

BOE

INTERIM REPORT 2019

August 2019

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

Part I Important Notes, Table of Contents and Definitions

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

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

All the directors of the Company except for the following attended in person the Board meeting for the review of this Report and its summary.

Name	Office title	Reason for not attending the meeting in person	Proxy entrusted to attend the meeting
Pan Jinfeng	Director	Due to work	Li Yantao
Wang Chenyang	Director	Due to work	Li Yantao
Li Xuan	Independent director	Due to work	Hu Xiaolin

The Company has no interim dividend plan, either in the form of cash or stock.

Any plans for the future, development strategies and other forward-looking statements mentioned in this Report and its summary shall NOT be considered as absolute promises of the Company to investors. Therefore, investors are reminded to exercise caution when making investment decisions. For further information, see “X Risks Facing the Company and Countermeasures” in Part IV herein.

This Report has been prepared as per the Chinese Accounting Standards for Business Enterprises and other relevant regulations.

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

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Definitions

Term	Definition
“BOE”, the “Company”, the “Group” or “we”	BOE Technology Group Co., Ltd. and its consolidated subsidiaries, except where the context otherwise requires
The cninfo website	http://www.cninfo.com.cn/
CSRC	The China Securities Regulatory Commission
The Stock Listing Rules	The Stock Listing Rules of the Shenzhen Stock Exchange (Revised in November 2018)
SZSE, the Stock Exchange	The Shenzhen Stock Exchange
The Articles of Association	The Articles of Association of BOE Technology Group Co., Ltd.
The Company Law	The Company Law of the People’s Republic of China
The Securities Law	The Securities Law of the People’s Republic of China
OASIS Hospital	OASIS International Hospital
IHS Markit	Information Handling Services, Inc. & Markit Ltd.
AMOLED	Active-matrix Organic Light Emitting Diode
AMQLED	Active Matrix Quantum-dot Light Emitting Diode
OLED	Organic Light Emitting Diode
VR/AR	Virtual Reality /Augmented Reality
IoT	Internet of Things
AI	Artificial Intelligence
IFI	IFI CLAIMS Patent Services
IEC	International Electrotechnical Commission
LCD	Liquid Crystal Display
LTPS	Low Temperature Poly-silicon
FPXD	Flat Panel X-ray Detector
TDDI	Touch and Display Driver Integration
WQHD	Wide Quad High Definition, i.e. 2560×1440 definition
COF+COB	Chip On Film + Chip On Board
WXGA	Wide Extended Graphics Array, i.e. 1280×800 definition
WUXGA	Widescreen Ultra eXtended Graphics Array, i.e. 1920×1200 definition
OGM Tilt Active Pen	One Glass of Metal-mesh Tilt Active Pen
MSMX-ray	Metal-Silicon-Metal X-ray

d-PCR	Digital Polymerase Chain Reaction
ITU	International Telecommunication Union
ICT	Information and Communication Technology
2019 SID Best in Show	The “Best in Show” Award granted by The Society for Information Display for 2019
COPQ	Cost Of Poor Quality
APS	Active Pixel Sensor
MEMS	Micro-Electro-Mechanical System
SDK	Software Development Kit
BD Cell	BOE Dual Cell

Part II Corporate Information and Key Financial Information

I Corporate Information

Stock name	BOE-A, BOE-B	Stock code	000725, 200725
Changed stock name (if any)	N/A		
Stock exchange for stock listing	Shenzhen Stock Exchange		
Company name in Chinese	京东方科技集团股份有限公司		
Abbr. (if any)	京东方		
Company name in English (if any)	BOE TECHNOLOGY GROUP CO., LTD.		
Abbr. (if any)	BOE		
Legal representative	Chen Yanshun		

II Contact Information

Item	Board Secretary	Securities Representative
Name	Liu Hongfeng	Huang Rong
Address	12 Xihuan Middle Road, Beijing Economic-Technological Development Area, P.R.China	12 Xihuan Middle Road, Beijing Economic-Technological Development Area, P.R.China
Tel.	010—64318888 ext.	010—64318888 ext.
Fax	010—64366264	010—64366264
Email address	liuhongfeng@boe.com.cn	huangrong@boe.com.cn

III Other Information

1. Contact Information of the Company

Indicate by tick mark whether any change occurred to the registered address, office address and their zip codes, website address and email address of the Company in the Reporting Period.

☐ Applicable ☒ Not applicable

No change occurred to the said information in the Reporting Period, which can be found in the 2018 Annual Report.

2. Media for Information Disclosure and Place where this Report is Lodged

Indicate by tick mark whether any change occurred to the information disclosure media and the place for keeping the Company's periodic reports in the Reporting Period.

☐ Applicable ☒ Not applicable

The newspapers designated by the Company for information disclosure, the website designated by the CSRC for disclosing the Company's periodic reports and the place for keeping such reports did not change in the Reporting Period. The said information can be found in the 2018 Annual Report.

IV Key Financial Information

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

☒ Yes ☐ No

Reasons for the retrospective restatements:

Changes to the accounting policies.

Item	H1 2019	H1 2018		Change (%)
		Before	Restated	Restated
Operating revenue (RMB)	55,039,208,687.00	43,473,904,966.00	43,473,904,966.00	26.60%
Net profit attributable to the listed company's shareholders (RMB)	1,668,448,449.00	2,975,206,500.00	2,975,206,500.00	-43.92%
Net profit attributable to the listed company's shareholders before exceptional gains and losses (RMB)	651,490,434.00	978,868,759.00	1,503,020,477.00	-56.65%
Net cash generated from/used in operating activities (RMB)	11,594,984,349.00	11,439,605,846.00	11,581,507,174.00	0.12%
Basic earnings per share (RMB/share)	0.048	0.085	0.085	-43.53%
Diluted earnings per share (RMB/share)	0.048	0.085	0.085	-43.53%
Weighted average return on equity (%)	1.92%	3.45%	3.45%	-1.53%
Item	30 June 2019	31 December 2018		Change (%)
		Before	Restated	Restated
Total assets (RMB)	317,061,830,609.00	304,028,491,385.00	304,028,491,385.00	4.29%
Equity attributable to the listed company's shareholders (RMB)	86,523,347,828.00	85,856,748,703.00	85,856,748,703.00	0.78%

Reasons for the changes to the accounting policies and correction of accounting errors:

In the 2018 Annual Report, the net profit attributable to the listed company's shareholders before exceptional gains and losses was restated according to the audit results. According to the interpretations of the regulatory document CK [2018] No.15, government subsidies received, whether related to assets or income, shall be presented as cash generated from operating activities" in the cash flow statements.

V Accounting Data Differences under China's Accounting Standards for Business Enterprises (CAS) and International Financial Reporting Standards (IFRS) and Foreign Accounting Standards

1. Net Profit and Net Asset Differences under CAS and IFRS

☐ Applicable ☒ Not applicable

No such differences for the Reporting Period.

2. Net Profit and Net Asset Differences under CAS and Foreign Accounting Standards

☐ Applicable ☒ Not applicable

No such differences for the Reporting Period.

XI Exceptional Gains and Losses

☒ Applicable ☐ Not applicable

Unit: RMB

Item	Amount	Note
Gain or loss on disposal of non-current assets (inclusive of impairment allowance write-offs)	-672,378.00	N/A
Tax rebates, reductions and exemptions given with ultra vires approval or in lack of official approval documents	0.00	N/A
Government subsidies charged to current profit or loss (exclusive of government subsidies given in the Company's ordinary course of business at fixed quotas or amounts as per the government's uniform standards)	1,152,320,986.00	N/A
Capital occupation charges on non-financial enterprises that are charged to current profit or loss	0.00	N/A
Gain equal to the amount by which investment costs for the Company to obtain subsidiaries, associates and joint ventures are lower than the Company's enjoyable fair value of identifiable net assets of investees when making investments	0.00	N/A
Gain or loss on non-monetary asset swaps	0.00	N/A
Gain or loss on assets entrusted to other entities for investment or management	0.00	N/A
Allowance for asset impairments due to acts of God such as natural disasters	0.00	N/A
Gain or loss on debt restructuring	0.00	N/A
Restructuring costs in staff arrangement, integration, etc.	0.00	N/A
Gain or loss on the over-fair value amount as a result of transactions with	0.00	N/A

distinctly unfair prices		
Current profit or loss on subsidiaries obtained in business combinations involving enterprises under common control from the period-beginning to combination dates, net	0.00	N/A
Gain or loss on contingencies that do not arise in the Company's ordinary course of business	0.00	N/A
Gain or loss on fair-value changes in trading and derivative financial assets and liabilities & income from disposal of trading and derivative financial assets and liabilities and other investments in debt obligations (exclusive of the effective portion of hedges that arise in the Company's ordinary course of business)	79,628,679.00	N/A
Reversed portions of impairment allowances for accounts receivable and contract assets which are tested individually for impairment	701,302.00	N/A
Gain or loss on loan entrustments	0.00	N/A
Gain or loss on fair-value changes in investment property of which subsequent measurement is carried out using the fair value method	0.00	N/A
Effects of all adjustments required by taxation, accounting and other applicable laws and regulations on current profit or loss	0.00	N/A
Income from charges on entrusted management	0.00	N/A
Non-operating income and expense other than the above	51,173,190.00	N/A
Other gains and losses that meet the definition of exceptional gain/loss	0.00	N/A
Less: Income tax effects	70,992,401.00	N/A
Non-controlling interests effects (net of tax)	195,201,363.00	N/A
Total	1,016,958,015.00	--

Explanation of why the Company reclassifies as recurrent an exceptional gain/loss item defined or listed in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public—Exceptional Gain/Loss Items:

☐ Applicable ☒ Not applicable

No such cases for the Reporting Period.

Part III Business Summary

I Principal Activity of the Company in the Reporting Period

Is the Company subject to any industry-specific disclosure requirements?

No.

Founded in April 1993, BOE Technology Group Co., Ltd. (“BOE”) is an IoT company providing intelligent interface products and services for information interaction and human health. In 2019, BOE adhered to its strategy of transforming further towards an IoT company. Its seven business groups kept promoting transformation and growth, tapping into IoT application needs and sharpening its competitive edges in market segments. Working with the B2B Chief Sales Platform Officer, the OMO Chief Sales Platform Officer, the Branding and Global Market Center, the Information Technology Development Center, and other professional service platforms, the three major business divisions of interface devices (D), smart IoT (S) and smart medicine and engineering (H) continued to enhance marketing, technological and systematic abilities and promote fast growth.

1. Interface Devices (D)

Division D consists of the Display and Sensor BG, and the Sensor and Application Solution BG. The Display and Sensor BG designs and manufactures related devices with a B2B model. The display device business offers TFT-LCD, AMOLED, Microdisplay and other intelligent interface devices for smartphones, tablet PCs, laptops, monitors, TVs, vehicles, electronic shelf label (ESL), tiled display screens, industrial control, wearable devices, VR/AR devices, electronic tags, white goods, healthcare, mobile payment, interactive whiteboards, etc. And the sensor device business provides integrated design and manufacturing services of sensor devices for use in medical detection, household detection, communication and transportation, smart homes, etc. The Sensor and Application Solution BG provides sensor system solutions for B2B customers of medical imaging, biological detection, smart screens, liquid crystal antennas, fingerprint identification and the like, with products including flat panel X-ray detectors (FPXD), digital microfluidic chips, PDLC glass, fingerprint identification systems, etc.

2. Smart IoT (S)

Division S is divided into the Intelligent Manufacturing Service BG, the IoT Solution BG and the Digital Art IoT Platform BG. The Intelligent Manufacturing Service BG designs and manufactures, for its global B2B partners, the most competitive whole-widgit smart manufacturing solutions of TVs, monitors, electronic blackboards, electronic signs, commercial display products, electronic tags, self-service and mobile terminals, among others. Supported by AI, big data and cloud computing technologies, the IoT Solution BG focuses on segment markets and offers integrated IoT solutions of smart retail, smart finance, digital hospitals, smart business offices, smart homes, smart transportation, smart education and smart energy, empowering these industries. The Digital Art IoT Platform BG with a B2C IoT platform model is committed to brightening everyday life with the beauty of art and offering the best user experience. The featured product, BOE iGallery, integrates voice interaction and other information technologies with digital art, providing users with various services including artistic appreciation, art knowledge, picture book reading, photo sharing, art mall and visual aesthetics in multiple scenarios such as an art gallery at home, aesthetic enlightenment for children and offices. It helps introduce art to everyone and unveils more beauty of art.

3. Smart Medicine and Engineering (H)

Division H includes the Mobile Healthcare IoT Platform BG and the Smart Healthcare Service BG. The Mobile Healthcare IoT Platform BG with a B2C IoT platform model, integrating smart terminals and apps, as well as based on AI and big data algorithms, enables users to enjoy personalized healthcare services without leaving home, including vital signs monitoring and analysis, AI-based disease risk prediction, health courses from experts, online diagnosis and registration for medical examination. The Smart Healthcare Service BG covers digital hospitals, digital human body, regenerative medicine, healthcare parks, etc. It offers B2C customers online-

and-offline integrated professional healthcare services focused on digital medical care and supplemented by smart nursing home and healthcare park integrated solutions, as well as by industrial park operations and the like.

II Significant Changes in Major Assets

1. Significant Changes in Major Assets

Major assets	Main reason for significant changes
Equity assets	N/A
Fixed assets	Transfer of new project into fixed assets in the Reporting Period
Intangible assets	N/A
Construction in progress	N/A

2. Major Assets Overseas

☐ Applicable ☒ Not applicable

III Core Competitiveness Analysis

Is the Company subject to any industry-specific disclosure requirements?

No.

1. The Company firmly promoted and implemented innovation and transformation and further improved global competitiveness

BOE firmly promoted and implemented the development strategy of IoT transformation. Three major business divisions, namely the Interface Devices, the Smart IoT and the Smart Medicine and Engineering, realized fast development, which further improved its global market competitiveness.

The Interface Devices: Construction of the new line of the Display and Sensor BG proceeded in order, and the 6th Generation Chengdu Flexible AMOLED Production Line's shipping quantity in the first half of the year increased over 300% when compared to that last year with the product yield achieving a new high; the 10.5th Generation BOE Hefei TFT-LCD Production Line realized mass production, and the product yield exceeded 90%; the 10.5th Generation BOE Wuhan TFT-LCD production line was fully equipped with various devices; the 6th Generation Chongqing Flexible AMOLED Production Line was smoothly constructed as scheduled. As for the Sensor and Application Solution BG, the occupancy of various medical imaging products exceeded 70% on various client sides; products were steadily delivered to overseas customers; customized products were successfully certified. In fact, the smart screens high-speed train project was reviewed and approved; the double-curved LCD smart dimming window was launched to the world and it's able to realize Level-7 dynamic light dimming; the fingerprint identification capacitance-type product was smoothly developed and samples were sent to the client; in terms of Flow Cell Gene Detection Products, the mass production and delivery work were realized.

The Smart IoT: As for the smart factory 1 upgrade project of the Intelligent Manufacturing Service BG, various devices were moved in, and they would be put into service as scheduled; smart factory 2 large-size flexible automation equipment was manufactured as scheduled. In the Digital Art IoT Platform BG, iGallery M2 appeared on the market; the R&D of new iGallery S3 and R1 was carried out smoothly as planned with the transactions increasing over 100% when compared to that last year. Meanwhile, in the IoT Solution BG, smart finance obtained more than 1000 branch transformation orders; in the first half of the year, over 330 branches were

successfully transformed in total, and the bank client behavior trace analysis system was also independently developed; smart political education independently developed and completed the 75'' 8K broadcasting system, and for digital exhibitions, the benchmarking project—The Palace Museum Hall of Moral Cultivation Digital Exhibition was successfully implemented. The Smart Medicine and Engineering: the Mobile Healthcare IoT Platform BG successfully launched 15 peripheral products including smart watch, body fat calculator and blood pressure meter etc.. In the first half of the year, the APP registered users realized a month-on-month increase of over 220%. In the Smart Healthcare Service BG, the Oasis International hospital's outpatient visits realized a year-on-year increase of 33%, and the outpatient service satisfaction was further improved; Hefei Hospital was completely open for service, and the accumulated outpatient visits exceeded 30,000. And the medical insurance coverage expand to Hefei city as well as its four subordinated counties and one district achieved in Hefei Hospital.

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

According to IHS Markit data, the shipment of BOE display screens was ranking the 1st in the world with the shipping area realizing a year-on-year increase of 23%. Special effort was made to continuously enhance the market share of five major mainstream products, and various products such as MBL LCD smart phone, TPC, NB, MNT and TV continued their leading role all over the globe. The shipping of innovative applications realized a year-on-year growth of 21%, and the shipping area increased 49% on a year-on-year basis. In particular, the market share of ESL and wearable products ranked the 1st in the world and the splicing products the 2nd. The sales and internal shipping occupancy of various high value-added products like featuring HD, touch control, narrow frame and large size and the internal shipping occupancy largely increased. For OLED products, various first-class brand clients at home and abroad were introduced gradually and the flexible OLED smart phone's market share ranked 2nd in the world.

Besides, a new breakthrough was made in the Smart Manufacturing Service Finished Product Market. Finished TV sales in Europe realized a 4-times year-on-year increase, and various large-screen project clients were developed; the market share of finished HD MNT, e-sports products and hi-end machines was continuously improved; the mass production of commercial display 55'' splicing machines and POS machines was steadily carried out.

3. The Company reinforced independent innovation and further promoted innovation ability.

The Company has made great achievement in various products and the technological development. For example, 6.4'' blind hole project's mass production was successfully introduced and 11'' TDDI product development was completed; 23.8'' peep-proof products were successfully launched; the first BD Cell product in the world realized the super high contrast and won 2019 SID Best in Show Award; in early July, the Company cooperated with its clients to launch the first folding-screen TV; the samples of the silica-based Micro-OLED product with world highest PPI 0.39'' were sent to the clients; for the printing OLED 55'' 8K Technology Development Project, various full-color prototypes were lightened; the car-mounted A-column see-through displays' overall solutions were completed; for the complete appliance development, 21.5''-32'' full series of e-sports products were covered and the mass production was initiated; besides, 32'' and 43'' low-cost non-frame series of products were also developed; the capacitance touch-control full-lamination products were successfully developed; the development of conference table cards and medical labels was completed and the mass production was conducted. APS MSM 4'' X-ray detection and imaging prototypes were well manufactured; for the quick-response LCD antenna project, 4*4 unit antenna design and manufacturing were completed; in respect of the glass-based MEMS project, samples of the capacitance ultrasonic transducer were packed and sealed and tested, and various component indicators were met; the waveguide display brightness improved 60%; the glass-based digital PCR micro-fluidic chip was applied to successfully recognize the glioma's clinic specimen.

The Company also made certain progress in the field of AI and the big data technology application, and independently developed the smart network marketing & advertising management system, the super HD distance diagnosis system, the cloud screen information sending system, the smart home whole house control system and other software systems; the technological development of table cards, smart panels, car-mounted double-sided screen and the distance diagnosis ALL-IN-ONE machine was completed; the similar picture search, the picture processing SDK, the knowledge mapping and other technologies were properly applied to initiate the production.

The patent layout was continuously optimized. In the first half of the year, there were 4872 new patent applications, of which, overseas patents exceeded 35%, and flexible OLED, sensor, AI, big data and other significant patents exceeded 2500. Meanwhile, 2953 new

patent licenses were added, of which, American patent licenses exceeded 1200. In respect of the technical standard, 25 external technical standards were formulated and revised in the first half of the year. In particular, the “see-through display” IEC International Standard was officially issued.

4. The Company further improved operational efficiency via strengthening lean management.

Continuous improvement was made in the production line’s technological level and process capabilities. The 10.5th Generation Hefei TFT-LCD Production Line was put into service in full capacity; the 8.5th Generation Chongqing TFT-LCD Production Line MBL comprehensive shipping rate exceeded 94%; the 8.5th Generation Fuzhou TFT-LCD Production Line’s monthly productivity could reach 165Ksh, setting a new high, and the yield rate was stabilized at above 97%; the 6th Generation Hefei TFT-LCD Production Line’s product structure was continuously optimized with the high value-added products occupying over 90%. Through advocating the energy saving and emission reduction and strictly controlling the consumption of spare parts, the overall fixed out-of-pocket cost declined about 6% on a year-on-year basis. The business quality management level of the display service would improve continuously. Meanwhile, the smart manufacturing service finished machine’s COPQ declined to 0.93%, and the material abnormal hours decreased over 35% on a year-on-year basis.

Part IV Operating Performance Discussion and Analysis

I Overview

The first half of 2019 saw complicated and changeable global political and economic conditions. Global economic growth slowed down under mounting downward pressure. In terms of the semi-conductor display industry, the massive and quick release of production capacity of advanced-generation products, weak market demand and severe oversupply led to decreasing panel prices and a considerable drop in profitability. Under the double pressures of the China-U.S. trade friction and an industry though, the Company was faced with extremely severe challenges in its operations. On the other hand, in view of good market opportunities for innovative display application, sensors, smart IoT and smart medicine and engineering, the Company carried on with its IoT transformation strategy. From an overall perspective, the Company achieved stable growth in operating revenue against market pressure and a shrinking market size in the first half of 2019. For this period, the Company recorded operating revenue of approximately RMB55 billion, up by around 27% year-on-year.

1. The Company's Market Position was Steadily Improved.

The shipment of complete display panels was ranking the first place in the world, and the shipping area was accordingly increasing on a year-on-year basis; five major products of smart phone LCD, table PCs display screen, laptop display screen, displayer display screen and TV display screen continued to make their shipping quantity rank the first place in the world. Meanwhile, the shipping quantity and shipping area of innovation application products increased largely. Nevertheless, the market share of ESL and wearable products ranked first in the world and the splicing products the second. The sales of various high value-added products featuring HD, touch control, narrow frame and Borderless/65"+ and the internal shipping occupancy largely increased.

The first AMOLED (flexible) production in the Mainland of China - Chengdu 6th generation of AMOLED (flexible) production line realized steady improvement of yield and supply for first-tire brand manufacturers, and the shipping quantity in the first half of the year exceeded ten million pieces; the Mianyang 6th AMOLED (flexible) production line was applied for the mass production; the flexible OLED smart phone's market occupancy was largely improved; the first TFT-LCD Production Line of the highest generation in the world-- the 10.5th Generation BOE Hefei TFT-LCD Production Line realized the production in a full capacity.

As for the smart factory 1 upgrade project of the Intelligent Manufacturing Service BG, various devices were moved in, and they would be put into service as scheduled; Smart factory 2 large-size flexible automation equipment was manufactured as scheduled. New breakthrough was made in developing the smart manufacturing service complete machine market. The finished TV sales achieved on the domestic market realized a year-on-year increase of 60%, and 32" and 43" low-cost non-frame series of products were developed; the mass production of non-frame full-display series of products was fully initiated; finished MNT products were successfully developed and the full series of 21.5"-32" Gaming products were put into mass production. As a result, the shipping quantity geared to the finished display strategy clients increased on a year-on-year basis.

The operating revenue and the outpatient visits achieved by OASIS International Hospital increased accordingly, and the medical satisfaction was further improved. In March, Hefei Hospital was completely open for service, and the outpatient visits exceeded 30,000 with its medical insurance coverage spreading to Hefei City and four subordinated counties and one district. The Mobile Healthcare IoT Platform BG put 15 peripheral products on the market for sale including smart watch, body fat calculator and blood pressure meter etc.. In the first half of the year, the APP registered users realized a month-on-month increase of over 220%.

2. The Innovation and Transformation Business was orderly carried out.

The occupancy of various medical imaging products exceeded 70% on various client sides; products were steadily delivered to overseas customers; customized products were successfully certified. In terms of Flow Cell Gene Detection Products, the mass production and delivery work were realized. The double-curved LCD smart dimming window was launched to the world and it's put into service of

Beijing-Xiong'an High-speed Train; samples of the fingerprint identification capacitance-type product were sent to 7 door lock clients. Meanwhile, the smart finance obtained more than 1000 branch transformation orders; in the first half of the year, over 330 branches were successfully transformed in total; in addition, the smart political education business independently developed the 75" 8K broadcasting system, and for digital exhibitions, the benchmarking project—The Palace Museum Hall of Moral Cultivation Digital Exhibition was successfully implemented.

In April, the new iGallery M2 was launched on the market, and the R&D of the new iGallery S3 and new children's picture book reader R1 proceeded as scheduled; the product's transactions increased over 100% on a year-on-year basis; the APP newly-added registered users saw a year-on-year increase of 27%. In the first half of the year, the operating revenue of smart retails achieved a year-on-year increase of about 50%; the service-oriented transformation made great progress, and the mode of "retails=service" was implemented among particular clients.

The Mobile Healthcare IoT Platform BG put 15 peripheral products on the market for sale including smart watch, body fat calculator and blood pressure meter etc.. In the first half of the year, the APP registered users and the monthly active users increased significantly. In term of OMO, the operating revenue and the sales volume all achieved corresponding increase; in the first half of the year, 51 urban partners were developed in total.

3. The Technological Innovative Ability was continuously improved.

The number of patent applications remained its rapid growth trend. In the first half of the year, there were 4872 new patent applications, of which, patent for invention occupied over 90% and overseas patents exceeded 35%. Meanwhile, flexible OLED, sensor, AI, big data and other significant patents exceeded 2500. 2953 new patent licenses were added, of which, American patent licenses exceeded 1200. Accordingly, certain progress was also made in the R&D of various transformation technologies related to the sensors, AI and the big data and the medicine-industry integration. In respect of the technical standard, 25 external technical standards were formulated and revised in the first half of the year. In particular, the "see-through display" IEC International Standard was officially issued.

II Analysis of Core Businesses

See "I Overview" above.

Year-on-year changes in key financial data:

Unit: RMB

Item	H1 2019	H1 2018	Change (%)	Main reason for change
Operating revenue	55,039,208,687.00	43,473,904,966.00	26.60%	--
Cost of sales	45,812,333,231.00	35,144,582,131.00	30.35%	Increased along with the sales
Selling expense	1,365,287,286.00	1,294,782,594.00	5.45%	--
Administrative expense	2,197,183,494.00	2,143,708,550.00	2.49%	--
Finance costs	1,166,753,372.00	1,201,173,655.00	-2.87%	--
Income tax expense	673,775,041.00	659,568,560.00	2.15%	--
R&D expense	3,893,611,519.00	3,645,381,340.00	6.81%	--
Net cash generated from/used in operating activities	11,594,984,349.00	11,581,507,174.00	0.12%	--

Net cash generated from/used in investing activities	-21,610,149,309.00	-23,949,538,497.00	N/A	--
Net cash generated from/used in financing activities	6,881,107,844.00	8,148,650,744.00	-15.56%	--
Net increase in cash and cash equivalents	-3,107,362,959.00	-4,823,287,992.00	N/A	--

Material changes to the profit structure or sources of the Company in the Reporting Period:

☐ Applicable ☒ Not applicable

No such changes in the Reporting Period.

Breakdown of core businesses:

Unit: RMB

Item	Operating revenue	Cost of sales	Gross profit margin	YoY change in operating revenue (%)	YoY change in cost of sales (%)	YoY change in gross profit margin (%)
By operating division						
Interface Devices	50,896,645,297.00	42,975,736,712.00	15.56%	29.94%	33.67%	-2.36%
Smart IoT	7,521,943,172.00	6,831,554,480.00	9.18%	2.38%	1.39%	0.89%
Smart Medicine and Engineering	663,753,643.00	322,726,810.00	51.38%	26.09%	31.71%	-2.07%
Others	3,567,353,945.00	4,206,107.00	99.88%	40.63%	-17.31%	0.08%
Offset	-7,610,487,370.00	-4,321,890,878.00	43.21%	24.65%	8.18%	8.64%
By product category						
Interface Devices	50,896,645,297.00	42,975,736,712.00	15.56%	29.94%	33.67%	-2.36%
Smart IoT	7,521,943,172.00	6,831,554,480.00	9.18%	2.38%	1.39%	0.89%
Smart Medicine and Engineering	663,753,643.00	322,726,810.00	51.38%	26.09%	31.71%	-2.07%
Others	3,567,353,945.00	4,206,107.00	99.88%	40.63%	-17.31%	0.08%
Offset	-7,610,487,370.00	-4,321,890,878.00	43.21%	24.65%	8.18%	8.64%
By operating segment						
Mainland China	27,097,587,363.00	22,451,197,150.00	17.15%	34.79%	38.67%	-2.31%
Other regions in Asia	22,704,809,090.00	18,663,083,700.00	17.80%	16.22%	19.40%	-2.19%
Europe	2,405,571,859.00	2,211,081,530.00	8.08%	57.19%	65.41%	-4.57%
Americas	2,722,205,077.00	2,397,217,579.00	11.94%	21.76%	24.03%	-1.61%
Other regions	109,035,298.00	89,753,272.00	17.68%	61.50%	69.60%	-3.93%

III Analysis of Non-Core Businesses

√ Applicable □ Not applicable

Unit: RMB

Item	Amount	As % of profit before taxation	Source/Reason	Recurrent or not
Return on investment	13,565,371.00	0.75%	N/A	Not
Gain/loss on changes in fair value	55,666,155.00	3.09%	Changes in the fair value of wealth management investments held	Not
Asset impairments	-598,106,867.00	-33.19%	Amount provided for inventory falling price impairment according to market conditions	Not
Non-operating income	96,343,532.00	5.35%	Governmental subsidies received in the Reporting Period	Not
Non-operating expense	11,848,340.00	0.66%	N/A	Not
Other income	1,117,952,927.00	62.04%	Governmental subsidies received in the Reporting Period	Not

IV Analysis of Assets and Liabilities

1. Material Changes in Asset Composition

Unit: RMB

Item	30 June 2019		30 June 2018		Change in percentage (%)	Reason for material change
	Amount	As % of total assets	Amount	As % of total assets		
Monetary capital	47,191,670,697.00	14.88%	50,581,910,423.00	18.31%	-3.43%	N/A
Accounts receivable	19,267,673,050.00	6.08%	17,356,033,029.00	6.28%	-0.20%	N/A
Inventories	14,352,489,459.00	4.53%	10,933,542,222.00	3.96%	0.57%	N/A
Investment property	1,261,474,153.00	0.40%	1,278,070,770.00	0.46%	-0.06%	N/A
Long-term equity investments	2,625,460,926.00	0.83%	3,443,815,633.00	1.25%	-0.42%	N/A
Fixed assets	128,481,365,480.00	40.52%	84,979,890,697.00	30.76%	9.76%	Transfer of new project into fixed assets during the Reporting Period
Construction in progress	71,479,480,514.00	22.54%	73,903,155,311.00	26.75%	-4.21%	N/A
Short-term borrowings	7,719,908,693.00	2.43%	2,213,431,454.00	0.80%	1.63%	N/A
Long-term borrowings	107,924,953,091.00	34.04%	83,261,644,214.00	30.14%	3.90%	New loan for new project in the Reporting Period

Other current assets	8,311,011,893.00	2.62%	18,930,028,377.00	6.85%	-4.23%	A decline in wealth management product investments due to maturity and the reclassification due to the adoption of the new accounting standards governing financial instruments in the Reporting Period
Other payables	26,202,215,431.00	8.26%	16,759,925,924.00	6.07%	2.19%	Increase in payables for engineering and equipment in the Reporting Period

2. Assets and Liabilities at Fair Value

√ Applicable □ Not applicable

Unit: RMB

Item	Beginning amount	Gain/loss on fair-value changes in the Reporting Period	Cumulative fair-value changes charged to equity	Impairment allowance for the Reporting Period	Purchased in the Reporting Period	Sold in the Reporting Period	Ending amount
Financial assets							
1. Financial assets at fair value through profit or loss (exclusive of derivatives)	5,534,413,566.00	55,666,155.00	55,666,155.00	0.00	7,995,988,956.00	9,653,077,735.00	3,932,990,942.00
2. Derivative financial assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3. Other investments in debt obligations	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4. Other investments in equity instruments	721,155,927.00	-21,315,625.00	-337,260,678.00	0.00	4,230,269.00	0.00	704,070,571.00
Subtotal of financial assets	6,255,569,493.00	34,350,530.00	-281,594,523.00	0.00	8,000,219,225.00	9,653,077,735.00	4,637,061,513.00
Investment property	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Productive living assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Others	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total of the above	6,255,569,493.00	34,350,530.00	-281,594,523.00	0.00	8,000,219,225.00	9,653,077,735.00	4,637,061,513.00
Financial liabilities	71,000,000.00	0.00	0.00	0.00	0.00	0.00	71,000,000.00

Material changes in the measurement attributes of the major assets in the Reporting Period:

□ Yes √ No

3. Restricted Asset Rights as at the Period-End

Item	Ending carrying value	Restriction reason
Monetary capital	6,948,337,136.00	As pledge for guarantee and as security deposits
Notes receivable	49,271,680.00	Discounted and transferred with right of recourse, endorsed and transferred with right of recourse, as pledge for opening notes payable
Inventories	0.00	Naught
Fixed assets	97,485,999,524.00	As mortgage for guarantee
Intangible assets	1,297,670,069.00	As mortgage for guarantee
Investment property	43,707,923.00	As mortgage for guarantee
Construction in progress	43,789,518,170.00	As mortgage for guarantee
Total	149,614,504,502.00	--

V Investments Made

1. Total Investments Made

☒ Applicable ☐ Not applicable

Investments made in this Reporting Period (RMB)	Investments made in the same period of last year (RMB)	Change (%)
121,230,269.00	914,421,769.00	-86.74%

2. Significant Equity Investments Made in the Reporting Period

☐ Applicable ☒ Not applicable

3. Significant Non-Equity Investments Ongoing in the Reporting Period

☐ Applicable ☒ Not applicable

4. Financial Investments

(1) Securities Investments

√ Applicable □ Not applicable

Variety of security	Code of security	Name of security	Initial investment cost	Accounting measurement method	Beginning carrying value	Gain/Loss on fair value changes in Reporting Period	Accumulated fair value changes charged to equity	Purchased in Reporting Period	Sold in Reporting Period	Gain/loss in Reporting Period	Ending carrying value	Accounting title	Source of investment funds
Domestic/ Foreign stock	HK00903	TPV Technology	134,658,158.00	Fair value method	25,613,279.00	-13,747,290.00	-122,792,169.00	0.00	0.00	470,591.00	11,865,989.00	Other investment in equity instruments	Self-owned funds
Domestic/ Foreign stock	SH600658	Electronic Zone	90,160,428.00	Fair value method	83,995,943.00	24,960,718.00	18,796,234.00	0.00	0.00	1,883,379.00	108,956,662.00	Other investment in equity instruments	Self-owned funds
Domestic/ Foreign stock	HK01963	Bank of Chongqing	120,084,375.00	Fair value method	98,705,065.00	3,275,047.00	-33,197,286.00	0.00	0.00	3,820,841.00	102,206,616.00	Other investment in equity instruments	Self-owned funds
Domestic/ Foreign stock	HK06066	China Securities	70,041,364.00	Fair value method	44,412,577.00	13,690,782.00	-11,192,865.00	0.00	0.00	0.00	58,219,470.00	Other investment in equity instruments	Self-owned funds
Domestic/ Foreign	HK01518	New century medical	140,848,850.00	Fair value method	125,909,253.00	-50,673,011.00	-65,790,317.00	0.00	0.00	0.00	75,472,547.00	Other investment	Self-owned

stock		treatment										in equity instruments	funds
Other securities investments held at the period-end			0.00	--	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--	--
Total			555,793,175.00	--	378,636,117.00	-22,493,754.00	-214,176,403.00	0.00	0.00	6,174,811.00	356,721,284.00	--	--
Disclosure date of the announcement about the board's consent for the securities investment			N/A										
Disclosure date of the announcement about the general meeting's consent for the securities investment (if any)			N/A										

(2) Investments in Derivative Financial Instruments

☐ Applicable ☒ Not applicable

No such cases in the Reporting Period.

VI Sale of Major Assets and Equity Interests

1. Sale of Major Assets

☐ Applicable ☒ Not applicable

No such cases in the Reporting Period.

2. Sale of Major Equity Interests

☐ Applicable ☒ Not applicable

VII Main Controlled and Joint Stock Companies

√ Applicable □ Not applicable

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

Unit: RMB

Name	Relationship with the Company	Principal activity	Registered capital	Total assets	Net assets	Operating revenue	Operating profit	Net profit
Chengdu BOE Optoelectronics Technology Co., Ltd.	Subsidiary	R&D, design, production, and sales of the new type display devices and the components	22,000,000,000.00	45,720,209,434.00	20,681,538,015.00	5,270,294,757.00	227,565,105.00	209,509,425.00
Hefei BOE Optoelectronics Technology Co., Ltd.	Subsidiary	Investment, construction, R&D, production and sales of the relevant products of thin film transistor LCD and its auxiliary products	9,000,000,000.00	15,607,954,140.00	12,271,460,212.00	5,132,365,082.00	702,834,118.00	605,811,749.00
Chongqing BOE Optoelectronics Technology Co., Ltd.	Subsidiary	R&D, production and sales of semi-conductor display device, complete machine and its auxiliary products; import and export of goods and technical consultancy	19,226,000,000.00	38,503,103,453.00	25,875,930,943.00	9,999,179,181.00	610,979,592.00	528,135,258.00

Subsidiaries obtained or disposed in the Reporting Period:

□ Applicable √ Not applicable

Information about major majority- and minority-owned subsidiaries:

None

VIII Structured Bodies Controlled by the Company

☐ Applicable ☒ Not applicable

IX Risks Facing the Company and Countermeasures

1. Risk of Macroeconomic Fluctuation

The first half of 2019 saw a stable global economy but with complexities. On the part of the political situation, the Company was confronted again with the threat of the trade protection and the unilateralism and the intensified risks on the trade and investment side. As the industrial pattern and the financial stability were impacted, the world's economic risks and uncertainty increased significantly; China's economic development slowed down with the optimized structure and the converted new normal status of kinetic energy. Namely, it would transform from a high-speed growth mode into a high-quality development mode, and the structural reform on the supply side served as a significant measure taken to propel China's economic transformation and reform under the new normal status. In terms of the industry environment, since the second half of the year 2017, the industry had entered into the trough. In this case, the mainstream market demands slowed down; the new productivity released quickly in a centralized manner; the periodic oversupply and the disordered competition resulted in the large-scale adjustment of various full-scale products, especially TV products in the long run; the OLED industrial chain was not so matured and would result in higher costs; the market demands could not meet the expected requirements and the new capacities released in a much fiercer way; however, the advancement of 5G commercial application and the accelerated development of AI would energize and catalyze the explosive development of IoT subdivided application scenarios, becoming a new growth point in this industry. Under this background, the Company persisted in transformation and upgrading driven by innovation, continued strengthening lean management, optimized product structure, improved efficiency of product operation, accelerated improving AMOLED global competitiveness, promoted the rapid development of sensor business, consolidated the basis for software and hardware technology integration, accelerate core capacity building of information and healthcare, and comprehensively promoted the improvement of profitability.

2. Challenges Arising from the Transformation of IoT

The IoT transformation was the only way and the inevitable choice for the Company to balance its business structure and realize its leaping development. While firmly sticking to the IoT transformation strategy, the Company should be aware of rigorous challenges arising from the transformation of IoT. Firstly, it's required to reduce the risk of the continuous upgrading of trade frictions and any adverse impact caused by the increasing uncertainty in the political situation; secondly, it's required to win the decisive battle related to the global semi-conductor display industry as the semi-conductor display business played a critical role in the Company's stable development as well as the base point and the propeller for the transformation of IoT; thirdly, it's required to quickly make corresponding breakthrough during the transformation of IoT. The Company put forward the concept of IoT transformation in 2013, and clearly defined the IoT ecological chain construction strategy of "Ecosystem: Open and Connected" in 2016. At present, the Company has made certain progress in various subdivided fields including the display and sensor innovation market, IoT solutions, digital arts, mobile healthcare and health service etc.. However, the development and the APP platform operation capacity need further improvements. Accordingly, a batch of IoT application enterprises are emerging in such subdivided fields including the security and protection and the education. As the strategic window is transient, it's extremely urgent to make critical breakthroughs.

Part V Significant Events

I Annual and Extraordinary General Meeting Convened during the Reporting Period

1. General Meeting Convened during the Reporting Period

Meeting	Type	Investor participation ratio	Convened date	Disclosure date	Index to disclosed information
The 2018 Annual General Meeting	Annual General Meeting	33.98%	26 April 2019	27 April 2019	www.cninfo.com.cn
The 1 st Extraordinary General Meeting of 2019	Extraordinary general meeting	33.99%	28 June 2019	29 June 2019	www.cninfo.com.cn

2. Extraordinary General Meeting Convened at Request of Preference Shareholders with Resumed Voting Rights

☐ Applicable ☒ Not applicable

II Interim Dividend Plan for the Reporting Period

☐ Applicable ☒ Not applicable

The Company has no interim dividend plan.

III Commitments of the Company's Actual Controller, Shareholders, Connected Parties and Acquirer, as well as the Company and Other Commitment Makers, Fulfilled in the Reporting Period or still Ongoing at Period-End

☐ Applicable ☒ Not applicable

No such cases in the Reporting Period.

IV Engagement and Disengagement of CPAs Firm

Has the Interim financial report been audited?

☐ Yes ☒ No

This Interim Report is unaudited.

V Explanations Given by Board of Directors and Supervisory Committee Regarding "Modified Auditor's Report" Issued by CPAs Firm for the Reporting Period

☐ Applicable ☒ Not applicable

VI Explanations Given by Board of Directors Regarding “Modified Auditor’s Report” Issued for Last Year

☐ Applicable ☒ Not applicable

VII Bankruptcy and Restructuring

☐ Applicable ☒ Not applicable

No such cases in the Reporting Period.

VIII Legal Matters

Significant lawsuits or arbitrations:

☒ Applicable ☐ Not applicable

Basic situation of lawsuit (arbitration)	Lawsuit amount (RMB ‘0,000)	Whether form into estimated liabilities	Process of lawsuit (arbitration)	Trial results and influences of lawsuit (arbitration)	Situation of execution of judgment of lawsuit (arbitration)	Disclosure date	Disclosure index
Disputes case of sales contract that BOE Technology (HK) Limited sued LeTV Mobile Intelligent Information Technology (Beijing) Co., Ltd, LeTV Holdings (Beijing) Co., Ltd., Le Sai Mobile Technology (Beijing) Co., Ltd. and Mr. JiaYueting	28,471.43	No	This case came to trial at Beijing High People’s Court on 8 March 2019. The next step is to wait for the court’s notice or judgment.	Unknown	N/A	26 March 2019	For details, see Annual Report of 2018 of BOE Technology Group Co., Ltd. disclosed on www.cninfo.com.cn on 26 March 2019

Other legal matters:

☒ Applicable ☐ Not applicable

Basic situation of lawsuit (arbitration)	Lawsuit amount (RMB ‘0,000)	Whether form into estimated liabilities	Process of lawsuit (arbitration)	Trial results and influences of lawsuit (arbitration)	Situation of execution of judgment of lawsuit (arbitration)	Disclosure date	Disclosure index
Litigations for the first half year of 2019 (including carryforwards in previous years)	9,181.79	No	N/A	N/A	N/A	N/A	N/A

IX Punishments and Rectifications

☐ Applicable ☒ Not applicable

No such cases in the Reporting Period.

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

☐ Applicable ☒ Not applicable

XI Equity Incentive Plans, Employee Stock Ownership Plans or Other Incentive Measures for Employees

☒ Applicable ☐ Not applicable

No such cases in the Reporting Period.

XII Major Related-Party Transactions

1. Continuing Related-Party Transactions

☐ Applicable ☒ Not applicable

No such cases in the Reporting Period.

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

☐ Applicable ☒ Not applicable

No such cases in the Reporting Period.

3. Related Transactions Regarding Joint Investments in Third Parties

☐ Applicable ☒ Not applicable

No such cases in the Reporting Period.

4. Credits and Liabilities with Related Parties

☐ Applicable ☒ Not applicable

No such cases in the Reporting Period.

5. Other Major Related-Party Transactions

☒ Applicable ☐ Not applicable

Naught

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

Title of current announcement	Disclosure date	Disclosure website
Announcement on the Prediction of 2019 Annual Routine Related-party Transaction	26 March 2019	www.cninfo.com.cn

XIII Occupation of the Company's Capital by the Controlling Shareholder or Its Related Parties for Non-Operating Purposes

☐ Applicable ☒ Not applicable

No such cases in the Reporting Period.

XIV Major Contracts and Execution thereof

1. Entrustment, Contracting and Leases

(1) Entrustment

☐ Applicable ☒ Not applicable

No such cases in the Reporting Period.

(2) Contracting

☐ Applicable ☒ Not applicable

No such cases in the Reporting Period.

(3) Leases

☐ Applicable ☒ Not applicable

No such cases in the Reporting Period.

2. Major guarantees

☒ Applicable ☐ Not applicable

(1) Guarantees

Unit: RMB'0,000

Guarantees provided by the Company for external parties (exclusive of those for subsidiaries)								
Obligor	Disclosure date of the guarantee line announcement	Line of guarantee	Actual occurrence date (Agreement signing date)	Actual guarantee amount	Type of guarantee	Term of guarantee	Having expired or not	Guarantee for a related party or not
N/A								
Total approved line for such guarantees in the Reporting Period (A1)		0		Total actual amount of such guarantees in the Reporting Period (A2)		0		
Total approved line for such guarantees at the end of the Reporting Period (A3)		0		Total actual balance of such guarantees at the end of the Reporting Period (A4)		0		
Guarantees provided by the Company for its subsidiaries								
Obligor	Disclosure date of the guarantee line announcement	Line of guarantee	Actual occurrence date (Agreement signing date)	Actual guarantee amount	Type of guarantee	Term of guarantee	Having expired or not	Guarantee for a related party or not
Hefei BOE Photoelectric Technology Co., Ltd.	14 August 2014	753,595	12 March 2015	14,945	Joint liability guarantee	23 July 2010 to 23 July 2019	No	No
Hefei XinSheng Photoelectric Technology Co., Ltd.	14 August 2014	1,271,820	15 January 2015	564,028	Joint liability guarantee	6 January 2014 to 6 January 2022	No	No
Ordos YuanSheng Photoelectric Co., Ltd.	30 November 2016	549,683	15 March 2017	429,599	Joint liability guarantee	17 March 2017 to 17 March 2025	No	No
Chengdu BOE Photoelectric Technology Co., Ltd.	25 April 2017	2,301,057	30 August 2017	1,808,547	Joint liability guarantee	6 September 2017 to 6 September 2027	No	No

Chengdu BOE Photoelectric Technology Co., Ltd.	25 April 2017	450,000	30 August 2017	181,665	Joint liability guarantee	Opening date of the letter of guarantee to 31 July 2023	No	No
Chongqing BOE Photoelectric Technology Co., Ltd.	14 August 2014	1,458,316	29 September 2014	727,522	Joint liability guarantee	5 November 2014 to 5 November 2022	No	No
Hefei BOE Display Technology Co., Ltd.	1 December 2016	1,683,995	30 August 2017	1,532,733	Joint liability guarantee	7 September 2017 to 7 September 2025	No	No
Hefei BOE Display Technology Co., Ltd.	1 December 2016	450,000	21 December 2017	207,000	Joint liability guarantee	Opening date of the letter of guarantee to 31 March 2024	No	No
Fuzhou BOE Photoelectric Technology Co., Ltd.	10 December 2015	1,337,987	8 November 2016	1,143,004	Joint liability guarantee	19 December 2016 to 19 December 2024	No	No
Fuzhou BOE Photoelectric Technology Co., Ltd.	10 December 2015	300,000	8 November 2016	156,000	Joint liability guarantee	Opening date of the letter of guarantee to 28 December 2023	No	No
Mianyang BOE Photoelectric Technology Co., Ltd.	18 May 2018	2,120,961	18 September 2018	1,365,374	Joint liability guarantee	26 September 2018 to 26 September 2028	No	No
Mianyang BOE Photoelectric Technology Co., Ltd.	18 May 2018	460,000	22 June 2018	248,000	Joint liability guarantee	Opening date of the letter of guarantee to 31 October 2027	No	No
Wuhan BOE Photoelectric Technology Co., Ltd.	25 March 2019	2,000,000		0	Joint liability guarantee	Not signing the contract yet	No	No
Wuhan BOE Photoelectric Technology Co., Ltd.	25 March 2019	450,000		0	Joint liability guarantee	Not signing the contract yet	No	No
Total approved line for such guarantees in the Reporting Period (B1)			2,450,000		Total actual amount of such guarantees in the Reporting Period (B2)			132,702
Total approved line for such guarantees at the end of the			13,617,400		Total actual balance of such guarantees at the			8,378,416

Reporting Period (B3)				end of the Reporting Period (B4)				
Guarantees provided between subsidiaries								
Obligor	Disclosure date of the guarantee line announcement	Line of guarantee	Actual occurrence date (Agreement signing date)	Actual guarantee amount	Type of guarantee	Term of guarantee	Having expired or not	Guarantee for a related party or not
Guangtai Solar Energy Technology (Suzhou) Co., Ltd	N/A	5,450	20 December 2017	5,240	Joint liability guarantee	20 December 2017 to 6 April 2027	No	No
Huanda Trading (Hebei) Co., Ltd.	N/A	14,600	24 May 2017	14,540	Joint liability guarantee	15 June 2017 to 16 January 2029	No	No
Yangyuan Photovoltaic Power Generation (Huanggang) Co., Ltd	N/A	4,552	11 September 2017	4,552	Joint liability guarantee	11 September 2017 to 11 September 2027	No	No
Yaoguang New Energy (Shouguang) Co., Ltd	N/A	4,192	31 October 2017	4,192	Joint liability guarantee	31 October 2017 to 31 October 2027	No	No
Suzhou Industrial Park Taijing Photovoltaic Co., Ltd	N/A	3,484	1 December 2017	3,484	Joint liability guarantee	1 December 2017 to 1 December 2027	No	No
Qingmei Solar Energy Technology (Lishui) Co., Ltd	N/A	4,678	21 December 2017	4,678	Joint liability guarantee	21 December 2017 to 21 December 2027	No	No
Qinghong Solar Energy Technology (Jinhua) Co., Ltd	N/A	2,374	21 December 2017	2,374	Joint liability guarantee	21 December 2017 to 21 December 2027	No	No
Qinghui Solar Energy Technology (Jinhua) Co., Ltd	N/A	3,666	15 December 2017	3,666	Joint liability guarantee	15 December 2017 to 15 December 2027	No	No
Hexu Technology (Hefei) Co., Ltd	N/A	538	18 May 2018	538	Joint liability guarantee	18 May 2018 to 10 May 2028	No	No
Chenneng Technology (Hefei)	N/A	1,068	18 May 2018	1,068	Joint liability guarantee	18 May 2018 to 10 May	No	No

Co., Ltd						2028		
Rongke New Energy (Hefei) Co., Ltd	N/A	1,400	18 December 2017	1,393	Joint liability guarantee	18 December 2017 to 18 December 2029	No	No
Tianchi New Energy (Hefei) Co., Ltd	N/A	1,100	18 December 2017	1,093	Joint liability guarantee	18 December 2017 to 18 December 2029	No	No
Qinghao Solar Energy Technology (Jinhua) Co., Ltd	N/A	890	18 December 2017	884	Joint liability guarantee	18 December 2017 to 18 December 2029	No	No
Xiangqing Solar Energy Technology (Dongyang) Co., Ltd	N/A	3,476	18 December 2017	3,259	Joint liability guarantee	18 December 2017 to 18 December 2029	No	No
Qingyue Solar Energy Technology (Wuyi) Co., Ltd	N/A	960	18 December 2017	900	Joint liability guarantee	18 December 2017 to 18 December 2029	No	No
Qingyou Solar Energy Technology (Longyou) Co., Ltd	N/A	2,210	18 December 2017	2,204	Joint liability guarantee	18 December 2017 to 18 December 2029	No	No
Qingfan Solar Energy Technology (Quzhou) Co., Ltd	N/A	1,855	18 December 2017	1,739	Joint liability guarantee	18 December 2017 to 18 December 2029	No	No
Anhui BOE Energy Investment Co., Ltd	N/A	13,575	27 December 2017	13,485	Joint liability guarantee	27 December 2017 to 27 December 2029	No	No
Taihang Electric Power Technology (Ningbo) Co., Ltd	N/A	600	19 December 2017	544	Joint liability guarantee	19 December 2017 to 18 December 2025	No	No
Guoji Energy (Ningbo) Co., Ltd	N/A	2,740	19 December 2017	2,563	Joint liability guarantee	19 December 2017 to 18 December 2025	No	No
Hongyang Solar Energy Power Generation (Anji) Co., Ltd	N/A	3,500	14 December 2017	3,500	Joint liability guarantee	14 December 2017 to 13 December 2025	No	No
Ke'enSolar Energy Power Generation (Pingyang) Co., Ltd	N/A	2,400	14 December 2017	2,245	Joint liability guarantee	14 December 2017 to 13 December 2025	No	No

Dongze Photovoltaic Power Generation (Wenzhou) Co., Ltd	N/A	2,100	14 December 2017	1,965	Joint liability guarantee	14 December 2017 to 13 December 2025	No	No
Aifeisheng Investment and Management (Wenzhou) Co, Ltd	N/A	1,400	14 December 2017	1,310	Joint liability guarantee	14 December 2017 to 13 December 2025	No	No
Hefei BOE Hospital Co., Ltd	27 April 2018	130,000	27 April 2018	66,000	Joint liability guarantee	27 April 2018 to 27 April 2033	No	No
Hengchuan New Energy Technology (Hong'an) Co., Ltd	N/A	6,892	31 January 2018	6,768	Joint liability guarantee	31 January 2018 to 31 January 2030	No	No
Anhui BOE Energy Investment Co., Ltd	N/A	2,060	25 April 2018	2,050	Joint liability guarantee	25 April 2018 to 25 April 2030	No	No
Junlong New Energy Technology (Huaibin) Co., Ltd	N/A	8,459	25 April 2018	8,417	Joint liability guarantee	25 April 2018 to 25 April 2030	No	No
Guangnian New Energy Technology (Shaoxing) Co., Ltd	N/A	16,000	13 December 2018	15,968	Joint liability guarantee	13 December 2018 to 12 December 2030	No	No
Xuhui New Energy Technology (Shaoxing) Co., Ltd	N/A	4,500	13 December 2018	4,491	Joint liability guarantee	13 December 2018 to 12 December 2030	No	No
BOE Technology (HK) Limited	N/A	110,220	31 October 2017	110,220	Pledge	12 December 2017 to 7 December 2020	No	No
Total approved line for such guarantees in the Reporting Period (C1)			0	Total actual amount of such guarantees in the Reporting Period (C2)				173
Total approved line for such guarantees at the end of the Reporting Period (C3)			360,939	Total actual balance of such guarantees at the end of the Reporting Period (C4)				295,329
Total guarantee amount (total of the three kinds of guarantees above)								
Total guarantee line approved in the Reporting Period (A1+B1+C1)			2,450,000	Total actual guarantee amount in the Reporting Period (A2+B2+C2)				132,875

Total approved guarantee line at the end of the Reporting Period (A3+B3+C3)	13,978,339	Total actual guarantee balance at the end of the Reporting Period (A4+B4+C4)	8,673,745
Total actual guarantee amount (A4+B4+C4) as % of the Company’s net assets		100.25%	
Of which:			
Amount of guarantees provided for shareholders, the actual controller and their related parties (D)		0	
Balance of debt guarantees provided directly or indirectly for obligors with an over 70% debt/asset ratio (E)		199,848	
Amount by which the total guarantee amount exceeds 50% of the Company’s net assets (F)		4,347,578	
Total of the three amounts above (D+E+F)		4,347,578	
Joint responsibilities possibly borne or already borne in the Reporting Period for undue guarantees (if any)		N/A	
Provision of external guarantees in breach of the prescribed procedures (if any)		N/A	

Compound guarantees:

Naught

(2) Irregularities in Provision of Guarantees

☐ Applicable ☒ Not applicable

No such cases in the Reporting Period.

3. Other Major Contracts

☐ Applicable ☒ Not applicable

No such cases in the Reporting Period.

XV Corporate Social Responsibility (CSR)

1. Significant Environment Protection

Indicate by tick mark whether the Company or any of its subsidiaries is identified as a major polluter by the environmental protection authorities.

Yes

Name of polluter	Name of major pollutants	Way of discharge	Number of discharge outlets	Distribution of discharge outlets	Discharge concentration	Discharge standards implemented	Total discharge	Approved total discharge	Excessive discharge
Beijing BOE Optoelectronics Technology Co., Ltd.	COD	Standard emission after being treated by sewage treatment system	1	Northwest corner of factory	192.70mg/L	500mg/L	218.102t	702.68t	None
	Ammonia nitrogen				9.69mg/L	45 mg/L	10.972t	55.93t	None
The 4.5 th generation TFT-LCD production line of Chengdu BOE Optoelectronics Technology Co., Ltd.	COD	Standard emission after being treated by sewage treatment system	1	North side of factory	83.88mg/L	500mg/L	44.26t	490.51t	None
	Ammonia nitrogen				6.99mg/L	45mg/L	3.69t	25.249t	None
Hefei BOE Optoelectronics Technology Co., Ltd.	COD	Standard emission after being treated by sewage treatment system	1	Northwest corner of factory	51.12	380mg/L	115.118t	1059t	None
	Ammonia nitrogen				4.75	30mg/L	11.423t	99.2t	None
Beijing BOE Display Technology Co., Ltd.	COD	Standard emission after being treated by sewage treatment system	1	East gate of factory	147.17mg/L	500mg/l	379.25t	1618.8t	None
	Ammonia nitrogen				11.39mg/L	45mg/l	28.88t	134.4t	None
Hefei Xinsheng Optoelectronics Technology Co., Ltd.	COD	Standard emission after being treated by sewage treatment system	1	Northeast gate of factory	60.67mg/L	380mg/L	177.07t	1621.97t	None
	Ammonia nitrogen				13.42mg/L	30mg/L	38.32t	128.08t	None
Erdos Yuansheng	COD	Standard emission after	1	North side	43.2mg/L	500mg/L	51.9t	713.81t	None

Optoelectronics Co., Ltd.	Ammonia nitrogen	being treated by sewage treatment system		of factory	2.5mg/L	-	3t	76.82t	None
The 6 th generation flexible AMOLED production line of Chengdu BOE Optoelectronics Technology Co., Ltd.	COD	Standard emission after being treated by sewage treatment system	1	North side of factory	29.83mg/L	500mg/L	69.53t	2213.78t	None
	Ammonia nitrogen				1.10mg/L	45 mg/L	2.60t	214.4t	None
Chongqing BOE Optoelectronics Technology Co., Ltd.	COD	Standard emission after being treated by sewage treatment system	1	South side of factory	111.9	400mg/L	269.17t	727.08t	None
	Ammonia nitrogen				4.635	45mg/L	11.15t	79.424t	None
Hefei BOE Display Technology Co., Ltd.	COD	Standard emission after being treated by sewage treatment system	1	North side of factory	40.5mg/L	400mg/L	166.19t	1189.88t	None
	Ammonia nitrogen				7.44mg/L	35mg/L	30.53t	118.98t	None
Fuzhou BOE Optoelectronics Technology Co., Ltd.	COD	Standard emission after being treated by sewage treatment system	1	Northeast side of factory	93mg/L	500mg/L	250.16t	510.35t	None
	Ammonia nitrogen				6.39mg/L	45mg/L	17.32t	68.05t	None
BOE Technology Group Co., Ltd.	COD	Standard emission after being treated by sewage treatment system	1	East side of factory	60.5mg/L	500mg/L	0.59t	11.114t	None
	Ammonia nitrogen				20.7mg/L	45mg/L	0.2t	0.341t	None
BOE (Hebei) Mobile Display Technology Co., Ltd.	COD	Discharged into sewage treatment plant through municipal pipes	2	Southeast side of factory	13.5mg/L	500mg/L	0.69t	13.554t	None
	Ammonia nitrogen				1.11mg/L	45mg/L	0.06t	1.01t	None
	COD			North side of factory	124mg/L	500mg/L	2.52t	74.937t	None
	Ammonia nitrogen				22.4mg/L	45mg/L	0.46t	6.744t	None

Construction of pollution prevention equipment and operation condition

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

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

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

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

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

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

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

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

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

Contingency Plan for Emergent Environmental Incidents

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

Self-monitoring Plan

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

Other environment information that should be disclosed

No

Other related environment protection information

No

2. Measures Taken for Targeted Poverty Alleviation

The Company did not take any targeted measures to help people lift themselves out of poverty during the Reporting Period, also no subsequent plans.

XVI Other Significant Events

☒ Applicable ☐ Not applicable

1. The wholly-owned subsidiary, BOE Technology (Hong Kong) Co., Ltd., filed lawsuits to Beijing Municipal Higher People's Court against following Defendants: Letv Mobile Intelligent Information Technology (Beijing) Co., Ltd. (referred to as "Letv Mobile hereinafter"), TV Plus Holdings (Beijing) Limited, Leseil Mobile Technology (Beijing) Co., Ltd. and JiaYueting, with the total amount of claims being about US\$41.84 million. Beijing Municipal Higher People's Court issued Notice of Case Acceptance and Civil Ruling Paper for property preservation on 6 July 2017 and 31 July 2017 respectively. Letv Mobile raised the jurisdiction objection to Beijing Municipal Higher People's Court, which was rejected, and also instituted an appeal to the Supreme People's Court for verdict on jurisdiction objection. The Supreme People's Court has made the final verdict that the appeal of Letv was rejected and the original verdict was maintained. On 8 March 2019, Beijing Municipal Higher People's Court opened a court session for the case firstly and the next step for the Company is to wait for the notice or judgment from the court. For receivables corresponding to aforementioned amount of claims, the Company has counted provision for bad debts as per regulations in accounting standard accordingly; therefore, it has uncertain influences on the Company.

2. The corporate bonds (Phase I) of BOE Technology Group Co., Ltd. issued to public qualified investors from 21 March 2016 to 22 March 2016 reached 3 full years by 21 March 2019. According to regulations, the interest should be paid once per year during the interest-bearing period. According to relevant put provisions stipulated in Raising Instruction Book on the Public-issued Corporation Bonds (Phase I) by the Company to Qualified Investors in 2016, the Company respectively issued The First Advisory Notice on the Non-adjustment "16BOE01" Corporate Bonds Nominal Interest Rate and the Investor Put-back Implementation Measures (No.2019-001), The Second Advisory Notice on the Non-adjustment "16BOE01" Corporate Bonds Nominal Interest Rate and the Investor Put-back Implementation Measures (No.2019-003) and The Third Advisory Notice on the Non-adjustment "16BOE01" Corporate Bonds Nominal Interest Rate and the Investor Put-back Implementation Measures (No.2019-004) on 31 January 2019, 1 February 2019 and 12 February 2019. Within the put-back registration period, the investors could wholly or partially sell their "16BOE01" shares back to the Company with the put price at RMB100/piece (excluding the interest). According to corresponding data provided by CSDC Shenzhen, the put-back quantity of "16BOE01" was 96,705,976, and the put-back amount reached RMB9,975,221,424.40 (including the interest). The remaining quantity subject to the trusteeship was 3,294,024. On 14 March 2019, the Company disclosed 2019 "16BOE01" Interest Payment Announcement (No.2019-009). The interest payment scheme should be RMB31.5 (taxes included) paid to every 10 bonds. On 21 March 2019 was the day for paying the declared put-back funds and interests, and the Company paid corresponding put-back principal and current interests to the validly-declared put-back "16BOE01" bond holder. On 28 March 2019,

the Company held the first bonds holder meeting in 2019 for the 2016 corporate bonds. At this meeting, The Proposal on Advance Payment of 2016 Corporate Bonds of BOE was reviewed and approved, and on 29 March 2019, The Announcement on the First Bonds Holder Meeting Resolution in 2019 for 2016 Corporate Bonds (No. 2019-022) was issued. On 3 April 2019, the Company paid corresponding interests of “16BOE01” bonds incurred from 21 March 2019 to 2 April 2019. However, the delisting date was on 3 April 2019 and the interest payment and claims registration day was on 2 April 2019. From the day 3 April 2019 on, “16BOE01” bonds were delisted and relevant transactions were discontinued via SZSE.

3. The Company issued Pre-disclosure Announcement on Stock Reduction of Shareholders with More than 5% Stocks (Announcement No.: 2019-007) and Pre-disclosure Announcement on Stock Reduction of Shareholders with More than 5% Stocks (Announcement No.: 2019-008) on 6 March 2019 respectively; shareholders of the Company as Hefei Jianxiang Investment Co., Ltd. and Chongqing Ezcapital Opto-electronics Industry Investment Co., Ltd. planned to reduce no more than 1.00% of general capital of the Company by means of centralized competitive bidding within 3 months after 15 working days since the issuance of each Announcement. Aforementioned stock reduction plans were completed by 26 June 2019.

4. The Company issued Announcement on 2018 Implementation of Annual Interest Distribution (Announcement No. 2019-030) on 25 May 2019. The annual interest distribution plan 2018 was reviewed and adopted in 2018 Annual General Meeting held on 26 April 2019. According to the distribution plan, the Company shall allocated annual corporate benefits in 2018 by means of RMB0.3 for every 10 shares (where, the B-share benefit distribution shall be completed with Hong Kong dollar as per conversion rate from RMB to HKD published by People’s Bank of China on the first working day after Shareholders Meeting of the Company) without distributing bonus share or transferring shares in the name of public reserve funds.

5. The Company disclosed the Announcement on Resolutions of the 1st Extraordinary General Meeting of 2019 (Announcement No.: 2019-037), Announcement on Resolutions of the 1st Meeting of the 9th Board of Directors (Announcement No.: 2019-039) and Announcement on Resolutions of the 1st Meeting of the 9th Supervisory Committee (Announcement No.: 2019-040) on 29 June 2019. Those meetings reviewed and approved proposals related to the general election and the general election has been completed. For details, please refer to relevant announcements.

Overview of significant events	Disclosure date	Index to disclosure website for interim report
Announcement on Construction of Beijing BOE Life Technology Industrial Base (Phase I) via Investment	26 March 2019	www.cninfo.com.cn

XVII Significant Events of Subsidiaries

☐ Applicable ☒ Not applicable

Part VI Share Changes and Shareholder Information

I. Share Changes

1. Share Changes

Unit: share

	Before		Increase/decrease in the Reporting Period (+/-)					After	
	Shares	Percentage (%)	New issues	Bonus shares	Bonus issue from profit	Other	Subtotal	Shares	Percentage (%)
I. Restricted shares	2,536,393	0.01%	0	0	0	-675	-675	2,535,718	0.01%
1. Shares held by State	0	0.00%	0	0	0	0	0	0	0.00%
2. Shares held by state-owned legal person	0	0.00%	0	0	0	0	0	0	0.00%
3. Shares held by other domestic investors	2,536,393	0.01%	0	0	0	-675	-675	2,535,718	0.01%
Among which: Shares held by domestic legal person	2,536,393	0.01%	0	0	0	-675	-675	2,535,718	0.01%
Shares held by domestic natural person	0	0.00%	0	0	0	0	0	0	0.00%
4. Shares held by foreign investors	0	0.00%	0	0	0	0	0	0	0.00%
Among which: Shares held by foreign legal person	0	0.00%	0	0	0	0	0	0	0.00%
Shares held by foreign natural person	0	0.00%	0	0	0	0	0	0	0.00%

II. Non-restricted shares	34,795,862,370	99.99%	0	0	0	675	675	34,795,863,045	99.99%
1. RMB common shares	33,859,748,882	97.30%	0	0	0	675	675	33,859,749,557	97.30%
2. Domestically listed foreign shares	936,113,488	2.69%	0	0	0	0	0	936,113,488	2.69%
3. Overseas listed foreign shares	0	0.00%	0	0	0	0	0	0	0.00%
4. Others	0	0.00%	0	0	0	0	0	0	0.00%
III. Total shares	34,798,398,763	100.00%	0	0	0	0	0	34,798,398,763	100.00%

Reasons for share changes:

☒ Applicable ☐ Not applicable

According to Article 3.8.7 stipulated in SZSE Mainboard-listing Company's Standard Operation Guidance, on the first transaction day each year, for the settlement of Shenzhen Branches, the shares held by the listed company's directors, supervisors and senior managers on the last transaction day last year should serve as the base, and the transferable shares in this year could be calculated based on its 25%. Meanwhile, it's also required to unlock the circulating shares within the transferable shares this year not subject to any restriction on shares. When any decimals appeared through calculating the lockable line of credit, the rounding-off principle should prevail; when the remaining shares in one certain account were less than 1,000, its transferable shares in this year should be the shares held in the Company. The Company's supervisor Mr. Chen Zhaozhen holds 900 shares of the Company which were released the restriction on trading on 2 January 2019.

Approval of share changes:

☐ Applicable ☒ Not applicable

Transfer of share ownership:

☐ Applicable ☒ Not applicable

Progress on any share repurchases:

☐ Applicable ☒ Not applicable

Progress on reducing the repurchased shares by means of centralized bidding:

☐ Applicable ☒ Not applicable

Effects of share changes on the basic and diluted earnings per share, equity per share attributable to the Company's ordinary shareholders and other financial indicators of the prior year and the prior accounting period, respectively:

☐ Applicable ☒ Not applicable

Other information that the Company considers necessary or is required by the securities regulator to be disclosed:

☐ Applicable ☒ Not applicable

2. Changes in Restricted Shares

☒ Applicable ☐ Not applicable

Unit: Share

Name of the shareholders	Restricted shares amount at the period-begin	Restricted shares relieved of the period	Restricted shares increased of the period	Restricted shares amount at the period-end	Restricted reasons	Restricted shares relieved date
Shares locked by senior executives	2,536,393	675	0	2,535,718	The Company's supervisor Mr. Chen Zhaozhen holds 900 shares of the Company which were released the restriction on trading on 2 January 2019 in accordance with regulations.	2 January 2019
Total	2,536,393	675	0	2,535,718	--	--

II. Issuance and Listing of Securities

☐ Applicable ☒ Not applicable

III. Total Number of Shareholders and Their Shareholdings

Unit: Share

Total number of ordinary shareholders at the period-end	1,499,878 (including 1,460,087 A-shareholders and 39,791 B-shareholders)							
5% or greater ordinary shareholders or the top 10 ordinary shareholders								
Name of shareholder	Nature of shareholder	Shareholding percentage (%)	Total shares held at the period-end	Increase/decrease during the Reporting Period	Number of restricted shares held	Number of non-restricted shares held	Pledged or frozen shares	
							Status	Number
Beijing State-owned Capital Operation and Management	State-owned legal person	11.68%	4,063,333,333	-	0	4,063,333,333	N/A	0

Center								
Chongqing Ezcapital Opto-electronics Industry Investment Co., Ltd.	State-owned legal person	7.60%	2,643,863,541	-9,136,500	0	2,643,863,541	N/A	0
Hefei Jianxiang Investment Co., Ltd.	State-owned legal person	7.21%	2,510,142,953	-	0	2,510,142,953	N/A	0
Beijing Yizhuang Investment Holdings Co., Ltd.	State-owned legal person	3.48%	1,210,724,041	-30,699,600	0	1,210,724,041	N/A	0
Beijing BOE Investment & Development Co., Ltd.	State-owned legal person	2.36%	822,092,180	-	0	822,092,180	N/A	0
Hong Kong Securities Clearing Company Ltd.	Foreign legal person	1.25%	434,248,350	-48,960,015	0	434,248,350	N/A	0
Beijing Electronics Holdings Co., Ltd.	State-owned legal person	0.79%	273,735,583	-	0	273,735,583	N/A	0
Central Huijin Assets Management Co., Ltd.	State-owned legal person	0.71%	248,305,300	-	0	248,305,300	N/A	0
China Securities Finance Corporation Limited	Domestic non-state-owned legal person	0.38%	132,480,249	-	0	132,480,249	N/A	0
Xiamen Hengxing Group Co., Ltd.	Domestic non-state-owned legal person	0.37%	128,825,078	121,909,078	0	128,825,078	N/A	0
Strategic investors or general corporations becoming top-ten shareholders due to placing of new shares (if any) (see Note 3)	Naught							
Related or acting-in-concert parties among the shareholders above	1. Beijing State-owned Capital Operation and Management Center held 100% equities of Beijing Electronics Holdings Co., Ltd. 2. Beijing Electronics Holdings Co., Ltd. held 66.25% equities of Beijing BOE Investment & Development Co., Ltd. and was its controlling shareholder. 3. After the non-public issuing of BOE in 2014, Hefei Jianxiang Investment Co., Ltd. and Chongqing Ezcapital Opto-electronics Industry Investment Co., Ltd. by entering into Implementation Protocol of Voting Right respectively, agreed to maintain all of the shares held by them respectively unanimous with Beijing BOE Investment & Development Co., Ltd. when executing the voting rights of the shareholders. 4. After the non-public issuing of the Company in 2014, Beijing State-owned Capital Operation and Management Center handed over 70% of the shares directly held by it to Beijing Electronics Holdings Co., Ltd. for management through Stock Management Protocol, and Beijing Electronics Holdings Co., Ltd. gained the incidental shareholders' rights except for disposing right and usufruct of the shares, of which the rest 30% voting right maintained unanimous with Beijing Electronics Holdings Co., Ltd. through the agreement according to Implementation Protocol of Voting Right.							

	5. Except for the above relationships, the Company does not know any other related party or acting-in-concert party among the top 10 shareholders.		
Shareholdings of the top ten unrestricted shareholders			
Name of shareholder	Number of unrestricted shares held at the period-end	Shares by type	
		Type	Shares
Beijing State-owned Capital Operation and Management Center	4,063,333,333	RMB ordinary share	4,063,333,333
Chongqing Ezcapital Opto-electronics Industry Investment Co., Ltd.	2,643,863,541	RMB ordinary share	2,643,863,541
Hefei Jianxiang Investment Co., Ltd.	2,510,142,953	RMB ordinary share	2,510,142,953
Beijing Yizhuang Investment Holdings Co., Ltd	1,210,724,041	RMB ordinary share	1,210,724,041
Beijing BOE Investment & Development Co., Ltd.	822,092,180	RMB ordinary share	822,092,180
Hong Kong Securities Clearing Company Ltd.	434,248,350	RMB ordinary share	434,248,350
Beijing Electronics Holdings Co., Ltd.	273,735,583	RMB ordinary share	273,735,583
Central Huijin Assets Management Co., Ltd	248,305,300	RMB ordinary share	248,305,300
China Securities Finance Corporation Limited	132,480,249	RMB ordinary share	132,480,249
Xiamen Hengxing Group Co., Ltd.	128,825,078	RMB ordinary share	128,825,078
Related or acting-in-concert parties among top 10 unrestricted public shareholders, as well as between top 10 unrestricted public shareholders and top 10 shareholders	1. Beijing State-owned Capital Operation and Management Center held 100% equities of Beijing Electronics Holdings Co., Ltd. 2. Beijing Electronics Holdings Co., Ltd. held 66.25% equities of Beijing BOE Investment & Development Co., Ltd. and was its controlling shareholder. 3. After the non-public issuing of BOE in 2014, Hefei Jianxiang Investment Co., Ltd. and Chongqing Ezcapital Opto-electronics Industry Investment Co., Ltd, by entering into Implementation Protocol of Voting Right respectively, agreed to maintain all of the shares held by them respectively unanimous with Beijing BOE Investment & Development Co., Ltd. when executing the voting rights of the shareholders. 4. After the non-public issuing of the Company in 2014, Beijing State-owned Capital Operation and Management Center handed over 70% of the shares directly held by it to Beijing Electronics Holdings Co., Ltd. for management through Stock Management Protocol, and		

	Beijing Electronics Holdings Co., Ltd. gained the incidental shareholders' rights except for disposing right and usufruct of the shares, of which the rest 30% voting right maintained unanimous with Beijing Electronics Holdings Co., Ltd. through the agreement according to Implementation Protocol of Voting Right. 5. Except for the above relationships, the Company does not know any other related party or acting-in-concert party among the top 10 shareholders.
Top 10 ordinary shareholders involved in securities margin trading (if any) (see note 4)	The holdings of Beijing Yizhuang Investment Holdings Co., Ltd. in the Company decreased by 30,699,600 shares due to refinancing securities lending. Xiamen Hengxing Group Co., Ltd. holds 8,406,498 shares in the Company in its account of collateral securities for margin trading.

Indicate by tick mark whether any of the top 10 ordinary shareholders or the top 10 unrestricted ordinary shareholders of the Company conducted any promissory repo during the Reporting Period.

☐ Yea ☒ No

No such cases in the Reporting Period.

IV. Change of the Controlling Shareholder or the Actual Controller

Change of the controlling shareholder in the Reporting Period

☐ Applicable ☒ Not applicable

No such cases in the Reporting Period.

Change of the actual controller in the Reporting Period

☐ Applicable ☒ Not applicable

No such cases in the Reporting Period.

Part VII Preferred Shares

☐ Applicable ☒ Not applicable

No preferred shares in the Reporting Period.

Part VIII Directors, Supervisors, Senior Management and Staff

I Change in Shareholdings of Directors, Supervisors and Senior Management

√ Applicable □ Not applicable

Name	Office title	Incumbent/former	Beginning shareholding (share)	Increase in the Reporting Period (share)	Decrease in the Reporting Period (share)	Ending shareholding (share)	Number of the restricted shares granted at the period-begin (share)	Number of the restricted shares granted during the Reporting Period (share)	Number of the restricted shares granted at the period-end (share)
Chen Yanshun	Chairman of the Board, Chief of Executive Committee	Incumbent	600,000	0	0	600,000	0	0	0
Pan Jinfeng	Vice Chairman of the Board	Incumbent	0	0	0	0	0	0	0
Liu Xiaodong	Vice Chairman of the Board, President and vice chairman of Executive Committee	Incumbent	250,000	0	0	250,000	0	0	0
Wang Chenyang	Director	Incumbent	0	0	0	0	0	0	0
Song Jie	Director	Incumbent	0	0	0	0	0	0	0
Sun Yun	Director, member of Executive Committee, executive vice president, CFO	Incumbent	223,981	0	0	223,981	0	0	0
Gao Wenbao	Director, member of Executive Committee, executive vice president, and CEO of Display & Sensor Devices Business Group	Incumbent	90,700	0	0	90,700	0	0	0

Li Yantao	Director	Incumbent	0	0	0	0	0	0	0
Lyu Tingjie	Independent director	Incumbent	0	0	0	0	0	0	0
Wang Huacheng	Independent director	Incumbent	0	0	0	0	0	0	0
Hu Xiaolin	Independent director	Incumbent	0	0	0	0	0	0	0
Li Xuan	Independent director	Incumbent	0	0	0	0	0	0	0
Yang Xiangdong	Chairman of the Supervisory Committee	Incumbent	0	0	0	0	0	0	0
Xu Tao	Supervisor	Incumbent	0	0	0	0	0	0	0
Wei Shuanglai	Supervisor	Incumbent	0	0	0	0	0	0	0
Chen Xiaobei	Supervisor	Incumbent	0	0	0	0	0	0	0
Shi Hong	Supervisor	Incumbent	0	0	0	0	0	0	0
Xu Yangping	Employee supervisor	Incumbent	0	0	0	0	0	0	0
He Daopin	Employee supervisor	Incumbent	0	0	0	0	0	0	0
Yan Jun	Employee supervisor	Incumbent	0	0	0	0	0	0	0
Teng Jiao	Employee supervisor	Incumbent	0	0	0	0	0	0	0
Yao Xiangjun	Member of Executive Committee, executive vice president and CEO of Digital Art Business Group	Incumbent	100,000	0	0	100,000	0	0	0
Zhang Zhaohong	Member of Executive Committee, executive vice president and CEO of Mobile Healthcare Business Group	Incumbent	328,700	0	0	328,700	0	0	0
Zhong Huifeng	Member of Executive Committee, executive vice president and CHO	Incumbent	150,000	0	0	150,000	0	0	0
Feng Liqiong	Member of Executive Committee,	Incumbent	200,000	0	0	200,000	0	0	0

	executive vice president and chief lawyer								
Xie Zhongdong	Member of Executive Committee, senior vice president, chief auditor and CRO	Incumbent	200,000	0	0	200,000	0	0	0
Miao Chuanbin	Member of Executive Committee, executive vice president and CCO	Incumbent	1,800	0	0	1,800	0	0	0
Liu Hongfeng	Vice president and Secretary of the Board	Incumbent	154,500	0	0	154,500	0	0	0
Wang Dongsheng	Chairman of the Board	Former	299,905	0	0	299,905	0	0	0
Xie Xiaoming	Vice Chairman of the Board	Former	7,680	0	0	7,680	0	0	0
Zhao Wei	Supervisor	Former	0	0	0	0	0	0	0
Zhuang Haoyu	Supervisor	Former	0	0	0	0	0	0	0
Chen Zhaozhen	Supervisor	Former	900	0	0	900	0	0	0
Dong Youmei	Senior executive	Former	226,400	0	0	226,400	0	0	0
Yue Zhanqiu	Senior executive	Former	220,000	0	0	220,000	0	0	0
Feng Qiang	Senior executive	Former	120,000	0	0	120,000	0	0	0
Yang Anle	Senior executive	Former	150,000	0		150,000	0	0	0
Tong Guanshan	Senior executive	Former	0	0	0	0	0	0	0
Jing Linfeng	Senior executive	Former	145,000	0	0	145,000	0	0	0
Total	--	--	3,469,566	0	0	3,469,566	0	0	0

II Changes in Directors, Supervisors and Senior Management

√ Applicable □ Not applicable

Name	Office title	Type of change	Date	Reason
Wang Dongsheng	Chairman of the Board	Leave the post	28 June 2019	Change the term of office
Xie Xiaoming	Vice Chairman of the Board	Leave the post	28 June 2019	Change the term of office
Zhao Wei	Supervisor	Leave the post	28 June 2019	Change the term of office
Zhuang Haoyu	Supervisor	Leave the post	28 June 2019	Change the term of office
Chen Zhaozhen	Supervisor	Leave the post	28 June 2019	Change the term of office
Miao Chuanbin	Employee supervisor	Leave the post	28 June 2019	Change the term of office
Dong Youmei	Senior executive	Leave the post	28 June 2019	Change the term of office
Yue Zhanqiu	Senior executive	Leave the post	28 June 2019	Change the term of office
Feng Qiang	Senior executive	Leave the post	28 June 2019	Change the term of office
Yang Anle	Senior executive	Leave the post	28 June 2019	Change the term of office
Tong Guanshan	Senior executive	Leave the post	28 June 2019	Change the term of office
Jing Linfeng	Senior executive	Leave the post	28 June 2019	Change the term of office
Chen Yanshun	Chairman of the Board	Elected	28 June 2019	Change the term of office
Pan Jinfeng	Vice Chairman of the Board	Elected	28 June 2019	Change the term of office
Liu Xiaodong	Vice Chairman of the Board	Elected	28 June 2019	Change the term of office
Chen Xiaobei	Supervisor	Elected	28 June 2019	Change the term of office
Wei Shuanglai	Supervisor	Elected	28 June 2019	Change the term of office
Yan Jun	Employee supervisor	Elected	28 June 2019	Change the term of office
Teng Jiao	Employee supervisor	Elected	28 June 2019	Change the term of office
Miao Chuanbin	Senior executive	Engaged	28 June 2019	Change the term of office

Part IX Corporate Bonds

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

No

Part X Financial Statements

I. Auditor's Report

Whether the interim report has been audited?

☐ Yes ☒ No

The interim report of the Company has not been audited.

II. Financial Statements

The unit of the financial statements attached: RMB

1. Consolidated Balance Sheet

Prepared by BOE Technology Group Co., Ltd.

Unit: RMB

Item	30 June 2019	31 December 2018
Current assets:		
Monetary capital	47,191,670,697.00	51,481,539,711.00
Settlement reserve	0.00	0.00
Interbank loans granted	0.00	0.00
Trading financial assets	3,932,990,942.00	0.00
Financial assets at fair value through profit or loss	0.00	0.00
Derivative financial assets	0.00	0.00
Notes receivable	140,924,135.00	656,781,577.00
Accounts receivable	19,267,673,050.00	19,880,680,518.00
Financing backed by accounts receivable	0.00	0.00
Prepayments	670,390,512.00	770,633,448.00
Premiums receivable	0.00	0.00
Reinsurance receivables	0.00	0.00
Receivable reinsurance contract reserve	0.00	0.00
Other receivables	662,620,903.00	2,454,174,971.00
Including: Interest receivable	173,298,920.00	140,597,317.00
Dividends receivable	4,367,120.00	3,711,768.00
Financial assets purchased under resale agreements	0.00	0.00

Inventories	14,352,489,459.00	11,985,398,172.00
Contract assets	0.00	0.00
Assets classified as held for sale	0.00	0.00
Current portion of non-current assets	0.00	0.00
Other current assets	8,311,011,893.00	12,463,073,779.00
Total current assets	94,529,771,591.00	99,692,282,176.00
Non-current assets:		
Loans and advances to customers	0.00	0.00
Investments in debt obligations	0.00	0.00
Available-for-sale financial assets	0.00	734,022,359.00
Investments in other debt obligations	0.00	0.00
Held-to-maturity investments	0.00	0.00
Long-term receivables	0.00	0.00
Long-term equity investments	2,625,460,926.00	2,389,166,886.00
Investments in other equity instruments	704,070,571.00	0.00
Other non-current financial assets	13,757,311.00	0.00
Investment property	1,261,474,153.00	1,283,867,651.00
Fixed assets	128,481,365,480.00	128,157,730,995.00
Construction in progress	71,479,480,514.00	56,423,354,887.00
Productive living assets	0.00	0.00
Oil and gas assets	0.00	0.00
Right-of-use assets	0.00	0.00
Intangible assets	6,902,908,809.00	5,937,679,394.00
R&D expense	0.00	0.00
Goodwill	904,370,509.00	904,370,509.00
Long-term prepaid expense	407,485,249.00	360,640,853.00
Deferred income tax assets	219,508,593.00	252,373,622.00
Other non-current assets	9,532,176,903.00	7,893,002,053.00
Total non-current assets	222,532,059,018.00	204,336,209,209.00
Total assets	317,061,830,609.00	304,028,491,385.00
Current liabilities:		
Short-term borrowings	7,719,908,693.00	5,449,954,885.00
Borrowings from central bank	0.00	0.00
Interbank loans obtained	0.00	0.00

Trading financial liabilities	0.00	0.00
Financial liabilities at fair value through profit or loss	0.00	0.00
Derivative financial liabilities	0.00	0.00
Notes payable	1,061,230,891.00	591,109,272.00
Accounts payable	20,563,920,823.00	22,213,956,616.00
Advances from customers	1,245,359,776.00	1,218,934,743.00
Financial assets sold under repurchase agreements	0.00	0.00
Customer deposits and interbank deposits	0.00	0.00
Payables for acting trading of securities	0.00	0.00
Payables for underwriting of securities	0.00	0.00
Payroll payable	1,318,376,546.00	2,224,931,171.00
Taxes payable	613,003,188.00	970,108,298.00
Other payables	26,202,215,431.00	22,956,979,828.00
Including: Interest payable	893,836,112.00	1,016,761,921.00
Dividends payable	10,999,707.00	23,648,778.00
Handling charges and commissions payable	0.00	0.00
Reinsurance payables	0.00	0.00
Contract liabilities	0.00	0.00
Liabilities directly associated with assets classified as held for sale	0.00	0.00
Current portion of non-current liabilities	7,282,992,933.00	5,597,563,204.00
Other current liabilities	1,143,477,445.00	1,004,557,061.00
Total current liabilities	67,150,485,726.00	62,228,095,078.00
Non-current liabilities:		
Insurance contract reserve	0.00	0.00
Long-term borrowings	107,924,953,091.00	94,780,077,864.00
Bonds payable	309,933,489.00	10,288,666,233.00
Including: Preferred shares	0.00	0.00
Perpetual bonds	0.00	0.00
Lease liabilities	0.00	0.00
Long-term payables	1,127,696,942.00	1,416,092,239.00
Long-term payroll payable	0.00	0.00
Provisions	16,457,010.00	16,457,010.00
Deferred income	2,514,776,723.00	2,187,558,533.00

Deferred income tax liabilities	1,478,963,366.00	1,419,373,545.00
Other non-current liabilities	12,047,294,154.00	11,334,873,322.00
Total non-current liabilities	125,420,074,775.00	121,443,098,746.00
Total liabilities	192,570,560,501.00	183,671,193,824.00
Owners' equity:		
Share capital	34,798,398,763.00	34,798,398,763.00
Other equity instruments	0.00	0.00
Including: Preferred shares	0.00	0.00
Perpetual bonds	0.00	0.00
Capital reserves	38,212,922,001.00	38,213,100,596.00
Less: Treasury stock	0.00	0.00
Other comprehensive income	-283,317,844.00	-125,258,252.00
Specific reserve	0.00	0.00
Surplus reserves	1,152,625,429.00	1,152,626,310.00
General reserve	0.00	0.00
Retained earnings	12,642,719,479.00	11,817,881,286.00
Total equity attributable to owners of the Company as the parent	86,523,347,828.00	85,856,748,703.00
Non-controlling interests	37,967,922,280.00	34,500,548,858.00
Total owners' equity	124,491,270,108.00	120,357,297,561.00
Total liabilities and owners' equity	317,061,830,609.00	304,028,491,385.00

Legal representative: Chen Yanshun

Chief Financial Officer: Sun Yun

President : Liu Xiaodong

Head of financial department: Yang Xiaoping

2. Balance Sheet of the Company as the Parent

Unit: RMB

Item	30 June 2019	31 December 2018
Current assets:		
Monetary capital	1,356,771,901.00	3,829,814,050.00
Trading financial assets	0.00	0.00
Financial assets at fair value through profit or loss	0.00	0.00
Derivative financial assets	0.00	0.00
Notes receivable	0.00	1,500,000.00
Accounts receivable	903,440,719.00	36,952,623.00

Financings backed by accounts receivable	0.00	0.00
Prepayments	49,197,772.00	25,020,734.00
Other receivables	3,150,744,730.00	2,015,828,460.00
Including: Interest receivable	9,216,577.00	9,659,279.00
Dividends receivable	10,874,738.00	14,115,915.00
Inventories	11,166,746.00	9,289,141.00
Contract assets	0.00	0.00
Assets classified as held for sale	0.00	0.00
Current portion of non-current assets	200,000,000.00	450,000,000.00
Other current assets	21,778,708.00	47,805,096.00
Total current assets	5,693,100,576.00	6,416,210,104.00
Non-current assets:		
Investments in debt obligations	0.00	0.00
Available-for-sale financial assets	0.00	128,297,254.00
Investments in other debt obligations	0.00	0.00
Held-to-maturity investments	0.00	0.00
Long-term receivables	0.00	0.00
Long-term equity investments	147,579,422,075.00	143,499,733,485.00
Investments in other equity instruments	139,510,683.00	0.00
Other non-current financial assets	0.00	0.00
Investment property	285,354,375.00	290,253,475.00
Fixed assets	933,022,884.00	969,371,352.00
Construction in progress	282,856,396.00	251,314,313.00
Productive living assets	0.00	0.00
Oil and gas assets	0.00	0.00
Right-of-use assets	0.00	0.00
Intangible assets	1,527,022,834.00	514,186,496.00
R&D expense	0.00	0.00
Goodwill	0.00	0.00
Long-term prepaid expense	108,897,429.00	99,701,797.00
Deferred income tax assets	248,196,280.00	290,794,548.00
Other non-current assets	83,229,901.00	284,243,667.00
Total non-current assets	151,187,512,857.00	146,327,896,387.00
Total assets	156,880,613,433.00	152,744,106,491.00

Current liabilities:		
Short-term borrowings	3,440,000,000.00	1,000,000,000.00
Trading financial liabilities	0.00	0.00
Financial liabilities at fair value through profit or loss	0.00	0.00
Derivative financial liabilities	0.00	0.00
Notes payable	0.00	0.00
Accounts payable	88,987,036.00	35,322,286.00
Advances from customers	1,209,160,813.00	1,577,035,515.00
Contract liabilities	0.00	0.00
Payroll payable	110,017,256.00	201,139,261.00
Taxes payable	158,770,296.00	250,558,556.00
Other payables	6,344,295,425.00	8,209,736,090.00
Including: Interest payable	228,061,452.00	330,964,989.00
Dividends payable	6,451,171.00	6,451,171.00
Liabilities directly associated with assets classified as held for sale	0.00	0.00
Current portion of non-current liabilities	2,313,400,000.00	2,590,000,000.00
Other current liabilities	10,134,611.00	0.00
Total current liabilities	13,674,765,437.00	13,863,791,708.00
Non-current liabilities:		
Long-term borrowings	34,370,830,556.00	26,520,000,000.00
Bonds payable	0.00	9,976,533,425.00
Including: Preferred shares	0.00	0.00
Perpetual bonds	0.00	0.00
Lease liabilities	0.00	0.00
Long-term payables	0.00	0.00
Long-term payroll payable	0.00	0.00
Provisions	0.00	0.00
Deferred income	5,070,274,709.00	5,523,949,841.00
Deferred income tax liabilities	0.00	0.00
Other non-current liabilities	26,613,341,917.00	20,954,104,125.00
Total non-current liabilities	66,054,447,182.00	62,974,587,391.00
Total liabilities	79,729,212,619.00	76,838,379,099.00
Owners' equity:		

Share capital	34,798,398,763.00	34,798,398,763.00
Other equity instruments	0.00	0.00
Including: Preferred shares	0.00	0.00
Perpetual bonds	0.00	0.00
Capital reserves	37,590,966,191.00	37,590,966,191.00
Less: Treasury stock	0.00	0.00
Other comprehensive income	-99,717,652.00	-28,507,585.00
Specific reserve	0.00	0.00
Surplus reserves	1,152,625,429.00	1,152,626,310.00
Retained earnings	3,709,128,083.00	2,392,243,713.00
Total owners' equity	77,151,400,814.00	75,905,727,392.00
Total liabilities and owners' equity	156,880,613,433.00	152,744,106,491.00

3. Consolidated Income Statement

Unit: RMB

Item	H1 2019	H1 2018
1. Revenue	55,039,208,687.00	43,473,904,966.00
Including: Operating revenue	55,039,208,687.00	43,473,904,966.00
Interest income	0.00	0.00
Premium income	0.00	0.00
Handling charge and commission income	0.00	0.00
2. Costs and expenses	53,891,069,026.00	41,687,007,407.00
Including: Cost of sales	45,812,333,231.00	35,144,582,131.00
Interest expense	0.00	0.00
Handling charge and commission expense	0.00	0.00
Surrenders	0.00	0.00
Net claims paid	0.00	0.00
Net amount provided as insurance contract reserve	0.00	0.00
Expenditure on policy dividends	0.00	0.00
Reinsurance premium expense	0.00	0.00
Taxes and surcharges	424,853,407.00	302,565,754.00
Selling expense	1,365,287,286.00	1,294,782,594.00
Administrative expense	2,197,183,494.00	2,143,708,550.00
R&D expense	2,924,658,236.00	1,600,194,723.00

Finance costs	1,166,753,372.00	1,201,173,655.00
Including: Interest expense	1,535,561,809.00	1,427,741,240.00
Interest income	398,822,857.00	345,988,686.00
Add: Other income	1,117,952,927.00	1,904,160,159.00
Return on investment (“-” for loss)	13,565,371.00	166,924,013.00
Including: Share of profit or loss of joint ventures and associates	-16,571,961.00	-29,578,579.00
Income from the derecognition of financial assets at amortized cost (“-” for loss)	0.00	0.00
Foreign exchange gain (“-” for loss)	0.00	0.00
Net gain on exposure hedges (“-” for loss)	0.00	0.00
Gain on changes in fair value (“-” for loss)	55,666,155.00	0.00
Credit impairment loss (“-” for loss)	-20,230,445.00	0.00
Asset impairment loss (“-” for loss)	-598,106,867.00	-458,149,260.00
Asset disposal income (“-” for loss)	373,679.00	-158,511.00
3. Operating profit (“-” for loss)	1,717,360,481.00	3,399,673,960.00
Add: Non-operating income	96,343,532.00	96,641,868.00
Less: Non-operating expense	11,848,340.00	7,653,811.00
4. Profit before tax (“-” for loss)	1,801,855,673.00	3,488,662,017.00
Less: Income tax expense	673,775,041.00	659,568,560.00
5. Net profit (“-” for net loss)	1,128,080,632.00	2,829,093,457.00
5.1 By operating continuity		
5.1.1 Net profit from continuing operations (“-” for net loss)	1,128,080,632.00	2,829,093,457.00
5.1.2 Net profit from discontinued operations (“-” for net loss)	0.00	0.00
5.2 By ownership		
5.2.1 Net profit attributable to owners of the Company as the parent	1,668,448,449.00	2,975,206,500.00
5.2.1 Net profit attributable to non-controlling interests	-540,367,817.00	-146,113,043.00
6. Other comprehensive income, net of tax	48,896,505.00	-223,269,396.00
Attributable to owners of the Company as the parent	48,131,789.00	-238,286,517.00
6.1 Items that will not be reclassified to profit or loss	-23,607,052.00	0.00
6.1.1 Changes caused by remeasurements on defined benefit pension schemes	0.00	0.00
6.1.2 Other comprehensive income that will not be	0.00	0.00

reclassified to profit or loss under the equity method		
6.1.3 Changes in the fair value of investments in other equity instruments	-23,607,052.00	0.00
6.1.4 Changes in the fair value of the company's credit risks	0.00	0.00
6.1.5 Other	0.00	0.00
6.2 Items that will be reclassified to profit or loss	71,738,841.00	-238,286,517.00
6.2.1 Other comprehensive income that will be reclassified to profit or loss under the equity method	175,359,777.00	0.00
6.2.2 Changes in the fair value of investments in other debt obligations	0.00	0.00
6.2.3 Gain/Loss on changes in the fair value of available-for-sale financial assets	0.00	-91,055,052.00
6.2.4 Other comprehensive income arising from the reclassification of financial assets	0.00	0.00
6.2.5 Gain/Loss arising from the reclassification of held-to-maturity investments to available-for-sale financial assets	0.00	0.00
6.2.6 Allowance for credit impairments in investments in other debt obligations	0.00	0.00
6.2.7 Reserve for cash flow hedges	0.00	0.00
6.2.8 Differences arising from the translation of foreign currency-denominated financial statements	-103,620,936.00	-147,231,465.00
6.2.9 Other	0.00	0.00
Attributable to non-controlling interests	764,716.00	15,017,121.00
7. Total comprehensive income	1,176,977,137.00	2,605,824,061.00
Attributable to owners of the Company as the parent	1,716,580,238.00	2,736,919,983.00
Attributable to non-controlling interests	-539,603,101.00	-131,095,922.00
8. Earnings per share		
8.1 Basic earnings per share	0.048	0.085
8.2 Diluted earnings per share	0.048	0.085

Where business mergers under the same control occurred in the Reporting Period, the net profit achieved by the merged parties before the business mergers was RMB0.00, with the corresponding amount for the last period being RMB 0.00.

Legal representative: Chen Yanshun

Chief Financial Officer: Sun Yun

President : Liu Xiaodong

Head of financial department: Yang Xiaoping

4. Income Statement of the Company as the Parent

Unit: RMB

Item	H1 2019	H1 2018
1. Operating revenue	2,889,695,832.00	2,146,860,956.00
Less: Cost of sales	9,226,588.00	12,786,733.00
Taxes and surcharges	18,763,125.00	24,031,851.00
Selling expense	0.00	433,606.00
Administrative expense	303,106,493.00	326,721,457.00
R&D expense	933,795,965.00	493,551,654.00
Finance costs	489,514,994.00	378,937,888.00
Including: Interest expense	504,784,910.00	400,036,107.00
Interest income	18,361,098.00	20,910,083.00
Add: Other income	467,980,287.00	532,427,665.00
Return on investment ("-" for loss)	792,194,279.00	884,469,030.00
Including: Share of profit or loss of joint ventures and associates	-16,519,688.00	-17,602,562.00
Income from the derecognition of financial assets at amortized cost ("-" for loss)	0.00	0.00
Net gain on exposure hedges ("-" for loss)	0.00	0.00
Gain on changes in fair value ("-" for loss)	0.00	0.00
Credit impairment loss ("-" for loss)	-7,044,401.00	0.00
Asset impairment loss ("-" for loss)	0.00	0.00
Asset disposal income ("-" for loss)	0.00	0.00
2. Operating profit ("-" for loss)	2,388,418,832.00	2,327,294,462.00
Add: Non-operating income	2,447,285.00	3,317,848.00
Less: Non-operating expense	849,038.00	576,343.00
3. Profit before tax ("-" for loss)	2,390,017,079.00	2,330,035,967.00
Less: Income tax expense	285,273,969.00	214,413,263.00
4. Net profit ("-" for net loss)	2,104,743,110.00	2,115,622,704.00
4.1 Net profit from continuing operations ("-" for net loss)	2,104,743,110.00	2,115,622,704.00
4.2 Net profit from discontinued operations ("-" for net loss)	0.00	0.00
5. Other comprehensive income, net of tax	184,891,191.00	-34,867,001.00
5.1 Items that will not be reclassified to profit or loss	9,531,414.00	0.00
5.1.1 Changes caused by remeasurements on defined benefit	0.00	0.00

pension schemes		
5.1.2 Other comprehensive income that will not be reclassified to profit or loss under the equity method	0.00	0.00
5.1.3 Changes in the fair value of investments in other equity instruments	9,531,414.00	0.00
5.1.4 Changes in the fair value of the company's credit risks	0.00	0.00
5.1.5 Other	0.00	0.00
5.2 Items that will be reclassified to profit or loss	175,359,777.00	-34,867,001.00
5.2.1 Other comprehensive income that will be reclassified to profit or loss under the equity method	175,359,777.00	0.00
5.2.2 Changes in the fair value of investments in other debt obligations	0.00	0.00
5.2.3 Gain/Loss on changes in the fair value of available-for-sale financial assets	0.00	-34,867,001.00
5.2.4 Other comprehensive income arising from the reclassification of financial assets	0.00	0.00
5.2.5 Gain/Loss arising from the reclassification of held-to-maturity investments to available-for-sale financial assets	0.00	0.00
5.2.6 Allowance for credit impairments in investments in other debt obligations	0.00	0.00
5.2.7 Reserve for cash flow hedges	0.00	0.00
5.2.8 Differences arising from the translation of foreign currency-denominated financial statements	0.00	0.00
5.2.9 Other	0.00	0.00
6. Total comprehensive income	2,289,634,301.00	2,080,755,703.00
7. Earnings per share		
7.1 Basic earnings per share	0.060	0.061
7.2 Diluted earnings per share	0.060	0.061

5. Consolidated Cash Flow Statement

Unit: RMB

Item	H1 2019	H1 2018
1. Cash flows from operating activities:		
Proceeds from sale of commodities and rendering of services	65,478,619,218.00	46,922,249,284.00
Net increase in customer deposits and interbank deposits	0.00	0.00
Net increase in borrowings from central bank	0.00	0.00

Net increase in loans from other financial institutions	0.00	0.00
Premiums received on original insurance contracts	0.00	0.00
Net proceeds from reinsurance	0.00	0.00
Net increase in deposits and investments of policy holders	0.00	0.00
Interest, handling charges and commissions received	0.00	0.00
Net increase in interbank loans obtained	0.00	0.00
Net increase in proceeds from repurchase transactions	0.00	0.00
Net proceeds for acting trading of securities	0.00	0.00
Tax rebates	4,153,126,609.00	3,252,910,154.00
Cash generated from other operating activities	4,211,734,116.00	3,031,879,238.00
Subtotal of cash generated from operating activities	73,843,479,943.00	53,207,038,676.00
Payments for commodities and services	50,374,068,234.00	31,789,388,744.00
Net increase in loans and advances to customers	0.00	0.00
Net increase in deposits in central bank and in interbank loans granted	0.00	0.00
Payments for claims on original insurance contracts	0.00	0.00
Net increase in financial assets held for trading	0.00	0.00
Net increase in interbank loans granted	0.00	0.00
Interest, handling charges and commissions paid	0.00	0.00
Policy dividends paid	0.00	0.00
Cash paid to and for employees	5,573,637,042.00	5,206,850,022.00
Taxes paid	2,198,469,763.00	1,826,914,249.00
Cash used in other operating activities	4,102,320,555.00	2,802,378,487.00
Subtotal of cash used in operating activities	62,248,495,594.00	41,625,531,502.00
Net cash generated from/used in operating activities	11,594,984,349.00	11,581,507,174.00
2. Cash flows from investing activities:		
Proceeds from disinvestment	18,789,102,436.00	42,727,697,470.00
Return on investment	151,529,241.00	225,460,451.00
Net proceeds from the disposal of fixed assets, intangible assets and other long-lived assets	355,478,346.00	6,071,367.00
Net proceeds from the disposal of subsidiaries and other business units	0.00	0.00
Cash generated from other investing activities	108,292,744.00	3,878,193,685.00
Subtotal of cash generated from investing activities	19,404,402,767.00	46,837,422,973.00
Payments for the acquisition of fixed assets, intangible assets	25,040,541,960.00	22,369,952,658.00

and other long-lived assets		
Payments for investments	15,917,595,394.00	46,687,262,053.00
Net increase in pledged loans granted	0.00	0.00
Net payments for the acquisition of subsidiaries and other business units	0.00	0.00
Cash used in other investing activities	56,414,722.00	1,729,746,759.00
Subtotal of cash used in investing activities	41,014,552,076.00	70,786,961,470.00
Net cash generated from/used in investing activities	-21,610,149,309.00	-23,949,538,497.00
3. Cash flows from financing activities:		
Capital contributions received	4,049,510,000.00	4,211,130,000.00
Including: Capital contributions by non-controlling interests to subsidiaries	4,049,510,000.00	4,211,130,000.00
Borrowings obtained	27,379,807,336.00	16,019,313,696.00
Net proceeds from issuance of bonds	0.00	0.00
Cash generated from other financing activities	133,415,725.00	1,736,188,263.00
Subtotal of cash generated from financing activities	31,562,733,061.00	21,966,631,959.00
Repayments of borrowings	20,994,050,384.00	9,708,459,433.00
Payments for interest and dividends	3,614,070,682.00	3,920,842,959.00
Including: Dividends paid by subsidiaries to non-controlling interests	36,394,420.00	0.00
Cash used in other financing activities	73,504,151.00	188,678,823.00
Subtotal of cash used in financing activities	24,681,625,217.00	13,817,981,215.00
Net cash generated from/used in financing activities	6,881,107,844.00	8,148,650,744.00
4. Effect of foreign exchange rate changes on cash and cash equivalents	26,694,157.00	-603,907,413.00
5. Net increase in cash and cash equivalents	-3,107,362,959.00	-4,823,287,992.00
Add: Cash and cash equivalents, beginning of the period	43,350,696,520.00	47,913,287,583.00
6. Cash and cash equivalents, end of the period	40,243,333,561.00	43,089,999,591.00

6. Cash Flow Statement of the Company as the Parent

Unit: RMB

Item	H1 2019	H1 2018
1. Cash flows from operating activities:		
Proceeds from sale of commodities and rendering of services	2,957,952,087.00	3,175,402,626.00
Tax rebates	0.00	2,294,981.00

Cash generated from other operating activities	152,224,777.00	431,273,788.00
Subtotal of cash generated from operating activities	3,110,176,864.00	3,608,971,395.00
Payments for commodities and services	2,289,301,920.00	242,669,705.00
Cash paid to and for employees	641,963,448.00	495,217,910.00
Taxes paid	474,699,572.00	388,375,276.00
Cash used in other operating activities	289,787,986.00	49,861,076.00
Subtotal of cash used in operating activities	3,695,752,926.00	1,176,123,967.00
Net cash generated from/used in operating activities	-585,576,062.00	2,432,847,428.00
2. Cash flows from investing activities:		
Proceeds from disinvestment	306,360,000.00	506,475,341.00
Return on investment	545,676,646.00	614,938,715.00
Net proceeds from the disposal of fixed assets, intangible assets and other long-lived assets	140.00	5,330.00
Net proceeds from the disposal of subsidiaries and other business units	0.00	0.00
Cash generated from other investing activities	491,043,184.00	3,464,350,013.00
Subtotal of cash generated from investing activities	1,343,079,970.00	4,585,769,399.00
Payments for the acquisition of fixed assets, intangible assets and other long-lived assets	860,127,202.00	139,310,504.00
Payments for investments	3,960,930,200.00	9,916,742,439.00
Net payments for the acquisition of subsidiaries and other business units	0.00	0.00
Cash used in other investing activities	2,317,216,289.00	200,000,000.00
Subtotal of cash used in investing activities	7,138,273,691.00	10,256,052,943.00
Net cash generated from/used in investing activities	-5,795,193,721.00	-5,670,283,544.00
3. Cash flows from financing activities:		
Capital contributions received	0.00	0.00
Borrowings obtained	12,504,230,556.00	3,567,000,000.00
Net proceeds from the issuance of bonds	0.00	0.00
Cash generated from other financing activities	3,967,183,652.00	7,306,322,534.00
Subtotal of cash generated from financing activities	16,471,414,208.00	10,873,322,534.00
Repayments of borrowings	10,890,000,000.00	3,882,732,992.00
Payments for interest and dividends	1,658,259,754.00	2,224,217,165.00
Cash used in other financing activities	1,796,768.00	700,000,000.00
Subtotal of cash used in financing activities	12,550,056,522.00	6,806,950,157.00

Net cash generated from/used in financing activities	3,921,357,686.00	4,066,372,377.00
4. Effect of foreign exchange rate changes on cash and cash equivalents	-13,630,052.00	43,102,003.00
5. Net increase in cash and cash equivalents	-2,473,042,149.00	872,038,264.00
Add: Cash and cash equivalents, beginning of the period	3,829,814,050.00	2,990,801,501.00
6. Cash and cash equivalents, end of the period	1,356,771,901.00	3,862,839,765.00

7. Consolidated Statements of Changes in Owners' Equity

H1 2019

Unit: RMB

Item	H1 2019														
	Equity attributable to owners of the Company as the parent													Non-controlling interests	Total owners' equity
	Share capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplus reserves	General reserve	Retained earnings	Other	Subtotal		
		Preferred shares	Perpetual bonds	Other											
1. Balances as at the end of the prior year	34,798,398,763.00	0.00	0.00	0.00	38,213,100,596.00	0.00	-125,258,252.00	0.00	1,152,626,310.00	0.00	11,817,881,286.00	0.00	85,856,748,703.00	34,500,548,858.00	120,357,297,561.00
Add: Adjustments for changed accounting policies	0.00	0.00	0.00	0.00	0.00	0.00	-206,191,381.00	0.00	-881.00	0.00	200,341,707.00	0.00	-5,850,555.00	-1,223,107.00	-7,073,662.00
Adjustments for corrections of previous errors	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Adjustments for business combinations under common control	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other adjustments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2. Balances as at the beginning of the year	34,798,398,763.00	0.00	0.00	0.00	38,213,100,596.00	0.00	-331,449,633.00	0.00	1,152,625,429.00	0.00	12,018,222,993.00	0.00	85,850,898,148.00	34,499,325,751.00	120,350,223,899.00
3. Increase/decrease in the period ("-" for decrease)	0.00	0.00	0.00	0.00	-178,595.00	0.00	48,131,789.00	0.00	0.00	0.00	624,496,486.00	0.00	672,449,680.00	3,468,596,529.00	4,141,046,209.00
3.1 Total comprehensive income	0.00	0.00	0.00	0.00	0.00	0.00	48,131,789.00	0.00	0.00	0.00	1,668,448,449.00	0.00	1,716,580,238.00	-539,603,101.00	1,176,977,137.00
3.2 Capital increased and reduced by owners	0.00	0.00	0.00	0.00	-178,595.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-178,595.00	4,011,048,595.00	4,010,870,000.00
3.2.1 Ordinary shares increased by	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

shareholders																
3.2.2 Capital increased by holders of other equity instruments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.2.3 Share-based payments included in owners' equity	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.2.4 Other	0.00	0.00	0.00	0.00	-178,595.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-178,595.00	4,011,048,595.00	4,010,870,000.00	
3.3 Profit distribution	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-1,043,951,963.00	0.00	-1,043,951,963.00	-2,848,965.00	-1,046,800,928.00	
3.3.1 Appropriation to surplus reserves	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.3.2 Appropriation to general reserve	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

3.3.3 Appropriation to owners (or shareholders)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-1,043,951,963.00	0.00	-1,043,951,963.00	-2,848,965.00	-1,046,800,928.00
3.3.4 Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.4 Transfers within owners' equity	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.4.1 Increase in capital (or share capital) from capital reserves	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.4.2 Increase in capital (or share capital) from surplus reserves	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.4.3 Loss offset by surplus reserves	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

3.4.4 Changes in defined benefit pension schemes transferred to retained earnings	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.4.5 Other comprehensiv e income transferred to retained earnings	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.4.6 Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.5 Specific reserve	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.5.1 Increase in the period	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.5.2 Used in the period	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.6 Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

4. Balances as at the end of the period	34,798,398,763.00	0.00	0.00	0.00	38,212,922,001.00	0.00	-283,317,844.00	0.00	1,152,625,429.00	0.00	12,642,719,479.00	0.00	86,523,347,828.00	37,967,922,280.00	124,491,270,108.00
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H1 2018

Unit: RMB

Item	H1 2018														
	Equity attributable to owners of the Company as the parent													Non-controlling interests	Total owners' equity
	Share capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplus reserves	General reserve	Retained earnings	Other	Subtotal		
Preferred shares		Perpetual bonds	Other												
1. Balances as at the end of the prior year	34,798,398,763.00	0.00	0.00	0.00	38,585,515,122.00	0.00	150,602,933.00	0.00	889,640,475.00	0.00	10,385,659,084.00	0.00	84,809,816,377.00	19,474,446,456.00	104,284,262,833.00
Add: Adjustments for changed accounting policies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Adjustments for corrections of previous errors	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Adjustments for business combinations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

under common control															
Other adjustments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2. Balances as at the beginning of the year	34,798,398,763.00	0.00	0.00	0.00	38,585,515,122.00	0.00	150,602,933.00	0.00	889,640,475.00	0.00	10,385,659,084.00	0.00	84,809,816,377.00	19,474,446,456.00	104,284,262,833.00
3. Increase/decrease in the period (“-” for decrease)	0.00	0.00	0.00	0.00	-340,753,766.00	0.00	-238,286,517.00	0.00	0.00	0.00	1,234,416,621.00	0.00	655,376,338.00	7,454,228,908.00	8,109,605,246.00
3.1 Total comprehensive income	0.00	0.00	0.00	0.00	0.00	0.00	-238,286,517.00	0.00	0.00	0.00	2,975,206,500.00	0.00	2,736,919,983.00	-131,095,922.00	2,605,824,061.00
3.2 Capital increased and reduced by owners	0.00	0.00	0.00	0.00	-343,178,364.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-343,178,364.00	7,588,004,608.00	7,244,826,244.00
3.2.1 Ordinary shares increased by shareholders	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.2.2 Capital increased by holders of other equity instruments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

3.2.3 Share-based payments included in owners' equity	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.2.4 Other	0.00	0.00	0.00	0.00	-343,178,364.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-343,178,364.00	7,588,004,608.00	7,244,826,244.00
3.3 Profit distribution	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-1,740,789,879.00	0.00	-1,740,789,879.00	-2,679,778.00	-1,743,469,657.00
3.3.1 Appropriation to surplus reserves	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.3.2 Appropriation to general reserve	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.3.3 Appropriation to owners (or shareholders)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-1,740,789,879.00	0.00	-1,740,789,879.00	-2,679,778.00	-1,743,469,657.00
3.3.4 Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.4 Transfers within owners' equity	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.4.1 Increase in	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

capital (or share capital) from capital reserves															
3.4.2 Increase in capital (or share capital) from surplus reserves	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.4.3 Loss offset by surplus reserves	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.4.4 Changes in defined benefit pension schemes transferred to retained earnings	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.4.5 Other comprehensive income transferred to retained earnings	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

3.4.6 Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.5 Specific reserve	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.5.1 Increase in the period	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.5.2 Used in the period	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.6 Other	0.00	0.00	0.00	0.00	2,424,598.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,424,598.00	0.00	2,424,598.00
4. Balances as at the end of the period	34,798,398,763.00	0.00	0.00	0.00	38,244,761,356.00	0.00	-87,683,584.00	0.00	889,640,475.00	0.00	11,620,075,705.00	0.00	85,465,192,715.00	26,928,675,364.00	112,393,868,079.00

8. Statements of Changes in Owners' Equity of the Company as the Parent

H1 2019

Unit: RMB

Item	H1 2019											
	Share capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplus reserves	Retained earnings	Other	Total owners' equity
		Preferred shares	Perpetual bonds	Other								
1. Balances as at the end of the prior year	34,798,398,763.00	0.00	0.00	0.00	37,590,966,191.00	0.00	-28,507,585.00	0.00	1,152,626,310.00	2,392,243,713.00	0.00	75,905,727,392.00
Add:	0.00	0.00	0.00	0.00	0.00	0.00	-256,101,258.00	0.00	-881.00	256,093,223.00	0.00	-8,916.00

Adjustments for changed accounting policies												
Adjustments for corrections of previous errors	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other adjustments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2. Balances as at the beginning of the year	34,798,398,763.00	0.00	0.00	0.00	37,590,966,191.00	0.00	-284,608,843.00	0.00	1,152,625,429.00	2,648,336,936.00	0.00	75,905,718,476.00
3. Increase/decrease in the period ("-" for decrease)	0.00	0.00	0.00	0.00	0.00	0.00	184,891,191.00	0.00	0.00	1,060,791,147.00	0.00	1,245,682,338.00
3.1 Total comprehensive income	0.00	0.00	0.00	0.00	0.00	0.00	184,891,191.00	0.00	0.00	2,104,743,110.00	0.00	2,289,634,301.00
3.2 Capital increased and reduced by owners	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

3.2.1 Ordinary shares increased by shareholders	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.2.2 Capital increased by holders of other equity instruments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.2.3 Share- based payments included in owners' equity	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.2.4 Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.3 Profit distribution	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-1,043,951,963.00	0.00	-1,043,951,963.00
3.3.1 Appropriation to surplus reserves	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.3.2 Appropriation to owners (or shareholders)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-1,043,951,963.00	0.00	-1,043,951,963.00
3.3.3	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Other												
3.4 Transfers within owners' equity	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.4.1 Increase in capital (or share capital) from capital reserves	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.4.2 Increase in capital (or share capital) from surplus reserves	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.4.3 Loss offset by surplus reserves	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.4.4 Changes in defined benefit pension schemes transferred to	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

retained earnings												
3.4.5 Other comprehensive income transferred to retained earnings	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.4.6 Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.5 Specific reserve	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.5.1 Increase in the period	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.5.2 Used in the period	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.6 Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4. Balances as at the end of the period	34,798,398,763.00	0.00	0.00	0.00	37,590,966,191.00	0.00	-99,717,652.00	0.00	1,152,625,429.00	3,709,128,083.00	0.00	77,151,400,814.00

H1 2018

Unit: RMB

Item	H1 2018											
	Share capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplus reserves	Retained earnings	Other	Total owners' equity
		Preferred shares	Perpetual bonds	Other								
1. Balances as at the end of the prior year	34,798,398,763.00	0.00	0.00	0.00	37,588,541,593.00	0.00	192,097,489.00	0.00	889,640,475.00	1,765,291,136.00	0.00	75,233,969,456.00
Add: Adjustments for changed accounting policies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Adjustments for corrections of previous errors	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other adjustments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2. Balances as at the beginning of the year	34,798,398,763.00	0.00	0.00	0.00	37,588,541,593.00	0.00	192,097,489.00	0.00	889,640,475.00	1,765,291,136.00	0.00	75,233,969,456.00
3. Increase/decrease in the period ("-" for decrease)	0.00	0.00	0.00	0.00	2,424,598.00	0.00	-34,867,001.00	0.00	0.00	374,832,825.00	0.00	342,390,422.00
3.1 Total	0.00	0.00	0.00	0.00	0.00	0.00	-34,867,001.00	0.00	0.00	2,115,622,704.00	0.00	2,080,755,703.00

comprehensive income												
3.2 Capital increased and reduced by owners	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.2.1 Ordinary shares increased by shareholders	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.2.2 Capital increased by holders of other equity instruments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.2.3 Share-based payments included in owners' equity	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.2.4 Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.3 Profit distribution	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-1,740,789,879.00	0.00	-1,740,789,879.00
3.3.1 Appropriation to surplus reserves	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.3.2 Appropriation to owners (or shareholders)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-1,740,789,879.00	0.00	-1,740,789,879.00

3.3.3 Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.4 Transfers within owners' equity	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.4.1 Increase in capital (or share capital) from capital reserves	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.4.2 Increase in capital (or share capital) from surplus reserves	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.4.3 Loss offset by surplus reserves	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.4.4 Changes in defined benefit pension schemes transferred to retained earnings	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.4.5 Other comprehensive income transferred to retained earnings	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

3.4.6 Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.5 Specific reserve	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.5.1 Increase in the period	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.5.2 Used in the period	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.6 Other	0.00	0.00	0.00	0.00	2,424,598.00	0.00	0.00	0.00	0.00	0.00	0.00	2,424,598.00
4. Balances as at the end of the period	34,798,398,763.00	0.00	0.00	0.00	37,590,966,191.00	0.00	157,230,488.00	0.00	889,640,475.00	2,140,123,961.00	0.00	75,576,359,878.00

III. Company Profile

Founded in Beijing on 9 April 1993 and headquartered in the city, BOE Technology Group Co., Ltd. (hereinafter referred to as the “Company”) is a company limited by shares. Its parent and ultimate controller is Beijing Electronics Holding Co., Ltd. (“Electronics Holding”).

The Company and its affiliated subsidiaries (hereinafter jointly referred to as the “Group”) are divided into three major business divisions, namely, interface devices, smart IoT and smart medicine and engineering.

For information about the Company’s subsidiaries, see item IX herein.

The consolidation scope for consolidated financial statements was determined based on control including the Company and subsidiaries controlled by the Company. Information about subsidiaries was presented in Note IX. The increase and decrease of subsidiaries was listed in Note VIII.

IV. Basis for the Preparation of Financial Statements

1. Preparation Basis

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

2. Continuing Operations

The Company had the continuing operations ability within 12 months since the end of the Reporting Period.

V. Significant Accounting Policies and Estimates

Reminder of the specific accounting policies and estimates:

Naught

1. Statement of Compliance with the Accounting Standards for Business Enterprises

The financial statements have been prepared in accordance with the requirements of Accounting Standards for Business Enterprises issued by the Ministry of Finance (hereinafter referred to as MOF). These financial statements present truly and completely the consolidated financial position and financial position as of 30 June 2019, the consolidated results of operations and results of operations and the consolidated cash flows and cash flows in the first half year of 2019 of the Company.

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

2. Accounting period

The accounting year of the Group is from January 1st to December 31st.

3. Operating Cycle

The Company regarded the period from purchasing the assets for processing to realizing the cash or cash equivalents as the normal

operating cycle. The operating cycle of the main business of the Company usually is less than 12 months.

4. Recording Currency

The Company's functional currency is Renminbi. These financial statements are presented in Renminbi. The basis of choosing the functional currency for the Company and its subsidiaries is that it's the pricing and settlement currency for the main business. Some subsidiaries of the Company adopt the currency other than RMB as the recording currency. The Company translates the foreign currency financial statement of subsidiaries when compiling the financial statement.

5. Accounting Treatments for a Business Combination Involving Entities Under and those not Under Common Control

(1) Business combination involving entities under common control

A business combination involving enterprises under common control is a business combination in which all of the combining enterprises are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. The assets and liabilities obtained are measured at the carrying amounts as recorded by the enterprise being combined at the combination date. The difference between the carrying amount of the net assets obtained and the carrying amount of consideration paid for the combination (or the total face value of shares issued) is adjusted to share premium in the capital reserve. If the balance of share premium is insufficient, any excess is adjusted to retained earnings. Other direct expenses occur when the Group conducting business combinations is recognized in current profit and loss. The combination date is the date on which one combining enterprise effectively obtains control of the other combining enterprises.

(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. When the Group acts as the combination party, the cost of a business combination paid by the acquirer is the aggregate of the fair value at the acquisition date of assets given (including share equity of the acquiree held before the combination date), liabilities incurred or assumed, and equity securities issued by the acquirer. Any excess of the cost of a business combination over the acquirer's interest in the fair value of the acquiree's identifiable net assets is recognized as goodwill, while any excess of the acquirer's interest in the fair value of the acquiree's identifiable net assets over the cost of a business combination is recognized in profit or loss. The cost of equity securities or liability securities as on combination consideration offering is recognized in initial recording capital on equity securities or liability securities. Other direct expenses occur when the Group conducting business combinations is recognized in current profit and loss. The difference between the fair value and the carrying amount of the assets given is recognized in profit or loss. The Group, at the acquisition date, recognized the acquiree's identifiable asset, liabilities and contingent liabilities at their fair value at that date. The acquisition date is the date on which the acquirer effectively obtains control of the acquiree.

In a business combination not under same control realized by two or more transactions of exchange, for the equities of the purchases held before the purchase date, the Group will execute the remeasurement according to the fair value of the equity on the purchase date with the difference between the fair value and its book value be recorded in the current investment income. The other comprehensive income which could be reclassified in the gains and losses afterwards and the changes of the equities of the other owners under the measurement of the equity method that involved with the afterwards equity of the purchases held before the purchase date should be transferred in the current investment income.

6. Preparation Methods for Consolidated Financial Statements

(1) General principle

The scope of consolidated financial statements is determined on the base of control, which comprise the Company and its subsidiaries. The term “control” is the power of the Group upon an investee, with which it can take part in relevant activities of the investee to obtain variable returns and is able to influence the amount of returns. When judging whether the Group owns the right on the investees or not, the Group only considers the substantive rights related to the investees (including the substantive rights enjoyed by the Group itself and by the other parties). The financial status, operating results and cash flow of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Equity, profit or loss attributable to minority shareholders is presented separately under the item of shareholders’ equity in consolidated income statement and the net profits in the consolidated income statement.

If current loss shoulder by minority shareholders of a subsidy over the proportion enjoyed by minority shareholders in a subsidy at owners’ equity at period-begin, its balance still offset minority shareholders’ equity.

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 unrealized profit or loss arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealized losses resulting from intra-group transactions are eliminated in the same way as unrealized gains but only to the extent that there is no evidence of impairment.

(2) Acquiring the subsidiaries from merger

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 book value in the consolidated balance sheet of the subsidiary’s assets, liabilities and results of operations as if the combination had occurred at the date that common control was established. Therefore the opening balances and the comparative figures of the consolidated financial statements are restated.

Where a subsidiary was acquired during the Reporting Period, through a business combination involving entities not under common control, when prepared the consolidated financial statements, the Company shall included the acquired subsidiaries into the consolidated scope from the acquisition date basing on the fair value of the identifiable assets, liabilities at the acquisition date.

(3) Disposing the subsidiaries

Where the control of former subsidiary was lost, any disposal profit or loss occurred shall be recorded into the investment income during the period of losing control right. As for remaining equity investment, the Group will re-account it according to the fair value at the date the control was lost. Any profit or loss occurred shall be recorded into the investment income during the period of losing control right.

Where the Group losses control on its original subsidiaries due to step by step disposal of equity investments through multiple transactions, should judge whether is the package deal according to the following principles:

- These deals are at the same time or under the condition of considering the influence of each other to concluded;
- These transactions only when be regarded as a whole could achieve a complete business result;
- The occurrence of a deal depends on at least one other transactions;
- A deal alone is not economical, it is economical with other trading together.

If each deal not belongs to a package deal, as for each deal before losing the control right on the subsidiaries, should be disposed according to the accounting policies of partly disposing the equity investment of the subsidiaries under the situation not losing the control right.

If each deal belongs to a package deal, considered as a transaction and conduct accounting treatment, however, before losing control, the differences between every disposal cost and the shares of the book value of the corresponding net assets continuously calculated

since the purchase date of the subsidiary of disposal investment are confirmed as other comprehensive income in consolidated financial statements, which together transferred into the current profits and losses in the loss of control, when the Group losing control on its subsidiary.

(4) Changes of non-controlling interests

Where the Company acquires a minority interest from a subsidiary's minority shareholders or disposes of a portion of an interest in a subsidiary without a change in control, the difference between the amount by which the minority interests are adjusted and the amount of the consideration paid or received is adjusted to the capital reserve (share premium) in the consolidated balance sheet. If the credit balance of capital reserve (share premium) is insufficient, any excess is adjusted to retained earnings.

7. Classification of Joint Arrangements and Accounting Treatment of Joint Operations

A joint arrangement refers to an arrangement jointly controlled by two participants or above and all the participants are restricted by the arrangement; and two or more participants execute the jointly control on the arrangement. Any of the participant should not individually control the arrangement, while any of the participant that owns the jointly control could stop other participants or the participants group from individually control the arrangement.

Joint arrangements divided into joint operations and joint ventures. A joint operation refers to a joint arrangement where the participant party enjoys assets and has to bear liabilities related to the arrangement. A joint venture refers to a joint arrangement where the participant party is only entitled to the net assets of the arrangement.

The participant party should confirm the following items related to the interests portion among the jointly operation and execute the accounting treatment according to the regulations of the relevant ASBE: recognizes the assets and liabilities that it holds and bears in the joint operation, and recognizes the jointly-held assets and jointly-borne liabilities according to the Group's stake in the joint operation; recognizes the income from sale of the Group's share in the output of the joint operation; recognizes the income from sale of the joint operation's outputs according to the Group's stake in it; and recognizes the expense solely incurred to the Group and the expense incurred to the joint operation according to the Group's stake in it.

8. Recognition Standard for Cash and Cash Equivalents

In the Group's understanding, cash and cash equivalents include cash on hand, any deposit that can be used for cover, and short-term and high circulating investments, which are easily convertible into known amount of cash and whose risks in change of value are minimal.

9. Foreign Currency Businesses 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 at 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 recognized in profit or loss, except those arising from the principals and interests on foreign currency borrowings specifically for the purpose of acquisition, construction of qualifying assets. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated to Renminbi using the foreign exchange rate at the transaction date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated using the foreign exchange rate at the date the fair value is determined; the exchange differences, if it's the difference arising from the non-monetary item of available-for-sale financial assets, which shall be considered as other comprehensive income and recognized in capital reserve; other differences shall be recognized in current profit or loss.

The assets and liabilities of foreign operation are translated to Renminbi at the spot exchange rate at the balance sheet date. The equity items, excluding “Retained earning” and “Difference arising from translation of foreign currency financial statements in other comprehensive income”, are translated to Renminbi at the spot exchange rates at the transaction dates. The income and expenses of foreign operation are translated to Renminbi at rates that approximate the spot exchange rates at the transaction dates. The resulting exchange differences are listed in other comprehensive income. Upon disposal of a foreign operation, the cumulative amount of the exchange differences recognized in equity which relates to that foreign operation is transferred to profit or loss in the period in which the disposal occurs.

10. Financial Instruments

When the Company becomes a party to a financial instrument, it shall recognize a financial asset or financial liability.

(1) Classification, recognition and measurement of financial assets

The Company classifies the financial assets into financial assets measured at amortized cost, financial assets measured by the fair value and the changes recorded in other comprehensive income and financial assets at fair value through profit or loss based on the business model for financial assets management and characteristics of contractual cash flow of financial assets

Financial assets initially recognized shall be measured at their fair values. For financial assets measured at their fair values and of which the variation is recorded into the profit or loss of the current period, the transaction expenses thereof shall be directly included into the current profit or loss; for other financial assets, the transaction expenses thereof shall be included into the initially recognized amount. For accounts receivable and notes receivable generated from sales of commodities or provision of labor services, excluding or without regard to major financing, the expected consideration amount the Company has the right to collect will be taken by the Company as the initially recognized amount.

① Financial assets measured by the amortized cost

The business mode of the Company to manage the financial assets targets at collecting the contractual cash flow. What's more, the contractual cash flow characteristics of the financial assets are consistent with the basic lending arrangement, that is, the cash flow generated in the specific date is the payment of the interest based on the principal and outstanding principal amount. This kind of financial assets of the Company shall be subsequently measured based on the amortized cost, the interest income shall be recognized by effective interest method, and the gains or losses arising from the amortization, impairment shall be included into current profit and loss.

② Financial assets measured at the fair value with its changes included into other comprehensive income

For the Company, the business mode to manage this type of financial assets aims at not only the recovery of contract cash flows but the sales, and cash flows of the financial assets generated from the financial assets on a specific date merely used to the payment for principals and interests based on the amount of outstanding principals. The Company calculates such financial assets as per fair value whose change is included into corresponding comprehensive income, but impairment loss or gain, exchange gain or loss and interest income calculated as per actual interest rate method are included into the current profit and loss.

Furthermore, the Company designates partial non-tradable equity vehicle investment as the financial asset measured with fair value whose change is included into other comprehensive income. The Company includes the related dividend income of such financial assets into the current profit and loss with the change in fair value included into other comprehensive income. At the time of derecognition of such financial assets, accumulated gain or loss included into other comprehensive income before will be shifted to retained earnings from other comprehensive incomes but not included into the current profit and loss.

③ Financial assets at fair value through profit or loss

The Company classifies financial assets except for above-mentioned financial assets measured with amortized cost and financial assets measured with fair value whose change is included into other comprehensive income into financial assets at fair value through profit or loss and listed as trading financial assets. For such financial assets, the Company adopts the fair value for the subsequent

measurement, and the changes in fair value are included into current profit and loss. Financial assets which will mature in more than one year since the balance sheet date and expected to be held for more than one year shall be presented as other non-current financial assets.

(2) Classification, recognition and measurement of financial liabilities

The Company's financial liabilities are, on initial recognition, classified into financial liabilities at fair value through profit or loss and other financial liabilities. For financial liabilities at fair value through profit or loss, relevant transaction costs are immediately recognized in profit or loss for the current period, and transaction costs relating to other financial liabilities are included in the initial recognition amounts.

① Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include trading financial liabilities (including the derivative instruments belonging to financial liabilities) and financial liabilities designated at the initial recognition to be measured by the fair value and their changes are recorded in the current profit or loss.

Trading financial liabilities (including the derivative instruments belonging to financial liabilities) are subsequently measured at fair value, and the changes of fair value except those related to hedge accounting) shall be recorded in the current profit or loss.

For the financial liabilities at fair value through profit or loss, the change of such liability's fair value arising from changes in the Company's own credit risk is included into other comprehensive income. And when the liability is derecognized, the accumulative change amount of its fair value arising from the change of own credit risk included into other comprehensive income is transferred to the retained earnings. The changes of the remaining fair value are included in the current profit or loss. If the treatment of change effects in own credit risk of such financial liability in the above method may cause or expand the accounting mismatching in the profit or loss, the Company will include all gains or losses (including the amount influenced due to the changes in own credit risk of the enterprise) of such financial liability into the current profit or loss.

② Other financial liabilities

Other financial liabilities except for those formed due to transfer of financial assets failing to comply with derecognition condition or continuously getting involved in transferred financial assets and financial guarantee contract are classified into financial liabilities measured with amortized cost and subject to subsequent measurement based on amortized cost. Gains or losses generated from derecognition or amortization are included into the current profit or loss.

(3) Recognition and measurement of financial assets transfer

The Company derecognizes a financial asset when one of the following conditions is met:

- 1) the rights to receive cash flows from the asset have expired;
- 2) the enterprise has transferred its rights to receive cash flows from the asset to a third party under a pass-through arrangement; or
- 3) the enterprise has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

If the enterprise has neither retained all the risks and rewards from the financial asset nor control over the asset, the asset is recognized according to the extent it exists as financial asset, and correspondent liability is recognized. The extent of existence refers the level of risk by the financial asset changes the enterprise is facing.

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

If a part of the transferred financial asset qualifies for derecognition, the carrying amount of the transferred financial asset is allocated between the part that continues to be recognized and the part that is derecognized, based on the relative fair value of those parts. The difference between (a) the carrying amount allocated to the part derecognized; and (b) the sum of the consideration received for the part derecognized and any cumulative gain or loss allocated to the part derecognized which has been previously recognized in other comprehensive income, is recognized in profit or loss.

If the Company endorses the financial assets sold by right of recourse and holding financial assets, it needs to confirm that whether almost all risks and remuneration in the ownership of financial assets have been transferred or not. Where an enterprise has transferred nearly all of the risks and rewards related to the ownership of the financial asset to the transferee, it shall stop recognizing the financial asset; If it retained nearly all of the risks and rewards related to the ownership of the financial asset, it shall not stop recognizing the financial asset. If the Company does not transfer or retain nearly all of the risks and rewards related to the ownership of the financial asset, then it continuously judges that whether the Company retain the control of the assets, and conducts accounting treatment according to the principles described in former paragraphs.

(4) Derecognition of financial liabilities

In case of current obligation of financial liabilities (or partial financial liabilities) being terminated, derecognition of such financial liabilities (or partial financial liabilities) is conducted by the Company. If the Company (borrower) concludes an agreement with the lender to replace original financial liabilities with new ones and contract terms of new financial liabilities are different from those of original financial liabilities, derecognition of original financial liabilities and recognition of new financial liabilities shall be conducted. In case of material alteration of contract terms of original financial liabilities (partial financial liabilities) by the Company, derecognition of original financial liabilities and recognition of new financial liabilities as per modified terms shall be conducted.

In case of derecognition of financial liabilities (partial financial liabilities), the Company includes the balance between its carrying value and payment consideration (including non-cash assets transferred out or borne liabilities) into the current profit or loss.

(5) Offsetting financial assets and financial liabilities

When the Company has a legal right that is currently enforceable to set off the recognized financial assets and financial liabilities, and intends either to settle on a net basis, or to realize the financial asset and settle the financial liability simultaneously, a financial asset and a financial liability shall be offset and the net amount is presented in the balance sheet. Except for the above circumstances, financial assets and financial liabilities shall be presented separately in the balance sheet and shall not be offset.

(6) Determination of financial assets and liabilities' fair value

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. For a financial instrument which has an active market, the Company uses quoted price in the active market to establish its fair value. The quoted price in the active market refers to the price that can be regularly obtained from exchange market, agencies, industry associations, pricing authorities; it represents the fair market trading price in the actual transaction. For a financial instrument which does not have an active market, the Company establishes fair value by using a valuation technique. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. The Company measures initially and subsequently the fair value of an interest rate swap at the value of a competitor's interest rate swap quoted by a recognized financial institution as at the Company's balance sheet date in accordance with the principle of consistency. In valuation, the Company adopts applicable valuation techniques supported by sufficient utilizable data and other information in current circumstances, selects input values consistent with asset or liability characteristics considered in relevant asset or liability transactions of market participators and prioritizes the applying relevant observable input values. Unobservable input values shall not be applied unless relevant observable input values are not accessible or feasible.

(7) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. The consideration received from issuing equity instruments, net of transaction costs, are added to shareholders' equity. All types of distribution (excluding stock dividends) made by the Company to holders of equity instruments are deducted from shareholders' equity. The Company does not recognize any changes in the fair value of equity instruments.

An equity instrument distributing dividends during the period of continued existence (including the "interest" generated from those classified as equity instrument) shall be treated as profit distribution.

(8) Testing Method and Accounting Treatment of Impairment for Financial Assets (Excluding Accounts Receivable)

The Company evaluated the expected credit losses of financial assets measured at amortized cost and financial assets (debt instruments) measured at fair value and changes thereof recorded into other comprehensive income in a single or group way considering all reasonable and well-founded information, including forward-looking information. The measurement of expected credit losses was based on whether the credit risk of the financial assets increases remarkably after the initial recognition on the balance sheet day; if the credit risk increases remarkably after the initial recognition, the Company shall measure the provision for loss based on the specific expected credit loss amount during the entire period of existence; if not, the Company shall measure the provision for loss based on the specific expected credit loss amount in the following 12 months. Amount increased or reversed of impairment loss generated this shall be recorded into the current profit or loss as gains or losses of impairment.

Standards for Judging Whether the Credit Risk Increases Remarkably after the Initial Recognition

If any financial assets' probability of default within the expected period of existence determined on the balance sheet day is obviously higher than that within the expected period of existence determined during the initial recognition, it shall indicate the remarkable increase of the financial assets' credit risk. Unless it is under special circumstances, the Company shall adopt various variations in the default risk in the following 12 months as the reasonable basis for estimating corresponding variations in the default risk within the entire period of existence and determining whether the credit risk increases remarkably after the initial recognition.

11. Notes Receivable

The Company will always measure the provision for notes receivable whether including major financing components or not based on the amount similar to that of expected credit losses for the whole existence period and the amount increased or reversed of impairment for losses generated shall be recorded into the current profit or loss as gains or losses of impairment.

12. Accounts Receivable

The recognition standard and withdrawal method of bad debt provision for accounts receivable of the Company in 2018 are as follows:

(1) Accounts Receivable with Significant Single Amount for which the Bad Debt Provision is Made Individually

Definition or amount criteria for an account receivable with a significant single amount	The single amount is more than RMB50,000,000.00
Making individual bad-debt provisions for accounts receivable with a significant single amount	Impairment test is made individually

(2) Accounts Receivable which the Bad Debt Provision is Withdrawn by Credit Risk Characteristics

Name of portfolios	Bad debt provision method
Credit Risk Characteristics	Other method

Note: Respectively fill in the withdrawal method of bad debt provision for various portfolios according to names of specific portfolios.

(3) Accounts Receivable with an Insignificant Single Amount but for which the Bad Debt Provision is Made Independently

Reason for bad debt provision	Lawsuits or deteriorative customers' credit status
Withdrawal method	The lower one of the expected future receivable amount and

	carrying value
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Recognition standards and withdrawal methods of the bad debt provision for accounts receivable since 1 January 2019:

For the accounts receivable (regardless of any significant financing composition), the Company will always measure corresponding provision for loss based on the amount equaling to the expected credit loss within the entire existence period, and the Company has divided its clients into different groups based on different credit risks. Within the same group, various clients should possess similar risk features, and the historical loss rule should have no obvious difference among various clients; in addition, it could be predicted that this rule would remain unchanged within the predicted collection period of the outstanding accounts receivable. In terms of different groups, the above-mentioned financial assets' predicted credit loss should be calculated based on the history credit loss experience and the usage preparation matrix. Meanwhile, according to relevant historical experience, special factors of the borrower on the balance sheet date, the current situation and the future economic situation, corresponding evaluation could be performed for future adjustment.

13. Other Receivables

The recognition method and accounting treatment of expected credit losses of other receivables

The recognition standard and withdrawal method of bad debt provision for other receivables of the Company in 2018 are as follows:

(1) Accounts Receivable with Significant Single Amount for which the Bad Debt Provision is Made Individually

Definition or amount criteria for an account receivable with a significant single amount	The single amount is more than RMB50,000,000.00
Making individual bad-debt provisions for accounts receivable with a significant single amount	Impairment test is made individually

(2) Accounts Receivable which the Bad Debt Provision is Withdrawn by Credit Risk Characteristics

Name of portfolios	Bad debt provision method
Credit Risk Characteristics	Other method

Note: Respectively fill in the withdrawal method of bad debt provision for various portfolios according to names of specific portfolios.

(3) Accounts Receivable with an Insignificant Single Amount but for which the Bad Debt Provision is Made Independently

Reason for bad debt provision	Lawsuits or deteriorative customers' credit status
Withdrawal method	The lower one of the expected future receivable amount and carrying value

Recognition standards and withdrawal methods of the bad debt provision for other receivables since 1 January 2019:

For the other receivables (regardless of any significant financing composition), the Company will always measure corresponding provision for loss based on the amount equaling to the expected credit loss within the entire existence period, and the Company has divided its clients into different groups based on different credit risks. Within the same group, various clients should possess similar risk features, and the historical loss rule should have no obvious difference among various clients; in addition, it could be predicted that this rule would remain unchanged within the predicted collection period of the outstanding accounts receivable. In terms of

different groups, the above-mentioned financial assets' predicted credit loss should be calculated based on the history credit loss experience and the usage preparation matrix. Meanwhile, according to relevant historical experience, special factors of the borrower on the balance sheet date, the current situation and the future economic situation, corresponding evaluation could be performed for future adjustment.

At the end of the Reporting Period, when the Company accounts the expected credit losses of other receivables, if the expected credit loss is higher than the carrying amount of its current provision for impairment, the difference will be recognized as impairment loss; if lower, the difference will be recognized as impairment gains.

14. Inventory

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

No

(1) Classification and cost of inventories

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 by the cost. Cost of inventories comprises all costs of purchase, costs of conversion and other costs. Inventories are initially measured at their actual cost. In addition to the purchasing cost of raw materials, work in progress and finished goods include direct labor costs and an appropriate allocation of production overheads.

(2) Pricing method for outgoing inventories

Cost of inventories is calculated using the weighted average method.

Revolving materials such as the low priced and easily worn articles and the packing materials should be amortized by adopting one-time amortization method and be recorded in the cost of the relevant assets or the current gains and losses.

(3) Recognition basis of net realizable value and withdrawal method of depreciation reserves for inventories

On the balance sheet day, inventories are carried at the lower of cost and net realizable value.

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

Any excess of the cost over the net realizable value of each class of inventories is recognized as a provision for diminution in the value of inventories, and then recorded into current profit or loss.

(4) Inventory system for inventories

The Group maintains a perpetual inventory system.

15. Assets Held for Sale

The Group should divide the non-current assets (or the disposal group, that is an asset group concurrently be disposed through selling or other methods as an entirety in a transaction and the liabilities directly related to the assets from the transfer among the transaction, the same below)which simultaneously meet with the following conditions as the assets held for sale.

- The non-current assets or disposal group could be immediately sold under the current condition in accordance with the usual terms of selling this kind of assets in similar transactions;
- The sale is extremely possible that is to say, the Company has made a resolution regarding a sales planning and signed a legally binding purchase agreement with other party, and the sale is expected to be finished within one year.

When the non-current assets be divided as assets held for sale (excluding financial assets), the Group measures the non-current assets held for sale, deferred income tax assets and the investment properties be follow-up measured by the fair value mode according to the lower one between the book value and the fair value after deducting the net amount of the disposal expenses, while the deference that the book value higher than the fair value which deducted the disposal expenses should be recognized as the impairment losses of the assets.

The fixed assets and intangible assets be divided as assets held for sale and the investment properties be follow-up measured by the cost mode would not be withdrawn, depreciated or amortized, while the long-term equity investment be divided as assets held for sale that measured by equity method should cease the equity method measurement.

16. Investments in Debt Obligations

See Note V. 10 Financial Instruments for details

17. Other Investments in Debt Obligations

See Note V. 10 Financial Instruments for details

18. Long-term Equity Investments

(1) Recognition of the investment cost of the long-term equity investment

(a) Long-term equity investments acquired through a business combination– The initial investment cost of a long-term equity investment obtained through a business combination involving entities under common control is the Company's share of the subsidiary's equity at the combination date. The difference between the initial investment cost and the carrying amounts of the consideration given is adjusted to share premium in capital reserve. If the balance of the share premium is insufficient, any excess is adjusted to retained earnings. For the long-term equity investment of the subsidiaries formed from the enterprise merger under the same control that realized step by step of the multiple transaction not belong to package deal, the Company would adjust the capital stock premium among the capital surplus according to the difference between the initial investment cost of the long-term equity investment recognized according to the above principles and the sum of the book value of the long-term equity investment before reaching the merger and the book value of the newly paid consideration which be further received on the merger date, and if the balance of the share premium is insufficient, any excess is adjusted to retained earnings.

– For other long-term equity investment obtained through entities not under common control, the fair values, on the acquisition date, of the assets given, the liabilities incurred or assumed and the equity securities issued by the acquirer in exchange for the control on the acquiree shall be recognized as initial investment cost of the long-term equity investment. For long-term equity investment obtained through a business combination involving entities not under common control by two or more transactions and by several steps, the initial investment cost is recognized as the aggregation of the carrying value of acquirees' equity investment before the acquisition date

held by the Company and newly investment cost at the acquisition date.

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

For the Long-term equity investments acquired otherwise than through a business combination, if the long-term investment is acquired by paying cash, the Group shall, upon initial recognition, take the purchase price actually paid as the initial investment cost ;

For the long-term equity investment obtained by issuing equity securities, the Group takes the fair value of equity securities issued as the initial investment cost.

(2) Subsequent measurement and recognition of profits or losses of the long-term equity investment

(a) Investments in subsidiaries

In the Company's financial statements, investments in subsidiaries are accounted for using the cost method, unless the investment is classified as held for sale. Cash dividends or profit distributions declared by subsidiaries and attributed to the Company shall be recognized as investment income, without dividing whether it's the net profit realized by the investee before the investment or after the investment, except those that have been declared but unpaid at the time of acquisition and therefore included in the price paid or consideration.

The investment into the subsidiaries is stated at cost less impairment losses in the balance sheet.

In the Group's consolidated financial statements, investments in subsidiaries are accounted for in accordance with the principles.

(b) Investment in jointly controlled enterprises and associates

The joint enterprise refers to an arrangement that the Group and other joint operation parties execute jointly control and only enjoy the rights of their own net assets.

An associate is an enterprise over which the Group has significant influence.

Upon the subsequent measurement, an investment in a jointly controlled enterprise or an associate is accounted for using the equity method, unless the investment is classified as held for sale.

The Group makes the following accounting treatments when using the equity method:

- Where the initial investment 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 recognized at the initial investment 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 recognized at the investor's share of the fair value of the investee's identifiable net assets, and the difference is charged to profit or loss.
- After the acquisition of the investment, the Group recognizes its share of the investee's net profits or losses after deducting the amortization of the debit balance of equity investment difference, which was recognized by the Group before the first-time adoption of CAS, as investment income or losses, and adjusts the carrying amount of the investment accordingly. The debit balance of the equity investment difference is amortized using the straight-line method over a period which is determined in accordance with previous accounting standards. Once the investee declares any cash dividends or profits distributions, the carrying amount of the investment is reduced by that attributable to the Group. As for the other changes of the owners' equities except for the net gains and losses, other comprehensive income and profits distribution of the joint ventures or associated enterprises (hereinafter referred to as "changes of other owners' equities"), the Group included which in the shareholders' equities according to the portion ought to be enjoyed or shared, and at the same time adjust the book value of the long-term equity investment.
- The Group recognizes its share of the investee's net profits or losses, other comprehensive income and changes of other owners' equities after making appropriate adjustments to align the accounting policies or accounting periods with those of the Group based on the fair values of the investee's identifiable net assets at the date of acquisition. Unrealized profits and losses resulting from transactions between the Group and its associates or jointly controlled enterprises are eliminated to the extent of the Group's interest in the associates or jointly controlled enterprises. Unrealized losses resulting from transactions between the Group and its associates or jointly controlled enterprises are eliminated in the same way as unrealized gains but only to the extent that there is no evidence of impairment.
- The Group discontinues recognizing its share of net 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 associate or the jointly controlled enterprise is reduced to zero, except to the extent that the Group has an obligation to assume additional losses. Where net profits are subsequently made by the associate or jointly controlled enterprise, the Group resumes recognizing its share of those profits only after its share of the profits equals the share of losses not recognized.

(3) The basis for determination of joint control or significant influence over investee enterprise

Joint control refers to the control jointly owned on certain arrangement according to relevant agreement and the relevant activities of the arrangement (which are the activities cause significant influences on the arrangement) could only execute the decision-making through the unanimous consent of the parties sharing control.

The following evidences shall be considered when determining whether the Group can exercise joint control over an investee:

- No single venture is in a position to control the operating activities unilaterally;
- Operating decisions relating to the investee's economic activity require the unanimous consent of the parties sharing control.

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

19. Investment Property

The Company classified its real estate held for earning rents or capital appreciation or for both into the investment property. The Company applied the cost model to measure the investment real estate. Namely, it would be presented in the Balance Sheet through deducting the accumulated depreciation, amortization and the depreciation reserves from the costs. Besides, the Company would calculate and withdraw or amortize the investment real estate by using the straight-line method within the service life through deducting the predicted net residual value and the accumulated provision reserves from the costs, unless the investment real estate could meet corresponding held-for-sale conditions.

For the asset showing any sign of depreciation, the Company would conduct the impairment test and evaluate its recoverable amount. The recoverable amount refers to the higher value between the net amount by deducting various disposal expenses from the fair value of the asset (or the asset group/asset portfolio) and the current value of its predicted future cash flow. However, the asset portfolio should be the smallest asset portfolio which could be recognized, and the generated cash inflow would basically be independent of other assets or asset portfolios. The asset group should consist of relevant assets creating the cash inflow. While recognizing the asset group, it's required to consider whether the asset group could independently generate any cash inflow. Meanwhile, it's also necessary to take the management's production and business operation activities control or the decision-making way into consideration.

The net amount by deducting various disposal expenses from the asset's fair value would be determined based on the amount by deducting the amount that could be directly attributed to the asset's disposal expense from the price recognized during the fair dealing. However, the current value of the asset's predicted future cash flow should be determined based on the predicted future cash flow generated during the continuous use and the ultimate disposal after corresponding discounting by selecting an appropriate pre-tax discount rate.

According to the recoverable amount's estimated results, if the asset's recoverable amount is lower than its book value, its book value would write down to the recoverable amount, and the write-down amount should be recognized as the asset impairment loss which would be calculated into the current loss and gain. At the same time, corresponding asset impairment provisions should also be calculated and withdrawn. In terms of the impairment loss related to the asset group or the asset portfolio, it's required to firstly deduct and amortize the book value of Goodwill in the asset group or the asset portfolio; then, according to the proportion of the book value of other assets in the asset group or asset portfolio (except the Goodwill), the book value of other assets would be deducted based on such proportion. However, the book value of various assets after such deduction would not be lower than the highest value among the net amount by deducting various disposal expenses from the asset's fair value (if any), the current value of the asset's predicted future cash flow (if any) and zero. Upon recognized, the asset impairment loss would not be reversed during the subsequent accounting

periods.

The useful lives and estimated residual values as well as annual depreciation rate of each class of investment property are as follows:

Category	Depreciable life	Residual value rate (%)	Yearly depreciation
Land use rights	32 - 50 years	0%	2.0% - 3.1%
Houses and buildings	25 - 40 years	3%-10%	2.3% - 3.9%

20. Fixed Assets

(1) Conditions for Recognition

Fixed assets represent the tangible assets held by the Group for use in the production of goods or supply of services for rental to others or for operation and 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 V.21. Where parts of an item of fixed assets have different useful lives or provide benefits to the Group in different patterns thus necessitating use of different depreciation rates or methods, each part is recognized as a separate fixed asset. The subsequent costs, including the cost of replacing part of an item of fixed assets, are recorded into fixed asset cost when the economic interests related to costs may flow into the Group, and the carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of fixed assets are recognized in profit or loss as incurred. Fixed assets are stated in the balance sheet at cost less accumulated depreciation and impairment losses.

(2) Depreciation Methods

Category of fixed assets	Depreciation method	Depreciable life	Residual value rate (%)	Yearly depreciation
Workshops and buildings	Straight-line method	10-50 years	3%-10%	1.8%-9.7%
Equipments	Straight-line method	2-25 years	0-10%	3.6%-50%
Others	Straight-line method	2-10 years	0-10%	9.0%-50%

Naught

(3) Recognition Basis, Pricing and Depreciation Method of Fixed Assets by Finance Lease

On the begin date of the lease term, the financing leased assets of the Group should be recorded in the entry value according to the lower one between the fair value of the leasing assets and the net value of the minimum lease payment, and the minimum lease payment should be regarded as the entry value of the long-term account payable with the difference be recognized as the unrecognized financial charges. The Group records the initial direct costs of the financial lease in the leased assets value. If it is reasonable to be certain that the lessee will obtain the ownership of the leased assets when the lease term expires, the leased assets shall be fully depreciated within the available age limit. Otherwise, the leased assets shall be fully depreciated over the shorter one of the lease term or its available age limit. The Group amortizes the unrecognized financial charges by the effective interest rate method within each period during the lease term and manages according to the principles of the borrowing costs. On the balance sheet date, the Group will respectively list the difference from the long-term account payable related to the finance lease minuses the unrecognized financial charges as the long-term liabilities and the long-term liabilities due within 1 year.

21. Construction in Progress

(1) Categories of construction in progress

The enterprise's self-constructed fixed asset includes self construction and contract construction. The cost of the self-constructed fixed asset including the engineering materials, direct labor, borrowing expenses met with the capitalization condition and the necessary expenses happened before the assets reach the expected available state.

(2) Standards and time of transferring construction in progress into fixed asset

When the self-constructed fixed asset reaches the available state, should transfer into the fixed assets, before which should be listed among the construction in progress and not withdraw the depreciation.

(3) Impairment test method and withdrawal method for impairment provision of construction in progress

If any indication exists that an asset may be impaired, the recoverable amount of the asset is estimated. The recoverable amount of an asset, asset group or set of asset groups is the higher of its fair value less costs to sell and its present value of expected future cash flows. An asset group is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or asset groups. An asset group is composed of assets directly relating to cash-generation. Identification of an asset group is based on whether major cash inflows generated by the asset group are largely independent of the cash inflows from other assets or asset groups. In identifying an asset group, the Group also considers how management monitors the Group's operations and how management makes decisions about continuing or disposing of the Group's assets. An asset's fair value less costs to sell is the amount determined by the price of a sale agreement in an arm's length transaction, less the costs that are directly attributable to the disposal of the asset. The present value of expected future cash flows of an asset is determined by discounting future cash flows, estimated to be derived from continuing use of the asset and from its ultimate disposal, to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the result of the recoverable amount calculation indicates that the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is recognized as an impairment loss and charged to profit or loss for the current period. A provision for impairment loss of the asset is recognized accordingly. For impairment losses related to an asset group or a set of asset groups, first reduce the carrying amount of any goodwill allocated to the asset group or set of asset groups, and then reduce the carrying amount of the other assets in the asset group or set of asset groups on a pro rata basis. However, the carrying amount of an impaired asset will not be reduced below the highest of its individual fair value less costs to sell (if determinable), the present value of expected future cash flows (if determinable) and zero.

Once an impairment loss is recognized, it is not reserved in a subsequent period.

22. Borrowing Costs

(1) Recognition principles for capitalization of borrowing costs

Borrowing costs of the Company incurred directly attributable to the acquisition, construction of a qualifying asset are capitalized as part of the cost of the asset.

(2) Capitalization period of borrowing costs

The capitalizations period is the period from the date of commencement of capitalization of borrowing costs to the date of cessation of capitalization, excluding any period over which capitalization is suspended. When the capital expenses and the borrowing expenses had happened and the necessary purchasing and construction activity which was for leading the capital to reach the expected available state had began, the borrowing expenses had began capitalization.

When the qualified asset under acquisition and construction or production is ready for the intended use or sale, the capitalization of the borrowing costs shall be ceased. If each part of the qualified asset under acquisition and construction or production is constructed and completed respectively, the Group shall determine the time of ceasing capitalization of the borrowing costs according to different

situation.

Where each part of a qualified asset under acquisition and construction or production is completed separately and is ready for use or sale during the continuing construction of other parts, and if the acquisition and construction or production activities which are necessary to prepare this part of the asset for the intended use or sale have already been completed substantially, the capitalization of the borrowing costs in relation to this part of asset shall be ceased. Because such part of asset has reached the expected condition of use or sale.

(3) Period for suspending capitalization of borrowing costs

Where the acquisition and construction or production of a qualified asset is interrupted abnormally and the interruption period lasts for more than 3 months, the capitalization of the borrowing costs shall be suspended.

(4) Calculation method of capitalized amount of borrowing costs

– As for specifically borrowed loans for the acquisition and construction or production of assets eligible for capitalization, the to-be-capitalized amount of interests shall be determined in light of the actual cost incurred of the specially borrowed loan at the present period minus the income of interests earned on the unused borrowing loans as a deposit in the bank or as a temporary investment.

– Where a general borrowing is used for the acquisition and construction or production of assets eligible for capitalization, the enterprise shall calculate and determine the to-be-capitalized amount of interests on the general borrowing by multiplying the weighted average asset disbursement of the part of the accumulative asset disbursements minus the general borrowing by the capitalization rate of the general borrowing used. The capitalization rate shall be calculated and determined in light of the weighted average interest rate of the general borrowing.

– During the period of capitalization, the amount of interest capitalized during each accounting period shall not exceed the amount of interest actually incurred to the relevant borrowings in the current period.

When the Group recognizes the effective interest rate of the borrowings, that means to discount the future cash flow of the borrowings during the expected duration or the applicable shorter period to be the interest rate used of the recognized amount during the initial recognition of the borrowings.

During the capitalization period, should capitalize the exchange differences of the principal and the interests of the Foreign currency specific borrowings and record which in the cost of the assets that meet with the conditions of the capitalization. As for the exchange differences from the principal and the interests of the other foreign currency borrowings except for the foreign currency specific borrowings, should be regarded as the financial expenses and included in the current gains and losses.

23. Intangible Assets

(1) Pricing Method, Useful life and Impairment test

(a) Pricing method of intangible assets

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

(b) Estimated useful life of intangible assets with limited useful life

As for the intangible assets with limited useful life, after deducting the salvage of the cost and the impairment provision, the Group amortized the intangible assets through straight line method within the expected service life, unless the intangible assets are classified as held for sale.

Item	Estimated useful life	Basis
Land use rights	40-50 years	Period stipulated by the Land Use Right Certificate

Proprietary technology and patent right	5-10 years	Period agreed in the contract or estimated to bring economic benefits for the Company
Computer software	3-10 years	Period agreed in the contract or estimated to bring economic benefits for the Company
others	5-20 years	Period agreed in the contract or estimated to bring economic benefits for the Company

(c) Judgment basis of intangible assets with uncertain useful life

An intangible asset is regarded as having an indefinite useful life and is not amortized 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 doesn't have any intangible assets with indefinite useful lives.

(d) Withdrawal of impairment provision of intangible assets

If any indication exists that an asset may be impaired, the recoverable amount of the asset is estimated. The recoverable amount of an asset, asset group or set of asset groups is the higher of its fair value less costs to sell and its present value of expected future cash flows. An asset group is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or asset groups. An asset group is composed of assets directly relating to cash-generation. Identification of an asset group is based on whether major cash inflows generated by the asset group are largely independent of the cash inflows from other assets or asset groups. In identifying an asset group, the Group also considers how management monitors the Group's operations and how management makes decisions about continuing or disposing of the Group's assets. An asset's fair value less costs to sell is the amount determined by the price of a sale agreement in an arm's length transaction, less the costs that are directly attributable to the disposal of the asset. The present value of expected future cash flows of an asset is determined by discounting future cash flows, estimated to be derived from continuing use of the asset and from its ultimate disposal, to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the result of the recoverable amount calculation indicates that the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is recognized as an impairment loss and charged to profit or loss for the current period. A provision for impairment loss of the asset is recognized accordingly. For impairment losses related to an asset group or a set of asset groups, first reduce the carrying amount of any goodwill allocated to the asset group or set of asset groups, and then reduce the carrying amount of the other assets in the asset group or set of asset groups on a pro rata basis. However, the carrying amount of an impaired asset will not be reduced below the highest of its individual fair value less costs to sell (if determinable), the present value of expected future cash flows (if determinable) and zero.

Once an impairment loss is recognized, it is not reserved in a subsequent period.

(2) Accounting Policies of Internal R & D Expenses

(a) Criteria of dividing the research phase and development phase of internal R&D project

Research is original and planned investigation undertaken with the prospect of gaining new scientific or technical knowledge and understanding. Development is the application of research findings or other knowledge to a plan or design for the production of new or substantially improved materials, devices, or products before the start of commercial production or use.

(b) Calculation of the expenditures of internal R&D project

Expenditures of internal R&D project of the Group divides into expenditures on the research phase and expenditures on the development phase.

Expenditures on the research phase are recognized in profit or loss when incurred. Expenditures on the development phase are capitalized if development costs can be measured reliably, the product or process is technically and commercially feasible, and the Group intends to and has sufficient resources to complete development. Capitalized development costs are stated at cost less impairment

losses in the balance sheet. Other development expenditures are recognized as expenses in the period in which they are incurred.

24. Impairment of Long-term Assets

The Group executes the impairment test on the assets with impairment indication and evaluates the recoverable amount of the assets. Besides, whether there is impairment indication, the Group will evaluate the recoverable amount of the goodwill at the year-end. The Group will amortize the book value of the good according to the benefit situation in the synergistic effect from the enterprise merger by the relevant assets group or the combination of the assets group and based on which executes the impairment test of the goodwill.

The recoverable amount of an asset, asset group or set of asset groups is the higher of its fair value less costs to sell and its present value of expected future cash flows. An asset group is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or asset groups. Fair value refers to the price received from selling an asset or paid for transferring a liability in the orderly transaction on the measurement date by the market participants. When the Group evaluating the fair value, should consider the characteristics when executing pricing of the relevant assets or liabilities on the measurement date of the market participants (including the assets conditions and the location, the restrictions of the sales or use of the assets and so on) as well as adopt the evaluation technology that applicable under the current circumstance and owns adequate available data and supported by other information. The evaluation technology used mainly including the market method, equity method and cost method.

An asset group is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or asset groups. An asset group is composed of assets directly relating to cash-generation. Identification of an asset group is based on whether major cash inflows generated by the asset group are largely independent of the cash inflows from other assets or asset groups. In identifying an asset group, the Group also considers how management monitors the Group's operations and how management makes decisions about continuing or disposing of the Group's assets.

The present value of expected future cash flows of an asset is determined by discounting future cash flows, estimated to be derived from continuing use of the asset and from its ultimate disposal, to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the result of the recoverable amount calculation indicates that the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is recognized as an impairment loss and charged to profit or loss for the current period. A provision for impairment loss of the asset is recognized accordingly. For impairment losses related to an asset group or a set of asset groups, first reduce the carrying amount of any goodwill allocated to the asset group or set of asset groups, and then reduce the carrying amount of the other assets in the asset group or set of asset groups on a pro rata basis. However, the carrying amount of an impaired asset will not be reduced below the highest of its individual fair value less costs to sell (if determinable), the present value of expected future cash flows (if determinable) and zero.

Once an impairment loss is recognized, it is not reserved in a subsequent period.

25. Long-term Deferred Expenses

Long-term deferred expenses are amortized on a straight-line method within the benefit period:

Item	Amortization period (years)
Cost of operating lease assets improvement	3-10 years
Cost of construction and use of public facilities	10-15 years
Others	2-10 years

26. Payroll

(1) Accounting Treatment of Short-term Compensation

During the accounting period of an employee providing services, the Group recognizes the actual occurred or withdrawn worker wages, bonuses and the social insurance charges such as the medical insurance premiums, industrial injury insurance premium and birth insurance premium according to the specified benchmark and proportion as well as the housing funds as the liabilities and records which in the current gains and losses or the relevant asset costs.

(2) Accounting Treatment of the Welfare after Demission

Welfare after demission refers to the various of the compensation and welfare provided after the retirement of the employees or after the labor relation relieved by the enterprise owing to not receiving the service provided by the employees, except for the short-term compensation and the demission welfare. Specifically divided as defined contribution plans and defined benefit plans. The defined contribution plans participated by the Group including: the basic endowment insurance and unemployment insurance among the social security system set up and managed by the government institutions according to the requirements of the relevant Chinese regulations of the employees of the Group and the corporation pension plan approved and set up by the relevant departments according to the relevant policies of the state enterprise annuity system. The payment amount of the basic endowment insurance and the unemployment insurance should be calculated according to the benchmark and the proportion stipulated by the nation. The enterprise annuity should be withdrawn according to the certain proportion of the total amount of the worker wages of the employees voluntarily participated in the pension plan. During the accounting period of the employees providing the service, the Company recognizes the deposited amount as the liabilities and records in the current gains and losses or the relevant asset costs. The Group not involved with any defined benefit plans.

(3) Accounting Treatment of the Demission Welfare

The Group relieves the labor relations with the employees before the maturity of the labor contracts or puts forward the advice for compensation for encouraging the employees voluntarily accept the reduction, and recognizes the liabilities caused from the demission welfare on the earlier date of the followings and at the same time records which in the current gains and losses:

- When the Group could not unilaterally withdraw the demission welfare provided owing to the termination of the labor relations or the reduction advice:
- The Group owns specific and formal reorganization plan that concerning the payment of the demission welfare; and the time when the reorganization plan had been executed or had announced the main content of the plan to the parties influenced by which, then led all parties formed the rational expectations about the Group is going to execute the reorganization.

(4) Accounting Treatment of the Welfare of Other Long-term Staffs

The welfare of other long-term staffs refers to the all the employees compensation except for the short-term compensation, welfare after demission and demission welfare, which including the long-term compensated absences, long-term sociability benefits and long-term profit sharing plan and so on. The Group not involved with any other long-term employee's welfare.

27. Lease Liabilities

Not applicable

28. Provisions

(1) Criteria of estimated liabilities

A provision is recognized 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.

(2) Measurement of estimated liabilities

The estimated liabilities should be executed the initial measurement according to the best estimated number needed to be spent when caring out the relevant current obligations. As for those with significant influences on the time value of money, the estimated liabilities should be confirmed according to the amount after the discount of the estimated future cash flow. When recognizing the best estimated number, the Group comprehensively considers the factors such as the risks, uncertainty and the time value of money related to the contingencies. There is a contiguous range of the needed expenses and the possibility of various results within the range is the same and the best estimated number should be recognized according to the median within the range; under other circumstance, the best estimated number should be handled respectively according to the following situations:

- If the contingencies involve with a single item, should be recognized according to the most likely happened amount.
- If the contingencies involve with various items, should be recognized according to the calculation of various possible results and the relevant probabilities.

The Group executes the reexamination of the book value of the estimated liabilities on the balance sheet date and adjusts the book value according to the current best estimated number.

29. Revenue

Is the Company subject to any disclosure requirements of special industry?

No

Is the Company has implemented the new standards governing revenue?

☐ Yes ☒ No

30. Government Subsidies**(1) Judgment Basis and Accounting Treatment of Government Subsidies 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.

(2) Judgment Basis and Accounting Treatment of Government Subsidies Related to Profits

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

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

31. Deferred Income Tax Assets/Deferred Income Tax Liabilities

(1) Recognition basis of deferred income tax assets

The Group uses the balance sheet liability method to calculate its income tax, which is recognized in accordance with a difference between the carrying amount of an asset or liability and its tax base (temporary difference). For any deductible loss that can be carried forward to the next year to deduct the income tax according to the stipulations of tax law, relevant deferred income tax assets shall be recognized. The deferred income tax asset shall be determined to the extent that the amount of taxable income to be offset by the deductible loss or tax deduction to be likely obtained. For the deductible temporary difference relating to the investments of the subsidiary companies, associated enterprises and joint enterprises, the enterprise shall recognize the corresponding deferred income tax assets for those that meet the following requirements: the temporary differences are likely to be reversed in the expected future; and it is likely to acquire any amount of taxable income that may be used for deducting the deductible temporary differences.

(2) Recognition basis of deferred income tax liabilities

The Group uses the balance sheet liability method to calculate its income tax, which is recognized in accordance with a difference between the carrying amount of an asset or liability and its tax base (temporary difference). As for the temporary difference from the initial recognition of goodwill, no deferred income tax liabilities shall be recognized. The taxable temporary differences relating to the investments of subsidiary companies, associated enterprises and joint enterprises shall be recognized as corresponding deferred income tax liabilities, however, excluding those that simultaneously satisfy the following conditions: the investing enterprise can control the time of the reverse of temporary differences; and the temporary differences are unlikely to reverse in the expected future.

32. Lease

(1) Accounting Treatment of Operating Lease

Rental payments under operating leases are recognized as costs or expenses on a straight-line basis over the lease term.

Fixed assets leased out under operating leases, except for investment property (see Notes V. 16), are depreciated in accordance with the Group's depreciation policies described in Notes V. 20. Impairment losses are provided for in accordance with the accounting policy. Income derived from operating leases is recognized in the income statement using the straight-line method over the lease term. If initial direct costs incurred in respect of the assets leased out are material, the costs are initially capitalized and subsequently amortized in profit or loss over the lease term on the same basis as the lease income. Otherwise, the costs are charged to profit or loss immediately.

(2) Accounting Treatments of Financial Lease

When the Group acquires an asset under a finance lease, the asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments, each determined at the inception of the lease. The minimum lease payments are recorded as long-term payables. The difference between the value of the leased assets and the minimum lease payments is recognized as unrecognized finance charges. Initial direct costs that are attributable to a finance lease incurred by the Group are added to the amounts recognized for the leased asset. Depreciation and impairment losses are accounted for in accordance with the accounting policies described in Notes V. 16 and Notes V. 20, respectively.

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

Unrecognized finance charge under finance lease is amortized using an effective interest method over the lease term. The amortization is accounted for in accordance with policies of borrowing costs. At the balance sheet date, long-term payables arising from finance leases, net of the unrecognized finance charges, are presented into long-term payables and non-current liabilities due within one year, respectively in the balance sheet.

The economic essence of leaseback formed financial lease is mortgage loan. The Company takes the received financing as borrowings to report, and conducts subsequent measurements for long-term accounts payable according to amortized costs by effective interest method.

33. Other Significant Accounting Policies and Estimates

(1) 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, joint control, or significant influence 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 of the Group. Related parties of the Group and the Company include, but are not limited to:

- (a) the Company's parent
- (b) the Company's subsidiaries
- (c) enterprises that are controlled by the Company's parent
- (d) investors that have joint control or over exercise significant influence over the Group
- (e) enterprise or individuals if a party has control, joint control or significant influence over both the enterprises or individuals and the Group
- (f) joint ventures of the Group, including subsidies of joint ventures
- (g) associates of the Group, including subsidies of associates
- (h) principal individual investors and close family members of such individuals
- (i) key management personnel of the Group and close family members of such individuals
- (j) key management personnel of the Company's parent
- (k) close family members of key management personnel of the Company's parent; and
- (l) other enterprises that are jointly controlled or significantly influenced by principal individual investors, key management personnel of the Group, and close family members of such individuals.

Besides the related parties stated above determined in accordance with the requirements of CAS, the following enterprises and individuals are considered as (but not restricted to) related parties based on the disclosure requirements of "Administrative Procedures on the Information Disclosures of Listed Companies" issued by the CSRC:

- (m) enterprises, or persons that act in concert, that hold 5% or more of the Company's shares
- (n) individuals and close family members of such individuals who directly or indirectly hold 5% or more of the Company's shares
- (o) enterprises that satisfy any of the aforesaid conditions in (a), (c) and (m) during the past 12 months or will satisfy them within the next 12 months pursuant to a relevant agreement
- (p) individuals who satisfy any of the aforesaid conditions in (i), (j) and (n) during the past 12 months or will satisfy them within the next 12 months pursuant to a relevant agreement; and
- (q) enterprises, other than the Company and subsidiaries controlled by the Company, which are controlled directly or indirectly by an individual defined in (i), (j), (n) or (p), or in which such an individual assumes the position of a director or senior executive.

(2) Segment Report

The Company will define various operation divisions based on the internal organizational structure, management requirements and the internal reporting system. If two or above operation divisions possess similar economic features and the identical or similar features can be observed in each single product's or service's nature, the production process's nature, the product or service customer's type,

the product selling or service rendering method, the legal influence and the administrative law impact on the product or the rendered service, it could be consolidated into one operation division. Based on each single operation division, the reporting division could be determined by taking the importance principle into consideration.

While formulating the divisional report, the Company should measure the divisional transaction revenue based on the actual transaction price, and the accounting policy applied to formulate the divisional report should be consistent with that applied to formulate the group's financial statements.

34. Changes in Significant Accounting Policies and Estimates

(1) Changes in Significant Accounting Policies

√ Applicable □ Not applicable

Contents of changes in accounting policies and reasons thereof	Approval procedures	Note
(a) Presentation of financial statements The Company prepared the financial statements for 2019 and adjusted data of same period as required by the CK (2019) No. 6 Notice on Revising and Issuing Formats of 2019 Financial Statements for General Enterprises enacted by the Ministry of Finance in April 2019. (b) Non-monetary asset exchange The Ministry of Finance issued the CK (2019) No. 8 "Notice on Revising and Issuing Accounting Standards for Business Enterprises No. 7-Non-monetary Assets Exchange" in May 2019. The Company starts to implement above notice since 10 June 2019 and adjusted all non-monetary assets exchange occurring during the period from 1 January 2019 to the execution date in accordance with the aforesaid standards. (c) Debt restructuring The Ministry of Finance issued the CK (2019) No. 8 "Notice on Revising and Issuing Accounting Standards for Business Enterprises No. 12-Debt Restructuring". The Company starts to implement this notice since 17 June 2019 and it is unnecessary to adjust the debt restructuring occurring during the period from 1 January 2019 to the execution date. (d) Financial instruments In 2017, the Ministry of Finance revised and issued the Accounting Standards for Business Enterprises No. 22-Recognition and Measurement of Financial Instruments (revised), Accounting Standards for Business Enterprises No. 23-Transfer of Financial Assets (revised), Accounting Standards for Business Enterprises No. 24-Hedge Accounting (revised) and Accounting Standards for Business Enterprises No. 37-Presentation of Financial Instruments (revised) (hereinafter collectively referred to as "new standards governing financial instruments"). The Company starts to implement above revised accounting standards since 1 January 2019 and adjusts relevant contents of accounting policies.	Reviewed and approved by the Company's Board of Directors and Supervisory Committee	The implementation of Accounting Standards for Business Enterprises No. 7-Non-monetary Assets Exchange, Accounting Standards for Business Enterprises No. 12 Debt Restructuring and new standards governing financial instruments did not greatly influence the Company's financial condition and operating results.

(2) Significant Changes in Accounting Estimates

□ Applicable √ Not applicable

(3) Adjustments to the Financial Statements at the Beginning of the First Execution Year of any New Standards Governing Financial Instruments, Revenue or Leases

√ Applicable □ Not applicable

Consolidated Balance Sheet

Unit: RMB

Item	31 December 2018	1 January 2019	Adjusted
Current assets:			
Monetary capital	51,481,539,711.00	51,481,539,711.00	0.00
Settlement reserve	0.00	0.00	0.00
Interbank loans granted	0.00	0.00	0.00
Trading financial assets	0.00	5,534,413,566.00	5,534,413,566.00
Financial assets at fair value through profit or loss	0.00	0.00	0.00
Derivative financial assets	0.00	0.00	0.00
Notes receivable	656,781,577.00	656,781,577.00	0.00
Accounts receivable	19,880,680,518.00	19,874,492,119.00	-6,188,399.00
Financing backed by accounts receivable	0.00	0.00	0.00
Prepayments	770,633,448.00	770,633,448.00	0.00
Premiums receivable	0.00	0.00	0.00
Reinsurance receivables	0.00	0.00	0.00
Receivable reinsurance contract reserve	0.00	0.00	0.00
Other receivables	2,454,174,971.00	2,453,289,708.00	-885,263.00
Including: Interest receivable	140,597,317.00	140,597,317.00	0.00
Dividends receivable	3,711,768.00	3,711,768.00	0.00
Financial assets purchased under resale agreements	0.00	0.00	0.00
Inventories	11,985,398,172.00	11,985,398,172.00	0.00
Contract assets	0.00	0.00	0.00
Assets classified as held for sale	0.00	0.00	0.00
Current portion of non-current assets	0.00	0.00	0.00

Other current assets	12,463,073,779.00	6,928,660,213.00	-5,534,413,566.00
Total current assets	99,692,282,176.00	99,685,208,514.00	-7,073,662.00
Non-current assets:			
Loans and advances to customers	0.00	0.00	0.00
Investments in debt obligations	0.00	0.00	0.00
Available-for-sale financial assets	734,022,359.00	0.00	-734,022,359.00
Investments in other debt obligations	0.00	0.00	0.00
Held-to-maturity investments	0.00	0.00	0.00
Long-term receivables	0.00	0.00	0.00
Long-term equity investments	2,389,166,886.00	2,389,166,886.00	0.00
Investments in other equity instruments	0.00	721,155,927.00	721,155,927.00
Other non-current financial assets	0.00	12,866,432.00	12,866,432.00
Investment property	1,283,867,651.00	1,283,867,651.00	0.00
Fixed assets	128,157,730,995.00	128,157,730,995.00	0.00
Construction in progress	56,423,354,887.00	56,423,354,887.00	0.00
Productive living assets	0.00	0.00	0.00
Oil and gas assets	0.00	0.00	0.00
Right-of-use assets	0.00	0.00	0.00
Intangible assets	5,937,679,394.00	5,937,679,394.00	0.00
R&D expense	0.00	0.00	0.00
Goodwill	904,370,509.00	904,370,509.00	0.00
Long-term prepaid expense	360,640,853.00	360,640,853.00	0.00
Deferred income tax assets	252,373,622.00	252,373,622.00	0.00
Other non-current assets	7,893,002,053.00	7,893,002,053.00	0.00
Total non-current assets	204,336,209,209.00	204,336,209,209.00	0.00
Total assets	304,028,491,385.00	304,021,417,723.00	-7,073,662.00
Current liabilities:			
Short-term borrowings	5,449,954,885.00	5,449,954,885.00	0.00
Borrowings from central bank	0.00	0.00	0.00
Interbank loans obtained	0.00	0.00	0.00
Trading financial liabilities	0.00	0.00	0.00
Financial liabilities at fair value through profit or loss	0.00	0.00	0.00
Derivative financial liabilities	0.00	0.00	0.00

Notes payable	591,109,272.00	591,109,272.00	0.00
Accounts payable	22,213,956,616.00	22,213,956,616.00	0.00
Advances from customers	1,218,934,743.00	1,218,934,743.00	0.00
Financial assets sold under repurchase agreements	0.00	0.00	0.00
Customer deposits and interbank deposits	0.00	0.00	0.00
Payables for acting trading of securities	0.00	0.00	0.00
Payables for underwriting of securities	0.00	0.00	0.00
Payroll payable	2,224,931,171.00	2,224,931,171.00	0.00
Taxes payable	970,108,298.00	970,108,298.00	0.00
Other payables	22,956,979,828.00	22,956,979,828.00	0.00
Including: Interest payable	1,016,761,921.00	1,016,761,921.00	0.00
Dividends payable	23,648,778.00	23,648,778.00	0.00
Handling charges and commissions payable	0.00	0.00	0.00
Reinsurance payables	0.00	0.00	0.00
Contract liabilities	0.00	0.00	0.00
Liabilities directly associated with assets classified as held for sale	0.00	0.00	0.00
Current portion of non-current liabilities	5,597,563,204.00	5,597,563,204.00	0.00
Other current liabilities	1,004,557,061.00	1,004,557,061.00	0.00
Total current liabilities	62,228,095,078.00	62,228,095,078.00	0.00
Non-current liabilities:			
Insurance contract reserve	0.00	0.00	0.00
Long-term borrowings	94,780,077,864.00	94,780,077,864.00	0.00
Bonds payable	10,288,666,233.00	10,288,666,233.00	0.00
Including: Preferred shares	0.00	0.00	0.00
Perpetual bonds	0.00	0.00	0.00
Lease liabilities	0.00	0.00	0.00
Long-term payables	1,416,092,239.00	1,416,092,239.00	0.00
Long-term payroll payable	0.00	0.00	0.00
Provisions	16,457,010.00	16,457,010.00	0.00

Deferred income	2,187,558,533.00	2,187,558,533.00	0.00
Deferred income tax liabilities	1,419,373,545.00	1,419,373,545.00	0.00
Other non-current liabilities	11,334,873,322.00	11,334,873,322.00	0.00
Total non-current liabilities	121,443,098,746.00	121,443,098,746.00	0.00
Total liabilities	183,671,193,824.00	183,671,193,824.00	0.00
Owners' equity:			
Share capital	34,798,398,763.00	34,798,398,763.00	0.00
Other equity instruments	0.00	0.00	0.00
Including: Preferred shares	0.00	0.00	0.00
Perpetual bonds	0.00	0.00	0.00
Capital reserves	38,213,100,596.00	38,213,100,596.00	0.00
Less: Treasury stock	0.00	0.00	0.00
Other comprehensive income	-125,258,252.00	-331,449,633.00	-206,191,381.00
Specific reserve	0.00	0.00	0.00
Surplus reserves	1,152,626,310.00	1,152,625,429.00	-881.00
General reserve	0.00	0.00	0.00
Retained earnings	11,817,881,286.00	12,018,222,993.00	200,341,707.00
Total equity attributable to owners of the Company as the parent	85,856,748,703.00	85,850,898,148.00	-5,850,555.00
Non-controlling interests	34,500,548,858.00	34,499,325,751.00	-1,223,107.00
Total owners' equity	120,357,297,561.00	120,350,223,899.00	-7,073,662.00
Total liabilities and owners' equity	304,028,491,385.00	304,021,417,723.00	-7,073,662.00

Note for adjustment:

The Company starts to implement the Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments, the Accounting Standards for Business Enterprises No. 23 - Transfer of Financial Assets, the Accounting Standards for Business Enterprises No. 24 - Hedging Accounting, and the Accounting Standards for Business Enterprises No. 37 - Presentation of Financial Instruments which are revised in 2017 since 1 January 2019 and adjust the financial statements of the first execution year as required by standards.

Balance Sheet of the Company as the Parent

Unit: RMB

Item	31 December 2018	1 January 2019	Adjusted
Current assets:			
Monetary capital	3,829,814,050.00	3,829,814,050.00	0.00
Trading financial assets	0.00	0.00	0.00
Financial assets at fair value through profit or loss	0.00	0.00	0.00

Derivative financial assets	0.00	0.00	0.00
Notes receivable	1,500,000.00	1,500,000.00	0.00
Accounts receivable	36,952,623.00	36,952,623.00	0.00
Financings backed by accounts receivable	0.00	0.00	0.00
Prepayments	25,020,734.00	25,020,734.00	0.00
Other receivables	2,015,828,460.00	2,015,819,544.00	-8,916.00
Including: Interest receivable	9,659,279.00	9,659,279.00	0.00
Dividends receivable	14,115,915.00	14,115,915.00	0.00
Inventories	9,289,141.00	9,289,141.00	0.00
Contract assets	0.00	0.00	0.00
Assets classified as held for sale	0.00	0.00	0.00
Current portion of non-current assets	450,000,000.00	450,000,000.00	0.00
Other current assets	47,805,096.00	47,805,096.00	0.00
Total current assets	6,416,210,104.00	6,416,201,188.00	-8,916.00
Non-current assets:			
Investments in debt obligations	0.00	0.00	0.00
Available-for-sale financial assets	128,297,254.00	0.00	-128,297,254.00
Investments in other debt obligations	0.00	0.00	0.00
Held-to-maturity investments	0.00	0.00	0.00
Long-term receivables	0.00	0.00	0.00
Long-term equity investments	143,499,733,485.00	143,499,733,485.00	0.00
Investments in other equity instruments	0.00	128,297,254.00	128,297,254.00
Other non-current financial assets	0.00	0.00	0.00
Investment property	290,253,475.00	290,253,475.00	0.00
Fixed assets	969,371,352.00	969,371,352.00	0.00
Construction in progress	251,314,313.00	251,314,313.00	0.00
Productive living assets	0.00	0.00	0.00
Oil and gas assets	0.00	0.00	0.00
Right-of-use assets	0.00	0.00	0.00
Intangible assets	514,186,496.00	514,186,496.00	0.00
R&D expense	0.00	0.00	0.00
Goodwill	0.00	0.00	0.00
Long-term prepaid expense	99,701,797.00	99,701,797.00	0.00

Deferred income tax assets	290,794,548.00	290,794,548.00	0.00
Other non-current assets	284,243,667.00	284,243,667.00	0.00
Total non-current assets	146,327,896,387.00	146,327,896,387.00	0.00
Total assets	152,744,106,491.00	152,744,097,575.00	-8,916.00
Current liabilities:			
Short-term borrowings	1,000,000,000.00	1,000,000,000.00	0.00
Trading financial liabilities	0.00	0.00	0.00
Financial liabilities at fair value through profit or loss	0.00	0.00	0.00
Derivative financial liabilities	0.00	0.00	0.00
Notes payable	0.00	0.00	0.00
Accounts payable	35,322,286.00	35,322,286.00	0.00
Advances from customers	1,577,035,515.00	1,577,035,515.00	0.00
Contract liabilities	0.00	0.00	0.00
Payroll payable	201,139,261.00	201,139,261.00	0.00
Taxes payable	250,558,556.00	250,558,556.00	0.00
Other payables	8,209,736,090.00	8,209,736,090.00	0.00
Including: Interest payable	330,964,989.00	330,964,989.00	0.00
Dividends payable	6,451,171.00	6,451,171.00	0.00
Liabilities directly associated with assets classified as held for sale	0.00	0.00	0.00
Current portion of non-current liabilities	2,590,000,000.00	2,590,000,000.00	0.00
Other current liabilities	0.00	0.00	0.00
Total current liabilities	13,863,791,708.00	13,863,791,708.00	0.00
Non-current liabilities:			
Long-term borrowings	26,520,000,000.00	26,520,000,000.00	0.00
Bonds payable	9,976,533,425.00	9,976,533,425.00	0.00
Including: Preferred shares	0.00	0.00	0.00
Perpetual bonds	0.00	0.00	0.00
Lease liabilities	0.00	0.00	0.00
Long-term payables	0.00	0.00	0.00
Long-term payroll payable	0.00	0.00	0.00
Provisions	0.00	0.00	0.00
Deferred income	5,523,949,841.00	5,523,949,841.00	0.00

Deferred income tax liabilities	0.00	0.00	0.00
Other non-current liabilities	20,954,104,125.00	20,954,104,125.00	0.00
Total non-current liabilities	62,974,587,391.00	62,974,587,391.00	0.00
Total liabilities	76,838,379,099.00	76,838,379,099.00	0.00
Owners' equity:			
Share capital	34,798,398,763.00	34,798,398,763.00	0.00
Other equity instruments	0.00	0.00	0.00
Including: Preferred shares	0.00	0.00	0.00
Perpetual bonds	0.00	0.00	0.00
Capital reserves	37,590,966,191.00	37,590,966,191.00	0.00
Less: Treasury stock	0.00	0.00	0.00
Other comprehensive income	-28,507,585.00	-284,608,843.00	-256,101,258.00
Specific reserve	0.00	0.00	0.00
Surplus reserves	1,152,626,310.00	1,152,625,429.00	-881.00
Retained earnings	2,392,243,713.00	2,648,336,936.00	256,093,223.00
Total owners' equity	75,905,727,392.00	75,905,718,476.00	-8,916.00
Total liabilities and owners' equity	152,744,106,491.00	152,744,097,575.00	-8,916.00

Note for adjustment:

The Company starts to implement the Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments, the Accounting Standards for Business Enterprises No. 23 - Transfer of Financial Assets, the Accounting Standards for Business Enterprises No. 24 - Hedging Accounting, and the Accounting Standards for Business Enterprises No. 37 - Presentation of Financial Instruments which are revised in 2017 since 1 January 2019 and adjust the financial statements of the first execution year as required by standards.

(4) Retroactive Adjustments to Comparative Data of Prior Years when First Execution of any New Standards Governing Financial Instruments or Leases

☐ Applicable ☒ Not applicable

35. Others

Naught

VI. Taxation

1. Main Taxes and Tax Rate

Category of taxes	Tax basis	Tax rate
VAT	Output VAT is calculated on the income from product sales, taxable	6%, 9%, 10%, 11%,

	labor services and provision of taxable services, based on tax laws. The remaining balance of output VAT, after subtracting the deductible input VAT of the period, is VAT payable.	13%, 16%, 17%
Urban maintenance and construction tax	Based on business tax and VAT paid and the VAT tax free for the Period	7%, 5%
Enterprise income tax	Based on taxable income	15%-25%
Education surcharge and local education surcharge	Based on business tax and VAT paid and the VAT tax free for the Period	3%, 2%

Notes of the disclosure situation of the taxpaying bodies with different enterprises income tax rate

Name	Income tax rate
BOE Technology Group Co., Ltd.	15%
Beijing BOE Optoelectronics Technology Co., Ltd.	15%
Chengdu BOE Optoelectronics Technology Co., Ltd.	15%
Hefei BOE Optoelectronics Technology Co., Ltd.	15%
Beijing BOE Display Technology Co., Ltd.	15%
Hefei Xinsheng Optoelectronics Technology Co., Ltd.	15%
Erdos Yuansheng Optoelectronics Co., Ltd.	15%
Chongqing BOE Optoelectronics Technology Co., Ltd.	15%
Hefei BOE Display Technology Co., Ltd.	15%
Fuzhou BOE Optoelectronics Technology Co., Ltd.	15%
Mianyang BOE Optoelectronics Technology Co., Ltd.	15%
BOE (Hebei) Mobile Display Technology Co., Ltd.	15%
Beijing BOE Special Display Technology Co., Ltd.	15%
Beijing BOE Energy Technology Co., Ltd.	15%
Beijing BOE Multimedia Technology Co., Ltd.	15%
BOE Optical Science and Technology Co., Ltd.	15%
Beijing BOE Tea Valley Electronic Co., Ltd.	15%
Hefei BOE Display Light Source Co., Ltd.	15%
Chongqing BOE Display Lighting Co., Ltd.	15%
Beijing BOE Semi-conductor Co., Ltd.	15%
Hefei BOE Semi-conductor Co., Ltd.	15%
Beijing BOE Vacuum Electronics Co., Ltd.	15%
Beijing BOE Vacuum Technology Co., Ltd.	15%
Beijing Asahi Electron Material Co., Ltd.	15%
BOE Intelligent Technology Co., Ltd.	15%

2. Tax Preference

Company	Policy basis	Authority of Approval, Approval Document No. and Valid Period
Hefei BOE Optoelectronics Technology Co., Ltd.	According to corresponding provision stipulated in CS [2010] No.100—Notice on Returning the Excess VAT Paid at the End of the Period related to Partial Projects' Imported Equipment by Ministry of Finance SAT, it's allowed to return the excess VAT paid at the end of the period related to partial projects' imported equipment.	On 4 November 2010, Ministry of Finance and SAT jointly issued CS [2010] No.100 Document, it's allowed to return the excess VAT paid at the end of the period related to partial projects' imported equipment, and the document was officially implemented from 1 December 2010 on.
Beijing BOE Display Technology Co., Ltd. Hefei BOE Optoelectronics Technology Co., Ltd. Hefei Xinsheng Optoelectronics Technology Co., Ltd.	According to CS [2011] No. 107--Notice on Returning the Excess VAT Paid at the End of the Period related to Integrated Circuit Enterprise's Purchase of Equipment by Ministry of Finance SAT, it's allowed to return the excess VAT paid at the end of the period by the major integrated circuit enterprise for purchasing the equipment.	On 4 November 2010, Ministry of Finance and SAT jointly issued CS [2011] No.107 Document, it's allowed to return the excess VAT paid at the end of the period by the major integrated circuit enterprise for purchasing the equipment and the document was officially implemented from 1 November 2011 on.
Beijing BOE Display Technology Co., Ltd. Erdos Yuansheng Optoelectronics Co., Ltd. Chongqing BOE Optoelectronics Technology Co., Ltd.	According to CGS [2012] No. 17—Notice on various Policies related to VAT Payment by Installments for the Imported Equipment Involved in the Significant New FPD Project by Ministry of Finance General Administration of Customs, the significant new FPD project enterprises were allowed to pay corresponding new key imported equipment VAT by installments.	On 4 November 2010, Ministry of Finance and General Administration of Customs jointly issued CS [2012] No.17 Document, the significant new FPD project enterprises were allowed to pay corresponding new key imported equipment VAT by installments, and the document was officially implemented from 1 January 2011 on.
Hefei Xinsheng Optoelectronics Technology Co., Ltd.	According to CGS [2013] No. 63—Notice on the Policy of Tax Payment by Installments granted to the 3 rd Batch of New FPD Project by Ministry of Finance General Administration of Customs, the significant new FPD project enterprises were allowed to pay corresponding new key imported equipment VAT by installments.	In September 2013, Ministry of Finance and General Administration of Customs jointly issued CS [2013] No.63 Document, the significant new FPD project enterprises were allowed to pay corresponding new key imported equipment VAT by installments, and the document was officially implemented from March 2013 on.
Hefei BOE Display Technology Co., Ltd. Fuzhou BOE Optoelectronics Technology Co., Ltd. Chengdu BOE Optoelectronics Technology Co., Ltd.	In June 2016, Ministry of Finance issued [2016] No.30 Document. According to the document, in terms of the new FPD project and new key equipment imported between 1 January 2015 and 31 December 2018. Import VAT could be paid by installments within 6 years (72 consecutive months) after the first device was imported.	In 2016, Ministry of Finance, General Administration of Customs and SAT jointly issued CS [2016] No.30 Notice on various Policies related to VAT Payment by Installments for the Imported Equipment Involved in the New FPD Project. According to the document, in terms of the new FPD project and new key equipment imported between 1

		January 2015 and 31 December 2018. Import VAT could be paid by installments within 6 years (72 consecutive months) after the first device was imported.
--	--	---

3. Others

Naught

VII. Notes on Major Items in Consolidated Financial Statements of the Company

1. Monetary Capital

Unit: RMB

Item	Ending balance	Beginning balance
Cash on hand	528,768.00	537,805.00
Bank deposits	40,202,349,838.00	43,340,146,382.00
Other monetary capital	6,988,792,091.00	8,140,855,524.00
Total	47,191,670,697.00	51,481,539,711.00
Of which: the total amount deposited overseas	4,013,274,534.00	5,012,219,357.00

Other notes

Including: Total overseas deposits were equivalent to RMB4,013,274,534.

As at 30 June 2019, other monetary funds were pledged by the Group amounting to USD154,000,000 (2018: USD305,000,000) for short-term loans, and RMB1,353,140,291 (2018: RMB142,547,192 and USD18,500,000) were pledged for long-term loans. The rest of other restricted monetary funds amount to RMB4,536,493,045, and they are mainly the margin deposits for security deposited in the bank.

2. Trading Financial Assets

Unit: RMB

Item	Ending balance	Beginning balance
Financial assets at fair value through profit or loss	3,932,990,942.00	5,534,413,566.00
Of which:		
Financial assets designated to be measured at fair value and changes thereof recorded into the current profit or loss	0.00	0.00
Of which:		
total	3,932,990,942.00	5,534,413,566.00

Other notes:

Naught

3. Notes Receivable

(1) Notes Receivable Listed by Category

Unit: RMB

Item	Ending balance	Beginning balance
Bank acceptance bill	139,552,718.00	655,081,577.00
Commercial acceptance bill	1,371,417.00	1,700,000.00
Total	140,924,135.00	656,781,577.00

If the bad debt provision for notes receivable was withdrawn in accordance with the general model of expected credit losses, information related to bad debt provision shall be disclosed by reference to the disclosure method of other receivables:

☐ Applicable ☒ Not applicable

(2) Bad Debt Provision Withdrawn, Reversed or Collected during the Reporting Period

Bad debt provision withdrawn in the Reporting Period:

Unit: RMB

Category	Beginning balance	Increase/decrease			Ending balance
		Withdrawn	Reversed or collected	Verified	
Naught					

Of which, bad debt provision collected or reversed with significant amount:

☐ Applicable ☒ Not applicable

(3) Notes Receivable Pledged by the Company at the Period-end

Unit: RMB

Item	Amount
Bank acceptance bill	0.00
Commercial acceptance bill	0.00
Total	0.00

(4) Notes Receivable which Had Endorsed by the Company or had Discounted and had not Due on the Balance Sheet Date at the Period-end

Unit: RMB

Item	Amount of recognition termination at the period-end	Amount of not terminated recognition at the period-end

Bank acceptance bill	85,698,911.00	47,900,262.00
Commercial acceptance bill	0.00	1,371,417.00
Total	85,698,911.00	49,271,679.00

(5) Notes Transferred to Accounts Receivable because Drawer of the Notes Failed to Execute the Contract or Agreement

Unit: RMB

Item	Amount of the notes transferred to accounts receivable at the period-end
Commercial acceptance bill	0.00
Total	0.00

Other notes

Naught

(6) Notes Receivable with Actual Verification for the Reporting Period

Unit: RMB

Item	Amount
Naught	

Of which, verification of significant notes receivable:

Unit: RMB

Name of the entity	Nature	Amount	Reason	Procedure	Whether occurred because of related-party transactions
Naught					

Notes of the verification of notes receivable:

Naught

4. Accounts Receivable

(1) Accounts Receivable Classified by Category

Unit: RMB

Category	Ending balance					Beginning balance				
	Carrying amount		Bad debt provision		Carrying value	Carrying amount		Bad debt provision		Carrying value
	Amount	Proportion	Amount	Withdrawal proportion		Amount	Proportion	Amount	Withdrawal proportion	
Accounts receivable with single bad debt provision accrued	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Of which:										
N/A										
Accounts receivable with bad debt provision withdrawn according to groups	19,607,717,635.00	100.00%	340,044,585.00	2.00%	19,267,673,050.00	20,200,002,348.00	100.00%	325,510,229.00	2.00%	19,874,492,119.00
Of which:										
N/A										
Total	19,607,717,635.00	100.00%	340,044,585.00	2.00%	19,267,673,050.00	20,200,002,348.00	100.00%	325,510,229.00	2.00%	19,874,492,119.00

Single bad debt provision accrued:

Unit: RMB

Name	Ending balance			
	Carrying amount	Bad debt provision	Withdrawal proportion	Withdrawal reason
N/A				
Total			--	--

Bad debt provision withdrawn according to groups:

Unit: RMB

Name	Ending balance		
	Carrying amount	Bad debt provision	Withdrawal proportion
Credit risks characteristics	19,607,717,635.00	340,044,585.00	2.00%
Total	19,607,717,635.00	340,044,585.00	--

Notes of the basis for recognizing the group:

Naught

If the bad debt provision for accounts receivable was withdrawn in accordance with the general model of expected credit losses, information related to bad debt provision shall be disclosed by reference to the disclosure method of other receivables:

✓ Applicable ☐ Not applicable

Withdrawal of bad debt provision

Unit: RMB

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit losses in the next 12 months	Expected credit losses for the whole existence period (no credit impairment)	Expected credit losses for the whole existence period (with credit impairment)	
Balance on 1 January 2019	0.00	5,103,730.00	320,406,499.00	325,510,229.00
Balance of 1 January 2019 in the Reporting Period	—	—	—	—
--Transferred to the Phase II	0.00	0.00	0.00	0.00
--Transferred to the Phase III	0.00	0.00	0.00	0.00
--Reversed to the Phase II	0.00	0.00	0.00	0.00
--Reversed to the Phase I	0.00	0.00	0.00	0.00
Withdrawn in the Current Period	0.00	1,366,584.00	13,183,163.00	14,549,747.00
Reversed in the Current Period	0.00	636,890.00	0.00	636,890.00

write-off in the Current Period	0.00	0.00	0.00	0.00
Verified in the Current Period	0.00	0.00	0.00	0.00
Other changes	0.00	-3,504.00	625,003.00	621,499.00
Balance on 30 June 2019	0.00	5,829,920.00	334,214,665.00	340,044,585.00

Disclosed by aging

Unit: RMB

Aging	Ending balance
Within 1 year (including 1 year)	19,135,881,070.00
1 to 2 years	124,570,022.00
2 to 3 years	211,440,420.00
over 3 years	135,826,123.00
Total	19,607,717,635.00

(2) Bad Debt Provision Withdrawn, Reversed or Recovered in the Reporting Period

The bad debt provision withdrawn in the Current Period was RMB14,549,747.00, and the bad debt provision recovered or reversed in the Reporting Period was RMB636,890.00.

(3) Accounts Receivable with Actual Verification for the Reporting Period

Not applicable

(4) Top 5 of the Ending Balance of the Accounts Receivable Collected according to the Arrears Party

The total amount of the accounts receivable of the top 5 of the Group at the period-end was of RMB10,194,327,444.00 that covered 51.99% of the total amount of the ending balance of the accounts receivable at the period-end, which no need to withdraw the bad debt provision after the assessment.

(5) Derecogniton of Accounts Receivable due to the Transfer of Financial Assets

Not applicable

(6) The Amount of the Assets and Liabilities Formed due to the Transfer and the Continued Involvement of Accounts Receivable

Not applicable

5. Prepayments

(1) List by Aging Analysis

Unit: RMB

Aging	Ending balance		Beginning balance	
	Amount	Proportion	Amount	Proportion
Within 1 year	574,080,021.00	85.63%	721,657,321.00	93.64%
1 to 2 years	85,713,054.00	12.79%	46,363,026.00	6.02%
2 to 3 years	9,620,182.00	1.44%	2,035,569.00	0.26%
Over 3 years	977,255.00	0.15%	577,532.00	0.07%
Total	670,390,512.00	--	770,633,448.00	--

Notes of the reasons of the prepayment aging over 1 year with significant amount but failed settled in time:

The Group has no such over-1-year-old prepayments with a substantial amount that were not settled in time.

(2) Top 5 of the Ending Balance of the Prepayments Collected according to the Prepayment Target

The total amount of the prepayment of the top 5 of the Group at the period-end was of RMB438,563,518.00 that covered 65.42% of the total amount of the ending balance of the prepayment at the period-end.

Other notes: naught

6. Other Receivables

Unit: RMB

Item	Ending balance	Beginning balance
Interest receivable	173,298,920.00	140,597,317.00
Dividends receivable	4,367,120.00	3,711,768.00
Other receivables	484,954,863.00	2,308,980,623.00
Total	662,620,903.00	2,453,289,708.00

(1) Interest Receivable

1) Category of Interest Receivable

Unit: RMB

Item	Ending balance	Beginning balance
Fixed time deposit	173,298,920.00	140,597,317.00
Entrusted loans	0.00	0.00
Bond investment	0.00	0.00
Total	173,298,920.00	140,597,317.00

2) Significant Overdue Interest

Unit: RMB

Entity	Ending balance	Overdue time	Overdue reason	Whether occurred impairment and the judgment basis
Naught				

Other notes:

Naught

3) Withdrawal of bad debt provision

☐ Applicable ☒ Not applicable**(2) Dividends Receivable**

1) Dividends Receivable

Unit: RMB

Item (or investees)	Ending balance	Beginning balance
Bank of Chongqing	3,896,529.00	0.00
Beijing Electronics Zone Co., Ltd.	0.00	3,711,768.00
TPV Technology	470,591.00	0.00
Total	4,367,120.00	3,711,768.00

2) Significant Dividends Receivable Aged over 1 Year

Unit: RMB

Item (or investees)	Ending balance	Aging	Reason	Whether occurred impairment and the judgment basis
Naught				

3) Withdrawal of bad debt provision

☐ Applicable ☒ Not applicable

Other notes: naught

(3) Other Receivables

1) Other Receivables Classified by Account Nature

Unit: RMB

Nature	Ending carrying amount	Beginning carrying amount
Accounts receivable for equity transfer	200,000,000.00	200,000,000.00
Cash deposit and cash pledge	124,833,259.00	148,893,918.00
VAT refunds	11,089,687.00	415,687,566.00

Wealth management receivables	0.00	1,408,094,816.00
Other	156,574,278.00	137,530,098.00
Total	492,497,224.00	2,310,206,398.00

2) Withdrawal of Bad Debt Provision

Unit: RMB

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit losses in the next 12 months	Expected credit losses for the whole existence period (no credit impairment)	Expected credit losses for the whole existence period (with credit impairment)	
Balance on 1 January 2019	0.00	1,114,609.00	111,166.00	1,225,775.00
Balance of 1 January 2019 in the Reporting Period	—	—	—	—
--Transferred to the Phase II	0.00	0.00	0.00	0.00
--Transferred to the Phase III	0.00	0.00	0.00	0.00
--Reversed to the Phase II	0.00	0.00	0.00	0.00
--Reversed to the Phase I	0.00	0.00	0.00	0.00
Withdrawn in the Current Period	0.00	545,697.00	5,836,303.00	6,382,000.00
Reversed in the Current Period	0.00	64,412.00	0.00	64,412.00
write-off in the Current Period	0.00	0.00	0.00	0.00
Verified in the Current Period	0.00	1,100.00	0.00	1,100.00
Other changes	0.00	98.00	0.00	98.00
Balance on 30 June 2019	0.00	1,594,892.00	5,947,469.00	7,542,361.00

Changes in carrying amount of provision for loss with significant changes in amount in the Reporting Period

☐ Applicable ☒ Not applicable

Disclosed by aging

Unit: RMB

Aging	Ending balance
Within 1 year (including 1 year)	211,296,265.00
1 to 2 years	20,108,014.00
2 to 3 years	12,447,806.00
Over 3 years	248,645,139.00
Total	492,497,224.00

3) Bad Debt Provision Withdrawn, Reversed or Recovered in the Reporting Period

The bad debt provision withdrawn in the Current Period was RMB6,382,000.00, and the bad debt provision recovered or reversed in the Reporting Period was RMB64,412.00.

4) Other Receivables with Actual Verification in the Reporting Period

Unit: RMB

Item	Amount verified
Customer 1	1,100.00

Of which, the verification of significant other receivables:

Unit: RMB

Name of the entity	Nature	Amount verified	Reason for verification	Procedure	Whether occurred because of related-party transactions
Naught					

Notes of verification of other receivables:

None

5) Top 5 of the Ending Balance of the Other Receivables Collected according to the Arrears Party

Unit: RMB

Name of the entity	Nature	Ending balance	Aging	Proportion to ending balance of other receivables%	Ending balance of bad debt provision
Customer 1	Accounts receivable for equity transfer	200,000,000.00	Over 5 years	40.61%	0.00
Customer 2	Cash deposit and cash pledge	39,500,000.00	3 to 4 years	8.02%	0.00
Customer 3	Utilities, fees for gas, heat and power, etc. other	38,565,098.00	Within 1 year	7.83%	0.00
Customer 4	Rental income, other	14,063,662.00	Within 1 year	2.86%	0.00
Customer 5	other	11,495,000.00	Over 5 years	2.33%	0.00
Total	--	303,623,760.00	--	61.65%	

6) Accounts Receivable Involving Government Subsidies

Unit: RMB

Name of the entity	Project of government subsidies	Ending balance	Aging at period-end	Estimated recovering time, amount and basis
Naught				

7) Derecognition of Other Receivables due to the Transfer of Financial Assets

Naught

8) The Amount of the Assets and Liabilities Formed due to the Transfer and the Continued Involvement of Other Receivables

Naught

Other notes:

Naught

7. Inventories

Has implemented the new standards governing revenue or not

☐ Yes ☒ No

(1) Category of Inventories

Unit: RMB

Item	Ending balance			Beginning balance		
	Carrying amount	Falling price reserves	Carrying value	Carrying amount	Falling price reserves	Carrying value
Raw materials	4,778,202,798.00	253,152,715.00	4,525,050,083.00	4,350,466,710.00	293,435,033.00	4,057,031,677.00
Goods in process	1,523,923,584.00	146,601,394.00	1,377,322,190.00	1,442,498,808.00	150,867,947.00	1,291,630,861.00
Inventory goods	9,638,395,244.00	1,309,861,204.00	8,328,534,040.00	7,770,574,684.00	1,244,503,744.00	6,526,070,940.00
Turnover materials	121,655,602.00	72,456.00	121,583,146.00	113,493,354.00	2,828,660.00	110,664,694.00
Consumptive living assets	0.00	0.00	0.00	0.00	0.00	0.00
Finished but unsettled assets generated from, construction contract	0.00	0.00	0.00	0.00	0.00	0.00
Total	16,062,177,228.00	1,709,687,769.00	14,352,489,459.00	13,677,033,556.00	1,691,635,384.00	11,985,398,172.00

Whether the Company needs satisfy relevant disclosure requirements stated in SZSE Industrial Information Disclosure Guidance No. 4-Listed Company Specialized in Seed Industry or Planting Business or not?

No

(2) Falling Price Reserves of Inventories

Unit: RMB

Item	Beginning balance	Increase		Decrease		Ending balance
		Withdrawal	Other	Reverse or write-off	Other	
Raw materials	293,435,033.00	90,137,452.00	0.00	130,419,770.00	0.00	253,152,715.00
Goods in process	150,867,947.00	41,179,527.00	0.00	45,446,080.00	0.00	146,601,394.00
Inventory goods	1,244,503,744.00	863,560,222.00	0.00	798,202,762.00	0.00	1,309,861,204.00
Turnover materials	2,828,660.00	0.00	0.00	2,756,204.00	0.00	72,456.00
Consumptive living assets	0.00	0.00	0.00	0.00	0.00	0.00
Finished but unsettled assets generated from, construction contract	0.00	0.00	0.00	0.00	0.00	0.00
Total	1,691,635,384.00	994,877,201.00	0.00	976,824,816.00	0.00	1,709,687,769.00

Naught

(3) Notes to the Ending Balance of Inventories Including Capitalized Borrowing Expense

Not applicable

(4) Completed but Unsettled Assets Generated from Construction Contracts at the Period-end

Unit: RMB

Item	Amount
Accumulated incurred losses	0.00
Accumulated recognized gross margin	0.00
Less: estimated losses	0.00
Amount with settlement	0.00
Completed but unsettled assets resulting from construction contracts at the end of the period	0.00

Other notes: Naught

8. Current Portion of Non-current Assets

Unit: RMB

Item	Ending balance	Beginning balance
Current portion of investments in debt obligations	0.00	0.00
Current portion of other investments in debt obligations	0.00	0.00
Total	0.00	0.00

Significant investments in debt obligations /other investments in debt obligations

Unit: RMB

Item	Ending balance				Beginning balance			
	Par value	Coupon rate	Actual interest rate	Maturity date	Par value	Coupon rate	Actual interest rate	Maturity date
Naught								
Total		—	—	—		—	—	—

Other notes: Naught

9. Other Current Assets

Has implemented the new standards governing revenue or not

☐ Yes ☒ Not

Unit: RMB

Item	Ending balance	Beginning balance
VAT retained	5,843,671,073.00	4,841,165,133.00
Input tax to be verified and deducted	2,102,601,313.00	1,773,794,503.00
Advance payment of income tax	157,205,300.00	132,824,503.00
Other	207,534,207.00	180,876,074.00
Total	8,311,011,893.00	6,928,660,213.00

Other notes: Naught

10. Investments in debt obligations

Unit: RMB

Item	Ending balance			Beginning balance		
	Carrying amount	Impairment provision	Carrying value	Carrying amount	Impairment provision	Carrying value
Convertible bonds of modern	17,960,946.00	17,960,946.00	0.00	17,960,946.00	17,960,946.00	0.00

LCD						
Total	17,960,946.00	17,960,946.00	0.00	17,960,946.00	17,960,946.00	0.00

Significant investments in debt obligations

Unit: RMB

Item	Ending balance				Beginning balance			
	Par value	Coupon rate	Actual interest rate	Maturity date	Par value	Coupon rate	Actual interest rate	Maturity date
Naught								

Withdrawal of impairment provision

Unit: RMB

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit losses in the next 12 months	Expected credit losses for the whole existence period (no credit impairment)	Expected credit losses for the whole existence period (with credit impairment)	
Balance on 1 January 2019	0.00	0.00	17,960,946.00	17,960,946.00
Balance of 1 January 2019 in the Reporting Period	—	—	—	—
--Transferred to the Phase II	0.00	0.00	0.00	0.00
--Transferred to the Phase III	0.00	0.00	0.00	0.00
--Reversed to the Phase II	0.00	0.00	0.00	0.00
--Reversed to the Phase I	0.00	0.00	0.00	0.00
Withdrawn in the Current Period	0.00	0.00	0.00	0.00
Reversed in the Current Period	0.00	0.00	0.00	0.00
write-off in the Current Period	0.00	0.00	0.00	0.00
Verified in the Current Period	0.00	0.00	0.00	0.00
Other changes	0.00	0.00	0.00	0.00
Balance on 30 June 2019	0.00	0.00	17,960,946.00	17,960,946.00

Changes in carrying amount of provision for losses with significant amount in the Reporting Period

☐ Applicable ☒ Not applicable

Other notes:

Naught

11. Long-term Equity Investment

Unit: RMB

Investees	Beginning balance	Increase/decrease								Ending balance	Ending balance of depreciation reserve
		Additional investment	Reduced investment	Gains and losses recognized under the equity method	Adjustment of other comprehensive income	Changes of other equity	Cash bonus or profits announced to issue	Withdrawal of impairment provision	Other		
I. Joint ventures											
Subtotal	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
II. Associated enterprises											
Beijing Nissin Electronics Precision Component Co., Ltd.	538,489.00	0.00	0.00	-534,864.00	0.00	0.00	0.00	0.00	0.00	3,625.00	0.00
Beijing Nittan Electronics Co., Ltd.	61,733,085.00	0.00	0.00	2,152,314.00	0.00	0.00	-3,000,000.00	0.00	0.00	60,885,399.00	0.00
Beijing Yingfei Hailin Venture Capital Management Co., Ltd.	435,828.00	0.00	0.00	-435,828.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Ordos BOE Energy Investment Co., Ltd. (BOE Energy Investment)	370,321,340.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	370,321,340.00	537,136,972.00
Beijing Fly Hailin Investment Center	82,336,933.00	0.00	0.00	-332,938.00	0.00	0.00	0.00	0.00	0.00	82,003,995.00	0.00

TPV Display Technology (China) Co., Ltd.	23,001,359.00	0.00	0.00	-2,258,314.00	0.00	0.00	0.00	0.00	0.00	20,743,045.00	0.00
Beijing Xindong Neng Investment Fund (limited partnership)	1,455,174,877.00	0.00	37,081,499.00	-7,203,989.00	175,359,777.00	0.00	0.00	0.00	0.00	1,586,249,166.00	0.00
Beijing Xindong Neng Investment Management Co., Ltd.	5,188,862.00	0.00	0.00	987,022.00	0.00	0.00	0.00	0.00	0.00	6,175,884.00	0.00
Shenzhen Yunyinggu Technology Co., Ltd.	15,481,506.00	0.00	0.00	-8,660,243.00	0.00	0.00	0.00	0.00	0.00	6,821,263.00	0.00
Beijing XLOONG Technology Co., Ltd.	22,609,211.00	0.00	0.00	-232,848.00	0.00	0.00	0.00	0.00	0.00	22,376,363.00	0.00
NewOnTechnology Co.Ltd.	3,185,494.00	0.00	0.00	0.00	12,723.00	0.00	0.00	0.00	0.00	3,198,217.00	0.00
CnogaMedical Ltd.	343,160,000.00	0.00	0.00	0.00	575,000.00	0.00	0.00	0.00	0.00	343,735,000.00	0.00
Hefei Xin Jing Yuan Electronic Materials Co., Ltd.	2,999,902.00	0.00	0.00	-33,979.00	0.00	0.00	0.00	0.00	0.00	2,965,923.00	0.00
Beijing Zhonglianhe Ultra HD Collaborative Technology Center Co., Ltd.	3,000,000.00	0.00	0.00	-18,294.00	0.00	0.00	0.00	0.00	0.00	2,981,706.00	0.00
Beijing Innovation	0.00	100,000,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100,000,000.00	0.00

Industry Investment Co., Ltd.											
Beijing Electronic Control Investment Co., Ltd.	0.00	17,000,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	17,000,000.00	0.00
Subtotal	2,389,166,886.00	117,000,000.00	37,081,499.00	-16,571,961.00	175,947,500.00	0.00	-3,000,000.00	0.00	0.00	2,625,460,926.00	537,136,972.00
Total	2,389,166,886.00	117,000,000.00	37,081,499.00	-16,571,961.00	175,947,500.00	0.00	-3,000,000.00	0.00	0.00	2,625,460,926.00	537,136,972.00

Other notes

None

12. Other Equity Instrument Investment

Unit: RMB

Item	Ending balance	Beginning balance
TPV Technology	11,865,989.00	25,613,279.00
Electronic Zone	108,956,662.00	83,995,943.00
Beijing Digital TV National Engineering Laboratory Co., Ltd.	6,250,000.00	6,250,000.00
Bank of Chongqing	102,206,616.00	98,705,065.00
China Securities	58,219,470.00	44,412,577.00
New Century Medical Treatment	75,472,547.00	125,909,253.00
Teralane Semiconductor Inc	11,868,000.00	11,868,000.00
Zhejiang BOE Display Technology Co., Ltd.	321,256.00	321,256.00
Zhejiang Qiusheng Optoelectronics Technology Co., Ltd.	248,776.00	248,776.00
Danhua Capital, L. P.	25,780,125.00	25,737,000.00
Danhua Capital II, L.P.	63,590,975.00	63,484,600.00
Kateeva Inc.	82,118,292.00	81,980,924.00
DEPICT INC.	13,749,400.00	13,726,400.00
MOOV INC.	27,612,607.00	27,566,417.00
ZGLUE INC.	10,312,038.00	10,294,788.00
Nanosys INC	51,560,250.00	51,474,000.00
Ceribell INC	8,937,102.00	8,922,152.00
Baebies INC	30,205,280.00	30,154,753.00
Illumina Fund I,L.P.	14,795,186.00	10,490,744.00
Total	704,070,571.00	721,155,927.00

Disclosure of Non-trading Equity Instrument Investment

Unit: RMB

Item	Dividend income recognized	Accumulative gains	Accumulative losses	Amount of other compressive income transferred to retained earnings	Reason for assigning to measure at fair value and changes recorded into other comprehensive income	Reason of other comprehensive income transferred to retained earnings
TPV Technology	470,591.00	0.00	122,792,169.00	0.00	Non-trading equity instrument	Naught
Electronic Zone	1,883,379.00	18,796,234.00	0.00	0.00	Non-trading equity	Naught

					instrument	
Bank of Chongqing	3,820,841.00	0.00	33,197,286.00	0.00	Non-trading equity instrument	Naught
China Securities	0.00	0.00	11,192,865.00	0.00	Non-trading equity instrument	Naught
New Century Medical Treatment	0.00	0.00	65,790,317.00	0.00	Non-trading equity instrument	Naught
Zhejiang BOE Display Technology Co., Ltd.	0.00	0.00	59,638,453.00	0.00	Non-trading equity instrument	Naught
Zhejiang Qiusheng Optoelectronics Technology Co., Ltd.	0.00	0.00	46,183,150.00	0.00	Non-trading equity instrument	Naught
Meta Company	0.00	0.00	34,315,949.00	0.00	Non-trading equity instrument	Naught
Other units	0.00	0.00	180,000.00	0.00	Non-trading equity instrument	Naught

Other notes: None

13. Other Non-current Financial Liabilities

Unit: RMB

Item	Ending balance	Beginning balance
Financial assets at fair value through profit or loss	13,757,311.00	12,866,432.00
Total	13,757,311.00	12,866,432.00

Other notes:

None

14. Investment Property

(1) Investment Property Adopted the Cost Measurement Mode

√ Applicable □ Not applicable

Unit: RMB

Item	Houses and buildings	Land use right	Construction in progress	Total
I. Original carrying value				
1. Beginning balance	1,012,158,845.00	687,434,677.00	0.00	1,699,593,522.00
2. Increased amount of the period	0.00	0.00	0.00	0.00

(1) Outsourcing	0.00	0.00	0.00	0.00
(2) Transfer from inventory/fixed assets/construction in progress	0.00	0.00	0.00	0.00
(3) Enterprise combination increase	0.00	0.00	0.00	0.00
3. Decreased amount of the period	148,919.00	0.00	0.00	148,919.00
(1) Disposal	0.00	0.00	0.00	0.00
(2) Other transfer	148,919.00	0.00	0.00	148,919.00
4. Ending balance	1,012,009,926.00	687,434,677.00	0.00	1,699,444,603.00
II. Accumulative depreciation and accumulative amortization				
1. Beginning balance	288,576,169.00	127,149,702.00	0.00	415,725,871.00
2. Increased amount of the period	15,573,246.00	6,811,349.00	0.00	22,384,595.00
(1) Withdrawal or amortization	15,573,246.00	6,811,349.00	0.00	22,384,595.00
3. Decreased amount of the period	140,016.00	0.00	0.00	140,016.00
(1) Disposal	0.00	0.00	0.00	0.00
(2) Other transfer	140,016.00	0.00	0.00	140,016.00
4. Ending balance	304,009,399.00	133,961,051.00	0.00	437,970,450.00
III. Depreciation reserves	0.00	0.00	0.00	0.00
1. Beginning balance	0.00	0.00	0.00	0.00
2. Increased amount of the period	0.00	0.00	0.00	0.00
(1) Withdrawal	0.00	0.00	0.00	0.00
3. Decreased amount of the period	0.00	0.00	0.00	0.00
(1) Disposal	0.00	0.00	0.00	0.00
(2) Other transfer	0.00	0.00	0.00	0.00
4. Ending balance	0.00	0.00	0.00	0.00
IV. Carrying value				

1. Ending carrying value	708,000,527.00	553,473,626.00	0.00	1,261,474,153.00
2. Beginning carrying value	723,582,676.00	560,284,975.00	0.00	1,283,867,651.00

(2) Investment Property Adopted the Fair Value Measurement Mode

☐ Applicable ☒ Not applicable

(3) Investment Property with Certificate of Title Uncompleted

Unit: RMB

Item	Carrying value	Reason
None		

Other notes: None

15. Fixed Assets

Unit: RMB

Item	Ending balance	Beginning balance
Fixed assets	128,481,365,480.00	128,157,730,995.00
Disposal of fixed assets	0.00	0.00
Total	128,481,365,480.00	128,157,730,995.00

(1) List of Fixed Assets

Unit: RMB

Item	Houses and buildings	Equipment	Other	Total
I. Original carrying value				
1. Beginning balance	36,749,694,289.00	152,959,161,443.00	3,253,525,318.00	192,962,381,050.00
2. Increased amount of the period	1,302,811,328.00	7,612,615,563.00	643,066,692.00	9,558,493,583.00
(1) Purchase	1,434,114.00	334,604,862.00	262,146,699.00	598,185,675.00
(2) Transfer from construction in progress	1,300,645,690.00	7,272,362,086.00	380,262,302.00	8,953,270,078.00
(3) Enterprise combination increase	0.00	0.00	0.00	0.00
(4) Differences arising from translation of foreign currency-denominated	731,524.00	5,648,615.00	657,691.00	7,037,830.00

financial statements				
3. Decreased amount of the period	0.00	167,721,482.00	9,571,717.00	177,293,199.00
(1) Disposal or scrap	0.00	97,741,482.00	9,571,717.00	107,313,199.00
(2) Other decrease	0.00	69,980,000.00	0.00	69,980,000.00
4. Ending balance	38,052,505,617.00	160,404,055,524.00	3,887,020,293.00	202,343,581,434.00
II. Accumulative depreciation				
1. Beginning balance	4,287,202,025.00	58,402,866,713.00	1,461,718,975.00	64,151,787,713.00
2. Increased amount of the period	848,570,449.00	7,878,017,113.00	386,755,104.00	9,113,342,666.00
(1) Withdrawal	848,285,495.00	7,873,384,172.00	386,566,670.00	9,108,236,337.00
(2) Differences arising from translation of foreign currency-denominated financial statements	284,954.00	4,632,941.00	188,434.00	5,106,329.00
3. Decreased amount of the period	0.00	48,145,553.00	6,094,090.00	54,239,643.00
(1) Disposal or scrap	0.00	48,145,553.00	6,094,090.00	54,239,643.00
4. Ending balance	5,135,772,474.00	66,232,738,273.00	1,842,379,989.00	73,210,890,736.00
III. Depreciation reserves				
1. Beginning balance	1,085,094.00	644,638,064.00	7,139,184.00	652,862,342.00
2. Increased amount of the period	0.00	0.00	0.00	0.00
(1) Withdrawal	0.00	0.00	0.00	0.00
3. Decreased amount of the period	0.00	1,398,661.00	138,463.00	1,537,124.00
(1) Disposal or scrap	0.00	1,398,661.00	138,463.00	1,537,124.00
4. Ending balance	1,085,094.00	643,239,403.00	7,000,721.00	651,325,218.00
IV. Carrying value				
1. Ending carrying value	32,915,648,049.00	93,528,077,848.00	2,037,639,583.00	128,481,365,480.00
2. Beginning carrying value	32,461,407,170.00	93,911,656,666.00	1,784,667,159.00	128,157,730,995.00

(2) Temporarily Idle Fixed Assets

Unit: RMB

Item	Original carrying value	Accumulated depreciation	Provisions for impairment	Carrying value	Note
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None					
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(3) Fixed Assets Leased in by Financing Lease

Unit: RMB

Item	Original carrying value	Accumulated depreciation	Provisions for impairment	Carrying value
Workshops and buildings	11,291,665.00	4,483,849.00	0.00	6,807,816.00
Machinery equipment	111,358,145.00	7,816,271.00	0.00	103,541,874.00

(4) Fixed Assets Leased out by Operating Lease

Unit: RMB

Item	Ending carrying value
Fixed assets leased out by operating lease	18,135,184.00

(5) List of Fixed Assets with Certificate of Title Uncompleted

Unit: RMB

Item	Carrying value	Reason
Fixed assets with certificate of title uncompleted	15,840,670,803.00	In process

Other notes:None

(6) Disposal of Fixed Assets

Unit: RMB

Item	Ending balance	Beginning balance
None	0.00	0.00
Total	0.00	0.00

Other notes:None

16. Construction in Progress

Unit: RMB

Item	Ending balance	Beginning balance
Construction in progress	71,479,480,514.00	56,423,354,887.00
Engineering materials	0.00	0.00
Total	71,479,480,514.00	56,423,354,887.00

(1) List of Construction in Progress

Unit: RMB

Item	Ending balance			Beginning balance		
	Carrying amount	Depreciation reserves	Carrying value	Carrying amount	Depreciation reserves	Carrying value
The 6th generation AMOLED project	30,049,388,048.00	0.00	30,049,388,048.00	23,065,639,272.00	0.00	23,065,639,272.00
The 10.5th generation TFT-LCD project	16,478,266,210.00	0.00	16,478,266,210.00	5,226,487,285.00	0.00	5,226,487,285.00
The 6th generation LTPS / AMOLED project	16,163,399,649.00	0.00	16,163,399,649.00	15,759,483,392.00	0.00	15,759,483,392.00
Other	8,788,426,607.00	0.00	8,788,426,607.00	12,371,744,938.00	0.00	12,371,744,938.00
Total	71,479,480,514.00	0.00	71,479,480,514.00	56,423,354,887.00	0.00	56,423,354,887.00

(2) Changes in Significant Construction in Progress during the Reporting Period

Unit: RMB

Item	Budget	Beginning balance	Increased amount	Transferred in fixed assets	Other decreased amount	Ending balance	Proportion of accumulated investment in constructions to budget	Job schedule	Accumulated amount of interest capitalization	Of which: Amount of capitalized interests for the Reporting Period	Capitalization rate of interests for the Reporting	Capital resources

											Period	
The 6th generation LTPS / AMOLED project	44,800,000,000.00	15,759,483,392.00	2,055,945,099.00	1,654,225,615.00	2,186,522.00	16,159,016,354.00	78.65%	78.65%	591,016,437.00	208,042,341.00	2.49%	Self-raising and borrowing
The 6th generation AMOLED project	44,500,000,000.00	23,065,639,272.00	7,124,394,239.00	140,645,463.00	0.00	30,049,388,048.00	69.71%	69.71%	296,625,755.00	240,348,884.00	4.49%	Self-raising and borrowing
The 10.5th generation TFT-LCD project	44,000,000,000.00	5,226,487,285.00	11,251,778,925.00	0.00	0.00	16,478,266,210.00	38.08%	38.08%	1,195,055.00	1,195,055.00	2.64%	Self-raising and borrowing
Total	133,300,000,000.00	44,051,609,949.00	20,432,118,263.00	1,794,871,078.00	2,186,522.00	62,686,670,612.00	--	--	888,837,247.00	449,586,280.00	0.00%	--

(3) Provisions for Impairment of Construction in Progress during the Reporting Period

Unit: RMB

Item	Withdrawal amount	Reason for withdrawal
None		

Other notes

None

(4) Engineering Materials

Unit: RMB

Item	Ending balance			Beginning balance		
	Carrying amount	Depreciation reserves	Carrying value	Carrying amount	Depreciation reserves	Carrying value
None						
Total			0.00			0.00

Other notes: None

17. Intangible Assets**(1) List of Intangible Assets**

Unit: RMB

Item	Land use right	Patent right	Non-patent technologies	Patent right and proprietary technology	Computer software	Other	Total
I. Original carrying value							
1. Beginning balance	2,685,702,901.00	0.00	0.00	3,290,629,308.00	902,371,299.00	1,226,628,617.00	8,105,332,125.00
2. Increased amount of the period	822,611,959.00	0.00	0.00	343,111,176.00	37,753,808.00	41,337,600.00	1,244,814,543.00
(1) Purchase	122,688,995.00	0.00	0.00	343,111,176.00	12,742,884.00	41,337,600.00	519,880,655.00
(2) Internal R&D	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(3) Business combination increase	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(4) Transfer from construction in progress	699,922,964.00	0.00	0.00	0.00	25,010,924.00	0.00	724,933,888.00

3. Decreased amount of the period	17,664.00	0.00	0.00	0.00	508,547.00	0.00	526,211.00
(1) Disposal	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(2) Other decrease	17,664.00	0.00	0.00	0.00	508,547.00	0.00	526,211.00
4. Ending balance	3,508,297,196.00	0.00	0.00	3,633,740,484.00	939,616,560.00	1,267,966,217.00	9,349,620,457.00
II. Accumulated amortization							
1. Beginning balance	228,473,302.00	0.00	0.00	1,285,634,672.00	535,554,303.00	117,990,454.00	2,167,652,731.00
2. Increased amount of the period	37,719,317.00	0.00	0.00	156,689,115.00	52,844,790.00	31,805,695.00	279,058,917.00
(1) Withdrawal	37,719,317.00	0.00	0.00	156,689,115.00	52,844,790.00	31,805,695.00	279,058,917.00
3. Decreased amount of the period	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(1) Disposal	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4. Ending balance	266,192,619.00	0.00	0.00	1,442,323,787.00	588,399,093.00	149,796,149.00	2,446,711,648.00
III. Depreciation reserves							
1. Beginning balance	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2. Increased amount of the period	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(1) Withdrawal	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3. Decreased amount of the period	0.00	0.00	0.00	0.00	0.00	0.00	0.00

(1) Disposal	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4. Ending balance	0.00	0.00	0.00	0.00	0.00	0.00	0.00
IV. Carrying value							
1. Ending carrying value	3,242,104,577.00	0.00	0.00	2,191,416,697.00	351,217,467.00	1,118,170,068.00	6,902,908,809.00
2. Beginning carrying value	2,457,229,599.00	0.00	0.00	2,004,994,636.00	366,816,996.00	1,108,638,163.00	5,937,679,394.00

The proportion of intangible assets generated from the internal R&D of the Company to the balance of intangible assets at the period-end: 0.00%

(2) Land Use Right with Certificate of Title Uncompleted

Unit: RMB

Item	Carrying value	Reason
None		

Other notes: None

18. Goodwill

(1) Original Carrying Value of Goodwill

Unit: RMB

Name of the invested units or events generating goodwill	Beginning balance	Increase		Decrease		Ending balance
Beijing Yinghe Century Co., Ltd.	42,940,434.00	0.00	0.00	0.00	0.00	42,940,434.00
Gaochuang (Suzhou) Electronics Co., Ltd.	8,562,464.00	0.00	0.00	0.00	0.00	8,562,464.00
Beijing BOE Optoelectronics Technology Co., Ltd.	4,423,876.00	0.00	0.00	0.00	0.00	4,423,876.00
BOE Healthcare Investment & Management Co., Ltd.	146,460,790.00	0.00	0.00	0.00	0.00	146,460,790.00
SES ImagoTag SA Co. Ltd.	706,406,821.00	0.00	0.00	0.00	0.00	706,406,821.00
Total	908,794,385.00	0.00	0.00	0.00	0.00	908,794,385.00

(2) Provisions for Impairment of Goodwill

Unit: RMB

Name of the invested units or events generating goodwill	Beginning balance	Increase		Decrease		Ending balance
Beijing BOE Optoelectronics Technology Co., Ltd.	4,423,876.00	0.00	0.00	0.00	0.00	4,423,876.00
Total	4,423,876.00	0.00	0.00	0.00	0.00	4,423,876.00

Information of assets group or the combination of assets group where goodwill is

Name of assets group	Composition of assets group or the combination of assets group	Determination method of assets group or the combination of assets group	Carrying amount of assets group or the combination of assets group	Combination of assets group changed or not
Beijing Yinghe Century Co., Ltd.	Assets of Beijing Yinghe Century Co., Ltd.	Cash inflow generated independent of other assets or assets group	852,998,117.00	No
Gaochuang (Suzhou) Electronics Co., Ltd.	Assets of Gaochuang (Suzhou) Electronics Co., Ltd.	Cash inflow generated independent of other assets or assets group	1,355,364,080.00	No
Beijing BOE Optoelectronics	Assets of Beijing BOE	Cash inflow generated	4,691,384,329.00	No

Technology Co., Ltd.	Optoelectronics Technology Co., Ltd.	independent of other assets or assets group		
BOE Healthcare Investment & Management Co., Ltd.	Assets of OASIS International Hospital	Cash inflow generated independent of other assets or assets group	246,603,069.00	No
SES Imagotag SA Co.Ltd.	Assets of SES Imagotag SA Co.Ltd. and Chongqing BOE Intelligent Electronic System Co., Ltd.	Cash inflow generated independent of other assets or assets group	3,024,707,813.00	No

Notes of the testing process of goodwill impairment, key parameters(growth rate of predictive period in estimating the present value of future cash flow, growth rate of stable period, profit rate, discount rate, predictive period, etc.) and the recognition method of goodwill impairment losses:

The Company estimated the present value of future cash flow as calculating the recoverable amount of Yinghe Century, Suzhou K-Tronics, Health Investment and SES based on the the most recent five-year financial budgets and a pre-tax discount rate of 8.44%, 6.62%, 6.80% and 23.01% respectively. The cash flows over five-year financial budgets remain stable.

Notes of the recognition method of goodwill impairment losses, refer to V-31.

The influence of testing goodwill: None

Other notes: None

19. Long-term Prepaid Expense

Unit: RMB

Item	Beginning balance	Increased amount	Amortization amount of the period	Other decreased amount	Ending balance
Cost of construction and use of public facilities	98,072,789.00	0.00	7,685,111.00	0.00	90,387,678.00
Cost of operating lease assets improvement	20,351,453.00	0.00	5,926,275.00	0.00	14,425,178.00
Other	242,216,611.00	110,226,217.00	48,275,285.00	1,495,150.00	302,672,393.00
Total	360,640,853.00	110,226,217.00	61,886,671.00	1,495,150.00	407,485,249.00

Other notes: None

20. Deferred Income Tax Assets/Deferred Income Tax Liabilities

(1) Deferred Income Tax Assets Had Not Been Off-set

Unit: RMB

Item	Ending balance		Beginning balance	
	Deductible temporary	Deferred income tax	Deductible temporary	Deferred income

	difference	assets	difference	tax assets
Provision for impairment of assets	386,571,126.00	68,342,060.00	391,727,136.00	69,662,802.00
Internal unrealized profit	0.00	0.00	0.00	0.00
Deductible losses	274,481,892.00	82,199,600.00	230,110,593.00	67,447,589.00
Differences of depreciation and amortization	124,591,284.00	22,403,658.00	125,811,735.00	22,699,045.00
Evaluation increment of investment in subsidiaries with immovable property	139,333,887.00	34,833,472.00	142,110,808.00	35,527,702.00
Advances from customers	0.00	0.00	290,000,000.00	43,500,000.00
Other	219,093,132.00	42,448,316.00	219,548,492.00	42,572,983.00
Total	1,144,071,321.00	250,227,106.00	1,399,308,764.00	281,410,121.00

(2) Deferred Income Tax Liabilities Had Not Been Off-set

Unit: RMB

Item	Ending balance		Beginning balance	
	Deductible temporary difference	Deferred income tax liabilities	Deductible temporary difference	Deferred income tax liabilities
Asset evaluation increment of business combination not under the same control	2,687,151,909.00	806,792,354.00	2,777,250,385.00	835,036,150.00
Changes in fair value of other creditors' investment	0.00	0.00	0.00	0.00
Changes in fair value of other equity instrument investment	46,103,720.00	6,915,558.00	34,890,291.00	5,233,544.00
Depreciation of fixed assets	3,851,265,296.00	608,406,638.00	3,248,856,623.00	517,769,740.00
Long-term equity investment	360,863,027.00	54,129,454.00	360,863,027.00	54,129,454.00
Bond interest	71,525,943.00	10,728,891.00	71,525,943.00	10,728,891.00
Other	223,111,302.00	22,708,984.00	241,446,716.00	25,512,265.00
Total	7,240,021,197.00	1,509,681,879.00	6,734,832,985.00	1,448,410,044.00

(3) Deferred Income Tax Assets or Liabilities Listed by Net Amount after Off-set

Unit: RMB

Item	Mutual set-off amount of deferred income tax assets and liabilities at	Ending balance of deferred income tax assets or liabilities after	Mutual set-off amount of deferred income tax assets and liabilities at	Beginning balance of deferred income tax assets or liabilities after
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	the period-end	off-set	the period-begin	off-set
Deferred income tax assets	30,718,513.00	219,508,593.00	29,036,499.00	252,373,622.00
Deferred income tax liabilities	30,718,513.00	1,478,963,366.00	29,036,499.00	1,419,373,545.00

(4) List of Unrecognized Deferred Income Tax Assets

Unit: RMB

Item	Ending balance	Beginning balance
Deductible temporary difference	8,719,829,410.00	9,073,884,112.00
Deductible losses	8,747,237,628.00	6,752,930,780.00
Total	17,467,067,038.00	15,826,814,892.00

(5) Deductible Losses of Unrecognized Deferred Income Tax Assets will Due in the Following Years

Unit: RMB

Years	Ending amount	Beginning amount	Notes
Y2019	0.00	38,076,038.00	Naught
Y2020	59,149,932.00	59,149,932.00	Naught
Y2021	52,190,671.00	52,190,671.00	Naught
Y2022	531,563,409.00	528,642,251.00	Naught
Y2023	686,639,477.00	669,677,506.00	Naught
Y2024	686,179,935.00	125,649,689.00	Naught
Y2025	512,243,532.00	512,243,532.00	Naught
Y2026	233,283,462.00	233,283,462.00	Naught
Y2027	133,672,001.00	133,672,001.00	Naught
Y2028	4,218,431,457.00	4,296,683,816.00	Naught
Y2029	1,530,221,870.00	0.00	Naught
Other	103,661,882.00	103,661,882.00	Naught
Total	8,747,237,628.00	6,752,930,780.00	--

Other notes:

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.

21. Other Non-current Assets

Whether the Company has executed the new income standards

□ Yes √ No

Unit: RMB

Item	Ending balance	Beginning balance
The VAT collection of imported equipment	3,948,863,762.00	3,187,164,914.00
Prepayment for procurement of fixed assets	2,180,573,049.00	2,896,176,554.00
Excess VAT paid	2,621,901,055.00	1,488,605,413.00
Other	780,839,037.00	321,055,172.00
Total	9,532,176,903.00	7,893,002,053.00

Other notes: None

22. Short-term Borrowings

(1) Category of Short-term Borrowings

Unit: RMB

Item	Ending balance	Beginning balance
Pledge loans	1,000,000,000.00	2,269,014,875.00
Mortgage loans	0.00	344,480,302.00
Guaranteed loans	0.00	0.00
Credit loans	6,719,908,693.00	2,836,459,708.00
Total	7,719,908,693.00	5,449,954,885.00

Notes of category of short-term borrowings: None

(2) Overdue and Outstanding Short-term Borrowings

The total overdue and outstanding short-term borrowings was RMB0.00, of which, the significant ones were listed as follows:

Unit: RMB

Unit	Ending balance	Loan interest rate	Overdue time	Overdue charge rate
None				

Other notes: None

23. Notes Payable

Unit: RMB

Category	Ending balance	Beginning balance
Trade acceptance bill	33,322,011.00	264,534,018.00
Bank's acceptance bill	1,027,908,880.00	326,575,254.00

Total	1,061,230,891.00	591,109,272.00
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The total overdue and outstanding notes payable at the period-end were RMBXXX.

24. Accounts Payable

(1) List of Accounts Payable

Unit: RMB

Item	Ending balance	Beginning balance
Accounts payable of connected parties	32,351,984.00	30,361,810.00
Accounts payable of the third-party	20,531,568,839.00	22,183,594,806.00
Total	20,563,920,823.00	22,213,956,616.00

(2) Significant Accounts Payable Aging over One Year

Unit: RMB

Item	Ending balance	Unpaid/ Un-carry-over reason
None		

Other notes: None

25. Advances from Customers

Whether the Company has executed the new income standards

☐ Yes ☒ No

(1) List of Advances from Customers

Unit: RMB

Item	Ending balance	Beginning balance
Advances from customers of connected parties	10,679.00	1,111.00
Advances from customers of the third-party	1,245,349,097.00	1,218,933,632.00
Total	1,245,359,776.00	1,218,934,743.00

(2) Significant Advances from Customers Aging over One Year

Unit: RMB

Item	Ending balance	Unpaid/ Un-carry-over reason
None		

(3) Uncompleted but Settled Items Resulting from Construction Contracts at the Period-end

Unit: RMB

Item	Amount
Accumulated incurred cost	0.00
Accumulated recognized gross margin	0.00
Less: Estimated losses	0.00
Settlement amount	0.00
Completed but unsettled items resulting from construction contracts	0.00

Other notes: None

26. Payroll Payable**(1) List of Payroll Payable**

Unit: RMB

Item	Beginning balance	Increase	Decrease	Ending balance
I. Short-term salary	2,175,807,665.00	5,118,440,766.00	6,016,696,272.00	1,277,552,159.00
II. Post-employment benefit-defined contribution plans	34,353,845.00	446,990,491.00	455,239,875.00	26,104,461.00
III. Termination benefits	14,769,661.00	1,690,111.00	1,739,846.00	14,719,926.00
IV. Other benefits due within one year	0.00	0.00	0.00	0.00
Total	2,224,931,171.00	5,567,121,368.00	6,473,675,993.00	1,318,376,546.00

(2) List of Short-term Salary

Unit: RMB

Item	Beginning balance	Increase	Decrease	Ending balance
1. Salary, bonus, allowance, subsidy	1,817,946,511.00	4,169,283,240.00	5,043,580,100.00	943,649,651.00
2. Employee welfare	0.00	334,548,858.00	334,548,858.00	0.00
3. Social insurance	31,310,324.00	254,934,674.00	254,281,366.00	31,963,632.00
Of which: Medical insurance premiums	27,150,184.00	229,760,947.00	229,288,705.00	27,622,426.00
Work-related injury insurance	2,048,914.00	12,891,645.00	12,903,301.00	2,037,258.00
Maternity insurance	2,111,226.00	12,282,082.00	12,089,360.00	2,303,948.00

4. Housing fund	22,081,660.00	261,387,790.00	263,228,710.00	20,240,740.00
5. Labor union budget and employee education budget	274,477,650.00	92,457,978.00	96,584,933.00	270,350,695.00
6. Short-term compensated absence	0.00	0.00	0.00	0.00
7. Short-term profit-sharing plan	0.00	0.00	0.00	0.00
8. Employee bonus and welfare fund	7,282,591.00	0.00	0.00	7,282,591.00
9. Other short-term salary	22,708,929.00	5,828,226.00	24,472,305.00	4,064,850.00
Total	2,175,807,665.00	5,118,440,766.00	6,016,696,272.00	1,277,552,159.00

(3) List of Defined Contribution Plans

Unit: RMB

Item	Beginning balance	Increase	Decrease	Ending balance
1. Basic pension benefits	29,206,273.00	425,733,306.00	430,197,567.00	24,742,012.00
2. Unemployment insurance	964,893.00	15,067,739.00	15,641,053.00	391,579.00
3. Annuity	4,182,679.00	6,189,446.00	9,401,255.00	970,870.00
Total	34,353,845.00	446,990,491.00	455,239,875.00	26,104,461.00

Other notes: None

27. Taxes Payable

Unit: RMB

Item	Ending balance	Beginning balance
VAT	150,005,574.00	112,292,699.00
Consumption tax	0.00	0.00
Corporate income tax	277,951,727.00	387,053,187.00
Personal income tax	26,520,741.00	39,659,862.00
Urban maintenance and construction tax	78,343,132.00	205,222,860.00
Education surcharge and local education surcharge	46,494,761.00	148,544,558.00
Other	33,687,253.00	77,335,132.00
Total	613,003,188.00	970,108,298.00

Other notes:

None

28. Other Payables

Unit: RMB

Item	Ending balance	Beginning balance
Interest payable	893,836,112.00	1,016,761,921.00
Dividends payable	10,999,707.00	23,648,778.00
Other accounts payable	25,297,379,612.00	21,916,569,129.00
Total	26,202,215,431.00	22,956,979,828.00

(1) Interest Payable

Unit: RMB

Item	Ending balance	Beginning balance
Long-term loan interest of installment payment of interest and repay the due capital	886,685,964.00	762,123,837.00
Enterprise bond interest	0.00	246,821,918.00
Interest paid for short-term borrowings	7,150,148.00	7,816,166.00
Interest of preferred shares/perpetual bonds classified as financial liabilities	0.00	0.00
Total	893,836,112.00	1,016,761,921.00

Significant overdue and outstanding interests:

Unit: RMB

Entity	Overdue amount	Overdue reason
None		

Other notes:

None

(2) Dividends Payable

Unit: RMB

Item	Ending balance	Beginning balance
Ordinary share dividends	10,999,707.00	23,648,778.00
Dividends of preferred shares/perpetual bonds classified as equity instruments	0.00	0.00
Total	10,999,707.00	23,648,778.00

Other notes, including the reason for unpayment of significant dividends payable unpaid for over one year: None

(3) Other Accounts Payable

1) Other Accounts Payable Listed by Nature of Account

Unit: RMB

Item	Ending balance	Beginning balance
Engineering and equipment	21,545,410,992.00	18,042,357,713.00
The VAT collection of imported equipment	1,462,687,811.00	1,400,000,000.00
Pre-withdrawal water and electricity & logistics freight	556,309,425.00	606,071,394.00
Margin	520,741,366.00	440,792,988.00
External agency fee	55,659,961.00	53,393,714.00
Other	1,156,570,057.00	1,373,953,320.00
Total	25,297,379,612.00	21,916,569,129.00

2) Significant Other Accounts Payable Aging over One Year

Unit: RMB

Item	Ending balance	Unpaid/Un-carry-over reason
None		

Other notes: None

29. Non-current Liabilities Due within One Year

Unit: RMB

Item	Ending balance	Beginning balance
Long-term loans due within 1 year	7,170,056,176.00	5,388,485,615.00
Bonds payable due within 1 year	0.00	0.00
Long-term accounts payable due within 1 year	112,936,757.00	209,077,589.00
Lease liabilities due within 1 year	0.00	0.00
Total	7,282,992,933.00	5,597,563,204.00

Other notes: None

30. Other Current Liabilities

Whether the Company has executed the new income standards

☐ Yes ☒ No

The ending balance amount of other current liabilities is RMB1,143,477,445.00.

The other current liabilities of the Group were warranty provision.

Increase or decrease in short-term bonds payable:

Unit: RMB

Bond name	Par value	Issuing date	Duration	Issuing amount	Beginning balance	Issued in the Current Period	Withdrawal of interest by par value	Amortization of premium and depreciation	Repayment in the Reporting Period	Ending balance
None										

Other notes: None

31. Long-term Borrowings

(1) Category of Long-term Borrowings

Unit: RMB

Item	Ending balance	Beginning balance
Pledge loan	2,208,409,413.00	2,282,358,683.00
Mortgage loan	70,482,455,673.00	65,103,423,213.00
Guaranteed loan	660,000,000.00	660,000,000.00
Credit loan	34,574,088,005.00	26,734,295,968.00
Total	107,924,953,091.00	94,780,077,864.00

Notes of the category of long-term borrowings: None

Other notes, including the interest rate range: None

32. Bonds Payable

(1) Bonds Payable

Unit: RMB

Item	Ending balance	Beginning balance
Bonds payable	309,933,489.00	10,288,666,233.00
Total	309,933,489.00	10,288,666,233.00

(2) Increase/Decrease of Bonds Payable (Excluding Other Financial Instruments Classified as Financial Liabilities such as Preferred Shares and Perpetual Bonds)

Unit: RMB

Bond name	Par value	Issuing date	Duration	Issuing amount	Beginning balance	Issued in the Current Period	Withdrawal of interest by par value	Amortization of premium and depreciation	Repayment in the Reporting Period	Differences arising from translation of foreign currency-denominated financial statements	Ending balance
16BOE01	RMB 10,000,000,000.00	21 March 2016	5 years	RMB 10,000,000,000.00	9,976,533,425.00	0.00	315,369,589.00	23,466,575.00	10,315,369,589.00	0.00	0.00
Euro PP	Euro 10,000,000.00	29 December 2016	7 years	Euro 10,000,000.00	78,470,471.00	0.00	1,343,510.00	0.00	0.00	-307,460.00	79,506,521.00
Euro PP	Euro 30,000,000.00	29 March 2017	6 years	Euro 30,000,000.00	233,662,337.00	0.00	4,030,530.00	-6,350,373.00	0.00	-915,526.00	230,426,968.00
Total	--	--	--	10,313,892,000.00	10,288,666,233.00	0.00	320,743,629.00	17,116,202.00	10,315,369,589.00	-1,222,986.00	309,933,489.00

(3) Explanations on Share Transfer Conditions and Time for Convertible Corporate Bonds

None

(4) Other Financial Instruments Classified as Financial Liabilities

Basic situation of other financial instruments outstanding at the period-end such preferred shares and perpetual bonds

None

Changes in financial instruments outstanding at the period-end such preferred shares and perpetual liabilities

Unit: RMB

Outstanding financial instruments	Period-beginning		Increase		Decrease		Period-end	
	Amount	Carrying value	Amount	Carrying value	Amount	Carrying value	Amount	Carrying value
None								

Notes to the basis of classifying other financial instruments as financial liabilities:

None

Other notes

None

33. Long-term Accounts Payable

Unit: RMB

Item	Ending balance	Beginning balance
Long-term accounts payable	1,127,696,942.00	1,416,092,239.00
Specific payables	0.00	0.00
Total	1,127,696,942.00	1,416,092,239.00

(1) Long-term Accounts Payable Listed by Nature of Account

Unit: RMB

Item	Ending balance	Beginning balance
Financing lease	1,127,696,942.00	1,416,092,239.00

Other notes: None

(2) Specific Payable

Unit: RMB

Item	Beginning balance	Increase	Decrease	Ending balance	Reason for formation
None					
Total	0.00			0.00	--

Other notes:

None

34. Provision

Whether the Company has executed the new income standards

☐ Yes ☒ No

Unit: RMB

Item	Ending balance	Beginning balance	Formed reason
External guaranty	0.00	0.00	Naught
Pending litigation	0.00	0.00	Naught
Product quality assurance	0.00	0.00	Naught
Restructuring obligations	0.00	0.00	Naught
Onerous contracts to be executed	0.00	0.00	Naught
Other	16,457,010.00	16,457,010.00	In 2009, the Group ceased producing several products and stopped fulfilling the purchase contract related to production. Due to the indemnity incurred accordingly, the Group withdrew the relevant estimated liabilities according to reasonable estimation of losses.
Refund payable	0.00	0.00	Naught
Total	16,457,010.00	16,457,010.00	--

Other notes, including significant assumptions and estimation related to significant provisions: None

35. Deferred Income

Unit: RMB

Item	Beginning balance	Increase	Decrease	Ending balance	Formed reason
Government subsidies	2,187,558,533.00	916,809,317.00	589,591,127.00	2,514,776,723.00	Government subsidies
Total	2,187,558,533.00	916,809,317.00	589,591,127.00	2,514,776,723.00	--

Item involving government subsidies:

Unit: RMB

Item	Beginning balance	Amount of newly subsidy	Amount recorded into non-operating income in the Reporting Period	Amount recorded into other income in Reporting Period	Amount offset cost in the Reporting Period	Other changes	Ending balance	Related to assets/related to income
Related to assets	1,919,750,983.00	182,047,083.00	0.00	169,171,630.00	0.00	50,000.00	1,932,576,436.00	Related to assets
Related to income	267,807,550.00	734,762,234.00	0.00	420,369,497.00	0.00	0.00	582,200,287.00	Related to income
Total	2,187,558,533.00	916,809,317.00	0.00	589,541,127.00	0.00	50,000.00	2,514,776,723.00	

Other notes: None

36. Other Non-current Liabilities

Whether the Company has executed the new income standards

☐ Yes ☒ No

Unit: RMB

Item	Ending balance	Beginning balance
Convertible creditor's right	4,270,342,467.00	4,175,131,508.00
Equity investment with redemption items	3,731,068,856.00	3,700,737,154.00
The VAT collection of imported equipment	3,948,863,762.00	3,187,164,914.00
Other	97,019,069.00	271,839,746.00
Total	12,047,294,154.00	11,334,873,322.00

Other notes: None

37. Share Capital

Unit: RMB

	Beginning balance	Increase/decrease (+/-)					Ending balance
		New shares issued	Bonus shares	Bonus issue from profit	Other	Subtotal	
The sum of shares	34,798,398,763.00	0.00	0.00	0.00	0.00	0.00	34,798,398,763.00

Other notes: None

38. Capital Reserves

Unit: RMB

Item	Beginning balance	Increase	Decrease	Ending balance
Capital premium (premium on stock)	37,546,517,053.00	0.00	0.00	37,546,517,053.00
Other capital reserves	666,583,543.00	7,834,727.00	8,013,322.00	666,404,948.00
Total	38,213,100,596.00	7,834,727.00	8,013,322.00	38,212,922,001.00

Other notes, including notes to increase and decrease during the Reporting Period and the reasons for changes:

None

39. Other Comprehensive Income

Unit: RMB

Item	Beginning balance	Reporting Period						Ending balance
		Income before taxation in the Current Period	Less: Recorded in other comprehensive income in prior	Less: Recorded in other comprehensive income in prior	Less: Income tax expense	Attributable to owners of the Company as the parent after tax	Attributable to non-controlling interests	

			period and transferred in profit or loss in the Current Period	period and transferred in retained earnings in the Current Period			after tax	
I. Other comprehensive income that will not be reclassified to profit or loss	-221,804,664.00	-21,925,038.00	0.00	0.00	1,682,014.00	-23,607,052.00	0.00	-245,411,716.00
Of which: Changes caused by remeasurements on defined benefit pension schemes	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other comprehensive income that will not be reclassified to profit or loss under equity method	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Changes in fair value of other equity instrument investment	-221,804,664.00	-21,925,038.00	0.00	0.00	1,682,014.00	-23,607,052.00	0.00	-245,411,716.00
Changes in fair value of enterprise credit risk	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
II. Other comprehensive income that may be reclassified to profit or loss	-109,644,969.00	72,503,557.00	0.00	0.00	0.00	71,738,841.00	764,716.00	-37,906,128.00
Of which: Other comprehensive income that will be reclassified to profit or loss under equity method	-58,383,948.00	175,359,777.00	0.00	0.00	0.00	175,359,777.00	0.00	116,975,829.00
Changes in fair value of other creditors' investment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Amount of financial assets reclassified to other comprehensive income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Provision for credit impairment of other creditors' investment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Reserves for cash flow hedges	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Differences arising from translation of foreign currency-denominated financial statements	-51,261,021.00	-102,856,220.00	0.00	0.00	0.00	-103,620,936.00	764,716.00	-154,881,957.00
Total of other comprehensive income	-331,449,633.00	50,578,519.00	0.00	0.00	1,682,014.00	48,131,789.00	764,716.00	-283,317,844.00

Other notes, including the note to the adjustment of the initial recognition amount of hedged item transferred from the effective gain/loss on cash flow hedges:

None

40. Surplus Reserves

Unit: RMB

Item	Beginning balance	Increase	Decrease	Ending balance
Statutory surplus reserves	862,954,120.00	0.00	0.00	862,954,120.00
Discretionary surplus reserves	289,671,309.00	0.00	0.00	289,671,309.00
Reserve fund	0.00	0.00	0.00	0.00
Enterprise expansion fund	0.00	0.00	0.00	0.00
Others	0.00	0.00	0.00	0.00
Total	1,152,625,429.00	0.00	0.00	1,152,625,429.00

Notes to surplus reserves, including the note to increase and decrease in the Reporting Period and the reason for changes:

None

41. Retained Profits

Unit: RMB

Item	Reporting Period	Same period of last year
Opening balance of retained profits before adjustments	11,817,881,286.00	10,385,659,084.00
Total beginning balance of retained profits before adjustments (increase+, decrease-)	200,341,707.00	0.00
Beginning balance of retained profits after adjustments	12,018,222,993.00	10,385,659,084.00
Add: Net profit attributable to owners of the Company as the parent	1,668,448,449.00	2,975,206,500.00
Less: Withdrawal of statutory surplus reserves	0.00	0.00
Withdrawal of discretionary surplus reserves	0.00	0.00
Withdrawal of general reserve	0.00	0.00
Dividend of ordinary shares payable	1,043,951,963.00	1,740,789,879.00
Dividend of common stock transferred into share capital	0.00	0.00
Ending retained profits	12,642,719,479.00	11,620,075,705.00

List of adjustment of beginning retained profits:

- (1) RMB200,341,707.00 beginning retained profits was affected by retrospective adjustment conducted according to the Accounting Standards for Business Enterprises and relevant new regulations.
- (2) RMB0.00 beginning retained profits was affected by changes in accounting policies.
- (3) RMB0.00 beginning retained profits was affected by correction of significant accounting errors.
- (4) RMB0.00 beginning retained profits was affected by changes in combination scope arising from same control.
- (5) RMB0.00 beginning retained profits was affected totally by other adjustments.

42. Operating Revenue and Cost of Sales

Unit: RMB

Item	Reporting Period		Same period of last year	
	Operating revenue	Cost of sales	Operating revenue	Cost of sales
Main operations	53,422,449,210.00	44,536,416,408.00	42,373,062,968.00	34,334,111,314.00
Other operations	1,616,759,477.00	1,275,916,823.00	1,100,841,998.00	810,470,817.00
Total	55,039,208,687.00	45,812,333,231.00	43,473,904,966.00	35,144,582,131.00

Whether the Company has executed the new income standards

☐ Yes ☒ No

Other notes

43. Taxes and Surtaxes

Unit: RMB

Item	Reporting Period	Same period of last year
Urban maintenance and construction tax	104,659,038.00	56,823,610.00
Education Surcharge	63,312,004.00	35,602,048.00
Property tax	169,090,680.00	148,231,522.00
Land use tax	23,948,298.00	15,009,812.00
Stamp duty	54,991,492.00	41,039,849.00
Other	8,851,895.00	5,858,913.00
Total	424,853,407.00	302,565,754.00

Other notes: None

44. Selling Expense

Unit: RMB

Item	Reporting Period	Same period of last year
Warranty provisions	586,582,634.00	600,466,512.00
Labor cost	300,120,333.00	234,613,824.00
Logistic transport fees	245,691,178.00	200,968,268.00
Other	232,893,141.00	258,733,990.00
Total	1,365,287,286.00	1,294,782,594.00

Other notes: None

45. Administrative Expense

Unit: RMB

Item	Reporting Period	Same period of last year
Labor cost	1,030,099,305.00	993,219,826.00
Maintenance cost	520,428,006.00	438,011,265.00
Depreciation and amortization	221,481,455.00	293,524,665.00
Other	425,174,728.00	418,952,794.00
Total	2,197,183,494.00	2,143,708,550.00

Other notes: None

46. R&D Expenses

Unit: RMB

Item	Reporting Period	Same period of last year
Labor cost	1,103,263,819.00	623,860,877.00
Material fee	737,490,376.00	385,327,401.00
Depreciation and amortization	532,776,728.00	296,109,145.00
Other	551,127,313.00	294,897,300.00
Total	2,924,658,236.00	1,600,194,723.00

Other notes:

None

47. Finance Costs

Unit: RMB

Item	Reporting Period	Same period of last year
Interest expense	1,535,561,809.00	1,427,741,240.00
Interest income	-398,822,857.00	-345,988,686.00
Net exchange (income)/ losses	-1,145,247.00	55,074,145.00
Other finance costs	31,159,667.00	64,346,956.00
Total	1,166,753,372.00	1,201,173,655.00

Other notes:

None

48. Other Income

Unit: RMB

Sources	Reporting Period	Same period of last year
Government subsidy related to enterprise daily activities	1,117,952,927.00	1,904,160,159.00

49. Investment Income

Unit: RMB

Item	Reporting Period	Same period of last year
Long-term equity investment income accounted by equity method	-16,571,961.00	-29,578,579.00
Investment income from disposal of long-term equity investment	0.00	9,317,244.00

Investment income from holding of trading financial assets	0.00	0.00
Investment income from disposal of trading financial assets	23,962,521.00	180,450,009.00
Dividend income from holding of other equity instrument investment	6,174,811.00	6,735,339.00
Investment income from holding of held-to-maturity investment	0.00	0.00
Investment income from holding of available-for-sale financial assets	0.00	0.00
Investment income from disposal of available-for-sale financial assets	0.00	0.00
Investment income from disposal of held-to-maturity investment	0.00	0.00
Gains from remeasurement of residual stock rights at fair value after losing control power	0.00	0.00
Interest income from holding of creditors' investment	0.00	0.00
Interest income from holding of other creditors' investment	0.00	0.00
Investment income from disposal of other creditors' investment	0.00	0.00
Total	13,565,371.00	166,924,013.00

Other notes: None

50. Gains from changes in fair value

Unit: RMB

Sources	Reporting Period	Same period of last year
Trading financial assets	55,666,155.00	0.00
Of which: Gains from changes in fair value of derivative financial instruments	0.00	0.00
Trading financial liabilities	0.00	0.00
Investment property measured by fair value	0.00	0.00
Total	55,666,155.00	0.00

Other notes: None

51. Credit Impairment Loss

Unit: RMB

Item	Reporting Period	Same period of last year
Bad debt loss of other receivables	-6,317,588.00	0.00
Impairment loss of creditors' investment	0.00	0.00
Impairment loss of other creditors' investment	0.00	0.00
Bad debt loss of long-term receivables	0.00	0.00
Impairment loss of contract assets	0.00	0.00
Bad debt loss of accounts receivables	-13,912,857.00	0.00
Total	-20,230,445.00	0.00

Other notes: None

52. Asset Impairment Loss

Whether the Company has executed the new income standards

☐ Yes ☒ No

Unit: RMB

Item	Reporting Period	Same period of last year
I. Bad debt loss	0.00	-358,199.00
II. Inventory falling price loss	-598,106,867.00	-457,791,061.00
III. Impairment losses on available-for-sale financial assets	0.00	0.00
IV. Impairment losses on held-to-maturity investment	0.00	0.00
V. impairment losses on long-term equity investment	0.00	0.00
VI. Impairment losses on investment property	0.00	0.00
VII. Fixed assets impairment losses	0.00	0.00
VIII. Impairment losses on engineering materials	0.00	0.00
IX. Impairment losses on construction in progress	0.00	0.00
X. Impairment losses on productive living assets	0.00	0.00
XI. Impairment losses on oil and gas assets	0.00	0.00

XII. Impairment losses on intangible assets	0.00	0.00
XIII. Goodwill impairment losses	0.00	0.00
XIV. Other	0.00	0.00
Total	-598,106,867.00	-458,149,260.00

Other notes: None

53. Asset Disposal Income

Unit: RMB

Sources	Reporting Period	Same period of last year
Fixed assets disposal income	373,679.00	-158,511.00

54. Non-operating Income

Unit: RMB

Item	Reporting Period	Same period of last year	Amount recorded in the current non-recurring profit or loss
Income from debt restructuring	0.00	0.00	0.00
Income from non-monetary assets exchange	0.00	0.00	0.00
Donations accepted	0.00	0.00	0.00
Government subsidies	34,368,058.00	61,057,457.00	34,368,058.00
Other	61,975,474.00	35,584,411.00	61,975,474.00
Total	96,343,532.00	96,641,868.00	96,343,532.00

Government subsidies recorded into current profit or loss:

Unit: RMB

Item	Distribution entity	Distribution reason	Nature	Whether subsidies influence the current profit or loss	Special subsidy or not	Reporting Period	Same period of last year	Related to assets/related to income
Other non-recurring government subsidies	Municipal People's Government, NDRC, Finance Bureau etc.	Subsidy	Due to engaged in special industry that the state encouraged and supported, gained subsidy (obtaining in line with the law and the regulations of	No	No	34,368,058.00	61,057,457.00	Related to income

			national policy)					
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Other notes: None

55. Non-operating Expense

Unit: RMB

Item	Reporting Period	Same period of last year	Amount recorded in the current non-recurring profit or loss
Losses from debt reconstruction	0.00	0.00	0.00
Non-monetary asset exchange losses	0.00	0.00	0.00
Donation	2,512,720.00	1,383,000.00	2,512,720.00
Other	9,335,620.00	6,270,811.00	9,335,620.00
Total	11,848,340.00	7,653,811.00	11,848,340.00

Other notes: None

56. Income Tax Expense

(1) List of Income Tax Expense

Unit: RMB

Item	Reporting Period	Same period of last year
Current income tax expense	579,625,856.00	600,652,106.00
Deferred income tax expense	94,149,185.00	58,916,454.00
Total	673,775,041.00	659,568,560.00

(2) Adjustment Process of Accounting Profit and Income Tax Expense

Unit: RMB

Item	Reporting Period
Profit before taxation	1,801,855,673.00
Current income tax expense accounted at statutory/applicable tax rate	270,278,351.00
Influence of applying different tax rates by subsidiaries	-44,290,962.00
Influence of income tax before adjustment	0.00
Influence of non-taxable income	-2,034,806.00
Influence of not deductible costs, expenses and losses	1,558,230.00
Influence of deductible loss of unrecognized deferred income tax assets in prior period	-52,847,194.00

Influence of deductible temporary difference or deductible loss of unrecognized deferred income tax assets in the Reporting Period	358,004,462.00
Other	143,106,960.00
Income tax expense	673,775,041.00

Other notes: None

57. Other Comprehensive Income

Refer to Note VII-57 for details.

58. Cash Flow Statement

(1) Cash Generated from Other Operating Activities

The total cash generated from other operation activities in Group's consolidated cash flow statement was RMB4,211,734,116.00 in the Reporting Period, most of which are government subsidies received and the recovery of restricted deposits in financial institutions.

(2) Cash Used in Other Operating Activities

The total cash used in other investment activities in Group's consolidated cash flow statement was RMB4,102,320,555.00 in the Reporting Period, most of which are payment for overheads.

(3) Cash Generated from Other Investing Activities

The total cash generated from other investment activities in Group's consolidated cash flow statement was RMB108,292,744.00 in the Reporting Period, most of which are bid price recovered, bid bond and interest income.

(4) Cash Used in Other Investing Activities

The total cash used in other investment activities in Group's consolidated cash flow statement was RMB56,414,722.00 in the Reporting Period, most of which are payment for the return on bid bond, performance bond, safety construction bond and customs bond.

(5) Cash Generated from Other Financing Activities

The total cash generated from other financing activities in Group's consolidated cash flow statement was RMB133,415,725.00 in the Reporting Period, most of which are the recovery of restricted deposits in financial institutions.

(6) Cash Used in Other Financing Activities

The total cash used in other financing activities in Group's consolidated cash flow statement was RMB73,504,151.00 in the Reporting Period, most of which are payment for the decrease capital of non-controlling interests and commission expenses.

59. Supplemental Information for Cash Flow Statement

(1) Supplemental Information for Cash Flow Statement

Unit: RMB

Supplemental information	Reporting Period	Same period of last year
1. Reconciliation of net profit to net cash flows generated from operating activities	--	--
Net profit	1,128,080,632.00	2,829,093,457.00
Add: Provision for impairment of assets	598,106,867.00	458,149,260.00
Depreciation of fixed assets, oil-gas assets, and productive living assets	9,019,062,288.00	6,556,160,630.00
Depreciation of right-to-use assets	0.00	0.00
Amortization of intangible assets	161,230,388.00	258,521,192.00
Amortization of long-term prepaid expenses	59,700,556.00	49,953,934.00
Losses on disposal of fixed assets, intangible assets and other long-lived assets (gains: negative)	217,671.00	421,587.00
Losses on scrap of fixed assets (gains: negative)	289,077.00	329,303.00
Losses from variation of fair value (gains: negative)	-55,666,155.00	0.00
Finance costs (gains: negative)	1,700,086,916.00	1,330,319,892.00
Investment loss (gains: negative)	-13,565,371.00	-166,924,013.00
Decrease in deferred income tax assets (gains: negative)	32,865,030.00	-70,086,012.00
Increase in deferred income tax liabilities ("-" means decrease)	59,589,820.00	723,822,985.00
Decrease in inventory (gains: negative)	-2,520,248,329.00	-2,381,077,971.00
Decrease in accounts receivable generated from operating activities (gains: negative)	1,509,753,826.00	-1,795,552,371.00
Increase in accounts payable used in operating activities (decrease: negative)	203,464,853.00	4,172,927,102.00
Others	-287,983,720.00	-384,551,801.00
Net cash generated from/used in operating activities	11,594,984,349.00	11,581,507,174.00
2. Significant investing and financing activities without involvement of cash receipts and payments	--	--
Transfer of debt to capital	0.00	0.00
Convertible corporate bonds due within one year	0.00	0.00
Fixed assets leased in through financing	0.00	0.00
3. Net increase/decrease of cash and cash equivalent:	--	--

Ending balance of cash	40,243,333,561.00	43,089,999,591.00
Less: Beginning balance of cash	43,350,696,520.00	47,913,287,583.00
Add: Ending balance of cash equivalents	0.00	0.00
Less: Beginning balance of cash equivalents	0.00	0.00
Net increase in cash and cash equivalents	-3,107,362,959.00	-4,823,287,992.00

(2) Cash and Cash Equivalents

Unit: RMB

Item	Ending balance	Beginning balance
I. Cash	40,243,333,561.00	43,350,696,520.00
Including: Cash on hand	528,768.00	537,805.00
Bank deposit on demand	40,202,349,838.00	43,340,146,382.00
Other monetary funds on demand	40,454,955.00	10,012,333.00
II. Cash equivalents	0.00	0
III. Ending balance of cash and cash equivalents	40,243,333,561.00	43,350,696,520.00
Of which: Cash and cash equivalents with restricted use by the Company as the parent and its subsidiaries	40,454,955.00	10,012,333.00

Notes: None

60. Notes to Items in Statements of Changes in Owners' Equity

Notes to names under the item of "Other" in the adjusted ending balance for the Same period of last year and the corresponding amount:

None

61. Assets with Restricted Ownership or Right to Use

Unit: RMB

Item	Ending carrying value	Reason for restriction
Monetary capital	6,948,337,136.00	Pledged for guarantee and as cash deposit
Notes receivable	49,271,680.00	Discounted transfer with recourse attached, negotiability with recourse attached and pledged for issuing notes payable
Inventories	0	Naught
Fixed assets	97,485,999,524.00	Mortgaged for guarantee
Intangible assets	1,297,670,069.00	Mortgaged for guarantee
Investment property	43,707,923.00	Mortgaged for guarantee
Construction in progress	43,789,518,170.00	Mortgaged for guarantee

Total	149,614,504,502.00	--
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Notes: None

62. Foreign Currency Monetary Items

(1) Foreign Currency Monetary Items

Unit: RMB

Item	Ending foreign currency balance	Exchange rate	Ending balance converted to RMB
Monetary fund	--	--	
Including: USD	3,262,106,101.00	6.8747	22,426,000,810.00
EUR	70,639,172.00	7.8170	552,186,408.00
HKD	39,302,600.00	0.8797	34,574,497.00
Accounts receivable	--	--	
Including: USD	1,649,186,755.00	6.8747	11,337,664,185.00
EUR	45,904,620.00	7.8170	358,836,415.00
HKD	331.00	0.8797	291.00
Long-term borrowings	--	--	
Including: USD	4,622,590,000.00	6.8747	31,778,919,473.00
EUR	214,183,749.00	7.8170	1,674,274,362.00
HKD	0.00	0.8797	0.00

Notes: None

(2) Notes to Overseas Entities Including: for Significant Oversea Entities, Main Operating Place, Recording Currency and Selection Basis Shall Be Disclosed; if there Are Changes in Recording Currency, Relevant Reasons Shall Be Disclosed.

☐ Applicable ☒ Not applicable

VIII. Changes of Consolidation Scope

1. Counter Purchase

Basic information of trading, the basis of transactions constitute counter purchase, the retain assets , liabilities of the listed companies whether constituted a business and its basis, the determination of the combination costs, the amount and calculation of adjusted rights and interests in accordance with the equity transaction process: None

2. Disposal of Subsidiary

Whether there is a single disposal of the investment to the subsidiary and lost control?

☐ Yes ☒ No

Whether there are several disposals of the investment to the subsidiary and lost controls?

☐ Yes ☒ No

3. Changes in Combination Scope for Other Reasons

Note to changes in combination scope for other reasons (such as newly establishment or liquidation of subsidiaries, etc.) and relevant information: None

4. Other

None

IX. Equity in Other Entities

1. Equity in Subsidiary

(1) Subsidiaries

Name	Main operating place	Registration place	Nature of business	Holding percentage (%)		Way of gaining
				Directly	Indirectly	
Beijing BOE Optoelectronics Technology Co., Ltd.	Beijing, China	Beijing, China	Research, development, design and manufacture of TFT-LCD.	82.49%	17.51%	Investment
Chengdu BOE Optoelectronics Technology Co., Ltd. ("Chengdu Optoelectronics")	Chengdu, China	Chengdu, China	R&D, design, production and sales of new display devices and modules and other electronic components.	100.00%	0.00%	Business combination not under the same 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.	100.00%	0.00%	Business combination not under the same control
Beijing BOE Display Technology Co., Ltd. ("Beijing BOE Display")	Beijing, China	Beijing, China	Development of TFT-LCD, manufacture and sale of LCD.	97.17%	2.83%	Investment
Hefei Xinsheng Optoelectronics	Hefei, China	Hefei, China	Investment, construction, R&D, production and sales of the relevant	84.59%	0.03%	Business combination

Technology Co., Ltd.			products of thin film transistor LCD and its auxiliary products.			not under the same control
Ordos Yuansheng Optoelectronics Co., Ltd. (“Yuansheng Optoelectronics”)	Ordos, China	Ordos, China	Manufacture and sales of AM-OLED products and auxiliary products.	100.00%	0.00%	Investment
Chongqing BOE Optoelectronics Technology Co., Ltd. (“Chongqing BOE”)	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.	100.00%	0.00%	Business combination not under the same control
Fuzhou BOE Optoelectronic Technology Co., Ltd. (“Fuzhou BOE”)	Fuzhou, China	Fuzhou, China	Investment, construction, R&D, production and sales of the relevant products of thin film transistor LCD and its auxiliary products.	81.25%	0.00%	Business combination not under the same control
Beijing BOE Video Technology Co., Ltd. (“BOE Video”)	Beijing, China	Beijing, China	Manufacture of LCD TV, LCD; technology development of terminal products and systems such as TFT-LCD display and TV.	100.00%	0.00%	Investment
Beijing BOE Vacuum Electronics Co., Ltd.	Beijing, China	Beijing, China	Manufacture and sale of vacuum electronic products	55.00%	0.00%	Investment
Beijing BOE Vacuum Technology Co., Ltd.	Beijing, China	Beijing, China	Manufacture and sale of electronic tubes.	100.00%	0.00%	Investment
Beijing BOE Special Display Technology Co., Ltd. (“Special Display”)	Beijing, China	Beijing, China	Development of display products and sale of electronic products.	100.00%	0.00%	Investment
Beijing Yinghe Century Co., Ltd.	Beijing, China	Beijing, China	Management of engineering projects; real estate development; public parking lot for motor vehicles service; office lease.	100.00%	0.00%	Investment
BOE Optical Science and Technology Co., Ltd. (“Optical Science and Technology”)	Suzhou, China	Suzhou, China	R&D, production and sales of LCD, back light for display and related components.	95.17%	0.00%	Investment
BOE Hyundai LCD (Beijing) Display Technology Co., Ltd.	Beijing, China	Beijing, China	Development, manufacture and sale of liquid display for mobile termination.	75.00%	0.00%	Investment
BOE (Hebei) Mobile Technology Co., Ltd. (“BOE Hebei”)	Langfang, China	Langfang, China	Manufacture and sale of mobile flat screen display technical products and related services.	100.00%	0.00%	Investment

Beijing BOE Multimedia Technology Co. Ltd. ("BOE Multimedia")	Beijing, China	Beijing, China	Sale of computer software and hardware, the numeral regards the audio frequency technology.	100.00%	0.00%	Investment
Beijing BOE Energy Technology Co., Ltd. ("BOE Energy")	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.	100.00%	0.00%	Investment
Beijing BOE Life Technology Co., Ltd. ("BOE Life Technology")	Beijing, China	Beijing, China	Technology promotion, property management, and sales of electronic products.	100.00%	0.00%	Investment
Beijing Zhongxiangying Technology Co., Ltd. ("Zhongxiangying")	Beijing, China	Beijing, China	Technology promotion, property management, and sales of electronic products.	100.00%	0.00%	Investment
Erdos Haosheng Energy Investment Co., Ltd. ("Haosheng Energy")	Ordos, China	Ordos, China	Energy investment.	20.00%	80.00%	Investment
Beijing 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	80.77%	0.00%	Investment
BOE Optoelectronics Holding Co., Ltd ("Optoelectronics Holding")	Hong Kong, China	Virgin Islands, British	Design, manufacturing and sales of electronic-information industry related products, investment and financing businesses.	100.00%	0.00%	Investment
Beijing Asahi Electronic Materials Co., Ltd.	Beijing, China	Beijing, China	Sales of TV bracket glass rod and CTV low-melting-point solder glass.	100.00%	0.00%	Business combination not under the same control
BOE Health Investment Management Co., Ltd. ("Health Investment")	Beijing, China	Beijing, China	Investment management and project investment.	100.00%	0.00%	Business combination not under the same control
Beijing•Matsushita Color CRT Co., Ltd. ("Matsushita Color CRT")	Beijing, China	Beijing, China	Color TV set, display tube, color RPTV projection tube and materials of electronic components; property management and parking services, etc.	88.80%	0.00%	Business combination not under the same control

Hefei BOE Display Technology Co., Ltd. ("Hefei Technology")	Hefei, China	Hefei, China	Investment, R & D and production of products related to TFT-LCD and the supporting facility.	8.33%	0.00%	Business combination not under the same control
Beijing BOE Technology Development Co., Ltd. ("Technology Development")	Beijing, China	Beijing, China	Development, transfer, consulting and service of technology.	100.00%	0.00%	Investment
BOE Wisdom IOT Technology Co., Ltd. ("Wisdom IOT Technology")	Beijing, China	Beijing, China	Development, transfer, consulting, service and promotion of technology.	100.00%	0.00%	Investment
Hefei BOE Zhuoyin Technology Co., Ltd. ("Zhuoyin Technology")	Hefei, China	Hefei, China	Investment, construction, R&D, production and sales of products related to OLED display device and auxiliary products.	75.00%	0.00%	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.	70.00%	0.00%	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.	100.00%	0.00%	Investment
Kunming BOE Display Technology Co., Ltd. ("Kunming BOE")	Kunming, China	Kunming, China	Development, spread, transfer, consulting and service providing of display technology; service providing of computer software/hardware and network	69.43%	0.00%	Investment

			systems; construction, operation and management of e-commerce platforms; providing service of conferences; undertaking of exhibitions; computer animation design; production, R&D and sales of OLED micro display devices and AR/VR complete machine; storage services; project investment and corresponding management; import & export of goods and technologies; lease of houses and mechanical equipments.			
Wuhan BOE Optoelectronics Technology Co., Ltd. ("Wuhan BOE")	Hubei, China	Hubei, China	Investing, researching, manufacturing and promoting TFT-LCD products and accessory product; import & export of goods and technologies by proprietary trading or agency (excluding goods and technologies restricted by state or import & export prohibited); management consulting and service of company; lease of houses and mechanical equipments (excluding special approval).	23.08%	0.00%	Business combination not under the same control
Beijing BOE Yiyun Science & Technology Co., Ltd. ("Yiyun Technology")	Beijing, China	Beijing, China	Technology development, technology transfer, technical consulting, technical services; technology intermediary services: data processing and store service (excluding bank card center in data processing, PUE over 1.5 in cloud computing data center); information system integration; basic software services; application software services; software development; sales of hardware & software of computer and auxiliary equipment, electronic products, hardware & electric material (excluding electric bicycle), photographic equipment, household appliances, arts and crafts, sports products, daily necessities, clothes,	95.92%	0.00%	Business combination not under the same control

			furniture, ceramics, wood products, metalware, lanterns, glass products, paper products, stationery, cosmetics; import & export of goods; maintenance of computer and auxiliary equipment, household electronic products; lease of mechanical equipment; conference service; undertaking display and exhibition activities; advertisement designing, producing, agency and publishing; literary and artistic creation; organizing exchange activity of culture and art (excluding performance); identification of artware; operation of sports projects (excluding high-risk sports); ticket agency; internet information service; retail of publication; auction business; road freight transportation.			
Mianyang BOE Optoelectronic Technology Co., Ltd. ("Mianyang BOE")	Sichuan, China	Sichuan, China	Production of display panel for high-end smart phones, folding laptops etc. and R&D, production and sales of modules.	78.35%	0.00%	Business combination not under the same control
Chongqing BOE Display Technology Co., Ltd. ("Chongqing BOE Display")	Chongqing, China	Chongqing, China	Research, development, manufacture and sales of semiconductor display devices, machine and relevant products, import and export of goods and technical consulting (excluding goods and technologies restricted by state or import & export prohibited); development, transfer, consulting, service in related fields of display devices and module, other electronic components, and display devices and electronic products (excluding electronic publications); company management consulting; property management (excluding A quality property management); lease of houses and mechanical	38.46%	0.00%	Business combination not under the same control

			equipments.			
Beijing BOE Sensor Technology Co., Ltd. ("Sensor Technology")	Beijing, China	Beijing, China	Development, testing, consulting, service and transfer of technologies in X-ray sensors, micro fluidic chips, biochemical chips, gene chips, security sensors, microwave antenna, biological sensors, internet of things, and modules, systems and equipment of other semiconducting sensors.	100.00%	0.00%	Investment
SES Imagotag SA Co.Ltd	Nanterre, France	Nanterre, France	Supports color electronic paper, segment LCD, TFT-LCD display, covering ESL multi-frequency protocol, Wi-Fi, BLE and NFC; multiple communication methods, integrated electronic paper supply chain resources and downstream software around electronic shelf labels Platform, image recognition and big data analytics resources to create a complete solution for the retail industry.	0.00%	73.93%	Business combination not under the same control
Fuzhou BOE Display Technology Co., Ltd.	Fuzhou, China	Fuzhou, China	Research, development, manufacture and sales of semiconductor display devices, machine and relevant products, import & export of goods and technical consulting; development, transfer, consulting, service in related fields of display devices and module, other electronic components, and display devices and electronic products; company management consulting; property management; lease of houses and mechanical equipments.	65.77%	0.00%	Investment

Explanations that the shareholding percentage is different from the voting right percentage in subsidiaries:

None

Basis for the control over the investees with half or less voting right and for not controlling the investees with over half voting right:

The Company and the shareholder of Hefei Display, Hefei Core Screen Industrial Investment Fund (Limited Partnership) signed a concerted action agreement on November 30, 2016, Hefei Core Screen Industrial Investment Fund (Limited Partnership) agreed to act as a concerted action 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 is 71.67%.

The Company and shareholder of Wuhan BOE, Wuhan Airport Economic Development Zone Industrial Development Investment Group Co., Ltd. signed a concerted action agreement on December 25, 2018. Wuhan Airport Economic Development Zone Industrial Development Investment Group Co., Ltd. agreed to follow the Company's will to act as a concerted action, unconditionally and irrevocably exercising voting rights in accordance with the opinions of the company, the voting rights of the Company to Wuhan BOE is 74.45%.

The Company and shareholders of Chongqing BOE Display, Chongqing Strategic Emerging Industry Equity Investment Fund Partnership (Limited Partnership) and Chongqing Yuzi Optoelectronic Industry Investment Co., Ltd. signed a concerted action agreement on December 25, 2018. Chongqing Strategic Emerging Industry Equity Investment Fund Partnership (Limited Partnership) and Chongqing Yuzi Optoelectronic Industry Investment Co., Ltd. agreed to act as a concerted action 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 displayed by the Company on Chongqing BOE is 100%.

Basis for the control over the significant structured entities included in the scope of combination:

None

Basis for the determining the Company as the agent or the trustor:

None

Other notes: None

(2) Significant Not Wholly-owned Subsidiary

Unit: RMB

Name	Shareholding proportion of non-controlling interests	The profit or loss attributable to non-controlling interests	Declaring dividends distributed to non-controlling interests	Ending balance of non-controlling interests
None				

Notes that the shareholding percentage is different from the voting right percentage of non-controlling shareholders in subsidiaries:

None

Other notes: None

(3) The Main Financial Information of Significant Not Wholly-owned Subsidiary

Unit: RMB

Name	Ending balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liability	Total liabilities
None						

(Continued)

Name	Beginning balance						
	Current assets	Current assets	Non-current assets	Total assets	Current liability	Non-current liabilities	Total liabilities
None							

Unit: RMB

Name	Reporting Period				Same period of last year			
	Operating revenue	Net profit	Total comprehensive income	Cash flows from operating activities	Operating revenue	Net profit	Total comprehensive income	Cash flows from operating activities
None								

Other notes:

None

(4) Significant Limitation on the Use of Assets and Liquidation of Debts of the Company

None

(5) Financial Support or Other Support Provided for Structured Entities Included in the Scope of Consolidated Financial Statements

None

2. The Transaction Resulting in Changes in Owner's Equity of Subsidiary but Still Controlling the Subsidiary**(1) Explanations on Changes in Owner's Equity of Subsidiary**

The Company increased its investment in Mianyang BOE of RMB150,000,000 in May 2019; non-controlling interests increased the investment in Mianyang BOE of RMB700,000,000. The Company held 81.35% of shares in Mianyang BOE before the capital increase and 78.35% of shares after the capital increase.

The Company increased its investment in Wuhan BOE of RMB1,920,000,000.00 in January, March, May, June 2019 successively; non-controlling interests increased the investment in Wuhan BOE of RMB3,290,000,000.00. The Company held 14.58% of shares in Wuhan BOE before the capital increase and 23.08% of shares after the capital increase.

The Company increased its investment in Kunming Display of RMB467,200,000.00 in January, February, April, May 2019 successively; non-controlling interests increased the investment in Kunming Display of RMB48,200,000.00. The Company held 45.11% of shares in Kunming Display before the capital increase and 69.43% of shares after the capital increase.

(2) The Effects of the Transaction on Non-controlling Interests and Equity Attributable to Owners of the Company as the Parent

Unit: RMB

Item	Mianyang BOE	Kunming BOE	Wuhan BOE
Purchase cost/disposal consideration	150,000,000.00	467,200,000.00	1,920,000,000.00
--Cash	150,000,000.00	467,200,000.00	1,920,000,000.00
--Fair value of non-cash assets	0.00	0.00	0.00

Total of purchase cost /disposal consideration	150,000,000.00	467,200,000.00	1,920,000,000.00
Less: Subsidiary net assets proportion calculated by share proportion obtained/disposal	156,929,235.00	462,311,177.00	1,917,780,993.00
Difference	-6,929,235.00	4,888,823.00	2,219,007.00
Of which: Adjustment of capital reserves	6,929,235.00	-4,888,823.00	-2,219,007.00
Surplus reserves adjustments	0.00	0.00	0.00
Retained profits adjustments	0.00	0.00	0.00

Other notes: None

3. Equity in Joint Ventures or Associated Enterprises

(1) Significant Joint Ventures or Associated Enterprises

Name	Main business place	Registration place	Nature of business	Shareholding proportion		Accounting treatment to joint ventures or associated enterprise
				Directly	Indirectly	
None						

Notes that the shareholding percentage is different from the voting right percentage in joint ventures or associated enterprises:

None

Basis that having significant influence with voting right less than 20% or that not having significant influence with voting right more than 20%:

None

(2) Summary Financial Information of Insignificant Joint Ventures and Associated Enterprises

Unit: RMB

Item	Ending balance/Reporting Period	Beginning balance/Same period of last year
Joint ventures:	--	--
Total carrying value of investment	0.00	0.00
Total of the following items calculated by shareholding proportion	--	--
--Net profit	0.00	-3,900,535.00
--Other comprehensive income	0.00	0.00
--Total comprehensive income	0.00	-3,900,535.00
Associated enterprises:	--	--

Total carrying value of investment	2,625,460,926.00	2,389,166,886.00
Total of the following items calculated by shareholding proportion	--	--
--Net profit	-16,571,961.00	-25,678,044.00
--Other comprehensive income	175,947,500.00	4,151,942.00
--Total comprehensive income	159,375,539.00	-21,526,102.00

Other notes

None

(3) Notes to the Significant Limitation on Capital Transfer to the Company by Joint Ventures or Associated Enterprises

None

(4) Unrecognized Commitments Related to Investment in Joint Ventures

None

(5) Contingent Liabilities Related to Investment in Joint Ventures or Associated Enterprises

None

4. Equity in the Structured Entity Excluded in the Scope of Consolidated Financial Statements

None

5. Other

None

X. The Risk Related to Financial Instruments

Risks related to financial instruments in daily activities for the Group include:

- Credit risk
 - Liquidity risk
 - Interest rate risk
 - Foreign exchange risk
 - Other price risks
- The risk exposure and causes, changes in this year, risk management objectives, policies and procedures, methods of measuring risks and changes in this year will be discussed below. Risk management objective of the Company is to balance the risks and profits, minimize the negative effects to business performance and maximize the profits for stockholders and other equity investors. On the basis of risk management objectives, basic strategies of risk management are to determine and analyze all possible risks, establish appropriate risk baseline, control and manage risks and monitor all risks timely and reliably within defined scope. The Group will regularly review the risk management policies and internal control system to adapt to the market and changes of operating activities.

The Internal Audit Department will regularly review or randomly inspect whether implementation of internal control system satisfies risk management policies.

(1) Credit Risk

Credit risk refers to the risk of financial losses to one party of a financial instrument due to the failure of obligation performance by the other party. The credit risk of the Group is mainly from accounts receivable. And the management will continue to monitor the exposure of these credit risks.

The monetary capital of the Group except for cash is mainly deposited in financial institutions with good credit. The management believes it has no material credit risks and will not cause losses to the Group due to the counterpart's default.

As for accounts receivable, the Group has worked out the credit policies based on actual situation to evaluate customers' credit so as to decide the limit of sales on credit and credit period. The credit evaluation is conducted on the basis of a customer's financial condition, external rating and historical transaction records. The accounts receivable will expire within 15 to 120 days since the issue date of account bills. The debtors of overdue accounts receivable will be required to pay off all outstanding balance before obtaining further credit lines. In general, the Group will not ask customers to offer any collateral.

The credit risk of the Group is mainly influenced by characteristics of customers, not the industries, countries or regions they are in. Thus, the concentration of material credit risks is mainly generated from material accounts receivable of the Group from individual customers. On the balance sheet date, the accounts receivable of the Group and the Company from top five customers respectively account for 51.99% and 73.07% (in 2018: 40% and 0.06%) of total accounts receivable of the Group and the Company. What's more, the accounts receivable of the Group not overdue and without impairment are mainly from customers without debt records recently.

The maximum credit risk exposure born by the Group is the carrying amount of each financial asset in the balance sheet. As stated in Note XII, the Group has no external guarantee that will bring credit risks to the Group as of 30 June 2019.

(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). 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.

(3) Interest Rate Risk

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

As at 30 June 2019, 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 RMB81.15 million (2018: RMB104.38 million).

In respect of the exposure to cash flow interest rate risk arising from floating rate non-derivative instruments held by the Group at the balance sheet date, the impact on the net profit and equity is estimated as an annualised impact on interest expense or income of such

a change in interest rates. The analysis is performed on the same basis for the previous year.

(4) Foreign currency risk

In respect of cash at bank and on hand, accounts 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 30 June 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 2,140,890,803 (2018 net liabilities exposure: USD 2,098,686,634), translated into RMB 14,717,982,001 (2018: RMB 14,403,706,106), 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 30 June would have increased / decreased both the Group's equity and net profit by the amount RMB 460,553,954 (2018: RMB 506,911,356).

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 Include Equity Price Risk, Commodity Price Risk, etc.

XI. The Disclosure of Fair Value

1. Ending Fair Value of Assets and Liabilities at Fair Value

Unit: RMB

Item	Ending fair value			
	Fair value measurement items at level 1	Fair value measurement items at level 2	Fair value measurement items at level 3	Total
I. Consistent fair value measurement	--	--	--	--
(I) Trading financial assets	0.00	0.00	0.00	0.00
1. Financial assets at fair value through profit or loss	0.00	0.00	0.00	0.00
(1) Debt instruments investment	0.00	0.00	3,932,990,942.00	3,932,990,942.00
(2) Equity instruments investment	0.00	0.00	0.00	0.00
(3) Derivative financial assets	0.00	0.00	0.00	0.00

2. Financial assets assigned measured by fair value and the changes be included in the current gains and losses	0.00	0.00	13,757,311.00	13,757,311.00
(1) Debt instruments investment	0.00	0.00	13,757,311.00	13,757,311.00
(2) Equity instruments investment	0.00	0.00	0.00	0.00
(II) Other creditors' investment	0.00	0.00	0.00	0.00
(III) Other equity instrument investment	356,721,284.00	0.00	0.00	356,721,284.00
(IV) Investment property	0.00	0.00	0.00	0.00
1. Lease the land use right	0.00	0.00	0.00	0.00
2. Rental buildings	0.00	0.00	0.00	0.00
3. Land use right held and prepared to transfer after appreciation	0.00	0.00	0.00	0.00
(V) Biological assets	0.00	0.00	0.00	0.00
1. Consumable biological assets	0.00	0.00	0.00	0.00
2. Productive living assets	0.00	0.00	0.00	0.00
Total assets of consistent fair value measurement	356,721,284.00	0.00	0.00	356,721,284.00
(VI) Trading financial liabilities	0.00	0.00	0.00	0.00
Of which: Tradable bond issued	0.00	0.00	0.00	0.00
Derivative financial liabilities	0.00	0.00	0.00	0.00
Other	0.00	0.00	0.00	0.00
(VII) Refer as financial liabilities measured by fair value and the changes included in the current gains and losses	0.00	0.00	71,000,000.00	71,000,000.00
Total liabilities of consistent fair value	0.00	0.00	71,000,000.00	71,000,000.00

measurement				
II. Inconsistent fair value measurement	--	--	--	--
(I) Held-for-sale assets	0.00	0.00	0.00	0.00
Total assets inconsistently measured at fair value	0.00	0.00	0.00	0.00
Total liabilities inconsistent measured at fair value	0.00	0.00	0.00	0.00

2. Market Price Recognition Basis for Consistent and Inconsistent Fair Value Measurement Items at Level 1

The unadjusted offer in active market obtaining same assets or liabilities on calculation date

3. Consistent and Inconsistent Fair value Measurement Items at Level 2, Valuation Techniques Adopted, the Qualitative and Quantitative Information of Important Parameters

Observable input value of related assets or liabilities except level 1 input value

4. Consistent and Inconsistent Fair Value Measurement Items at Level 3, Valuation Techniques Adopted, the Qualitative and Quantitative Information of Important Parameters

The unobservable input value of related assets or liabilities

5. Consistent Fair Value Measurement Items at Level 3, Adjustment between the Beginning Carrying Value and the Ending Carrying Value and Sensitivity Analysis on Unobservable Parameters

None

6. Explain the Reason for Conversion and the Policy Governing when the Conversion Happens if Conversion Happens among Consistent Fair Value Measurement Items at Different Level

None

7. Changes in Valuation Techniques in the Reporting Period and Reasons for the Changes

None

8. Fair Value of Financial Assets and Liabilities Not Measured at Fair Value

None

9. Other

None

XII. Connected Party and Connected Transaction

1. Information on the Company as the Parent

Name	Registration place	Nature of business	Registered capital	Proportion of share held by the Company as the parent against the Company (%)	Proportion of voting rights owned by the Company as the parent against the Company (%)
Beijing Electronics Holding Co., Ltd.	No.12 Jiuxian Bridge, Zhaoyang District, Beijing	Operation and management of state-owned assets within authorization	RMB2,418,350,000.00	0.79%	11.32%

Notes to the Company as the parent:

None

The final controller of the Company is Beijing Electronics Holding Co., Ltd.

Other notes: None

2. Subsidiaries of the Company

Refer to Note IX.-1 for details.

3. Information on the Joint Ventures and Associated Enterprises of the Company

For information of significant joint ventures or associated enterprises of the Company, please refer to Note IX-3.

List of other joint ventures and associated enterprises that made connected transactions with the Company generating balance during or before the Reporting Period:

Name	Relationship with the Company
Beijing Nittan Electronic Co., Ltd.	Associated enterprise of the Group and the Company
TPV Display Technology (China) Limited	Associated enterprise of the Group and the Company
Beijing Rishen Electronic Precision Parts Co., Ltd.	Associated enterprise of the Group and the Company

Other notes:

None

4. Information on Other Connected Parties

Name	Relationship with the Company
Beijing BOE Investment Development Co., Ltd.	Controlled by the same ultimate holding company
Beijing Sevenstar Huadian Technology Group Co., Ltd.	Controlled by the same ultimate holding company
Beijing BOE Investment Development Co., Ltd.	Controlled by the same ultimate holding company
Beijing Dongdian Industrial Development Co., Ltd.	Controlled by the same ultimate holding company
Beijing Electronics Holding & SK Technology Co., Ltd.	Controlled by the same ultimate holding company
Beijing Yansong Trading Co., Ltd.	Controlled by the same ultimate holding company
Beijing Zhengdong Electronic Power Group Co., Ltd.	Controlled by the same ultimate holding company
Beijing North Microelectronics Co., Ltd.	Controlled by the same ultimate holding company
Beijing Zhengdong Electronic Power Group Co., Ltd.	Controlled by the same ultimate holding company
Beijing Zhaowei Technology Development Co., Ltd.	Controlled by the same ultimate holding company
Beijing Zhaowei Intelligent Equipment Co., Ltd.	Controlled by the same ultimate holding company
Xin Xiang Microelectronic (Hong Kong) Co., Ltd.	Controlled by the same ultimate holding company
Beijing Ether Electronics Group Co., Ltd.	Controlled by the same ultimate holding company
BAIC BJEV	Other connected party
China United Network Communications Limited	Other connected party

Other notes

None

5. List of Connected Transactions

(1) Information on Acquisition of Goods and Reception of Labor Service

Information on acquisition of goods and reception of labor service

Unit: RMB

Connected party	Content	Reporting Period	The approval trade credit	Whether exceed trade credit or not	Same period of last year
Beijing Electronics Holding Co., Ltd and its affiliated companies	Purchase of goods	299,540,011.00	600,000,000.00	No	226,147,968.00
Beijing Electronics Holding Co., Ltd and its affiliated companies	Accepting labor service	1,453,989.00	8,000,000.00	No	1,887,192.00
Other connected party	Purchase of goods	0.00	130,000,000.00	No	7,719,867.00
Other connected party	Accepting labor	1,292,600.00	5,000,000.00	No	0.00

	service				
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Information of sales of goods and provision of labor service

Unit: RMB

Connected party	Content	Reporting Period	Same period of last year
Beijing Electronics Holding Co., Ltd and its affiliated companies	Sales of goods	265,677.00	403,808.00
Beijing Electronics Holding Co., Ltd and its affiliated companies	Providing labor service	383,744.00	45,745.00
Other connected party	Sales of goods	315,673.00	3,239,373.00
Other connected party	Providing labor service	32,781.00	6,253,228.00

Notes: None

(2) Connected Trusteeship/Contract and Entrust/Contractee

Lists of connected trusteeship/contract:

Unit: RMB

Name of the entruster/contractee	Name of the trustee/contractor	Type	Start date	Due date	Pricing basis	Income recognized in the Reporting Period
None						

Notes: None

Lists of entrust/contractee

Unit: RMB

Name of the entruster/contractee	Name of the trustee/contractor	Type	Start date	Due date	Pricing basis	Income recognized in the Reporting Period
None						

Notes:

None

(3) Information on Connected Lease

The Company served as the lessor:

Unit: RMB

Name of lessee	Category of leased assets	The lease income confirmed in the Reporting Period	The lease income confirmed in the same period of last year
Beijing Electronics Holding Co., Ltd and its	Investment property	21,164.00	757,937.00

affiliated companies			
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The Company served as the lessee:

Unit: RMB

Name of lessor	Category of leased assets	The lease income confirmed in the Reporting Period	The lease income confirmed in the Same period of last year
Beijing Electronics Holding Co., Ltd and its affiliated companies	Fixed assets	1,445,383.00	1,218,031.00

Notes to connected lease: None

(4) Connected Guarantee

The Company served as the guarantee

Unit: RMB

Secured party	Amount	Start date	Due date	Whether completely performed
None				

The Company served as the secured party

Unit: RMB

Guarantee	Amount	Start date	Due date	Whether completely performed
None				

Notes to connected guarantee: None

(5) Interbank Borrowing and Lending of Capital by Connected Party

Unit: RMB

Connected party	Amount	Start date	Due date	Note
Borrowings				
None				
Lending				
None				

(6) Assets Transfer and Debt Restructuring of Connected Party

Unit: RMB

Connected party	Content	Reporting Period	Same period of last year
None			

(7) Remuneration for Key Management Personnel

Unit: RMB

Item	Reporting Period	Same period of last year
Remuneration for key management personnel	26,153,302.00	50,069,577.00

(8) Other Connected Transactions

None

6. Accounts Receivable and Payable of Connected Party**(1) Accounts Receivable**

Unit: RMB

Item	Connected party	Ending balance		Beginning balance	
		Carrying amount	Bad debt provision	Carrying amount	Bad debt provision
Accounts receivable	Beijing Electronics Holding Co., Ltd and its affiliated companies	232,242.00	0.00	18,982.00	0.00
Prepayment	Beijing Electronics Holding Co., Ltd and its affiliated companies	1,142,210.00	0.00	2,814,000.00	0.00
Accounts receivable	Other connected parties	205,957.00	0.00	33,264.00	0.00
Other accounts receivable	Beijing Electronics Holding Co., Ltd and its affiliated companies	12,148.00	0.00	12,148.00	0.00
Prepayment	Other connected parties	1,054,527.00	0.00	0.00	0.00

(2) Accounts Payable

Unit: RMB

Item	Connected party	Ending carrying balance	Beginning carrying balance
Accounts payable	Beijing Electronics Holding Co., Ltd and its affiliated companies	29,895,259.00	25,736,668.00
Other accounts payable	Beijing Electronics Holding Co., Ltd and its affiliated companies	237,097,543.00	294,453,309.00
Advances from	Beijing Electronics Holding Co., Ltd and its	10,679.00	1,111.00

customers	affiliated companies		
Accounts payable	Other connected parties	2,456,725.00	4,625,142.00
Other accounts payable	Other connected parties	91,479.00	116,479.00

7. Commitments of Connected Party

Signed commitments in relation to related parties on the balance sheet date that didn't need to be presented on the balance sheet:

Item	2019	2018
Equipment purchase commitment	327,370,768.00	370,768,209.00

8. Other

None

XIII. Commitments and Contingency

1. Significant Commitments

Significant commitments on the balance sheet date

(1) Capital Commitments

The Group	30 June 2019	31 December 2018
Signed but not performed	71,517,184,458.00	61,515,573,632.00
Approved but contract unsigned	94,709,082,722.00	84,789,129,465.00
Total	166,226,267,180.00	146,304,703,097.00

The Company	30 June 2019	31 December 2018
Signed but not performed	44,326,641,398.00	39,666,849,756.00
Approved but contract unsigned	0.00	0.00
Total	44,326,641,398.00	39,666,849,756.00

(2) Operating Commitments

The Group	30 June 2019	31 December 2018
Within 1 year (including 1 year)	52,839,746.00	53,187,055.00
Over 1 year and within 2 years (including 2 years)	24,811,029.00	30,220,405.00

Over 2 years and within 3 years (including 3 years)	23,708,000.00	21,345,206.00
Over 3 years	60,190,211.00	82,499,050.00
Total	161,548,986.00	187,251,716.00

2. Contingency

(1) Significant Contingency on the Balance Sheet Date

None

(2) Explanations Should Also Be Given when there Was No Significant Contingency to Disclose

There was no significant contingency to disclose.

3. Other

None

XIV. Other Significant Events

1. Pension Plans

In order to ensure and improve the living standards of BOE retirees and put in place a multi-layer old-age security system and a long-term talent retaining mechanism, as per China's relevant policies and regulations, BOE has established the annuity programme since January 2014. The annuity fund consists of the contributions by the Company (paid as per the government's regulations according to the applicable taxation policy), the contributions by employees (deducted by the Company from their salaries according to the applicable taxation policy) and the returns on investment by the fund (operated by the relevant government department according to the investment principle of high security and moderate income). Currently, the Company pays 5% of an employee's annuity contribution to the fund. 2,627 employees have so far participated in the annuity programme with an accumulative net asset value of RMB177.71 million and an average annualized rate of return of 4.49%.

2. Segment Information

(1) Recognition Basis and Accounting Policies of Reportable Segment

(1) Segment Reporting Considerations

The Group principal decision-makers review the operation performance and distribute resources in accordance to the business segments below.

(a) Display and Sensor Devices — This business mainly leading the innovation and development of TFT-LCD technologies, has been committed to speeding up the development of AMOLED, flexible display, VR/AR and other new display devices and sensors, promoting the development of gene sequencing, molecular antenna, multi-sign sensor, photoelectric sensing, fingerprint identification and security, and upgrading information exchange ports and related sensors on the basis of the display, so as to offer better products and services in smart phones, tablet PCs, laptops, displays, televisions, industrial control, health care, VR/AR and other applications.

(b) Smart systems — This business mainly expanding its business in digital art exhibition, supermarket retailing services, financial retailing services, smart equipment design and manufacturing services, photovoltaic facilities construction and operation & maintenance, vehicle-based display and Internet of Vehicles (IoV). It provides smart solutions for smart retailing, smart manufacturing services, smart energy and smart Internet of Vehicles.

(c) Healthcare service — This business mainly accumulate the display, sensor, artificial intelligence and large data four years core technology and medicine, life science combination, the integration of medical innovation, build, including artificial intelligence, life data detection, cell engineering, medical technology innovation transformation And other innovative technology platform, focusing on the development of mobile health, digital hospitals, regenerative medicine and health park four business, for human health to provide intelligent port products and professional services.

(d) Others — Other service mainly includes technical development service and patent maintenance service.

The main reason to separate the segments is that the Group independently manages the port devices business, the smart IoT business, and healthcare service businesses and other businesses. Because the business segments manufacture and distribute different products, apply different manufacturing processes and specifies in gross profit, the business segments are managed independently. The management evaluates the performance and allocates resources according to the profit of each business segment and does not take financing cost and investment income into account

(2) Accounting policy for the measurements of segment profit or loss, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's management regularly reviews the assets, liabilities, revenue, expenses and financial performance, attributable to each reportable segment on the following bases:

Segment assets include all tangible, intangible, other non-current and current assets, such as accounts receivable, with the exception of deferred tax assets and other unallocated corporate assets. Segment liabilities include payables, bank borrowings and other long-term liabilities attributable to the individual segments, but exclude deferred tax liabilities and other unallocated corporate liabilities.

Financial performance is operating income (including operating income from external customers and inter-segment operating income) after deducting expenses, depreciation, amortization, impairment losses, gains or losses from changes in fair value, investment gain, non-operating income and expenses and income tax expenses attributable to the individual segments. The transfer pricing of inter-segment sales are determined with reference to prices charged to external parties for similar orders.

(2) The Financial Information of Reportable Segment

Unit: RMB

Item	Display and Sensor Devices	Smart systems	Healthcare service	Others	Offset among segments	Total
Operation revenue	50,896,645,297.00	7,521,943,172.00	663,753,643.00	3,567,353,945.00	-7,610,487,370.00	55,039,208,687.00
Cost of sales	42,975,736,712.00	6,831,554,480.00	322,726,810.00	4,206,107.00	-4,321,890,878.00	45,812,333,231.00

(3) If there Was no Reportable Segment, or the Total Amount of Assets and Liabilities of Each Reportable Segment Could not Be Reported, Relevant Reasons Shall Be Clearly Stated

None

(4) Other Notes

None

3. Other Significant Transactions with Influence on Investors' Decision-making

None

4. Other

None

XV. Notes of Main Items in the Financial Statements of the Company as the Parent

1. Accounts Receivable

(1) Accounts Receivable Disclosed by Category

Unit: RMB

Category	Ending balance					Beginning balance				
	Carrying amount		Bad debt provision		Carrying value	Carrying amount		Bad debt provision		Carrying value
	Amount	Proportion	Amount	Withdrawal proportion		Amount	Proportion	Amount	Withdrawal proportion	
Of which:										
Accounts receivable withdrawn bad debt provision by group	909,239,939.00	100.00%	5,799,220.00	1.00%	903,440,719.00	39,842,489.00	100.00%	2,889,866.00	7.00%	36,952,623.00
Of which:										
Total	909,239,939.00	100.00%	5,799,220.00	1.00%	903,440,719.00	39,842,489.00	100.00%	2,889,866.00	7.00%	36,952,623.00

Bad Debt Provision Withdrawn by Single Item:

Unit: RMB

Name	Ending balance			
	Carrying amount	Bad debt provision	Withdrawal proportion	Reason for withdrawal
None				
Total			--	--

Bad Debt Provision Withdrawn by Group:

Unit: RMB

Name	Ending balance		
	Carrying amount	Bad debt provision	Withdrawal proportion
Portfolio of credit risk	909,239,939.00	5,799,220.00	1.00%
Total	909,239,939.00	5,799,220.00	--

Notes of the basis of recognizing the group:

None

Please refer to the relevant information of disclosure of bad debt provision of other accounts receivable if adopting the general mode of expected credit loss to withdraw bad debt provision of notes receivable.

√Applicable □ Not applicable

Unit: RMB

Bad debt provision	First stage	Second stage	Third stage	Total
	Expected credit loss of the next 12 months	Expected loss in the duration (credit impairment not occurred)	Expected loss in the duration (credit impairment occurred)	
Balance of 1 January 2019	0.00	0.00	2,889,866.00	2,889,866.00
Balance of 1 January 2019 in the current period	—	—	—	—
-- Transfer to Second stage	0.00	0.00	0.00	0.00
-- Transfer to Third stage	0.00	0.00	0.00	0.00
-- Reverse to Second stage	0.00	0.00	0.00	0.00
-- Reverse to Third stage	0.00	0.00	0.00	0.00
Withdrawal of the current period	0.00	774.00	2,908,580.00	2,909,354.00
Reversal of the current period	0.00	0.00	0.00	0.00
Write-offs of the current period	0.00	0.00	0.00	0.00
Verification of the current period	0.00	0.00	0.00	0.00
Other changes	0.00	0.00	0.00	0.00
Balance of 30 June 2019	0.00	774.00	5,798,446.00	5,799,220.00

Disclosure by aging

Unit: RMB

Aging	Ending balance
Within 1 year (including 1 year)	808,566,868.00
1 to 2 years	83,234,894.00
2 to 3 years	0.00
Over 3 years	17,438,177.00
Total	909,239,939.00

(2) Bad Debt Provision Withdrawn, Reversed or Recovered in the Reporting Period

The withdrawal amount of the bad debt provision during the Reporting Period was of RMB2,909,354.00; there is no reversed or collected amount during the Reporting Period.

(3) Accounts Receivable with Actual Verification during the Reporting Period

None

(4) Top 5 Accounts Receivable in Ending Balance Collected according to the Arrears Party

The total amount of top 5 accounts receivable in ending balance was RMB 664,369,915.00, accounting 73.07% in ending balance of accounts receivable without withdrawing bad debt by evaluation.

(5) Accounts Receivable Derecognized Due to the Transfer of Financial Assets

None

(6) The Amount of the Assets and Liabilities Formed by the Transfer and the Continued Involvement of Accounts Receivable

None

2. Other Accounts Receivable

Unit: RMB

Category	Ending balance	Beginning balance
Interest receivable	9,216,577.00	9,659,279.00
Dividend receivable	10,874,738.00	14,115,915.00
Other accounts receivable	3,130,653,415.00	1,992,044,350.00
Total	3,150,744,730.00	2,015,819,544.00

(1) Interest Receivable

1) Category of Interest Receivable

Unit: RMB

Category	Ending balance	Beginning balance
Fixed time deposit	9,216,577.00	9,659,279.00
Entrusted loan	0.00	0.00
Bond investment	0.00	0.00
Total	9,216,577.00	9,659,279.00

2) Significant Overdue Interest

Borrower	Ending balance	Overdue time	Reason	Whether occurred impairment and its judgment basis
None				

Other notes:

None

3) Information of Withdrawal of Bad Debt Provision

☐ Applicable ☒ Not applicable**(2) Dividend Receivable**

1) Category of Dividend Receivable

Unit: RMB

Item(or investee)	Ending balance	Beginning balance
Beijing BOE Vacuum Electronics Co., Ltd.	2,200,000.00	2,200,000.00
Beijing Yinghe Century Co., Ltd.	8,204,147.00	8,204,147.00
Beijing Electronic City Co., Ltd.	0.00	3,711,768.00
TPV Technology Co., Ltd.	470,591.00	0.00
Total	10,874,738.00	14,115,915.00

2) Significant Dividend Receivable Aging Over One Year

Unit: RMB

Item(or investee)	Ending balance	Aging	Unrecovered reason	Whether occurred impairment and its judgment basis
None				

3) Information of Withdrawal of Bad Debt Provision

☐ Applicable ☒ Not applicable

Other notes:

None

(3) Other Accounts Receivable

1) Other Account Receivable Classified by Account Nature

Unit: RMB

Nature	Ending carrying amount	Beginning carrying amount
Intercourse funds	2,832,468,418.00	305,938,861.00
Rent receivable	14,979,329.00	227,919,843.00
Royalty receivable	183,977,983.00	1,441,130,049.00
Other	103,371,649.00	17,064,513.00
Total	3,134,797,379.00	1,992,053,266.00

2) Information of Withdrawal of Bad Debt Provision

Unit: RMB

Bad debt provision	First stage	Second stage	Third stage	Total
	Expected credit loss of the next 12 months	Expected loss in the duration (credit impairment not occurred)	Expected loss in the duration (credit impairment occurred)	
Balance of 1 January 2019	0.00	8,916.00	0.00	8,916.00
Balance of 1 January 2019 in the current period	—	—	—	—
--Transfer to Second stage	0.00	0.00	0.00	0.00
-- Transfer to Third stage	0.00	0.00	0.00	0.00
-- Reverse to Second stage	0.00	0.00	0.00	0.00
-- Reverse to Third stage	0.00	0.00	0.00	0.00
Withdrawal of the current period	0.00	30,905.00	4,104,234.00	4,135,139.00
Reversal of the current period	0.00	0.00	91.00	91.00
Write-offs of the current period	0.00	0.00	0.00	0.00
Verification of the current period	0.00	0.00	0.00	0.00
Other changes	0.00	0.00	0.00	0.00
Balance of 30 June 2019	0.00	39,730.00	4,104,234.00	4,143,964.00

Changes of carrying amount with significant amount changed of loss provision in the current period

☐ Applicable ☒ Not applicable

Disclosure by aging

Unit: RMB

Aging	Ending balance
Within 1 year (including 1 year)	2,805,740,314.00
1 to 2 years	83,099,394.00
2 to 3 years	18,968,330.00
Over 3 years	226,989,341.00
Total	3,134,797,379.00

3) Bad Debt Provision Withdrawn, Reversed or Recovered in the Reporting Period

The bad debt provision withdrawn in the Current Period was RMB4,135,139.00 and the bad debt provision recovered or reversed in the Reporting Period was RMB91.00.

4) Other Accounts Receivable with Actual Verification during the Reporting Period

None

5) Top 5 Other Accounts Receivable in Ending Balance Collected according to the Arrears Party

Unit: RMB

Name of the entity	Nature	Ending balance	Aging	Proportion to total ending balance of other accounts receivable	Ending balance of bad debt provision
Customer 1	Intercourse funds	1,057,322,258.00	Within 1 year, over 5 years	33.73%	0.00
Customer 2	Intercourse funds	792,916,546.00	Within 1 year, 1 to 2 years, 2 to 3 years	25.29%	0.00
Customer 3	Intercourse funds	401,301,353.00	Within 1 year	12.80%	0.00
Customer 4	Intercourse funds	391,405,909.00	Within 1 year	12.49%	0.00
Customer 5	Intercourse funds	189,779,388.00	Within 1 year, over 5 years	6.05%	0.00
Total	--	2,832,725,454.00	--	90.36%	0.00

6) Accounts Receivable Involving Government Subsidies

Unit: RMB

Name of the entity	Project of government subsidies	Ending balance	Ending aging	Estimated recovering time, amount and basis
None				

None

7) Other Accounts Receivable Derecognized Due to the Transfer of Financial Assets

None

8) Amount of Assets and Liabilities Due to the Transfer of Other Account Receivable and Continued Involvement

None

Other notes:

None

3. Long-term Equity Investment

Unit: RMB

Item	Ending balance			Beginning balance		
	Carrying amount	Depreciation reserve	Carrying value	Carrying amount	Depreciation reserve	Carrying value
Investment to subsidiaries	145,727,705,023.00	60,000,000.00	145,667,705,023.00	141,883,775,023.00	60,000,000.00	141,823,775,023.00
Investment to joint ventures and associated enterprises	1,911,717,052.00	0.00	1,911,717,052.00	1,675,958,462.00	0.00	1,675,958,462.00
Total	147,639,422,075.00	60,000,000.00	147,579,422,075.00	143,559,733,485.00	60,000,000.00	143,499,733,485.00

(1) Investment to Subsidiaries

Unit: RMB

Investee	Beginning balance	Increase	Decrease	Ending balance	Depreciation reserve withdrawn	Ending balance of depreciation reserve
Beijing BOE Semiconductor Co., Ltd.	9,450,000.00	0.00	0.00	9,450,000.00	0.00	0.00
Beijing Yinghe Century Co., Ltd.	333,037,433.00	0.00	0.00	333,037,433.00	0.00	0.00
Beijing BOE Land Co., Ltd.	7,731,474.00	0.00	0.00	7,731,474.00	0.00	0.00
BOE (Hebei) Mobile Technology Co., Ltd.	1,353,651,020.00	0.00	0.00	1,353,651,020.00	0.00	0.00
BOE Hyundai LCD (Beijing) Display Technology Co., Ltd.	31,038,525.00	0.00	0.00	31,038,525.00	0.00	0.00
Beijing BOE Vacuum Electronics Co., Ltd.	19,250,000.00	0.00	0.00	19,250,000.00	0.00	0.00
Beijing BOE Vacuum Technology Co., Ltd.	32,000,000.00	0.00	0.00	32,000,000.00	0.00	0.00
Beijing BOE Optoelectronics Technology Co., Ltd.	4,172,288,084.00	0.00	0.00	4,172,288,084.00	0.00	0.00

Beijing BOE Special Display Technology Co., Ltd.	40,000,000.00	0.00	0.00	40,000,000.00	0.00	60,000,000.00
BOE Optoelectronics Technology Co., Ltd.	658,961,914.00	0.00	0.00	658,961,914.00	0.00	0.00
BOE Marketing Co., Ltd.	30,500,000.00	0.00	0.00	30,500,000.00	0.00	0.00
Chengdu BOE Optoelectronics Technology Co., Ltd.	19,283,149,991.00	760,000,000.00	0.00	20,043,149,991.00	0.00	0.00
Beijing Asahi Electronic Material Co., Ltd.	30,888,470.00	0.00	0.00	30,888,470.00	0.00	0.00
BOE (Korea) Co., Ltd.	788,450.00	0.00	0.00	788,450.00	0.00	0.00
Beijing BOE Optoelectronics Holding Co., Ltd.	2,768,662,024.00	0.00	0.00	2,768,662,024.00	0.00	0.00
Beijing BOE Display Technology Co., Ltd.	17,418,713,599.00	0.00	0.00	17,418,713,599.00	0.00	0.00
Beijing BOE Energy Technology Co., Ltd.	850,000,000.00	0.00	0.00	850,000,000.00	0.00	0.00
Beijing BOE Multimedia Technology Co. Ltd.	400,000,000.00	0.00	0.00	400,000,000.00	0.00	0.00
Hefei BOE Optoelectronics Technology Co., Ltd.	9,000,000,000.00	0.00	0.00	9,000,000,000.00	0.00	0.00
Beijing•Matsushita Color CRT Co., Ltd.	0.00	0.00	0.00	0.00	0.00	0.00
Beijing BOE Video Technology Co., Ltd.	3,020,000,000.00	220,000,000.00	0.00	3,240,000,000.00	0.00	0.00
Beijing BOE Smart Commerce Co., Ltd.	10,000,000.00	0.00	0.00	10,000,000.00	0.00	0.00
Beijing Zhongxiangying Technology Co., Ltd.	10,000,000.00	0.00	0.00	10,000,000.00	0.00	0.00
Ordos Yuansheng Optoelectronics Co., Ltd.	11,804,000,000.00	0.00	0.00	11,804,000,000.00	0.00	0.00
Ordos Haosheng Energy Investment Co., Ltd.	2,000,000.00	0.00	0.00	2,000,000.00	0.00	0.00
Hefei Xinsheng Optoelectronics Technology Co., Ltd.	16,575,150,000.00	0.00	0.00	16,575,150,000.00	0.00	0.00
Chongqing BOE Optoelectronics Technology Co., Ltd.	19,565,354,599.00	0.00	0.00	19,565,354,599.00	0.00	0.00
Hefei BOE Display Technology Co., Ltd.	1,998,765,323.00	0.00	0.00	1,998,765,323.00	0.00	0.00
Fuzhou BOE Optoelectronic Technology Co., Ltd.	14,300,042,079.00	0.00	0.00	14,300,042,079.00	0.00	0.00
BOE Healthcare Co., Ltd.	1,743,154,069.00	275,000,000.00	0.00	2,018,154,069.00	0.00	0.00
Intelligent Technology	50,000,000.00	30,000,000.00	0.00	80,000,000.00	0.00	0.00

Hefei BOE Zhuoyin Technology Co., Ltd.	600,000,000.00	0.00	0.00	600,000,000.00	0.00	0.00
Beijing BOE Technology Development Co., Ltd.	1,000,000.00	0.00	0.00	1,000,000.00	0.00	0.00
Kunming BOE Display Technology Co., Ltd.	202,800,000.00	467,200,000.00	0.00	670,000,000.00	0.00	0.00
Beijing BOE Sensor Technology Co., Ltd.	50,000,000.00	0.00	0.00	50,000,000.00	0.00	0.00
Mianyang BOE Optoelectronics Technology Co., Ltd.	13,936,980,083.00	150,000,000.00	0.00	14,086,980,083.00	0.00	0.00
Wuhan BOE Optoelectronics Technology Co., Ltd.	1,230,860,516.00	1,920,000,000.00	0.00	3,150,860,516.00	0.00	0.00
Beijing BOE Yiyun Technology Co., Ltd.	90,000,000.00	0.00	0.00	90,000,000.00	0.00	0.00
Chongqing BOE Display Technology Co., Ltd.	193,557,370.00	0.00	0.00	193,557,370.00	0.00	0.00
Fuzhou BOE Display Technology Co., Ltd.	0.00	21,730,000.00	0.00	21,730,000.00	0.00	0.00
Total	141,823,775,023.00	3,843,930,000.00	0.00	145,667,705,023.00	0.00	60,000,000.00

(2) Investment to Joint Ventures and Associated Enterprises

Unit: RMB

The investor	Beginning balance	Increase/decrease								Ending balance	Ending balance for impairment provisions
		Additional investments	Reduced investments	Profit and loss on investments confirmed according to equity law	Adjustment of other comprehensive income	Changes in other equity	Cash, dividends and profits declared to issue	Impairment provisions	Other		
I. Joint ventures											
Subtotal	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
II. Associated enterprises											
Beijing Nissin Electronics Precision	538,489.00	0.00	0.00	-534,864.00	0.00	0.00	0.00	0.00	0.00	3,625.00	0.00

Component Co., Ltd. (Nissin Electronics)											
Beijing Nittan Electronic Co., Ltd. (Nittan Electronics)	61,733,085.00	0.00	0.00	2,152,314.00	0.00	0.00	-3,000,000.00	0.00	0.00	60,885,399.00	0.00
Beijing Yingfei Hailin Venture Capital Management Co., Ltd.(Yingfei Hailin)	435,828.00	0.00	0.00	-435,828.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Ordos BOE Energy Investment Co., Ltd. (BOE Energy Investment)	9,458,312.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9,458,312.00	0.00
Beijing Fly Hailin Investment Center	82,336,933.00	0.00	0.00	-332,938.00	0.00	0.00	0.00	0.00	0.00	82,003,995.00	0.00
TPV Display Technology (China) Limited	23,001,359.00	0.00	0.00	-2,258,314.00	0.00	0.00	0.00	0.00	0.00	20,743,045.00	0.00
Beijing Xindong Neng Investment Fund (LLP)	1,455,174,877.00	0.00	37,081,499.00	-7,203,989.00	175,359,777.00	0.00	0.00	0.00	0.00	1,586,249,166.00	0.00
Beijing Xindong Neng Investment Management Co., Ltd.	5,188,862.00	0.00	0.00	987,022.00	0.00	0.00	0.00	0.00	0.00	6,175,884.00	0.00
Shenzhen	15,481,506.00	0.00	0.00	-8,660,243.00	0.00	0.00	0.00	0.00	0.00	6,821,263.00	0.00

Yunyinggu Technology Co., Ltd.											
Beijing XLOONG Technology Co., Ltd.	22,609,211.00	0.00	0.00	-232,848.00	0.00	0.00	0.00	0.00	0.00	22,376,363.00	0.00
Beijing Innovation Industry Investment Co., Ltd.	0.00	100,000,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100,000,000.00	0.00
Beijing Electronic Control Industry Investment Co., Ltd.	0.00	17,000,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	17,000,000.00	0.00
Subtotal	1,675,958,462.00	117,000,000.00	37,081,499.00	-16,519,688.00	175,359,777.00	0.00	-3,000,000.00	0.00	0.00	1,911,717,052.00	0.00
Total	1,675,958,462.00	117,000,000.00	37,081,499.00	-16,519,688.00	175,359,777.00	0.00	-3,000,000.00	0.00	0.00	1,911,717,052.00	0.00

(3) Other Notes

None

4. Operating Revenue and Cost of Sales

Unit: RMB

Item	Reporting Period		Same period of last year	
	Operating revenue	Cost of sales	Operating revenue	Cost of sales
Main operations	2,864,081,627.00	3,942,511.00	0.00	0.00
Other operations	25,614,205.00	5,284,077.00	2,146,860,956.00	12,786,733.00
Total	2,889,695,832.00	9,226,588.00	2,146,860,956.00	12,786,733.00

Whether the Company has executed the new income standards

☐ Yes ☒ No

Other notes:

None

5. Investment Income

Unit: RMB

Item	Reporting Period	Same period of last year
Long-term equity investment income accounted by cost method	806,360,000.00	900,000,000.00
Long-term equity investment income accounted by equity method	-16,519,688.00	-17,602,562.00
Investment income arising from disposal of long-term equity investments	0.00	0.00
Investment income arising from disposal of trading financial assets	0.00	0.00
Investment income received from holding of other equity instrument investment	2,353,967.00	2,071,592.00
Investment income of held-to-maturity investment during holding period	0.00	0.00
Investment income received from holding of available-for-sale financial assets	0.00	0.00
Investment income received from disposal of available-for-sale financial assets	0.00	0.00
Investment income from disposal of held-to-maturity investment	0.00	0.00
After losing control, gains from re-measurement of residual shares at fair value	0.00	0.00
Interest income of creditors' investment during holding	0.00	0.00

period		
Interest income of other creditors' investment during holding period	0.00	0.00
Investment income from disposal of other creditors' investment	0.00	0.00
Total	792,194,279.00	884,469,030.00

6. Other

None

XVI. Supplementary Materials

1. Items and Amounts of Non-recurring Profit or Loss

√ Applicable ☐ Not applicable

Unit: RMB

Item	Amount	Explanation
Gains/losses on the disposal of non-current assets	-672,378.00	Naught
Tax rebates, reductions or exemptions due to approval beyond authority or the lack of official approval documents	0.00	Naught
Government grants recognized in the current period, except for those acquired in the ordinary course of business or granted at certain quotas or amounts according to the government's unified standards	1,152,320,986.00	Naught
Capital occupation charges on non-financial enterprises that are recorded into current gains and losses	0.00	Naught
Gains due to that the investment costs for the Company to obtain subsidiaries, associates and joint ventures are lower than the enjoyable fair value of the identifiable net assets of the investees when making the investments	0.00	Naught
Gain/loss on non-monetary asset swap	0.00	Naught
Gain/loss on entrusting others with investments or asset management	0.00	Naught
Asset impairment provisions due to acts of God such as natural disasters	0.00	Naught
Gains and losses from debt restructuring	0.00	Naught
Expenses on business reorganization, such as expenses on staff arrangements, integration, etc.	0.00	Naught
Gain/loss on the part over the fair value due to transactions with distinctly unfair prices	0.00	Naught
Current net gains and losses of subsidiaries acquired in business combination under the same control from period-begin to combination date	0.00	Naught
Profit and loss from contingencies irrelative to the normal business operations of	0.00	Naught

company		
Gain/loss from change of fair value of trading assets and liabilities, and derivative financial assets and liabilities, and investment gains from disposal of trading financial assets and liabilities and derivative financial assets and liabilities, and other creditors' investment, other than valid hedging related to the Company's common businesses	79,628,679.00	Naught
Depreciation reserves returns of receivables with separate depreciation test	701,302.00	Naught
Gain/loss on entrustment loans	0.00	Naught
Gain/loss on change of the fair value of investing real estate of which the subsequent measurement is carried out adopting the fair value method	0.00	Naught
Effect on current gains/losses when a one-off adjustment is made to current gains/losses according to requirements of taxation, accounting and other relevant laws and regulations	0.00	Naught
Custody fee income when entrusted with operation	0.00	Naught
Other non-operating income and expense other than the above	51,173,190.00	Naught
Project confirmed with the definition of non-recurring gains and losses and losses	0.00	Naught
Less: Income tax effects	70,992,401.00	Naught
Non-controlling interests effects	195,201,363.00	Naught
Total	1,016,958,015.00	--

Explain the reasons if the Company classifies an item as an extraordinary gain/loss according to the definition in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public—Non-recurring Profit or Loss, or classifies any extraordinary gain/loss item mentioned in the said explanatory announcement as a recurrent gain/loss item.

☐ Applicable ☒ Not applicable

2. Return on Equity and Earnings Per Share

Profit as of Reporting Period	Weighted average ROE (%)	EPS (Yuan/share)	
		EPS-basic	EPS-diluted
Net profit attributable to ordinary shareholders of the Company	1.92%	0.048	0.048
Net profit attributable to ordinary shareholders of the Company after deduction of non-recurring profit and loss	0.75%	0.019	0.019

3. Differences between Accounting Data under Domestic and Overseas Accounting Standards

(1) Differences of Net Profit and Net Assets Disclosed in Financial Reports Prepared under International and Chinese Accounting Standards

☐ Applicable ☒ Not applicable

(2) Differences of Net profit and Net assets Disclosed in Financial Reports Prepared under Overseas and Chinese Accounting Standards

☐ Applicable ☒ Not applicable

(3) Explain Reasons for the Differences between Accounting Data under Domestic and Overseas Accounting Standards; for any Adjustment Made to the Difference Existing in the Data Audited by the Foreign Auditing Agent, Such Foreign Auditing Agent's Name Shall Be Clearly Stated

None

4. Other

None

Part XI Documents Available for Reference

(I) The financial statements signed and sealed by the Company's legal representative, President, Chief Financial Officer and head of the financial department (equivalent to financial manager); and

(II) The originals of all the documents and announcements that the Company disclosed on www.cninfo.com.cn during the Reporting Period.

All the above mentioned documents are available at the Board Secretary's Office of the Company.

Chairman of the Board (signature): Mr. Chen Yanshun

Date of the Board's approval of this Report: 23rd August 2019