

Tunghsu Optoelectronic Technology Co., Ltd.

The Semi-annual Report 2018

August 2018

I. Important Notice, Table of Contents and Definitions

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

Mr. Wang Lipeng, The Company leader, Ms. Feng Qiuju, Chief financial officer and the Mr. Gao Feipeng, the person in charge of the accounting department (the person in charge of the accounting) hereby confirm the authenticity and completeness of the financial report enclosed in this semi-annual report.

All the directors attended the board meeting for reviewing the semi-annual Report.

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

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

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

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Definition

Terms to be defined	Refers to	Definition
Company Law	Refers to	Company Law of the People's Republic of China
Securities Law	Refers to	Securities Law of the People's Republic of China
CSRC	Refers to	China Securities Regulatory Commission
SZSE	Refers to	Shenzhen Stock Exchange
Tunghsu Group	Refers to	Tunghsu Group Co., Ltd.
Baoshi Group	Refers to	Shijiazhuang Baoshi Electronics Group Co., Ltd
Tunghsu Optoelectronic , Company, The Company	Refers to	Tunghsu Optoelectronic Technology Co., Ltd.
Tunghsu (Yingkou) Optoelectronic	Refers to	Tunghsu (Yingkou) Optoelectronic Display Co., Ltd.
Xuhong Optoelectronic	Refers to	Sichuan Xuhong Optoelectronic Technology Co., Ltd.
Wuhu Optoelectronic	Refers to	Wuhu Tunghsu Optoelectronic Technology Co., Ltd., was the implementation unit of the non-public item to raise money for and invest in of "The Project of Production Line for Panel Display Plate" in 2013
Wuhu Equipment	Refers to	Wuhu Tunghsu Optoelectronic Equipment Technology Co., Ltd.
Tunghsu (Kunshan)	Refers to	Tunghsu (Kunshan) Display material Co., Ltd., In 2015, was the implementation unit of the non-public item to raise money for and invest in "Project of Production Line for the 5th-generation CF for TFT-LCD".
Tunghsu Construction	Refers to	Tunghsu Construction Group Co., Ltd.
Fuzhou Xufu	Refers to	Fuzhou Xufu Optoelectronic Technology Co., Ltd., In 2016, was the non-public item to raise money for and invest in "Project of Production Line for the 8.5th-generation CF for TFT-LCD"
Fuzhou Optoelectronic	Refers	Fuzhou Tunghsu Optoelectronic Technology Co., Ltd., In 2016, was the

	to	non-public item to raise money for and invest in “Project of Production Line for the 8.5th-generation CF for TFT-LCD”
Tunghsu Finance Company	Refers to	Tunghsu Group Finance Co., Ltd.
Shanghai Tanyuan Huigu	Refers to	Shanghai Tanyuan Huigu New Material Technology Co., Ltd.
Xutan New Material	Refers to	Beijing Xutan New Material Technology Co., Ltd.
Mingshuo Technology	Refers to	Mingshuo (Beijing) Electronic Technology Co., Ltd
Tengda	Refers to	Wujiang Tengda Packing Products Co., Ltd.
SUNLONG	Refers to	Shanghai Sunlong Bus Co., Ltd., 2017 issue of shares and payment of cash to buy the assets of the enterprise
BOE	Refers to	BOE Technology Group Co., Ltd.
CSOT	Refers to	China Star optoelectronics Technology Co., Ltd.
Tianma	Refers to	Tianma Microelectronics Co Ltd
TFT-LCD	Refers to	Thin Film Transistor Liquid Crystal Display
LTPS	Refers to	Low Temperature Poly-silicon
AMOLED	Refers to	Active-matrix organic light emitting diode
Glass substrate	Refers to	A thin glass sheet with extremely smooth surface is a basic component of constituting LCD display device as well as one of the critical basic materials in panel display industry. The glass sheet can be divided into various generations by its size, and the higher the generation is, the bigger the size will be.
G5 glass substrate	Refers to	The size of the 5th-generation glass substrate is 1100 mm×1300 mm.
G6 glass substrate	Refers to	The size of the 6th-generation glass substrate is 1500 mm×1850 mm.
G8.5 glass substrate	Refers to	The size of the 8.5th-generation glass substrate is 2300 mm×2500 mm
Optical film	Refers	refers to the general name of optical diaphragms such as diffusion,

	to	reflection, prism, composite prism, etc., mainly used in TFT LCD backlights.
CF	Refers to	Critical original materials of LCD panel for realizing colorization display
Grapheme materials	Refers to	Refers to two-dimensional carbon materials related to grapheme, with a layer less than 10 carbon atoms
Cover glass	Refers to	In addition to mobile phones, tablet PCs and other displays, for the touch screen touch module, display and non-touch screen display to protect the transparent glass lens
New Energy Bus	Refers to	Adopting new power systems, fully or mainly rely on new energy-driven passenger bus, including pure electric bus and fuel cell bus

II. Basic Information of the Company and Financial index

I. Company Information

Stock abbreviation	Tunghsu Optoelectronic, Tunghsu B	Stock code	000413、200413
Stock abbreviation after change (if any)	Tunghsu Optoelectronic, Tunghsu B		
Stock exchange for listing	Shenzhen Stock Exchange		
Name in Chinese	东旭光电科技股份有限公司		
Chinese Abbreviation	东旭光电		
English name (If any)	Tunghsu Optoelectronic Technology Co.,Ltd.		
English abbreviation (If any)	Tunghsu Optoelectronic		
Legal Representative	Wang Lipeng		

II. Contact person and contact manner

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

III. Other

1. Way of contact

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

Applicable Not applicable

Registrations address, offices address and codes as well as website and email of the Company has no change in reporting period, found more details in annual report 2017.

2. Information inquiry

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

Applicable Not applicable

None of the official presses, website, and place of enquiry has been changed in the semi report period. For details please find the Annual Report 2017.

IV. Summary of Accounting Data and Financial Indicators

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

Yes No

Reasons for retrospective restatements:

Business merger under the same control.

	Reporting period	Same period of last year		YoY+/- (%)
		Before adjustment	After adjustment	After adjustment
Operating Gross income (Yuan)	11,129,851,790.88	4,641,285,527.91	4,876,438,604.10	128.24%
Net profit attributable to the shareholders of the listed company (Yuan)	858,296,089.08	635,855,750.37	637,480,381.47	34.64%
Net profit after deducting of non-recurring gain/loss attributable to the shareholders of listed company (Yuan)	811,345,478.77	559,990,548.41	564,088,026.98	43.83%
Cash flow generated by business operation, net (Yuan)	83,617,287.66	-1,414,361,686.97	-1,364,949,813.78	106.13%
Basic earning per share(Yuan/Share)	0.15	0.13	0.13	15.38%
Diluted gains per share(Yuan/Share)(Yuan/Share)	0.15	0.13	0.13	15.38%
Net asset earning ratio (%)	2.74%	2.84%	2.73%	0.01%
	As at the end of the reporting period	As at the end of last year		YoY+/- (%)
		Before adjustment	After adjustment	After adjustment
Gross assets (RMB)	66,693,831,497.63	67,683,329,226.91	68,610,779,546.18	-2.79%
Shareholders' equity attributable to shareholders of the listed company(RMB)	31,213,233,914.18	30,922,796,455.46	30,949,718,542.41	0.85%

V. Differences between accounting data under domestic and overseas accounting standards

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

Applicable Not applicable

Nil

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

Applicable Not applicable

Nil

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

Applicable Not applicable

In RMB

Items	Amount	Notes
Non-current asset disposal gain/loss(including the write-off part for which assets impairment provision is made)	-664,826.45	
Government subsidies recognized in current gain and loss(excluding those closely related to the Company's business and granted under the state's policies)	44,668,918.09	
Gain/loss on entrusting others with investment or asset management	13,923,452.07	Investment financing income
Gain/loss from debt reorganization	484,207.00	
Net gain/loss of current term from consolidation of subsidiaries under common control from beginning of term to the consolidation date	-9,555,668.76	Business combination under the same control. Retroactive adjustment
Entrusted with the operating of the trust to obtain fee income	235,849.06	
Other non-operating income and expenditure beside for the above items	2,694,248.35	
Less: Influenced amount of income tax	6,987,734.04	
Amount of influence of minority interests (After tax)	-2,152,164.99	
Total	46,950,610.31	--

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

Applicable Not applicable

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

III. Business Profile

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

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

No

The Company is a leading and comprehensive service provider of new materials, high-end equipment manufacturing and new-energy automobile manufacturing at home. It possesses the liquid crystal glass substrate production capacity ranking first in China and fourth all over the world in the field of new materials represented by photoelectric display material and at the same time lays out laterally other core ones such as curved cover glass, color filter and sapphire, etc., which results in its prominence of photoelectric display material industry cluster advantages; its graphene industrial application in initial development period is the extension and important supplementation of new material business. In terms of the high-end equipment manufacturing field, its self-developed complete glass substrate manufacturing equipment has relatively strong technological spillover effect, has extended into several fields and becomes an important income and profit source thereof. For the new energy automobile field, based on Sunlong, it has been advancing industrial development of new energy passenger and logistics cars strongly, has laid out several new energy automobile industry bases in China and has been devoted to making the new energy automobile business into its new growth level.

I. New material business system

1. Glass substrate original film business

The liquid crystal glass substrate is a core raw material to the upstream of the liquid crystal display panel, with extremely high requirements of manufacturing process. Based on the breakthrough in the field of complete-set of liquid crystal glass substrate production equipment, the company took the lead in breaking the international monopoly and achieved the home-making of liquid crystal glass substrate. Currently, the Company possesses five production bases of liquid crystal glass substrate respectively located in Zhengzhou, Shijiazhuang, Wuhu Fuzhou and Yingkou covering G5, G6, and G8.5 (compatible with 8.6 generation) TFT-LCD liquid crystal glass substrates. The company has 20 liquid crystal glass substrate production lines , with that the mass production capacity tops first in China and ranks fourth in the world.

The cover glass is used to protect the touch module and the display screen. The company has the original production line of the advanced float glass substrate in Mianyang, Sichuan, and has the capacity of the first and the world's third high-aluminum cover glass substrate. Performance, the company is the only company in China that masters both the overflow melting method and the floating method.

2. Other display materials business

In order to enhance the competitiveness and profitability of the display materials business, the company implements a horizontal extension strategy of the industry chain. Since 2015, it has successively laid out cover glass original film, curved-surfaced cover glass, optical diaphragm, color filters and sapphire to optimize its business structure. Industrial clustering effects appear. The curved cover glass has the advantages of lightness, transparency, anti-fingerprint, anti-glare, and good weather resistance. It can enhance the appearance of smart terminal products and bring excellent touch feeling. The company's optical film covers diffusion, reflection, prism, Subdivisions such as composite prisms, mainly used in TFT LCD backlights. The color filter is a key component of the colorization of the liquid crystal display. The company's main product is the G5 color Filters; sapphire is widely used in LED substrate materials and optical components and other fields, the company's main products are 2-inch and 4-inch LED substrate products.

3. Industrial application of graphene material

The graphene has excellent characteristics of optics, electricity, heat and mechanics and important application

prospects in terms of materialogy and energy, etc. and is deemed as a revolutionary new material. Leading the graphene material industrial application, the Company has already formed four series of grapheme material industrial application products of grapheme battery, grapheme electrical heating, grapheme anticorrosive paint and grapheme lighting, among which, partial ones have already realized batch production and been sold overseas. Several countries alongside One Belt and One Road become main markets for such graphene products. The grapheme new material layout is a strategic input for long-term development in the future, caters for new material and new energy automobile development direction in the future and has large growth potential and market space.

II. High-end equipment manufacturing business

Thanks to the company's independent research and development to break through the foreign blockade, the solid foundation laid by the high-tech front-end equipment in the production of glass substrates has been established. Under the background of domestic industrial manufacturing replacing equipment by equipment and satisfying intelligent and efficient production, the company's high-end equipment and technical services Business continues to work. The company's high-end equipment business currently mainly adopts an integrated mode. The business mainly involves high-end equipment such as photoelectric display materials, semiconductor cleaning, grinding, testing, cutting, laminating, automated logistics, and corresponding technical services, control systems and special equipment. Supply of products, with a large number of large group customers who have demand in the intelligent field

III. New energy automobile business

The company has engaged in the high-end equipment manufacturing industry for almost 20 years and possesses strong spillover capacity from technology to management and from capital to talent. Since it acquired 100% equities of Sunlong through share issuance and assets purchase through capital payment in 2017, based on the listed company platform, the Company has supported Sunlong from several aspects of technology, management, market and resource, etc., exerted industrial synergy with the same, enriched its existing industrial structure, seized rapidly industrial opportunities of new energy passenger and logistics cars. In the first half of the year, the company sold a total of 2,072 passenger cars, a year-on-year increase of 17.53%, including 1,696 new energy buses, accounting for 82% of the total sales, and sales of new energy buses increased by 33%. The new energy vehicle business maintained a good growth momentum.

IV. Other business system

1. Electrocommunication product business

To break the industrial dilemma of “chip and display panel lack” of China, the Company, through integrating large quantities of customer resources and photoelectric display material sale channels, endeavors to realize the industrial integration and synergy of photoelectric display materials and relevant accessories. Simultaneously, the Company tries to expand import and export channels for liquid crystal display module and storage chip, etc., expand supply and marketing channels for Internet of Things equipment, perfect gradually links of customs clearance, storage and logistics, etc. and provide clients with integrated solutions based on their unique demands.

2. Construction & installation business

As a company's traditional business, the construction & installation business has played an important role in assisting the company's production base's construction and maintenance, thus effectively reducing the company's various project construction costs. Meantime, as a supplement to the main business, and with the continuous development of domestic industrialization and urbanization, the construction & installation business has contributed a certain amount of revenue and profits for the company in recent years.

II. Major Changes in Main Assets

1. Major Changes in Main Assets

Main assets	Major changes
Equity assets	There were no major changes in this period compared to the previous period.
Fixed assets	There were no major changes in this period compared to the previous period.
Intangible assets	There were no major changes in this period compared to the previous period.
Construction in process	The production line investment construction was formed.

2. Main Conditions of Overseas Assets

Applicable Not applicable

III. Analysis On core Competitiveness

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

No

In *Annual Report 2017*, the Company disclosed five core competitive forces, namely “strong advantage in independent research and development and innovation ability”, “scale advantage of core photoelectric display material”, “integration advantage of endogenous and epitaxial industrial chains”, “synergistic advantages of mutual dependence of business sectors” and “advantage in efficient management and decision-making mechanism”. In the first half year of 2018, such core competitive force has been strengthened and deepened further without any other significant change.

IV. Performance Discussion and Analysis

I. General

In 2018, Tunghsu will forge ahead. Under leadership of the company Board of Directors and management layer and unremitting efforts of all staff, the Company, centering on established strategic layout of the company in the first half year, optimizes the industrial structure positively, deepens the existing product market pattern and promotes strongly development of core business including new materials, high-end equipment manufacturing and new energy automobile, etc. to make each item of business increase stably and rapidly. During the reporting period, the Company achieves an operating income of RMB 11.13 billion, an increase of 128.24% over the same period in 2017; The net profit attributable to shareholders of listed companies, net of non-recurring gains and losses, was RMB 811 million, an increase of 43.83% over the first half of 2017.

The company's each business development status in the first half of 2018:

1. Product upgrade and high-generation glass substrate production line performance contribution level improvement

As the panel and glass substrate large size and high generation have become an industrial trend in recent years, the Company has liquid glass substrate products covering G5, G6 and G8.5 and is capable of providing each-type high-quality glass substrate product for down-stream clients. Within the report period, its two G8.5 glass substrate production lines in Fuzhou were in good condition and received good production and sales achievements, which make its high-generation glass substrate product market share increased and glass substrate product structure optimized. As the high-generation glass substrate placement and investment projects develop continuously in the future and the company's technical accumulation in glass substrates for OLED display, the Company will have an improved core competitive force in such glass substrate field.

2. Curved cover glass layout and rapid formation of effective capacity

Within the report period, the Company implemented “curved display cover glass production project” based on Xuhong Optoelectronic and already formed the annual capacity of [5 million] pieces and supplied the same in batch to clients. The curved cover glass, with flexible, thin, transparent and clean, anti-fingerprint, anti-dazzle and good weather-resistance, etc. characteristics is applicable to the flexible display area as a strong measure adopted by the Company to follow OLED flexile display screen trend. At the same time, after the high aluminum cover glass substrate Sheet Production Line of Xuhong Optoelectronic was included into the Company's new material industrial system officially in October 2017, such product has set all-time new highs repeatedly through vigorous expansion of end clients and production process and sale type structure optimization and becomes an effective growth point for the Company's new material business.

3. With synergistic development, continue to advance the optical film, color filter, sapphire business

During the reporting period, Tengda Optical Film Business and Jiangsu Jixing Sapphire Business achieved rapid growth, and the supporting supply of Tenda Optics and Jiangsu Jixing Optoelectronic Display Materials had well enhanced the major customers' adhesiveness of the Company. In December 2017, the Company completed the first 5th generation color filter production line for TFT-LCD. During the reporting period, the Company actively promoted the work including the debugging of color filter production lines, customer development and sample certification. Currently, the Company has obtained orders from customers such as Longteng Optoelectronics. The Color filters has realized the bulk supply, which is conducive to increase the added value of products of the existing G5 liquid crystal glass substrates.

4. Obtaining big orders and new progress realization in grapheme material industrial application

Within the report period, Tunghsu Carbon, MS Technology and Tan Yuan Graphene, subsidiaries of the Company, concluded Graphene Application Product Strategic Partnership Agreement on expansion and sale of graphene electric heating products, graphene street lamp products and graphene anticorrosive paint, etc. with 15 downstream grapheme application enterprises, whose price reaches 610 million yuan. The grapheme material industrial application is getting better in the initial development period and will become an important supplement to its new material business system. In addition, the “lithium-ion secondary battery”(TanYuanG18650) project of Tan Yuan Graphene was deemed as “a high-tech outcome transformation project in Shanghai” by Shanghai High-tech Outcome Transformation Project Certification Office based on the macro-batch production technology of high-quality and low-cost grapheme and was included into the 1st Shanghai High-tech outcome transformation project in 2018.

5. High-end equipment business stable and continuous development

In recent years, under the background of domestic industrial manufacturing adopting equipment replacing labor for satisfying the intelligent and efficient production, the Company's high-end equipment business has steadily expanded and well developed, gradually supplying optoelectronic display materials and equipment, semiconductor equipment and other general-purpose equipment to domestic high-end customers. During the reporting period, the Company closely focused on the investment boom of domestic panel production lines and semiconductor production lines, continued to sign equipment business orders with BOE, CSOT, Visionox and other group customers in the intelligent application field, and actively explored the high-end equipment market in the semiconductor field. With the acceleration of investment in the domestic semiconductor production line, the semiconductor equipment business has a broad market space. The Company will strive to expand and develop the high-end equipment market in the semiconductor field, and make the high-end equipment business become another rapid growth point, thus providing new driving force for the steady development of the Company's high-end equipment business.

6. Business upgrade and intelligent robot platform company acquisition

The intelligent manufacturing is the development direction of the Company high-end equipment business industry upgrade. Within the report period, the Company realized its high-end equipment manufacturing business expansion into the intelligent platform robot field through acquisition of Shenzhen Sanbao Innovation Intelligence Co., Ltd. Next, it will combine its strong manufacturing industrialization basis, integrate advanced intelligent manufacturing technology, optimize its existing complete-set intelligent scene application capacity, improve its competition in high-end equipment business field, improve its whole business synergy and realize its high-end equipment business industrial upgrade.

7. Expansion into a new city: new energy automobile industry basis location in Jiangsu

Within the report period, to seize sufficiently development opportunities of national new energy automobile industry and speed up the industrial layout in new energy automobile field, the Company, based on its technical advantages in new energy automobile and local and investment environmental advantages of Suqian People's Government, concluded the *New Energy Automobile Project Investment Cooperation Agreement* with such government on construction of the production basis project with annual capacity of 5,000 new-energy passenger cars and 50,000 new-energy logistics cars through investment of 3 billion yuan in Suqian city. Then, the Company completes the industrial layout of new energy automobile industrial base in East, South, West, North China and will become a new-energy automobile manufacturer of important influence across country after such bases construction and putting into operation.

8. Step-by-step consolidation and synergic development of construction and installation business and

electromunication business

Within the report period, in terms of construction and installation business, the Company obtained a series of engineering business orders in fields of underground comprehensive pipeline corridor, municipal infrastructure, sponge city and smart city, etc. based on strong comprehensive strength and various flexible business modes, which contribute to the Company's operation revenue and net profit increase correspondingly; the electromunication business as a supplement to its main business kept fast increase continuously and played a positive role to increase its industrial synergy and expand its business scale.

II. Main business analysis

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

Changes in the financial data

In RMB

	This report period	Same period last year	YOY change (%)	Cause change
Operating income	11,129,851,790.88	4,876,438,604.10	128.24%	Mainly due to business growth.
Operating cost	9,021,989,897.09	3,473,962,810.22	159.70%	Mainly due to the increase in the corresponding cost of business growth
Sale expenses	93,892,692.42	42,456,252.57	121.15%	Mainly due to the increase in the cost of freight, etc.
Administrative expenses	389,977,702.76	229,378,673.33	70.01%	Mainly due to the increase in the cost of housing, water and electricity, etc.
Financial expenses	395,227,116.30	368,191,927.63	7.34%	
Income tax expenses	282,130,776.24	191,513,884.53	47.32%	Mainly due to the growth of business in the current period.
R & D Investment	125,155,597.43	62,869,570.14	99.07%	Mainly due to the increase investment in research and development
Net cash generate by operating activities	83,617,287.66	-1,364,949,813.78	106.13%	
Net cash generated by investing activities	-1,660,557,972.96	-1,088,549,503.22	-52.55%	
Net cash generated by	-2,092,134,104.87	-629,365,921.93	-232.42%	

financing activities				
Net increase in cash and cash equivalents	-3,671,727,390.78	-3,074,153,558.61	-19.44%	

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

Applicable Not applicable

Breakdown of main business

In RMB

	Operating revenue	operating costs	Gross profit rate(%)	Increase/decrease of reverse in the same period of the previous year(%)	Increase/decrease of principal business cost over the same period of previous year (%)	Increase/decrease of gross profit rate over the same period of the previous year (%)
Industry						
Optoelectronic display material	2,162,239,379.37	1,693,307,933.68	21.69%	83.71%	118.34%	-12.42%
Equipment and Technology serves	3,665,532,801.81	2,886,526,928.27	21.25%	49.79%	93.31%	-17.73%
Industrial application of graphene	22,186,020.97	9,070,660.39	59.12%	3,911.09%	4,162.41%	-2.41%
New energy vehicle	1,022,266,461.81	819,614,476.46	19.82%			
Construction Installation	1,555,645,862.34	1,500,887,029.86	3.52%	164.78%	167.26%	-0.89%
Electronic communication products	1,571,252,619.47	1,538,031,287.70	2.11%	139.47%	139.55%	-0.03%
Products						
Optoelectronic display material	2,162,239,379.37	1,693,307,933.68	21.69%	83.71%	118.34%	-12.42%
Equipment and Technology serves	3,665,532,801.81	2,886,526,928.27	21.25%	49.79%	93.31%	-17.73%
Industrial application of graphene	22,186,020.97	9,070,660.39	59.12%	3,911.09%	4,162.41%	-2.41%
New energy	1,022,266,461.81	819,614,476.46	19.82%			

vehicle						
Construction Installation	1,555,645,862.34	1,500,887,029.86	3.52%	164.78%	167.26%	-0.89%
Electronic communication products	1,571,252,619.47	1,538,031,287.70	2.11%	139.47%	139.55%	-0.03%
Area						
China	8,842,543,603.09	7,343,203,923.92	16.96%	96.95%	136.13%	-13.78%
Hongkong,Macau and Taiwan	1,091,131,396.31	1,058,509,705.07	2.99%	188.36%	191.85%	-1.16%
Overseas	65,448,146.37	45,724,687.36	30.14%	67,938.20%	106,337.97%	-25.20%

III.Non-core business analysis

√ Applicable □ Not applicable

In RMB

	Amount	Proportion in total profit	Explanation of cause	Sustainable (yes or no)
Other income	108,362,056.52	9.21%	Government subsidy	Yes

IV. Analysis of assets and liabilities

1.Significant changes in asset composition

In RMB

	End of Reporting period		End of same period of last year		Change in percentage (%)	Reason for significant change
	Amount	As a percentage of total assets(%)				
Monetary fund	23,794,597,055.80	35.68%	27,456,759,768.86	40.02%	-4.34%	
Accounts receivable	9,937,647,168.77	14.90%	7,873,419,684.42	11.48%	3.42%	
Inventories	4,210,883,497.85	6.31%	4,914,482,277.21	7.16%	-0.85%	
Real estate Investment	66,930,130.01	0.10%	58,229,439.86	0.08%	0.02%	
Long-term equity investment	2,142,476,783.38	3.21%	2,130,640,158.90	3.11%	0.10%	
Fixed assets	10,938,598,162.98	16.40%	11,378,564,235.15	16.58%	-0.18%	
Construction in	5,387,496,213.47	8.08%	3,663,486,639.90	5.34%	2.74%	

process						
Short-term loans	6,812,784,698.87	10.22%	5,712,826,382.20	8.33%	1.89%	
Long-term loans	3,823,532,289.32	5.73%	5,209,726,250.77	7.59%	-1.86%	

2. Asset and Liabilities Measured by Fair Value

Applicable Not applicable

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

Restrictions on asset rights at the end of the reporting period are as follows:

1. The total amount of restricted Cash and bank balances at the end of the reporting period was RMB 2,351,663,690.33, Mainly for fixed deposits, deposits and so on.
2. RMB 10,433,568,773.5 at the end of the period. Fixed assets were used as collateral and financial lease objects.
3. At the end of the period, the intangible assets of RMB 350,282,096.92 were borrowed as collateral.
4. At the end of the period, RMB 1,210,207,009.84 was pledged for construction in progress as collateral.
5. At the end of the period, RMB 66,930,130.01 was pledged for Real estate investment as collateral.

V. Investment situation

1. External investment

Applicable Not applicable

Investments made in the reporting period	Investments made in same period of last year	+/- %
3,148,450,556.06	6,175,411,729.77	-49.02%

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

Applicable Not applicable

In RMB

Name of the Company Invested	Main Business	Investment Way	Investment Amount	Share Proportion %	Capital Source	Partner	Investment Horizon	Product Type	Progress up to Balance Sheet Date	Anticipated Income	Gain or Less or the Current Investment	Whether to Involve in Lawsuit	Date of Disclosure (Note 5)	Disclosure Index
Tunghsu (Yingkou) Optoelectronic Display	Glass substrates	Purchase	195,000,000.00	65.00%	Self	No	Long-term	Glass substrates	Completed	0.00	-9,555,668.76	No	June 13, 2018	http://www.cninfo.com.cn

Co., Ltd.														
Shenzhen Sanbao Chuangxin Intelligent Equipment Co., Ltd.	High-end intelligent equipment	Purchase	157,750,000.00	67.00%	Self	No	Long-term	High-end intelligent equipment	Completed	0.00	-1,101,997.15	No	May 29, 2018	http://www.cninfo.com.cn
Shanghai Sunlong Bus Co., Ltd.,	New energy vehicle	Increase Capital	1,400,000,000.00	100.00%	Raising Funds	No	Long-term	New energy vehicle	Completed	0.00	109,136,890.07	No		http://www.cninfo.com.cn
Sichuan Xuhong Optoelectronic Technology Co., Ltd.	Glass cover	Increase Capital	800,000,000.00	100.00%	Raising Funds	No	Long-term	Glass cover	Completed	0.00	44,618,329.52	No		http://www.cninfo.com.cn
Total	--	--	2,552,750,000.00	--	--	--	--	--	--	0.00	143,097,553.68	--	--	--

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

Applicable Not applicable

4. Investment of Financial Asset

(1) Securities investment

Applicable Not applicable

Nil

(2) Investment in Derivatives

Applicable Not applicable

Nil

VI. Sales of major assets and equity

1. Sales of major assets

 Applicable Not applicable

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

2.Sales of major equity

 Applicable Not applicable

Counter party	Sold equities	Sold date	Transaction price(Ten thousand yuan)	Net profits contributed by the equities to the listed companies from the period-begin to the sold date (Ten thousand yuan)	Influence of the selling of the Company	Proportion of the net profits of the contributed amount of the selling to the listed companies to the total amount of the net profits	Pricing principles of the equities selling	Whether was the related transaction	Relationship with the center party	Whether the involved equities completed the ownership transfer	Whether execute as scheduled and if failed, should state the reasons and the adopted measurements of the company	Disclosure date	Disclosure Index
Tunghsu Technology Group Co., Ltd.	Xuyou Electronic Materials Technology (Wuxi) Co., Ltd.	April 28,2018	55,000	205.36	No	-0.24%	Based on audited net assets	Yes	Same parent company	Yes	Yes	April 14,2018	http://www.cninfo.com.cn

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

√ Applicable □ Not applicable

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

In RMB

Company Name	Company type	Sectors engaged in	Registered capital	Total assets	Net assets	Turnover	Operating profit	Net Profit
Shijiazhuang Xuxin Optoelectronic Technology Co., Ltd.	Subsidiary	Optoelectronic Display material	1,906,000,000.00	3,614,327,964.30	2,185,344,573.32	257,758,187.11	50,116,654.12	42,667,836.04
Sichuan Xuhong Optoelectronic Technology Co., Ltd.	Subsidiary	Optoelectronic Display material	1,900,000,000.00	3,933,116,975.62	2,067,268,812.55	211,280,233.31	52,984,015.91	44,618,329.52
Shanghai Sunlong Bus Co., Ltd.	Subsidiary	New Energy Bus	2,500,000,000.00	7,352,250,474.71	2,848,886,831.19	851,962,505.15	48,645,039.46	38,466,842.93
Guangxi Sunlong Automobile Manufacturing Co., Ltd.	Subsidiary	New Energy Bus	2,311,111,112.00	2,835,425,111.60	1,785,564,789.07	277,893,932.92	78,784,420.10	71,723,089.43
Wuhu Tungshu Optoelectronic Equipment Technology Co., Ltd.	Subsidiary	Equipment and technology Service	1,000,000,000.00	12,745,478,055.37	2,952,254,790.26	1,448,811,435.46	596,270,067.22	510,256,680.37
Beijing Xufeng Real estate Co., Ltd.	Subsidiary	Building and construction Industry	870,000,000.00	2,204,338,312.81	783,972,669.58	1,094,173,849.22	408,282,973.44	311,897,319.71

Acquirement and disposal of subsidiaries in the Reporting period

√ Applicable □ Not applicable

Name	Mode	Influence
Shenzhen Sanbao Chuangxin Intelligent	M & A	Increase business

Co., Ltd.		
Tunghsu (Yingkou) Optoelectronic Display Co., Ltd.	M & A	Increase business
Xuyou Electronic Materials Technology (Wuxi) Co., Ltd.	Disposition	Based on overall strategic layout planning considerations

Notes

VIII. Structured vehicle controlled by the Company

Applicable Not applicable

IX. Prediction of business performance for January -September 2018

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

Applicable Not applicable

X. Risks facing the Company and countermeasures

1. Risk of macroeconomic cyclical fluctuations

The optoelectronic display materials business centered on glass substrate relies on the LCD panel industry, which is a cyclical industry and a downstream industry to the company. As the prosperity of the panel industry is affected by the macroeconomic fluctuations, then if the panel price fluctuates sharply due to the deterioration of the macroeconomic environment or the imbalance between the supply and the demand, the company may face the risk of industry downturn.

Improvement actions: The Company, through development for many years, has developed into an advanced comprehensive service provider for new materials, high-end equipment manufacturing and new-energy automobile manufacturing at home from the single manufacturer for liquid crystal glass substrate equipment and liquid crystal glass substrate; at the same time, it will, through close tracking of latest news on macro economy, industrial policies and industrial development, seize the investment and expansion pace and adjust the development strategies timely to guarantee its operation efficiency and effects and deal with macro economy periodic fluctuation effectively.

2. Risk of technological upgrading alternatives

The company never stops the technical research and development and technology reserves, and has made breakthroughs in many areas. However, if the downstream panel display industry undergoes major technological changes and the company fails to achieve timely corresponding technological innovation, then the company will face certain risks when the technological upgrading alternatives hit the market.

Improvement actions: The Company has very strong technical strength and is the only one at home with two glass substrate manufacturing processes including overflow fusion method and float glass at the same time, among which, TFT-LCD glass substrate complete equipment production line is deemed as “a national strategic innovative product” and the glass liquid processing method in platinum channels obtains “Chinese gold medal for patent”. To deal with risk of technology replacement, the Company will, based on successful industrialization experience obtained, continue strengthening R&D capital investment, strengthen R&D cooperation with

institutions of higher learning and research institutes and improve the R&D strength in ultrathin, large-size and LTPS glass and OLED new-type display technology glass, etc.

3. The risk caused by the continued fade-out of subsidy policies for new energy vehicles

As the new energy auto companies have a certain dependence on government subsidies at this stage, the decline in the subsidy standards will have a certain impact on the future sales of new energy auto products of Sunlong Bus. Although the company has in detail measured the feasibility of the company's implementation of the related business plan after the full fade-out of the subsidy, if there are major adverse changes in the relevant industrial policies in the future, Sunlong Bus will face the risk of that its operating performance will fall short of expectations.

Improvement actions: As parts (including power battery) and vehicle manufacturing technical level and production process improve constantly, the infrastructure including charging piles/stations, etc. realizes large-scale coverage, pure electric passenger car endurance mileage and other items of performance improve gradually, the up-stream suppliers release the capacity continuously, the production cost and sale unit price decrease, the new energy automobile popularization brings about pure electric passenger car acceptance improvement on a continuous basis of end clients and the environmental pollution results in the public emphasis improvement on clean energy, it's predicted that the pure electric passenger car production cost of Sunlong will decrease gradually, which will offset adverse influence from subsidy policy decline and will drive the demand growth and sale of Sunlong new-energy passenger cars in the future.

V. Important Events

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

1. Annual General Meeting

Meeting	Type	Investor participation ratio	Convened date	Disclosure date	Index to disclosed information
The First provisional shareholders' General meeting in 2018	Provisional shareholders' General meeting	21.88%	January 26,2018	January 27,2018	Announcement No. 2018-011, www.cninfo.com.cn
The Second provisional shareholders' General meeting in 2018	Provisional shareholders' General meeting	21.95%	March 26,2018	March 27,2018	Announcement No. 2018-028, www.cninfo.com.cn
The Third provisional shareholders' General meeting in 2018	Provisional shareholders' General meeting	21.96%	April 25,2018	April 26,2018	Announcement No. 2018-052, www.cninfo.com.cn
2017 Shareholders' general meeting	Annual Shareholders' General Meeting	22.66%	May 10,2018	May 11,2018	Announcement No. 2018-059, www.cninfo.com.cn
The Fourth provisional shareholders' General meeting in 2018	Provisional shareholders' General meeting	22.73%	June 28,2018	June 29,2018	Announcement No. 2018-087, www.cninfo.com.cn
The Fifth provisional shareholders' General meeting in 2018	Provisional shareholders' General meeting	21.99%	July 30,2018	July 31,2018	Announcement No. 2018-100, www.cninfo.com.cn
The Sixth provisional shareholders' General meeting in	Provisional shareholders' General meeting	27.68%	Aug 20,2018	Aug 21,2018	Announcement No. 2018-117 www.cninfo.com.cn

2018					
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2. Preferred stockholders restored voting rights to request to convene Provisional Shareholders' Meeting.

Applicable Not applicable

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

Applicable Not applicable

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

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

Applicable Not applicable

Commitment	Commitment maker	Type	Contents	Time of making commitment	Period of commitment	Fulfillment
Commitment on share reform						
Commitment in the acquisition report or the report on equity changes						
Commitment made upon the assets replacement						
Commitments made upon issuance	Tunghsu Group	Commitments on horizontal competition, related transaction and capital occupation	Before June 30, 2018, the entire equity of Tunghsu Yingkou, which is held by Tunghsu Group and is entrusted to the company's management, will be injected into Tunghsu Optoelectronic through cash purchase and add-directional share	December 14, 2017	Valid for June 30, 2018-	Fulfilled

			<p>issuance.</p> <p>During the above-mentioned period, if external factors such as the decline in the overall prosperity of the industry, changes in regulatory requirements, and other external factors lead to Tunghsu Yingkou equity not meeting the conditions for asset injection, the actual controllers Li Zhaoting and Tunghsu Group will actively consult with relevant parties and continue to entrust the equity and operating right of the above-said company to Tunghsu Optoelectronic.</p>			
Equity incentive commitment						

Other commitments made to minority shareholders	Tunghsu Group	Share holdings commitment	The controlling shareholder of the company, Tunghsu Group, has announced its plan of increasing its holding of shares not less than 1% and not exceeding 3% of the company's current total share capital via buying through the Shenzhen Stock Exchange trading system (i.e. the secondary market) with not less than RMB 500 million and not exceeding RMB1.5 billion in the next six months since the date of the announcement (February 2, 2018). Tunghsu Group promised not to reduce the holdings of the company's	February 2,2018	Valid for August 2,2018	Fulfilled
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			shares during the implementation period of this plan of increasing share-holding and during the statutory period.			
Executed timely or not?	Yes					
If the commitment has not been implemented at the end of the reporting period, it is necessary to explain the specific reason of failure in implementation and the future work plan.	Not applicable					

IV. Particulars about engagement and disengagement of CPAs firm

Whether the semi-annual financial report had been audited?

Yes Not

The semi-annual report was not audited.

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

Applicable Not applicable

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

Applicable Not applicable

VII. Bankruptcy and restructuring

Applicable Not applicable

No such cases in the reporting period.

VIII. Legal matters

Significant lawsuits or arbitrations

Applicable Not applicable

No such cases in the reporting period.

Other legal matters

Applicable Not applicable

IX. Punishments and rectifications

Applicable Not applicable

No such cases in the reporting period.

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

Applicable Not applicable

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

Applicable Not applicable

1. The scale of Phase 1 for Employee Stock Ownership Plan of Tunghsu Optoelectronic was RMB 495.4 million , subscribing 72,639,296 of non-publicly issued shares of 2015 with full amount through No.2 Changjiang Xingli Oriented Plan, where the above shares were listed in SSE on December 17, 2015, which was with 36-month locking period.

2. The company's second ESOP, via Zhonghai Trust-Tunghsu Optoelectronic ESOP Collective Funds Trust Plan, in the secondary market bought 52,555,280 shares of the company by centralized bidding and/or bulk trading, with transaction amount of RMB 496,410,000 and the average transaction price of about 9.45 yuan per share. The buying has been completed as of December 28th 2017 and the ownership has been transferred into the name of the Collective Funds Trust Plan, with a lock-in period of 12 months.

The employee stock ownership plan is still locked during the report period.

XII. Material related transactions

1. Related transactions in connection with daily operation

Applicable Not applicable

Related parties	Relationship	Type of trade	Subjects of the related transactions	Principle of pricing the related transactions	Price of trade	Amount of trade (ten thousand)	Ratio in similar trades	Trading limit approved (ten thousand)	Whether approved limited or not (Y/N)	Way of payment	Market price of similar trade available	Date of disclosure	Index of information disclosure
Guangdong Huakai Real	Controlled by the same actual	Selling goods and providing	Construction Engineering	Reference price setting	1,994.53	1,994.53		20,000	No	Currency	1,994.53	April 20, 2018	

Estate Development Co., Ltd.	controller	g services											
Huidong Baoan Hongji Real Estate Development Co., Ltd.	Controlled by the same actual controller	Selling goods and providing services	Construction Engineering	Reference price setting	4,661.40	4,661.4		20,000	No	Currency	4,661.40	April 20,2018	
Huidong Baoan Jinan Real Estate Development Co., Ltd.	Controlled by the same actual controller	Selling goods and providing services	Construction Engineering	Reference price setting	4,643.51	4,643.51		20,000	No	Currency	4,643.51	April 20,2018	
Kunming Tunghsu Qiming Investment Development Co., Ltd.	Controlled by the same actual controller	Selling goods and providing services	Construction Engineering	Reference price setting	14,070.79	14,070.79		35,000	No	Currency	14,070.79	April 20,2018	
Shengzhou Zhexu Real Estate Co., Ltd.	Controlled by the same actual controller	Selling goods and providing services	Construction Engineering	Reference price setting	3,516.81	3,516.81		20,000	No	Currency	3,516.81	April 20,2018	
Yixian Xuhua Park	Controlled by the same	Selling goods and	Construction Engineering	Reference price setting	3,961.61	3,961.61		15,000	No	Currency	3,961.61	April 20,2018	

Construction Development Co., Ltd.	actual controller	providing services	ring										
Yingxhuan Fengxiang Street Comprehensive Construction Management Co., Ltd	Controlled by the same actual controller	Selling goods and providing services	Construction Engineering	Reference price setting	4,527.32	4,527.32		11,000	No	Currency	4,527.32	April 20, 2018	
Zhangzhou Shenghua Real Estate Development Co., Ltd.	Controlled by the same actual controller	Selling goods and providing services	Construction Engineering	Reference price setting	2,241.39	2,241.39		20,000	No	Currency	2,241.39	April 20, 2018	
Chongqing Tunghsu Real Estate Co., Ltd.	Controlled by the same actual controller	Selling goods and providing services	Construction Engineering	Reference price setting	1,834.88	1,834.88		5,500	No	Currency	1,834.88	April 20, 2018	
Total				--	--	41,452.24	--	166,500.00	--	--	--	--	--
Details of any sales return of a large amount				Nil									
Give the actual situation in the report period where a forecast had been made for the total amounts of routine related-party transactions by type to				Nil									

occur in the current period(if any)	
Reason for any significant difference between the transaction price and the market reference price (if applicable)	Nil

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

Applicable Not applicable

Related parties	Relationship	Type of trade	Subjects of the related transactions	Principle of pricing the related transactions	Book value of assets transferred (Ten thousand)	Valuation of transferred assets (Ten thousand) (If any)	Transfer price (Ten thousand)	Way of payment	Transaction gain or loss (Ten thousand)	Date of disclosure	Index of information disclosure
Tunghsu Technology Group Co., Ltd.	Same control	Equity transfer	Disposal of subsidiaries	Based on audited net assets	108,394.56	0	55,000	Monetary funds	-205.36	April 14,2018	http://www.cninfo.com.cn
Reasons for the difference between the transfer price and the book value or valuation value (If any)				Nil							
Impact on the company's operating results and financial status				Nil							
If the relevant transaction involves performance agreement, the performance of the report during the reporting period				Nil							

3. Related-party transitions with joint investments

Applicable Not applicable

No such cases in the reporting period.

4. Credits and liabilities with related parties

Applicable Not applicable

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

Yes No

No such cases in the reporting period.

5. Other significant related-party transactions

√Applicable Not applicable

Nil

Website for temporary disclosure of the connected transaction

Announcement	Date of disclosure	Website for disclosure
Announcement on the participation of wholly-owned subsidiaries in the PPP project private equity investment fund and related party transactions	January 27,,2018	(http://www.cninfo.com.cn) (Announcement No/:2018-013)

XIII. Particulars about the non-operating occupation of funds by the Controlling shareholder and other related parties of the CompanyApplicable Not applicable

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

XIV. Significant contracts and execution

1.Entrustments, contracting and leasing

(1) Entrustment

√Applicable Not applicable

Description of custodies

During the reporting period, the Company continued entrusted with the management of Tunghsu(Yingkou) Optoelectronic Display Co., Ltd.

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

Name of Clients/Contractee	Name of Trustee/Contractee	Type of Entrusting Asset/Contracting Asset	Starting Date of Entrusting /Contracting	Expiration Date of Entrusting /Contracting	Confirmed Entrusting /Contracting Fee at the Current Period
Tunghsu Group, Yingkou Coastal Development Construction Co., Ltd. Minmetals (Yingkou) Industrial Park Development Co., Ltd.	Tunghsu Optoelectronic Technology Co., Ltd.	Tunghsu(Yingkou) Optoelectronic Display Co., Ltd.	January 2012	Notes 1	250,000.00

Total					250,000.00
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Note 1: The trustee fee includes share right trustee fee(500 thousand RMB/year) and operation trustee fee. The operation trustee fee is basic management fee and incentive management fee, of which the basic management fee is RMB 1 million/year, the incentive management fee is counted by 5% of the after-tax net profit yearly achieved by the trustee company

Note 2:On April 20, 2016, Tunghsu (Yingkou) Optoelectronic Display Co.,Ltd, upon the approval by general shareholders' meeting, amended the Article of Association, thus the stake of Tunghsu (Yingkou) Optoelectronic Display Co.,Ltd held by Tunghsu Group was changed to 65% from 60%.

Note 3:On June 30, 2018, Tunghsu Group Co., Ltd. transferred all 65% of the shares in Tunghsu (Yingkou) Optoelectronic Display Co., Ltd. to Tunghsu Optoelectronic Technology Co., Ltd.

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

Applicable Not applicable

No such cases in the reporting period.

(2) Contracting

Applicable Not applicable

No such cases in the reporting period.

(3) Leasing

Applicable Not applicable

No such cases in the reporting period.

2.Significant guarantees

Applicable Not applicable

(1) Guarantees

Ten thousand

External Guarantee (Exclude controlled subsidiaries)								
Name of the Company	Relevant disclosure date/No. of the guaranteed amount	Amount of Guarantee	Date of happening (Date of signing agreement)	Actual amount of guarantee	Guarantee type	Guarantee term	Complete implementation or not	Guarantee for associated parties (Yes or no)
Guarantee of the Company for the controlling subsidiaries								
Name of the Company	Relevant disclosure	Amount of	Date of happening	Actual amount of	Guarantee type	Guarantee term	Complete implementation	Guarantee for

guaranteed	date/No. of the guaranteed amount	guarantee	(Date of signing agreement)	guarantee			or not	associated parties (Yes or no)
Wuhu Tunghsu Optoelectronic Equipment Technology Co., Ltd.	June 20, 2013	150,000	September 25, 2014	37,000	The joint liability guaranty	Two years from the date of advance of the loan due date	No	No
Wuhu Tunghsu Optoelectronic Equipment Technology Co., Ltd.	July 1, 2016	9,500	September 7, 2017	9,500	The joint liability guaranty	1 year	No	No
Wuhu Tunghsu Optoelectronic Technology Co., Ltd.	June 19, 2013	132,000	November 12, 2013	83,125	The joint liability guaranty	8 years	No	No
Wuhu Tunghsu Optoelectronic Technology Co., Ltd.	September 27, 2013	20,000	April 8, 2014	20,000	The joint liability guaranty	8 years	No	No
Wuhu Tunghsu Optoelectronic Technology Co., Ltd.	September 27, 2013	20,000	May 6, 2014	20,000	The joint liability guaranty	8 years	No	No
Wuhu Tunghsu Optoelectronic Technology Co., Ltd.	September 27, 2013	10,000	December 13, 2013	8,125	The joint liability guaranty	8 years	No	No
Wuhu Tunghsu Optoelectronic Technology Co., Ltd.	October 31, 2016	52,300	November 25, 2016	52,300	The joint liability guaranty	6 years	No	No
Fuzhou Tunghsu Optoelectronic Technology Co., Ltd.	July 29, 2016	10,000	August 16, 2016	10,000	The joint liability guaranty	2 years	No	No
Wuhu Tunghsu Optoelectronic	June 15, 2018	15,000	June 29, 2018	15,000	The joint liability	7 months	No	No

Equipment Technology Co., Ltd.					guaranty			
Wuhu Tunghsu Optoelectronic Technology Co., Ltd.	December 25,2017	6,000	March 1,2018	6,000	The joint liability guaranty	1 year	No	No
Wuhu Tunghsu Optoelectronic Technology Co., Ltd	March 26,2018	10,000	March 27,2018	10,000	The joint liability guaranty	1 year	No	No
Wuhu Tunghsu Optoelectronic Technology Co., Ltd	March 26,2018	10,000	March 28,2018	10,000	The joint liability guaranty	1 year	No	No
Wuhu Tunghsu Optoelectronic Technology Co., Ltd	April 13,2018	5,000	April 24,2018	5,000	The joint liability guaranty	1 year	No	No
Wuhu Tunghsu Optoelectronic Technology Co., Ltd	December 25,2017	10,500	May 31,2018	10,500	The joint liability guaranty	1 year	No	No
Wuhu Tunghsu Optoelectronic Technology Co., Ltd	December 25,2017	5,000	June 11,2018	5,000	The joint liability guaranty	1 year	No	No
Wuhu Tunghsu Optoelectronic Technology Co., Ltd	June 15,2018	15,000	June 26,2018	15,000	The joint liability guaranty	7 months	No	No
Zhengzhou Xufei Optoelectronic Technology Co., Ltd.	June 12,2018	5,000	June 29,2018	5,000	The joint liability guaranty	1 year	No	No
Sichuan Xuhong Optoelectronic Technology Co., Ltd.	January 10,2018	4,000	February 9,2018	4,000	The joint liability guaranty	1 year	No	No
Sichuan Xuhong Optoelectronic	January 10,2018	4,000	February 12,2018	4,000	The joint liability	1 year	No	No

Technology Co., Ltd.					guaranty			
Suzhou Tengda Optical Technology Co., Ltd.	June 12,2018	2,000	June 28,2018	2,000	The joint liability guaranty	1 year	No	No
Shanghai Sunlong Bus Co., Ltd.	March 26,2018	5,000	March 30,2018	5,000	The joint liability guaranty	1 year	No	No
Shanghai Sunlong Bus Co., Ltd.	March 26,2018	3,000	April 2,2018	3,000	The joint liability guaranty	1 year	No	No
Shanghai Sunlong Bus Co., Ltd.	March 26,2018	7,000	March 27,2018	7,000	The joint liability guaranty	1 year	No	No
Guangxi Sunlong Automobile Manufacturing Co., Ltd.	December 28,2017	10,000	January 12,2018	10,000	The joint liability guaranty	1 year	No	No
Tunghsu (Kunshan) Display Material Co., Ltd.	May 10,2018	20,000	May 14,2018	20,000	The joint liability guaranty	From the effective date of the Guarantee Contract to the date of expiration of the performance period of the Finance Lease Contract (if the date of expiration of the two financial lease contracts is inconsistent, the latter shall be subject to the	No	No

						latter);		
Total of guarantee for subsidiaries approved in the Period (B1)		125,950	Total of actual guarantee for subsidiaries in the Period (B2)				136,500	
Total of guarantee for subsidiaries approved at Period-end (B3)		540,300	Total of actual guarantee for subsidiaries at Period-end (B4)				376,550	
Guarantee of the subsidiaries for the controlling subsidiaries								
Name of the Company guaranteed	Relevant disclosure date/No. of the guaranteed amount	Amount of guarantee	Date of happening (Date of signing agreement)	Actual amount of guarantee	Guarantee type	Guarantee term	Complete implementation or not	Guarantee for associated parties (Yes or no)
Total of Company's guarantee (namely total of the large three aforementioned)								
Total of guarantee in the Period (A1+B1+C1)		125,950	Total of actual guarantee in the Period (A2+B2+C2)				136,500	
Total of guarantee at Period-end (A3+B3+C3)		540,300	Total of actual guarantee at Period-end (A4+B4+C4)				376,550	
The proportion of the total amount of actually guarantee in the net assets of the company(A4+B4+C4)				12.06%				
Including :								
The debts guarantee amount provided for the Guaranteed parties whose assets-liability ratio exceed 70% directly or indirectly (E)				63,500				

Description of the guarantee with complex method

(2) Illegal providing of external guarantees

Applicable Not applicable

No illegal providing of external guarantees in the report period.

3. Other significant contracts

Applicable Not applicable

No such cases in the reporting period.

XV. Social responsibilities

1. Major environmental protection

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

Company or subsidiary name	Main pollutant and specific pollutant name	Emission way	Emission port number	Emission port distribution condition	Emission concentration (mg/Nm ³)	Implemented pollutant emission standards	Total emission	Verified total emission(Tons)	Excessive emission condition
Fuzhou Tunghsu Optoelectronic Technology Co., Ltd.	COD	After the treatment reaches the standard, enter the urban sewage pipe	1	Total discharge of wastewater in the southeast corner of the plant	25mg/L	Integrated wastewater discharge standard GB8978-1997	3.19T/ year	117.1T/ year	Not exceeded
Fuzhou Tunghsu Optoelectronic Technology Co., Ltd.	Ammonia nitrogen	After the treatment reaches the standard, enter the urban sewage pipe	1	Total discharge of wastewater in the southeast corner of the plant	16.8mg/L	Sewage discharge into urban sewer water quality standard CJ-343-2010	0.87T/ year	15.6T/ year	Not exceeded
Sichuan Xuhong Optoelectronic Technology Co., Ltd.	Nitrogen Oxide	After being processed by the SCR system, it is discharged into the atmosphere through the chimney.	1	60m high chimney in the northwest corner of the plant	530mg/m ³	Emission Standard for Air Pollutants in Electronic Glass Industry GB29495-2013	83.55T/ year	87.26T/ year	Not exceeded
Sichuan Xuhong Optoelectronic Technology Co., Ltd.	SO ₂	After being processed by the SCR system, it is discharged into the	1	60m high chimney in the northwest corner of the plant	3.52mg/m ³	Emission Standard for Air Pollutants in Electronic	0.48T/ year	8.49T/year	Not exceeded

		atmosphere through the chimney.				Glass Industry GB29495-2013			
Shanghai Sunlong Bus Co., Ltd.	COD	After the treatment reaches the standard, enter the urban	1	Total discharge of wastewater in the southeast corner of the plant	182.25mg/L	Sewage discharge into urban sewer water quality standard DB31/445-2009			Not exceeded
Shanghai Sunlong Bus Co., Ltd.	TN	After the treatment reaches the standard, enter the urban sewage pipe	1	Total discharge of wastewater in the southeast corner of the plant	12.1125mg/L	Sewage discharge into urban sewer water quality standard DB31/445-2009			Not exceeded
Shanghai Sunlong Bus Co., Ltd.	SS	After the treatment reaches the standard, enter the urban sewage pipe	1	Total discharge of wastewater in the southeast corner of the plant	80 mg/L	Sewage discharge into urban sewer water quality standard DB31/445-2009			Not exceeded
Shanghai Sunlong Bus Co., Ltd.	Petroleum	After the treatment reaches the standard, enter the urban sewage pipe	1	Total discharge of wastewater in the southeast corner of the plant	1.5975 mg/L	Sewage discharge into urban sewer water quality standard DB31/445-2009			Not exceeded
Shanghai Sunlong Bus Co., Ltd.	TP	After the treatment reaches the standard, enter the urban sewage pipe	1	Total discharge of wastewater in the southeast corner of the plant	3.0267 mg/L	Sewage discharge into urban sewer water quality standard DB31/445-2009			Not exceeded

						009			
Shanghai Sunlong Bus Co., Ltd.	VOCs	High-altitude emissions after treatment has reached the standard	4	Factory west	16.20mg/m ³	"Automotive Manufacturing (Painting) Air Pollutant Emission Standards" DB32/859-2014			Not exceeded
Shanghai Sunlong Bus Co., Ltd.	SO ₂	High-altitude emissions after treatment has reached the standard	10	West part of the middle of Factory	7.6 mg/m ³	"Emission Standards for Air Pollutants in Industrial Furnaces" DB31/860-2014	0.00136	0.02	Not exceeded
Shanghai Sunlong Bus Co., Ltd.	NO	High-altitude emissions after treatment has reached the standard	10	West part of the middle of Factory	7.5 mg/m ³	"Emission Standards for Air Pollutants in Industrial Furnaces" DB31/860-2014	0.636	0.84	Not exceeded
Shanghai Sunlong Bus Co., Ltd.	PM	High-altitude emissions after treatment has reached the standard	18	South part of the middle of Factory	3.79mg/m ³	"Integrated Emission Standards for Air Pollutants" DB31/933-2015	0.881	1.04	Not exceeded

1. Fuzhou Tunghsu optoelectronic operates normally during the whole year and produces main pollution of waste water. In 2017, it built the rain and sewage diversion system and waste water treatment station with designed treatment capacity of 1000t/d, which adopts PH adjustment + secondary concrete sedimentation treatment process. All production waste water will be collected after treatment and meeting standards and discharged into Rongyuan sewage treatment plant together with pre-treated sanitary sewage by septic tank for uniform treatment. The waste water treatment station operates normally during the report period and discharges per standards.

2. Xuhong Optoelectronic operates normally during the whole year and produces main pollution of waste gas. In

2015, it built SCR flue gas denitration system for discharge of smoke discharged outside kiln after treatment of the same, for which, the continuous online monitoring system is installed. All production waste gas will be discharged through 60m chimney after treatment and meeting standards. SCR system operates normally during the report period and discharges per standards.

3. Sunlong Bus operates normally during the whole year and produces main pollution of waste water, waste gas and hazardous waste. In 2008, for treatment of coating waste water during production, it built the rain and sewage diversion system and industrial waste water treatment station with designed treatment capacity of 10t/h, which adopts physical + biochemical treatment process. All production waste water will be collected after treatment and meeting standards and discharged into urban sewage pipeline (in Yuanshan Road) together with sanitary sewage and into Bailong Port system finally. The waste water treatment station operates normally during the report period and discharges per standards. Waste gas treatment: coating VOCs adopts emission after meeting standards through treatment of zeolite roller+RTO combustion process, low-concentration VOCs discharge bag is equipped with online monitoring system (FID) for real-time monitoring of the emission value; for pollution including PM and welding fume, etc., the filter filter core drum is adopted for dust removal, after which, the gas will be emitted in the upper air after meeting standards; any facility needing heating during production process adopts the natural gas burner and the gas will be burned efficiently through ternary internal circulation process to reduce the energy consumption and pollution emission.

1. Fuzhou Tunghsu optoelectronic implements strictly the environmental influence appraisal system and “simultaneous design, construction and use” system, whose construction project conforms to laws and regulations. For the project, the environmental appraisal reply was obtained in September 2016 from Sichuan Environmental Protection Department.

2. Xuhong Optoelectronic implements strictly the environmental influence appraisal system and “simultaneous design, construction and use” system, whose construction project conforms to laws and regulations. For the project, the environmental appraisal reply was obtained in November 2016 from Sichuan Environmental Protection Department and environmental protection acceptance was already qualified.

3. Sunlong Bus implements strictly the environmental influence appraisal system and “simultaneous design, construction and use” system, whose construction project conforms to laws and regulations. In January 2009, the completion acceptance reply for the project was received from Minhang District Environmental Protection Bureau, Shanghai (MHBGXY[2009] No. 041).

1. Fuzhou Tunghsu Optoelectronic entrusts one qualified third party with preparation of Emergency Program for Environmental Emergencies of Fuzhou Tunghsu Photoelectricity Technology Co., Ltd. and organizes and conducts training on such program regularly to improve the company’s capacity to deal with any environmental pollution emergency practically.

2. Xuhong Optoelectronic entrusts one qualified third party with preparation of Emergency Program for Environmental Emergencies of Sichuan Xuhong Optoelectronic Technology Co., Ltd., sets internally full-time environmental-protection managers and equipment operators for implementation of each environmental-protection job and organizes and conducts training on such program regularly to improve the company’s capacity to deal with any environmental pollution emergency practically.

3. Sunlong Bus entrusts one qualified third party with preparation of Emergency Program for Environmental Emergencies of Shanghai Sunlong Bus Co., Ltd., sets internally full-time environmental-protection managers and equipment operators for implementation of each environmental-protection job and organizes and conducts training on such program regularly to improve the company’s capacity to deal with any environmental pollution emergency practically.

1. Fuzhou Tunghsu Optoelectronic abides by national and local laws, regulations and relevant provisions strictly, and entrust Fujian Tuopu Detection Technology Co., Ltd. to carry out monthly detection of wastewater and quarterly detection of noise of Fuzhou Tunghsu Photoelectricity as required, and log in to the self-monitoring website in time every month to upload data information such as detection results.

2. Xuhong Optoelectronic abides by national and local laws, regulations and relevant provisions strictly, and entrusts Sichuan Zhonghuan Environmental Testing Technology Co., Ltd. to carry out quarterly testing of the company's exhaust gas as required, and Sichuan Jiente Environmental Protection Equipment Co., Ltd. to carry out operation and maintenance of our company's flue gas online monitoring equipment, so as to ensure that the company's air pollution data are transmitted to the national environmental protection monitoring platform in real time.

3. Sunlong Bus abides by national and local laws, regulations and relevant provisions strictly, and entrusts Ingel Testing Technology Service (Shanghai) Co., Ltd. to carry out quarterly testing of waste water, waste gas and noise as required, and regularly log in the environmental protection survey platform and the environmental statistics business system to upload data such as testing results.

Other environmental information that should be disclosed

Company Name or Subsidiary Name	Name of major pollutants and characteristic pollutants	Disposal Method	Storage Place	Distribution of Producing	Carried Standard	Annual Output (tons)	Disposal Quantity	Inventory Quantity
Shanghai Sunlong Bus Co., Ltd.	Waste residue, waste thinner	Entrust a qualified third party for disposal	Dangerous waste temporary storage	Painting workshop, assembly shop, commissioning workshop	/	35.18	13.66	18.52
	Waste adhesive sealant					11.28	6.73	3.05
	Waste empty barrel					16.53	6.73	4.8

Notes: This table shows the hazardous wastes status of Sunlong Bus. It's the amount of hazardous waste generated in 2017. The annual amount of hazardous waste changes with the change of production capacity. The untreated inventory is due to the limited annual disposal capacity of the hazardous waste, and it will be disposed in the next year if the treatment and dispose is not completed in the current year.

Other environmental protection related information

Notes:

1. The Shanghai Municipal Pollutant Discharge Permit obtained by Sunlong Bus does not state the request of the total amount of wastewater discharged and the total amount of normative emissions. The emission concentration in the table is the average value of the quarterly test data.

2. The Shanghai Municipal Pollutant Discharge Permit does not state the requirement of the total amount of volatile organic compounds emitted in the exhaust gas and the total normative amount of emissions. The total

amount of SO₂ and NO_x emissions of Sunlong Bus is calculated based on the total amount of natural gas used and the combustion emissions coefficient.

2. Overview of the annual targeted poverty alleviation

(1) Precision poverty alleviation planning

(2) Half-year poverty relieving summary

1. On February 2, 2018, Tunghsu Photoelectricity donated the first batch of 300 graphene heaters to Fuping County, Hebei Province for free in order to realize clean heating in winter. At the same time, it also donated 200,000 yuan worth of books. This donation is only the first pilot project, and the scope of donation will be appropriately expanded in the later period according to the operation situation.

2. On February 8, 2018, Tunghsu Photoelectricity donated 530 sets of graphene heaters which worth 890,400 yuan and 200,000 yuan worth of books to the central primary school at Gonghui Town, Zhangbei County, Hebei Province and to center gerocomium at Haojiaying township to help primary school students and widows and orphans live in warm in the winter and do their part in the primary and secondary education.

3. On June 19, 2018, Guangxi Sunlong Automobile Manufacturing Co., Ltd., a wholly-owned subsidiary of the company, donated 228,500 yuan to Zhongdang village, which lies at Jiafang Township, Mashan County, Guangxi Province, so as to assist in the Sunlong twinning project of poverty alleviation project of the deep poverty-stricken village in Guangxi: reservoir project of drinking water engineering.

4. During the reporting period, Shanghai Sunlong, Jiangsu Jixing and Suzhou Tenda, which are the wholly-owned subsidiaries of the company, donated 10,000 yuan, 10,000 yuan and 20,000 yuan respectively for poverty alleviation.

XVI. Other material events

Applicable Not applicable

No such cases in the reporting period.

XVII. Material events of subsidiaries

Applicable Not applicable

VI. Change of share capital and shareholding of Principal Shareholders

I.Changes in share capital

1. Changes in share capital

In shares

	Before the change		Increase/decrease (+, -)					After the Change	
	Amount	Proportion	Share allotment	Bonus shares	Capitalization of common reserve fund	Other	Subtotal	Quantity	Proportion
1.Shares with conditional subscription	1,385,624,525	24.18%						1,385,624,525	24.18%
1. State-owned legal person shares	60,389,095	1.05%						60,389,095	1.05%
3.Other domestic shares	1,325,235,430	23.13%						1,325,235,430	23.13%
Incl: Domestic legal person shares	1,323,974,680	23.11%						1,323,974,680	23.11%
Domestic Natural Person shares	1,260,750	0.02%						1,260,750	0.02%
II.Shares with unconditional subscription	4,344,625,593	75.82%						4,344,625,593	75.82%
1.Common shares in RMB	4,094,625,592	71.46%						4,094,625,592	71.46%
2.Foreign shares in domestic market	250,000,001	4.36%						250,000,001	4.36%
III. Total of capital shares	5,730,250,118	100.00%						5,730,250,118	100.00%

Reasons for share changed:

 Applicable Not applicable

Approval of Change of Shares

 Applicable Not applicable

Ownership transfer of share changes

 Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

2. Change of shares with limited sales condition

Applicable Not applicable

II. Issuing and listing

Applicable Not applicable

III. Shareholders and shareholding

In Shares

Total number of common shareholders at the end of the reporting period		358,541 (including 341,239shareholders holding A shares and 17,302 shareholders holding B shares)		Total number of preferred shareholders that had restored the voting right at the end of the reporting period (if any) (note 8)		0		
Particulars about shares held above 5% by shareholders or top ten shareholders								
Shareholders	Nature of shareholder	Proportion of shares held (%)	Number of shares held at period -end	Changes in reporting period	Amount of restricted shares held	Amount of un-restricted shares held	Number of share pledged/frozen	
							State of share	Amount
Tunghsu Group	Domestic Non-State-owned legal person	15.97%	915,064,091	4,088,500	791,889,488	123,174,603	Pledge	799,643,042
Shijiazhuang Baoshi Electronic Group Co., Ltd.	Domestic Non-State-owned legal person	5.80%	332,382,171	0	0	332,382,171	Pledge	153,520,000
Shanghai Huimao Enterprise Management Co., Ltd.	Domestic Non-State-owned legal person	4.58%	262,626,262	0	262,626,262	0	Pledge	80,240,722

China Fund Management Co., Ltd. — Huaxia Bank — TTCO Trust Co., Ltd. — TTCO Trust Co., Ltd. — Shunjing No.5 Single capital trust	Other	2.54%	145,759,116	0	0	145,759,116		
Minsheng Royal Fund Management Co., Ltd — -Ping An Bank-Daye Trust Zengli 2 single Fund Trust	Other	1.70%	97,192,224	0	97,192,224	0		
Tunghsu Optoelectronic Technology Co., Ltd. — The first ESOP	Other	1.27%	72,639,296	0	72,639,296	0		
Beixin Ruifeng Fund — China Merchants Bank — Daye Trust — Daye Trust Profit increase 3 single fund plan	Other	1.08%	62,095,032	0	62,095,032	0		
Shenzhen Taianer Information Technology Co., Ltd.	Domestic Non -State-owned legal person	1.07%	61,165,682	0	0	61,165,682	Pledge	55,265,682
Wanhe Securities — China Merchants Bank — Wanhe Securities and No.1 Collective asset management plan	Other	0.96%	55,246,500	0	0	55,246,500		
Nuoan Fund-Industrial	Other	0.96%	55,246,487	0	0	55,246,487		

Securities-Nanjing Shuangan Assets Management Co., Ltd.								
Strategy investors or general legal person becomes top 10 shareholders due to rights issued (if applicable) (See Notes 3)	Among the top 10 shareholders, CITIC Fund-Huaxia Bank-Tibet Trust-Tibet Trust-Shunjing No.5 Single Fund Trust, and Shenzhen Taianer Information Technology Co., Ltd became the top 10 shareholders of the company by participating in the subscription of the company's non-public share issuance in 2016-and the sale-restricted period for those shares held is 12 months, that is, from August 26, 2016 to August 25, 2017. Among the top 10 shareholders, Shanghai Huimao Enterprise Management Co., Ltd, Minsheng Jiayin Fund-Ping An Bank-Daye Trust-Daye Trust Zengli No.2 Single Fund Trust, and Beixin Ruifeng Fund-China Merchants Bank-Daye Trust-Daye Trust Zengli No.3 Single Fund Plan became the top 10 shareholders of the company by participating in the subscription of shares of the company's 2017 Non-public Share Issuance and Paying Cash to Purchase Assets and Raising Matching Funds and The Related Transaction, with that: the shares held by Shanghai Huihao Enterprise Management Co., Ltd has a sale-restricted period of 36 months, namely from November 30, 2017 - November 29, 2020; and the shares held by Minsheng Jiayin Fund-Ping An Bank-Daye Trust-Daye Trust Zengli No.2 Single Fund Trust and Beixin Ruifeng Fund-China Merchants Bank-Daye Trust-Daye Trust Zengli No.3 Single Fund Plan have a sale-restricted period of 12 months, namely from December 29, 2017 to December 28, 2018.							
Explanation on shareholders participating in the margin trading business	Among the top ten shareholders, Tunghsu Group and Baoshi Group have relationship and constitute persons taking concerted action. The company does not know whether there is relationship between other 8 shareholders or whether they are persons taking concerted action defined in Administrative Measures Relating to Acquisitions of Listed Companies.							
Shareholding of top 10 shareholders of unrestricted shares								
Name of the shareholder	Quantity of unrestricted shares held at the end of the reporting period	Share type						
		Share type	Quantity					
Shijiazhuang Baoshi Electronic Group Co., Ltd.	332,382,171	RMB Common shares	332,382,171					
China Fund Management Co., Ltd. — Huaxia Bank — TTCO Trust Co., Ltd. — TTCO Trust Co., Ltd. — Shunjing No.5 Single capital trust	145,759,116	RMB Common shares	145,759,116					
Tunghsu Group Co., Ltd.	123,174,603	RMB Common shares	123,174,603					
Shenzhen Taianer Information Technology Co., Ltd.	61,165,682	RMB Common shares	61,165,682					
Wanhe Securities — China Merchants Bank — Wanhe Securities and No.1 Collective asset management plan	55,246,500	RMB Common shares	55,246,500					
Nuoan Fund-Industrial	55,246,487	RMB Common	55,246,487					

Securities-Nanjing Shuangan Assets Management Co., Ltd.		shares	
Zhonghai Trust Co., Ltd.— Zhonghai Trust—Tunghsu Optoelectronic ESOP pooled Fund trust	52,555,280	RMB Common shares	52,555,280
Notional Securities fund—Bohai Bank—Minsheng Trust—China Minsheng Trust Zhicheng No.192 Tunghsu Optoelectronic Directional additional I fund trust plan	48,619,336	RMB Common shares	48,619,336
Minsheng Royal Fund Management Co., Ltd.-Ping An Bank-Ping An Trust-Ping An Wealth* Huitai No.163 Single Fund Trust	47,492,649	RMB Common shares	47,492,649
China Securities Finance Co., Ltd.	30,906,112	RMB Common shares	30,906,112
Explanation on associated relationship or consistent action among the top 10 shareholders of non-restricted negotiable shares and that between the top 10 shareholders of non-restricted negotiable shares and top 10 shareholders	The top 10 tradable shareholders of Shijiazhuang Baoshi Electronic Group Co., Ltd. and the top ten shareholders of Tunghsu Group Co., Ltd. have relationship and constitute persons taking concerted action.		
Notes to the shareholders involved in financing securities (if any)(See Notes 4)	Not applicable		

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

Yes No

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

IV. Change of the controlling shareholder or the actual controller

Change of the controlling shareholder in the reporting period

Applicable Not Applicable

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

Change of the actual controller in the reporting period

Applicable Not applicable

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

VII. Situation of the Preferred Shares

Applicable Not applicable

The Company had no preferred shares in the reporting period

VIII. Information about Directors, Supervisors and Senior Executives

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

Applicable Not applicable

There was no change in shareholding of directors, supervisors and senior management staffs, for the specific information please refer to the 2017 Annual Report.

II. Changes in directors, supervisors and senior management staffs

Applicable Not applicable

Name	Title	Type	Date	Reason
Li Zhaoting	Director, Board Chairman	Dimission	April 25,2018	Mr. Li Zhaoting is the chairman of Tunghsu Group, in order to focus more on the overall strategic planning of Tunghsu Group and related matters. Job changes.
Wu Jiwei	Director, Board Chairman	Appointment	April 25,2018	New Appointment
Wu Jiwei	Director, Board Chairman	Dimission	August 3,2018	Unable to perform due to health reasons, apply for resignation.
Wang Lipeng	Director, Board Chairman, General Manager	Elected	August 3,2018	The chairman of the board of directors was elected by the eighth board of directors.
Huang Jinliang	CFO	Dimission	July 27,2018	Job Change
Feng Qiuju	CFO	Appointment	July 27,2018	New Appointment
Gong Xin	Director, Board secretary	Dimission	August 3,2018	Resigned as a director in accordance with the company's talent strategy adjustment, and continued to serve as secretary of the board of directors

IX. Corporate Bond

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

Yes

1. Basic information of the corporate bonds

Bond Name	Abbreviated Bond Name	Code	Issue Date	Date Due	Bond Balance(RMB' 0000)	Interest Rate	Method of repayment of the principal and interest payment
2015-corporate bond of Tunghsu Optoelectronic Technology Co., Ltd	15 Tunghsu bonds	112243	May 19,2015	May 19,2020	95,604.27	6.80%	Interest paid every year, the principal will be repaid with the last unpaid interest in one time as the bond due
Listed place or Transaction place for the corporate bonds	Shenzhen Stock Exchange						
Arrangement of investor's eligibility	Investor resale option						
Information about interest paid and bonds honored during the reporting period	The first period bond interest 60,000,000.00 was paid in full amount on schedule in the current period.						
Implementation of relevant special clauses(if applicable) such as option clause for the bond issuer or investors and exchangeable clause	<p>According to the sell back terms set out in the 2015 Corporate Bond Prospectus of Tunghsu Optoelectronic Technology Co., Ltd. announced by Tunghsu Optoelectronic Technology Co., Ltd., the company issued the First Indicative Notice of Tunghsu Optoelectronic Technology Co., Ltd. on the Adjustment of the Nominal Interest Rate of "15 Tunghsu Bonds" and the Implementation Method of Investors' Sell Back (notice No.: 2018-036) on April 3, 2018, the Second Indicative Notice of Tunghsu Optoelectronic Technology Co., Ltd. on the Adjustment of the Nominal Interest Rate of "15 Tunghsu Bonds" and the Implementation Method of Investors' Sell Back (notice No.: 2018-037) on April 4, 2018, and the Third Indicative Notice of Tunghsu Optoelectronic Technology Co., Ltd. on the Adjustment of the Nominal Interest Rate of "15 Tunghsu Bonds" and the Implementation Method of Investors' Sell Back (notice No.: 2018 - 038) on April 9, 2018. The sell back price of "15 Tunghsu Bonds" is RMB 100.00 yuan/sheet (excluding interest), the sell back reporting period is from April 3, 2018 to April 9, 2018. The issuer of this corporate bond, i.e. the company, has the right to decide to adjust the coupon rate of the subsequent term at the end of the third year of the current bond's duration during the duration of the current corporate bond (bond code: 112243, hereinafter referred to as "15 Tunghsu Bonds"). The coupon rate of this bond is 6.00 % in the first three years of the duration. At the end of the third year of the duration of this bond, the company chose to raise the coupon rate, that is, the</p>						

	coupon rate of this bond will be raised from 6.00 % to 6.80 % in the next two years of the duration of this bond, and will remain unchanged for this two years (from May 19, 2018 to May 18, 2020).
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2. Information about the bond trustee and credit rating agency

Bond trustee:							
Name	Guangzhou Securities Co., Ltd.	Business Address	19-20/F, Main Tower , Guangzhou International Finance Center, No.5 Zhujiang West Road, Tianhe District Guangzhou City	Contacts	Shi Jianhua, Yan Xiangjun	Telephone	020-88836999
The credit rating agency who follow up and rate the corporate bonds in the reporting period:							
Name	United Rating Co.,Ltd		Business Address	Room 508 Ailiyuan Apartment, No.38 Water Park North Road, Nankai District, Tianjin City			
During the report period, the bond trustee, credit rating agency employed by the company that have changed, reasons for the change, performing procedures, relevant influence on investors, etc (if applicable)			Not applicable				

III. Information about the use of the funds raised by issuing corporate bonds

The information of the use of the funds raised by issuing corporate bonds and related implementation procedure	Using the funds raised by issuing corporate bonds strictly conforming to the purpose stipulated by Rules of Management and Use of the Raised Funds and the Prospectus, and implemented the corresponding approval procedures
Ending balance of the year (Ten thousand)	0
Operation status of the special account for the raised funds	Normal
Whether the use of the raised funds conforming to the purpose, use plan and other provisions specified in the Prospectus	The use of the raised funds conformed to the purpose promised in the Prospectus

IV. Information about the rating of the corporate bonds

On June 14, 2018, United Ratings Co., Ltd. issued trace rating report LHPZ [2018] No.960 based on the company's 2017 Annual Report. This rating result is long-term credit rating AA+ and its outlook is "Steady".

(For details, please refer to the "Tracking Rating Announcement" of the company disclosed on www.cninfo.com.cn June 16, 2018)

According to the United Rating Co.,Ltd's requirements on tacking and rating, a regular rating shall be carried out within 2 months after the company's disclosure of 2017 annual report. Also, the United Rating Co.,Ltd shall carry out randomly tracking and rating during the duration of the corporate bonds based on relevant information.

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

Repayment Plan

I. Payment of the interest

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

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

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

II. The repayment of the principal

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

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

Safeguard measures for the repayment

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

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

II. Establishing Meeting Rules for Bond-holders

According to the provisions specified in the Pilot Approach, the company with bond trustee has established the Meeting Rules for Bond-holders for the corporate bonds. The Meeting Rules for Bond-holders specified the scope, procedures and other important items for the bond-holders to exercise rights through the Meeting of the

Bond-holders, which provided a reasonable institutional arrangement for the timely and full payment to the interest and the principal of the corporate bonds.

III. Making the full use of the bond trustee

According to the requirements specified in the Pilot Approach, the company has adopted the institution of bond trustee, engaged Guangzhou Securities Co.,Ltd as the trustee of the bonds this time and signed the Agreement of Bond Entrusted Management with Guangzhou Securities. The Bond Trustee shall represent all the bond-holders to supervise the relevant information about the company and take all necessary measures to protect the legitimate interest of the bond-holders when the interest or principal of the bonds cannot be repaid in time.

The company shall strictly conform to the provisions specified in the Agreement of Bond Entrusted Management, being cooperative when the bond trustee performance its duties, and regularly submit the report of commitment fulfillment status to the bond trustee. When there is a possible bond default, the company shall notice the bond trustee in time, thus the bond trustee can take other necessary measures in time according to the Bond Entrusted Management.

IV. Strictly fulfilling the obligation of information disclosure

The company shall adhere to the information disclosure principles of authentic, accurate and completed, making the information of the company's repaying ability and use of the raised funds to be supervised by the bond trustee and shareholders, for preventing the risk of repayment. According to the Agreement of Bond Entrusted Management and relevant regulations, the company shall release the information of major issues, which include but not limited to the following contents: (1) According to the Prospectus and agreement with the registered trustee institution, the company shall transfer the maturity interest payment or principal to the account designated by the registered trustee institution; (2) By estimate or in fact, the company cannot fully repay the interest or principal of the bonds in time according to the provisions stipulated in the Prospectus; (3) Signing the guarantee contract for external or other major contracts may have significant adverse effects of repaying the interest and principal of the bonds; (4) A severe loss occurred or expected to occur, and the loss exceeds 10% of the net asset audited in the last accounting year; (5) Occurrence of capital reduction, merger, division, dissolution, file for bankruptcy, entering into bankruptcy procedure or other main changes of the company; (6) Occurrence of the amount of subject in the major arbitration or lawsuit exceeding 10% of the net asset audited in the last accounting year; (7) Planning to dispose the asset or debt with subject amount exceeding 10% of the net asset audited in the last accounting year; (8) Planning to change the bond trustee; (9) Failing to perform or Planning to change the stipulations specified in the Prospectus; (10) Alteration of the designated person for specially in charge of the relevant matters of the corporate bonds; (11) Occurrence of suspending the bond transaction; (12) Others may significantly impact the repaying of the interest and principal or circumstances specified by laws, administrative regulations and stipulations by the CSRC or exchange.

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

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

VI. Commitments

According to the resolutions of the issuance of the bonds approved on the board meeting on Oct 21, 2014 and the general meeting of shareholders on Nov 6, 2014, when the company cannot repay the interest or principal of the bonds in time or fully repay the interest or principal of the bonds, the company shall take the following resolutions and make corresponding measures: (1) None profit distribution to shareholders; (2) Postponing capital

expenditure items, such as major investment, merger and acquisition; (3) Reducing or stopping the salaries and bonuses of the directors and senior management personnel; (4) No transferring of principal responsible personnel and so on.

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

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

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

The bond trustee has been continuously following up the company's credit status, The bond trustee Guangzhou Securities Co., Ltd. disclosed the Tunghsu Optoelectronic Technology Co., Ltd. on April 27, May 10, and August 9, 2018, according to major changes in the chairman of the company and partial bond resale. The company's 2015 corporate bond major issues were entrusted with an interim report on management affairs.

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

Ten thousand

Items	As at the end of the reporting period	As at the end of last year	YoY+/- (%) he same period
Current ratio	205.16%	223.59%	-18.43%
Debt ratio	52.04%	53.11%	-1.07%
Quick ratio	171.37%	177.08%	-5.71%
	Reporting period	The same period of last year	At the same time rate of change
EBITDA interest coverage ratio	3.44	2.85	20.70%
Loans repayment rate	100.00%	100.00%	0.00%
Interest payment rate	100.00%	100.00%	0.00%

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

Applicable Not applicable

IX. The company fails to repay the debt

Applicable Not applicable

No such cases in the reporting period.

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

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

Nil

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

(1)As approved by China Securities Regulatory Commission file of ZJXK[2015] No. 635, the company issued toward the public 1 billion bones on May 19, 2015 , In 2018, the third-phase bond interest was paid RMB 60,000,000.00; on May 19, 2018, the resale amount was RMB 43,957,300.00, and the coupon rate was adjusted from 6.00% to 6.80%.

(2) The company 8th Board of Directors approved the application to National Association of Financial Market

Institutional Investors (NAFMII) for registration and issuance of less than 4.7 billion medium term note on September 8, 2016. The extraordinary general shareholders' meeting was convoked on September 26, 2016 and approved the program concerning the proposed registration and issuance of the medium term note. The medium term note in 2016 was 4.7 billion in two periods including the first period with two types of (3+2 years) and 5 years totaling up to 3 billion and the second period with two types of (3+2 years) and 5 years totaling up to 1.7 billion, which would both adopt the interest payment per year, principal repayment upon expiration and the interest payment together with the principal cashing for the last period. The interest payment period has not expires within the report period and the interest accrued was RMB147,856,644.84 .

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

The balance of the total amount of the short-term and long-term loans is RMB 13,934,712,962.15, decreased RMB1,184,082,357.41 compared with the end of year 2017, which mainly because of the need of the production and operation and the construction of projects. The company strictly conformed to requests of bank loans to use the funds and fully repaid the interest and principal to the bank in time.

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

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

XIII. Major events occurred during the reporting period

The bond trustee Guangzhou Securities Co., Ltd. disclosed the Tunghsu Optoelectronic Technology Co., Ltd. on April 27, May 10, and August 9, 2018, according to major changes in the chairman of the company and partial bond resale. The company's 2015 corporate bond major issues were entrusted with an interim report on management affairs.

XIV. Whether the corporate bonds have a guarantor

Yes No

X. Financial Report

I. Audit report

Has this semi-annual report been audited?

Yes No

The semi-annual financial report has not been audited.

II. Financial statements

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

1.Consolidated Balance sheet

Prepared by: Tunghsu Optoelectronic Technology Co., Ltd.

June 30,2018

In RMB

Items	Year-end balance	Year-beginning balance
Current asset :		
Cash and bank balances	23,794,597,055.80	27,456,759,768.86
Settlement provision		
Outgoing call loan		
Financial assets measured at fair value with variations accounted into current income account		
Derivative financial assets		
Notes receivable	775,388,432.95	538,128,584.84
Account receivable	9,937,647,168.77	7,873,419,684.42
Prepayments	1,531,060,694.47	2,021,119,950.95
Insurance receivable		
Reinsurance receivable		
Provisions of Reinsurance contracts receivable		
Interest receivable	29,306,335.47	49,456,785.29
Dividend receivable		
Other account receivable	1,349,893,792.08	1,044,890,336.32
Repurchasing of financial assets		

Inventories	4,210,883,497.85	4,914,482,277.21
Assets held for sales	126,264,435.58	213,034,435.58
Non-current asset due in 1 year		
Other current asset	1,207,390,102.41	2,559,947,333.75
Total of current assets	42,962,431,515.38	46,671,239,157.22
Non-current assets:		
Loans and payment on other's behalf disbursed		
Disposable financial asset	243,158,605.30	100,000,056.00
Expired investment in possess		
Long-term receivable	138,899,570.70	143,988,866.91
Long term share equity investment	2,142,476,783.38	2,130,640,158.90
Property investment	66,930,130.01	58,229,439.86
Fixed assets	10,938,598,162.98	11,378,564,235.15
Construction in progress	5,387,496,213.47	3,663,486,639.90
Engineering material		
Fixed asset pending for disposal		
Productive biological assets		
Gas & petrol		
Intangible assets	1,149,208,605.35	1,001,796,110.02
R & D petrol	23,318,709.50	15,397,704.97
Goodwill	2,840,823,542.00	2,587,678,140.99
Long-germ expenses to be amortized	15,312,986.85	26,538,304.02
Differed income tax asset	503,169,733.61	526,817,792.76
Other non-current asset	282,006,939.10	306,402,939.48
Total of non-current assets	23,731,399,982.25	21,939,540,388.96
Total of assets	66,693,831,497.63	68,610,779,546.18
Current liabilities		
Short-term loans	6,812,784,698.87	5,712,826,382.20
Loan from Central Bank		
Deposit received and hold for others		
Call loan received		
Financial liabilities measured at fair value with variations accounted into current income account		

Derivative financial liabilities		
Notes payable	999,267,096.40	1,063,897,679.89
Account payable	4,690,738,505.02	4,636,989,039.65
Advance payment	976,357,517.81	1,655,137,563.63
Selling of repurchased financial assets		
Fees and commissions receivable		
Employees' wage payable	162,528,069.08	207,697,362.25
Tax payable	454,014,088.92	294,979,419.96
Interest payable	196,787,018.42	107,195,147.20
Dividend payable	313,488,825.93	35,000,000.00
Other account payable	1,801,519,889.12	1,887,520,891.88
Reinsurance fee payable		
Insurance contract provision		
Entrusted trading of securities		
Entrusted selling of securities		
Liabilities held for sales		
Non-current liability due in 1 year	4,373,736,193.82	5,045,608,756.45
Other current liability	159,985,427.25	227,155,178.97
Total of current liability	20,941,207,330.64	20,874,007,422.08
Non-current liabilities:		
Long-term loan	3,823,532,289.32	5,209,726,250.77
Bond payable	5,625,817,373.23	5,665,126,090.52
Including: preferred stock		
Sustainable debt		
Long-term payable	2,976,840,728.76	3,276,308,254.44
Long-term payable employees's remuneration		
Special payable		
Expected liabilities	113,262,230.99	156,421,713.31
Deferred income	555,127,835.23	592,290,617.42
Differed income tax liability	62,295,616.96	60,149,328.74
Other non-current liabilities	608,000,000.00	608,000,000.00
Total non-current liabilities	13,764,876,074.49	15,568,022,255.20
Total of liability	34,706,083,405.13	36,442,029,677.28

Owners' equity		
Share capital	5,730,250,118.00	5,730,250,118.00
Other equity instruments		
Including: preferred stock		
Sustainable debt		
Capital reserves	21,793,727,706.54	21,987,405,220.42
Less: Shares in stock	4,422,320.00	4,422,320.00
Other comprehensive income	3,233.93	-4,518.45
Special reserves	1,990,473.67	1,983,921.21
Surplus reserves	224,133,824.86	224,133,824.86
Common risk provision		
Undistributed profit	3,467,550,877.18	3,010,372,296.37
Total of owner's equity belong to the parent company	31,213,233,914.18	30,949,718,542.41
Minority shareholders' equity	774,514,178.32	1,219,031,326.49
Total of owners' equity	31,987,748,092.50	32,168,749,868.90
Total of liabilities and owners' equity	66,693,831,497.63	68,610,779,546.18

Legal representative : Wang Lipeng

Person-in-charge of the accounting work: Feng Qiuju

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

2. Balance sheet of the Parent Company

In RMB

Items	Year-end balance	Year-beginning balance
Current asset :		
Cash and bank balances	7,180,172,168.51	11,224,359,236.39
Financial assets measured at fair value with variations accounted into current income account		
Derivative financial assets		
Notes receivable	1,250,000.00	200,000.00
Account receivable	23,732,862.59	23,837,262.59
Prepayments	7,684,221.64	16,902,375.19
Interest receivable	8,763,055.45	41,868,921.15

Dividend receivable		665,000,000.00
Other account receivable	7,276,060,704.75	4,790,712,672.70
Inventories	499,916,720.50	509,283,364.38
Assets held for sales		
Non-current asset due in 1 year		
Other current asset	148,973.38	1,220,148,973.38
Total of current assets	14,997,728,706.82	18,492,312,805.78
Non-current assets:		
Disposable financial asset	129,500,056.00	100,000,056.00
Expired investment in possess		
Long-term receivable		
Long term share equity investment	25,058,355,620.34	23,020,364,897.17
Property investment		
Fixed assets	42,430,964.28	44,669,881.93
Construction in progress		
Engineering material		
Fixed asset disposal		
Production physical assets		
Gas & petrol		
Intangible assets	9,513,240.92	9,687,094.58
R & D petrol		
Goodwill		
Long-germ expenses to be amortized		
Differed income tax asset	59,375,663.74	58,105,970.47
Other non-current asset	1,381,400.00	1,381,400.00
Total of non-current assets	25,300,556,945.28	23,234,209,300.15
Total of assets	40,298,285,652.10	41,726,522,105.93
Current liabilities		
Short-term loans	2,640,000,000.00	2,760,000,000.00
Financial liabilities measured at fair value with variations accounted into current income account		
Derivative financial liabilities		
Notes payable		
Account payable	11,734,918.78	15,219,920.86

Advance payment	421,587.90	421,587.90
Employees' wage payable	2,841,705.33	4,061,413.48
Tax payable	28,982,766.19	28,150,779.48
Interest payable	164,902,902.61	79,827,566.10
Dividend payable	313,488,825.93	
Other account payable	983,980,211.32	423,790,359.27
Liabilities held for sales		
Non-current liability due in 1 year	2,138,316,666.62	2,769,233,333.30
Other current liability		
Total of current liability	6,284,669,584.68	6,080,704,960.39
Non-current liabilities:		
Long-term loan	611,000,000.00	1,512,500,000.00
Bond payable	5,625,817,373.23	5,665,126,090.52
Including: preferred stock		
Sustainable debt		
Long-term payable		
Employees' wage payable		
Special payable		
Expected liabilities		
Differed income		
Differed income tax liability		
Other non-current liabilities		
Total of Non-current liabilities	6,236,817,373.23	7,177,626,090.52
Total of liability	12,521,486,957.91	13,258,331,050.91
Owners' equity		
Share capital	5,730,250,118.00	5,730,250,118.00
Other equity instrument		
Including: preferred stock		
Sustainable debt		
Capital reserves	21,833,675,749.27	21,861,207,672.90
Less: Shares in stock	4,422,320.00	4,422,320.00
Other comprehensive income		
Special reserves		
Surplus reserves	205,144,600.53	205,144,600.53

Undistributed profit	12,150,546.39	676,010,983.59
Total of owners' equity	27,776,798,694.19	28,468,191,055.02
Total of liabilities and owners' equity	40,298,285,652.10	41,726,522,105.93

3.Consolidated income statement

In RMB

Items	Report period	Same period of the previous year
I. Income from the key business	11,129,851,790.88	4,876,438,604.10
Incl: Business income	11,129,851,790.88	4,876,438,604.10
Interest income		
Insurance fee earned		
Fee and commission received		
II. Total business cost	10,088,242,118.58	4,162,420,389.45
Incl: Business cost	9,021,989,897.09	3,473,962,810.22
Interest expense		
Fee and commission paid		
Insurance discharge payment		
Net claim amount paid		
Insurance policy dividend paid		
Insurance policy dividend paid		
Reinsurance expenses		
Business tax and surcharge	186,096,120.70	48,928,687.73
Sales expense	93,892,692.42	42,456,252.57
Administrative expense	389,977,702.76	229,378,673.33
Financial expenses	395,227,116.30	368,191,927.63
Asset impairment loss	1,058,589.31	-497,962.03
Add: Gains from change of fir value (“-”for loss)		
Investment gain (“-”for loss)	23,706,518.19	6,676,924.21
Incl: investment gains from affiliates	11,836,624.48	-15,506,492.83
Gains from currency exchange (“-”for loss)		
Assets disposal income	-664,826.45	
Other income	108,362,056.52	86,680,000.00

III. Operational profit ("-"for loss)	1,173,013,420.56	807,375,138.86
Add : Non-operational income	5,945,896.93	70,508,514.69
Less: Non business expenses	2,767,812.01	602,497.65
IV.Total profit("-"for loss)	1,176,191,505.48	877,281,155.90
Less: Income tax expenses	282,130,776.24	191,513,884.53
V. Net profit	894,060,729.24	685,767,271.37
1.Net continuing operating profit	894,060,729.24	685,767,271.37
2.Termination of operating net profit		
Net profit attributable to the owners of parent company	858,296,089.08	637,480,381.47
Minority shareholders' equity	35,764,640.16	48,286,889.90
VI. Other comprehensive income	14,095.23	-1,368.93
Net of profit of other comprehensive income attributable to owners of the parent company.	7,752.38	-1,368.93
(I) Other comprehensive income items that will not be reclassified into gains/losses in the subsequent accounting period		
1.Re-measurement of defined benefit plans of changes in net debt or net assets		
2.Other comprehensive income under the equity method investee can not be reclassified into profit or loss.		
(II) Other comprehensive income that will be reclassified into profit or loss.	7,752.38	-1,368.93
1.Other comprehensive income under the equity method investee can be reclassified into profit or loss.		
2.Gains and losses from changes in fair value available for sale financial assets		
3.Held-to-maturity investments reclassified to gains and losses of available for sale financial assets		
4.The effective portion of cash flow hedges and losses		
5.Translation differences in currency financial assets	7,752.38	-1,368.93

ncial statements		
6.Other		
Net of profit of other comprehensive income attributable to Minority shareholders' equity	6,342.85	
VII. Total comprehensive income	894,074,824.47	685,765,902.44
Total comprehensive income attributable to the owner of the parent company	858,303,841.46	637,479,012.54
Total comprehensive income attributable minority shareholders	35,770,983.01	48,286,889.90
VIII. Earnings per share		
(I) Basic earnings per share	0.15	0.13
(II)Diluted earnings per share	0.15	0.13

The current business combination under common control, the net profits of the combined party before achieved net profit of RMB-9,555,668.76, last period the combined party realized RMB-5,213,532.93.

Legal representative : Wang Lipeng

Person-in-charge of the accounting work: Feng Qiuju

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

4. Income statement of the Parent Company

In RMB

Items	Report period	Same period of the previous year
I. Income from the key business	55,315,982.40	38,597,681.18
Incl : Business cost	38,492,540.23	28,092,263.28
Business tax and surcharge	2,172,697.75	3,585,313.26
Sales expense		
Administrative expense	24,293,737.94	22,819,056.56
Financial expenses	251,600,276.69	251,791,850.48
Asset impairment loss	7,901,312.69	-279,738.15
Add : Gains from change of fir value (“-”for loss)		

Investment gain (“-”for loss)	5,131,289.44	6,675,734.01
Incl: investment gains from affiliates	11,835,887.67	-15,507,683.03
Assets disposal income		
Other income		
II. Operational profit (“-”for loss)	-264,013,293.46	-260,735,330.24
Add : Non-operational income	671.41	6,388.00
Less : Non business expenses	0.15	
III.Total profit(“-”for loss)	-264,012,622.20	-260,728,942.24
Less : Income tax expenses	-1,269,693.27	3,374,750.50
IV. Net profit (“-”for net loss)	-262,742,928.93	-264,103,692.74
1.Net continuing operating profit	-262,742,928.93	-264,103,692.74
2.Termination of operating net profit		
V.Net of profit of other comprehensive income		
(I) Other comprehensive income items that will not be reclassified into gains/losses in the subsequent accounting period		
1.Re-measurement of defined benefit plans of changes in net debt or net assets		
2.Other comprehensive income under the equity method investee can not be reclassified into profit or loss.		
(II) Other comprehensive income that will be reclassified into profit or loss.		
1.Other comprehensive income under the equity method investee can be reclassified into profit or loss.		
2.Gains and losses from changes in fair value available for sale financial assets		
3.Held-to-maturity investments reclassified to gains and losses of available for s		

ale financial assets		
4.The effective portion of cash flow hedges and losses		
5.Translation differences in currency financial statements		
6.Other		
VI. Total comprehensive income	-262,742,928.93	-264,103,692.74
VII. Earnings per share :		
(I) Basic earnings per share		
(II)Diluted earnings per share		

5. Consolidated Cash flow statement

In RMB

Items	Report period	Same period of the previous year
I.Cash flows from operating activities		
Cash received from sales of goods or rendering of services	9,938,756,230.71	5,146,821,885.37
Net increase of customer deposits and capital kept for brother company		
Net increase of loans from central bank		
Net increase of inter-bank loans from other financial bodies		
Cash received against original insurance contract		
Net cash received from reinsurance business		
Net increase of client deposit and investment		
Net increase of trade financial asset disposal		
Cash received as interest, processing fee and commission		
Net increase of inter-bank fund received		
Net increase of repurchasing business		

Tax returned	89,994,925.74	171,066,018.68
Other cash received from business operation	730,551,299.36	203,747,413.68
Sub-total of cash inflow	10,759,302,455.81	5,521,635,317.73
Cash paid for purchasing of merchandise and services	8,162,424,567.65	5,213,805,385.34
Net increase of client trade and advance		
Net increase of savings in central bank and brother company		
Cash paid for original contract claim		
Cash paid for interest, processing fee and commission		
Cash paid for policy dividend		
Cash paid to staffs or paid for staffs	608,921,172.96	277,912,435.10
Taxes paid	568,158,273.01	544,190,992.27
Other cash paid for business activities	1,336,181,154.53	850,676,318.80
Sub-total of cash outflow from business activities	10,675,685,168.15	6,886,585,131.51
Cash flow generated by business operation, net	83,617,287.66	-1,364,949,813.78
II. Cash flow generated by investing		
Cash received from investment retrieving	1,251,030,000.00	5,399,999,000.00
Cash received as investment gains	13,923,452.07	22,183,417.04
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	1,339,040.00	
Net cash received from disposal of subsidiaries or other operational units	393,727,652.59	
Other investment-related cash received	200,000,000.00	190,962.49
Sub-total of cash inflow due to investment activities	1,860,020,144.66	5,422,373,379.53
Cash paid for construction of fixed assets, intangible assets and other long-term assets	2,686,335,621.99	1,082,436,888.19
Cash paid as investment	408,243,324.50	5,375,599,000.00
Net increase of loan against pledge		

Net cash received from subsidiaries and other operational units	107,762,094.14	2,886,994.56
Other cash paid for investment activities	318,237,076.99	50,000,000.00
Sub-total of cash outflow due to investment activities	3,520,578,117.62	6,510,922,882.75
Net cash flow generated by investment	-1,660,557,972.96	-1,088,549,503.22
III.Cash flow generated by financing		
Cash received as investment	4,169,500.00	185,130,000.00
Incl: Cash received as investment from minor shareholders	4,169,500.00	185,130,000.00
Cash received as loans	3,146,840,211.91	3,307,676,666.66
Cash received from bond placing		
Other financing –related cash received	565,785,278.10	461,896,848.85
Sub-total of cash inflow from financing activities	3,716,794,990.01	3,954,703,515.51
Cash to repay debts	4,528,169,601.04	3,299,247,331.44
Cash paid as dividend, profit, or interests	640,756,867.95	785,097,280.87
Incl: Dividend and profit paid by subsidiaries to minor shareholders		30,000,000.00
Other cash paid for financing activities	640,002,625.89	499,724,825.13
Sub-total of cash outflow due to financing activities	5,808,929,094.88	4,584,069,437.44
Net cash flow generated by financing	-2,092,134,104.87	-629,365,921.93
IV. Influence of exchange rate alternation on cash and cash equivalents	-2,652,600.61	8,711,680.32
V.Net increase of cash and cash equivalents	-3,671,727,390.78	-3,074,153,558.61
Add: balance of cash and cash equivalents at the beginning of term	25,114,660,756.25	25,537,802,101.80
VI .Balance of cash and cash equivalents at the end of term	21,442,933,365.47	22,463,648,543.19

6. Cash Flow Statement of the Parent Company

In RMB

Items	Amount in this period	Amount in last period
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I.Cash flows from operating activities		
Cash received from sales of goods or rendering of services	63,990,000.00	51,105,726.47
Tax returned	13,719.30	
Other cash received from business operation	330,847,011.69	4,513,958,096.78
Sub-total of cash inflow	394,850,730.99	4,565,063,823.25
Cash paid for purchasing of merchandise and services	33,858,206.35	172,870,594.52
Cash paid to staffs or paid for staffs	16,144,890.38	5,039,091.78
Taxes paid	3,755,213.45	8,445,826.76
Other cash paid for business activities	217,407,719.04	7,197,399,250.81
Sub-total of cash outflow from business activities	271,166,029.22	7,383,754,763.87
Cash flow generated by business operation, net	123,684,701.77	-2,818,690,940.62
II.Cash flow generated by investing		
Cash received from investment retrieving	1,770,000,000.00	5,399,999,000.00
Cash received as investment gains	678,923,452.07	592,183,417.04
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets		
Net cash received from disposal of subsidiaries or other operational units		
Other investment-related cash received		
Sub-total of cash inflow due to investment activities	2,448,923,452.07	5,992,182,417.04
Cash paid for construction of fixed assets, intangible assets and other long-term assets		
Cash paid as investment	2,617,565,500.00	9,117,899,000.00
Net cash received from subsidiaries and other operational units		
Other cash paid for investment activities	12,759,192,480.99	170,000,000.00
Sub-total of cash outflow due to	15,376,757,980.99	9,287,899,000.00

investment activities		
Net cash flow generated by investment	-12,927,834,528.92	-3,295,716,582.96
III.Cash flow generated by financing		
Cash received as investment		
Cash received as loans	580,000,000.00	2,016,666,666.66
Cash received from bond placing		
Other financing –related ash received	10,804,871,140.21	108,271,893.76
Sub-total of cash inflow from financing activities	11,384,871,140.21	2,124,938,560.42
Cash to repay debts	2,276,373,966.68	1,576,266,666.68
Cash paid as dividend, profit, or interests	348,534,414.26	552,539,171.23
Other cash paid for financing activities		28,679,113.18
Sub-total of cash outflow due to financing activities	2,624,908,380.94	2,157,484,951.09
Net cash flow generated by financing	8,759,962,759.27	-32,546,390.67
IV. Influence of exchange rate alternation on cash and cash equivalents		433,490.32
V.Net increase of cash and cash equivalents	-4,044,187,067.88	-6,146,520,423.93
Add: balance of cash and cash equivalents at the beginning of term	11,224,359,236.39	16,951,756,537.76
VI ..Balance of cash and cash equivalents at the end of term	7,180,172,168.51	10,805,236,113.83

7. Consolidated Statement on Change in Owners' Equity

Amount in this period

In RMB

Items	Amount in this period												Minor shareholders' equity	Total of owners' equity
	Owner's equity Attributable to the Parent Company													
	Share Capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specialized reserve	Surplus reserves	Common risk provision	Retained profits			
	preferred stock	Sustainable debt	Other											

I.Balance at the end of last year	5,730,250,118.00				21,987,405,220.42	4,422,320.00	-4,518.45	1,983,921.21	224,133,824.86		3,010,372,296.37	1,219,031,326.49	32,168,749,868.90
Add: Change of accounting policy													
Correcting of previous errors													
Merger of entities under common control													
Other													
II.Balance at the beginning of current year	5,730,250,118.00				21,987,405,220.42	4,422,320.00	-4,518.45	1,983,921.21	224,133,824.86		3,010,372,296.37	1,219,031,326.49	32,168,749,868.90
III.Changed in the current year					-193,677,513.88		7,752.38	6,552.46			457,178,580.81	-444,517,148.17	-181,001,776.40
(I) Total comprehensive income							7,752.38				858,296,089.08	35,764,640.16	894,068,481.62
(II) Investment or decreasing of capital by owners					-270,364.11							4,169,500.00	3,899,135.89
1. Ordinary Shares invested by shareholders												4,169,500.00	4,169,500.00
2. Holders of other equity instruments invested capital													
3. Amount of shares paid and accounted as owners' equity													
4. Other					-270,364.11								-270,364.11
(III) Profit allotment											-401,117,508.27		-401,117,508.27
1.Providing of													

surplus reserves													
2. Providing of common risk provisions													
3. Allotment to the owners (or shareholders)											-401,117,508.27		-401,117,508.27
4. Other													
(IV) Internal transferring of owners' equity													
1. Capitalizing of capital reserves (or to capital shares)													
2. Capitalizing of surplus reserves (or to capital shares)													
3. Making up losses by surplus reserves.													
4. Other													
(V). Special reserves								6,552.46					6,552.46
1. Provided this year								6,552.46					6,552.46
2. Used this term													
(VI) Other					-193,407,149.77							-484,451,288.33	-677,858,438.10
IV. Balance at the end of this term	5,730,250,118.00				21,793,727,706.54	4,422,320.00	3,233.93	1,990,473.67	224,133,824.86		3,467,550,877.18	774,514,178.32	31,987,748,092.50

Amount in last year

In RMB

Items	Amount in last year											Minor shareholders'	Total of owner
	Owner's equity Attributable to the Parent Company												
	Share Capital	Other Equity instrument	Capital reserves	Less: Shares	Other Compre	Speciali zed	Surplus reserves	Commo n risk	Retaine d profits				

	1	prefer red stock	Sustai nable debt	Other		in stock	hensive Income	reserve		provisio n		equity	s' equity
I.Balance at the end of last year	4,939,928,983.00				16,338,960,810.89	4,422,320.00			188,044,070.48		1,823,695,278.31	1,093,061,728.31	24,379,268,550.99
Add: Change of accounting policy													
Correcting of previous errors													
Merger of entities under common control					195,000,000.00						-157,612,768.10	89,140,997.13	126,528,229.03
Other													
II.Balance at the beginning of current year	4,939,928,983.00				16,533,960,810.89	4,422,320.00			188,044,070.48		1,666,082,510.21	1,182,202,725.44	24,505,796,780.02
III.Changed in the current year	790,321,135.00				5,453,444,409.53		-4,518.45	1,983,921.21	36,089,754.38		1,344,289,786.16	36,828,601.05	7,662,953,088.88
(1) Total comprehensive income							-4,518.45				1,733,201,682.30	190,638,919.68	1,923,836,083.53
(II) Investment or decreasing of capital by owners	790,321,135.00				6,690,326,329.82							382,886,041.50	7,863,533,506.32
1. Ordinary Shares invested by shareholders	790,321,135.00				6,728,522,710.65							382,886,041.50	7,901,729,887.15
2. Holders of other equity instruments invested capital													
3. Allotment to the owners (or shareholders)													
4. Other					-38,196,380.83								-38,196,380.83
(IV) Internal									36,089,		-388,91	-35,000	-387,82

transferring of owners' equity								754.38		1,896.14	,000.00	2,141.76	
1. Capitalizing of capital reserves (or to capital shares)								36,089,754.38		-36,089,754.38			
2. Capitalizing of surplus reserves (or to capital shares)													
3. Making up losses by surplus reserves.										-352,822,141.76	-35,000,000.00	-387,822,141.76	
4. Other													
(VI) Special reserves													
1. Provided this year													
2. Used this term													
(VII) Other													
IV. Balance at the end of this term													
(V) Special reserves								1,983,921.21			1,906,120.38	3,890,041.59	
1. Provided this year								38,971,707.64			1,906,120.38	40,877,828.02	
2. Used this term								-36,987,786.43				-36,987,786.43	
(VI) Other											-503,602,480.51	-1,740,484,400.80	
IV. Balance at the end of this term	5,730,250,118.00				21,987,405,220.42	4,422,320.00	-4,518.45	1,983,921.21	224,133,824.86		3,010,372,296.37	1,219,031,326.49	32,168,749,868.90

8. Statement of change in owner's Equity of the Parent Company

Amount in this period

In RMB

Items	Amount in this period
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	Share Capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Surplus reserves	Common risk provision	Retained profits	Total of owners' equity
		preferred stock	Sustainable debt	Other							
I. Balance at the end of last year	5,730,250,118.00				21,861,207,672.90	4,422,320.00			205,144,600.53	676,010,983.59	28,468,191,055.02
Add: Change of accounting policy											
Correcting of previous errors											
Other											
II. Balance at the beginning of current year	5,730,250,118.00				21,861,207,672.90	4,422,320.00			205,144,600.53	676,010,983.59	28,468,191,055.02
III. Changed in the current year					-27,531,923.63					-663,860,437.20	-691,392,360.83
(I) Total comprehensive income										-262,742,928.93	-262,742,928.93
(II) Investment or decreasing of capital by owners					-27,531,923.63						-27,531,923.63
1. Ordinary Shares invested by shareholders					-27,531,923.63						-27,531,923.63
2. Holders of other equity instruments invested capital											
3. Amount of shares paid and accounted as owners' equity											
4. Other											
(III) Profit allotment										-401,117,508.27	-401,117,508.27
1. Providing of											

surplus reserves											
2. Allotment to the owners (or shareholders)										-401,117,508.27	-401,117,508.27
3. Other											
(IV) Internal transferring of owners' equity											
1. Capitalizing of capital reserves (or to capital shares)											
2. Capitalizing of surplus reserves (or to capital shares)											
3. Making up losses by surplus reserves.											
4. Other											
(V) Special reserves											
1. Provided this year											
2. Used this term											
(VI) Other											
IV. Balance at the end of this term	5,730,250,118.00				21,833,675,749.27	4,422,320.00			205,144,600.53	12,150,546.39	27,776,798,694.19

Amount in last year

In RMB

Items	Amount in last year										
	Share Capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Surplus reserves	Common risk provision	Retained profits	Total of owners' equity
		preferred stock	Sustainable debt	Other							
I. Balance at the end of last year	4,939,928,983.00				15,130,191,736.27	4,422,320.00			169,054,846.15	696,998,223.03	20,931,751,468.45
Add: Change of											

accounting policy											
Correcting of previous errors											
Other											
II. Balance at the beginning of current year	4,939,928,983.00			15,130,191,736.27	4,422,320.00			169,054,846.15	696,998,223.03	20,931,751,468.45	
III. Changed in the current year	790,321,135.00			6,731,015,936.63				36,089,754.38	-20,987,239.44	7,536,439,586.57	
(I) Total comprehensive income									360,897,543.75	360,897,543.75	
(II) Investment or decreasing of capital by owners	790,321,135.00			6,731,015,936.63						7,521,337,071.63	
1. Ordinary Shares invested by shareholders	790,321,135.00			6,728,522,710.65						7,518,843,845.65	
2. Holders of other equity instruments invested capital											
3. Amount of shares paid and accounted as owners' equity											
4. Other				2,493,225.98						2,493,225.98	
(III) Profit allotment								36,089,754.38	-381,884,783.19	-345,795,028.81	
1. Providing of surplus reserves								36,089,754.38	-36,089,754.38		
2. Allotment to the owners (or shareholders)									-345,795,028.81	-345,795,028.81	
3. Other											
(IV) Internal transferring of owners' equity											

1. Capitalizing of capital reserves (or to capital shares)											
2. Capitalizing of surplus reserves (or to capital shares)											
3. Making up losses by surplus reserves.											
4. Other											
(V) Special reserves											
1. Provided this year											
2. Used this term											
(VI) Other											
IV. Balance at the end of this term	5,730,250,118.00				21,861,207,672.90	4,422,320.00			205,144,600.53	676,010,983.59	28,468,191,055.02

III. Brief introduction of the Company

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

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

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

According to the Approval of Private Issue of Shares by Shijiazhuang Baoshi Electronic Glass Co., Ltd. (Zhen Jian

Xu Ke (2012) No. 1661 Document) issued by China Securities Regulatory Commission ("CSRC"), the Company privately issued 520 million RMB ordinary shares (A shares) to specific investors at the price of RMB 9.69 per share on April 3, 2013. All investors subscribed for shares in cash. After this private issue, the registered capital of the Company was changed to RMB 903.00 million. The controlling shareholder of the company by the Shijiazhuang Baoshi Electronic Group Co., Ltd. changed to Tunghsu Group, a direct stake of 14.40%, Shijiazhuang Baoshi Electronic Glass Co., Ltd. held the indirectly 12.27% of the share.

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

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

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

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

Referring to the resolutions determined on the 27th Meeting of the 7th Board of Directors of the company, the 31st Meeting of the 7th Board of Directors, the 1st General Meeting of Extraordinary Shareholders in 2015, the 38th Meeting of the 7th Board of Directors and the Regulatory Approval No. [2015] 2270 by China Securities Regulatory Commission: Replies on Approval of Private Issuing of Stocks by Tunghsu Photoelectric Technology Co., Ltd., it is approved that the company issues new shares less than 1,186,943,620 privately. The planned number of privately issued stocks is less than (including) 1,186,943,620. The actual issuance number of the stock is 1,173,020,525, and the modified equity capital is 3,835,100,526.00 yuan.

According to Proposals on the Repurchase and Cancellation of Partial Restricted Shares deliberated and approved on the 43rd Meeting of the 7th Board of Directors of the company convened on October 29, 2015, the company plans to repurchase and cancel restricted shares. The granted but unlocked restricted shares held by left equity incentive objects sum to 100,000 at the repurchase price of 3.78 yuan/share. Other forms of lease besides financial leasing are considered as operating leasing

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

According to the company's eleventh meeting of the eighth Board of Directors held on March 20, 2017, the

eighteenth meeting of the eighth Board of Directors held on June 9, 2017, the fourth temporary shareholders' general meeting of 2017 held on June 26, 2017 and the Approval on Tunghsu Optoelectronic Technology Co., Ltd's Share Issuance to Objects Including Shanghai Huimao Enterprise Management Co., Ltd for Asset Purchase and Raising Matching Funds by CSRC (Zhen Jian Xu Ke [2017] No. 1841 Doc), approved that the company shall issue 262,626,262 shares to Shanghai Huimao Enterprise Management Co., Ltd (hereinafter referred to as "Shanghai Huimao"), 106,326,446 shares to Tunghsu Group Co., Ltd (hereinafter referred to as "Tunghsu Group"), 11,380,165 shares to Mianyang Science and Technology City Development Investment (Group) Co., Ltd (hereinafter referred to as "Mianyang Science and Technology Group") and 5,020,661 shares to Sichuan Changhong Electric Appliance Co., Ltd (hereinafter referred to as "Sichuan Changhong") for purchasing the underlying assets; and approved that the Company shall raise no more than RMB 3,750,000,000 of matching funds by the company's non-public share issuance. The Company actually issued 385,353,534.00 shares for purchasing the assets, The issue price per share is 9.90 yuan; and issued 404,967,601.00 shares for raising the matching funds, The issue price per share is 9.26 yuan; thus the capital stock after the change became RMB 5,730,250,118.00.

As of June 30, 2018, Registered capital : RMB 5,730,250,118.00, Legal representative: Wang Lipeng, Enterprise unified social credit code: 911301001043959836, Registered Address: No.9, Huanghe Road, Shijiazhuang High-tech Industrial Development Area, Shijiazhuang, Hebei Province.

Tunghsu Optoelectronic Parent Company is the Tunghsu Group, Utimate controller is Li Zhaoting.

Financial statements and notes to the financial statements approved at the 46th meeting of the 8th Board of Directors on August 30, 2018.

The company's business scope: investing in the project investments with its own funds; research and development of machinery equipment and electronic products; manufacturing and production-process development of various non-standard equipments and components; processing and sales of electronic products for grinding machine (excluding public safety equipment and devices); self operated and agent import and export business of various commodities and technologies; computer system integration, software development, technical consulting; installation of electrical and mechanical equipment (not including pre-licensing ones), engineering advice. (All of the above scope, excluded those prohibited or restricted by laws, regulations and State Council decisions; matters needing approval by other departments can be operated after the approval).

In the reporting period, 19 subsidiaries and 86 sub-subsidiaries were included in the consolidation scope by the company, see details at Note 9 "Rights and Interests in Other Subjects". The consolidation scope of the company increased by 24 ,decreased by 2 and a net increased by 22 companies year on year at this reporting period, see details at Note 8"Change of

IV.Basis for the preparation of financial statements

1. Basis for the preparation of financial statements

The financial statements of the company are prepared based on the going-concern assumption and the actual transactions and items, the Company prepared financial statements in accordance with the ASBE-Basic Standard and revised thereafter, Application Guidance of Accounting Standard for Business Enterprises, Interpretation of Accounting Standards for Business Enterprises and other regulations(hereinafter referred to as "the Accounting

Standards for Business Enterprises”, “China Accounting Standards” or “CAS”), Rules for Preparation Convention of Disclosure of Public Offering Companies No.15 – General Regulations for Financial Reporting (revised in 2014) by China Securities Regulatory Commission.

In accordance with Accounting Standards for Business Enterprises, the Company has adopted the accrual basis of accounting. Except for certain financial instruments, the Company adopts the historical cost as the principle of measurement in the financial statements. The valuation will be made according to the lower one between the amount of on-sales non-current assets after fair value deducts the predicted costs and the original book value which conforms to the condition of being on-sales. When assets are impaired, provisions for asset impairment are made in accordance with relevant requirements.

2. Ongoing-operation

The company has the capacity to continually operate within 12 months at least since the end of report period, and hasn't the major issues impacting on the sustainable operation ability.

V. The company's major accounting policies, accounting estimates and prior errors

Important prompt:

Nil

1.Statement on compliance with accounting standards for business Enterprises

The Company state: the financial statements prepared are in line with the requirements in enterprise accounting standards in line with of system, and have truly and completely reflected of the financial status in June 30,2018 , operational results, cash flow, and other relevant information of January –June 2018.

2.Accounting year:

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

3. The operating cycle

The normal business cycle refers to the period starting from assets purchased for processing to cash or cash equivalents converted. The Company uses a 12-month operating cycle as liquidity classification criteria for its assets and liabilities.

4. Currency for bookkeeping:

The Company takes RMB as the standard currency for bookkeeping.

5. Accounting treatments for a business combinations under common control and under non common control

The term "business combination" refers to a transaction or event combining two or more separate enterprises into one reporting entity. Business combinations are classified into business combinations involving enterprises under common control and business combinations not involving enterprises under common control.

(1) A business combination involving enterprises under common control

A business combination involving enterprises under common control is a business combination in which all of the combining enterprises are ultimately controlled by the same party or parties both before and after the combination, and that control is not transitory. For the business combination involving enterprises under common control, the party obtaining the control right over other enterprises involved in the combination on the combination date is the combining party, while other enterprises involved in the combination is the combined party. The combination date is the date on which one combining enterprise obtains control of other combining enterprises.

Assets and liabilities obtained are measured at their respective carrying amounts as recorded by the combining entities at the date of the combination. The difference between the carrying amount of the net assets obtained and the carrying amount of the consideration paid for the combination [the aggregate face value of shares issued as consideration] is adjusted to the share premium in capital reserve. If the share premium is not sufficient to absorb the difference, any excess is adjusted against retained earnings.

Costs that are directly attributable to the combination are charged to profit or loss in the period in which they are incurred.

(2) A business combination not involving enterprises under common control

A business combination not involving enterprises under common control is a business combination in which all of the combining enterprises are not ultimately controlled by the same party or parties before and after the combination. For the business combination not involving enterprises under common control, the party obtaining the control right over other enterprises involved in the combination on the combination date is the combining party, while other enterprises involved in the combination is the combined party. The combination date is the date on which one combining enterprise obtains control of other combining enterprises.

The cost of combination is the aggregate of the fair values, at the acquisition date, of the assets given, liabilities incurred or assumed, and equity securities issued by the acquirer in exchange for control of the acquiree, the intermediary expenses incurred by the acquirer in respect of auditing, legal services, valuation and consultancy services and other associated administrative expense attributable to the business combination are charged to profit or loss when they are incurred. 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. The contingent costs as a part of the consideration for the acquisition are included in the cost of combination on fair values at the acquisition date, and will be adjusted if any new situation incurred or further evidence provided in 12 months subsequent to acquisition date, then the goodwill will be adjusted accordingly. The acquiree's identifiable assets, liabilities and contingent liabilities, acquired by the acquirer in a business combination, that meet the recognition criteria are measured at fair value at the acquisition date. Where the cost of combination exceeds the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is treated as an asset and recognised as goodwill. Where the cost of combination is less than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the acquirer firstly reassesses the measurement of the fair values of the acquiree's identifiable assets, liabilities and contingent liabilities and measurement of the cost of combination. If after that reassessment, the cost of combination is still less than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the acquirer recognizes the remaining difference immediately in profit or loss for the current period.

The deductible temporary difference from the acquiree not recognized as deferred tax assets on the acquisition date, will be recognized as deferred tax assets, if in 12 months subsequent to acquisition date, there is new information indicating that relative situation exists and the economic benefit associated with the deductible temporary difference will flow to the Company, the goodwill will be reduced accordingly. If the goodwill is less than the deductible temporary difference, the difference will be charged into profit or loss in current period.

For a business combination involving enterprise not under common control and achieved in stages, it should make judgement on whether those transactions are regard as "Package deal" based on "No. 5 Notice on Explanation on Accounting Standards for Business Enterprises by the Ministry of Finance" (CAIKUAI [2012] No.19) and Article 51 of "Accounting Standards for Business Enterprises No. 33: Consolidated Financial Statement". If it is regarded as "package deal", the accounting treatment refers to above-mentioned principle and "Long-term equity investment" in Note III, 14; If it is not regarded as "package deal", the accounting treatment should be different for individual and consolidated financial statements.

In individual financial statement, the initial investment cost is the sum of the book value of equity investment held before the acquisition date and the cost of new investment on acquisition date. When the stock equity held before the acquisition date involving other consolidated incomes, at the disposal date, other consolidated incomes related to this investment shall be subjected to accounting treatment (i.e. except the corresponding share accounted by equity method in the change due to remeasurement and setting of net indebtedness or net assets of benefit plan, the remaining shall be transferred to the current investment income) on the same basis as that adopted by the acquiree for the direct disposal of relevant assets or liabilities.

In consolidated financial statement, the share equity held before the acquisition date shall be measured again according to the fair value of this share equity on the acquisition date, the balance of the fair value and its book value shall be counted in the current investment income; when the share equity held before the acquisition date involving other consolidated incomes, other consolidated incomes related shall be subjected to accounting treatment (i.e. except the corresponding share accounted by equity method in the change due to remeasurement and setting of net indebtedness or net assets of benefit plan, the remaining shall be transferred to the current investment income of the acquisition date) on the same basis as that adopted by the acquiree for the direct disposal of relevant assets or liabilities.

6. Preparation on consolidation financial statements

(1) Preparation on consolidation financial statements

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

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

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

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

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

For the equity investment in the subsidiary through the step-by-step disposal of multiple transactions till the control right lost, the company should respectively dispose all the transactions if belong to the package deal. As long as the terms, conditions and economic influence on all the transactions of the disposal of the equity investment in the subsidiary meet one status below, it usually shows that the multiple transactions matters should be conducted the accounting treatment as the package deal: ① these transactions are made simultaneously or under the consideration of the influence each other. ② these transactions shall be as the whole to achieve one complete business results. ③ one transaction occurs depending on the appearance of other one transaction at least. ④ one transaction is economic under the consideration with other transactions even if it is not economic when individually considerate. For the non-package deal, each transaction shall be respectively conducted the accounting treatment according to the applicable principles of “Partial Disposal of Long-term Equity Investment in Subsidiary without Control Lost” (please refer to 14, (2) ④ in Notes III,) and “The Control on Original Subsidiary Lost due to Disposal of Part of Equity Investment or Other Reasons” (details please see forepart). For the package deal from the transactions after the disposal of equity investment in the subsidiary till the control right lost, the transactions shall be as one transaction of the disposal of subsidiary and the control lost for the accounting treatment. Therefore, every balance between the net assets proportion of the subsidiary shared relative to the disposal price and the disposal investment before the control right lost, shall be recognized as other comprehensive incomes in the consolidated financial treatment and transferred into the current profits and losses when the control lost.

7. Accounting treatment for classification and co-operation of joint arrangement

Joint arrangement is an arrangement whereby two or more parties have joint control. The Company classified the joint arrangement into co-operation arrangement and joint venture according to the right and obligation involving in the joint arrangement. Under co-operation, the Company has joint control and rights to the relevant assets and liability of the arrangement. Under joint venture, the Company only has joint control and rights to the net assets of the arrangement.

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

Under co-operation, the Company recognizes 1) its solely held of assets and liability, 2) assets and liabilities jointly owned based on share proportions, 3) revenue from sales of assets jointly owned by the Company, 4) revenue from sales of assets based on share proportions, 5) expense incurred by the Company, 6) expense incurred based on share proportions.

When the Company invests, sells or purchase assets (the asset does not constitute a business, the same below), to or from the co-operation, the Company only recognizes the profit or loss belong to other joint parties before selling those assets to third party. If those assets are impaired in compliance with Accounting Standards for Business Enterprises No.8-Assets impairment, the Company should recognize loss for all the invested or sold assets to co-operation. For the assets purchased from co-operation, the Company should recognize loss based on share proportion.

8. Cash and cash equivalent

Cash and cash equivalents comprise cash on hand, deposits that can be readily withdraw 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.

9. Conversion method of foreign currency transactions

(1) Conversion method of foreign currency transactions

The foreign currency transactions are recorded, on initial recognition in the functional currency, by applying the foreign currency amount by the spot exchange rate on the transaction dates, while the foreign currency exchange business or transactions relating to foreign currency exchange are recorded in the functional currency by applying to the foreign currency amount at the actual exchange rate used.

(2) Conversion method of foreign currency monetary items and foreign currency non-monetary items

Foreign currency monetary items are converted using the spot exchange rate on the balance sheet date. The exchange gains or losses arising from occurrence of transactions and exchange of currencies are recognized in profit or loss for the period, except that (1) exchange differences related to a specific-purpose borrowing denominated in foreign currency that qualifies for capitalization are capitalized as part of the cost of the qualified asset during the capitalization period; (2) exchange differences arising from changes in the carrying amounts of available-for-sale monetary items are recognized as other comprehensive income.

Foreign currency non-monetary items measured at historical cost are converted to the amounts in functional currency at the spot exchange rates on the dates of the transactions and the amounts in functional currency remain unchanged. Foreign currency non-monetary items measured at fair value are re-converted at the spot exchange rate on the date the fair value is determined. Difference between the re-converted functional currency amount and the original functional currency amount is treated as changes in fair value (including changes of exchange rate) and is recognized in profit and loss or as other comprehensive income.

(3) Conversion of financial statements denominated in foreign currencies

As an accounting treatment in respect to a foreign operation, if there are monetary items relating to the investment to foreign operation, the resulting conversion differences are recognized in other comprehensive income as “conversion reserve”. The conversion 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.

Assets and liabilities of foreign operation are converted to Renminbi at the spot exchange rate on the balance sheet date. Equity items, excluding retained earnings, are converted to Renminbi at the spot exchange rates at the transaction dates. Income and expenses of foreign operation are converted to Renminbi at the rates that approximate the spot exchange rates at the transaction dates. The beginning balance of retained earnings is the prior year ending balance of retained earnings converted, while the ending balance of retained earnings is sum total of converted items of income statement. The resulting conversion differences are recognized in other comprehensive income. The conversion 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

Cash flow denominated in foreign currency and cash flow of foreign operation are converted to Renminbi at the spot exchange rate at the transaction date. The effect of foreign exchange fluctuation is treated as recociling item that is separately disclosed on cash flow statement.

The beginning balance is present as same as converted balance of financial statement in prior year.

The conversion 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 fully or partially disposed or lost control over the foreign operation due to other causes.

Disposing investment in a foreign operation without losing control, the conversion differences accumulated in shareholder’s equity associated with the disposing part is transferred to minority stockholder’s interest. Disposing investment in a foreign operation which is joint venture enterprise, the conversion differences accumulated in shareholder’s equity associated with the disposing part is transferred to profit or loss in the disposing period with the disposing proportion.

10. Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. For financial assets and financial liabilities at fair value through profit or loss, transaction costs are recognized in profit and loss for the current period. For other financial assets and financial liabilities, transaction costs are included in their initial recognized amounts.

(1) Fair value of financial assets and financial liabilities

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. If an active market exists for specific financial assets or liabilities, quoted prices in active markets for identical assets or liabilities are used as fair value. Quoted prices in an active market refers to the prices which are readily available regularly in exchange markets, brokers, industry associations and other pricing institutions and represents the prices at which the assets or liabilities are traded in an arm length transaction in the marketplace. If an active market does not exist, the Company uses valuation model to determine the fair value. Valuation model takes into account quoted price for identical or similar assets or liabilities between familiar and willing parties, quoted price for similar assets or liabilities in an active market, discounted cash flow method and options pricing model.

(2) Classification, Recognition and Measurement of Financial Assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. On initial recognition, the Company's financial assets are classified into one of the four categories, including financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables, and available-for-sale financial assets.

① Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and those designated upon initial recognition as at fair value through profit or loss.

A financial asset held for trading is the financial asset that meets one of the following conditions: A the financial asset is acquired for the purpose of selling it in a short term; B. the financial asset is a part of a group of identifiable financial instruments that are collectively managed, and there is objective evidence indicating that the enterprise recently manages this group for the purpose of short-term profits; C. the financial asset is a derivative, except for a derivative that is designated as effective hedging instrument, or a financial guarantee contract, or a derivative that is linked to and must be settled by delivery of an unquoted equity instrument (without a quoted price from an active market) whose fair value cannot be reliably measured.

The financial assets or financial liabilities meeting any of the following requirements can be designated, on initial recognition, as financial assets or financial liabilities at fair value through profit or loss and of which the variation is included in the current profits and losses: A. The designation is able to eliminate or obviously reduce the discrepancies in the recognition or measurement of relevant gains or losses arising from the different basis of measurement of the financial assets or financial liabilities; B. The official written documents on risk management or investment strategies of the enterprise concerned have recorded that the combination of said financial assets, the combination of said financial liabilities, or the combination of said financial assets and financial liabilities will be managed and evaluated on the basis of their fair values and be reported to the key management personnel.

Financial assets at fair value through profit or loss are subsequently measured at fair value. The gains or losses related to financial assets at fair value through profit or loss and dividend or interest income related to those financial assets are recognized in profit or loss for the current period.

②Held-to-maturity investments

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

Such kind of financial assets are subsequently measured at amortized cost using the effective interest method. Gains or losses arising from derecognition, impairment or amortization are recognized in profit or loss for the current period.

The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability (or a group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period, using the effective interest rate. The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial asset or financial liability or, where appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

When calculating the effective interest rate, the Company estimates future cash flows considering all contractual terms of the financial asset or financial liability (without considering future credit losses), and also considers all fees paid or received between the parties to the contract giving rise to the financial asset and financial liability that are an integral part of the effective interest rate, transaction costs, and premiums or discounts, etc.

③ Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Financial assets classified as loans and receivables by the Company include notes receivable, accounts receivable, interest receivable, dividends receivable, and other receivables.

Loans and receivables are subsequently measured at amortized cost using the effective interest method. Gain or loss arising from derecognition, impairment or amortization is recognized in profit or loss for the current period.

④ Available-for-sale financial assets

Available-for-sale financial assets include non-derivative financial assets that are designated on initial recognition as available for sale, and financial assets that are not classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments.

Cost of available-for-sale investments in debt instruments are measured on the basis of the post-amortization cost at period end, which is the initially recognized amount of financial asset or financial liability deducting the already paid principal, plus or minus the accumulated amount of amortization incurred from amortizing the balance between the initially recognized amount and the amount of the maturity date by adopting the actual interest rate method and deducting the impairment loss that have actually incurred. Cost of available-for-sale investments in equity instruments is the initially recognized amount at acquisition.

Available-for-sale financial assets are subsequently measured at fair value, and gains or losses arising from changes in the fair value are recognized as other comprehensive income and included in the capital reserve, except that impairment losses and exchange differences related to amortized cost of financial assets are recognized in profit or loss, until the financial assets are derecognized, at which time the gains or losses are released and recognized in profit or loss. Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivative financial assets that are linked to and must be settled by delivery of such unquoted equity instruments are subsequently measured at cost.

Interests obtained and the dividends declared by the investee during the period in which the available-for-sale financial assets are held, are recognized in investment income.

Impairment of Available-for-sale financial assets

If all the related information considered indicates that the decline in fair value of available-for-sale financial assets is significant or non-temporary decline, impairment incurred for available-for-sale financial assets. Significant decline refers to accumulated decline in fair value exceed 20%; non-temporary decline refers to continuous decline in fair value more than 12 months.

When an available-for-sale financial asset is impaired, the cumulative loss arising from decline in fair value previously recognized directly in capital reserve is reclassified from the capital reserve to profit or loss. The amount of the cumulative loss that is reclassified from capital reserve to profit or loss is the difference between the acquisition cost (net of any principal repayment and amortization) and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss.

If, subsequent to the recognition of an impairment loss on available-for-sale financial assets, there is objective evidence of a recovery in value of the financial assets which can be related objectively to an event occurring after the impairment is recognized, the previously recognized impairment loss is reversed. The amount of reversal of impairment loss on available-for-sale equity instruments is recognized as other comprehensive income, while the amount of reversal of impairment loss on available-for-sale debt instruments is recognized in profit or loss.

If an impairment loss has been incurred on an investment in unquoted equity instrument (without a quoted price in an active market) whose fair value cannot be reliably measured, or on a derivative financial asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the impairment loss on such financial asset is not reversed once it is recognized.

(3) Transfer and measurement of financial assets

The Company derecognizes a financial asset only when: ① the contractual rights to the cash flows from the financial asset expire; or ② it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity; or ③ it transfers the financial asset, neither transfers nor retains substantially all the risks and rewards of ownership but has not retained control over the financial assets.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, and retains its control of the financial asset, it recognizes the financial asset to the extent of its continuing involvement in the transferred financial asset and recognized an associated liability. The extent of the enterprise's continuing involvement in the transferred asset is the extent to which it is exposed to changes in the value of the transferred asset.

For a transfer of a financial asset in its entirety that satisfies the derecognition criteria, the difference between (1) the carrying amount of the financial asset transferred; and (2) the sum of the consideration received from the transfer and any cumulative gain or loss that has been recognized in other comprehensive income, is recognized in profit or loss.

If the transfer of partial financial asset satisfies the derecognition criteria, the entire book value of the transferred financial asset shall, between the portion whose recognition has been stopped and the portion whose recognition has not been stopped, be apportioned according to their respective relative fair value and the difference between the amounts of the following 2 items shall be included into the profit or loss of the current period: (1)The book value of the portion whose recognition has been stopped; (2)The sum of consideration of the portion whose recognition has been stopped, and the portion of the accumulative amount of the changes in the fair value originally recorded in the owner's equities which is corresponding to the portion whose recognition has been stopped.

In terms of financial assets sold with recourse or financial assets transferred by endorsement, the Company shall determine whether substantially all the risks and rewards of ownership of the financial asset are transferred. Where an enterprise has transferred substantially all of the risks and rewards related to the ownership of the financial asset to the transferee, it shall stop recognizing the financial asset. If it retained substantially all of the risks and rewards related to the ownership of the financial asset, it shall not stop recognizing the financial asset. If the Company neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, the Company shall determine whether it retains the control of the financial assets and account the financial assets in accordance with the Standards mentioned above.

(3) Classification and Measurement of Financial Liability

On initial recognition, financial liabilities are classified as either financial liabilities at 'fair value through profit or loss' (FVTPL) or 'other financial liabilities'. The financial liabilities initially recognized shall be measured at their fair values. For the financial liabilities at fair value through profit or loss, the transaction expenses thereof shall be directly recorded into the profit or loss of the current period; for other financial liabilities, the transaction expenses thereof shall be included into the initially recognized amount.

① Financial liabilities at fair value through profit or loss

The transactional financial liabilities and designated financial liabilities at fair value through profit or loss are classified under the same criteria as the transactional financial assets and designated financial assets at fair value through profit or loss.

On subsequent measurement of financial liabilities at fair value through profit or loss, gain or loss arising from changes in fair value and dividends and interests related to the financial liabilities are recognized in the profit or loss of the current period.

② Other Financial Liability

For a derivative liability that is linked to and must be settled by delivery of an unquoted equity instrument (without a quoted price in an active market) whose fair value cannot be reliably measured, it is subsequently measured at cost. Other financial liabilities are subsequently measured at amortized cost using the effective interest method, with gain or loss arising from derecognition or amortization recognized in profit or loss.

(5) Derecognition of financial liabilities

The Company derecognizes a financial liability (or part of it) only when the underlying present obligation (or part of it) is discharged. An agreement between the Company (an existing borrower) and an existing lender to replace the original financial liability with a new financial liability with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

When the Company derecognizes a financial liability or a part of it, it recognizes the difference between the carrying amount of the financial liability (or part of the financial liability) derecognized and the consideration paid (including any non-cash assets transferred or new financial liabilities assumed) in profit or loss.

(6) Offsetting financial assets and financial liabilities

When the Company has a legal right that is currently enforceable to set off the recognized financial assets and financial liabilities, and intends either to settle on a net basis, or to realize the financial asset and settle the financial liability simultaneously, financial assets and financial liabilities are offset with the net amounts presented on the balance sheet. Otherwise, financial assets and financial liabilities are separately presented on the balance sheet without offsetting.

(7) Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued (including refinanced), repurchased, sold or cancelled by the Company are treated as changes in equity. Changes in the fair value of equity instruments are not recognized. Transaction costs related to equity transactions are deducted from equity.

Distributions to holders of equity instruments by the Company (excluding dividends) reduce shareholders' equity. The Company does not recognize changes in fair value of equity instruments.

11. Account receivable

The receivables include accounts receivable and others, etc.

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

The judgment basis for significant single-item amount or standard for significant amount	The accounts receivable with single-item amount of RMB 5 million and above
The method of separate provision for bad debts of the accounts receivable with significant single-item amount	Impairment test shall be separately conducted. If the test proves the occurrence of impairment, impairment loss shall be

	determined and provision for bad debts shall be made according to the difference between the present value of its future cash flow and its book value. For the accounts receivable whose impairment is not proved by separate test, such accounts receivable, together with those with insignificant single-item amount, are divided into some groups based on similar characteristics of credit risks. For these groups of accounts receivable, provision for bad debts shall be made according to the regulation mentioned in "(2) provision for bad debts shall be made for accounts receivable on group basis".
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(2)The accounts receivable of bad debt provisions made by credit risk Group

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

In Group ,Accounts on age basis in the portfolio:

√ Applicable Not applicable

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

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

 Applicable √ Not applicable

In Group ,adopting other method for bad debt provision:

√ Applicable Not applicable

Name	Account receivable proportion	Other account receivable proportion
Related party group	0.00%	0.00%
Security deposit	0.00%	0.00%
Deposit	0.00%	0.00%
Petty cash	0.00%	0.00%

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

individual basis

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

12. Inventories

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

No

(1) Classification of Inventories

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

(2) Obtaining and Measurement of Inventories

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

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

If the cost of inventories is higher than the net realizable value at the end of each period, this enterprise shall make the provision for the loss on decline in value of inventories. This enterprise makes provision for the loss on decline in value of inventories on the ground of each item of inventories. If the factors causing any write-down of the inventories have disappeared, the amount of write-down shall be resumed and be reversed from the provision for the loss on decline in value of inventories that has been made.

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

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

13. Asset-held for sale

The Company will retrieve its book value by means of selling assets (including the exchange of commercial non-monetary assets) instead of sequentially using a non-monetary asset or a disposal group, and when meeting two of the following conditions, the book value will be divided into on-sales category: (1) When a certain non-monetary assets or a certain disposal group sells such kind of assets in similar transactions in accordance with the convention, assets can be sold immediately under the current situation.

(2) The Company has made decision for the selling plans and has acquired assured purchase commitment, predicting that selling will be completed within one year. (The selling, which can only be sold after acquiring approval from relevant authorities or supervision departments according to relevant provision requirement, has acquired its approval).

The Company will be specifically for dividing the non-current assets or disposal group which are acquired from

reselling into on-sales category on acquisition date if on acquisition date they can meet the stipulated condition that the predicted selling will be completed within one year , and in a short term (usually 3 months) they are likely to meet other conditions of dividing into on-sales category.

When the non-monetary assets and disposal group were measured by the Company at the beginning or remeasured and divided into on-sales category on balance sheet date, if its book value is higher than the net amount after fair value deducts selling expense, the book value will be written down to the net amount after fair value deducts selling expense, and the written-down amount will be confirmed as assets impairment losses and counted into the current profits and losses, and the impairment provision with on-sales assets will be withdrawn in the meanwhile. For the on-sales disposal group's confirmed amount of loss of asset impairment, the book value of goodwill will be deducted first, and its book value will then be deducted proportionally according to the book value's percentages of all non-current assets in the disposal group which can be adopted by the measurement stipulations of Accounting Standards for Business Enterprises NO.42- On-sales Non-current Assets, Disposal Groups and Operation Termination

If any increment occurs in the net amount after the on-sales non-current assets on the subsequent balance sheet date deducts selling expense, the amount deducted previously will be recovered and will be transferred back within the amount of asset impairment losses confirmed after being divided into on-sales category, and the amount transferred back will be counted into the current profits and losses. There will be no restitution for asset impairment losses confirmed before being divided into on-sales category. The amount deducted previously of on-sales disposal group shall be recovered, and when after being divided into on-sales category, it will be transferred back within the amount of impairment confirmed by non-current assets by the means of the measure stipulations of Accounting Standards for Business Enterprises NO.42- On-sales Non-current Assets, Disposal Groups and Operation Termination, and the amount transferred back will be counted into the current profits and losses. There will be no restitution for the book value of goodwill which has been deducted and for asset impairment losses confirmed before being divided into on-sales category which can be adopted by the measure stipulation of this principle.

No depreciation and amortization will be made in the non-current assets which are on sales or in the disposal group. Confirmation will continue to be made in the debt interest in on-sales disposal group as well as other expenses.

When the non-current assets or the disposal group can not meet the conditions of dividing into on-sales category, the Company will not continue to divide it into on-sales category or remove the non-current assets from the on-sales disposal group, and the valuation will be made according to the lower one between two of followings: (1)Book value before being divided into on-sales category, and the amount of money after being under the situation where book value is supposed not to be divided into on-sales category and adjustment is made in depreciation, amortization or impairment which should have been confirmed. (2) Recoverable amount.

When derecognizing the on-sales non-current assets or disposal group, the Company will count the gains and losses which are yet to be confirmed into the current profits and losses.

14.Long-term Equity Investment

Long-term equity investments refer to all investments that are the Company with control of, joint control of, or significant influence over, an investee. The Company accounted investments that are the Company without control of, joint control of, or significant influence over, an investee as financial assets available-for-sale or financial assets at fair value through profit or loss. Please refer to Note III 10 “Financial instruments” for detail.

Joint control refers to the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Significant influence refers to the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.

(1) Initial measurement

For business combination under common control, if the consideration of the merging enterprise is that it makes payment in cash, transfers non-cash assets or bear its debts, it shall, on the date of combination, regard the share of the book value of the stockholder's equity of the merged enterprise as the initial cost of the long-term equity investment. The difference between the initial cost of the long-term equity investment and the payment in cash, non-cash assets transferred as well as the book value of the debts borne by the merging party shall offset against the capital reserve. If the capital reserve is insufficient to dilute, the retained earnings shall be adjusted. If the consideration of the merging enterprise is that it issues equity securities, it shall, on the date of combination, regard the share of the book value of the stockholder's equity of the merged enterprise as the initial cost of the long-term equity investment. The total face value of the stocks issued shall be regarded as the capital stock, while the difference between the initial cost of the long-term equity investment and total face value of the shares issued shall offset against the capital reserve. If the capital reserve is insufficient to dilute, the retained earnings shall be adjusted. Business combination under common control achieved in stages by several transactions shall determine whether the transactions belong to one package. If the transactions belong to one package, the Company accounted these transactions as one transaction with control of the investee. If the transactions do not belong to one package, on the date of combination, the Company shall regard the share of the book value of the owner's equity of the merged enterprise as the initial cost of the long-term equity investment. The difference between the initial cost of the long-term equity investment and the sum of book value of long-term equity investments prior to the combination and the book value of consideration paid at the date of combination in order to achieve control of the investees shall offset against the capital reserve. If the capital reserve is insufficient to dilute, the retained earnings shall be adjusted. No accounting treatment will be made for the other comprehensive income arising from equity investment under equity method before the combination date or recognized with available-for-sale financial assets.

For business combination under different control, the Company accounts initial cost of long-term equity investment as combination costs on the acquisition date. Combination costs refer to the fair values, on the acquisition date, of the assets paid, the liabilities incurred or assumed and the equity securities issued by the acquirer. Business combination under different control achieved in stages by several transactions, shall determine whether the transactions belong to one package. If the transactions belong to one package, the Company accounts these transactions as one transaction with control of, joint control of, significant influence over, the investee. If the transactions do not belong to one package, the initial cost of long-term equity shall be accounted under cost method and recognized amount shall be the sum of book value of long-term equity investment before acquisition and cost of additional investment. For equity investments previously accounted under equity method, other comprehensive income related to these investments does not change. For equity investments previously accounted as financial assets available for sale, difference between fair value and book value and accumulated changes in fair value originally recorded in other comprehensive income shall be transferred to profit or loss of current period.

The direct cost for the business combination of the combining party shall, including the expenses for audit, assessment and legal services, be recorded into the profits and losses at the current period.

Besides the long-term equity investments formed by business combination, the initial cost of a long-term equity investment obtained by other means shall be initially recognized at cost. The cost shall be ascertained in accordance with the provisions as follows: (a) The initial cost of a long-term equity investment obtained by making payment in cash shall be the purchase cost which is actually paid; (b) The initial cost of a long-term equity investment obtained on the basis of issuing equity securities shall be the fair value of the equity securities issued; (c) The initial cost of a long-term equity investment of an investor shall be the value stipulated in the investment contract or agreement; (d) The initial cost of a long-term investment obtained by the exchange of non-monetary assets shall be the fair value or book value of transferred assets. (e) The initial cost of a long-term investment shall be the fair value of the long-term investment; etc. The initial cost also consists of the expenses directly relevant to the obtainment of the long term equity investment, taxes and other necessary expenses. Long-term equity investment which, due to additional investment, can exercise significant influence over, joint control of, but not control of, the investees, shall recognize its cost as the sum of fair value of long-term equity investment before additional investment and cost of additional investment according to Accounting Standard for Business Enterprises No.22-Recognition and Measurement of Financial Instruments.

(2) Subsequent Measurement and Recognition Method

Long-term equity investments which are the Company with joint control of (excluding joint operation), significant influence over the investees shall be accounted under equity method. Besides, long-term equity investments which are the Company with control of the investees shall be accounted under cost method.

(1) A long-term equity investment accounted under cost method

Under the cost method, long-term equity investment is measured at initial cost, additional investments or disinvestments shall make an adjustment to the cost of long-term equity investment. The investment income recognized by the Company shall be limited to the dividends or profits declared to distribute by the invested entity,

except dividends or profits declared in the consideration paid to acquire the investees.

(2) A long-term equity investment accounted under the equity method.

Under the equity method, where the initial investment cost of a long-term equity investment exceeds the Company's share of the fair value of the investee's identifiable net assets at the time of acquisition, no adjustment is made to the initial investment cost. Where the initial investment cost is less than the Company's share of the fair value of the investee's identifiable net assets at the time of acquisition, the difference is recognized in profit or loss for the period, and the cost of the long-term equity investment is adjusted accordingly.

Under the equity method, the Company recognizes its share of the net profit or loss and other comprehensive income made by the investee as investment income and other comprehensive income respectively, and adjust the carrying amount of the long-term equity investment accordingly; The carrying amount of the investment is reduced by the portion of any profit distributions or cash dividends declared by the investee that is distributed to the Company; the share of changes in owners' equity of the investee other than those arising from net profit or loss, other comprehensive income and profit distribution are recognized in the capital reserve, the carrying amount of the long-term equity investment is adjusted accordingly. The Company recognizes its share of the investee's net profit or loss after making appropriate adjustments based on the fair value of the investee's individual separately identifiable assets, etc. at the acquisition date. Where the accounting policies and accounting period adopted by the investee are not consistent with those of the Company, the Company shall adjust the financial statements of the investee to conform to its own accounting policies and accounting period, and recognize investment income and other comprehensive income based on the adjusted financial statements. For the Company's transactions with its associates and joint ventures where assets contributed or sold does not constitute a business, unrealized intra-group profits or losses are recognized as investment income or loss to the extent that those attributable to the Company's proportionate share of interest are eliminated. However, unrealized losses resulting from the Company's transactions with its associates and joint ventures which represent impairment losses on the transferred assets are not eliminated. When the assets invested by the Company to associates or joint ventures constitute an operation, and the investors thereafter own long-term equity investment without control of the Company, fair value of the operation invested shall be accounted as cost of additional long-term equity investments, and difference between initial recognized cost of additional long-term equity investments and its book value shall be accounted in the profit or loss of current period. When the assets sold by the Company to associates or joint ventures constitute an operation, the difference between consideration paid and book value of the operation shall be recorded in profit or loss of current period. When the assets bought by the Company from associates or joint ventures constitute an operation, gain or loss related shall be recognized according to Accounting Standard for Business Enterprises No.20-Business Combination.

The Company discontinues recognizing its share of net losses of the investee after the carrying amount of the long-term equity investment together with any long-term interests that in substance form part of its net investment in the investee is reduced to zero. If the Company has incurred obligations to assume additional losses of the investee, a provision is recognized according to the expected obligation, and recorded as investment loss for the period. Where net profits are subsequently made by the investee, the Company resumes recognizing its share of those profits only after its share of the profits exceeds the share of losses previously not recognized.

(3) Acquisition of non-controlling shares

When preparing consolidated financial statements, differences between additional long-term equity investments due to acquisition of non-controlling shares and attributable share of invested entity's identifiable net assets accumulated since acquisition date (or consolidation date) at shareholding ratio after acquisition, shall adjust capital reserve. If the capital reserve is insufficient to dilute, the retained earnings shall be adjusted.

(4) Disposal of long-term equity investments

In consolidated financial statements, when parent company partially disposes long-term equity investments in subsidiaries without losing control, the difference between proceeds received and attributable share of invested entity's identifiable net assets related to such investments sold, shall be recorded in shareholder's equity; when parent company partially disposes long-term equity investments in subsidiaries with control lost, adjustments shall be made in accordance to Note III 6 (2).

Under other circumstances, for disposal of long-term equity investment, the Company shall derecognize such investment and recognize in profit or loss the difference between the proceeds received, and the carrying amount of the investment in the associates and joint ventures.

In terms of long-term equity investments accounted under equity method, the accounting method after disposal shall not change. The Company shall account for proportionate amount previously recognized in other comprehensive income in relation to that investment on the same basis as would have been required if the investee had directly disposed of the related assets or liabilities. The Company shall also reclassify to current period profit or loss the proportion of changes in shareholders' equity that had previously been recognized excluding changes arising from net gain or loss, other comprehensive income, profit or loss.

In terms of long-term equity investments accounted under cost method, the accounting method after disposal shall not change. The Company shall account for proportionate amount previously recognized in other comprehensive income, arising from according equity method or recognition and measurement standard of financial instruments before control of investees, in relation to that investment on the same basis as would have been required if the investee had directly disposed of the related assets or liabilities. The amount in other comprehensive income shall be transferred to current period profit or loss proportionately.

When the Company loses control over an investee due to partial disposal of its shares, during preparation of individual financial statements, if the Company with retained shares after disposal can still joint control, or influence over, the investee, the Company shall account for the investment under equity method and retained shares shall be adjusted as would have been required if the retained shares had been recorded on initial recognition under equity method; if the Company with retained shares after disposal cannot joint control, or influence over, the investee, the Company shall account for the investment under the recognition and measurement standard of financial instruments and recognize in profit or loss difference between the fair value of any retained shares and carrying amount of the investment at the date of control lost. The Company shall account for amount previously recognized in other comprehensive income, arising from according equity method or recognition and measurement standard of financial instruments before control of investee in relation to that investment on the same basis as would have been required if the investee had directly disposed of the related assets or liabilities. If equity method is used before control, the Company shall also reclassify to current period profit or loss changes in shareholders' equity that had previously been recognized excluding changes arising from net gain or loss, other comprehensive income, profit or loss. If retained shares are accounted under equity method, other comprehensive income and changes in shareholders' equity shall be transferred to current period profit or loss proportionally; if retained shares are accounted under cost method, other comprehensive income and changes in shareholders' equity shall be transferred to current period profit or loss at once.

When the Company ceases to joint control or influence over investee due to partial disposal of its shares, retained shares shall be accounted for under recognition and measurement standard of financial instruments and difference between fair value and carrying amount shall be recorded in current period profit or loss. The Company shall account for amount previously recognized in other comprehensive income arising from equity method in relation to that investment on the same basis as would have been required if the investee had directly disposed of the related assets or liabilities. The Company shall also reclassify to current period profit or loss the proportion of changes in shareholders' equity that had previously been recognized excluding changes arising from net gain or loss, other comprehensive income, profit or loss.

When the Company ceases to control an investee due to partially dispose its shares by stages, if transactions belong to one package, each transaction shall be accounted for as one event which lead to control cease. Prior to control lost, the difference between proceeds received and carrying amount of investment sold shall be recorded in other comprehensive income first and transferred to current period profit or loss when control lost.

15. Investment real estate

The measurement mode of investment property

The measurement by the cost method

Depreciation or amortization method

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

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

16. Fixed assets

(1) Recognition criteria for fixed assets

Fixed assets are tangible assets that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and have useful lives of more than one accounting year.

A fixed asset is recognized only when it is probable that economic benefits associated with the asset will flow to the Company and the cost of the asset can be measured reliably. Fixed assets are initially measured at cost.

(2) Depreciation methods

Type	Detail	Estimated useful Life	Estimated residual value rate	Depreciation rate(%)
House and Building	Straight-line method	Over the period of title (the period specified on the real estate title certificate or land use right certificate) or 30 years in case of no period	5	3.17

		of title		
Kiln	Straight-line method	5	5	19
Platinum passage	Straight-line method	3	95.50	1.5
Glass flat-panel and other equipment	Straight-line method	15	5	6.33
other equipment	Straight-line method	10	5	9.5
Transportation equipment	Straight-line method	5	5	19
Temporary equipment	Straight-line method	According to the length of the project	0	
Testing, quality inspection, office equipment, tools and other tool	Straight-line method	5	5	19

The platinum channel is mainly made up of precious metals such as platinum and rhodium, which almost has no losses. Hence, the channel has a higher rate of net residual value.

Thereinto, the fixed asset whose asset impairment provision has been withdrawn should also have its accumulated amount deducted to count and confirm the depreciation rate.

When the year of the fixed asset comes to an end, the Company will review its service life, net residual value and depreciation method. Should there be any differences between the estimated amount of service life and the initially estimated one, adjustment will be made for the service life; Should there be any differences between the estimated amount of net residual value and the initially estimated one, adjustment will be made for the estimated one.

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

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

When the year of the fixed asset comes to an end, the Company will review its service life, net residual value and depreciation method. Should there be any differences between the estimated amount of service life and the initially estimated one, adjustment will be made for the service life; Should there be any differences between the estimated amount of net residual value and the initially estimated one, adjustment will be made for the estimated one.

(4) Charge for Major Overhaul

The Company conducts regular checking on major overhaul fee incurred in the fixed asset, and any parts of the fee that have unambiguous evidence to indicate they conform with the condition for confirming fixed asset will be counted into the fixed asset costs, otherwise into the profit and loss of the current period. During the interval period of regular major overhaul, the fixed asset will be depreciated as before.

17. Construction in progress

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

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

18. Borrowing expenses

Borrowing costs include interest expenses, amortization of discount or premium, auxiliary expenses, exchange differences arising from foreign currency borrowings, etc. Borrowing costs directly attributable to the acquisition, construction or production of qualifying asset are capitalized when expenditures for such asset and borrowing costs are incurred and activities relating to the acquisition, construction or production of the asset that are necessary to prepare the asset for its intended use or sale have commenced. Capitalization of borrowing costs ceases when the qualifying asset being acquired, constructed or produced becomes ready for its intended use or sale. Other borrowing costs are recognized as an expense in the period in which they are incurred.

Where funds are borrowed under a specific-purpose borrowing, the amount of the capitalized interest is the actual interest expense incurred on that borrowing for the period less any bank interest earned from depositing the borrowed funds before being used on the asset or any investment income on the temporary investment of those funds. Where funds are borrowed under general-purpose borrowings, the Company determines the amount of interest to be capitalized on such borrowings by applying a capitalization rate to the weighted average of the excess of cumulative expenditures on the asset over the amounts of specific-purpose borrowings. The capitalization rate is the weighted average of the interest rates applicable to the general-purpose borrowings.

During the capitalization period, exchange differences related to the principal and interest on a specific-purpose borrowing denominated in foreign currency are capitalized 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 recognized as a financial expense when incurred.

The qualifying assets to be capitalized are fixed assets, investment properties and inventories which need to be acquired, constructed or produced through a long period of time, in order to become ready for its intended use or sale.

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

19. Biological Assets

20. Oil & Gas assets

21. Intangible assets

1. Valuation Method, Service Life and Impairment Test of Intangible Assets

The Company makes initial measurements on intangible assets in terms of the costs and determines the useful life when obtaining the assets. For intangible assets of a limited useful life, from the time the assets are available for

use, the Company adopts the amortization method that reflects realization of the expected economic benefits, or the straight-line amortization method if unable reliably to determine how to realize the expected economic benefits; and no amortization are made for intangible assets of an unlimited useful life.

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

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

2. Accounting Policy of Internal Research and Development Expenditure

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

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

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

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

22. Impairment of the long-term assets

Fixed assets, construction in progress, intangible assets with finite useful lives, investment properties measured using the cost model and long-term equity investments in subsidiaries, joint ventures and associates are tested for impairment if there is any indication that an asset may be impaired at the balance date. If there is an indication that the asset may be impaired, the Company shall estimate the recoverable amount and perform impairment test. Goodwill, intangible assets with indefinite useful life and intangible assets not available for use, shall be tested each year no matter whether there is an indication that the asset may be impaired.

If the result of the impairment test indicates that the recoverable amount of the asset is less than its carrying amount, a provision for impairment and an impairment loss are recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and the present value of the future cash flows expected to be derived from the asset. Fair value shall be determined as the price as stipulated in the sales agreement in the orderly transaction. Where there is no sales agreement but there is an active market of assets, fair value shall be determined as the quoted price in active market for identical assets or liabilities. Where there is no sales agreement and no active market of assets, fair value shall be estimated according to the best information available. The disposal expenses shall include the relevant legal expenses, relevant taxes, truckage as well as the direct expenses for bringing the assets into a marketable state. The present value of the expected future cash flow of an asset shall be determined by the discounted cash with an appropriate discount rate, on the basis of the expected future cash flow generated during the continuous use or final disposal of an asset. Provision for asset impairment is determined and recognized on the individual asset basis. If it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of a group of assets to which the asset belongs is determined. A group of assets is the smallest group of assets that is able to generate independent cash inflows.

Goodwill that is separately presented in the financial statements is tested at least annually for impairment, irrespective of whether there is any indication that it may be impaired. In conducting the test, the carrying value of goodwill is allocated to the related asset groups or groups of asset groups which are expected to benefit from the synergies of the business combination. If the result of the test indicates that the recoverable amount of an asset group or group of asset groups, including the goodwill allocated, is lower than its carrying amount, the corresponding impairment loss is recognized. The impairment loss is first deducted from the carrying amount of goodwill that is allocated to the asset group or group of asset groups, and then deducted from the carrying amounts of other assets within the asset groups or groups of asset groups in proportion to the carrying amounts of other assets.

Once the above asset impairment loss is recognized, it will not be reversed for the value recovered in the subsequent periods.

23. Long-term amortizable expenses

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

24 Employees' Remuneration

(1) Accounting methods for short-term compensation

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

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

(2) Accounting methods for post-employment benefits

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

(3) Accounting methods for demission benefits

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

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

Other long-term employee benefits are all other employee compensations than short-term compensation, post-employment benefits and demission benefits. They are long-term paid leaves, long-term benefits for the disabled, long-term profit sharing plans etc.

25. Estimated Liabilities

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

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

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

26 Share-based Payment

(1) Types of Share-based Payment

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

(2) Recognition of Equity Instruments' Fair Value

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

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

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

27. Preferred shares, perpetual capital securities and other financial instruments

28. Revenues

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

No

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

(1) Merchandise sales

The merchandises will be transferred to the purchaser when they meet with both the major risk and reward of the merchandise ownership; The Company will no longer keep the continuous management right which is usually related to the ownership, and no longer carry out valid control on the merchandises sold; The amount of income can be reliably calculated; Relevant economic interest can inflow; Relevant costs incurred or about to incur can be reliably calculated to confirm the realization of the income of merchandise sales.

Specific methods for revenue recognition: Companies which are engaged in photoelectric display materials, graphene and electronic communication products, according to the stipulations in the sales contract, will have their revenue recognized after the goods have been delivered to clients and checked and accepted by clients; Those which are engaged in passenger car business, according to the agreement, Confirm the sales revenue when the goods are delivered to the customer and invoiced according to the contract.; Those which are engaged in export sales business will have their revenue recognized when receiving the export certificate(customs declaration).

(2) Services

Service transaction can be estimated reliably, meaning the following conditions are satisfied: amount of revenue can be measured reliably; the relevant economic benefits are likely to flow into the enterprise; completion of the tra

transaction can be measured reliably; transactions that have occurred and will occur costs can be reliably measured

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

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

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

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

If property management has provided service, economic interest related to property management service is able to flow into the enterprise, and costs related to the property management service can be reliably calculated, the realization of property management income will be confirmed.

(3) Use Rights of Assets on Alienation

The right of using transferred asset includes lease earning, intermediate business income, interest income and usage fee income.

When the right of use the transferred asset can, at the same time, conform with the condition that relevant interest income is likely to inflow and the income amount can be reliably calculated, the income of the right of use the transferred asset can be confirmed. The interest income will be counted and confirmed according to the time and actual interest rate of the enterprise's monetary capital used by others; The charge for use will be counted and confirmed according to charging time and method stipulated in the relevant contracts or agreements.

(4) Construction Contracts

Under the situation where the result of contract forming can be reliably estimated, the contract income and contract costs will be confirmed by the contract's completion percentage on the balance sheet date. The contract's completion percentage will be confirmed by the proportion that the accumulated contract costs actually incurred occupies the predicted total contract cost

That the result of construction contract can be reliably estimated refers to that the following can be conformed with at the same time: 1)The total income of contract can be reliably calculated; 2)The economic interest related

to the contract has major possibility to flow into the enterprise; 3)The contract costs actually incurred can be clearly distinguished and reliably calculated; 4)The completion progress of contract and the costs which still needs to incurred for completing the contract can be reliably confirmed.

If the result of construction contract can not be reliably estimated while its costs can be recoverable, the contract income will be confirmed according to the actual contract costs which can be recoverable, and the contract costs will be confirmed the contract fee at its current period; The contract costs which can not be recoverable will be confirmed as not the cost income but the cost fee when the recovery incurs.

If the uncertainties that result construction contract to be not reliably estimated no longer exist, the income and fee related to the construction contract will be confirmed according to the completion percentage.

If the predicted total contract cost is more than the total contract income, the predicted loss be will confirmed as the current fee.

The accumulated cost of the construction contract which has incurred, the accumulated gross profit (loss) has been confirmed, and the payment amount which has been settled will be presented as the net amount after offset in the balance sheet. The part that the sum of the accumulated cost incurred and the accumulated gross profit (loss) confirmed more than the payment amount settled will be presented as the one which has been completed but yet to be settled. The part, where the sum that the payment amount settled of the construction contract is more than the accumulated cost incurred and the accumulated gross profit (loss) confirmed, will be presented as the one which has been settled but yet to be completed.

29. Governmental subsidy

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

Government subsidy means the Company gratuitously obtains monetary assets or non-monetary assets from the government, not including the capital into which the government invests as a investor who has relevant ownership interest. Government subsidies are divided into the subsidy related to assets and the other related to earnings. Government subsidies related to monetary assets will be measured according to the amount received or the amount receivable. Those which related to non-monetary assets will be measured according to fair value; For any fair value which can not be reliable to be obtained, the assets will be measured according to the nominal amount, and the one measured according to the nominal amount will be directly counted into the current profits and losses.

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

2. Judgment Basis and Accounting Treatment Method of Government subsidy related to Income

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

For the government subsidy which includes both the assets related part and the income related part, the different parts are treated separately; if it is difficult to distinguish, the whole is classified as the government subsidy related to the income.

Government subsidies related to the daily activities of the company shall be included in other earnings in accordance with the substance of the economic business. Government subsidies not related to the daily activities of the company shall be included in the non-operating income and expenditure.

30. Deferred income tax assets/Deferred income tax liability

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

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

Deductible temporary differences related to the initial recognition of an asset or liability in a transaction that neither belongs to a business consolidation, nor affects the accounting profit and taxable income (or deductible loss) when it happens, the relevant deferred income tax assets shall not be recognized. In addition, as for deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, if such differences cannot be reversed in the foreseeable future or are not likely to obtain the taxable income to deduct the deductible temporary differences of the taxable income, the relevant deferred income tax liabilities shall not be recognized. Apart from the above-mentioned exceptional cases, the Company recognizes other deferred income tax liabilities caused by deductible temporary differences within the limit of likely obtained taxable income that can be used to deduct the deductible temporary differences of the taxable income.

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

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

The book value of the deferred income tax assets shall be re-checked at the balance sheet date. The book value of

the deferred income tax assets shall be written-down if it is unlikely to obtain sufficient taxable income in the future to deduct the benefit of the deferred tax assets and the written-down amount shall be carried forward if it is likely to obtain sufficient taxable income.

31. Operational leasing

(1) Accounting of operational leasing

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

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

(2) Accounting Method for Financing Leases

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

32. Other significant accounting policies and estimates

(1) Discontinued Operation

Discontinued operation means enterprises which can meet one of the following conditions and can be distinguished into a constituent part separately, and this part has been disposed or divided into a on-sales category.

② This part is a one of the related parts which proposes to dispose an independent main business or an independent main business area.

③ This part is a subsidiary acquired from being specifically for reselling.

For accounting treatment methods for discontinued operation, see the relevant descriptions at Article 13- Possession of On-Sales Asset in Note III

(2) Share Repurchase

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

Upon the legal procedures and reporting approval and through repurchasing the Company's stocks, the Company's reduction of capital is conducted according to the total nominal value of written-off stocks. The part of price paid to stock repurchase (including transaction expenses) that exceeds the total nominal amount shall offset

the capital reserve (share premium), earned surplus and undistributed profits in sequence; The part of price paid to stock repurchase (including transaction expenses) that less than the total nominal amount shall increase the capital reserve (share premium).

33.Change of main accounting policies and estimations

(1)Change of main accounting policies

Applicable Not applicable

(2) Change of main accounting estimations

Applicable Not applicable

34.Other

1. Income tax

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

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

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

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

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

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

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

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

2. Safety production expenses

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

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

3. Judgement and Estimation for Significant Accounting

During the process of applying accounting policies, due to to inherent uncertainties in business activities, the Company requires judgement, estimation and assumption for the book value of the report items which can not be measured accurately. Such judgement, estimation and assumption is made basing on the previous experience of the Company's management as well as the consideration of other relevant factors. And the reported amount of revenue, cost and asset, as well as the disclosure of balance sheet date and the liability will be influenced by such judgement, estimation and assumption; However, there may be differences between the actual result caused by the uncertainties of such estimation and the current estimation of the Company's management, thereby significant adjustment will be made for the assets influenced in the coming future and the indebted book value.

The Company will periodically recheck the above-mentioned judgement, estimation and assumption based on going concern. The changes of accounting estimation only influence those which are influenced at the current period, and of which the influence number will be confirmed at that current period; For those changes which have influence both at the current period and the future period, the influence number of them will be confirmed at that current period and the future period.

On balance sheet date, the significant fields where the Company needs to make judgement, estimation and assumption for the financial statement items will be as follows:

(1) Revenue Recognition-Construction Contract

When the result of construction contract can be estimated reliably, the Company will confirm the contract revenue on balance sheet date by adopting Percentage of Completion Method. The percentage of completion will be confirmed according to Article 26-Revenue Recognition Principle in Note III and it will be totalized in each accounting year of executing this contribution contract.

Significant judgement needs to be made when confirming the percentage of completion, the contract cost occurred, the total predicted revenue of the contract and total cost of the contract, as well as the recoverability of the contract. The project management will make judgement mainly by means of previous experience and work. The total predicted revenue and total cost of the contract, as well as the estimation changes of contract execution result will probably have effect on the operation revenue, the operation cost at the current changing period or at the subsequent period, as well as the profits and losses during that period, and significant influence is likely to be formed due to the above-mentioned changes.

(2) Provision for bad debts

The Company uses the allowance method to account for bad debt losses in accordance with the accounting policy for accounts receivable. Impairment of accounts receivable is based on the assessment of the recoverability of accounts receivable. The identification of impairment of accounts receivable requires management's judgment and

estimation. The difference between the actual result and the original estimate will affect the book value of accounts receivable and the provision or reversal of bad debt provision for accounts receivable during the period in which the estimate is changed.

(3) Inventory falling price preparation

According to the inventory accounting policy, the Company measures the lower of cost and net realizable value, and makes provision for inventory devaluation for inventory whose cost exceeds net realizable value, obsolete and unsalable. The depreciation of inventories to net realizable value is based on the assessment of the saleability of inventories and their net realizable value. Identification of impairment of inventories requires management to make judgments and estimates on the basis of obtaining conclusive evidence and considering the purpose of holding the inventory and the influence of events after the balance sheet date. The difference between the actual result and the original estimate will affect the book value of inventory and provision or reversal of inventory depreciation provision during the period in which the estimate is changed.

(4) Depreciation and amortization

After considering the salvage value of investment real estate, fixed assets and intangible assets, the company shall accrue depreciation and amortization on a straight-line basis over its useful life. The Company regularly reviews the service life to determine the amount of depreciation and amortization expenses to be included in each reporting period. The service life is determined by the Company based on past experience of similar assets and combined with expected technical updates. If there has been a significant change in previous estimates, the depreciation and amortization expense will be adjusted in the future period.

(5) Deferred income tax assets

Insofar as it is highly probable that there will be sufficient taxable profits to offset losses, the company will recognize deferred income tax assets for all unused tax losses. This requires the management of the company to use a large number of judgments to estimate the time and the amount of future taxable profits, and combine the tax planning strategy to determine the amount of deferred income tax assets that should be recognized.

(6) Income tax

In the normal business activities of the company, there are certain uncertainties in the final tax treatment and calculation of some transactions. It requires the approval of the tax authorities on whether some items can be listed as deductible in the profit before tax. If there is a difference between the final recognized result of these taxation matters and the originally estimated amount, the difference will have an impact on the income tax and the deferred income tax of that period with the final recognition being made.

VI. Taxation

1. Main categories and rates of taxes

Taxes	Tax references	Applicable tax rates
VAT	Sales revenue and Technical services revenue	3%、10%、16%、17%、11%
Urban construction tax	Turnover tax to be paid allowances	7%
Enterprises income tax	Taxable income	9%、10%、15%、16.5%、25%
VAT	Technical services revenue	6%

Educational surtax	Turnover tax to be paid allowances	3%
Local education surcharge	Turnover tax to be paid allowances	2%

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

Name of Taxpayer	Rate of Income Tax
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2. Tax Preference

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

② On July 20, 2017, Wuhu Tunghsu Optoelectronic Technology Co., Ltd. was rated as the national high-tech enterprise with validity of 3 years. As per the provisions of enterprise income tax law, the Company adopts 15% enterprise tax rate applicable for high-tech enterprises for three years since 2017.

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

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

⑤ On August 3, 2015, Zhengzhou Xufei Optoelectronic Technology Co., Ltd. was rated as the national high-tech enterprise with validity of 3 years. As per the provisions of enterprise income tax law, the Company adopts 15% enterprise tax rate applicable for high-tech enterprises for three years since 2015.

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

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

⑧ On November 24, 2016, Shanghai Tanyuan Huigu New Material Technology Co., Ltd. was rated as the national high-tech enterprise with validity of 3 years. As per the provisions of enterprise income tax law, the Company adopts 15% enterprise tax rate applicable for high-tech enterprises for three years since 2016.

⑨ On December 1, 2016, Mingshuo(Beijing) Electric Technology Co., Ltd. was rated as the national high-tech enterprise with validity of 3 years. As per the provisions of enterprise income tax law, the Company adopts 15% enterprise tax rate applicable for high-tech enterprises for three years since 2016.

⑩ On October 25, 2017, Beijing Xutan New Material Technology Co., Ltd. was rated as the national high-tech enterprise with validity of 3 years. As per the provisions of enterprise income tax law, the Company

adopts 15% enterprise tax rate applicable for high-tech enterprises for three years since 2017.

(11) On November 17, 2017, Suzhou Tengda Optical Technology Co., Ltd. was rated as the national high-tech enterprise with validity of 3 years. As per the provisions of enterprise income tax law, the Company adopts 15% enterprise tax rate applicable for high-tech enterprises for three years since 2017.

(12) On December 8, 2016, Sichuan Xuhong Optoelectronic Technology Co., Ltd. was rated as the national high-tech enterprise with validity of 3 years. As per the provisions of enterprise income tax law, the Company adopts 15% enterprise tax rate applicable for high-tech enterprises for three years since 2016.

(13) On November 24, 2016, Shanghai Sunlong Bus Co., Ltd. was rated as the national high-tech enterprise with validity of 3 years. As per the provisions of enterprise income tax law, the Company adopts 15% enterprise tax rate applicable for high-tech enterprises for three years since 2016.

(14) On December 8, 2016, Chengdu Tunghsu Intelligence Technology Co., Ltd. was rated as the national high-tech enterprise with validity of 3 years. As per the provisions of enterprise income tax law, the Company adopts 15% enterprise tax rate applicable for high-tech enterprises for three years since 2016.

(15) Daosui Group Tibet Construction Development Co., Ltd, based on the “Notice of the People's Government of Tibet Autonomous Region on Issuing the Measures for the Implementation of Enterprise Income Tax Policy of Tibet Autonomous Region” (Zangzhengfa [2014] No. 51) policy, enjoys the corporate income tax at the rate of 15% for the strategy of developing the western region and is exempted from the 40% tax share that originally belongs to the local place, thus actually implementing the income tax rate of 9%.

(16) Guangxi Yuanzheng New Energy Automobile Co., Ltd, based on the Guangxi People's Government's Circular on the Continuation and Revision of Certain Policies Concerning the Promotion of the Open Development of the Guangxi Beibu Gulf Economic Zone” (Gui Zhengfa [2014] No. 5) policy, enjoys the corporate income tax at the rate of 15% for the strategy of developing the western region and is exempted from the 40% tax share that originally belongs to the local place, thus actually implementing the income tax rate of 9%.

(17) Harbin Sunlong New Energy Automobile Sales Co., Ltd, based on the “Notice of Ministry of Finance, State Administration of Taxation on the Relevant Issues Concerning the Preferential Policies for Small-scale, Low-profit Enterprises” (Cai Shui [2011] No. 117) and the 28th clause of “The People's Republic of China Enterprise Income Tax Law”- that the small profit-making enterprise that meets the requirements enjoys a reduction of 20% tax rate on the corporate income tax, actually implements the income tax rate of 10%.

3. Other

VII. Notes to the major items of consolidated financial statement

1. Cash and bank balances

In RMB

Items	Year-end balance	Year-beginning balance
Cash	460,584.36	2,461,658.94
Bank deposit	23,203,703,585.91	26,666,668,936.88

Other	590,432,885.53	787,629,173.04
Total	23,794,597,055.80	27,456,759,768.86

Other notes

The amount of restricted cash and bank balances by the end of the period is RMB 2,351,663,690.33.

2. Financial assets measured at fair value through current profit and loss

3. Derivative financial assets

Applicable Not applicable

4. Note receivable

(1) Classification bill receivable

In RMB

Items	Year-end balance	Year-beginning balance
Bank acceptance	327,763,684.95	267,121,031.99
Trade acceptance	447,624,748.00	271,007,552.85
Total	775,388,432.95	538,128,584.84

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

(3) Note receivable endorsed or discounted by the Company as at June 30, 2018 but not expired on the balance sheet date

In RMB

Items	Amount derecognized as at June 30, 2018	Amount underecognized as at June 30, 2018
Bank acceptance	215,608,081.81	
Trade acceptance	598,836,048.03	
Total	814,444,129.84	

(4) There is no notes transferred to accounts receivable because drawer of the notes fails to exit the contract or agreement

Notes: As of the semi-annual disclosure date, the company has signed an agreement with the relevant parties, the company will receive the RMB 215 million of notes receivable from the company, such as Waterma, to give the ticket holder, etc., and finally obtain the assessed value of not less than RMB 215 million of assets. "(Money funds do not need to be assessed). 5. Account receivable

(1) Classification account receivables.

In RMB

Category	Year-end balance					Year-beginning balance				
	Book balance		Provision for bad debts		Book Value	Book balance		Provision for bad debts		Book Value
	Amount	Proportion (%)	Amount	Proportion (%)		Amount	Proportion (%)	Amount	Proportion (%)	
Accounts receivable of individually withdrawing bad debt provision with significant individual amount	169,193,829.11	1.66%	169,193,829.11	100.00%	0.00	175,782,084.76	2.16%	175,782,084.76	100.00%	0.00
Account receivables with provision for bad debt made on a portfolio with similar risk credit characteristics basis	10,042,312,738.35	98.34%	104,665,569.58	1.04%	9,937,647,168.77	7,975,776,808.83	97.84%	102,357,124.41	1.28%	7,873,419,684.42
Total	10,211,506,567.46	100.00%	273,859,398.69	2.68%	9,937,647,168.77	8,151,558,893.59	100.00%	278,139,209.17	3.41%	7,873,419,684.42

Accounts receivable subject to individually withdrawing bad debt provision with significant individual amount..

√ Applicable □ Not applicable

In RMB

Account receivable(Unit)	Amount in year-end			
	Account receivable	Provision for bad debts	Proportion%	Reason
Inner Mongolia Zhunxing Heavy Haul Expressway Co., Ltd.	136,922,651.00	136,922,651.00	100.00%	Not expected to be recovered as a result of litigation
Korea Sunlong Bus Co.Ltd	32,271,178.11	32,271,178.11	100.00%	Notes: For the account receivable of Korea Sunlong Bus Co. Ltd-that the outstanding payment of goods has been long delayed due to the disruption of vehicle sales caused by the serious contraction of Korean Tourism Market and the Policy of Automobile Emission Standard, the company has adopted a variety of dunning measures, but has not yet achieved results. At the end of the

				period, the company conducted a separate impairment test for that. After being tested for impairment, the impairment loss was determined based on the difference of the present value of its future cash flow lower than its book value, making the provision for bad debts.
Total	169,193,829.11	169,193,829.11	--	--

Accounts receivable of combinational withdrawing bad debt provision by aging analysis method

Applicable Not applicable

In RMB

Aging	Amount in year-end		
	Account receivable	Provision for bad debts	Proportion%
Withitem 1 year			
Within credit period	6,478,928,089.29		
Within 1 year after credit period	823,936,445.65	41,196,822.36	5.00%
Subtotal within 1 year	7,302,864,534.94	41,196,822.36	
1-2 years	141,927,415.09	14,192,741.51	10.00%
2-3 years	26,330,517.90	7,899,155.37	30.00%
3-4 years	58,707,194.54	29,353,597.27	50.00%
4-5 years	5,458,198.00	3,820,738.60	70.00%
Over 5years	8,202,514.47	8,202,514.47	100.00%
Total	7,543,490,374.94	104,665,569.58	

Notes:

Receivable accounts on which had debt provisions are provided on percentage analyze basis in a portfolio

Applicable Not applicable

Receivable accounts on which had debt provisions are provided by other ways in the portfolio

Group name	Amount in year-end	Provisionfor bad debt	Amount in year- beginning	Provision for bad debts
State subsidy. Local subsidy	2,129,070,128.00		2,160,997,954.00	
Other Group	369,752,235.41		293,949,697.69	
Total	2,498,822,363.41		2,454,947,651.69	

(2) Accounts receivable withdraw, reversed or collected during the reporting period

The withdrawal amount of the bad debt provision during the reporting period was of RMB8,855,265.67;The amount of the reversed or collected part during the reporting period was of RMB3,817,512.69.

(3) The current accounts receivable written-offs situation

In RMB

Items	Amount written-offs situation
Sales goods	9,317,563.46

Account receivables actually written-offs during the reporting period:

In RMB

Name	Nature of account receivable	Amount written-off	Reason for written-off	Verification procedures	Arising form related transactions(Y/N)
Foshan Sanshui Yuejing Automobile Transportation Co., Ltd.	Sales goods	6,588,255.65	Bankruptcy and liquidation of the enterprise is not expected to be recovered.	Internal approvals	No
Total	--	6,588,255.65	--	--	--

Notes:

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

The total receivable amount of top five closing balances collected by the debtors in the current reporting period is RMB3,135,836,063.48 which accounts for 30.71% of the total receivables. The total amount of closing balance for corresponding accrued bad-debt provision is RMB158,300.88.

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

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

6. Advance payments

(1) Disclosed by aging:

In RMB

Aging	Amount in year-end		Amount in year- beginning	
	Amount	Proportion(%)	Amount	Proportion(%)
Within 1 year	1,317,256,741.99	86.04%	1,771,543,035.64	87.65%
1-2 years	156,933,894.37	10.25%	196,495,357.45	9.72%
2-3 years	15,382,125.47	1.00%	27,318,669.74	1.35%
Over 3 years	41,487,932.64	2.71%	25,762,888.12	1.28%
Total	1,531,060,694.47	--	2,021,119,950.95	--

Notes :

Nil.

(2) The ending balance of Prepayments owed by the imputation of the top five parties

As of June 30, 2018, the total amount of the top five companies in advance payments is RMB 283,116,591.02, accounting for 18.49% of the total ending balance of prepayments of advance payments.

Other notes:

7. Interest receivable

(1) Classification Interest receivable

In RMB

Items	Amount in year-end	Amount in year-begin
Fixed deposit	29,306,335.47	49,456,785.29
Total	29,306,335.47	49,456,785.29

(2) Important overdue interest

8. Dividend receivable

(1) Dividend receivable

(2) Dividend receivable aging over 1 years

9. Other accounts receivable

(1) Other accounts receivable disclosed by category

In RMB

Category	Amount in year-end					Amount in year- begin				
	Book Balance		Bad debt provision		Book value	Book Balance		Bad debt provision		Book value
	Amount	Proportion(%)	Amount	Proportion(%)		Amount	Proportion(%)	Amount	Proportion(%)	
Other Accounts receivable of individually withdrawing bad debt provision with significant individual amount	9,171,033.44	0.66%	9,171,033.44	100.00%		9,056,821.74	0.83%	9,056,821.74	100.00%	
Other receivables subject to provision for bad debts on credit risk	1,374,768,974.30	99.34%	24,875,182.22	1.81%	1,349,893,792.08	1,080,821,148.37	98.85%	35,930,812.05	3.32%	1,044,890,336.32

characteristics basis										
Other Accounts receivable of individually withdrawing bad debt provision with non-significant individual amount						3,471,143.41	0.32%	3,471,143.41	100.00%	
Total	1,383,940,007.74	100.00%	34,046,215.66	2.46%	1,349,893,792.08	1,093,349,113.52	100.00%	48,458,777.20	4.43%	1,044,890,336.32

Other receivable accounts with large amount and were provided had debt provisions individually at end of period.

√ Applicable □ Not applicable

In RMB

Other receivable (Unit)	End of term			
	Other receivable	Bad debt provision	Proportion	Reason
KoreasunlongBusCo.Ltd	9,171,033.44	9,171,033.44	100.00%	Notes: For the account receivable of Korea Sunlong Bus Co. Ltd-that the outstanding payment of goods has been long delayed due to the disruption of vehicle sales caused by the serious contraction of Korean Tourism Market and the Policy of Automobile Emission Standard, the company has adopted a variety of dunning measures, but has not yet achieved results. At the end of the period, the company conducted a separate impairment test for that. After being tested for impairment, the impairment loss was determined based on the difference of the present value of its future cash flow lower than its book value, making the provision for bad debts.
Total	9,171,033.44	9,171,033.44	--	--

Other receivable of combinational withdrawing bad debt provision by aging analysis method

√ Applicable □ Not applicable

In RMB

Aging	Amount in year-end		
	Other account receivable	Provision for bad debts	Proportion(%)
Withinitem 1 year			
Within credit period	321,164,774.89		

Within 1 year after credit period	60,045,557.92	3,002,277.90	5.00%
Subtotal Within 1 year	381,210,332.81	3,002,277.90	
1-2 years	77,846,956.73	7,784,695.67	10.00%
2-3 years	41,371,145.56	12,411,343.66	30.00%
3-4 years	210,338.53	105,169.39	50.00%
Over 5 years	1,571,695.60	1,571,695.60	100.00%
Total	502,210,469.23	24,875,182.22	

Notes:

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

 Applicable Not applicable

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

 Applicable Not applicable

In RMB

Group name	Amount in year-end	Bad debt provision
Persona Returnable Insurance	2,683,210.08	
Deposit	862,419,394.97	
Export tax refunds	7,455,900.02	
Total	872,558,505.07	

(2) Bad debt provision accrual collected or switch back

Bad debt provision accrual was RMB7,115,436.63, the account collected or switches back amounting to RMB18,056,854.76.

Significant amount of reversed or recovered bad debt provision:

In RMB

Name	Amount	Method
Sichuan Panxi Lingshan Tourism Investment Development Co., Ltd	7,891,958.95	Retracted
Total	7,891,958.95	--

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

In RMB

Items	Amount
Sales goods	3,471,143.41

Of Which, Other receivable write-off:

In RMB

Name	Nature of account receivable	Amount written-off	Reason for written-off	Verification procedures	Arising form related transactions(Y/N)
------	------------------------------	--------------------	------------------------	-------------------------	--

Foshan Sanshui Yuejing Automobile Services Co., Ltd.	Sales goods	3,471,143.41	Bankruptcy and liquidation of the enterprise is not expected to be recovered.	Internal approvals	No
Total	--	3,471,143.41	--	--	--

Notes:

(4) Other account receivables category by nature of money

In RMB

Nature	Ending book balance	Beginning book balance
Current account	387,321,573.47	413,488,631.19
Deposit	862,419,394.97	592,692,531.83
Project petty cash	80,043,589.50	68,529,879.43
Persona Returnable Insurance	2,683,210.08	2,564,564.43
Export tax refunds	7,455,900.02	6,453,137.37
Other	44,016,339.70	9,620,369.27
Total	1,383,940,007.74	1,093,349,113.52

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

In RMB

Name	Nature	Year-end balance	Age	Portion in total other receivables(%)	Bad debt provision of year-end balance
Sichuan City Construction No.5 Infrastructure Development Co., Ltd.	Deposit	200,000,000.00	Within credit period :80,000,000.00; Within 1 year after credit period:120,000,000.00	14.45%	
Sichuan Panxi Lingshan Tourism Investment Development Co., Ltd.	Enterprises fund transfers	93,188,661.00	Within credit period	6.73%	
Chongqing Haolong Platinum Industry Co., Ltd.	Enterprises fund transfers	69,163,611.11	Within credit period	5.00%	

Sichuan Nengtou New City Anning Valley Tourism Investment and Development Co., Ltd.	Equity transfer	51,970,000.00	Within credit period	3.76%	
Tibet transportation Dept.	Deposit	35,154,463.70	Within credit period :2,830,829.70 ; Within 1 year after credit period:32,323,634.0 0	2.54%	
Total	--	449,476,735.81	--	32.48%	

10.Inventory

(1) Inventory types

In RMB

Items	Year-end balance			Year-beginning balance		
	Book Balance	Provision for bad debts	Book value	Book Balance	Provision for bad debts	Book value
Raw materials	1,829,971,611.21	22,577,740.86	1,807,393,870.35	2,210,317,909.51	23,802,249.09	2,186,515,660.42
Processing products	237,283,016.68	1,443,698.36	235,839,318.32	243,932,972.44	1,443,698.36	242,489,274.08
Stock goods	495,293,750.48	17,267,664.82	478,026,085.66	457,130,464.91	9,080,902.13	448,049,562.78
Completed but unsettled assets caused by construction contract	844,012,557.86		844,012,557.86	760,198,642.91		760,198,642.91
Commissioned processing material	20,173,731.74		20,173,731.74	13,306,134.19		13,306,134.19
Development cost	749,023,361.73		749,023,361.73	1,188,193,081.41		1,188,193,081.41
Commissioned processing material	23,770,009.81		23,770,009.81	65,383,734.21		65,383,734.21
land arrangement	52,644,562.38		52,644,562.38	10,346,187.21		10,346,187.21
Total	4,252,172,601.89	41,289,104.04	4,210,883,497.85	4,948,809,126.79	34,326,849.58	4,914,482,277.21

--	--	--	--	--	--	--

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

No

(2) Inventory depreciation reserve

In RMB

Items	Beginning of term	Increased in current period		Decreased in current period		End of term
		Provision	Other	Transferred back	Other	
Raw materials	23,802,249.09			1,224,508.23		22,577,740.86
Processing products	1,443,698.36					1,443,698.36
Stock goods	9,080,902.13	8,186,762.69				17,267,664.82
Total	34,326,849.58	8,186,762.69		1,224,508.23		41,289,104.04

Notes 1: Basis of provision for inventory revaluation reserve was cost and net realizable value, and reason of inventory revaluation reserve provision was that final realizable net value was lower than cost.

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

The end of the development cost includes interest capitalization of 117,430,461.67 yuan.

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

In RMB

Items	Amount
Accumulated Incurred Cost	6,320,487,912.95
Accumulated Confirmed Gross Profit	443,903,048.67
Settlement Amount	5,920,378,403.76
Unliquidated Completed Assets Formed in the Construction Contract	844,012,557.86

Other notes:

11. Holding assets for sale

In RMB

Items	End book value	Fair value	Estimated disposal cost	Estimated disposal time
Long-term Equity Investment	126,264,435.58	126,264,435.58		December 31, 2018

Total	126,264,435.58	126,264,435.58		--
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Other notes:

Notes:Subsidiary-Shenzhen Xuhui Investment Control Co., Ltd. acquires Sub-Subsidiary Mingshuo (Beijing) Electric Technology Co., Ltd., and the acquisition agreement stipulates that: Mingshuo (Beijing) Electric Technology Co., Ltd.'s original subsidiary, Mingshuo (Beijing) Trade Co., Ltd., Huzhou Mingwang Lighting Technology Co., Ltd

Pursuant to the agreement of the acquisition of sub-subsidiary company Daoshui Group Engineering Co., Ltd.: Daosui Group Engineering Co., Ltd originally held a subsidiary .Sichuan Panxi Liangshan Travel Investment Development Co., Ltd.,Sichuan Panxi Lingshan Travel Investment Huanshun real estate Co., Ltd. Subei Hexing Water Co., Ltd. was stripped after the acquisition, Sold on 31 December 2018

12. Non current assets due within one year

13. Other current assets

In RMB

Items	Year-end balance	Year-beginning balance
USD exchange	58,000,000.00	58,000,000.00
Prepayment of income tax	1,149,390,102.41	1,281,947,333.75
Short –term Financing		1,220,000,000.00
Total	1,207,390,102.41	2,559,947,333.75

14. Available-for-sale financial assets

(1) Available-for-sale financial assets

In RMB

Items	Closing balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Available-for-sale Equity instrument	243,158,605.30		243,158,605.30	100,000,056.00		100,000,056.00
Cost measured	243,158,605.30		243,158,605.30	100,000,056.00		100,000,056.00
Total	243,158,605.30		243,158,605.30	100,000,056.00		100,000,056.00

(2) Available-for-sale financial assets measured by cost

(3) Available-for –sale financial assets measured at cost at the end of the year

In RMB

Investee	Book balance				Provision for impairment				Percentage of shareholding in investees%	Cash dividends for the year
	Balance of term	Increase	Decrease	End of term	Balance of term	Increase	Decrease	End of term		
Beijing Yihuatong Technology Co., Ltd.	100,000,056.00			100,000,056.00					5.51%	
Beijing Shenwei Lixing Auto Service Co., Ltd.		29,500,000.00		29,500,000.00					16.48%	
China Metallurgical investment fund management (Beijing) Co., Ltd.		113,658,549.30		113,658,549.30						
Total	100,000,056.00	143,158,549.30		243,158,605.30					--	

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

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

Other notes:

Notes 1: On July 10, 2017, the Company subscribed for 1,282,052.00 shares of the add-directional share issuance of the New Third Board Beijing Yihuatong Technology Co., Ltd at the price of RMB 78.00 per share, with paying the consideration of RMB 100,000,056.00. After the subscription, the company holds 5.51% stake of Beijing Yihuatong Technology Co., Ltd. As it's unable to obtain fair value, the estimate is measured at cost.

Notes 2: On January 15, 2018, the Company obtained 16.48% equity of Beijing Shenwei Shixing Automobile Service Co., Ltd. by RMB 29.5 million, and as there was no quotation in the active market and its fair value couldn't be reliably measured, the subsequent measurement was carried out according to cost.

Notes 3: On January 27, 2018, the Company's wholly-owned subsidiary-Tunghsu Construction Group Co., Ltd, MCC Jianxin Investment Fund Management (Beijing) Co., Ltd., Beijing Dongfang Xujie Fund Management Co., Ltd., China Metallurgical Group Co., Ltd., and Postal Savings Bank of China Chongqing Branch jointly signed the

“Private Investment Fund Contract of the Government and Social Capital Cooperation (PPP) Project of the Municipal Pipeline Project of Funan New District of Hengshui City” and the “Private Investment Fund Contract of Government and Social Capital Cooperation (PPP) of Municipal Road Engineering of Funan New District of Hengshui City”). As there was no quotation in the active market and its fair value couldn't be reliably measured, the subsequent measurement was carried out according to cost.

15. Held-to-maturity investment

- (1) Held-to-maturity investment
- (2) Important held-to-maturity investment at period-end
- (3) Reclassify of held-to-maturity investment in the period

16. Long-term account receivables

- (1) Long-term account receivables

In RMB

Items	End of term			Beginning of term			Range of rate
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value	
Sale of commodities by installment	138,899,570.70		138,899,570.70	143,988,866.91		143,988,866.91	4.75%-20.56%
Total	138,899,570.70		138,899,570.70	143,988,866.91		143,988,866.91	--

- (2) Long-term account receivables recognition terminated due to transfer of financial assets
- (3) Long-term account receivables transferred and assets & liability formed by its continuous involvement

17. Long-term equity investment

In RMB

Investees	Opening balance	Increase/decrease								Closing balance	Closing balance of impairment provision
		Addition investment	Deduction investment	Gains/loss under equity method	Other comprehensive income adjustments	Other changes in equity	Declaration of cash dividends or profit	Withdrawn impairment provision	Other		
I. Joint ventures											

II. Associates											
Tunghsu Group Finance Co., Ltd.	2,004,062,204.94			6,471,235.43						2,010,533,440.37	
Tunghsu (Deyang) Graphene Industry Development Fund Partnership (LP)	20,436,738.11			30,264.58						20,467,002.69	
Zibo Bus service Co., Ltd.	32,678,813.57			2,448,937.71						35,127,751.28	
CUHK international business factoring co., Ltd	73,306,968.08			2,886,186.76						76,193,154.84	
Subtotal	2,130,484,724.70			11,836,624.48						2,142,321,349.18	
Total	2,130,484,724.70			11,836,624.48						2,142,321,349.18	

Other notes

At the beginning of the period, the long-term equity investment of the subsidiary Tunghsu Technology Co., Ltd. was RMB 155,434.20, and there was no change in the current period. Tunghsu Technology Co., Ltd. is registered in Germany and is currently in the process of cancellation and liquidation. According to the relevant laws of Germany, the cancellation of liquidation requires a two-year public notice period, during which the agency is managed by Tunghsu Optoelectronic Technology Co., Ltd. Unable to control the company, this period is not included in the scope of consolidation.

18. Investment real estate

(1) Investment real estate by cost measurement

√ Applicable □ Not applicable

In RMB

Items	House, Building	Land use right	Construction in process	Total
I. Original price				
1. Balance at period-beginning	58,843,742.66			58,843,742.66
2. Increase in the current period	9,513,629.19			9,513,629.19
(1) Purchase				
(2) Inventory\Fixed assets\ Transferred from construction in progress	9,513,629.19			9,513,629.19
(3) Increased of Enterprise Combination				
3. Decreased amount of the period				
(1) Dispose				
(2) Other out				
4. Balance at period-end	68,357,371.85			68,357,371.85
II. Accumulated amortization				
1. Opening balance	614,302.80			614,302.80
2. Increased amount of the period	812,939.04			812,939.04
(1) Withdrawal	614,302.80			614,302.80
(2) Other transfers	198,636.24			198,636.24
3. Decrease in the reporting period				
(1) Disposal				
(2) Other out				
4. Closing balance	1,427,241.84			1,427,241.84
III. Impairment provision				
1. Opening balance				
2. Increase in the reporting period				

(1) Withdrawal				
3. Decrease in the reporting period				
(1) Disposal				
(2) Other out				
4. Closing balance				
IV. Book value				
1. Book value of the period-end	66,930,130.01			66,930,130.01
2. Book value of the period-begin	58,229,439.86			58,229,439.86

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

Applicable Not applicable

(3) Investment real estate without certificate of ownership

19. Fixed assets

(1) List of fixed assets

In RMB

Items	House, building	Machinery equipment	Transportations	Other equipment	Total
I. Original price					
1. Balance at period-beginning	2,113,818,494.63	11,507,570,974.31	122,144,132.07	185,704,090.92	13,929,237,691.93
2. Increase in the current period	2,974,656.29	65,079,558.53	6,393,175.10	13,954,213.99	88,401,603.91
(1) Purchase	2,559,600.13	56,226,791.96	5,953,249.38	9,296,571.11	74,036,212.58
(2) Transferred from construction in progress	415,056.16	1,440,795.02	439,925.72	677,559.87	2,973,336.77
(3) Increased of Enterprise Combination		7,361,971.55		3,980,083.01	11,342,054.56

(4) Investment real estate transfer					
(5) Sale-leasebacks					
(6) Other increase		50,000.00			50,000.00
3. Decreased amount of the period	10,927,023.65	43,952,557.36	4,468,678.34	4,262,534.50	63,610,793.85
(1) Disposal	1,413,394.46	43,952,557.36	4,468,678.34	4,262,534.50	54,097,164.66
(2) Investment real estate transfer	9,513,629.19				9,513,629.19
(3) Sale-leasebacks					
(4) Other increase					
4. Balance at period-end	2,105,866,127.27	11,528,697,975.48	124,068,628.83	195,395,770.41	13,954,028,501.99
II. Accumulated depreciation					
1. Opening balance	404,808,570.47	2,014,259,680.21	57,491,501.47	73,521,319.79	2,550,081,071.94
2. Increased amount of the period	47,901,589.56	410,967,573.71	8,354,593.22	8,881,287.49	476,105,043.99
(1) Withdrawal	47,901,589.56	410,860,677.91	8,354,593.22	8,789,262.43	475,906,123.13
(2) Increased of Enterprise Combination		106,895.80		92,025.06	198,920.86
(3) Investment real estate transfer					
(4) Sale-leasebacks					
(5) Other increase					
3. Decrease in the reporting period	910,487.15	8,539,821.51	1,437,885.02	459,968.08	11,348,161.76
(1) Disposal	711,850.91	8,539,821.51	1,437,885.02	459,968.08	11,149,525.52
(2) Sale-leasebacks					
(3) Other decrease	198,636.24				198,636.24
4. Closing balance	451,799,672.88	2,416,687,432.42	64,408,209.67	81,942,639.20	3,014,837,954.17
III. Impairment provision					
1. Opening balance		36,444.84	555,940.00		592,384.84
2. Increase in the reporting period					

(1) Withdrawal					
3. Decrease in the reporting period					
(1) Disposal					
4. Closing balance		36,444.84	555,940.00		592,384.84
IV. Book value					
1. Book value of the period-end	1,654,066,454.39	9,111,974,098.22	59,104,479.16	113,453,131.21	10,938,598,162.98
2. Book value of the period-begin	1,709,009,924.16	9,493,274,849.26	64,096,690.60	112,182,771.13	11,378,564,235.15

(2) Fixed assets temporarily idled

(3) Fixed assets rented by finance leases

In RMB

Items	Original book value	Accumulated depreciation	Accumulated depreciation	Book value
Platinum channel	278,041,238.65	6,986,248.73		271,054,989.92
Machinery equipment	1,388,411,273.94	270,572,104.36		1,117,839,169.58

(4) Fixed assets leased in the operating leases

(5) Fixed assets without certificate of title completed

In RMB

Items	Book value	Reason
Substation	288,854.51	Processing
Boiler room	3,988,717.38	Processing

20. Project under construction

(1) Project under construction

In RMB

Items	Year-end balance			Year-beginning balance		
	Book balance	Provision for	Book value	Book balance	Provision for	Book value

		devaluation			devaluation	
Wuhu LCD glass substrate production line project	2,171,311,589.88		2,171,311,589.88	1,992,039,147.54		1,992,039,147.54
Wuhan LCD glass substrate production line project	14,645,209.52	14,645,209.52		14,645,209.52	14,645,209.52	
Kunshan Color film project	508,106,857.14		508,106,857.14	363,976,794.49		363,976,794.49
G8.5 glass substrate production line	431,034,482.76		431,034,482.76			
Polarizer project				763,009,412.48		763,009,412.48
Surface display cover glass	408,325,886.73		408,325,886.73	15,954,258.93		15,954,258.93
Yingkou LCD glass substrate production line project	425,964,281.66		425,964,281.66	410,371,760.10		410,371,760.10
New energy bus and logistics vehicle production project	1,309,658,561.00		1,309,658,561.00			
Other	133,094,554.30		133,094,554.30	118,135,266.36		118,135,266.36
Total	5,402,141,422.99	14,645,209.52	5,387,496,213.47	3,678,131,849.42	14,645,209.52	3,663,486,639.90

(2) Changes of significant construction in progress

In RMB

Name	Budget	Amount at year beginning	Increase at this period	Transferred to fixed assets	Other decrease	Balance in year-end	Proportion(%)	Progress of work	Capitalization of interest accumulated balance	Including: Current amount of capitalization of interest	Capitalization of interest ratio (%)	Source of funds
Wuhu LCD glass	7,576,520,000.00	1,992,039,147.54	179,272,442.34			2,171,311,589.88	95.49%	95.49%	739,441,815.06	44,760,030.13		Raising Funds

substrate producti on line project												
Kunshan Color film project	3,115,50 0,000.00	363,976, 794.49	144,130, 062.65			508,106, 857.14	17.79%	17.79%				Raising Funds
Producti on Line for the 8.5th-ge neration Glass glass substrate	6,950,00 0,000.00		431,034, 482.76			431,034, 482.76	14.64%	14.64%				Raising Funds
Xuyou Sheet glass Phase I Project	2,200,00 0,000.00	763,009, 412.48			763,009, 412.48			Disposed				Other
Surface display cover glass	1,497,38 0,000.00	15,954,2 58.93	392,371, 627.80			408,325, 886.73	27.84%	27.84%				Raising Funds
New energy bus and logistics vehicle producti on project	2,955,07 4,600.00		1,309,65 8,561.00			1,309,65 8,561.00	47.94%	47.94%				Raising Funds
Total	24,294,4 74,600.0 0	3,134,97 9,613.44	2,456,46 7,176.55		763,009, 412.48	4,828,43 7,377.51	--	--	739,441, 815.06	44,760,0 30.13		--

(3) Impairment provision of construction projects

21. Engineering Material

22. Liquidation of fixed assets

23. Productive biological assets

(1) Measured by cost

Applicable Not applicable

(2) Measured by fair value

Applicable Not applicable

24. Oil-and-gas assets

Applicable Not applicable

25. Intangible assets

(1) Information

In RMB

Items	Land use right	Patent right	Non patent technology	Software	Patent technology	Right of trade mark	Other	Total
I. Original price								
1. Balance at period-beginning	887,528,257.12	23,582,996.80	150,931,868.85	7,755,063.97		87,050,298.13		1,156,848,484.87
2. Increase in the current period	118,694,555.29	53,938,713.41	14,445,166.67	3,994,161.16				191,072,596.53
(1) Purchase	118,694,555.29	250,000.01		3,974,827.83				122,919,383.13
(2) Internal R & D								
(3) Increased of Enterprise Combination		53,688,713.40	14,445,166.67	19,333.33				68,153,213.40

(4)Investor investment								
3.Decreased amount of the period								
(1)Disposal								
(2) Other								
4. Balance at period-end	1,006,222,812.41	77,521,710.21	165,377,035.52	11,749,225.13		87,050,298.13		1,347,921,081.40
II. Accumulated amortization								
1. Balance at period-beginning	76,219,489.09	3,138,879.85	28,677,985.20	2,965,954.66		44,050,066.05		155,052,374.85
2. Increase in the current period	11,476,283.19	1,668,516.73	8,282,595.52	786,998.72		21,445,707.04		43,660,101.20
(1) Withdrawal	11,476,283.19	1,221,110.79	7,921,466.35	786,423.71		21,445,707.04		42,850,991.08
(2) Increased of Enterprise Combination		447,405.94	361,129.17	575.01				809,110.12
3.Decreased amount of the period								
(1)Disposal								
(2) Other								
4. Balance at period-end	87,695,772.28	4,807,396.58	36,960,580.72	3,752,953.38		65,495,773.09		198,712,476.05
III. Impairment provision								
1. Balance at period-beginning								

2. Increase in the current period								
(1) Withdrawal								
3. Decreased amount of the period								
(1) Disposal								
4. Balance at period-end								
4. Book value								
1. Book value at period -end	918,527,040.13	72,714,313.63	128,416,454.80	7,996,271.75		21,554,525.04		1,149,208,605.35
2. Book value at period-beginning	811,308,768.03	20,444,116.95	122,253,883.65	4,789,109.31		43,000,232.08		1,001,796,110.02

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

In RMB

Items	Book value	Reason
Land use right	70,964,030.64	50% outstanding

26. Research and development expenditure

In RMB

Items	Beginning balance	Increase in the period			Decrease in period			Ending balance
Graphene and Lithium Battery Project	3,883,495.16							3,883,495.16
Magnolia lamp design project	762,432.49	7,676.59						770,109.08

Landscape street lamp design project	2,141,940.99	544,636.17						2,686,577.16
Distributed photovoltaic power plant project	2,022,956.97	528,195.42						2,551,152.39
Low voltage distribution system project	2,055,487.81	582,267.04						2,637,754.85
High voltage distribution system project	3,096,837.78	792,293.21						3,889,130.99
Intelligent photovoltaic junction box	914,598.09	264,391.71						1,178,989.80
Electric vehicle charging pile Project in 2017	519,955.68	556,235.87						1,076,191.55
EAS supply chain system		1,002,691.08						1,002,691.08
Development of main Control system for AC charging pile		830,927.10						830,927.10
High efficiency lighting project		830,926.55						830,926.55
High efficiency street lamp project		836,864.94						836,864.94
Jingang		1,143,898.85						1,143,898.85

Robot								
Total	15,397,704.97	7,921,004.53						23,318,709.50

27. Goodwill

(1) Original book value of goodwill

In RMB

Name of the investees or the events formed goodwill	Opening balance	Increase		Decrease		Closing balance
Mingshuo (Beijing) Electronic Technology Co., Ltd.	32,783,882.96					32,783,882.96
Chenzhou Hongcheng Public Traffic Constriction Development Co., Ltd.	10,163,443.61					10,163,443.61
Daosui Group Engineering Co., Ltd.	40,095,298.31					40,095,298.31
Chuanglian Huatai(HK) Co., Ltd.	722,450.89					722,450.89
Suzhou Tengda Optics Technology Co., Ltd.	82,350,192.94					82,350,192.94
Guangxi Sunlong Automobile Manufacturing Co., Ltd.	55,664,910.37					55,664,910.37
Shanghai Tanyuan Huigu New Material Co., Ltd.	33,935,384.57					33,935,384.57

Shanghai Sunlong Bus Co., Ltd.	2,331,962,577.34					2,331,962,577.34
Zhongcheng national construction co., Ltd.		130,169,968.13				130,169,968.13
Shenzhen Sanbao Innovation Intelligent Co., Ltd.		66,201,670.16				66,201,670.16
Huaxi Nanchong Automobile Co., Ltd.		56,773,762.72				56,773,762.72
Total	2,587,678,140.99	253,145,401.01				2,840,823,542.00

(2) Impairment provision of goodwill

In RMB

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

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

Other notes:

The increase in goodwill at the end of the period compared to the beginning of the period was mainly due to the acquisition of subsidiaries Zhongcheng national construction co., Ltd. , Shenzhen Sanbao Innovation Intelligent Co., Ltd. And Huaxi Nanchong Automobile Co., Ltd. in the current period.

28.Long-term amortization expenses

In RMB

Items	Balance in year-begin	Increase at this period	Amortization balance	Other decrease	Balance in year-end
Building renovation	20,884,579.02	7,773,533.85	9,874,189.85	8,816,276.17	9,967,646.85
NEG Technology Use fee	5,653,725.00		308,385.00		5,345,340.00

Total	26,538,304.02	7,773,533.85	10,182,574.85	8,816,276.17	15,312,986.85
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29. Deferred income tax assets/deferred income tax liabilities

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

In RMB

Items	Balance in year-end		Balance in year-begin	
	Deductible temporary difference	Deferred income tax assets	Deductible temporary difference	Deferred income tax assets
Assets devaluation provision	347,775,330.45	69,202,590.32	361,268,489.05	72,770,445.79
Not realized the internal profit	2,098,364,756.73	336,844,649.16	2,184,936,479.37	350,438,261.98
Deductible loss	424,876,022.19	66,260,756.48	454,060,832.38	65,723,232.56
Deferred income difference	72,120,337.62	11,065,630.90	73,641,000.14	11,046,150.02
Non-identical control enterprise	9,519,323.16	1,007,829.65	8,652,114.93	783,147.37
Projected liability	32,515,694.09	8,128,923.52	38,543,627.93	9,635,906.98
Advance quality margin	80,746,536.90	10,659,353.58	117,878,085.38	16,420,648.06
Total	3,065,918,001.14	503,169,733.61	3,238,980,629.18	526,817,792.76

(2) Details of the un-recognized deferred income tax liabilities

In RMB

Items	Balance in year-end		Balance in year-begin	
	Temporarily Deductible or Taxable Difference	Deferred Income Tax liabilities	Temporarily Deductible or Taxable Difference	Deferred Income Tax liabilities
Impairment of assets under the control of enterprises under the same control	336,100,199.64	62,295,616.96	349,818,170.15	60,149,328.74
Total	336,100,199.64	62,295,616.96	349,818,170.15	60,149,328.74

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

In RMB

Items	Trade-off between the	End balance of deferred	Trade-off between the	Opening balance of
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	deferred income tax assets and liabilities	income tax assets or liabilities after off-set	deferred income tax assets and liabilities at period-begin	deferred income tax assets or liabilities after off-set
Deferred income tax assets		503,169,733.61		526,817,792.76
Deferred income liabilities		62,295,616.96		60,149,328.74

(4)Details of income tax assets not recognized

In RMB

Items	Balance in year-end	Balance in year-begin
Deductible losses	426,483,832.61	83,300,016.16
Bad debt provision	40,093.76	86,413.68
Impairment of fixed assets	1,935,234.19	1,935,234.19
Fixed assets depreciation reserves	36,444.84	36,444.84
Provision for impairment of construction projects	14,645,209.52	14,645,209.52
Total I	443,140,814.92	100,003,318.39

(5)Deductible losses of the un-recognized deferred income tax asset will expire in the following years

In RMB

Year	Balance in year-end	Balance in year-begin	Remark
2018	3,000,263.93	2,986,414.60	
2019	5,846,342.08	5,860,191.41	
2020	3,470,816.94	3,751,170.54	
2021	9,394,061.76	32,084,711.54	
2022	17,012,060.02	38,617,528.07	
2023	37,247,797.62	0.00	
2024	383,871.35	0.00	
2025	3,421,161.58	0.00	
2026	10,452,118.86	0.00	
2027	8,444,562.81	0.00	
2028	327,810,775.66	0.00	
Total	426,483,832.61	83,300,016.16	--

30 .Other non-current assets

In RMB

Items	Balance in year-end	Balance in year-begin
Prepaid land fund		6,590,000.00
Prepaid engineering equipment	282,006,939.10	299,812,939.48
Total	282,006,939.10	306,402,939.48

31.Short –term loans

(1) Short-term loans by category

In RMB

Items	Balance in year-end	Balance in year-begin
Pledge loan	558,370,000.00	320,666,279.80
Mortgage loan	292,900,000.00	374,600,000.00
Guarantee loan	5,765,000,000.00	4,997,500,000.00
Credit loan	196,514,698.87	20,060,102.40
Total	6,812,784,698.87	5,712,826,382.20

Notes:

Notes 1. There is no mature but unredeemed short-term borrowing in the company during the accounting period.

Notes 2. At the end of the period, the company's credit loans of RMB 196,514,698.87.

Notes 3. The final mortgage was RMB 292,900,000.00.

(1) The sub-subsidiary Shenzhen Xinyintong Technology Co., Ltd via mortgage loan borrowed RMB 22,000,000.00, with that Zhang Lixia provided the house property of No. 5000615797 Shen Fangdizi and Zhong Yuhua provided the house property of No. 3000415955 Shen Fangdizi as the collateral, and Zeng Jiankai, Zhong Yuhua and Zhang Lixia provided the joint and several liability guarantee

(2) The sub-subsidiary Daosui Group Engineering Co., Ltd via mortgage loan borrowed RMB 120,900,000.00, thereinto, a: for RMB 53,000,000.00, the guarantors were Yang Jianzhong and You Shaoguo, with the mortgage of the land of Mianguoyong (2014) No. 0227 and the No. 0358 house property of Mianning County Fangquanzheng Zi of Sichuan Panxi Lingshan Tourism Investment Development Co., Ltd; b: For RMB 26,000,000.00, the guarantors were Yang Jianzhong and You Shaoguo, with the mortgage of the No. 0358 house property of Mianning County Fangquanzheng Zi, the No. 45, No. 46, No. 48 to No. 52 house properties of Real Estate Certificate of Yue Limited Liability Zi and the lands of No.2016-1, No. 2016-2, No. 2016-4 to No. 2016-8 of Yueguoyong (2013) of Huaying Minghua Trading co., Ltd; c: Of which 2 were 27500000.00 yuan, the guarantors were Yang Jianzhong and You Shaoguo, with the mortgage of No. 011160, No. 011161 and No. 011164 house properties of Huafangquanzheng, the No. 200700978-200700984 house properties of Guangfangquanzheng and the No.384 land of Huaguoyong (2012); d: for RMB 14,400,000.00, the guarantor was Yang Jianzhong, with the mortgage of No.011160, No. 011161 and No. 011164 house properties of Huafangquanzheng and the No.20070

(3) The Sub-subsidiary Fuzhou Xufu Optoelectronic Technology Co., Ltd via mortgage loan borrowed RMB 150,000,000.00, with the maximum amount guarantee provided upon using the Fuzhou Xufu Optoelectronic Technology Co., Ltd's own plant and equipment;

Notes 4: Guarantee loan was RMB 5,765,000,000.00

Whereby,

(1) Tunghsu Group Co., Ltd offered RMB 400,000,000.00 joint liability guarantee to The Company, Li Zhaoting offered RMB960,000,000.00 joint liability guarantee to the Company, Tunghsu Group and Li Zhaoting offered RMB1,150,000,000.00 Guarantee to the company, Tunghsu Group, Li Zhaoting and Li Qing offered RMB 1,280,000,000.00 Guarantee to the Company

(2) Tunghsu Group, The company and Li Zhaoting offered RMB 80,000,000.00 joint liability guarantee to the Subsidiary –Sichuan Xuhong Optoelectronic Technology Co., Ltd.

(3) Tunghsu Group Offered RMB250,000,000.00 Joint liability guarantee to the subsidiary-Zhengzhou Xufei Optoelectronic Technology Co., Ltd., Tunghsu Group and Li Zhaoting Offered RMB 280,000,000.00 guarantee to the Sub- subsidiary- Zhengzhou Xufei Optoelectronic Technology Co., Ltd., The Company Offered RMB50,000,000.00 guarantee to Sub- subsidiary- Zhengzhou Xufei Optoelectronic Technology Co., Ltd., Tunghsu Group Offered RMB250,000,000.00 Joint liability Guarantee to Sub- Subsidiary-Suzhou Tengda Potics Technology Co., Ltd., The Company Offered RMB20,000,000.00 guarantee to Sub- subsidiary- Suzhou Tengda Potics Technology Co., Ltd.

(4) The Company offered RMB 245,000,000.00 joint liability guarantee to the subsidiary- Wuhu Tunghsu Optoelectronic Technology Co., Ltd.

(5) The Company offered RMB205,000,000.00 guarantee to the subsidiary- Wuhu Tunghsu Optoelectronic Technology Co., Ltd., The Company and Li Zhaoting offered RMB210,000,000.00 guarantee to the subsidiary- Wuhu Tunghsu Optoelectronic Technology Co., Ltd., Tunghsu Group and The company offered RMB200,000,000.00 guarantee to the subsidiary- Wuhu Tunghsu Optoelectronic Technology Co., Ltd.

(6) Tunghsu offered RMB935,000,000.00 joint liability guarantee to the Subsidiary –Shanghai Sunlong Bus Co., Ltd., Tunghsu Group and Li Zhaoting offered RMB100,000,000.00 joint liability guarantee to the Subsidiary –Shanghai Sunlong Bus Co., Ltd., Tunghsu Group and The company offered RMB50,000,000.00 joint liability guarantee to the Subsidiary –Shanghai Sunlong Bus Co., Ltd., The company offered RMB100,000,000.00 guarantee to the Subsidiary –Shanghai Sunlong Bus Co., Ltd., Tunghsu Group offered RMB245,000,000.00 joint liability guarantee to the Sub-Subsidiary –Guangxi Sunlong Automobile Manufacturing Co., Ltd., The company offered RMB100,000,000.00 guarantee to the Sub-Subsidiary –Guangxi Sunlong Automobile Manufacturing Co., Ltd., Shanghai Sunlong Bus offered RMB30,000,000.00 joint liability guarantee to the Sub-Subsidiary –Guangxi Sunlong Automobile Manufacturing Co., Ltd.

Notes 5: Final pledge loan amount was RMB558,370,000.00.

Including: The pledge borrowing of RMB142,500,000.00 was provided a pledge guarantee by Wuhu Tunghsu Optoelectronic Equipment Technology Co., Ltd using the term deposit certificate of RMB 150,000,000.00;

The pledge borrowing of RMB180,000,000.00 was provided a pledge guarantee by Sub--Subsidiary Hunan Tunghsu Weigao Medical instrument Co., Ltd using the term deposit certificate of RMB100,000,000.00; Tunghsu Group provides joint liability guarantee; The pledge borrowing of RMB69,000,000.00 was provided a pledge guarantee by Sub—Subsidiary Daoshui Group Co., Ltd using the term deposit certificate of RMB72,010,000.00; The pledge borrowing of RMB142,500,000.00 was provided a pledge guarantee by Wuhu Tunghsu Optoelectronic Technology Co., Ltd using the term deposit certificate of RMB150,000,000.00; The pledge borrowing of RMB24,370,000.00 was provided a pledge guarantee by Sub—Subsidiary Shenzhen Xinyingtong Technology Co., Ltd using the term deposit certificate of RMB24,370,000.00;

(2) Situation of Overdue Outstanding Short-Term Borrowing

Final overdue outstanding short-term borrowing was zero.

32. Financial liabilities measured at fair value through current profit and loss

33. Derivative financial liabilities

Applicable Not applicable

34. Note payable

In RMB

Items	Balance in year-end	Balance in year-begin
Commercial acceptance	344,370,940.00	237,603,082.40
Bank acceptance bills	654,896,156.40	826,294,597.49
Total	999,267,096.40	1,063,897,679.89

Amount due in next fiscal period is RMB0.00.

35. Account payable

(1) Account payable

In RMB

Items	Balance in year-end	Balance in year-begin
Engineering fund	1,392,966,173.99	1,095,153,995.50
Material fund	3,191,668,273.67	3,433,073,854.24
Transportation expenses	13,759,120.88	11,172,407.72
Technology Service	5,495,219.34	6,069,737.32
Other	86,849,717.14	91,519,044.87
Total	4,690,738,505.02	4,636,989,039.65

(2) Significant accounts payable that aged over one year

In RMB

Items	Balance in year-end	The reason for not repaid or carried forward
Wuxi Jingke automobile Part Co., Ltd.	18,121,142.66	Failure to meet agreed terms and duration of payment
Jiangsu Chengyi Technology Co., Ltd.	11,328,581.84	Failure to meet agreed terms and duration of payment
Total	29,449,724.50	--

36. Advance account

(1) Advance account

In RMB

Items	Closing balance	Opening balance
Goods	394,669,033.49	635,268,325.76
Engineering fund	581,688,484.32	1,019,869,237.87
Total	976,357,517.81	1,655,137,563.63

(2) Accounts payable with major amount and aging of over one year

(3) Information of unliquidated completed assets formed in the construction contract at the end of the period

37. Employee compensation payable

(1) Classification of employee compensation payable

In RMB

Items	Balance in year-begin	Increase at this period	Decrease at this period	Balance in year-end
I. Short-term wages	205,475,973.45	595,147,895.45	640,164,409.72	160,459,459.18
II. Welfare after waving of position-fixed provision scheme	2,221,388.80	30,526,036.84	30,678,815.74	2,068,609.90
III. Termination benefit		633,692.10	633,692.10	
Total	207,697,362.25	626,307,624.39	671,476,917.56	162,528,069.08

(2) Short-term remuneration

In RMB

Items	Balance in year-begin	Increase in this period	Payable in this period	Balance in year-end
1. Wages, bonuses, allowances and subsidies	158,272,400.10	541,739,195.25	589,129,164.56	110,882,430.79
2. Employee welfare	54,843.85	15,315,888.40	15,327,038.59	43,693.66
3. Social insurance premiums	1,209,437.58	15,908,948.99	15,918,971.63	1,199,414.94
Including: Medical insurance	1,043,116.93	13,903,813.19	13,891,643.80	1,055,286.32
Work injury insurance	66,261.87	964,919.36	984,415.41	46,765.82

Maternity insurance	100,058.78	1,040,216.44	1,042,912.42	97,362.80
4. Public reserves for housing	986,360.29	13,192,401.82	13,532,528.32	646,233.79
5. Union funds and staff education fee	44,804,730.41	5,765,542.19	3,069,334.05	47,500,938.55
8. Other	148,201.22	3,225,918.80	3,187,372.57	186,747.45
Total	205,475,973.45	595,147,895.45	640,164,409.72	160,459,459.18

(3) Defined contribution plans listed

In RMB

Items	Balance in year-begin	Increase in this period	Payable in this period	Balance in year-end
1. Basic old-age insurance premiums	2,080,192.50	29,094,532.72	29,231,356.98	1,943,368.24
2. Unemployment insurance	141,196.30	1,431,504.12	1,447,458.76	125,241.66
Total	2,221,388.80	30,526,036.84	30,678,815.74	2,068,609.90

38. Tax Payable

In RMB

Items	Balance in year-end	Balance in year-begin
VAT	95,390,421.31	60,982,068.15
Enterprise Income tax	177,344,409.38	170,094,083.01
Individual Income tax	31,738,325.42	30,271,740.75
City Construction tax	6,198,035.13	7,530,509.66
Business Tax	3,789,219.75	3,789,219.75
Land VAT	123,402,213.97	
House property tax	8,631,784.38	8,631,413.12
Land use tax	1,616,902.49	1,802,208.59
Educational surtax	4,547,924.65	6,453,814.04
Stamp Tax	504,198.36	3,666,280.55
Output tax to be transferred	850,654.08	1,758,082.34
Total	454,014,088.92	294,979,419.96

39. Interest payable

In RMB

Items	Balance in year-end	Balance in year-begin
Long-term loans interest of installment and interest charge	38,757,921.27	29,020,856.73
Enterprise bond interest	147,856,644.87	66,833,709.29
Short term loan interest payable	10,172,452.28	11,340,581.18
Total	196,787,018.42	107,195,147.20

40. Dividends payable

In RMB

Items	Balance in year-end	Balance in year-begin
Common dividends	313,488,825.93	35,000,000.00
Total	313,488,825.93	35,000,000.00

41. Other payable

(1) Disclosure by nature

In RMB

Items	Balance in year-end	Balance in year-begin
Related party current account	211,378,080.73	475,619,957.85
Project Current account	1,033,083,932.83	727,962,152.15
Deposit	323,299,588.22	332,892,760.85
Government Subsidy	15,000,000.00	15,000,000.00
Social security withholding	1,508,838.35	1,823,102.07
Engineering fund	0.00	55,246,500.11
Stock right fund	195,500,000.00	252,444,235.97
Restricted stock repurchase obligations	4,422,320.00	4,422,320.00
Other	17,327,128.99	22,109,862.88
Total	1,801,519,889.12	1,887,520,891.88

(2) Other payables with large amount and aging of over one year

42. Divided into liability held for sale

43. Non-current liabilities due within 1 year

In RMB

Items	Balance in year-end	Balance in year-begin
Long-term loans due within 1 year	3,298,395,973.96	4,196,242,686.59
Long-term Account payable due within 1 year	1,041,049,457.67	801,679,583.06
Deferred income due within 1 year	34,290,762.19	47,686,486.80
Total	4,373,736,193.82	5,045,608,756.45

Other notes:

Note 1: Non-current liabilities due within one year was decreased at the end of the period, The main reason is the decrease in borrowings due within one year.

Note 2: long-term loans due within one year could be referred to Note VII,45.

Note 3: long-term account receivable due within one year could be referred to Note VII,47.

Note 4: Deferred income due within one year could be referred to Note VII,51.

44. Other current liabilities

In RMB

Items	Closing balance	Opening balance
USD exchange	66,166,000.00	65,342,000.00
For resale tax	93,819,427.25	79,012,267.85
Financing		82,800,911.12
Total	159,985,427.25	227,155,178.97

45. Long-term loan

(1) Category of long-term loan

In RMB

Items	Closing balance	Opening balance
Pledge loans	450,000,000.00	950,000,000.00
Mortgage loans	3,619,711,596.66	4,096,235,604.06
Guarantee loans	3,052,216,666.62	4,359,733,333.30
Less : Long-term loan due 1 year	-3,298,395,973.96	-4,196,242,686.59

Total	3,823,532,289.32	5,209,726,250.77
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Notes:

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

Notes 2: The Guarantee of RMB 3,052,216,666.62 is both the mortgage loan and the guarantee loan, reclassified into the non-current liabilities due within one year RMB 2,253,216,666.62.

(1) RMB 1,414,650,000.00 borrowings to provide the joint guarantee, of which RMB 1,299,650,000.00 was reclassified to non-current liabilities due within one year; Tunghsu Group Co., Ltd and Li Zhaoting provided the joint and several guarantee for the company's borrowings of RMB740,666,666.62, of which RMB 644,666,666.62 was reclassified to non-current liabilities due within one year; Tunghsu Group Co., Ltd provided the joint and several guarantee for the company's borrowings of RMB194,000,000.00, of which of 194,000,000.00 was reclassified to non-current liabilities due within one year; Tunghsu Group Co., Ltd, Tunghsu Optoelectronics Investment Co., Ltd and Li Zhaoting provided the guarantee for the Company.

(2) Tunghsu Group Co., Ltd and Tunghsu Optoelectronic Technology Co., Ltd provided the joint and several guarantee for RMB 100,000,000.00 for Fuzhou Tunghsu Optoelectronic Technology Co., Ltd; Provide joint guarantees, which are reclassified to non-current liabilities of RMB 100,000,000.00 due within one year. Nippon Electric Glass Co., Ltd provided the joint and several guarantee for the sub-subsidiary Fuzhou Tunghsu Optoelectronic Technology Co., Ltd's borrowings of RMB 188,000,000.00.

(3) Meishan Shengtong Financing Guarantee Co., Ltd provided the joint and several guarantee for Daosui Group Engineering Co., Ltd's borrowings of RMB 14,900,000.00, of which RMB 14,900,000.00 was reclassified to non-current liabilities due within one year;

Notes 3: The mortgage borrowings of RMB 3,619,711,596.66 were both mortgage borrowings and guarantee borrowings, of which RMB1,045,179,307.34 was reclassified to non-current liabilities due within one year.

Thereinto: (1)For the borrowings of RMB584,699,600.00, RMB213,233,200.00 was reclassified to non-current liabilities due within one year, and the collateral and the guarantor: a: The guarantor Tunghsu Group Co., Ltd provided the joint and several guarantee for the borrowings equivalent to RMB 450 million under this item and the interest, penalties, compound interest, compensation, liquidated damages, damages, and expense of realization of creditor's rights arising from that amount to the lender; b: the assessment value of the collateral-the above-ground buildings and the equipment(including the 4 precious metal lines of platinum channel) were RMB1,055,713,019.27.

(2) For the loan of 455,000,000.00 yuan, 35,000,000.00 yuan will be reclassified into non-current liabilities due within one year, the mortgage and pledge guarantee of the loan: a. the property of YFQZYZ No. F 20150301716 , YFQZYZ No. F 20150301767 , YFQZYZ No. F20150301734, YFQZYZ No. F20150301760, YFQZYZ No. F20150301711, YFQZYZ No. F20150301725, YFQZYZ No. F20150301769 and YFQZYZ No. F20150301747 of Tunghsu (Yingko) optoelectronic Technology Co., Ltd. are used as collateral; b. Tunghsu Group Co., Ltd. provides 40,000,000 shares pledge joint and several guarantee for Tunghsu (Yingko) optoelectronic Technology Co., Ltd.

(3) For the borrowings of 525,000,000.00 yuan, 375,000,000.00 yuan was reclassified to non-current liabilities due within one year, and the collateral and the guarantor: a: The mortgagor Shijiazhuang Xuxin Optoelectronic Technology Co., Ltd used the can-be-mortgaged assets formed by the project including the land use right, buildings and machinery and equipment (including three precious metal lines of platinum channel) for providing the mortgage guarantee; b: Tunghsu Group Co., Ltd, Li Zhaoting and Li Qing provide the guarantee.

(4) For the loan of 1,312,500,000.00 yuan, 375,000,000.00 yuan will be reclassified into non-current

liabilities due within one year, the collateral and guarantor of the loan are: a. eight precious metal platinum channel assets owned by Wuhu Tunghsu optoelectronic Technology Co., Ltd. are used to provide mortgage guarantee; b. the company provides joint and several liability guarantee for the subsidiary company of Wuhu Tunghsu optoelectronic Technology Co., Ltd.

(5) For the loan of 272,000,000.00 yuan, 136,000,000.00 yuan will be reclassified into non-current liabilities due within one year, the collateral and guarantor of the loan are: a. Wuhu Tunghsu optoelectronic Technology Co., Ltd. will provide mortgage guarantee through mortgaging 202 mu of state-owned land use rights, the factory building after the completion of the project and 2 precious metal platinum channels; b. the guarantor of the loan is Wuhu Construction Investment Co., Ltd.

(6) For the loan of 370,000,000.00 yuan, 80,000,000.00 yuan will be reclassified into non-current liabilities due within one year, the collateral and guarantor of the loan are: a. WK(G)GY 2013 No. 020, WK(G)GY 2013 No. 021, WK(G)GY 2014 No. 008 land use right mortgage owned by Wuhu Tunghsu Photoelectricity Equipment Technology Co., Ltd. and fixed assets after the completion of the project; b. the company provides joint and several liability guarantee for its subsidiary of Wuhu Tunghsu Photoelectricity Equipment Technology Co., Ltd.

(7) For the loan of 50,275,333.28 yuan, 5,801,000.00 yuan will be reclassified into non-current liabilities due within one year, the collateral and guarantor of the loan are: the joint and several liability guarantee is provided by Zeng Jiankai and his spouse zhong Yuhua, and the collateral is the housing mortgage provided by Shenzhen Xinyingtong Technology Co., Ltd.

(8) For the loan of 266,663.38 yuan, 175,107.34 yuan will be reclassified into non-current liabilities due within one year, the collateral and guarantor of the loan are: Zeng Jiankai provides joint and several liability guarantees, and provides vehicles worth 729,238.00 yuan as collateral.

(9) For the loan of 30,000,000.00 yuan, 30,000,000.00 yuan will be reclassified into non-current liabilities due within one year, the collateral and guarantor of the loan are: a. the mortgaged property is property worth 16,000,000 yuan of Yongfangquanzheng Zi No. 02674664. b. Gui (2015) Nanning Real Estate Right No. 0000039 Land Certificate which worth 20,000,000; c. Ye Jianhui and Yang Xiangyang provide joint and several liability guarantee.

(10) For the loan of 19,970,000.00 yuan, 19,970,000.00 yuan will be reclassified into non-current liabilities due within one year, the mortgage loan is both a mortgage loan and a guarantee loan. The guarantors are Yang Jianzhong and Hong Shuping, and the collateral is Yu (2016) Hechuan District Real Estate Right No. 000587685 real estate of Chongqing Haolong Platinum Industrial Co., Ltd.

Notes4: the pledged loan of 450,000,000.00 yuan is both the pledged loan and the guaranteed loan, and 0.00 yuan is reclassified into the non-current debt due within one year. The Pledged and guarantor of the loan are: a. the collateral is the 5 million circulating shares of Tunghsu Photoelectricity Technology Co., Ltd. held by Tunghsu Group Co., Ltd. and the corresponding equity of 178,750,000.00 yuan of pain-in capital contributed by Tunghsu Intelligent Technology Co., Ltd. held by Tunghsu Group Co., Ltd.; b. Tunghsu Group Co., Ltd. and Li Zhaoting will provide the guarantee.

Other notes including interest rate range:

Notes 5. Rate of annual long-term borrowing is generally ranged from 3.68%--8.17%.

46. Bond payable

(1) Bond payable

In RMB

Items	Balance in year-end	Balance in year-begin
15 Tunghsu bonds	950,657,303.79	993,310,440.39
Mid-term note I	2,984,051,742.33	2,981,914,109.61
Mid-term note II	1,691,108,327.11	1,689,901,540.52
Total	5,625,817,373.23	5,665,126,090.52

(2) Changes of bonds payable (Not including the other financial instrument of preferred stock and perpetual capital securities that classify as financial liability)

In RMB

15 Tunghsu bonds	1,000,000,000.00	2015.5.19	5 years	1,000,000,000.00	993,310,440.39		60,000,000.00	1,304,163.40	43,957,300.00			950,657,303.79
Mid-term note I	3,000,000,000.00	2016.11.17	5 years	3,000,000,000.00	2,981,914,109.61			2,137,632.72				2,984,051,742.33
Mid-term note II	1,700,000,000.00	2016.12.02	5 years	1,700,000,000.00	1,689,901,540.52			1,206,786.59				1,691,108,327.11
Total	--	--	--	5,700,000,000.00	5,665,126,090.52		60,000,000.00	4,648,582.71	43,957,300.00			5,625,817,373.23

(3) Note to conditions and time of share transfer of convertible bonds

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

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

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

Other notes

Notes 1: On September 8, 2016, the 8th board of directors meeting of the company examined and approved the company's application for registration of the medium-term notes issued no more than RMB 4.7 billion. The accepting institution was National Association of Financial Market Institutional Investors. On September 26, 2016, the extraordinary shareholders' general meeting adopted the bill on the registration and issuance of medium-term notes. RMB 4.7 billion medium-term notes was divided into 2 phases in 2016. Among them: total amount of the first phase of the medium-term notes varieties (3 + 2) and five-year notes was RMB 3 billion. Total amount of the second phase of the medium-term notes varieties (3 + 2) and five-year notes was RMB 1.7 billion.

Notes 2: On May 19, 2015, the "15 Tunghsu Debt" with a total amount of RMB 1 billion was issued. In May 2018,

the resale amount was RMB 43,957,300.00, and the coupon rate was adjusted from 6.00% to 6.80%.

47. Long-term payable

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

In RMB

Items	Balance in year-end	Balance in year-begin
Long-term payable	4,800,919,822.81	4,935,555,693.56
Less: Unconfirmed financing costs	783,029,636.38	857,567,856.06
Less: Port due Within 1 year	1,041,049,457.67	801,679,583.06
Total	2,976,840,728.76	3,276,308,254.44

Other notes:

Name of lessor	Initial amount	Increase in the period	Repayment amount	Closing balance
Beijing Cultural Technology Finance Leasing Co., Ltd.	167,086,894.20		55,695,631.40	111,391,262.80
Beijing Guozi Finance Leasing Co., Ltd.	202,205,984.26		28,886,569.18	173,319,415.08
Haitong Hengxin International Leasing Co., Ltd.	287,692,310.00		57,538,462.00	230,153,848.00
Ligen Finance Leasing(Shanghai) Co., Ltd.	54,449,784.17		18,149,928.04	36,299,856.13
Jiangsu Runxing Finance Leasing Co., Ltd.	224,000,000.00		8,000,000.00	216,000,000.00
Lujin Shenhua Finance Leasing (Shanghai) Co., Ltd.	137,134,391.04		17,141,798.88	119,992,592.16
Xian Runyin Finance Leasing Co., Ltd.	597,659,736.26		57,517,019.88	540,142,716.38
Dongyin Finance leasing (Tianjing)Co., Ltd.	83,196,130.50		27,732,043.50	55,464,087.00
Chengdu Huaming Finance leasing Co., Ltd	1,087,051,918.75			1,087,051,918.75
Chengyu Finance Leasing Co., Ltd.	59,056,693.20		13,174,635.21	45,882,057.99
Sichuan Tianfu Finance Leasing Co., Ltd.	52,857,785.54		5,682,233.61	47,175,551.93
Hebei Finance Leasing Co., Ltd.	30,492,852.61		15,160,194.28	15,332,658.33
Wanjiang Finance Leasing Co., Ltd.	1,168,483,194.45		25,785,833.33	1,142,697,361.12
Huayun Finance Leasing Co., Ltd.	234,847,209.70		26,284,719.96	208,562,489.74

Hubei Finance Leasing Co., Ltd.	331,846,944.60		55,307,824.10	276,539,120.50
Hengqin Jintou International Finance Leasing Co., Ltd.	217,493,864.28		36,248,977.38	181,244,886.90
Shandong Expressway Global Financing Leasing Co., Ltd.		313,670,000.00		313,670,000.00
Total	4,935,555,693.56	313,670,000.00	448,305,870.75	4,800,919,822.81

Notes: Tunghsu Group Co., Ltd. offered a guarantee of Financing Leasing at RMB 1,056,813,432.82 ,
Tunghsu Group Co., Ltd, Li Zhaoting offered a guarantee of Financing Leasing at RMB 208,471,400.97. Tunghsu Group Co., Ltd, Li Zhaoting and Li Qing offered a guarantee of Financing Leasing at RMB 802,200,013.06.
The company offered a guarantee of Financing Leasing at RMB 723,000,000.00.

48. Long-term employee salary payable

(1) Long-term employee salary payable

(2) Changes of defined benefit plans

49. Specific payable

50. Estimates liabilities

In RMB

Items	Balance in year-end	Balance in year-begin	Rreason
Lispendens	32,515,694.09	38,543,627.93	
Product guarantee	80,746,536.90	117,878,085.38	
Total	113,262,230.99	156,421,713.31	--

51. Deferred income

In RMB

Items	Beginning of term	Increased this term	Decreased this term	End of term	Reason
Govemment Subsidy	601,213,644.42	10,500,000.00	22,295,047.03	589,418,597.39	
Less : Government subsidies due within one year	-36,478,840.45	2,824,600.01	636,521.72	-34,290,762.16	
Not realized after sale rental return	38,763,460.00		38,763,460.00		
Less: Unrealized customer service due	-11,207,646.55	11,207,646.55			

within 1 year rent to profit or loss					
Total	592,290,617.42	24,532,246.56	61,695,028.75	555,127,835.23	--

Details of government subsidies

In RMB

Items	Beginning of term	New subsidy in current period	Amount transferred to non-operational income	Other income recorded in the current period	Amount of cost deducted in the current period	Other changes	End of term	Asset-related or income-related
Grant of Government Infrastructure	25,438,800.00			1,122,300.00			24,316,500.00	Related to assets
Grant of Industry Revitalization and Technology Reconstruction Project	2,644,444.61			116,666.64			2,527,777.97	Related to assets
Grant of Glass-tube Secondary Environmental Protection	0.00							Related to assets
Technical reconstruction	2,666,666.65			133,333.34			2,533,333.31	Related to assets
Grant of Glass Substrate Project	9,999,999.94			500,000.00			9,499,999.94	Related to assets
Industry Development Fund	4,666,666.65			233,333.34			4,433,333.31	Related to assets
Project finance discount	313,333.37			15,666.66			297,666.71	Related to assets
Grant of Industry Revitalization	71,668,666.71			3,257,666.66			68,411,000.05	Related to assets

n and Technology Reconstructio n Project								
2013 Provincial strategic emerging industries of special grant funds	4,250,000.04			166,666.66			4,083,333.38	Related to assets
Technology reconstructi on Special funds	28,822,333.3 2			1,078,000.00			27,744,333.3 2	Related to assets
Investment and Subsidies of “Double Hundred Plan” Project granted by the People's Government of Henan Province	1,783,333.33			100,000.02			1,683,333.31	Related to assets
TFT glass substrate technology R& D fund	89,166.77			4,999.98			84,166.79	Related to assets
TFT glass substrate project Subsidy	5,944,444.43			333,333.36			5,611,111.07	Related to assets
Investment and Subsidies within Budget for Technologica l Transformati on Project by National	8,322,222.23			466,666.68			7,855,555.55	Related to assets

Development and Reform Commission and the Ministry of Industry and Information Technology								
TFT glass substrate project Subsidy	11,888,888.91			666,666.66			11,222,222.25	Related to assets
Subsidy Major Scientific and Technical Projects by Finance Bureau of Zhengzhou City	594,444.43			33,333.36			561,111.07	Related to assets
Financial Supports for National Key Industry and Technical Transformation on Projects Granted by the Municipal Finance Bureau	8,322,222.23			466,666.68			7,855,555.55	Related to assets
Financial Supports for National Key Industry and Technical Transformation on Projects Granted by the Municipal	4,161,111.10			233,333.34			3,927,777.76	Related to assets

Finance Bureau								
Funds for Independent Innovation of Provincially Supported Enterprises	3,566,666.71			199,999.98			3,366,666.73	Related to assets
Supporting Funds on Finance Discounts	1,188,888.91			66,666.66			1,122,222.25	Related to assets
Funds for Education, Science and Culture Granted by the Finance Bureau	891,666.71			49,999.98			841,666.73	Related to assets
Supporting Funds for Industrial Structure -adjusting Projects Granted by the Regional Finance Bureau	1,742,222.16			93,333.36			1,648,888.80	Related to assets
Industry discount and expenses	1,004,444.42			53,333.34			951,111.08	Related to assets
Financial discount	3,194,444.50			166,666.68			3,027,777.82	Related to assets
Industrial restructuring project financial funds	3,493,333.29			160,000.02			3,333,333.27	Related to assets
Special Funds for High-end	3,861,111.09			166,666.68			3,694,444.41	Related to assets

Information Industry Chain Granted by the Finance Bureau of the Economic and Technological Development Zone								
2015 project equipment investment subsidies	29,981,766.60			1,145,800.56			28,835,966.04	Related to assets
Zhengzhou City Finance Bureau in 2011 and 2012 has been the acceptance of the provincial industrial structure adjustment project the second batch of funds	2,412,222.08			86,666.64			2,325,555.44	Related to assets
Strategic emerging industry Development project funds	25,500,000.00			1,000,000.00			24,500,000.00	Related to assets
High-tech Zone appropriated substrate project	5,866,666.65			213,333.34			5,653,333.31	Related to assets
The production line of incentive funds	19,241,899.37			753,471.70			18,488,427.67	Related to assets

Special funds for 2015 scientific and technological achievements transform project	6,158,080.51			301,701.96			5,856,378.55	Related to assets
G8.5ft-lcd glass substrate manufacturing precision intelligent digital workshop construction project	45,000,000.00						45,000,000.00	Related to assets
Investment in the Central Budget of Strategic emerging Industries	3,933,333.41			399,999.96			3,533,333.45	Related to assets
2011Key technical transformation project funds	491,666.70			49,999.98			441,666.72	Related to assets
2011Strategic emerging industry development funds	565,416.70			57,499.98			507,916.72	Related to assets
2012Electronic Information Industry Development Assistance Project	983,333.30			100,000.02			883,333.28	Related to assets
Subsidies from the	9,399,999.99			400,000.02			8,999,999.97	Related to assets

Bureau of Finance of the Economic and technological Development Zone								
2013 Strategic emerging industry funds	392,777.78			23,333.34			369,444.44	Related to assets
Mianyang Municipal Bureau of Finance Special funds	236,666.66						236,666.66	Related to assets
Glass substrate finishing production Transformation Project	548,333.33						548,333.33	Related to assets
Special fund subsidy for industrial development of municipal financial bureau	433,888.86			16,666.68			417,222.18	Related to assets
2013 fund of strategic new industry	3,944,444.44			28,333.38			3,916,111.06	Related to assets
2014 Provincial funds for Science and Technology	0.00							Related to assets
Sichuan Province Industrial Transformation and	18,608,333.35			891,666.66			17,716,666.69	Related to assets

upgrading Project 2015								
Special funds for Industrial Development in 2016	39,852,753.54			1,601,092.62			38,251,660.92	Related to assets
Technical Reformation of key Green Technology for Glass substrate (840)	8,400,000.00						8,400,000.00	Related to assets
Intelligent manufacturing pilot demonstration project subsidy fund (100)	1,000,000.00						1,000,000.00	Related to assets
Group transfer subsidy (National key R & D Program, key basic Materials Technology Promotion and industrialization Project, 2016)	915,400.00						915,400.00	Related to income
Intelligent Manufacturing New Mode Engineering Project	3,990,000.00						3,990,000.00	Related to assets
Annual production of 10 million	4,700,000.00						4,700,000.00	Related to assets

square meters high aluminum ultra-thin display panel glass items								
2017 funds for technological Transformation of Electronic Information Industry	30,000,000.00						30,000,000.00	Related to assets
Subsidy fund for technical transformation of industrial enterprises in Fuzhou	2,580,000.00						2,580,000.00	Related to assets
Technical Transformation of Industrial Enterprises in Fuzhou and supporting subsidy funds in Fuqing City	1,290,000.00						1,290,000.00	Related to assets
The Development Bureau of Economic and Trade Development of Wuhu Economic and technological Development Zone in 2017	13,417,100.00			447,236.64			12,969,863.36	Related to assets

"Triple creation" high-end equipment and new material								
Tunghsu group limited transfer to project five funds	150,400.00						150,400.00	Related to assets
China National Building Material International Engineering Group Co., Ltd. transferred funds for 11-625 projects	496,000.00						496,000.00	Related to assets
Bengbu Glass Industry Design and Research Institute Co., Ltd., China Building Materials Co., Ltd., transferred to indirect funds (subject 4)	521,000.00						521,000.00	Related to assets
Factory building construction award 877,500	854,475.22			15,349.86			839,125.36	Related to assets
Special fund for	114,399.00						114,399.00	Related to assets

automobile development								
Project subsidy from the Bureau of Finance of the Economic Development Zone	6,966,547.39			294,478.50			6,672,068.89	Related to assets
National key R & D Program key basic Materials Technical Project subsidy	2,280,000.00						2,280,000.00	Related d to income
Financial subsidy for the major scientific and technological achievements transformation project of "High Aluminium cover Glass complete Technology"	1,000,000.00						1,000,000.00	Related to assets
017 Special Fund for Industrial Development in Economic Development Zone		5,000,000.00		72,463.76			4,927,536.24	Related to assets
Key new product projects	160,000.04			19,999.98			140,000.06	Related to assets
Financial allocation for	3,366,000.00			153,000.00			3,213,000.00	Related to assets

Strategic emerging Industries in Sichuan Provinc								
Technical revamping items of 300,000 production Line of Pole-less Lights Ballast	644,999.92			43,000.02			601,999.90	Related to assets
Intelligent Engineering Laboratory of High efficiency Lighting system	1,783,333.29			100,000.02			1,683,333.27	Related to assets
Research and development project funds 159	2,226,000.00			2,226,000.00				Related d to income
District level technical reform project subsidy 150		1,500,000.00					1,500,000.00	Related d to income
17 year loan discount 4.871 million	1,127,484.71				910,455.00		217,029.71	Related d to income
Science and education support fund	1,787,595.41						1,787,595.41	Related d to income
Subsidies for fuel cell projects		4,000,000.00					4,000,000.00	Related d to income
Loan discount	0.00							Related d to income
Special funds for scientific	400,000.00			400,000.00				Related d to

research 40								income
Glass substrate project subsidy fund	86,971,803.66			658,196.34			86,313,607.33	Related d to income
Total	601,213,644.42	10,500,000.00		21,384,592.04	910,455.00		589,418,597.39	--

52. Other Non-current liabilities

In RMB

Items	Balance in year-end	Balance in year-begin
CDB financing	608,000,000.00	608,000,000.00
Total	608,000,000.00	608,000,000.00

Other notes:

Notes: According to the investment contract signed by Tunghsu Optoelectronic Technology Co., Ltd, Wuhu Tunghsu optoelectronic Technology Co., Ltd., Fuzhou Tunghsu Investment Development Co., Ltd and China Development Fund Co., Ltd, China Development Fund Co., Ltd increased the capital of RMB 500,000,000.00 to Fuzhou Tunghsu Investment Development Co., Ltd, annually enjoying a fix rate of return. After the project is completed, Tunghsu Optoelectronic Technology Co., Ltd shall make the installment redemption to the stake held by China Development Fund Co., Ltd.

According to Tunghsu Optoelectronic Technology Co., Ltd., after the completion of the project, Yingkou Coastal Development Construction Group Co., Ltd. and China Development Fund Co., Ltd, China Development Fund Co., Ltd increased the capital of RMB 108,000,000.00 to Tunghsu (Yingkou) Optoelectronic Display Co., Ltd., annually enjoying a fix rate of return. After the project is completed, Tunghsu Optoelectronic Technology Co., Ltd shall make the installment redemption to the stake held by China Development Fund Co., Ltd.

53. Stock capital

In RMB

	Balance Year-beginning	Increase/decrease this time (+, -)					Balance year-end
		Issuing of new share	Bonus shares	Transferred from reserves	Other	Subtotal	
Capital share	5,730,250,118.00						5,730,250,118.00

54. Other equity instruments

(1) Basic information of preferred stock, perpetual capital securities and other financial instruments outstanding issued at period-end

(2) Change list of preferred stock, perpetual capital securities and other financial instruments outstanding issued at period-end

55. Capital reserves

In RMB

Items	Year-beginning balance	Increase in the current period	Decrease in the current period	Year-end balance
Share premium	21,760,882,845.16		270,364.11	21,760,612,481.05
Other capital reserves	226,522,375.26	1,592,850.23	195,000,000.00	33,115,225.49
Total	21,987,405,220.42	1,592,850.23	195,270,364.11	21,793,727,706.54

Other explanation, including changes and reasons for changes:

The parent company acquired Tunghsu (Yingkou) Optoelectronic Display Co., Ltd. at the end of June 2018, which belongs to the merger of enterprises under the same control. According to the regulations of the standards, it needs to carry out retroactive adjustment of the previous data, and other retroactive adjustment of capital reserve at the beginning of the period will increase by 195 million yuan. The capital premium (equity premium) is the result of the merger of Tunghsu (Yingkou) in the current period. The increase of other capital reserves in this period is the increase of other capital reserves caused by the disposal of subsidiary Xuyou (Wuxi) company in this period. The decrease of other capital reserves is the adjustment of capital reserves caused by the merger of Tunghsu (Yingkou).

56. Treasury stock

In RMB

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

57. Other comprehensive income

In RMB

Items	Year-beginning balance	Amount of current period					Year-end balance
		Amount for the period before income tax	Less: Previously recognized in profit or loss in other comprehensive income	Less: Income tax	After - tax attributable to the parent company	After - tax attributable to minority shareholders	

2.Other comprehensive income reclassifiable to profit or loss in subsequent periods	-4,518.45	16,582.62		2,487.39	7,752.38	6,342.85	3,233.93
Balance form the translation of foreign currency financial statements	-4,518.45	16,582.62		2,487.39	7,752.38	6,342.85	3,233.93
Total of Other comprehensive income	-4,518.45	16,582.62		2,487.39	7,752.38	6,342.85	3,233.93

58. Special reserves

In RMB

Items	Year-beginning balance	Increase in the current	Decrease in the current period	Year-end balance
Safety production cost	1,983,921.21	6,552.46		1,990,473.67
Total	1,983,921.21	6,552.46		1,990,473.67

59. Surplus reserve

In RMB

Items	Year-beginning balance	Increase in the current period	Decrease in the current period	Year-end balance
Statutory surplus reserve	224,133,824.86			224,133,824.86
Total	224,133,824.86			224,133,824.86

60. Retained profits

In RMB

Items	Amount of current period	Amount of previous period
Retained earnings before adjustments at the year beginning	3,010,372,296.37	1,823,695,278.31
Total adjustment of retained earnings at the beginning of the year		-157,612,768.10
Retained earnings after adjustments at the year end	3,010,372,296.37	1,666,082,510.21
Add: Net profit attributable to owners of the Company for the period	858,296,089.08	1,733,201,682.30
Less: Appropriation to statutory surplus reserve		-36,089,754.38
Common stock dividend payable	401,117,508.27	352,822,141.76
Common stock dividends converted to shares	3,467,550,877.18	3,010,372,296.37

As regards the details of adjusted the beginning undistributed profits

(1) As the retroactive adjustment on Enterprise Accounting Standards and its related new regulations, the affected beginning undistributed profits are RMB 0.00.

(2) As the change of the accounting policy, the affected beginning undistributed profits are RMB 0.00.

(3) As the correction of significant accounting error, the affected beginning undistributed profits are RMB 0.00 .

(4) As the change of consolidation scope caused by the same control, the affected beginning undistributed profits are RMB 0.00

(5) Other adjustment of the total affected beginning undistributed profits are RMB 0.00 .

61. Business income, Business cost

(1) Business income, Business cost

In RMB

Items	Amount of current period		Amount of previous period	
	Income	Cost	Income	Cost
Main business	9,999,123,145.77	8,447,438,316.36	4,868,274,147.73	3,472,556,236.95
Other business	1,130,728,645.11	574,551,580.73	8,164,456.37	1,406,573.27
Total	11,129,851,790.88	9,021,989,897.09	4,876,438,604.10	3,473,962,810.22

62. Business tax and subjoin

In RMB

Items	Amount of current period	Amount of previous period
Urban construction tax	13,771,482.99	15,039,190.71
Education surcharge	10,156,508.49	10,925,884.41
Property tax	6,512,792.08	6,283,183.73
Land use tax	10,858,460.78	9,674,304.80
vehicle and vessel usage tax	39,819.43	10,822.44
Stamp tax	4,395,608.94	6,119,241.19
Land VAT	140,193,026.84	
Environmental protection Tax	168,421.15	
Other		876,060.45
Total	186,096,120.70	48,928,687.73

63.Sales expenses

In RMB

Items	Amount of current period	Amount of previous period
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Wage and welfare insurance	32,420,959.74	9,574,777.77
Shipment	25,834,245.26	18,933,927.82
Travel	7,538,832.95	1,598,038.88
Business expenses	8,817,205.59	1,896,338.87
Office fee	3,923,420.20	410,144.17
Consumables and repairs	562,745.82	283,143.75
Depreciation	730,676.07	266,676.23
Advertising	963,064.93	874,528.43
Consultancy services	6,399,309.05	5,103,982.43
\Technology Services	3,967,469.34	
Other	2,734,763.47	3,514,694.22
Total	93,892,692.42	42,456,252.57

64. Administrative expenses

In RMB

Items	Amount of current period	Amount of previous period
Wages and benefits	141,992,567.21	83,952,482.53
Business expenses	7,359,258.97	1,993,042.89
Labor protect fee	1,128,621.91	1,218,523.31
Office fees	6,110,342.22	4,516,755.75
Travel fees	8,120,703.11	3,055,829.14
Publicize Fees	3,787,328.88	2,256,407.59
Miscellaneous charges	7,514,986.97	1,855,091.84
Depreciation accumulative	39,025,365.01	28,206,344.83
Low value consumables and repair costs	3,471,887.09	1,292,268.34
Test expenses	125,698,218.19	62,869,570.14
Consultation fees	21,680,834.70	12,630,531.96
Rent, water, electricity and property charges	17,785,438.11	8,564,803.02
Communication expenses	674,807.32	206,798.13
Equity incentive cost		796,800.00
Other	5,627,343.07	15,963,423.86
Total	389,977,702.76	229,378,673.33

65. Financial expenses

In RMB

Items	Amount of current period	Amount of previous period
Interest expenses	595,740,917.45	572,259,300.47
Less: Interest income	198,162,232.24	196,711,767.79
Net interest expenses	397,578,685.21	375,547,532.68
Exchange gains and losses	-11,686,449.38	-12,691,241.36
Financial institution	2,132,029.71	1,966,716.26
Note discount rate	4,213,453.93	0.00
Financing	2,829,302.85	3,353,312.92
Other	160,093.98	15,607.13
Total	395,227,116.30	368,191,927.63

Other notes:

66. Asset impairment loss

In RMB

Items	Amount of current period	Amount of previous period
I. Bad debt loss	-5,903,665.15	-703,581.80
II.Losses for falling price of inventory	6,962,254.46	205,619.77
Total	1,058,589.31	-497,962.03

67. Gains from changes in fair value

68. Investment income

In RMB

Items	Amount of this period	Amount of last period
Long-term equity investment income by equity method	11,836,624.48	-15,506,492.83
Disposal of investment income from long-term equity investments	-2,053,558.36	
Financing income	13,923,452.07	22,183,417.04
Total	23,706,518.19	6,676,924.21

69. Assets disposal income

In RMB

Source	Amount of current period	Amount of previous period
Non-current assets disposal gains and losses	-664,826.45	

70. Other income

In RMB

Source	Amount of current period	Amount of previous period
Government Subsidy	108,362,056.52	86,680,000.00

71. Non-Operation income

In RMB

Items	Amount of current period	Amount of previous period	Recorded in the amount of the non-recurring gains and losses
Debt restructuring gains	484,207.00		484,207.00
Government Subsidy	320,000.00	69,887,507.52	320,000.00
Other	95,955.07		95,955.07
Other Non-Operation income	5,045,734.86	621,007.17	5,045,734.86
Total	5,945,896.93	70,508,514.69	5,945,896.93

(1) Government subsidy reckoned into current gains/losses

In RMB

Subsidy items	Issuing body	Issuing reason	Nature	Whether the impact of subsidies on the current profit and loss	Whether special subsidies	Amount of current period	Amount of previous period	Assets-related/income-related
Special funds for the use of foreign capital in 2017	Fuqing City Finance Bureau	Subsidy	Grants obtained due to conforming to the local supporting policies such as local government's investment attraction	Yes	No	300,000.00		Related to income

			policy					
Listing subsidy	Huzhou Finance Bureau	Subsidy	Grants obtained due to conforming to the local supporting policies such as local government's investment attraction policy	Yes	No	20,000.00		Related to income
2015 Depreciation of equipment for provincial achievements transformation project	Provincial Science and Technology Bureau	Subsidy	A subsidy obtained due to undertaking the state's safeguarding for protection for a certain utility or socially necessary product supply or price control function.	No	No		301,701.96	Related to income
1.24 Youfang government Zhenjiang Jinshan talents scheme funding	Yangzhong City Finance Bureau	Subsidy	A subsidy obtained due to undertaking the state's safeguarding for protection for a certain utility or socially necessary product supply or price control	No	No		600,000.00	Related to income

			function.					
3.14 The 5th Zhenjiang Excellent Patent Award	Zhenjiang Science and Technology Bureau, Zhenjiang Finance Bureau	Subsidy	Grants obtained due to research and development, technical renovation and transformation, etc.	No	No		20,000.00	Related to income
3.24 Technology Innovation Award.	Science and Technology Bureau,	Subsidy	Grants obtained due to research and development, technical renovation and transformation, etc.	No	No		15,000.00	Related to income
Investment and Subsidies of “Double Hundred Plan” Project granted by the People's Government of Henan Province	Henan Office of industry and information	Subsidy	Grants obtained due to the country encourage and support specific industries (Obtained in accordance with the national policies and regulations)	No	No		100,000.02	Related to assets
TFT glass substrate technology R& D fund	Zhengzhou Science & Technology Bureau	Subsidy	Grants obtained due to the country encourage and support specific industries (Obtained in	No	No		4,999.98	Related to assets

			accordance with the national policies and regulations)					
TFT glass substrate project Subsidy	Zhengzhou Municipal Finance Bureau	Subsidy	Grants obtained due to the country encourage and support specific industries (Obtained in accordance with the national policies and regulations)	No	No		333,333.36	Related to assets
Investment and Subsidies within Budget for Technological Transformation Project by National Development and Reform Commission and the Ministry of Industry and Information Technology	National Development & Reform Commission	Subsidy	Grants obtained due to the country encourage and support specific industries (Obtained in accordance with the national policies and regulations)	No	No		466,666.68	Related to assets
TFT glass substrate project Subsidy	Zhengzhou Municipal Finance Bureau	Subsidy	Grants obtained due to the country encourage and support specific industries (Obtained in	No	No		666,666.66	Related to assets

			accordance with the national policies and regulations)					
Special Funds for Major Scientific and Technical Projects by Finance Bureau of Zhengzhou City	Zhengzhou Technology Bureau	Subsidy	Grants obtained due to the country encourage and support specific industries (Obtained in accordance with the national policies and regulations)	No	No		33,333.36	Related to assets
Financial Supports for National Key Industry and Technical Transformation Projects Granted by the Municipal Finance Bureau	Zhengzhou Economic and Technology Development Zone Finance Bureau	Subsidy	Grants obtained due to the country encourage and support specific industries (Obtained in accordance with the national policies and regulations)	No	No		466,666.68	Related to assets
Financial Supports for Industrial Development Granted by the Finance Bureau of the Economic and Technological Development	Zhengzhou Municipal Finance Bureau	Subsidy	Grants obtained due to the country encourage and support specific industries (Obtained in accordance with the national policies and	No	No		233,333.34	Related to assets

Zone			regulations)					
Funds for Independent Innovation of Provincially Supported Enterprises	Henan provincial finance department	Subsidy	Grants obtained due to the country encourage and support specific industries (Obtained in accordance with the national policies and regulations)	No	No		199,999.98	Related to assets
Supporting Funds on Finance Discounts	Henan provincial finance department	Subsidy	Grants obtained due to the country encourage and support specific industries (Obtained in accordance with the national policies and regulations)	No	No		66,666.66	Related to assets
Funds for Education, Science and Culture Granted by the Finance Bureau	Zhengzhou Municipal Finance Bureau	Subsidy	Grants obtained due to the country encourage and support specific industries (Obtained in accordance with the national policies and regulations)	No	No		49,999.98	Related to assets
Supporting Funds for Industrial	Zhengzhou Economic and	Subsidy	Grants obtained due to the country	No	No		93,333.36	Related to assets

Structure -adjusting Projects Granted by the Regional Finance Bureau	Technology Development Zone Finance Bureau		encourage and support specific industries (Obtained in accordance with the national policies and regulations)					
Industry discount and expenses	Zhengzhou Municipal Finance Bureau	Subsidy	Grants obtained due to the country encourage and support specific industries (Obtained in accordance with the national policies and regulations)	No	No		53,333.34	Related to assets
Financial discount of Henan State-owned assets holding Operation Co., Ltd.	Department of Finance of Henan Province	Subsidy	Grants obtained due to the country encourage and support specific industries (Obtained in accordance with the national policies and regulations)	No	No		166,666.68	Related to assets
2013 Industrial restructuring project financial funds	Zhengzhou Economic and Technology Development Zone Finance Bureau	Subsidy	Grants obtained due to the country encourage and support specific industries	No	No		160,000.02	Related to assets

			(Obtained in accordance with the national policies and regulations)					
Special Funds for High-end Information Industry Chain Granted by the Finance Bureau of the Economic and Technological Development	Henan Office of industry and information	Subsidy	Grants obtained due to the country encourage and support specific industries (Obtained in accordance with the national policies and regulations)	No	No		166,666.68	Related to assets
2015 project equipment investment subsidies	Zhengzhou Municipal Commission of industry and information	Subsidy	Grants obtained due to the country encourage and support specific industries (Obtained in accordance with the national policies and regulations)	No	No		1,145,800.02	Related to assets
Zhengzhou City Finance Bureau in 2011 and 2012 has been the acceptance of the provincial industrial structure adjustment	Henan Provincial Department of Finance and Zhengzhou Municipal Bureau of Finance	Subsidy	Grants obtained due to the country encourage and support specific industries (Obtained in accordance with the national	No	No		86,666.64	Related to assets

project the second batch of funds			policies and regulations)					
Director of the year quality Award 2016	Zhengzhou Economic and Technological Development Zone Management Committee	Subsidy	Grants obtained due to the country encourage and support specific industries (Obtained in accordance with the national policies and regulations)	No	No		200,000.00	Related to assets
College graduate employment apprenticeship subsidy	Henan Provincial Department of Human Resources and Social Security	Subsidy	Grants obtained due to the country encourage and support specific industries (Obtained in accordance with the national policies and regulations)	No	No		492,000.00	Related to assets
Introducing foreign intellectual work funds	Zhengzhou Municipal Bureau of Human Resources and Social Security	Subsidy	Grants obtained due to the country encourage and support specific industries (Obtained in accordance with the national policies and regulations)	No	No		50,000.00	Related to assets
The first	National	Award	Grants	Yes	No		399,999.97	Related to

batch of central budgetary investment in strategic emerging industry projects	Development and Reform Commission		obtained due to research and development, technical renovation and transformation, etc.					assets
Mianyang City's 2011 key technology renovation completion project funds	Mianyang City Economic and Information Committee	Subsidy	Grants obtained due to research and development, technical renovation and transformation, etc.	Yes	No		50,000.00	Related to assets
2011 Strategic Industry Development Promotion Fund	Suchuan Economic and Information Committee	Subsidy	Grants obtained due to research and development, technical renovation and transformation, etc.	Yes	No		57,500.00	Related to assets
2012 Electronic Information Industry Development Fund Project	Ministry of Industry and Information Technology Electronic Information Industry Fund Management Office	Subsidy	Grants obtained due to research and development, technical renovation and transformation, etc.	Yes	No		100,000.02	Related to assets
Economic and Technological	Economic Development Zone Government	Subsidy	Grants obtained due to the country encourage	Yes	No		400,000.00	Related to assets

Development Zone Finance Bureau subsidy			and support specific industries (Obtained in accordance with the national policies and regulations)					
PDP glass substrate finishing technology achievements transformation project	Provincial Economic and Information Committee	Subsidy	Grants obtained due to research and development, technical renovation and transformation, etc.	Yes	No		23,333.33	Related to assets
The first batch of provincial science and technology funds in 2014	Mianyang Science and Technology Bureau	Subsidy	Grants obtained due to research and development, technical renovation and transformation, etc.	Yes	No		111,111.12	Related to assets
2015 Sichuan Province Industrial Transformation and upgrading Project	Ministry of Industry and Information Technology	Subsidy	Grants obtained due to research and development, technical renovation and transformation, etc.	Yes	No		725,000.00	Related to assets
2013 Strategic Emerging Industry	Provincial Economic and Information	Subsidy	Grants obtained due to research and	Yes	No		16,666.66	Related to assets

Funds Disbursed by the Economic Development Zone Government on behalf of the Provincial Department of Finance	Committee		development, technical renovation and transformation, etc.					
Special funds funded by the Mianyang Municipal Finance Bureau	Provincial Economic and Information Committee	Subsidy	Grants obtained due to research and development, technical renovation and transformation, etc.	Yes	No		10,000.00	Related to assets
Special fund for industrial development of the Finance Bureau	Provincial Economic and Information Committee	Subsidy	Grants obtained due to research and development, technical renovation and transformation, etc.	Yes	No		18,333.33	Related to assets
2013 Strategic Emerging Industry Funds Disbursed by the Economic Development Zone Government on behalf of the Provincial Department	Provincial Economic and Information Committee	Subsidy	Grants obtained due to research and development, technical renovation and transformation, etc.	Yes	No		166,666.67	Related to assets

of Finance								
Economic Development Zone 2016 Industrial Development Special Fund	Municipal government	Subsidy	Grants obtained due to research and development, technical renovation and transformation, etc.	Yes	No		980,113.64	Related to assets
Economic and Technological Development Zone Finance Bureau subsidy	Economic Development Zone Government	Subsidy	Grants obtained due to research and development, technical renovation and transformation, etc.	Yes	No		294,478.53	Related to assets
Production of high-strength and ultra-thin aluminosilicate touch screen glass achievement conversion project based on float process	Mianyang Science and Technology Bureau	Award	Grants obtained due to research and development, technical renovation and transformation, etc.	Yes	No		150,000.00	Related to income
December of 2016 High-tech enterprises recognize subsidies	Mianyang Economic Development Bureau Finance Bureau	Award	Grants obtained due to research and development, technical renovation and transformation, etc.	Yes	No		100,000.00	Related to income
3D	Provincial	Award	Grants	Yes	No		300,000.00	Related to

High-Permeability Super Ultra High Strength Al-Si (advanced)	Science and Technology Department		obtained due to research and development, technical renovation and transformation, etc.					income
Finance Bureau's subsidy to urban public transport	Chenzhou Finance Bureau	Subsidy	Grants obtained due to the country encourage and support specific industries (Obtained in accordance with the national policies and regulations)	Yes	No		153,000.00	Related to income
Key new product projects	Provincial Science and Technology Department	Subsidy	Grants obtained due to the country encourage and support specific industries (Obtained in accordance with the national policies and regulations)	Yes	No		19,999.98	Related to assets
Financial allocation for Strategic emerging Industries in Sichuan Province	Provincial Development and Reform Commission	Subsidy	Grants obtained due to the country encourage and support specific industries (Obtained in	Yes	No		18,200.00	Related to assets

			accordance with the national policies and regulations)					
Technical revamping items of 300,000 production Line of Pole-less Lights Ballast	Provincial Economic Commission	Subsidy	Grants obtained due to the country encourage and support specific industries (Obtained in accordance with the national policies and regulations)	Yes	No		43,000.02	Related to assets
Intelligent Engineering Laboratory of High efficiency Lighting system	Provincial Development and Reform Commission	Subsidy	Grants obtained due to the country encourage and support specific industries (Obtained in accordance with the national policies and regulations)	Yes	No		90,000.00	Related to assets
Foreign trade SMEs develop market subsidies		Subsidy		Yes	No		28,000.00	Related to income
Technical reconstruction	Shijiazhuang Development and Reform Commission	Subsidy	Grants obtained due to research and development, technical renovation	Yes	No		133,333.34	Related to assets

			and transformation, etc.					
Grant of Glass Substrate Project	Shijiazhuang High-tech Zone Management Committee	Subsidy	Grants obtained due to conforming to the local supporting policies such as local government's investment attraction policy	Yes	No		713,333.34	Related to assets
Industry Development Fund	Shijiazhuang High-tech Zone Management Committee	Subsidy	Grants obtained due to conforming to the local supporting policies such as local government's investment attraction policy	Yes	No		233,333.34	Related to assets
Project finance discount	Shijiazhuang Finance Bureau	Subsidy	Grants obtained due to research and development, technical renovation and transformation, etc.	Yes	No		15,666.66	Related to assets
Grant of Industry Revitalization and Technology Reconstruction	Shijiazhuang Finance Bureau	Subsidy	Grants obtained due to the country encourage and support specific	Yes	No		3,257,666.66	Related to assets

n Project			industries (Obtained in accordance with the national policies and regulations)					
Provincial strategic emerging industries of special grant funds	Shijiazhuang Development and Reform Commission	Subsidy	Grants obtained due to conforming to the local supporting policies such as local government's investment attraction policy	Yes	No		166,666.66	Related to assets
Technology reconstruction Special funds	Shijiazhuang Finance Bureau	Subsidy	Grants obtained due to research and development, technical renovation and transformation, etc.	Yes	No		1,078,000.00	Related to assets
Provincial strategic emerging industries of special grant funds	Shijiazhuang Development and Reform Commission	Subsidy	Grants obtained due to conforming to the local supporting policies such as local government's investment attraction policy	Yes	No		1,000,000.00	Related to assets
Production line reward	Shijiazhuang High-tech	Subsidy	Grants obtained due	Yes	No		753,471.70	Related to assets

fund	Zone		to conforming to the local supporting policies such as local government's investment attraction policy					
Grant of Industry Revitalization and Technology Reconstruction Project	Wuhu Economic and Technological Development Zone Finance Bureau	Subsidy	Grants obtained due to research and development, technical renovation and transformation, etc.	Yes	No		116,666.64	Related to assets
Grant of Government Infrastructure (Land repayment)	Wuhu Economic and Technological Development Zone Finance Bureau	Subsidy	Grants obtained due to conforming to the local supporting policies such as local government's investment attraction policy	Yes	No		1,122,300.00	Related to assets
Equipment investment incentive funds	Yangzhong City Development and Reform Commission	Award	Grants obtained due to research and development, technical renovation and transformation, etc.	Yes	No		109,100.00	Related to income
Center	Wuhu City	Award	Grants	Yes	No		100,000.00	Related to

Innovation Team Support Fund	Finance		obtained due to the country encourage and support specific industries (Obtained in accordance with the national policies and regulations)					income
Technology reward	Jiangsu Taizhou New Energy Management Committe	Award	Grants obtained due to conforming to the local supporting policies such as local government's investment attraction policy	Yes	No		36,497,930.50	Related to income
Wuhu Economic and Technological Development Zone Economic and Trade Development Bureau Export Increase Award	Development Zone Economic and Trade Development Bureau	Award	Grants obtained due to the country encourage and support specific industries (Obtained in accordance with the national policies and regulations)	Yes	No		114,800.00	Related to income
Development Zone Economic and Trade	Development Zone Economic and Trade	Award	Grants obtained due to conforming	Yes	No		13,312,000.00	Related to income

Development Bureau (2012-2016) Income Tax Refund	Development Bureau		to the local supporting policies such as local government's investment attraction policy					
Central Party Committee Organization Department allocates the third batch of support funds	Wuhu Economic and Technological Development Zone Finance Bureau	Subsidy	Grants obtained due to the country encourage and support specific industries (Obtained in accordance with the national policies and regulations)	Yes	No		500,000.00	Related to income
Suqian Economic Development Zone Finance Bureau talent introduction special funds	Suqian Economic Development Zone Finance Bureau	Subsidy	Grants obtained due to conforming to the local supporting policies such as local government's investment attraction policy	Yes	No		230,000.00	Related to income
Grant of Glass-tube Secondary Environmental Protection	Shijiazhuang Municipal Finance Bureau	Subsidy	Grants obtained due to research and development, technical renovation and transformation, etc.	Yes	No		5,000.01	Related to assets

Total	--	--	--	--	--	320,000.00	69,887,507.52	--
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72. Non-Operation expense

In RMB

Items	Amount of current period	Amount of previous period	The amount of non-operating gains & losses
Donation expense	268,500.00		268,500.00
Liquidated damages	2,038,214.22	472,448.13	2,038,214.22
Other	461,097.79	130,049.52	461,097.79
Total	2,767,812.01	602,497.65	2,767,812.01

73. Income tax

(1) Details of income tax

In RMB

Items	Amount of current period	Amount of previous period
Current Income tax	266,217,607.40	180,288,675.05
Deferred income tax	15,913,168.84	11,225,209.48
Total	282,130,776.24	191,513,884.53

(2) Accounting profit and tax expense adjustment process

In RMB

Items	Amount of current period
Total profit	1,176,191,505.48
Income tax expense at statutory / applicable tax rates	176,428,725.82
Effect of different tax rates applicable to subsidiaries	59,083,388.27
Income tax adjustments on prior periods	-4,817,305.09
Effect of non-taxable income	311,512.14
Affect the use of deferred tax assets early unconfirmed deductible losses	-1,513,452.40
The current period does not affect the deferred tax assets recognized deductible temporary differences or deductible loss	52,637,907.50
Income tax expense	282,130,776.24

74 .Other comprehensive income

Seen in Note

75.Items of Cash flow statement

(1) Other cash received from business operation

In RMB

Items	Amount of current period	Amount of previous period
Interest income	2,562,489.64	47,314,940.12
Government subsidy	61,907,216.56	58,468,830.50
Deposits income	638,622,319.42	97,933,974.36
Other	27,459,273.74	29,668.70
Total	730,551,299.36	203,747,413.68

Explanation on other cash received in relation to operation activities:

(2)Other cash paid related to operation activities

In RMB

Items	Amount of current period	Amount of previous period
Deposits income	1,021,839,493.62	752,985,658.23
Consultation Services fee	30,513,337.97	13,031,790.06
Business expenses	17,688,855.86	3,187,285.00
Transportation fees	4,166,872.76	2,301,143.56
Advertising expenses	5,182,114.95	3,069,680.35
Travel expenses	20,052,329.77	4,359,728.53
Office expenses	24,347,292.88	20,222,253.34
Bank fees	25,958.40	4,791.60
Shipping fee	13,487,314.75	2,608,089.38
Petty cash	9,329,418.54	1,242,892.54
Security service charge	862,988.91	72,000.00
Vehicle charge	193,216.07	3,120.00
Communication expense	1,542,212.42	199,286.59
Rent water and electricity property	60,663,860.42	8,317,828.86
Residual insurance	1,204,391.96	

Labour protection fee	2,939,306.44	1,472,973.11
conference fee	2,145,102.71	664,731.28
Traffic expenses	44,596,072.72	1,546,078.81
Recruitment fees	138,443.69	1,037.74
Low-value consumables and repair costs	8,087,098.53	386,017.64
Research and development fee	37,388,611.51	25,648,041.28
Information system fee	455,883.63	2,414.71
Customs and agency fees	616,441.07	36,410.00
Other financial expenses	6,296,589.32	22,588.12
Other expenses	22,417,945.63	9,290,478.07
Total	1,336,181,154.53	850,676,318.80

Explanation on other cash paid in relation to operation activities:

(3)Cash received related to other investment activities

In RMB

Items	Amount of current period	Amount of previous period
Fixed deposit	200,000,000.00	190,962.49
Total	200,000,000.00	190,962.49

Explanation on cash received from other investment activities:

Notes

(4)Cash paid related to other investment activities

In RMB

Items	Amount of current period	Amount of previous period
Cash flow	317,956,820.99	50,000,000.00
Other	280,256.00	
Total	318,237,076.99	50,000,000.00

Explanation on cash payable from other investment activities:

(5) Other cash received in relation to financing activities

In RMB

Items	Amount of current period	Amount of previous period
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Interest received	210,076,517.70	133,596,848.85
Financing lease	280,000,000.00	103,800,000.00
Cash flow	75,708,760.40	224,500,000.00
Total	565,785,278.10	461,896,848.85

Explanation on other cash received in relation to financing activities:

(6) Cash paid related with financing activities

In RMB

Items	Amount of current period	Amount of previous period
Bank commission	2,106,071.31	1,937,116.55
Credit guarantee	4,076,591.14	27,620,596.86
Bank financing	1,900,000.00	1,130,000.00
Financial lease rent	299,742,705.14	419,037,111.72
Cash flow	332,177,258.30	50,000,000.00
Total	640,002,625.89	499,724,825.13

Explanation on cash paid related with financing activities:

76. Supplement Information for cash flow statement

(1) Supplement Information for cash flow statement

In RMB

Supplement Information	Amount of current period	Amount of previous period
I. Adjusting net profit to cash flow from operating activities	--	--
Net profit	894,060,729.24	685,767,271.37
Add: Impairment loss provision of assets	1,058,589.31	-497,492.48
Depreciation of fixed assets, oil and gas assets and consumable biological assets	475,906,123.13	399,428,761.84
Amortization of intangible assets	42,850,991.09	9,559,826.81
Amortization of long-term deferred expenses	10,182,574.85	4,155,040.09
Loss on disposals of fixed assets, intangible assets and other long-term assets ("-" for	664,826.45	30,537.14

gains)		
Financial cost	588,837,294.67	415,537,608.52
Investment losses	-23,706,518.19	-6,676,924.21
Decrease in deferred income tax assets	23,648,059.15	11,776,372.44
Increased in deferred income tax liabilities	2,146,288.22	-11,805.12
Decrease in inventories	703,598,779.36	-1,025,419,094.41
Decrease in operating receivables	-16,508,886,465.22	-2,261,677,453.88
Increase in operating payables	13,873,256,015.60	403,077,538.11
Cash flows from operating activities	83,617,287.66	-1,364,949,813.78
2. Significant investment and financing activities not affecting cash flows	--	--
3. Changes in cash and cash equivalents:	--	--
Ending balance of cash	21,442,933,365.47	22,463,648,543.19
Less: Beginning balance of cash equivalents	25,114,660,756.25	25,537,802,101.80
Net increase of cash and cash equivalents	-3,671,727,390.78	-3,074,153,558.61

(2) Net Cash paid of obtaining the subsidiary

In RMB

	Amount
Cash or Cash Equivalent of Enterprise consolidation that Occurred in the Current Period Paid in the Current Period	111,799,996.00
Including:	--
Huaxi Nanchong Automobile Co., Ltd.	44,800,000.00
Zhongcheng national construction co., Ltd.	39,999,996.00
Shenzhen Sanbao Innovation Intelligent Co., Ltd.	27,000,000.00
Less: Cash or Cash Equivalent Owned by Subsidiary on the Purchasing Date	4,037,901.86
Including:	--
Huaxi Nanchong Automobile Co., Ltd.	3,265.51
Zhongcheng national construction co., Ltd.	959,251.79
Shenzhen Sanbao Innovation Intelligent Co., Ltd.	3,075,384.56
Including:	--
Received Net Cash Paid by Subsidiary	107,762,094.14

Other notes:

(3) Net Cash receive of disposal of the subsidiary

In RMB

	Amount
Cash or cash equivalents received by the disposal company in the current year	550,000,000.00
Including:	--
Xuyou Electronic Materials Technology (Wuxi) Co., Ltd.	550,000,000.00
Less: Cash and cash equivalents held by a controlling subsidiary	156,272,347.41
Including:	--
Xuyou Electronic Materials Technology (Wuxi) Co., Ltd.	156,272,347.41
Including:	--
Net cash received from disposal subsidiaries	393,727,652.59

(4) Composition of cash and cash equivalents

In RMB

Items	Balance in year-end	Balance in year-beginning
I. Cash	21,442,933,365.47	25,114,660,756.25
Including: cash in treasury	460,584.36	2,461,658.94
Bank savings could be used at any time	21,287,528,272.13	24,971,467,452.68
Other monetary capital could be used at any time	154,944,508.98	140,731,644.63
III. Balance of cash and cash equivalents at the period end	21,442,933,365.47	25,114,660,756.25

77. Note of statement of changes in the owner's equity

Explain "other" project name and adjustment amount of the adjustment of closing balance in previous year, etc.:

78. The assets with the ownership or use right restricted

In RMB

Items	Closing book value	Causation of limitation
Monetary funds	2,351,663,690.33	Mainly term deposits, deposits and partial litigation freezes
Fixed assets	10,433,568,773.50	Set up the mortgage and the fixed assets of the financial lease
Intangible assets	350,282,096.92	Pledge loans

Construction in progress	1,210,207,009.84	Pledge loans
Investment property	66,930,130.01	Pledge loans
Total	14,412,651,700.60	--

Other notes :

79. Foreign currency monetary items

(1) Foreign currency monetary items

In RMB

Items	Closing foreign currency balance	Exchange rate	Closing convert to RMB balance
Cash and bank balances			
Including: USD	5,389,780.01	6.6166	35,662,018.41
Euro	38,868.80	7.6515	297,404.62
HKD	18,233.84	0.8431	15,372.95
JPY	251,464,500.95	0.0599	15,066,244.11
GBP	2,277.81	8.6551	19,714.67
Account receivable			
Including: USD	1,170.41	6.6166	7,744.13
Euro			
HKD	9,694.95	0.8431	8,173.81
JPY	1,726,840,023.03	0.0599	103,461,893.14
Account payable			
Including: USD	3,625,065.37	6.6166	23,985,607.53
Euro	2,989.00	7.6515	22,870.33
HKD	906,750.01	0.8431	764,480.93
JPY	223,302,422.00	0.0599	13,378,941.31
Short-term loans			
Including: USD	3,807,370.00	6.6166	25,191,844.34

(2) Note to overseas operating entities, including important overseas operating entities, which should be disclosed about its principal business place, function currency for bookkeeping and basis for the choice. In case of any change in function currency, the cause should be disclosed.

Applicable Not applicable

80. Hedging

81. Other

VIII. Changes of consolidation scope

1. Enterprise consolidation not under the same control

(1) Business combinations not under common control in the reporting period

In RMB

Name of Acquiree	Time-point of Obtained Equity	Obtained Cost of Equity	Ratio of Obtained Equity (100%)	Method of Obtained Equity	Purchasing Date	Determination Basis on the Purchasing Date	Income of Acquire from the Purchasing Date to the End of the Period	Net Profit of Acquire from the Purchasing Date to the End of the Period
Shenzhen Sanbao Chuangxin Intelligent Co., Ltd.	May 30, 2018	157,750,000.00	67.00%	Merger of non-identical controlled enterprises	May 30, 2018	Acquisition of contro	736,964.91	-1,227,519.10
Zhongcheng national construction co., Ltd.	March 30, 2018	140,000,000.00	70.00%	Merger of non-identical controlled enterprises	March 30, 2018	Acquisition of contro		-665,082.13
Huaxi Bus Co., Ltd.	April 4, 2018	56,000,000.00	100.00%	Merger of non-identical controlled enterprises	April 4, 2018	Acquisition of contro	4,251,788.55	773,846.32

(2) Consolidation Cost and Goodwill

In RMB

Consolidation Cost	Shenzhen Sanbao Chuangxin Intelligent Co., Ltd.	Zhongcheng national construction co., Ltd.	Huaxi Bus Co., Ltd.
--Cash	157,750,000.00	140,000,000.00	56,000,000.00
Consolidation Cost	157,750,000.00	140,000,000.00	56,000,000.00
Less: Reduction: Obtained Definable Net Assets Fair Proportion	91,548,329.84	9,830,031.87	-773,762.72

Goodwill/ The Consolidation Cost is Less Than the Obtained Definable Net Assets Fair Proportion	66,201,670.16	130,169,968.13	56,773,762.72
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(3) The identifiable assets and liabilities of acquiree at purchase date

In RMB

	Shenzhen Sanbao Chuangxin Intelligent Co., Ltd.		Zhongcheng national construction co., Ltd.		Huaxi Bus Co., Ltd.	
	Fair value on purchase date	Book value on purchase date	Fair value on purchase date	Book value on purchase date	Fair value on purchase date	Book value on purchase date
Monetary fund	127,075,384.55	127,075,384.55	959,251.79	959,251.79	3,265.51	3,265.51
Account receivable	203,360.00	203,360.00				
Inventory	31,984,526.65	18,724,138.92			3,275,246.59	3,280,573.26
Fixed assets	11,192,806.79	9,391,876.78	24,866.48	24,888.64		
Intangible asset	53,241,307.46	53,849,371.07	19,486,104.61	5,402,067.11		
Disposal of fixed assets			19,499.99	19,499.99		
Prepayments	318,723.00	318,723.00	227,138.68	227,138.68	585,871.75	585,871.75
Other receivable	5,297.05	5,297.05	350,323.23	350,323.23	386,428.00	386,428.00
Other current assets	7,989,998.57	7,989,998.57	44,193.14	44,193.14		
Deferred Income tax assets	154,125.90	2,110.00			1,331.67	
Account payable			4,200.64	4,200.64	4,839,563.18	4,839,563.18
Deferred Income tax Liabilities	3,765,329.44		3,522,014.92			

Advance Payments	412,420.94	412,420.94			176,000.00	176,000.00
Employees' wage payable	59,926.94	59,926.94	1,258,965.67	1,258,965.67		
Tax payable	8,067.95	8,067.95	23,898.68	23,898.68	10,343.06	10,343.06
Other account payable	91,280,486.44	91,280,486.44	2,259,395.34	2,259,395.34		
Net assets	136,639,298.26	125,799,357.67	14,042,902.67	3,480,902.25	-773,762.72	-769,767.72
Less: Minority shareholders' equity	45,090,968.43	41,513,788.03	4,212,870.80	1,044,270.68		
Acquire net assets	91,548,329.83	84,285,569.64	9,830,031.87	2,436,631.57	-773,762.72	-769,767.72

Determination method for fair value of the identifiable assets and liabilities:

The acquired company Shenzhen Sanbao Chuangxin Intelligent Co., Ltd. can identify the fair value of net assets and liabilities based on the evaluation company Wanlong (Shanghai) Asset Appraisal Co., Ltd. issued an evaluation report.

Contingent liability of the acquiree bear during combination:

Nil

Other explanation:

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

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

Yes No

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

(6) Other notes

2. Business combination under the same control

(1) Business combination under the same control during the reporting period

In RMB

Combined party	Proportion of the profits	Basis	Combination date	Recognition basis of combination date	Income of the combined party from the beginning	Net profit of the combined party from the beginning	Income of the merged party during the comparison	Net profit of the combined party during the period of

					of the year to the date of the merger	of the year to the date of the merger	period	comparison
Tunghsu (Yingkou) Optoelectronic Display Co., Ltd.	65.00%	Same parent company	June 30,2018	Pay consideration , control operation	27,289,664.9 9	-9,555,668.76		-5,213,532.93

(2) Consolidation Cost

In RMB

Consolidation Cost	Tunghsu(Yingkou)Optoelectronic Display Co., Ltd.
Cash	195,525,500.00

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

In RMB

	Tunghsu (Yingkou) Optoelectronic Display Co., Ltd.	
	Merger date	End of previous period
Cash and bank balances	49,876,382.38	85,581,351.01
Account receivable	26,247,411.94	27,508,065.58
Inventory	27,104,233.68	23,963,131.18
Fixed assets	330,341,703.53	335,451,284.12
Intangible assets	24,988,633.63	25,314,850.99
Prepayments	2,483,530.03	858,504.05
Other receivable	32,000.00	2,000.00
Other current assets	75,603,084.09	74,056,644.01
Construction in process	586,201,554.22	570,609,032.67
Deferred Income tax assets	5,334,663.88	5,334,663.88
Other non-current assets		1,985,104.15
Account payable	28,970,435.09	101,667,530.90
Notes payable	1,164,100.00	
Advance Payments	11,593.50	9,537.00
Employees' wage payable	296,037.13	249,318.39
Tax payable	1,840,851.65	280,315.37
Interest payable	589,174.98	1,075,377.78
Other payable	187,575,741.76	124,403,423.83

Non-current liabilities due 1 year	36,316,392.68	36,316,392.68
Long-term loans	420,000,000.00	425,000,000.00
Deferred Income	84,997,214.64	85,655,410.98
Other non- current liabilities	108,000,000.00	108,000,000.00
Net assets	258,451,655.95	268,007,324.71
Less: Minority shareholders' equity	90,458,079.58	93,802,563.65
Acquire net assets	167,993,576.40	174,204,761.10

3. Counter purchase

Basic information of trading, the basis of transactions constitute counter purchase, the retain assets , liabilities of the listed companies whether constituted a business and its basis, the determination of the combination costs, the amount and calculation of adjusted rights and interests in accordance with the equity transaction process.

4. The disposal of subsidiary

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

Yes No

In RMB

Name	Equity disposal price	Equity disposal ratio	Disposal of equity	Loss of control point	Determining the basis for the loss of control	The difference between the disposal price and the share of the subsidiary's net assets at the level of the consolidated financial statement corresponding to	Proportion of the remaining stocks at the date of loss of control	The book value of the remaining equity at the date of loss of control	The fair value of the remaining equity at the date of loss of control	Regain or losses arising from re-measurement of the remaining equity at fair value	Determination of the remaining equity at the date of loss of control rights and main assumptions	The amount of other comprehensive income related to the atomic company's equity investment and its transferred to investment profit and loss

						the disposal of the investment						
Xuyou Electronic Materials Technology (Wuxi) Co., Ltd.	550,000,000.00	51.00%	Sell	April 28, 2018	Received consideration and lost control	-2,053,558.36	0.00%	0.00	0.00	0.00	0.00	0.00

Other notes:

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

Yes No

5. Other reasons for the changes in combination scope

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

6. Other

IX. Equity in other entity

1. Equity in subsidiary

(1) Constituted of enterprise group

Subsidiary	Main operation	Registered place	Business nature	Share-holding ratio		Acquired way
				Directly	Indirectly	
Shijiazhuang Colour Bulb Co., Ltd.	Shijiazhuang	9 Huanghe Road, Shijiazhuang High-tech Industrial Development Area, Shijiazhuang, Hebei Province	Photoelectric display material	81.26%		Establish

Wuhu Tunghsu Optoelectronic Technology Co., Ltd.	Wuhu	No.36, Daowei 2 Road, Wanchun Street , Wuhu Economy Technology Development Zone	Photoelectric display material	100.00%		Establish
Wuhan Tunghsu Optoelectronic Technology Co., Ltd.	Wuhan	1/F, No.2 Business tower, Huazhong Shuguang Software park, No.1Guanshan Road,Donghu Development Zone, Wuhan	Photoelectric display material	100.00%		Establish
Beijing Xufeng Real Estate Co., Ltd.	Beijing	Room C17, Building 1, No.10, Xinghuo Road, Technology City, Fengtai District, Beijing	Real estate Development	100.00%		Establish
Tunghsu (Kunshan) Display Material Co., Ltd.	Kunshan	No.500, Pengxi North Road, Economic Development Area,Kunshan	Photoelectric display material	88.89%		Establish
Zhengzhou Xufei Optoelectronic Technology Co., Ltd.	Zhengzhou	66,No 3 Jingnan Road, Econornic & Technology Development Zone, Zhengzhou	Photoelectric display material	100.00%		Control combination
Shijiazhuang Xuxin Optoelectronic Technology Co.,Ltd.	Shijiazhuang	No.377,Zhujiang Road, High-tech Area, Shijiazhuang, Hebei	Photoelectric display material	100.00%		Control combination
Beijing Xutan New Material Technology Co., Ltd.	Beijing	206, 2/F, Building 2B,No.80, Xingshikou Road, Haidian District,	Industrial application of graphene	70.00%		Establish

		Beijing				
Jiangsu Jixing New Material Co., Ltd.	Jiangsu	New Material Industry Zone, Youfang Town, Yangzhong City	Photoelectric display material	100.00%		Non control combination
Beijing Tunghsu Huaqing Investment Co., Ltd.	Beijing	1201-E18(Area)1 2/F,No.1, 6-3 Building, Autornobile Museum East Road, Fengtai District, Beijing	Investment	70.00%		Establish
Fuzhou Tunghsu Optoelectronic Technology Co., Ltd.	Fuzhou	(072) Room 109,Supervision Building, Processing trade Free zone, Fuzhou, Fujian.(No.9, Xinjiang Road, Xincuo Town, Fuqing City)	Photoelectric display material	87.25%	12.75%	Establish
Wuhu Tunghsu Optoelectronic Equipment Technology Co., Ltd.	Wuhu	Room 302, A floor, Management Committee of Jiangbei Industry Zone, Anhui Prov	Equipment and technical services	100.00%		Establish
Shanghai Tanyuan Huigu New Material Technology Co., Ltd.	Shanghai	Room 02, 2/F,No.3 Building, No.28,, Jiangcchuan East Road, Minhang District ,Shanghai	Industrial application of graphene	50.50%		Non control combination
Shenzhen Xuhui Investment Co., Ltd.	Shenzhen	Room 201, A building, No.1, Qianwan Road, Qianhai Shenzhen-Hongkong Cooperation Zone, Shenzhen	Investment	100.00%		Establish
Tunghsu Construction	Sichuan	No.21, 15 Building, No.181,	Building Installing	100.00%		Non control combination

Group Co., Ltd.		Erhuan Road, Jinniu District, Chengdu				
Shanghai Sunlong Bus Co., Ltd.	Shanghai	A, No .2898, Huaning Road, Minhang District ,Shanghai	New Energy Autonobile	100.00%		Non control combination
Sichuan Xuhong Optoelectronic Technology Co., Ltd.	Mianyang	No.177, Fubin North Road, Economic Development Zone, Mianyang	Photoelectric display material	100.00%		Control combination
Shenzhen Sanbao Innovation Intelligent Co., Ltd.	Shenzhen	28/F, Shenye Shangcheng , Huanggang Road, Hufu Street, Futian District, Shenzhen	R&D and manufacturing of robots and intelligent electronic devices	67.00%		Non control combination
Tunghsu (Yingkou) Optoelectronic Display Co., Ltd.	Liaoning	No.19, Xincheng Street, Yingkou City, Liaoning	Photoelectric display material	65.00%		Control combination

Explanation on share-holding ratio in subsidiary different from ratio of voting right:

Basis for controlling the invested entity with half or below voting rights held and without controlling invested entity but with over half and over voting rights:

Controlling basis for the structuring entity included in consolidated range:

Basis on determining to be a agent or consignor:

Other notes:

Notes: According to the signed agreement, Taizhou Tunghsu Graphene Industry Investment Fund Management Center (limited partnership) sets up the investment decision committee as the highest decision-making organ, which is responsible for making decisions on project investment, disinvestment and other matters. The investment decision committee is made up of five committee memerein, the general partner Beijing Tunghsu Huaqing Investment Co., Ltd. appoints 2 members, the limited partner Tunghsu Photo-electricity Technology Co., Ltd. appoints 1 member and the other 2 members are appointed through social recruiting. The limited partner Taizhou Jintaiyang Energy Co., Ltd. doesn't appoint members. And the chairman of committee shall be assumed by the representative of general partner. The decisions will be valid with the consent of the majority of committee members (4 votes and above), and the chairman of investment committee has the one-vote veto. As the executive partner, the general partner Beijing Tunghsu Huaqing Investment Co., ltd. assumes unlimited, joint liabilities for the limited partnership's debts. As the posterity limited partner, Tunghsu Photo-electricity Technology Co., Ltd. bears responsibilities for the limited partnership's debts with its subscribed investment. And Taizhou Jintaiyang Energy Co., Ltd., as the priority limited partner, assumes responsibilities for the limited partnership's debts with its subscribed investment.

(2) Significant not wholly-owned subsidiaries

In RMB

Name	Holding proportion of non-controlling interest	Profit or loss attributable to non-controlling interest	Dividend declared to non-controlling interest	Closing balance of non-controlling interest
Fuzhou Xufu Optoelectronic Technology Co., Ltd..	40.00%	6,454,615.67		119,029,434.07
Shanghai Tanyuan Huigu New Material Technology Co., Ltd.	49.50%	-3,276,208.31		48,922,792.83
Shenzhen Sanbao Innovation Intelligent Co., Ltd.	33.00%	-405,081.30		44,685,887.13
Tunghsu (Yingkou) Optoelectronic Display Co., Ltd.	11.11%	-44,707.04		99,730,691.36

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

In RMB

Name	Year-end balance						Year-beginning balance					
	Current assets	Non current assets	Total assets	Current Liabilities	Non current liabilities	Total liabilities	Current assets	Non current assets	Total assets	Current Liabilities	Non current liabilities	Total liabilities
Fuzhou Xufu Optoelectronic Technology Co., Ltd..	761,479,050.29	443,418,584.41	1,204,897,634.70	719,324,049.52	188,000,000.00	907,324,049.52	646,709,574.39	423,862,686.32	1,070,572,260.71	601,135,214.70	188,000,000.00	789,135,214.70
Shanghai Tanyuan Huigu New Material Technology Co., Ltd.	24,391,645.13	81,670,885.30	106,062,530.43	7,228,605.53	0.00	7,228,605.53	29,877,854.31	84,534,600.13	114,412,454.44	6,477,598.47	389,647.55	6,867,246.02

Shenzhen Sanbao Innovation Intelligent Co., Ltd.	63,785,058.35	63,842,466.68	127,627,525.03	2,930,164.51	0.00	2,930,164.51	30,316,902.09	63,243,357.85	93,560,259.94	91,760,902.27	0.00	91,760,902.27
Tunghsu (Yingkou) Optoelectronic Display Co., Ltd.	795,994,353.63	601,563,285.70	1,397,557,639.33	219,891,650.51	280,000,000.00	499,891,650.51	529,335,649.08	506,767,622.38	1,036,103,271.46	138,034,919.30	0.00	138,034,919.30

In RMB

Name	Amount of current period				Amount of previous period			
	Business income	Net profit	Total Comprehensive income	Cash flows from operating activities	Business income	Net profit	Total Comprehensive income	Cash flows from operating activities
Fuzhou Xufu Optoelectronic Technology Co., Ltd..	632,696,266.30	16,136,539.17	16,136,539.17	-15,703,750.76	46,983,656.18	1,844,869.14	1,844,869.14	-21,118,901.48
Shanghai Tanyuan Huiyu New Material Technology Co., Ltd.	488,093.83	-6,566,421.86	-6,566,421.86	12,587,728.47	194,829.10	20,745,934.23	20,745,934.23	8,580,349.37
Shenzhen Sanbao Innovation Intelligent Co., Ltd.	736,964.91	-1,101,997.15	-1,101,997.15	-730,374.74				
Tunghsu (Yingkou) Optoelectronic Display Co., Ltd.	16,409,299.17	-402,363.34	-402,363.34	-253,855,084.87		-360,330.51	-360,330.51	2,968,413.541

(4) Significant restrictions of using enterprise group assets and pay off enterprise group debt

(5) Provide financial support or other support for structure entities incorporate into the scope of

2. The transaction of the Company with its owner's equity share changed but still controlling the subsidiary

(1) Note to owner's equity share changed in subsidiary

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

3. Equity in joint venture arrangement or associated enterprise

(1) Significant joint venture arrangement or associated enterprise

Name of Subsidiary	Main Places of Operation	Registration Place	Nature of Business	Shareholding Ratio (%)		Obtaining Method
				direct	indirect	
Yudean Finance	Guangzhou	Guangzhou	Finance	40.00%		Equity method

(2) Main financial information of Significant joint venture

(3) Main financial information of significant associated enterprise

In RMB

	Closing balance/This period	Opening balance/Last period
Current assets	2,440,811,321.54	2,682,394,584.48
Non-current assets	17,426,928,351.70	9,907,461,970.78
Total of assets	19,867,739,673.24	12,589,856,555.26
Current liabilities	14,841,406,072.32	7,579,701,042.91
Total liabilities	14,841,406,072.32	7,579,701,042.91
Attributable to shareholders of the parent company	5,026,333,600.92	5,010,155,512.35
Share of net assets calculated by stake	2,010,533,440.37	2,004,062,204.94
Book value of equity investment in associates	2,010,533,440.37	2,004,062,204.94
Business income	105,177,198.83	75,053,678.73
Net profit	16,178,088.57	-39,256,450.56
Total comprehensive income	16,178,088.57	-39,256,450.56

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

	Closing balance/This period	Opening balance/Last period
Joint venture:	--	--
The total number of shares in each of the following shares	--	--
Associated enterprise:	--	--
Total investment book value	130,804,634.60	126,422,519.76
The total number of shares in each of the following shares	--	--

--Net	5,365,389.05	196,087.39
Total comprehensive income	5,365,389.05	196,087.39

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

(6) The excess loss of joint venture or associated enterprise

(7) The unrecognized commitment related to joint venture investment

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

4. Significant common operation

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

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

6. Other

X. The risk related financial instruments

The Company faces a variety of financial risks in the course of operation: credit risk, market risk and liquidity risk. The Business Management Department of the Company management is fully responsible for the determination of risk management objectives and policies, and assumes the ultimate responsibility for the risk management objectives and policies. The Business Management Department of the Company reviews the effectiveness of the performed programs as well as the rationality of risk management objectives and policies through monthly work statement submitted by the Functional Department.

The objective of the Company's engagement in risk management is to obtain a proper balance between the risks and benefits, reduce the risks' negative impact on the Company's operating performance to the lowest level and maximize the interests of shareholders and other equity investors. Based on the risk management objectives, the basic strategy of the Company's risk management is to identify and analyze the risks faced by the Company, establish appropriate baseline of risk tolerance, conduct risk management as well as timely and reliably supervise various risks to control the risks within a limited range.

1. Credit Risk

Credit risk refers to the financial loss risk of the other Party if one Party of financial instruments fails to perform its obligations. The Company mainly faces customer credit risk caused by the credit sale. The Company would make an evaluation on new customers' credit risk before signing new contracts, which includes external credit rating and bank reference letter (when available) under certain circumstances. The Company sets quota on credit sale for each customer and such quota is the maximum amount without additional approvals.

The company ensures that the company's overall credit risk is within a manageable range through quarterly audits of existing customer credit ratings and monthly audits of accounts receivable aging analysis. In monitoring the customer's credit risk, according to the customer's credit characteristics of its grouping. Customers who are rated as "high risk" will be placed on the restricted customer list and the company will be able to credit it in the next period, subject to additional approval, otherwise it must be required to pay the corresponding payment in advance.

2. Market Risk

The market risk of financial instruments refers to the risk that the fair value or future cash flow of the financial instruments would fluctuate due to the market price changes, which includes interest rate risk ,foreign exchange risk and other price risks.

(1) Interest Rate Risk

Interest rate risk refers to the risk that the fair value or future cash flow of the financial instruments would

fluctuate due to the market price changes. The interest rate risk faced by the Company mainly comes from short-term bank loans. The Company meets various short-term financing needs through establishing good bank-enterprise relationship as well as reasonably designing credit line, credit type and credit term to guarantee the sufficient bank credit line. In addition, the Company also reasonably reduces the fluctuation risk of interest rate by shortening the term of single loan and performing specially agreed prepayment term.

(2) Foreign Exchange Risk

Foreign exchange risk refers to the risk that the fair value or future cash flow of the financial instruments would fluctuate due to the market price changes. The Company would match the foreign currency incomes and expenses as far as possible to reduce the foreign exchange risk. On account of the small proportion of foreign financial assets and liabilities in the total assets, there's no forward foreign exchange contract or currency swap contract signed by the Company in January 2018- 2017.

The foreign exchange risk faced by the Company mainly comes from the financial assets and financial liabilities priced by US dollar, Yen, Euro and GBP . For the amount of foreign currency financial assets and foreign currency financial liabilities converted into RMB, please refer to Note 7. In the notes to the consolidated financial statements, 79 foreign currency monetary items.

XI. Disclosure of fair value

1. Ending fair value of the assets and liabilities measured by fair value
2. Recognized basis for the market price sustaining and non-persistent measured by fair value on first-order
3. Valuation technique and qualitative and quantitative information on major parameters for the fair value measure sustaining and non-persistent on second-order
4. Valuation technique adopted and nature and amount determination of important parameters for consistent and inconsistent fair value measurement items at level 3
5. Sensitiveness analysis on unobservable parameters and adjustment information between opening and closing book value of consistent fair value measurement items at level 3
6. Explain the reason for conversion and the policy governing when the conversion happens if conversion happens among consistent fair value measurement items at different levels
7. Changes in the valuation technique in the current period and the reason for change
8. Fair value of financial assets and liabilities not measured at fair value
9. Other

XII. Related parties and related-party transactions

1. Parent company information of the enterprise

Parent company name	Registration place	Nature	Registered capital	Share ratio of parent company against the company(%)	Vote right ratio of parent company against the company(%)
Tunghsu Group	No.369, Zhujiang Road, High-tech	Investment production and R &	31.8billion	15.97%	21.85%

	zone, Shijiazhuang	D, etc.			
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Explanation on parent company of the enterprise

Ultimate controller of the Company is Li Zhaoting

2.Subsidiary of the Enterprise

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

3.Cooperative enterprise and joint venture

See Notes IX.

Other cooperative enterprise and joint venture that have related transaction with the Company in the Period or occurred in pervious period:

Name	Relation of other Related parties with the company
CUHK international business factoring co., Ltd	Associated enterprise
Tunghsu Group Finance Co., Ltd.	Associated enterprise
Tunghsu(Deyang) Graphene Industry Development Fund Partnership (Limited Partnership)	Associated enterprise
Zibo Bus Co., Ltd.	Associated enterprise

4.Other related party

Other related party	Relationship with the Enterprisse
Tunghsu Technology Group Co., Ltd.	The shareholders of the company
Tunghsu Optoelectronic Investment Co., Ltd.	Controlled by the same actual controller
Shijiazhuang Baoshi Electronic vacuum Glass Co., Ltd.	Controlled by the same actual controller
Shijiazhuang Baoshi Large-diameter plastic tube Co., ltd.	Controlled by the same actual controller
Shijiazhuang Baoshi Zhonghe Steel Plastic Shape Co., Ltd.	Controlled by the same actual controller
Shijiazhuang Baoshi Xuming Tube Co., Ltd.	Controlled by the same actual controller
Shijiazhuang Baodong Electronic Co.,Ltd.	Controlled by the same actual controller
Hebei Baoshi Lighting Co., Ltd.	Controlled by the same actual controller
Jinzhou Xulong New Material Technology Co., Ltd.	Controlled by the same actual controller
Hebei Decoration Printing Machine Co., Ltd.	Controlled by the same actual controller
Chengdu Optoelectronic Technology Co., Ltd.	General Manager: Li Zhaotin
Shijiazhuang Xuling Electronic Technology Co., Ltd.	Controlled by the same actual controller
Shijiazhuang Baoshi Electronic Group Co., Ltd.	Controlled by the same actual controller

Tibet Financial Leasing Co., Ltd.	Controlled by the same actual controller
Tunghsu Group Finance Co., Ltd.	Joint venture of the company
Yinchuan Fengxiang Street Underground integrated Management Co., Ltd.	Controlled by the same actual controller
Yixian Xuhua Park Construction Development Co., Ltd.	Controlled by the same actual controller
Guangdong Huakai Real estate Development Co., Ltd.	Controlled by the same actual controller
Li Qing	The spouse of the actual controller
Kunming Tunghsu Qiming Investment Development Co., Ltd.	Controlled by the same actual controller
Aahui Tunghsu Dabieshan Agricultural Technology Co., Ltd.	Controlled by the same actual controller
Dongguan Yijiu Real Estate Development Co., Ltd.	Controlled by the same actual controller
Tunghsu North Real Estate (Beijing) Co., Ltd.	Controlled by the same actual controller
Tunghsu Technology Development Co., Ltd.	Controlled by the same actual controller
Tunghsu Lantian New Energy Co., Ltd.	Controlled by the same actual controller
Fujian Hengda Investment Co., Ltd.	Controlled by the same actual controller
Hunan Baoan Hongji Real Estate Development Co., Ltd.	Controlled by the same actual controller
Huiyin Jinkong Asset Management Co.,Ltd.	Controlled by the same actual controller
Huidong Baoan Hongji Real Estate Development Co., Ltd.	Controlled by the same actual controller
Huidong Baoan Jinan Real Estate Development Co., Ltd.	Controlled by the same actual controller
Shenzhen Hongji Property Management Co., Ltd.	Controlled by the same actual controller
Chengzhou Zhexu Real Estate Co., Ltd.	Controlled by the same actual controller
Zhangzhou Shenghuawu Real Estate Development Co., Ltd.	Controlled by the same actual controller
Chongqing Tunghsu Qide Real Estate Co., Ltd.	Controlled by the same actual controller
Baoshi Group, Industry & Trade Company Mineral Water Factory	Controlled by the same actual controller
Shijiazhuang Tunghsu Machinery Co.,Ltd.	Controlled by the same actual controller
Shanghai Anxuan Automation Technology Co., Ltd.	Controlled by the same actual controller
Tibet Xuri Asset Management Co., Ltd.	Controlled by the same actual controller
Beijing Hexie Guanglu Technology Co., Ltd.	Controlled by the same actual controller
Chengdu Taiyisi Technology Co., Ltd.	Controlled by the same actual controller

5. Related transactions.

(1) Related transactions on purchasing goods and receiving services

In RMB

Related party	Content	Current amount	Approval trading limit	Whether over the	Last amount
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				trading limit(Y/N)	
Baoshi Group	Security fees				360,500.00
Anhui Tunghsu Dabie Mountain Agricultural Technology Co., Ltd.	Tea oil	28,800.00			
Shijiazhuang Baoshi Zhonghe Steel Plastic Shape Co., Ltd.	Material	4,000,000.00			
Shijiazhuang Baoshi Electronic vacuum Glass Co., Ltd.	Mechanical & Electrical Equipment	980,000.00			

Related transactions on sale goods and receiving services

In RMB

Related parties	Content of related transaction	Amount of current period	Amount of previous period
Beijing Hexie Guanglu Technology Co., Ltd.	Efficient lightbulb	287,179.49	
Chengdu Taiyisi Technology Co., Ltd.	Efficient lightbulb	23,131.62	
Chengdu Optoelectronic Technology Co., Ltd.	Efficient lightbulb	13,203.41	
Chengdu Optoelectronic Technology Co., Ltd.	Traction roll project	611,459.82	504,871.80
Dongguan Yijiu Real Estate Development Co., Ltd.	Construction Engineering	431,182.25	
Tunghsu North Real Estate (Beijing) Co., Ltd.	Efficient lightbulb	40,528.38	
Tunghsu North Real Estate (Beijing) Co., Ltd.	Graphene	48,801.64	
Tunghsu Group	Efficient lightbulb	1,589,885.32	
Tunghsu Technology Development Co., Ltd.	Construction Engineering	3,794,623.64	
Tunghsu Technology Group Co., Ltd.	Efficient lightbulb	811.97	
Tunghsu Technology Group Co., Ltd.	Graphene		2,735.05

Tunghsu Lantian New Energy Co., Ltd.	Construction Engineering	2,719,618.11	
Fujian Hengda Investment Co., Ltd.	Construction Engineering	2,745,454.55	
Fujian Hengda Investment Co., Ltd.	Graphene	15,404.96	
Guangdong Huakai Real Estate Development Co., Ltd.	Construction Engineering	19,945,292.12	7,565,972.68
Hebei Baoshi Lighting Co., Ltd.	Efficient lightbulb	-37,264.96	
Hunan Baoan Hongji Real Estate Development Co., Ltd.	Construction Engineering	229,566.55	
Huiyin Jinkong Asset Management Co., Ltd.	Efficient lightbulb	270,305.10	
Huidong Baoan Hongji Real Estate Development Co., Ltd.	Construction Engineering	46,614,031.74	
Huidong Baoan Jinan Real Estate Development Co., Ltd.	Construction Engineering	46,435,095.47	
Kunming Tunghsu Qiming Investment Development Co., Ltd.	Construction Engineering	140,707,948.79	
Shenzhen Hongji Property Management Co., Ltd.	Efficient lightbulb	263,333.34	
Shengzhou Zhezha Real Estate Co., Ltd.	Construction Engineering	35,168,074.85	
Shengzhou Zhezha Real Estate Co., Ltd.	Graphene	13,641.03	
Shijiazhuang Baoshi Large-diameter plastic tube Co., Ltd.	Construction Engineering	594,000.00	
Yixian Xuhua Park Construction Development Co., Ltd.	Construction Engineering	39,616,134.40	7,783,800.00
Yinchuan Fengxiang Street Underground integrated Management Co., Ltd.	Construction Engineering	45,273,158.21	97,789,036.93
Zhangzhou Huawu Real Estate Development Co., Ltd.	Construction Engineering	22,413,913.92	
Zhangzhou Huawu Real Estate Development Co., Ltd.	Efficient lightbulb	6,974.36	

Chongqing Tunghsu Qide Real Estate Co., Ltd.	Construction Engineering	18,348,758.40	
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(2) Related trusteeship or contracting

Related trusteeship or contracting in which the Company is the undertake

In RMB

Name of the employer	Name of the undertaker	Asset situation of the undertaker	Start date	Terminating date	Pricing basis	Gains from the deal in report period
Tunghsu Group, Yingkou Coastal Development Construction Co., Ltd. Minmetals (Yingkou) Industrial Park Development Co., Ltd.	Tunghsu Optoelectronic Technology Co., Ltd.	Tunghsu (Yingkou) Optoelectronic Display Co., Ltd.	January 1, 2012	June 30, 2018	Notes 1	250,000.00

Notes 1: Trusteeship costs include basic management fees and incentive management fees(0.5 million/years), including basic management fee of 1 million per year, incentive management fees per year managed company with net operating profit after tax of 5% calculation (Base incentive management fees deduct prior years' losses)

Notes 2: Trusteeship costs include basic management fees and incentive management fees(0.5 million/years), including basic management fee of 1 million per year, incentive management fees per year managed company with net operating profit after tax of 5% calculation.

Notes 3 :On June 30, 2018, Tunghsu Optoelectronic Technology Co., Ltd. purchased a 65% stake in Tunghsu (Yingkou) Optoelectronic Display Co., Ltd. held by Tunghsu Group Co., Ltd., and the equity custody ended.

Lists of entrust/contractee

(3) Information of related lease

(4) Status of related party guarantee

As a secured party for the company

In RMB

Guarantor	Guarantee amount	Start date	End date	Execution accomplished or not
Tunghsu Group , Li Zhaoting	200,000,000.00	March 15, 2018	May 15, 2019	No
Tunghsu Group , Li Zhaoting	30,000,000.00	May 22, 2018	May 22, 2019	No

Tunghsu Group	100,000,000.00	January 31,2018	December 31,2018	No
Tunghsu Group , Li Zhaoting	200,000,000.00	June 26,2018	June 24,2019	No
Tunghsu Group , Li Zhaoting	200,000,000.00	October 26,2017	October 26,2018	No
Tunghsu Group , Li Zhaoting	200,000,000.00	November 30,2017	November 30,2018	No
Tunghsu Group	100,000,000.00	July 31,2017	July 30,2018	No
Tunghsu Group , Li Zhaoting	400,000,000.00	August 15,2017	August 14,2018	No
Tunghsu Group , Li Zhaoting	50,000,000.00	August 3,2017	August 2,2018	No
Li Zhaoting	400,000,000.00	October 19,2017	October 19,2018	No
Li Zhaoting	560,000,000.00	December 15,2017	December 15,2018	No
Tunghsu Group	200,000,000.00	December 22,2017	December 22,2018	No
Tunghsu Group	50,000,000.00	November 1,2017	October 30,2018	No
Tunghsu Group	20,000,000.00	November 16,2017	November 25,2018	No
Tunghsu Group	50,000,000.00	December 1,2017	November 30,2018	No
Tunghsu Group	50,000,000.00	December 28,2017	December 27,2018	No
Tunghsu Group	50,000,000.00	February 27,2018	February 27,2019	No
Tunghsu Group	25,000,000.00	April 28,2018	April 27,2019	No
Tunghsu Group	100,000,000.00	July 7,2017	July 6,2018	No
Tunghsu Group	20,000,000.00	July 26,2017	July 6,2018	No
Tunghsu Group	80,000,000.00	August 1,2017	August 1,2018	No
Tunghsu Group	50,000,000.00	August 29,2017	August 28,2018	No
Tunghsu Group	100,000,000.00	September 25,2017	September 24,2018	No
Tunghsu Group	50,000,000.00	October 9,2017	October 8,2018	No
Tunghsu Group	50,000,000.00	August 30,2017	August 29,2018	No
Tunghsu Group	25,000,000.00	October 19,2017	October 19,2018	No
Tunghsu Group	70,000,000.00	September 22,2017	September 21,2018	No
Tunghsu Group	50,000,000.00	October 12,2017	October 11,2018	No
Tunghsu Group	40,000,000.00	September 29,2017	September 27,2018	No
Tunghsu Group	100,000,000.00	October 26,2017	October 25,2018	No
Tunghsu Group , Li Zhaoting	100,000,000.00	December 29,2017	December 28,2018	No
Tunghsu Group	200,000,000.00	June 11,2018	June 8,2019	No

Tunghsu Group	50,000,000.00	August 24,2017	August 24,2018	No
Tunghsu Group , Li Zhaoting	100,000,000.00	November 13,2017	November 12,2018	No
Tunghsu Group , Li Zhaoting	70,000,000.00	January 11,2018	December 31,2018	No
Tunghsu Group , Li Zhaoting	30,000,000.00	February 13,2018	February 12,2019	No
Tunghsu Group , Li Zhaoting	42,000,000.00	April 10,2018	October 10,2018	No
Tunghsu Group , Li Zhaoting	38,000,000.00	April 11,2018	October 11,2018	No
Tunghsu Group	95,000,000.00	March 19,2018	March 12,2019	No
Tunghsu Group	90,000,000.00	April 12,2018	April 2,2019	No
Tunghsu Group	15,000,000.00	June 12,2018	May 7,2019	No
Tunghsu Group	25,000,000.00	October 20,2017	October 19,2018	No
Tunghsu Group, Li Zhaoting, Li Qing	299,650,000.00	June 7,2016	June 7,2019	No
Tunghsu Group, Li Zhaoting, Li Qing	200,000,000.00	May 15,2017	May 15,2019	No
Tunghsu Group, Li Zhaoting, Li Qing	300,000,000.00	June 2,2017	June 2,2019	No
Tunghsu Group, Li Zhaoting, Li Qing	115,000,000.00	October 31,2017	October 31,2019	No
Tunghsu Group, Li Zhaoting, Li Qing	200,000,000.00	December 27,2016	December 27,2018	No
Tunghsu Group, Li Zhaoting, Li Qing	200,000,000.00	December 29,2016	December 29,2018	No
Tunghsu Group, Li Zhaoting, Li Qing	100,000,000.00	December 23,2016	December 23,2018	No
Tunghsu Group	194,000,000.00	December 15,2016	December 15,2018	No
Tunghsu Group , Li Zhaoting	100,000,000.00	March 3,2017	March 2,2019	No
Tunghsu Group , Li Zhaoting	204,000,000.00	March 29,2017	September 28,2018	No
Tunghsu Group , Li Zhaoting	199,000,000.00	February 24,2017	August 23,2018	No
Tunghsu Group , Li Zhaoting	97,000,000.00	April 27,2017	October 26,2018	No

Tunghsu Group, Tunghsu Optoelectronic Investment Co., Ltd., Li Zhaoting	400,000,000.00	November 30,2016	November 30,2019	No
Tunghsu Group , Li Zhaoting	41,666,666.62	January 6,2017	January 6,2019	No
Tunghsu Group , Li Zhaoting	99,000,000.00	July 7,2017	July 6,2019	No
Tunghsu Group, Li Zhaoting, Li Qing.	75,000,000.00	September 26,2013	April 11,2022	No
Tunghsu Group, Li Zhaoting, Li Qing.	300,000,000.00	April 1,2014	April 11,2022	No
Tunghsu Group, Li Zhaoting, Li Qing.	150,000,000.00	April 22,2015	April 11,2022	No
Tunghsu Group , Li Zhaoting	450,000,000.00	September 30,2016	September 29,2021	No
Tunghsu Group	545,000,000.00	January 28,2013	January 27,2021	No
Tunghsu Group	39,699,600.00	January 28,2013	January 27,2021	No
Tunghsu Group	455,000,000.00	November 7,2016	June 20,2024	No
Tunghsu Group	95,000,000.00	September 18,2017	September 15,2022	No
Tunghsu Group	190,000,000.00	September 18,2017	September 15,2022	No
Tunghsu Group	190,000,000.00	September 18,2017	September 15,2022	No
Tunghsu Group	95,000,000.00	September 18,2017	September 15,2022	No
Tunghsu Group	190,000,000.00	October 31,2017	September 15,2022	No
Tunghsu Group	190,000,000.00	October 31,2017	September 15,2022	No
Tunghsu Group , Li Zhaoting	300,000,000.00	November 6,2017	November 6,2020	No
Tunghsu Group , Li Zhaoting	199,000,000.00	November 7,2017	November 7,2020	No
Tunghsu Group , Li Zhaoting	200,000,000.00	November 10,2017	November 15,2022	No
Tunghsu Group	106,813,432.82	May 25,2016	May 20,2019	No
Tunghsu Group , Li Zhaoting	158,352,857.29	May 31,2016	May 30,2021	No
Tunghsu Group , Li Zhaoting	35,118,543.68	June 16,2016	June 16,2019	No
Tunghsu Group, Li Zhaoting, Li Qing.	200,000,000.00	May 27,2016	May 26,2019	No

Tunghsu Group , Li Zhaoting	15,000,000.00	October 20,2015	October 15,2018	No
Tunghsu Group	220,000,000.00	March 17,2016	March 17,2028	No
Tunghsu Group	280,000,000.00	June 16,2016	June 16,2028	No
Tunghsu Group	106,000,000.00	September 3,2016	September 2,2024	No
Tunghsu Group	45,000,000.00	May 28,2018	May 28,2019	No
Tunghsu Group	135,000,000.00	June 27,2018	June 27,2019	No

(5) Inter-bank lending of capital of related parties:

(6) Related party asset transfer and debt restructuring

(7) Rewards for the key management personnel

(8) Other related transactions

6. Payables and receivables of the related party

(1) Receivables

In RMB

Name	Related party	Amount at year end		Amount at year begiing	
		Balance of Book	Bad debt provision	Balance of Book	Bad debt provision
Account receivable	Chengdu Zhong Optoelectronic Technology Co., Ltd	1,310,860.00		629,722.60	
Account receivable	Hebei Baoshi Energy saving lighting technology Co., Ltd.			43,600.00	
Account receivable	Guangdong Huakai Real Estate Development Co., Ltd.	10,549,142.58		19,184,644.15	
Account receivable	Jinzhou Xulong New Material Co., Ltd.	2,449,198.07		2,449,198.07	
Account receivable	Kunming Tunghsu Qiming Investment Development Co., Ltd.	61,056,762.56		29,110,261.39	
Account receivable	Yinchuan Fengxiang Street Comprehensive	181,832,540.69		173,363,844.40	

	Construction Management Co., Ltd.				
Account receivable	Huidong Baoan Jinan Real Estate Development Co., Ltd.	22,079,177.86			
Account receivable	Zhangzhou Shenghua Real Estate Development Co., Ltd.	19,886,092.23			
Account receivable	Shengzhexhou Zhexu Real Estate Co., Ltd.	19,316,896.10			
Account receivable	Huidong Baoan Hongji Real Estate Development Co., Ltd.	14,107,754.19			
Account receivable	Chongqing Tunghsu Real Estate Co., Ltd.	4,701,058.91			
Account receivable	Tunghsu Technology Development Co., Ltd.	4,174,086.00			
Account receivable	Fujian Hengda Investment Co., Ltd.	3,020,000.00			
Account receivable	Tunghsu Lantian New Energy Co., Ltd.	903,222.06			
Account receivable	Guangdong Huakai Real Estate Development Co., Ltd.	10,549,142.58			
Account receivable	Huiyin Jinkong Asset Management Co., Ltd.	221,379.90			
Account receivable	Beijing Hexie Guanglu Technology Co., Ltd.	138,000.00			
Account receivable	Shenzhen Hongji Property	15,405.00			

	Management Co., Ltd.				
Account receivable	Hunan Baoan Hongji Real Estate Development Co., Ltd.	12,626.16			
Prepayments	Hebei Baoshi Energy saving lighting technology Co., Ltd.	60,000.00		60,000.00	
Prepayments	Hebei Decoration Printing Machinery Co., Ltd.	848,396.00		835,680.87	
Other non-current assets	Shijiazhuang Baoshi Electronic vacuum Glass Co., Ltd.			420,000.00	
Other non-current assets	Tunghsu Group	132,132,857.44		132,132,857.44	

(2) Payables

In RMB

Name	Related party	Book balance at year end	Book balance at year beginning
Account payable	Shijiazhuang XumingTube Co., Ltd.	14,948.00	14,948.00
Account payable	Shijiazhuang Baoshi Electronic vacuum Glass Co., Ltd.	986,344.16	6,344.16
Account payable	Shijiazhuang Baoshi Large-diameter plastic tube Co., Ltd	533,942.80	533,942.80
Account payable	Shijiazhuang Baoshi Zhonghe Steel Plastic Shape Co., Ltd.	4,030,296.40	30,296.40
Account payable	Shijiazhuang Xuling Electronic Technology Co., Ltd.	1,320,164.09	1,320,164.09
Account payable	Shijiazhuang Tunghsu Machinery Equipment Co., Ltd.	14,381.92	14,381.92
Advance revenue	Tunghsu Group	46,176,000.00	46,176,000.00
Advance revenue	Chengdu Zhong Optoelectronic Technology Co., Ltd	38,692.80	38,692.80
Advance revenue	Yixian Xuhua Park	45,562,318.00	3,852,318.00

	Construction Development Co., Ltd.		
Advance revenue	Huidong Baoan Hongji Real Estate Development Co., Ltd.	61,371,921.90	
Other payable	Baoshi Group		722,000.00
Other payable	Tunghsu Group	198,526,185.51	470,099,941.55
Other payable	Shijiazhuang Baoshi Electronic vacuum Glass Co., Ltd.	4,739,613.30	4,700,985.30
Other payable	Tibet Xuri Capital Management Co., Ltd.	8,000,000.00	
Other payable	Huidong Baoan Jinan Real Estate Development Co., Ltd.	8,400.00	
Other payable	Chengdu Zhong Optoelectronic Technology Co., Ltd	6,850.92	
Other payable	Shijiazhuang XumingTube Co., Ltd.	97,031.00	97,031.00

7. Related party commitment

8. Other

XIII. Stock payment

1. The Stock payment overall situation

Applicable Not applicable

2. The Stock payment settled by equity

Applicable Not applicable

3. The Stock payment settled by cash

Applicable Not applicable

4. Modification and termination of the stock payment

5. Other

XIV. Commitments

1. Importance commitment events

Important commitments of existence of balance sheet date

As of June 30, 2018, there was no significant commitment or contingency in the Group.

2. Contingency

(1) Significant contingency at balance sheet date

1. Chengdu Tongxing Micro-credit Co., Ltd. sued Sichuan Shangwei Construction and Decoration Engineering Co., Ltd., Wang Shaoqing, Lin Suqiong, Yang Jianzhong, Tunnel Group Engineering Co., Ltd. for the loan contract, and requested a loan amount of RMB 6,500,000, interest of RMB 87,7500, penalty interest of 1,395,333.33 yuan, a total of 8,772,833.33 yuan, among them, the company bears the guarantee responsibility. Chuan 0191 Minchu No. 10209 of the People's Court of Chengdu High-tech Industrial Development Zone (2016). It is first notified to hold the court session on October 11, 2016, and later the judge telephoned the lawyer to postpone the court session. As of the reporting date, no judgment has yet been made, and the court sentenced that the 7377500 yuan is to be borne by Shangwei Company, Wang Shaoqing, Lin Suqiong, Yang Jianzhong, and R&B Group Engineering Co., Ltd. are jointly and severally liable for the guarantee. The court froze the amount and interest of 7,441,788 yuan.

2. Liupanshui Jiuxiang Blasting Engineering Co., Ltd. sued the company due to project construction and requested the company to pay the project amount of RMB341,198.25 and the interest since April 30, 2014 (calculated at 6% per annum), The No. 1929 case of (2017) QIAN 0524 MIN CHU of Zhijin County Court, Guizhou Province was held on June 20, 2017. At present, the appeal against jurisdiction objection to the Bijie County Intermediate People's Court is currently being heard.

3. Construction project contract disputes. The plaintiff Xu Wenhua requested amount: 1. Construction and guarantee funds of RMB 3 million and the calculation of interest losses on the basis of the People's Bank loan interest rate for the same period from August 10, 2013 to the time of payment; 2. The defendant will bear the legal costs. The No. 992 case of (2017) E 2823, MINCHU of the People's Court of Badong County, Hubei Province was held at 14:40 on June 12, 2017. and the appeal against jurisdiction objection to the People's Court of Enshi Tujia and Miao Autonomous Prefecture of Hubei Province is currently being heard.

4. Construction project contract disputes. Plaintiff (counterclaim defendant) Zhou Jihong, defendant (counterclaim

plaintiff) Daosui Group Engineering Co., Ltd., defendant (counterclaim third party) Road&bridge International Co., Ltd., defendant (counterclaim third party) Chengdu Beixin Construction Engineering Co., Ltd. The Nanchong Intermediate People's Court made the No. 29 civil judgment (2013) Nanzhongfaminchuzi on April 21, 2017, ruling: Daosui Group paid Zhou Jihong 167,034.97 yuan of various amount and interest, and the interest should be accounted from May 16, 2013; reject the counter-claims of Daosui Group. After the verdict of first instance, Road&bridge International Co., Ltd. and Bridge Construction Co., Ltd. and Daosui Group Engineering Co., Ltd. both filed an appeal.

5. Labor contract dispute, plaintiff: Yang Zaibing, who requesting an amount of 333,874.00 yuan. Chuan 3330 Minchu No. 16 case of Sichuan Province Dege County People' s Court (2017) was opened at 9: 00 on July 20, 2017. On July 25, 2017, Chuan 3330 Minchu No. 16 Judgment of Sichuan Province Dege County People' s Court (2017) ruled that Luo Zhicong paid the plaintiff 333,874.00 yuan, and Sichuan province Jinkun Labor Company and R&B Group Guang' an Engineering Co., Ltd. were jointly and severally liable. A second instance appeal has been filed.

6. Construction project contract disputes. The plaintiff Chongqing Mingyi Labor Service Co., Ltd. requested the amount of 5 million yuan in project compensation and the interest from August 1, 2011. The No. 2370 Case of (2017) CHUAN 1130 MINCHU of the People's Court of Shunqing District of Nanchong City was held at 15:30 on July 26th, 2017, and the case was transferred to the Intermediate People's Court of Chengdu for railway transportation.

7. Construction project contract disputes. Plaintiff: Chongqing Minyi Labor Service Co., Ltd., Defendant: Daosui Group Engineering Co., Ltd., Road&bridge International Co., Ltd., Third Party: Earth and Rock Engineering Branch of Sichuan Nanchong Hongcheng Construction Engineering Co., Ltd., Litigation Request: Litigation request: Daosui Group Engineering Co., Ltd. pays 4,260,061 yuan for on-site material equipment and interest on January 23, 2011; Road&bridge International Co., Ltd. and the third party bear joint responsibility for payment within the scope of 2,750,721.63 yuan of on-site materials and equipment received. The No. 2371 case of (2017) CHUAN 1302 MINCHU of People's Court of Shunqing District of Nanchong City was held at 15:30 on July 27th, 2017, and the case was transferred to the Intermediate People's Court of Chengdu for railway transportation.

8. Private lending disputes. Plaintiff: Ye Pingyuan, defendant: He Yuanyuan, Daosui Group, plaintiff's request: immediate repayment of the loan principal amount of 3.3 million yuan and interests of 726,000 yuan during the period, overdue interests and penalty interests, etc.; a total of 80,000 yuan for lawyers' fees, travel expenses, property preservation guarantees, etc. The plaintiff's request: immediate repayment of the loan principal of 2.7 million yuan and interest of 972,000 yuan during the period, overdue interest and penalty interest, etc.; payment of legal fees, travel expenses, property preservation guarantee fees, etc., totaling 50,000 yuan. The People's Court of Nanan District, Chongqing City accepted and issued the No. 5009 and No.5010 notice of response to action of (2017)YU 0108 ZI to Daosui Group on August 3, 2018.

9. Dispute on sales contract, plaintiff: Building Materials Management Department of Xiaoren Yangliuping Sand Field, Zishi Township, Tianquan County, who requesting the payment of 2,262,194.00 yuan for sand and gravel materials and interest calculated from the date of prosecution to the date of actual payment based on the bank interest rate for the same period. In the case of Chuan 1825 Minchu No. 668 of Sichuan Tianquan County People' s Court (2017), R&B group filed a jurisdictional objection. The case is scheduled to open at 9: 00 on August 18, 2017. The appeal for jurisdictional objection is currently being heard.

10. Disputes over compensation for property damages, plaintiff: Yan Kaiyuan, defendant: Project Management

Department of A2-1 bid of R&B Group Engineering Co., Ltd., Xie Wanyou and Yin Xiuchao, the plaintiffs request an compensation for damages to electromechanical wells, water pumps and other losses totaling 182,900.00 yuan. No. 01292 case of Helinger County People's Court (2015) is scheduled to open on December 29, 2015.

11. Dispute on construction contract, plaintiff: Nanchong Jianan Labor Co., Ltd., defendant: CCCC Road and Bridge Construction Co., Ltd., third party: R&B Group Engineering Co., Ltd., the plaintiff requests a lawsuit related to R&B Group: the defendant was ordered to pay 3,850,838.84 yuan of creditor's rights and interest transferred by the third party, and the third party was jointly and severally liable. The case of Chuan 1302 Minchu No. 1489 of Nanchong Shunqing District People's Court (2017) will open at 15:30 on June 6, 2017. CCCC Road and Bridge Construction Co., Ltd. raised a jurisdictional objection which is currently being heard.

12. Dispute over right of recourse, plaintiff: Liang Honglin, requesting 234,000.00 yuan, i.e. overdue interest, Chuan 1681 Minchu No. 225 case of Huaying Municipal People's Court (2016) was on court on July 21, 2017. On August 8, 2017, Chuan 1681 Minchu No. 225 judgment of Huaying Municipal People's Court (2016) ruled that R&B should return 100,000 yuan to plaintiff and calculate interest based on loan interest for the same period starting from (September 20, 2016).

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

The was no significant contingency in the Company.

3.Other

XV. Post-balance-sheet events

1. Significant events had not adjusted

2. Profit distribution

3. Sales return

4. Notes of other significant events

XVI. Other significant events

1. The accounting errors correction in previous period

(1) Retrospective restatement

(2) Prospective application

2. Debt restructuring

3. Replacement of assets

(1) Non-monetary assets exchange

(2) Other assets replacement

4. Pension plan

5. Discontinuing operation

6. Segment information

(1) Recognition basis and accounting policies of reportable segment

(2) Reporting Segment Financial Information

(3) There was no reportable segment, or the total amount of assets and liabilities of each part of reportable segment, shall disclose the reason.

(4) Other notes

7. Other important transactions and events have an impact on investors' decision-making

8.Other

XVII. Notes s of main items in financial reports of parent company

(1) Account receivable

1.Classification account receivables.

In RMB

Category	Amount in year-end					Amount in year-beginning				
	Book Balance		Bad debt provision		Book value	Book Balance		Bad debt provision		Book value
	Amount	Proportion(%)	Amount	Proportion(%)		Amount	Proportion(%)	Amount	Proportion(%)	
Account receivables provided bad debt provision in credit risk groups	24,066,841.50	100.00%	333,978.91	1.39%	23,732,862.59	24,456,691.50	100.00%	619,428.91	2.53%	23,837,262.59
Total	24,066,841.50	100.00%	333,978.91	1.39%	23,732,862.59	24,456,691.50	100.00%	619,428.91	2.53%	23,837,262.59

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

Applicable Not applicable

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

Applicable Not applicable

In RMB

Aging	Amount in year-end		
	Account receivable	Provision for bad debts	Proportion%
Within item 1 year			
Within credit period	900.00		
Subtotal 1 year	900.00		
3-4 years	138,768.39	69,384.20	50.00%
Over 5 years	264,594.71	264,594.71	100.00%
Total	403,363.10	333,978.91	

Notes:

Receivable accounts on which had debt provisions are provided on percentage analyze basis in a portfolio

Applicable Not applicable

Receivable accounts on which had debt provisions are provided by other ways in the portfolio

Name	Amount in year-end	Amount in year- begin
Other group	23,663,478.40	

(2) Accounts receivable withdraw, reversed or collected during the reporting period

The withdrawal amount of the bad debt provision during the reporting period was of RMB 0.00; The amount of the reversed or collected part during the reporting period was of RMB285,450.0.

Where the current bad debts back or recover significant amounts:

In RMB

Name	Back or withdraw money	Method
Hebei Shengshi Machinery tools Group Co., Ltd.	285,450.00	
Total	285,450.00	--

(3) The current accounts receivable written-offs situation

(4) The ending balance of other receivable owed by the imputation of the top five parties

The total receivable amount of top five closing balances collected by the debtors in the current reporting period is RMB20,069,912.24, which accounts for 83.39% of the total receivables. The total amount of closing balance for corresponding accrued bad-debt provision is RMB0.00.

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

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

2. Other accounts receivable

(1) Other accounts receivable disclosed by category

In RMB

Category	Amount in year-end					Amount in year- begin				
	Book Balance		Bad debt provision		Book value	Book Balance		Bad debt provision		Book value
	Amount	Proportion(%)	Amount	Proportion(%)		Amount	Proportion(%)	Amount	Proportion(%)	
Other account receivables provided bad debt provision in credit risk groups	7,277,650,814.21	100.00%	1,590,109.46	0.02%	7,276,060,704.75	4,792,302,782.16	100.00%	1,590,109.46	0.03%	4,790,712,672.70
Total	7,277,650,814.21	100.00%	1,590,109.46	0.02%	7,276,060,704.75	4,792,302,782.16	100.00%	1,590,109.46	0.03%	4,790,712,672.70

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

Applicable Not applicable

Other receivable of combinational withdrawing bad debt provision by aging analysis method

✓Applicable Not applicable

In RMB

Aging	Amount in year-end		
	Other receivable	Provision for bad debts	Proportion(%)
WithinItem 1 year			
Within credit period	12,411,147.86		
Within 1 year after credit period	96,550.70	4,827.54	5.00%
Subtotal 1 year	12,507,698.56	4,827.54	
3-4 years	200,000.00	100,000.00	50.00%
Over 5 years	1,485,281.92	1,485,281.92	100.00%
Total	14,192,980.48	1,590,109.46	

Notes:

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

 Applicable ✓Not applicable

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

✓Applicable Not applicable

Name	Closing Balance		
	Other account reivable	Bad debt provision	Proportion
Related current account	7,235,364,183.36		
Deposit	26,693,666.66		
Personal official borrowing	676,970.63		
Persona Returnable Insurance	576,360.09		
Export tax refunds	146,652.99		
Total	7,263,457,833.73		

(2) Bad debt provision accrual collected or switch back

Bad debt provision accrual was RMB0.00, the account collected or switches back amounting to RMB 0.00.

Significant amount of reversed or recovered bad debt provision:

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

(4) Other account receivables category by nature of money

In RMB

Naature	Ending book balance	Beginning book balance
Related current account	7,235,364,183.36	4,728,633,349.92
current account	14,192,980.48	28,846,088.84

Deposit	26,693,666.66	31,693,666.66
Personal official borrowing	676,970.63	159,109.89
Persona Returnable Insurance	576,360.09	446,555.34
Other	146,652.99	2,524,011.51
Total	7,277,650,814.21	4,792,302,782.16

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

In RMB

Name	Nature	Year-end balance	Age	Portion in total other receivables(%)	Bad debt provision of year-end balance
Wuhu Tunghsu Optoelectronic Technology Co., Ltd.	Current account	2,830,661,471.94	Within credit period	38.90%	
Wuhu Tunghsu Optoelectronic Equipment Technology Co., Ltd.	Current account	2,503,648,360.33	Within credit period	34.40%	
Shanghai Sunlong Bus Co., Ltd.	Current account	745,000,000.00	Within credit period	10.24%	
Beijing Xufeng Real Estate Co., Ltd.	Current account	455,852,347.30	Within credit period	6.26%	
Fuzhou Xufu Optoelectronic Technology Co., Ltd.	Current account	282,500,616.65	Within credit period	3.88%	
Total	--	6,817,662,796.22	--	93.68%	

(6) Accounts receivable involved with government subsidies

3.Long-term equity investment

In RMB

Items	End of term			Beginning of term		
	Book Balance	Impairment provision	Book value	Book Balance	Impairment provision	Book value
Investment in subsidiaries	23,295,190,195.21	378,172,649.84	22,917,017,545.37	21,269,035,359.71	378,172,649.84	20,890,862,709.87
Investment in joint ventures and associates	2,141,338,074.97		2,141,338,074.97	2,129,502,187.30		2,129,502,187.30

Total	25,436,528,270.18	378,172,649.84	25,058,355,620.34	23,398,537,547.01	378,172,649.84	23,020,364,897.17
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(1) Investment to the subsidiary

In RMB

Name	Opening balance	Increase	Decrease	Closing balance	Withdrawn impairment provision in the reporting period	Closing balance of impairment provision
Wuhu Tunghsu Optoelectronic Equipment Technology Co., Ltd.	290,900,000.00			290,900,000.00		
Shijiazhuang Xuxin Optoelectronic Technology Co., Ltd	1,966,568,609.92			1,966,568,609.92		
Zhengzhou Xufei Optoelectronic Technology Co., Ltd.	1,791,853,741.58			1,791,853,741.58		
Sichuan Xuhong Optoelectronic Technology Co., Ltd.	1,221,178,272.58	800,000,000.00		2,021,178,272.58		
Wuhu Tunghsu Optoelectronic Technology Co., Ltd.	4,711,064,000.00			4,711,064,000.00		
Fuzhou Tunghsu Optoelectronic Technology Co., Ltd.	1,745,000,000.00			1,745,000,000.00		
Wuhan Tunghsu Optoelectronic Technology Co., Ltd.	3,247,200.00		690.57	3,246,509.43		
Fuzhou Xufu	24,000,000.00			24,000,000.00		

Optoelectronic Technology Co., Ltd.						
Shenzhen Xuhui Investment Co., Ltd.	100,000,000.00			100,000,000.00		
Xuyou Electric Material Technology (Wuxi) Co., Ltd.	570,628,050.30		570,628,050.30			
Tunghsu (Yingkou) Optoelectronic Display Co., Ltd.		167,993,576.37		167,993,576.37		
Shijiazhuang Colour Bulb Co., Ltd	439,341,956.80			439,341,956.80		378,172,649.84
Jiangsu Jixing New Material Co., Ltd.	222,345,300.00	71,040,000.00		293,385,300.00		
Tunghsu (Kunshan) Display Material Co., Ltd.	800,000,000.00			800,000,000.00		
Beijing Xutan New Material Technology Co., Ltd.	10,500,000.00			10,500,000.00		
Beijing Xufeng Real Estate Co., Ltd.	470,000,000.00			470,000,000.00		
Tunghsu Construction Group Co.,Ltd.	3,000,453,728.53			3,000,453,728.53		
Shanghai Sunlong Bus Co., Ltd.	3,800,000,000.00	1,400,000,000.00		5,200,000,000.00		
Shenzhen Sanbao Chuangxin Intelligent Co., Ltd.		157,750,000.00		157,750,000.00		
Beijing Tunghsu Huaqing	3,500,000.00			3,500,000.00		

Investment Co., Ltd.						
Shanghai Tanyuan Huigu New Material Technology Co., Ltd.	73,454,500.00				73,454,500.00	
Taizhou Tunghsu graphene Industry Investment Fund Management Centre	25,000,000.00				25,000,000.00	
Total	21,269,035,359.71	2,596,783,576.37	570,628,740.87		23,295,190,195.21	378,172,649.84

(2) Investment to joint ventures and associated enterprises

In RMB

Name	Opening balance	Increase /decrease in reporting period								Closing balance	Closing balance of impairment provision	
		Add investment	Decreased investment	Gain/loss of Investment	Adjustment of other comprehensive income	Other equity changes	Declaration of cash dividends or profit	Withdrawn impairment provision	Other			
I. Joint ventures												
II. Associated enterprises												
Zhongda Chengxin International Commercial Factoring Co., Ltd.	73,306,968.08			2,886,186.76							76,193,154.84	
Tunghsu(Deyang) Graphene	19,454,200.71			29,527.77							19,483,728.48	

Development Fund Partnership (LP)										
Tunghsu Finance Group	2,004,062,204.94			6,471,235.43					2,010,533,440.37	
Zibo Bus Co., Ltd.	32,678,813.57			2,448,937.71					35,127,751.28	
Subtotal	2,129,502,187.30			11,835,887.67					2,141,338,074.97	
Total	2,129,502,187.30			11,835,887.67					2,141,338,074.97	

(3) Other notes

Long term equity investment impairment	Opening balance	Increase	Decrease	Closing balance
Name				
Shijiazhuang Colour Bulb Co., Ltd	378,172,649.84			378,172,649.84
Total	378,172,649.84			378,172,649.84

4. Business income and Business cost

In RMB

Items	Amount of current period		Amount of previous period	
	Income	Cost	Income	Cost
Main business	54,602,917.98	38,492,540.23	11,006,532.52	6,941,391.49
Other business	713,064.42		27,591,148.66	21,150,871.79
Total	55,315,982.40	38,492,540.23	38,597,681.18	28,092,263.28

Other notes:

5. Investment income

In RMB

Items	Amount of current period	Amount of previous period
Investment loss through disposal of long-term equity investment	11,835,887.67	-15,507,683.03

Disposal of investment income from long-term equity investments	-20,628,050.30	
Other Investment income	13,923,452.07	22,183,417.04
Total	5,131,289.44	6,675,734.01

6.Other

XVIII. Supplementary Information

1.Current non-recurring gains/losses

√ Applicable □ Not applicable

In RMB

Items	Amount	Notes
Gains/Losses on the disposal of non-current assets	-664,826.45	
Government grants recognized in the current period, except for those acquired in the ordinary course of business or granted at certain quotas or amounts according to the country's unified standards	44,668,918.09	
Gains and losses from assets under trusted investment or Management	13,923,452.07	Investment Financing income
Gain/loss from debt reorganization	484,207.00	
Net gain/loss of current term from consolidation of subsidiaries under common control from beginning of term to the consolidation date	-9,555,668.76	Business combination under the same control. Retroactive adjustment
Entrusted with the operating of the trust to obtain fee income	235,849.06	
Net amount of non-operating income and expense except the aforesaid items	2,694,248.35	
Less: .Amount of influence of income tax	6,987,734.04	
Amount of influence of minority interests	-2,152,164.99	
Total	46,950,610.31	--

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

recurring gains and losses, it is necessary to explain the reason.

Applicable Not applicable

2 Return on net assets and earnings per share

Profit of the report period	Return on net assets . Weighted (%)	Earnings per share	
		Basic earnings per share	Diluted gains per share
Net profit attributable to the Common stock shareholders of Company.	2.74%	0.15	0.15
Net profit attributable to the Common stock shareholders of Company after deducting of non-recurring gain/loss.	2.59%	0.140	0.120

3. Differences between accounting data under domestic and overseas accounting standards

(1) Differences of net profit and net assets disclosed in financial reports prepared under international and

Chinese accounting standards

Applicable Not applicable

(2) Differences of net profit and net assets disclosed in financial reports prepared under overseas and

Chinese accounting standards

Applicable Not applicable

(3) Explain reasons for the differences between accounting data under domestic and overseas accounting standards, for audit data adjusting differences had been foreign audited, should indicate the name of the foreign institutions

4. Other

XI. Documents available for inspection

- 1.The original semi-annual report bearing the signature of the Chairman of the Board of Directors of the Company;
- 2.The text of the financial report bearing the seal and signature of the person in charge of the Company, financial controller and the person in charge of accounting organ
3. Originals of all documents and manuscripts of public Notices of the Company Disclosed in public in the newspapers as designated by China Securities Regulatory Commission.
4. **【Notes】** This Report has been prepared in both Chinese and English. In case of any discrepancy, the Chinese version shall prevail.

Tunghsu Optoelectronic Technology Co., Ltd.

Chairman:Wang Lipeng

Issue day approved by the Board of Directors: August 30, 2018