the fair value and the carrying amount as investment income for the current period. In addition, any amount recognised in other comprehensive income that may be reclassified to profit or loss, in prior reporting periods relating to the previously-held equity interest, and any other changes in the owners' equity under

equity accounting, are transferred to investment income in the period in which the acquisition occurs (see Note III.12(2)(b)).

6. Consolidated financial statements

(1) General principles

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

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

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

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

(2) Subsidiaries acquired through a business combination

Where a subsidiary was acquired during the reporting period, through a business combination involving entities under common control, the subsidiary's assets and liabilities based on their carrying amounts in the financial statements of the ultimate controlling party are included in the consolidated financial statements as if the combination had occurred at the date that the ultimate controlling party first obtained control. The opening balances and the comparative figures of the consolidated financial statements are also restated.

Where a subsidiary was acquired during the reporting period, through a business combination involving entities not under common control, the identifiable assets and liabilities of the acquired subsidiaries are included in the scope of consolidation from the date that control commences, based on the fair value of those identifiable assets and liabilities at the acquisition date.

(3) Disposal of subsidiaries

When the Group loses control over a subsidiary, any resulting disposal gains or losses are recognised as investment income for the current period. The remaining equity interests is re-measured at its fair value at the date when control is lost, any resulting gains or losses are also recognised as investment income for the current period.

When the Group loses control of a subsidiary in multiple transactions in which it disposes of its long-term equity investment in the subsidiary in stages, the following are considered to determine whether the Group should account for the multiple transactions as a bundled transaction:

- arrangements are entered into at the same time or in contemplation of each other;
- arrangements work together to achieve an overall commercial effect;
- the occurrence of one arrangement is dependent on the occurrence of at least one other arrangement;
- one arrangement considered on its own is not economically justified, but it is economically justified when considered together with other arrangements.

If each of the multiple transactions does not form part of a bundled transaction, the transactions conducted before the loss of control of the subsidiary are accounted for in accordance with the accounting policy for partial disposal of equity investment in subsidiaries where control is retained (see Note III.6(4)).

If each of the multiple transactions forms part of a bundled transaction which eventually results in the loss of control in the subsidiary, these multiple transactions are accounted for as a single transaction. In the consolidated financial statements, the difference between the consideration received and the corresponding proportion of the subsidiary's net assets (calculated continuously from the acquisition date) in each transaction prior to the loss of control shall be recognised in other comprehensive income and transferred to profit or loss when the parent eventually loses control of the subsidiary.

(4) Changes in non-controlling interests

Where the Company acquires a non-controlling interest from a subsidiary's non-controlling shareholders or disposes of a portion of an interest in a subsidiary without a change in control, the difference between the proportion interests of the subsidiary's net assets being acquired or disposed and the amount of the consideration paid or received is adjusted to the capital reserve (share premium) in the consolidated balance sheet, with any excess adjusted to retained earnings.

7. Cash and cash equivalents

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

8. Foreign currency transactions and translation of financial statements denominated in foreign currencies

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

Monetary items denominated in foreign currencies are translated to Renminbi at the spot exchange rate at the balance sheet date. The resulting exchange differences are generally recognised in profit or loss, unless they arise from the re-translation of the principal and interest of specific borrowings for construction of qualifying assets (see Note III.16). Non-monetary items that are measured at historical cost in foreign currencies are translated to Renminbi using the exchange rate at the transaction date. Non-monetary items that are measured at fair value in foreign currencies are translated using the exchange rate at the date the fair value is determined. The resulting exchange differences are recognised in profit or loss, except for the differences arising from the re-translation of available-for-sale financial assets, which are recognised in other comprehensive income.

Assets and liabilities of foreign operation are translated to Renminbi at the spot exchange rate at the balance sheet date. Equity items, excluding “retained earnings and translation differences with respect to a foreign operation in other comprehensive income”, are translated to Renminbi at the spot exchange rates at the transaction dates. Income and expenses of foreign operation are translated to Renminbi at the rates that approximate the spot exchange rates at the transaction dates. The resulting translation differences are recognised in other comprehensive income. The translation differences accumulated in shareholders’ equity with respect to a foreign operation is transferred to profit or loss in the period when the foreign operation is disposed.

9. Financial instruments

Financial instruments include cash at bank and on hand, investments in debt and equity securities other than those classified as long-term equity investments (see Note III.12), receivables, payables, loans and borrowings, bonds payable and share capital, etc.

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

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

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

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

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

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

- Receivables

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

Subsequent to initial recognition, receivables are measured at amortised cost using the effective interest method.

- Held-to-maturity investments

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

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

- Available-for-sale financial assets

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

Available-for-sale investments in equity instruments whose fair value cannot be measured reliably are measured at cost subsequent to initial recognition. Other available-for-sale financial assets are measured at fair value subsequent to initial recognition and changes therein are generally recognised in other comprehensive income, except for impairment losses and foreign exchange gains and losses from monetary financial assets which are recognised directly in profit or loss. When an investment is derecognised, the gain or loss accumulated in other comprehensive income is reclassified to profit or loss. Dividend income is recognised in profit or loss when the investee approves the dividends. Interest is recognised in profit or loss using the effective interest method (see Note III.23 (4)).

- Other financial liabilities

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

Other financial liabilities include liabilities arising from financial guarantee contracts. Financial guarantees are contracts that require the Group (i.e. the guarantor) to make specified payments to reimburse the beneficiary of the guarantee (the holder) for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Where the Group issues a financial guarantee, subsequent to initial recognition, the guarantee is measured at the higher of the amount initially recognised less accumulated amortisation and the amount of a provision determined in accordance with the principles for contingent liabilities (see Note III.22).

Liabilities other than those arising from financial guarantee contracts are measured at amortised cost using the effective interest method.

(2) Presentation of financial assets and financial liabilities

Financial assets and financial liabilities are generally presented separately in the balance sheet, and are not offset. However, a financial asset and a financial liability are offset and the net amount is presented in the balance sheet when both of the following conditions are satisfied:

- the Group currently has a legally enforceable right to set off the recognised amounts;
- the Group intends either to settle on a net basis, or to realise the financial asset and settle the financial liability simultaneously.

(3) Derecognition of financial assets and financial liabilities

A financial asset is derecognised if any of the following conditions were met:

- the Group's contractual rights to the cash flows from the financial asset expire;
- if the the financial asset has been transferred and the Group transfers substantially all the risks and rewards of ownership of the financial asset to transferee;
- if the the financial asset has been transferred and the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, but it gives up its control over the financial asset.

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

- the carrying amount of the financial asset transferred;
- the sum of the consideration received from the transfer and any cumulative gain or loss that has been recognised directly in shareholders' equity.

The Group derecognises a financial liability (or part of it) only when its contractual obligation (or part of it) is discharged or cancelled or expires.

(4) Impairment of financial assets

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

Objective evidence that a financial asset is impaired includes but is not limited to:

- (a) significant financial difficulty of the issuer or obligor;
- (b) a breach of contract by the borrower, such as a default or delinquency in interest or principal payments;
- (c) it becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- (d) the disappearance of an active market for that financial asset because of financial difficulties faced by the issuer;
- (e) significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in which the issuer operates, indicating that the cost of an investment in an equity instrument may not be recovered by the investor;
- (f) a significant (i.e. a decline of 50%) or prolonged decline in the fair value (i.e. a decline persisting for nine months) of an investment in an equity instrument below its cost.

For the calculation method of impairment of receivables, refer to Note III.10. The impairment of other financial assets is measured as follows:

- Held-to-maturity investments

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

If, after an impairment loss has been recognised on held-to-maturity investments, there is a recovery in the value of the financial asset which can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss. A reversal of an impairment loss will not result in the asset's carrying amount exceeding what the amortised cost would have been had no impairment loss been recognised in prior years.

- Available-for-sale financial assets

Available-for-sale financial assets are assessed for impairment on an individual basis and on a collective group basis. When an available-for-sale financial asset is impaired, the cumulative loss arising from a decline in fair value that has been recognised directly in shareholders' equity is reclassified to profit or loss even though the financial asset has not been derecognised.

If, after an impairment loss has been recognised on an available-for-sale debt instrument, the fair value of the debt instrument increases in a subsequent period and the increase can be objectively related to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. An impairment loss recognised for an investment in an equity instrument classified as available-for-sale is not reversed through profit or loss. The impairment loss on an investment in an unquoted equity instrument whose fair value cannot be reliably measured is not reversed.

(5) Equity instrument

The consideration received from the issuance of equity instruments net of transaction costs is recognised in shareholders' equity. Consideration and transaction costs paid by the Company for repurchasing self-issued equity instruments are deducted from shareholders' equity.

When the Company repurchases its own shares, those shares are treated as treasury shares. All expenditures relating to the repurchase are recorded in the cost of the treasury shares, with the transaction recording in the share register. Treasury shares are excluded from profit distributions and are presented as a deduction under shareholders' equity in the balance sheet.

When treasury shares are cancelled, the share capital should be reduced to the extent of the total par value of the treasury shares cancelled. Where the cost of the treasury shares cancelled exceeds the total par value, the excess is sequentially deducted from capital reserve (share premium), surplus reserve and retained earnings sequentially. If the cost of treasury shares cancelled is less than the total par value, the difference is credited to the capital reserve (share premium).

When treasury shares are disposed of, any excess of proceeds above cost is recognised in capital reserve (share premium); otherwise, the shortfall is deducted against capital reserve (share premium), surplus reserve and retained earnings sequentially.

(6) Convertible instruments

- Convertible instruments containing an equity component

Convertible instruments issued by the Group that can be converted to equity shares, where the number of shares to be issued and the value of consideration to be received at that time do not vary, are accounted for as compound financial instruments containing both liability and equity components.

The initial carrying amount of a compound financial instrument is allocated to its equity and liability components. The amount recognised in the equity is the difference between the fair value of the instrument as a whole and the separately determined fair value of the liability component (including the fair value of any embedded derivatives other than the equity component). Transaction costs that relate to the issue of a compound financial instrument are allocated to the liability and equity components in proportion to the allocation of proceeds.

Subsequent to initial recognition, the liability component is measured at amortised cost using the effective interest method, unless it is designated upon recognition at fair value through profit or loss. The equity component is not re-measured.

If the convertible instrument is converted, the liability component, together with the equity component, is transferred to equity. If the convertible instrument is redeemed, the consideration paid for the redemption, together with the transaction costs that relate to the redemption, are allocated to the liability and equity components. The method used to allocate the consideration and transaction costs is the same as that used for issuance. After allocating the consideration and transaction costs, the difference between the allocated and carrying amounts is charged to profit and loss if it relates to the liability component or is directly recognised in equity if it relates to the equity component.

- Other convertible instruments not containing an equity component

For other convertible instruments issued by the Group which do not contain an equity component, at initial recognition, the derivative component is measured at fair value, and any excess of proceeds over the derivative component is recognised as the liability component.

The derivative component is subsequently measured at fair value, and gains or losses from the changes in the fair value are recognised in profit or loss. The liability component is subsequently carried at amortised cost using the effective interest method.

On conversion, the carrying amounts of the derivative and liability components are transferred to equity. If the instrument is redeemed, any difference between the redemption amount paid and the carrying amounts of both components is recognised in profit or loss.

10. Impairment of receivables

Receivables are assessed for impairment both on an individual basis and on a collective group basis.

Where impairment is assessed on an individual basis, an impairment loss in respect of a receivable is calculated as the excess of its carrying amount over the present value of the estimated future cash flows (exclusive of future credit losses that have not been incurred) discounted at the original effective interest rate. All impairment losses are recognised in profit or loss. The Group recognised receivables individually greater than RMB 50,000,000 as significant and perform impairment test on an individual basis. Those receivables individually insignificant but with specific natures, i.e. legal issue or customer credit issue, are also reviewed and tested on an individual basis.

The assessment is made collectively where receivables share similar credit risk characteristics (including those not having been individually assessed as impaired), based on their historical loss experiences, and adjusted by the observable factors reflecting present economic conditions.

If, after an impairment loss has been recognised on receivables, there is objective evidence of a recovery in value of the financial asset which can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss. A reversal of an impairment loss

will not result in the asset's carrying amount exceeding what the amortised cost would have been determined had no impairment loss been recognised in prior years.

11. Inventories

(1) Classification and cost

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

Inventories are initially measured at cost. Cost of inventories comprises all costs of purchase, costs of conversion and other expenditures incurred in bringing the inventories to their present location and condition. In addition to the purchasing cost of raw materials, work in progress and finished goods include direct labour costs and an appropriate allocation of production overheads.

(2) Measurement method of cost of inventories

Cost of inventories recognised is calculated using the weighted average method.

Consumables including low-value consumables and packaging materials are amortised when they are used. The amortisation charge are included in the cost of the related assets or recognised in profit or loss for the current period.

(3) Basis for determining the net realisable value of inventories and method for provision for obsolete inventories

At the balance sheet date, inventories are carried at the lower of cost and net realisable value.

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

Any excess of the cost over the net realisable value of each category of inventories is recognised as a provision for obsolete inventories, and is recognised in profit or loss.

(4) Inventory count system

The Group maintains a perpetual inventory system.

12. Long-term equity investment

(1) Investment cost of long-term equity investments

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

- The initial cost of a long-term equity investment acquired through a business combination involving entities under common control is the Company's share of the carrying amount of the subsidiary's equity in the consolidated financial statements of the ultimate controlling party at the combination date. The difference between the initial investment cost and the carrying amount of the consideration given is adjusted to the share premium in the capital reserve, with any excess adjusted to retained earnings. For a long-term equity investment in a subsidiary acquired through a business combination achieved in stages which do not form a bundled transaction and involving entities under common control, the Company determines the initial cost of the investment in accordance with the above policies. The difference between this initial cost and the sum of the carrying amount of previously-held investment and the consideration paid for the shares newly acquired is adjusted to capital premium in the capital reserve, with any excess adjusted to retained earnings.
- For a long-term equity investment obtained through a business combination not involving entities under common control, the initial cost comprises the aggregate of the fair value of assets transferred, liabilities incurred or assumed, and equity securities issued by the Company, in exchange for control of the acquiree. For a long-term equity investment obtained through a business combination not involving entities under common control and achieved through multiple transactions in stages which do not form a bundled transaction, the initial cost comprises the carrying amount of the previously-held equity investment in the acquiree immediately before the acquisition date, and the additional investment cost at the acquisition date.

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

- A long-term equity investment acquired other than through a business combination is initially recognised at the amount of cash paid if the Group acquires the investment by cash, or at the fair value of the equity securities issued if an investment is acquired by issuing equity securities.

(2) Subsequent measurement of long-term equity investment

(a) Investments in subsidiaries

In the Company's separate financial statements, long-term equity investments in subsidiaries are accounted for using the cost method for subsequent measurement, other those investments qualified for held for sale (see Note III.28). Except for cash dividends or profit distributions declared but not yet distributed that have been included in the price or consideration paid in obtaining the investments, the Company recognises its share of the cash dividends or profit distributions declared by the investee as investment income for the current period.

The investments in subsidiaries are stated in the balance sheet at cost less accumulated impairment losses.

For the impairment of the investments in subsidiaries, refer to Note III.20.

In the Group's consolidated financial statements, investments in subsidiaries are accounted for in accordance with the policies described in Note III.6.

(b) Investment in joint ventures and associates

A joint venture is an arrangement whereby the Group and other parties have joint control (see Note III.12 (3)) and rights to the net assets of the arrangement.

An associate is an entity over which the Group has significant influence (see Note III.12 (3)).

An investment in a joint venture or an associate is accounted for using the equity method for subsequent measurement, unless the investment is classified as held for sale (see Note III.28).

The accounting treatments under the equity method adopted by the Group are as follows:

- Where the initial cost of a long-term equity investment exceeds the Group's interest in the fair value of the investee's identifiable net assets at the date of acquisition, the investment is initially recognised at cost. Where the initial investment cost is less than the Group's interest in the fair value of the investee's identifiable net assets at the date of acquisition, the investment is initially recognised at the investor's share of the fair value of the investee's identifiable net assets, and the difference is recognised in profit or loss.
- After the acquisition of the investment, the Group recognises its share of the investee's profit or loss and other comprehensive income as investment income or losses and other comprehensive income respectively, and adjusts the carrying amount of the investment accordingly. Once the investee declares any cash dividends or profit distributions, the carrying amount of the investment is reduced by the amount attributable to the Group. Changes in the Group's share of the investee's owners' equity, other than those arising from the investee's net profit or loss, other comprehensive income or profit distribution (referred to as "other changes in owners' equity"), is recognised directly in the Group's equity, and the carrying amount of the investment is adjusted accordingly.
- In calculating its share of the investee's net profits or losses, other comprehensive income and other changes in owners' equity, the Group recognises investment income and other comprehensive income after making appropriate adjustments to align the accounting policies or accounting periods with those of the Group based on the fair value of the investee's identifiable net assets at the date of acquisition. Unrealised profits and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's interest in the associates or joint ventures. Unrealised losses resulting from transactions between the Group and its associates or joint ventures are eliminated in the same way as unrealised gains but only to the extent that there is no impairment.

- The Group discontinues recognising its share of further losses of the investee after the carrying amount of the long-term equity investment and any long-term interest that in substance forms part of the Group's net investment in the joint venture or associate is reduced to zero, except to the extent that the Group has an obligation to assume additional losses. If the joint venture or associate subsequently reports net profits, the Group resumes recognising its share of those profits only after its share of the profits has fully covered the share of losses not recognized.

For the Group's impairment of the investments in joint ventures and associates, refer to Note III.20.

(3) Criteria for determining the existence of joint control or significant influence over an investee

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities (activities with significant impact on the returns of the arrangement) require the unanimous consent of the parties sharing control.

The following factors are usually considered when assessing whether the Group can exercise joint control over an investee:

- Whether no single participant party is in a position to control the investee's related activities unilaterally;
- Whether strategic decisions relating to the investee's related activities require the unanimous consent of all participant parties that sharing of control.

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

13. Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or for both. Investment properties are accounted for using the cost model and stated in the balance sheet at cost less accumulated depreciation, amortisation and impairment losses. The cost of investment property, less its estimated residual value and accumulated impairment losses, is depreciated or amortised using the straight-line over its estimated useful life, unless the investment property is classified as held for sale (see Note III.28). For the impairment of the investment properties, refer to Note III.20.

The estimated useful lives, residual value rates and depreciation rates of each class of investment properties are as follows:

<i>Class</i>	<i>Estimated useful life (years)</i>	<i>Residual value rate (%)</i>	<i>Depreciation rate (%)</i>
Land use rights	32 - 50 years	0.0%	2.0% - 3.1%
Buildings	25 - 40 years	3.0% - 10.0%	2.3% - 3.9%

14. Fixed assets

(1) Recognition of fixed assets

Fixed assets represent the tangible assets held by the Group for use in production of goods, supply of services, for rental or for administrative purposes with useful lives over one accounting year.

The cost of a purchased fixed asset comprises the purchase price, related taxes, and any directly attributable expenditure for bringing the asset to working condition for its intended use. The cost of self-constructed assets is measured in accordance with the policy set out in Note III.15.

Where the parts of an item of fixed assets have different useful lives or provide benefits to the Group in a different pattern, thus necessitating use of different depreciation rates or methods, each part is recognised as a separate fixed asset.

Any subsequent costs including the cost of replacing part of an item of fixed assets are capitalised and recognised as assets when it is probable that the related economic benefits will flow to Group, and the carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of fixed assets are recognised in profit or loss as incurred.

Fixed assets are stated in the balance sheet at cost less accumulated depreciation and impairment losses.

(2) Depreciation of fixed assets

The cost of a fixed asset, less its estimated residual value and accumulated impairment losses, is depreciated using the straight-line method over its estimated useful life, unless the fixed asset is classified as held for sale (see Note III.28).

The estimated useful lives, residual value rates and depreciation rates of each class of fixed assets are as follows:

<i>Class</i>	<i>Estimated useful life (years)</i>	<i>Residual value rate (%)</i>	<i>Depreciation rate (%)</i>
Plant and buildings	10 - 50 years	3% - 10%	1.8% - 9.7%
Equipment	2 - 20 years	0 - 10%	4.5% - 50%
Others	2 - 10 years	0 - 10%	9.0% - 50%

Useful lives, estimated net residual value and depreciation methods are reviewed at least at each year-end.

(3) For the impairment of the fixed assets, refer to Note III.20.

- (4) For the recognition, measurement and depreciation of fixed assets acquired under finance leases, refer to Note III.27.

(5) Disposal of fixed assets

The carrying amount of a fixed asset is derecognized:

- when the fixed asset is on holding for disposal; or
- when no future economic benefit is expected to be generated from its use or disposal.

Gains or losses arising from the retirement or disposal of an item of fixed asset are determined as the difference between the net disposal proceeds and the carrying amount of the item, and are recognised in profit or loss on the date of retirement or disposal.

15. Construction in progress

The cost of self-constructed assets includes the cost of materials, direct labour, capitalised borrowing costs (see Note III.16), and any other costs directly attributable to bringing the asset to working condition for its intended use.

A self-constructed asset is classified as construction in progress and transferred to fixed asset when it is ready for its intended use. No depreciation is provided against construction in progress.

Construction in progress is stated in the balance sheet at cost less accumulated impairment losses (see Note III.20).

16. Borrowing costs

Borrowing costs incurred directly attributable to the acquisition, construction of a qualifying asset are capitalised as part of the cost of the asset. Other borrowing costs are recognised as financial expenses when incurred.

During the capitalisation period, the amount of interest (including amortisation of any discount or premium on borrowing) to be capitalised in each accounting period is determined as follows:

- Where funds are borrowed specifically for the acquisition, construction of a qualifying asset, the amount of interest to be capitalised is the interest expense calculated using effective interest rates during the period less any interest income earned from depositing the borrowed funds or any investment income on the temporary investment of those funds before being used on the asset.
- To the extent that the Group borrows funds generally and uses them for the acquisition, construction of a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the weighted average of the excess amounts of cumulative expenditures on the asset over the above amounts of specific borrowings. The capitalisation rate is the

weighted average of the interest rates applicable to the general-purpose borrowings.

The effective interest rate is determined as the rate that exactly discounts estimated future cash flow through the expected life of the borrowing or, when appropriate, a shorter period to the initially recognised amount of the borrowings.

During the capitalisation period, exchange differences related to the principal and interest on a specific-purpose borrowing denominated in foreign currency are capitalised as part of the cost of the qualifying asset. The exchange differences related to the principal and interest on foreign currency borrowings other than a specific-purpose borrowing are recognised as a financial expense when incurred.

The capitalisation period is the period from the date of commencement of capitalisation of borrowing costs to the date of cessation of capitalisation, excluding any period over which capitalisation is suspended. Capitalisation of borrowing costs commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities of acquisition, construction that are necessary to prepare the asset for its intended use are in progress, and ceases when the assets become ready for their intended use. When the parts of the qualifying assets acquired or constructed that are eligible for capitalisation are completed separately, and each part is available for use in other parts of the construction process or can be sold externally, and for the purpose of making the parts of the assets ready for use or necessary for the sales status, the acquisition or construction activities have been substantially completed, the Group ceases the capitalization of the borrowing costs related to the parts of the assets. Capitalisation of borrowing costs is suspended when the acquisition, construction activities are interrupted abnormally for a period of more than three months.

17. Intangible assets

Intangible assets are stated in the balance sheet at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses (see Note III.20). For an intangible asset with finite useful life, its cost estimated less residual value and accumulated impairment losses is amortised on the straight-line method over its estimated useful life, unless the intangible asset is classified as held for sale (see Note III.28).

The respective amortisation periods for intangible assets are as follows:

<i>Item</i>	<i>Amortisation periods (years)</i>
Land use rights	40 - 50 years
Patent and technology rights	5 - 10 years
Computer software	3 - 10 years
Others	5 - 20 years

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

Expenditure on an internal research and development project is classified into expenditure incurred during the research phase and expenditure incurred during the development phase.

Expenditure during the research phase is expensed when incurred. Expenditure during the development phase is capitalised if development costs can be measured reliably, the product or process is technically and commercially feasible, and the Group intends to and has sufficient resources to complete the development. Capitalised development costs are stated in the balance sheet at cost less impairment losses (see Note III.20). Other development expenditure is recognised as an expense in the period in which it is incurred.

18. Goodwill

The initial cost of goodwill represents the excess of cost of acquisition over the acquirer's interest in the fair value of the identifiable net assets of the acquiree under the business combination not involving entities under common control.

Goodwill is not amortised and is stated in the balance sheet at cost less accumulated impairment losses (see Note III.20). On disposal of an asset group or a set of asset groups, any attributable amount of purchased goodwill is written off and included in the calculation of the profit or loss on disposal.

19. Long-term deferred expenses

Long-term deferred expenses are amortised on a straight-line method within the benefit period. The respective amortisation periods of such expenses are as follows:

<i>Item</i>	<i>Amortisation period (years)</i>
Prepayment for public facilities construction and use	10 - 15 years
Cost of operating lease assets improvement	3 - 10 years
Others	2 - 10 years

20. Impairment of assets other than inventories and financial assets

The carrying amounts of the following assets are reviewed at each balance sheet date based on the internal and external sources of information to determine whether there is any indication of impairment:

- fixed assets
- construction in progress
- intangible assets
- investment properties measured using a cost model
- long-term equity investments
- goodwill
- long-term deferred expenses, etc.

If any indication exists, the recoverable amount of the asset is estimated. In

addition, the Group estimates the recoverable amounts of goodwill at each year-end, irrespective of whether there is any indication of impairment. Goodwill is allocated to each asset group or set of asset groups, which is expected to benefit from the synergies of the combination for the purpose of impairment testing.

The recoverable amount of an asset (or asset group, set of asset groups, the same below) is the higher of its fair value (see Note III.21) less costs to sell and its present value of expected future cash flows.

An asset group is composed of assets directly relating to cash-generation. An asset group is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or asset groups.

The present value of expected future cash flows of an asset is determined by discounting the future cash flows, estimated to be derived from continuing use of the asset and from its ultimate disposal, to their present value using an appropriate pre-tax discount rate.

An impairment loss is recognised in profit or loss when the recoverable amount of an asset is less than its carrying amount. A provision for impairment of the asset is recognised accordingly. Impairment losses related to an asset group or a set of asset groups are allocated first to reduce the carrying amount of any goodwill allocated to the asset group or set of asset groups, and then to reduce the carrying amount of the other assets in the asset group or set of asset groups on a pro rata basis. However, such allocation would not reduce the carrying amount of an asset below the highest of its fair value less costs to sell (if measurable), its present value of expected future cash flows (if determinable) and zero.

Once an impairment loss is recognised, it is not reversed in a subsequent period.

21. Fair value measurement

Unless otherwise specified, the Group determines fair value measurement as below:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

When measuring fair value, the Group takes into account the characteristics of the particular asset or liability (including the condition and location of the asset and restrictions, if any, on the sale or use of the asset) that market participants would consider when pricing the asset or liability at the measurement date, and uses valuation techniques that are appropriate in the circumstances and for which sufficient data and other information are available to measure fair value. Valuation techniques mainly include the market approach, the income approach and the cost approach.

22. Provisions

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

A provision is initially measured at the best estimate of the expenditure required to settle the related present obligation. Where the effect of time value of money is material, provisions are determined by discounting the expected future cash flows. Factors pertaining to a contingency such as the risks, uncertainties and time value of money are taken into account as a whole in reaching the best estimate. Where there is a continuous range of possible outcomes for the expenditure required, and each possible outcome in that range is as likely as any other, the best estimate is the mid-point of that range. In other cases, the best estimate is determined according to the following circumstances:

- Where the contingency involves a single item, the best estimate is the most likely outcome.
- Where the contingency involves a large population of items, the best estimate is determined by weighting all possible outcomes by their associated probabilities.

The Group reviews the carrying amount of a provision at the balance sheet date and adjusts the carrying amount to the current best estimate.

23. Revenue recognition

Revenue is the gross inflow of economic benefit arising in the course of the Group's ordinary activities when the inflows result in increase in shareholders' equity, other than increase relating to contributions from shareholders. Revenue is recognised in profit or loss when it is probable that the economic benefits will flow to the Group, the revenue and costs can be measured reliably and the following conditions are met:

(1) Sale of goods

Revenue is recognised when the general conditions stated above and the following conditions are satisfied:

- Significant risks and rewards of ownership of goods have been transferred to the buyer;
- The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

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

The sales contracts/orders signed between the Company and its customers (mainly electronic equipment manufacturers) contain various trading terms. The Company judges the transfer timing of major risks and rewards according to the trading terms, and recognises revenue accordingly. Depending on the trading terms, the income is usually recognized when the goods are delivered and received, or when they are received by the carrier.

(2) Rendering of services

Revenue is measured at the fair value of the consideration received or receivable under the contract or agreement.

Where the outcome of a transaction involving the rendering of services can be estimated reliably, revenue is recognised by reference to the stage of completion

based on the progress of work performed.

Where the outcome cannot be estimated reliably, revenues are recognised to the extent of the costs incurred that are expected to be recoverable, and an equivalent amount is charged to profit or loss as service cost; otherwise, the costs incurred are recognised in profit or loss and no service revenue is recognized.

(3) Revenue from construction contracts

Where the outcome of a construction contract can be estimated reliably, contract revenue and contract expenses associated with the construction contract are recognised using the percentage of completion method.

The stage of completion of a contract is determined based on the proportion of contract costs incurred for work performed to date to the estimated total contract costs.

When the outcome of a construction contract cannot be estimated reliably:

- If the contract costs can be recovered, revenue is recognised to the extent of contract costs incurred that can be recovered, and the contract costs are recognised as contract expenses when incurred;
- Otherwise, the contract costs are recognised as contract expenses immediately when incurred, and no contract revenue is recognised.

(4) Interest income

Interest income is recognised on a time proportion basis with reference to the principal outstanding and the applicable effective interest rate.

(5) Royalties from intangible assets

Royalty income from intangible assets is determined according to the period and fee calculation method as stipulated in the relevant contracts or agreements.

24. Employee benefits

(1) Short-term employee benefits

Employee wages or salaries, bonuses, social security contributions such as medical insurance, work injury insurance, maternity insurance and housing fund, measured at the amount incurred or accrued at the applicable benchmarks and rates, are recognised as a liability as the employee provides services, with a corresponding charge to profit or loss or included in the cost of assets where appropriate.

(2) Post-employment benefits – defined contribution plans

Pursuant to the relevant laws and regulations of the People's Republic of China, the Group participated in a defined contribution basic pension insurance plan and unemployment insurance plan in the social insurance system established and managed by government organisations, and annuity plan established by the Group in

compliance with the national policy of the corporation annuity. The Group makes contributions to basic pension insurance plans based on the applicable benchmarks and rates stipulated by the government. Annuity is accrued based on the gross salaries of the employees. Basic pension insurance contributions are recognised as part of the cost of assets or charged to profit or loss as the related services are rendered by the employees.

(3) Post-employment benefits – defined benefit plans.

During the reporting period, the Group did not have defined benefit plans.

(4) Termination benefits

When the Group terminates the employment with employees before the employment contracts expire, or provides compensation under an offer to encourage employees to accept voluntary redundancy, a provision is recognised with a corresponding expense in profit or loss at the earlier of the following dates:

- When the Group cannot unilaterally withdraw the offer of termination benefits because of an employee termination plan or a curtailment proposal;
- When the Group has a formal detailed restructuring plan involving the payment of termination benefits and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

25. Government grants

Government grants are non-reciprocal transfers of monetary assets or non-monetary assets from the government to the Group at no consideration except for any capital contribution from the government as an investor in the Group. Special funds such as investment grants allocated by the government, if clearly defined in official documents as part of “capital reserve” are dealt with as capital contributions, and not regarded as government grants.

A government grant is recognised when there is reasonable assurance that the grant will be received and that the Group will comply with the conditions attaching to the grant.

If a government grant is in the form of a transfer of a monetary asset, it is measured at the amount that is received or receivable. If a government grant is in the form of a transfer of a non-monetary asset, it is measured at its fair value.

Government grants related to assets are grants whose primary condition is that the Group qualifying for them should purchase, construct or otherwise acquire long-term assets. Government grants related to income are grants other than those related to assets.

Those related to daily activities of the Company are included in other income or used to write off related cost based on the nature of economic businesses, or included in non-operating income and expense in respect of those not related to daily activities of the Company.

With respect to the government grants related to assets, if the Group first obtains government grants related to assets and then recognises the long-term assets purchased and constructed, deferred income is included in profit and loss based on a reasonable and systematic approach by stages when related assets are initially depreciated or amortized; or the deferred income is written off against the carrying amount of the asset when the asset becomes ready for its intended status or intended use. If the Group obtains government grants related to the assets after relevant long-term assets are put into use, deferred income is included in profit and loss based on a reasonable and systematic approach by stages within the remaining useful life of relevant assets, or the deferred income is written off against the carrying amount of relevant asset when the grants are obtained; the assets shall be depreciated or amortized based on the carrying amount after being offset and the remaining useful life of relevant assets.

For the government grants related to income which are used to compensate for related costs or losses of the Group in the future period, it shall be recognized as deferred income, and included in profit and loss or used to offset related costs; otherwise it shall be directly included in profit and loss or used to offset related costs.

In respect of the policy-based preferential loan interest subsidy obtained by the Group, if the interest subsidy is appropriated to the lending bank which shall provide loans to the Group at the policy-based preferential interest rate, the actual loan amount is used as the entry value and relevant borrowing costs are calculated on the basis of the loan principal and the preferential interest rate. If the interest subsidy is directly appropriated to the Group, relevant borrowing costs shall be offset by corresponding interest subsidy.

26. Income tax

Current tax and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination or items recognised directly in equity (including other comprehensive income).

Current tax is the expected tax payable calculated at the applicable tax rate on taxable income for the year, plus any adjustment to tax payable in respect of previous years.

At the balance sheet date, current tax assets and liabilities are offset only if the Group has a legally enforceable right to set them off and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and deferred tax liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases, which include the deductible losses and tax credits carried forward to subsequent periods. Deferred tax assets are recognised to the extent that it is probable that

future taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax is not recognised for the temporary differences arising from the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting profit nor taxable profit (or deductible loss). Deferred tax is not recognised for taxable temporary differences arising from the initial recognition of goodwill.

At the balance sheet date, deferred tax is measured based on the tax consequences that would follow from the expected manner of recovery or settlement of the carrying amount of the assets and liabilities, using tax rates enacted at the reporting date that are expected to be applied in the period when the asset is recovered or the liability is settled.

The carrying amount of a deferred tax asset is reviewed at each balance sheet date, and is reduced to the extent that it is no longer probable that the related tax benefits will be utilised. Such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

At the balance sheet date, deferred tax assets and deferred tax liabilities are offset if all the following conditions are met:

- the taxable entity has a legally enforceable right to offset current tax liabilities and current tax assets;
- different taxable entities which intend either to settle the current tax liabilities and current tax assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or deferred tax assets are expected to be settled or recovered.

27. Operating and finance leases

A lease is classified as either a finance lease or an operating lease. A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of a leased asset to the lessee, irrespective of whether the legal title to the asset is eventually transferred. An operating lease is a lease other than a finance lease.

(1) Operating lease charges

Rental payments under operating leases are recognised as part of the cost of another related asset or as expenses on a straight-line basis over the lease term.

(2) Assets leased out under operating leases

Fixed assets leased out under operating leases, except for investment properties (see Note III.13), are depreciated in accordance with the Group's depreciation policies described in Note III.14(2). Impairment losses are recognised in accordance with the accounting policy described in Note III.20. Income derived from operating leases is recognised in the income statement using the straight-line method over the lease term. If initial direct costs incurred in respect of the assets leased out are material, the costs are initially capitalised and subsequently amortised in profit or loss over the lease term on the same basis as the lease income. Otherwise, the costs are charged to profit or loss immediately.

(3) Assets acquired under finance leases

When the Group acquires an asset under a finance lease, the asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments, each determined at the inception of the lease. At the commencement of the lease term, the minimum lease payments are recorded as long-term payables. The difference between the carrying amount of the leased assets and the minimum lease payments is recognised as unrecognised finance charges. Initial direct costs attributable to a finance lease that are incurred by the Group are added to the carrying amount of the leased asset. Depreciation and impairment losses are accounted for in accordance with the accounting policies described in Notes III.14 (2) and III.20, respectively.

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

Unrecognised finance charge under a finance lease is amortised using an effective interest method over the lease term. The amortisation is accounted for in accordance with the principles of borrowing costs (see Note III.16).

At the balance sheet date, the difference between long-term payables related to finance leases and unrecognized financing expenses is stated as long-term liabilities and long-term liabilities due within one year respectively.

28. Assets held for sale and discontinued operations

(1) Assets held for sale

A non-current asset or disposal group is accounted for as held for sale when the carrying amount is recovered through disposal instead of continuous use of a non-current asset or disposal group.

A disposal group is a group of assets to be disposed of together as a group in a single transaction, and liabilities directly associated with those assets that will be transferred in the transaction.

A non-current asset or disposal group is accounted for as held for sale when all the following criteria are met:

- The non-current asset or disposal group must be available for immediate sale in their present condition based on similar transactions of assets selling or disposal groups;

- The selling is highly probable, ie. the Group has decided to dispose the assets and has signed a legally binding purchase agreement with other parties and the transaction is to be completed within one year.

Non-current assets held for sale are initially and subsequently stated at the lower of carrying amount and fair value (see Note III.21) less costs to sell (excluding the measurement of financial assets (see Note III.9), deferred tax assets (see Note III.26) or disposal group. Any excess of the carrying amount over the fair value (see Note III.21) less costs to sell is recognised as an impairment loss and included in profit or loss.

(2) Discontinued operations

The Group classifies a component that is separately identifiable, and the component either has been disposed of or is classified as held for sale, and satisfies one of the following conditions as a discontinued operation.

- It represents a separate major line of business or separate geographical area of operations;
- It is part of a single co-ordinated plan to dispose of a separate major line of business or separate geographical area of operations;
 - It is a subsidiary acquired exclusively with a special purpose to resale

For the Group's discontinued operations during the current period, the profit and loss from continuing operations and the profit and loss from discontinued operations are respectively presented in the income statement, and the information previously presented as the profit and loss from continuing operations is reclassified as the profit and loss from discontinued operations in the comparable accounting period in the income statement of the comparative period.

29. Profit distributions

Dividends or profit distributions proposed in the profit appropriation plan, which will be approved after the balance sheet date, are not recognised as a liability at the balance sheet date but are disclosed in the notes separately.

30. Related parties

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

In addition, related parties are determined based on the disclosure requirements of the Administrative Procedures on the Information Disclosures of Listed Companies issued by the CSRC.

31. Segment reporting

Operating segments are determined based on the structure of the Group's internal organisation, management requirements and internal reporting system. Two or more operating segments may be aggregated into a single operating segment if the segments have similar economic characteristics, and are same or similar in respect of the nature of each product and service; the nature of production processes; the type or class of customers for the products and services; the methods used to distribute the products or provide the services; the nature of the regulatory environment. Reportable segments are identified based on operating segments taking into account of materiality principle.

Inter-segment revenues are measured on the basis of actual transaction price for such transactions for segment reporting. Segment accounting policies are consistent with those for the consolidated financial statements.

32. Significant accounting estimates and judgements

The preparation of financial statements requires management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Expect for accounting estimates related to depreciation and amortisation of assets such as fixed assets and intangible assets (see Note III. 14 and 17) and provision for impairment of various types of assets (see Note V. 3, 5, 6, 8, 9, 11, 12, 13 and 14, and Note XV. 2 and 4). Other significant accounting estimates are as follows:

- (i) Note V. 16 – Recognition of deferred tax asset;
- (ii) Note V. 27 – Assurance of product quality;
- (iii) Note IX. – Fair value measurements of financial instruments.

Significant judgements made by the Group in the application of accounting policies are as follows:

- (i) Note V. 33 – Convertible debt and equity investment with redemption provisions terms are categorised as financial liabilities; and
- (ii) Note VII. 1(1) –Disclosure of significant judgements and assumptions of control and exercising significant influence over other entities.

33. Changes in accounting policies

(a) Changes in accounting policies and their reasons

The MOF issued the Accounting Standards for Business Enterprises No. 42—Non-current Assets and Disposal Groups Held for Sale and Discontinued Operations (ASBE 42) and the revised Accounting Standards for Business Enterprises No. 16 - Government Grants (ASBE 16 (2017)) in April and May 2017 respectively. The effective date of ASBE 42 and ASBE 16 (2017) are 28 May and 12 June 2017.

Significant accounting policies after the adoption of the above Accounting Standards for Business Enterprises are disclosed in Note III.

In addition, the MOF issued the Notice on Issuing the Revised Formats of Financial Statements for General Enterprises (Caikuai [2017] No.30) in December 2017. The Company has prepared its financial statements for the year ended 31 December 2017 in accordance with the Notice.

Impacts of the adoption of the above accounting standards and regulations are as follows:

(i) Held for sale and discontinued operations

The adoption of this standard has no significant impact on the Group's financial position and operating performance.

(ii) Government grants

In accordance with ASBE 16 (2017), the Company has reviewed the government grants on 1 January 2017 and updated corresponding accounting policies using prospective application method. The accounting treatment and disclosure requirements for government grants in 2016 are still subject to relevant enterprise accounting standards before the issuance of ASBE 16 (2017).

Impacts of the adoption of this standard are as follows:

- Certain government grants related to assets were changed from deferred income to write off the book value of related assets;
- Certain government grants related to income are included in the income statement, and changed from non-operating income to other income or used to write off related cost based on the nature of economic businesses in respect of those related to daily activities of the Company, or included in non-operating income and expense in respect of those not related to daily activities of the Company.

(iii) Gains from disposal of assets

The Company has prepared its financial statements for the year ended 31 December 2017 in accordance with Caikuai [2017] No.30. Comparative figures have been adjusted retrospectively. The adoption of Caikuai [2017] No.30 has no material effect on the financial position and operating performance of the Company.

According to this standard, the Company has added a separate line item "Gains from asset disposals" in the income statement to present gains or losses arising from disposals of those classified as non-current assets (excluding financial instruments, long-term equity investments and investment property) or disposal groups, and gains or losses arising from disposals of those not classified as fixed assets, construction in progress and intangible assets. The above gains or losses were previously presented in "Non-operating income" or "Non-operating expenses".

- (b) Effects from changes in accounting policies on the financial statements for the current year

The consolidated and parent company's income statement for the year ended 31 December 2017, the consolidated balance sheet and parent company's balance sheet as at 31 December 2017 which have been prepared in accordance with the changed accounting policies, compared with those which were prepared in accordance with the previous accounting policies, the details of impacted items are as follows:

- The impacts from the changes in accounting policies during the year over the consolidated income statement and the income statement for the year ended 31 December 2017 are as follows:

	<i>(decreased) / Increased amount of the items of financial statements after the adoption of the changed accounting policies</i>	
	<i>The Group</i>	<i>The Company</i>
Costs of principal activities	(84,619,955)	(2,559,167)
Financial expenses	(36,417,041)	(25,898,470)
Other income	732,550,112	23,513,456
Non-operating income	(853,587,108)	(51,971,093)
	<hr/>	<hr/>
Total profit	-	-
	<hr/>	<hr/>

- The impacts from the changes in accounting policies during the year over the consolidated balance sheet and the balance sheet as at 31 December 2017 are as follows:

	<i>(decreased) / Increased amount of the items of financial statements after the adoption of the changed accounting policies</i>	
	<i>The Group</i>	<i>The Company</i>
Assets:		
Fixed assets	(344,577,135)	-
Intangible assets	(26,258,837)	(26,258,837)
Liabilities:		
Deferred income	(370,835,972)	(26,258,837)
	<hr/>	<hr/>
Shareholders' equity	-	-
	<hr/>	<hr/>

IV. Taxation

1. Main types of taxes and corresponding rates

<i>Tax type</i>	<i>Tax basis</i>	<i>Tax rate</i>
Value-added tax (VAT)	Output VAT is calculated on product sales and taxable services revenue, based on tax laws. The remaining balance of output VAT, after subtracting the deductible input VAT of the period, is VAT payable.	6%, 11% 13%, 17%
Business tax	Based on taxable revenue before 1 May 2016. According to Caishui [2016] No. 36, jointly issued by MOF and the State Administration of Taxation, all taxpayers subject to business tax in China are included in the scope of the VAT pilot scheme. Effective from 1 May 2016, those taxpayers are required to pay VAT in lieu of business tax.	3%, 5%
City maintenance and construction tax	Based on business tax and VAT paid, and VAT exemption and offset for the period	7%, 5%
Education surcharges and local education surcharge	Based on business tax and VAT paid, and VAT exemption and offset for the period	3%, 2%
Corporate income tax	Based on taxable profits	15% - 25%

2. Corporate income tax

The income tax rate applicable to the Company for the year is 15% (2016: 15%).

Pursuant to the Corporate Income Tax Law of the People's Republic of China ("new tax law") treatment No.28, corporate income tax for key advanced and high-tech enterprises supported by the State is applicable to a preferential tax rate of 15%.

On 25 October 2017, the Company renewed the High-tech Enterprise Certificate No. GR201711002584, which was entitled jointly by Beijing Municipal Science and Technology Commission, Beijing Municipal Financial Bureau, Beijing Municipal State Administration of Taxation and Beijing Municipal Local Administration of Taxation. The Company is subject to corporate income tax rate of 15% since the date of certification with the valid period of three years.

Pursuant to the new tax law, the income tax rate applicable to other subsidiaries of the Group is 25% other than the following subsidiaries and the overseas subsidiaries which subject to the local income tax rate.

The subsidiaries that are entitled to preferential tax treatments are as follows:

<i>Company name</i>	<i>Preferential rate</i>	<i>Reason</i>
Beijing BOE Optoelectronics Technology Co., Ltd. (BOE OT)	15%	High-tech Enterprise Certificate
Chengdu BOE Optoelectronics Technology Co., Ltd (Chengdu Optoelectronics)	15%	High-tech Enterprise Certificate
Hefei BOE Optoelectronics Technology Co., Ltd.(Hefei BOE)	15%	High-tech Enterprise Certificate
Beijing BOE Display Technology Co., Ltd. (BOE Display)	15%	High-tech Enterprise Certificate
Hefei Xinsheng Optoelectronics Technology Co., Ltd. (Hefei Xinsheng)	15%	High-tech Enterprise Certificate
Ordos Yuansheng Optoelectronics Co., Ltd. (Yuansheng Optoelectronics)	15%	Encouraged enterprise in Western Regions
Chongqing BOE Optoelectronics Co., Ltd. (Chongqing BOE)	15%	Encouraged enterprise in Western Regions
BOE (Hebei) Mobile Technology Co., Ltd. (BOE Hebei)	15%	High-tech Enterprise Certificate
BOE Optical Science and technology Co., Ltd (Optical Technology)	15%	High-tech Enterprise Certificate
BOE Semi-conductor Co., Ltd. (BOE Semiconductor)	15%	High-tech Enterprise Certificate
Beijing BOE Special Display Technology Co., Ltd. (Special Display)	15%	High-tech Enterprise Certificate
Beijing BOE Vacuum Electronics Co., Ltd. (Vacuum Electronics)	15%	High-tech Enterprise Certificate
Beijing ASAHI Electronic Materials Co., Ltd. (ASAHI Materials)	15%	High-tech Enterprise Certificate
Beijing BOE Vacuum Technology Co., Ltd. (Vacuum Technology)	15%	High-tech Enterprise Certificate
Beijing BOE Energy Technology Co., Ltd. (BOE Energy)	15%	High-tech Enterprise Certificate
Beijing BOE multimedia Technology Co., Ltd. (BOE multimedia)	15%	High-tech Enterprise Certificate

V. Notes to the consolidated financial statements

1、Cash at bank and on hand

	2017			2016		
	Original currency	Exchange rate	RMB / RMB equivalents	Original currency	Exchange rate	RMB / RMB equivalents
Cash on hand						
RMB			444,343			429,678
USD	891	6.5342	5,822	8,410	6.9370	58,337
HKD	53,705	0.8359	44,892	56,545	0.8945	50,579
JPY	55,419	0.0579	3,209	283,063	0.0596	16,870
Korean Won	513,831	0.0061	3,134	513,831	0.0058	2,977
Other foreign currencies			25,364			149,355
Sub-total			526,764			707,796
Bank deposit						
RMB			24,172,930,297			20,283,958,386
USD	3,151,375,970	6.5342	20,591,720,863	4,019,966,852	6.9370	27,886,510,065
HKD	55,249,266	0.8359	46,182,862	66,025,420	0.8945	59,059,739
JPY	21,118,693,041	0.0579	1,222,772,327	14,943,519,516	0.0596	890,504,565
Korean Won	1,058,266,098	0.0061	6,455,423	531,008,311	0.0058	3,057,014
Euro	236,210,492	7.8023	1,842,985,129	-	7.3068	-
Other foreign currencies			29,713,710			47,526,900
Sub-total			47,912,760,611			49,170,616,669
Other monetary funds						
RMB			7,497,341,876			7,598,180,199
USD	262,928,917	6.5342	1,718,030,129	186,376,585	6.9370	1,292,894,367
HKD	232	0.8359	194	100,480,138	0.8945	89,879,483
JPY	29	0.0579	2	9,040,109	0.0596	538,709
Sub-total			9,215,372,201			8,981,492,758
Total			57,128,659,576			58,152,817,223

Including: Total overseas deposits were equivalent to RMB 3,341,984,398 (2016: RMB 858,689,619).

As at 31 December 2017, other monetary funds were pledged by the Group amounting to RMB1,164,000,000 and USD 60,159,875(2016: USD 17,428,071) for short-term loans, and RMB 1,207,705,322 and USD 63,000,000 (2016: RMB 120,217,226 and USD11,000,000) were pledged for long-term loans. The rest of other restricted monetary funds, amounting to RMB 6,038,915,416 (2016: RMB 8,480,584,080), were the deposits in commercial banks as security.

2、 Bills receivable

(1) Classification of bills receivable

<i>Item</i>	<i>2017</i>	<i>2016</i>
Bank acceptance bills	824,873,475	1,358,736,650
Commercial acceptance bills	8,394,652	11,100,000
	<hr/>	<hr/>
Total	833,268,127	1,369,836,650
	<hr/>	<hr/>

All of the above bills are due within one year.

(2) Bills receivable pledged at the end of the year

<i>Item</i>	<i>The pledged amount at year end</i>
Bank acceptance bills	123,826,995
Commercial acceptance bills	-
	<hr/>
Total	123,826,995
	<hr/>

As at 31 December 2017, the pledged bills of the Group amounted to RMB 123,826,995 (2016: RMB 103,352,825).

(3) Outstanding endorsed or discounted bills that have not matured at the end of the year:

<i>Item</i>	<i>Amount derecognised at year end</i>	<i>Amount not-derecognised at year end</i>
Bank acceptance bills	41,355,467	376,729,681
Commercial acceptance bills	-	2,850,000
	<hr/>	<hr/>
Total	41,355,467	379,579,681
	<hr/>	<hr/>

For the year ended 31 December 2017, there was no amount transferred to accounts receivable from bills receivable due to non-performance of the issuers of the Group (2016: nil).

3、Accounts receivable

(1) The Group's accounts receivable by customer type :

<i>Item</i>	<i>2017</i>	<i>2016</i>
Amounts due from related parties	9,600,724	32,089,791
Amounts due from other customers	15,808,849,645	16,191,073,637
Sub-total	15,818,450,369	16,223,163,428
Less: provision for bad and doubtful debts	304,687,117	31,371,811
Total	15,513,763,252	16,191,791,617

(2) The Group's accounts receivable by currency type :

	<i>2017</i>			<i>2016</i>		
	<i>Original currency</i>	<i>Exchange rate</i>	<i>RMB / RMB equivalents</i>	<i>Original currency</i>	<i>Exchange rate</i>	<i>RMB / RMB equivalents</i>
RMB			4,764,755,351			6,042,307,916
USD	1,684,267,507	6.5342	11,005,340,743	1,436,590,148	6.9370	9,965,625,859
JPY	17,602,919	0.0579	1,019,209	3,006,320,604	0.0596	179,176,708
Other foreign currencies			47,335,066			36,052,945
Sub-total			15,818,450,369			16,223,163,428
Less: provision for bad and doubtful debts			304,687,117			31,371,811
Total			15,513,763,252			16,191,791,617

(3) The ageing analysis of accounts receivable is as follows:

	2017	2016
Within 1 year (inclusive)	15,482,151,261	16,154,541,771
1 to 2 years (inclusive)	293,213,891	30,205,486
2 to 3 years (inclusive)	13,346,163	30,336,028
Over 3 years	29,739,054	8,080,143
	<hr/>	<hr/>
Sub-total	15,818,450,369	16,223,163,428
Less: Provision for bad and doubtful debts	304,687,117	31,371,811
	<hr/>	<hr/>
Total	<u>15,513,763,252</u>	<u>16,191,791,617</u>

The ageing is counted starting from the date when accounts receivable are recognized.

(4) The Group's accounts receivable by category

Category	2017					2016				
	Book value		Provision for bad and doubtful debts		Carrying amount	Book value		Provision for bad and doubtful debts		Carrying amount
	Amount	Percentage (%)	Amount	Percentage (%)		Amount	Percentage (%)	Amount	Percentage (%)	
Collectively assessed for impairment based on credit risk characteristics *	15,767,136,659	100%	262,640,383	2%	15,504,496,276	15,857,746,391	98%	-	-	15,857,746,391
Individually insignificant but assessed for impairment individually	51,313,710	0%	42,046,734	82%	9,266,976	365,417,037	2%	31,371,811	9%	334,045,226
Total	15,818,450,369	100%	304,687,117	2%	15,513,763,252	16,223,163,428	100%	31,371,811	0%	16,191,791,617

Note*: This category includes accounts receivable which have been individually assessed but not impaired.

The Group has no individually significant accounts receivable and individually for impairment this year (2016: nil).

(5) Additions, recoveries or reversals of provision for bad and doubtful debts during the year

	2017	2016
Balance at the beginning of the year	31,371,811	51,323,915
Additions during the year	284,705,046	5,442,744
Recoveries during the year	2,609,674	21,427,488
Write-offs during the year	2,236,524	3,967,360
Translation differences	6,543,542	-
	<u>304,687,117</u>	<u>31,371,811</u>
Balance at the end of the year	<u>304,687,117</u>	<u>31,371,811</u>

For the year ended 31 December 2017, the Group had no individually significant write-off or recovery of doubtful debts which had been fully or substantially made in prior years (2016: nil).

(6) Five largest accounts receivable by debtor at the end of the year

The sub-total of five largest accounts receivable of the Group at the end of the year was RMB 6,768,944,520, representing 43% of the total accounts receivable, and no provision was made for bad and doubtful debts after assessment.

4. Prepayments

(1) The Group's prepayments by category:

	2017	2016
Prepayment for inventory	122,885,896	268,366,388
Others	464,240,855	440,145,085
	<u>587,126,751</u>	<u>708,511,473</u>
Total	<u>587,126,751</u>	<u>708,511,473</u>

(2) The ageing analysis of prepayments is as follows:

<i>Ageing</i>	<u>2017</u>		<u>2016</u>	
	<i>Amount</i>	<i>Percentage (%)</i>	<i>Amount</i>	<i>Percentage (%)</i>
Within 1 year (inclusive)	568,849,167	97%	706,523,558	100%
1 to 2 years (inclusive)	17,188,654	3%	1,191,189	-
2 to 3 years (inclusive)	606,393	-	418,929	-
Over 3 years	482,537	-	377,797	-
Total	<u>587,126,751</u>	<u>100%</u>	<u>708,511,473</u>	<u>100%</u>

The ageing is counted starting from the date when prepayments are recognised.

As at 31 December 2017, the total of five largest prepayments of the Group is RMB 216,866,498, representing 37% of the total prepayments.

5. Other receivables

(1) The Group's other receivables by customer type:

<i>Customer type</i>	<i>2017</i>	<i>2016</i>
Amounts due from related parties	27,591,317	6,440
Amounts due from other customers	<u>701,313,513</u>	<u>903,716,317</u>
Sub-total	728,904,830	903,722,757
Less: Provision for bad and doubtful debts	<u>509,257</u>	<u>653,341</u>
Total	<u>728,395,573</u>	<u>903,069,416</u>

(2) The Group's other receivables by currency type:

	2017			2016		
	Original currency	Exchange rate	RMB / RMB equivalents	Original currency	Exchange rate	RMB / RMB equivalents
RMB			699,117,519			876,808,626
USD	2,742,109	6.5342	17,917,490	798,455	6.9370	5,538,884
JPY	66,206,715	0.0579	3,833,367	75,180,579	0.0596	4,480,763
Other foreign currencies			8,036,454			16,894,484
Sub-total			728,904,830			903,722,757
Less: Provision for bad and doubtful debts			509,257			653,341
Total			728,395,573			903,069,416

(3) The ageing analysis of the Group's other receivables is as follows:

	2017	2016
Within 1 year (inclusive)	454,457,340	604,482,596
1 to 2 years (inclusive)	37,230,582	51,411,837
2 to 3 years (inclusive)	2,335,586	12,539,126
Over 3 years	234,881,322	235,289,198
Sub-total	728,904,830	903,722,757
Less: Provision for bad and doubtful debts	509,257	653,341
Total	728,395,573	903,069,416

The ageing is counted starting from the date when other receivables are recognized.

(4) The Group's other receivables by category

Category	2017					2016				
	Book Value		Provision for bad and doubtful debts		Carrying amount	Book Value		Provision for bad and doubtful debts		Carrying amount
	Amount	Percentage (%)	Amount	Percentage (%)		Amount	Percentage (%)	Amount	Percentage (%)	
Collectively assessed for impairment based on credit risk characteristics *	728,395,573	100%	-	0%	728,395,573	903,069,416	100%	-	-	903,069,416
Individually insignificant but assessed for impairment individually	509,257	0%	509,257	100%	-	653,341	0%	653,341	100%	-
	728,904,830	100%	509,257	0%	728,395,573	903,722,757	100%	653,341	0%	903,069,416

Note*: This category includes other receivable having been individually assessed but not impaired.

The Group has no individually significant other receivable and individually for impairment this year. As at 31 December 2017, the Group collectively assessed other receivable having been individually assessed but not impaired for impairment and did not recognise impairment loss against this amount of other receivable (2016: nil).

(5) Additions and reversals of provision for bad and doubtful debts during the year

	2017	2016
Balance at the beginning of the year	653,341	4,827,184
Additions during the year	111,166	214,232
Recoveries during the year	6,350	3,119,595
Write-offs during the year	248,900	1,268,480
	<u>509,257</u>	<u>653,341</u>
Balance at the end of the year	<u>509,257</u>	<u>653,341</u>

(6) The Group's other receivables categorised by nature

<i>Nature of other receivables</i>	2017	2016
VAT refunds	179,152,619	252,652,057
Amount due from equity transfer	200,000,000	200,000,000
Deposits	154,724,906	289,801,526
Others	195,027,305	161,269,174
	<u>728,904,830</u>	<u>903,722,757</u>
Sub-total	728,904,830	903,722,757
Less: Provision for bad and doubtful debts	<u>509,257</u>	<u>653,341</u>
Total	<u>728,395,573</u>	<u>903,069,416</u>

(7) Five largest other receivables by debtor at the end of the year

As at 31 December 2017, the total balance of other receivables due from the Group's top five debtors amounted to RMB 418,644,893, most of which are export tax rebate receivables due from tax authorities and receivables due from equity transfer. No provision is made for bad and doubtful debts after assessment.

6. Inventories

(1) The Group's inventories by category:

	2017			2016		
	<i>Book value</i>	<i>Provision for impairment of inventories</i>	<i>Carrying amount</i>	<i>Book value</i>	<i>Provision for impairment of inventories</i>	<i>Carrying amount</i>
Raw materials	3,663,568,064	312,167,170	3,351,400,894	3,378,887,483	170,279,800	3,208,607,683
Work in progress	1,442,250,856	130,466,876	1,311,783,980	1,110,541,775	154,157,198	956,384,577
Finished goods	5,742,195,757	1,546,545,280	4,195,650,477	4,348,635,413	789,031,165	3,559,604,248
Consumables	99,620,537	736,507	98,884,030	109,264,439	722,415	108,542,024
Total	10,947,635,214	1,989,915,833	8,957,719,381	8,947,329,110	1,114,190,578	7,833,138,532

As at 31 December 2017, there was no amount of capitalised borrowing cost in the Group's closing balance of inventories (2016: nil).

(2) As at 31 December 2017, the Group had no inventory used as collateral (2016: nil). Provision for impairment of inventories of the Group is analysed as follows:

	<i>Balance at the beginning of the year</i>	<i>Additions during the year</i>	<i>Reductions during the year</i>		<i>Balance at the end of the year</i>
			<i>Reversals</i>	<i>Write-offs</i>	
Raw materials	170,279,800	290,202,013	85,670,582	62,644,061	312,167,170
Work in progress	154,157,198	146,160,900	4,807,466	165,043,756	130,466,876
Finished goods	789,031,165	1,750,884,011	192,815,169	800,554,727	1,546,545,280
Consumables	722,415	79,675	59,438	6,145	736,507
Total	1,114,190,578	2,187,326,599	283,352,655	1,028,248,689	1,989,915,833

7. Other current assets

	2017	2016
VAT on tax credits	4,847,422,522	4,323,654,894
Input tax to be verified or deducted	1,198,408,412	1,264,145,639
Prepayment of income tax	5,763,179	155,248
Wealth management products	9,791,137,808	60,267,110
Others	81,702,057	42,977,335
Total	15,924,433,978	5,691,200,226

As at 31 December 2017, all of the wealth management products owned by the Group are due within one year.

8. Available-for-sale financial assets

(1) Available-for-sale financial assets

<i>Item</i>	<i>2017</i>			<i>2016</i>		
	<i>Book value</i>	<i>Provision for impairment</i>	<i>Carrying amount</i>	<i>Book value</i>	<i>Provision for impairment</i>	<i>Carrying amount</i>
Available-for-sale debt instruments	14,912,146	-	14,912,146	12,348,030	-	12,348,030
Available-for-sale equity instruments						
- At fair value	662,938,045	150,099,655	512,838,390	531,987,776	150,099,655	381,888,121
- At cost	332,328,820	180,000	332,148,820	228,446,405	180,000	228,266,405
Total	1,010,179,011	150,279,655	859,899,356	772,782,211	150,279,655	622,502,556

(2) Available-for-sale financial assets at fair value at the end of the year:

	<i>Available-for-sale equity instruments</i>	<i>Available-for-sale debt instruments</i>	<i>Total</i>
Cost of equity instruments / amortised cost of debt instruments	560,506,902	15,159,910	575,666,812
Fair value	512,838,390	14,912,146	527,750,536
Accumulative fair value changes recognised in other comprehensive income	102,431,143	(247,764)	102,183,379
Provision for impairment	150,099,655	-	150,099,655

(3) Available-for-sale financial assets at cost at the end of the year:

<i>Investee</i>	<i>Book value</i>				<i>Provision for impairment</i>	<i>Percentage of shareholding in investees (%)</i>
	<i>Balance at the beginning of the year</i>	<i>Increase during the year</i>	<i>Translation differences</i>	<i>Balance at the end of the year</i>	<i>Balance at the beginning and the end of the year</i>	
Teralane Semiconductor Inc	11,868,000	-	-	11,868,000	-	7.29%
Zhejiang BOE Display Technology Co., Ltd.	321,256	-	-	321,256	-	7.03%
Zhejiang Qiusheng Photoelectric Technology Co., Ltd.	248,776	-	-	248,776	-	7.03%
National Engineering Laboratory of Digital Television (Beijing) Co., Ltd.	6,250,000	-	-	6,250,000	-	12.50%
Meta Company	34,684,948	-	(2,013,997)	32,670,951	-	5.90%
Danhua Capital, L. P.	26,013,750	-	(1,510,500)	24,503,250	-	5.48%
Danhua Capital II, L.P.	13,874,000	22,247,175	(1,816,625)	34,304,550	-	3.27%
Kateeva Inc.	82,862,466	-	(4,811,447)	78,051,019	-	3.40%
DEPICT INC.	13,874,000	-	(805,600)	13,068,400	-	22.20%
MOOV INC.	27,862,839	-	(1,617,868)	26,244,971	-	6.48%
ZGLUE INC.	10,405,488	-	(604,199)	9,801,289	-	6.00%
Fabord Ltd.	882	28	-	910	-	10.30%
Hefei Xin Jing Yuan Electronic Materials Co., Ltd.(合肥鑫京元电子材料有限公司)	-	3,000,000	-	3,000,000	-	15.00%
Nanosys INC	-	50,349,000	(1,342,500)	49,006,500	-	3.13%
Ceribell INC	-	8,662,283	(167,830)	8,494,453	-	2.99%
Baebies INC	-	29,123,554	(414,324)	28,709,230	-	9.90%
Illumina Fund I, L.P.	-	5,805,880	(200,615)	5,605,265	-	2.50%
Others	180,000	-	-	180,000	180,000	
Total	228,446,405	119,187,920	(15,305,505)	332,328,820	180,000	

9. Long-term equity investments

(1) The Group's long-term equity investments by category:

	2017	2016
Investments in joint ventures	2,793,732,185	-
Investments in associates	4,672,259,202	1,893,248,367
Sub-total	7,465,991,387	1,893,248,367
Less: Provision for impairment	537,136,972	537,136,972
- Investments in associates	537,136,972	537,136,972
Total	6,928,854,415	1,356,111,395

(2) Movements of long-term equity investments during the year are as follows:

Investee	Balance at the beginning of the year	Additional investment	Investment income recognised under equity method	Other comprehensive income	Other equity movements	Cash dividends or profit declared	Balance at the end of the year
Joint ventures:							
Wuhan BOE Optoelectronics Technology Co., Ltd.	-	92,310,000	(719,691)	-	-	-	91,590,309
Mianyang BOE Optoelectronics Technology Co., Ltd.	-	2,720,000,000	(21,621,907)	-	-	-	2,698,378,093
Beijing BOE Yiyun Science & Technology Co., Ltd.	-	5,100,000	(1,336,217)	-	-	-	3,763,783
Sub-total	-	2,817,410,000	(23,677,815)	-	-	-	2,793,732,185
Associates							
Beijing Nissin Electronics Precision Component Co., Ltd.	359,892	-	(359,892)	-	-	-	-
Beijing Nittan Electronic Co., Ltd.	40,628,603	-	14,758,232	-	-	(1,600,000)	53,786,835
Erdos BOE Energy Investment Co., Ltd.	907,463,270	-	(4,958)	-	-	-	907,458,312
Beijing Infi-Hailin Venture Investment Co., Ltd.	456,681	-	(83,320)	-	-	-	373,361
Beijing Infi-Hailin Venture Investment (Limited Partnership)	156,981,032	-	(1,155,259)	(18,377,322)	-	-	137,448,451
TPV Display Technology (China) Limited	26,622,344	-	568,189	-	-	-	27,190,533
Beijing Xindongneng Investment Fund (Limited Partnership)	679,323,799	675,000,000	23,496,959	94,428,473	-	-	1,472,249,231
Beijing Xindongneng Investment Management Co., Ltd.	2,906,218	-	1,955,517	-	-	-	4,861,735
Shenzhen Yunyinggu Technology Co., Ltd.	50,345,936	-	(14,862,039)	-	-	-	35,483,897
Beijing Xloong Technologies Co., Ltd.	24,448,577	-	(466,580)	-	-	-	23,981,997
New on Technology Co. Ltd.	3,712,015	-	-	-	(3,841)	-	3,708,174
Chongqing BOE Display Technology Co., Ltd.	-	3,846,000	-	-	-	-	3,846,000
SES Imagotag SA Co. Ltd.	-	1,679,519,104	-	-	(4,358,428)	-	1,675,160,676
Cnoga Medical Co. Ltd.	-	344,480,000	-	-	(17,770,000)	-	326,710,000
Sub-total	1,893,248,367	2,702,845,104	23,846,849	76,051,151	(22,132,269)	(1,600,000)	4,672,259,202
Total	1,893,248,367	5,520,255,104	169,034	76,051,151	(22,132,269)	(1,600,000)	7,465,991,387
Less: Provision for impairment	537,136,972						537,136,972
Total	1,356,111,395						6,928,854,415

As at 31 December 2017, Nissin Electronics incurred continuous losses, and the Group did not assume any additional loss obligations. Therefore, when recognising its net loss which shall be borne by the Group, the book value of long-term equity investments shall be written down to zero. As at 31 December 2017, the accumulated unrecognized investment loss amounted to RMB 855,942 (2016: Nil).

10. Investment properties

	<i>Land use rights</i>	<i>Buildings</i>	<i>Total</i>
Cost			
Balance at the beginning of the year	659,779,217	858,774,469	1,518,553,686
Additions during the year	15,818,450	132,792,002	148,610,452
	<hr/>	<hr/>	<hr/>
Balance at the end of the year	675,597,667	991,566,471	1,667,164,138
	<hr/>	<hr/>	<hr/>
Less: Accumulated depreciation or amortisation			
Balance at the beginning of the year	98,852,038	226,768,752	325,620,790
Additions during the year	13,555,458	31,325,685	44,881,143
	<hr/>	<hr/>	<hr/>
Balance at the end of the year	112,407,496	258,094,437	370,501,933
	<hr/>	<hr/>	<hr/>
Carrying amounts			
At the end of the year	563,190,171	733,472,034	1,296,662,205
	<hr/>	<hr/>	<hr/>
At the beginning of the year	560,927,179	632,005,717	1,192,932,896
	<hr/>	<hr/>	<hr/>

11. Fixed assets

(1) The Group's fixed assets are as follows:

	<i>Plant & buildings</i>	<i>Equipment</i>	<i>Other categories</i>	<i>Total</i>
Cost:				
Balance at the beginning of the year	22,485,925,560	86,402,866,264	1,399,699,850	110,288,491,674
Additions during the year				
- Purchases	6,666,697	2,546,797,127	370,546,436	2,924,010,260
- Transfer from construction in progress	4,138,202,716	23,393,768,722	393,053,531	27,925,024,969
Disposals or write-offs during the year	1,131,479	564,597,158	64,140,156	629,868,793
Written-down of interest subsidy from government	-	344,577,135	-	344,577,135
Difference of foreign currency translation	9,160,513	54,196,185	7,618,386	70,975,084
Balance at the end of the year	26,638,824,007	111,488,454,005	2,106,778,047	140,234,056,059
Less: Accumulated depreciation				
Balance at the beginning of the year	2,794,512,892	36,336,492,967	544,281,552	39,675,287,411
Additions during the year	568,611,435	10,709,010,632	440,157,181	11,717,779,248
Disposals or write-offs during the year	266,895	451,995,132	51,657,991	503,920,018
Difference of foreign currency translation	3,391,363	39,267,949	3,243,591	45,902,903
Balance at the end of the year	3,366,248,795	46,632,776,416	936,024,333	50,935,049,544
Less: Provision for impairment				
Balance at the beginning of the year	1,100,015	663,773,942	743,339	665,617,296
Additions during the year	-	35,078,897	8,271,653	43,350,550
Disposals or write-offs during the year	14,921	35,213,533	29,638	35,258,092
Balance at the end of the year	1,085,094	663,639,306	8,985,354	673,709,754
Carrying amounts				
At the end of the year	23,271,490,118	64,192,038,283	1,161,768,360	88,625,296,761
At the beginning of the year	19,690,312,653	49,402,599,355	854,674,959	69,947,586,967

(2) Fixed assets acquired under finance leases:

	2017				2016			
<i>Project</i>	<i>Cost</i>	<i>Accumulated depreciation</i>	<i>Provision for impairment</i>	<i>Carrying amount</i>	<i>Cost</i>	<i>Accumulated depreciation</i>	<i>Provision for impairment</i>	<i>Carrying amount</i>
Plant & buildings	11,291,665	4,103,316	-	7,188,349	11,291,665	3,849,627	-	7,442,038

The Group's fixed assets under finance leases represented a youth apartment under finance lease for the Company, which is used for the purposes of the staff dormitory.

12. Construction in progress

(1) The Group's construction in progress is as follows:

Project	2017			2016		
	Book value	Provision for impairment	Carrying amount	Book value	Provision for impairment	Carrying amount
The 6th generation LTPS / AMOLED production line project of Chengdu BOE	19,099,729,823	-	19,099,729,823	6,623,826,176	-	6,623,826,176
The 8.5th generation TFT-LCD and Touch screen production of Hefei Xinsheng	638,162,030	-	638,162,030	3,775,171,446	-	3,775,171,446
The 5.5th generation LTPS and AMOLED projects of Yuansheng	7,412,766,659	-	7,412,766,659	6,977,796,088	-	6,977,796,088
The 10.5th generation TFT-LCD project of Hefei Display	19,778,218,499	-	19,778,218,499	3,720,534,213	-	3,720,534,213
The 8.5th generation new semiconductor display device production line of Fuzhou BOE	390,652,498	-	390,652,498	8,408,445,327	-	8,408,445,327
Others	3,441,720,917	-	3,441,720,917	3,503,786,926	1,311,456	3,502,475,470
Total	50,761,250,426	-	50,761,250,426	33,009,560,176	1,311,456	33,008,248,720

(2) Movements of major construction in progress during the year

Project	Budget	Balance at the beginning of the year	Additions during the year	Transfer to fixed assets during the year	Transfer to Intangible assets during the year	Transfer to long-term deferred expenses and others during the year	Balance at the end of the year	Percentage of actual cost to budget (%)	Accumulated capitalised interest	Including: Interest capitalised in 2017	Interest rate for capitalization in 2017 (%)	Sources of funding
The 6th generation LTPS / AMOLED production line project of Chengdu BOE	44,800,000,000	6,623,826,176	12,690,861,395	165,357,576	-	49,600,172	19,099,729,823	43.13%	172,102,102	172,102,102	4.72%	Self-funding and loans
The 8.5th generation TFT-LCD and Touch screen production of Hefei Xinsheng	30,987,000,000	3,775,171,446	662,379,445	3,772,212,107	512,950	26,663,804	638,162,030	83.10%	-	-	-	Self-funding
The 5.5th generation LTPS and AMOLED projects of Yuansheng	20,020,000,000	6,977,796,088	437,948,141	2,977,570	-	-	7,412,766,659	86.38%	217,095,270	155,514,725	4.74%	Self-funding, loans and raising capitals
The 10.5th generation TFT-LCD project of Hefei Display	42,937,000,000	3,720,534,213	16,749,979,735	692,172,374	123,075	-	19,778,218,499	47.68%	178,372,161	179,825,315	4.26%	Self-funding and loans
The 8.5th generation The new semiconductor display device production line of Fuzhou BOE	26,985,000,000	8,408,445,327	12,414,439,604	20,400,933,760	31,298,673	-	390,652,498	78.49%	-	156,876,325	2.66%	Self-funding and loans
Others	-	3,503,786,926	3,006,182,310	2,891,371,582	663,347	176,213,390	3,441,720,917					
Total		33,009,560,176	45,961,790,630	27,925,024,969	32,598,045	252,477,366	50,761,250,426					

13. Intangible assets

	<i>Land use rights</i>	<i>Patent and technology rights</i>	<i>Software</i>	<i>Others</i>	<i>Total</i>
Cost:					
Balance at the beginning of the year	1,766,107,603	1,770,732,948	695,490,721	324,964,999	4,557,296,271
Additions during the year					
- Purchases	55,744,197	43,200	70,461,150	-	126,248,547
- Transfer from construction in progress	428,624	-	13,297,261	18,872,160	32,598,045
Written-down of interest subsidy from government	-	26,258,837	-	-	26,258,837
Disposals during the year	-	-	2,861,664	-	2,861,664
Balance at the end of the year	1,822,280,424	1,744,517,311	776,387,468	343,837,159	4,687,022,362
Less: Accumulated amortisation					
Balance at the beginning of the year	138,014,289	864,354,618	373,253,291	44,329,233	1,419,951,431
Additions during the year	40,322,830	159,710,248	72,321,996	14,304,407	286,659,481
Disposals during the year	-	-	2,252,858	-	2,252,858
Balance at the end of the year	178,337,119	1,024,064,866	443,322,429	58,633,640	1,704,358,054
Less: Provision for impairment					
Balance at the beginning of the year	-	-	471,453	-	471,453
Disposal during the year	-	-	471,453	-	471,453
Balance at the end of the year	-	-	-	-	-
Carrying amounts					
At the end of the year	1,643,943,305	720,452,445	333,065,039	285,203,519	2,982,664,308
At the beginning of the year	1,628,093,314	906,378,330	321,765,977	280,635,766	3,136,873,387

14. Goodwill

<i>Name of investee or events from which goodwill arose</i>	<i>Balance at the end of the year</i>	<i>Balance at the beginning of the year</i>
Book value		
Beijing Yinghe Century Co., Ltd.	42,940,434	42,940,434
K-Tronics (Suzhou) technology Co., Ltd.	8,562,464	8,562,464
Beijing BOE Optoelectronics Technology Co., Ltd.	4,423,876	4,423,876
BOE Healthcare Investment & Management Co., Ltd.	146,460,790	146,460,790
Sub-total	202,387,564	202,387,564
Provision for impairment	4,423,876	4,423,876
Carrying amount	197,963,688	197,963,688

As at 31 December 2017, The Group performed an impairment test of the goodwill recognised in the acquisition of Beijing Yinghe Century Co., Ltd. ("Yinghe Century"), K-Tronics (Suzhou) technology Co., Ltd., and BOE Healthcare Investment & Management Co., Ltd. ("Healthcare Investment") and determined that no provision for impairment loss needs to be recognised. In previous year, full impairment losses had been recognised for the goodwill recognised in the acquisition of BOE OT.

15. Long-term deferred expense

	<i>Balance at the beginning of the year</i>	<i>Additions during the year</i>	<i>Decrease during the year</i>	<i>Balance at the end of the year</i>
Prepayment for public facilities construction and use	128,813,237	-	15,370,224	113,443,013
Cost of operating lease assets improvement	8,554,720	13,761,051	3,384,439	18,931,332
Others	207,523,270	103,960,868	64,029,053	247,455,085
Total	344,891,227	117,721,919	82,783,716	379,829,430

16. Deferred tax assets and deferred tax liabilities
(1) Recognised deferred tax assets and deferred tax liabilities

Item	2017		2016	
	Deductible / (taxable) temporary differences	Deferred tax Assets / (liabilities)	Deductible / (taxable) temporary differences	Deferred tax Assets / (liabilities)
Deferred tax assets:				
Provision for impairment of assets	404,563,258	72,783,228	150,713,954	36,340,807
Difference of depreciation/ amortisation	79,460,328	11,970,733	19,830,095	2,974,516
Revaluation due to investment of real estate	147,664,660	36,916,165	153,218,516	38,304,629
Accumulated losses	48,749,683	8,043,698	61,989,130	15,497,284
Others	34,900,387	8,725,096	414,805,956	65,716,939
Sub-total	715,338,316	138,438,920	800,557,651	158,834,175
Amount offset		(32,183,263)		(12,295,610)
Balance after offset		106,255,657		146,538,565
Deferred tax liabilities:				
Revaluation due to business combinations involving entities not under common control	(1,099,980,193)	(272,308,392)	(1,129,240,231)	(282,310,058)
Depreciation of fixed assets	(1,246,406,521)	(213,674,259)	(699,513,159)	(107,479,271)
Fair value changes of wealth management products	(41,137,810)	(9,457,398)	(356,147)	(89,037)
Changes in fair value of available-for- sale financial assets	(104,026,120)	(16,326,379)	(27,983,239)	(4,617,234)
Long-term equity investments	(360,863,027)	(54,129,454)	(360,863,027)	(54,129,454)
Bond interest	(71,532,514)	(10,729,877)	(71,221,140)	(10,683,171)
Others	(204,034,820)	(18,860,414)	(10,749,594)	(1,612,439)
Sub-total	(3,127,981,005)	(595,486,173)	(2,299,926,537)	(460,920,664)
Amount offset		32,183,263		12,295,610
Balance after offset		(563,302,910)		(448,625,054)

18. Short-term loans

2017				
	Original currency	Exchange rate	RMB / RMB equivalents	Credited /collateralised guaranteed /pledged
Bank loans				
- RMB			350,578,748	Pledged
- RMB			418,499,999	Credited
Sub-total			769,078,747	
Foreign currency bank loans				
- USD	161,181,026	6.5342	1,053,189,061	Pledged
- USD	53,679,291	6.5342	350,751,222	Credited
- Euro	138,000,000	7.8023	1,076,717,400	Pledged
Sub-total			2,480,657,683	
Total			3,249,736,430	
2016				
	Original currency	Exchange rate	RMB / RMB equivalents	Credited /collateralised guaranteed /pledged
Bank loans				
- RMB			1,027,787,762	Credited
- RMB			389,996,480	Pledged
Sub-total			1,417,784,242	
Foreign currency bank loans				
- USD	17,357,860	6.9370	120,411,472	Pledged
- USD	420,000,000	6.9370	2,913,540,000	Guaranteed
- USD	58,988,221	6.9370	409,201,296	Credited
- JPY	940,217,573	0.0596	56,028,497	Credited
Sub-total			3,499,181,265	
Total			4,916,965,507	

The interest rate of short-term loans for the Group ranged from 0.35% to 5.20% in 2017 (2016: 1.20% to 5.04%).

As at 31 December 2017, no short-term loan was past due (2016: nil).

19. Bills payable

	2017	2016
Bank acceptance bills	481,852,311	524,560,235
Commercial acceptance bills	61,946,524	115,702,226
	<hr/>	<hr/>
Total	543,798,835	640,262,461
	<hr/> <hr/>	<hr/> <hr/>

There is no due but unpaid bill payable at the end of the year. The above bills are all due within one year.

20. Accounts payable

(1) The Group's accounts payable by category are as follows :

	2017	2016
Payables to related parties	14,532,494	5,937,474
Payables to third parties	16,191,256,204	13,829,678,191
	<hr/>	<hr/>
Total	16,205,788,698	13,835,615,665
	<hr/> <hr/>	<hr/> <hr/>

(2) The Group's accounts payable by currency are as follows :

	2017			2016		
	Original currency	Exchange rate	RMB / RMB equivalents	Original currency	Exchange rate	RMB / RMB equivalents
- RMB			11,174,717,229			8,024,220,650
- USD	658,301,225	6.5342	4,301,456,276	745,461,344	6.9370	5,171,265,343
- JPY	11,718,379,068	0.0579	678,364,509	10,642,803,787	0.0596	634,284,846
- Other foreign currencies			51,250,684			5,844,826
			<hr/>			<hr/>
Total			16,205,788,698			13,835,615,665
			<hr/> <hr/>			<hr/> <hr/>

As at 31 December 2017, the Group had no individually significant accounts payable ageing more than one year.

21. Advances from customers

<i>Item</i>	<i>2017</i>	<i>2016</i>
Advances from related parties	141,921	-
Advances from third parties	781,182,601	548,942,714
	<u> </u>	<u> </u>
Total	<u>781,324,522</u>	<u>548,942,714</u>

As at 31 December 2017, the Group had no individually significant advances from customers ageing more than one year.

22. Employee benefits payable

(1) Employee benefits payable:

	<i>Note</i>	<i>Balance at 1 January 2017</i>	<i>Accrued during the year</i>	<i>Decreased during the year</i>	<i>Balance at 31 December 2017</i>
Short-term employee benefits	(2)	1,497,068,752	9,211,333,761	8,541,167,099	2,167,235,414
Post-employment benefits					
- defined contribution plans	(3)	30,746,554	707,946,622	703,838,532	34,854,644
Termination benefits		15,036,960	5,497,883	5,557,957	14,976,886
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total		<u>1,542,852,266</u>	<u>9,924,778,266</u>	<u>9,250,563,588</u>	<u>2,217,066,944</u>

	<i>Note</i>	<i>Balance at 1 January 2016</i>	<i>Accrued during the year</i>	<i>Decreased during the year</i>	<i>Balance at 31 December 2016</i>
Short-term employee benefits	(2)	1,051,226,920	6,591,953,839	6,146,112,007	1,497,068,752
Post-employment benefits					
- defined contribution plans	(3)	25,755,886	531,414,880	526,424,212	30,746,554
Termination benefits		15,120,332	865,719	949,091	15,036,960
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total		<u>1,092,103,138</u>	<u>7,124,234,438</u>	<u>6,673,485,310</u>	<u>1,542,852,266</u>

(2) Short-term employee benefits

	<i>Balance at 1 January 2017</i>	<i>Accrued during the year</i>	<i>Decreased during the year</i>	<i>Balance at 31 December 2017</i>
Salaries, bonuses, allowances	1,178,080,434	7,500,609,836	6,837,766,720	1,840,923,550
Staff welfare	-	742,718,924	742,718,924	-
Social insurance	66,779,153	357,701,317	390,918,674	33,561,796
Medical insurance	63,337,669	310,634,444	343,861,292	30,110,821
Work-related injury insurance	1,631,421	26,846,859	27,058,619	1,419,661
Maternity insurance	1,810,063	20,220,014	19,998,763	2,031,314
Housing fund	20,607,756	339,557,027	342,963,478	17,201,305
Labour union fee, staff and workers' education fee	214,936,641	186,435,492	154,999,143	246,372,990
Staff bonus and welfare fund	7,282,591	-	-	7,282,591
Other short-term employee benefits	9,382,177	84,311,165	71,800,160	21,893,182
Total	<u>1,497,068,752</u>	<u>9,211,333,761</u>	<u>8,541,167,099</u>	<u>2,167,235,414</u>

	<i>Balance at 1 January 2016</i>	<i>Accrued during the year</i>	<i>Decreased during the year</i>	<i>Balance at 31 December 2016</i>
Salaries, bonuses, allowances	802,297,623	5,200,061,896	4,824,279,085	1,178,080,434
Staff welfare	-	665,138,127	665,138,127	-
Social insurance	34,946,466	302,125,182	270,292,495	66,779,153
Medical insurance	33,257,964	258,719,751	228,640,046	63,337,669
Work-related injury insurance	685,379	22,027,310	21,081,268	1,631,421
Maternity insurance	1,003,123	21,378,121	20,571,181	1,810,063
Housing fund	18,494,267	262,493,474	260,379,985	20,607,756
Labour union fee, staff and workers' education fee	182,715,621	141,501,553	109,280,533	214,936,641
Staff bonus and welfare fund	7,282,591	-	-	7,282,591
Other short-term employee benefits	5,490,352	20,633,607	16,741,782	9,382,177
Total	<u>1,051,226,920</u>	<u>6,591,953,839</u>	<u>6,146,112,007</u>	<u>1,497,068,752</u>

(3) Post-employment benefits- defined contribution plans

	<i>Balance at 1 January 2017</i>	<i>Accrued during the year</i>	<i>Decreased during the year</i>	<i>Balance at 31 December 2017</i>
Basic pension insurance	24,629,016	664,045,399	659,842,940	28,831,475
Unemployment insurance	1,219,162	26,548,521	26,612,433	1,155,250
Annuity	4,898,376	17,352,702	17,383,159	4,867,919
Total	<u>30,746,554</u>	<u>707,946,622</u>	<u>703,838,532</u>	<u>34,854,644</u>

	<i>Balance at 1 January 2016</i>	<i>Accrued during the year</i>	<i>Decreased during the year</i>	<i>Balance at 31 December 2016</i>
Basic pension insurance	22,621,515	487,546,677	485,539,176	24,629,016
Unemployment insurance	1,284,085	25,615,575	25,680,498	1,219,162
Annuity	1,850,286	18,252,628	15,204,538	4,898,376
Total	<u>25,755,886</u>	<u>531,414,880</u>	<u>526,424,212</u>	<u>30,746,554</u>

23. Taxes payable

	<i>2017</i>	<i>2016</i>
Value-added tax	7,384,437	6,826,361
Corporate income tax	501,685,626	342,021,556
Individual income tax	41,968,486	28,431,907
City maintenance and construction tax	84,932,308	114,056,922
Education surcharge and local education surcharge	61,375,167	81,471,180
Others	78,275,122	83,543,968
Total	<u>775,621,146</u>	<u>656,351,894</u>

24. Dividends payable

As at 31 December 2017, dividends payable mainly represented unclaimed dividends for non-public shareholders and dividends payable to minority shareholders of Vacuum Electronics.

25. Other payables

(1) Details of other payables are as follows:

	2017	2016
Projects and equipment	12,772,388,210	11,986,641,278
Deferred VAT for imported equipment	675,815,849	1,019,532,634
Technology licence fee	67,578,324	44,447,195
Deposits	380,789,096	295,916,263
Accrued water and electricity charges and freight	430,803,905	363,061,275
Agency fee payable	34,108,132	39,629,069
Others	903,323,258	646,297,534
	<hr/>	<hr/>
Total	15,264,806,774	14,395,525,248
	<hr/> <hr/>	<hr/> <hr/>

Significant other payables aged over one year are payables of projects and equipment.

(2) The Group's other payables by currency are as follows:

	<u>2017</u>			<u>2016</u>		
	<i>Original currency</i>	<i>Exchange rate</i>	<i>RMB / RMB equivalents</i>	<i>Original currency</i>	<i>Exchange rate</i>	<i>RMB / RMB equivalents</i>
RMB			10,281,873,020			7,206,854,497
USD	574,115,354	6.5342	3,751,384,540	926,858,546	6.9370	6,429,617,732
JPY	20,695,199,824	0.0579	1,198,039,317	12,540,233,332	0.0596	747,278,731
Other foreign currencies			33,509,897			11,774,288
			<hr/>			<hr/>
Total			15,264,806,774			14,395,525,248
			<hr/> <hr/>			<hr/> <hr/>

26. Non-current liabilities due within one year

As at 31 December, the non-current liabilities due within one year for the Group were long-term loans and long-term payables due within one year.

2017				
	Original currency	Exchange rate	RMB / RMB equivalents	Credited /collateralised /guaranteed /pledged
Bank loans				
- RMB			2,725,000,000	Credited
- RMB			915,745,064	Collateralised
- RMB			1,000,000	Pledged
- USD	200,000,000	6.5342	1,306,840,000	Credited
- USD	609,380,700	6.5342	3,981,815,370	Collateralised
Long-term payables			179,308,077	Collateralised
Total			9,109,708,511	

2016				
	Original currency	Exchange rate	RMB / RMB equivalents	Credited /collateralised /guaranteed /pledged
Bank loans				
- RMB			100,000,000	Credited
- RMB			397,380,000	Collateralised
- USD	24,145,788	6.9370	167,499,332	Credited
- USD	419,760,700	6.9370	2,911,879,976	Collateralised
Long-term payables			107,477,627	Collateralised
Total			3,684,236,935	

The interest rate of RMB long-term loans due within one year for the Group ranged from 0% to 5.64% in 2017 (2016: from 2.33% to 5.94%).

27. Other current liabilities

The other current liabilities of the Group were warranty provision. The warranty provision mainly relates to the expected after-sales repair warranty to the customers. The provision is estimated by the Management, based on historical claim experience and current actual sales outcomes.

28. Long-term loans

2017				
	Original currency	Exchange rate	RMB / RMB equivalents	Credited /collateralised guaranteed /pledged
Bank loans				
- RMB			26,676,070,000	Credited
- RMB			18,725,264,133	Collateralised
- RMB			508,585,000	Pledged
- USD	308,062,697	6.5342	2,012,943,277	Credited
- USD	5,950,391,285	6.5342	38,881,046,734	Collateralised
- Euro	141,000,000	7.8023	1,100,124,300	Pledged
Less: Long-term loans within one year			8,930,400,434	
Total			78,973,633,010	
2016				
	Original currency	Exchange rate	RMB / RMB equivalents	Credited /collateralised guaranteed /pledged
Bank loans				
- RMB			14,865,000	Pledged
- RMB			2,684,820,636	Collateralised
- RMB			17,635,000,000	Credited
- USD	4,424,999,231	6.9370	30,696,219,667	Collateralised
- USD	350,442,585	6.9370	2,431,020,216	Credited
Less: Long-term loans within one year			3,576,759,308	
Total			49,885,166,211	

The interest rate of RMB long-term loans for the Group ranged from 0% to 6.60% in 2016 (2016: from 0% to 7.68%).

29. Bonds payable
(1) Bonds payable

<i>Item</i>	<i>2017</i>	<i>2016</i>
Bonds payable	9,966,467,496	9,956,719,508
Less: Bonds payable due within one year	-	-
Total	9,966,467,496	9,956,719,508

(2) Increase and decrease of bonds payable:

<i>Name of bond</i>	<i>Par value</i>	<i>Issuance date</i>	<i>Maturity</i>	<i>Issued amount</i>	<i>Balance of the beginning of the year</i>	<i>Issued amount during the year</i>	<i>Interest recognised based on par value</i>	<i>Amortisation discounted to premium</i>	<i>Repayment during the year</i>	<i>Balance of the end of the year</i>
16BOE01	10,000,000,000	2016.03.21	5 years	10,000,000,000	9,956,719,508	-	315,000,000	9,747,988	315,000,000	9,966,467,496
Total				10,000,000,000	9,956,719,508	-	315,000,000	9,747,988	315,000,000	9,966,467,496

From 21 March 2016 to 22 March 2016, with the Approval document No. 469 [2016] of CSRC, the Group issued successfully a corporate bond of RMB 10 billion to qualified investors via Shenzhen Stock Exchange. The full name of the bond is corporate bond issued publicly by BOE Technology Group Co., Ltd. to qualified investors in 2016 (the first phase), which is referred to as 16BOE01.

The total amount of the bond in the current period is RMB 10 billion issued at a par value of RMB 100, with its maturity of 5 years from 21 March 2016 to 21 March 2021. At the end of the third year of the maturity, the bond is accompanied by option of the issuer to increase the coupon rate and option of investors to sell back the bond. The coupon rate of the bond is 3.15% which is fixed for the first 3 years of the maturity. At the end of the third year of the maturity, if the issuer exercises the option of increasing the coupon rate, the coupon rate of part of the bond which is not sold back equal to the coupon rate of the first 3 years of the maturity plus the increased basis point. This rate is fixed during the rest of 2 years of the maturity. The principal of the bond should be repaid in full at expiration date. The interests, calculated from 21 March 2016, should be paid annually and the interest of the last period should be paid along with the principal.

30. Long-term payables

<i>Item</i>	<i>Note</i>	<i>2017</i>	<i>2016</i>
Financial lease payables	(1)	1,355,559,059	1,368,924,192
Less: Financial lease payable due within one year		179,308,077	107,477,627
Total		1,176,250,982	1,261,446,565

(1) Details of financial lease payables under long-term payables

As at 31 December, the minimum financial lease payments in the future are as follows:

<i>Minimum lease payments</i>	<i>2017</i>	<i>2016</i>
Within one year (inclusive)	256,663,314	184,320,143
Over one year but within two years (inclusive)	283,747,221	598,914,389
Over two years but within three years (inclusive)	307,743,543	575,021,157
Over three years	825,636,817	191,296,121
Sub-total	1,673,790,895	1,549,551,810
Less: Unrecognized finance fees	318,231,836	180,627,618
Total	1,355,559,059	1,368,924,192

The Group rented back some of its sold machinery equipment and constructions in progress. The sales of the assets are related to the leases, and the Group basically can ensure to buy back the asset after lease term. Therefore, the Group adopts the accounting treatment of collateral loans.

In October 2017, Chengdu Optoelectronics, a subsidiary of the Group, paid the principal and interest of recognized financial lease as at 31 December 2016, amounting to RMB 1,040,486,994.

31. Provisions

<i>Item</i>	<i>2017</i>	<i>2016</i>
Pending implementation of the agreement	16,457,010	16,457,010

In 2009, the Group ceased producing several products and stopped fulfilling the purchase contract related to production. Due to the indemnity incurred accordingly, the Group accrued provisions according to reasonable estimation of loss.

32. Deferred income

<i>Item</i>	<i>Balance at the beginning of the year</i>	<i>Government grants newly increased during the year</i>	<i>Amount included in other income</i>	<i>Amount included in non-operating income</i>	<i>Book value of assets written down</i>	<i>Other reductions</i>	<i>Balance at the end of the year</i>
Government grants related to assets							
- The 6th generation LTPS and AMOLED production line project of Chengdu BOE	-	125,930,000	-	-	-	-	125,930,000
- The 8.5th generation TFT-LCD and Touch screen production of Hefei Xinsheng	252,908,826	6,330,907	36,130,787	-	70,926,228	-	152,182,718
- The 5.5th generation LTPS and AMOLED projects of Yuansheng	222,657,604	750,000	13,333,332	-	28,963,159	-	181,111,113
- The 10.5th generation TFT-LCD project of Hefei Display	369,744,100	-	-	-	-	-	369,744,100
- The 6th generation TFT-LCD project of Hefei BOE	82,825,596	-	59,523,810	-	9,016,071	-	14,285,715
- The 8.5th generation TFT-LCD project of Chongqing BOE	179,795,110	60,072,000	16,747,843	-	83,928,571	-	139,190,696
- The 8.5th generation TFT-LCD project of BOE Display	196,047,619	-	102,285,716	-	-	-	93,761,903
- Subsidies for scientific research and development	1,036,039,173	266,860,733	158,058,684	-	178,001,943	14,718,571	952,120,708
Government grants related to income							
- Subsidies for scientific research and development	154,104,901	111,481,951	12,048,954	19,759,544	-	150,000	233,628,354
Total	2,494,122,929	571,425,591	398,129,126	19,759,544	370,835,972	14,868,571	2,261,955,307

33. Other non-current liabilities

<i>Item</i>	<i>Note</i>	<i>2017</i>	<i>2016</i>
Convertible debt	(1)	3,985,192,661	3,823,719,309
Equity investment with redemption provisions	(2)	3,629,616,046	3,336,400,000
Deferred VAT for imported equipment		1,401,435,788	354,553,214
Others	(3)	114,000,000	102,000,000
Total		<u>9,130,244,495</u>	<u>7,616,672,523</u>

(1) Convertible debt

Pursuant to the agreement regarding the investment in Hefei Xinsheng signed by the Company and its minority shareholders, the Group is responsible for converting the investment RMB 4,000,000,000 made by the minority shareholders on 1 April 2013 with its increased issue of shares if the increase issue was granted by the CSRC. The Company should acquire the minority shareholder's rights otherwise. The Group affirmed the equity investment by minority shareholders aforesaid to be the financial instruments mixed as the following: 1) the acquisition duty should be categorised as the financial liabilities initially recognised at its fair value and subsequently measured at its amortised costs; 2) the convertible duty should be categorised as the financial liabilities recognised at its fair value and changes therein are recognised in profit and loss. These financial liabilities were recognised in consolidated balance sheet as other non-current liabilities.

The Group evaluated the value of financial liability- the acquisition duty in accordance with the valuation model for its initial recognition. The remaining of the evaluation deducted by the actual investment made by minority shareholders was recognised as the financial liability- the convertible duty.

In November 2014, the Company acquired the minority stockholders' investment in Hefei Xinsheng amounting to RMB 1,000,000,000 and derecognised the book value of the relevant financial liabilities.

As at 31 December 2017, the Group used effective interest rate method to evaluate the amortised costs to be RMB 3,912,131,508 for the value of financial liability - the acquisition duty, the remaining equity investment attributable to minority shareholders amounting to RMB 3,000,000,000. The Group's financial liability- the acquisition duty are measured at fair value. As at 31 December 2017, the fair value determined based on the valuation model amounted to RMB 73,061,153, and changes in fair value are included in gains from changes in fair value (Note V. 46).

(2) Equity investment with redemption provisions

Pursuant to the first, second and third agreements regarding the investment in the 8.5th generation semiconductor display device production line of Fuzhou signed among Fuzhou Government, Fuzhou Construction, China Development Bond Co., LTD (“CDB Development Fund”) and the Company, CDB Development Fund invested RMB 1,700,000,000, RMB 800,000,000 and RMB 800,000,000 as paid-in capitals in Fuzhou BOE Optoelectronics Technology Co., Ltd (Fuzhou BOE) in December 2015, December 2015 and February 2016 respectively. CDB Development Fund has the right to demand the Company to repurchase all the equity generated from the investment at the same price as its initial investment and the Company should guarantee that CDB Development Fund enjoys an annualized yield at 1.2% of the total investment through dividend distribution. The Group recognised all the mentioned investments from CDB Development Fund as other non-current liabilities and recognised book value of RMB 3,376,000,000 measured at amortised cost at 31 December 2017.

Based on the approval of the fifteenth meeting of the eighth Board of Directors, the Company’s wholly-owned subsidiary – BOE Technology (Hong Kong) Co., Ltd. (“BOETHK”) and the management of a French listed company - SES-imagotag SA (“SES”) or its designated investment platform (“ManCo”, together with the management of SES, are collectively known as “partners”), has jointly established BOE Smart Retail (Hong Kong) Co., Ltd. (“SPV”) and acquired the shares of SES through block trading by SPV. After friendly negotiation between the counterparties, the Company intends to provide liquidity arrangements for the SPV’s equity directly or indirectly held by the partners, ie if BOETHK has not lost control of SPV and SES on 15 March 2022, BOETHK shall provide liquidity arrangements for SPV’s equity directly/indirectly held by SES management /ManCo, that is to say, SES management/ManCo has the option to sell SPV shares directly or indirectly held. As at 31 December 2017, the Group recognized the aforementioned Manco’s investment in SPV as other financial liabilities and included in other non-current liabilities. As at 31 December 2017, the book value measured at amortized cost was RMB 253,616,046.

(3) Others

The subsidiary of the Group acquired special support fund for construction projects and fixed asset acquisition. The special support fund can be reclassified as government grant related to assets once the construction projects are reviewed and verified as qualified. Otherwise, the principal and interests which are calculated at the bank interest rate of the current period from the date of capital appropriation should be repaid. During the agreement period, the Group categorised the fund as other non-current liabilities.

34. Share capital

	<i>Balance at the beginning of the year</i>	<i>Treasury shares written off</i>	<i>Balance at the end of the year</i>
Total shares	35,153,067,743	(354,668,980)	34,798,398,763

35. Capital reserve

	<i>Balance at the beginning of the year</i>	<i>Additions during the year</i>	<i>Reductions during the year</i>	<i>Balance at the end of the year</i>
Share premiums	38,115,575,868	-	569,058,815	37,546,517,053
Other capital reserves				
- Equity investment provision	259,913,487	-	-	259,913,487
- Acquisition of minority interests	647,234,778	123,216,408	-	770,451,186
- Other changes of investees	8,633,396	-	-	8,633,396
Total	39,031,357,529	123,216,408	569,058,815	38,585,515,122

36. Treasury shares

<i>Item</i>	<i>Balance at the beginning of the year</i>	<i>Additions during the year</i>	<i>Reductions during the year</i>	<i>Balance at the end of the year</i>
Repurchase of unrestricted A-share	226,480,961	-	226,480,961	-
Repurchase of unrestricted B-share	87,869,863	609,376,971	697,246,834	-
Total	314,350,824	609,376,971	923,727,795	-

The Company utilised its own fund to repurchase the issued public shares through centralised bidding in Shenzhen Stock Exchange on 20 September 2016. As at 18 August 2017, the Company have repurchased 88,692,299 unrestricted A-share and 265,976,681 unrestricted B-share. On 25 August 2017, the total repurchased shares of 354,668,980 had been deregistered from Shenzhen Branch of China Securities Depository and Clearing Corporation Limited.

37. Other comprehensive income

Item	Balance at the beginning of the year attributable to shareholders of the parent company	Movements during the year					Balance at the end of the year attributable to shareholders of the parent company
		Before-tax amount	Less: Previously recognised amount transferred to profit or loss	Less: income tax	After-tax amount attributable to the parent company	After-tax amount attributable to the minority shareholders	
Other comprehensive income that will be reclassified to profit or loss							
Including: Share of other comprehensive income of equity method investments	68,563,516	76,051,151	-	-	76,051,151	-	144,614,667
Gain or loss arising from changes in fair value of available-for-sale financial assets	107,485,863	52,438,962	356,146	21,077,506	12,910,506	18,094,804	120,396,369
Translation difference from foreign financial statements	(100,330,676)	(62,669,378)	-	-	(14,077,427)	(48,591,951)	(114,408,103)
Total	75,718,703	65,820,735	356,146	21,077,506	74,884,230	(30,497,147)	150,602,933

38. Surplus reserve

Item	Balance at the beginning of the year	Additions during the year	Reductions during the year	Balance at the end of the year
Statutory surplus reserve	453,468,546	146,500,620	-	599,969,166
Discretionary surplus reserve	289,671,309	-	-	289,671,309
Total	743,139,855	146,500,620	-	889,640,475

39. Retained earnings

Item	2017	2016
Retained earnings at the beginning of the year	4,011,055,487	2,630,912,286
Add: Net profits for the year attributable to shareholders of the Company	7,567,682,493	1,882,571,674
Less: Appropriation for statutory surplus reserve	146,500,620	150,897,796
Dividends to ordinary shares	1,046,578,276	351,530,677
Retained earnings at the end of the year	10,385,659,084	4,011,055,487

As at 31 December 2017, the consolidated retained earnings attributable to the Company included an appropriation of RMB 870,170,635 to surplus reserve by the Company's subsidiaries (2016: RMB 807,192,450).

According to the Annual Shareholders' Meeting for 2016 held on 9 June 2017, the Company distributed cash dividends to all shareholders on 14 July 2017, with RMB 0.3 every 10 shares and a total dividend of RMB 1,046,578,276 distributed.

40. Operating income and operating costs

Item	2017		2016	
	Income	Cost	Income	Cost
Principal activities	91,648,854,762	68,916,418,783	66,518,894,197	54,744,486,677
Other operating activities	2,151,624,453	1,366,058,802	2,376,764,766	1,841,209,414
Total	<u>93,800,479,215</u>	<u>70,282,477,585</u>	<u>68,895,658,963</u>	<u>56,585,696,091</u>

Details of operating income :

	2017	2016
Operating income from principal activities		
- Sales of goods	91,648,854,762	66,518,894,197
Other operating income		
- Sales of raw materials	985,858,732	1,377,253,263
- Rental income of investment properties	878,867,829	805,736,949
- Others	286,897,892	193,774,554
Total	<u>93,800,479,215</u>	<u>68,895,658,963</u>

Information on income, expenses and profit of principal activities has been included in Note XIV.

41. Taxes and surcharges

	2017	2016
Business tax	-	15,807,478
City maintenance and construction tax	173,249,514	129,074,343
Education surcharge and local education charge	124,162,574	92,429,674
Real estate tax	237,646,244	138,000,971
Land use tax	37,247,474	26,748,602
Stamp duty	69,998,977	52,130,827
Others	66,076,746	5,072,038
Total	<u>708,381,529</u>	<u>459,263,933</u>

In accordance with *Notice of Ministry of Finance on Promulgation of the Regulations on Accounting Treatment of Value-added Tax (Cai Kuai [2016] No. 22)*, taxes such as real estate tax, land use tax, license tax for vehicles and vessels, stamp tax should be recorded in the tax and surcharge from 1 May 2016.

42. Selling and distribution expenses

	2017	2016
Staff cost	536,623,384	370,619,778
Logistics	452,572,779	347,897,805
Warranty provisions	1,200,437,455	958,418,943
Other expenses	402,292,180	307,425,395
	<hr/>	<hr/>
Total	2,591,925,798	1,984,361,921
	<hr/>	<hr/>

43. General and administrative expenses

	2017	2016
Staff cost	1,886,440,369	1,246,903,134
Depreciation and amortisation	256,406,262	212,598,319
Research and development expense	3,177,767,395	2,619,111,248
Repair expense	1,076,177,465	800,135,647
Other expenses	849,751,849	739,695,304
	<hr/>	<hr/>
Total	7,246,543,340	5,618,443,652
	<hr/>	<hr/>

44. Financial expenses

	2017	2016
Interest expenses from loans	3,143,654,626	2,349,432,222
Less: Borrowing costs capitalised	664,318,467	326,691,880
Interest income from deposits	(665,076,391)	(533,341,012)
Net exchange losses	19,922,620	754,759,625
Other financial expenses	113,842,472	54,957,942
	<hr/>	<hr/>
Total	1,948,024,860	2,299,116,897
	<hr/>	<hr/>

The interest rate per annum, at which the borrowing costs were capitalised by the Group, was 2.66% - 4.74% (2016: 2.75% - 5.13%) for the year.

45. Impairment losses

	2017	2016
Bad debts loss/(reversal)	282,200,188	(18,890,107)
Inventories	1,903,973,944	1,374,128,536
Long-term equity investments	-	199,524,795
Fixed assets	43,350,550	39,725,329
	<hr/>	<hr/>
Total	2,229,524,682	1,594,488,553
	<hr/>	<hr/>

46. Gains from changes in fair value

<i>Item</i>	2017	2016
Financial liabilities measured at fair value through profit or loss	32,048,211	-
Including: Gains changes in fair value from derivative financial instruments	32,048,211	-
	<hr/>	<hr/>
Total	32,048,211	-
	<hr/>	<hr/>

As stated in Note V.33 (1), the Group assessed the fair value of the financial liability - the acquisition duty during the current year and recognized the gains from changes in fair value amounting to RMB 32,048,211.

47. Investment income

	2017	2016
Long-term equity investments gains/(loss) under equity method	169,034	(15,121,347)
Investment income from disposal of long-term equity investment	-	6,107,937
Investment loss from disposal of financial assets measured at fair value through profit or loss	-	(20,988,941)
Including: Financial assets held for trading	-	(20,988,941)
Investment income from disposal of available-for-sale financial assets	-	11,921,601
Investment income from holding available-for-sale financial assets	12,671,679	10,822,410
Investment income from wealth management products on maturity	102,761,970	158,264,949
Including: Reversal of other comprehensive income	356,146	21,473,098
	<hr/>	<hr/>
Total	115,602,683	151,006,609
	<hr/>	<hr/>

48. Losses from disposal of assets

<i>Item</i>	<i>2017</i>	<i>2016</i>	<i>Amount included in non-recurring profit and loss in 2017</i>
Losses from disposal of fixed assets	(69,145)	(7,318,426)	(69,145)
Gains from disposal of intangible assets	-	5,053,946	-
Total	(69,145)	(2,264,480)	(69,145)

49. Government grants

	<i>2017</i>
Other revenue	
Government grants related to assets	
- The 8.5th generation TFT-LCD and Touch screen production of Hefei Xinsheng	36,130,787
- The 5.5th generation LTPS and AMOLED projects of Yuansheng	13,333,332
- The 6th generation TFT-LCD project of Hefei BOE	59,523,810
- The 8.5th generation TFT-LCD project of Chongqing BOE	16,747,843
- The 8.5th generation TFT-LCD project of BOE Display	102,285,716
- Subsidies for scientific research and development, etc.	158,058,684
Government grants related to income	
- Subsidies for scientific research and development, etc.	346,469,940
Total	732,550,112
Non-operating income	
Government grants related to income	
- Policy incentives and others	108,695,893
Total	108,695,893

The amount of government subsidies received by the Group in 2017 and directly included in other income was RMB 334,420,986, and the amount of government subsidies received and directly included in non-operating income was RMB 88,936,349.

(1) Government grants related to assets

Government grants related to assets during 2017 are as follows:

(a) Effects on assets

	2017
Book value of fixed assets written down	
- Finance discount	344,577,135
Book value of intangible assets written down	
- Finance discount	26,258,837
	<hr/>
Total	370,835,972
	<hr/>

(b) Please see Note V.32 for the effects on deferred income.

(2) Government grants related to income

Government grants related to income during 2017 are as follows:

(a) Effects on items of income statement

	2017
Financial expense written down	
- Finance discount	36,417,041
	<hr/>

(b) Please see Note V.32 for the effects on deferred income.

50. Non-operating income and expenses

(1) Non-operating income by item is as follows:

<i>Item</i>	<i>Note</i>	<i>2017</i>	<i>2016</i>	<i>Amount recognised in extraordinary gain and loss in 2017</i>
Government grants	V.(49)	108,695,893	1,914,531,603	108,695,893
Others		71,722,965	166,380,769	71,722,965
		<u>180,418,858</u>	<u>2,080,912,372</u>	<u>180,418,858</u>
Total		<u>180,418,858</u>	<u>2,080,912,372</u>	<u>180,418,858</u>

(2) Non-operating expenses

	<i>2017</i>	<i>2016</i>	<i>Amount recognised in extraordinary gain and loss in 2017</i>
Donations provided	18,829,148	2,719,012	18,829,148
Losses from written-off of retired non-current assets	87,861,553	56,750,205	87,861,553
Others	6,389,900	12,074,125	6,389,900
	<u>113,080,601</u>	<u>71,543,342</u>	<u>113,080,601</u>
Total	<u>113,080,601</u>	<u>71,543,342</u>	<u>113,080,601</u>

51. Income tax expenses

	<i>Note</i>	<i>2017</i>	<i>2016</i>
Current tax expenses for the year based on tax law and corresponding regulations		1,746,755,541	492,415,785
Changes in deferred tax assets / liabilities	(1)	133,904,439	(25,187,469)
		<u>1,880,659,980</u>	<u>467,228,316</u>
Total		<u>1,880,659,980</u>	<u>467,228,316</u>

- (1) The analysis of deferred tax assets / liabilities is set out below:

	2017	2016
Origination and reversal of temporary differences	133,904,439	(25,187,469)

- (2) Reconciliation between income tax expenses and accounting profit is as follows:

	2017	2016
Profit before taxation	9,741,071,539	2,512,399,075
Expected income tax expenses at a tax rate of 15%	1,461,160,731	376,859,861
Add: Effect of different tax rates applied by subsidiaries	(27,391,522)	46,714,771
Tax effect of non- deductible costs, expenses and losses	43,112,436	29,725,849
Tax effect of weighted deduction and tax preference	(167,780,559)	(164,389,739)
Utilisation of prior year tax losses	(55,457,681)	(34,812,379)
Tax effect of deductible losses of deferred tax assets not recognised	160,554,413	50,457,430
Tax effect of deductible temporary differences of deferred tax assets not recognised	490,319,923	162,672,523
Recognised temporary differences of previous years	(23,857,761)	-
Income tax expenses	1,880,659,980	467,228,316

52. Basic earnings per share and diluted earnings per share

Basic earnings per share is calculated as dividing consolidated net profit of the Company attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding; The Group does not have any potential dilutive ordinary shares for the listed years.

	2017	2016
Consolidated net profit attributable to ordinary shareholders of the Company	7,567,682,493	1,882,571,674
Weighted average number of ordinary shares outstanding (share)	34,888,807,218	35,132,740,903
Basic earnings per share (RMB / share)	0.217	0.054

Weighted average number of ordinary shares is calculated as follows :

	2017	2016
Issued ordinary shares at the beginning of the year	35,020,526,918	35,153,067,743
Weighted average number of ordinary shares issued in current period	-	-
Effect of shares repurchased	(131,719,700)	(20,326,840)
	<u>34,888,807,218</u>	<u>35,132,740,903</u>
Weighted average number of ordinary shares at the end of the year	<u>34,888,807,218</u>	<u>35,132,740,903</u>

53. Notes to cash flow statement

(1) Supplement to cash flow statement

	2017	2016
(a) Reconciliation of net profit to cash flows from operating activities:		
Net profit	7,860,411,559	2,045,170,759
Add: Provisions for impairment of assets	2,229,524,682	1,594,488,553
Depreciation of fixed assets and investment property	11,582,379,561	10,043,152,205
Amortisation of intangible assets	283,359,395	263,565,131
Amortisation of long-term deferred expenses	78,774,292	66,800,461
Losses from disposal of fixed assets, intangible assets, and other long-term assets	69,145	2,264,480
Losses from scrapping of fixed assets and intangible assets	87,861,553	50,597,809
Gains from share acquisition	-	(105,228,293)
Financial expenses	1,446,546,521	3,054,587,745
Gains from changes in fair value	(32,048,211)	-
Income arising from investments	(115,602,683)	(151,006,609)
Gains from government grants	(417,888,670)	(1,056,995,722)
Decrease /(Increase) in deferred tax assets	40,282,908	(28,829,528)

Increase in deferred tax liabilities	93,600,350	3,944,619
Increase in inventories	(3,028,554,792)	(2,266,461,601)
Decrease /(Increase) in operating receivables	2,126,578,448	(9,061,142,249)
Increase in operating payables	4,031,691,957	5,618,379,360
Net cash inflow from operating activities	26,266,986,015	10,073,287,120
	2017	2016

(b) Changes in cash and cash equivalents:

Cash and cash equivalents at the end of the year	47,913,287,583	49,354,810,388
Less: Cash and cash equivalents at the beginning of the year	49,354,810,388	36,182,738,217
Net (decrease) /increase in cash and cash equivalents	(1,441,522,805)	13,172,072,171

(2) Details of cash and cash equivalents

	2017	2016
Cash on hand	526,764	707,796
Bank deposits available on demand	47,912,760,611	49,170,616,669
Other monetary funds available on demand	208	183,485,923
Cash and cash equivalents at the end of year	47,913,287,583	49,354,810,388

Note: Cash and cash equivalents disclosed above exclude other monetary fund with restricted usage.

54. Assets with restrictive ownership title or right of use

Item	Balance at the beginning of the year	Additions during the year	Decreases during the year	Balance at the end of the year	Reason for restriction
Cash at bank and on hand	8,798,006,835	8,049,209,519	7,631,844,361	9,215,371,993	Pledged as collateral and margin deposit
Bills receivable	554,066,161	496,916,571	547,576,056	503,406,676	Discounted with recourse, endorsed with resource and pledged for drawing bill
Investment properties	194,397,438	-	6,382,006	188,015,432	Mortgaged as collateral
Fixed assets	59,103,357,241	19,987,016,994	22,451,352,436	56,639,021,799	Mortgaged as collateral
Construction in progress	2,578,810,470	7,161,435,549	1,465,225,341	8,275,020,678	Mortgaged as collateral
Intangible assets	962,788,931	308,011,165	312,765,129	958,034,967	Mortgaged as collateral
Total	72,191,427,076	36,002,589,798	32,415,145,329	75,778,871,545	

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55. Provisions for impairment of assets

Item	Note	Balance at the beginning of the year RMB Yuan	Additions during the year RMB Yuan	Decreases during the year			Balance at the end of the year RMB Yuan
				Reversals RMB Yuan	Write-offs RMB Yuan	Translation differences RMB Yuan	
Receivables	V.3,5	32,025,152	284,816,212	2,616,024	2,485,424	6,543,542	305,196,374
Inventories	V.6	1,114,190,578	2,187,326,599	283,352,655	1,028,248,689	-	1,989,915,833
Available-for-sale financial assets	V.8	150,279,655	-	-	-	-	150,279,655
Held-to-maturity investments		17,960,946	-	-	-	-	17,960,946
Long-term equity investments	V.9	537,136,972	-	-	-	-	537,136,972
Fixed assets	V.11	665,617,296	43,350,550	-	35,258,092	-	673,709,754
Construction in progress	V.12	1,311,456	-	-	1,311,456	-	-
Intangible assets	V.13	471,453	-	-	471,453	-	-
Goodwill	V.14	4,423,876	-	-	-	-	4,423,876
Total		2,523,417,384	2,515,493,361	285,968,679	1,067,775,114	6,543,542	3,678,623,410

For reasons of recognition of impairment losses, refer to the notes of relevant assets.

VI. Change of consolidation scope

Other than certain subsidiaries newly established (Note VII.1. (1)), the consolidation scope of Group did not change during 2017.

VII. Interests in other entities

1. Interests in subsidiaries

(1) The Composition of the Group

Name of the Subsidiary	Registration place		Business Nature	Registered capital	Shareholding (or similar equity interest) percentage		Acquisition method
					Direct	Indirect	
Beijing BOE Optoelectronics Technology Co., Ltd.	Beijing, China	Beijing, China	Research, development, and manufacture of TFT-LCD	USD 649,110,000	82.49%	17.51%	Investment
Chengdu BOE Optoelectronics Technology Co., Ltd. (Chengdu Optoelectronics)	Chendgu, China	Chendgu, China	Research, development, manufacture, and sale of new display devices and components	RMB 20,000,000,000	100%	-	Business combinations involving enterprises not under common control
Hefei BOE Optoelectronics Technology Co., Ltd.	Hefei, China	Hefei, China	Investing, researching, manufacturing and promoting TFT-LCD products and accessory products	RMB 9,000,000,000	100%	-	Business combinations involving enterprises not under common control
Beijing BOE Display Technology Co., Ltd. (BOE Display)	Beijing, China	Beijing, China	Development of TFT-LCD, manufacture and sale of TFT-LCD	RMB 17,882,913,500	97.17%	2.83%	Investment
Hefei Xinsheng Optoelectronics Technology Co., Ltd.	Hefei, China	Hefei, China	Investing, researching, manufacturing and promoting TFT-LCD products and accessory products	RMB 19,500,000,000	84.59%	0.03%	Business combinations involving enterprises not under common control
Erdos Yuansheng Optoelectronics Co., Ltd. (Yuansheng Optoelectronics)	Erdos, China	Erdos, China	The production and operation of AMOLED and relevant products	RMB 11,804,000,000	100%	-	Investment
Chongqing BOE Optoelectronics Technology Co., Ltd. (Chongqing BOE)	Chongqing, China	Chongqing, China	Research, development, manufacture and sales of semiconductor display devices, machine and relevant products, import and export of goods and technical consulting	RMB 19,226,000,000	100%	-	Business combinations involving enterprises not under common control
Fuzhou BOE Optoelectronics Technology Co., Ltd. (Fuzhou BOE)	Fuzhou, China	Fuzhou, China	Investing, researching, manufacturing and promoting TFT-LCD products and accessory products	RMB 15,966,000,000	79.33%	-	Business combinations involving enterprises not under common control
Beijing BOE Vision-electronic Technology Co., Ltd. (BOE Vision-electronic)	Beijing, China	Beijing, China	Research, manufacture and sales of LCD and terminal products of TV	RMB 2,720,600,000	100%	-	Investment
Beijing BOE Vacuum Electronics Co., Ltd.	Beijing, China	Beijing, China	Manufacture and sales of vacuum electronic products	RMB 35,000,000	55%	-	Investment
Beijing BOE Vacuum Technology Co., Ltd.	Beijing, China	Beijing, China	Manufacture and sales of vacuum products	RMB 32,000,000	100%	-	Investment
Beijing BOE Special Display Technology Co., Ltd. (Special Display)	Beijing, China	Beijing, China	Development of display products and sales of electronic products	RMB 100,000,000	100%	-	Investment
Beijing Yinghe Century Co., Ltd.	Beijing, China	Beijing, China	Engineering project management, real estate development, mobile vehicle parking lot services and marketing research	RMB 233,105,200	100%	-	Investment
BOE Optical Science and technology Co., Ltd. (Optical Technology)	Suzhou, China	Suzhou, China	Development, manufacture and sales of backlight and related parts and components for LCD	RMB 826,714,059	95.17%	-	Investment
BOE Hyundai LCD (Beijing) Display Technology Co., Ltd.	Beijing, China	Beijing, China	Development, manufacture and sales of liquid display for mobile termination	USD 5,000,000	75%	-	Investment
BOE (Hebei) Mobile Technology Co., Ltd. (BOE Hebei)	Langfang, China	Langfang, China	Manufacture and sales of mobile flat screen display technical products and related services	RMB 1,358,160,140	100%	-	Investment

				Shareholding (or similar equity interest) percentage			
Name of the Subsidiary	Registration place		Business Nature	Registered capital	Direct	Indirect	Acquisition method
Beijing BOE Multimedia Technology Co., Ltd. (BOE Multimedia)	Beijing, China	Beijing, China	Sales of computer software and Hardware, the numeral regards the audio frequency technology	RMB 400,000,000	100%	-	Investment
Beijing BOE Energy Technology Co., Ltd. (BOE Energy)	Beijing, China	Beijing, China	Design, consultation and services of solar battery, photovoltaic system, wing turbine system and photo-thermal system, and energy saving service	RMB 850,000,000	100%	-	Investment
Beijing BOE Smart Commerce Co., Ltd. (Beijing Smart Commerce)	Beijing, China	Beijing, China	Technology promotion, property management, and sales of electronic products	RMB 10,000,000	100%	-	Investment
Beijing Zhongxiangying Technology Co., Ltd. (Beijing Zhongxiangying)	Beijing, China	Beijing, China	Technology promotion, property management, and sales of electronic products	RMB 10,000,000	100%	-	Investment
Erdos Haosheng Energy Investment Co., Ltd. (Haosheng Energy)	Erdos, China	Erdos, China	Energy investment	RMB 30,000,000	20%	80%	Investment
BOE Semi-conductor Co., Ltd.	Beijing, China	Beijing, China	Processing, production, and sales of goods, primarily comprising sales of precision electronic metal parts and semiconductor devices, in addition to micromodules, microelectronic devices and electronic materials; import and export of goods	RMB 11,700,000	80.77%	-	Investment
BOE Optoelectronics Holding Co.,Ltd. (Optoelectronics Holding)	Hong Kong, China	Virgin Islands, British	Design, manufacturing and sales of electronic-information industry related products, investment and financing businesses	USD 260,809,100	100%	-	Investment
Beijing ASAHI Electronic Materials Co., Ltd.	Beijing, China	Beijing, China	Sales of Supports and glass bar for TV and CTV low melting sealing frit	RMB 61,576,840	100%	-	Business combinations involving enterprises not under common control
BOE Healthcare Investment & Management Co., Ltd. (Healthcare Investment)	Beijing, China	Beijing, China	Investment management and project investment	RMB 3,000,000,000	100%	-	Business combinations involving enterprises not under common control
Beijing-Matsushita Color CRT Co., Ltd. (Matsushita)	Beijing, China	Beijing, China	Coloured TV, cathode-ray tube of display, projection cathode ray tube of coloured RPTV and materials of electronic parts, property management service, toll parking lots	RMB 670,754,049	88.80%	-	Business combinations involving enterprises not under common control
Hefei BOE Display Technology Co., Ltd.(Hefei Display)	Hefei China	Hefei China	Investment, development and manufacture of TFT-LCD products and accessory products	RMB 21,734,000,000	7.94%	-	Business combinations involving enterprises not under common control
Beijing BOE Technology Development Co., Ltd. (Technology Development)	Beijing, China	Beijing, China	Development, transfer, consultation and services of technologies	RMB 1,000,000	100%	-	Investment
BOE Smart Technology Co., Ltd. (Smart Technology)	Beijing, China	Beijing, China	Development, transfer, consultation, services and promotion of technologies	RMB 100,000,000	100%	-	Investment
Hefei BOE Zhuoyin Science & Technology Co., Ltd. (Zhuoyin Science & Technology)	Hefei China	Hefei China	Investment, development, manufacture and sales of OLED display products and accessory products	RMB 800,000,000	75.05%	-	Investment
Beijing BOE Property Co., Ltd.(“ BOE Property”)	Beijing, China	Beijing, China	Development, construction, property management and supporting services of industrial plants and supporting facilities, information and consultation of real estates, lease of commercial facilities, service staff and other supporting facilities and public parking area services for vehicles	RMB 55,420,000	70%	-	Investment
Beijing BOE Marketing Co., Ltd.(“ BOE Marketing”)	Beijing, China	Beijing, China	Sales of communication devices, computer hardware and software and accessory devices and electronic products and equipment maintenance; development, transfer, consultation and services of technologies; import and export of goods, import and export agency, import and export of technologies; Consigned processing of electronic products and LCD	RMB 50,000,000	100%	-	Investment

Name of the Subsidiary	Registration place	Business Nature	Registered capital	Shareholding (or similar equity interest) percentage		Acquisition method	
				Direct	Indirect		
Kunming BOE Display Technology Co., Ltd. *(" Kunming BOE")	Yunnan, China	Yunnan, China	Mainly engaged in the development, promotion, transfer, consultation and services of display technology; computer software, hardware and network system services; the construction, operations and management of e-commerce platform; product design; conference services; undertaking exhibitions and presentation activities; computer animation design; production, R&D and sales of OLED microdisplays and AR/VR complete machines; warehousing services; I-type Xuanmu investment and management of investment projects	RMB 1,000,000,000	81.25%	-	Investment

Hefei BOE Display Technology Co., Ltd. was established at Hefei in 2015. In November 2016, the Company and other shareholders of Hefei Display, Hefei Construction Investment & Holding Co., Ltd. and Hefei Xinping Industry Investment Fund (Limited Partnership), signed a concerted action agreement, and the parties agreed to act as a parties acting in concert based on the Company's wishes, unconditionally and irrevocably exercise voting rights in accordance with the opinions of the Company, therefore, the Company has control over Hefei Display.

Note: * Newly established in 2017.

(2) Significant partly-owned subsidiaries

<i>Name of subsidiaries</i>	<i>Shareholding percentage of non-controlling interests</i>	<i>(Losses)/gains attributable to non-controlling interests during the year</i>	<i>Dividends declared to non-controlling interests during the year</i>	<i>the balance of non-controlling interests at year end</i>
Hefei Display	92.06%	(6,829,148)	-	17,993,081,975
BOE Varitronix Limited ("BOE Varitronix")	45.58%	14,545,830	7,359,220	1,088,153,981

(3) Main financial information of significant partly-owned subsidiaries

The following table sets out the key financial information of the above subsidiaries without offsetting internal transactions, but with adjustments made in light of the fair value at the consolidation date and any differences in accounting policies:

	<i>Hefei Display</i>		<i>BOE Varitronix</i>	
	<i>2017</i>	<i>2016</i>	<i>2017</i>	<i>2016</i>
Current assets	10,186,968,292	7,766,003,875	2,447,385,717	2,475,405,243
Non-current assets	22,403,727,292	6,124,978,951	504,556,061	397,549,130
Total assets	32,590,695,584	13,890,982,826	2,951,941,778	2,872,954,373
Current liabilities	3,935,813,860	4,425,532,140	550,087,794	387,272,484
Non-current liabilities	9,109,930,632	515,024,100	14,504,310	12,337,148
Total liabilities	13,045,744,492	4,940,556,240	564,592,104	399,609,632
Operating income	242,505,228	8,019	2,513,803,406	1,301,427,936
Net (loss) / profit	(7,117,515)	(1,586,766)	34,049,450	34,999,478
total comprehensive income	11,524,506	(1,586,766)	(70,908,446)	5,719,690
Cash flows from operating activities	36,306,826	(18,301,192)	287,882,889	136,053,957

The above main financial information refers to those of the period from the acquisition date to 31 December 2016.

2. Transactions that cause changes in the Group's interests in subsidiaries but do not result in loss of control

(1) Changes in the Group's interests in subsidiaries:

	<i>Before changes of interests</i>	<i>After changes of interest</i>
Chongqing BOE	81.80%	100.00%
BOE Varitronix	54.70%	54.42%
Optical Technology	93.88%	95.17%
Hefei Display	7.46%	7.94%
Zhuoyin Science & Technology	100.00%	75.05%

The Company acquired Chongqing Jiangbeizui CBD Investment Group Co., Ltd., Guotai Yuanxin Asset Management Co. Ltd. and Shenzhen Pingan Dahua Huitong Wealth Management Co., Ltd. (holding all the equities of Chongqing BOE) at the consideration of RMB3,825,685,400 in June 2017, the percentage of shares held by the Company over Chongqing BOE increased to 100% after the transaction.

Due to the equity-settled share-based payment from BOE Varitronix, a subsidiary of the Company in 2017, the percentage of shares held by the Company over is changed to 54.42%.

The changes in the shareholding of the Company in the owners of above-mentioned other subsidiaries were caused by the capital increase of the Company and its non-controlling interests.

(2) Impact from transactions with non-controlling interests and equity attributable to the shareholders of the Company:

	<u>Chongqing BOE</u>	<u>BOE Varitronix</u>	<u>Optical Technology</u>	<u>Hefei Display</u>	<u>Zhuoyin Science & Technology</u>
Acquisition cost					
- Cash	3,825,685,400	-	139,000,000	883,000,000	400,000,000
Less: Share of net assets in subsidiaries based on the shares acquired/disposed	3,953,912,015	(6,152,787)	140,550,940	883,009,360	399,582,280
Difference	<u>(128,226,615)</u>	<u>6,152,787</u>	<u>(1,550,940)</u>	<u>(9,360)</u>	<u>417,720</u>
Including: Adjustment on capital reserve	128,226,615	(6,152,787)	1,550,940	9,360	(417,720)

3. Interests in associates and joint ventures
Please see Note V.9 (2) for details of the summarised financial information of the associates and joint ventures.

No material restrictions on transfers of funds from investees to the Group.

VIII. Risk related to financial instruments

The Group has exposure to the following risks from its use of financial instruments in the normal course of the Group's operations:

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

The following mainly presents information about the Group's exposure to each of the above risks and their sources, their changes during the year, and the Group's objectives, policies and processes for measuring and managing risks, and their changes during the year.

Group aims to seek the appropriate balance between the risks and benefits from its use of financial instruments and to mitigate the adverse effects that the risks of financial instruments have on the Group's financial performance. Based on such objectives, the Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The internal audit department of the Group undertakes both regular and ad-hoc reviews of risk management controls and procedures.

(1) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Group's credit risk is primarily attributable to receivables. Exposure to these credit risks are monitored by management on an ongoing basis.

The cash at bank of the Group is mainly held with well-known financial institutions. Management does not foresee any significant credit risks from these deposits and does not expect that these financial institutions may default and cause losses to the Group.

In respect of receivables, the Group has established a credit policy under which individual credit evaluations are performed on all customers to determine the credit limit and terms applicable to the customers. These evaluations focus on the customers' financial position, the external ratings of the customers and the record of previous transactions. Receivables are due within 15 to 120 days from the date of billing. Debtors with balances that are past due are requested to settle all outstanding balances before any further credit is granted. Normally, the Group does not obtain collateral from customers.

In monitoring customer credit risk, customers are grouped according to some factors, such as ageing and maturity date, etc.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry, country or area in which the customers operate and therefore significant concentrations of credit risk arise primarily when the Group has significant exposure to individual customers. At the balance sheet date, the Group and the Company's accounts receivable and other receivables due from the top five customers account for 37% and 0.2% of the total receivables respectively (2016: 40% and 1%). In addition, the accounts receivable not overdue or impaired is mainly related to many clients who don't have payment in arrears records recently.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet. As mentioned in Note XII, as at 31 December 2017, the Group does not provide any external guarantees which would expose the Group or the Company to credit risk.

(2) Liquidity risk

Liquidity risk is the risk that an enterprise may encounter deficiency of funds in meeting obligations that are settled by delivering cash or another financial asset. The Company and its individual subsidiaries are responsible for their own cash management, including short-term investment of cash surpluses and the raising of loans to cover expected cash demands (subject to approval by the Company's board when the borrowings exceed certain predetermined levels). The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash, readily realisable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

Contract cash flow not discounted in the year of 2017						Carrying amount at balance sheet date
	Within 1 year or on demand	1 to 3 years	3 to 5 years	Over 5 years	Total	
Financial liabilities						
Short-term loans	3,267,011,755	-	-	-	3,267,011,755	3,249,736,430
Bills payable	543,798,835	-	-	-	543,798,835	543,798,835
Accounts payable	16,205,788,698	-	-	-	16,205,788,698	16,205,788,698
Interest payable	847,955,186	-	-	-	847,955,186	847,955,186
Dividends payable	9,651,170	-	-	-	9,651,170	9,651,170
Other payables	15,264,806,774	-	-	-	15,264,806,774	15,264,806,774
Non-current liabilities: within one year	9,620,665,187	-	-	-	9,620,665,187	9,109,708,511
Long-term loans	2,884,011,291	8,571,300,399	6,211,128,059	78,338,069,603	96,004,509,352	78,973,633,010
Long-term payables	-	591,490,764	411,613,803	414,023,014	1,417,127,581	1,176,250,982
Bonds payable	315,000,000	630,000,000	10,315,000,000	-	11,260,000,000	9,966,467,496
Total	48,958,688,896	9,792,791,163	16,937,741,862	78,752,092,617	154,441,314,538	135,347,797,092

Contract cash flow not discounted in the year of 2016						Carrying amount at balance sheet date
	Within 1 year or on demand	1 to 3 years	3 to 5 years	Over 5 years	Total	
Financial liabilities						
Short-term loans	5,051,842,272	-	-	-	5,051,842,272	4,916,965,507
Bills payable	640,262,461	-	-	-	640,262,461	640,262,461
Accounts payable	13,835,615,665	-	-	-	13,835,615,665	13,835,615,665
Interest payable	676,358,748	-	-	-	676,358,748	676,358,748
Dividends payable	9,651,170	-	-	-	9,651,170	9,651,170
Other payables	14,395,525,248	-	-	-	14,395,525,248	14,395,525,248
Non-current liabilities within one year	3,985,076,720	-	-	-	3,985,076,720	3,684,236,935
Long-term loans	1,290,145,169	4,932,342,075	6,596,449,504	40,137,273,081	52,956,209,829	49,885,166,211
Long-term payables	-	1,173,935,546	191,296,121	-	1,365,231,667	1,261,446,565
Bonds payable	315,000,000	630,000,000	10,630,000,000	-	11,575,000,000	9,956,719,508
Total	40,199,477,453	6,736,277,621	17,417,745,625	40,137,273,081	104,490,773,780	99,261,948,018

(3) Interest rate risk

Interest-bearing financial instruments at variable rates and at fixed rates expose the Group to cash flow interest rate risk and fair value interest risk, respectively. The Group determines the appropriate weightings of the fixed and floating rate interest-bearing instruments based on the current market conditions and performs regular reviews and monitoring to achieve an appropriate mix of fixed and floating rate exposure. The Group does not enter into financial derivatives to hedge interest rate risk.

- (a) As at 31 December, the Group held the following interest-bearing financial instruments:

Fixed rate instruments:

Item	2017		2016	
	Effective interest rate	Amount	Effective interest rate	Amount
Financial assets				
- Cash at bank and on hand	0.20%~2.75%	22,137,189,508	1.10% ~ 2.75%	27,271,387,386
Financial liabilities				
- Short-term loans	1.43%~5.20%	(2,172,993,056)	1.20% ~ 5.04%	(2,003,425,507)
- Non-current liabilities due within one year	0%~5.64%	(3,404,283,141)	2.33% ~ 5.94%	(206,116,992)
- Bonds payable	3.15%	(9,966,467,496)	3.15%	(9,956,719,508)
- Long-term payables	4.17%~7.02%	(1,176,250,982)	5.00% ~ 5.04%	(1,261,446,565)
- Long-term loans	0%~6.60%	(35,926,709,530)	0% ~ 7.68%	(16,698,135,000)
Total		(30,509,514,697)		(2,854,456,186)

Variable rate instruments:

Item	2017		2016	
	Effective interest rate	Amount	Effective interest rate	Amount
Financial assets				
- Cash at bank and on hand	0.0001%~2.75%	34,990,943,302	0.30% ~ 2.025%	30,880,722,041
Financial liabilities				
- Short-term loans	0.35%	(1,076,743,374)	3.92%	(2,913,540,000)
- Non-current liabilities due within one year	4.02% ~ 5.62%	(5,705,425,370)	3.3% ~ 5.60%	(3,478,119,943)
- Long-term loans	1.07% ~ 5.62%	(43,046,923,480)	2.77% ~5.62%	(33,187,031,211)
Total		(14,838,148,922)		(8,697,969,113)

(b) Sensitivity analysis

As at 31 December 2017, it is estimated that a general increase / decrease of 100 basis points in interest rates of variable rate instrument, with all other variables held constant, would decrease / increase the Group's net profit and equity by RMB 123,360,000 (2016: RMB 81,370,000).

In respect of the exposure to cash flow interest rate risk arising from floating rate non-derivative instruments held by the Group at the balance sheet date, the impact on the net profit and equity is estimated as an annualised impact on interest expense or income of such a change in interest rates. The analysis is performed on the same basis for the previous year.

(4) Foreign currency risk

In respect of cash at bank and on hand, accounts receivables and payables, short-term loans and other assets and liabilities denominated in foreign currencies other than the functional currency, the Group ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

- (a) The Group's exposure as at 31 December to currency risk arising from recognised foreign currency assets or liabilities is mainly denominated in US dollar. The amount of the USD exposure is net liabilities exposure USD 2,282,216,777 (2016 net liabilities exposure: USD 181,256,436), translated into RMB 14,912,460,861 (2016: RMB 1,257,375,894), using the spot rate at the balance sheet date. The increase of USD exposure as at 31 December is due to the USD specific item loan of project contributions. Differences resulting from the translation of the financial statements denominated in foreign currency are excluded.

- (b) The following are the exchange rates for Renminbi against US dollar applied by the Group:

	<u>Average rate</u>		<u>Reporting date mid-spot rate</u>	
	2017	2016	2017	2016
USD	6.7356	6.7153	6.5342	6.9370

Assuming all other risk variables remained constant, a 5% strengthening / weakening of the Renminbi against the US dollar at 31 December would have increased / decreased both the Group's equity and net profit by the amount RMB 199,436,178 (2016: RMB 99,443,997).

The sensitivity analysis above assumes that the change in foreign exchange rates have been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at the balance sheet date. The analysis excludes differences that would result from the translation of the financial statements denominated in foreign currency. The analysis is performed on the same basis for the previous year.

- (5) Other price risks

Other price risks mainly include stock price risk and commodity price risk etc..

IX. Fair value disclosure

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. The levels are defined as follows:

Level 1 inputs: unadjusted quoted prices in active markets that are observable at the measurement date for identical assets or liabilities;

Level 2 inputs: inputs other than Level 1 inputs that are either directly or indirectly observable for underlying assets or liabilities;

Level 3 inputs: inputs that are unobservable for underlying assets or liabilities.

Item	<u>31 December 2017</u>			Total
	<u>Level 1 Fair value measurement</u>	<u>Level 2 Fair value measurement</u>	<u>Level 3 Fair value measurement</u>	
Recurring fair value measurements				
- Wealth management products	-	-	9,791,137,808	9,791,137,808
- Available-for-sale debt instrument	4,328,710	-	10,583,436	14,912,146
- Available-for-sale equity instrument	512,838,390	-	-	512,838,390
Equity investment with redemption provisions	-	-	73,061,153	73,061,153
Total assets measured at fair value on a recurring basis	517,167,100	-	9,874,782,397	10,391,949,497

Item	31 December 2016			Total
	Level 1 Fair value measurement	Level 2 Fair value measurement	Level 3 Fair value measurement	
Recurring fair value measurements				
- Wealth management products	-	-	60,267,110	60,267,110
- Available-for-sale debt instrument	3,670,223	-	8,677,807	12,348,030
- Available-for-sale equity instrument	381,888,121	-	-	381,888,121
Total assets measured at fair value on a recurring basis	385,558,344	-	68,944,917	454,503,261

The fair value of available-for-sale equity instruments is determined by market price on the balance sheet date. The fair value of financial products is determined using discounted cash flow method, whose amortised cost is not significantly different from the fair value on the balance sheet date. The fair value of available-for-sale debt instruments is determined by market price on the balance sheet date and discounted cash flow method, respectively.

During the year ended 31 December 2017, there were no changes in valuation technique of fair value. As at 31 December, there were no significant discrepancies between the book value and fair value of all the financial assets and financial liabilities except the above fair value of available-for-sale equity instrument and wealth management products.

X. Related parties and related party transactions

1. Information about the parent of the Company

Company name	Registered place	Business nature	Registered capital	Shareholding percentage (%)	Percentage of voting rights (%)	Ultimate controlling party of the Company
Electronics Holdings	No. 12, Jiuxianqiao Road Chaoyang District, Beijing	Operation and management of state-owned assets within authorisation, etc.	RMB 2,418,350,000	0.79%	11.32%	Yes

2. Information about the subsidiaries of the Company

For information about the subsidiaries of the Group, refer to Note VII.1.

3. Information about associates and joint ventures of the Company

Associates that have related party transactions with the Group during this year or the previous year are as follows:

Name of entity	Relationship with the Company
Beijing Nittan Electronic Co., Ltd.	Associate of the Group and the Company
Beijing Nissin Electronics Precision Component Co., Ltd.	Associate of the Group and the Company
TPV Display Technology (China) Limited	Associate of the Group and the Company
Beijing Xindongneng Investment Management Co., Ltd.	Associate of the Group and the Company
Shenzhen Yunyinggu Technology Co., Ltd.	Associate of the Group and the Company

CnogaMedicalLtd.	Company Associate of the Group and the Company
Mianyang BOE Optoelectronics Technology Co., Ltd.	Joint venture of the Group and the Company
Beijing BOE Yiyun Science & Technology Co., Ltd.	Joint venture of the Group and the Company
Wuhan BOE Optoelectronics Technology Co., Ltd.	Joint venture of the Group and the Company
Chongqing BOE Display Technology Limited	Associate of the Group and the Company

4. Information on other related parties

<i>Name of other related parties</i>	<i>Related party relationship</i>
Beifang Science and Technology Co., Ltd.	Enterprises that are controlled by the Company's ultimate holding company
Beijing Sevenstar Integrated Circuit Co., Ltd.	Enterprises that are controlled by the Company's ultimate holding company
Beijing Sevenstar Science and Technology Co., Ltd.	Enterprises that are controlled by the Company's ultimate holding company
Beijing Dongdian Industrial Development Co., Ltd.	Enterprises that are controlled by the Company's ultimate holding company
Beijing Zhaowei Electronic Group Co., Ltd.	Enterprises that are controlled by the Company's ultimate holding company
Beijing Zhaowei Technology Development Co., Ltd.	Enterprises that are controlled by the Company's ultimate holding company
Beijing C&W Intelligent Equipment Co., Ltd.	Enterprises that are controlled by the Company's ultimate holding company
Beijing Zhengdong Electronic Power Group Co., Ltd.	Enterprises that are controlled by the Company's ultimate holding company
Beijing PCB Square Corporation	Enterprises that are controlled by the Company's ultimate holding company
Beijing Yandong Microelectronic Co., Ltd.	Enterprises that are controlled by the Company's ultimate holding company
New Vision Micro.(Hong Kong) Co., Ltd.	Enterprises that are controlled by the Company's ultimate holding company
Beijing Ether Electronics Group co. , Ltd.	Enterprises that are controlled by the Company's ultimate holding company
Beijing BBEF Science & Technology Co., Ltd.	Enterprises that are controlled by the Company's ultimate holding company
Beijing Beifang Research Centre of Micro-electronic Base Equipment and Technique	Enterprises that are controlled by the Company's ultimate holding company
Beijing Yansong Economic and Trade Co., Ltd.	Enterprises that are controlled by the Company's ultimate holding company
Beijing BOE Investment Development Co., Ltd.	Enterprises that are controlled by the Company's ultimate holding company
Beijing Electric Vehicle Co.,Ltd.	Other related parties

5. Transactions with related parties

The transactions below with related parties were conducted under normal commercial terms or agreements.

(1) Purchase of goods and assets / receiving services (excluding remuneration of key management personnel)

The Group

<i>Nature of transaction</i>	<i>2017</i>	<i>2016</i>
Purchase of goods	41,887,513	30,867,050
Purchase of assets	488,196,010	170,825,347
Receiving services	14,049,102	2,331,484
	<hr/>	<hr/>
Total	544,132,625	204,023,881
	<hr/>	<hr/>

The Company

<i>Nature of transaction</i>	<i>2017</i>	<i>2016</i>
Purchase of goods	-	8,894,274
Purchase of assets	17,850,493	725,509
Payment of interest expenses	138,968,179	-
	<hr/>	<hr/>
Total	156,818,672	9,619,783
	<hr/>	<hr/>

(2) Sale of goods / rendering of services

The Group

<i>Nature of transaction</i>	<i>2017</i>	<i>2016</i>
Sale of goods	74,184,881	173,444,370
Rendering of services	25,676	5,400
	<hr/>	<hr/>
Total	74,210,557	173,449,770
	<hr/>	<hr/>

(a) As the lessor

<i>Type of assets leased</i>	<i>Lease income recognised in 2017</i>	<i>Lease income recognised in 2016</i>
Investment properties	4,129,082	5,886,590

<i>Type of assets leased</i>	<i>Lease income recognised in 2017</i>	<i>Lease income recognised in 2016</i>
Investment properties	18,700,067	28,213,831

The Group

Type of assets leased	Lease income recognised in 2017	Lease income recognised in 2016
Fixed assets	51,292	22,606

(4) Funding from related party

The Company

<i>Related party relationship</i>	<i>Amount of funding</i>	<i>Inception date</i>	<i>Maturity date</i>
Funds from			
Subsidiary of the parent	1,000,000,000	23/12/2016	23/12/2018
Subsidiary of the parent	2,000,000,000	09/06/2017	09/06/2020
Subsidiary of the parent	4,000,000,000	09/06/2017	09/06/2020
Subsidiary of the parent	200,000,000	28/07/2017	28/07/2017
Subsidiary of the parent	200,000,000	31/07/2017	28/07/2018
Subsidiary of the parent	100,000,000	08/01/2017	28/07/2018
Subsidiary of the parent	500,000,000	10/08/2017	28/07/2018
Subsidiary of the parent	500,000,000	18/12/2017	28/07/2018
Subsidiary of the parent	185,000,000	28/07/2017	28/07/2018
Subsidiary of the parent	115,000,000	01/08/2017	28/07/2018
Subsidiary of the parent	200,000,000	02/08/2017	28/07/2018
Subsidiary of the parent	200,000,000	08/08/2017	28/07/2018
Subsidiary of the parent	100,000,000	11/08/2017	28/07/2018
Subsidiary of the parent	500,000,000	11/12/2017	28/07/2018
Subsidiary of the parent	200,000,000	28/07/2017	28/07/2018
Subsidiary of the parent	100,000,000	18/08/2017	28/07/2018
Subsidiary of the parent	300,000,000	06/12/2017	28/07/2018
Subsidiary of the parent	300,000,000	21/12/2017	28/07/2018
Subsidiary of the parent	1,600,000,000	04/12/2017	04/09/2019
Subsidiary of the parent	500,000,000	13/09/2015	Non-fixed term
Subsidiary of the parent	1,200,000,000	30/09/2015	Non-fixed term

<i>Related party relationship</i>	<i>Amount of funding</i>	<i>Inception date</i>	<i>Maturity date</i>
Funds to			
Subsidiary of the parent	600,000,000	28/05/2015	28/05/2018
Subsidiary of the parent	163,355,000	28/05/2015	28/05/2018
Subsidiary of the parent	460,000,000	28/05/2015	29/05/2018
Subsidiary of the parent	1,058,540,400	28/05/2015	28/05/2018
Subsidiary of the parent	140,000,000	28/05/2015	29/05/2018
Subsidiary of the parent	84,944,600	28/05/2015	28/05/2018
Subsidiary of the parent	335,000,000	21/12/2015	28/05/2018
Subsidiary of the parent	100,000,000	27/01/2016	28/05/2018
Subsidiary of the parent	200,000,000	07/03/2016	28/05/2018
Subsidiary of the parent	150,000,000	28/04/2016	27/04/2019
Subsidiary of the parent	75,000,000	05/05/2016	28/04/2019
Subsidiary of the parent	75,000,000	08/0/2016	07/06/2019
Subsidiary of the parent	400,000,000	22/11/2016	15/11/2019
Subsidiary of the parent	37,500,000	19/01/2017	19/01/2020
Subsidiary of the parent	162,500,000	20/01/2017	19/01/2020
Subsidiary of the parent	5,000,000	19/08/2016	18/08/2018
Subsidiary of the parent	2,000,000	16/12/2016	16/10/2018
Subsidiary of the parent	50,000,000	27/03/2015	26/12/2018
Subsidiary of the parent	30,000,000	06/01/2016	20/01/2019
Subsidiary of the parent	100,000,000	18/01/2017	18/01/2018

(5) Remuneration of key management personnel

The Group and the Company

<i>Item</i>	<i>2017</i>	<i>2016</i>
Remuneration of key management personnel	40,609,000	29,239,000

6. Receivables from and payables to related parties

Receivables from related parties

The Group

<i>Item</i>	<u>2017</u>		<u>2016</u>	
	<i>Book value</i>	<i>Provision for bad and doubtful debts</i>	<i>Book value</i>	<i>Provision for bad and doubtful debts</i>
Accounts receivable	9,600,724	-	32,089,791	-
Prepayments	5,007,430	-	-	-
Other receivables	27,591,317	-	6,440	-

The Company

<i>Item</i>	<u>2017</u>		<u>2016</u>	
	<i>Book value</i>	<i>Provision for bad and doubtful debts</i>	<i>Book value</i>	<i>Provision for bad and doubtful debts</i>
Accounts receivable	40,255,999	473,228	43,019,526	473,228
Prepayments	3,723,049	-	975	-
Dividends receivable	10,404,147	-	1,007,950,479	-
Other receivables	1,792,487,745	-	1,601,879,382	-
Other non-current assets	480,000,000	-	4,007,400,000	-
Bills receivable	-	-	200,000,000	-
Other non - current assets due within one year	3,648,840,000	-	-	-

Payables to related parties

The Group

<i>Item</i>	<u>2017</u>	<u>2016</u>
Accounts payable	14,532,494	5,937,474
Advance from customers	141,921	-
Other payables	133,821,563	113,722,663

The Company

<i>Item</i>	<i>2017</i>	<i>2016</i>
Accounts payable	1,856,219	588,982
Advance from customers	1,353,212,276	1,086,617,052
Dividends payable	2,200,000	-
Other payables	9,472,440,978	10,625,868,282
Other non-current liabilities	7,600,000,000	-

7. Commitments of the related parties

As at 31 Decemeber 2017, the commitments of the related parties, which are signed but not listed in financial statement are as following:

	<i>2017</i>	<i>2016</i>
Purchase assets	107,208,907	-

XI. Capital management

The Group's primary objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group defines capital as shareholders' equity, net of proposed distribution of dividends unrecognised. Such capital does not include related party transaction balances.

The Group's capital structure is regularly reviewed and managed to achieve an optimal structure and return for shareholders. Factors for the Group's consideration include: its future funding requirements, capital efficiency, actual and expected profitability, expected cash flows, and expected capital expenditure, etc.. Adjustments are made to the capital structure in light of changes in economic conditions affecting the Group.

The Group's capital structure is monitored on the basis of an adjusted net debt-to-capital ratio (Total Liabilities divided by Total Assets). The capital management strategies exerted by the Group remained unchanged from 2016. For this purpose, the Group may adjust the amount of dividends paid to shareholders, request new loans, issue new shares, or sell assets to reduce debt.

As at 31 December 2017 and 31 December 2016, the Group's debt-to-capital ratios are as follows:

	<i>2017</i>	<i>2016</i>
Debt-to-capital ratio	59.28%	55.14%

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

XII. Commitments and contingencies

1. Significant commitments

(1) Capital commitments

<i>The Group</i>	<i>2017</i>	<i>2016</i>
Contracts entered into but not performed or performed partially	51,309,042,746	36,715,593,193
Contracts authorised but not entered into	37,485,065,035	67,984,162,416
Total	88,794,107,781	104,699,755,609

The Group's contracts authorised but not entered into mainly included the fixed assets that Chengdu Optoelectronics, Chongqing Optoelectronics, BOE (Chengdu) Digital Medical Center, Hefei Display, Yuansheng Optoelectronics and Fuzhou BOE planned to purchase in 2018 and project equipment that the Group planned to purchase in 2018.

<i>The Company</i>	<i>2017</i>	<i>2016</i>
Contracts entered into but not performed or performed partially	40,532,322,288	28,310,042,427
Contracts authorised but not entered into	-	-
Total	40,532,322,288	28,310,042,427

The Company's contracts entered into but not performed or performed partially mainly included guaranteed investments in Mianyang BOE Optoelectronics Technology Co., Ltd., Chongqing BOE Display Technology Co., Ltd, Chengdu Optoelectronics, BOE (Chengdu) Digital Medical Center, Fuzhou BOE and Hefei Display.

(2) Operating lease commitments

As at 31 December, the total future minimum lease payments under non-cancellable operating leases of the Group's properties were payable as follows:

Item	2017	2016
Within 1 year (inclusive)	31,054,096	21,220,578
After 1 year but within 2 years (inclusive)	27,481,454	17,634,577
After 2 years but within 3 years (inclusive)	20,499,253	13,715,188
After 3 years	87,810,970	16,038,238
	<hr/>	<hr/>
Total	166,845,773	68,608,581
	<hr/>	<hr/>

As at 31 December 2017, the Company had no significant operating lease commitments.

2. Guarantees provided for other enterprises

(1) The Group as the guarantor

As at 31 December 2017, the Group did not have guarantees provided for external enterprises.

(2) The Company as the guarantor

As at 31 December 2017, the long-term loan of RMB 7,578,000,000 and USD 330,000,000 were collateralised by Chengdu Optoelectronics with its construction in progress whose book value amounted to RMB 212,526,700. The Company also provided a guarantee with joint and several liabilities for the loan. ■

As at 31 December 2017, the long-term loans amounting to RMB 623,987,594 and USD 220,361,285 (including the non-current liabilities due within one year amounting to RMB 480,005,064 and USD 169,460,700 which were reclassified) were collateralised by Hefei BOE with its plant and buildings whose book value amounted to RMB 1,793,921,449, machinery and equipment amounting to RMB1,624,717,957 and land use rights amounting to RMB 79,665,080, and pledged with other monetary funds amounting to RMB1,300,000. The Company also provided a third-party guarantee with joint and several liabilities for the loans.

As at 31 December 2017, the syndicated loan of RMB 950,000,000 and USD 304,000,000 were collateralised by Yuansheng Optoelectronics with its plant and buildings whose book value amounted to RMB 2,252,199,778, machinery and equipment amounting to RMB 6,257,191,867, land use rights amounting to RMB 48,883,928, and construction in progress amounting to RMB 7,551,369,012. These loans were also pledged by the Company with its 20% shareholding of Erdos BOE Energy Investment Co., Ltd ("BOE Energy Investment") and 20% shareholding of Haosheng Energy, pledged by Hefei BOE with its 65% shareholding of Haosheng Energy, and by BOE Display with its 15% shareholding of Haosheng Energy. The Company also provided a third-party guarantee with joint and several liabilities for these loans.

As at 31 December 2017, the foreign exchange loan of USD 1,160,000,000 was collateralised by Hefei Xinsheng with its plant and buildings whose book value amounted to RMB 3,780,125,585, machinery and equipment amounting to RMB 9,276,880,066 and land use rights amounting to RMB 122,394,024. The Company also provided a third-party guarantee with joint and several liabilities for the loan.

As at 31 December 2017, the long-term loans amounting to RMB 921,850,000 and USD 1,831,030,000 (including the non-current liabilities due within one year amounting to RMB 98,850,000 and USD 338,590,000 which were reclassified) were collateralised by Chongqing BOE with its machinery and equipment whose book value amounted to RMB 13,039,951,146 and land use rights amounting to RMB 172,526,495, and pledged with other monetary funds amounting to USD 63,000,000. The Company also provided a guarantee with joint and several liabilities for the non-current liabilities due within one year, long-term loans and the limit of long-term and used letter of guarantee amounting to RMB 750,000,000.

As at 31 December 2017, the foreign exchange loan of USD 3,713,280,000 and RMB 984,000,000 were collateralised by Fuzhou BOE with its machinery and equipment whose book value amounted to RMB 17,028,962,950, construction in progress amounting to RMB 353,495,353 and land use rights amounting to RMB 220,959,391. The Company also provided a third-party guarantee with joint and several liabilities for the loan. In addition, the Company provided a guarantee with joint and several liabilities for the limit of the issued short-term letter of guarantee amounting to RMB 360,000,000 and the issued non-acceptance letter of credit amounting to USD 6,278,757 and JPY 3,571,490,400.

As at 31 December 2017, the long-term loan of USD 1,030,000,000 and RMB 1,810,000,000 were collateralised by Hefei Display with its land use rights whose book value amounted to RMB 305,784,439. In addition, the Company provided a guarantee with joint and several liabilities for the limit of the issued short-term letter of guarantee amounting to RMB 1,260,000,000 and the issued non-acceptance letter of credit amounting to USD 288,253,026.55, JPY 51,968,548,312 and EUR 199,200.

XIII. Post balance sheet events

Based on the approval of the fifteenth meeting of the eighth Board of Directors on 16 June 2017, the Company's subsidiary – BOE Smart Retail (Hong Kong) Co., Ltd. acquired the shares of SES-imagotag SA through block trading. As at 31 December 2017, the Company held 7,156,696 shares of SES-imagotag SA, with the percentage amounting to 54.40%. Pursuant to the relevant French laws and regulations, the above-mentioned block trading trigger the obligation of full-scale tender offer, that is, BOE Smart Retail (Hong Kong) Co., Ltd. will issue a full-scale tender offer to shareholders of SES-imagotag SA other than the transfer of shares through block trading. As at 16 March 2018, the Company received shares through the full-scale tender offer, accumulatively holding 10,789,186 shares of SES-imagotag SA, which accounted for 79.94% of the outstanding shares of SES-imagotag SA.

XIV. Segment reporting

(1) Segment reporting considerations

The Group management reviews the operation performance and allocates resources according to the business segments below.

- (a) Display and sensor parts — This business mainly involves the development, manufacture and sales of panel and module for TFT-LCD and AMOLED.
- (b) Smart system — This business mainly involves the development, manufacture and sales of display terminal products and system; OEM service for terminal products and system of TV, display, special display product; offering safe, energy-saving, healthy, fashionable quality illumination service and solutions; the integration and operation for solar energy application system (e.g. photovoltaic-thermal system), including key parts and overall solution for this area.
- (c) Healthcare service — This business mainly covers HealthCloud, Health & Medical product, and Park Solution. HealthCloud is an information management system based on cloud computing and cloud server; Health & Medical product and service mainly includes wearable and testing equipment; Park Solution refers to professional solution for technology estate and health estate and so on.
- (d) Others — Other service mainly includes technical development service and patent maintenance service

The main reason to separate the segments is that the Group independently manages the display and sensor parts business, the smart system business, and healthcare service businesses and other businesses. Because the business segments manufacture and distribute different products, apply different manufacturing processes and specifies in gross profit, the business segments are managed independently. The management evaluates the performance and allocates resources according to the profit of each business segment and does not take financing cost and investment income into account.

(2) Accounting policy for the measurements of segment profit or loss, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's management regularly reviews the assets, liabilities, revenue, cost and results of operations, attributable to each reportable segment on the following bases:

Segment assets include all tangible, intangible, other non-current and current assets, such as accounts receivable, with the exception of deferred tax assets and other unallocated corporate assets. Segment liabilities include payables, bank borrowings and other non-current liabilities attributable to the individual segments, but exclude deferred tax liabilities and other unallocated corporate liabilities.

Financial performance is operating income (including operating income from external customers and inter-segment operating income) after deducting expenses, depreciation, amortisation, impairment losses, gains or losses from changes in fair value, investment gain, non-operating income and expenses and income tax expenses attributable to the individual segments. The transfer pricing of inter-segment sales is determined with reference to prices charged to external parties for similar orders.

	2017						
	<i>Display and sensing device</i>	<i>Smart system</i>	<i>Healthcare service</i>	<i>Others</i>	<i>Elimination</i>	<i>Remaining items</i>	<i>Total</i>
Operating income	82,636,085,228	18,134,719,119	1,023,905,566	2,225,609,340	(10,219,840,038)	-	93,800,479,215
Including: External transaction	77,606,233,878	15,177,292,922	1,016,952,415	-	-	-	93,800,479,215
Segment transaction	5,029,851,350	2,957,426,197	6,953,151	2,225,609,340	(10,219,840,038)	-	-
Operating expenses	72,747,132,292	18,205,761,661	670,105,169	1,892,185,869	(10,023,810,470)	635,371,412	84,126,745,933
Operating profits / (losses)	9,888,952,936	(71,042,542)	353,800,397	333,423,471	(196,029,568)	(635,371,412)	9,673,733,282
Profits / (losses) before income tax	9,902,007,446	(5,542,547)	357,160,920	318,689,267	(195,872,135)	(635,371,412)	9,741,071,539
Income tax expenses	1,651,568,370	2,832,452	83,168,222	143,090,936	-	-	1,880,659,980
Net profit / (loss)	8,250,439,076	(8,374,999)	273,992,698	175,598,331	(195,872,135)	(635,371,412)	7,860,411,559
 Total assets	 249,398,712,081	 15,746,963,692	 3,517,599,267	 133,049,382,316	 (145,710,171,164)	 106,255,657	 256,108,741,849
Total liabilities	105,709,542,536	10,002,661,735	384,374,814	81,468,098,461	(46,304,097,806)	563,899,276	151,824,479,016
 Other items:							
- Impairment losses for the current period	2,182,990,891	44,844,191	1,689,600	-	-	-	2,229,524,682
- Depreciation and amortization expenses	11,428,666,517	370,068,255	69,857,531	244,966,959	(169,046,014)	-	11,944,513,248
- Long-term equity investments in associates	-	-	-	6,928,854,415	-	-	6,928,854,415
- Capital outlay	46,033,468,643	2,789,128,191	643,076,998	248,554,284	(579,340,067)	-	49,134,888,049
- Income arising from investments in associates	-	-	-	169,034	-	-	169,034
- Net interest expenses	2,028,559,100	94,051,780	12,635,399	83,953,305	-	373,979,047	2,593,178,631

	2016						
	<i>Display and sensing device</i>	<i>Smart system</i>	<i>Healthcare service</i>	<i>Others</i>	<i>Elimination</i>	<i>Remaining items</i>	<i>Total</i>
Operating income	61,207,032,381	12,503,057,007	907,225,055	1,835,270,634	(7,556,926,114)	-	68,895,658,963
Including: External transaction	57,705,786,975	10,324,396,954	865,475,034	-	-	-	68,895,658,963
Segment transaction	3,501,245,406	2,178,660,053	41,750,021	1,835,270,634	(7,556,926,114)	-	-
Operating expenses	60,146,896,300	12,532,051,803	583,851,925	1,694,886,410	(6,923,319,054)	358,261,534	68,392,628,918
Operating profits / (losses)	1,060,136,081	(28,994,796)	323,373,130	140,384,224	(633,607,060)	(358,261,534)	503,030,045
Profits / (losses) before income tax	2,759,485,942	119,385,393	343,539,752	397,485,658	(749,236,136)	(358,261,534)	2,512,399,075
Income tax expenses	386,734,771	6,248,025	53,992,327	20,253,193	-	-	467,228,316
Net profits / (losses)	2,372,751,171	113,137,368	289,547,425	377,232,465	(749,236,136)	(358,261,534)	2,045,170,759
 Total assets	 195,080,731,538	 11,643,284,994	 3,899,250,735	 116,972,145,984	 (122,606,940,774)	 146,538,565	 205,135,011,042
Total liabilities	80,455,038,367	7,592,061,082	1,286,981,254	56,507,263,497	(33,171,013,372)	448,625,054	113,118,955,882
 Other items:							
- Impairment losses for the current period	1,332,484,203	53,641,246	684,295	207,678,809	-	-	1,594,488,553
- Depreciation and amortization expenses	10,075,266,855	150,710,562	96,953,044	195,111,267	(144,523,931)	-	10,373,517,797
- Long-term equity investments in associates	-	-	-	1,356,111,395	-	-	1,356,111,395
- Capital outlay	30,576,055,416	1,040,749,393	253,312,916	521,206,363	(1,113,663,502)	-	31,277,660,586
- Losses arising from investments in associates	-	-	-	15,121,347	-	-	15,121,347
- Net interest expenses	1,620,578,396	46,559,718	6,654,996	64,682,224	-	339,222,950	2,077,698,284

(3) Secondary segment reporting (geographical segments)

- (a) Divided based on the location at which the services were provided or the goods delivered

The information of the Group's external transactions based on the location is as follows:

	<u>Revenue from external customers</u>	
	2017	2016
PRC mainland	44,077,183,105	36,758,279,462
Other Asian regions	44,260,377,203	28,659,907,880
Europe	2,185,981,332	1,576,844,846
America	3,198,611,737	1,783,928,923
Other regions	78,325,838	116,697,852
	<hr/>	<hr/>
Total	93,800,479,215	68,895,658,963
	<hr/>	<hr/>

- (b) Divided based on assets location

The geographical location of the specified non-current assets is based on the physical location of the asset, in the case of fixed assets; the location of the operation to which they are allocated, in the case of intangible assets and goodwill; and the location of operations, in the case of interests in associates and jointly controlled enterprises. Most of the non-current assets in the Group are located in mainland China.

- (4) Main clients

Operating income of Display and sensing device from which is over 10% of the Group's total operating income ended up with one customer. The operating income from this customer represented RMB 19,073,677,986 (2016: RMB 12,128,602,338), which was approximately 20% (2016: 18%) of the Group's total operating income.

XV. Notes of financial statements of the Company

1. Cash at bank and on hand

	2017			2016		
	Original currency	Exchange rate	RMB / RMB equivalents	Original currency	Exchange rate	RMB / RMB equivalents
Cash on hand:						
RMB			1,178			2,386
USD	5	6.5342	31	7,525	6.9370	52,199
HKD	165	0.8359	138	9,665	0.8945	8,645
JPY	51,325	0.0579	2,971	51,325	0.0596	3,059
Korean Won	420,000	0.0061	2,566	420,000	0.0058	2,436
Other foreign currencies			16,009			85,221
Sub-total			22,893			153,946
Current deposit:						
RMB			1,991,214,902			3,121,994,347
USD	152,685,791	6.5342	997,679,497	614,464,401	6.9370	4,262,539,551
HKD	2,254,086	0.8359	1,884,209	728,649	0.8945	651,777
Sub-total			2,990,778,608			7,385,185,675
Other monetary funds:						
RMB			-			174,130,308
HKD	-	0.8359	-	100,480,138	0.8945	89,879,483
Sub-total			-			264,009,791
Total			2,990,801,501			7,649,349,412

Including: Total overseas deposits were equivalent to RMB 149,395 (2016: RMB 158,064).

2. Accounts receivable

(1) The Company's accounts receivable by customer type :

	2017	2016
Amounts due from subsidiaries	40,249,695	43,013,222
Amounts due from other related parties	6,304	6,304
Amounts due from other customers	2,531,252	5,724,199
	<hr/>	<hr/>
Sub-total	42,787,251	48,743,725
Less: Provision for bad and doubtful debts	2,889,866	2,889,866
	<hr/>	<hr/>
Total	39,897,385	45,853,859
	<hr/> <hr/>	<hr/> <hr/>

(2) The ageing analysis of accounts receivable is as follows :

<i>Ageing</i>	2017	2016
Within 1 year (inclusive)	829,805	9,293,239
1 to 2 years (inclusive)	2,506,960	5,795,247
2 to 3 years (inclusive)	5,795,247	2,879,445
Over 3 years	33,655,239	30,775,794
	<hr/>	<hr/>
Sub-total	42,787,251	48,743,725
Less: Provision for bad and doubtful debts	2,889,866	2,889,866
	<hr/>	<hr/>
Total	39,897,385	45,853,859
	<hr/> <hr/>	<hr/> <hr/>

The ageing is counted starting from the date when accounts receivable are recognised.

(3) The Company's accounts receivable by category

Category	2017					2016				
	Book value		Provision for bad and_		Carrying amount	Book value		Provision for bad and_		Carrying amount
	doubtful debts		doubtful debts			doubtful debts		doubtful debts		
	Percentage	Percentage	Percentage	Percentage						
Amount	(%)	Amount	(%)	Amount	(%)	Amount	(%)			
Collectively assessed for impairment based on credit risk characteristics *	25,391,284	59%	-	-	25,391,284	31,347,758	64%	-	-	31,347,758
Individually insignificant but assessed for impairment individually	17,395,967	41%	2,889,866	17%	14,506,101	17,395,967	36%	2,889,866	17%	14,506,101
Total	42,787,251	100%	2,889,866	7%	39,897,385	48,743,725	100%	2,889,866	6%	45,853,859

Note*: This category includes accounts receivable that having been individually assessed but not impaired.

The Company has no individually significant accounts receivable and individually for impairment this year.

As at 31 December 2017, the Company collectively assessed accounts receivable having been individually assessed but not impaired for impairment and did not recognise impairment loss against this amount of accounts receivable (2016: nil).

- (4) Additions, recoveries or reversals of provision for bad and doubtful debts during the year:

	2017	2016
Balance at the beginning of the year	2,889,866	3,207,351
Additions during the year	-	500,604
Write-offs during the year	-	818,089
	<u>2,889,866</u>	<u>2,889,866</u>
Balance at the end of the year	<u>2,889,866</u>	<u>2,889,866</u>

For the year ended 31 December 2017, the Company had no individually significant write-off, recovery or reversal of doubtful debts which had been fully or substantially made in prior years

- (5) Five largest accounts receivable by debtor at the end of the year

The five largest accounts receivable of the Company amounted to RMB 42,454,543, amounting to 99% of the total accounts receivable at the end of the year, and the corresponding balance of provision for bad and doubtful debts is RMB 2,889,866.

3. Dividends receivable

	2017	2016
Yinghe Century	8,204,147	86,204,147
Chengdu Optoelectronics	-	80,536,932
Vacuum Electronics	2,200,000	2,200,000
Hefei BOE	-	61,649,400
BOE Display	-	777,360,000
	<u>10,404,147</u>	<u>1,007,950,479</u>
Balance at the end of the year	<u>10,404,147</u>	<u>1,007,950,479</u>

4. *Other receivables*

(1) The Company's other receivables by customer type:

<i>Customer type</i>	<i>2017</i>	<i>2016</i>
Amounts due from subsidiaries	1,775,667,804	1,601,879,382
Amounts due from other related parties	16,819,941	-
Amounts due from other customers	32,239,828	27,296,852
Total	1,824,727,573	1,629,176,234

(2) The Company's other receivables by currency:

	<i>2017</i>			<i>2016</i>		
	<i>Original currency</i>	<i>Exchange rate</i>	<i>RMB / RMB equivalents</i>	<i>Original currency</i>	<i>Exchange rate</i>	<i>RMB / RMB equivalents</i>
RMB			1,824,727,573			1,629,176,234
Sub-total			1,824,727,573			1,629,176,234
Less: Provision for bad and doubtful debts			-			-
Total			1,824,727,573			1,629,176,234

(3) The ageing analysis of other receivables is as follows:

	<i>2017</i>	<i>2016</i>
Within 1 year (inclusive)	1,290,921,174	366,058,914
1 to 2 years (inclusive)	169,386,864	349,515,633
2 to 3 years (inclusive)	65,663,702	691,769,562
Over 3 years	298,755,833	221,832,125
Total	1,824,727,573	1,629,176,234

The ageing is counted starting from the date when other receivables are recognised.

(4) The Company's other receivables by nature

<i>Nature of other receivables</i>	<i>2017</i>	<i>2016</i>
Borrowing	702,635,642	1,248,425,532
Rent	211,037,415	209,636,819
Royalty fee	878,653,588	105,591,491
Others	32,400,928	65,522,392
Total	<u>1,824,727,573</u>	<u>1,629,176,234</u>

(5) Five largest other receivables by debtor at the end of the year

As at 31 December 2017, other receivables at the end of the year due from the top five debtors of the Company amounted to RMB 1,567,791,215 in total, most of which are borrowings and royalty fees. No provision is made for bad and doubtful debts after assessment.

5. Other current assets

	<i>2017</i>	<i>2016</i>
VAT on tax credits	40,631,837	21,214,487
Others	20,450,238	4,289,587
Total	<u>61,082,075</u>	<u>25,504,074</u>

6. Available-for-sale financial assets

(1) Available-for-sale financial assets

<i>Item</i>	<i>2017</i>			<i>2016</i>		
	<i>Book value</i>	<i>Provision for impairment</i>	<i>Carrying amount</i>	<i>Book value</i>	<i>Provision for impairment</i>	<i>Carrying amount</i>
Available-for-sale equity instruments						
- At fair value	280,680,730	150,099,655	130,581,075	308,578,531	150,099,655	158,478,876
- At cost	124,689,635	106,001,603	18,688,032	124,689,635	106,001,603	18,688,032
Total	<u>405,370,365</u>	<u>256,101,258</u>	<u>149,269,107</u>	<u>433,268,166</u>	<u>256,101,258</u>	<u>177,166,908</u>

(2) Available-for-sale financial assets at fair value at the end of the year:

	2017
Cost	224,818,586
Fair value	130,581,075
Accumulative fair value changes recognized in other comprehensive income	55,862,144
Provision for impairment	150,099,655

(3) Available-for-sale financial assets at cost at the end of the year:

Investee	Book value			Balance at the end of the year	Provision for impairment Balance at the beginning and the end of the year	Percentage of shareholding in investees (%)
	Balance at the beginning of the year	Increase during the year	Decrease during the year			
Teralane Semiconductor Inc	11,868,000	-	-	11,868,000	-	7.29%
Zhejiang BOE Display Technology Co., Ltd.	59,959,709	-	-	59,959,709	59,638,453	7.03%
Zhejiang Qiusheng Photoelectric Technology Co., Ltd.	46,431,926	-	-	46,431,926	46,183,150	7.03%
National Engineering Laboratory of Digital Television(Beijing) Co., Ltd.	6,250,000	-	-	6,250,000	-	12.50%
Others	180,000	-	-	180,000	180,000	
Total	124,689,635	-	-	124,689,635	106,001,603	

7. Long-term equity investments

(1) The Company's long-term equity investments by category:

	2017	2016
Investments in subsidiaries	116,691,267,854	98,986,915,097
Investments in associates and joint ventures	4,562,412,537	991,536,352
Sub-total	121,253,680,391	99,978,451,449
Less: Provision for impairment	60,000,000	60,000,000
Total	121,193,680,391	99,918,451,449

In previous year, the Company provided full impairment losses for investments in its subsidiary, Special Display, which amounted to RMB 60,000,000.

(2) Investments in subsidiaries

Subsidiary	Balance at the beginning of the year	Increase during the year	Decrease during the year	Balance at the end of the year	Opening balance of provision for bad and doubtful debts	Closing balance of provision for bad and doubtful debts
BOE OT	4,172,288,084	-	-	4,172,288,084	-	-
Chengdu Optoelectronics	11,333,149,991	3,400,000,000	-	14,733,149,991	-	-
Hefei BOE	9,000,000,000	-	-	9,000,000,000	-	-
BOE Display	17,418,713,599	-	-	17,418,713,599	-	-
Hefei Xinsheng	16,575,150,000	-	-	16,575,150,000	-	-
Yuansheng Optoelectronics	11,804,000,000	-	-	11,804,000,000	-	-
BOE Vision-electronic	1,120,000,000	1,050,000,000	-	2,170,000,000	-	-
Chongqing BOE	15,739,669,199	3,825,685,400	-	19,565,354,599	-	-
Vacuum Electronics	19,250,000	-	-	19,250,000	-	-
Vacuum Technology	32,000,000	-	-	32,000,000	-	-
Special Display	100,000,000	-	-	100,000,000	60,000,000	60,000,000
Yinghe Century	333,037,433	-	-	333,037,433	-	-
Optical Technology	519,961,914	139,000,000	-	658,961,914	-	-
BOE Hyundai	31,038,525	-	-	31,038,525	-	-
BOE Hebei	1,053,651,020	-	-	1,053,651,020	-	-
BOE Multimedia	400,000,000	-	-	400,000,000	-	-
BOE Energy	250,000,000	600,000,000	-	850,000,000	-	-
BOE Smart Commerce	10,000,000	-	-	10,000,000	-	-
Zhongxiangying	10,000,000	-	-	10,000,000	-	-
Haosheng Energy	2,000,000	-	-	2,000,000	-	-
BOE Semi-conductor	9,450,000	-	-	9,450,000	-	-
Optoelectronics Holding	297,935,467	1,445,667,357	-	1,743,602,824	-	-
ASAHI Glass	30,888,470	-	-	30,888,470	-	-
Beijing BOE Land Co., Ltd.	7,731,474	-	-	7,731,474	-	-
BOE KOREA Co., Ltd	788,450	-	-	788,450	-	-
Beijing BOE Marketing Co., Ltd.	500,000	20,000,000	-	20,500,000	-	-
Fuzhou BOE	7,183,042,079	5,483,000,000	-	12,666,042,079	-	-
Healthcare Investment	813,154,069	380,000,000	-	1,193,154,069	-	-
Hefei Display	667,765,323	883,000,000	-	1,550,765,323	-	-
Technology Development	1,000,000	-	-	1,000,000	-	-
Smart Science & Technology	50,000,000	-	-	50,000,000	-	-
Zhuoyin Science & Technology	750,000	400,000,000	-	400,750,000	-	-
Kunming BOE Display Technology Co., Ltd.	-	78,000,000	-	78,000,000	-	-
Total	98,986,915,097	17,704,352,757	-	116,691,267,854	60,000,000	60,000,000

For information about the main subsidiaries of the Company, refer to Note VII.1.

(3) Investments in associates:

Investee	Movements during the year						Balance at the end of the year	Balance of provision for impairment at the end of the year
	Balance at the beginning of the year	Increase in investments	Investment income recognised under equity method	Other comprehensive income	Changes in other equity	Cash dividends or profit declared		
Joint ventures								
Wuhan BOE Optoelectronics Technology Co., Ltd.	-	92,310,000	(719,691)	-	-	-	91,590,309	-
Mianyang BOE Optoelectronics Technology Co., Ltd.	-	2,720,000,000	(21,621,907)	-	-	-	2,698,378,093	-
Beijing BOE Yiyun Science & Technology Co., Ltd.	-	5,100,000	(1,336,217)	-	-	-	3,763,783	-
Sub-total	-	2,817,410,000	(23,677,815)	-	-	-	2,793,732,185	-
Beijing Nissin Electronics Precision Component Co., Ltd.	359,892	-	(359,892)	-	-	-	-	-
Beijing Nittan Electronic Co., Ltd.	40,628,603	-	14,758,232	-	-	(1,600,000)	53,786,835	-
Erdos BOE Energy Investment Co., Ltd.	9,463,270	-	(4,958)	-	-	-	9,458,312	-
Beijing Infi-Hailin Venture Investment Co., Ltd.	456,681	-	(83,320)	-	-	-	373,361	-
Beijing Infi-Hailin Venture Investment (Limited Partnership)	156,981,032	-	(1,155,259)	(18,377,322)	-	-	137,448,451	-
TPV Display Technology (China) Co., Ltd.	26,622,344	-	568,189	-	-	-	27,190,533	-
Beijing Xindongneng Investment Fund (Limited Partnership)	679,323,799	675,000,000	23,496,959	94,428,473	-	-	1,472,249,231	-
Beijing Xindongneng Investment Management Co., Ltd.	2,906,218	-	1,955,517	-	-	-	4,861,735	-
Shenzhen Yunyinggu Technology Co., Ltd.	50,345,936	-	(14,862,039)	-	-	-	35,483,897	-
Beijing Xloong Technologies Co., Ltd.	24,448,577	-	(466,580)	-	-	-	23,981,997	-
Chongqing BOE Display Technology Co., Ltd.	-	3,846,000	-	-	-	-	3,846,000	-
小计	991,536,352	678,846,000	23,846,849	76,051,151	-	(1,600,000)	1,768,680,352	-
Total	991,536,352	3,496,256,000	169,034	76,051,151	-	(1,600,000)	4,562,412,537	-

8. Deferred tax assets and deferred tax liabilities

<i>Item</i>	<i>2017</i>		<i>2016</i>	
	<i>Deductible / (taxable) temporary differences</i>	<i>Deferred tax assets / (liabilities)</i>	<i>Deductible / (taxable) temporary differences</i>	<i>Deferred tax assets / (liabilities)</i>
Deferred tax assets:				
Provision for impairment	342,108,420	51,316,263	183,119	27,468
Difference of depreciation / amortisation	76,472,749	11,470,912	19,806,418	2,970,963
Advances from customers	797,348,485	119,602,273	349,621,212	52,443,182
Others	-	-	30,224,283	4,533,642
Sub-total	1,215,929,654	182,389,448	399,835,032	59,975,255
Amount offset		(32,183,263)		(12,295,610)
Balance after offset		150,206,185		47,679,645
Deferred tax liabilities:				
Bond interest	(71,532,514)	(10,729,877)	(71,221,140)	(10,683,171)
Others	(143,022,573)	(21,453,386)	(10,749,594)	(1,612,439)
Sub-total	(214,555,087)	(32,183,263)	(81,970,734)	(12,295,610)
Amount offset		32,183,263		12,295,610
Balance after offset		-		-

As at 31 December 2017, the Company estimated that the amount of taxable income is expected to be available in the future period that the deductible temporary differences are reversed, thereby confirming the relevant deferred tax assets.

9. Employee benefits payable

(1) Employee benefits payable:

	<i>Note</i>	<i>Balance at 1 January 2017</i>	<i>Accrued during the year</i>	<i>Decreased during the year</i>	<i>Balance at 31 December 2017</i>
Short-term employee benefits	(2)	162,208,573	761,394,639	652,265,086	271,338,126
Post-employment benefits					
- defined contribution plans	(3)	7,708,530	56,247,103	52,293,566	11,662,067
Termination benefits		-	43,597	43,597	-
Total		169,917,103	817,685,339	704,602,249	283,000,193

	<i>Note</i>	<i>Balance at 1 January 2016</i>	<i>Accrued during the year</i>	<i>Decreased during the year</i>	<i>Balance at 31 December 2016</i>
Short-term employee benefits	(2)	104,758,659	536,322,713	478,872,799	162,208,573
Post-employment benefits					
- defined contribution plans	(3)	6,591,837	46,092,054	44,975,361	7,708,530
Termination benefits		-	116,293	116,293	-
Total		111,350,496	582,531,060	523,964,453	169,917,103

(2) Short-term employee benefits

	<i>Balance at 1 January 2017</i>	<i>Accrued during the year</i>	<i>Decreased during the year</i>	<i>Balance at 31 December 2017</i>
Salaries, bonuses, allowances	124,332,853	636,782,785	528,505,061	232,610,577
Staff welfare fees	-	33,701,495	33,701,495	-
Social insurance				
Medical insurance	14,421,576	26,055,881	26,944,355	13,533,102
Work injury insurance premium	991,072	2,108,621	2,136,570	963,123
Maternity insurance premium	1,142,898	2,171,760	1,951,051	1,363,607
Housing fund	5,160,816	30,942,311	32,966,157	3,136,970
Labour union fee, staff and workers' education fee	16,159,358	21,661,709	18,090,320	19,730,747
Others	-	7,970,077	7,970,077	-
Total	162,208,573	761,394,639	652,265,086	271,338,126

	<i>Balance at 1 January 2016</i>	<i>Accrued during the year</i>	<i>Decreased during the year</i>	<i>Balance at 31 December 2016</i>
Salaries, bonuses, allowances	71,829,733	423,043,848	370,540,728	124,332,853
Staff welfare fees	-	43,293,341	43,293,341	-
Social insurance				
Medical insurance	14,973,035	21,126,438	21,677,897	14,421,576
Work injury insurance premium	244,642	1,957,434	1,211,004	991,072
Maternity insurance premium	459,432	1,685,300	1,001,834	1,142,898
Housing fund	4,559,805	24,935,288	24,334,277	5,160,816
Labour union fee, staff and workers' education fee	12,692,012	15,024,677	11,557,331	16,159,358
Others	-	5,256,387	5,256,387	-
Total	104,758,659	536,322,713	478,872,799	162,208,573

(3) Post-employment benefits - defined contribution plans

	<i>Balance at 1 January 2017</i>	<i>Accrued during the year</i>	<i>Decreased during the year</i>	<i>Balance at 31 December 2017</i>
Basic pension insurance	7,035,905	49,445,579	45,243,011	11,238,473
Unemployment insurance	300,444	2,080,473	2,131,690	249,227
Annuity	372,181	4,721,051	4,918,865	174,367
	<u>7,708,530</u>	<u>56,247,103</u>	<u>52,293,566</u>	<u>11,662,067</u>
	<i>Balance at 1 January 2016</i>	<i>Accrued during the year</i>	<i>Decreased during the year</i>	<i>Balance at 31 December 2016</i>
Basic pension insurance	5,737,530	40,621,919	39,323,544	7,035,905
Unemployment insurance	247,257	1,821,493	1,768,306	300,444
Annuity	607,050	3,648,642	3,883,511	372,181
	<u>6,591,837</u>	<u>46,092,054</u>	<u>44,975,361</u>	<u>7,708,530</u>

10. Other payables

(1) The Company's other payables are as follows:

	<i>2017</i>	<i>2016</i>
Projects, equipment and intangible assets	143,778,196	134,757,262
Agency fee payable	21,106,470	25,300,518
Advanced disbursement	9,472,358,381	10,625,718,591
Others	76,669,501	6,153,366
	<u>9,713,912,548</u>	<u>10,791,929,737</u>
Total		

(2) Other payables of the Company by currency are as follows:

	<i>2017</i>			<i>2016</i>		
	<i>Original currency</i>	<i>Exchange rate</i>	<i>RMB / RMB equivalents</i>	<i>Original currency</i>	<i>Exchange rate</i>	<i>RMB / RMB equivalents</i>
RMB			9,321,901,661			6,189,669,746
USD	59,993,708	6.5342	392,010,887	663,436,643	6.9370	4,602,259,991
			<u>9,713,912,548</u>			<u>10,791,929,737</u>
Total						

11. Long-term loans

<i>2017</i>				
	<i>Original currency</i>	<i>Exchange rate</i>	<i>RMB / RMB equivalents</i>	<i>Credited / collateralised / guaranteed / pledged</i>
Bank loans				
- RMB			26,668,000,000	Credited
- USD	200,000,000	6.5342	1,306,840,000	Credited
Less: Long-term loans due within one year			4,031,840,000	Credited
Total			23,943,000,000	
<i>2016</i>				
	<i>Original currency</i>	<i>Exchange rate</i>	<i>RMB / RMB equivalents</i>	<i>Credited / collateralised / guaranteed / pledged</i>
Bank loans				
- RMB			17,635,000,000	Credited
- USD	200,000,000	6.9370	1,387,400,000	Credited
Less: Long-term loans due within one year			100,000,000	Credited
Total			18,922,400,000	

The interest rate range for the Company's RMB long-term loan during the current year was 0% ~ 4.75% (2016 : 0% ~ 4.75%). The Company had no renewed long-term loans because of overdue loans (2016: nil).

As at 31 December 2017, the Company's long-term loans due within one year amounted to RMB 4,031,840,000 with interest rate of 0% - 4.75%.

12. Deferred income

<i>Item</i>	<i>Balance at the beginning of the year</i>	<i>Additions during the year</i>	<i>Amount included in other income</i>	<i>Book value of assets written down</i>	<i>Balance at the end of the year</i>
Government grant					
- Government grants related to assets					
Subsidies for scientific research and development, etc.	15,425,196	-	9,017,759	-	6,407,437
Finance discount	12,891,356	13,367,481	-	26,258,837	-
- Government grants related to income					
Subsidies for scientific research and development, etc.	120,671,142	5,597,691	2,024,143	-	124,244,690
Total	148,987,694	18,965,172	11,041,902	26,258,837	130,652,127

13. Capital reserve

	<i>Balance at the beginning of the year</i>	<i>Additions during the year</i>	<i>Reductions during the year</i>	<i>Balance at the end of the year</i>
Share premiums	38,115,575,868	-	569,058,815	37,546,517,053
Other capital reserves				
- Capital reserve brought forward from original scheme	29,538,085	-	-	29,538,085
- Changes in other equity of investees	12,486,455	-	-	12,486,455
Total	38,157,600,408	-	569,058,815	37,588,541,593

14. Other comprehensive income

	<i>Balance at the beginning of the year</i>	<i>Movements during the year</i>		<i>Balance at the end of the year</i>
<i>Item</i>		<i>Before-tax amount</i>	<i>Less: Income tax expense</i>	
Items that will be reclassified to profit or loss				
Including: Gains / (losses) arising from changes in fair value of available-for-sale financial assets	83,759,945	(27,897,801)	8,379,322	47,482,822
Share of other comprehensive income of the equity method investments	68,563,516	76,051,151	-	144,614,667
Total	152,323,461	48,153,350	8,379,322	192,097,489

15. Retained earnings

<i>Item</i>	<i>2017</i>	<i>2016</i>
Retained earnings at the beginning of the year	1,493,363,829	486,814,338
Add: Net profits for the year	1,465,006,203	1,508,977,964
Less: Appropriation for statutory surplus reserve	146,500,620	150,897,796
Less: Distribution of cash dividends	1,046,578,276	351,530,677
	<hr/>	<hr/>
Retained earnings at the end of the year	<u>1,765,291,136</u>	<u>1,493,363,829</u>

16. Operating income

	<i>2017</i>	<i>2016</i>
Rental income of investment properties	148,470,813	174,980,284
Technological development income	2,344,168,358	1,451,002,636
Others	322,922,350	264,909,635
	<hr/>	<hr/>
Total	<u>2,815,561,521</u>	<u>1,890,892,555</u>

17. Taxes and surcharges

	<i>2017</i>	<i>2016</i>
Business tax	-	1,873,356
City maintenance and construction tax	913,638	445,037
Education surcharge and local education surcharge	183,462	317,883
Real estate tax	34,628,574	15,136,751
Land use tax	2,864,304	1,432,152
Stamp duty	1,046,438	1,824,682
Others	12,900	10,650
	<hr/>	<hr/>
Total	<u>39,649,316</u>	<u>21,040,511</u>

18. Financial expenses

	2017	2016
Interest expenses from loans	556,880,963	443,656,348
Interest income from deposits	(58,850,619)	(233,975,937)
Net exchange losses	5,408,147	444,414
Other financial expense	2,441,048	1,229,348
	<hr/>	<hr/>
Total	505,879,539	211,354,173
	<hr/> <hr/>	<hr/> <hr/>

19. Investment income

	2017	2016
Long-term equity investments income under cost method	949,318,351	1,007,385,303
Long-term equity investments income/(losses) under equity method	169,034	(14,730,259)
Investment income from disposal of long-term equity investments	-	81,336,911
Investment income from available-for-sale financial assets	792,018	2,846,739
Investment income from wealth management products	-	34,904,294
Including: Transfers from other comprehensive income	-	-
	<hr/>	<hr/>
Total	950,279,403	1,111,742,988
	<hr/> <hr/>	<hr/> <hr/>

20. Government grants

2017

Other income

- Government grants related to assets

Subsidies for scientific research and development, etc.

9,017,759

- Government grants related to income

Subsidies for scientific research and development, etc.

14,495,697

Total

23,513,456

Non-operating income

- Government grants related to income

Others

771,051

The government grants directly included in other income this year amounted to RMB 12,471,554, and those directly included in non-operating income amounted to RMB 771,051.

(1) Government grants related to assets

Government grants related to assets during 2017 are as follows:

(a) Effects on assets

2017

Book value of intangible assets written down

- Finance discount

26,258,837

(b) Please see Note XV.12 for the effects on deferred income.

(2) Government grants related to income

Government grants related to income during 2017 are as follows:

(a) Effects on items of income statement

2017

Financial expense written down

- Finance discount

25,898,470

21. Non-operating income

(1) Non-operating income by item is as follows:

<i>Item</i>	<i>Note</i>	<i>2017</i>	<i>2016</i>	<i>Amount recognised in extraordinary gains and losses in 2017</i>
Government grants	XV. 20	771,051	257,695,342	771,051
Others		2,781,521	2,532,571	2,781,521
		<hr/>	<hr/>	<hr/>
Total		3,552,572	260,227,913	3,552,572
		<hr/>	<hr/>	<hr/>

(2) Non-operating expense

<i>Item</i>	<i>2017</i>	<i>2016</i>	<i>Amount recognised in extraordinary gains and losses in 2017</i>
External contribution	18,004,947	1,563,700	18,004,947
Others	3,187	70,408	3,187
	<hr/>	<hr/>	<hr/>
Total	18,008,134	1,634,108	18,008,134
	<hr/>	<hr/>	<hr/>

22. Income tax expense

	<i>Note</i>	<i>2017</i>	<i>2016</i>
Current tax expenses for the period based on tax law and corresponding regulations		124,006,061	96,473,093
Changes in deferred tax assets / liabilities	(1)	(110,905,862)	(47,679,645)
Total		<u>13,100,199</u>	<u>48,793,448</u>

(1) The analysis of changes in deferred tax assets / liabilities is set out below:

	<i>2017</i>	<i>2016</i>
Origination and reversal of temporary differences	(110,905,862)	(47,679,645)

(2) Reconciliation between income tax expenses and accounting profit is as follows:

<i>Item</i>	<i>2017</i>	<i>2016</i>
Profit before taxation	1,478,106,402	1,557,771,412
Expected income tax expenses at a tax rate of 15%	221,715,960	233,665,712
Add: Non-deductible costs	3,141,493	3,572,754
Non-taxable income	(142,663,108)	(159,287,713)
Weighted deduction of research and development expenses and tax preference	(29,911,193)	(29,157,305)
Recognised temporary differences of previous years	(32,857,761)	-
Changes of deductible temporary differences not recognised	(6,325,192)	-
Income tax expenses	<u>13,100,199</u>	<u>48,793,448</u>

23. Notes to cash flow statement

(1) Supplement to cash flow statement

	2017	2016
(a) Reconciliation of net profit to cash flows from operating activities:		
Net profits	1,465,006,203	1,508,977,964
Add: Provisions for impairment of assets	-	500,604
Depreciation of fixed assets and investment properties	106,857,117	86,061,009
Amortisation of intangible assets	109,446,190	107,119,375
Amortisation of long-term deferred expenses	30,511,433	29,846,094
Losses from disposal of fixed assets, intangible assets, and other long-term assets	157,430	20,682
Financial expenses	503,438,491	210,124,825
Investment income	(950,279,403)	(1,111,742,988)
Increase in deferred tax assets	(110,905,862)	(47,679,645)
Increase in inventories	(681,982)	(1,223,066)
Increase in operating receivables	(549,268,534)	(53,667,138)
(Decrease) /Increase in operating payables	(4,307,629,184)	4,711,184,468
Net cash inflow from operating activities	<u>(3,703,348,101)</u>	<u>5,439,522,184</u>

	2017	2016
(b) Net change in cash and cash equivalents:		
Cash and cash equivalents at the end of the year	2,990,801,501	7,548,700,412
Less: Cash and cash equivalents at the beginning of the year	<u>7,548,700,412</u>	<u>3,322,215,443</u>
Net (decrease) /increase in cash and cash equivalents	<u>(4,557,898,911)</u>	<u>4,226,484,969</u>

(2) Details of cash and cash equivalents

	2017	2016
Cash on hand	22,893	153,946
Bank deposits available on demand	2,990,778,608	7,385,185,675
Other monetary funds available on demand	<u>-</u>	<u>163,360,791</u>
Closing balance of cash and cash equivalents	<u>2,990,801,501</u>	<u>7,548,700,412</u>

Note: Cash and cash equivalents disclosed above exclude other monetary funds with restricted usage.

24. Assets with restrictive ownership title or right of use

As at 31 December 2017, the Company pledged its 20% equity of BOE Energy Investment and 20% equity of Haosheng Energy as security for the syndicated loans of RMB 1,500,000,000 and USD 480,000,000 for Yuansheng Optoelectronics, which will expire on 9 June 2021.

The Company has no other asset with restrictive ownership title or right of use.

XVI. Extraordinary gains and losses in 2017

	2017	2016
Losses from disposal of non-current assets	(87,930,698)	(46,754,352)
Government grants recognised through profit or loss	962,283,001	1,914,531,603
Excess of interest in the fair value of investee's identifiable net assets over investment costs of subsidiaries acquired	-	105,228,293
Investment income from disposal of trading financial assets, available-for-sale financial assets and matured wealth management products	134,810,181	149,197,609
Reversal of provisions for impairment test for receivables on an individual basis	2,616,024	24,547,083
Other non-operating income and expenses	46,503,917	40,206,943
Less: Tax effect	126,533,931	305,399,453
Total	931,748,494	1,881,557,726
Including: Extraordinary gains affecting net profit of equity shareholders of the Company	888,471,355	1,870,036,796
Extraordinary gains affecting the net profit of non-controlling interest	43,277,139	11,520,930

Notes: Extraordinary gain and loss item listed above are presented in the amount before taxation.

The government grants included in the profit or loss of the Group's extraordinary gain and loss for the current year, other than those included in other income and non-operating income and expense, also comprised of the financial expense written down amounting to RMB 36,417,041, and the decrease in principal operating costs of RMB 84,619,955 resulting from the written-down of the book value of relevant assets using netting method. Changes in accounting policies for government grants of the Group for the current year have no effects on the amount of extraordinary gain and loss.

XVII. Return on net assets and earnings per share

In accordance with the "Regulation on the Preparation of Information Disclosures by Companies Issuing Securities No. 9 - Calculation and Disclosure of the Return on Net Assets and Earnings per Share" (2010 revised) issued by the CSRC, the Group's return on net assets and earnings per share are calculated as follows:

<i>Profit for the reporting period</i>	<i>Weighted average return on net</i>	<i>Basic earnings per share</i>	<i>Diluted earnings per share</i>
----------------------------------------	---------------------------------------	---------------------------------	-----------------------------------

	assets (%)		
Net profit attributable to the Company's ordinary equity shareholders	9.25%	0.217	0.217
Net profit excluding extraordinary gains and losses attributable to the Company's ordinary equity shareholders	8.17%	0.191	0.191