

BOE Technology Group Co., Ltd.

ENGLISH TRANSLATION OF FINANCIAL STATEMENTS  
FOR THE YEAR 1 JANUARY 2023 TO 31 DECEMBER 2023  
IF THERE IS ANY CONFLICT BETWEEN THE CHINESE  
VERSION AND ITS ENGLISH TRANSLATION,  
THE CHINESE VERSION WILL PREVAIL

## AUDITOR'S REPORT

毕马威华振审字第 2404989 号

The Shareholders of BOE Technology Group Co., Ltd.:

### Opinion

We have audited the accompanying financial statements of BOE Technology Group Co., Ltd. ("BOE"), which comprise the consolidated and company balance sheets as at 31 December 2023, the consolidated and company income statements, the consolidated and company cash flow statements, the consolidated and company statements of changes in shareholders' equity for the year then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated and company financial position of BOE as at 31 December 2023, and the consolidated and company financial performance and cash flows of BOE for the year then ended in accordance with Accounting Standards for Business Enterprises issued by the Ministry of Finance of the People's Republic of China.

### Basis for Opinion

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

## AUDITOR'S REPORT (continued)

毕马威华振审字第 2404989 号

### Key Audit Matters

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

<b>Revenue recognition</b>	
Refer to the accounting policies set out in the notes to the financial statements “III. Significant accounting policies and accounting estimates” 24 and “V. Notes to the consolidated financial statements” 46.	
<b>The Key Audit Matter</b>	<b>How the matter was addressed in our audit</b>
<p>The revenue of BOE and its subsidiaries (“BOE Group”) is mainly derived from the sales of products relating to display device across the domestic and overseas market.</p> <p>The sales contracts/orders signed between BOE Group and its customers (mainly electronic equipment manufacturers) contain various trading terms. BOE Group judges the transfer timing of control according to the trading terms, and recognises revenue accordingly. Depending on the trading terms, the income is usually recognized when the goods are delivered and received, or when they are received by the carrier.</p> <p>We identified the recognition of BOE Group’s revenue as a key audit matter because revenue, as one of BOE Group’s key performance indicators, involves various trading terms, and there is an inherent risk that revenue may not be recognised in a correct period.</p>	<p>Our audit procedures to evaluate revenue recognition included the following:</p> <ul style="list-style-type: none"> <li>• Evaluate the design and operation effectiveness of key internal controls related to revenue recognition;</li> <li>• Check key sales contracts/orders on a sampling basis to identify relevant trading terms, and evaluate whether the accounting policies for revenue recognition of BOE Group meet the requirements of the Enterprise Accounting Standards;</li> <li>• On a sampling basis and according to different trading terms, reconcile the revenue recorded in the current year to relevant supporting files such as relevant orders, shipping orders, sales invoices, customs declarations, bills of lading, delivery receipts, etc. to evaluate whether revenue is recognised in accordance with the accounting policy of BOE Group;</li> <li>• On a sampling basis and according to different trading terms, cross check the revenue recorded before and after the balance sheet date against relevant supporting files such as relevant orders, shipping orders, sales invoices, customs declarations, bills of lading, delivery receipts, etc. to evaluate whether revenue is recorded in the appropriate period;</li> </ul>

## AUDITOR'S REPORT (continued)

毕马威华振审字第 2404989 号

### Key Audit Matters (continued)

<b>Revenue recognition (continued)</b>	
Refer to Note III. 24 of the accounting policy to the financial statements and Note V. 46 to to the consolidated financial statements.	
<b>The Key Audit Matter</b>	<b>How the matter was addressed in our audit</b>
	<ul style="list-style-type: none"><li>• Select a sample based on the characteristics and nature of customer's transaction, and perform confirmation procedures on the balance of accounts receivable as at the balance sheet date and the sales transaction amount during the current year;</li><li>• On a sampling basis, check the written-back of revenue after the balance sheet date (including sales discounts and sales returns, etc.) with relevant supporting documents to assess whether revenue is recorded in the appropriate period;</li><li>• Select revenue accounting entries that meet specific risk criteria and check related supporting documents.</li></ul>

## AUDITOR'S REPORT (continued)

毕马威华振审字第 2404989 号

### Key Audit Matters (continued)

<b>Impairment of fixed assets and intangible assets</b>	
Refer to the accounting policies set out in the notes to the financial statements "III. Significant accounting policies and accounting estimates" 20 and "V. Notes to the consolidated financial statements" 15, 18.	
<b>The Key Audit Matter</b>	<b>How the matter was addressed in our audit</b>
<p>BOE Group principally generates revenue from the production and sale of display device. Due to the fluctuation of supply-demand relationship of display device and the influence of technology upgrading, the profit level of different production lines suffer dramatic fluctuation. As at 31 December 2023, the book value of fixed assets and intangible assets amounted to RMB 221 , 937 billion, the judgement on impairment indications and impairment test are material to BOE Group's financial statements.</p> <p>The management classifies asset groups based on the smallest identifiable group of assets that generates cash inflows that are independent, and continuously monitors the trend of market of supply and demand as well as the technology evolution; comprehensively judges impairment indications of each asset group in accordance with market trends, operating conditions of production lines and technological advanced performance, and performs impairment test on asset groups if any impairment indication exists.</p> <p>For asset groups with impairment indications, the management assesses whether the book value of fixed assets and intangible assets as at 31 December 2023 were impaired by calculating the present value of expected future cash flows. Calculating the present value of expected future cash flows requires management to make significant judgements, especially for the estimation of future selling prices, sales volume and applicable discount rate.</p>	<p>Our audit procedures to evaluate impairment of fixed assets and intangible assets included the following:</p> <ul style="list-style-type: none"> <li>• Evaluate management's identification of asset groups, assessment of impairment indications, and assess the design and operation effectiveness of key internal controls for impairment tests;</li> <li>• Based on our understanding of BOE Group's businesses and relevant accounting standards, evaluate management's classification basis of asset groups and judgement basis of impairment indications;</li> <li>• For asset groups with impairment indications, based on our understanding of the industry, compare the key assumptions in the calculation of recoverable amounts used by management with external available data and historical analysis, including future selling prices, sales volume and discount rate used by management, evaluate the key assumptions and estimations used by the management;</li> <li>• For asset groups with significant impairment risk, assess the competence, professional quality and objectivity of experts hired by the management; and adopt our own valuation experts' work, assess if discount rates used for estimating the present value of future cash flows by management are within the range used by other companies in the same industry;</li> </ul>

## AUDITOR'S REPORT (continued)

毕马威华振审字第 2404989 号

### Key Audit Matters (continued)

<b>Impairment of fixed assets and intangible assets (continued)</b>	
Refer to the accounting policies set out in the notes to the financial statements "III. Significant accounting policies and accounting estimates" 20 and "V. Notes to the consolidated financial statements" 15, 18.	
<b>The Key Audit Matter</b>	<b>How the matter was addressed in our audit</b>
We identified the impairment of fixed assets and intangible assets as a key audit matter because the book value of fixed assets and intangible assets is significant to the financial statements; management's significant judgements and estimations are involved in assessing the classification basis of asset groups, existence of impairment indications and impairment test of asset groups with impairment indications, which may exist errors or potential management bias.	<p>Our audit procedures to evaluate impairment of fixed assets and intangible assets included the following:</p> <ul style="list-style-type: none"><li>• Compare estimations used for calculating the present value of expected future cash flows in the previous year by the management with the actual situation in this year to consider the historical accuracy of management's forecast results;</li><li>• Perform sensitivity analysis on key assumptions, including future selling prices, sales volume and discount rates, used in the calculation of recoverable amount by the management; assess how changes in key assumptions (individually or collectively) will lead to different results and assess whether there are indications of management bias in the selection of key assumptions;</li><li>• Consider whether the disclosure of impairment of fixed assets and intangible assets in the financial statements is consistent with relevant accounting policy.</li></ul>

## **AUDITOR'S REPORT (continued)**

毕马威华振审字第 2404989 号

### **Other Information**

BOE's management is responsible for the other information. The other information comprises all the information included in 2023 annual report of BOE, other than the financial statements and our auditor's report thereon.

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

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

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

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

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

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

Those charged with governance are responsible for overseeing BOE's financial reporting process.

## AUDITOR'S REPORT (continued)

毕马威华振审字第 2404989 号

### Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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



## AUDITOR'S REPORT (continued)

毕马威华振审字第 2404989 号

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

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

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

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

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

KPMG Huazhen LLP

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

Su Xing (Engagement Partner)

Beijing, China

Chai Jing

29 March 2024

BOE Technology Group Co., Ltd.  
Consolidated balance sheet  
as at 31 December 2023  
*(Expressed in Renminbi Yuan)*

	<i>Note</i>	<i>2023</i>	<i>2022</i>
Assets			
Current assets			
Cash at bank and on hand	V.1	72,467,392,718	68,800,307,369
Financial assets held for trading	V.2	7,755,964,495	17,187,993,936
Bills receivable	V.3	375,577,011	211,792,061
Accounts receivable	V.4	33,365,416,490	28,203,647,569
Receivables financing	V.5	408,534,622	-
Prepayments	V.6	558,659,780	589,764,680
Other receivables	V.7	726,659,207	975,809,236
Inventories	V.8	24,119,667,325	22,787,814,225
Contract assets	V.9	95,710,742	71,636,461
Non-current assets due within one year		8,683,381	8,561,307
Other current assets	V.10	<u>3,308,338,931</u>	<u>3,394,036,919</u>
Total current assets		<u>143,190,604,702</u>	<u>142,231,363,763</u>

The notes on pages 30 to 175 form part of these financial statements.

BOE Technology Group Co., Ltd.  
Consolidated balance sheet  
as at 31 December 2023 (continued)  
*(Expressed in Renminbi Yuan)*

	<i>Note</i>	<i>2023</i>	<i>2022</i>
Assets (continued)			
Non-current assets			
Long-term receivables		3,341,844	28,637,449
Long-term equity investments	V.11	13,731,696,627	12,421,878,851
Investments in other equity instruments	V.12	494,629,577	483,060,306
Other non-current financial assets	V.13	2,253,778,325	2,022,967,681
Investment properties	V.14	1,412,553,446	1,122,025,138
Fixed assets	V.15	210,371,476,524	205,987,050,430
Construction in progress	V.16	29,670,115,546	43,386,134,668
Right-of-use assets	V.17	724,344,345	687,120,946
Intangible assets	V.18	11,565,585,700	8,948,327,143
Development costs	VI.2	166,977,531	-
Goodwill	V.19	704,705,586	660,823,651
Long-term deferred expenses	V.20	534,494,564	556,941,377
Deferred tax assets	V.21	396,877,020	76,013,149
Other non-current assets	V.22	<u>3,965,918,458</u>	<u>1,955,521,384</u>
Total non-current assets		<u>275,996,495,093</u>	<u>278,336,502,173</u>
Total assets		<u>419,187,099,795</u>	<u>420,567,865,936</u>

The notes on pages 30 to 175 form part of these financial statements.

BOE Technology Group Co., Ltd.  
Consolidated balance sheet  
as at 31 December 2023 (continued)  
*(Expressed in Renminbi Yuan)*

	<i>Note</i>	<i>2023</i>	<i>2022</i>
Liabilities and shareholders' equity			
Current liabilities			
Short-term loans	V.23	1,746,184,534	2,373,938,871
Bills payable	V.24	919,313,033	870,221,538
Accounts payable	V.25	32,977,603,351	29,834,720,464
Advance payments received	V.26	94,704,981	79,848,977
Contract liabilities	V.27	3,000,168,620	2,411,717,792
Employee benefits payable	V.28	3,100,911,276	2,818,532,823
Taxes payable	V.29	1,317,080,022	1,331,401,188
Other payables	V.30	19,487,760,965	19,632,223,269
Non-current liabilities due within one year	V.31	24,437,027,442	22,703,750,744
Other current liabilities	V.32	<u>3,085,773,591</u>	<u>3,613,967,673</u>
Total current liabilities		<u>90,166,527,815</u>	<u>85,670,323,339</u>

The notes on pages 30 to 175 form part of these financial statements.

BOE Technology Group Co., Ltd.  
Consolidated balance sheet  
as at 31 December 2023 (continued)  
*(Expressed in Renminbi Yuan)*

	<i>Note</i>	<i>2023</i>	<i>2022</i>
Liabilities and shareholders' equity (continued)			
Non-current liabilities			
Long-term loans	V.33	121,546,339,022	123,143,479,690
Lease liabilities	V.34	542,141,496	538,586,010
Long-term payables	V.35	171,611,393	229,587,077
Provisions	V.36	3,580,000	-
Deferred income	V.37	4,763,051,955	5,156,347,332
Deferred tax liabilities	V.21	1,694,639,729	1,289,899,658
Other non-current liabilities	V.38	<u>2,500,522,066</u>	<u>2,499,075,805</u>
Total non-current liabilities		<u>131,221,885,661</u>	<u>132,856,975,572</u>
Total liabilities		<u>221,388,413,476</u>	<u>218,527,298,911</u>

The notes on pages 30 to 175 form part of these financial statements.

BOE Technology Group Co., Ltd.  
Consolidated balance sheet  
as at 31 December 2023 (continued)  
(Expressed in Renminbi Yuan)

	Note	2023	2022
Liabilities and shareholders' equity (continued)			
Shareholders' equity			
Share capital	V.39	37,652,529,195	38,196,363,421
Other equity instruments	V.40	2,043,402,946	8,176,366,808
Capital reserve	V.41	52,113,580,746	55,224,885,675
Less: Treasury shares	V.42	462,036,240	3,508,201,911
Other comprehensive income	V.43	(1,136,997,224)	(1,073,768,030)
Special reserve		66,472,402	-
Surplus reserve	V.44	3,571,778,635	3,241,063,934
Retained earnings	V.45	<u>35,579,576,607</u>	<u>35,829,465,307</u>
Total equity attributable to shareholders of the Company		<u>129,428,307,067</u>	<u>136,086,175,204</u>
Non-controlling interests		<u>68,370,379,252</u>	<u>65,954,391,821</u>
Total shareholders' equity		<u>197,798,686,319</u>	<u>202,040,567,025</u>
Total liabilities and shareholders' equity		<u>419,187,099,795</u>	<u>420,567,865,936</u>

These financial statements were approved by the Board of Directors of the Company on 29 March 2024.

Chen Yanshun Chairman of the Board	Gao Wenbao Chief Executive Officer	Yang Xiaoping Chief Financial Officer	Teng Jiao The head of the accounting department	(Company stamp)
(Signature and stamp)	(Signature and stamp)	(Signature and stamp)	(Signature and stamp)	

The notes on pages 30 to 175 form part of these financial statements.

BOE Technology Group Co., Ltd.  
Company balance sheet  
as at 31 December 2023  
*(Expressed in Renminbi Yuan)*

	<i>Note</i>	<i>2023</i>	<i>2022</i>
Assets			
Current assets			
Cash at bank and on hand		4,255,943,334	7,121,641,234
Accounts receivable	XVI.1	4,870,413,096	4,863,665,269
Prepayments		4,807,079	7,045,311
Other receivables	XVI.2	28,381,628,538	19,878,145,375
Inventories		19,337,053	15,065,947
Other current assets		<u>126,758,000</u>	<u>57,226,515</u>
Total current assets		<u>37,658,887,100</u>	<u>31,942,789,651</u>
Non-current assets			
Long-term equity investments	XVI.3	191,109,201,591	214,308,953,020
Investments in other equity instruments		62,020,419	60,434,464
Other non-current financial assets		1,493,778,324	1,416,072,234
Investment properties		246,605,801	251,870,591
Fixed assets		945,373,523	921,510,043
Construction in progress		612,320,190	616,247,335
Right-of-use assets		86,718,376	126,373,643
Intangible assets		997,974,193	1,122,230,564
Long-term deferred expenses		337,051,031	384,123,386
Other non-current assets		<u>1,740,557,308</u>	<u>1,080,322,988</u>
Total non-current assets		<u>197,631,600,756</u>	<u>220,288,138,268</u>
Total assets		<u>235,290,487,856</u>	<u>252,230,927,919</u>

The notes on pages 30 to 175 form part of these financial statements.

BOE Technology Group Co., Ltd.  
Company balance sheet  
as at 31 December 2023 (continued)  
(Expressed in Renminbi Yuan)

	<i>Note</i>	<i>2023</i>	<i>2022</i>
Liabilities and shareholders' equity			
Current liabilities			
Accounts payable		566,941,531	312,100,258
Advance payments received		10,542,897	14,819,929
Contract liabilities		74,594	19,200
Employee benefits payable		300,267,423	282,792,422
Taxes payable		279,057,718	139,166,672
Other payables	XVI.4	3,515,995,979	4,249,391,146
Non-current liabilities due within one year		4,029,679,945	2,704,607,119
Other current liabilities		<u>77,354,731</u>	<u>20,283,257</u>
Total current liabilities		<u>8,779,914,818</u>	<u>7,723,180,003</u>
Non-current liabilities			
Long-term loans	XVI.5	44,053,100,000	39,557,500,000
Lease liabilities		42,482,289	85,830,813
Deferred income		954,798,900	1,933,587,746
Deferred tax liabilities		222,201,768	111,987,272
Other non-current liabilities		<u>79,800,793,681</u>	<u>96,394,661,805</u>
Total non-current liabilities		<u>125,073,376,638</u>	<u>138,083,567,636</u>
Total liabilities		<u>133,853,291,456</u>	<u>145,806,747,639</u>

The notes on pages 30 to 175 form part of these financial statements.



BOE Technology Group Co., Ltd.  
Company balance sheet  
as at 31 December 2023 (continued)  
*(Expressed in Renminbi Yuan)*

	<i>Note</i>	<i>2023</i>	<i>2022</i>
Liabilities and shareholders' equity (continued)			
Shareholders' equity			
Share capital	V.39	37,652,529,195	38,196,363,421
Other equity instruments	V.40	2,043,402,946	8,176,366,808
Capital reserve	XVI.6	51,741,820,724	53,693,627,213
Less: Treasury shares	V.42	462,036,240	3,508,201,911
Other comprehensive income	XVI.7	(296,433,056)	340,345
Surplus reserve	V.44	3,571,778,635	3,241,063,934
Retained earnings	XVI.8	<u>7,186,134,196</u>	<u>6,624,620,470</u>
 Total shareholders' equity		<u>101,437,196,400</u>	<u>106,424,180,280</u>
 Total liabilities and shareholders' equity		<u>235,290,487,856</u>	<u>252,230,927,919</u>

These financial statements were approved by the Board of Directors of the Company on 29 March 2024.

Chen Yanshun Chairman of the Board	Gao Wenbao Chief Executive Officer	Yang Xiaoping Chief Financial Officer	Teng Jiao The head of the accounting department	
(Signature and stamp)	(Signature and stamp)	(Signature and stamp)	(Signature and stamp)	(Company stamp)

The notes on pages 30 to 175 form part of these financial statements.

BOE Technology Group Co., Ltd.  
Consolidated income statement  
for the year ended 31 December 2023  
*(Expressed in Renminbi Yuan)*

	<i>Note</i>	<i>2023</i>	<i>2022</i>
I. Operating income	V.46	174,543,445,895	178,413,731,179
II. Less: Operating costs	V.46	152,633,061,367	157,530,566,152
Taxes and surcharges	V.47	1,132,985,865	1,275,171,339
Selling and distribution expenses	V.48	3,736,940,205	4,233,290,297
General and administrative expenses	V.49	5,944,875,540	6,247,637,006
Research and development expenses	V.50	11,319,503,088	11,100,768,677
Financial expenses	V.51	1,150,310,546	2,445,130,575
Including: Interest expenses		3,536,889,899	3,572,211,438
Interest income		2,032,287,888	1,483,022,892
Add: Other income	V.52	4,202,333,156	5,485,529,324
Investment income	V.53	810,709,642	6,094,267,884
Including: Income from investment in associates and joint ventures		702,555,344	528,103,680
Gains from changes in fair value	V.54	291,542,233	159,344,584
Credit losses	V.55	(18,562,198)	(51,577,226)
Impairment losses	V.56	(2,406,230,634)	(7,304,471,630)
Gains from asset disposals	V.57	<u>13,090,386</u>	<u>10,965,556</u>
III. Operating profit /(loss)		1,518,651,869	(24,774,375)
Add: Non-operating income	V.58	383,996,163	163,242,857
Less: Non-operating expenses	V.58	<u>69,649,357</u>	<u>87,249,543</u>

The notes on pages 30 to 175 form part of these financial statements.

BOE Technology Group Co., Ltd.  
 Consolidated income statement  
 for the year ended 31 December 2023 (continued)  
 (Expressed in Renminbi Yuan)

	<i>Note</i>	<i>2023</i>	<i>2022</i>
IV. Profit before income tax		1,832,998,675	51,218,939
Less: Income tax expenses	V.59	<u>1,463,127,346</u>	<u>1,791,720,662</u>
V. Net profit for the year / (loss)		<u>369,871,329</u>	<u>(1,740,501,723)</u>
Shareholders of the Company		2,547,435,360	7,541,423,198
Non-controlling interests		(2,177,564,031)	(9,281,924,921)

The notes on pages 30 to 175 form part of these financial statements.

BOE Technology Group Co., Ltd.  
Consolidated income statement  
for the year ended 31 December 2023 (continued)  
*(Expressed in Renminbi Yuan)*

	<i>Note</i>	<i>2023</i>	<i>2022</i>
VI. Other comprehensive income, net of tax	V.43	<u>(18,318,697)</u>	<u>(1,158,016,792)</u>
Other comprehensive income (net of tax) attributable to owners of the Company		(114,919,973)	(1,164,537,236)
(1) Items that will not be reclassified to profit or loss			
1. Other comprehensive income recognised under equity method		(302,258,742)	(53,367,649)
2. Changes in fair value of investments in other equity instruments		4,408,730	(79,547,426)
(2) Items that may be reclassified to profit or loss			
1. Other comprehensive income recognised under equity method		38,009	127,867
2. Translation differences arising from translation of foreign currency financial statements		182,892,030	(1,031,750,028)
Other comprehensive income (net of tax) attributable to non-controlling interests		<u>96,601,276</u>	<u>6,520,444</u>

The notes on pages 30 to 175 form part of these financial statements.

BOE Technology Group Co., Ltd.  
 Consolidated income statement  
 for the year ended 31 December 2023 (continued)  
 (Expressed in Renminbi Yuan)

	<i>Note</i>	<i>2023</i>	<i>2022</i>
VII. Total comprehensive income for the year		<u>351,552,632</u>	<u>(2,898,518,515)</u>
Attributable to shareholders of the Company		2,432,515,387	6,376,885,962
Attributable to non-controlling interests		(2,080,962,755)	(9,275,404,477)
VIII. Earnings per share:			
(1) Basic earnings per share	V.60	0.06	0.19
(2) Diluted earnings per share	V.60	Not applicable	Not applicable

These financial statements were approved by the Board of Directors of the Company on 29 March 2024.

Chen Yanshun Chairman of the Board	Gao Wenbao Chief Executive Officer	Yang Xiaoping Chief Financial Officer	Teng Jiao The head of the accounting department	
(Signature and stamp)	(Signature and stamp)	(Signature and stamp)	(Signature and stamp)	(Company stamp)

The notes on pages 30 to 175 form part of these financial statements.

BOE Technology Group Co., Ltd.  
Company income statement  
for the year ended 31 December 2023  
(Expressed in Renminbi Yuan)

	Note	2023	2022
I. Operating income	XVI.9	4,708,465,987	4,873,328,715
II. Less: Operating costs	XVI.9	12,627,567	10,080,268
Taxes and surcharges		43,605,220	55,342,015
General and administrative expenses		1,332,250,430	1,348,187,653
Research and development expenses		2,128,570,079	2,046,032,751
Financial expenses		480,003,968	574,596,105
Including: Interest expenses		545,603,838	631,737,202
Interest income		71,059,318	96,658,931
Add: Other income		951,291,761	948,637,354
Investment income	XVI.10	1,991,483,354	1,934,087,931
Including: Income from investment in associates and joint ventures		429,364,809	328,861,860
Gains from changes in fair value		49,498,773	-
Credit losses		5,490,866	(18,126,642)
Losses from asset disposals		5,077,109	-
III. Operating profit		3,714,250,586	3,703,688,566
Add: Non-operating income		3,921,345	6,873,424
Less: Non-operating expenses		6,859,836	26,617,581
IV. Profit before income tax		3,711,312,095	3,683,944,409
Less: Income tax expenses		405,340,309	202,080,897
V. Net profit for the year		3,305,971,786	3,481,863,512

The notes on pages 30 to 175 form part of these financial statements.

BOE Technology Group Co., Ltd.  
Company income statement  
for the year ended 31 December 2023 (continued)  
*(Expressed in Renminbi Yuan)*

	<i>Note</i>	<i>2023</i>	<i>2022</i>
VI. Other comprehensive income, net of tax	XVI.7	(295,598,180)	(55,810,525)
(1) Items that will not be reclassified to profit or loss			
1. Other comprehensive income recognised under equity method		(302,258,742)	(53,367,649)
2. Changes in fair value of investments in other equity instruments		6,660,562	(2,570,743)
(2) Items that may be reclassified to profit or loss		-	127,867
VII. Total comprehensive income for the year		<u>3,010,373,606</u>	<u>3,426,052,987</u>

These financial statements were approved by the Board of Directors of the Company on 29 March 2024.

Chen Yanshun Chairman of the Board	Gao Wenbao Chief Executive Officer	Yang Xiaoping Chief Financial Officer	Teng Jiao The head of the accounting department	
(Signature and stamp)	(Signature and stamp)	(Signature and stamp)	(Signature and stamp)	(Company stamp)

The notes on pages 30 to 175 form part of these financial statements.

BOE Technology Group Co., Ltd.  
Consolidated cash flow statement  
for the year ended 31 December 2023  
*(Expressed in Renminbi Yuan)*

	<i>Note</i>	<i>2023</i>	<i>2022</i>
I. Cash flows from operating activities:			
Proceeds from sale of goods and rendering of services		180,947,736,116	193,327,661,415
Refund of taxes		10,373,888,040	17,259,338,469
Proceeds from other operating activities	V.61(1)a	<u>6,145,484,931</u>	<u>7,397,264,096</u>
Sub-total of cash inflows		<u>197,467,109,087</u>	<u>217,984,263,980</u>
Payment for goods and services		(129,474,896,348)	(142,617,274,685)
Payment to and for employees		(18,253,350,198)	(19,821,022,609)
Payment of various taxes		(3,823,925,586)	(5,394,897,972)
Payment for other operating activities	V.61(1)b	<u>(7,613,110,071)</u>	<u>(7,129,101,409)</u>
Sub-total of cash outflows		<u>(159,165,282,203)</u>	<u>(174,962,296,675)</u>
Net cash flows generated from operating activities	V.62(1)	<u>38,301,826,884</u>	<u>43,021,967,305</u>

The notes on pages 30 to 175 form part of these financial statements.



BOE Technology Group Co., Ltd.  
Consolidated cash flow statement  
for the year ended 31 December 2023 (continued)  
*(Expressed in Renminbi Yuan)*

	<i>Note</i>	<i>2023</i>	<i>2022</i>
II. Cash flows from investing activities:			
Proceeds from disposal of investments		70,648,492,540	83,038,823,137
Investment returns received		569,248,170	461,543,173
Net proceeds from disposal of fixed assets, intangible assets and other long-term assets		62,750,260	26,645,620
Net proceeds for acquisition of subsidiaries	V.62(2)	59,293,141	-
Net proceeds from disposal of subsidiaries	V.62(2)	-	936,758,922
Proceeds from other investing activities	V.61(2) a	<u>3,940,488,690</u>	<u>1,311,942,470</u>
Sub-total of cash inflows		<u>75,280,272,801</u>	<u>85,775,713,322</u>
Payment for acquisition of fixed assets, intangible assets and other long-term assets		(24,807,796,061)	(29,398,245,045)
Payment for acquisition of investments		(79,608,953,781)	(92,205,577,385)
Net payment for acquisition of subsidiaries	V.62(2)	(165,333,139)	-
Net payment for disposal of subsidiaries	V.62(2)	<u>-</u>	<u>(144,689,766)</u>
Sub-total of cash outflows		<u>(104,582,082,981)</u>	<u>(121,748,512,196)</u>
Net cash flows used in investing activities		<u>(29,301,810,180)</u>	<u>(35,972,798,874)</u>

The notes on pages 30 to 175 form part of these financial statements.

BOE Technology Group Co., Ltd.  
Consolidated cash flow statement  
for the year ended 31 December 2023 (continued)  
*(Expressed in Renminbi Yuan)*

	<i>Note</i>	<i>2023</i>	<i>2022</i>
III. Cash flows from financing activities:			
Proceeds from investors		3,291,140,600	2,301,848,242
Including: Proceeds from non-controlling shareholders of subsidiaries		3,291,140,600	2,301,848,242
Proceeds from issuance of debentures		-	2,000,000,000
Proceeds from borrowings		27,341,860,631	49,812,750,352
Proceeds from other financing activities	V.61(3)a	-	<u>771,327,623</u>
Sub-total of cash inflows		<u>30,633,001,231</u>	<u>54,885,926,217</u>

The notes on pages 30 to 175 form part of these financial statements.

BOE Technology Group Co., Ltd.  
Consolidated cash flow statement  
for the year ended 31 December 2023 (continued)  
(Expressed in Renminbi Yuan)

	Note	2023	2022
III. Cash flows from financing activities (continued):			
Repayments of borrowings		(30,091,893,380)	(51,681,667,124)
Payment for redeeming bonds		(6,000,000,000)	(8,000,000,000)
Payment for dividends or interest		(8,306,333,083)	(13,828,515,479)
Including: Profits paid to non- controlling shareholders of subsidiaries		(72,650,624)	(39,388,061)
Payment for other financing activities	V.61(3) b	<u>(7,896,143,409)</u>	<u>(2,548,995,476)</u>
Sub-total of cash outflows		<u>(52,294,369,872)</u>	<u>(76,059,178,079)</u>
Net cash flow used in financing activities		<u>(21,661,368,641)</u>	<u>(21,173,251,862)</u>
IV. Effect of foreign exchange rate changes on cash and cash equivalents		<u>372,295,921</u>	<u>1,882,635,112</u>
V. Net decrease in cash and cash equivalents	V.62(1) b	(12,289,056,016)	(12,241,448,319)
Add: Cash and cash equivalents at the beginning of the year		<u>64,382,037,764</u>	<u>76,623,486,083</u>
VI. Cash and cash equivalents at the end of the year	V.62(3)	<u>52,092,981,748</u>	<u>64,382,037,764</u>

These financial statements were approved by the Board of Directors of the Company on 29 March 2024.

Chen Yanshun Chairman of the Board	Gao Wenbao Chief Executive Officer	Yang Xiaoping Chief Financial Officer	Teng Jiao The head of the accounting department	(Company stamp)
(Signature and stamp)	(Signature and stamp)	(Signature and stamp)	(Signature and stamp)	

The notes on pages 30 to 175 form part of these financial statements.

BOE Technology Group Co., Ltd.  
Company cash flow statement  
for the year ended 31 December 2023  
*(Expressed in Renminbi Yuan)*

	<i>Note</i>	<i>2023</i>	<i>2022</i>
I. Cash flows from operating activities:			
Proceeds from sale of goods and rendering of services		4,312,367,550	5,650,186,755
Proceeds from other operating activities		<u>622,801,775</u>	<u>2,005,413,901</u>
Sub-total of cash inflows		<u>4,935,169,325</u>	<u>7,655,600,656</u>
Payment for goods and services		(1,098,622,995)	(1,161,216,577)
Payment to and for employees		(1,333,331,329)	(1,681,332,214)
Payment of various taxes		(433,065,340)	(676,007,600)
Payment for other operating activities		<u>(1,099,330,089)</u>	<u>(452,287,489)</u>
Sub-total of cash outflows		<u>(3,964,349,753)</u>	<u>(3,970,843,880)</u>
Net cash flows generated from operating activities	XVI.11(1)	<u>970,819,572</u>	<u>3,684,756,776</u>
II. Cash flows from investing activities:			
Proceeds from disposal of investments		1,200,350,000	330,944,027
Proceeds from disposal of subsidiaries		-	-
Investment returns received		955,365,976	1,257,584,843
Net proceeds from disposal of fixed assets		682,093	241,034
Proceeds from other investing activities		<u>1,260,912,332</u>	<u>10,546,180,253</u>
Sub-total of cash inflows		<u>3,417,310,401</u>	<u>12,134,950,157</u>

The notes on pages 30 to 175 form part of these financial statements.

BOE Technology Group Co., Ltd.  
Company cash flow statement  
for the year ended 31 December 2023 (continued)  
*(Expressed in Renminbi Yuan)*

	<i>Note</i>	<i>2023</i>	<i>2022</i>
II. Cash flows from investing activities (continued):			
Payment for acquisition of fixed assets, intangible assets and other long-term assets		(618,917,399)	(405,565,299)
Payment for acquisition of investments		(16,691,342,703)	(3,989,687,433)
Payment for other investing activities		<u>(5,468,000,000)</u>	<u>(14,117,701,133)</u>
Sub-total of cash outflows		<u>(22,778,260,102)</u>	<u>(18,512,953,865)</u>
Net cash flows used in investing activities		<u>(19,360,949,701)</u>	<u>(6,378,003,708)</u>
III. Cash flows from financing activities:			
Proceeds from issuance of debentures		-	2,000,000,000
Proceeds from borrowings		10,000,000,000	25,000,000,000
Proceeds from other financing activities		<u>19,830,000,000</u>	<u>24,936,039,463</u>
Sub-total of cash inflows		<u>29,830,000,000</u>	<u>51,936,039,463</u>
Repayments of borrowings		(4,184,100,000)	(25,827,547,455)
Payment for redeeming bonds		(6,000,000,000)	(8,000,000,000)
Payment for dividends and interest		(3,751,590,381)	(9,842,819,608)
Payment for other financing activities		<u>(397,385,776)</u>	<u>(4,136,747,868)</u>
Sub-total of cash outflows		<u>(14,333,076,157)</u>	<u>(47,807,114,931)</u>
Net cash flows generated from financing activities		<u>15,496,923,843</u>	<u>4,128,924,532</u>

The notes on pages 30 to 175 form part of these financial statements.

BOE Technology Group Co., Ltd.  
Company cash flow statement  
for the year ended 31 December 2023 (continued)  
*(Expressed in Renminbi Yuan)*

	<i>Note</i>	<i>2023</i>	<i>2022</i>
IV. Effect of foreign exchange rate changes on cash and cash equivalents		<u>30,657,074</u>	<u>76,264,084</u>
V. Net (decrease) / increase in cash and cash equivalents	XVI.11(1)	(2,862,549,212)	1,511,941,684
Add: Cash and cash equivalents at the beginning of the year		<u>7,111,879,033</u>	<u>5,599,937,349</u>
VI. Cash and cash equivalents at the end of the year	XVI.11(2)	<u>4,249,329,821</u>	<u>7,111,879,033</u>

These financial statements were approved by the Board of Directors of the Company on 29 March 2024.

Chen Yanshun Chairman of the Board	Gao Wenbao Chief Executive Officer	Yang Xiaoping Chief Financial Officer	Teng Jiao The head of the accounting department	
(Signature and stamp)	(Signature and stamp)	(Signature and stamp)	(Signature and stamp)	(Company stamp)

The notes on pages 30 to 175 form part of these financial statements.

BOE Technology Group Co., Ltd.  
Consolidated statement of changes in shareholders' equity  
for the year ended 31 December 2023  
(Expressed in Renminbi Yuan)

	Attributable to shareholders of the Company										Non-controlling interests	Total
	Note	Share capital	Other equity instruments	Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Sub-total		
I. Balance at the beginning of the year		38,196,363,421	8,176,366,808	55,224,885,675	3,508,201,911	(1,073,768,030)	-	3,241,063,934	35,829,465,307	136,086,175,204	65,954,391,821	202,040,567,025
II. Changes in equity during the year												
1. Total comprehensive income		-	-	-	-	(114,919,973)	-	-	2,547,435,360	2,432,515,387	(2,080,962,755)	351,552,632
2. Shareholders' contributions of capital												
(1) Contribution by non-controlling interests		-	-	-	-	-	-	-	-	-	3,291,140,600	3,291,140,600
(2) Cancellation of treasury shares	V. 39/41/42	(543,834,226)	-	(2,244,946,976)	(2,788,781,202)	-	-	-	-	-	-	-
(3) Equity-settled share-based payments	XII	-	-	309,120,206	(257,384,469)	-	-	-	-	566,504,675	22,319,221	588,823,896
(4) Payment for capital of holders of other equity instruments	V. 40	-	(5,967,915,094)	(32,084,906)	-	-	-	-	-	(6,000,000,000)	-	(6,000,000,000)
3. Appropriation of profits												
(1) Appropriation for surplus reserve	V. 44	-	-	-	-	-	-	330,597,179	(330,597,179)	-	-	-
(2) Accrued interest on holders of other equity instruments	V. 40	-	118,551,232	-	-	-	-	-	(118,551,232)	-	-	-
(3) Payment for interest on holders of other equity instruments	V. 40	-	(283,600,000)	-	-	-	-	-	-	(283,600,000)	-	(283,600,000)
(4) Distributions to shareholders	V. 45	-	-	-	-	-	-	-	(2,296,367,348)	(2,296,367,348)	(106,934,768)	(2,403,302,116)

The notes on pages 30 to 175 form part of these financial statements.

BOE Technology Group Co., Ltd.  
Consolidated statement of changes in shareholders' equity  
for the year ended 31 December 2023 (continued)  
*(Expressed in Renminbi Yuan)*

	Note	Attributable to shareholders of the Company							Sub-total	Non-controlling interests	Total	
		Share capital	Other equity instruments	Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve				Retained earnings
4. Transfers within equity												
(1) Transfer of other comprehensive income to retained earnings	V. 43/44/45	-	-	-	-	51,690,779	-	117,522	(51,808,301)	-	-	
5. Special reserve												
(1) Accrued special reserve		-	-	-	-	-	209,367,057	-	-	209,367,057	42,370,558	
(2) Used special reserve		-	-	-	-	-	(142,894,655)	-	-	(142,894,655)	(29,280,043)	
6. Others												
(1) Other movements in equity of associates	V. 11/41	-	-	61,662,689	-	-	-	-	-	61,662,689	1,229,195	
(2) Others	V. 41	-	-	(1,205,055,942)	-	-	-	-	-	(1,205,055,942)	1,276,105,423	
III. Balance at the end of the year		<u>37,652,529,195</u>	<u>2,043,402,946</u>	<u>52,113,580,746</u>	<u>462,036,240</u>	<u>(1,136,997,224)</u>	<u>66,472,402</u>	<u>3,571,778,635</u>	<u>35,579,576,607</u>	<u>129,428,307,067</u>	<u>68,370,379,252</u>	<u>197,798,686,319</u>

These financial statements were approved by the Board of Directors of the Company on 29 March 2024.

Chen Yanshun Chairman of the Board	Gao Wenbao Chief Executive Officer	Yang Xiaoping Chief Financial Officer	Teng Jiao The head of the accounting department	(Company stamp)
(Signature and stamp)	(Signature and stamp)	(Signature and stamp)	(Signature and stamp)	

The notes on pages 30 to 175 form part of these financial statements.



BOE Technology Group Co., Ltd.  
Consolidated statement of changes in shareholders' equity  
for the year ended 31 December 2022 (continued)  
(Expressed in Renminbi Yuan)

	Note	Attributable to shareholders of the Company							Sub-total	Non-controlling interests	Total
		Share capital	Other equity instruments	Capital reserve	Less: Treasury shares	Other comprehensive income	Surplus reserve	Retained earnings			
I. Balance at the beginning of the year		38,445,746,482	14,146,997,427	53,917,609,094	3,415,768,207	113,551,147	2,889,590,205	37,106,514,799	143,204,240,947	74,174,525,569	217,378,766,516
Add: Changes in accounting policies		-	-	-	-	-	-	(161,882)	(161,882)	(6,241,664)	(6,403,546)
Adjusted balance at the beginning of the year		38,445,746,482	14,146,997,427	53,917,609,094	3,415,768,207	113,551,147	2,889,590,205	37,106,352,917	143,204,079,065	74,168,283,905	217,372,362,970
II. Changes in equity during the year											
1. Total comprehensive income		-	-	-	-	(1,164,537,236)	-	7,541,423,198	6,376,885,962	(9,275,404,477)	(2,898,518,515)
2. Shareholders' contributions of capital											
(1) Contribution by non-controlling interests		-	-	-	-	-	-	-	-	2,301,848,242	2,301,848,242
(2) Repurchase of treasury shares	V. 42	-	-	-	1,048,154,539	-	-	-	(1,048,154,539)	-	(1,048,154,539)
(3) Cancellation of treasury shares	39/41/42	(249,383,061)	-	(641,811,942)	(891,195,003)	-	-	-	-	-	-
(4) Equity-settled share-based payments	XII	-	-	654,336,707	(64,525,832)	-	-	-	718,862,539	44,728,854	763,591,393
(5) Contribution by holders of other equity instruments	V. 40	-	1,989,320,755	-	-	-	-	-	1,989,320,755	-	1,989,320,755
(6) Payment for capital of holders of other equity instruments	V. 40	-	(7,957,047,264)	(42,952,736)	-	-	-	-	(8,000,000,000)	-	(8,000,000,000)
3. Appropriation of profits											
(1) Appropriation for surplus reserve	V. 44	-	-	-	-	-	348,186,351	(348,186,351)	-	-	-
(2) Accrued interest on holders of other equity instruments	V. 40	-	530,695,890	-	-	-	-	(530,695,890)	-	-	-
(3) Payment for interest on holders of other equity instruments	V. 40	-	(533,600,000)	-	-	-	-	-	(533,600,000)	-	(533,600,000)
(4) Distributions to shareholders	V. 45	-	-	-	-	-	-	(7,958,923,130)	(7,958,923,130)	(54,411,212)	(8,013,334,342)

The notes on pages 30 to 175 form part of these financial statements.

BOE Technology Group Co., Ltd.  
 Consolidated statement of changes in shareholders' equity  
 for the year ended 31 December 2022 (continued)  
 (Expressed in Renminbi Yuan)

	Note	Attributable to shareholders of the Company							Sub-total	Non-controlling interests	Total
		Share capital	Other equity instruments	Capital reserve	Less: Treasury shares	Other comprehensive income	Surplus reserve	Retained earnings			
4. Transfers within equity											
(1) Transfer of other comprehensive income to retained earnings	V. 43/44/45	-	-	-	-	(22,781,941)	3,287,378	19,494,563	-	-	-
5. Others											
(1) Other movements in equity of associates	V. 11/41	-	-	274,685,689	-	-	-	-	274,685,689	845,261	275,530,950
(2) Disposal of equities in subsidiaries	V. 41	-	-	-	-	-	-	-	-	(1,154,255,778)	(1,154,255,778)
(3) Others	V. 41	-	-	1,063,018,863	-	-	-	-	1,063,018,863	(77,242,974)	985,775,889
III. Balance at the end of the year		<u>38,196,363,421</u>	<u>8,176,366,808</u>	<u>55,224,885,675</u>	<u>3,508,201,911</u>	<u>(1,073,768,030)</u>	<u>3,241,063,934</u>	<u>35,829,465,307</u>	<u>136,086,175,204</u>	<u>65,954,391,821</u>	<u>202,040,567,025</u>

These financial statements were approved by the Board of Directors of the Company on 29 March 2024.

Chen Yanshun Chairman of the Board	Gao Wenbao Chief Executive Officer	Yang Xiaoping Chief Financial Officer	Teng Jiao The head of the accounting department	(Company stamp)
(Signature and stamp)	(Signature and stamp)	(Signature and stamp)	(Signature and stamp)	

The notes on pages 30 to 175 form part of these financial statements.

BOE Technology Group Co., Ltd.  
Company statement of changes in shareholders' equity  
for the year ended 31 December 2023  
(Expressed in Renminbi Yuan)

	Note	Share capital	Other equity instruments	Capital reserve	Less: Treasury shares	Other comprehensive income	Surplus reserve	Retained earnings	Total
I. Balance at the beginning of the year		38,196,363,421	8,176,366,808	53,693,627,213	3,508,201,911	340,345	3,241,063,934	6,624,620,470	106,424,180,280
II. Changes in equity during the year									
1. Total comprehensive income		-	-	-	-	(295,598,180)	-	3,305,971,786	3,010,373,606
2. Shareholders' contributions of capital									
	V.								
(1) Cancellation of treasury shares	39/41/42	(543,834,226)	-	(2,244,946,976)	(2,788,781,202)	-	-	-	-
(2) Equity-settled share-based payments	XII	-	-	331,439,427	(257,384,469)	-	-	-	588,823,896
(3) Payment for capital of holders of other equity instruments	V. 40	-	(5,967,915,094)	(32,084,906)	-	-	-	-	(6,000,000,000)
3. Appropriation of profits									
(1) Appropriation for surplus reserve	V. 44	-	-	-	-	-	330,597,179	(330,597,179)	-
(2) Accrued interest on holders of other equity instruments	V. 40	-	118,551,232	-	-	-	-	(118,551,232)	-
(3) Payment for interest on holders of other equity instruments	V. 40	-	(283,600,000)	-	-	-	-	-	(283,600,000)
(4) Distributions to shareholders	V. 45	-	-	-	-	-	-	(2,296,367,348)	(2,296,367,348)

The notes on pages 30 to 175 form part of these financial statements.

BOE Technology Group Co., Ltd.  
 Company statement of changes in shareholders' equity  
 for the year ended 31 December 2023 (continued)  
 (Expressed in Renminbi Yuan)

	Note	Share capital	Other equity instruments	Capital reserve	Less: Treasury shares	Other comprehensive income	Surplus reserve	Retained earnings	Total
4. Transfers within equity									
(1) Transfer of other comprehensive income to retained earnings	XVI. 7/8	-	-	-	-	(1,175,221)	117,522	1,057,699	-
5. Others									
(1) Other movements in equity of associates	XVI. 3/6	-	-	(6,214,034)	-	-	-	-	(6,214,034)
III. Balance at the end of the year		<u>37,652,529,195</u>	<u>2,043,402,946</u>	<u>51,741,820,724</u>	<u>462,036,240</u>	<u>(296,433,056)</u>	<u>3,571,778,635</u>	<u>7,186,134,196</u>	<u>101,437,196,400</u>

These financial statements were approved by the Board of Directors of the Company on 29 March 2024.

Chen Yanshun Chairman of the Board	Gao Wenbao Chief Executive Officer	Yang Xiaoping Chief Financial Officer	Teng Jiao The head of the accounting department	(Company stamp)
(Signature and stamp)	(Signature and stamp)	(Signature and stamp)	(Signature and stamp)	

The notes on pages 30 to 175 form part of these financial statements.

BOE Technology Group Co., Ltd.  
 Company statement of changes in shareholders' equity  
 for the year ended 31 December 2022 (continued)  
 (Expressed in Renminbi Yuan)

	Note	Share capital	Other equity instruments	Capital reserve	Less: Treasury shares	Other comprehensive income	Surplus reserve	Retained earnings	Total
I. Balance at the beginning of the year		38,445,746,482	14,146,997,427	53,598,033,152	3,415,768,207	89,024,650	2,889,590,205	11,950,975,927	117,704,599,636
II. Changes in equity during the year									
1. Total comprehensive income		-	-	-	-	(55,810,525)	-	3,481,863,512	3,426,052,987
2. Shareholders' contributions of capital									
(1) Repurchase of treasury shares	V. 42	-	-	-	1,048,154,539	-	-	-	(1,048,154,539)
(2) Cancellation of treasury shares	V. 39/41/42	(249,383,061)	-	(641,811,942)	(891,195,003)	-	-	-	-
(3) Equity-settled share-based payments	XII	-	-	699,065,561	(64,525,832)	-	-	-	763,591,393
(4) Contribution by holders of other equity instruments	V. 40	-	1,989,320,755	-	-	-	-	-	1,989,320,755
(5) Payment for capital of holders of other equity instruments	V. 40	-	(7,957,047,264)	(42,952,736)	-	-	-	-	(8,000,000,000)
3. Appropriation of profits									
(1) Appropriation for surplus reserve	V. 44	-	-	-	-	-	348,186,351	(348,186,351)	-
(2) Accrued interest on holders of other equity instruments	V. 40	-	530,695,890	-	-	-	-	(530,695,890)	-
(3) Payment for interest on holders of other equity instruments	V. 40	-	(533,600,000)	-	-	-	-	-	(533,600,000)
(4) Distributions to shareholders	V. 45	-	-	-	-	-	-	(7,958,923,130)	(7,958,923,130)

The notes on pages 30 to 175 form part of these financial statements.

BOE Technology Group Co., Ltd.  
 Company statement of changes in shareholders' equity  
 for the year ended 31 December 2022 (continued)  
 (Expressed in Renminbi Yuan)

	Note	Share capital	Other equity instruments	Capital reserve	Less: Treasury shares	Other comprehensive income	Surplus reserve	Retained earnings	Total
4. Transfers within equity									
(1) Transfer of other comprehensive income to retained earnings	XVI. 7/8	-	-	-	-	(32,873,780)	3,287,378	29,586,402	-
5. Others									
(1) Other movements in equity of associates	XVI. 3/6	-	-	141,386,796	-	-	-	-	141,386,796
(2) Others		-	-	(60,093,618)	-	-	-	-	(60,093,618)
III. Balance at the end of the year		<u>38,196,363,421</u>	<u>8,176,366,808</u>	<u>53,693,627,213</u>	<u>3,508,201,911</u>	<u>340,345</u>	<u>3,241,063,934</u>	<u>6,624,620,470</u>	<u>106,424,180,280</u>

These financial statements were approved by the Board of Directors of the Company on 29 March 2024.

Chen Yanshun Chairman of the Board	Gao Wenbao Chief Executive Officer	Yang Xiaoping Chief Financial Officer	Teng Jiao The head of the accounting department	(Company stamp)
(Signature and stamp)	(Signature and stamp)	(Signature and stamp)	(Signature and stamp)	

The notes on pages 30 to 175 form part of these financial statements.

I. Company status

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

The Company and its subsidiaries (referred to as the “Group”) comprise five main business segments: display business, Internet of Things (IoT) innovation business, sensor business, MLED business, smart medicine engineering business and others. For information about the subsidiaries of the Company, refer to Note VIII.

II. Basis of preparation

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

III. Significant accounting policies and accounting estimates

1 Statement of compliance

The financial statements have been prepared in accordance with the requirements of Accounting Standards for Business Enterprises or referred to as China Accounting Standards (“CAS”) issued by the MOF. These financial statements present truly and completely the consolidated financial position and financial position of the Company as at 31 December 2023, and the consolidated financial performance and financial performance and the consolidated cash flows and cash flows of the Company for the year then ended.

These financial statements also comply with the disclosure requirements of “Regulation on the Preparation of Information Disclosures by Companies Issuing Securities, No. 15: General Requirements for Financial Reports” as revised by the China Securities Regulatory Commission (“CSRC”) in 2023.

2 Accounting period

The accounting period is from 1 January to 31 December.

3 Operating cycle

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

4 Functional currency

The Company's functional currency is Renminbi and these financial statements are presented in Renminbi. Functional currency is determined by the Company and its subsidiaries on the basis of the currency in which major income and costs are denominated and settled. Some of the Company's subsidiaries have functional currencies that are different from the Company's functional currency. Their financial statements have been translated based on the accounting policy set out in Note III (9).

5 Method used to determine the materiality threshold and the basis for selection

<i>Items</i>	<i>Materiality threshold</i>
Significant receivables for which provisions for bad and doubtful are individually assessed recoveries or reversals and written-offs	Amount of the individual accounts receivable $\geq$ RMB50 million
Significant prepayments, contract liabilities, accounts payable and other payables with ageing of more than one year	Amount of the individual prepayments exceeds 0.5% of the Group's total assets
Significant construction projects in progress	Accumulated carrying amount of individual item at the end of the period exceeds RMB10 billion
Significant non-wholly-owned subsidiaries , joint ventures or associates	Total assets of non-wholly-owned subsidiaries exceed 10% of the Group's total assets or total revenue of non-wholly-owned subsidiaries exceed 10% of the Group's total revenue
Significant capitalised R&D projects	Accumulated expenditure of individual R&D project exceeds 0.5% of the Group's total assets

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

A transaction constitutes a business combination when the Group obtains control of one or more entities (or a group of assets or net assets). Business combination is classified as either business combinations involving enterprises under common control or business combinations not involving enterprises under common control.

For a transaction not involving enterprises under common control, the acquirer determines whether acquired set of assets constitute a business. The Group may elect to apply the simplified assessment method, the concentration test, to determine whether an acquired set of assets is not a business. If the concentration test is met and the set of assets is determined not to be a business, no further assessment is needed. If the concentration test is not met, the Group shall perform the assessment according to the guidance on the determination of a business.

When the set of assets the group acquired does not constitute a business, acquisition costs should be allocated to each identifiable assets and liabilities at their acquisition date fair values. It is not required to apply the accounting of business combination described as below.

(1) Business combinations involving entities under common control

A business combination involving entities under common control is a business combination in which all of the combining entities are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. The assets acquired and liabilities assumed are measured based on their carrying amounts in the



consolidated financial statements of the ultimate controlling party at the combination date. The difference between the carrying amount of the net assets acquired and the consideration paid for the combination (or the total par value of shares issued) is adjusted against share premium in the capital reserve, with any excess adjusted against retained earnings. Any costs directly attributable to the combination are recognised in profit or loss when incurred. The combination date is the date on which one combining entity obtains control of other combining entities.

(2) Business combinations involving entities not under common control

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

For a business combination involving entities not under common control and achieved in stages, the Group remeasures its previously-held equity interest in the acquiree to its acquisition-date fair value and recognises any resulting difference between the fair value and the carrying amount as investment income or other comprehensive income for the current period. In addition, any amount recognised in other comprehensive income and other changes in the owners' equity under equity accounting in prior reporting periods relating to the previously-held equity interest that may be reclassified to profit or loss are transferred to investment income at the date of acquisition (see Note III.12(2)(b)); Any previously-held equity interest that is designated as equity investment at fair value through other comprehensive income, the other comprehensive income recognised in prior reporting periods is transferred to retained earnings and surplus reserve at the date of acquisition.

## 7 Consolidated financial statements

### (1) General principles

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

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

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

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

### (2) Subsidiaries acquired through a business combination

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

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

(3) Disposal of subsidiaries

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

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

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

If each of the multiple transactions does not form part of a bundled transaction, the transactions conducted before the loss of control of the subsidiary are accounted for in accordance with the accounting policy for partial disposal of equity investment in subsidiaries where control is retained (see Note III.7(4)).

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

(4) Changes in non-controlling interests

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

8 Cash and cash equivalents

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 Foreign currency transactions and translation of foreign currency financial statements

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

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

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

## 10 Financial instruments

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

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

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

A financial or financial liability is measured initially at fair value. For financial assets and financial liabilities at fair value through profit or loss, any related directly attributable transaction costs are charged to profit or loss; for other categories of financial assets and financial liabilities, any related directly attributable transaction costs are included in their initial costs. A trade receivable, without significant financing component or practical expedient applied for one year or less contracts, is initially measured at the transaction price in accordance with Note III.24.

(2) Classification and subsequent measurement of financial assets

(a) Classification of financial assets

The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. On initial recognition, a financial asset is classified as measured at amortised cost, at fair value through other comprehensive income (“FVOCI”), or at fair value through profit or loss (“FVTPL”).

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment’s fair value in other comprehensive income. This election is made on an investment-by-investment basis. The instrument meets the definition of equity from the perspective of the issuer.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The business model refers to how the Group manages its financial assets in order to generate cash flows. That is, the Group's business model determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both. The Group determines the business model for managing the financial assets according to the facts and based on the specific business objective for managing the financial assets determined by the Group's key management personnel.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The Group also assesses whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

(b) Subsequent measurement of financial assets

- Financial assets at FVTPL

These financial assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss unless the financial assets are part of a hedging relationship.

- Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. A gain or loss on a financial asset that is measured at amortised cost and is not part of a hedging relationship shall be recognised in profit or loss when the financial asset is derecognised, reclassified, through the amortisation process or in order to recognise impairment gains or losses.

- Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, impairment and foreign exchange gains and losses are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

- Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to retained earnings.

(3) Classification and subsequent measurement of financial liabilities

Financial liabilities are classified as measured at FVTPL or amortised cost.

- Financial liabilities at FVTPL

A financial liability is classified as at FVTPL if it is classified as held-for-trading (including derivative financial liability) or it is designated as such on initial recognition.

Financial liabilities at FVTPL are subsequently measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss, unless the financial liabilities are part of a hedging relationship.

- Financial liabilities at amortised cost

These financial liabilities are subsequently measured at amortised cost using the effective interest method.

(4) Offsetting

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

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

(5) Derecognition of financial assets and financial liabilities

Financial asset is derecognised when one of the following conditions is met:

- the Group's contractual rights to the cash flows from the financial asset expire;
- the financial asset has been transferred and the Group transfers substantially all of the risks and rewards of ownership of the financial asset; or ;
- the financial asset has been transferred, although the Group neither transfers nor retains substantially all of the risks and rewards of ownership of the financial asset, it does not retain control over the transferred asset.

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

- the carrying amount of the financial asset transferred measured at the date of derecognition;
- the sum of the consideration received from the transfer and, when the transferred financial asset is a debt investment at FVOCI, any cumulative gain or loss that has been recognised directly in other comprehensive income for the part derecognised.

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

(6) Impairment

The Group recognises loss allowances for expected credit loss (ECL) on:

- financial assets measured at amortised cost;
- contract assets;
- debt investments at FVOCI; and
- lease receivables

Financial assets measured at fair value, including debt investments or equity securities at FVTPL, equity securities designated at FVOCI and derivative financial assets, are not subject to the ECL assessment.

*Measurement of ECLs*

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

The maximum period considered when estimating ECLs is the maximum contractual period (including extension options) over which the Group is exposed to credit risk.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the balance sheet date (or a shorter period if the expected life of the instrument is less than 12 months).

Loss allowances for bills receivable, accounts receivable, receivables under financing and contract assets arising from ordinary business activities such as sale of goods and provision of services, as well as lease receivables arising from lease transactions are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the balance sheet date.

Except for bills receivable, accounts receivable, receivables under financing, contract assets, and lease receivables, the Group measures loss allowances at an amount equal to 12-month ECLs for the following financial instruments, and at an amount equal to lifetime ECLs for all other financial instruments:

- If the financial instrument is determined to have low credit risk at the balance sheet date;
- If the credit risk on a financial instrument has not increased significantly since initial recognition.

*Provisions for bad and doubtful debts arising from receivables*

Categories of groups for collective assessment based on credit risk characteristics and basis for determination



<i>Item</i>	<i>classification of partition and combination</i>
Bills receivable	Based on the different credit risk characteristics of acceptors, the Group classifies bills receivable into two groups: bank acceptance bills and commercial acceptance bills.
Accounts receivable	Historically, there is no significant difference in terms of occurrence of losses among different customer types for the Group. Therefore, the Group classifies accounts receivable into three groups, specifically: receivables from customers with high credit risk, receivables from customers with low credit risk and receivables from customers with medium credit risk.
Receivables under financing	The Group's receivables under financing are bank acceptance bills held for dual purposes. As the accepting banks have high credit ratings, the Group considers all receivables under financing as a single group.
Other receivables	The Group's other receivables mainly include cash pledges and deposits receivable, petty cash receivables due from employees, receivables due from related parties, dividends receivable, etc. Based on the nature of receivables and the credit risk characteristics of different counterparties, the Group classifies other receivables into three groups, specifically: receivables with high credit risk, receivables with low credit risk and receivables with medium credit risk.
Contract assets	Historically, there is no significant difference in terms of occurrence of losses among different customer types for the Group. Therefore, the Group makes provisions for bad and doubtful debts arising from contract assets on the basis of all customers being one group without further segmentation by different customer types.

#### *Financial instruments that have low credit risk*

The credit risk on a financial instrument is considered low if the financial instrument has a low risk of default, the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

### *Significant increases in credit risk*

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument assessed at the balance sheet date with that assessed at the date of initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort, including forward-looking information. In particular, the following information is taken into account:

- failure to make payments of principal or interest on their contractually due dates;
- an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor; and
- existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

### *Credit-impaired financial assets*

At each balance sheet date, the Group assesses whether financial assets carried at amortised cost and debt investments at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- for economic or contractual reasons relating to the borrower's financial difficulty, the Group having granted to the borrower a concession that would not otherwise consider;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

### *Presentation of allowance for ECL*

ECLs are remeasured at each balance sheet date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for debt investments that are measured at FVOCI, for which the loss allowance is recognised in other comprehensive income, other than offsetting the carrying amount.

### *Write-off*

The gross carrying amount of a financial asset is written-off (either partially or in full) to the extent that there is no realistic prospect of recovery. A write-off constitutes a derecognition event. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written-off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Subsequent recoveries of an asset that was previously written-off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

### (7) Equity instrument

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

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

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

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

### (8) Perpetual bonds

At initial recognition, the Group classifies the perpetual bonds issued or their components as financial assets, financial liabilities or equity instruments based on their contractual terms and their economic substance after considering the definition of financial assets, financial liabilities and equity instruments.

Perpetual bonds issued that should be classified as equity instruments are recognised in equity based on the actual amount received. Any distribution of dividends or interests during the instruments' duration is treated as profit appropriation. When the perpetual bonds are redeemed according to the contractual terms, the redemption price is charged to equity.

11 Inventories

(1) Inventory classification

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

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

(2) Issuance valuation methods

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

(3) Inventory system

The Group maintains a perpetual inventory system.

(4) Amortization method for low-value consumables and packing materials

Low-value consumables and working capital materials such as packaging are amortized using the lump-sum transfer method and are included in the cost of the related assets or in profit or loss for the current period.

(5) Confirmation criteria and method for provision for obsolete inventories

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

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

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

12 Long-term equity investments

(1) Investment cost of long-term equity investments

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

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

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

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

(2) Subsequent measurement of long-term equity investment

(a) Investments in subsidiaries

In the Company's separate financial statements, long-term equity investments in subsidiaries are accounted for using the cost method for subsequent measurement unless the investment is classified as held for sale (see Note III.31). Except for cash dividends or profit distributions declared but not yet distributed that have been included in the price or consideration paid-in obtaining the investments, the Company recognises its share of the cash dividends or profit distributions declared by the investee as investment income for the current period.

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

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

In the Group's consolidated financial statements, subsidiaries are accounted for in accordance with the policies described in Note III.7.

(b) Investment in joint ventures and associates

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

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

An investment in a joint venture or an associate is accounted for using the equity method for subsequent measurement, unless the investment is classified as held for sale (see Note III.31).

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

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

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

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

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

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

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

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

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

13 Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or for both. Investment properties are accounted for using the cost model and stated in the balance sheet at cost less accumulated depreciation, amortisation and impairment losses. The cost of investment property, less its estimated residual value and accumulated impairment losses, is depreciated or amortised using the straight-line method over its estimated useful life, unless the investment property is classified as held for sale (see Note III.31). For the impairment of the investment properties, refer to Note III.20.

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

	<i>Estimated useful life (years)</i>	<i>Residual value rate (%)</i>	<i>Depreciation rate (%)</i>
Land use rights	32 - 50 years	0.0%	2.0% - 3.1%
Buildings	20 - 40 years	0% - 10.0%	2.3% - 5.0%

## 14 Fixed assets

### (1) Recognition of fixed assets

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

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

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

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

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

### (2) Depreciation of fixed assets

The cost of a fixed asset, less its estimated residual value and accumulated impairment losses, is depreciated using the straight-line method over its estimated useful life, unless the fixed asset is classified as held for sale (see Note III.31).

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

<i>Class</i>	<i>Estimated useful life (years)</i>	<i>Residual value rate (%)</i>	<i>Depreciation rate (%)</i>
Buildings	10 - 50 years	3% - 10%	1.8% - 9.7%
Equipment	2 - 25 years	0 - 10%	3.6% - 50%
Others	2 - 10 years	0 - 10%	9.0% - 50%

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

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

### (4) Disposal of fixed assets

The carrying amount of a fixed asset is derecognised:

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



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

## 15 Construction in progress

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

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

The criteria according to which, construction projects in progress are transferred to fixed assets:

<i>Category</i>	<i>Criteria for the transfers to fixed assets</i>
Plant and buildings	Satisfy the acceptance criteria and be available for its predetermined readiness for use
Machinery and equipment	Installation and commissioning are qualified, and be available for its predetermined readiness for use

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

When an enterprise sells products or by-products produced before a fixed asset is available for its intended use, the proceeds and related cost are accounted for in accordance with CAS 14 – Revenue and CAS 1 – Inventories respectively, and recognised in profit or loss for the current period.

## 16 Borrowing costs

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

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

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

applicable to the general-purpose borrowings. The capitalisation rate is the weighted average of the interest rates applicable to the general-purpose borrowings.

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

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

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

## 17 Intangible assets

### (1) Estimated useful life and amortisation method

Intangible assets are stated in the balance sheet at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses (see Note III.20). For an intangible asset with finite useful life, its cost less estimated residual value and accumulated impairment losses is amortised using the straight-line method over its estimated useful life, unless the intangible asset is classified as held for sale (see Note III.31).

The estimated useful lives, basis for determination and amortisation methods of intangible assets are as follows:

<i>Item</i>	<i>Estimated useful life (years)</i>	<i>Basis for determination</i>	<i>Amortisation method</i>
Land use rights	20 - 50 years	Terms of land use rights	Straight-line method
Patents and know-how	5 - 20 years	Terms of patents	Straight-line method
Computer software	3 - 10 years	Estimated useful life	Straight-line method
Others	5 - 20 years	Estimated useful life	Straight-line method

Useful lives and amortisation methods of intangible assets with finite useful life are reviewed at least at each year-end. An intangible asset is regarded as having an indefinite useful life and is not amortised when there is no foreseeable limit to the period over which the asset is expected to generate economic benefits for the Group. At the balance sheet date, the Group does not have any intangible assets with indefinite useful lives.

(2) The scope of research and development expenditures

The Group aggregates all expenses directly related to R&D activities into R&D expenditures, which encompass labor costs, material costs, depreciation and amortization, as well as other miscellaneous expenses. The expenditures on internal research and development projects within the Group are categorized into two phases: research phase expenditures and development phase expenditures.

Expenditures in the research phase are recognized as an expense in the current period when they occur. As for the expenditures in the development phase, if a product or process developed during this phase is deemed technically and commercially feasible, and the Group possesses sufficient resources and intention to complete the development work, and the development phase expenditures can be reliably measured, such expenditures will be capitalized. Capitalized development expenditures are presented on the balance sheet at cost less any impairment provision (as per Note 3, Item 20). Other development costs that do not meet capitalization criteria are recognized as expenses in the period in which they arise.

In instances where products or by-products resulting from the R&D process are sold externally, the enterprise follows the stipulations outlined in Accounting Standards for Enterprises No. 14 - Revenue Recognition and No. 1 - Inventories, respectively, to separately account for the corresponding revenues and costs, ultimately recognizing them as income or expenses in the current period.

(3) The basis for the classification of internal R&D projects under the research phase and the development phase

- The phase of planned investigations to acquire new techniques and knowledge should be identified as the research phase, which is characterised by, among other things, a planned and exploratory approach.
- The phase of applying research results or other knowledge to a plan or design to produce new or substantially improved materials, devices, products, etc., prior to commercial production or use, shall be identified as the development phase, which is characterised by its relevance and greater likelihood of generating results.

18 Goodwill

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

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

19 Long-term deferred expenses

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

<i>Item</i>	<i>Amortisation period (years)</i>
Technology royalty fees prepaid	1 - 11 years
Payment for public facilities construction and use	10 - 15 years
Leasehold improvements	2 - 10 years
Others	2 - 10 years

20 Impairment of assets other than inventories and financial assets

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

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

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

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

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

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

An impairment loss is recognised in profit or loss when the recoverable amount of an asset is less than its carrying amount. A provision for impairment of the asset is recognised accordingly. Impairment losses related to an asset group or a set of asset groups are allocated first to reduce the carrying amount of any goodwill allocated to the asset group or set of asset groups, and then to reduce the carrying amount of the other assets in the asset group or set of asset groups on a pro rata basis. However, such allocation would not reduce

the carrying amount of an asset below the highest of its fair value less costs to sell (if measurable), its present value of expected future cash flows (if determinable) and zero.

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

## 21 Fair value measurement

Unless otherwise specified, the Group measures fair value as follows:

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

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

## 22 Provisions

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

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

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

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

## 23 Share-based payments

### (1) Classification of share-based payments

Share-based payment transactions in the Group are equity-settled share-based payments.

### (2) Accounting treatment of share-based payments

#### - Equity-settled share-based payments

Where the Group uses shares or other equity instruments as consideration for services received from the employees, the payment is measured at the fair value of the equity instruments granted to the employees at the grant date. If the equity instruments granted do not vest until the completion of services for a period, or until the achievement of a specified performance condition, the Group recognises an amount at each balance sheet date during the vesting period based on the best estimate of the number of equity instruments expected to vest according to the newly obtained subsequent information of the changes of the number of the employees expected to vest the equity instruments. The Group measures the services received at the grant-date fair value of the equity instruments and recognises the costs or expenses as the services are received, with a corresponding increase in capital reserve.

## 24 Revenue recognition

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

Revenue is recognised when the Group satisfies the performance obligation in the contract by transferring the control over relevant goods or services to the customers.

Where a contract has two or more performance obligations, the Group determines the stand-alone selling price at contract inception of the distinct good or service underlying each performance obligation in the contract and allocates the transaction price in proportion to those stand-alone selling prices. The Group recognises as revenue the amount of the transaction price that is allocated to each performance obligation. The stand-alone selling price is the price at which the Group would sell a promised good or service separately to a customer. If a stand-alone selling price is not directly observable, the Group considers all information that is reasonably available to the entity, maximises the use of observable inputs to estimate the stand-alone selling price.

For the contract which the Group grants a customer the option to acquire additional goods or services (such as, loyalty points, discount coupons for future purchase, etc.), the Group assesses whether the option provides a material right to the customer. If the option provides a material right, the Group recognises the option as a performance obligation, and recognises revenue when those future goods or services are transferred or when the option expires. If the stand-alone selling price for a customer's option to acquire additional goods or services is not directly observable, the Group estimates it, taking into account all relevant information, including the difference in the discount that the customer would receive when exercising the option or without exercising the option, and the likelihood that the option will be exercised.

For the contract with a warranty, the Group analyses the nature of the warranty provided, if the warranty provides the customer with a distinct service in addition to the assurance that the product complies with agreed-upon specifications, the Group recognises for the promised warranty as a performance obligation. Otherwise, the Group accounts for the warranty in accordance with the requirements of CAS No.13 – Contingencies.

The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties. The Group recognises the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved. To determine the transaction price for contracts in which a customer promises consideration in a form other than cash, the Group measures the non-cash consideration at fair value. If the Group cannot reasonably estimate the fair value of the non-cash consideration, the Group measures the consideration indirectly by reference to the stand-alone selling price of the goods or services promised to the customer in exchange for the consideration. Where the contract contains a significant financing component, the Group recognises the transaction price at an amount that reflects the price that a customer would have paid for the promised goods or services if the customer had paid cash for those goods or services when (or as) they transfer to the customer. The difference between the amount of promised consideration and the cash selling price is amortised using an effective interest method over the contract term. The Group does not adjust the consideration for any effects of a significant financing component if it expects, at contract inception, that the period between when the Group transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less.

The Group satisfies a performance obligation over time if one of the following criteria is met; or otherwise, a performance obligation is satisfied at a point in time:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the customer can control the asset created or enhanced during the Group's performance;
- or
- the Group's performance does not create an asset with an alternative use to it and the Group has an enforceable right to payment for performance completed to date.

For performance obligation satisfied over time, the Group recognises revenue over time by measuring the progress towards complete satisfaction of that performance obligation. When the outcome of that performance obligation cannot be measured reasonably, but the Group expects to recover the costs incurred in satisfying the performance obligation, the Group recognises revenue only to the extent of the costs incurred until such time that it can reasonably measure the outcome of the performance obligation.

For performance obligation satisfied at a point in time, the Group recognises revenue at the point in time at which the customer obtains control of relevant goods or services. To determine whether a customer has obtained control of goods or services, the Group considers the following indicators:

- the Group has a present right to payment for the goods or services;
- the Group has transferred physical possession of the goods to the customer;
- the Group has transferred the legal title of the goods or the significant risks and rewards of ownership of the goods to the customer; and
- the customer has accepted the goods or services.

The Group determines whether it is a principal or an agent, depending on whether it obtains control of the specified good or service before that good or service is transferred to a customer. The Group is a principal if it controls the specified good or service before that good or service is transferred to a customer, and recognises revenue in the gross amount of consideration to which it has received (or receivable). Otherwise, the Group is an agent, and recognises revenue in the amount of any fee or commission to which it expects to be entitled.

The fee or commission is the net amount of consideration that the Group retains after paying the other party the consideration, or is the established amount or proportion.

For the sale of a product with a right of return, the Group recognises revenue when the Group obtains control of that product, in the amount of consideration to which the Group expects to be entitled in exchange for the product transferred (i.e. excluding the amount of which expected to be returned), and recognises a refund liability for the products expected to be returned. Meanwhile, an asset is recognised in the amount of carrying amount of the product expected to be returned less any expected costs to recover those products (including potential decreases in the value of returned products), and carry forward to cost in the amount of carrying amount of the transferred products less the above costs. At the end of each reporting period, the Group updates its assessment of future sales return. If there is any change, it is accounted for as a change in accounting estimate.

The Group determines whether the licence transfers to a customer either at a point in time or over time. If all of the following criteria are met, revenue is recognised for performance obligations satisfied over time. Otherwise, revenue is recognised for performance obligations satisfied at a point in time.

- the contract requires, or the customer reasonably expects, that the Group will undertake activities that significantly affect the intellectual property to which the customer has rights;
- the rights granted by the licence directly expose the customer to any positive or negative effects of the Group's activities; and
- those activities do not result in the transfer of a good or a service to the customer as those activities occur.

The Group recognises revenue for a sales-based or usage-based royalty promised in exchange for a licence of intellectual property only when (or as) the later of the following events occurs:

- the subsequent sale or usage occurs; and
- the performance obligation has been satisfied (or partially satisfied)

For a change in the scope or price of a contract that is approved by the parties to the contract, the Group accounts for the contract modification according to the following situations:

- The addition of promised goods or services are distinct and the price of the contract increases by an amount of consideration reflects stand-alone selling prices of the additional promised goods or services, the Group shall account for a contract modification as a separate contract.
- If the above criteria are not met, and the remaining goods or services are distinct from the goods or services transferred on the date of the contract modification, the Group accounts for the contract modification as if it were a termination of the existing contract and the creation of a new contract.
- If the above criteria are not met, and the remaining goods or services are not distinct from the goods or services transferred on the date of the contract modification, the Group accounts for the contract modification as if it were a part of the existing contract. The effect that the contract modification has on the revenue is recognised as an adjustment to revenue in the reporting period.



A contract asset is the Group's right to consideration in exchange for goods or services that it has transferred to a customer when that right is conditional on something other than the passage of time. The Group recognises loss allowances for expected credit loss on contract assets (see Note III.10(6)). Accounts receivable is the Group's right to consideration that is unconditional (only the passage of time is required). A contract liability is the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

The following is the description of accounting policies regarding revenue from the Group's principal activities:

(1) Sale of goods

The sales contracts/orders signed between the Group and its customers usually contain various trading terms. Depending on the trading terms, customers obtain control of the goods when the goods are delivered and received, or when they are received by the carrier. Revenue of sale of goods is recognised at that point in time.

For the transfer of goods with a right of return, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore, the amount of revenue recognised is adjusted for the amount expected to be returned, which are estimated based on the historical data. The Group recognises a refund liability based on the amount expected to be returned. An asset is initially measured by reference to the former carrying amount of the product expected to be returned less any expected costs to recover those products (including potential decreases in the value to the Group of returned products). At each balance sheet date, the Group updates the measurement of the refund liability for changes in expectations about the amount of funds. The above asset and liability are adjusted accordingly.

(2) Rendering of services

The Group recognises the revenue from rendering of services within a certain period of time according to the progress of the performance as the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs. Otherwise, for performance obligation satisfied at a point in time, the Group recognises revenue at the point in time at which the customer obtains control of relevant services.

25 Contract costs

Contract costs are either the incremental costs of obtaining a contract with a customer or the costs to fulfil a contract with a customer.

Incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. The Group recognises as an asset the incremental costs of obtaining a contract with a customer if it expects to recover those costs. Other costs of obtaining a contract are expensed when incurred.

If the costs to fulfil a contract with a customer are not within the scope of inventories or other accounting standards, the Group recognises an asset from the costs incurred to fulfil a contract only if those costs meet all of the following criteria:

- the costs relate directly to an existing contract or to a specifically identifiable anticipated contract, including direct labour, direct materials, allocations of overheads (or similar costs), costs that are explicitly chargeable to the customer and other costs that are incurred only because the Group entered into the contract

- the costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- the costs are expected to be recovered.

Assets recognised for the incremental costs of obtaining a contract and assets recognised for the costs to fulfil a contract (the “assets related to contract costs”) are amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the assets relate and recognised in profit or loss for the current period.

The Group recognises an impairment loss in profit or loss to the extent that the carrying amount of an asset related to contract costs exceeds:

- remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the asset relates; less
- the costs that relate directly to providing those goods or services that have not yet been recognised as expenses.

## 26 Employee benefits

### (1) Short-term employee benefits

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

### (2) Post-employment benefits – defined contribution plans

Pursuant to the relevant laws and regulations of the People’s Republic of China, the Group participated in a defined contribution basic pension insurance plan and unemployment insurance plan in the social insurance system established and managed by government organisations, and annuity plan established by the Group in compliance with the national policy of the corporation annuity. The Group makes contributions to basic pension and unemployment insurance plans based on the applicable benchmarks and rates stipulated by the government. Annuity is accrued based on the gross salaries of the employees. Basic pension insurance contributions payable are recognised as a liability as the employee provides services, with a corresponding charge to profit or loss or included in the cost of assets where appropriate.

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

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

### (4) Termination benefits

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

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

## 27 Government grants

Government grants are non-reciprocal transfers of monetary or non-monetary assets from the government to the Group except for capital contributions from the government in the capacity as an investor in the Group.

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

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

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

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

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

A grant that compensates the Group for expenses or losses to be incurred in the future is recognised as deferred income, and included in current income or offset against related expenses in the periods in which the expenses or losses are recognised. Or included in current income or offset against the related expenses directly.

In respect of the policy-based preferential loan interest subsidy obtained by the Group, if the interest subsidy is appropriated to the lending bank which shall provide loans to the Group at the policy-based preferential interest rate, the actual loan amount is used as the entry value and relevant borrowing costs are calculated on the basis of the loan principal and the preferential interest rate. If the interest subsidy is directly appropriated to the Group, relevant borrowing costs shall be offset by corresponding interest subsidy. If borrowing costs are capitalized as part of the cost of the asset (see Note III. 16), the interest subsidy shall be used to offset relevant asset costs.

## 28 Specific reserve

The Group recognises a safety fund in the specific reserve pursuant to relevant government regulations, with a corresponding increase in the costs of the related products or expenses.

When the safety fund is subsequently used for revenue expenditure, the specific reserve is reduced accordingly. When the safety fund is subsequently used for the construction or acquisition of fixed assets, the Group recognises the capitalised expenditure incurred as the cost of the fixed assets when the related assets are ready for their intended use. In such cases, the specific reserve is reduced by the amount that corresponds to the cost of the fixed assets and the credit side is recognised in the accumulated depreciation with respect to the related fixed assets. Consequently, such fixed assets are not depreciated in subsequent periods.

## 29 Income tax

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

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

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

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

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

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

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

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

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

### 30 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset. An identified asset may be specified explicitly or implicitly specified in a contract and should be physically distinct, or capacity portion or other portion of an asset that is not physically distinct but it represents substantially all of the capacity of the asset and thereby provides the customer with the right to obtain substantially all of the economic benefits from the use of the asset. If the supplier has a substantive substitution right throughout the period of use, then the asset is not identified;
- the lessee has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use;
- the lessee has the right to direct the use of the asset.

For a contract that contains more separate lease components, the lessee and the lessor separate lease components and account for each lease component as a lease separately. For a contract that contains lease and non-lease components, the lessee and the lessor separate lease components from non-lease components. For a contract that contains lease and non-lease components, the lessee allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The lessor allocates the consideration in the contract in accordance with the accounting policy in Note III.24.

#### (1) As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability, any lease payments made at or before the commencement date (less any lease incentives received), any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease.

The right-of-use asset is depreciated using the straight-line method. If the lessee is reasonably certain to exercise a purchase option by the end of the lease term, the right-of-use asset is depreciated over the remaining useful lives of the underlying asset. Otherwise, the right-of-use asset is depreciated from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. Impairment losses of right-of-use assets are accounted for in accordance with the accounting policy described in Note III.20.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

A constant periodic rate is used to calculate the interest on the lease liability in each period during the lease term with a corresponding charge to profit or loss or included in the cost of assets where appropriate. Variable lease payments not included in the measurement of the lease liability is charged to profit or loss or included in the cost of assets where appropriate as incurred.

Under the following circumstances after the commencement date, the Group remeasures lease liabilities based on the present value of revised lease payments:

- there is a change in the amounts expected to be payable under a residual value guarantee;
- there is a change in future lease payments resulting from a change in an index or a rate used to determine those payments;
- there is a change in the assessment of whether the Group will exercise a purchase, extension or termination option, or there is a change in the exercise of the extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets that specific lease asset as a brand new asset value is less valuable. The Group recognises the lease payments associated with these leases in profit or loss or as the cost of the assets where appropriate using the straight-line method or other systematic basis over the lease term.

(2) As a lessor

The Group determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset irrespective of whether the legal title to the asset is eventually transferred. An operating lease is a lease other than a finance lease.

When the Group is a sub-lessor, it assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies practical expedient described above, then it classifies the sub-lease as an operating lease.

Under a finance lease, at the commencement date, the Group recognises the finance lease receivable and derecognises the finance lease asset. The finance lease receivable is initially measured at an amount equal to the net investment in the lease. The net investment in the lease is measured at the aggregate of the unguaranteed residual value and the present value of the lease receivable that are not received at the commencement date, discounted using the interest rate implicit in the lease.

The Group calculates and recognises interest income for each period of the lease term based on a fixed periodic interest rate. The derecognition and impairment of the finance lease receivable are recognised in accordance with the accounting policy in Note III.10. Variable lease payments not included in the measurement of net investment in the lease are recognised as income as they are earned.

Lease receipts from operating leases is recognised as income using the straight-line method or other systematic basis over the lease term. The initial direct costs incurred in respect of the operating lease are initially capitalised and subsequently amortised in profit or loss over the lease term on the same basis as the lease income. Variable lease payments not included in lease receipts are recognised as income as they are earned.

### 31 Assets held for sale and discontinued operations

#### (1) Non-current assets or disposal group as held for sale

The Group classified a non-current asset or disposal group as held for sale when the carrying amount of a non-current asset or disposal group will be recovered through a sale transaction rather than through continuing use.

A disposal group refers to a group of assets to be disposed of, by sale or otherwise, together as a whole in a single transaction and liabilities directly associated with those assets that will be transferred in the transaction.

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

- According to the customary practices of selling such asset or disposal group in similar transactions, the non-current asset or disposal group must be available for immediate sale in their present condition subject to terms that are usual and customary for sales of such assets or disposal groups;
- Its sale is highly probable, that is, the Group has made a resolution on a sale plan and has obtained a firm purchase commitment. The sale is to be completed within one year.

Non-current assets or disposal groups held for sale are stated at the lower of carrying amount and fair value (see Note III.21) less costs to sell (except financial assets (see note III.10), deferred tax assets (see note III.29). Any excess of the carrying amount over the fair value (see Note III.21) less costs to sell is recognised as an impairment loss in profit or loss.

#### (2) Discontinued operations

The Group classifies a component as a discontinued operation either upon disposal of the operation or when the operation meets the criteria to be classified as held for sale if it is separately identifiable and satisfies one of the following conditions:

- It represents a separate major line of business or a separate geographical area of operations;
- It is part of a single coordinated plan to dispose of a separate major line of business or a separate geographical area of operations;
- It is a subsidiary acquired exclusively with a view to resale.

Where an operation is classified as discontinued in the current period, profit or loss from continuing operations and profit or loss from discontinued operations are separately presented in the income statement for the current period. The comparative information for profit or loss from discontinued operations, which used to be presented as profit or loss from continuing operations in the prior period, is re-presented as profit or loss from discontinued operations in the comparative income statement.

### 32 Profit distributions

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

### 33 Related parties

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

In addition to the related parties stated above, the Company determines related parties based on the disclosure requirements of Administrative Procedures on the Information Disclosures of Listed Companies issued by the CSRC.

### 34 Segment reporting

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

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

### 35 Significant accounting estimates and judgements

The preparation of the financial statements requires management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates as well as underlying assumptions and uncertainties involved are reviewed on an



ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Except for accounting estimates relating to depreciation and amortisation of assets such as fixed assets and intangible assets (see Notes III.14 and 17) and provision for impairment of various types of assets (see Notes V.4, 6, 7, 8, 10, 14, 15, 16, 18 and 19). Other significant accounting estimates are as follows:

- (i) Note V.21: Recognition of deferred tax assets;
- (ii) Note V.32: Warranty provisions;
- (iii) Note X. – Fair value measurements of financial instruments; and
- (iv) Note XII: Share-based payments.

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

- (i) Note VIII. 1(1) –Disclosure of significant judgements and assumptions of control and exercising significant influence over other entities.

## 36 Changes in significant accounting policies

### (1) Description of and reasons for changes in accounting policies

In 2023 the Group has adopted the revised accounting requirements and guidance under CASs newly issued by the Ministry of Finance (“MOF”)

- (a) “The accounting treatment of deferred tax related to assets and liabilities arising from a single transaction excluded from the scope of the initial recognition exemption” in CAS Bulletin No.16 (Caikuai [2022] No.31) (“CAS Bulletin No.16”)

According to the provisions, the Group does not apply the initial recognition exemption under CAS 18 *Income Taxes* to temporary differences arising from the initial recognition of assets or liabilities in a single transaction that is not a business combination, affects neither accounting profits nor taxable profit (or deductible losses) and gives rise to equal taxable and deductible temporary differences.

In accordance with the above provisions, the Group has made retrospective adjustments for relevant transactions that occurred between 1 January 2022 and the date of initial application and to which the provisions apply. For the taxable and deductible temporary differences arising from the recognition of lease liabilities and right-of-use assets on 1 January 2022 as a result of the relevant transactions to which the provisions apply, the Group has recognised the cumulative effect as an adjustment to the opening balance of retained earnings and other related financial statement items for the earliest period presented in the financial statements in accordance with the above provisions and the requirements of CAS 18 *Income Tax*.

(i) The effects on the financial statements

The effects on each of the line items in the consolidated balance sheet as at 31 December 2023 are as follows:

	<i>Increase / (decrease) in the line items as a result of applying new accounting policies</i>
	<u>The Group</u>
Assets:	
Deferred tax assets	7,012,197
Liabilities:	
Deferred tax liabilities	14,474,660
Shareholders' equity:	
Retained earnings	(7,969,365)
Capital reserve	(5,874,381)
Non-controlling interests	6,381,283

The effects on each of the line items in the consolidated income statement for the year ended 31 December 2023 are as follows:

	<i>Increase / (decrease) in the line items as a result of applying new accounting policies</i>
	<u>The Group</u>
Profit before income tax	-
Less: Income tax expenses	2,267,638
Net profit for the year	(2,267,638)
Attributable to: Shareholders of the Company	(1,647,109)
Non-controlling interests	(620,529)

(ii) The effects on the comparative financial statements

The effects of these changes in accounting policies on the net (loss) for the year ended 31 December 2022, and opening and closing balances of shareholders' equity as at 1 January and 31 December 2022 are summarised as follows:

	<i>The Group</i>		
	<i>2022 Net loss</i>	<i>2022 Closing balance of shareholders' equity</i>	<i>2022 Opening balance of shareholders' equity</i>
Net loss and shareholders' equity before adjustments	(1,737,175,168)	202,050,297,126	217,378,766,516
Deferred tax related to assets and liabilities arising from a single transaction excluded from the scope of the initial recognition exemption	(3,326,555)	(9,730,101)	(6,403,546)
Net loss and shareholders' equity after adjustments	(1,740,501,723)	202,040,567,025	217,372,362,970

The effects on each of the line items in the consolidated balance sheet as at 31 December 2022 are as follows:

	<i>The Group</i>		
	<i>Before adjustments</i>	<i>The amounts of adjustments</i>	<i>After adjustments</i>
Assets:			
Deferred tax assets	70,250,425	5,762,724	76,013,149
Liabilities:			
Deferred tax liabilities	1,274,406,833	15,492,825	1,289,899,658
Shareholders' equity			
Capital reserve	55,218,504,392	6,381,283	55,224,885,675
Retained earnings	35,839,081,781	(9,616,474)	35,829,465,307
Non-controlling interests	65,960,886,731	(6,494,910)	65,954,391,821

The effects on each of the line items in the consolidated income statement for the year ended 31 December 2022 are as follows:

	<i>The Group</i>		
	<i>Before adjustments</i>	<i>The amounts of adjustments</i>	<i>After adjustments</i>
Profit before income tax	51,218,939	-	51,218,939
Less: Income tax expenses	1,788,394,107	3,326,555	1,791,720,662
Net profit for the year	(1,737,175,168)	(3,326,555)	(1,740,501,723)
Attributable to: Shareholders of the Company	7,550,877,790	(9,454,592)	7,541,423,198
Non-controlling interests	(9,288,052,958)	6,128,037	(9,281,924,921)

- (iii) After retrospective adjustments of the above accounting policy changes, the consolidated balance sheet as at 1 January 2022 are as follows:

	<i>The Group</i>
Assets	
Current assets:	
Cash at bank and on hand	80,986,835,088
Financial assets held for trading	10,028,172,853
Bills receivable	217,734,298
Accounts receivable	35,503,414,820
Prepayments	1,112,880,007
Other receivables	1,922,828,378
Inventories	27,805,161,436
Contract assets	75,698,324
Non-current assets due within one year	7,700,735
Other current assets	<u>3,578,919,710</u>
Total current assets	<u>161,239,345,649</u>
Non-current assets:	
Long-term receivables	29,918,542
Long-term equity investments	6,040,948,317
Investments in other equity instruments	519,088,146
Other non-current financial assets	606,895,447
Investment properties	1,158,365,401
Fixed assets	227,141,366,884
Construction in progress	32,099,711,879
Right-of-use assets	753,164,237
Intangible assets	11,209,498,406
Goodwill	1,130,006,987
Long-term deferred expenses	636,530,502
Deferred tax assets	198,375,250
Other non-current assets	<u>7,477,427,483</u>
Total non-current assets	<u>289,001,297,481</u>
Total assets	<u>450,240,643,130</u>

*The Group*

Liabilities and shareholders' equity

Current liabilities:

Short-term loans	2,072,057,332
Bills payable	827,958,031
Accounts payable	32,455,830,694
Advance payments received	146,140,084
Contract liabilities	3,765,081,554
Employee benefits payable	5,133,155,237
Taxes payable	2,200,249,305
Other payables	23,835,374,942
Non-current liabilities due within one year	28,874,958,714
Other current liabilities	<u>4,051,532,509</u>

Total current liabilities 103,362,338,402

Non-current liabilities:

Long-term loans	116,078,666,587
Debentures payable	359,586,437
Lease liabilities	669,130,264
Long-term payables	906,592,838
Deferred income	6,416,089,611
Deferred tax liabilities	1,540,066,145
Other non-current liabilities	3,535,809,876

Total non-current liabilities 129,505,941,758

Total liabilities 232,868,280,160

*The Group*

Shareholders' equity:

Share capital	38,445,746,482
Other equity instruments	14,146,997,427
Capital reserve	53,917,609,094
Less: Treasury shares	3,415,768,207
Other comprehensive income	113,551,147
Surplus reserve	2,889,590,205
Retained earnings	<u>37,106,352,917</u>

Total equity attributable to shareholders of the Company 143,204,079,065

Non-controlling interests 74,168,283,905

Total shareholders' equity 217,372,362,970

Total liabilities and shareholders' equity 450,240,643,130

#### IV. Taxation

##### 1 Main types of taxes and corresponding tax rates

<i>Tax type</i>	<i>Tax basis</i>	<i>Tax rate</i>
Value-added tax (VAT)	Output VAT is calculated on product sales and taxable services revenue. The basis for VAT payable is to deduct input VAT from the output VAT for the period	6%, 9%, 13%
City maintenance and construction tax Education surcharges and local education surcharges	Based on VAT paid, VAT exemption and offset for the period	7%, 5%
Corporate income tax	Based on taxable profits	3%, 2%
		15% - 30%

##### 2 Corporate income tax

The income tax rate applicable to the Company for the year is 15% (2022: 15%).

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

On 30 November 2023, the Company renewed the High-tech Enterprise Certificate No. GR202311004505, which was entitled jointly by Beijing Municipal Science and Technology Commission, Beijing Municipal Financial Bureau, Beijing Municipal Tax Service, State Taxation Administration. The Company is subject to corporate income tax rate of 15% since the date of certification with the valid period of three years.

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

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

<i>Company name</i>	<i>Preferential rate</i>	<i>Reason</i>
Beijing BOE Optoelectronics Technology Co., Ltd. (BOE OT)	15%	High-tech enterprise
Chengdu BOE Optoelectronics Technology Co., Ltd. (Chengdu Optoelectronics )	15%	High-tech enterprise
Hefei BOE Optoelectronics Technology Co., Ltd. (Hefei BOE)	15%	High-tech enterprise
Beijing BOE Display Technology Co., Ltd. (BOE Display)	15%	High-tech enterprise
Hefei Xinsheng Optoelectronics Technology Co., Ltd. (Hefei Xinsheng)	15%	High-tech enterprise
Ordos Yuansheng Optoelectronics Co., Ltd. (Yuansheng Optoelectronics)	15%	High-tech enterprise
Chongqing BOE Optoelectronics Co., Ltd. (Chongqing BOE)	15%	High-tech enterprise
Beijing BOE CHATANI Electronics Co., Ltd. (Beijing CHATANI)	15%	High-tech enterprise
Hefei BOE Display Lighting Co., Ltd. (Hefei Display Lighting)	15%	High-tech enterprise
Chongqing BOE Display Lighting Co., Ltd. (Chongqing Display Lighting)	15%	High-tech enterprise
Beijing BOE Vacuum Electronics Co., Ltd. (Vacuum Electronics)	15%	High-tech enterprise
Beijing BOE Vacuum Technology Co., Ltd. (Vacuum Technology)	15%	High-tech enterprise
Beijing BOE Energy Technology Co., Ltd. (BOE Energy)	15%	High-tech enterprise
Fuzhou BOE Optoelectronics Technology Co., Ltd. (Fuzhou BOE)	15%	High-tech enterprise
Hefei BOE Display Technology Co., Ltd. (Hefei Display Technology)	15%	High-tech enterprise
Mianyang BOE Optoelectronics Technology Co., Ltd. (Mianyang BOE)	15%	High-tech enterprise
BOE Wisdom IOT Technology Co., Ltd. (Wisdom IOT)	15%	High-tech enterprise
K-Tronics (Suzhou) Technology Co., Ltd. (Suzhou K-Tronics)	15%	High-tech enterprise
Beijing BOE Sensing Technology Co., Ltd. (Sensing Technology)	15%	High-tech enterprise
Chongqing BOE Smart Electronic System Co., Ltd. (Chongqing Smart Electronic)	15%	Encouraged enterprise in Western Regions
Beijing BOE Health Technology Co., Ltd. (Health Technology)	15%	High-tech enterprise
Chongqing BOE Electronic Technology Co., Ltd. (Chongqing Electronic Technology)	15%	Encouraged enterprise in Western Regions
Wuhan BOE Optoelectronics Technology Co., Ltd. (Wuhan BOE)	15%	High-tech enterprise
Nanjing BOE Display Technology Co., Ltd. (Nanjing Display Technology)	15%	High-tech enterprise
Chengdu BOE Display Sci-tech Co., Ltd. (Chengdu Display Sci-tech)	15%	High-tech enterprise
BOE Regenerative Medical Technology Co., Ltd. (Regenerative Medical)	15%	High-tech enterprise
Beijing Zhongxiangying Technology Co., Ltd. (Beijing Zhongxiangying)	15%	High-tech enterprise
Yunnan Invensight Optoelectronics Technology Co., Ltd. (Yunnan Invensight)	15%	High-tech enterprise
BOE Mled Technology Co., Ltd. (Mled Technology)	15%	High-tech enterprise
Hefei BOE Semiconductor Co.,Ltd. (Hefei Semiconductor)	15%	High-tech enterprise
Qingdao BOE Optoelectronics Technology Co., Ltd. (Qingdao BOE)	15%	High-tech enterprise
Hefei BOE Ruisheng Technology Co., Ltd. (Hefei Ruisheng)	15%	High-tech enterprise
Chongqing BOE Display Technology Co., Ltd. (Chongqing Display Technology)	15%	High-tech enterprise
Mianyang BOE Electronic Technology Co., Ltd. (Mianyang Electronic Technology)	15%	Encouraged enterprise in Western Regions
BNJ Technology Co., Ltd. (BNJ)	15%	High-tech enterprise
Beijing United Ultra High-Definition Video Technology Collaboration Center Co., Ltd. (Beijing United Ultra HD)	15%	High-tech enterprise

## V. Notes to the consolidated financial statements

### 1 Cash at bank and on hand

	2023			2022		
	Amount in original currency	Exchange rate	RMB/RMB equivalents	Amount in original currency	Exchange rate	RMB/RMB equivalents
Cash on hand						
RMB			696,549			796,306
USD	1,978	7.0827	14,010	1,773	6.9646	12,348
HKD	35,281	0.9062	31,972	35,650	0.8933	31,846
JPY	197,450	0.0502	9,912	106,508	0.0524	5,581
KRW	70,909	0.0055	390	70,909	0.0055	390
Other foreign currencies			50,134			49,796
Sub-total			<u>802,967</u>			<u>896,267</u>
Bank deposits						
RMB			48,638,787,209			43,646,054,088
USD	3,037,570,050	7.0827	21,514,197,393	2,681,806,253	6.9646	18,677,707,830
HKD	19,237,661	0.9062	17,433,168	364,050,751	0.8933	325,206,536
JPY	3,951,660,159	0.0502	198,373,340	10,556,434,427	0.0524	553,157,164
KRW	1,313,182,909	0.0055	7,222,506	578,139,636	0.0055	3,179,768
EUR	16,331,789	7.8592	128,354,796	200,208,832	7.4229	1,486,130,139
Other foreign currencies			89,596,227			78,007,216
Sub-total			<u>70,593,964,639</u>			<u>64,769,442,741</u>
Other monetary funds						
RMB			1,731,642,660			3,914,979,538
USD	16,806,283	7.0827	119,033,861	13,176,444	6.9646	91,768,662
HKD	61,396	0.9062	55,637	438,830	0.8933	392,007
JPY	436,114,622	0.0502	21,892,954	435,651,794	0.0524	22,828,154
Sub-total			<u>1,872,625,112</u>			<u>4,029,968,361</u>
Total			<u>72,467,392,718</u>			<u>68,800,307,369</u>

Including: Total overseas deposits were equivalent to RMB 6,120,969,123 (2022: RMB 5,780,461,058).

As at 31 December 2023, other monetary funds included deposits with securities companies by the Group amounting to RMB 3,085,648, which can be withdrawn on demand. The rest was restricted monetary funds, of which, RMB 81,101,328 was pledged for issuance of bills payable, and an equivalent to RMB 1,788,438,136 was mainly deposits in commercial banks as security.

As at 31 December 2021, other monetary funds included deposits with securities companies by the Group amounting to RMB 2,609,817, which can be withdrawn on demand. The rest was restricted monetary funds, of which, RMB 164,299,257 was pledged for issuance of bills payable, and an equivalent to RMB 3,863,059,287 was mainly deposits in commercial banks as security.



2 Financial assets held for trading

<i>Item</i>	<i>31 December 2023</i>	<i>31 December 2022</i>
Financial assets at fair value through profit or loss		
- Structured deposit and wealth management products	7,476,126,776	16,931,468,153
- Investment in equity instruments	<u>279,837,719</u>	<u>256,525,783</u>
Total	<u>7,755,964,495</u>	<u>17,187,993,936</u>

3 Bills receivable

(1) Classification of bills receivable

<i>Item</i>	<i>31 December 2023</i>	<i>31 December 2022</i>
Bank acceptance bills	342,699,932	211,292,061
Commercial acceptance bills	<u>32,896,723</u>	<u>500,000</u>
Sub-total	375,596,655	211,792,061
Less: Provision for bad and doubtful debts	<u>19,644</u>	<u>-</u>
Total	<u>375,577,011</u>	<u>211,792,061</u>

All of the above bills are due within one year.

(2) The pledged bills receivable of the Group at the end of the year:

<i>Item</i>	<i>Pledged amount at the end of the year</i>
Bank acceptance bills	<u>58,113,245</u>

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

<i>Item</i>	<i>Amount derecognised in 2023</i>	<i>Amount not derecognised in 2023</i>
Bank acceptance bills	<u>-</u>	<u>172,240,824</u>

For the year ended 31 December 2023, there was no amount transferred to accounts receivable from bills receivable due to non-performance of the issuers of the Group (2022: Nil).

- (4) Bills receivable by provisioning method

<i>Category</i>	<i>31 December 2023</i>				<i>Carrying amount</i>
	<i>Book value</i>		<i>Provision for bad and doubtful debts</i>		
	<i>Amount</i>	<i>Percentage (%)</i>	<i>Amount</i>	<i>Percentage (%)</i>	
Collective assessment					
- Bank acceptance bills group	342,699,932	91%	-	0%	342,699,932
- Commercial acceptance bills group	<u>32,896,723</u>	9%	<u>19,644</u>	0%	<u>32,877,079</u>
Total	<u>375,596,655</u>	100%	<u>19,644</u>	0%	<u>375,577,011</u>

- (5) Movements of provisions for bad and doubtful debts

	<i>2023 Commercial acceptance bills</i>
Balance at the beginning of the year	-
Additions during the year	19,644
Recoveries or reversals during the year	-
Written-off during the year	<u>-</u>
Balance at the end of the year	<u>19,644</u>

4 Accounts receivable

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

<i>Item</i>	<i>31 December 2023</i>	<i>31 December 2022</i>
Amounts due from related parties	848,755,589	1,070,848,317
Amounts due from other customers	<u>32,651,912,378</u>	<u>27,252,679,049</u>
Sub-total	33,500,667,967	28,323,527,366
Less: Provision for bad and doubtful debts	<u>135,251,477</u>	<u>119,879,797</u>
Total	<u><u>33,365,416,490</u></u>	<u><u>28,203,647,569</u></u>

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

	<u>2023</u>			<u>2022</u>		
	<i>Amount in original currency</i>	<i>Exchange rate</i>	<i>RMB/RMB equivalents</i>	<i>Amount in original currency</i>	<i>Exchange rate</i>	<i>RMB/RMB equivalents</i>
RMB			17,032,805,950			12,806,183,088
USD	2,246,823,876	7.0827	15,913,579,467	2,139,614,722	6.9646	14,901,560,693
JPY	5,572,060	0.0502	279,717	5,046,551	0.0524	264,439
Other foreign currencies			<u>554,002,833</u>			<u>615,519,146</u>
Sub-total			33,500,667,967			28,323,527,366
Less: Provision for bad and doubtful debts			<u>135,251,477</u>			<u>119,879,797</u>
Total			<u><u>33,365,416,490</u></u>			<u><u>28,203,647,569</u></u>

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

	<i>31 December 2023</i>	<i>31 December 2022</i>
Within 1 year (inclusive)	32,716,203,140	27,791,874,623
Over 1 year but within 2 years (inclusive)	350,015,788	232,130,123
Over 2 years but within 3 years (inclusive)	191,517,633	151,304,998
Over 3 years	<u>242,931,406</u>	<u>148,217,622</u>
Sub-total	33,500,667,967	28,323,527,366
Less: Provision for bad and doubtful debts	<u>135,251,477</u>	<u>119,879,797</u>
Total	<u><u>33,365,416,490</u></u>	<u><u>28,203,647,569</u></u>

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

(4) Accounts receivable by provisioning method

Category	31 December 2023				Carrying amount
	Book value		Provision for impairment		
	Amount	Percentage (%)	Amount	Percentage (%)	
Individual assessment					
- Customers with high credit risk	24,192,778	0%	21,753,190	90%	2,439,588
- Customers with low credit risk	799,508,925	2%	-	0%	799,508,925
Collective assessment					
- Customers with moderate credit risk	<u>32,676,966,264</u>	98%	<u>113,498,287</u>	0%	<u>32,563,467,977</u>
Total	<u>33,500,667,967</u>	100%	<u>135,251,477</u>	0%	<u>33,365,416,490</u>

  

Category	31 December 2022				Carrying amount
	Book value		Provision for impairment		
	Amount	Percentage (%)	Amount	Percentage (%)	
Individual assessment					
- Customers with high credit risk	62,016,470	0%	59,921,373	97%	2,095,097
- Customers with low credit risk	1,359,564,251	5%	-	0%	1,359,564,251
Collective assessment					
- Customers with moderate credit risk	<u>26,901,946,645</u>	95%	<u>59,958,424</u>	0%	<u>26,841,988,221</u>
Total	<u>28,323,527,366</u>	100%	<u>119,879,797</u>	0%	<u>28,203,647,569</u>

(a) Criteria and details for collective assessment:

Customer group	Basis
Customers with high credit risk	With special matters, litigations or the deterioration of customers' credit status
Customers with low credit risk	Banks, insurance companies, large state-owned enterprises and public institutions
Customers with moderate credit risk	Customers not included in Groups above

(b) Assessment of ECLs on accounts receivable:

At all times the Group measures the impairment loss for accounts receivable at an amount equal to lifetime ECLs, and the ECLs are based on the number of overdue days and the expected loss rate. According to the Group's historical experience, different loss models are applicable to different customer groups.

(5) Movements of provisions for bad and doubtful debts:

	31 December 2023			Total
	Customers with high credit risk	Customers with low credit risk	Customers with moderate credit risk	
Balance at the beginning of the year	59,921,373	-	59,958,424	119,879,797
Charge during the year	4,972,817	-	71,147,926	76,120,743
Recoveries during the year	(43,645,120)	-	(17,261,740)	(60,906,860)
Written-off during the year	(68,126)	-	(213,525)	(281,651)
Translation differences	<u>572,246</u>	-	<u>(132,798)</u>	<u>439,448</u>
Balance at the end of the year	<u>21,753,190</u>	-	<u>113,498,287</u>	<u>135,251,477</u>

	31 December 2022			Total
	Customers with high credit risk	Customers with low credit risk	Customers with moderate credit risk	
Balance at the beginning of the year	46,406,137	-	35,361,003	81,767,140
Charge during the year	39,701,034	-	38,122,840	77,823,874
Recoveries during the year	(18,395,999)	-	(9,530,579)	(27,926,578)
Written-off during the year	(8,201,685)	-	(6,332,757)	(14,534,442)
Translation differences	411,886	-	2,337,917	2,749,803
Balance at the end of the year	<u>59,921,373</u>	<u>-</u>	<u>59,958,424</u>	<u>119,879,797</u>

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

The total of five largest accounts receivable and contract assets of the Group at the end of the year was RMB 11,169,787,517, representing 33% of the total accounts receivable and contract assets.

5 Receivables financing

(1) Receivables financing by category

Category	31 December 2023	31 December 2022
Bank acceptance bills	<u>408,534,622</u>	<u>-</u>

(2) Receivables financing that are endorsed or discounted but have not matured of the Group at the end of the year:

Category	2023 Amount derecognised	2023 Amount not derecognised
Bank acceptance bills	<u>913,806,803</u>	<u>-</u>

6 Prepayments

(1) The Group's prepayments by category:

	31 December 2023	31 December 2022
Prepayment for electricity, water, gas and power	238,019,515	234,247,912
Prepayment for inventory	202,223,873	261,349,159
Others	<u>118,416,392</u>	<u>94,167,609</u>
Total	<u>558,659,780</u>	<u>589,764,680</u>

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

<u>Ageing</u>	<u>31 December 2023</u>		<u>31 December 2022</u>	
	<i>Amount</i>	<i>Percentage (%)</i>	<i>Amount</i>	<i>Percentage (%)</i>
Within 1 year (inclusive)	478,067,697	86%	471,778,052	80%
Over 1 year but within 2 years (inclusive)	22,099,954	4%	112,700,267	19%
Over 2 years but within 3 years (inclusive)	53,855,290	9%	2,959,783	1%
Over 3 years	4,636,839	1%	2,326,578	0%
Total	<u>558,659,780</u>	<u>100%</u>	<u>589,764,680</u>	<u>100%</u>

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

The total of five largest prepayments of the Group at the end of the year is RMB 211,232,794, representing 38% of the total prepayments.

## 7 Other receivables

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

<u>Customer type</u>	<u>31 December 2023</u>	<u>31 December 2022</u>
Amounts due from related parties	787,519	16,588,534
Amounts due from other customers	<u>738,982,314</u>	<u>969,833,087</u>
Sub-total	739,769,833	986,421,621
Less: Provision for bad and doubtful debts	<u>13,110,626</u>	<u>10,612,385</u>
Total	<u><u>726,659,207</u></u>	<u><u>975,809,236</u></u>

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

	<u>31 December 2023</u>			<u>31 December 2022</u>		
	<i>Amount in original currency</i>	<i>Exchange rate</i>	<i>RMB/RMB equivalents</i>	<i>Amount in original currency</i>	<i>Exchange rate</i>	<i>RMB/RMB equivalents</i>
RMB			478,724,580			480,934,242
USD	33,442,302	7.0827	236,861,792	69,194,294	6.9646	481,910,580
JPY	25,775,874	0.0502	1,293,949	316,069	0.0524	16,562
Other foreign currencies			<u>22,889,512</u>			<u>23,560,237</u>
Sub-total			739,769,833			986,421,621
Less: Provision for bad and doubtful debts			<u>13,110,626</u>			<u>10,612,385</u>
Total			<u><u>726,659,207</u></u>			<u><u>975,809,236</u></u>



(5) Movements of provisions for bad and doubtful debts

	2023				2022			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL - Not credit impaired	Stage 3 Lifetime ECL- Credit impaired	Total	Stage 1 12-month ECL	Stage 2 Lifetime ECL - Not credit impaired	Stage 3 Lifetime ECL- Credit impaired	Total
Balance at the beginning of the year	9,822	6,947	10,595,616	10,612,385	-	300	9,043,516	9,043,816
Additions during the year	131,167	464,145	3,084,758	3,680,070	9,822	6,647	1,663,461	1,679,930
Reversals during the year	(9,822)	(6,647)	(334,930)	(351,399)	-	-	-	-
Written-off during the year	-	-	(841,937)	(841,937)	-	-	(111,361)	(111,361)
Other changes	-	-	11,507	11,507	-	-	-	-
Balance at the end of the year	<u>131,167</u>	<u>464,445</u>	<u>12,515,014</u>	<u>13,110,626</u>	<u>9,822</u>	<u>6,947</u>	<u>10,595,616</u>	<u>10,612,385</u>

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

Nature		31 December 2023	31 December 2022
Amounts due from equity transfer		200,000,000	200,000,000
Surety and deposits	Note	398,335,916	598,972,862
Others		<u>141,433,917</u>	<u>187,448,759</u>
Sub-total		739,769,833	986,421,621
Less: Provision for bad and doubtful debts		<u>13,110,626</u>	<u>10,612,385</u>
Total		<u><u>726,659,207</u></u>	<u><u>975,809,236</u></u>

Note: As at 31 December 2023, an equivalent to RMB 217,669,078 (2022: RMB 436,628,186) of the surety and deposits mainly represented production capacity surety paid by the Group to suppliers.

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

The total of five largest other receivables of the Group at the end of the year was RMB 461,887,815, most of which were surety and amounts due from equity transfer. No provision is made for bad and doubtful debts after assessment.



## 8 Inventories

### (1) The Group's inventories by category:

	31 December 2023			31 December 2022		
	Book value	Provision for impairment of inventories/Provision for impairment of costs to fulfil a contract with a customer	Carrying amount	Book value	Provision for impairment of inventories/Provision for impairment of costs to fulfil a contract with a customer	Carrying amount
Raw materials	9,443,911,152	2,189,991,288	7,253,919,864	11,178,326,632	2,890,923,826	8,287,402,806
Work in progress	5,564,254,528	1,144,952,516	4,419,302,012	4,879,573,518	1,316,529,598	3,563,043,920
Finished goods	16,215,828,399	4,056,038,972	12,159,789,427	14,699,012,100	4,072,862,311	10,626,149,789
Consumables	189,084,809	-	189,084,809	147,843,921	-	147,843,921
Costs to fulfil a contract with a customer	97,571,213	-	97,571,213	163,373,789	-	163,373,789
<b>Total</b>	<b>31,510,650,101</b>	<b>7,390,982,776</b>	<b>24,119,667,325</b>	<b>31,068,129,960</b>	<b>8,280,315,735</b>	<b>22,787,814,225</b>

As at 31 December 2023, there was no amount of capitalised borrowing cost in the Group's closing balance of inventories (2022: Nil).

As at 31 December 2023, the Group had no inventory used as collateral (2022: Nil).

### (2) An analysis of provision for impairment of inventories of the Group is as follows:

	Balance at the beginning of the year	Charge during the year	Decrease during the year	Balance at the end of the year
Raw materials	2,890,923,826	649,806,255	(1,350,738,793)	2,189,991,288
Work in progress	1,316,529,598	777,337,498	(948,914,580)	1,144,952,516
Finished goods	4,072,862,311	2,933,896,375	(2,950,719,714)	4,056,038,972
<b>Total</b>	<b>8,280,315,735</b>	<b>4,361,040,128</b>	<b>(5,250,373,087)</b>	<b>7,390,982,776</b>

## 9 Contract assets

	31 December 2023
Balance at the beginning of the year	71,636,461
Transfers from contract assets recognised at the beginning of the year to receivables	(28,449,015)
Increase in contract assets resulting from no unconditional right obtained	53,340,951
<b>Sub-total</b>	<b>96,528,397</b>
Less: Provision for bad and doubtful debts	817,655
<b>Balance at the end of the year</b>	<b>95,710,742</b>

10	Other current assets	<i>31 December</i> <i>2023</i>	<i>31 December</i> <i>2022</i>
	VAT on tax credits	2,512,924,348	2,556,625,457
	Input tax to be verified or deducted	291,415,443	329,605,466
	Prepaid income taxes	166,028,954	331,652,233
	Costs receivables for recovering products from a customer	140,814,527	108,097,353
	Others	<u>197,155,659</u>	<u>68,056,410</u>
	Total	<u><u>3,308,338,931</u></u>	<u><u>3,394,036,919</u></u>
11	Long-term equity investments		
(1)	The Group's long-term equity investments by category:		
		<i>2023</i>	<i>2022</i>
	Investments in joint ventures	400,375,826	392,291,560
	Investments in associates	<u>14,392,984,350</u>	<u>13,086,523,900</u>
	Sub-total	14,793,360,176	13,478,815,460
	Less: Provision for impairment	<u>1,061,663,549</u>	<u>1,056,936,609</u>
	Total	<u><u>13,731,696,627</u></u>	<u><u>12,421,878,851</u></u>

(2) Movements of long-term equity investments during the year are as follows:

Investee	Movements during the year							Translation differences arising from translation of foreign currency financial statements	Balance at the end of the year
	Balance at the beginning of the year	Increase	Decrease	Investment income / (loss) recognised under equity method	Other comprehensive income	Other equity movements	Declared distribution of cash dividends or profits		
<b>Joint venture</b>									
Chongqing Maite Optoelectronics Co., Ltd.	392,291,560	-	-	8,075,273	-	-	-	-	400,366,833
Semicon Light (China) Company Limited	-	9,118	-	-	-	-	-	(125)	8,993
<b>Sub-total</b>	<b>392,291,560</b>	<b>9,118</b>	<b>-</b>	<b>8,075,273</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(125)</b>	<b>400,375,826</b>
<b>Associates</b>									
Erdos BOE Energy Investment Co., Ltd.	1,811,883,330	-	-	(3,539,256)	-	-	-	-	1,808,344,074
Beijing Xindongneng Investment Fund (Limited Partnership)	2,034,870,324	-	-	413,237,868	(341,083,735)	-	(242,256,254)	-	1,864,768,203
Beijing Innovation Industry Investment Co., Ltd.	223,216,553	-	-	12,953,665	-	-	-	-	236,170,218
Beijing Electric Control Industry Investment Co., Ltd.	258,149,907	78,035,900	-	(1,505,013)	51,071,365	-	-	-	385,752,159
BOE Art Cloud Technology Co., Ltd.	430,598,164	-	-	8,087,341	-	(6,214,034)	-	-	432,471,471
Cnoga Medical Co., Ltd.	276,916,033	-	-	-	-	-	-	4,695,716	281,611,749
Tianjin Xianzhilian Investment Centre (Limited Partnership)	1,387,079,224	380,000,000	(8,942,540)	121,848,208	-	-	(4,240,169)	-	1,875,744,723
BioChain (Beijing) Science & Technology, Inc.	334,093,785	-	-	(14,087,881)	-	40,878,430	-	-	360,884,334
Beijing YanDong MicroElectronic Co., Ltd.	1,171,247,551	-	-	34,876,298	38,009	18,093,355	-	-	1,224,255,213
VusionGroup SA ( ex-SES Imagotag SA Co., Ltd. )	4,883,374,020	-	-	148,260,071	-	-	-	61,188,984	5,092,823,075
Chongqing BOE Smart Private Equity Investment Fund Partnership (Limited Partnership)	57,545,008	80,000,000	-	(3,511,138)	-	-	-	-	134,033,870
Jin Chuang (Beijing) Equity Investment Fund Center (Limited Partnership)	-	356,400,000	-	-	-	-	-	-	356,400,000
Others	217,550,001	137,881,773	(2,988,821)	(22,140,092)	-	10,134,133	(800,000)	88,267	339,725,261
<b>Sub-total</b>	<b>13,086,523,900</b>	<b>1,032,317,673</b>	<b>(11,931,361)</b>	<b>694,480,071</b>	<b>(289,974,361)</b>	<b>62,891,884</b>	<b>(247,296,423)</b>	<b>65,972,967</b>	<b>14,392,984,350</b>
<b>Total</b>	<b>13,478,815,460</b>	<b>1,032,326,791</b>	<b>(11,931,361)</b>	<b>702,555,344</b>	<b>(289,974,361)</b>	<b>62,891,884</b>	<b>(247,296,423)</b>	<b>65,972,842</b>	<b>14,793,360,176</b>
Less: Provision for impairment	1,056,936,609	-	-	-	-	-	-	-	1,061,663,549
<b>Total</b>	<b>12,421,878,851</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,731,696,627</b>

As at 31 December 2023, certain associates invested by the Group suffered loss and the Group did not have an obligation to assume additional losses. Therefore, the Company discontinues recognising its share of further losses after the carrying amount of long-term equity investment is reduced to zero, the accumulated unrecognised investment losses amounted to RMB27,004,563 (2022: RMB14,922,087).

## 12 Investments in other equity instruments

### (1) Cases of investments in other equity instruments :

<i>Items</i>	<i>Movements during the year</i>					<i>Balance at the end of the year</i>	<i>Dividend income recognized this year</i>	<i>Cumulative gains or losses recorded in other comprehensive income (losses to be indicated by a minus sign "-")</i>	<i>Specified reasons</i>
	<i>Balance at the beginning of the year</i>	<i>Increase in capital</i>	<i>Decrease in capital</i>	<i>The gains or losses recorded in other comprehensive income for the current year (Losses to be entered with a "-" sign)</i>	<i>Other</i>				
Listed equity instruments investment									
- Beijing Electronic City High Tech Group Co., Ltd.	53,614,432	-	-	7,835,955	-	61,450,387	728,606	(28,710,041)	Intended for long-term holding for strategic purposes
- Bank of Chongqing Co., Ltd.	91,600,150	-	-	(1,183,443)	-	90,416,707	9,885,131	(29,667,668)	Intended for long-term holding for strategic purposes
- New Century Medical Holding Co., Ltd.	9,098,008	-	-	8,390,266	-	17,488,274	-	(123,360,576)	Intended for long-term holding for strategic purposes
Unlisted equity instruments investment									
—Danhua Capital, L. P.	34,823,000	-	-	590,500	-	35,413,500	8,112,915	887,125	Intended for long-term holding for strategic purposes
—Danhua Capital II, L.P.	69,646,002	-	-	1,180,998	-	70,827,000	9,669,593	3,179,249	Intended for long-term holding for strategic purposes
—Kateeva Inc.	83,192,147	-	-	1,410,705	-	84,602,852	-	1,740,386	Intended for long-term holding for strategic purposes
—Nanosys INC	21,591,641	-	-	(21,591,641)	-	-	-	(52,866,000)	Intended for long-term holding for strategic purposes
—Baebies INC	30,600,273	-	-	518,894	-	31,119,167	-	1,995,613	Intended for long-term holding for strategic purposes
—Illumina Fund I, L.P.	31,079,577	2,197,830	-	537,592	-	33,814,999	22,775	1,752,294	Intended for long-term holding for strategic purposes
—Horizon Robotics, Inc.	35,616,005	-	-	514,325	-	36,130,330	-	4,175,830	Intended for long-term holding for strategic purposes
—Others	22,199,071	-	-	14,202,855	(3,035,565)	33,366,361	-	(14,664,109)	Intended for long-term holding for strategic purposes
<b>Total</b>	<b>483,060,306</b>	<b>2,197,830</b>	<b>-</b>	<b>12,407,006</b>	<b>(3,035,565)</b>	<b>494,629,577</b>	<b>28,419,020</b>	<b>(235,537,897)</b>	

(2) The explanation for derecognition events that have occurred this year :

<i>Item</i>	<i>Accumulated gains recognised in retained earnings upon derecognition</i>	<i>Accumulated losses recognised in retained earnings upon derecognition</i>	<i>Reasons for derecognition</i>
Nanosys INC	-	<u>(52,866,000)</u>	Transfers out due to the derecognition in the liquidation

13 Other non-current financial assets

<i>Item</i>	2023	2022
Financial assets at fair value through profit or loss	2,253,778,325	2,022,967,681
Including: Investments in equity instruments	<u>2,253,778,325</u>	<u>2,022,967,681</u>

14 Investment properties

	<i>Land use rights</i>	<i>Plant &amp; buildings</i>	<i>Construction in progress</i>	<i>Total</i>
<b>Cost</b>				
Balance at the beginning of the year	687,434,677	1,028,293,708	-	1,715,728,385
Additions during the year				
- Purchases	-	47,854,083	62,084,334	109,938,417
- Transfers from fixed assets	-	14,125,047	-	14,125,047
- Additions due to business combinations involving entities not under common control	97,907,500	133,782,131	-	231,689,631
Disposals during the year	-	(4,015,756)	-	(4,015,756)
Other changes	-	(89,730,944)	38,390,816	(51,340,128)
Balance at the end of the year	<u>785,342,177</u>	<u>1,130,308,269</u>	<u>100,475,150</u>	<u>2,016,125,596</u>
<b>Less: Accumulated depreciation or amortisation</b>				
Balance at the beginning of the year	181,640,506	412,062,741	-	593,703,247
Charge during the year	14,221,175	50,236,490	-	64,457,665
Transfers from fixed assets	-	28,250	-	28,250
Disposals during the year	-	(3,600,357)	-	(3,600,357)
Other changes	-	(51,016,655)	-	(51,016,655)
Balance at the end of the year	<u>195,861,681</u>	<u>407,710,469</u>	<u>-</u>	<u>603,572,150</u>
<b>Carrying amounts</b>				
At the end of the year	<u>589,480,496</u>	<u>722,597,800</u>	<u>100,475,150</u>	<u>1,412,553,446</u>
At the beginning of the year	<u>505,794,171</u>	<u>616,230,967</u>	<u>-</u>	<u>1,122,025,138</u>

15 Fixed assets

(1) Analysis of the Group's fixed assets are as follows:

<i>Item</i>	<i>Plant &amp; buildings</i>	<i>Equipment</i>	<i>Others</i>	<i>Total</i>
<b>Cost</b>				
Balance at the beginning of the year	65,890,430,033	297,350,722,399	12,351,989,023	375,593,141,455
Additions during the year				
- Purchases	2,975,512	329,347,382	1,971,562,327	2,303,885,221
- Transfers from construction in progress	7,631,374,412	23,074,707,679	1,151,849,525	31,857,931,616
- Additions due to business combinations involving entities not under common control	1,711,457,927	3,849,118,978	13,245,160	5,573,822,065
Transfer to investment properties	(14,125,047)	-	-	(14,125,047)
Transfers to construction in progress	-	(2,358,952,818)	(64,593,844)	(2,423,546,662)
Disposals or written-offs during the year	-	(775,662,525)	(138,468,435)	(914,130,960)
Written-down against government interest discounts	-	(148,715,529)	-	(148,715,529)
Reclassified from fixed assets	763,414,828	(37,876,582)	(725,538,246)	-
Translation differences	2,658,541	9,210,976	2,159,600	14,029,117
Balance at the end of the year	<u>75,988,186,206</u>	<u>321,291,899,960</u>	<u>14,562,205,110</u>	<u>411,842,291,276</u>
<b>Less: Accumulated depreciation</b>				
Balance at the beginning of the year	9,950,729,093	150,179,918,690	7,539,650,009	167,670,297,792
Charge during the year	2,013,406,593	29,422,264,324	2,487,867,788	33,923,538,705
Transfer to investment properties	(28,250)	-	-	(28,250)
Transfers to construction in progress	-	(1,469,878,899)	(47,440,847)	(1,517,319,746)
Disposals or written-offs during the year	-	(541,189,550)	(81,743,439)	(622,932,989)
Reclassified from fixed assets	65,703,316	(3,365,817)	(62,337,499)	-
Translation differences	1,247,094	5,345,109	1,853,823	8,446,026
Balance at the end of the year	<u>12,031,057,846</u>	<u>177,593,093,857</u>	<u>9,837,849,835</u>	<u>199,462,001,538</u>
<b>Less: Provision for impairment</b>				
Balance at the beginning of the year	34,480	1,740,161,554	195,597,199	1,935,793,233
Charge during the year	-	119,115,566	80,248,218	199,363,784
Transfers to construction in progress	-	(87,542,076)	(676,525)	(88,218,601)
Disposals or written-offs during the year	-	(33,538,571)	(4,586,631)	(38,125,202)
Balance at the end of the year	<u>34,480</u>	<u>1,738,196,473</u>	<u>270,582,261</u>	<u>2,008,813,214</u>
<b>Carrying amounts</b>				
At the end of the year	<u>63,957,093,880</u>	<u>141,960,609,630</u>	<u>4,453,773,014</u>	<u>210,371,476,524</u>
At the beginning of the year	<u>55,939,666,460</u>	<u>145,430,642,155</u>	<u>4,616,741,815</u>	<u>205,987,050,430</u>

In 2023, some of the equipment of the Group is idle and there is no clear use plan. The Group evaluated the recoverable amount of these equipment and made provisions for impairment of RMB 199,363,784 (2022: RMB 143,071,492) based on the evaluation results.

(2) Fixed assets pending certificates of ownership

As at 31 December 2023, fixed assets pending certificates of ownership totalled RMB 6,560,001,886 (2022: RMB 7,110,462,456) and certificates of ownership is still being processed.

16 Construction in progress

(1) Analysis of the Group's construction in progress is as follows:

Item	31 December 2023			31 December 2022		
	Book value	Provision for impairment	Carrying amount	Book value	Provision for impairment	Carrying amount
The 6th generation AMOLED project - Chongqing	15,573,483,601	-	15,573,483,601	31,013,623,277	-	31,013,623,277
Others	14,173,980,651	77,348,706	14,096,631,945	12,446,773,478	74,262,087	12,372,511,391
Total	29,747,464,252	77,348,706	29,670,115,546	43,460,396,755	74,262,087	43,386,134,668

Some of the engineering projects of the Group were idle and cannot be further used. The Group evaluated the residual values of these engineering projects and made provisions for impairment.

(a) Movements of major construction projects in progress during the year

Item	Budget	Balance at the beginning of the year	Additions during the year	Fiscal discount interest	Transfers to fixed assets	Others reduced	Balance at the end of the year	Cumulative investment in the project (%)	Accumulated capitalised interest at the end of the year	Interest capitalised in 2023	Interest rate for capitalisation in 2023 (%)	Sources of funding
The 6th generation AMOLED project - Chongqing	46,500,000,000	31,013,623,277	6,232,062,763	(139,357,070)	(21,432,183,974)	(100,661,395)	15,573,483,601	83.91%	616,688,937	533,623,524	3.95%	Self-raised funds and borrowings

(b) Provision for impairment of construction in progress during the year

Item	Balance at the beginning of the year	Additions during the year	Decreases during the year	Balance at the end of the year	Reason for provision
Engineering projects, machinery and equipment	74,262,087	3,086,619	-	77,348,706	Projects are idle and cannot be further used or are not planned to be used temporarily.



17 Right-of-use assets

(1) As a lessee

	<i>Plant and buildings</i>	<i>Equipment</i>	<i>Others</i>	<i>Total</i>
<b>Cost</b>				
Balance at the beginning of the year	686,288,720	15,961,065	198,423,285	900,673,070
Additions during the year	202,226,682	49,505	1,480,835	203,757,022
Additions due to business combinations involving entities not under common control	8,080,595	-	-	8,080,595
Decreases during the year	(55,747,251)	(220,804)	(5,101,832)	(61,069,887)
Translation differences	29,024,340	-	42,875	29,067,215
<b>Balance at the end of the year</b>	<b>869,873,086</b>	<b>15,789,766</b>	<b>194,845,163</b>	<b>1,080,508,015</b>
<b>Accumulated depreciation</b>				
Balance at the beginning of the year	192,934,379	510,082	20,107,663	213,552,124
Charge for the year	152,633,217	5,999,682	10,625,520	169,258,419
Reductions during the year	(31,391,906)	(99,665)	(622,665)	(32,114,236)
Translation differences	5,425,387	-	41,976	5,467,363
<b>Balance at the end of the year</b>	<b>319,601,077</b>	<b>6,410,099</b>	<b>30,152,494</b>	<b>356,163,670</b>
<b>Provision for impairment</b>				
Balance at the beginning and the end of the year	-	-	-	-
<b>Carrying amount</b>				
At the end of the year	550,272,009	9,379,667	164,692,669	724,344,345
At the beginning of the year	493,354,341	15,450,983	178,315,622	687,120,946

18 Intangible assets

(1) Intangible assets

	<i>Land use rights</i>	<i>Patent and proprietary technology</i>	<i>Computer software</i>	<i>Others</i>	<i>Total</i>
<b>Cost</b>					
Balance at the beginning of the year	5,796,437,186	5,245,259,551	1,894,880,882	704,836,612	13,641,414,231
Additions during the year					
- Purchases	1,606,702,704	27,983,853	86,579,545	-	1,721,266,102
- Transfers from construction in progress	258,345,199	-	269,054,659	110,613,208	638,013,066
- Additions due to business combinations involving entities not under common control	263,044,065	935,121,201	27,525,660	-	1,225,690,926
- Transfers from development costs	-	31,920,961	-	-	31,920,961
Translation differences	-	77,552	466,220	631,835	1,175,607
Written-down against interest discount	-	(1,704,103)	-	-	(1,704,103)
Disposals during the year	-	-	(1,285,185)	-	(1,285,185)
Balance at the end of the year	<u>7,924,529,154</u>	<u>6,238,659,015</u>	<u>2,277,221,781</u>	<u>816,081,655</u>	<u>17,256,491,605</u>
<b>Less: Accumulated amortisation</b>					
Balance at the beginning of the year	660,214,345	2,562,045,161	1,192,207,819	278,619,763	4,693,087,088
Charge during the year	169,915,992	559,766,004	219,577,158	49,147,600	998,406,754
Translation differences	-	77,552	106,487	282,184	466,223
Disposals during the year	-	-	(1,054,160)	-	(1,054,160)
Balance at the end of the year	<u>830,130,337</u>	<u>3,121,888,717</u>	<u>1,410,837,304</u>	<u>328,049,547</u>	<u>5,690,905,905</u>
<b>Carrying amount</b>					
Carrying amount at the end of the year	<u>7,094,398,817</u>	<u>3,116,770,298</u>	<u>866,384,477</u>	<u>488,032,108</u>	<u>11,565,585,700</u>
Carrying amount at the beginning of the year	<u>5,136,222,841</u>	<u>2,683,214,390</u>	<u>702,673,063</u>	<u>426,216,849</u>	<u>8,948,327,143</u>

19 Goodwill

(1) Changes in goodwill

<i>Name of investee</i>	<i>Balance at the beginning of the year</i>	<i>Increase during the year</i>	<i>Decrease during the year</i>	<i>Balance at the end of the year</i>
Book value				
Beijing Yinghe Century Co., Ltd.	42,940,434	-	-	42,940,434
K-Tronics (Suzhou) technology Co., Ltd.	8,562,464	-	-	8,562,464
Beijing BOE Optoelectronics Technology Co., Ltd.	4,423,876	-	-	4,423,876
BOE Healthcare Investment & Management Co., Ltd.	146,460,790	-	-	146,460,790
Chengdu BOE Display Sci-tech Co., Ltd.	537,038,971	-	-	537,038,971
Nanjing BOE Display Technology Co., Ltd.	155,714,415	-	-	155,714,415
Beijing United Ultra High-Definition Video Technology Collaboration Center Co., Ltd.	-	14,285,847	-	14,285,847
HC SemiTek Corporation ("HC SemiTek")	-	29,596,088	-	29,596,088
Sub-total	895,140,950	43,881,935	-	939,022,885
Provision for impairment				
Beijing BOE Optoelectronics Technology Co., Ltd.	(4,423,876)	-	-	(4,423,876)
BOE Healthcare Investment & Management Co., Ltd.	(82,137,669)	-	-	(82,137,669)
Chengdu BOE Display Sci-tech Co., Ltd.	(147,755,754)	-	-	(147,755,754)
Sub-total	(234,317,299)	-	-	(234,317,299)
Carrying amount	660,823,651	43,881,935	-	704,705,586

(2) Provision for impairment of goodwill

The recoverable amount of the asset group to which the above goodwill relates is determined based on the present value of expected future cash flows. When projecting the present value of cash flows, the cash flows for the most recent five years are determined based on the financial budgets approved by management, and the cash flows beyond the five-year budget period were assumed to remain stable. The pre-tax discount rate is determined with reference to comparable companies and the relevant capital structures.

## 20 Long-term deferred expenses

	<i>Balance at 31December 2022</i>	<i>Additions during the year</i>	<i>Decrease during the year</i>	<i>Balance at 31December 2023</i>
Technology royalty fees prepaid	379,194,821	25,363,191	(70,839,299)	333,718,713
Payment for public facilities construction and use	41,161,291	458,946	(8,618,117)	33,002,120
Leasehold improvements	19,430,433	55,743,559	(18,357,270)	56,816,722
Others	117,154,832	61,264,352	(67,462,175)	110,957,009
Total	<u>556,941,377</u>	<u>142,830,048</u>	<u>(165,276,861)</u>	<u>534,494,564</u>

## 21 Deferred tax assets/deferred tax liabilities

### (1) Deferred tax assets and liabilities

<u>Item</u>	<u>2023</u>		<u>2022</u>	
	<i>Deductible/ (taxable) temporary differences</i>	<i>Deferred tax assets/(liabilities)</i>	<i>Deductible/ (taxable) temporary differences</i>	<i>Deferred tax assets/(liabilities)</i>
Deferred tax assets:				
Provision for impairment of assets	586,093,818	98,130,637	151,264,910	31,020,460
Changes in fair value of investments in other equity instruments	134,711,649	20,206,748	142,547,604	21,382,141
Depreciation of fixed assets	251,343,643	39,115,495	239,415,255	37,326,236
Assessed value added by investing real estate in subsidiaries	114,341,540	28,585,385	119,895,400	29,973,850
Accumulated losses	2,748,927,099	426,287,990	459,130	75,757
Government grant	64,596,573	9,689,486	143,385,420	21,507,813
Lease Liabilities	564,279,038	119,336,111	417,358,141	89,551,026
Others	11,546,811	2,041,907	86,936,426	15,037,373
Sub-total	<u>4,475,840,171</u>	743,393,759	<u>1,301,262,286</u>	245,874,656
Amount offset		<u>(346,516,739)</u>		<u>(169,861,507)</u>
Balance after offsetting		<u>396,877,020</u>		<u>76,013,149</u>
Deferred tax liabilities:				
Revaluation due to business combinations involving entities not under common control	(1,745,944,008)	(409,875,698)	(882,129,374)	(217,980,404)
Depreciation of fixed assets	(7,154,184,671)	(1,077,814,489)	(7,266,110,223)	(1,094,970,944)
Long-term equity investments	(2,113,902,264)	(389,497,116)	(120,141,687)	(18,021,253)
Right of use assets	(600,669,199)	(130,538,444)	(440,696,099)	(99,281,127)
Others	(203,263,744)	(33,430,721)	(178,731,744)	(29,507,437)
Sub-total	<u>(11,817,963,886)</u>	(2,041,156,468)	<u>(8,887,809,127)</u>	(1,459,761,165)
Amount offset		346,516,739		169,861,507
Balance after offsetting		<u>(1,694,639,729)</u>		<u>(1,289,899,658)</u>

(2) Details of unrecognised deferred tax assets

	2023	2022
Deductible temporary differences	23,132,234,962	22,749,630,064
Deductible tax losses	<u>57,936,466,170</u>	<u>44,677,908,573</u>
Total	<u>81,068,701,132</u>	<u>67,427,538,637</u>

As at 31 December 2023, the accumulated deductible temporary differences are mainly subsidiaries' impairment provisions of assets and accrual of expenses. Due to the uncertainty that there will be sufficient taxable income to cover these deductible differences in future periods, the deferred income tax assets were not recognised in consideration of prudence.

(3) Expiration of deductible tax losses for unrecognised deferred tax assets

Year	Note	2023	2022
2023		-	280,957,810
2024		308,958,033	451,137,106
2025		883,311,469	1,253,378,510
2026		1,202,044,391	1,473,908,686
2027		2,385,376,981	3,146,172,377
2028		3,527,170,592	2,279,355,553
2029		5,008,814,339	5,008,814,339
2030		4,200,121,737	4,196,348,029
2031		2,586,384,422	2,502,424,694
2032		23,919,302,827	23,569,766,818
2033		13,399,325,173	-
Others	(a)	<u>515,656,206</u>	<u>515,644,651</u>
Total		<u>57,936,466,170</u>	<u>44,677,908,573</u>

(a) According to the applicable local tax laws, loss of some overseas subsidiaries of the Group has indefinite carry-over period to deduct the future taxable income.

22 Other non-current assets

	<i>31 December 2023</i>	<i>31 December 2022</i>
Prepayment for fixed assets	2,068,302,892	148,834,349
Surety	1,048,632,965	1,338,834,402
Prepayment for construction	414,936,876	153,690,890
VAT on tax credits	95,942,415	-
Deferred VAT for imported equipment	-	2,696,796
Others	<u>338,103,310</u>	<u>311,464,947</u>
<b>Total</b>	<b><u>3,965,918,458</u></b>	<b><u>1,955,521,384</u></b>

23 Short-term loans

<i>31 December 2023</i>				
	<i>Amount in original currency</i>	<i>Exchange rate</i>	<i>RMB/RMB equivalents</i>	<i>Credited/ collateralised guaranteed/ pledged</i>
Bank loans				
- RMB			23,498,395	Pledge
- RMB			1,311,144,222	Guaranteed
- RMB			<u>406,271,598</u>	Credited
Sub-total			<u>1,740,914,215</u>	
Foreign currency bank loans				
- JPY	104,986,438	0.0502	<u>5,270,319</u>	Credited
Sub-total			<u>5,270,319</u>	
<b>Total</b>			<b><u>1,746,184,534</u></b>	
<i>31 December 2022</i>				
	<i>Amount in original currency</i>	<i>Exchange rate</i>	<i>RMB/RMB equivalents</i>	<i>Credited/ collateralised guaranteed/ pledged</i>
Bank loans				
- RMB			901,622,500	Guaranteed
- RMB			<u>30,006,237</u>	Credited
Sub-total			<u>931,628,737</u>	
Foreign currency bank loans				
- USD	128,585,504	6.9646	895,546,601	Credited
- JPY	205,792,620	0.0524	10,783,533	Credited
- HKD	600,000,000	0.8933	<u>535,980,000</u>	Credited
Sub-total			<u>1,442,310,134</u>	
<b>Total</b>			<b><u>2,373,938,871</u></b>	

As at 31 December 2023, no short-term loan was past due (2022: Nil).

24 Bills payable

	<i>31 December 2023</i>	<i>31 December 2022</i>
Bank acceptance bills	919,313,033	847,418,525
Commercial acceptance bills	<u>-</u>	<u>22,803,013</u>
<b>Total</b>	<b><u>919,313,033</u></b>	<b><u>870,221,538</u></b>

There is no due but unpaid bill payable at the end of the year. The bills above are all due within one year.

25 Accounts payable

(1) The Group's accounts payable by category are as follows:

	<i>31 December 2023</i>	<i>31 December 2022</i>
Payables to related parties	114,282,939	179,047,266
Payables to third parties	<u>32,863,320,412</u>	<u>29,655,673,198</u>
<b>Total</b>	<b><u>32,977,603,351</u></b>	<b><u>29,834,720,464</u></b>

(2) The Group's accounts payable by currency are as follows:

	<i>2023</i>			<i>2022</i>		
	<i>Amount in original currency</i>	<i>Exchange rate</i>	<i>RMB/RMB equivalents</i>	<i>Amount in original currency</i>	<i>Exchange rate</i>	<i>RMB/RMB equivalents</i>
- RMB			22,178,756,264			21,162,560,832
- USD	1,414,347,882	7.0827	10,017,401,744	1,146,041,405	6.9646	7,981,719,969
- JPY	11,054,142,329	0.0502	554,917,945	9,299,005,433	0.0524	487,267,885
- Other foreign currencies			<u>226,527,398</u>			<u>203,171,778</u>
<b>Total</b>			<b><u>32,977,603,351</u></b>			<b><u>29,834,720,464</u></b>

As at 31 December 2023, the Group had no significant accounts payable with ageing of more than one year.

26 Advance payments received

<i>Item</i>	<i>31 December 2023</i>	<i>31 December 2022</i>
Advances from related parties	103,733	188,623
Advances from third parties	<u>94,601,248</u>	<u>79,660,354</u>
<b>Total</b>	<b><u>94,704,981</u></b>	<b><u>79,848,977</u></b>

27 Contract liabilities

(1) The contract liabilities are as follows:

<i>Item</i>	<i>31 December 2023</i>	<i>31 December 2022</i>
Sale of goods	<u>3,000,168,620</u>	<u>2,411,717,792</u>

Contract liabilities primarily relate to the Group's advances from goods purchase and sale contracts. The Group receives a certain proportion of advances as agreed in contract when entering into the contract with customers. The revenue related to the contracts will be recognised until the Group satisfies its performance obligation.

(2) Significant contract liabilities aged more than 1 year:

<i>Item</i>	<i>31 December 2023</i>	<i>The reason for the non-carryover</i>
Advance receipts	<u>172,566,372</u>	Not yet delivered

Significant changes in the contract liabilities of the Group are as follows:

	<i>2023</i>
Balance at the beginning of the year	2,411,717,792
Revenue recognised that was included in the contract liability balance at the beginning of year	(2,059,115,794)
Increase of contract liabilities due to cash received at the end of the year	<u>2,647,566,622</u>
Balance at the end of the year	<u>3,000,168,620</u>



28 Employee benefits payable

(1) Employee benefits payable:

	Note	Balance at 1 January 2023	Accrued during the year	Decrease during the year	Balance at 31 December 2023
Short-term employee benefits	(2)	2,656,369,348	16,850,640,827	(16,462,441,948)	3,044,568,227
Post-employment benefits - defined contribution plans	(3)	58,051,832	1,848,632,320	(1,853,563,027)	53,121,125
Termination benefits		104,111,643	50,931,357	(151,821,076)	3,221,924
<b>Total</b>		<b>2,818,532,823</b>	<b>18,750,204,504</b>	<b>(18,467,826,051)</b>	<b>3,100,911,276</b>

	Note	Balance at 1 January 2022	Accrued during the year	Decrease during the year	Balance at 31 December 2022
Short-term employee benefits	(2)	5,098,605,495	16,306,120,923	(18,748,357,070)	2,656,369,348
Post-employment benefits - defined contribution plans	(3)	34,235,855	1,643,219,063	(1,619,403,086)	58,051,832
Termination benefits		313,887	125,276,407	(21,478,651)	104,111,643
<b>Total</b>		<b>5,133,155,237</b>	<b>18,074,616,393</b>	<b>(20,389,238,807)</b>	<b>2,818,532,823</b>

(2) Short-term employee benefits

		Balance at 1 January 2023	Accrued during the year	Decrease during the year	Balance at 31 December 2023
Salaries, bonuses, allowances		1,689,488,356	13,369,970,316	(13,142,172,990)	1,917,285,682
Staff welfare		-	1,200,381,109	(1,200,381,109)	-
Social insurance		45,026,603	866,656,861	(874,490,443)	37,193,021
Medical insurance		42,596,285	818,538,486	(826,067,942)	35,066,829
Work-related injury insurance		2,430,318	48,118,375	(48,422,501)	2,126,192
Housing fund		29,798,139	1,034,105,760	(1,044,206,780)	19,697,119
Labour union fee, staff and workers' education fee		871,474,749	362,090,148	(187,222,198)	1,046,342,699
Staff bonus and welfare fund		20,553,209	-	-	20,553,209
Other short-term employee benefits		28,292	17,436,633	(13,968,428)	3,496,497
<b>Total</b>		<b>2,656,369,348</b>	<b>16,850,640,827</b>	<b>(16,462,441,948)</b>	<b>3,044,568,227</b>

		Balance at 1 January 2022	Accrued during the year	Decrease during the year	Balance at 31 December 2022
Salaries, bonuses, allowances		4,304,276,089	12,995,283,767	(15,610,071,500)	1,689,488,356
Staff welfare		-	1,212,939,702	(1,212,939,702)	-
Social insurance		43,095,684	780,825,248	(778,894,329)	45,026,603
Medical insurance		38,317,039	720,094,785	(718,045,022)	40,366,802
Work-related injury insurance		2,583,340	44,668,965	(44,821,987)	2,430,318
Maternity insurance		2,195,305	16,061,498	(16,027,320)	2,229,483
Housing fund		33,089,973	946,098,096	(949,389,930)	29,798,139
Labour union fee, staff and workers' education fee		697,018,542	370,534,929	(196,078,722)	871,474,749
Staff bonus and welfare fund		20,553,209	-	-	20,553,209
Other short-term employee benefits		571,998	439,181	(982,887)	28,292
<b>Total</b>		<b>5,098,605,495</b>	<b>16,306,120,923</b>	<b>(18,748,357,070)</b>	<b>2,656,369,348</b>

(3) Post-employment benefits - defined contribution plans

	<i>Balance at 1 January 2023</i>	<i>Accrued during the year</i>	<i>Decrease during the year</i>	<i>Balance at 31 December 2023</i>
Basic pension insurance	37,012,623	1,550,009,517	(1,555,024,760)	31,997,380
Unemployment insurance	1,320,821	51,043,742	(51,324,167)	1,040,396
Annuity	<u>19,718,388</u>	<u>247,579,061</u>	<u>(247,214,100)</u>	<u>20,083,349</u>
Total	<u>58,051,832</u>	<u>1,848,632,320</u>	<u>(1,853,563,027)</u>	<u>53,121,125</u>

  

	<i>Balance at 1 January 2022</i>	<i>Accrued during the year</i>	<i>Decrease during the year</i>	<i>Balance at 31 December 2022</i>
Basic pension insurance	30,284,940	1,408,163,207	(1,401,435,524)	37,012,623
Unemployment insurance	906,583	45,871,870	(45,457,632)	1,320,821
Annuity	<u>3,044,332</u>	<u>189,183,986</u>	<u>(172,509,930)</u>	<u>19,718,388</u>
Total	<u>34,235,855</u>	<u>1,643,219,063</u>	<u>(1,619,403,086)</u>	<u>58,051,832</u>

29 Taxes payable

	<i>2023</i>	<i>2022</i>
Value-added tax	96,556,759	142,337,422
Corporate income tax	502,726,541	287,859,236
Individual income tax	39,311,660	48,228,934
City construction tax	309,488,421	428,525,949
Education surcharges and local education surcharges	223,104,253	306,515,854
Others	<u>145,892,388</u>	<u>117,933,793</u>
Total	<u>1,317,080,022</u>	<u>1,331,401,188</u>

30 Other payables

	<i>Note</i>	<i>31 December 2023</i>	<i>31 December 2022</i>
Interest payable		175,698	151,200
Dividends payable		39,014,714	6,410,514
Others	(1)	<u>19,448,570,553</u>	<u>19,625,661,555</u>
Total		<u>19,487,760,965</u>	<u>19,632,223,269</u>

(1) Others

(a) The Group's other payables by category are as follows:

	Note	31 December 2023	31 December 2022
Projects and equipment		13,556,738,142	13,185,841,311
Fund transaction (Note)		3,182,963,067	3,130,038,067
Deferred VAT for imported equipment		148,348,308	196,440,706
Repurchase obligation of restricted shares	V.42	457,401,616	753,440,228
Accrued water and electricity charges and freight		113,409,651	407,770,818
Security and deposits		764,238,522	505,702,125
External agency fee		109,646,050	172,851,477
Others		<u>1,115,825,197</u>	<u>1,273,576,823</u>
Total		<u>19,448,570,553</u>	<u>19,625,661,555</u>

The Group's significant other payables aged over one year are payables of projects and equipment.

Note: The other payables by the Group as at 31 December 2023 are amounts and interests due to original controlling shareholders of Nanjing Display Technology and Chengdu Display Sci-tech acquired in 2020, with interest rates of 2.175% and 0%.

(b) The Group's other payables by currency are as follows:

	31 December 2023			31 December 2022		
	Amount in original currency	Exchange rate	RMB/RMB equivalents	Amount in original currency	Exchange rate	RMB/RMB equivalents
RMB			14,629,710,281			13,336,886,237
USD	555,743,933	7.0827	3,936,167,554	736,000,871	6.9646	5,125,951,666
JPY	12,646,824,124	0.0502	634,870,571	18,492,932,844	0.0524	969,029,681
Other foreign currencies			<u>247,822,147</u>			<u>193,793,971</u>
Total			<u>19,448,570,553</u>			<u>19,625,661,555</u>

31 Non-current liabilities due within one year

As at 31 December, the non-current liabilities due within one year for the Group were long-term loans due within one year, lease liabilities, and long-term payables.

<i>31 December 2023</i>					
	<i>Note</i>	<i>Amount in original currency</i>	<i>Exchange rate</i>	<i>RMB/RMB equivalents</i>	<i>Credited/ collateralised/ guaranteed/ pledged</i>
Bank loans					
- RMB				116,082,704	Pledged
- RMB				11,632,397,549	Collateralised
- RMB				1,584,339,256	Guaranteed
- RMB				7,072,242,667	Credited
- USD		538,790,096	7.0827	<u>3,816,088,613</u>	Collateralised
Sub-total				24,221,150,789	
Long-term payables	V.35			47,178,393	
Lease liabilities	V.34			168,698,260	
Total				<u>24,437,027,442</u>	

<i>31 December 2022</i>					
	<i>Note</i>	<i>Amount in original currency</i>	<i>Exchange rate</i>	<i>RMB/RMB equivalents</i>	<i>Credited/ collateralised/ guaranteed/ pledged</i>
Bank loans					
- RMB				117,008,022	Pledged
- RMB				11,356,508,048	Collateralised
- RMB				94,144,290	Guaranteed
- RMB				5,528,984,741	Credited
- USD		694,159,756	6.9646	4,834,545,037	Collateralised
Sub-total				21,931,190,138	
Long-term payables	V.35			143,117,840	
Lease liabilities	V.34			118,302,766	
Contribution of non-controlling interests with redemption provisions	V.38			<u>511,140,000</u>	
Total				<u>22,703,750,744</u>	

32 Other current liabilities

<i>Item</i>	<i>31 December 2023</i>	<i>31 December 2022</i>
Warranty provisions	2,751,418,713	3,368,859,501
Refund liability	137,738,457	101,672,253
Pending output VAT	190,865,955	139,462,782
Others	<u>5,750,466</u>	<u>3,973,137</u>
<b>Total</b>	<b><u>3,085,773,591</u></b>	<b><u>3,613,967,673</u></b>

The other current liabilities of the Group were warranty provision. The warranty provision mainly relates to the expected after-sales repair warranty to the customers. The provision is estimated by the Management, based on historical claim experience and current actual sales outcomes.

33 Long-term loans

<i>31 December 2023</i>					
	<i>Note</i>	<i>Amount in original currency</i>	<i>Exchange rate</i>	<i>RMB/RMB equivalents</i>	<i>Credited/ collateralised guaranteed/ pledged</i>
Bank loans					
- RMB				815,374,959	Pledged
- RMB				43,946,736,428	Collateralised
- RMB				4,721,896,695	Guaranteed
- RMB				72,344,096,703	Credited
- USD		3,379,980,096	7.0827	23,939,385,026	Collateralised
Less: Long-term loans due within one year	V.31			<u>24,221,150,789</u>	
<b>Total</b>				<b><u>121,546,339,022</u></b>	
<i>31 December 2022</i>					
	<i>Note</i>	<i>Amount in original currency</i>	<i>Exchange rate</i>	<i>RMB/RMB equivalents</i>	<i>Credited/ collateralised guaranteed/ pledged</i>
Bank loans					
- RMB				1,058,900,427	Pledged
- RMB				49,363,519,760	Collateralised
- RMB				4,326,076,807	Guaranteed
- RMB				58,386,326,488	Credited
- USD		4,586,027,388	6.9646	31,939,846,346	Collateralised
Less: Long-term loans due within one year	V.31			<u>21,931,190,138</u>	
<b>Total</b>				<b><u>123,143,479,690</u></b>	

34 Lease liabilities

<i>Item</i>	<i>Note</i>	<i>31 December 2023</i>	<i>1 January 2023</i>
Long-term lease liabilities		710,839,756	656,888,776
Less: Lease liabilities due within one year	V.31	<u>168,698,260</u>	<u>118,302,766</u>
Total		<u>542,141,496</u>	<u>538,586,010</u>

During the year ended 31 December 2023, income from short-term leases and leases of low-value assets which are accounted for using the practical expedient as well as sub-leasing right-of-use assets for which the Group, as a lessee, was not significant.

35 Long-term payables

<i>Item</i>	<i>31 December 2023</i>	<i>31 December 2022</i>
Obligations under finance leases	218,789,786	372,704,917
Less: Obligations under finance leases due within one year	<u>47,178,393</u>	<u>143,117,840</u>
Total	<u>171,611,393</u>	<u>229,587,077</u>

As at 31 December 2023, the Group sold and leased back some of its machinery and equipment and construction in progress. Since asset sales and lease transactions are interrelated, and it is almost certain that they will be repurchased after the lease term expires, the Group conducts accounting treatment according to mortgage loans and presents them as long-term payables.

36 Provisions

<i>Item</i>	<i>31 December 2023</i>	<i>31 December 2022</i>
Outstanding litigation	<u>3,580,000</u>	<u>-</u>

37 Deferred income

<i>Item</i>	<i>Balance at the beginning of the year</i>	<i>Additions during the year</i>	<i>Amounts recognised in other income</i>	<i>Other changes</i>	<i>Balance at the end of the year</i>
Related to assets	3,798,389,149	745,618,201	(547,154,297)	(238,241,725)	3,758,611,328
Related to income	<u>1,357,958,183</u>	<u>1,939,512,378</u>	<u>(2,293,029,934)</u>	-	<u>1,004,440,627</u>
Total	<u>5,156,347,332</u>	<u>2,685,130,579</u>	<u>(2,840,184,231)</u>	<u>(238,241,725)</u>	<u>4,763,051,955</u>

### 38 Other non-current liabilities

<i>Item</i>	<i>Note</i>	<i>31 December 2023</i>	<i>31 December 2022</i>
Contribution of non-controlling interests with redemption provisions		2,500,522,066	2,499,075,805

The contribution of non-controlling interests with redemption provisions is mainly due to the redemption obligation of the Company to the non-controlling interests of Fuzhou BOE. The Company recognises the above non-controlling interests contribution as a financial liability which is subsequently measured at the cost of amortisation. According to the contracts, the Company will eventually carry out the repurchasing plan during the period from 2025 to 2034.

### 39 Share capital

	<i>Balance at the beginning of the year</i>	<i>Changes during the year</i>			<i>Balance at the end of the year</i>
		<i>Issuance of new shares</i>	<i>Cancellation of treasury shares</i>	<i>Sub-total</i>	
		<u></u>	<u></u>	<u></u>	
Total shares	<u>38,196,363,421</u>	-	(543,834,226)	(543,834,226)	<u>37,652,529,195</u>

On May 25th, 2023, our company conducted a repurchase and cancellation of 10,298,610 restricted shares at the Shenzhen Branch of China Securities Registration and Clearing Corporation Limited. Upon completion of this repurchase and cancellation, the company's total share capital was adjusted from 38,196,363,421 shares to 38,186,064,811 shares.

On August 29th, 2023, our company cancelled 28,186,133 treasury shares held in a dedicated repurchase account at the Shenzhen Branch of China Securities Registration and Clearing Corporation Limited. Following this cancellation, the company's total share capital was further reduced from 38,186,064,811 shares to 38,157,878,678 shares.

On December 25th, 2023, our company proceeded with the cancellation of 499,999,919 treasury shares held in the dedicated repurchase account at the Shenzhen Branch of China Securities Registration and Clearing Corporation Limited, and simultaneously completed the repurchase and cancellation of 5,349,564 restricted shares. As a result of this combined repurchase and cancellation action, the company's total share capital was adjusted down from 38,157,878,678 shares to 37,652,529,195 shares.

### 40 Other equity instruments

- (1) Financial instruments (including perpetual bonds) that remain outstanding at the end of the year are set out as follows:

<i>Outstanding financial instruments</i>	<i>Issuance date</i>	<i>Accounting classification</i>	<i>Interest rate</i>	<i>Issuance price</i>	<i>Quantity</i>	<i>Amount</i>	<i>Maturity date or renewal status</i>	<i>Conditions for conversion</i>	<i>Conversion status</i>
22BOEY1	25 March 2022	Equity instrument	3.50%	RMB 100/bond	<u>20 million</u>	<u>RMB 2 billion</u>	3+N years	Not applicable	Not applicable

(2) Major terms:

With the approval document No. 1801 [2019] of the China Securities Regulatory Commission (“CSRC”), the Company issued renewable corporate bonds to qualified investors on March 25, 2022. The full name of these bonds was Renewable Corporate Bond Publicly Issued by BOE Technology Group Co., Ltd. (digital economy) in 2022 (the First Phase), which referred to as 22BOEY1 (“2022 bond”).

2022 bond have a base term of 3 years and take every three interest-bearing years as a period. The Company is entitled to choose to extend the maturity by 1 period at the end of the agreed base term or at the end of each extended period, or choose to fully redeem the 2022 bond at the end of the period. The nominal interest rate of the 2022 bond is fixed during the first period, and then is reset once every period. The nominal interest rate in the first period is the initial benchmark interest rate plus the initial spread, and the nominal interest rate in the subsequent period is adjusted to the current benchmark interest rate plus the initial spread and 300 basis points. Therefore, when the Company exercises the renewal option, the nominal interest rate will significantly increase, and the corresponding nominal interest will also increase sharply. The 2022 bond have an issuer’s right to defer the payment of interest. Unless a mandatory interest payment event occurs (including distributions to ordinary shareholders and decrease of registered capital). At each interest payment date of the bonds, the Company may choose at its discretion whether to defer the payment of the current interest as well as all the deferred interests and the yields under this term until the next interest payment date without being subjected to any limit on the number of interest deferring attempts.

As at 31 December 2023, the actual issuance of the 2022 bond amounted to RMB 2,000,000,000 in total, and the Company considers that the renewable corporate bonds do not meet the definition of financial liabilities, and therefore will charge the total amount of the issuance to other equity instruments after deducting underwriting fees and other transaction costs.

(3) Movement of the financial instruments (including perpetual bonds) that remain outstanding at the end of the year:

Outstanding financial instruments	At the beginning of the year		Additions during the year		Decrease during the year		Accumulated interest		At the end of the year	
	Quantity	Carrying amount	Quantity	Carrying amount	Quantity	Carrying amount	Charge for the year	Paid during the year	Quantity	Carrying amount
20BOEY1	20,000,000	2,050,610,478	-	-	(20,000,000)	(1,989,179,245)	11,368,767	(72,800,000)	-	-
20BOEY2	20,000,000	2,045,184,865	-	-	(20,000,000)	(1,989,320,755)	14,935,890	(70,800,000)	-	-
20BOEY3	20,000,000	2,037,168,519	-	-	(20,000,000)	(1,989,415,094)	22,246,575	(70,000,000)	-	-
22BOEY1	20,000,000	2,043,402,946	-	-	-	-	70,000,000	(70,000,000)	20,000,000	2,043,402,946
Total	80,000,000	8,176,366,808	-	-	(60,000,000)	(5,967,915,094)	118,551,232	(283,600,000)	20,000,000	2,043,402,946

On February 28, March 19, and April 27, 2020, our company issued the 2020 publicly issued renewable corporate bonds of BOE Technology Group Co., Ltd. to qualified investors (for qualified investors), which referred to as 20BOEY1, 20BOEY2, 20BOEY3 respectively (“2020 bond”). As at 31 December 2023, the 2020 bond has been issued for three years, the Company has not exercised the bond issuer’s renewal option and has fully paid the principal and interest of the 2020 bond.



(4) Relevant information of amounts attributable to holders of equity instruments:

	<i>31 December 2023</i>	<i>31 December 2022</i>
Attributable to shareholders of the Company	129,428,307,067	136,086,175,204
- Equity attributable to ordinary shareholders of the Company	127,384,904,121	127,909,808,396
- Equity attributable to holders of the Company's other equity instruments	2,043,402,946	8,176,366,808
Equity attributable to non-controlling shareholders	68,370,379,252	65,954,391,821
- Equity attributable to non-controlling ordinary shareholders	68,370,379,252	65,954,391,821
- Equity attributable to non-controlling shareholders of other equity instruments	-	-

(5) Accrued interest on holders of other equity instruments

In 2023, as the above-mentioned issued renewable corporate bonds are cumulative other equity instruments, the Company accrued interest of RMB 118,551,232 on renewable corporate bonds from undistributed profits and paid interest of RMB 283,600,000 on renewable corporate bonds.

41 Capital reserve

<i>Item</i>	<i>Note</i>	<i>Share premium</i>	<i>Other capital reserves</i>	<i>Total</i>
Balance at the beginning of the year		53,837,673,239	1,387,212,436	55,224,885,675
Add: Changes in shareholding ratio of subsidiaries		(1,219,955,094)	-	(1,219,955,094)
Equity-settled share-based payment	XII	-	309,120,206	309,120,206
Other movements in equity of associates	V.11	-	61,662,689	61,662,689
Cancellation of treasury shares		(2,244,946,976)	-	(2,244,946,976)
Others		(32,084,906)	14,899,152	(17,185,754)
Balance at the end of the year		<u>50,340,686,263</u>	<u>1,772,894,483</u>	<u>52,113,580,746</u>

42 Treasury shares

<i>Item</i>	<i>Balance at the beginning of the year</i>	<i>Additions during the year</i>	<i>Reductions during the year</i>	<i>Balance at the end of the year</i>
Treasury shares	<u>3,508,201,911</u>	<u>-</u>	<u>(3,046,165,671)</u>	<u>462,036,240</u>

According to the resolution passed by the 13th Meeting of the 10th Board of Directors and the 4th Meeting of the 10th Supervisory Board on March 31st, 2023, regarding '*The Proposal on Repurchasing and Cancelling Part of Restricted Shares*,' the company completed the repurchase and cancellation of 10,298,610 restricted shares under the incentive plan as of May 25th, 2023. The average repurchase price per share was RMB 2.41, resulting in a decrease in treasury shares of RMB 24,819,650, while the difference of RMB 14,521,040 between the cancelled treasury shares and the share capital was deducted from the Capital reserve - Share premium.

Based on the resolution approved during the same meetings on March 31st, 2023, concerning '*The Proposal on Achieving the Conditions for the First Lifting of Restrictions Period for the 2020 Stock Option and Restricted Share Incentive Plan and the First Exercise Period for the Initial Grant of Stock Options*,' the company confirmed that a total of 102,260,780 restricted shares were eligible for lifting restrictions. These shares were listed for circulation on April 11th, 2023, corresponding to a reduction of RMB 240,210,572 in other payables - obligation to repurchase restricted shares (Note V. 30) and Treasury shares.

In accordance with the resolution passed by the 17th Meeting of the 10th Board of Directors on July 24th, 2023, regarding '*The Proposal on Cancelling Part of Treasury shares in the Company's Dedicated Repurchase Account*,' the company finished the cancellation of 28,186,133 shares within the dedicated repurchase account on August 29th, 2023. The average repurchase price per share was RMB 5.71, reducing treasury shares by RMB 160,964,972. The difference of RMB 132,778,839 between the cancelled treasury shares and the share capital was then deducted from Capital reserve - Share premium.

Pursuant to the resolution adopted at the 21st Meeting of the 10th Board of Directors and the 7th Meeting of the 10th Supervisory Board on October 30th, 2023, about '*The Proposal on Repurchasing and Cancelling Part of Restricted Shares*,' the company concluded the repurchase and cancellation of 5,349,564 restricted shares under the incentive plan on December 25th, 2023. The average repurchase price per share was RMB 2.35, leading to a decrease in treasury shares of RMB 12,566,126, and the difference of RMB 7,216,562 between the cancelled treasury shares and the share capital was debited against the Capital reserve - Share premium.

Following the approval at the 23rd Meeting of the 10th Board of Directors on November 28th, 2023, concerning '*The Proposal on Changing the Use of Repurchased Shares and Cancelling Them*,' the company accomplished the change of use and subsequent cancellation of 499,999,919 shares within the dedicated repurchase account on December 25th, 2023. The average repurchase price per share was RMB 5.24, reducing treasury shares by RMB 2,620,105,418, and the difference of RMB 2,120,105,499 between the cancelled treasury shares and the share capital was deducted from the Capital reserve - Share premium.

During 2023, the company recognized restricted share dividends amounting to RMB 17,173,897, which led to a decrease in other payables - obligation to repurchase restricted shares (Note V. 30) and Treasury shares.

43 Other comprehensive income

Item	Balance at the end of previous year attributable to shareholders of the Company	Movements during the year						Balance at the end of the year attributable to shareholders of the Company
		Before-tax amount	Less: Income tax expenses	Less: Amount transferred from other comprehensive income to profit or loss	Net-of-tax amount attributable to shareholders of the Company	Net-of-tax amount attributable to non-controlling interests	Less: Transfer of other comprehensive income to retained earnings	
Items that will not be reclassified to profit or loss	(121,272,681)	(284,719,598)	13,421,765	-	(297,850,012)	(291,351)	(51,690,779)	(367,431,914)
Including: Other comprehensive income recognised under equity method	121,391,777	(290,012,370)	12,246,372	-	(302,258,742)	-	1,175,221	(182,042,186)
Changes in fair value of investments in other equity instruments	(242,664,458)	5,292,772	1,175,393	-	4,408,730	(291,351)	(52,866,000)	(185,389,728)
Items that may be reclassified to profit or loss	(952,495,349)	279,822,666	-	-	182,930,039	96,892,627	-	(769,565,310)
Including: Other comprehensive income recognised under equity method	(156,851)	38,009	-	-	38,009	-	-	(118,842)
Translation differences arising from translation of foreign currency financial statements	(952,338,498)	279,784,657	-	-	182,892,030	96,892,627	-	(769,446,468)
<b>Total</b>	<b>(1,073,768,030)</b>	<b>(4,896,932)</b>	<b>13,421,765</b>	<b>-</b>	<b>(114,919,973)</b>	<b>96,601,276</b>	<b>(51,690,779)</b>	<b>(1,136,997,224)</b>

44 Surplus reserve

<i>Item</i>	<i>Balance at the beginning of the year</i>	<i>Additions during the year</i>	<i>Others changes during the year</i>	<i>Balance at the end of the year</i>
Statutory surplus reserve	2,951,392,625	330,597,179	117,522	3,282,107,326
Discretionary surplus reserve	289,671,309	-	-	289,671,309
Total	<u>3,241,063,934</u>	<u>330,597,179</u>	<u>117,522</u>	<u>3,571,778,635</u>

45 Retained earnings

<i>Item</i>	<i>Note</i>	<i>2023</i>	<i>2022</i>
Retained earnings at the beginning of the year (before adjustment)		35,829,465,307	37,106,514,799
Total adjustments for opening retained earnings (“+” for increase; “-” for decrease)		-	(161,882)
Retained earnings at the beginning of the year (after adjustment)		35,829,465,307	37,106,352,917
Add: Net profits for the year attributable to shareholders of the Company		2,547,435,360	7,541,423,198
Less: Appropriation for statutory surplus reserve		330,597,179	348,186,351
Interest on holders of other equity instruments	V.40	118,551,232	530,695,890
Dividends to ordinary shares	(a)	2,296,367,348	7,958,923,130
Transfer of other comprehensive income to retained earnings	(b)	51,808,301	(19,494,563)
Retained earnings at the end of the year		<u>35,579,576,607</u>	<u>35,829,465,307</u>

(a) According to the Annual Shareholders’ Meeting for 2022 held on 5 May 2023, the Company distributed cash dividends to shareholders of A shares and B shares on 7 June 2023 (A shares) and 9 June 2023 (B shares), with RMB 0.61 (2022: RMB 2.1) every 10 shares and a profit distribution amount of RMB 2,297,635,715. Considering the turnover rate, the corresponding dividends of the expected non-exercisable portions of restricted shares are RMB 1,268,367 with a profit distribution of RMB 2,296,367,348 (2022: RMB 7,958,923,130).

(b) The amounts both transferred from other comprehensive income to retained earnings which is associates’ losses from disposal of other equity instrument investments included in retained earnings and changes in the fair value of other equity instrument investments are carried out to retained earnings in 2023 are RMB 51,808,301 (2022: income RMB 19,494,563).

(c) As at 31 December 2023, the consolidated retained earnings attributable to the Company included appropriation to surplus reserves made by the Company’s subsidiaries amounting to RMB 6,738,372,634 (2022: RMB 6,206,465,315).

46 Operating income and operating costs

Item	2023		2022	
	Income	Cost	Income	Cost
Principal activities	169,749,300,319	148,637,127,117	174,113,214,324	154,442,890,090
Other operating activities	<u>4,794,145,576</u>	<u>3,995,934,250</u>	<u>4,300,516,855</u>	<u>3,087,676,062</u>
Total	<u>174,543,445,895</u>	<u>152,633,061,367</u>	<u>178,413,731,179</u>	<u>157,530,566,152</u>
Including: Revenue from contracts with customers	174,029,517,307	152,524,153,735	177,667,655,331	157,352,470,042
Other income	513,928,588	108,907,632	746,075,848	178,096,110

Information on income of principal activities has been included in Note XV.

Revenue and the related costs of the Group's sales before intended use are as follows:

Relating to ordinary activities:

	2023	2022
Operating income	2,109,347,934	1,407,856,936
Operating costs	1,877,621,445	1,514,976,278

47 Taxes and surcharges

	2023	2022
Property tax	597,939,410	561,061,660
City maintenance and construction tax	171,689,341	268,999,607
Education surcharges and local education surcharges	125,103,191	193,572,818
Stamp duty	156,907,291	167,033,833
Land use tax	59,008,233	50,378,527
Others	<u>22,338,399</u>	<u>34,124,894</u>
Total	<u>1,132,985,865</u>	<u>1,275,171,339</u>

48	Selling and distribution expenses		
		2023	2022
	Warranty provisions	1,840,608,669	2,390,095,031
	Staff costs	1,152,898,586	1,112,021,277
	Share-based payments	47,456,891	97,853,078
	Others	<u>695,976,059</u>	<u>633,320,911</u>
	Total	<u>3,736,940,205</u>	<u>4,233,290,297</u>
49	General and administrative expenses		
		2023	2022
	Staff costs	3,190,433,935	3,251,030,370
	Depreciation and amortisation	935,214,349	971,573,303
	Share-based payments	106,565,976	238,162,832
	Repair expense	41,921,740	68,934,663
	Others	<u>1,670,739,540</u>	<u>1,717,935,838</u>
	Total	<u>5,944,875,540</u>	<u>6,247,637,006</u>
50	Research and development expenses		
		2023	2022
	Staff costs	4,696,640,452	4,601,448,025
	Depreciation and amortisation	2,263,292,470	2,000,893,037
	Material expenses	1,692,001,767	1,907,254,468
	Share-based payments	134,440,962	269,690,937
	Others	<u>2,533,127,437</u>	<u>2,321,482,210</u>
	Total	<u>11,319,503,088</u>	<u>11,100,768,677</u>

51 Financial expenses

	2023	2022
Interest expenses from loans	4,093,007,199	4,033,749,371
Less: Borrowing costs capitalised	556,117,300	461,537,933
Interest income from bank deposits	(2,032,287,888)	(1,483,022,892)
Exchange (gains) / losses	(439,326,037)	258,458,498
Other financial expenses	<u>85,034,572</u>	<u>97,483,531</u>
 Total	 <u><u>1,150,310,546</u></u>	 <u><u>2,445,130,575</u></u>

The interest rate per annum, at which the borrowing costs were capitalised by the Group, was 2.95% ~ 3.95% (2022: 3.25% ~ 4.25%) for the year.

52 Other income

	2023	2022
Government grants related to assets	547,154,297	739,587,184
Government grants related to income	3,443,984,813	4,717,326,643
Weighted deduction of input VAT	<u>177,734,568</u>	<u>4,064,149</u>
Others	<u>33,459,478</u>	<u>24,551,348</u>
 Total	 <u><u>4,202,333,156</u></u>	 <u><u>5,485,529,324</u></u>

The amount of government subsidies related to income received by the Group in 2023 and directly included in other income was RMB 1,150,954,879.

53	Investment income			
		<i>Note</i>	<i>2023</i>	<i>2022</i>
	Income from long-term equity investments accounted for using the equity method	V.11	702,555,344	528,103,680
	Investment income from disposal of long-term equity investments		1,581,850	829,872,568
	Dividend income from investments in other equity instruments	V.12	28,419,020	35,354,468
	Including: Dividend income from investments in other equity instruments held at the balance sheet date		28,419,020	35,354,468
	Investment income from disposal of financial assets held for trading		69,166,228	116,153,975
	Gains from remeasurement of remaining equity interests to fair value upon loss of control		-	4,266,631,856
	Others		8,987,200	318,151,337
	Total		<u>810,709,642</u>	<u>6,094,267,884</u>
54	Gains from changes in fair value			
	<i>Item</i>		<i>2023</i>	<i>2022</i>
	Financial assets held for trading		<u>291,542,233</u>	<u>159,344,584</u>
55	Credit losses			
	<i>Item</i>		<i>2023</i>	<i>2022</i>
	Accounts receivable		15,213,883	49,897,296
	Other receivables		3,328,671	1,679,930
	Notes receivable		19,644	-
	Total		<u>18,562,198</u>	<u>51,577,226</u>



56 Impairment losses

	2023	2022
Impairment losses of inventories	2,202,962,576	6,975,372,718
Impairment losses of fixed assets	199,363,784	143,071,492
Impairment losses of construction in progress	3,086,619	29,768,263
Impairment losses of contract assets	817,655	-
Impairment losses of long-term equity investments	-	8,503,403
Impairment losses of goodwill	-	147,755,754
	<u>2,406,230,634</u>	<u>7,304,471,630</u>
Total		

57 Gains from asset disposals

<i>Item</i>	2023	2022	<i>Amount recognised in extraordinary gain and loss in 2023</i>
Gains from disposal of fixed assets	9,798,475	7,963,317	9,798,475
Gains from disposal of right-of-use assets	<u>3,291,911</u>	<u>3,002,239</u>	<u>3,291,911</u>
Total	<u>13,090,386</u>	<u>10,965,556</u>	<u>13,090,386</u>

58 Non-operating income and non-operating expenses

(1) Non-operating income by item is as follows:

<i>Item</i>	2023	2022	<i>Amount recognised in extraordinary gain and loss in 2023</i>
Government grants	13,138,657	1,751,445	13,138,657
Gain on disposal of non-current assets	10,212,047	1,448,647	10,212,047
Revenue from the recycling and disposal of surplus waste	176,876,507	26,348,893	176,876,507
Others	<u>183,768,952</u>	<u>133,693,872</u>	<u>183,768,952</u>
Total	<u>383,996,163</u>	<u>163,242,857</u>	<u>383,996,163</u>

Government grants recognised in profit or loss for the current period

<i>Item</i>	2023	2022
Policy incentives and others	<u>13,138,657</u>	<u>1,751,445</u>

(2) Non-operating expenses

	2023	2022	Amount recognised in extraordinary gain and loss in 2023
Donations provided	4,201,070	28,491,697	4,201,070
Losses from scrapping of non-current assets	42,927,593	17,322,542	42,927,593
Others	<u>22,520,694</u>	<u>41,435,304</u>	<u>22,520,694</u>
Total	<u>69,649,357</u>	<u>87,249,543</u>	<u>69,649,357</u>

59 Income tax expenses

	Note	2023	2022
Current tax expense based on tax law and regulations		1,311,971,433	1,675,605,623
Changes in deferred tax assets/liabilities	(1)	<u>151,155,913</u>	<u>116,115,039</u>
Total		<u>1,463,127,346</u>	<u>1,791,720,662</u>

(1) The analysis of changes in deferred tax assets/liabilities is set out below:

	2023	2022
Origination and reversal of temporary differences	<u>151,155,913</u>	<u>116,115,039</u>

(2) Reconciliation between income tax expenses and accounting profit:

	2023	2022
Profit before taxation	1,832,998,675	51,218,939
Expected income tax expenses at tax rate of 15%	274,949,801	7,682,841
Add: Effect of different tax rates applied by subsidiaries	18,028,526	(14,751,718)
Effect of non-deductible costs, expenses and losses	51,628,306	315,429,605
Tax effect of weighted deduction and tax preference	(1,017,881,773)	(2,652,168,644)
Utilisation of prior year tax losses	(269,688,693)	(49,695,309)
Tax effect of deductible losses of deferred tax assets not recognised	2,326,078,995	4,456,877,895
Tax effect of deductible temporary differences of deferred tax assets not recognised	<u>80,012,184</u>	<u>(271,654,008)</u>
Income tax expenses	<u>1,463,127,346</u>	<u>1,791,720,662</u>

60 Basic earnings per share and diluted earnings per share

Basic earnings per share is calculated as dividing consolidated net profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding. The Group does not have any potential dilutive ordinary shares for the listed years.

	2023	2022
Consolidated net profit attributable to shareholders of the Company	2,547,435,360	7,541,423,198
Less: Current interest of other equity instruments	118,551,232	530,695,890
Less: Current dividends of restricted shareholders	17,173,897	64,525,832
Consolidated net profit attributable to ordinary shareholders of the Company	2,411,710,231	6,946,201,476
Weighted average number of ordinary shares outstanding (shares)	37,429,510,530	37,502,641,911
Basic earnings per share (RMB/share)	0.06	0.19

Weighted average number of ordinary shares is calculated as follows:

	2023	2022
Issued ordinary shares at the beginning of the year	37,355,546,569	37,638,356,849
Add: Weighted average number of ordinary shares issued in current period	-	-
Add: Weighted average number of restricted shares released from lock-up in current period	73,963,961	-
Less: Weighted average number of ordinary shares repurchased in current period	-	135,714,938
	<u>37,429,510,530</u>	<u>37,502,641,911</u>
Weighted average number of ordinary shares at the end of the year	<u>37,429,510,530</u>	<u>37,502,641,911</u>

61 Cash flow statement

(1) Cash relating to operating activities

a. Proceeds relating to other operating activities:

<i>Item</i>	<i>2023</i>	<i>2022</i>
Government grants received	5,323,824,411	6,165,190,561
Restricted cash at bank and on hand as well as others related to operating activities	<u>821,660,520</u>	<u>1,232,073,535</u>
Total	<u><u>6,145,484,931</u></u>	<u><u>7,397,264,096</u></u>

b. Payments relating to other operating activities:

<i>Item</i>	<i>2023</i>	<i>2022</i>
Expenses paid during the period	<u>7,613,110,071</u>	<u>7,129,101,409</u>

(2) Cash relating to investing activities

a. Proceeds relating to other investing activities:

<i>Item</i>	<i>2023</i>	<i>2022</i>
Interest income	1,658,880,796	1,303,694,043
Restricted monetary funds and others related to investing activities	<u>2,281,607,894</u>	<u>8,248,427</u>
Total	<u><u>3,940,488,690</u></u>	<u><u>1,311,942,470</u></u>

(3) Cash relating to financing activities

a. Proceeds relating to other financing activities:

<i>Item</i>	<i>2023</i>	<i>2022</i>
Cash received for disposing of subsidiaries without a change in control	-	770,432,703
Others	-	894,920
<b>Total</b>	<b>-</b>	<b>771,327,623</b>

b. Payments relating to other financing activities:

<i>Item</i>	<i>2023</i>	<i>2022</i>
Acquisition of non-controlling interests of subsidiaries	7,429,009,200	1,048,154,539
Principal and interest related to leases and others	467,134,209	1,500,840,937
<b>Total</b>	<b>7,896,143,409</b>	<b>2,548,995,476</b>

c. Changes in liabilities arising from financing activities:

	<i>Balance at the beginning of the year</i>	<i>Additions during the year</i>		<i>Decreases during the year</i>		<i>Balance at the end of the year</i>
		<i>Cash</i>	<i>Non-cash</i>	<i>Cash</i>	<i>Non-cash</i>	
Short-term loans	2,373,938,871	1,064,102,075	1,053,331,132	(2,745,187,544)	-	1,746,184,534
Long-term loans (including non-current liabilities due within one year)	145,074,669,828	26,277,758,556	7,293,169,349	(32,878,107,922)	-	145,767,489,811
Lease liabilities (including non-current liabilities due within one year)	656,888,776	-	429,349,128	(375,398,148)	-	710,839,756
Long-term payables (including non-current liabilities due within one year)	372,704,917	-	29,861,870	(183,777,001)	-	218,789,786
Other non-current liabilities (including non-current liabilities due within one year)	3,010,215,805	-	26,806,261	(536,500,000)	-	2,500,522,066
<b>Total</b>	<b>151,488,418,197</b>	<b>27,341,860,631</b>	<b>8,832,517,740</b>	<b>(36,718,970,615)</b>	<b>-</b>	<b>150,943,825,953</b>

62 Supplementary information on cash flow statement

(1) Supplement to cash flow statement

	2023	2022
(a) Reconciliation of net profit / (loss) to cash flows from operating activities:		
Net profit / (loss)	369,871,329	(1,740,501,723)
Add: Credit losses	18,562,198	51,577,226
Impairment loss	2,406,230,634	7,304,471,630
Depreciation of fixed assets, investment properties and right-of-use assets	33,721,207,174	33,422,031,705
Amortisation of intangible assets	955,466,291	995,315,014
Amortisation of long-term deferred expenses	162,353,520	83,058,206
Gains from disposal of fixed assets, intangible assets, and other long-term assets	(13,090,386)	(10,965,556)
Losses from scrapping of fixed assets and intangible assets	32,715,546	15,873,895
Financial expenses	2,567,467,227	4,070,314,610
Gains from changes in fair value	(291,542,233)	(159,344,584)
Investment income	(810,709,642)	(6,094,267,884)
Share-based payments	307,160,605	649,427,866
Change in deferred income	(393,295,377)	(1,259,742,279)
Change in deferred tax assets	(26,847,208)	25,329,486
Change in deferred tax liabilities	178,771,023	140,074,643
Increase in inventories	(1,825,979,018)	(3,360,776,944)
Increase / ( decrease) in operating receivables	(3,904,919,786)	7,975,232,270
Increase in operating payables	4,781,932,585	914,859,724
Safety fund	66,472,402	-
Net cash flows from operating activities	<u>38,301,826,884</u>	<u>43,021,967,305</u>

(b) Change in cash and cash equivalents:

	2023	2022
Cash and cash equivalents at the end of the year	52,092,981,748	64,382,037,764
Less: Cash and cash equivalents at the beginning of the year	<u>64,382,037,764</u>	<u>76,623,486,083</u>
Net decrease in cash and cash equivalents	<u>(12,289,056,016)</u>	<u>(12,241,448,319)</u>

(2) Information on acquisition or disposal of subsidiaries during the current year:

Net proceeds for acquisition of subsidiaries:

	2023	2022
Cash or cash equivalents paid during the year for acquiring subsidiaries during the year	(150,000,000)	-
Less: Cash and cash equivalents held by acquired subsidiaries	<u>209,293,141</u>	<u>-</u>
Net proceeds for acquisition of subsidiaries	<u>59,293,141</u>	<u>-</u>

Net payment for acquisition of subsidiaries:

	2023	2022
Cash or cash equivalents paid during the year for acquiring subsidiaries during the year	(2,083,597,236)	-
Less: Cash and cash equivalents held by acquired subsidiaries	<u>1,918,264,097</u>	<u>-</u>
Net payment for acquisition of subsidiaries	<u>(165,333,139)</u>	<u>-</u>

Net proceeds for disposal of subsidiaries:

	2023	2022
Cash or cash equivalents received during the year for disposing of subsidiaries during the year	-	1,248,072,000
Less: Cash and cash equivalents held by acquired subsidiaries	<u>-</u>	<u>311,313,078</u>
Net cash received for disposing of subsidiaries	<u>-</u>	<u>936,758,922</u>

Net payment for disposal of subsidiaries:		
	2023	2022
Cash or cash equivalents received during the year for disposing of subsidiaries during the year	-	-
Less: Cash and cash equivalents held by acquired subsidiaries	-	144,689,766
Net payment for disposal of subsidiaries	<u>-</u>	<u>(144,689,766)</u>

(3) Details of cash and cash equivalents

	2023	2022
Cash on hand	802,967	896,267
Bank deposits available on demand	52,089,093,133	64,378,531,680
Other monetary funds available on demand	<u>3,085,648</u>	<u>2,609,817</u>
Closing balance of cash and cash equivalents	<u>52,092,981,748</u>	<u>64,382,037,764</u>

Note: The cash and cash equivalents disclosed above do not include the interest accrued on bank deposits at the end of the period, bank deposits with fixed interest rate and the use of other currency funds subject to restrictions.

(4) Monetary funds other than cash and cash equivalents

<i>Item</i>	<i>2023</i>	<i>2022</i>	<i>Rationale</i>
Bank deposits with interest at fixed rates	17,740,553,353	-	Held for investment purposes
Margin deposits	<u>1,869,539,464</u>	<u>4,027,358,544</u>	Mainly refer to margin deposits pledged for the issuance of bills payable
Total	<u>19,610,092,817</u>	<u>4,027,358,544</u>	

(5) Explanation for presentation of cash flows on a net basis

<i>Item</i>	<i>Relevant facts and circumstances</i>	<i>Basis for presentation on a net basis</i>	<i>Financial impact</i>
Restricted monetary funds	Amounts of restricted deposits placed and recovered are presented on a net basis	Cash inflows and outflows for fast-turnover, high-value, short-term items can be presented on a net basis	Nil



## Assets with restrictive ownership titles or right of use

<i>Item</i>	2023			
	<u>Book balance</u>	<u>Book value</u>	<u>Restricted type</u>	<u>Restricted circumstances</u>
Cash at bank and on hand	1,869,539,464	1,869,539,464	Notes to the financial statements V.1	Notes to the financial statements V.1
Bills receivable	230,354,069	230,354,069	Pledged	Endorsed with resource and pledged for drawing bill
Investment properties	101,775,150	100,605,150	Mortgaged	Mortgaged as collateral
Fixed assets	237,742,564,332	136,319,471,935	Mortgaged	Mortgaged as collateral
Construction in progress	2,925,304,165	2,925,304,165	Mortgaged	Mortgaged as collateral
Intangible assets	1,806,103,571	1,546,929,316	Mortgaged	Mortgaged as collateral
<b>Total</b>	<b>244,675,640,751</b>	<b>142,992,204,099</b>		

<i>Item</i>	2022			
	<u>Book balance</u>	<u>Book value</u>	<u>Restricted type</u>	<u>Restricted circumstances</u>
Cash at bank and on hand	4,027,358,544	4,027,358,544	Notes to the financial statements V.1	Notes to the financial statements V.1
Bills receivable	28,239,380	28,239,380	Pledged	Endorsed with resource and pledged for drawing bill
Investment properties	94,676,065	39,718,001	Mortgaged	Mortgaged as collateral
Fixed assets	218,690,717,728	140,418,857,377	Mortgaged	Mortgaged as collateral
Construction in progress	2,051,101,917	2,051,101,917	Mortgaged	Mortgaged as collateral
Intangible assets	1,658,448,442	1,461,125,786	Mortgaged	Mortgaged as collateral
<b>Total</b>	<b>226,550,542,076</b>	<b>148,026,401,005</b>		

VI. Research and development expenses

1 Presentation by nature

<i>Item</i>	2023	2022
Labour costs	4,722,235,784	4,601,448,025
Material expenses	1,700,125,252	1,907,254,468
Depreciation and amortisation	2,269,453,425	2,000,893,037
Share-based payments	134,440,962	269,690,937
Others	<u>2,537,013,467</u>	<u>2,321,482,210</u>
 Total	 <u>11,363,268,890</u>	 <u>11,100,768,677</u>
 Including: research and development expenditures that are expensed	 11,319,503,088	 11,100,768,677
research and development expenditures that are capitalised	43,765,802	-

2 Expenditures on research and development projects which are eligible for capitalisation

<i>Item</i>	<i>Balance at the beginning of the year</i>	<i>Additions due to business combinations involving entities not under common control</i>	<i>Internal development expenditure</i>	<i>Recognised as intangible assets</i>	<i>Balance at the end of the year</i>
HC SemiTek Corporation LED and Micro-LED technology development	<u>-</u>	<u>155,132,690</u>	<u>43,765,802</u>	<u>(31,920,961)</u>	<u>166,977,531</u>

## VII. Change of consolidation scope

### 1 Business combination involving entities not under common control

#### (1) Business combinations involving entities not under common control occurred during the year

Entity name	Acquisition date of equity investment	Cost of equity investment	Shareholding acquired (%)	Acquisition method	Acquisition date	Basis of acquisition date determination	Acquiree from acquisition date to 31 December 2023		
							Income	Net loss	Net cash outflow
Beijing United Ultra High-Definition Video Technology Collaboration Center Co., Ltd.	13 January 2023	152,990,214	56.28%	Capital increase	16 January 2023	Achieving actual control by holding more than half of the Board of Directors of acquiree	66,154,253	(31,052,687)	(85,861,222)
HC SemiTek Corporation	28 July 2023	2,083,597,236	23.01%	Subscription of non-public offering shares	31 August 2023	Achieving actual control by holding more than half of the Board of Directors of acquiree	1,252,521,862	(372,160,575)	(593,987,223)

Beijing United Ultra High-Definition Video Technology Collaboration Center Co., Ltd. was established in November 2018 and headquartered in Beijing, China, which is mainly engaged in technology promotion and application services, its business scope includes 8K design and development, integration, recording, production, rebroadcasting, and content production.

HC SemiTek Corporation was established in November 2005 and headquartered in Wuhan, China, which is mainly engaged in the research, development, production and sales of LED chips, LED epitaxial wafers, sapphire substrates, and third-generation semiconductor compounds GaN power electronics devices. Prior to the combination, the ultimate controlling party of HC SemiTek Corporation was the State-owned Assets Supervision and Administration Commission of Zhuhai Government.

(2) Acquisition cost and goodwill

<i>Acquisition cost</i>	<i>Beijing Zhonglianhe Ultra HD Collaborative Technology Center Co., Ltd.</i>		<i>HC SemiTek Corporation</i>	
	<i>Carrying amount</i>	<i>Fair value</i>	<i>Carrying amount</i>	<i>Fair value</i>
Cash	150,000,000	150,000,000	2,083,597,236	2,083,597,236
Equity interests held before acquisition date	<u>1,210,671</u>	2,990,214	-	-
Total acquisition cost	<u>151,210,671</u>	152,990,214	<u>2,083,597,236</u>	2,083,597,236
Less: Share of the fair value of the identifiable net assets acquired		<u>138,704,367</u>		<u>2,054,001,148</u>
Goodwill		<u>14,285,847</u>		<u>29,596,088</u>

(3) Identifiable assets and liabilities of the acquiree at the acquisition date

	<i>Beijing Zhonglianhe Ultra HD Collaborative Technology Center Co., Ltd.</i>		<i>HC SemiTek Corporation</i>	
	<i>Carrying amount</i>	<i>Fair value</i>	<i>Carrying amount</i>	<i>Fair value</i>
Assets:				
Current assets	227,887,259	227,887,259	5,252,742,512	5,252,742,512
Non-current assets	74,536,116	92,067,362	6,854,631,456	7,853,067,925
Liabilities:				
Current liabilities	8,633,836	8,633,836	2,853,491,561	2,853,491,561
Non-current liabilities	68,283,874	72,666,686	1,377,478,403	1,325,760,217
Net assets	225,505,665	238,654,099	7,876,404,004	8,926,558,659
Less: Non-controlling interests	98,591,077	99,949,732	6,064,043,443	6,872,557,511
Net assets acquired	126,914,588	138,704,367	1,812,360,561	2,054,001,148

If there is an active market for the above identifiable assets, the quoted prices in the active market are used to establish their fair value; if there is no active market, their fair values are estimated based on the market prices of the same or similar types of assets which have an active market; if there is no active market for the same asset or similar types of assets, valuation techniques are used to determine the fair value.

For the above identifiable liabilities, the payable amount or the present value of the payable amount is its fair value.

2 Other reasons for change of consolidation scope

Except for the increase in the consolidation scope due to the above-mentioned business combination involving entities not under common control, other increases in the consolidation scope during the year were new subsidiaries established during the year, and the decreases in the consolidation scope were cancellations of subsidiaries during the year.

VIII. Interests in other entities

1 Interests in subsidiaries

(1) Composition of the Group

Name of the subsidiary	Principal place of business	Registered place	Business nature	Registered capital	Shareholding (or similar equity interest) percentage		Acquisition method
					Direct	Indirect	
Beijing BOE Optoelectronics Technology Co., Ltd.	Beijing, China	Beijing, China	Research and development ("R&D"), design and manufacturing of TFT-LCD	USD 649,110,000	-	100%	Founded by investment
Chengdu BOE Optoelectronics Technology Co., Ltd.	Chengdu, China	Chengdu, China	R&D, design, manufacturing, and sale of new display devices and components	RMB 25,000,000,000	100%	-	Business combinations involving entities not under common control
Hefei BOE Optoelectronics Technology Co., Ltd.	Hefei, China	Hefei, China	Investment, construction, R&D, production and sales of the relevant products of thin film transistor LCD and its auxiliary products	RMB 2,700,000,000	100%	-	Business combinations involving entities not under common control
Beijing BOE Display Technology Co., Ltd.	Beijing, China	Beijing, China	Development of TFT-LCD, manufacturing and sale of LCD	RMB 8,941,456,800	97.17%	2.83%	Founded by investment
Hefei Xinsheng Optoelectronics Technology Co., Ltd.	Hefei, China	Hefei, China	Investment, construction, R&D, production and sales of the relevant products of thin film transistor LCD and its auxiliary products	RMB 9,750,000,000	99.97%	0.03%	Business combinations involving entities not under common control
Ordos Yuansheng Optoelectronics Co., Ltd.	China	Ordos, China	Manufacture and sales of AM-OLED products and auxiliary products	RMB 11,804,000,000	100%	-	Founded by investment
Chongqing BOE Optoelectronics Technology Co., Ltd.	Chongqing, China	Chongqing, China	R&D, production and sales of semi-conducting display devices, complete machine and related products; import & export of goods and technology consulting	RMB 3,845,200,000	100%	-	Business combinations involving entities not under common control
Fuzhou BOE Optoelectronics Technology Co., Ltd.	Fuzhou, China	Fuzhou, China	Investment, construction, R&D, production and sales of the relevant products of thin film transistor LCD and its auxiliary products (separate business site); self-support and agency for the import and export of various goods and technologies, except those goods and technologies that are restricted by the country or prohibited from import and export; business management consulting and services; property leases; machinery and equipment leases; technology development, transfer, consulting and services related to LCD products (For business activities subject to approval in accordance with laws and regulations, operations may be conducted only with the approval of the relevant government authorities).	RMB 17,600,000,000	86.08%	-	Business combinations involving entities not under common control
Beijing BOE Video Technology Co., Ltd.	Beijing, China	Beijing, China	Investment platform, sales of LCD	RMB 5,636,475,800	100%	-	Founded by investment

Name of the subsidiary	Principal place of business	Registered place	Business nature	Shareholding (or similar equity interest) percentage		Acquisition method	
				Registered capital	Direct		Indirect
Beijing BOE Vacuum Electronics Co., Ltd.	Beijing, China	Beijing, China	Manufacture and sale of vacuum electronic products	RMB 33,250,000	57.89%	-	Founded by investment
Beijing BOE Vacuum Technology Co., Ltd.	Beijing, China	Beijing, China	Manufacture and sale of electronic tubes	RMB 32,000,000	100%	-	Founded by investment
Beijing Yinghe Century Co., Ltd.	Beijing, China	Beijing, China	Management of engineering projects; real estate development; public parking lot for motor vehicles service; market survey	RMB 233,105,200	100%	-	Founded by investment
BOE Optical Science and technology Co., Ltd.	Suzhou, China	Suzhou, China	R&D, production and sales of LCD, back light for display and related components	RMB 826,714,059	95.17%	-	Founded by investment
BOE Hyundai LCD (Beijing) Display Technology Co., Ltd.	Beijing, China	Beijing, China	Development, manufacture and sale of liquid display for mobile termination	USD 5,000,000	75%	-	Founded by investment
BOE (Hebei) Mobile Technology Co., Ltd.	Langfang, China	Langfang, China	Manufacture and sale of mobile flat screen display products and related services	RMB 1,358,160,140	100%	-	Founded by investment
Beijing BOE Energy Technology Co., Ltd.	Beijing, China	Beijing, China	Design, consultancy and service of solar cell, photovoltaic system, wind power system and solar thermal system as well as the assembly units; energy-saving service	RMB 1,242,690,058	68.40%	-	Founded by investment
Beijing BOE Multimedia Technology Co., Ltd.	Beijing, China	Beijing, China	Technology development, technology transfer, technology consulting and technology services; sales of computer software, hardware and auxiliary equipment, digital video and audio technology products, electronic digital products, video telephone, mobile phones and spare parts, hardware (excluding electric bicycle), household appliances, photographic equipment, sporting goods, Class I medical devices, lamps, stationery, cosmetics, bathroom appliances, knitwear and textile, clothing, daily necessities, timepieces, glasses, toys and food; equipment maintenance; import and export of goods; basic software services; application software service; machinery and equipment leases; design, production, agency and publication of advertisements. (Market participants independently select the business activities and carry out the business activities in accordance with laws and regulations; sales of food and business activities subject to approval in accordance with laws and regulations, operations may be conducted only with the approval of relevant government authorities; business activities prohibited and restricted by the industrial policies of the state and the city.)	RMB 400,000,000	100%	-	Founded by investment
Beijing BOE Life Technology Co., Ltd.	Beijing, China	Beijing, China	Technology promotion services, property management, sales of electronic products	RMB 24,000,000	100%	-	Founded by investment

Name of the subsidiary	Principal place of business	Registered place	Business nature	Registered capital	Shareholding (or similar equity interest) percentage		Acquisition method
					Direct	Indirect	
Ordos City Haosheng Energy Investment Co., Ltd.	Ordos, China	Ordos, China	Energy investment	RMB 37,440,000	-	100%	Founded by investment
BOE Semi-conductor Co., Ltd.	Beijing, China	Beijing, China	Processing, manufacturing and sales of precision electronic components, semi-conductor devices, micro modules, microelectronic devices and electronic materials; import & export of goods	RMB 11,250,000	84%	-	Founded by investment
BOE Optoelectronics Holding Co., Ltd.	Hong Kong, China	British Virgin Islands	Investment holding	USD 1,000,000,000	100%	-	Founded by investment
BOE (Korea) Co., Ltd.	Korea	Korea	Wholesale and retail trade	KRW 95,000,000	100%	-	Founded by investment
BOE Healthcare Investment & Management Co., Ltd.	Beijing, China	Beijing, China	Investment management and project investment	RMB 18,300,000,000	100%	-	Business combinations involving entities not under common control
Beijing Matsushita Colour CRT Co., Ltd.	Beijing, China	Beijing, China	Colour TV set, display tube, colour RPTV projection tube and materials of electronic components; property management and parking services, etc.	RMB 325,754,049	88.80%	-	Business combinations involving entities not under common control
Hefei BOE Display Technology Co., Ltd.	Hefei, China	Hefei, China	Investment, R & D and production of products related to TFT-LCD and the supporting facility	RMB 24,000,000,000	36.67%	-	Business combinations involving entities not under common control
Beijing BOE Technology Development Co., Ltd.	Beijing, China	Beijing, China	Development, transfer, consulting and service of technology	RMB 1,000,000	100%	-	Founded by investment
Hefei BOE Zhuoyin Technology Co., Ltd.	Hefei, China	Hefei, China	Investment, construction, R&D, production and sales of products related to OLED display device and auxiliary products	RMB 800,000,000	75%	-	Founded by investment
Beijing BOE Real Estate Co., Ltd.	Beijing, China	Beijing, China	Development, construction, property management and supporting service of industrial plants and supporting facilities; information consulting of real estate; lease of commercial facilities, commercial attendants and the supporting service facilities; motor vehicles public parking service	RMB 55,420,000	70%	-	Founded by investment
Beijing BOE Marketing Co., Ltd.	Beijing, China	Beijing, China	Sales of communication equipment, hardware & software of computer and peripheral units, electronic products, equipment maintenance; development, transfer, consulting and service providing of technologies; import & export of goods and technologies, agency of import & export; manufacturing consignment of electronic products and LCD devices	RMB 50,000,000	100%	-	Founded by investment

Name of the subsidiary	Principal place of business	Registered place	Business nature	Shareholding (or similar equity interest) percentage		Acquisition method	
				Registered capital	Direct		Indirect
Beijing Zhongxiangying Technologies Co., Ltd.	Beijing, China	Beijing, China	Technology promotion services, property management, sales of electronic products Development, promotion, transfer, consultation and services of display technology; computer software, hardware and network system services; the construction, operations and management of e-commerce platform; product design; conference services; undertaking exhibitions and presentation activities; computer animation design; production, R&D and sales of OLED microdisplays and AR/VR whole widget; warehousing services; Project investments and management of the invested projects; import and export of goods and technologies; property leases, machinery and equipment leases	RMB 109,767,000	91.10%	-	Founded by investment
Yunnan Invensight Optoelectronics Technology Co., Ltd.	Kunming, China	Kunming, China	R&D, production and sales of flexible AMOLED, the products are mainly used in smart phones, wearable devices, car display, AR/VR, etc. Formation of X-ray sensors, microfluidic chips, biochemical chips, gene chips, security sensors, microwave antennas, biosensors, logistics network technology and other semiconductor sensors, technology testing, technical consulting, technical services, technology transfer	RMB 3,040,000,000	79.10%	-	Founded by investment Business combinations involving entities not under common control
Mianyang BOE Optoelectronics Technology Co., Ltd.	Mianyang, China	Mianyang, China	used in smart phones, wearable devices, car display, AR/VR, etc. Formation of X-ray sensors, microfluidic chips, biochemical chips, gene chips, security sensors, microwave antennas, biosensors, logistics network technology and other semiconductor sensors, technology testing, technical consulting, technical services, technology transfer	RMB 26,000,000,000	83.46%	-	Business combinations involving entities not under common control
Beijing BOE Sensing Technology Co., Ltd.	Beijing, China	Beijing, China	Investing, researching, manufacturing and selling TFT-LCD products and accessory products	RMB 4,786,482,400	100%	-	Founded by investment Business combinations involving entities not under common control
Wuhan BOE Optoelectronics Technology Co., Ltd.	Wuhan, China	Wuhan, China	R&D, manufacture and sales of semiconductor display devices, whole widget and relevant products, import and export of goods and technical consulting	RMB 26,000,000,000	47.14%	-	Business combinations involving entities not under common control
Chongqing BOE Display Technology Co., Ltd. ("Chongqing BOE Display")	Chongqing, China	Chongqing, China	R&D, production and sale of TFT-LCD panels, colour filters and LCD whole-widget modules; providing products and business-related services, as well as other business activities related to the above; import and export of proprietary and agent commodities and technologies	RMB 17,500,000,000	38.46%	-	Business combinations involving entities not under common control
Nanjing BOE Display Technology Co., Ltd.	Nanjing, China	Nanjing, China		RMB 17,500,000,000	80.83%	-	Business combinations involving entities not under common control



Name of the subsidiary	Principal place of business	Registered place	Business nature	Shareholding (or similar equity interest) percentage			Acquisition method
				Registered capital	Direct	Indirect	
Hefei BOE Xingyu Technology Co., Ltd.	Hefei, China	Hefei, China	R&D, production and sales of Mini LED backlight components and Mini LED display module components	USD 115,380,000	65.00%	-	Founded by investment
Fuzhou BOE Display Technology Co., Ltd. ("Fuzhou BOE Display")	Fuzhou, China	Fuzhou, China	R&D, production and sales of semiconductor display device-related products and related products; import or export of goods or technology; display device and component, other electronic components, and technology development, technology transfer, technical consulting, related fields related to display devices and electronic products, technical services; business management consulting; property management; house rental; machinery and equipment rental	RMB 50,000,000	43.46%	-	Business combinations involving entities not under common control
BOE Innovation Investment Co., Ltd.	Beijing, China	Beijing, China	Project investment and investment management	RMB 4,577,000,000	100%	-	Founded by investment
Chengdu BOE Display Techlogy Co., Ltd. (Chengdu BOE Display)	Chengdu, China	Chengdu, China	General businesses: technical services, technology development, technology consulting, technical exchange, technology transfer, technology promotion; manufacturing of display devices [operations of branches]; sale of display devices; manufacturing of electronic components [operations of branches]; wholesale of electronic components; manufacturing of others electronic devices [operations of branches]; import and export of goods; import and export of technology; business management consulting; property management; non-residential real estate leasing; machinery and equipment leasing. (Except for business activities subject to approval in accordance with laws and regulations, operations are conducted in accordance with the law and business license.)	RMB 38,000,000,000	52.63%	-	Founded by investment
BOE Mled Technology Co., Ltd.	Beijing, China	Beijing, China	Technology development, technology consulting, technology transfer, technology services; software development; basic software services; application software services; computer system services; internet data services (data centres in Internet data services, excluding cloud computing data centres with a PUE over 1.4); information processing and storage support services; general construction contracting, professional contracting, labour subcontracting; installation, maintenance and lease of equipment; literary and artistic creation; computer animation design; product design; enterprise management; enterprise management consulting; sales of computer, software and auxiliary equipment, electronic products.	RMB 2,140,000,000	100%	-	Founded by investment
BOE Smart Technology Co., Ltd. (Smart Technology)	Beijing, China	Beijing, China	Provision of hardware and software integrated system solutions for the IoT market segment; intelligent city, intelligent transport, intelligent finance, intelligent park and the display terminal products such as the intelligent all-in-one machines	RMB 6,521,250,000	100%	-	Founded by investment

Name of the subsidiary	Principal place of business	Registered place	Business nature	Shareholding (or similar equity interest) percentage			Acquisition method
				Registered capital	Direct	Indirect	
BOE Education Technology Co., Ltd.	Beijing, China	Beijing, China	Technology development, technology consulting, technology services, technology transfer and technology promotion; software development; basic software services; application software services; computer system services; sales of stationery items, sporting goods, household appliances and electronic products; business management; market research; economic and trade consulting; business management consulting; education consulting; public relations services; corporate image planning; exhibition and presentation activities; conference services; research and experimental development in the natural sciences; research and experimental development in engineering and technology; agricultural scientific research and experimental development; medical research and experimental development; copyright agency; arts and crafts creation services. (Market participants independently select the business activities and carry out the business activities in accordance with laws and regulations; sales of food and business activities subject to approval in accordance with laws and regulations, operations may be conducted only with the approval of relevant government authorities; business activities prohibited and restricted by the industrial policies of the state and the city.)	RMB 55,000,000	100%	-	Founded by investment
Dongfang Chengqi (Beijing) Business Technology Co., Ltd.	Beijing, China	Beijing, China	Technology development, technology services; application software services; basic software services; sales of daily necessities, fresh fruit, fresh vegetables, primary edible agricultural products, household appliances, electronic products and sporting goods; trade agency; translation services; conference services; organisation of cultural and artistic interchange activities (excluding shows); exhibition and presentation activities; design, production, agency and publication of advertisements; enterprise management; market research; real estate information consulting; warehousing services; public relations services; health management, health consulting (excluding diagnosis and treatment activities subject to the approval); ticket agency; hotel booking agency; airline ticket sales agency; railway and passenger ticket agency services; tourism consulting; hotel management; automobile leases; property management; public parking services for motor vehicle; landscaping management; cleaning services; import and export of goods, import and export agency, import and export of technologies; car decoration; operation of sporting events (excluding high-risk sports); accommodation (branch operation only); catering services (branch operation only); beauty services, hairdressing services (branch operation only); medical services (branch operation only); family services (branch operation only); inbound tourism business; sales of food; internet information services. (Market participants independently select the business activities and carry out the business activities in accordance with laws and regulations; sales of food and business activities subject to approval in accordance with laws and regulations, operations may be conducted only with the approval of relevant government authorities; business activities prohibited and restricted by the industrial policies of the state and the city.)	RMB 10,000,000	100%	-	Founded by investment

Name of the subsidiary	Principal place of business	Registered place	Business nature	Registered capital	Shareholding (or similar equity interest) percentage		Acquisition method
					Direct	Indirect	
BOE Environmental Energy Technology Co., Ltd.	Beijing, China	Beijing, China	Technology development, technology consulting, technology transfer, technology promotion, technical services, technical testing of energy-saving technology, environmentally friendly new energy technology, environmental protection equipment, solar electrical energy generation, building integrated PV, electric power, power station operations and maintenance; software development; Internet data services (data centers for Internet data services, excluding cloud computing data centres with a PUE over 1.4); information processing and storage support services (data centers for information processing and storage support services, excluding cloud computing data centres with a PUE over 1.4); contract energy management; water pollution treatment; air pollution control; solid waste treatment; soil pollution treatment and restoration services; environmental protection monitoring; installation, maintenance, leasing of equipment; professional design services; property management; sale of special equipment for environment protection, lighting equipment, electronic products, machinery and equipment, electrical equipment, instruments, hardware products, computers, software and auxiliary equipment, chemical products (excluding licensed chemical products); import and export of goods; import and export of technology; import and export agents; power supply business; construction engineering design; electrical installation services; various engineering and construction activities; EPC of house construction and municipal infrastructure projects; construction labour subcontracting.	RMB 100,000,000	100%	-	Founded by investment
Chengdu BOE Display Sci-tech Co., Ltd.	Chengdu, China	Chengdu, China	R&D, production and sales of TFT-LCD panels and modules, liquid crystal display monitors, televisions, instruments, machinery equipment and accessories as well as provision of technical services; foreign trade in form of import and export of goods and technology	RMB 21,550,000,000	35.03%	-	Business combinations involving entities not under common control
Beijing BOE Chuangyuan Technology Co., Ltd. (Chuangyuan Technology)	Beijing, China	Beijing, China	Manufacturing of display devices; sale of display devices; manufacturing of electronic components; wholesale of electronic components; retail of electronic components; technical services, technology development, technology consulting, technical exchange, technology transfer, technology promotion; import and export of goods; import and export of technology; business management consulting; property management; machinery and equipment leasing; manufacturing of other electronic devices.	RMB 14,500,000,000	60.21%	-	Founded by investment

<i>Name of the subsidiary</i>	<i>Principal place of business</i>	<i>Registered place</i>	<i>Business nature</i>	<i>Registered capital</i>	<i>Shareholding (or similar equity interest) percentage</i>		<i>Acquisition method</i>
					<i>Direct</i>	<i>Indirect</i>	
Beijing Shiyan Technology Co., Ltd.	Beijing, China	Beijing, China	Primarily engaged in technical services, technology development; manufacturing of computer software and hardware, as well as peripheral equipment.	RMB 209,000,000	80%	-	Founded by investment
Mianyang BOE Electronic Technology Co., Ltd. (Mianyang Electronic Technology)	Mianyang, China	Mianyang, China	Investment, research and development, production and sales of products related to semiconductor display and the supporting products	RMB 2,400,000,000	100%	-	Founded by investment
HC SemiTek Corporation	Wuhan, China	Wuhan, China	Research, development, production and sales of LED chips, LED epitaxial wafers, sapphire substrates, and third-generation semiconductor compounds GaN power electronics devices	RMB 1,616,698,797	23.01%	-	Business combination involving entities not under common control

The Company signed an agreement of acting in concert with Hefei Core Screen Industrial Investment Fund (Limited Partnership) on 23 January 2019. Hefei Core Screen Industrial Investment Fund (Limited Partnership) agreed to act as a person acting in concert according to the wishes of the Company, and exercised the voting rights unconditionally and irrevocably in accordance with the opinions of the Company. Therefore, the Company's voting right ratio to Hefei Display Technology is 100%.

The Company signed an agreement of acting in concert with the shareholder of Wuhan BOE, Wuhan Airport Economic Development Zone Industrial Development Investment Group Co., Ltd. and Hubei Changbai Industrial Investment Fund Partnership (Limited Partnership) on 25 December 2018 and 5 February 2021. Wuhan Airport Economic Development Zone Industrial Development Investment Group Co., Ltd. and Hubei Changbai Industrial Investment Fund Partnership (limited Partnership) agreed to follow the Company's will to act as the persons acting in concert, unconditionally and irrevocably exercising voting rights in accordance with the opinions of the Company, the voting rights of the Company to Wuhan BOE is 100%.

The Company signed an agreement of acting in concert with shareholders of Chongqing BOE Display, Chongqing Strategic Emerging Industry Equity Investment Fund Partnership (Limited Partnership) and Chongqing Yuzi Optoelectronic Industry Investment Co., Ltd. on 25 December 2018. The Company signed an agreement of acting in concert with Chongqing Jingping Equity Investment Fund Partnership (Limited Partnership) on 31 March 2021. The Company signed an agreement of acting in concert with Chongqing Jianxin Junheng Private Equity Fund Partnership (Limited Partnership) on 30 June 2021. Chongqing Strategic Emerging Industry Equity Investment Fund Partnership (Limited Partnership), Chongqing Yuzi Optoelectronic Industry Investment Co., Ltd., Chongqing Jingping Equity Investment Fund Partnership (Limited Partnership) and Chongqing Jianxin Junheng Private Equity Fund Partnership (Limited Partnership) agreed to act as persons acting in concert according to the will of the Company, and exercise the voting rights unconditionally and irrevocably in accordance with the opinions of the Company. Therefore, the proportion of voting rights of the Company to Chongqing BOE is 100%.

The Company signed an agreement of acting in concert with shareholders of Fuzhou BOE Display, Fuqing City Invested-Construction Investment Group Co., Ltd. and Fuzhou Urban Construction Investment Group Co., Ltd. on 21 January 2019. Fuqing City Invested-Construction Investment Group Co., Ltd. and Fuzhou Urban Construction Investment Group Co., Ltd. agreed to act as persons acting in concert according to the will of the Company, and exercise the voting rights unconditionally and irrevocably in accordance with the opinions of the Company. Therefore, the proportion of voting rights of the Company to Fuzhou BOE Display is 100%.

The Company signed a concerted action agreement with Chengdu Advanced Manufacturing Industry Investment Co., Ltd., a shareholder of Chengdu Display Sci-tech, and Chengdu Airport Xingcheng Investment Group Co., Ltd. on December 17, 2020. The Company signed a concerted action agreement with Nanjing Zhongdian Panda Information Industry Group Co., Ltd. on December 31, 2020, and signed a concerted action agreement with Zhongdian Financial Investment Holding Co., Ltd. on June 28, 2022, A concerted action agreement was signed with Ya'an Yashuang Investment Co., Ltd. on November 30, 2022, and Chengdu Advanced Manufacturing Industry Investment Co., Ltd., Chengdu Airport Xingcheng Investment Group Co., Ltd., Ya'an Yashuang Investment Co., Ltd., Nanjing Zhongdian Panda Information Industry Group Co., Ltd., and Zhongdian Financial Investment Holding Co., Ltd. acted in concert with the wishes of the company, We unconditionally and irrevocably exercise our voting rights in accordance with our company's opinions, so our company's voting rights ratio in Chengdu Display Sci-tech is 96.75%.

The Company and New Sure Limited entered into the Share Voting Rights Management Agreement on 4 November 2022, pursuant to which New Sure Limited agreed to unconditionally and irrevocably delegate to the Company the exercise and management of its voting, nomination and ancillary rights in respect of its holdings in HC SemiTek Corporation; the Company and Yiwu Harmony Core Light Equity Investment Partnership (Limited Partnership) signed an agreement on 10 November 2022, whereby Yiwu Harmony Core Light Equity Investment Partnership (Limited Partnership) undertook that it would not, individually, jointly or with the assistance of a third party, seek to obtain the control over HC SemiTek Corporation; Zhuhai Huafa Technology Industry Group Co., Ltd. issued a commitment letter to the Company on 10 November 2022, undertaking that Zhuhai Huafa Technology Industry Group Co., Ltd. and its controlled entities will not seek the control over HC SemiTek Corporation individually, jointly or with the assistance of third parties, and will not form a concerted action relationship with the shareholders of HC SemiTek Corporation or seek the control over HC SemiTek Corporation by way of entrustment, agreement, alliance or signing of a concerted action agreement, etc. Therefore, the Company's percentage of voting rights over HC SemiTek Corporation is 26.52%, which makes the Company a controlling shareholder of HC SemiTek Corporation.

(2) Material non-wholly owned subsidiaries

<i>Name of the subsidiary</i>	<i>Proportion of ownership interest held by non-controlling interests</i>	<i>Losses attributable to non-controlling interests for the year</i>	<i>Dividend declared to non-controlling shareholders during the year</i>	<i>Balance of non-controlling interests at the end of the year</i>
Mianyang BOE	16.54%	(3,998,675)	-	3,554,429,180
Wuhan BOE	52.86%	(157,799,681)	-	12,993,173,506
Chongqing BOE Display	61.54%	(792,915,395)	-	14,775,015,526

(3) Key financial information about material non-wholly owned subsidiaries

The following table sets out the key financial information of the above subsidiaries without offsetting internal transactions, but with adjustments made for the fair value adjustment at the acquisition date and any differences in accounting policies:

	<i>Mianyang BOE</i>		<i>Wuhan BOE</i>		<i>Chongqing BOE Display</i>	
	<i>2023</i>	<i>2022</i>	<i>2023</i>	<i>2022</i>	<i>2023</i>	<i>2022</i>
Current assets	10,753,172,652	12,372,285,496	6,885,618,252	7,442,285,566	8,098,980,132	8,590,561,462
Non-current assets	35,310,022,879	37,212,140,922	35,269,508,547	38,934,583,089	37,527,686,707	32,479,448,086
<b>Total assets</b>	<b>46,063,195,531</b>	<b>49,584,426,418</b>	<b>42,155,126,799</b>	<b>46,376,868,655</b>	<b>45,626,666,839</b>	<b>41,070,009,548</b>
Current liabilities	11,025,760,688	11,072,411,471	5,377,137,118	6,251,107,827	8,612,279,639	5,410,946,190
Non-current liabilities	13,547,536,533	17,008,183,759	12,197,638,748	15,254,879,708	13,005,587,192	12,186,708,120
<b>Total liabilities</b>	<b>24,573,297,221</b>	<b>28,080,595,230</b>	<b>17,574,775,866</b>	<b>21,505,987,535</b>	<b>21,617,866,831</b>	<b>17,597,654,310</b>
Operating income	19,379,451,169	16,357,203,835	14,876,922,434	12,845,309,881	4,226,393,760	883,001,124
Net loss	(24,175,792)	(2,301,228,643)	(298,523,801)	(3,788,455,205)	(1,288,455,305)	(327,058,484)
Total comprehensive income	(24,175,792)	(2,301,228,643)	(298,523,801)	(3,788,455,205)	(1,288,455,305)	(327,058,484)
Cash inflows / (outflows) in operating activities	5,668,948,328	7,118,785,052	5,254,058,686	2,816,292,270	171,287,026	(185,310,156)

2 Transactions that cause changes in the Group's interests in subsidiaries that do not result in loss of control

(1) Changes in the Group's interests in subsidiaries:

	<i>Before changes of interests</i>	<i>After changes of interests</i>
Hefei Display Technology	8.33%	36.67%
Chuangyuan Technology	79.31%	60.21%

(2) Impact from transactions with non-controlling interests and equity attributable to the shareholders of the Company:

The changes in the shareholding of the Company in the owners of above-mentioned other subsidiaries were caused by the capital increase/decrease of the Company and the capital increase of their non-controlling interests or the failure to increase capital by the Company and the non-controlling interests of the subsidiaries in equal proportion and the acquisition of the non-controlling interests, which results in the decrease of capital reserves by RMB 1,219,955,094. See Note V. 41.

3 Interests in associates

Please see Note V.11(2) for details of the summarised financial information of the associates.

No material restrictions on transfers of funds from investees to the Group. The judgement basis of the Company and its subsidiaries to hold lower than 20% of the voting rights of other entities but have significant influence on the entity is due to the fact that the Company and its subsidiaries have seats in the board of directors of the entity, and the Company and subsidiaries of the Company may have significant influence on the entity through the representation of the directors in the process of formulating financial and operating policies.

IX. Risk related to financial instruments

The Group has exposure to the following main risks from its use of financial instruments in the normal course of the Group's operations:

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

The following mainly presents information about the Group's exposure to each of the above risks and their sources, their changes during the year, and the Group's objectives, policies and processes for measuring and managing risks, and their changes during the year.

The Group aims to seek appropriate balance between the risks and benefits from its use of financial instruments and to mitigate the adverse effects that the risks of financial instruments have on the Group's financial performance. Based on such objectives, the Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The internal audit department of the Group undertakes both regular and ad-hoc reviews of risk management controls and procedures.

## 1 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Group's credit risk is primarily attributable to receivables. Exposure to these credit risks is monitored by management on an ongoing basis.

The cash at bank of the Group is mainly held with well-known financial institutions. Management does not foresee any significant credit risks from these deposits and does not expect that these financial institutions may default and cause losses to the Group.

In respect of receivables, the Group has established a credit policy under which individual credit evaluations are performed on all customers to determine the credit limit and terms applicable to the customers. These evaluations focus on the customers' financial position, the external ratings of the customers and the record of previous transactions. Receivables are due within 7 to 120 days from the date of billing. Debtors with balances that are past due are requested to settle all outstanding balances before any further credit is granted. Normally, the Group does not obtain collateral from customers.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Therefore, significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. At the balance sheet date, 36% (2022: 39%) of the Contract assets total accounts receivable were due from the five largest customers of the Group. In addition, the accounts receivable not overdue or impaired is mainly related to many clients who don't have payment in arrears records recently.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet. As mentioned in Note XIV, as at 31 December 2023 the Group does not provide any external guarantees which would expose the Group or the Company to credit risk.



## 2 Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in meeting obligations that are settled by delivering cash or another financial asset. The Company and its individual subsidiaries are responsible for their own cash management, including short-term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to approval by the Company's board when the borrowings exceed certain predetermined levels of authority. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash, readily realisable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following tables set out the remaining contractual maturities at the balance sheet date of the Group's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at 31 December) and the earliest date the Group can be required to pay:

	2023 Contractual undiscounted cash flow				Total	Carrying amount of balance sheet
	Within 1 year or on demand (inclusive)	More than 1 year but less than 3 years (inclusive)	More than 3 years but less than 5 years (inclusive)	More than 5 years		
Financial liabilities						
Short-term loans	1,773,280,214	-	-	-	1,773,280,214	1,746,184,534
Bills payable	919,313,033	-	-	-	919,313,033	919,313,033
Accounts payable	32,977,603,351	-	-	-	32,977,603,351	32,977,603,351
Other payables	19,487,760,965	-	-	-	19,487,760,965	19,487,760,965
Non-current liabilities due						
within one year	24,831,720,125	-	-	-	24,831,720,125	24,437,027,442
Long-term loans	4,248,101,826	18,954,443,798	31,730,890,357	87,859,873,238	142,793,309,219	121,546,339,022
Lease liabilities	-	253,329,174	164,561,752	240,102,072	657,992,998	542,141,496
Long-term payables	-	76,675,721	43,243,078	74,598,363	194,517,162	171,611,393
<b>Total</b>	<b>84,237,779,514</b>	<b>19,284,448,693</b>	<b>31,938,695,187</b>	<b>88,174,573,673</b>	<b>223,635,497,067</b>	<b>201,827,981,236</b>

  

	2022 Contractual undiscounted cash flow				Total	Carrying amount of balance sheet
	Within 1 year or on demand (inclusive)	More than 1 year but less than 3 years (inclusive)	More than 3 years but less than 5 years (inclusive)	More than 5 years		
Financial liabilities						
Short-term loans	2,472,050,871	-	-	-	2,472,050,871	2,373,938,871
Bills payable	870,221,538	-	-	-	870,221,538	870,221,538
Accounts payable	29,834,720,464	-	-	-	29,834,720,464	29,834,720,464
Other payables	19,632,223,269	-	-	-	19,632,223,269	19,632,223,269
Non-current liabilities due						
within one year	23,132,749,292	-	-	-	23,132,749,292	22,703,750,744
Long-term loans	4,872,695,550	17,357,391,426	26,251,319,950	99,561,622,533	148,043,029,459	123,143,479,690
Lease liabilities	-	246,663,217	123,905,787	323,315,125	693,884,129	538,586,010
Long-term payables	-	70,973,955	160,835,968	-	231,809,923	229,587,077
<b>Total</b>	<b>80,814,660,984</b>	<b>17,675,028,598</b>	<b>26,536,061,705</b>	<b>99,884,937,658</b>	<b>224,910,688,945</b>	<b>199,326,507,663</b>

### 3 Interest rate risk

Interest-bearing financial instruments at variable rates and at fixed rates expose the Group to cash flow interest rate risk and fair value interest risk, respectively. The Group determines the appropriate weightings for fixed and floating rate interest-bearing instruments based on current market conditions and performs regular reviews and monitoring to achieve an appropriate mix of fixed and floating rate exposure. The Group does not enter into financial derivatives to hedge interest rate risk.

(a) As at 31 December, the Group held the following interest-bearing financial instruments:

#### Fixed rate instruments:

Item	2023		2022	
	Effective interest rate	Amounts	Effective interest rate	Amounts
Financial assets				
- Cash at bank	1.00%~6.25%	34,032,083,693	0.70%~5.45%	36,597,334,927
Financial liabilities				
- Short-term loans	0.38%~5.90%	(1,427,826,333)	0.25%~5.90%	(1,149,712,480)
- Other payables	0%~2.18%	(3,000,000,000)	0%~2.18%	(3,000,000,000)
- Non-current liabilities due within one year	0%~6.51%	(11,321,474,654)	0%~6.86%	(7,841,491,191)
- Long-term loans	1.20%~6.37%	(39,919,524,039)	0%~5.90%	(25,324,584,996)
- Lease liabilities	3.50%~4.75%	(542,141,496)	3.65%~4.75%	(538,586,010)
- Long-term payables	4.20%~6.51%	(171,611,393)	4.30%~6.86%	(229,587,077)
Total		<u>(22,350,494,222)</u>		<u>(1,486,626,827)</u>

#### Floating rate instruments:

Item	2023		2022	
	Effective interest rate	Amounts	Effective interest rate	Amounts
Financial assets				
- Cash at bank	0.0001%~6.25%	37,628,227,990	0.0001%~5.30%	31,723,267,975
Financial liabilities				
- Short-term loans	3.10%~3.60%	(316,400,000)	5.65%~5.84%	(1,218,525,680)
- Non-current liabilities due within one year	1.00%~6.33%	(12,588,822,776)	1.00%~7.44%	(14,215,671,815)
- Long-term loans	1.00%~6.33%	(81,623,331,304)	1.00%~7.44%	(97,816,667,917)
Total		<u>(56,900,326,090)</u>		<u>(81,527,597,437)</u>

(b) Sensitivity analysis

As at 31 December 2023, it is estimated that a general increase / decrease of 100 basis points in interest rates of variable rate instrument, with all other variables held constant, would decrease / increase the Group's net profit and equity by RMB 481,870,000 (2021: RMB 679,150,000).

In respect of the exposure to cash flow interest rate risk arising from floating rate non-derivative instruments held by the Group at the balance sheet date, the impact on the net profit and owner's equity is estimated as an annualised impact on interest expense or income of such a change in interest rates. The analysis is performed on the same basis for the previous year.

4 Foreign currency risk

In respect of cash at bank and on hand, accounts receivable and payable, short-term loans and other assets and liabilities denominated in foreign currencies other than the functional currency, the Group ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

- (a) The Group's exposure as at 31 December to currency risk arising from recognized foreign currency assets or liabilities is mainly denominated in US dollar. The amount of the USD exposure is net liabilities exposure USD 191,267,567 (2022 net liabilities exposure: USD 1,523,210,633), translated into RMB 1,354,690,797 (2022: RMB 10,608,552,775), using the spot rate at the balance sheet date. Differences resulting from the translation of the financial statements denominated in foreign currency are excluded.
- (b) Assuming all other risk variables remained constant, a 5% strengthening / weakening of the Renminbi against the US dollar at 31 December would have decreased / increased both the Group's equity and net profit by the amount RMB 105,886,060 (2022: increased / decreased RMB 136,665,926). The exchange difference that can be capitalized for foreign currency specific borrowings has no impact on group's equity and net profit.

The sensitivity analysis above assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at the balance sheet date. The analysis excludes differences that would result from the translation of the financial statements denominated in foreign currency. The analysis is performed on the same basis for the previous year.

5 Other price risks

Other price risks include stock price risk and commodity price risk.

X. Fair value disclosure

The following table presents the fair value information and the fair value hierarchy, at the end of the current reporting period, of the Group's assets and liabilities which are measured at fair value at each balance sheet date on a recurring or non-recurring basis. The level in which fair value measurement is categorised is determined by the level of the fair value hierarchy of the lowest level input that is significant to the entire fair value measurement. The levels are defined as follows:

Level 1 inputs: unadjusted quoted prices in active markets that are observable at the measurement date for identical assets or liabilities;

Level 2 inputs: inputs other than Level 1 inputs that are either directly or indirectly observable for underlying assets or liabilities;

Level 3 inputs: Inputs that are unobservable for underlying assets or liabilities;

1 Fair value of assets measured at fair value at the end of the year

		<i>31 December 2023</i>			
Assets	Note	Level 1 Fair value measurement	Level 2 Fair value measurement	Level 3 Fair value measurement	Total
Recurring fair value measurements					
- Financial assets held for trading	V.2	261,201,215	-	7,494,763,280	7,755,964,495
Including: Structured deposit and wealth- management products		-	-	7,476,126,776	7,476,126,776
Investments in equity instruments		261,201,215	-	18,636,504	279,837,719
- Receivables financing	V.5	-	-	408,534,622	408,534,622
- Investments in other equity instruments	V.12	169,355,368	-	325,274,209	494,629,577
- Other non-current financial assets Including: Investments in equity instruments	V.13	-	-	2,253,778,325	2,253,778,325
		-	-	<u>2,253,778,325</u>	<u>2,253,778,325</u>
Total assets measured at fair value on a recurring basis		<u>430,556,583</u>	<u>-</u>	<u>10,482,350,436</u>	<u>10,912,907,019</u>

		<i>31 December 2022</i>			
Assets	Note	Level 1 Fair value measurement	Level 2 Fair value measurement	Level 3 Fair value measurement	Total
Recurring fair value measurements					
- Financial assets held for trading	V.2	256,525,783	-	16,931,468,153	17,187,993,936
Including: Structured deposit and wealth- management products		-	-	16,931,468,153	16,931,468,153
Investments in equity instruments		256,525,783	-	-	256,525,783
- Investments in other equity instruments	V.12	154,312,590	-	328,747,716	483,060,306
- Other non-current financial assets Including: Investments in equity instruments	V.13	-	-	2,022,967,681	2,022,967,681
		-	-	<u>2,022,967,681</u>	<u>2,022,967,681</u>
Total assets measured at fair value on a recurring basis		<u>410,838,373</u>	<u>-</u>	<u>19,283,183,550</u>	<u>19,694,021,923</u>

2 Basis of determining the market price for recurring and non-recurring fair value measurements categorised within Level 1

The Group uses the active market quote as the fair value of financial assets within Level 1.

3 Valuation techniques used and the qualitative and quantitative information of key parameters for recurring and non-recurring fair value measurements categorised within Level 3

For bank wealth management products measured at fair value, the fair value is determined based on the discounted cash flow method.

Receivables financing that are subject to recurring Level 3 fair value measurement are bills receivable with short remaining maturities, for which the fair value determined is equal to the original carrying amount.

Equity instrument investments are unlisted equity investments held by the Group, including:

- (i) For those who raised a new round of financing in 2023, the Group used the financing price as the best estimates of their fair value;
- (ii) For other investments in other equity instruments, since the operating environment, operating conditions and financial status of the investee have not changed significantly during the year, the Group uses the book investment cost as a reasonable estimate of fair value for measurement.

4 During 2023, there were no changes in valuation technique of fair value. As at 31 December, the Group held no assets and liabilities measured at fair value. All financial assets and financial liabilities of the Group are carried at amounts not materially different from their fair value.

XI. Related parties and related party transactions

1 Information about the parent of the Company

<i>Company name</i>	<i>Registered place</i>	<i>Business nature</i>	<i>Registered capital</i>	<i>Shareholding percentage (%)</i>	<i>Percentage of voting rights (%)</i>	<i>Ultimate controlling party of the Company</i>
Beijing Electronics Holding Co., Ltd.	Area A, No. 6 West 6th Street, Sanlitun, Chaoyang District, Beijing	Operation and management of state-owned assets within authorisation, etc.	RMB 3,139,210,000	0.73%	12.37%	Yes

2 Information about the subsidiaries of the Company

For information about the subsidiaries of the Group, refer to Note VIII.1.

### 3 Information about joint ventures and associates of the Company

Associates and joint ventures that have related party transactions with the Group during this year or the previous year are as follows:

<i>Name of entity</i>	<i>Relationship with the Company</i>
Beijing BOE Art Cloud Technology Co., Ltd.	Associate of the Group and the Company
Beijing Xindongneng Investment Management Co., Ltd.	Associate of the Group and the Company
Suzhou Chuangyi Culture Technology Co., Ltd.	Associate of the Group and the Company
TPV Display Technology (China) Limited	Associate of the Group and the Company
BOE Digital Technology Co., Ltd.	Associate of the Group and the Company
Beijing BOE Art Cloud (Suzhou)Technology Co., Ltd.	Associate of the Group and the Company
Beijing BOE Art Cloud (Hangzhou)Technology Co., Ltd.	Associate of the Group and the Company
Beijing BOE Art Cloud (Beijing)Technology Co., Ltd.	Associate of the Group and the Company
Beijing BOE Art Cloud (Yibin)Technology Co., Ltd.	Associate of the Group and the Company
Beijing Nissin Electronics Precision Component Co., Ltd.	Associate of the Group and the Company
Beijing Infi-Hailin Venture Investment (Limited Partnership)	Associate of the Group and the Company
Hefei Xin Jing Yuan Electronic Materials Co., Ltd.	Associate of the Group
Beijing BOE Microbial Technology Co., Ltd.	Associate of the Group
Biochain (Beijing) Science-Technology.Inc.	Associate of the Group
BOE Houji Technology (Beijing) Co., Ltd.	Associate of the Group
Vusion Group SA ( Formerly known as SES Imagotag SA Co., Ltd.)	Associate of the Group
Beijing Houji Zhilian Information Technology Co., Ltd.	Associate of the Group
Hefei Jiangcheng Technology Co., Ltd.	Associate of the Group
SES-Imagotag GmbH Co., Ltd.	Subsidiary of associate of the Group
Chongqing Maite Optoelectronics Co., Ltd.	Subsidiary of associate of the Group
Pervasive Displays Inc	Subsidiary of associate of the Group
Beijing Borcheng Medical Laboratory Co. Ltd.	Subsidiary of associate of the Group

#### 4 Information on other related parties

<i>Name of other related parties</i>	<i>Related-party relationship</i>
Beijing Smart-Aero Display Technology Co., Ltd.	Under the same control of the ultimate holding company
Beijing Zhengdong Electronic Power Group Co., Ltd.	Under the same control of the ultimate holding company
Beijing Information Technology College	Under the same control of the ultimate holding company
Baic Electronics SK (Jiangsu) Technology Co., Ltd.	Under the same control of the ultimate holding company
Beijing Electrical Control Jiuyi Industrial Development Company	Under the same control of the ultimate holding company
Beijing Electronic Digital Intelligence Technology Co., Ltd.	Under the same control of the ultimate holding company
Beijing D.Park Cultural Development Co., Ltd.	Under the same control of the ultimate holding company
Beijing C&W Intelligent Equipment Co., Ltd.	Under the same control of the ultimate holding company
Beijing NAURA Microelectronics Equipment Co., Ltd.	Under the same control of the ultimate holding company
Beijing Zhaowei Technology Development Co., Ltd.	Under the same control of the ultimate holding company
761 Workshop (Beijing) Technology Development Co., Ltd.	Under the same control of the ultimate holding company
Sevenstar Semiconductor Technologies Co., Ltd.	Under the same control of the ultimate holding company
Beijing Electronic Information Technology College	Under the same control of the ultimate holding company
Beijing Ether Electronics Group Co., Ltd.	Under the same control of the ultimate holding company
Beijing BOE Investment Development Co., Ltd.	Under the same control of the ultimate holding company
Electronic City (Tianjin) Mobile Internet Industry Platform Development Co., Ltd.	Under the same control of the ultimate holding company
NAURA Technology Group Co., Ltd.	Under the same control of the ultimate holding company
Beijing Yandong Microelectronic Co., Ltd.	Under the same control of the ultimate holding company
Beijing Yandong Microelectronic Technology Co., Ltd.	Under the same control of the ultimate holding company
Beijing Electronic City Shuzhi Technology Co., Ltd.	Under the same control of the ultimate holding company
Beijing Dongdian Industrial Development Co., Ltd.	Under the same control of the ultimate holding company
Beijing Electronics Holding & SK Technology Co., Ltd.	Under the same control of the ultimate holding company
Beijing Zhengdong Power Equipment Installation Engineering Co., Ltd.	Under the same control of the ultimate holding company
Beijing Electric Intelligent Energy Co., Ltd.	Under the same control of the ultimate holding company
Beijing Dahua Electronic Instrument Corporation	Under the same control of the ultimate holding company
Beijing C&W Electronics(Group) Co., Ltd.	Under the same control of the ultimate holding company
Beijing Sevenstar PV Group Co., Ltd.	Under the same control of the ultimate holding company
Beijing C&W Zifu Equipment Technology Co., Ltd.	Under the same control of the ultimate holding company
Beijing 798 Culture Technology Co., Ltd.	Associate of enterprise that is under the same control of the ultimate holding company
New Vision Micro.(Hong Kong) Co., Ltd.	Associate of enterprise that is under the same control of the ultimate holding company
Beijing Senju Electronic Materials Co., Ltd.	Associate of enterprise that is under the same control of the ultimate holding company
Shanghai New Vision Microelectronics Co., Ltd.	Associate of enterprise that is under the same control of the ultimate holding company
China Minsheng Banking Corp., Ltd.	Other related parties
Beijing Yizhuang Environmental Technology Group Co., Ltd.	Other related parties
Nexchip Semiconductor Corporation	Other related parties
Hefei Construction Investment and Holding Co., Ltd.	Other related parties
Hefei Visionox Technology Co., Ltd.	Other related parties

5 Transactions with related parties

The transactions below with related parties were conducted under normal commercial terms or agreements.

(1) Purchase of goods and equipment, and receiving of services (excluding remuneration of key management personnel).

The Group

<i>Nature of transaction</i>	<i>2023</i>	<i>2022</i>
Purchase of goods	663,371,654	658,905,000
Procurement of equipment	236,814,153	155,286,378
Receiving services	14,986,020	12,843,982
Payment of interest expenses	<u>33,637,490</u>	<u>43,423,377</u>
Total	<u>948,809,317</u>	<u>870,458,737</u>

The Company

<i>Nature of transaction</i>	<i>2023</i>	<i>2022</i>
Purchase of goods	34,372,208	32,203,231
Receiving services	127,843,351	63,840,655
Procurement of equipment	368,000	-
Payment of interest expenses	<u>30,926,480</u>	<u>42,314,510</u>
Total	<u>193,510,039</u>	<u>138,358,396</u>

(2) Sale of goods/rendering of services

The Group

<i>Nature of transaction</i>	<i>2023</i>	<i>2022</i>
Sale of goods	3,929,802,831	1,168,302,006
Rendering of services	23,418,868	12,004,788
Income from interest received	<u>28,454,504</u>	<u>23,183,395</u>
Total	<u>3,981,676,203</u>	<u>1,203,490,189</u>



The Company

<i>Nature of transaction</i>	2023	2022
Sale of goods	582,164	101,930
Rendering of services	4,610,851,622	4,742,920,134
Income from interest received	<u>15,702,137</u>	<u>15,398,605</u>
Total	<u>4,627,135,923</u>	<u>4,758,420,669</u>

(3) Leases

(a) As the lessor

The Group

<i>Type of assets leased</i>	<i>Lease income recognised in 2023</i>	<i>Lease income recognised in 2022</i>
Investment properties	<u>9,823,412</u>	<u>7,925,143</u>

The Company

<i>Type of assets leased</i>	<i>Lease income recognised in 2023</i>	<i>Lease income recognised in 2022</i>
<u>Investment properties</u>	<u>65,795,509</u>	<u>65,287,838</u>

(b) As the lessee

The Group

Name of lessor	Type of assets leased	Rental expenses for practical expedient of short-term leases and the leases of low-value assets		Variable lease payments not included in the measurement of the lease liability		Rental payments		Assumed interest expenses from lease liabilities		Increased right-of-use assets	
		2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Beijing Dongdian Industrial Development Co., Ltd.	Fixed assets	-	-	-	-	2,801,931	2,676,474	124,586	209,567	-	-
Hefei Jiangcheng Technology Co., Ltd.	Fixed assets	328,378	-	-	-	-	-	-	-	-	-

The Company

Name of lessor	Type of assets leased	Rental expenses for practical expedient of short-term leases and the leases of low-value assets		Variable lease payments not included in the measurement of the lease liability		Rental payments		Assumed interest expenses from lease liabilities		Increased right-of-use assets	
		2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Beijing BOE Optoelectronics Technology Co., Ltd.	Fixed assets	-	-	-	-	42,971,406	45,409,539	4,093,830	7,113,575	-	-

(4) Funding from related parties

The Company

<i>Name of related party</i>	<i>Amount of funding</i>	<i>Inception date</i>	<i>Maturity date</i>
Funds received			
Subsidiary of the parent company	3,000,000,000	28/05/2018	Long-term
Subsidiary of the parent company	500,000,000	28/05/2019	Long-term
Subsidiary of the parent company	1,300,000,000	28/05/2019	Long-term
Subsidiary of the parent company	300,000,000	08/07/2020	Long-term
Subsidiary of the parent company	2,500,000,000	06/07/2020	Long-term
Subsidiary of the parent company	2,000,000,000	03/07/2020	Long-term
Subsidiary of the parent company	1,700,000,000	12/10/2020	Long-term
Subsidiary of the parent company	3,000,000,000	05/11/2020	Long-term
Subsidiary of the parent company	1,700,000,000	28/12/2020	Long-term
Subsidiary of the parent company	1,000,000,000	28/12/2020	Long-term
Subsidiary of the parent company	2,358,000,000	07/12/2020	Long-term
Subsidiary of the parent company	1,000,000,000	09/03/2021	Long-term
Subsidiary of the parent company	1,000,000,000	18/03/2021	Long-term
Subsidiary of the parent company	4,000,000,000	25/03/2021	Long-term
Subsidiary of the parent company	2,500,000,000	30/03/2021	Long-term
Subsidiary of the parent company	4,500,000,000	23/06/2021	Long-term
Subsidiary of the parent company	1,000,000,000	05/07/2021	Long-term
Subsidiary of the parent company	2,000,000,000	29/12/2021	Long-term
Subsidiary of the parent company	3,400,000,000	29/12/2021	Long-term
Subsidiary of the parent company	6,000,000,000	29/12/2021	Long-term
Subsidiary of the parent company	1,500,000,000	31/12/2021	Long-term
Subsidiary of the parent company	200,000,000	31/12/2021	Long-term
Subsidiary of the parent company	1,000,000,000	27/01/2022	Long-term
Subsidiary of the parent company	500,000,000	31/12/2021	Long-term
Subsidiary of the parent company	750,000,000	15/06/2022	Long-term

<i>Name of related party</i>	<i>Amount of funding</i>	<i>Inception date</i>	<i>Maturity date</i>
Funds received			
Subsidiary of the parent company	1,000,000,000	31/12/2021	Long-term
Subsidiary of the parent company	7,000,000,000	23/08/2022	Long-term
Subsidiary of the parent company	1,500,000,000	08/10/2022	Long-term
Subsidiary of the parent company	500,000,000	10/11/2022	Long-term
Subsidiary of the parent company	1,000,000,000	20/10/2022	Long-term
Subsidiary of the parent company	1,000,000,000	25/10/2022	Long-term
Subsidiary of the parent company	1,000,000,000	25/10/2022	Long-term
Subsidiary of the parent company	1,000,000,000	11/01/2023	Long-term
Subsidiary of the parent company	150,000,000	11/01/2023	Long-term
Subsidiary of the parent company	2,400,000,000	11/01/2023	Long-term
Subsidiary of the parent company	2,600,000,000	11/01/2023	Long-term
Subsidiary of the parent company	50,000,000	11/01/2023	Long-term
Subsidiary of the parent company	250,000,000	11/01/2023	Long-term
Subsidiary of the parent company	3,750,000,000	11/01/2023	Long-term
Subsidiary of the parent company	800,000,000	11/01/2023	Long-term
Subsidiary of the parent company	1,000,000,000	11/01/2023	Long-term
Subsidiary of the parent company	200,000,000	09/06/2023	Long-term
Subsidiary of the parent company	100,000,000	09/06/2023	Long-term
Subsidiary of the parent company	400,000,000	09/06/2023	Long-term
Subsidiary of the parent company	800,000,000	09/06/2023	Long-term
Subsidiary of the parent company	450,000,000	09/06/2023	Long-term
Subsidiary of the parent company	1,290,000,000	09/06/2023	Long-term
Subsidiary of the parent company	1,550,000,000	09/06/2023	Long-term
Subsidiary of the parent company	400,000,000	09/06/2023	Long-term
Subsidiary of the parent company	540,000,000	09/06/2023	Long-term
Subsidiary of the parent company	<u>340,000,000</u>	01/12/2023	Long-term
Total	<u>79,778,000,000</u>		

<i>Name of related party</i>	<i>Amount of funding</i>	<i>Inception date</i>	<i>Maturity date</i>
<b>Funds provided</b>			
Subsidiary of the parent company	237,000,000	26/01/2022	Right to request return at any time
Subsidiary of the parent company	161,000,000	14/04/2022	Right to request return at any time
Subsidiary of the parent company	600,000,000	22/06/2022	Right to request return at any time
Subsidiary of the parent company	285,000,000	24/11/2020	Right to request return at any time
Subsidiary of the parent company	300,000,000	10/05/2022	Right to request return at any time
Subsidiary of the parent company	200,000,000	29/10/2020	Right to request return at any time
Subsidiary of the parent company	700,000,000	29/10/2020	Right to request return at any time
Subsidiary of the parent company	123,000,000	26/01/2022	Right to request return at any time
Subsidiary of the parent company	800,000,000	22/06/2022	Right to request return at any time
Subsidiary of the parent company	88,000,000	26/01/2022	Right to request return at any time
Subsidiary of the parent company	1,100,000,000	29/09/2022	Right to request return at any time
Subsidiary of the parent company	2,000,000,000	03/01/2023	Right to request return at any time
Subsidiary of the parent company	261,000,000	26/01/2022	Right to request return at any time
Subsidiary of the parent company	189,000,000	14/04/2022	Right to request return at any time
Subsidiary of the parent company	300,000,000	22/06/2022	Right to request return at any time
Subsidiary of the parent company	1,490,000,000	21/10/2020	Right to request return at any time
Subsidiary of the parent company	473,000,000	24/11/2020	Right to request return at any time
Subsidiary of the parent company	570,000,000	30/06/2022	Right to request return at any time
Subsidiary of the parent company	175,000,000	08/07/2021	Right to request return at any time
Subsidiary of the parent company	81,000,000	26/01/2022	Right to request return at any time
Subsidiary of the parent company	600,000,000	22/06/2022	Right to request return at any time
Subsidiary of the parent company	162,000,000	14/04/2022	Right to request return at any time
Subsidiary of the parent company	700,000,000	07/05/2022	Right to request return at any time
Subsidiary of the parent company	1,700,000,000	26/12/2022	Right to request return at any time
Subsidiary of the parent company	1,400,000,000	29/09/2022	Right to request return at any time
Subsidiary of the parent company	201,000,000	14/04/2022	Right to request return at any time
Subsidiary of the parent company	600,000,000	22/06/2022	Right to request return at any time
Subsidiary of the parent company	262,500,000	08/07/2021	Right to request return at any time
Subsidiary of the parent company	90,000,000	26/01/2022	Right to request return at any time
Subsidiary of the parent company	800,000,000	22/06/2022	Right to request return at any time
Subsidiary of the parent company	159,000,000	14/04/2022	Right to request return at any time
Subsidiary of the parent company	1,700,000,000	29/09/2022	Right to request return at any time
Subsidiary of the parent company	2,000,000,000	28/10/2022	Right to request return at any time
Subsidiary of the parent company	173,000,000	26/01/2022	Right to request return at any time
Subsidiary of the parent company	600,000,000	22/06/2022	Right to request return at any time
Subsidiary of the parent company	118,000,000	14/04/2022	Right to request return at any time
Subsidiary of the parent company	433,000,000	26/01/2022	Right to request return at any time
Subsidiary of the parent company	201,701,133	14/04/2022	Right to request return at any time
Subsidiary of the parent company	500,000,000	22/06/2022	Right to request return at any time
Subsidiary of the parent company	300,000,000	06/04/2022	Right to request return at any time
Subsidiary of the parent company	262,500,000	08/07/2021	Right to request return at any time
Subsidiary of the parent company	72,000,000	14/04/2022	Right to request return at any time
Subsidiary of the parent company	200,000,000	22/06/2022	Right to request return at any time
Subsidiary of the parent company	116,000,000	14/04/2022	Right to request return at any time
Subsidiary of the parent company	300,000,000	27/06/2022	Right to request return at any time
Subsidiary of the parent company	200,000,000	27/06/2022	Right to request return at any time
Subsidiary of the parent company	80,000,000	27/03/2015	21/01/2025
Subsidiary of the parent company	200,000,000	12/10/2020	12/10/2030
Subsidiary of the parent company	20,000,000	16/12/2022	Right to request return at any time
<b>Total</b>	<b><u>24,283,701,133</u></b>		

(5) Remuneration of key management personnel

The Group and the Company

<i>Item</i>	<i>2023</i>	<i>2022</i>
Remuneration of key management personnel	<u>51,002,000</u>	<u>86,665,000</u>

The remuneration of key management personnel above does not include the one with respect to share-based payments scheme.

6 Receivables from and payables to related parties

Receivables from related parties

The Group

<i>Item</i>	<i>Note</i>	<i>2023</i>		<i>2022</i>	
		<i>Book value</i>	<i>Provision for impairment</i>	<i>Book value</i>	<i>Provision for impairment</i>
Cash at bank and on hand	(1)	1,147,791,923	-	965,569,850	-
Accounts receivable		848,755,589	4,883,714	1,070,848,317	4,986,221
Prepayments		10,054,763	-	6,615,367	-
Other receivables		787,519	-	16,588,534	-
Contract assets		6,977,790	-	2,402,974	-
Other non-current assets		16,934,571	-	14,026,424	-

The Company

<i>Item</i>	<i>Note</i>	<i>2023</i>		<i>2022</i>	
		<i>Book value</i>	<i>Provision for impairment</i>	<i>Book value</i>	<i>Provision for impairment</i>
Cash at bank and on hand	(1)	511,657	-	8,850	-
Accounts receivable		4,874,309,921	4,315,658	4,867,860,690	4,315,658
Prepayments		-	-	146,368	-
Other receivables		28,179,338,207	12,280,686	19,686,877,080	16,868,539
Other non-current assets		1,740,000,000	-	1,080,000,000	-

Payables to related parties

The Group

<i>Item</i>	<i>Note</i>	<i>2023</i>	<i>2022</i>
Accounts payable		114,282,939	179,047,266
Advance payments received		103,733	188,623
Contract liabilities		24,068,821	34,164,291
Other payables		202,371,165	182,554,398
Non-current liabilities due within one year	(2)	6,000,000	6,000,000
Long-term loans	(2)	1,107,750,000	1,257,250,000

## The Company

<i>Item</i>	<i>Note</i>	<i>2023</i>	<i>2022</i>
Accounts payable		89,999,263	27,646,402
Advance payments received		798,119	169,459
Other payables		2,791,489,305	2,921,972,111
Long-term loans	(2)	1,042,750,000	1,186,250,000
Other non-current liabilities		79,800,793,681	96,394,661,805

(1) The Group's and the Company's cash at bank and on hand were deposit in China Minsheng Bank Co.

(2) The Group's and the Company's non-current liabilities and long-term borrowings due within one year are borrowings from China Minsheng Bank Co.

## 7 Commitments of the related parties

As at balance sheet date, the commitments of the related parties, which are signed but not listed in financial statement are as following:

	<i>2023</i>	<i>2022</i>
Procurement of equipment	<u>65,703,454</u>	<u>69,753,978</u>

## XII. Share-based payments

### 1 Equity instruments

<i>Type of grantees</i>	<i>Granted during the year</i>		<i>Exercised during the year</i>		<i>Unlocked during the year</i>		<i>Forfeited during the year</i>	
	<i>Quantity</i>	<i>Amount</i>	<i>Quantity</i>	<i>Amount</i>	<i>Quantity</i>	<i>Amount</i>	<i>Quantity</i>	<i>Amount</i>
Senior management appointed by the Board of Directors	-	-	-	-	3,848,120	10,312,962	1,400,000	3,752,000
Technical experts, middle management and above level	-	-	-	-	98,412,660	263,745,929	14,248,174	38,185,106
Manager, senior technical cadre	-	-	-	-	-	-	200,631,536	337,061,981
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>102,260,780</u>	<u>274,058,891</u>	<u>216,279,710</u>	<u>378,999,087</u>

### Share options or other equity instruments outstanding at the end of the year

<i>Type of grantees</i>	<i>Share options outstanding at the end of the year</i>		<i>Other equity instruments outstanding at the end of the year</i>	
	<i>Range of exercise prices</i>	<i>Remaining contractual life</i>	<i>Range of exercise prices</i>	<i>Remaining contractual life</i>
Manager, senior technical cadre	RMB 5.059 – 5.559 / share	1 - 3 years	/	/

## 2 Equity-settled share-based payments

On 17 December 2020, the Board of Directors of the Company approved the implementation of share options and restricted share incentive plans from 2020. The shares for the share options and restricted share incentive plans are from the Company's Renminbi A-share ordinary shares repurchased from secondary market. The plans are presented as follows:

### (a) Share option incentive plan

The initial grant date was 21 December 2020, and the implementation was completed on 25 December 2020. The actual number of grantees was 1,988, with a number of grants of 596,229,700 shares. The reserved grant date was 27 August 2021, the actual number of grantees was 110, and the number of grants is 33,000,000 shares, this grant was completed on 22 October 2021.

The share options are exercised in three phases after 24 months from the grant date. The exercise ratios for each phase are 34%, 33%, and 33%, respectively. The corresponding exercise dates are 2 years, 3 years, and 4 years from the grant date.

When the Company's performance meets the corresponding criteria, the proportion of exercisable rights of the above-mentioned share options is determined based on the business performance of the incentive object's operation and the contribution value of the incentive object. In accordance with the plan, the Company will deregister the current exercisable shares of the options obtained by the incentive objects if the exercise criteria stipulated in this plan are not met.

### (b) Restricted share incentive plan

The grant date of restricted share incentive plan was 21 December 2020, and the implementation was completed on 29 December 2020. The actual number of grantees was 793, with a number of grants of 321,813,800 share.

The lock-up periods of the restricted share incentive plan are the 24, 36 and 48 months from the grant date, respectively. During the lock-up period, restricted shares granted to the incentive object under this plan shall not be transferred, used for guarantee or debt repayment before the lock-up release. Lock-up restricted shares are released in three phases after 24 months from the grant date. The release ratios for each phase are 34%, 33%, and 33%, respectively. The corresponding release dates are 2 years, 3 years, and 4 years from the grant date. The actual number released shall be based on performance assessment result for the previous year.

When the Company's performance meets the corresponding criteria, the release proportion of the above-mentioned restricted shares is determined based on the business performance of the incentive object's operation and the contribution value of the incentive object. The Company will repurchase the locked restricted shares at the granted price of the incentive objects if the release criteria stipulated in this plan are not met, and the incentive object shall not release the restricted shares for the current period.

The total costs recognised by the Group's equity-settled share-based payments in the consolidated financial statement was RMB 331,439,427, and the accumulated amount of capital reserve paid by equity-settled share-based payments amounted to RMB 1,578,168,710. In the Company's financial statements, the Company recognised its long-term equity investment of RMB 254,548,584 in its subsidiary at the fair value of



the equity instruments at the grant date, and recognised expenses arising from share-based payments of RMB 76,890,843, as well as a capital reserve of RMB 331,439,427.

Based on relevant provisions of the restricted share incentive plan for the service period, if the granted object resigns before the release date, the Company will repurchase the restricted shares that have not been released at the subscription price of the granted object. Please refer to Note V. 30 (1) for the repurchased obligation set out in other payables.

- (1) Method for determining the fair value of equity instruments at the grant date is as follows:

Share options:

The fair value of equity instruments at the grant date is determined based on the difference between the assessed fair value of the exercisable share options at each grant date and the subscription price in RMB (RMB 1.68/share, RMB 1.93/share and RMB 2.09/share, respectively); the fair value of equity instruments at the reserved grant date is determined based on the difference between the assessed fair value of the exercisable share options at each reserved grant date and the subscription price in RMB (RMB 1.70/share, RMB 2.02/share and RMB 2.17/share, respectively).

Restricted shares:

The fair value of equity instruments at the grant date is determined based on the difference between the fair value of shares at the grant date and the subscription price at RMB 2.68/share.

- (2) Basis of determining the number of equity instruments expected to vest

At each balance sheet date during the vesting period, the best estimation is made according to the latest information, such as the number of employees who are granted options and the completion of performance indicators, and the number of equity instruments expected to vest is revised accordingly. On the vesting date, the estimated number is equal to the number of equity instruments that are ultimately vested.

### XIII. Capital management

The Group's primary objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group defines "capital" as including all components of equity, less unaccrued proposed dividends. The balances of related party transactions are not regarded by the Group as capital.

The Group's capital structure is regularly reviewed and managed to achieve an optimal structure and return for shareholders. Factors for the Group's consideration include: its future funding requirements, capital efficiency, actual and expected profitability, expected cash flows, and expected capital expenditure. Adjustments are made to the capital structure in light of changes in economic conditions affecting the Group.

The Group's capital structure is monitored on the basis of an adjusted net debt-to-capital ratio (total liabilities divided by total assets). The capital management strategies exerted by the Group remained unchanged from 2022. In order to maintain or adjust the ratio, the Group may adjust the amount of dividends paid to shareholders, request new loans, issue new shares, or sell assets to reduce debt.

As at 31 December 2023 and 31 December 2022, the Group's asset-liability ratios are as follows:

	2023	2022
Asset-liability ratio	52.81%	51.96%

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

XIV. Commitments and contingencies

1 Significant commitments

(1) Capital commitments

<i>The Group</i>	2023	2022
Contracts entered into but not performed or partially performed	15,399,501,743	31,109,629,604
Contracts authorized but not entered into	<u>123,338,068,701</u>	<u>100,442,930,917</u>
Total	<u>138,737,570,444</u>	<u>131,552,560,521</u>

The Group's contracts authorised but not entered into mainly included the fixed assets that Chengdu BOE Display Sci-tech Co., Ltd., BOE Healthcare Investment & Management Co., Ltd., Beijing BOE Chuangyuan Technology Co., Ltd. Management Co., Ltd., Qingdao BOE Optoelectronics Technology Co., Ltd., Chongqing BOE Display Technology Co., Ltd. and BOE Wisdom IOT Technology Co., Ltd. planned to purchase in subsequent years and project equipment that the Group planned to purchase in subsequent years.

<i>The Company</i>	2023	2022
Contracts entered into but not performed or partially performed	<u>42,398,401,670</u>	<u>28,350,937,574</u>

The Company's contracts entered into but not performed or partially performed mainly included guaranteed investments in Chengdu BOE Display Sci-tech Co., Ltd., Beijing BOE Chuangyuan Technology Co., Ltd. Management Co., Ltd., BOE Healthcare Investment & Management Co., Ltd., BOE Wisdom IOT Technology Co., Ltd., Mianyang BOE Electronic Technology Co., Ltd. and Yunnan Invensight Optoelectronics Technology Co., Ltd.

## 2 Guarantee

### (1) The Group as the guarantor

As at 31 December 2023, the Group did not have guarantees provided for external enterprises.

### (2) The Company as the guarantor

At 31 December 2023, Chengdu Optoelectronics pledged its land use right with carrying amount of RMB 38,417,021, machinery and equipment with carrying amount of RMB 17,224,190,248 and plants and buildings with carrying amount of RMB 2,266,634,905 as collaterals to obtain long-term loans of USD 578,700,000 and RMB 9,823,660,000. The Company provides joint-liability guarantee for the above loans.

At 31 December 2023, Yuansheng Optoelectronics pledged its land use right with carrying amount of RMB 42,405,072, machinery and equipment with carrying amount of RMB 3,912,197,528 and plants and buildings with carrying amount of RMB 2,166,212,374 as collaterals to obtain long-term loans of RMB 531,820,000. The Company provides joint-liability guarantee for the above loans.

At 31 December 2023, Chongqing BOE Display pledged its land use right with carrying amount of RMB 156,287,757, machinery and equipment with carrying amount of RMB 15,749,885,667 and plants and buildings with carrying amount of RMB 3,643,694,666 as collaterals to obtain long-term loans of USD 1,008,140,000 and RMB 7,612,218,976. The Company provides joint-liability guarantee for the above loans.

At 31 December 2023, Fuzhou BOE pledged its land use right with carrying amount of RMB 193,505,488, machinery and equipment carrying amount of RMB 4,056,778,651 and plants and buildings with carrying amount of RMB 2,835,712,839 as collaterals to obtain long-term loans of USD 66,000,000 and RMB 216,930,000. The Company provides joint-liability guarantee for the above loans.

At 31 December 2023, Hefei Display Technology pledged its land use right with carrying amount of RMB 267,494,910, machinery and equipment with carrying amount of RMB 9,426,450,403 and plants and buildings with carrying amount of RMB 3,400,676,062 as collaterals to obtain long-term loans of RMB 1,990,914,080. The Company provides joint-liability guarantee for the above loans.

At 31 December 2023, Mianyang BOE pledged its land use right with carrying amount of RMB 364,054,376, machinery and equipment carrying amount of RMB 21,837,380,218 and plants and buildings with carrying amount of RMB 4,721,085,480 as collaterals to obtain long-term loans of USD 694,730,000 and RMB 10,350,138,900. The Company provides joint-liability guarantee for the above loans.

At 31 December 2023, Wuhan BOE pledged its land use right with carrying amount of RMB 238,900,011, machinery and equipment with carrying amount of RMB 18,732,587,486 and plants and buildings with carrying amount of RMB 4,625,942,334 as collaterals to obtain long-term loans of USD 904,500,000 and RMB 5,523,000,000. The Company provides joint-liability guarantee for the above loans. In addition, the Company provides joint-liability guarantee for the letters of credit issued but not accepted of JPY 156,600,000.

At 31 December 2023, Chengdu BOE Hospital Co., Ltd. obtained long-term loans of RMB 1,522,953,257. The Company provides joint-liability guarantee for the above loans.

At 31 December 2023, Nanjing Display Technology obtained short-term loans of RMB 450,000,000 and long-term loans of RMB 1,200,000,000. The Company provides joint-liability guarantee for the above loans by means of counter guarantee.

## XV . Segment reporting

### 1 Segment reporting considerations

The Group management reviews the operation performance and allocates resources according to the business segments below.

- (a) Display business — The display business integrates design and manufacturing of display devices and strives to offer TFT-LCD, AMOLED, Microdisplay and other intelligent interface devices. This business focuses on providing high-quality smartphones, tablet PCs, laptops, monitors, TVs, vehicles, VR/AR and other display devices for customers.
- (b) Internet of Things (IoT) innovation business — The IoT innovation business integrates manufacturing models for system solution design, providing customers with competitive smart terminal products in the fields of TVs, monitors, laptops, tablet PCs, low power consumption products, IoT, 3D displays, etc. With artificial intelligence and big data as technical support, it focuses on products and services that integrate software and hardware, providing integrated solutions in IoT segments such as smart finance, smart industrial parks, etc.
- (c) Sensor business - The sensor and application solutions integrate manufacturing models for system solution design, covering both glass-based and silicon-based areas. It focuses on smart windows, innovative glass-based sensor devices, MEMS sensors, industrial sensors, and consumer electronics, providing customers with products and solutions including smart dimming windows and dimming system solutions, industrial sensors and solutions, MEMS sensors, and X-ray flat panel detector backplanes.
- (d) MLED business — The integrates design and manufacturing of devices and provides Mini-LED backlight products with high quality and strong reliability as well as high dynamic range that allow precisely brightness adjustment for TVs, monitors, laptops, car displays, VR/AR and other products; besides, it provides Mini/Micro-LED display products with high brightness, strong reliability and high contrast for use in outdoor display, commercial display, transparent display, special display and other scenarios.

- (e) Smart engineering medicine business - The smart engineering medicine business is a professional service model, providing services and solutions in healthcare, intelligent rehabilitation, and medical-engineering integration products. Meanwhile, the smart engineering medicine business is committed to building a closed loop of full-cycle health services with health management as the core, medical-engineering terminals as the traction, digital hospitals and rehabilitation communities as the support, to create an intelligent health management ecosystem, to connect testing equipment, healthcare personnel and customers, and to provide customers with the "prevision-treatment-nursing" full-chained health services.
- (f) Others - In addition to the above businesses, the Group provides software-hardware fusion and system integration solutions for different industries, specifically including intelligent internet of vehicles, industrial interconnection, digital art and other segments, which can provide customers with all-round, one-stop and intelligent new experiences in IoT segmented scenarios.

The main reason to separate the segments is that the Group independently manages the display business, IoT innovation business, sensor and application solutions, MLED, smart medicine and engineering and other businesses. As these business segments manufacture and sale different products, apply different manufacturing processes and specifies in gross profit, the business segments are managed independently. The management evaluates the performance and allocates resources according to the profit of each business segment and does not take financing cost and investment income into account.

## 2 Accounting policies for the measurements of reporting segments

For the purposes of assessing segment performance, the Group's management regularly reviews the revenue and costs attributable to each reportable segment. Inter-segment sales are determined with reference to prices charged to external parties for similar orders.

	2023							Total
	Display business	IoT innovation business	Sensor business	MLED business	Smart engineering medicine business	Others	Offsetting	
Operating income	147,053,141,751	38,900,197,799	405,037,922	2,902,110,558	2,791,584,190	6,850,103,017	(24,358,729,342)	174,543,445,895
Operating costs	133,565,229,836	35,289,028,777	330,401,208	3,226,930,635	2,241,522,000	1,196,726,016	(23,216,777,105)	152,633,061,367
	2022							Total
	Display business	IoT innovation business	Sensor business	MLED business	Smart engineering medicine business	Others	Offsetting	
Operating income	150,150,853,163	34,334,478,938	306,552,648	1,599,702,766	2,203,142,667	11,941,121,572	(22,122,120,575)	178,413,731,179
Operating costs	137,702,662,276	31,888,691,477	241,869,035	1,709,769,060	1,809,802,648	4,881,797,483	(20,704,025,827)	157,530,566,152

The Group develops various businesses by using common assets and liabilities and therefore, it could not analyse assets and liabilities of each reportable segment respectively by business. Besides, the Group restates comparative information in 2022 according to segment reporting in 2023

### 3 Secondary segment reporting (regional segments)

- (a) The geographical information is based on the location of customers receiving services or goods

The following table sets out information about the geographical location of the Group's operating income from external customers:

	<i>Operating income from external customers</i>	
	<u>2023</u>	<u>2022</u>
Mainland China	80,541,975,332	74,124,463,690
Other Asian countries and regions	55,229,893,619	63,351,896,814
Europe	5,504,039,510	5,745,261,109
America	33,250,560,809	35,121,526,346
Other regions	<u>16,976,625</u>	<u>70,583,220</u>
Total	<u>174,543,445,895</u>	<u>178,413,731,179</u>

- (b) Divided based on asset locations

The geographical location of the specified non-current assets is based on the physical location of the asset, in the case of fixed assets; the location of the operation to which they are allocated, in the case of intangible assets and goodwill; and the location of operations, in the case of interests in associates and joint ventures. Most of the non-current assets in the Group are located in the Chinese mainland.

### 4 Major customers

The Group has one customer (2022: One), the operating income from which is over 10% of the Group's total operating income in display business. The operating income from the customer, which represents approximately 15% of the Group's total operating income, is summarised in the table below:

<i>Customer</i>	<i>2023</i> RMB	<i>2022</i> RMB
Customer 1	26,082,948,856	28,511,004,302

XVI. Notes to the Company's financial statements

1 Accounts receivable

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

	<i>31 December</i> <i>2023</i>	<i>31 December</i> <i>2022</i>
Amounts due from related parties	4,874,309,921	4,867,860,690
Amounts due from other customers	<u>3,667,594</u>	<u>4,289,987</u>
Sub-total	4,877,977,515	4,872,150,677
Less: Provision for bad and doubtful debts	<u>7,564,419</u>	<u>8,485,408</u>
Total	<u>4,870,413,096</u>	<u>4,863,665,269</u>

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

<i>Ageing</i>	<i>2023</i>	<i>2022</i>
Within 1 year (inclusive)	3,662,390,168	3,813,706,724
Over 1 year but within 2 years (inclusive)	869,370,034	742,074,869
Over 2 years but within 3 years (inclusive)	37,761,471	182,932,357
Over 3 years	<u>308,455,842</u>	<u>133,436,727</u>
Sub-total	4,877,977,515	4,872,150,677
Less: Provision for bad and doubtful debts	<u>7,564,419</u>	<u>8,485,408</u>
Total	<u>4,870,413,096</u>	<u>4,863,665,269</u>

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



(3) Accounts receivable by provisioning method

Category	2023				Carrying amount
	Book value		Provision for impairment		
	Amount	Percentage (%)	Amount	Percentage (%)	
Individual assessment					
- Customers with high credit risk	7,564,419	0%	7,564,419	100%	-
- Customers with low credit risk	4,869,994,263	100%	-	0%	4,869,994,263
Collective assessment					
- Customers with moderate credit risk	418,833	0%	-	0%	418,833
<b>Total</b>	<b>4,877,977,515</b>	<b>100%</b>	<b>7,564,419</b>	<b>0%</b>	<b>4,870,413,096</b>

Category	2022				Carrying amount
	Book value		Provision for impairment		
	Amount	Percentage (%)	Amount	Percentage (%)	
Individual assessment					
- Customers with high credit risk	8,406,011	0%	8,406,011	100%	-
- Customers with low credit risk	4,863,603,112	100%	-	0%	4,863,603,112
Collective assessment					
- Customers with moderate credit risk	141,554	0%	79,397	56%	62,157
<b>Total</b>	<b>4,872,150,677</b>	<b>100%</b>	<b>8,485,408</b>	<b>0%</b>	<b>4,863,665,269</b>

(4) Additions and recoveries of provision for bad and doubtful debts during the year:

	31 December 2023				31 December 2022			
	Customers with high credit risk	Customers with low credit risk	Customers with moderate credit risk	Total	Customers with high credit risk	Customers with low credit risk	Customers with moderate credit risk	Total
Balance at the beginning of the year	-	79,397	8,406,011	8,485,408	-	174,299	4,090,353	4,264,652
Charge during the year	-	9,367	-	9,367	-	-	4,315,658	4,315,658
Recoveries during the year	-	(88,764)	(841,592)	(930,356)	-	(94,902)	-	(94,902)
Written-off during the year	-	-	-	-	-	-	-	-
<b>Balance at the end of the year</b>	<b>-</b>	<b>-</b>	<b>7,564,419</b>	<b>7,564,419</b>	<b>-</b>	<b>79,397</b>	<b>8,406,011</b>	<b>8,485,408</b>

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

The five largest accounts receivable of the Company amounted to RMB 4,613,531,874, amounting to 95% of the total accounts receivable at the end of the year, and no provisions for bad and doubtful debts were made at the end of the year.

2 Other receivables

	<i>Note</i>	<i>31 December 2023</i>	<i>31 December 2022</i>
Dividends receivable	(1)	1,189,273,456	333,352,986
Others	(2)	<u>27,192,355,082</u>	<u>19,544,792,389</u>
Total		<u><u>28,381,628,538</u></u>	<u><u>19,878,145,375</u></u>

(1) Dividends receivable

	<i>31 December 2023</i>	<i>31 December 2022</i>
Beijing Matsushita Colour Innovation Co., Ltd.	468,758,202	333,352,986
BOE Optoelectronics Holdings Co., Ltd.	545,367,900	-
Chongqing BOE Optoelectronics Technology Co., Ltd.	135,000,000	-
Beijing BOE Land Co., Ltd.	<u>40,147,354</u>	<u>-</u>
Total	<u><u>1,189,273,456</u></u>	<u><u>333,352,986</u></u>

(2) Others

(a) The Company's other receivables by customer type:

<i>Customer type</i>	<i>31 December 2023</i>	<i>31 December 2022</i>
Amounts due from subsidiaries	26,989,987,234	19,338,630,021
Amounts due from other related parties	77,517	14,894,073
Amounts due from other customers	<u>218,428,250</u>	<u>211,976,091</u>
Sub-total	27,208,493,001	19,565,500,185
Less: Provision for bad and doubtful debts	<u>16,137,919</u>	<u>20,707,796</u>
Total	<u><u>27,192,355,082</u></u>	<u><u>19,544,792,389</u></u>

(b) The Company's other receivables by currency:

As at 31 December 2023 and 31 December 2022, there is no other receivables in foreign currency.

(c) The ageing analysis of other receivables of the Company is as follows:

	<i>2023</i>	<i>2022</i>
Within 1 year (inclusive)	26,906,173,796	15,304,792,246
Over 1 year but within 2 years (inclusive)	136,005,824	2,669,590,657
Over 2 years but within 3 years (inclusive)	68,122,231	1,515,874,424
Over 3 years	<u>98,191,150</u>	<u>75,242,858</u>
Sub-total	27,208,493,001	19,565,500,185
Less: Provision for bad and doubtful debts	<u>16,137,919</u>	<u>20,707,796</u>
Total	<u><u>27,192,355,082</u></u>	<u><u>19,544,792,389</u></u>

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

(d) Other receivables by provisioning method

Category	31 December 2023				Carrying amount
	Book value		Provision for impairment		
	Amount	Percentage (%)	Amount	Percentage (%)	
Individual assessment					
- Accounts with high creditrisk	16,137,919	0%	16,137,919	100%	-
- Accounts with low credit risk	<u>27,192,355,082</u>	100%	<u>-</u>	0%	<u>27,192,355,082</u>
合计	<u>27,208,493,001</u>	100%	<u>16,137,919</u>	0%	<u>27,192,355,082</u>

  

Category	31 December 2022				Carrying amount
	Book value		Provision for impairment		
	Amount	Percentage (%)	Amount	Percentage (%)	
Individual assessment					
- Accounts with high creditrisk	20,707,796	0%	20,707,796	100%	-
- Accounts with low credit risk	<u>19,544,792,389</u>	100%	<u>-</u>	0%	<u>19,544,792,389</u>
合计	<u>19,565,500,185</u>	100%	<u>20,707,796</u>	0%	<u>19,544,792,389</u>

(e) Movements of provisions for bad and doubtful debts

	2023				2022			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL - Not credit impaired	Stage 3 Lifetime ECL - Credit impaired	Total	Stage 1 12-month ECL	Stage 2 Lifetime ECL - Not credit impaired	Stage 3 Lifetime ECL - Credit impaired	Total
Balance at the beginning of the year	-	-	20,707,796	20,707,796	-	-	6,801,910	6,801,910
Additions during the year	-	-	176,044	176,044	-	-	13,905,886	13,905,886
Recoveries during the year	-	-	(4,745,921)	(4,745,921)	-	-	-	-
Balance at the end of the year	<u>-</u>	<u>-</u>	<u>16,137,919</u>	<u>16,137,919</u>	<u>-</u>	<u>-</u>	<u>20,707,796</u>	<u>20,707,796</u>

(f) Other receivables categorised by nature

Nature of other receivables	Note	2023	2022
Transaction amount		26,989,987,234	19,338,630,021
Others		<u>218,505,767</u>	<u>226,870,164</u>
Sub-total		27,208,493,001	19,565,500,185
Less: Provision for bad and doubtful debts		<u>16,137,919</u>	<u>20,707,796</u>
Total		<u>27,192,355,082</u>	<u>19,544,792,389</u>

(i) As of December 31, 2023 and December 31, 2022, the Company's current accounts mainly consisted of loans receivable from subsidiaries.

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

Other receivables at the end of the year due from the top five debtors of the Company amounted to RMB 22,299,935,803 in total, most of which are amounts due to/from related parties within the Group. No provision is made for bad and doubtful debts after assessment.

3 Long-term equity investments

(1) The Company's long-term equity investments by category:

	2023	2022
Investments in subsidiaries	187,984,376,186	211,178,767,516
Investments in associates and joint ventures	<u>3,156,825,405</u>	<u>3,162,185,504</u>
Sub-total	191,141,201,591	214,340,953,020
Less: Provision for impairment	<u>32,000,000</u>	<u>32,000,000</u>
Total	<u>191,109,201,591</u>	<u>214,308,953,020</u>

(2) Investments in subsidiaries:

Subsidiary	Increase during the year				Balance at the end of the year	Balance of provision for impairment at the beginning of the year	Balance of provision for impairment at the end of the year
	Balance at the beginning of the year	Increase in investments	Share-based payments	Decrease during the year <sup>*</sup>			
Chengdu BOE Optoelectronics Technology Co., Ltd.	25,108,960,003	-	23,902,297	-	25,132,862,300	-	-
Hefei BOE Optoelectronics Technology Co., Ltd.	9,063,122,784	-	11,097,252	(6,300,000,000)	2,774,220,036	-	-
Beijing BOE Display Technology Co., Ltd.	17,647,311,114	-	64,743,016	(8,688,599,600)	9,023,454,530	-	-
Hefei Xinsheng Optoelectronics Technology Co., Ltd.	20,155,950,604	-	16,389,386	(9,747,500,000)	10,424,839,990	-	-
Ordos Yuansheng Optoelectronics Co., Ltd.	11,814,307,688	-	2,116,517	-	11,816,424,205	-	-
Chongqing BOE Optoelectronics Technology Co., Ltd.	19,599,657,767	-	6,918,631	(15,380,800,000)	4,225,776,398	-	-
Fuzhou BOE Optoelectronics Technology Co., Ltd.	14,701,372,178	536,500,000	5,777,659	-	15,243,649,837	-	-
Beijing BOE Video Technology Co., Ltd. ("BOE Video")	4,427,357,720	20,000,000	500,543	-	4,447,858,263	-	-
Beijing BOE Vacuum Electronics Co., Ltd.	19,933,529	-	192,584	-	20,126,113	-	-
Beijing BOE Vacuum Technology Co., Ltd.	32,000,000	-	-	-	32,000,000	32,000,000	32,000,000
Beijing Yinghe Century Co., Ltd.	352,398,076	-	5,786,399	-	358,184,475	-	-
BOE Optical Science and technology Co., Ltd.	667,477,273	-	2,075,965	-	669,553,238	-	-
BOE Hyundai LCD (Beijing) Display Technology Co., Ltd.	41,986,755	-	1,849,933	-	43,836,688	-	-
BOE (Hebei) Mobile Technology Co., Ltd.	1,356,283,555	-	512,739	-	1,356,796,294	-	-
Beijing BOE Multimedia Technology Co., Ltd.	400,000,000	-	-	-	400,000,000	-	-
Beijing BOE Energy Technology Co., Ltd.	857,581,382	-	668,534	-	858,249,916	-	-
Beijing BOE Life Technology Co., Ltd.	10,000,000	-	-	-	10,000,000	-	-
Beijing Zhongxiangying Technologies Co., Ltd.	102,267,168	-	223,794	-	102,490,962	-	-
BOE Semi-conductor Co., Ltd.	9,450,000	-	-	-	9,450,000	-	-
BOE Optoelectronics Holding Co., Ltd.	3,487,684,762	-	-	-	3,487,684,762	-	-
BOE Healthcare Investment & Management Co., Ltd.	7,824,073,441	1,597,000,000	1,920,735	-	9,422,994,176	-	-
Hefei BOE Display Technology Co., Ltd.	2,041,579,920	6,929,009,200	9,264,463	-	8,979,853,583	-	-
Beijing BOE Technology Development Co., Ltd.	2,512,354	-	443,220	-	2,955,574	-	-
Hefei BOE Zhuoyin Technology Co., Ltd.	604,704,163	-	894,613	-	605,598,776	-	-
Beijing BOE Real Estate Co., Ltd.	9,480,764	-	519,398	-	10,000,162	-	-
Beijing BOE Marketing Co., Ltd.	31,573,496	-	311,874	-	31,885,370	-	-
BOE (Korea) Co., Ltd.	7,095,901	-	1,897,359	-	8,993,260	-	-
Yunnan Invensight Optoelectronics Technology Co., Ltd.	1,518,597,279	-	2,951,109	-	1,521,548,388	-	-
Mianyang BOE Optoelectronics Technology Co., Ltd.	22,342,273,335	-	5,265,626	-	22,347,538,961	-	-
Beijing BOE Sensing Technology Co., Ltd.	4,496,105,589	35,000,000	5,988,185	-	4,537,093,774	-	-
Wuhan BOE Optoelectronics Technology Co., Ltd.	12,524,485,421	-	6,353,040	-	12,530,838,461	-	-
Chongqing BOE Display Technology Co., Ltd.	9,312,579,810	700,275,250	4,624,825	-	10,017,479,885	-	-
Fuzhou BOE Display Technology Co., Ltd.	22,836,726	-	223,794	-	23,060,520	-	-
Beijing Matsushita Colour CRT Co., Ltd.	5,151,625	-	994,383	-	6,146,008	-	-
BOE Innovation Investment Co., Ltd.	3,198,191,319	479,000,000	569,023	-	3,677,760,342	-	-
Hefei BOE Xingyu Technology Co., Ltd.	506,367,236	-	540,515	-	506,907,751	-	-
BOE Education Technology Co., Ltd.	29,259,274	-	-	-	29,259,274	-	-
Dongfang Chengqi (Beijing) Business Technology Co., Ltd.	13,786,416	-	2,140,752	-	15,927,168	-	-
BOE Smart Technology Co., Ltd.	2,072,000,000	650,000,000	-	-	2,722,000,000	-	-
Nanjing BOE Display Technology Co., Ltd.	5,598,629,797	-	4,042,190	-	5,602,671,987	-	-
Chengdu BOE Display Sci-tech Co., Ltd. (Chengdu Display Sci-tech)	7,557,371,638	-	4,267,100	-	7,561,638,738	-	-
BOE Mled Technology Co., Ltd.	1,312,793,925	146,000,000	6,012,620	-	1,464,806,545	-	-
BOE Environmental Energy Technology Co., Ltd.	50,000,000	-	1,886,158	-	51,886,158	-	-
Chengdu BOE Display Technology Co., Ltd.	5,263,000	394,725,000	-	-	399,988,000	-	-
Beijing BOE Chuangyuan Technology Co., Ltd	-	2,249,653,000	-	-	2,249,653,000	-	-
Mianyang BOE Electronics Technology Co., Ltd	-	680,000,000	-	-	680,000,000	-	-
Beijing Shiyuan Technology Co., Ltd	-	167,200,000	-	-	167,200,000	-	-
HC SemiTek Corporation	-	2,083,597,236	-	-	2,083,597,236	-	-
Others**	236,952,729	-	50,682,353	-	287,635,082	-	-
Total	211,178,767,516	16,667,959,686	254,548,584	(40,116,899,600)	187,984,376,186	32,000,000	32,000,000

\* As of December 31, 2023, this year's reduction in capital contribution to the subsidiary by our company has been completed, and the total amount of capital reduction receivable amounts to RMB 40,116,899,600. Within this figure, our company has received RMB 1,200,000,000 as capital reduction proceeds. Furthermore, an aggregate amount of RMB 36,144,229,375 from the capital reduction receivable has been utilized to offset the principal and interest on internal loans extended by our company to the subsidiary. As of the reporting period, there remains an outstanding capital reduction receivable of RMB 2,772,670,225, which is recorded under other accounts receivable.

\*\* Others represented equity-settled share-based payments granted by the Company to employees of other subsidiaries.

For information about the major subsidiaries of the Company, refer to Note VIII. 1.

(3) Investments in associates:

<i>Investee</i>	<i>Balance at the beginning of the year</i>	<i>Movements during the year</i>						<i>Balance at the end of the year</i>	<i>Balance of provision for impairment at the end of the year</i>
		<i>Increase in investments</i>	<i>Decrease in investments</i>	<i>Investment (loss) / income under equity method</i>	<i>Other comprehensive income</i>	<i>Other equity movements</i>	<i>Declared distribution of cash dividends or profits</i>		
Erdos BOE Energy Investment Co., Ltd.	136,459,610	-	-	(530,631)	-	-	-	135,928,979	-
Beijing Xindongneng Investment Fund (Limited Partnership)	2,034,870,324	-	-	413,237,868	(341,083,735)	-	(242,256,254)	1,864,768,203	-
Beijing Innovation Industry Investment Co., Ltd.	223,216,553	-	-	12,953,665	-	-	-	236,170,218	-
Beijing Electric Control Industry Investment Co., Ltd.	258,149,907	78,035,900	-	(1,505,013)	51,071,365	-	-	385,752,159	-
Beijing BOE Art Cloud Technology Co., Ltd.	359,151,756	-	-	8,087,341	-	(6,214,034)	-	361,025,063	-
Others	150,337,354	28,300,000	(1,778,150)	(2,878,421)	-	-	(800,000)	173,180,783	-
<b>Total</b>	<b>3,162,185,504</b>	<b>106,335,900</b>	<b>(1,778,150)</b>	<b>429,364,809</b>	<b>(290,012,370)</b>	<b>(6,214,034)</b>	<b>(243,056,254)</b>	<b>3,156,825,405</b>	<b>-</b>

4 Other payables

	<i>Note</i>	<i>2023</i>	<i>2022</i>
Dividends payable		6,451,170	6,410,514
Others	(1)	<u>3,509,544,809</u>	<u>4,242,980,632</u>
<b>Total</b>		<u><b>3,515,995,979</b></u>	<u><b>4,249,391,146</b></u>

(1) Others

(a) The Company's other payables by category are as follows:

	<i>Note</i>	<i>2023</i>	<i>2022</i>
Amounts due to/from subsidiaries		2,791,489,305	2,912,284,353
Repurchase obligation of restricted shares	V.42	457,401,616	753,440,228
Purchase of projects, equipment and intangible assets		132,545,852	405,997,313
Others		<u>128,108,036</u>	<u>171,258,738</u>
<b>Total</b>		<u><b>3,509,544,809</b></u>	<u><b>4,242,980,632</b></u>

(b) The Company's other payables by currency:

	<u>2023</u>			<u>2022</u>		
	<i>Amount in original currency</i>	<i>Exchange rate</i>	<i>RMB/RMB equivalents</i>	<i>Amount in original currency</i>	<i>Exchange rate</i>	<i>RMB/RMB equivalents</i>
RMB			1,546,430,154			2,182,655,332
USD	276,804,561	7.0827	1,960,523,664	295,816,014	6.9646	2,060,240,211
JPY	51,613,367	0.0502	2,590,991	-	-	-
EUR	-	-	-	11,463	7.4229	<u>85,089</u>
<b>Total</b>			<u><b>3,509,544,809</b></u>			<u><b>4,242,980,632</b></u>



## 5 Long-term loans

	2023		2022	
	RMB	Credited/ collateralised/ guaranteed/ pledged	RMB	Credited/ collateralised/ guaranteed/ pledged
Bank loans				
- RMB	48,042,049,084	Credited	42,222,030,392	Credited
Less: Long-term loans due within one year	<u>3,988,949,084</u>	Credited	<u>2,664,530,392</u>	Credited
Total	<u>44,053,100,000</u>		<u>39,557,500,000</u>	

The interest rate of RMB long-term loans for the Company ranged from 1.20% to 3.30% in 2023 (2022: 0% to 3.53%).

## 6 Capital reserve

Items	Share premium	Other capital reserves	Total
Balance at the beginning of the year	53,066,616,806	627,010,407	53,693,627,213
Add: Equity-settled share-based payments	-	331,439,427	331,439,427
Other movements in equity of associates	-	(6,214,034)	(6,214,034)
Cancellation of treasury shares	(2,244,946,976)	-	(2,244,946,976)
Others	<u>(32,084,906)</u>	-	<u>(32,084,906)</u>
Balance at the end of the year	<u>50,789,584,924</u>	<u>952,235,800</u>	<u>51,741,820,724</u>

## 7 Other comprehensive income

Item	Balance at the beginning of the year	Movements during the year				Balance at the end of the year
		Before-tax amount	Less: Income tax expense	Less: Transfer of other comprehensive income to profit or loss	Less: Transfer of other comprehensive income to retained earnings	
Items that will not be reclassified to profit or loss	445,935	(282,176,415)	13,421,765	-	1,175,221	(296,327,466)
Including: Other comprehensive income recognised under equity method	121,611,393	(290,012,370)	12,246,372	-	1,175,221	(181,822,570)
Changes in fair value of investments in other equity instruments	(121,165,458)	7,835,955	1,175,393	-	-	(114,504,896)
Items that may be reclassified to profit or loss	<u>(105,590)</u>	-	-	-	-	<u>(105,590)</u>
Total	<u>340,345</u>	<u>(282,176,415)</u>	<u>13,421,765</u>	<u>-</u>	<u>1,175,221</u>	<u>(296,433,056)</u>

8 Retained earnings

<i>Item</i>	2023	2022
Retained earnings at the beginning of the year	6,624,620,470	11,950,975,927
Total adjustments for opening retained earnings (“+” for increase; “-” for decrease)	-	-
Retained earnings at the beginning of the year (after adjustment)	6,624,620,470	11,950,975,927
Add: Net profits for the year	3,305,971,786	3,481,863,512
Less: Appropriation for statutory surplus reserve	330,597,179	348,186,351
Interest on holders of other equity instruments	118,551,232	530,695,890
Dividends to ordinary shares	2,296,367,348	7,958,923,130
Transfer of other comprehensive income to retained earnings	<u>(1,057,699)</u>	<u>(29,586,402)</u>
Retained earnings at the end of the year	<u>7,186,134,196</u>	<u>6,624,620,470</u>

9 Operating income and operating costs

<i>Item</i>	<u>2023</u>		<u>2022</u>	
	<i>Income</i>	<i>Cost</i>	<i>Income</i>	<i>Cost</i>
Principal activities	4,669,890,971	11,551,234	4,826,443,711	9,746,176
Other operating activities	<u>38,575,016</u>	<u>1,076,333</u>	<u>46,885,004</u>	<u>334,092</u>
Total	<u>4,708,465,987</u>	<u>12,627,567</u>	<u>4,873,328,715</u>	<u>10,080,268</u>
Including: Revenue from contracts with customers	4,604,652,687	3,072,136	4,758,053,462	417,034
Other income	103,813,300	9,555,431	115,275,253	9,663,234

10 Investment income

	2023	2022
Income from long-term equity investments accounted for using the cost method	1,555,817,904	1,221,116,853
Income from long-term equity investments accounted for using the equity method	429,364,809	328,861,860
Investment income from disposal of long-term equity investments	1,581,850	30,000,000
Dividend income from investments in other equity instruments	728,606	206,209
Including: Dividend income from investments in other equity instruments held at the balance sheet date	728,606	206,209
Others	<u>3,990,185</u>	<u>353,903,009</u>
 Total	 <u>1,991,483,354</u>	 <u>1,934,087,931</u>

11 Supplementary information on cash flow statement

(1) Supplement to the cash flow statement

	2023	2022
(a) Reconciliation of net profit to cash flows from operating activities:		
Net profit	3,305,971,786	3,481,863,512
Add: Depreciation of fixed assets, investment properties and right-of-use assets	205,071,503	198,186,954
Amortisation of intangible assets	181,868,535	205,316,168
Amortisation of long-term deferred expenses	73,436,949	53,563,810
Losses from scrapping of fixed assets	4,248,142	11,563
Loss on disposal of fixed assets, intangible assets and other long-term assets	(5,077,109)	-
Credit losses	(5,490,866)	18,126,642
Losses from changes in fair value	(49,498,773)	-
Financial expenses	414,990,764	572,555,726
Investment income	(1,991,483,354)	(1,934,087,931)
Share-based payments	76,890,841	164,840,515
Change in deferred income	(978,788,846)	(916,302,566)
Changes in deferred tax assets and liabilities	97,968,124	(113,828,946)
Decrease in gross inventories	(4,271,106)	787,291
Decrease / (increase) in operating receivables	(411,585,912)	780,128,458
Increase / (decrease) in operating payables	56,568,894	1,173,595,580
	<u>970,819,572</u>	<u>3,684,756,776</u>
Net cash inflow from operating activities	<u>970,819,572</u>	<u>3,684,756,776</u>

(b) Net changes in cash and cash equivalents:		
	<i>2023</i>	<i>2022</i>
Cash and cash equivalents at the end of the year	4,249,329,821	7,111,879,033
Less: Cash and cash equivalents at the beginning of the year	<u>7,111,879,033</u>	<u>5,599,937,349</u>
Net increase in cash and cash equivalents	<u>(2,862,549,212)</u>	<u>1,511,941,684</u>

(2) Details of cash and cash equivalents		
	<i>2023</i>	<i>2022</i>
Cash on hand	14,205	13,361
Bank deposits available on demand	4,248,378,624	7,111,658,528
Other monetary funds available on demand	<u>936,992</u>	<u>207,144</u>
Closing balance of cash and cash equivalents	<u>4,249,329,821</u>	<u>7,111,879,033</u>

Note: Cash and cash equivalents disclosed above exclude other monetary fund with restricted usage.

XVII. Extraordinary gains and losses in 2023

	2023	2022
Losses from disposal of non-current assets	(19,625,160)	(4,908,339)
Government grants recognised through profit or loss (Except for government subsidies that are closely related to the company's normal business operations, comply with national policies and regulations, are enjoyed in accordance with determined standards, and have a continuous impact on the company's profit and loss)	3,793,619,228	5,458,665,272
Changes in fair value of financial assets held for trading and investment income from disposal of financial assets held for trading	360,708,461	275,498,559
Reversal of provision for bad and doubtful debts of receivables assessed on an individual basis	43,996,519	18,395,999
Investment income from disposal of long-term equity investments	1,581,850	829,872,568
Other income from long-term equity investments	-	4,620,534,865
Other non-operating income and expenses besides items above	<u>333,923,695</u>	<u>90,115,764</u>
Sub total	4,514,204,593	11,288,174,688
Tax effect	227,580,473	133,580,776
Extraordinary gains affecting net profit of equity shareholders of the non-controlling shareholders	<u>1,106,627,416</u>	<u>1,375,063,961</u>
Total	<u>3,179,996,704</u>	<u>9,779,529,951</u>

Note: 1. There is no impact on BOE Group's disclosure for the year after the implementation based on the Interpretive Pronouncement on the Preparation of Information Disclosures of Companies Issuing Public Shares No.1 - Extraordinary Gains and Losses (Revised in 2023).

2. Extraordinary gain and loss item listed above are presented in the amount before taxation.

XVIII. Return on net assets and earnings per share

In accordance with “Regulation on the Preparation of Information Disclosures by Companies Issuing Securities No.9 – Calculation and Disclosure of the Return on Net Assets and Earnings Per Share” (2010 revised) issued by the CSRC and relevant accounting standards, the Group’s return on net assets and earnings per share are calculated as follows:

<i>Profit for the reporting period</i>	<i>Weighted average return on net assets (%)</i>	<i>Basic earnings per share</i>	<i>Diluted earnings per share</i>
Net profit attributable to the Company’s ordinary equity shareholders	1.89%	0.06	Not applicable
Net profit excluding extraordinary gain and loss attributable to the Company’s ordinary equity shareholders	(0.60%)	(0.02)	Not applicable

1 Calculation of earnings per share

(1) Basic earnings per share

For calculation of the basic earnings per share, refer to Note V.60.

(2) Basic earnings per share excluding extraordinary gain and loss

Basic earnings per share excluding extraordinary gain and loss is calculated as dividing consolidated net profit excluding extraordinary gain and loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding:

	2023	2022
Consolidated net profit attributable to ordinary shareholders of the Company	2,411,710,231	6,946,201,476
Extraordinary gains and losses attributable to ordinary shareholders of the Company	3,179,996,704	9,779,529,951
Consolidated net loss excluding extraordinary gain and loss attributable to the Company’s ordinary equity shareholders	(768,286,473)	(2,833,328,475)
Weighted average number of ordinary shares outstanding	37,429,510,530	37,502,641,911
Basic earnings per share excluding extraordinary gain and loss (RMB/share)	(0.02)	(0.08)

2 Calculation of weighted average return on net assets

(1) Weighted average return on net assets

Weighted average return on net assets is calculated as dividing consolidated net profit attributable to ordinary shareholders of the Company by the weighted average amount of consolidated net assets:

	2023	2022
Consolidated net profit attributable to ordinary shareholders of the Company	2,411,710,231	6,946,201,476
Weighted average amount of consolidated net assets	127,674,255,464	127,511,655,974
Weighted average return on net assets	1.89%	5.45%

Calculation of weighted average amount of consolidated net assets is as follows:

	2023	2022
Consolidated net assets at the beginning of the year	127,909,808,396	129,057,081,638
Effect of consolidated net profit attributable to ordinary shareholders of the Company	1,205,855,116	3,473,100,738
Effect of non-public issuance of shares	-	-
Effect of repurchase of treasury shares	-	(495,230,613)
Distribution of profits to ordinary shareholders	(1,335,983,365)	(4,626,435,310)
Effect of change in shareholding ratio of subsidiaries	(418,139,849)	377,180,229
Effect of movements in amounts attributable to ordinary shareholders of the Company	<u>312,715,166</u>	<u>(274,040,708)</u>
Weighted average amount of consolidated net assets	<u>127,674,255,464</u>	<u>127,511,655,974</u>

(2) Weighted average return on net assets excluding extraordinary gains and losses

Weighted average return on net assets excluding extraordinary gain and loss is calculated as dividing consolidated net loss excluding extraordinary gain and loss attributable to ordinary shareholders of the Company by the weighted average amount of consolidated net assets:

	2023	2022
Consolidated net loss excluding extraordinary gain and loss attributable to the Company's ordinary equity shareholders	(768,286,473)	(2,833,328,475)
Weighted average amount of consolidated net assets	127,674,255,464	127,511,655,974
Weighted average return on net assets excluding extraordinary gain and loss	(0.60%)	(2.22%)