ANNUAL REPORT 2018

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

All the Company's directors have attended the Board meeting for the review of this Report and its summary.

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

The Board has approved a final dividend plan for the Reporting Period. Based on the Company's total shares of 34,798,398,763, a cash dividend of RMB0.30 (tax inclusive) per 10 shares is to be distributed to all the shareholders, with no bonus issue from either profit or capital reserves.

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

This Report 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
KPMG	KPMG Huazhen LLP
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
The “Reporting Period” or “Current Period”	The period from 1 January 2018 to 31 December 2018
RMB, RMB’0,000	Expressed in the Chinese currency of Renminbi, expressed in tens of thousands of Renminbi

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.	京东方		
Company name in English (if any)	BOE TECHNOLOGY GROUP CO., LTD.		
Abbr. (if any)	BOE		
Legal representative	Wang Dongsheng		
Registered address	10 Jiuxianqiao Road, Chaoyang District, Beijing, P.R.China		
Zip code	100015		
Office address	12 Xihuan Middle Road, Beijing Economic-Technological Development Area, P.R.China		
Zip code	100176		
Company website	www.boe.com		
Email address	web.master@boe.com.cn		

II Contact Information

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

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

Newspapers designated by the Company for information disclosure	China Securities Journal, Shanghai Securities News, Securities Times, Ta Kung Pao (HK)
Website designated by CSRC for publication of this Report	http://www.cninfo.com.cn/
Place where this Report is lodged	Board Secretary’s Office

IV Changes to Company Registered Information

Unified social credit code	No change
Change to principal activity of the Company since going public (if any)	No change
Every change of controlling shareholder since incorporation (if any)	No change

V Other Information

The independent audit firm hired by the Company:

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

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

□ Applicable √ Not applicable

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

□ Applicable √ Not applicable

VI Key Financial Information

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

√ Yes □ No

Reason for retrospective restatement: accounting policy changes

Item	2018	2017		2018-over-2017 change (%)	2016	
		Before	After	After	Before	After
Operating revenue (RMB)	97,108,864,935.00	93,800,479,215.00	93,800,479,215.00	3.53%	68,895,658,963.00	68,895,658,963.00
Net profit attributable to the listed company's shareholders (RMB)	3,435,127,975.00	7,567,682,493.00	7,567,682,493.00	-54.61%	1,882,571,674.00	1,882,571,674.00
Net profit attributable to the listed company's shareholders before exceptional items	1,517,702,353.00	6,679,211,138.00	6,679,211,138.00	-77.28%	12,534,878.00	12,534,878.00

(RMB)						
Net cash generated from/used in operating activities (RMB)	25,684,047,196.00	26,266,986,015.00	26,726,929,655.00	-3.90%	10,073,287,120.00	10,813,865,197.00
Basic earnings per share (RMB/share)	0.10	0.22	0.22	-54.55%	0.05	0.05
Diluted earnings per share (RMB/share)	0.10	0.22	0.22	-54.55%	0.05	0.05
Weighted average return on equity (%)	4.00%	9.25%	9.25%	-5.25%	2.40%	2.40%

Item	31 December 2018	31 December 2017		Change of 31 December 2018 over 31 December 2017 (%)	31 December 2016	
		Before	After	After	Before	After
Total assets (RMB)	304,028,491,385.00	256,108,741,849.00	256,108,741,849.00	18.71%	205,135,011,042.00	205,135,011,042.00
Equity attributable to the listed company's shareholders (RMB)	85,856,748,703.00	84,809,816,377.00	84,809,816,377.00	1.23%	78,699,988,493.00	78,699,988,493.00

Reason for accounting policy changes and situation for accounting error corrects:

According to relevant interpretations of stipulated in CK [2018] No.15, the Group will adjust the government subsidies received related to assets from "cash inflows from investing activities" to "cash inflows from operating activities" and present.

VII 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 Equity under CAS and IFRS

□ Applicable √ Not applicable

No difference for the Reporting Period.

2. Net Profit and Equity under CAS and Foreign Accounting Standards

□ Applicable √ Not applicable

No difference for the Reporting Period.

VIII Key Financial Information by Quarter

Unit: RMB

Item	Q1	Q2	Q3	Q4
Operating revenue	21,566,813,037.00	21,907,091,929.00	25,990,508,323.00	27,644,451,646.00
Net profit attributable to the listed company's shareholders	2,018,692,554.00	956,513,946.00	403,860,235.00	56,061,240.00
Net profit attributable to the listed company's shareholders before exceptional items	1,238,599,228.00	264,421,249.00	362,034,925.00	-347,353,049.00
Net cash generated from/used in operating activities	7,198,088,816.00	4,241,517,030.00	6,857,996,566.00	7,386,444,784.00

Indicate by tick mark whether any of the quarterly financial data in the table above or their summations differs materially from what have been disclosed in the Company's quarterly or interim reports.

√ Yes □ No

Reclassification of the net profit attributable to the listed company's shareholders before exceptional items according to the audited data

IX Exceptional Gains and Losses

√ Applicable □ Not applicable

Unit: RMB

Item	2018	2017	2016	Note
Gain or loss on disposal of non-current assets (inclusive of impairment allowance write-offs)	-21,684,121.00	-87,930,698.00	-46,754,352.00	N/A
Tax rebates, reductions and exemptions given with ultra vires approval or in lack of official approval documents	0.00	0.00	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)	2,073,709,661.00	962,283,001.00	1,914,531,603.00	N/A
Capital occupation charges on non-financial enterprises that are charged to current profit or loss	0.00	0.00	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	0.00	105,228,293.00	N/A
Gain or loss on non-monetary asset swaps	0.00	0.00	0.00	N/A

Gain or loss on investments or assets entrusted to other entities for management	0.00	0.00	0.00	N/A
Allowance for asset impairments due to acts of God such as natural disasters	0.00	0.00	0.00	N/A
Gain or loss on debt restructuring	0.00	0.00	0.00	N/A
Restructuring costs in staff arrangement, integration, etc.	0.00	0.00	0.00	N/A
Gain or loss on the over-fair value amount as a result of transactions with distinctly unfair prices	0.00	0.00	0.00	N/A
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	0.00	0.00	N/A
Gain or loss on contingencies that do not arise in the Company's ordinary course of business	0.00	0.00	0.00	N/A
Gain or loss on fair-value changes in trading financial assets and liabilities & investment income from disposal of trading financial assets and liabilities and available-for-sale financial assets (exclusive of effective portion of hedges that arise in the Company's ordinary course of business)	315,279,377.00	134,810,181.00	149,197,609.00	N/A
Reversed portion of impairment allowance for accounts receivable which are tested individually for impairment	1,779,710.00	2,616,024.00	24,547,083.00	N/A
Gain or loss on loan entrustments	0.00	0.00	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	0.00	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	0.00	0.00	N/A
Income from charges on entrusted management	0.00	0.00	0.00	N/A
Non-operating income and expense other than the above	63,734,628.00	46,503,917.00	40,206,943.00	N/A
Other gains and losses that meet the definition of exceptional gain/loss	0.00	0.00	0.00	N/A
Less: Income tax effects	328,634,385.00	126,533,931.00	305,399,453.00	N/A
Non-controlling interests effects (net of tax)	182,810,608.00	43,277,139.00	11,520,930.00	N/A
Total	1,917,425,622.00	888,471,355.00	1,870,036,796.00	--

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 disclosure requirements for special industries?

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 order to further promote the IoT transformation, satisfy different IoT application needs, and sharpen its competitive edges in market segments, BOE has restructured itself in 2018 into three major business divisions with seven business groups. Meanwhile, to further strengthen core marketing and technology abilities, as well as stimulate faster growth in the three business divisions of interface devices (D), smart IoT (S) and Smart Medicine and Engineering (H), specialized organizations have been set up, including the B2B Chief Sales Platform Officer, the OMO Chief Sales Platform Officer, the Branding and Global Market Center, the Information Technology Development Center, and the IoT AI&Big Data Center.

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 signs, tiled display screens, industrial control, wearable devices, VR/AR devices, electronic tags, white goods, healthcare, mobile payment, 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, microfluidics, smart screens, new antennas, home security, Mini LED and the like, with products including flat panel X-ray detectors (FPXD), digital microfluidic chips, PDLC glass, 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-widget smart manufacturing solutions of TVs, monitors, whiteboards, electronic signs, commercial display products, electronic tags, mobile terminals, among others. The IoT Solution BG offers software-and-hardware integrated solutions like supermarket retail solutions, marketing solutions, imaging solutions, smart conference solutions, context interaction solutions, handler advertisement solutions, education signal transmission solutions and smart microgrid solutions for B2B customers in IoT market segments such as smart retail, smart finance, digital hospitals, smart business offices, smart homes, smart transportation, smart education and smart energy. 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 terminal products with an App, as well as voice interaction and other information technologies with digital art, providing users with various services including artistic appreciation, art knowledge, art mall and visual aesthetics. 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	Consolidation of associate/joint venture
Fixed assets	Transfer of new project into fixed assets in the Reporting Period
Intangible assets	Increase in business combinations in the Reporting Period

2. Major Assets Overseas

□ Applicable √ Not applicable

III Core Competitiveness Analysis

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

No.

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

In 2018, BOE firmly promoted and implemented the development strategy of IoT transformation. Three major business divisions, namely interface devices, smart IoT and smart healthcare engineering, realized fast development, which further improved its global market competitiveness.

Interface devices: Construction of the new line of both Display and Sensor BG proceeded in order, and the first TFT-LCD Production Line of the highest generation in the world-- the 10.5th Generation BOE Hefei TFT-LCD Production Line realized mass production, and the product yield was improved steadily; The main structure of the 6th Generation Mianyang Flexible AMOLED Production Line Project was capped three months in advance, and it is predicted that products can be shipped as scheduled in 2019; The main structure of Wuhan 10.5 Generation TFT-LCD Production Line was capped in November; The main structure of Kunming Micro-OLED Production Line was capped in September. As for the Sensor and Application Solution BG, the first type of Flow Cell sequencing chip of micro-fluidic chip business start being shipped; Samples of the smart window products have been delivered to the client.

Smart IoT: As for the smart manufacturing business group, the structure of Suzhou Smart Factory update project was capped in December; Construction of Chongqing Smart Factory has been realized as well as mass production of electronic tags; IoT Solution BG has expanded smart retail of electronic tags in Chinese market and explored over 60 famous retail brand clients. The Digital Art IoT Platform BG launched successfully the new generation of Painted Screen S2 and M2 integrated with the smart voice technology and launched the APP 3.0 with annual new registered users of about 123,000.

Smart Medicine and Engineering: The first type of BOE brand product - Smart Sleep Instrument was launched successfully by the Mobile Healthcare IoT Platform BG; Products such as the dynamic ECG recorder, body fat scale, sphygmomanometer and smart watch realized sales on the market; BOE mobile healthcare APP 3.0 was launched. Smart Healthcare Service BG officially opened

Hefei Digital Hospital, the first digital hospital independently planned and constructed by BOE, in December; Construction of Chengdu BOE Hospital was officially commenced in December, and construction is proceeded in order; Layout of the Life Science and Technology Industry Base was made quickly, and the cooperative agreement was signed in November.

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

Under the guide of IoT ecological chain construction strategy of "Ecoresystem: Open and Connected", BOE stuck to taking clients' application scene as the starting point and design and create the best user experience to provide clients with exciting products and services. Thus, BOE has become the first supplier of domestic and overseas famous brands. It realized a further increase in market share in subdivided markets in 2018. According to IHS Markit data, the shipment of BOE display screens in 2018 wasranking the 1st in the world; Five major display screens ranked the 1st respectively in terms of their market share. The shipment of complete displayers enjoyed a year-on-year growth of 30%, ranking the 2nd in the word from the 4th last year; The shipment of innovative applications enjoyed a year-on-year growth of nearly 110%, including five subdivided markets (i.e. electronic label, connection, electronic tag, wearing and VR/AR) whose market share became more than 20%; Shipment of flexible OLED provided for first-tier brand clients realized great breakthrough (2.7 million pieces). Shipment quantity of smart service products was improved steadily. Shipment of complete machine of TV / displayers realized 18 million sets, ranking the 3rd and 4th place in the world respectively.

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

"Respecting technology and insisting on innovation" is one of the key cultural factors of BOE. In 2018, BOE continuously stuck to enhance technology R & D and kept enhancing independent innovation ability to keep foresight and primacy of technologies and products. In terms of the technology and product, flexible OLED technology continued to make new breakthrough, put forward various types of products with free form and bezel-less display were launched. 6.18-inch WQHD flexible products realized 1mm dynamic warping; TFT-LCD technology strength was improved. The first type of non-notch bezel-less product in the world made with LTPS COF+COB technology, 8-inch WXGA TDDI, 10.1-inch WUXGA TDDI, active-pen-based 13.3-inch OGM Tilt succeeded in mass production and shipment, and the thinnest 3.9mm 23.8-inch Ultra Slim MNT products succeeded in mass production; Sensor technology realized new breakthrough, MSMX-ray mass production assessment sample was released initially in the world, and the liquid crystal molecule antenna project succeeded in the commissioning test of connecting the satellite initially. As for the glass-based d-PCR chip used for inspection of genetic mutation positions, development of the first sample machine featuring integration, full automation and portability in the world was finished; Application of IoT AI products realized the breakthrough. Independently developed natural language processing algorithm in the art filed was successfully applied to BOE painted screen S2 product. AI technologies such as face recognition and OCR have been applied to BOE products such as AI digital signboard and smart high-speed photographic instrument; Healthcare engineering integration has realized the technology breakthrough. Clinic-level serum-free heat diaphragm cultivation system was established, and the first multi-functional orthopaedic robot in the world and the AI general practitioner were developed successfully. In terms of patents, 9,585 patents were applied in the whole year, and 4,800 patents were recognized in the whole year, including 1,600 patents recognized by America. More than 20 external technical standards were prepared and revised in the whole year.

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

BOE continuously optimized the procedure of production bottleneck. The completion rate of the displayer production plan was up to 99%, and the mass production capacity in the whole year increased by 5%. In terms of yield, the comprehensive yield of Fuzhou 8.5th generation TFT-LCD production made the best record of BOE 8.5th generation TFT-LCD production line. Among those products, yield of 43-inch FHD kept exceeding 98% for successive 7 months, creating the highest level in the industry. In terms of quality control, the rank of client-end quality of displayer business was improved continuously. Product quality of major clients ranked the first, and there were 15 major clients.

Part IV Operating Performance Discussion and Analysis

I Overview

In 2018, the global economic environment was complicated. China's economic development entered into a new normal featuring a slower growth speed, structure optimization and driving force shift, transforming from an economy that is based on high-speed growth to one that relies on high-quality development; the fourth industrial revolution represented by IoT, AI, big data and life science and technology has come. Cross-field integration trend was obvious, and software-hardware integration and application integration and other innovative driving forces promoted the industry upgrading. The semi-conductor display industry entered into the adjustment phase in the second half of last year. Demands were weak in five major markets of the smart phone display screen, table PCs display screen, laptop display screen, monitors' display screen and TV display screen. As a result, prices of products of all sizes, especially TV display screen, were adjusted greatly. The expansion of flexible AMOLED markets was not realized as expected, and the fast release of production capacity made market competition fiercer.

2018 was a key year of BOE's innovative transformation towards an IoT company. The Company innovatively put forward the strategic thought of "Three Aspects of Rebalance" (i.e. realizing rebalance of heavy assets and light assets under the new normal of economy of China; realizing rebalance of market opportunity and capacity rebuilding under the fourth industrial revolution; realizing rebalance of trade under the global political and economic new pattern) for deep thinking, divided the three major business divisions of Interface devices, smart IoT and Smart Medicine and Engineering into seven business groups (i.e. Display and Sensor BG, Sensor and Application Solution BG, Intelligent Manufacturing Service BG, IoT Solution BG, digital artbusiness group, Mobile Healthcare IoT Platform BG, Smart Healthcare Service BG) to meet demands of subdivided application supermarkets under the IoT context. Besides, BOE established B2B Chief Sales Platform Officer and OMO Chief Sales Platform Officer, enhanced client exploration and maintenance, established brand and global market promotion center, strengthened brand and market promotion, subdivided IT organization into CIO organization and information technology research development center to further improve information technology capacity. While perfecting the new system, BOE seized market opportunities, deeply explored subdivided markets, strengthened technical development, adjusted product structure, and enhanced lean management. As a result, for the year under review, BOE recorded operating revenue of about RMB97.1 billion and a net profit attributable to the listed company's shareholders of about RMB3.44 billion. Its operating performance still ranked among the top in the industry.

(I) The three major business divisions of D, S and H maintained fast development.

The shipment of complete display panels was ranking the first place in the world; Five major products of smart phone LCD, table PCs display screen, laptop display screen, displayer display screen and TV display screen realized the continuous improvement in market share, ranking the first place in the world. The first TFT-LCD Production Line of the highest generation in the world-- the 10.5th Generation BOE Hefei TFT-LCD Production Line realized fast improvement of the capacity and yield; 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; Planning and construction of Chongqing 6th generation of AMOLED (flexible) production, Mianyang 6th AMOLED (flexible) production line proceeded as scheduled; BOE announced to invest in the 4th AMOLED (flexible) production line - Fuzhou 6th generation of AMOLED (flexible) production line, further improving the capacity of BOE in supplying interface devices. Shipment quantity of smart service products was improved steadily. Shipment of complete machine of TV / displayers realized 18 million sets, ranking the 3rd and 4th place in the world respectively. Layout of the Life Science and Technology Industry Base was made quickly.

(II) Progress was made in innovation subdivision and application market exploration.

A significant growth was made in shipment and revenue of innovative products of Display and Sensor BG; Sensor and Application

Solution BG realized a year-on-year growth of 200% of revenue and annual shipment growth of about 350% of the X-ray flat panel detector; Digital Art IoT Platform BG realized new users of about 123,000, enjoying a year-on-year growth of 6 times. Its platform works realized one million pieces, realizing work promotion quantity of more than five million times. What's more, it also established ITU international standards for digital artwork image display system, promoted AI voice painted screen, enhancing market influences and establishing its ecology in the industry preliminarily; In terms of commercial display products, many benchmark projects have been finished and realized year-on-year growth of one time of revenue; Its smart retail electronic tag business occupied 50% of the market share, serving about 17,000 stores in 61 countries and regions. Quantity of stores newly developed in China increased quickly; Smart sleep instrument, portable ECG monitor and body fat scale and other products have been launched on the market successively; Mobile healthcare APP 3.0 was launched successfully; The independently planned and constructed Hefei BOE Hospital was put into use.

(III) Technical innovation ability kept improving.

The number of patent applications kept growing rapidly, and 9,585 new patents were applied for in the whole year, including 38% of overseas patents applied for. More than 4,000 patents in key fields such as OLED, sensing, AI, big data, etc. were applied for. More than 4,800 patents were recognized, including over 1,600 patents recognized by America; IFI Claims showed that the quantity of patents of BOE recognized by America ranked the 17th place in 2018 from the 21st place in 2017.

II Core Business Analysis

1. Overview

See “I Overview” above.

2. Revenue and Cost Analysis

(1) Breakdown of Operating Revenue

Unit: RMB

Item	2018		2017		Change (%)
	Operating revenue	As % of total operating revenue (%)	Operating revenue	As % of total operating revenue (%)	
Total	97,108,864,935.00	100%	93,800,479,215.00	100%	3.53%
By operating division					
Interface devices	86,688,426,362.00	89.27%	85,149,888,634.00	90.78%	1.81%
Smart IoT	17,499,500,352.00	18.02%	15,620,915,713.00	16.65%	12.03%
Smart Medicine and Engineering	1,151,844,468.00	1.19%	1,023,905,566.00	1.09%	12.50%
Others	3,569,024,583.00	3.68%	2,225,609,340.00	2.37%	60.36%
Offset	-11,799,930,830.00	-12.15%	-10,219,840,038.00	-10.90%	15.46%
By product category					
Interface devices	86,688,426,362.00	89.27%	85,149,888,634.00	90.78%	1.81%

Smart IoT	17,499,500,352.00	18.02%	15,620,915,713.00	16.65%	12.03%
Smart Medicine and Engineering	1,151,844,468.00	1.19%	1,023,905,566.00	1.09%	12.50%
Others	3,569,024,583.00	3.68%	2,225,609,340.00	2.37%	60.36%
Offset	-11,799,930,830.00	-12.15%	-10,219,840,038.00	-10.90%	15.46%
By operating segment					
Mainland China	42,942,349,994.00	44.22%	44,077,183,105.00	46.99%	-2.57%
Other regions in Asia	44,256,356,951.00	45.57%	44,260,377,203.00	47.19%	-0.01%
Europe	3,488,264,284.00	3.59%	2,185,981,332.00	2.33%	59.57%
America	6,354,884,816.00	6.54%	3,198,611,737.00	3.41%	98.68%
Other regions	67,008,890.00	0.07%	78,325,838.00	0.08%	-14.45%

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

√ Applicable □ Not applicable

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

No.

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	86,688,426,362.00	70,337,005,047.00	18.86%	1.81%	9.71%	-5.85%
Smart IoT	17,499,500,352.00	15,568,843,342.00	11.03%	12.03%	7.65%	3.62%
By product category						
Interface devices	86,688,426,362.00	70,337,005,047.00	18.86%	1.81%	9.71%	-5.85%
Smart IoT	17,499,500,352.00	15,568,843,342.00	11.03%	12.03%	7.65%	3.62%
By operating segment						
Mainland China	42,942,349,994.00	34,091,195,752.00	20.61%	-2.57%	-2.42%	-0.12%
Other regions in Asia	44,256,356,951.00	35,351,920,958.00	20.12%	-0.01%	16.75%	-11.47%

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

□ Applicable√ Not applicable

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

√ Yes □ No

Operating division	Item	Unit	2018	2017	Change (%)
TFT-LCD	Unit sales	K m^2	42,232	31,840	32.64%
	Output	K m^2	42,548	31,921	33.29%
	Inventory	K m^2	2,229	1,576	41.44%

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

√ Applicable □ Not applicable

There was newly invested operating production line in 2018, so the scale of unit sales, output, and inventory increased.

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

□ Applicable √ Not applicable

(5) Breakdown of Cost of Sales

By operating division

Unit: RMB

By operating division	Item	2018		2017		Change (%)
		Cost of sales	As % of total cost of sales (%)	Cost of sales	As % of total cost of sales (%)	
Interface devices	Materials, labor costs, depreciation, etc.	70,337,005,047.00	90.98%	64,109,601,840.00	91.22%	9.71%
Smart IoT	Materials, labor costs, depreciation, etc.	15,568,843,342.00	20.14%	14,462,597,072.00	20.58%	7.65%
Smart Medicine and Engineering	Materials, labor costs, depreciation, etc.	470,618,522.00	0.61%	416,009,475.00	0.59%	13.13%
Others	Materials, labor costs, depreciation, etc.	31,925,209.00	0.04%	33,582,463.00	0.05%	-4.93%
Offset	Materials, labor costs, depreciation, etc.	-9,102,167,832.00	-11.77%	-8,739,313,265.00	-12.43%	4.15%

Notes:

Naught

(6) Changes in the Scope of Consolidated Financial Statements for the Reporting Period

√ Yes □ No

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

Item	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	86,664,251,766.00	70,336,983,512.00	18.84%	1.78%	9.71%	-5.87%
Smart IoT	16,011,738,858.00	14,397,600,486.00	10.08%	2.50%	-0.45%	2.67%
Smart Medicine and Engineering	1,151,844,468.00	470,618,522.00	59.14%	12.50%	13.13%	-0.23%
Others	3,569,024,583.00	31,925,209.00	99.11%	60.36%	-4.93%	0.61%
Offset	-11,808,786,670.00	-9,089,456,972.00	23.03%	15.55%	4.01%	8.54%
By product category						
Interface devices	86,664,251,766.00	70,336,983,512.00	18.84%	1.78%	9.71%	-5.87%
Smart IoT	16,011,738,858.00	14,397,600,486.00	10.08%	2.50%	-0.45%	2.67%
Smart Medicine and Engineering	1,151,844,468.00	470,618,522.00	59.14%	12.50%	13.13%	-0.23%
Others	3,569,024,583.00	31,925,209.00	99.11%	60.36%	-4.93%	0.61%
Offset	-11,808,786,670.00	-9,089,456,972.00	23.03%	15.55%	4.01%	8.54%
By operating segment						
China	42,842,333,600.00	34,083,202,913.00	20.45%	-2.80%	-2.44%	-0.29%
Other regions in Asia	44,256,356,951.00	35,351,920,958.00	20.12%	-0.01%	16.75%	-11.47%
Europe	2,067,488,748.00	1,483,689,598.00	28.24%	-5.42%	-22.54%	15.85%
America	6,354,884,816.00	5,184,770,075.00	18.41%	98.68%	68.77%	14.46%
Other regions	67,008,890.00	44,087,213.00	34.21%	-14.45%	-44.08%	34.86%

(7) Major Changes to the Business Scope or Product or Service Range in the Reporting Period

□ Applicable √ Not applicable

(8) Major Customers and Suppliers

Major customers:

Total sales to top five customers (RMB)	40,553,307,887.00
Total sales to top five customers as % of total sales of the Reporting Period (%)	41.76%
Total sales to related parties among top five customers as % of total sales of the Reporting Period (%)	0.00%

Information about top five customers:

No.	Customer	Sales revenue contributed for the Reporting Period (RMB)	As % of total sales revenue (%)
1	Customer A	16,287,833,781.00	16.77%
2	Customer B	6,769,290,102.00	6.97%
3	Customer C	6,269,586,375.00	6.46%
4	Customer D	5,970,890,673.00	6.15%
5	Customer E	5,255,706,956.00	5.41%
Total	--	40,553,307,887.00	41.76%

Other information about major customers:

□ Applicable √ Not applicable

Major suppliers:

Total purchases from top five suppliers (RMB)	12,012,203,637.00
Total purchases from top five suppliers as % of total purchases of the Reporting Period (%)	15.54%
Total purchases from related parties among top five suppliers as % of total purchases of the Reporting Period (%)	0.00%

Information about top five suppliers:

No.	Supplier	Purchase in the Reporting Period (RMB)	As % of total purchases (%)
1	Supplier A	5,242,835,526.00	6.78%
2	Supplier B	2,462,004,223.00	3.19%
3	Supplier C	1,491,595,035.00	1.93%
4	Supplier D	1,478,433,702.00	1.91%
5	Supplier E	1,337,335,151.00	1.73%
Total	--	12,012,203,637.00	15.54%

Other information about major suppliers:

□ Applicable √ Not applicable

3. Expense

Unit: RMB

Item	2018	2017	Change (%)	Reason for any significant change
Selling expense	2,891,056,969.00	2,591,925,798.00	11.54%	No
Administrative expense	4,959,184,197.00	4,068,775,945.00	21.88%	No
Finance costs	3,196,695,890.00	1,948,024,860.00	64.10%	The increase of interest expense due to the new project being converted to operation and the increase of the net exchange losses.
R&D expense	5,039,927,435.00	3,177,767,395.00	58.60%	The strengthening of R&D of the Company

4. R&D Expense

√ Applicable □ Not applicable

Details about R&D input:

Item	2018	2017	Change (%)
Number of R&D personnel	19,627	17,141	14.50%
R&D personnel as % of total employees	28.73%	27.42%	1.31%
R&D expense (RMB)	7,238,202,290.00	6,972,095,396.00	3.82%
R&D expense as % of operating revenue	7.45%	7.43%	0.02%
Capitalized R&D expense (RMB)	2,198,274,855.00	1,893,143,576.00	16.12%
Capitalized R&D expense as % of total R&D expense	30.37%	27.15%	3.22%

Reasons for any significant YoY change in the percentage of R&D expense in operating revenue:

□ Applicable √ Not applicable

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

□ Applicable √ Not applicable

5. Cash Flows

Unit: RMB

Item	2018	2017	Change (%)
Subtotal of cash generated from operating activities	115,069,347,790.00	112,394,636,782.00	2.38%
Subtotal of cash used in operating activities	89,385,300,594.00	85,667,707,127.00	4.34%
Net cash generated from/used in operating activities	25,684,047,196.00	26,726,929,655.00	-3.90%
Subtotal of cash generated from investing activities	68,276,730,240.00	32,887,925,278.00	107.60%
Subtotal of cash used in investing activities	115,340,265,598.00	92,409,894,695.00	24.81%
Net cash generated from/used in investing activities	-47,063,535,358.00	-59,521,969,417.00	——
Subtotal of cash generated from financing activities	42,994,273,471.00	66,143,493,674.00	-35.00%
Subtotal of cash used in financing activities	27,427,703,081.00	33,218,121,485.00	-17.43%
Net cash generated from/used in financing activities	15,566,570,390.00	32,925,372,189.00	-52.72%
Net increase in cash and cash equivalents	-4,562,591,063.00	-1,441,522,805.00	——

Explanation of why any of the data above varies significantly:

√ Applicable □ Not applicable

Cash generated from investing activities increases 107.60% compared with that of last year, which is mainly caused by disinvestment due to maturity of financial products.

Net cash generated from financing activities decreases 52.72%compared with that of last year, which is mainly due to the decrease in special borrowings for new projects.

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

√ Applicable □Not applicable

Mainly because the depreciation amount of equipment in the display industry is high, causing a gap between net cash generated from operating activities and net profit.

III Analysis of Non-Core Businesses

√ Applicable □ Not applicable

Unit: RMB

Item	Amount	As % of total profit	Source/Reason	Exceptional or recurrent
Investment income	306,887,579.00	7.44%	Gains on financial products	No
Gain/loss on changes in fair value	2,061,153.00	0.05%	N/A	No
Asset impairments	1,239,588,763.00	30.07%	Amount provided for inventory falling price impairment according to market conditions	No
Non-operating income	169,429,515.00	4.11%	Governmental subsidies received in the Reporting Period	No
Non-operating expense	55,310,251.00	1.34%	Loss on retirement of fixed assets	No

IV Analysis of Assets and Liabilities

1. Significant Changes in Asset Composition

Unit: RMB

Item	31 December 2018		31 December 2017		Change in percentage (%)	Reason for any significant change
	Amount	As % of total assets	Amount	As % of total assets		
Monetary capital	51,481,539,711.00	16.93%	57,128,659,576.00	22.31%	-5.38%	N/A
Accounts receivable	19,880,680,518.00	6.54%	15,513,763,252.00	6.06%	0.48%	N/A
Inventories	11,985,398,172.00	3.94%	8,957,719,381.00	3.50%	0.44%	N/A
Investment property	1,283,867,651.00	0.42%	1,296,662,205.00	0.51%	-0.09%	N/A
Long-term equity investments	2,389,166,886.00	0.79%	6,928,854,415.00	2.71%	-1.92%	Consolidation of associate/joint venture
Fixed assets	128,157,730,995.00	42.15%	88,625,296,761.00	34.60%	7.55%	The newly established project was converted into fixed assets
Construction in progress	56,423,354,887.00	18.56%	50,761,250,426.00	19.82%	-1.26%	N/A
Short-term borrowings	5,449,954,885.00	1.79%	3,249,736,430.00	1.27%	0.52%	N/A
Long-term borrowings	94,780,077,864.00	31.17%	78,973,633,010.00	30.84%	0.33%	N/A
Other current assets	12,463,073,779.00	4.10%	15,924,433,978.00	6.22%	-2.12%	The decrease of due finance products during the Reporting Period.
Accounts payable	22,213,956,616.00	7.31%	16,205,788,698.00	6.33%	0.98%	N/A
Other accounts payable	22,956,979,828.00	7.55%	16,122,413,130.00	6.30%	1.25%	The increase of engineering equipment payables and deferred VAT of imported equipment
Current portion of non-current liabilities	5,597,563,204.00	1.84%	9,109,708,511.00	3.56%	-1.72%	Returning the bank loans.

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/loss (excluding derivative financial assets)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2.Derivative financial assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.Available-for-sale financial assets	527,750,536.00	0.00	-26,756,143.00	0.00	0.00	8,952,172.00	391,502,549.00
Subtotal of financial assets	527,750,536.00	0.00	-26,756,143.00	0.00	0.00	8,952,172.00	391,502,549.00
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	527,750,536.00	0.00	-26,756,143.00	0.00	0.00	8,952,172.00	391,502,549.00
Financial liabilities	73,061,153.00	-2,061,153.00	0.00	0.00	0.00	0.00	71,000,000.00

Significant changes to 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	Reason for restriction
Monetary capital	8,130,843,191.00	As pledge for guarantee and as security deposits
Notes receivable	208,324,414.00	Endorsed and transferred with right of recourse, as pledge for opening notes payable
Inventories	0.00	N/A
Fixed assets	98,251,866,706.00	As mortgage for guarantee
Intangible assets	1,216,927,485.00	As mortgage for guarantee
Investment property	217,435,561.00	As mortgage for guarantee
Construction in progress	34,117,974,254.00	As mortgage for guarantee
Total	142,143,371,611.00	--

V Investments Made

1. Total Investment Amount

√ Applicable □ Not applicable

Investments made in this Reporting Period (RMB)	Investments made in the prior year (RMB)	Change (%)
183,852,785.00	5,781,001,277.00	-96.82%

2. Major Equity Investments Made in the Reporting Period

□ Applicable √ Not applicable

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

□ Applicable √ Not applicable

4. Financial Investments

(1) Securities Investments

√ Applicable □ Not applicable

Unit: RMB

Variety of securities	Code of securities	Name of securities	Initial investment cost	Accounting measurement model	Beginning carrying value	Profit/loss on fair value changes in this Reporting Period	Cumulative fair value changes charged to equity	Purchased in this Reporting Period	Sold in this Reporting Period	Profit/loss in this Reporting Period	Ending carrying value	Accounting title	Source of investment funds
Domestic/ overseas stock	HK00903	TPV Technology	134,658,158.00	Fair value method	21,584,703.00	0.00	-2,430,028.00	0.00	0.00	205,417.00	25,613,279.00	Available-for-sale financial asset	Self-owned funds
Domestic/ overseas stock	SH600658	Electronic Zone	90,160,428.00	Fair value method	108,996,372.00	0.00	37,320,319.00	0.00	0.00	3,711,768.00	83,995,943.00	Available-for-sale financial asset	Self-owned funds
Domestic/ overseas stock	HK01963	Bank of Chongqing	120,084,375.00	Fair value method	130,968,760.00	0.00	-21,379,310.00	0.00	0.00	3,074,294.00	98,705,065.00	Available-for-sale financial asset	Self-owned funds
Funds	BLK	BlackRock Global Allocation FundA2 USD	0.00	Fair value method	6,347,799.00	0.00	0.00	0.00	6,179,429.00	2,605,529.00	0.00	Available-for-sale financial asset	Self-owned funds
Domestic/ overseas stock	HK06066	China Securities	70,041,364.00	Fair value method	65,856,319.00	0.00	-25,628,789.00	0.00	0.00	1,949,454.00	44,412,575.00	Available-for-sale financial asset	Self-owned funds

Domestic/ overseas stock	HK01518	New Century Healthcare	140,848,850.00	Fair value method	178,837,871.00	0.00	-14,939,595.00	0.00	709,430.00	1,142,810.00	125,909,255.00	Available-for-sale financial asset	Self-owned funds
Domestic/ overseas stock	HK00948	Z-Obee Holdings Ltd.	0.00	Fair value method	246,566.00	0.00	0.00	0.00	290,658.00	303,894.00	0.00	Available-for-sale financial asset	Self-owned funds
Other securities investments held at the period-end			0.00	--	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--	--
Total			555,793,175.00	--	512,838,390.00	0.00	-27,057,403.00	0.00	7,179,517.00	12,993,166.00	378,636,117.00	--	--
Disclosure date of the announcement about the board's consent for the securities investment			N/A										
Disclosure date of the announcement about the general meeting's consent for the securities investment (if any)			N/A										

(2) Investments in Derivative Financial Instruments

□ Applicable √ Not applicable

No such cases in the Reporting Period.

5. Use of Funds Raised

□ Applicable √ Not applicable

No such cases in 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 Major Subsidiaries

√ Applicable □ Not applicable

Major fully/majority-owned subsidiaries and those minority-owned subsidiaries with an over 10% effect 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
Hefei BOE Optoelectronics Technology Co., Ltd.	Subsidiary	Investment construction, R&D, Production, and sales of relevant products of TFT-LCD and its matching products.	9,000,000,000.00	15,097,057,224.00	12,165,750,288.00	12,500,784,859.00	2,167,001,130.00	1,891,628,081.00
Chongqing BOE Optoelectronics Technology Co., Ltd.	Subsidiary	R&D, Production, and sales of semi-conductor display device, complete machine, and relevant products; import and export business and technology consulting of goods.	19,226,000,000.00	39,526,605,610.00	25,347,764,127.00	18,275,745,890.00	2,125,872,574.00	1,839,819,172.00

Subsidiaries obtained or disposed in this Reporting Period

□ Applicable √ Not applicable

Information about major majority- and minority-owned subsidiaries:

Naught

VIII Structured Bodies Controlled by the Company

□ Applicable √ Not applicable

IX Prospects

At present, IoT is at the key layout stage of industrial ecology, and in-depth exploration, expansion and extension of industries for application scenes will significantly promote explosive growth of the market scale. It is predicted that the market scale of global IoT will be up to USD 14.2 trillion in 2030, mainly involving smart manufacturing, smart city, smart healthcare, smart retail, smart logistics and smart traffic.

From the perspective of industry chain, IoT can be simply divided into four layers, namely perception and control, network, platform service and application service. Along with the development of IoT, the market scale of each layer will keep increasing, and the increase structure transforms from layout of infrastructure at the base layer to the field of professional service and application scenes. In 2030, the market scale proportion of platform service and application service will be more than 70% in total, and that of the perception and control layer as the infrastructure will decrease to 18%.

In 2019, BOE will further implement the basic business steadily, optimize and upgrade comprehensive smart products and explore the IoT system and professional service business vigorously to promote the anti-risk ability and the profitability further.

(I) Interface devices (D)

The business focus of the Display and Sensor BG in 2019: Accelerate flexible upgrade and expand application of products; Promote 8425 plan ("8425" means promotion of 8K, popularization of 4K, replacement of 2K and good service of 5G) and build up a win-win industry ecology.

Sensor and Application Solution BG will stick to innovative transformation, carry out in-depth development in the medical and home furniture fields to provide clients with sensor solutions featuring rich categories and outstanding performance.

(II) Smart IoT (S)

The Intelligent Manufacturing Service BG will serve subdivided application scene solutions to provide the eco-partners with ICT terminal products.

IoT Solution BG will develop business office, smart education, digital hospital, smart energy, smart traffic and smart home furniture comprehensively as well as carry out in-depth development in the retail and smart finance fields to provide the whole world with system integration solutions.

The Digital Art IoT Platform BG will further optimize the platform function and enrich terminal product clusters to forge a digital art platform providing the best user experience.

(III) Smart Medicine and Engineering (H)

The Mobile Healthcare IoT Platform BG will launch types of mobile healthcare equipment, perfect platform functions and optimize user experience to provide millions of VIP with personal, convenient, safe and reliable healthcare services.

The Healthcare Service BG will devote itself to the operation of Hefei BOE Hospital, and promote healthcare industry base in Chengdu, Beijing, etc. steadily at the same time.

X Communications with the Investment Community such as Researches, Inquiries and Interviews

1. During the Reporting Period

√ Applicable □ Not applicable

Date	Way of communication	Type of communication party	Index to main information communicated
10 January 2018	One-on-one meeting	Institution	Main contents: 1. the main situations of the industry 2. main operating information of the Company 3. innovations of technology and products 4. future strategy layout For details, see www.cninfo.com.cn
15 January 2018	One-on-one meeting	Institution	
16 January 2018	One-on-one meeting	Institution	
17 January 2018	One-on-one meeting	Institution	
19 January 2018	By phone	Institution	
22 January 2018	One-on-one meeting	Institution	
24 January 2018	One-on-one meeting	Institution	
25 January 2018	One-on-one meeting	Institution	
1 March 2018	One-on-one meeting	Institution	
7 March 2018	One-on-one meeting	Institution	
8 March 2018	One-on-one meeting	Institution	
9 March 2018	One-on-one meeting	Institution	
12 March 2018	One-on-one meeting	Institution	
13 March 2018	One-on-one meeting	Institution	
14 March 2018	One-on-one meeting	Institution	
15 March 2018	One-on-one meeting	Institution	
16 March 2018	One-on-one meeting	Institution	
20 March 2018	One-on-one meeting	Institution	
21 March 2018	One-on-one meeting	Institution	
22 March 2018	One-on-one meeting	Institution	
23 March 2018	By phone	Institution	
26 March 2018	By phone	Institution	
29 March 2018	By phone	Institution	
25 April 2018	One-on-one meeting	Institution	Main contents: 1. the performance in 2017, the performance in the first quarter of 2018 of the Company, and the main situations of the industry
26 April 2018	One-on-one meeting	Institution	
3 May 2018	One-on-one meeting	Institution	
4 May 2018	By phone	Institution	

5 June 2018	One-on-one meeting	Institution	2. main operating information of the Company 3. innovations of technology and products 4. future strategy layout For details, see www.cninfo.com.cn
11 June 2018	One-on-one meeting	Institution	
12 June 2018	By phone	Institution	
19 June 2018	By phone	Institution	
20 June 2018	One-on-one meeting	Institution	
29 June 2018	One-on-one meeting	Institution	
3 July 2018	One-on-one meeting	Institution	
4 July 2018	One-on-one meeting	Institution	
5 July 2018	One-on-one meeting	Institution	
29 August 2018	One-on-one meeting	Institution	Main contents: 1. the interim performance in 2018 of the Company, and the main situations of the industry 2. main operating information of the Company 3. innovations of technology and products 4. future strategy layout For details, see www.cninfo.com.cn
3 September 2018	One-on-one meeting	Institution	
12 September 2018	One-on-one meeting	Institution	
13 September 2018	One-on-one meeting	Institution	
13 September 2018	By phone	Institution	
20 September 2018	One-on-one meeting	Institution	
28 September 2018	One-on-one meeting	Institution	
29 October 2018	By phone	Institution	Main contents: 1. the performance in the third quarter of 2018 of the Company, and the main situations of the industry 2. main operating information of the Company 3. innovations of technology and products 4. future strategy layout For details, see www.cninfo.com.cn
30 October 2018	One-on-one meeting	Institution	
31 October 2018	One-on-one meeting	Institution	
2 November 2018	One-on-one meeting	Institution	
12 November 2018	By phone	Institution	
19 November 2018	By phone	Institution	
23 November 2018	One-on-one meeting	Institution	
26 November 2018	One-on-one meeting	Institution	
27 November 2018	One-on-one meeting	Institution	
28 November 2018	One-on-one meeting	Institution	
29 November 2018	One-on-one meeting	Institution	
5 December 2018	One-on-one meeting	Institution	
6 December 2018	One-on-one meeting	Institution	

Times of visit	74
Number of visiting institutions	802
Number of visiting individuals	47
Number of other visitors	0
Significant undisclosed information disclosed, revealed or leaked	No

Part V Significant Events

I Profit Distributions to Ordinary Shareholders (in the Form of Cash and/or Stock)

How the profit distribution policy, especially the cash dividend policy, for ordinary shareholders was formulated, executed or revised in the Reporting Period:

□ Applicable √ Not applicable

The profit distributions to ordinary shareholders, either in the form of cash or stock, in the past three years (including the Reporting Period) are summarized as follows:

For 2016, based on the total shares of 34,885,942,533, the Company distributed, with the undistributed profit, a cash dividend of RMB0.30 (tax inclusive) per 10 shares to all its shareholders, with the total distributed amount reaching RMB1,046,578,275.99, representing 70.08% of the total undistributed profit. And no bonus share was granted, nor was any capital reserve converted into share capital.

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

For 2018, based on the total shares of 34,798,398,763, the Company distributed, with the undistributed profit, a cash dividend of RMB0.30 (tax inclusive) per 10 shares to all its shareholders, with the total distributed amount reaching RMB1,043,951,962.89, representing 44% of the total undistributed profit. And no bonus share was granted, nor was any capital reserve converted into share capital.

Cash dividend for ordinary shareholders in the past three years (including the Reporting Period):

Unit: RMB

Year	Cash dividends (tax inclusive) (A)	Net profit attributable to ordinary shareholders of the listed company in consolidated statements for the year (B)	A as % of B (%)	Cash dividends in other forms (such as share repurchase) (C)	C as % of B (%)	Total cash dividends (including those in other forms) (D)	D as % of B (%)
2018	1,043,951,962.89	3,435,127,975.00	30.39%	0.00	0.00%	0.00	0.00%
2017	1,739,919,938.15	7,567,682,493.00	22.99%	0.00	0.00%	0.00	0.00%
2016	1,046,578,275.99	1,882,571,674.00	55.59%	0.00	0.00%	0.00	0.00%

Indicate by tick mark whether the Company fails to put forward a cash dividend proposal for the ordinary shareholders despite the facts that the Company has made profits in the Reporting Period and the profits of the Company as the parent distributable to the ordinary shareholders are positive.

□ Applicable √ Not applicable

II Final Dividend Plan for the Reporting Period

√Applicable □ Not applicable

Bonus shares for every 10 shares (share)	0
Dividend for every 10 shares (RMB) (tax inclusive)	0.30
Additional shares to be converted from capital reserve for every 10 shares (share)	0
Total shares as the basis for the profit distribution proposal (share)	34,798,398,763
Cash dividends (RMB) (tax inclusive)	1,043,951,962.89
Cash dividends in other forms (such as share repurchase) (RMB)	0.00
Total cash dividends (including those in other forms) (RMB)	1,043,951,962.89
Attributable profit (RMB)	2,392,243,713.00
Total cash dividends (including those in other forms) as % of total profit distribution (%)	100%
Cash dividend policy adopted	
If the Company is in a growth stage and has any plan for significant expenditure, in profit distribution, the proportion of cash dividends shall be 20% or above.	
Details about the proposal for profit distribution and converting capital reserve into share capital	
Based on the total shares of 34,798,398,763, the Company planned to distribute a cash dividend of RMB0.30 (tax inclusive) per 10 shares to the shareholders, with no share dividend converted either from retained earnings or from capital reserves. The said proposal is in compliance with the Company's Articles of Association and relevant approval procedure, and the independent directors have expressed their independent opinion on the proposal, which fully protects the legal rights and interests of the minority investors.	

III Fulfillment of Commitments

1. Commitments of the Company's Actual Controller, Shareholders, Related Parties and Acquirers, as well as the Company Itself and other Entities Fulfilled in the Reporting Period or Ongoing at the Period-end

□ Applicable √ Not applicable

No such cases in the Reporting Period.

2. Where there had been an earnings forecast for an asset or project and the Reporting Period was still within the forecast period, explain why the forecast has been reached for the Reporting Period.

□Applicable √ Not applicable

IV 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.

V Explanations Given by the Board of Directors, the Supervisory Board and the Independent Directors (if any) Regarding the Independent Auditor's "Modified Opinion" on the Financial Statements of the Reporting Period

□ Applicable √ Not applicable

VI YoY Changes to Accounting Policies, Estimates and Methods

√ Applicable □ Not applicable

Changes in accounting policies and reasons:

The Ministry of Finance issued the following interpretations and revisions of Accounting Standards for Business Enterprises (hereinafter referred to as "ASBE") in 2017 and 2018:

Notice on Revision and Issuing of Financial Statement Formats for General Enterprises in 2018 (CK [2018] No.15) and relevant interpretations

The Group begins to implement above-mentioned interpretations and revisions of ASBE from 1 January 2018 and adjusts relevant contents of accounting policies.

The main effects of adopting above-mentioned interpretations and revisions of ASBE by the Group are as follows:

(a) Interpretation No.9- 12

The Group adjusts relevant accounting policies in accordance with regulations stipulated in Interpretation No.9-12 governing the accounting treatment of net investment losses under the equity method, depreciation and amortization method for fixed assets and intangible assets, and identification and disclosure of related parties the key management personnel serves.

The adoption of interpretation No.9-12 makes significant effects on the Company's financial situation and operating results.

(b) Presentation of Financial Statements

The Group prepares the 2018 Financial Statements in accordance with the financial statement formats stipulated in CK [2018] No.15

and relevant interpretations and adjusts the presentation of comparative financial statements by retrospective adjustment method.

VII Retrospective Restatements due to Correction of Material Accounting Errors in the Reporting Period

□ Applicable √ Not applicable

No such cases in the Reporting Period.

VIII YoY Changes to the Scope of the Consolidated Financial Statements

√Applicable □ Not applicable

During the Reporting Period, the Group incorporated 6 new subsidiaries, that is, Beijing BOE Sensor Technology Co., Ltd., Mianyang BOE Optoelectronics Co., Ltd., SES Imagotag SA, Beijing BOE Yiyun Technology Co., Ltd, Wuhan BOE Optoelectronics Technology Co., Ltd., and Chongqing BOE Display Technology Co., Ltd, with the Company respectively holding 100%, 81.35%, 73.93%, 95.92%, 14.58% and 38.46% interests in them.

IX Engagement and Disengagement of Independent Auditor

Current independent auditor:

Name of the domestic independent auditor	KPMG Huazhen (LLP)
The Company's payment to the domestic independent auditor (RMB'0,000)	990
How many consecutive years the domestic independent auditor has provided audit service for the Company	14 years
Names of the certified public accountants from the domestic independent auditor writing signatures on the auditor's report	Zhanghuan and Liu Jingyuan
How many consecutive years the certified public accountants from the domestic independent auditor have provided audit service for the Company	Zhanghuan 2 years and Liu Jingyuan 1year
Name of the foreign independent auditor (if any)	N/A
The Company's payment to the foreign independent auditor (RMB'0,000) (if any)	N/A
How many consecutive years the foreign independent auditor has provided audit service for the Company (if any)	N/A
Names of the certified public accountants from the foreign independent auditor writing signatures on the auditor's report (if any)	N/A
How many consecutive years the certified public accountants from the foreign independent auditor have provided audit service for the Company (if any)	N/A

Indicate by tick mark whether the independent auditor was changed for the Reporting Period.

□ Yes √ No

Independent auditor, financial advisor or sponsor engaged for internal control audit

√ Applicable □ Not applicable

The Company hired KPMG Huazhen LLP as the internal control auditor for the Current Year at the cost of RMB2.70 million.

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

□ Applicable √ Not applicable

XI Insolvency and Reorganization

□ Applicable √ Not applicable

No such cases in the Reporting Period.

XII Major Legal Matters

√Applicable □ Not applicable

General information	Involved amount (RMB'0,000)	Provision	Progress	Decisions and effects	Execution of decisions	Disclosure date	Index to disclosed information
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	The Company received the (2018) MXZ No. 132 written verdict on 9 July 2018 by the Supreme Court with regard to the jurisdiction objection put forward by LeTV Mobile, which rejected the appeal of LeTV Mobile, remaining the original verdict. This case is waiting to the notice for the first instance of Beijing High People's Court	Unknown	N/A	29 August 2017	For details, see Interim Report 2017 of BOE Technology Group Co., Ltd. disclosed on www.cninfo.com.cn. on 29 August 2017
Litigations for 2018 (including carryforwards in previous years)	7,848.35	No	N/A	N/A	N/A	N/A	N/A

XIII Punishments and Rectifications

□ Applicable √ Not applicable

No such cases in the Reporting Period.

XIV Credit Quality of the Company as well as Its Controlling Shareholder and Actual Controller

□ Applicable √ Not applicable

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

□ Applicable √ Not applicable

No such cases in the Reporting Period.

XVI 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 public announcements about the said related-party transactions disclosed

Title of public announcement	Disclosure date	Disclosure website
Announcement on Investment and Construction of Project of the 6th generation AMOLED (flexible) production line in Chongqing and Related-Party Transactions	9 March 2018	www.cninfo.com.cn
Announcement on the Prediction of 2018 Annual Routine Connected Transaction	24 April 2018	www.cninfo.com.cn
Announcement on Equity Participation on Beijing Electronic Control Industrial Investment Co., Ltd and Related-Party Transactions	31 July 2018	www.cninfo.com.cn

XVII 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

Notes to lease

1. The fixed assets leased in through financing by the Group are the youth apartment used as staff dormitory.

2. The Group sold and leased back part of the machinery equipment and construction in progress. The sale of assets and lease transactions are related to each other, and there is almost no doubt that the Group will repurchase them after expiry of the lease.

The project whose profit and loss brought for the Company can reach above 10% of the total profits during the Reporting Period

□ 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 as the parent and its subsidiaries for external parties (exclusive of those for subsidiaries)								
Obligor	Disclosure date of the guarantee line announcement	Line of guarantee	Actual occurrence 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 as the parent for its subsidiaries								
Obligor	Disclosure date of the guarantee line announcement	Line of guarantee	Actual occurrence date	Actual guarantee amount	Type of guarantee	Term of guarantee	Having expired or not	Guarantee for a related party or not
Hefei BOE Optoelectronics Technology Co., Ltd.	14 August 2014	752,864	12 March 2015	29,817	Joint-liability	23 July 2010 to 23 July 2019	Not	Not
Hefei XinSheng Optoelectronics Technology Co., Ltd.	14 August 2014	1,269,692	15 January 2015	737,794	Joint-liability	6 January 2014 to 6 January 2022	Not	Not

Ordos YuanSheng Optoelectronics Co., Ltd.	2 April 2013	479,434	22 May 2013	129,220	Joint-liability	17 June 2013 to 9 June 2021	Not	Not
Ordos YuanSheng Optoelectronics Co., Ltd.	14 August 2014	479,434	30 September 2014	129,220	Pledge	17 June 2013 to 9 June 2021	Not	Not
Ordos YuanSheng Optoelectronics Co., Ltd.	30 November 2016	549,516	15 March 2017	433,045	Joint-liability	17 March 2017 to 17 March 2025	Not	Not
Chengdu BOE Optoelectronics Technology Co., Ltd.	25 April 2017	2,299,706	30 August 2017	1,618,603	Joint-liability	6 September 2017 to 6 September 2027	Not	Not
Chengdu BOE Optoelectronics Technology Co., Ltd.	25 April 2017	450,000	30 August 2017	231,850	Joint-liability	Opening date of the letter of guarantee to 31 July 2023	Not	Not
Chongqing BOE Optoelectronics Technology Co., Ltd.	14 August 2014	1,456,039	29 September 2014	735,697	Joint-liability	5 November 2014 to 5 November 2022	Not	Not
Hefei BOE Display Technology Co., Ltd.	1 December 2016	1,682,015	30 August 2017	1,576,091	Joint-liability	7 September 2017 to 7 September 2025	Not	Not
Hefei BOE Display Technology Co., Ltd.	1 December 2016	450,000	21 December 2017	286,000	Joint-liability	Opening date of the letter of guarantee to 31 March 2024	Not	Not
Fuzhou BOE Optoelectronics Technology Co., Ltd.	10 December 2015	1,336,814	8 November 2016	1,176,459	Joint-liability	19 December 2016 to 19 December 2024	Not	Not
Fuzhou BOE Optoelectronics Technology Co., Ltd.	10 December 2015	300,000	8 November 2016	180,000	Joint-liability	Opening date of the letter of guarantee to 28 December 2023	Not	Not
Mianyang BOE Optoelectronics Co., Ltd.	18 May 2018	2,119,471	18 September 2018	815,138	Joint-liability	26 September 2018 to 26 September 2028	Not	Not
Mianyang BOE Optoelectronics Co., Ltd.	18 May 2018	460,000	22 June 2018	296,000	Joint-liability	Opening date of the letter of guarantee to 31 October	Not	Not

						2027		
Total approved line for such guarantees in the Reporting Period (B1)		2,579,471		Total actual amount of such guarantees in the Reporting Period (B2)		1,108,497		
Total approved line for such guarantees at the end of the Reporting Period (B3)		13,605,551		Total actual balance of such guarantees at the end of the Reporting Period (B4)		8,245,714		
Guarantees provided between subsidiaries								
Obligor	Disclosure date of the guarantee line announcement	Line of guarantee	Actual occurrence date	Actual guarantee amount	Type of guarantee	Term of guarantee	Having expired or not	Guarantee for a related party or not
OrdosYuanSheng Optoelectronics Co., Ltd.	2 April 2013	479,434	22 May 2013	129,220	Pledge	17 June 2013 to 9 June 2021	Not	Not
Huanda Trading (Hebei) Co., Ltd.	N/A	14,600	24 May 2017	14,540	Joint-liability	15 June 2017 to 16 January 2029	Not	Not
Guangtai Solar Energy Technology (Suzhou) Co., Ltd	N/A	5,450	20 December 2017	5,240	Joint-liability	20 December 2017 to 6 April 2027	Not	Not
Yangyuan Photovoltaic Power Generation (Huanggang) Co., Ltd	N/A	4,552	11 September 2017	4,552	Joint-liability	11 September 2017 to 11 September2027	Not	Not
Yaoguang New Energy (Shouguang) Co., Ltd	N/A	4,192	31 October 2017	4,192	Joint-liability	31 October 2017 to 31 October 2027	Not	Not
Suzhou Industrial Park Taijing Photovoltaic Co., Ltd	N/A	3,484	1 December 2017	3,484	Joint-liability	1 December 2017 to 1 December 2027	Not	Not
Qingmei Solar Energy Technology (Lishui) Co., Ltd	N/A	4,678	21 December 2017	4,678	Joint-liability	21 December 2017 to 21 December 2027	Not	Not
Qinghong Solar Energy Technology (Jinhua) Co., Ltd	N/A	2,374	21 December 2017	2,374	Joint-liability	21 December 2017 to 21 December 2027	Not	Not

Qinghui Solar Energy Technology (Jinhua) Co., Ltd	N/A	3,666	15 December 2017	3,666	Joint-liability	15 December 2017 to 15 December 2027	Not	Not
Rongke New Energy (Hefei) Co., Ltd	N/A	1,400	18 December 2017	1,393	Joint-liability	18 December 2017 to 18 December 2029	Not	Not
Tianchi New Energy (Hefei) Co., Ltd	N/A	1,100	18 December 2017	1,093	Joint-liability	18 December 2017 to 18 December 2029	Not	Not
Qinghao Solar Energy Technology (Jinhua) Co., Ltd	N/A	890	18 December 2017	884	Joint-liability	18 December 2017 to 18 December 2029	Not	Not
Xiangqing Solar Energy Technology (Dongyang) Co., Ltd	N/A	3,476	18 December 2017	3,259	Joint-liability	18 December 2017 to 18 December 2029	Not	Not
Qingyue Solar Energy Technology (Wuyi) Co., Ltd	N/A	960	18 December 2017	900	Joint-liability	18 December 2017 to 18 December2029	Not	Not
Qingyou Solar Energy Technology (Longyou) Co., Ltd	N/A	2,210	18 December 2017	2,204	Joint-liability	18 December 2017 to 18 December 2029	Not	Not
Qingfan Solar Energy Technology (Quzhou) Co., Ltd	N/A	1,855	18 December 2017	1,739	Joint-liability	18 December 2017 to 18 December 2029	Not	Not
Anhui BOE Energy Investment Co., Ltd	N/A	13,575	27 December 2017	13,485	Joint-liability	27 December 2017 to 27 December 2029	Not	Not
Taihang Electric Power Technology (Ningbo) Co., Ltd	N/A	600	19 December 2017	544	Joint-liability	19 December 2017 to 18 December 2025	Not	Not
Guoji Energy (Ningbo) Co., Ltd	N/A	2,740	19 December 2017	2,563	Joint-liability	19 December 2017 to 18 December 2025	Not	Not
Hexu Technology (Hefei) Co., Ltd	N/A	538	18 May 2018	538	Joint-liability	18 May 2018 to 10 May 2028	Not	Not
Chenneng Technology (Hefei) Co., Ltd	N/A	1,068	18 May 2018	1,068	Joint-liability	18 May 2018 to 10 May 2028	Not	Not

Hongyang Solar Energy Power Generation (Anji) Co., Ltd	N/A	3,500	14 December 2017	3,500	Joint-liability	14 December 2017 to 13 December 2025	Not	Not
Ke'enSolar Energy Power Generation (Pingyang) Co., Ltd	N/A	2,400	14 December 2017	2,245	Joint-liability	14 December 2017 to 13 December 2025	Not	Not
Dongze Photovoltaic Power Generation (Wenzhou) Co., Ltd	N/A	2,100	14 December 2017	1,965	Joint-liability	14 December 2017 to 13 December 2025	Not	Not
Aifeisheng Investment and Management (Wenzhou) Co, Ltd	N/A	1,400	14 December 2017	1,310	Joint-liability	14 December 2017 to 13 December 2025	Not	Not
Junlong New Energy Technology (Huaibin) Co., Ltd	N/A	8,459	25 April 2018	8,262	Joint-liability	25 April 2018 to 25 April 2030	Not	Not
Hengchuan New Energy Technology (Hong'an) Co., Ltd	N/A	6,892	31 January 2018	6,570	Joint-liability	31 January 2018 to 31 January 2030	Not	Not
Anhui BOE Energy Investment Co., Ltd	N/A	2,060	25 April 2018	1,760	Joint-liability	25 April 2018 to 25 April 2030	Not	Not
Shaoxing Guangnian New Energy Co., Ltd.	N/A	16,000	13 December 2018	16,000	Joint-liability	13 December 2018 to 12 December 2030	Not	Not
Shaoxing Xuhui New Energy Co., Ltd.	N/A	4,500	13 December 2018	4,500	Joint-liability	13 December 2018 to 12 December 2030	Not	Not
Hefei BOE Hospital Co., Ltd	27 April 2018	130,000	27 April 2018	66,000	Joint-liability	27 April 2018 to 27 April 2033	Not	Not
BOE Technology (HK) Limited	N/A	110,647	31 October 2017	110,647	Pledge	12 December 2017 to 7 December 2020	Not	Not
Total approved line for such guarantees in the Reporting Period (C1)		130,000		Total actual amount of such guarantees in the Reporting Period (C2)		185,271		
Total approved line for such guarantees at the end of the Reporting Period (C3)		361,366		Total actual balance of such guarantees at the end of the Reporting Period (C4)		295,156		

Total guarantee amount (total of the three kinds of guarantees above)			
Total guarantee line approved in the Reporting Period (A1+B1+C1)	2,709,471	Total actual guarantee amount in the Reporting Period (A2+B2+C2)	1,293,768
Total approved guarantee line at the end of the Reporting Period (A3+B3+C3)	13,966,917	Total actual guarantee balance at the end of the Reporting Period (A4+B4+C4)	8,540,870
Total actual guarantee amount (A4+B4+C4) as % of the Company's net assets			99.48%
Of which:			
Balance of guarantees provided for shareholders, 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)			204,059
Amount by which the total guarantee amount exceeds 50% of the Company's net assets (F)			4,248,032
Total of the three amounts above (D+E+F)			4,248,032
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:

None.

(2) Irregularities in Provision of Guarantees

□ Applicable √ Not applicable

No such cases in the Reporting Period.

3. Cash Entrusted to Other Entities for Management

(1) Cash Entrusted for Wealth Management

√ Applicable □ Not applicable

Overviews of cash entrusted for wealth management during the Reporting Period

Unit: RMB'0,000

Type	Source of capital	Amount	Undue amount	Unrecovered overdue amount
Bank's wealth management product and structured deposits	Self-owned funds	1,257,000	551,000	0
Total		1,257,000	551,000	0

Note: The amount in the table above refers to the highest single-day balance of cash entrusted for wealth management during the Reporting Period.

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

□ Applicable √ Not applicable

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

□ Applicable √ Not applicable

(2) Entrusted Loans

□ Applicable √ Not applicable

No such cases in the Reporting Period.

4. Other Major Contracts

□ Applicable √ Not applicable

No such cases in the Reporting Period.

XVIII Corporate Social Responsibility (CSR)

1. Measures Taken to Fulfill CSR Commitment

BOE discloses its Corporate Social Responsibility Report every year. As of 2018, BOE had consecutively disclosed Social Responsibility Report for 9 years. Please view and download such report via official website of BOE www.boe.com

2. Measures Taken for Targeted Poverty Alleviation

(1) Plans

In response to the national targeted poverty alleviation policy, BOE will carry forward the non-profit educational projects, such as including “Light Up Your Growth”, “Dream Space”, and “BOE Summer Camp” with educational poverty alleviation as the direction.

(2) Summary of the Related Work Done in the Reporting Period

In 2018, BOE donated RMB1.5 million to China Voluntary Service Fund for education, culture, public welfare program, and etc. With regard to educational poverty alleviation, BOE put RMB432,015 to subsidize the poor students, and improve educational resources in the poor areas. For example, BOE carried forward various educational poverty alleviation projects, like “Light Up Your Growth”, “Summer Camp with Dream” and “Rain and Dew Plan”, etc. For voluntary service, BOE put RMB41,345 in 2018 to establish voluntary service system covering all entities, and also organized the activity of “donating old things to offer the love”, and participated the voluntary labor. BOE volunteers practiced what they preached to actively help the vulnerable groups and spread love and faith.

(3) Results

Indicator	Measurement unit	Quantity/Progress
1. General results	——	——
Of which: 1. capital	RMB’0,000	123.74
2. Itemized results	——	——
2.1 Out of poverty by education	——	——
Of which: 2.1.1 invested amounts to subsidize poor students	RMB’0,000	43.2
2.1.2 numbers of poor students subsidized	Person	1,474
2.2 Other Items	——	——
Of which: 2.2.1 numbers of items	Number	11
2.2.2 invested amounts	RMB’0,000	80.53
3. Accolades received (for what and at what level)	——	——

(4) Subsequent Plans

In 2019, BOE will continuously carry forward the educational poverty alleviation project focused on “Light Up Your Growth”, carrying out summer camp activities, materials support, and voluntary activities, etc, taking the location of BOE production line as the main place to carry out these activities and gradually expand coverage scale of projects; meanwhile, taking the BOE employees volunteers system as the platform to continuously conduct activities of helping the poor and various donations.

3. Issues Related to Environmental 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	2	South gate of factory, northwest corner of factory	101.25mg/L	500mg/L	286.21t	702.68t	None
	Ammonia nitrogen				16.68 mg/L	45 mg/L	46.04t	55.93t	
The 4.5th 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	134.8mg/L	500mg/L	136.58t	490.51t	None
	Ammonia nitrogen				19.7mg/L	45mg/L	19.96t	25.249t	
Hefei BOE Optoelectronics Technology Co., Ltd.	COD	Standard emission after being treated by sewage treatment system	1	Northwest corner of factory	56.49 mg/L	380mg/L	237.69t	1059t	None
	Ammonia nitrogen				7.02 mg/L	30mg/L	29.61t	99.2t	
Beijing BOE Display Technology Co., Ltd.	COD	Standard emission after being treated by sewage treatment system	1	East gate of factory	118.37 mg/L	500mg/l	608.35t	1618.8t	None
	Ammonia nitrogen				11.71 mg/L	45mg/l	60.16t	134.4t	None
Hefei Xinsheng Optoelectronics Technology Co., Ltd.	COD	Standard emission after being treated by sewage treatment system	1	Northeast gate of factory	65 mg/L	380 mg/L	397.11t	1621.97t	None
	Ammonia nitrogen				14.65 mg/L	30 mg/L	89.82t	128.08t	
Erdos Yuansheng Optoelectronics Co., Ltd.	COD	Standard emission after being treated by sewage treatment system	1	North side of factory	34mg/L	500mg/L	114t	713.81t	None
	Ammonia nitrogen				3.1mg/L	_	11t	76.82t	

The 6th 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	12.77 mg/L	500mg/L	56.90t	2004.15t	None
	Ammonia nitrogen				1.33mg/L	45 mg/L	8.623t	216.81t	
Chongqing BOE Optoelectronics Technology Co., Ltd.	COD	Standard emission after being treated by sewage treatment system	1	South side of factory	103.51 mg/L	400mg/L	566.557t	727.080t	None
	Ammonia nitrogen				3.58 mg/L	45 mg/L	19.706t	79.424t	
Hefei BOE Display Technology Co., Ltd.	COD	Standard emission after being treated by sewage treatment system	1	North side of factory	53.52mg/L	400mg/L	483.21t	1189.88t	None
	Ammonia nitrogen				7.84 mg/L	35 mg/L	60.19t	118.98t	
Fuzhou BOE Optoelectronics Technology Co., Ltd.	COD	Standard emission after being treated by sewage treatment system	1	Northeast side of factory	79.95mg/L	500mg/L	461.84t	510.355t	None
	Ammonia nitrogen				4.44mg/L	45mg/L	25.15t	68.055t	
BOE Technology Group Co., Ltd.	COD	Standard emission after being treated by sewage treatment system	1	East side of factory	102mg/L	500mg/L	2.05t	11.1145t	None
	Ammonia nitrogen				15.8 mg/L	45 mg/L	0.32t	0.3415t	
BOE (Heibei) Mobile Display Technology Co., Ltd.	COD	Discharged into sewage treatment plant through municipal pipes	2	Southeast side of factory	14 mg/L	500mg/L	1.60t	13.5545t	None
	Ammonia nitrogen				1.12 mg/L	45 mg/L	0.13t	1.01t	
	COD			North side of factory	125 mg/L	500mg/L	5.01t	74.937t	
	Ammonia nitrogen				22.4 mg/L	45 mg/L	0.90t	6.744t	

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

XIX Other Significant Events

√ Applicable □Not applicable

1. The Company issued Pre-disclosure Announcement on Stock Reduction of Shareholders with More than 5% Stocks (Announcement No.: 2017-061) and Pre-disclosure Announcement on Stock Reduction of Shareholders with More than 5% Stocks (Announcement No.: 2017-062) on 22 November 2017 and 25 November 2017 respectively; shareholders of the Company as Hefei Jianxiang Investment Co., Ltd. and Chongqing Yufu Photovoltaic 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 15 January 2018 and 19 January 2018 respectively.

2. The Company issued the Announcement on Acquisition of SES-imagotag Stocks (Announcement No.: 2017-036) on 17 June 2017. The Company proposed to purchase more than 50.01% of SES stocks and realize consolidation of financial statements with SES by virtue of BOE SPV, which is a joint venture invested and established by BOE’s wholly-owned subsidiary and investment platform designated by SES management layer. By 16 March 2018, BOE SPV acquired 10,789,186 shares of SES stock in total by means of block transactions and general offer, occupying 79.94% of SES’ outstanding capital stocks with total consideration of 323,675,580 Euros. For more information, please refer to the Announcement on Completing Acquisition of SES-imagotag Stocks (Announcement No.: 2018-017) issued by the Company on 17 March 2018.

3. 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. At present, it has been waiting for final verdict of the Supreme People's 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.

4. 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. The Company issued Announcement on Payment “16BOE01” Interest 2017 (Announcement No.: 2018-016) on 16 March 2018, in which the interest should be paid as per the standard of RMB31.5 (tax-inclusive) for every 10 bonds.

5. The Company issued Announcement on 2017 Implementation of Annual Interest Distribution (Announcement No. 2018-046) on 20 June 2018. The annual interest distribution plan 2017 was reviewed and adopted in 2017 Annual General Meeting held on 28 May 2018. According to the distribution plan, the Company shall allocated annual corporate benefits in 2017 by means of RMB0.5 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.

Overview of significant events	Disclosure date	Index to disclosure website for interim report
Announcement on Investment and Construction of Project of the 6th generation AMOLED (flexible) production line in Chongqing and Related-party Transactions	9 March 2018	www.cninfo.com.cn
Announcement on Investment and Construction of Project of Wuhan Gaoshidai Production Line of Thin Film Transistor LCD and its Auxiliary Products	9 March 2018	www.cninfo.com.cn
Announcement on Project of Investment into BOE (Suzhou) Industrial Park	9 March 2018	www.cninfo.com.cn
Announcement on Equity Participation on Beijing Electronic Control Industrial Investment Co., Ltd and Related-Party Transactions	31 July 2018	www.cninfo.com.cn
Announcement on Signature of Cooperation Agreement and Supplemental Agreement about Project of Life Science and Technology Industrial Base	9 November 2018	www.cninfo.com.cn
Announcement on Signature of Investment Framework Agreement	27 December 2018	www.cninfo.com.cn

XX Significant Events of Subsidiaries

□ Applicable √ Not applicable

Part VI Share Changes and Shareholder Information

I. Share Changes

1. Share Changes

Unit: share

Item	Before		Increase/decrease (+/-)					After	
	Number	Percentage	New issues	Bonus shares	Bonus issue from profit	Other	Subtotal	Number	Percentage
I. Restricted shares	1,789,918	0.01%	0	0	0	746,475	746,475	2,536,393	0.01%
1. Shares held by the state	0	0.00%	0	0	0	0	0	0	0.00%
2. Shares held by state-owned corporations	0	0.00%	0	0	0	0	0	0	0.00%
3. Shares held by other domestic investors	1,789,918	0.01%	0	0	0	746,475	746,475	2,536,393	0.01%
Among which: shares held by domestic corporations	0	0.00%	0	0	0	0	0	0	0.00%
Shares held by domestic individuals	1,789,918	0.01%	0	0	0	746,475	746,475	2,536,393	0.01%
4. Shares held by foreign investors	0	0.00%	0	0	0	0	0	0	0.00%
Among which: Shares held by foreign corporations	0	0.00%	0	0	0	0	0	0	0.00%
Shares held by foreign individuals	0	0.00%	0	0	0	0	0	0	0.00%
II. Non-restricted shares	34,796,608,845	99.99%	0	0	0	-746,475	-746,475	34,795,862,370	99.99%
1. RMB ordinary shares	33,860,495,357	97.30%	0	0	0	-746,475	-746,475	33,859,748,882	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. Other	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

Approval of share changes:

□ Applicable √ Not applicable

Transfer of share ownership:

□ Applicable √ Not applicable

Progress on any share repurchase:

□ 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	1,789,918	0	746,475	2,536,393	Capital increase	--
Total	1,789,918	0	746,475	2,536,393	--	--

II. Issuance and Listing of Securities

1. Securities (Exclusive of Preferred Shares) Issued in the Reporting Period

□ Applicable √ Not applicable

2. Changes to Total Shares, Shareholder Structure and Asset and Liability Structures

□ Applicable √ Not applicable

3. Existing Staff-Held Shares

□ Applicable √ Not applicable

III Shareholders and Actual Controller

1. Total Number of Shareholders and Their Shareholdings

Unit: share

Number of ordinary shareholders at the Period-end	1,437,415（including 1,397,946 A-shareholders and 39,469 B-shareholders）			Number of ordinary shareholders at the month-end prior to the disclosure of this Report		1,567,375（including 1,527,778 A-shareholders and 39,597 B-shareholders）	
5% or greater shareholders or top 10 shareholders							
Name of shareholder	Nature of	Shareholding	Total shares held at	Increase/decrease in	Restricted shares	Unrestricted shares	Shares in pledge or frozen

	shareholder	percentage	the period-end	the Reporting Period	held	held	Status	Shares
Beijing State-owned Capital Operation and Management Center	State-owned legal person	11.68%	4,063,333,333	0	0	4,063,333,333	N/A	0
Chongqing Ezcapital Opto-electronics Industry Investment Co., Ltd.	State-owned legal person	7.62%	2,653,000,041	-173,500,029	0	2,653,000,041	N/A	0
Hefei Jianxiang Investment Co., Ltd.	State-owned legal person	7.21%	2,510,142,953	-173,500,000	0	2,510,142,953	N/A	0
Beijing Yizhuang Investment Holdings Co., Ltd	State-owned legal person	3.57%	1,241,423,641	0	0	1,241,423,641	N/A	0
Beijing BOE Investment & Development Co., Ltd.	State-owned legal person	2.36%	822,092,180	0	0	822,092,180	N/A	0
Hong Kong Securities Clearing Company Ltd.	Foreign legal person	1.39%	483,208,365	40,681,113	0	483,208,365	N/A	0
Beijing Electronics Holdings Co., Ltd.	State-owned legal person	0.79%	273,735,583	0	0	273,735,583	N/A	0
Central Huijin Assets Management Co., Ltd	State-owned legal person	0.71%	248,305,300	0	0	248,305,300	N/A	0
China Life Insurance Company Ltd.-dividends-individual dividends-005L-FH002 Shen	State-owned legal person	0.42%	144,840,427	45,490,487	0	144,840,427	N/A	0
China Securities Finance Corporation Limited	State-owned legal person	0.38%	132,480,249	-56,087,993	0	132,480,249	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		1. Beijing State-owned Capital Operation and Management Center held 100% equities of Beijing Electronics Holdings Co., Ltd.						

shareholders above	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 connected 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.	2,653,000,041	RMB ordinary share	2,653,000,041
Hefei Jianxiang Investment Co., Ltd.	2,510,142,953	RMB ordinary share	2,510,142,953
Beijing Yizhuang Investment Holdings Co., Ltd	1,241,423,641	RMB ordinary share	1,241,423,641
Beijing BOE Investment & Development Co., Ltd.	822,092,180	RMB ordinary share	822,092,180
Hong Kong Securities Clearing Company Ltd.	483,208,365	RMB ordinary share	483,208,365
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 Life Insurance Company Ltd.-dividends-individual	144,840,427	RMB ordinary share	144,840,427

dividends-005L-FH002 Shen			
China securities Finance Corporation Limited	132,480,249	RMB ordinary share	132,480,249
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 connected 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)	None		

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.

2. Controlling Shareholder

Nature of the controlling shareholder: Controlled by a local state-owned legal person

Type of the controlling shareholder: legal person

Name of controlling shareholder	Legal representative/person in charge	Date of establishment	Unified social credit code	Principal activity
Beijing Electronics Holdings Co., Ltd.	Wang Yan	8 April 1997	91110000633647998H	Operation and management of state-owned assets within authorization; communications equipments, audio & visual products for broadcasting and television; computer and its supporting equipments and the applied products; electronic raw material and components; home electric appliances and electronic products; electronic surveying instruments and meters; mechanical and electric equipments; electronic transportation products and investment in business fields other than electronics and its management; development of real estate, lease and sales of commodity apartments; property management.
Controlling shareholder's holdings in other listed companies at home or abroad in the Reporting Period	Beijing Electronic Shareholding Co., Ltd. held 508,801,304 shares of A share of Electronic City (Stock Code: 600658), which was of 45.49% of the total shares amount of Electronic City; it held 42,287,460 shares of A share of NAURA Technology Group Co., Ltd. (original Beijing Sevenstar Electronics Co., Ltd.) (Stock Code: 002371), which accounted for 9.23% of the total shares of NAURA Technology Group Co., Ltd. Beijing Electronic Shareholding Co., Ltd. held 178,175,721 shares of A share of NAURA Technology Group Co., Ltd. through holding the wholly-owned subsidiary Beijing Seven Star Huadian Technology Group Co., Ltd, which covered 38.90% of the total shares amount of NAURA Technology Group Co., Ltd.			

Change of the controlling shareholder in the Reporting Period:

□ Applicable √ Not applicable

No such cases in the Reporting Period.

3. Actual Controller and Its Acting-in-Concert Parties

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

Type of the actual controller: legal person

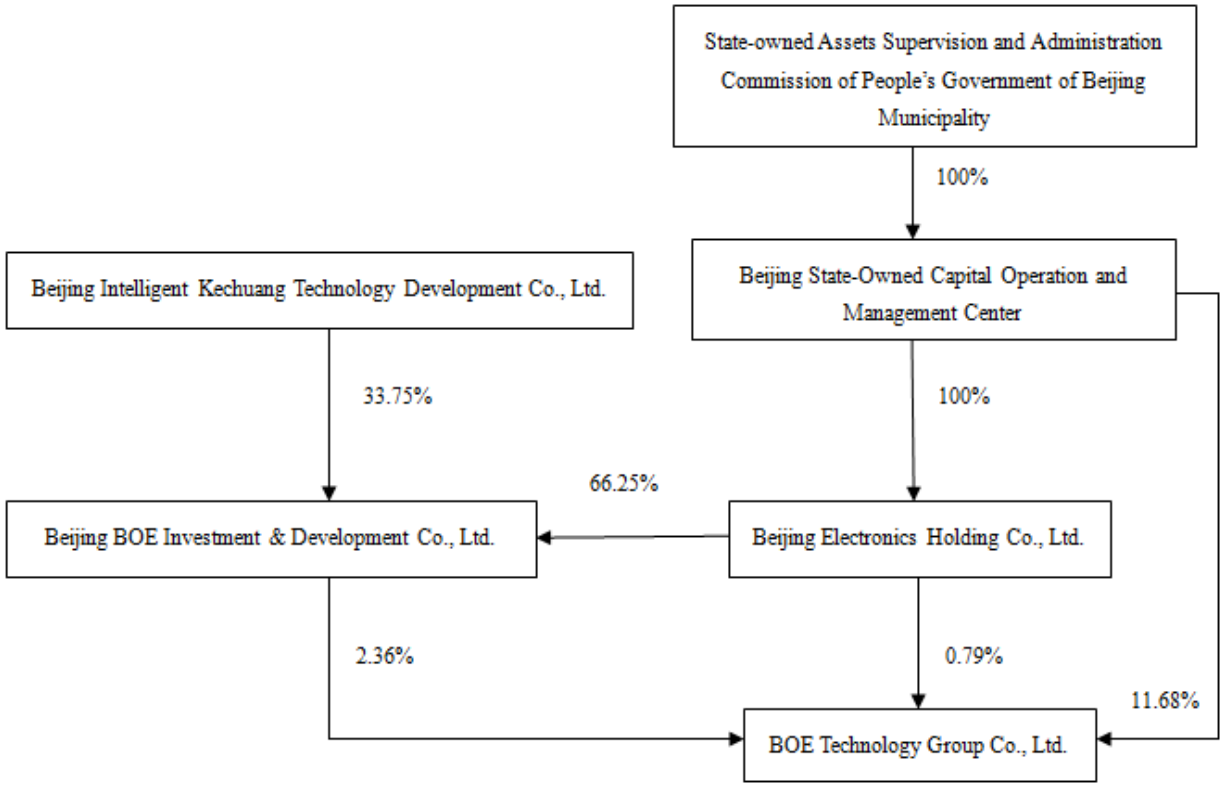
Name of actual controller	Legal representative/person in charge	Date of establishment	Unified social credit code	Principal activity
Beijing Electronics Holdings Co., Ltd.	Wang Yan	8 April 1997	91110000633647998H	Operation and management of state-owned assets within authorization; communications equipments, audio & visual products for broadcasting and television; computer and its supporting equipments and the applied products; electronic raw material and components; home electric appliances and electronic products; electronic surveying instruments and meters; mechanical and electric equipments; electronic transportation products and investment in business fields other than electronics and its management; development of real estate, lease and sales of commodity apartments; property management.
Other listed companies at home or abroad controlled by the actual controller in the Reporting Period	Beijing Electronic Shareholding Co., Ltd. held 508,801,304 shares of A share of Electronic City (Stock Code: 600658), which was of 45.49% of the total shares amount of Electronic City; it held 42,287,460 shares of A share of NAURA Technology Group Co., Ltd. (original Beijing Sevenstar Electronics Co., Ltd.) (Stock Code: 002371), which accounted for 9.23% of the total shares of NAURA Technology Group Co., Ltd. Beijing Electronic Shareholding Co., Ltd. held 178,175,721 shares of A share of NAURA Technology Group Co., Ltd. through holding the wholly-owned subsidiary Beijing Seven Star Huadian Technology Group Co., Ltd, which covered 38.90% of the total shares amount of NAURA Technology Group Co., Ltd.			

Change of the actual controller during the Reporting Period:

□ Applicable √ Not applicable

No such cases in the Reporting Period.

Ownership and control relations between the actual controller and the Company:



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

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

Indicate by tick mark whether the actual controller controls the Company via trust or other ways of asset management.

□ Applicable √ Not applicable

4. Other 10% or Greater Corporate Shareholders

√ Applicable □ Not applicable

Name of corporate shareholder	Legal representative/person in charge	Date of establishment	Registered capital	Principal activity
Beijing State-owned Capital Management Administrative Center	Zhang Guilin	30 December 2008	RMB35,000 million	Investment and investment management; assets management; organize the reorganization as well as the merger and acquisition of the enterprise assets.

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

□ Applicable √ Not applicable

Part VII Preferred Shares

□ Applicable √ Not applicable

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

Name	Office title	Incumbent/Former	Gender	Age	Start of tenure	End of tenure	Beginning shareholding (share)	Increase in the Reporting Period (share)	Decrease in the Reporting Period (share)	Other increase/decrease (share)	Ending shareholding (share)
Wang Dongsheng	Chairman of the Board	Incumbent	Male	61	20 May 2016	19 May 2019	299,905	0	0	0	299,905
Xie Xiaoming	Vice Chairman of the Board	Incumbent	Male	59	20 May 2016	19 May 2019	7,680	0	0	0	7,680
Chen Yanshun	Vice Chairman of the Board, Chief of Executive Committee, CEO	Incumbent	Male	52	20 May 2016	19 May 2019	260,000	340,000	0	0	600,000
Wang Chenyang	Director	Incumbent	Male	49	28 May 2018	19 May 2019	0	0	0	0	0
Liu Xiaodong	Director, vice chairman of Executive Committee, President and Chief Operations Officer	Incumbent	Male	54	20 May 2016	19 May 2019	250,000	0	0	0	250,000
Song Jie	Director	Incumbent	Male	51	20 May 2016	19 May 2019	0	0	0	0	0
Sun Yun	Director,executive vice president, CFO	Incumbent	Female	48	20 May 2016	19 May 2019	155,981	68,000	0	0	223,981

Li Yantao	Director	Incumbent	Male	37	28 May 2018	19 May 2019	0	0	0	0	0
Lyu Tingjie	Independent director	Incumbent	Male	63	20 May 2016	19 May 2019	0	0	0	0	0
Wang Huacheng	Independent director	Incumbent	Male	55	20 May 2016	19 May 2019	0	0	0	0	0
Hu Xiaolin	Independent director	Incumbent	Male	40	20 May 2016	19 May 2019	0	0	0	0	0
Li Xuan	Independent director	Incumbent	Male	50	19 August 2016	19 May 2019	0	0	0	0	0
Yang Xiangdong	Chairman of the Supervisory Committee	Incumbent	Male	57	30 March 2018	19 May 2019	0	0	0	0	0
Xu Tao	Supervisor	Incumbent	Male	54	20 May 2016	19 May 2019	0	0	0	0	0
Chen Zhaozhen	Supervisor	Incumbent	Male	35	28 May 2018	19 May 2019	0	900	0	0	900
Zhao Wei	Supervisor	Incumbent	Male	50	20 May 2016	19 May 2019	0	0	0	0	0
Shi Hong	Supervisor	Incumbent	Female	36	20 May 2016	19 May 2019	0	0	0	0	0
Zhuang Haoyu	Supervisor	Incumbent	Male	34	20 May 2016	19 May 2019	0	0	0	0	0
Miao Chuanbin	Employee supervisor	Incumbent	Male	45	19 May 2016	19 May 2019	0	1,800	0	0	1,800
Xu Yangping	Employee supervisor	Incumbent	Male	44	19 May 2016	19 May 2019	0	0	0	0	0
He Daopin	Employee supervisor	Incumbent	Male	49	19 May 2016	19 May 2019	0	0	0	0	0
Dong Youmei	Executive vice president	Incumbent	Female	55	20 May 2016	19 May 2019	200,000	26,400	0	0	226,400
Yao Xiangjun	Executive vice president, Co-chief Operations Officer	Incumbent	Male	41	20 May 2016	19 May 2019	100,000	0	0	0	100,000
Zhang Zhaohong	Executive vice president, Co-chief Operations Officer	Incumbent	Male	48	20 May 2016	19 May 2019	150,000	178,700	0	0	328,700
Zhong Huifeng	Executive vice	Incumbent	Male	48	20 May 2016	19 May 2019	150,000	0	0	0	150,000

	president, Chief Human Resource Officer										
Feng Liqiong	Executive vice president, lead counsel	Incumbent	Female	46	20 May 2016	19 May 2019	150,000	50,000	0	0	200,000
Yue Zhanqiu	Senior vice president, Chief Information Officer	Incumbent	Male	51	20 May 2016	19 May 2019	150,000	70,000	0	0	220,000
Xie Zhongdong	Senior vice president,Chief Risk Officer and Auditor General	Incumbent	Male	48	20 May 2016	19 May 2019	110,000	90,000	0	0	200,000
Feng Qiang	Senior vice president	Incumbent	Male	42	20 May 2016	19 May 2019	100,000	20,000	0	0	120,000
Yang Anle	Senior vice president, Chief Investment Officer	Incumbent	Male	48	20 May 2016	19 May 2019	100,000	50,000	0	0	150,000
Tong Guanshan	Senior vice president	Incumbent	Male	50	20 May 2016	19 May 2019	0	0	0	0	0
Jing Linfeng	Senior vice president	Incumbent	Male	40	20 May 2016	19 May 2019	100,000	45,000	0	0	145,000
Liu Hongfeng	Vice president, Secretary of the Board	Incumbent	Male	40	20 May 2016	19 May 2019	100,000	54,500	0	0	154,500
Wang Jing	Director	Former	Female	47	20 May 2016	11 May 2018	0	0	0	0	0
Zhang Jinsong	Director	Former	Male	46	20 May 2016	30 March 2018	0	0	0	0	0
Chen Ming	Chairman of the Supervisory Committee	Former	Male	61	20 May 2016	1 March 2018	0	0	0	0	0
Mu Chengyuan	Supervisor, Secretary of Supervisory	Former	Male	51	20 May 2016	30 March 2018	2,991	0	0	0	2,991

	Committee										
Total	--	--	--	--	--	--	2,386,557	995,300	0	0	3,381,857

II Change of Directors, Supervisors and Senior Management

√Applicable □ Not applicable

Name	Office title	Type of change	Date of change	Reason for change
Chen Ming	Chairman of Supervisory Committee	Left	1 March 2018	Resignation
Zhang Jinsong	Director	Left	30 March 2018	Resignation
Mu Chengyuan	Supervisor, Secretary of Supervisory Committee	Left	30 March 2018	Resignation
Wang Jing	Director	Left	11 May 2018	Resignation
Yang Xiangdong	Chairman of Supervisory Committee	Appointed and dismissed	30 March 2018	Elected
Li Yantao	Director	Appointed and dismissed	28 May 2018	Elected
Chen Zhaozhen	Supervisor	Appointed and dismissed	28 May 2018	Elected
Wang Chenyang	Director	Appointed and dismissed	28 May 2018	Elected

III Biographical Information

Professional backgrounds, major work experience and current duties in the Company of the incumbent directors, supervisors and senior management

Director

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

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

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

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

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

Now he takes the posts of Vice Chairman of the 8th Board of Director of the Company, Vice President of Beijing Electronics Holding Co., Ltd, Chairman of Beijing Yandong Microelectronics Co., Ltd.

Mr. Chen Yanshun, Master of Economics, senior accountant, he had served in the Company from the year of 1993, has taken the posts of Secretary of the Board of the 1st Board of Directors of the Company, Secretary of the 2nd Board of Directors and Vice President, Executive Director of the 3rd Board of Directors and Senior Vice President, Executive Director of the 4th, 5th and the 6th Board of Directors and President, and Vice Chairman of the 7th Board of Directors and President, and Chairman of the Board of Beijing BOE Vision-electronic Technology Co., Ltd, Beijing BOE Optoelectronics Technology Co., Ltd, Hefei BOE Optoelectronics Technology Co., Ltd, Ordos Yuansheng Optoelectronics Co., Ltd., Chongqing BOE Optoelectronics Technology Co., Ltd. and Beijing Intelligent Kechuang Technology Development Co., Ltd.

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

Mr. Wang Chenyang, Master of Arts, senior political division. He has served as principal staff member and vice consultant of Division of Publicity & Education &Political and Legislative Affairs of Organization Department in Beijing Municipal Committee, division-head level and deputy-bureau level cadre in the General Office of Beijing Municipal Government.

Now he takes the posts of Director of the 8th Board of Directors of the Company and Deputy GM of Beijing State-owned Capital Management Center.

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

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

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

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

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

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

Mr. Li Yantao, bachelor of engineering, MBA in Financial Accounting of Tsinghua University-Chinese University of Hong Kong (be reading). He once worked as an engineer of Module Technology Department and Section Chief of Public Relations of Administrative Security Department in Beijing BOE Optoelectronics Technology Co., Ltd., Section Chief of Tender Approval of Commerce Group, noviate vice minister of Engineering Cost Control Department and Bidding Contract Management Section of Engineering Cost Control Department in Beijing BOE Display Technology Co., Ltd., Secretary of Youth League Committee, minister of Corporate Culture/Party Work Department of Corporate Culture Centre and Chief of Corporate Culture Section and Group Work Section, Vice Minister (Assistant Director Level) of Planning & Coordination Department and Director of Office for Promotion of Major Projects, Minister of Market & New Business Planning Department, Head of Planning & Coordination Centre (Deputy Director Level) and Minister of Market Insight Department, Minister of Strategic Planning Department, Minister of Performance Management Department, Minister of Office for Promotion of Major Projects and Minister of Knowledge Management & Training Department in the Company.

Now he serves as the Director of the 8th Directors of the Board of the Company, Director of Strategic Development Department of Beijing Electronics Holdings Co., Ltd., Director and GM of Beijing Electronic Control Industry Investment Co., Ltd. and Director of

Office for Promotion of Old Industrial Base Transformation in Beijing Electronics City.

Independent Director

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

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

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

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

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

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

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

Now he serves as the Independent Director of the 8th board of directors of the Company, Chief of Central University of Finance and Economics Master of Laws (J.M) Education Center, Deputy Chief of Public Policy-Making Research Center of Central University of Finance and Economics, Deputy Chief of Committee for Social and Legal Affairs of Beijing Municipal Committee of the CDL, Secretary General of Case Study Association of China Law Society, Executive Director of Law Society of China Law Society, Independent Director of China Shengmu Organic Milk Limited (listed in Hong Kong Exchange) and Independent Supervisor of China National Building Materials Company Limited (listed in Hong Kong Exchange), and part-time arbitrator and lawyer.

Supervisor

Mr. Yang Xiangdong, postgraduate. He once worked as chief of Technology Security Section, minister of Sales Department and minister of Materials Department in Beijing TV Accessories Third Factory, Deputy GM of Beijing Jile Electronics Group Co., Ltd., Deputy GM of Beijing Sevenstar Electronics Co., Ltd., and Deputy GM of Beijing North Microelectronics Co., Ltd.

Now he serves as the Chairman of the 8th Supervisory Committee (convener), Chairman of Supervisory Committee of Beijing Zhaowei Electronic (Group) Co., Ltd., Chairman of Supervisory Committee of Beijing Yandong Microelectronics Co., Ltd., Chairman of Supervisory Committee of Beijing Seven Star Huadian Technology Group Co., Ltd., supervisor of Beijing Electronics Holding & SK Technology Co., Ltd., supervisor of Beijing Electronics New Energy Technology (Jiangsu) Co., Ltd. and supervisor of BEST.

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

Currently, he serves as the Supervisor of the 8th Supervisory Committee of the Company, Director of the Financial/Accounting Center of Beijing Electronics Holdings Co., Ltd. and Chairman of the Board of Beijing BOE Investment & Development Co., Ltd.

Mr. Chen Zhaozhen, Master of Science. He once worked as a technician and vice minister of Wafer Department and vice minister of Strategic Development Department of Beijing Yandong Microelectronics Co., Ltd. and assistant minister of Technological Industry Department in Beijing Electronics Holdings Co., Ltd.

Now he serves as a supervisor of the 8th Supervisory Committee of the Company and Deputy Director of Semiconductor Department in Beijing Electronics Holdings Co., Ltd.

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

Now he is the Supervisor of the 8th Supervisory Committee of the Company, Deputy Secretary of CPC Communist Party of China and Director of Hefei New Municipal and Cultural District Investment Co., Ltd.

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

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

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

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

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

Now he is the Employee Supervisor of the 8th Supervisory Committee of the Company, Vice Secretary of Party Committee, Secretary of the Commission for Discipline Inspection, Union Chairman and Chief Officer of Culture, Deputy Chairman of Beijing Industry (National Defense) Labor Union, member of Beijing Electronic Union and member of the Commission for Discipline Inspection in

Beijing Electronics Holding Co., Ltd.

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

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

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

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

Senior Management

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

Now she serves as Executive Vice President of the Company and Member of Advisory Committee for the State Information.

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

Now he serves as Executive Vice President and Co-Chief Operating Officer of the Company, Director of SES-imgotag, and Chairman of the Board of Beijing BOE Video Technology Co., Ltd., Beijing BOE Smart Commerce Co., Ltd., Beijing BOE Yiyun Technology Co., Ltd., and BOE Smart Retail (Hong Kong) Co., Limited.

Mr. Zhang Zhaohong, bachelor of inorganic nonmetallic materials, engineer. He joined in the Company in 1992, he once worked as Chairman of the Board of Beijing BOE Optoelectronics Technology Co., Ltd., Chengdu BOE Optoelectronics Technology Co., Ltd., Hefei BOE Optoelectronics Technology Co., Ltd., Beijing BOE Display Technology Co., Ltd., Erdos Yuansheng Optoelectronics Co., Ltd., Fuzhou BOE Optoelectronics Technology Co., Ltd. and BOE (Hebei) Mobile Display Technology Co., Ltd., Director of Wuhan BOE Optoelectronics Technology Co., Ltd., GM of Beijing BOE Display Technology Co., Ltd., Chinese GM of Beijing Asahi Glass Co., Ltd., GM of Chengdu BOE Optoelectronics Technology Co., Ltd. and Chief Operations Officer of BOE Display Device Business Group.

Now he serves as the Executive Vice President and Co-Chief Operations Officer of the Company, Chairman of the Board of BOE Health Investment Management Co., Ltd., and Vice President of Beijing BOE Sensor Technology Co., Ltd.

Mr. Zhong Huifeng, Master Degree, awarded certification on Secretary of the Board of Shenzhen Stock Exchange. He ever took posts of Securities Affairs Representative and Manager of Security Department of the 2nd Board of Directors, Secretary to the Board

of the 3rd, 4th and 5th Board of Directors of the Company, Employee Supervisor of the 6th Supervisory Committee and Employee Supervisor of the 7th Supervisory Committee, Supervisor of Beijing Orient Top Victory Electronics Co., Ltd.. and Vice Secretary of the CPC, Secretary of Discipline Inspection Commission and Principal of Labor Union of the Company, member of the Third National Committee of China's Defense of Posts and Telecommunications Union.

Now he acts as Executive Vice President and CHO of the Company and President of BOE University.

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

Now she is Executive Vice President, Chief Counsel and Director of Beijing BOE Land Co., Ltd. and Beijing Yinghe Science & Century Technology Development Co., Ltd.

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

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

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

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

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

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

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

He now serves as Senior Vice President of the Company, Chief Investment Officer, Chairman of Beijing North Asahi Electronic Glass Co., Ltd., Chairman of Beijing Rishen Electronic Precise Parts Co., Ltd., Chairman of Beijing Nittan Electronics Co., Ltd., Director of Beijing BOE Optoelectronics Technology Co., Ltd., Director of Chengdu BOE Optoelectronics Technology Co., Ltd.,

Director of Hefei BOE Optoelectronics Technology Co., Ltd., Director of Beijing BOE Display Technology Co., Ltd., Director of Erdos Yuansheng Optoelectronics Co., Ltd., Director of Chongqing BOE Optoelectronics Technology Co., Ltd., Director of Hefei BOE Display Technology Co., Ltd., Director of Fuzhou BOE Optoelectronics Technology Co., Ltd., Director of BOE Optoelectronics Technology Co., Ltd., Director of Hefei BOE Hospital Co., Ltd., and Director of Beijing BOE Vacuum Electric Co., Ltd.

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

He now serves as Senior Vice President of the Company.

Mr. Jing Linfeng, bachelor. He once worked as the sales director of Beijing BOE Optoelectronics Technology Co., Ltd., GM of NB SBU, Chief Strategy Officer and CEO of Smart System Group in the Company.

Now he serves as the Senior Vice President and CEO of IoT Solution BG in the Company, Chairman of the Board of Beijing BOE Multimedia Science and Technology Co., Ltd., Chairman of the Board of BOE Intelligent Technology Co., Ltd., Director of SES-imagotag and Director of BOE Smart Retail (Hong Kong) Co., Limited.

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

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

Offices held concurrently in shareholding entities:

√Applicable □Not applicable

Name	Shareholding entity	Office held in the shareholding entity	Start of tenure	End of tenure	Remuneration or allowance from the shareholding entity
Xie Xiaoming	Beijing Electronics Holdings Co., Ltd.	Vice president	22 June 2011	Naught	Yes
Wang Chenyang	Beijing State-owned Capital Management Center	Vice GM	19 November 2014	Naught	Yes
Wang Jing	Beijing State-owned Capital Management Center	Vice GM	26 January 2014	Naught	Yes
Zhang Jinsong	Beijing Electronics Holdings Co., Ltd.	Director and GM	31 July 2018	Naught	Yes
Zhang Jinsong	Beijing BOE Investment & Development Co., Ltd.	Deputy Chairman of the Board	23 December 2015	9 April 2018	No
Song Jie	Beijing Yizhuang Investment Holdings Limited	Manager of Investment Development Department	23 August 2018	Naught	Yes

Li Yantao	Beijing Electronics Holdings Co., Ltd.	Minister of Strategic Department	12 August 2016	Naught	Yes
Yang Xiangdong	Beijing Electronics Holdings Co., Ltd.	Full-time Chairman of the Dispatched Supervisory Committee	17 April 2015	Naught	No
Chen Zhaozhen	Beijing Electronics Holdings Co., Ltd.	Deputy Director of Semiconductor Department	1 March 2016	17 January 2019	Yes
Mu Chengyuan	Beijing Electronics Holdings Co., Ltd.	Minister of Investment Securities Department	1 June 2011	3 July 2018	Yes
Mu Chengyuan	Beijing BOE Investment & Development Co., Ltd.	Director, Vice president	14 December 2012	9 April 2018	No
Xu Tao	Beijing Electronics Holdings Co., Ltd.	Finance Minister	26 October 2012	Naught	Yes
Xu Tao	Beijing BOE Investment & Development Co., Ltd.	Chairman of the Board	9 April 2018	Naught	No
Shi Hong,	Beijing Yizhuang Investment Holdings Limited	Deputy Manager of Investment Development Department	23 August 2018	Naught	Yes
Notes to post-holding in shareholder's unit	The documents for holding the posts of shareholders entities haven't listed the expiry date.				

Offices held concurrently in other entities:

√Applicable □Not applicable

Name	Other entity	Office held in the entity	Start of tenure	End of tenure	Remuneration or allowance from the entity
Lyu Tingjie	Beijing University of Posts and Telecommunications	Doctor Advisor	--	--	Yes
Wang Huacheng	Renmin University of China	Doctor Advisor	--	--	Yes
Hu Xiaolin	Tsinghua University	Associate professor	--	--	Yes
Li Xuan	The Central University of Finance and Economics	Post-graduate Tutor	--	--	Yes
Zhao Wei	Hefei New Municipal and Cultural District Investment Co., Ltd.	Director and Deputy Secretary of CPC Communist Party of China	5 September 2018	--	Yes
Notes to post-holding in other unit	Due to the above personnel's units were special, their start dates and ending dates of the office terms have not been fixed.				

Punishments imposed in the recent three years by the securities regulator on the incumbent directors, supervisors and senior management as well as those who left in the Reporting Period:

□ Applicable √ Not applicable

IV Remuneration of Directors, Supervisors and Senior Management

Decision-making procedure, determination basis and actual payments of remuneration for directors, supervisors and senior management:

(1) Determining Basis and Decision-making Procedure of Remuneration of Directors, Supervisors and Senior Management

Proposal on *Principle of Recognition of Remunerations for Directors, Supervisors and Senior Management* was reviewed and approved by the 2005 Annual General Meeting held on 29 May 2006. The *Proposal on Adjustment of Allowance for Directors and Supervisors* of the Company was reviewed and approved at the 2nd Extraordinary General Meeting of 2013 held on 10 July 2013.

(2) Up to the end of the Reporting Period, the current directors, supervisors and senior management drew their remuneration from the Company totaled RMB66.4855 million (before tax). Allowance for independent directors is RMB150,000 (before tax) per year in 2018. For details please referred to the statement below.

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

Unit: RMB'0,000

Name	Office title	Gender	Age	Incumbent/Former	Total before-tax remuneration from the Company	Any remuneration from related party
Wang Dongsheng	Chairman of the Board	Male	61	Incumbent	401.1	No
Xie Xiaoming	Vice Chairman of the Board	Male	59	Incumbent	0	
Chen Yanshun	Vice Chairman of the Board, Chief of Executive Committee, CEO	Male	52	Incumbent	585.89	No
Wang Chenyang	Director	Male	49	Incumbent	0	
Liu Xiaodong	Director, vice chairman of Executive Committee, President and Chief Operations Officer	Male	54	Incumbent	545.74	No
Song Jie	Director	Male	51	Incumbent	0	
Sun Yun	Director,executive vice president,CFO	Female	48	Incumbent	397.89	No
Li Yantao	Director	Male	37	Incumbent	0	
Lyu Tingjie	Independent director	Male	63	Incumbent	15	
Wang Huacheng	Independent director	Male	55	Incumbent	15	
Hu Xiaolin	Independent director	Male	40	Incumbent	15	
Li Xuan	Independent director	Male	50	Incumbent	15	
Yang Xiangdong	Chairman of the Supervisory Committee	Male	57	Incumbent	0	

Xu Tao	Supervisor	Male	54	Incumbent	0	
Chen Zhaozhen	Supervisor	Male	35	Incumbent	0	
Zhao Wei	Supervisor	Male	50	Incumbent	0	
Shi Hong	Supervisor	Female	36	Incumbent	4	
Zhuang Haoyu	Supervisor	Male	34	Incumbent	8	
Miao Chuanbin	Employee supervisor	Male	45	Incumbent	142.15	No
Xu Yangping	Employee supervisor	Male	44	Incumbent	114.62	No
He Daopin	Employee supervisor	Male	49	Incumbent	81.51	No
Dong Youmei	executive vice president	Female	55	Incumbent	655.99	No
Yao Xiangjun	executive vice president, Co-chief Operations Officer	Male	41	Incumbent	355.99	No
Zhang Zhaohong	executive vice president, Co-chief Operations Officer	Male	48	Incumbent	615.35	No
Zhong Huifeng	executive vice president, Chief Human Resource Officer	Male	48	Incumbent	347.34	No
Feng Liqiong	executive vice president, lead counsel	Female	46	Incumbent	346.83	No
Yue Zhanqiu	Senior vice president, Chief Information Officer	Male	51	Incumbent	303.83	No
Xie Zhongdong	Senior vice president,Chief Risk Officer and Auditor General	Male	48	Incumbent	295.09	No
Feng Qiang	Senior vice president	Male	42	Incumbent	274.31	No
Yang Anle	Senior vice president, Chief Investment Officer	Male	48	Incumbent	338.92	No
Tong Guanshan	Senior vice president	Male	50	Incumbent	278.88	No
Jing Linfeng	Senior vice president	Male	40	Incumbent	276.85	No
Liu Hongfeng	Vice president, Secretary of the Board	Male	40	Incumbent	218.27	No
Wang Jing	Director	Female	47	Left	0	
Zhang Jinsong	Director	Male	46	Left	0	
Chen Ming	Chairman of the Supervisory Committee	Male	61	Left	0	
Mu Chengyuan	Supervisor, Secretary of Supervisory Committee	Male	51	Left	0	
Total	--	--	--	--	6,648.55	--

Equity incentives for directors, supervisors and senior management in the Reporting Period:

□ Applicable √ Not applicable

V Employees

1. Number, Functions and Educational Backgrounds of Employees

Number of in-service employees of the Company as the parent	2,606
Number of in-service employees of major subsidiaries	59,696
Total number of in-service employees	68,175
Total number of paid employees in the Reporting Period	68,175
Number of retirees to whom the Company as the parent or its major subsidiaries need to pay retirement pensions	23
Functions	
Function	Employees
Production	40,325
Sales	2,185
Technical	22,272
Financial	690
Administrative	533
Manager	1,812
Other	358
Total	68,175
Educational backgrounds	
Educational background	Employees
Doctor and post-doctorate	401
Master	8,878
Bachelor	17,076
College	17,882
Technical secondary school	10,013
Other	13,925
Total	68,175

2. Employee Remuneration Policy

The Company has established the remuneration system based on the position, ability and business performance, paid attention to the external competitive compensation and internal fairness, strengthening the control of the group as well as considering the difference among all business groups and subsidiaries.

3. Employee Training Plans

For the purpose that exploiting and inheriting the intelligent assets with BOE genes and forming the talent cultivation mode with BOE features, BOE University was set-up in July, 2015, which with the purpose of "Academic drive and professional guide" and a vision of "being international competitive and respectful Industrial University". And it undertakes the strategy and service as main line, driving the development of the Company personnel training system's further improvement and upgrade and forms training products line including four categories of leaders, managers, professionals and industry personnel as well as provides targeted solutions for talent growth at different stages.

Training organized and implemented by BOE in 2018 empowered aspects of the Group such as the leadership, management strength, expertise force and general professional capacities. Centering on the strategic transformation objective, BOE has designed and implemented a series of strategic transformation talent cultivation projects, explored and cultivated a batch of backup young cadres and software-hardware professional technicians for the Group, promoting transformation development of the Group; As for business pain points and demands, the Group designed and implemented a batch of performance improvement projects in the way of training + tuition, directly promoting the implementation of technical improvement and marketing scheme by the business department and assisting in solving practical business problems; Focusing on cultivation of standardized talents, BOE sticks to promoting innovation of training contents and modes and has finished a new turn of project optimization, iteration and implementation, cultivating eligible management cadres, marketing operators, purchase professionals and industrial talents for each organization of the Group. Data about annual participation population, training class hours and training satisfaction kept increasing steadily.

4. Labor Outsourcing

□ Applicable √ Not applicable

Part IX Corporate Governance

I General Information of Corporate Bonds

1. Standardized Operation and Perfection of Corporate Governance Structure of the Company in the Reporting Period

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

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

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

Main governance of the Company was as follows:

(1) About Shareholders and Shareholders' General Meetings

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

(2) About Relationship between the Controlling Shareholder and the Company

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

(3) About Directors and the Board of Directors

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

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

(4) About Supervisors and the Supervisory Committee

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

(5) About Information Disclosure and Transparency

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

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

Indicate by tick market whether there is any material incompliance with the regulatory documents issued by the CSRC governing the governance of listed companies.

□ Yes √ No

No such cases in the Reporting Period.

II The Company's Independence from Its Controlling Shareholder in Business, Personnel, Asset, Organization and Financial Affairs

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

1. In business, the Company was independent from the controlling shareholder and the actual controller, with its own production and business departments and management system, the Company had the capability to make its own decisions, assume sole responsibility for its profits and losses, and operate independently with independent and complete business.

2. In personnel, the Company was completely independent in labor, staff and remunerations. The Company had its own operating management team. CEO, President, Chief Financial Officer, Secretary of the Board as well as other senior management staffs of the Company all worked on full-time basis in the Company and did not hold any post in or receive any remuneration in the controlling

shareholder unit.

3. In assets, the Company had independent and complete assets. With clear ownership on its assets, the Company independently owned the production system, ancillary production system as well as supporting facilities for major businesses, as well as assets like land use rights and intellectual property rights, etc.. Neither the controlling shareholder nor the actual controller appropriated any assets of the Company.

4. In organization, the Company had established its organization completely independent from the controlling shareholder and the actual controller, with independent and sound organs and corporate governance structure. The Company had not handled any official affairs jointly with the controlling shareholder or the actual controller. There were no subordinate relationships between the controlling shareholder & its functional departments and the Company & its functional departments.

5. In financing, the Company had established independent financial departments, with full-time finance personnel. The Company had also formulated a standard and independent finance accounting system as well as financial measurement system, established the corporate financial management archives and deployed relevant administrative personnel for them, opened independent account in bank, and paid tax independently.

III Horizontal Competition

□ Applicable √ Not applicable

IV Annual and Extraordinary General Meetings Convened during the Reporting Period

1. General Meeting Convened during the Reporting Period

Meeting	Type	Investor participation ratio	Date of the meeting	Disclosure date	Index to disclosed information
The 1st Extraordinary General Meeting of 2018	Extraordinary General Meeting	35.21%	30 March 2018	31 March 2018	*Announcement on Resolution of the 1st Extraordinary General Meeting of 2018* (2018-024) disclosed on *China Securities Journal, Shanghai Securities News, Securities Times* and *Ta Kung Pao* as well as http://www.cninfo.com.cn.
The 2017 Annual General Meeting	Annual General Meeting	34.31%	28 May 2018	29 May 2018	*Announcement on Resolution of the 2017 Annual General Meeting* (018-045) disclosed on *China Securities Journal, Shanghai Securities News, Securities Times* and *Ta Kung Pao* as well as http://www.cninfo.com.cn.

2. Extraordinary General Meetings Convened at the Request of Preferred Shareholders with Resumed Voting Rights

□ Applicable √ Not applicable

V Performance of Duty by Independent Directors in the Reporting Period

1. Attendance of Independent Directors at Board Meetings and General Meetings

Attendance of independent directors at board meetings and general meetings							
Independent director	Total number of board meetings the independent director was eligible to attend	Board meetings attended on site	Board meetings attended by way of telecommunication	Board meetings attended through a proxy	Board meetings the independent director failed to attend	The independent director failed to attend two consecutive board meetings (yes/no)	General meetings attended
Lyu Tingjie	12	2	10	0	0	No	2
Wang Huacheng	12	2	10	0	0	No	2
Hu Xiaolin	12	2	10	0	0	No	2
Li Xuan	12	1	10	1	0	No	2

Why any independent director failed to attend two consecutive board meetings:

Not applicable.

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

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

□ Yes √ No

No such cases in the Reporting Period.

3. Other Information about the Performance of Duty by Independent Directors

Indicate by tick mark whether any suggestions from independent directors were adopted by the Company.

√ Yes □ No

Suggestions from independent directors adopted or not adopted by the Company

The Company has four current independent directors, who are experts and scholars in the fields of finance, law and industry. During the Reporting Period, in accordance with *Company Law*, *Securities Law*, *Stock Listing Rules*, *Guidance on Establishing Independent Director System for Listed Companies*, *Articles of Association* and *Independent Director System*, the independent directors paid special attention to the standardized operation of the Company, performed their duties independently and diligently, issued many precious professional advice in terms of the perfection of systems and routine operating decision-making, etc., and issued their

independent and fair opinion as independent directors on the related-party transactions, engagement of audit firm, decision of annual remuneration of senior management staffs, external guarantee and other events needing their opinion occurred in the Reporting Period, as well as played their due roles in perfecting the supervisory mechanism of the Company, protecting the legal right of the Company and the whole shareholders.

VI Performance of Duty by Specialized Committees under the Board in the Reporting Period

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

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

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

In the Reporting Period, the Audit Committee conscientiously performed its routine duties, and actively advanced the launch of the audit work for Y2018. Before the periodic reports were submitted to the Board for review, the Audit Committee convened special sessions to discuss the reports. At the sessions, the committee members listened to relevant reports, expressed their opinions and put forward constructive advices concerning the Company's internal control, financial auditing and so on.

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

1) Before the audit, the Committee discussed and decided the schedule of audit work for the 2018 annual report with KPMG Huazhen Certified Public Accountants (LLP) (hereinafter referred to as "KPMG");

2) Before the presence of KPMG, the Committee reviewed the financial statements prepared by the Company and issued a written opinion;

3) Upon the presence of KPMG, the Audit Committee convened meetings to communicate with KPMG, reviewed the Company's financial statements following the preliminary audit opinion issued by KPMG, and issued the written opinion concerned. Before the Board reviewed the annual report, the Committee reviewed the annual financial statements, the employment of the CPAs firm, etc., and made resolutions for further review by the Board.

4) In the audit process, the Committee issued a written Audit Urge Letter to KPMG, asking KPMG to finish the audit in an orderly manner in strict accordance with the set schedule, so as to submit the annual audit report on time;

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

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

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

VII Performance of Duty by the Supervisory Committee

Indicate by tick mark whether the Supervisory Committee found any risk to the Company during its supervision in the Reporting Period.

□ Yes √ No

The Supervisory Committee raised no objections in the Reporting Period.

VIII Appraisal of and Incentive for Senior Management

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

IX Internal Control

1. Material Internal Control Weaknesses Identified for the Reporting Period

□ Yes √ No

2. Internal Control Self-Evaluation Report

Disclosure date of the internal control self-evaluation report	26 March 2019	
Index to the disclosed internal control self-evaluation report	On 26 March 2019, the Company disclosed 2018 Internal Control Appraisal Report, refer to www.cninfo.com.cn for details.	
Evaluated entities' combined assets as % of consolidated total assets	98.00%	
Evaluated entities' combined operating revenue as % of consolidated operating revenue	95.00%	
Identification standards for internal control weaknesses		
Type	Weaknesses in internal control over financial reporting	Weaknesses in internal control not related to financial reporting
Nature standard	The nature standards of internal control deficiency evaluation over financial reporting determined by the Company are as follows:	Evaluation standards for internal defects not related to financial reporting specified by the Company are as below: Material weakness:

	Material weakness: In case of the following situations, it will be deemed as that major defects (including but not limited to the following situations) may occur: (1) Directors, supervisors and Senior Management make the malpractices; (2) The enterprise corrects the released financial statements; (3) The certified public accountant finds that there is a material misstatement in the current financial report, but the internal control fails to find the misstatement in the process of operation; (4) Supervision of the risk control and audit committee and the internal audit organization for internal control is ineffective. Serious weakness refers to one or combination of several control items, and its severity and economic consequence are lower than those of the material weaknesses but may still affect the real and accurate objective of the financial report. The common weakness refers to other internal control weaknesses except for material weaknesses and serious weaknesses.	(1) The business scope of the Company violates national laws and regulations seriously; (2) The decision-making procedure is not scientific, major decision errors are released, the development strategies of the Company are deviated from severely and major property losses are caused for the Company; (3) Safety and environmental accidents occur, resulting in major negative effects on the Company; (4) A lot of senior management personnel and key technicians leave the Company; (5) Important business lacks system control or the system is failure; (6) Material weaknesses or serious weaknesses are not corrected. Serious weakness refers to one or combination of several control items, and its severity and economic consequence are lower than those of the material weaknesses but may still affect the enterprise to deviate from the control goal. The common weakness refers to other internal control defects except for material weaknesses and Serious weakness.
Quantitative standard	The quantitative standards of internal control deficiency evaluation over financial reporting determined by the Company are as follows: Material weakness: The amount reported incorrectly is ≥1‰* total amount of assets of the Group Serious weakness: 0.5‰*total amount of assets of the Group ≤ the amount reported incorrectly<1‰*total amount of assets of the Group Common weakness: 0.1‰*total group assets ≤ the amount	The quantitative standards for internal control defects not related to financial reporting determined by the Company are consistent with those over the financial reporting. See the left side for details.

	reported incorrectly <0.5‰*total group assets	
Number of material weaknesses in internal control over financial reporting		0
Number of material weaknesses in internal control not related to financial reporting		0
Number of serious weaknesses in internal control over financial reporting		0
Number of serious weaknesses in internal control not related to financial reporting		0

X Independent Auditor's Report on Internal Control

√ Applicable □ Not applicable

Opinion paragraph in the independent auditor's report on internal control	
We believe that the Company and important subsidiaries make valid internal control on financial report in all significant aspects on 31 December 2018 according to the Basic Rules on Enterprise Internal Control and other relevant stipulations.	
Independent auditor's report on internal control disclosed or not	Disclosed
Disclosure date	26 March 2019
Index to such report disclosed	The Company disclosed the Audit Report on Internal Control on 26 March 2019, for details, please refer to http://www.cninfo.com.cn
Type of the auditor's opinion	Standard unqualified opinion
Material weaknesses in internal control not related to financial reporting	No

Indicate by tick mark whether any modified opinion is expressed in the independent auditor's report on the Company's internal control.

□ Yes √ No

Indicate by tick mark whether the independent auditor's report on the Company's internal control is consistent with the internal control self-evaluation report issued by the Company's Board.

√ Yes □ No

Part X Corporate Bonds

Does the Company have any corporate bonds publicly offered on the stock exchange, which were outstanding before the date of this Report's approval or were due but could not be redeemed in full?

Yes

I. Basic Information of the Corporate Bonds

Name	Abbr.	Code	Release date	Due date	Bonds balance (RMB'0,000)	Interest rate	Way of redemption
2016 Public offering of the corporate bonds for the qualified investors of BOE Technology Group Co., Ltd. (Phase I)	16BOE01	112358	21 March 2016	21 March 2021	1,000,000	3.15%	Paid for the interests by year and the principals once when expired.
Listed or transferred trading place of the Company bonds	List on the SZSE.						
Appropriate arrangement of the investors	the qualified investors						
Interest payment during the Reporting Period	On 21 March 2019, the Company completed the 2018 annual interest payout for the qualified investors of its 2016 corporate bonds and put-back.						
Execution of the relevant regulations during the Reporting Period such as the affiliated option clause of the issuers or investors, special clauses such as the exchangeable regulations of the Company bonds (if applicable)	The Company disclosed the following three announcements respectively on 31 January 2019, 1 February 2019 and 12 February 2019: *The 1st Indicative Announcement on not Adjusting the Coupon Rate of "16BOE01" Corporate Bonds and Implementation Measures for Investor Put-back* (announcement No.: 2019-001), *The 2nd Indicative Announcement on not Adjusting the Coupon Rate of "16BOE01" Corporate Bonds and Implementation Measures for Investor Put-back* (announcement No.: 2019-003), *The 3rd Indicative Announcement on not Adjusting the Coupon Rate of "16BOE01" Corporate Bonds and Implementation Measures for Investor Put-back* (announcement No.: 2019-004), and finally determined the put-back amount of "16BOE01" was 96,705,976 of RMB9,975,221,424.40 (interest included). The rest of bonds entrusted are 3,294,024. The Company has completed the payment of principal and current interest to investors holding "16BOE01" who applied for put-back effectively on 21 March 2019.						

II. List of the Bond Trustee and the Rating Organization

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

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

List of the usage of the raised funds and the execution process of the Company bonds	The Company executed the internal decision-making process strictly according to the applications committed by the prospectus as well as the review and approval regulations of the Board of Directors and meetings of shareholders of the Company.
Ending balance (RMB'0,000)	2.58
Operating situation of the raised funds special account	The Company signed the Agreement on the 2016 Public Offering of the Corporation Bonds Account for the Qualified Investors and the Funds Tripartite Authorities of BOE Technology Group Co., Ltd. with the Beijing Olympic Branch of Ping An Bank Co, Beijing Hepingli Branch of China CITIC Bank Corporation Limited and Beijing Branch of China Merchants Bank Co., Ltd., which set up the raise funds account that ensure the exclusive use of the special fund of the raise funds.
Whether the usage of the raised funds met with the usage, using plan and other agreements committed on the prospectus	Yes

IV. Rating Situation of the Corporate Bonds Information

On 23 June 2017, United Credit Ratings Co., Ltd. (hereinafter referred to as "United Ratings") issued *the Tracking Rating Report of the 2017 Corporate Bonds Credit Rating of BOE Technology Group Co., Ltd.*, with the issuers' main body credit rating of AAA and

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

On 20 June 2018, United Ratings issued *the Tracking Rating Report of the 2018 Corporate Bonds Credit Rating of BOE Technology Group Co., Ltd.*, with the issuers' main body credit rating of AAA and AAA of the credit rating of the current corporate bonds. On 22 June 2018, the tracking rating report of the current bonds by the United Ratings will be disclosed on www.szse.cn and www.unitedratings.com.cn with the public disclosure date of www.szse.cn not later than that of other trading places, media or other places.

Before 26 May 2019, United Ratings will issue *the Tracking Rating Report of the 2019 Corporate Bonds Credit Rating of BOE Technology Group Co., Ltd.* The Company will disclose the tracking rating analysis report on www.szse.cn in time. And please investors pay attention to it.

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

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

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

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

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

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

No such cases in the Reporting Period.

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

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

Company's interests when executing the relevant responsibilities of the trustee.

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

Unit: RMB'0,000

Item	2018	2017	Change rate of the same period
EBITDA	2,130,534	2,416,492	-11.83%
Current ratio	1.60	2.01	-20.40%
Asset-liability ratio	60.41%	59.28%	1.13%
Quick ratio	1.41	1.83	-22.95%
Total debt ratio of EBITDA	18.26%	23.73%	-5.47%
Times interest earned	1.62	3.89	-58.35%
Times interest earned of cash	7.66	11.03	-30.55%
Times interest earned of EBITDA	4.67	7.69	-39.27%
Loan repayment rate	100.00%	100.00%	0.00%
Interest coverage	100.00%	100.00%	0.00%

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

√ Applicable □ Not applicable

EBITDA decreased of 58.35% over the same period of last year, which mainly due to decrease in profit before taxation in Y2018 than that of Y2017.

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

No such cases in the Reporting Period.

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

The Company operates normatively with good reputation and strong ability of profitability and debt payment. And the Company maintained the long-term strategic partnerships with major cooperative banks. Up to 31 December 2018, the total amount of the credit line of the major cooperative banks with the Company was of RMB40.7 billion with the used credit line of RMB16.4 billion and the unused amount of which was of RMB24.3 billion. The principal and the interest of bank loans were repaid on time. There was no default of bank loans for the Company in the Reporting Period.

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

Up to the approval quotation date of the Annual Report, the Company strictly carried out each agreement and commitment of the current bond prospectus, and there was no any situation of the inefficient execution of the relevant agreements or commitments

according to the bond prospectus by the Company that caused the negative influences on the bonds investors.

XII. Significant Events Occurring during the Reporting Period

No such cases in the Reporting Period.

XIII. Whether there Was Guarantor of the Corporate Bonds

□ Yes √ No

Part XI Financial Statements

I Independent Auditor's Report

Type of the independent auditor's opinion	Standard unqualified audit opinion
Date of signing this report	23 March 2019
Name of the independent auditor	KPMG Huazhen Certified Public Accountants (LLP)
Reference number of auditor's report	KPMGHZSZ No.1901566
Name of the certified public accountants	Zhang Huan, Liu Jingyuan

AUDITORS' REPORT

毕马威华振审字第 1901566 号

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

Opinion

We have audited the accompanying financial statements of BOE Technology Group Company Limited ("BOE"), which comprise the consolidated and parent company's balance sheet as at 31 December 2018, the consolidated and parent company's income statement, the consolidated and parent company's cash flow statement, and the consolidated and parent company's statement of changes in shareholders' equity for the year then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated and parent company's financial position of BOE as at 31 December 2018, and its consolidated and parent company's financial performance and cash flows of BOE for the year then ended in accordance with Accounting Standards for Business Enterprises issued by the Ministry of Finance of the People's Republic of China.

Basis for opinion

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

AUDITOR'S REPORT (continued)

毕马威华振审字第 1901566 号

Key Audit Matters

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

<table>
<tr><td colspan="2">Revenue recognition</td></tr>
<tr><td colspan="2">Refer to the accounting policies set out in the notes to the financial statements "III. Significant accounting policies and accounting estimates" 23 and "V. Notes to the consolidated financial statements" 36.</td></tr>
<tr><td>The Key Audit Matter</td><td>How the matter was addressed in our audit</td></tr>
<tr><td>The revenue of BOE and its subsidiaries ("BOE Group") is mainly derived from the sales of products relating to display device across the domestic and overseas market.

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

We identified the recognition of BOE Group's revenue as a key audit matter because revenue, as one of BOE Group's key performance indicators, involves various trading terms, and there is an inherent risk that revenue may not be recognized in a correct period.</td><td>Our audit procedures to evaluate revenue recognition included the following:

● Evaluate the design and operation effectiveness of key internal controls related to revenue recognition;

● Check key sales contracts/orders on a sampling basis to identify relevant trading terms, and evaluate whether the accounting policies for revenue recognition of BOE Group meet the requirements of the Enterprise Accounting Standards;

● On a sampling basis and according to different trading terms, reconcile the revenue recorded in the current year to relevant supporting files such as relevant orders, shipping orders, sales invoices, customs declarations, delivery receipts, etc. to evaluate whether revenue is recognized in accordance with the accounting policy of BOE Group;

● On a sampling basis and according to different trading terms, cross check the revenue recorded before and after the balance sheet date against relevant supporting files such as relevant orders, shipping orders, sales invoices, customs declarations, delivery receipts, etc. to evaluate whether revenue is recorded in the appropriate period;</td></tr>
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Key Audit Matters (continued)

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<tr><td>The Key Audit Matter</td><td>How the matter was addressed in our audit</td></tr>
<tr><td></td><td>• Select a sample based on the characteristics and nature of customer's transaction, and perform certification on the balance of accounts receivable as at the balance sheet date and the sales transaction amount during the current year;
• On a sampling basis, check the written-back of revenue after the balance sheet date (including sales discounts and sales returns, etc.) with relevant supporting documents to assess whether revenue is recorded in the appropriate period;
• Select revenue accounting entries that meet specific risk criteria and check related supporting documents.</td></tr>
<tr><td colspan="2">Book value of fixed assets and construction in progress</td></tr>
<tr><td colspan="2">Refer to the accounting policies set out in the notes to the financial statements “III. Significant accounting policies and accounting estimates” 14, 15 and “V. Notes to the consolidated financial statements” 10, 11.</td></tr>
<tr><td>The Key Audit Matter</td><td>How the matter was addressed in our audit</td></tr>
<tr><td>BOE Group continued to invest in building production lines of display device to expand its production capacity. As at 31 December 2018, the book value of fixed assets and construction in progress amounted to RMB 184.58 billion.
The judgement made by the management on the following aspects will affect the book value of fixed assets and construction in progress, including:
• Determine which type of expenditures are qualified for capitalization;
• Determine the timing for transferring construction in progress to fixed assets and making depreciation;
• Estimate the useful life and residual value of corresponding fixed assets.
We identified the book value of fixed assets and construction in progress of BOE Group as a key audit matter because the valuation of the book value of fixed assets and construction in progress involves significant judgement from the management and it is of importance to the consolidated financial statements.</td><td>Our audit procedures to assess the book value of fixed assets and construction in progress included the following:
• Evaluate the design and operation effectiveness of key internal controls (including estimating useful life and residual values, etc.) related to the integrity, existence and accuracy of fixed assets and construction in progress;
• Check the physical status of construction in progress and fixed assets on a sampling basis;
• Check capital expenditures with relevant supporting documents (including purchase agreements/ orders, acceptance orders, engineering construction contracts, project progress reports, etc.) on a sampling basis;
• Assess whether the capitalized commissioning expenses for the current year are in compliance with relevant capitalization conditions; check the commissioning expenses with relevant supporting documents on a sampling basis;
• On the basis of sampling, assess the timing for transferring construction in progress to fixed assets, through the inspection of commissioning situation and the documents for transferring construction in progress to fixed assets;
• Based on our understanding of industry practices and actual operating conditions of assets, we evaluate the management's estimation of the useful life and residual value of fixed assets.</td></tr>
</table>

AUDITORS' REPORT (continued)

毕马威华振审字第 1901566 号

Other Information

BOE's management is responsible for the other information. The other information comprises all the information included in 2018 annual report of BOE, other than the financial statements and our auditor's report thereon.

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

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

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

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

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

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

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

AUDITORS' REPORT (continued)

毕马威华振审字第 1901566 号

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

(1) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(2) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

(3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

(4) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the BOE's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause BOE to cease to continue as a going concern.

(5) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

AUDITORS' REPORT (continued)

毕马威华振审字第 1901566 号

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

(6) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within BOE to express an opinion on the financial statements. We are responsible for the instruction, supervision and execution of Conch Group's audit, and assume full responsibility for the audit opinion.

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

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

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

KPMG Huazhen LLP

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

Zhang Huan (Engagement Partner)

Beijing, China

Liu Jingyuan

23 March 2019

Part XII Documents Available for Reference

(I) The financial statements signed and sealed by the Company's legal representative, president of the Execution Committee (Chief Executive Officer), 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. Wang Dongsheng

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

BOE Technology Group Co., Ltd.

ENGLISH TRANSLATION OF FINANCIAL STATEMENTS
FOR THE YEAR 1 JANUARY 2018 TO 31 DECEMBER 2018
IF THERE IS ANY CONFLICT OF MEANING BETWEEN THE CHINESE VERSION
AND ENGLISH TRANSLATION, THE CHINESE VERSION WILL PREVAIL

AUDITORS' REPORT

毕马威华振审字第 1901566 号

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

Opinion

We have audited the accompanying financial statements of BOE Technology Group Company Limited ("BOE"), which comprise the consolidated and parent company's balance sheet as at 31 December 2018, the consolidated and parent company's income statement, the consolidated and parent company's cash flow statement, and the consolidated and parent company's statement of changes in shareholders' equity for the year then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated and parent company's financial position of BOE as at 31 December 2018, and its consolidated and parent company's financial performance and cash flows of BOE for the year then ended in accordance with Accounting Standards for Business Enterprises issued by the Ministry of Finance of the People's Republic of China.

Basis for opinion

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

Key Audit Matters

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

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We identified the recognition of BOE Group's revenue as a key audit matter because revenue, as one of BOE Group's key performance indicators, involves various trading terms, and there is an inherent risk that revenue may not be recognized in a correct period.</td><td>Our audit procedures to evaluate revenue recognition included the following:

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Key Audit Matters (continued)

Revenue recognition	
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The Key Audit Matter	**How the matter was addressed in our audit**
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Key Audit Matters (continued)

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The judgement made by the management on the following aspects will affect the book value of fixed assets and construction in progress, including:

● Determine which type of expenditures are qualified for capitalization;

● Determine the timing for transferring construction in progress to fixed assets and making depreciation;

● Estimate the useful life and residual value of corresponding fixed assets.

We identified the book value of fixed assets and construction in progress of BOE Group as a key audit matter because the valuation of the book value of fixed assets and construction in progress involves significant judgement from the management and it is of importance to the consolidated financial statements.</td><td>Our audit procedures to assess the book value of fixed assets and construction in progress included the following:

● Evaluate the design and operation effectiveness of key internal controls (including estimating useful life and residual values, etc.) related to the integrity, existence and accuracy of fixed assets and construction in progress;

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● Check capital expenditures with relevant supporting documents (including purchase agreements/ orders, acceptance orders, engineering construction contracts, project progress reports, etc.) on a sampling basis;

● Assess whether the capitalized commissioning expenses for the current year are in compliance with relevant capitalization conditions; check the commissioning expenses with relevant supporting documents on a sampling basis;

● On the basis of sampling, assess the timing for transferring construction in progress to fixed assets, through the inspection of commissioning situation and the documents for transferring construction in progress to fixed assets;

● Based on our understanding of industry practices and actual operating conditions of assets, we evaluate the management's estimation of the useful life and residual value of fixed assets.</td></tr>
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Other Information

BOE's management is responsible for the other information. The other information comprises all the information included in 2018 annual report of BOE, other than the financial statements and our auditor's report thereon.

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

(1) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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(5) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

(6) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within BOE to express an opinion on the financial statements. We are responsible for the instruction, supervision and execution of Conch Group's audit, and assume full responsibility for the audit opinion.

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

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KPMG Huazhen LLP

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

Zhang Huan (Engagement Partner)

Beijing, China

Liu Jingyuan

23 March 2019

BOE Technology Group Co., Ltd.
Consolidated balance sheet as at 31 December 2018
(Expressed in Renminbi Yuan)

	Note	*31 December 2018*	*31 December 2017*	*1 January 2017*
Assets				
Current assets:				
Cash at bank and on hand	*V.1*	51,481,539,711	57,128,659,576	58,152,817,223
Bills receivable and accounts receivable	*V. 2*	20,537,462,095	16,347,031,379	17,561,628,267
Prepayments	*V. 3*	770,633,448	587,126,751	708,511,473
Other receivables	*V. 4*	2,454,174,971	818,024,132	1,028,210,989
Inventories	*V. 5*	11,985,398,172	8,957,719,381	7,833,138,532
Non-current assets due within one year		-	17,303,152	66,321,715
Other current assets	*V. 6*	12,463,073,779	15,924,433,978	5,691,200,226
Total current assets		99,692,282,176	99,780,298,349	91,041,828,425
Non-current assets:				
Available-for-sale financial assets	*V. 7*	734,022,359	859,899,356	622,502,556
Long-term equity investments	*V. 8*	2,389,166,886	6,928,854,415	1,356,111,395
Investment properties	*V. 9*	1,283,867,651	1,296,662,205	1,192,932,896
Fixed assets	*V. 10*	128,157,730,995	88,625,296,761	69,947,586,967
Construction in progress	*V. 11*	56,423,354,887	50,761,250,426	33,008,248,720
Intangible assets	*V. 12*	5,937,679,394	2,982,664,308	3,136,873,387
Goodwill	*V. 13*	904,370,509	197,963,688	197,963,688
Long-term deferred expenses	*V. 14*	360,640,853	379,829,430	344,891,227
Deferred tax assets	*V. 15*	252,373,622	106,255,657	146,538,565
Other non-current assets	*V. 16*	7,893,002,053	4,189,767,254	4,139,533,216
Total non-current assets		204,336,209,209	156,328,443,500	114,093,182,617
Total assets		304,028,491,385	256,108,741,849	205,135,011,042

The notes on pages 21 to 145 form part of these financial statements.

BOE Technology Group Co., Ltd.
Consolidated balance sheet (continued) as at 31 December 2018
(Expressed in Renminbi Yuan)

	Note	*31 December 2018*	*31 December 2017*	*1 January 2017*
Liabilities and shareholders' equity				
Current liabilities				
Short-term loans	*V. 17*	5,449,954,885	3,249,736,430	4,916,965,507
Bills payable and accounts payable	*V. 18*	22,805,065,888	16,749,587,533	14,475,878,126
Advances from customers	*V. 19*	1,218,934,743	781,324,522	548,942,714
Employee benefits payable	*V. 20*	2,224,931,171	2,217,066,944	1,542,852,266
Taxes payable	*V. 21*	970,108,298	775,621,146	656,351,894
Other payables	*V. 22*	22,956,979,828	16,122,413,130	15,081,535,166
Non-current liabilities due within one year	*V. 23*	5,597,563,204	9,109,708,511	3,684,236,935
Other current liabilities	*V. 24*	1,004,557,061	730,709,590	532,983,474
Total current liabilities		62,228,095,078	49,736,167,806	41,439,746,082
Non-current liabilities				
Long-term loans	*V. 25*	94,780,077,864	78,973,633,010	49,885,166,211
Bonds payable	*V. 26*	10,288,666,233	9,966,467,496	9,956,719,508
Long-term payables	*V. 27*	1,416,092,239	1,176,250,982	1,261,446,565
Provisions	*V. 28*	16,457,010	16,457,010	16,457,010
Deferred income	*V. 29*	2,187,558,533	2,261,955,307	2,494,122,929
Deferred tax liabilities	*V. 15*	1,419,373,545	563,302,910	448,625,054
Other non-current liabilities	*V. 30*	11,334,873,322	9,130,244,495	7,616,672,523
Total non-current liabilities		121,443,098,746	102,088,311,210	71,679,209,800
Total liabilities		183,671,193,824	151,824,479,016	113,118,955,882

The notes on pages 21 to 145 form part of these financial statements.

BOE Technology Group Co., Ltd.
Consolidated balance sheet (continued) as at 31 December 2018
(Expressed in Renminbi Yuan)

	Note	*31 December 2018*	*31 December 2017*	*1 January 2017*
Liabilities and shareholders' equity (continued)				
Shareholders' equity				
Share capital	*V. 31*	34,798,398,763	34,798,398,763	35,153,067,743
Capital reserve	*V. 32*	38,213,100,596	38,585,515,122	39,031,357,529
Less: Treasury shares		-	-	314,350,824
Other comprehensive income	*V. 33*	(125,258,252)	150,602,933	75,718,703
Surplus reserve	*V. 34*	1,152,626,310	889,640,475	743,139,855
Retained earnings	*V. 35*	11,817,881,286	10,385,659,084	4,011,055,487
Total equity attributable to shareholders of the Company		85,856,748,703	84,809,816,377	78,699,988,493
Non-controlling interests		34,500,548,858	19,474,446,456	13,316,066,667
Total shareholders' equity		120,357,297,561	104,284,262,833	92,016,055,160
Total liabilities and shareholders' equity		304,028,491,385	256,108,741,849	205,135,011,042

These financial statements were approved by the Board of Directors of the Company on 23 March 2019.

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

The notes on pages 21 to 145 form part of these financial statements.

BOE Technology Group Co., Ltd.
Company balance sheet as at 31 December 2018
(Expressed in Renminbi Yuan)

	Note	*31 December 2018*	*31 December 2017*	*1 January 2017*
Assets				
Current assets:				
Cash at bank and on hand	*XIV. 1*	3,829,814,050	2,990,801,501	7,649,349,412
Bills receivable and accounts receivable	*XIV. 2*	38,452,623	39,897,385	246,051,213
Prepayments		25,020,734	10,315,083	7,462,061
Other receivables	*XIV. 3*	2,015,828,460	1,835,131,720	2,658,651,974
Inventories		9,289,141	12,751,847	12,069,865
Non-current assets due within one year		450,000,000	3,648,840,000	-
Other current assets	*XIV. 4*	47,805,096	61,082,075	25,504,074
Total current assets		6,416,210,104	8,598,819,611	10,599,088,599
Non-current assets:				
Available-for-sale financial assets	*XIV. 5*	128,297,254	149,269,107	177,166,908
Long-term equity investments	*XIV. 6*	143,499,733,485	121,193,680,391	99,918,451,449
Investment properties		290,253,475	292,544,063	164,540,581
Fixed assets		969,371,352	982,985,346	862,860,227
Construction in progress		251,314,313	274,400,649	468,494,838
Intangible assets		514,186,496	530,490,988	624,007,700
Long-term deferred expenses		99,701,797	112,776,691	98,745,001
Deferred tax assets	*XIV. 7*	290,794,548	150,206,185	47,679,645
Other non-current assets		284,243,667	480,909,226	4,010,146,153
Total non-current assets		146,327,896,387	124,167,262,646	106,372,092,502
Total assets		152,744,106,491	132,766,082,257	116,971,181,101

The notes on pages 21 to 145 form part of these financial statements.

BOE Technology Group Co., Ltd.
Company balance sheet as at 31 December 2018
(Expressed in Renminbi Yuan)

	Note	*31 December 2018*	*31 December 2017*	*1 January 2017*
Liabilities and shareholders' equity				
Current liabilities				
Short-term loans		1,000,000,000	-	-
Bills payable and accounts payable		35,322,286	50,152,503	34,015,337
Advances from customers		1,577,035,515	1,375,022,585	1,093,593,891
Employee benefits payable	*XIV. 8*	201,139,261	283,000,193	169,917,103
Taxes payable		250,558,556	119,584,927	80,897,741
Other payables	*XIV. 9*	8,209,736,090	10,032,392,970	11,079,505,355
Non-current liabilities due within one year		2,590,000,000	4,031,840,000	100,000,000
Total current liabilities		13,863,791,708	15,891,993,178	12,557,929,427
Non-current liabilities				
Long-term loans	*XIV. 10*	26,520,000,000	23,943,000,000	18,922,400,000
Bonds payable		9,976,533,425	9,966,467,496	9,956,719,508
Deferred income	*XIV. 11*	5,523,949,841	130,652,127	148,987,694
Other non-current liabilities		20,954,104,125	7,600,000,000	-
Total non-current liabilities		62,974,587,391	41,640,119,623	29,028,107,202
Total liabilities		76,838,379,099	57,532,112,801	41,586,036,629

The notes on pages 21 to 145 form part of these financial statements.

BOE Technology Group Co., Ltd.
Company balance sheet as at 31 December 2018
(Expressed in Renminbi Yuan)

	Note	*31 December 2018*	*31 December 2017*	*1 January 2017*
Liabilities and shareholders' equity (continued)				
Shareholders' equity				
Share capital	*V. 31*	34,798,398,763	34,798,398,763	35,153,067,743
Capital reserve	*XIV. 12*	37,590,966,191	37,588,541,593	38,157,600,408
Less: Treasury shares		-	-	314,350,824
Other comprehensive income	*XIV. 13*	(28,507,585)	192,097,489	152,323,461
Surplus reserve	*V. 34*	1,152,626,310	889,640,475	743,139,855
Retained earnings	*XIV. 14*	2,392,243,713	1,765,291,136	1,493,363,829
Total shareholders' equity		75,905,727,392	75,233,969,456	75,385,144,472
Total liabilities and shareholders' equity		152,744,106,491	132,766,082,257	116,971,181,101

These financial statements were approved by the Board of Directors of the Company on 23 March 2019.

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

The notes on pages 21 to 145 form part of these financial statements.

BOE Technology Group Co., Ltd.
Consolidated income statement for the year ended 31 December 2018
(Expressed in Renminbi Yuan)

	Note	*2018*	*2017*
I. Operating income	*V. 36*	97,108,864,935	93,800,479,215
II. Less: Operating costs	*V. 36*	77,306,224,288	70,282,477,585
Taxes and surcharges	*V. 37*	778,606,126	708,381,529
Selling and distribution expenses	*V. 38*	2,891,056,969	2,591,925,798
Administrative expenses	*V. 39*	4,959,184,197	4,068,775,945
Research and development costs	*V. 40*	5,039,927,435	3,177,767,395
Finance expenses	*V. 41*	3,196,695,890	1,948,024,860
Including: Interest expense		3,265,732,314	2,479,336,159
Interest income		748,004,557	665,076,391
Impairment Loss	*V. 42*	1,239,588,763	2,229,524,682
Add: Other income	*V. 43*	2,000,573,631	732,550,112
Investment income	*V. 44*	306,887,579	115,602,683
Including: (Losses) / Gains from investment in associates and joint ventures		(13,925,731)	169,034
Gains from changes in fair value	*V. 45*	2,061,153	32,048,211
Gains/ (Losses) from disposal of assets	*V. 46*	1,067,273	(69,145)
III. Operating profit		4,008,170,903	9,673,733,282
Add: Non-operating income	*V. 47*	169,429,515	180,418,858
Less: Non-operating expenses	*V. 47*	55,310,251	113,080,601
IV.Total profit		4,122,290,167	9,741,071,539
Less: Income tax expenses	*V. 48*	1,242,416,094	1,880,659,980
V. Net profit		2,879,874,073	7,860,411,559
Net profit attributable to shareholders of the Company		3,435,127,975	7,567,682,493
Non-controlling interests		(555,253,902)	292,729,066

The notes on pages 21 to 145 form part of these financial statements.

BOE Technology Group Co., Ltd.
Consolidated income statement for the year ended 31 December 2018
(continued)
(Expressed in Renminbi Yuan)

	Note	*2018*	*2017*
VI. Other comprehensive income, net of tax	*V. 33*	(249,814,869)	44,387,083
Other comprehensive income (net of tax) attributable to shareholders of the Company		(275,861,185)	74,884,230
Items that may be reclassified to profit or loss			
1 Share of other comprehensiveincome of the equity-accounted investeethat may be reclassified to profit or loss		(202,998,615)	76,051,151
2 Gains or losses arising from changes in fair value of available-for-sale financial assets		(136,009,652)	12,910,506
3 Translation differences arising from translation of foreign currency financial statements		63,147,082	(14,077,427)
Other comprehensive income (net of tax) attributable to non-controlling interests		26,046,316	(30,497,147)
VII. Total comprehensive income for the year		2,630,059,204	7,904,798,642
Total comprehensive income attributable to shareholders of the Company		3,159,266,790	7,642,566,723
Total comprehensive income attributable to minority shareholders		(529,207,586)	262,231,919
VIII.Earnings per share			
(1) Basic earnings per share	*V. 49*	0.10	0.22
(2) Diluted earnings per share	*V. 49*	0.10	0.22

These financial statements were approved by the Board of Directors of the Company on 23 March 2019.

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

The notes on pages 21 to 145 form part of these financial statements.

BOE Technology Group Co., Ltd.

Company income statement for the year ended 31 December 2018

(Expressed in Renminbi Yuan)

	Note	*2018*	*2017*
I. Operating income	*XIV. 15*	4,048,349,688	2,815,561,521
II. Less: Operating costs		51,274,428	29,212,906
Taxes and surcharges	*XIV. 16*	44,129,874	39,649,316
Selling and distribution expenses		561,601	2,224,628
Administrative expenses		744,597,442	692,418,475
Research and development costs		1,247,889,953	1,027,250,122
Finance expenses	*XIV. 17*	1,014,420,709	505,879,539
Including: Interest expense		1,055,792,484	556,880,963
Interest income		44,583,524	58,850,619
Add: Other income	*XIV. 18*	995,284,363	23,513,456
Investment income	*XIV. 19*	928,309,899	950,279,403
Including: (Losses) / Gains from investment in associates and joint ventures		(12,001,705)	169,034
Losses from disposal of intangible assets		-	(157,430)
III.Operating profit		2,869,069,943	1,492,561,964
Add: Non-operating income	*XIV. 20*	4,336,405	3,552,572
Less: Non-operating expenses	*XIV. 20*	8,668,410	18,008,134
IV.Total profit		2,864,737,938	1,478,106,402
Less: Income tax expenses	*XIV. 21*	234,879,588	13,100,199
V. Net profit		2,629,858,350	1,465,006,203

The notes on pages 21 to 145 form part of these financial statements.

BOE Technology Group Co., Ltd.
Company income statement for the year ended 31 December 2018
(continued)
(Expressed in Renminbi Yuan)

	Note	*2018*	*2017*
VI. Other comprehensive income, net of tax	*XIV. 13*	(220,605,074)	39,774,028
Items that may be reclassified to profit or loss			
1 Share of other comprehensiveincome of the equity-accounted investeethat may be reclassified to profit or loss		(202,778,999)	76,051,151
2 Gains or losses arising from changes in fair value of available-for-sale financial assets		(17,826,075)	(36,277,123)
VII. Total comprehensive income for the year		2,409,253,276	1,504,780,231

These financial statements were approved by the Board of Directors of the Company on 23 March 2019.

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

The notes on pages 21 to 145 form part of these financial statements.

BOE Technology Group Co., Ltd.

Consolidated cash flow statement for the year ended 31 December 2018

(Expressed in Renminbi Yuan)

		Note	*2018*	*2017*
I.	Cash flows from operating activities:			
	Proceeds from sale of goods and rendering of services		105,589,411,120	102,954,356,249
	Refund of taxes		6,513,812,910	8,111,061,033
	Government grants		2,195,202,400	994,782,926
	Proceeds from other operating activities		770,921,360	334,436,574
	Sub-total of cash inflows		115,069,347,790	112,394,636,782
	Payment for goods and services		(75,700,548,251)	(73,250,817,397)
	Payment to and for employees		(9,162,421,738)	(8,015,171,249)
	Payment of various taxes		(1,619,256,288)	(2,480,139,386)
	Payment for other operating activities		(2,903,074,317)	(1,921,579,095)
	Sub-total of cash outflows		(89,385,300,594)	(85,667,707,127)
	Net cash flow from operating activities	*V. 50(1)*	25,684,047,196	26,726,929,655

The notes on pages 21 to 145 form part of these financial statements.

	Note	2018	2017
II. Cash flows from investing activities:			
Proceeds from disposal of investments		59,211,537,932	29,310,620,000
Investment returns received		356,050,182	114,521,291
Net proceeds from disposal of fixed assets, intangible assets and other long-term assets		98,644,621	6,906,760
Net amount received from subsidiaries	V. 50(2)	6,801,508,810	-
Proceeds from other investing activities		1,808,988,695	3,455,877,227
Sub-total of cash inflows		68,276,730,240	32,887,925,278
Cash paid for acquisition of fixed assets,intangible assets and other long-term assets		(54,520,544,965)	(47,741,900,710)
Payment for acquisition of investments		(60,819,720,633)	(44,667,993,985)
Sub-total of cash outflows		(115,340,265,598)	(92,409,894,695)
Net cash flow from investing activities		(47,063,535,358)	(59,521,969,417)
III. Cash flows from financing activities:			
Proceeds from investors		4,294,161,400	9,851,250,000
Including: Cash received from minority shareholders of subsidiaries		4,294,161,400	9,851,250,000
Proceeds from borrowings		38,368,279,407	53,106,623,454
Net amount of monetary movements for pledging loans		176,637,743	-
Proceeds from other financing activities		155,194,921	3,185,620,220
Sub-total of cash inflows		42,994,273,471	66,143,493,674

The notes on pages 21 to 145 form part of these financial statements.

BOE Technology Group Co., Ltd.
Consolidated cash flow statement for the year ended 31 December 2018
(continued)
(Expressed in Renminbi Yuan)

		Note	*2018*	*2017*
III.	Cash flows from financing activities (continued):			
	Repayments of borrowings		(21,274,318,530)	(18,337,522,432)
	Payment for dividends or interest		(5,806,323,938)	(3,860,122,769)
	Including: Dividends paid to non-controlling shareholders by subsidiaries		(4,319,286)	(7,359,220)
	Net amount of monetary movements for pledging loans		-	(3,435,366,588)
	Payment for other financing activities		(347,060,613)	(7,585,109,696)
	Sub-total of cash outflows		(27,427,703,081)	(33,218,121,485)
	Net cash flow from financing activities		15,566,570,390	32,925,372,189
IV.	Effect of foreign exchange rate changes on cash and cash equivalents		1,250,326,709	(1,571,855,232)
V.	Decrease in cash and cash equivalents	*V. 50(1)*	(4,562,591,063)	(1,441,522,805)
	Add: Cash and cash equivalents at the beginning of the year		47,913,287,583	49,354,810,388
VI.	Cash and cash equivalents at the end of the year	*V. 50(3)*	43,350,696,520	47,913,287,583

These financial statements were approved by the Board of Directors of the Company on 23 March 2019.

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

The notes on pages 21 to 145 form part of these financial statements.

BOE Technology Group Co., Ltd.

Company cash flow statement for the year ended 31 December 2018

(Expressed in Renminbi Yuan)

		Note	*2018*	*2017*
I.	Cash flows from operating activities:			
	Proceeds from sale of goods and rendering of services		4,053,318,155	2,646,300,929
	Tax refund		23,508,537	-
	Proceeds from other operating activities		1,705,344,020	34,989,298
	Sub-total of cash inflows		5,782,170,712	2,681,290,227
	Payment for goods and services		(976,219,250)	(538,392,970)
	Payment to and for employees		(957,780,812)	(702,175,894)
	Payment of various taxes		(284,079,728)	(127,394,546)
	Payment for other operating activities		(102,575,476)	(5,016,674,918)
	Sub-total of cash outflows		(2,320,655,266)	(6,384,638,328)
	Net cash flow from operating activities	*XIV. 22 (1)*	3,461,515,446	(3,703,348,101)
II.	Cash flows from investing activities:			
	Investment returns received		506,145,151	-
	Cash received in return for investment		971,599,836	1,949,256,701
	Net proceeds from disposal of fixed assets		6,384,696	773,888
	Proceeds from other investing activities		3,333,764,245	1,280,375,880
	Sub-total of cash inflows		4,817,893,928	3,230,406,469

The notes on pages 21 to 145 form part of these financial statements.

BOE Technology Group Co., Ltd.
Company cash flow statement for the year ended 31 December 2018
(continued)
(Expressed in Renminbi Yuan)

		2018	*2017*
II.	Cash flows from investing activities: (continued):		
	Cash paid for acquisition of fixed assets,intangible assets and other long-term assets	(295,214,844)	(137,047,424)
	Payment for acquisition of investments	(22,553,409,200)	(21,200,608,757)
	Payment for other investing activities	(257,000,000)	(800,000,000)
	Sub-total of cash outflows	(23,105,624,044)	(22,137,656,181)
	Net cash flow from investing activities	(18,287,730,116)	(18,907,249,712)
III.	Cash flows from financing activities:		
	Proceeds from borrowings	11,367,000,000	9,933,000,000
	Proceeds from other financing activities	19,698,642,218	11,300,000,000
	Sub-total of cash inflows	31,065,642,218	21,233,000,000
	Repayments of borrowings	(4,597,640,000)	(980,560,000)
	Payment for dividends and interest	(2,795,130,756)	(1,562,806,447)
	Payment for other financing activities	(8,150,000,000)	(609,376,971)
	Sub-total of cash outflows	(15,542,770,756)	(3,152,743,418)
	Net cash flow from financing activities	15,522,871,462	18,080,256,582

The notes on pages 21 to 145 form part of these financial statements.

BOE Technology Group Co., Ltd.
Company cash flow statement for the year ended 31 December 2018
(continued)
(Expressed in Renminbi Yuan)

		Note	*2018*	*2017*
IV.	Effect of foreign exchange rate changes on cash and cash equivalents		142,355,757	(27,557,680)
V.	Net Increase/(Decrease) in cash and cash equivalents	*XIV. 22 (1)*	839,012,549	(4,557,898,911)
	Add: Cash and cash equivalents at the beginning of the year		2,990,801,501	7,548,700,412
VI.	Cash and cash equivalents at the end of the year	*XIV. 22 (2)*	3,829,814,050	2,990,801,501

These financial statements were approved by the Board of Directors of the Company on 23 March 2019.

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

The notes on pages 21 to 145 form part of these financial statements.

BOE Technology Group Co., Ltd.

Consolidated statement of changes in shareholders' equity

for the year ended 31 December 2018

(Expressed in Renminbi Yuan)

		Equity attributable to shareholders of the Company								
	Note	*Share capital*	*Capital reserve*	*Less: Treasury shares*	*Other comprehensive income*	*Surplus reserve*	*Retained earnings*	*Sub-total*	*Non-controlling interests*	*Total shareholders equity*
I. Balance at the beginning of the year		34,798,398,763	38,585,515,122	-	150,602,933	889,640,475	10,385,659,084	84,809,816,377	19,474,446,456	104,284,262,833
II. Changes in equity during the year										
(1) Total comprehensive income		-	-	-	(275,861,185)	-	3,435,127,975	3,159,266,790	(529,207,586)	2,630,059,204
(2) Shareholders' contributions and decrease of capital										
1. Contribution by non-controlling interests		-	-	-	-	-	-	-	4,494,161,400	4,494,161,400
2. Business combinations involving entities not under common control		-	-	-	-	-	-	-	11,541,782,339	11,541,782,339
3. Equity movements arising from investment increase in non-wholly owned subsidiaries	*V. 32*	-	3,754,159	-	-	-	-	3,754,159	(3,402,793)	351,366
Appropriation of profits	*V. 35*	-	-	-	-	262,985,835	(262,985,835)	-	-	-
1. Appropriation for surplus reserve		-	-	-	-	-	(1,739,919,938)	(1,739,919,938)	(18,316,894)	(1,758,236,832)
2. Distributions to shareholders										
(4) Others										
1. Equity changes arising from acquisition of non-controlling interests	*V. 32*	-	(378,593,283)	-	-	-	-	(378,593,283)	(458,914,064)	(837,507,347)
2. Others	*V. 32*	-	2,424,598	-	-	-	-	2,424,598	-	2,424,598
III. Balance at the end of the year		34,798,398,763	38,213,100,596	-	(125,258,252)	1,152,626,310	11,817,881,286	85,856,748,703	34,500,548,858	120,357,297,561

These financial statements were approved by the Board of Directors of the Company on 23 March 2019.

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

The notes on pages 21 to 145 form part of these financial statements.

BOE Technology Group Co., Ltd.
Consolidated statement of changes in shareholders' equity
for the year ended 31 December 2017
(Expressed in Renminbi Yuan)

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

These financial statements were approved by the Board of Directors of the Company on 23 March 2019.

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

The notes on pages 21 to 145 form part of these financial statements.

BOE Technology Group Co., Ltd.
Company statement of changes in shareholders' equity
for the year ended 31 December 2018
(Expressed in Renminbi Yuan)

	Share capital	*Capital reserve*	*Less: Treasury shares*	*Other comprehensive income*	*Surplus reserve*	*Retained earnings*	*Total shareholders equity*
I. Balance at the beginning of the year	34,798,398,763	37,588,541,593	-	192,097,489	889,640,475	1,765,291,136	75,233,969,456
II. Changes in equity during the year							
(1) Total comprehensive income	-	-	-	(220,605,074)	-	2,629,858,350	2,409,253,276
(2) Profit appropriation							
1. Appropriation for surplus reserve	-	-	-	-	262,985,835	(262,985,835)	-
2. Distributions to shareholders	-	-	-	-	-	(1,739,919,938)	(1,739,919,938)
(3) Others	-	2,424,598	-	-	-	-	2,424,598
III. Balance at the end of the year	34,798,398,763	37,590,966,191	-	(28,507,585)	1,152,626,310	2,392,243,713	75,905,727,392

These financial statements were approved by the Board of Directors of the Company on 23 March 2019.

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

The notes on pages 21 to 145 form part of these financial statements.

BOE Technology Group Co., Ltd.
Company statement of changes in shareholders' equity (continued)
for the year ended 31 December 2017
(Expressed in Renminbi Yuan)

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

These financial statements were approved by the Board of Directors of the Company on 23 March 2019.

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

The notes on pages 21 to 145 form part of these financial statements.

I. Company status

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

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

II. Basis of preparation

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

III. Significant accounting policies and accounting estimates

1 Statement of compliance

The financial statements have been prepared in accordance with the requirements of Accounting Standards for Business Enterprises or referred to as China Accounting Standards ("CAS"). These financial statements present truly and completely the consolidated financial position and financial position of the Company as at 31 December 2018, and the consolidated financial performance and financial performance and the consolidated cash flows and cash flows of the Company for the year then ended.

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

2 Accounting period

The accounting period is from 1 January to 31 December.

3 Operating cycle

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

4 Functional currency

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

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

(1) Business combinations involving entities under common control

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

(2) Business combinations involving entities not under common control

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

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

6 Consolidated financial statements

(1) General principles

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

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

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

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

(2) Subsidiaries acquired through a business combination

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

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

(3) Disposal of subsidiaries

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

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

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

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

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

(4) Changes in non-controlling interests

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

7 Cash and cash equivalents

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

8 Foreign currency transactions and translation of 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 rates that approximate the spot exchange rates on the dates of the transactions.

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

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

9 Financial instruments

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

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

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

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

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

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

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

- Receivables

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

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

- Held-to-maturity investments

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

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

- Available-for-sale financial assets

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

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

- Other financial liabilities

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

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

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

(2) Presentation of financial assets and financial liabilities

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

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

(3) Derecognition of financial assets and financial liabilities

A financial asset is derecognized when one of the following conditions is met:

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

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

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

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

(4) Impairment of financial assets

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

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

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

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

- Held-to-maturity investments

  Held-to-maturity investments are assessed for impairment on an individual basis as follows.

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

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

- Available-for-sale financial assets

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

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

(5) Equity instrument

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

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

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

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

(6) Convertible instruments

- Convertible instruments containing an equity component

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

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

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

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

- Other convertible instruments not containing an equity component

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

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

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

10 Impairment of receivables

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

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

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

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

11 Inventories

(1) Classification and cost

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

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

(2) Mesurement method of cost of inventories

Cost of inventories is calculated using the weighted average method.

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

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

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

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

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

(4) Inventory count system

The Group maintains a perpetual inventory system.

12 Long-term equity investments

(1) Investment cost of long-term equity investments

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

- The initial cost of a long-term equity investment acquired through a business combination involving entities under common control is the Company's share of the carrying amount of the subsidiary's equity in the consolidated financial statements of the ultimate controlling party at the combination date. The difference between the initial investment cost and the carrying amounts of the consideration given is adjusted to the share premium in the capital reserve, with any excess adjusted to retained earnings. For a long-term equity investment in a subsidiary acquired through a business combination achieved in stages which do not form a bundled transaction and involving entities under common control, the Company determines the initial cost of the investment in accordance with the above policies. The difference between this initial cost and the sum of the carrying amount of previously-held investment and the consideration paid for the shares newly acquired is adjusted to share premium in the capital reserve, with any excess adjusted to retained earnings.

- For a long-term equity investment obtained through a business combination not involving entities under common control, the initial cost comprises the aggregate of the fair value of assets transferred, liabilities incurred or assumed, and equity securities issued by the Company, in exchange for control of the acquiree. For a long-term equity investment obtained through a business combination not involving entities under common control and achieved through multiple transactions in stages which do not form a bundled transaction, the initial cost comprises the carrying amount of the previously-held equity investment in the acquiree immediately before the acquisition date, and the additional investment cost at the acquisition date.

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

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

(2) Subsequent measurement of long-term equity investment

(a) Investments in subsidiaries

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

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

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

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

(b) Investment in joint ventures and associates

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

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

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

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

- Where the initial cost of a long-term equity investment exceeds the Group's interest in the fair value of the investee's identifiable net assets at the date of acquisition, the investment is initially recognized at cost. Where the initial investment cost is less than the Group's interest in the fair value of the investee's identifiable net assets at the date of acquisition, the investment is initially recognized at the investor's share of the fair value of the investee's identifiable net assets, and the difference is recognized in profit or loss.

- After the acquisition of the investment, the Group recognizes its share of the investee's profit or loss and other comprehensive income as investment income or losses and other comprehensive income respectively, and adjusts the carrying amount of the investment accordingly. Once the investee declares any cash dividends or profit distributions, the carrying amount of the investment is reduced by the amount attributable to the Group. Changes in the Group's share of the investee's shareholders' equity, other than those arising from the investee's net profit or loss, other comprehensive income or profit distribution ("other changes in owners' equity"), is recognized directly in the Group's equity, and the carrying amount of the investment is adjusted accordingly.

- In calculating its share of the investee's net profits or losses, other comprehensive income and other changes in owners' equity, the Group recognizes investment income and other comprehensive income after making appropriate adjustments to align the accounting policies or accounting periods with those of the Group based on the fair value of the investee's identifiable net assets at the date of acquisition. Unrealised profits and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's interest in the associates or joint ventures. Unrealised losses resulting from transactions between the Group and its associates or joint ventures are eliminated in the same way as unrealised gains but only to the extent that there is no impairment.

- The Group discontinues recognising its share of further losses of the investee after the carrying amount of the long-term equity investment and any long-term interest that in substance forms part of the Group's net investment in the joint venture or associate is reduced to zero, except to the extent that the Group has an obligation to assume additional losses. If the joint venture or associate subsequently reports net profits, the Group resumes recognising its share of those profits only after its share of the profits has fully covered the share of losses not recognized. For the Group's impairment of the investments in joint ventures and associates, refer to Note III.20.

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

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

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

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

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

13 Investment properties

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

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

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

14 Fixed assets

(1) Recognition of fixed assets

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

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

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

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

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

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

Class	Estimated useful life (years)	Residual value rate (%)	Depreciation rate (%)
Plant and buildings	10 to 50 years	3% - 10%	1.8% - 9.7%
Equipment	2 to 25 years	0 - 10%	3.6% - 50%
Others	2 to 10 years	0 - 10%	9.0% - 50%

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

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

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

(5) Disposal of fixed assets

The carrying amount of a fixed asset is derecognized:

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

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

15 Construction in progress

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

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

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

16 Borrowing costs

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

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

- Where funds are borrowed specifically for the acquisition and construction of a qualifying asset, the amount of interest to be capitalised is the interest expense calculated using effective interest rates during the period less any interest income earned from depositing the borrowed funds or any investment income on the temporary investment of those funds before being used on the asset.

- To the extent that the Group borrows funds generally and uses them for the acquisition, construction of a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the weighted average of the excess amounts of cumulative expenditures on the asset over the above amounts of specific borrowings. The capitalisation rate is the weighted average of the interest rates applicable to the general-purpose borrowings.

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

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

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

17 Intangible assets

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

The respective amortisation periods for intangible assets are as follows:

Item	Amortisation period (years)
Land use rights	40 to 50 years
Patent and technology rights	5 to 20 years
Computer software	3 to 10 years
Others	5 to 20 years

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 does not have any intangible assets with indefinite useful lives.

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

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

18 Goodwill

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

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

19 Long-term deferred expenses

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

Item	Amortisation period (years)
Prepayment for public facilities construction and use	10 to 15 years
Cost of operating lease assets improvement	2 to 10 years
Others	2 to 10 years

20 Impairment of assets other than inventories and financial assets

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

- Fixed assets
- Construction in progress
- Intangible assets
- Investment properties measured using a cost model
- Long-term equity investments
- Goodwill
- Long-term deferred expenses, etc.

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

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

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

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

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

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

21 Fair value measurement

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

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

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

22 Provisions

A provision is 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.

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

Where the contingency involves a single item, the best estimate is the most likely outcome.

Where the contingency involves a large population of items, the best estimate is determined by weighting all possible outcomes by their associated probabilities.

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

23 Revenue recognition

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

(1) Sale of goods

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

- Significant risks and rewards of ownership of goods have been transferred to the buyer;

- The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

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

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

(2) Rendering of services

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

Where the outcome of a transaction involving the rendering of services can be estimated reliably, revenue is recognized by reference to the stage of completion based on the progress of work performed.

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

(3) Revenue from construction contracts

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

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

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

- If the contract costs can be recovered, revenue is recognized to the extent of contract costs incurred that can be recovered, and the contract costs are recognized as contract expenses when incurred;

- Otherwise, the contract costs are recognized as contract expenses immediately when incurred, and no contract revenue is recognized.

(4) Interest income

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

(5) Royalties from intangible assets

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

24 Employee benefits

(1) Short-term employee benefits

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

(2) Post-employment benefits - defined contribution plans

Pursuant to the relevant laws and regulations of the People's Republic of China, the Group participated in a defined contribution basic pension insurance plan and unemployment insurance plan in the social insurance system established and managed by government organisations, and annuity plan established by the Group in compliance with the national policy of the corporation annuity. The Group makes contributions to basic pension and unemployment insurance plans based on the applicable benchmarks and rates stipulated by the government. Annuity is accrued based on the gross salaries of the employees. Basic pension insurance contributions are recognized as part of the cost of assets or charged to profit or loss as the related services are rendered by the employees.

(3) Post-employment benefits - defined benefit plans

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

(4) Termination benefits

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

- When the Group cannot unilaterally withdraw the offer of termination benefits because of an employee termination plan or a curtailment proposal;

- When the Group has a formal detailed restructuring plan involving the payment of termination benefits and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

25 Government grants

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

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

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

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

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

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

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

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

26 Income tax

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

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

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

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

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

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

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

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

- The taxable entity has a legally enforceable right to offset current tax liabilities and assets, and

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

27 Operating leases and finance leases

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

(1) Operating lease charges

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

(2) Assets leased out under operating leases

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

(3) Assets acquired under finance leases

At the commencement of the lease term, the minimum lease payments are recorded as long-term payables. The difference between the carrying amount of the leased assets and the minimum lease payments is accounted for as unrecognized finance charges. Initial direct costs attributable to a finance lease that are incurred by the Group are added to the carrying amount of the leased asset. Depreciation and impairment losses are accounted for in accordance with the accounting policies described in Notes III.14 (2) and III.20, respectively.

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

Unrecognized finance charges arising from a finance lease are recognized using an effective interest method over the lease term. The amortisation is accounted for in accordance with the principles of borrowing costs (see Note III.16).

At the balance sheet date, the long-term payables arising from finance leases, net of the unrecognized finance charges, are analysed and separately presented as long-term payables or non-current liabilities due within one year.

28 Assets held for sale and discontinued operations

(1) Assets held for sale

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

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

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

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

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

(2) Discontinued operations

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

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

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

29 Profit distributions

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

30 Related parties

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

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

31 Segment reporting

Operating segments are determined based on the structure of the Group’s internal organisation, management requirements and internal reporting system. Two or more operating segments may be aggregated into a single operating segment if the

segments have similar economic characteristics, and are same or similar in respect of the nature of each product and service; the nature of production processes; the type or class of customers for the products and services; the methods used to distribute the products or provide the services; the nature of the regulatory environment. Reportable segments are identified based on operating segments taking into account of materiality principle.

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

32 Significant accounting estimates and judgements

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

Expect for accounting estimates related to depreciation and amortisation of assets such as fixed assets and intangible assets (see Note III. 14 and 17) and provision for impairment of various types of assets (see Note V. 2, 4, 5, 7, 8, 10, 11, 12, and 13, and Note XIV. 2 and 3). Other significant accounting estimates are as follows:

(i) Note V. 15 – Recognition of deferred tax asset;
(ii) Note V. 24 – Assurance of product quality;
(iii) Note IX. – Fair value measurements of financial instruments.

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

(i) Note V. 30 – Convertible debt and equity investment with redemption provisions terms are categorised as financial liabilities; and
(ii) Note VII. 1(1) –Disclosure of significant judgements and assumptions of control and exercising significant influence over other entities.

33 Changes in accounting policies

Changes in accounting policies and their reasons

The MOF issued the following interpretations and amendments of the Accounting Standards for Business Enterprises during 2017 and 2018:

- <Accounting Standards for Business Enterprise, Interpretation No. 9 —— Accounting Treatment of Net Loss of Investment under Equity Method>
- <Accounting Standards for Business Enterprise, Interpretation No. 10 —— Depreciation Method Based on Income Generated by Fixed Assets>
- <Accounting Standards for Business Enterprise, Interpretation No. 11 —— Amortization Method Based on Income Generated by Intangible Assets>
- <Accounting Standards for Business Enterprise, interpretation No. 12 —— On the Case of Providing Key Management Personnel, whether the Provider and Client are Related Parties.

  (Collectively referred to "Interpretation No. 9 - 12")
- <Notice on Revision of the Illustrative Financial Statements for 2018> (Cai Kuai [2018] No. 15) and relevant interpretations.

The Group has implemented the above-mentioned interpretations and amendments of accounting standard since January 1, 2018, and adjusted the relevant contents of accounting policies.

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

(a) Interpretation No. 9 - 12

The Group's accounting policies are based on the accounting treatment of the net loss of investment under the equity method in Interpretation No.9 - 12, and the depreciation and amortization method of fixed assets and intangible assets, and the related party recognition and disclosure requirements of key management personnel services are adjusted.

The adoption of Interpretation No. 9 -12 has no material impact on the financial position and the financial result of the Group.

(b) Presentation of financial statement

The Group has prepared financial statements for the year ended 31 December 2018 in accordance with Caikuai [2018] No.15. Comparative figures have been adjusted retrospectively.

Impacts of related presentation adjustment are as follows:

Items affected in consolidated balance sheet and company balance sheet on 31 December 2018:

	The Group		
	Before adjustment	*Adjusted amount*	*After adjustment*
Bills receivable	833,268,127	(833,268,127)	-
Accounts receivable	15,513,763,252	(15,513,763,252)	-
Bills receivable and accounts receivable	-	16,347,031,379	16,347,031,379
Interest receivable	89,628,559	(89,628,559)	-
Other receivables	728,395,573	89,628,559	818,024,132
Bills payable	543,798,835	(543,798,835)	-
Accounts payable	16,205,788,698	(16,205,788,698)	-
Bills payable and accounts payable	-	16,749,587,533	16,749,587,533
Interest payable	847,955,186	(847,955,186)	-
Dividends payable	9,651,170	(9,651,170)	-
Other payables	15,264,806,774	857,606,356	16,122,413,130
Total		-	

	The Company		
	Before adjustment	*Adjusted amount*	*After adjustment*
Accounts receivable	39,897,385	(39,897,385)	-
Bills receivable and accounts receivable	-	39,897,385	39,897,385
Dividends receivable	10,404,147	(10,404,147)	-
Other receivables	1,824,727,573	10,404,147	1,835,131,720
Accounts payable	50,152,503	(50,152,503)	-
Bills payable and accounts payable	-	50,152,503	50,152,503
Interest payable	312,029,252	(312,029,252)	-
Dividends payable	6,451,170	(6,451,170)	-
Other payables	9,713,912,548	318,480,422	10,032,392,970
Total		-	

Items affected in consolidated income statement and company income statement in 2017:

	The Group		
	Before adjustment	*Adjusted amount*	*After adjustment*
Administrative expenses	7,246,543,340	(3,177,767,395)	4,068,775,945
Research and development costs	-	3,177,767,395	3,177,767,395
Total		-	

	The Company		
	Before adjustment	*Adjusted amount*	*After adjustment*
Administrative expenses	1,719,668,597	(1,027,250,122)	692,418,475
Research and development costs	-	1,027,250,122	1,027,250,122
Total		-	

Items affected in consolidated cash flow statement in 2017:

	The Group		
	Before adjustment	*Adjusted amount*	*After adjustment*
Cash inflows from operating activities	111,934,693,142	459,943,640	112,394,636,782
Cash inflows from investing activities	33,347,868,918	(459,943,640)	32,887,925,278
Total		-	

According to the relevant interpretation of Caikuai [2018] No. 15, the Group will adjust the government subsidies received related to assets from “cash inflows from investing activities” to “cash inflows from operating activities” and present.

IV. Taxation

1 Main types of taxes and corresponding tax rates

Tax Name	*Tax basis*	*Tax rate*
Value-added tax (VAT)	Output VAT is calculated on product sales and taxable services revenue. The basis for VAT payable is to deduct input VAT from the output VAT for the period	6%，10%，11% 16%，17%
City maintenance and construction tax	Based on business tax and VAT paid, and VAT exemption and offset for the period	7%，5%
Education surcharges and local education surcharges	Based on business tax and VAT paid, and VAT exemption and offset for the period	3%，2%
Corporate income tax	Based on taxable profits	15% - 25%

2 Corporate income tax

The income tax rate applicable to the Company for the year is 15% (2017: 15%).

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

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

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

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

Company name	Preferential rate	Reason
Beijing BOE Optoelectronics Technology Co., Ltd. (BOE OT)	15%	High-tech Enterprise
Chengdu BOE Optoelectronics Technology Co., Ltd (Chengdu Optoelectronics)	15%	High-tech Enterprise
Hefei BOE Optoelectronics Technology Co., Ltd.(Hefei BOE)	15%	High-tech Enterprise
Beijing BOE Display Technology Co., Ltd. (BOE Display)	15%	High-tech Enterprise
Hefei Xinsheng Optoelectronics Technology Co., Ltd. (Hefei Xinsheng)	15%	High-tech Enterprise
Ordos Yuansheng Optoelectronics Co., Ltd. (Yuansheng Optoelectronics)	15%	Encouraged enterprise in Western Regions
Chongqing BOE Optoelectronics Co., Ltd. (Chongqing BOE)	15%	Encouraged enterprise in Western Regions
BOE (Hebei) Mobile Technology Co., Ltd. (BOE Hebei)	15%	High-tech Enterprise
BOE Optical Science and technology Co., Ltd (Optical Technology)	15%	High-tech Enterprise
Beijing BOE CHATANI ElectronicsCo.,Ltd. (Beijing CHATANI)	15%	High-tech Enterprise
Hefei BOE Display Lighting Co.,Ltd. (Hefei Display Lighting)	15%	High-tech Enterprise
Chongqing BOE Display Lighting Co.,Ltd. (Chongqing Display Lighting)	15%	High-tech Enterprise
BOE Semi-conductor Co., Ltd. (BOE Semiconductor)	15%	High-tech Enterprise
Hefei BOE Semiconductor Co.,Ltd. (Hefei Semiconductor)	15%	High-tech Enterprise
Beijing BOE Special Display Technology Co., Ltd. (Special Display)	15%	High-tech Enterprise
Beijing BOE Vacuum Electronics Co., Ltd. (Vacuum Electronics)	15%	High-tech Enterprise
Beijing Asahi Electronic Materials Co.,Ltd. (Asahi Materials)	15%	High-tech Enterprise
Beijing BOE Vacuum Technology Co., Ltd. (Vacuum Technology)	15%	High-tech Enterprise
Beijing BOE Energy Technology Co., Ltd. (BOE Energy)	15%	High-tech Enterprise
Beijing BOE multimedia Technology Co., Ltd. (BOE multimedia)	15%	High-tech Enterprise
Fuzhou BOE Optoelectronics Technology Co., Ltd. (Fuzhou BOE)	15%	High-tech Enterprise
Hefei BOE Vision-Electronic Technology Co., Ltd. (Hefei Vision-Electronic Technology)	15%	High-tech Enterprise
Mianyang BOE Optoelectronics Technology Co., Ltd. (Mianyang BOE)	15%	Encouraged enterprise in Western Regions
BOE Intelligent Technology Co., Ltd. (Intelligent Technology)	15%	High-tech Enterprise

V. Notes to the consolidated financial statements

1. Cash at bank and on hand

	2018			*2017*		
	Amount in original currency	*Exchange rate*	*RMB / RMB equivalents*	*Amount in original currency*	*Exchange rate*	*RMB / RMB equivalents*
Cash on hand:						
RMB			285,407			444,343
USD	1,364	6.8632	9,361	891	6.5342	5,822
HKD	56,603	0.8762	49,596	53,705	0.8359	44,892
JPY	1,668,876	0.0619	103,303	55,419	0.0579	3,209
KRW	490,686	0.0061	2,993	513,831	0.0061	3,134
Other foreign currencies			87,145			25,364
Sub-total			537,805			526,764
Bank Deposits:						
RMB			19,526,770,243			24,172,930,297
USD	3,215,270,076	6.8632	22,067,041,586	3,151,375,970	6.5342	20,591,720,863
HKD	36,614,201	0.8762	32,081,363	55,249,266	0.8359	46,182,862
JPY	15,077,127,145	0.0619	933,274,170	21,118,693,041	0.0579	1,222,772,327
KRW	1,274,695,127	0.0061	7,775,640	1,058,266,098	0.0061	6,455,423
EUR	94,362,955	7.8473	740,494,417	236,210,492	7.8023	1,842,985,129
Other foreign currencies			32,708,963			29,713,710
Sub-total			43,340,146,382			47,912,760,611
Other monetary funds:						
RMB			4,883,082,015			7,497,341,876
USD	473,193,118	6.8632	3,247,619,007	262,928,917	6.5342	1,718,030,129
HKD	11,423,973	0.8762	10,009,685	232	0.8359	194
JPY	2,339,530	0.0619	144,817	29	0.0579	2
Sub-total			8,140,855,524			9,215,372,201
Total			51,481,539,711			57,128,659,576

Including: Total overseas deposits were equivalent to RMB 5,012,219,357 (2017: RMB 3,341,984,398).

As at 31 December 2018, other monetary funds were pledged by the Group amounting to USD 305,000,000 for short-term loans, RMB142,547,192 and and USD 18,500,000 were pledged for long-term loans. The rest of other restricted monetary funds, amounting to RMB 5,768,050,799, were the deposits in commercial banks as security.

As at 31 December 2017, other monetary funds were pledged by the Group amounting to RMB1,164,000,000 and USD 60,159,875 for short-term loans, and RMB 1,207,705,322 and USD 63,000,000 were pledged for long-term loans. The rest of other restricted monetary funds, amounting to RMB 6,038,915,416, were the deposits in commercial banks as security.

2 Bills receivable and accounts receivable

	Note	*2018*	*2017*
Bills receivable	*(1)*	656,781,577	833,268,127
Accounts receivable	*(2)*	19,880,680,518	15,513,763,252
Total		20,537,462,095	16,347,031,379

(1) Bills receivable

(a) Classification of bills receivable

Item	*2018*	*2017*
Bank acceptance bills	655,081,577	824,873,475
Commercial acceptance bills	1,700,000	8,394,652
Total	656,781,577	833,268,127

All of the above bills are due within one year.

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

As at 31 December 2018, the pledged bills of the Group amounted to RMB 6,605,869 (2017: RMB 123,826,995).

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

Item	*Amount derecognized at year end*	*Amount not-derecognized at year end*
Bank acceptance bills	32,868,462	200,669,545
Commercial acceptance bills	-	1,049,000
Total	32,868,462	201,718,545

For the year ended 31 December 2018, there was no amount transferred to accounts receivable from bills receivable due to non-performance of the issuers of the Group (2017: nil).

(2) Accounts receivable

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

Item	*2018*	*2017*
Amounts due from related parties	52,246	9,600,724
Amounts due from other customers	20,199,950,102	15,808,849,645
Sub-total	20,200,002,348	15,818,450,369
Less: Provision for bad and doubtful debts	319,321,830	304,687,117
Total	19,880,680,518	15,513,763,252

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

	2018			*2017*		
	Amount in original currency	*Exchange rate*	*RMB / RMB equivalents*	*Amount in original currency*	*Exchange rate*	*RMB / RMB equivalents*
RMB			7,253,239,876			4,764,755,351
USD	1,800,476,186	6.8632	12,357,028,161	1,684,267,507	6.5342	11,005,340,743
JPY	36,523,949	0.0619	2,260,467	17,602,919	0.0579	1,019,209
Other foreign currencies			587,473,844			47,335,066
Sub-total			20,200,002,348			15,818,450,369
Less: Provision for bad and doubtful debts			319,321,830			304,687,117
Total			19,880,680,518			15,513,763,252

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

	2018	*2017*
Within 1 year (inclusive)	19,748,808,258	15,482,151,261
1 to 2 years (inclusive)	136,291,482	293,213,891
2 to 3 years (inclusive)	279,756,940	13,346,163
Over 3 years	35,145,668	29,739,054
Sub-total	20,200,002,348	15,818,450,369
Less: Provision for bad and doubtful debts	319,321,830	304,687,117
Total	19,880,680,518	15,513,763,252

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

(d) Accounts receivable by category

	2018					*2017*				
	Book value		*Provision for bad and doubtful debts*			*Book balance*		*Provision for bad and doubtful debts*		
Category	*Amount*	*Percentage (%)*	*Amount*	*Percentage (%)*	*Carrying amounts*	*Amount*	*Percentage (%)*	*Amount*	*Percentage (%)*	*Carrying amounts*
Accounts receivables that are collectively assessed for impairment based on credit risk characteristics*	20,149,872,554	100%	275,864,448	1%	19,874,008,106	15,767,136,659	100%	262,640,383	2%	15,504,496,276
Individually insignificant but assessed for impairment individually	50,129,794	0%	43,457,382	87%	6,672,412	51,313,710	0%	42,046,734	82%	9,266,976
Total	20,200,002,348	100%	319,321,830	2%	19,880,680,518	15,818,450,369	100%	304,687,117	2%	15,513,763,252

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

The Group has no individually significant accounts receivable and individually for impairment this year (2017: nil).

(e) Additions and recoveries of provision for bad and doubtful debts during the year:

	2018	*2017*
Balance at the beginning of the year	304,687,117	31,371,811
Charge during the year	5,005,871	284,705,046
Recoveries during the year	1,779,710	2,609,674
Write-offs during the year	2,475,273	2,236,524
Translation differences	13,883,825	(6,543,542)
Closing balance	319,321,830	304,687,117

For the year ended 31 December 2018, the Group had no individually significant write-off or recovery of doubtful debts which had been fully or substantially made in prior years (2017: nil).

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

The total of five largest accounts receivable of the Group at the end of the year was RMB 8,942,759,895, representing 44% of the total accounts receivable, and no provision was made for bad and doubtful debts after assessment.

3 Prepayments

(1) The Group's prepayments by category:

	2018	*2017*
Prepayment for inventory	252,434,159	122,885,896
Others	518,199,289	464,240,855
Total	770,633,448	587,126,751

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

	2018		*2017*	
Ageing	*Amount*	*Percentage (%)*	*Amount*	*Percentage (%)*
Within 1 year (inclusive)	721,657,321	94%	568,849,167	97%
1 to 2 years (inclusive)	46,363,026	6%	17,188,654	3%
2 to 3 years (inclusive)	2,035,569	-	606,393	-
Over 3 years	577,532	-	482,537	-
Total	770,633,448	100%	587,126,751	100%

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

As at 31 December 2018, the total of five largest prepayments of the Group is RMB 432,558,675, representing 56% of the total prepayments.

4 Other receivables

	Note	*2018*	*2017*
Interest receivable		140,597,317	89,628,559
Dividends receivable		3,711,768	-
Others	*(1)*	2,309,865,886	728,395,573
Total		2,454,174,971	818,024,132

(1) Others

(a) The Group's other receivable by customer type:

Customer type	*2018*	*2017*
Amounts due from related parties	12,148	27,591,317
Amounts due from other customers	2,310,194,250	701,313,513
Sub-total	2,310,206,398	728,904,830
Less: Provision for bad and doubtful debts	340,512	509,257
Total	2,309,865,886	728,395,573

(b) The Group's other receivable by currency type：

	2018			*2017*		
	Amount in original currency	*Exchange rate*	*RMB / RMB equivalents*	*Amount in original currency*	*Exchange rate*	*RMB / RMB equivalents*
RMB			2,278,359,260			699,117,519
USD	1,511,739	6.8632	10,375,364	2,742,109	6.5342	17,917,490
JPY	35,383,000	0.0619	2,189,854	66,206,715	0.0579	3,833,367
Other foreign currencies			19,281,920			8,036,454
Sub-total			2,310,206,398			728,904,830
Less: Provision for bad and doubtful debts			340,512			509,257
Total			2,309,865,886			728,395,573

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

	2018	*2017*
Within 1 year (inclusive)	2,015,309,595	454,457,340
1 to 2 years (inclusive)	29,027,513	37,230,582
2 to 3 years (inclusive)	28,652,382	2,335,586
Over 3 years	237,216,908	234,881,322
Sub-total	2,310,206,398	728,904,830
Less: Provision for bad and doubtful debts	340,512	509,257
Total	2,309,865,886	728,395,573

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

(d) The Group's other receivables by category

	2018					*2017*				
	Book value		*Provision for bad and doubtful debts*			*Book balance*		*Provision for bad and doubtful debts*		
Category	*Amount*	*Percentage (%)*	*Amount*	*Percentage (%)*	*Carrying amounts*	*Amount*	*Percentage (%)*	*Amount*	*Percentage (%)*	*Carrying amounts*
Accounts receivables that are collectively assessed for impairment based on credit risk characteristics*	2,309,865,886	100%	-	-	2,309,865,886	728,395,573	100%	-	-	728,395,573
Individually insignificant but assessed for impairment individually	340,512	0%	340,512	100%	-	509,257	0%	509,257	100%	-
Total	2,310,206,398	100%	340,512	0%	2,309,865,886	728,904,830	100%	509,257	0%	728,395,573

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

The Group has no individually significant other receivable and individually for impairment this year. As at 31 December 2018, the Group collectively assessed other receivable having been individually assessed but not impaired for impairment and did not recognize impairment loss against this amount of other receivable (2017: nil).

(e) Additions and recoveries of provision for bad and doubtful debts during the year

	2018	*2017*
Balance at the beginning of the year	509,257	653,341
Charge during the year	1,273,563	111,166
Recoveries during the year	-	6,350
Write-offs during the year	1,442,308	248,900
Closing balance	340,512	509,257

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

Nature of other receivables	*2018*	*2017*
VAT refunds	415,687,566	179,152,619
Amount due from equity transfer	200,000,000	200,000,000
Deposits	148,893,918	154,724,906
Wealth management receivables	1,408,094,816	-
Others	137,530,098	195,027,305
Sub-total	2,310,206,398	728,904,830
Less: Provision for bad and doubtful debts	340,512	509,257
Total	2,309,865,886	728,395,573

Wealth management receivables included in other receivables, with principal and interest amounted to RMB 1,408,094,816, was expired on 31 December 2018, and recovered on 2 January 2019.

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

The total of five largest other receivables of the Group at the end of the year was RMB 1,886,065,008, most of which are export tax rebate receivables and receivables due from wealth management. No provision is made for bad and doubtful debts after assessment.

5 Inventories

(1) The Group's inventories by category:

	2018			*2017*		
	Book value	*Provision for impairment of inventories*	*Carrying amount*	*Book value*	*Provision for impairment of inventories*	*Carrying amount*
Raw materials	4,350,466,710	293,435,033	4,057,031,677	3,663,568,064	312,167,170	3,351,400,894
Work in progress	1,442,498,808	150,867,947	1,291,630,861	1,442,250,856	130,466,876	1,311,783,980
Finished goods	7,770,574,684	1,244,503,744	6,526,070,940	5,742,195,757	1,546,545,280	4,195,650,477
Consumables	113,493,354	2,828,660	110,664,694	99,620,537	736,507	98,884,030
Total	13,677,033,556	1,691,635,384	11,985,398,172	10,947,635,214	1,989,915,833	8,957,719,381

As at 31 December 2018, there was no amount of capitalised borrowing cost in the Group's closing balance of inventories (2017: nil).

As at 31 December 2018, the Group had no inventory used as collateral (2017: nil).

(2) Provision for impairment of inventories of the Group is analyzed as follows:

			Reductions during the year		
	Balance at the beginning of the year	*Charge during the year*	*Move Back*	*Transferred out*	*Balance at the end of the year*
Raw materials	312,167,170	307,794,313	95,981,437	230,545,013	293,435,033
Work in progress	130,466,876	89,465,770	59,402,305	9,662,394	150,867,947
Finished goods	1,546,545,280	1,621,997,256	664,032,716	1,260,006,076	1,244,503,744
Consumables	736,507	2,760,542	642,836	25,553	2,828,660
Total	1,989,915,833	2,022,017,881	820,059,294	1,500,239,036	1,691,635,384

6 Other current assets

	2018	*2017*
VAT on tax credits	4,841,165,133	4,847,422,522
Input tax to be verified or deducted	1,773,794,503	1,198,408,412
Income taxes prepaid	132,824,503	5,763,179
Wealth management product	5,534,413,566	9,791,137,808
Others	180,876,074	81,702,057
Total	12,463,073,779	15,924,433,978

As at 31 December 2018, all of the wealth management products owned by the Group are due within one year.

7 Available-for-sale financial assets

(1) Available-for-sale financial assets

	2018			*2017*		
Item	*Book value*	*Provision for impairment*	*Carrying amount*	*Book value*	*Provision for impairment*	*Carrying amount*
Available-for-sale debt instruments	12,866,432	-	12,866,432	14,912,146	-	14,912,146
Available-for-sale equity instruments						
- Measured at fair value	528,735,772	150,099,655	378,636,117	662,938,045	150,099,655	512,838,390
- Measured at cost	377,015,762	34,495,952	342,519,810	332,328,820	180,000	332,148,820
Total	918,617,966	184,595,607	734,022,359	1,010,179,011	150,279,655	859,899,356

(2) Available-for-sale financial assets at fair value at the end of the year:

	Available-for-sale equity instruments	*Available-for-sale debt instruments*	*Total*
Cost of equity instruments / amortized cost of debt instruments	555,793,175	12,565,172	568,358,347
Fair Values	378,636,117	12,866,432	391,502,549
Accumulated fair value movements in other comprehensive income	(27,057,403)	301,260	(26,756,143)
Provision for impairment	(150,099,655)	-	(150,099,655)

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

	Book value					*Provision for impairment*				
Investee	*Balance at the beginning of the year*	*Increase during the year*	*Reductions during the year*	*Translation differences*	*Balance at the end of the year*	*Balance at the beginning of the year*	*Increase during the year*	*Translation differences*	*Balance at the end of the year*	*Percentage of shareholding in investees (%)*
Teralane Semiconductor Inc	11,868,000	-	-	-	11,868,000	-	-	-	-	7.29%
Zhejiang BOE Display Technology Co., Ltd.	321,256	-	-	-	321,256	-	-	-	-	7.03%
Zhejiang Qiusheng Photoelectric Technology Co., Ltd.	248,776	-	-	-	248,776	-	-	-	-	5.09%
National Engineering Laboratory of Digital Television (Beijing) Co., Ltd.	6,250,000	-	-	-	6,250,000	-	-	-	-	12.50%
Meta Company	32,670,951	-	-	1,645,001	34,315,952	-	33,130,452	1,185,500	34,315,952	5.66%
Danhua Capital, L. P.	24,503,250	-	-	1,233,750	25,737,000	-	-	-	-	5.48%
Danhua Capital II, L.P.	34,304,550	26,419,000	-	2,761,050	63,484,600	-	-	-	-	3.29%
Kateeva Inc.	78,051,019	-	-	3,929,905	81,980,924	-	-	-	-	3.00%
DEPICT INC.	13,068,400	-	-	658,000	13,726,400	-	-	-	-	22.20%
MOOV INC.	26,244,971	-	-	1,321,446	27,566,417	-	-	-	-	7.69%
ZGLUE INC.	9,801,289	-	-	493,499	10,294,788	-	-	-	-	6.00%
Fabord Ltd.	910	-	910	-	-	-	-	-	-	-
Hefei Xin Jing Yuan Electronic Materials Co., Ltd.	3,000,000	-	3,000,000	-	-	-	-	-	-	-
Nanosys INC	49,006,500	-	-	2,467,500	51,474,000	-	-	-	-	3.14%
Ceribell INC	8,494,453	-	-	427,699	8,922,152	-	-	-	-	2.05%
Baebies INC	28,709,230	-	-	1,445,523	30,154,753	-	-	-	-	9.05%
Illumina Fund I,L.P.	5,605,265	4,433,785	-	451,694	10,490,744	-	-	-	-	2.14%
Others	180,000	-	-	-	180,000	180,000	-	-	180,000	
Total	332,328,820	30,852,785	3,000,910	16,835,067	377,015,762	180,000	33,130,452	1,185,500	34,495,952	

8 Long-term equity investments

(1) The Group's long-term equity investments by category:

	2018	*2017*
Investments in joint ventures	-	2,793,732,185
Investments in associates	2,926,303,858	4,672,259,202
Sub-total	2,926,303,858	7,465,991,387
Less: Provision for impairment	537,136,972	537,136,972
- Associates	537,136,972	537,136,972
Total	2,389,166,886	6,928,854,415

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

Investee	*Balance at the beginning of the year*	*Newly added investments during the year*	*Investment income recognized under equity method*	*Other comprehensive income*	*Other changes in equity*	*Translation differences of foreign currency financial statements*	*Cash dividends or profit declared*	*Acquired as subsidiaries during the year*	*Balance at the end of the year*
Joint ventures									
Wuhan BOE Optoelectronics Technology Co., Ltd.	91,590,309	1,140,000,000	(729,793)	-	-	-	-	(1,230,860,516)	-
Mianyang BOE Optoelectronics Technology Co., Ltd.	2,698,378,093	2,400,000,000	(1,398,010)	-	-	-	-	(5,096,980,083)	-
Beijing BOE Yiyun Science &Technology Co., Ltd.	3,763,783	-	(3,763,783)	-	-	-	-	-	-
Sub-total	2,793,732,185	3,540,000,000	(5,891,586)	-	-	-	-	(6,327,840,599)	-
Associates									
Beijing Nissin Electronics Precision Component Co., Ltd.	-	-	(1,886,109)	-	2,424,598	-	-	-	538,489
Beijing Nittan Electronic Co., Ltd.	53,786,835	-	10,946,250	-	-	-	(3,000,000)	-	61,733,085
Erdos BOE Energy Investment Co., Ltd.	907,458,312	-	-	-	-	-	-	-	907,458,312
Beijing Infi-Hailin Venture Investment Co., Ltd.	373,361	-	62,467	-	-	-	-	-	435,828
Beijing Infi-Hailin Venture Investment (Limited Partnership)	137,448,451	-	22,591,316	(47,702,834)	-	-	(30,000,000)	-	82,336,933
TPV Display Technology (China) Limited	27,190,533	-	(4,189,174)	-	-	-	-	-	23,001,359
Beijing Xindongneng Investment Fund (Limited Partnership)	1,472,249,231	150,000,000	(11,778,573)	(155,295,781)	-	-	-	-	1,455,174,877
Beijing Xindongneng Investment Management Co., Ltd.	4,861,735	-	2,327,127	-	-	-	(2,000,000)	-	5,188,862
Shenzhen Yunyinggu Technology Co., Ltd.	35,483,897	-	(20,002,391)	-	-	-	-	-	15,481,506
Beijing Xloong Technologies Co.,Ltd.	23,981,997	-	(1,372,786)	-	-	-	-	-	22,609,211
New on Technology Co.Ltd.	3,708,174	-	(512,473)	-	-	(10,207)	-	-	3,185,494
Chongqing BOE Display Technology Co., Ltd.	3,846,000	192,300,000	(2,808,246)	219,616	-	-	-	(193,557,370)	-
Beijing Zhonglianhe Ultra HD Collaborative Technology Center Co., Ltd.	-	3,000,000	-	-	-	-	-	-	3,000,000
SES Imagotag SA Co.Ltd.	1,675,160,676	11,715,900	(1,411,455)	-	-	255,418	-	(1,685,720,539)	-
Cnoga Medical Co.Ltd.	326,710,000	-	-	-	-	16,450,000	-	-	343,160,000
Hefei Xin Jing Yuan Electronic Materials Co., Ltd.	-	3,000,000	(98)	-	-	-	-	-	2,999,902
Sub-total	4,672,259,202	360,015,900	(8,034,145)	(202,778,999)	2,424,598	16,695,211	(35,000,000)	(1,879,277,909)	2,926,303,858
Total	7,465,991,387	3,900,015,900	(13,925,731)	(202,778,999)	2,424,598	16,695,211	(35,000,000)	(8,207,118,508)	2,926,303,858
Less: Provision for impairment	537,136,972								537,136,972
Total	6,928,854,415								2,389,166,886

9 Investment properties

	Land use rights	*Buildings*	*Total*
Cost			
Balance at the beginning of the year	675,597,667	991,566,471	1,667,164,138
Additions during the year	11,837,010	20,592,374	32,429,384
Closing balance	687,434,677	1,012,158,845	1,699,593,522
Less: Accumulated depreciation or amortization			
Balance at the beginning of the year	112,407,496	258,094,437	370,501,933
Additions during the year	14,742,206	30,481,732	45,223,938
Closing balance	127,149,702	288,576,169	415,725,871
Carrying amounts			
At the end of the year	560,284,975	723,582,676	1,283,867,651
At the beginning of the year	563,190,171	733,472,034	1,296,662,205

10 Fixed assets

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

Item	*Plant & buildings*	*Equipment*	*Others*	*Total*
Cost				
Balance at the beginning of the year	26,638,824,007	111,488,454,005	2,106,778,047	140,234,056,059
Additions during the year				
- Additions due to business combinations involving entities not under common control	8,369,526	554,286,212	11,779,221	574,434,959
- Purchases	22,048,907	490,646,142	620,686,368	1,133,381,417
- Transfer from construction in progress	10,080,982,077	47,301,257,740	613,774,548	57,996,014,365
Disposals or written-offs during the year	(663,844)	(377,332,712)	(102,605,476)	(480,602,032)
Other decreases	-	(6,520,201,883)	-	(6,520,201,883)
Translation differences	133,616	22,051,939	3,112,610	25,298,165
Closing balance	36,749,694,289	152,959,161,443	3,253,525,318	192,962,381,050
Less: Accumulated depreciation				
Balance at the beginning of the year	3,366,248,795	46,632,776,416	936,024,333	50,935,049,544
Charge during the year	921,469,231	11,998,277,652	620,991,543	13,540,738,426
Disposals or written-offs during the year	(559,484)	(242,112,475)	(98,034,828)	(340,706,787)
Translation differences	43,483	13,925,120	2,737,927	16,706,530
Closing balance	4,287,202,025	58,402,866,713	1,461,718,975	64,151,787,713
Less: Provision for impairment				
Balance at the beginning of the year	1,085,094	663,639,306	8,985,354	673,709,754
Disposals or written-offs during the year	-	(19,001,242)	(1,846,170)	(20,847,412)
Balance at the end of the year	1,085,094	644,638,064	7,139,184	652,862,342
Carrying amounts				
At the end of the year	32,461,407,170	93,911,656,666	1,784,667,159	128,157,730,995
At the beginning of the year	23,271,490,118	64,192,038,283	1,161,768,360	88,625,296,761

On January 16, 2018, the Company signed a debt examption agreement with Fuzhou Municipal People's Government, Fuzhou Chengtou BOE Investment Co., Ltd. and Fuzhou Construction & Investment Group Co., Ltd. for the investment framework agreement of Fuzhou 8.5th new semiconductor display device production line project. The loan exempted for the construction of Fuzhou's 8.5th generation new semiconductor display device production line project totaled RMB 6.3 billion. In accordance with the accounting policies set out in note III 25, the group has simultaneously reduced the total book value of long-term loans and related fixed assets by RMB 6.3 billion in the consolidated financial statements.

(2) Fixed assets acquired under finance leases

	2018				*2017*			
Item	*Original book value*	*Accumulated depreciation*	*Provision for impairment*	*Carrying amount*	*Original book value*	*Accumulated depreciation*	*Provision for impairment*	*Carrying amount*
Plant & buildings	11,291,665	4,357,005	-	6,934,660	11,291,665	4,103,316	-	7,188,349
Equipment	111,358,145	4,815,787	-	106,542,358	-	-	-	-
Total	122,649,810	9,172,792	-	113,477,018	11,291,665	4,103,316	-	7,188,349

The Group's fixed assets under finance leases represented a youth apartment under finance lease for the Company, which is used for the purposes of the staff dormitory and machinery and equipment under finance leases.

(3) Fixed assets pending certificates of ownership

On 31 December 2018, fixed assets pending certificates of ownership totalled RMB 12,554,907,996 and certificates of ownership is still being processed.

11 Construction in progress

(1) Construction in progress

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

	2018			*2017*		
Item	*Book value*	*Provision for impairment*	*Carrying amount*	*Book value*	*Provision for impairment*	*Carrying amount*
The 6th generation AMOLED project	23,065,639,272	-	23,065,639,272	-	-	-
The 6th generation LTPS / AMOLED project	15,759,483,392	-	15,759,483,392	19,099,729,823	-	19,099,729,823
The 10.5th generation TFT-LCD project	5,599,769,733	-	5,599,769,733	19,778,218,499	-	19,778,218,499
Others	11,998,462,490	-	11,998,462,490	11,883,302,104	-	11,883,302,104
Total	56,423,354,887	-	56,423,354,887	50,761,250,426	-	50,761,250,426

(b) Movements of major construction in progress during the year

Item	*Budget*	*Balance at the beginning of the year*	*Additions due to business combinations involving entities not under common control*	*Increase during the year*	*Transfer to fixed assets during the year*	*Transfer to Intangible assets during the year*	*Balance at the end of the year*	*Percentage of actual cost to budget (%)*	*Accumulated capitalized interest at the end of the year*	*Interest capitalized in 2018*	*Percentage of interest capitalized in 2018 (%)*	*Sources of funding*
The 6th generation AMOLED project	44,500,000,000	-	2,389,530,479	21,094,477,912	(418,369,119)	-	23,065,639,272	57.08%	56,276,871	56,276,871	3.88%	Self-raised funds and borrowings
The 6th generation LTPS / AMOLED project	44,800,000,000	19,099,729,823	-	12,724,032,041	(16,059,831,316)	(4,447,156)	15,759,483,392	71.53%	382,974,096	582,748,988	4.68%	Self-raised funds and borrowings
The 10.5th generation TFT-LCD project	42,937,000,000	19,778,218,499	-	15,109,135,590	(29,283,568,179)	(4,016,177)	5,599,769,733	82.86%	-	424,792,676	5.06%	Self-raised funds and borrowings

12 Intangible assets

(1) Intangible assets

	Land use rights	*Patent and proprietary technology*	*Computer software*	*Others*	*Total*
Original book value					
Balance at the beginning of the year	1,822,280,424	1,744,517,311	776,387,468	343,837,159	4,687,022,362
Additions during the year					
- Additions due to business combinations involving entities not under common control	589,657,038	1,347,085,497	28,569	840,703,062	2,777,474,166
- Minority shareholder's rights	-	200,000,000	-	-	200,000,000
- Purchases	236,594,905	-	68,627,737	42,184,921	347,407,563
- Transfer from construction in progress	37,170,534	-	60,291,004	-	97,461,538
Interest subsidies from policy-related preferential loans	-	(973,500)	-	-	(973,500)
Disposals during the year	-	-	(2,963,479)	(96,525)	(3,060,004)
Balance at the end of the year	2,685,702,901	3,290,629,308	902,371,299	1,226,628,617	8,105,332,125
Less: Accumulated amortisation					
Balance at the beginning of the year	178,337,119	1,024,064,866	443,322,429	58,633,640	1,704,358,054
Charge during the year	50,136,183	261,569,806	93,961,098	59,406,685	465,073,772
Disposals during the year	-	-	(1,729,224)	(49,871)	(1,779,095)
Balance at the end of the year	228,473,302	1,285,634,672	535,554,303	117,990,454	2,167,652,731
Carrying amounts					
At the end of the year	2,457,229,599	2,004,994,636	366,816,996	1,108,638,163	5,937,679,394
At the beginning of the year	1,643,943,305	720,452,445	333,065,039	285,203,519	2,982,664,308

(2) Land use rights pending certificates of ownership

As at 31 December 2018, the company has land use rights pending certificates of ownership RMB 121,648,077 in total, which have been obtained on February 26 2019.

13 Goodwill

(1) Changes in goodwill

Name of investee	*Note*	*Balance at the beginning of the year*	*Additions during the year*	*Balance at the end of the year*
Original book value				
Beijing Yinghe Century Co., Ltd.		42,940,434	-	42,940,434
K-Tronics (Suzhou) technology Co., Ltd.		8,562,464	-	8,562,464
Beijing BOE Optoelectronics Technology Co., Ltd.		4,423,876	-	4,423,876
BOE Healthcare Investment & Management Co., Ltd.		146,460,790	-	146,460,790
SES Imagotag SA Co.Ltd.	*(a)*	-	706,406,821	706,406,821
Sub-total		202,387,564	706,406,821	908,794,385
Provision for impairment		4,423,876	-	4,423,876
Carrying amounts		197,963,688	706,406,821	904,370,509

(a) As at 6 February 2018, the Group achieving actual control of SES Imagotag SA Co. Ltd (SES). The excess of the combination cost over the Group's interest in the fair value of SES's identifiable assets and liabilities, amounting to RMB 706,406,821, was recognized as goodwill attributable to SES.

(2) Provision for impairment of goodwill

The recoverable amount of Yinghe Century, Suzhou K-Tronics, Health Investment and SES is determined based on the present value of expected future cash flows. The present value of expected future cash flows was projected based on the most recent approved five-year financial budgets of the management and a pre-tax discount rate of 8.44%、6.62%、6.80% and 23.01% respectively. The cash flows beyond the five-year budget period were assumed to keep stable. The key assumptions adopted in the forecasting may change. If management consider the key assumption will have negative changes, the book value of the relevant asset group will exceed the recoverable amount.

14 Long-term deferred expenses

	Balance at the beginning of the year	*Additions during the year*	*Reductions during the year*	*Balance at the end of the year*
Payment for public facilities construction and use	113,443,013	-	(15,370,224)	98,072,789
Cost of operating lease assets improvement	18,931,332	13,630,236	(12,210,115)	20,351,453
Others	247,455,085	109,089,264	(114,327,738)	242,216,611
Total	379,829,430	122,719,500	(141,908,077)	360,640,853

15 Deferred tax assets / deferred tax liabilities

(1) Deferred tax assets and liabilities

	2018		*2017*	
Item	*Deductible/ (taxable) temporary differences*	*Deferred tax assets / (liabilities)*	*Deductible/ (taxable) temporary differences*	*Deferred tax assets / (liabilities)*
Deferred tax assets:				
Provisions for impairment losses of assets	391,727,136	69,662,802	404,563,258	72,783,228
Depreciation of fixed assets	125,811,735	22,699,045	79,460,328	11,970,733
Assessed value added by investing real estate ini subsidiaries	142,110,808	35,527,702	147,664,660	36,916,165
Accumulated losses	230,110,593	67,447,589	48,749,683	8,043,698
Advances from customers	290,000,000	43,500,000	-	-
Others	219,548,492	42,572,983	34,900,387	8,725,096
Sub-total	1,399,308,764	281,410,121	715,338,316	138,438,920
Amount offset		(29,036,499)		(32,183,263)
Balance after offset		252,373,622		106,255,657
Deferred tax liabilities:				
Revaluation due to business combinations involving entities not under common control	(2,777,250,385)	(835,036,150)	(1,099,980,193)	(272,308,392)
Depreciation of fixed assets	(3,248,856,623)	(517,769,740)	(1,246,406,521)	(213,674,259)
Changes in fair value of available-for-sale financial assets	(53,218,430)	(8,058,902)	(145,163,930)	(25,783,777)
Long-term equity investments	(360,863,027)	(54,129,454)	(360,863,027)	(54,129,454)
Bond interest	(71,525,943)	(10,728,891)	(71,532,514)	(10,729,877)
Others	(223,118,577)	(22,686,907)	(204,034,820)	(18,860,414)
Sub-total	(6,734,832,985)	(1,448,410,044)	(3,127,981,005)	(595,486,173)
Amount offset		29,036,499		32,183,263
Balance after offset		(1,419,373,545)		(563,302,910)

(2) Details of unrecognized deferred tax assets

	2018	*2017*
Deductible temporary differences	9,073,884,112	7,974,238,271
Deductible losses	6,752,930,780	1,888,693,158
Total	15,826,814,892	9,862,931,429

As at 31 December 2018, the deductible temporary differences are mainly provisions for the subsidiaries' impairment of assets. Due to the uncertainty that there will be sufficient taxable income to cover these deductible differences in future periods, the deferred income tax assets were not recognized in consideration of prudence.

(3) Expiration of deductible tax losses for unrecognized deferred tax assets:

Year	*Note*	*2018*	*2017*
2018		-	45,598,745
2019		38,076,038	47,515,768
2020		59,149,932	130,498,173
2021		52,190,671	73,876,573
2022		528,642,251	524,338,212
2023		669,677,506	67,648,332
2024		125,649,689	125,649,689
2025		512,243,532	512,977,493
2026		233,283,462	233,283,463
2027		133,672,001	127,306,710
2028		4,296,683,816	-
Others	*(a)*	103,661,882	-
Total		6,752,930,780	1,888,693,158

According to *the Notice of the Ministry of Finance and the State Administration of Taxation on Extending the Loss Carry-over Period of High-Tech Enterprises and High-Tech SMEs (Cai Shui [2018] No. 76)*, qualified enterprises in 2018, regardless of whether they are qualified from 2013 to 2017, the losses that have not been remedied from 2013 to 2017 are all allowed to be repaid after the carry-over, and the longest carry-over period is 10 years. In order to facilitate the corresponding comparison, comparative figures in 2017 are restated.

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

16 Other non-current assets

	2018	*2017*
Deferred VAT for imported equipment	3,187,164,914	1,401,435,788
Prepayment for fixed assets	2,896,176,554	2,062,240,060
VAT on tax credits	1,488,605,413	321,022,343
Prepayment for projects	155,970,966	289,231,537
Others	165,084,206	115,837,526
Total	7,893,002,053	4,189,767,254

17 Short-term loans

	2018			
	Amount in original currency	*Exchange rate*	*RMB / RMB equivalents*	*Credited /collateralised guaranteed /pledged*
Bank loans				
- RMB			110,033,961	Pledged
- RMB			1,399,800,000	Credited
Sub-total			1,509,833,961	
Foreign currency bank loans				
- USD	314,573,510	6.8632	2,158,980,914	Pledged
- USD	47,369,984	6.8632	325,109,671	Collateralised
- USD	139,129,343	6.8632	954,872,507	Credited
- JPY	313,000,000	0.0619	19,370,631	Collateralised
- JPY	7,784,950,000	0.0619	481,787,201	Credited
Sub-total			3,940,120,924	
Total			5,449,954,885	

	2017			
	Amount in original currency	*Exchange rate*	*RMB / RMB equivalents*	*Credited /collateralised guaranteed /pledged*
Bank loans				
- RMB			350,578,748	Pledged
- RMB			418,499,999	Credited
Sub-total			769,078,747	
Foreign currency bank loans				
- USD	161,181,026	6.5342	1,053,189,061	Pledged
- USD	53,679,291	6.5342	350,751,222	Credited
- EUR	138,000,000	7.8023	1,076,717,400	Pledged
Sub-total			2,480,657,683	
Total			3,249,736,430	

The interest rate of short-term loans for the Group ranged from 1.28% to 4.95% in 2018 (2017: 0.35% to 5.20%).

As at 31 December 2018, no short-term loan was past due (2017: nil).

18 Bills payable and accounts payable

	Note	*2018*	*2017*
Bills payable	*(1)*	591,109,272	543,798,835
Accounts payable	*(2)*	22,213,956,616	16,205,788,698
Total		22,805,065,888	16,749,587,533

(1) Bills payable

	2018	*2017*
Bank acceptance bills	326,575,254	481,852,311
Commercial acceptance bills	264,534,018	61,946,524
Total	591,109,272	543,798,835

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

(2) Accounts payable

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

	2018	*2017*
Payables to related parties	30,361,810	14,532,494
Payables to third parties	22,183,594,806	16,191,256,204
Total	22,213,956,616	16,205,788,698

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

	2018			*2017*		
	Amount in original currency	*Exchange rate*	*RMB / RMB equivalents*	*Amount in original currency*	*Exchange rate*	*RMB / RMB equivalents*
- RMB			14,305,998,594			11,174,717,229
- USD	959,572,576	6.8632	6,585,738,505	658,301,225	6.5342	4,301,456,276
- JPY	13,279,275,766	0.0619	821,987,170	11,718,379,068	0.0579	678,364,509
- Other foreign currencies			500,232,347			51,250,684
Total			22,213,956,616			16,205,788,698

As at 31 December 2018, the Group had no individually significant accounts payable ageing more than one year.

19 Advances from customers

Item	*2018*	*2017*
Advances from related parties	1,111	141,921
Advances from third parties	1,218,933,632	781,182,601
Total	1,218,934,743	781,324,522

As at 31 December 2018, the Group had no individually significant advances from customers ageing more than one year.

20 Employee benefits payable

(1) Employee benefits payable:

	Note	*Balance as of January 1 2018*	*Increase during the year*	*Reductions during the year*	*Balance as of December 31 2018*
Short-term employee benefits	*(2)*	2,167,235,414	10,681,611,152	10,673,038,901	2,175,807,665
Post-employment benefits					
- defined contribution plans	*(3)*	34,854,644	860,558,928	861,059,727	34,353,845
Termination benefits		14,976,886	6,091,402	6,298,627	14,769,661
Total		2,217,066,944	11,548,261,482	11,540,397,255	2,224,931,171

	Note	*Balance as of January 1 2017*	*Increase during the year*	*Reductions during the year*	*Balance as of December 31 2017*
Short-term employee benefits	*(2)*	1,497,068,752	9,211,333,761	8,541,167,099	2,167,235,414
Post-employment benefits					
- defined contribution plans	*(3)*	30,746,554	707,946,622	703,838,532	34,854,644
Termination benefits		15,036,960	5,497,883	5,557,957	14,976,886
Total		1,542,852,266	9,924,778,266	9,250,563,588	2,217,066,944

(2) Short-term employee benefits

	Balance as of January 1 2018	*Increase during the year*	*Reductions during the year*	*Balance as of December 31 2018*
Salaries, bonuses and allowances	1,840,923,550	8,737,680,189	8,760,657,228	1,817,946,511
Staff welfare	-	776,550,030	776,550,030	-
Social insurance	33,561,796	436,106,436	438,357,908	31,310,324
Medical insurance	30,110,821	384,231,011	387,191,648	27,150,184
Work-related injury insurance	1,419,661	31,115,109	30,485,856	2,048,914
Maternity insurance	2,031,314	20,760,316	20,680,404	2,111,226
Housing fund	17,201,305	430,417,142	425,536,787	22,081,660
Labour union fee, staff and workers' education fee	246,372,990	242,263,166	214,158,506	274,477,650
Staff bonus and welfare fund	7,282,591	-	-	7,282,591
Other short-term employee benefits	21,893,182	58,594,189	57,778,442	22,708,929
Total	2,167,235,414	10,681,611,152	10,673,038,901	2,175,807,665

	Balance as of January 1 2017	*Increase during the year*	*Reductions during the year*	*Balance as of December 31 2017*
Salaries, bonuses and allowances	1,178,080,434	7,500,609,836	6,837,766,720	1,840,923,550
Staff welfare	-	742,718,924	742,718,924	-
Social insurance	66,779,153	357,701,317	390,918,674	33,561,796
Medical insurance	63,337,669	310,634,444	343,861,292	30,110,821
Work-related injury insurance	1,631,421	26,846,859	27,058,619	1,419,661
Maternity insurance	1,810,063	20,220,014	19,998,763	2,031,314
Housing fund	20,607,756	339,557,027	342,963,478	17,201,305
Labour union fee, staff and workers' education fee	214,936,641	186,435,492	154,999,143	246,372,990
Staff bonus and welfare fund	7,282,591	-	-	7,282,591
Other short-term employee benefits	9,382,177	84,311,165	71,800,160	21,893,182
Total	1,497,068,752	9,211,333,761	8,541,167,099	2,167,235,414

(3) Post-employment benefits - defined contribution plans

	Balance as of January 1 2018	*Increase during the year*	*Reductions during the year*	*Balance as of December 31 2018*
Basic pension insurance	28,831,475	815,071,236	814,696,438	29,206,273
Unemployment insurance	1,155,250	25,252,494	25,442,851	964,893
Annuity	4,867,919	20,235,198	20,920,438	4,182,679
Total	34,854,644	860,558,928	861,059,727	34,353,845

	Balance as of January 1 2017	*Increase during the year*	*Reductions during the year*	*Balance as of December 31 2017*
Basic pension insurance	24,629,016	664,045,399	659,842,940	28,831,475
Unemployment insurance	1,219,162	26,548,521	26,612,433	1,155,250
Annuity	4,898,376	17,352,702	17,383,159	4,867,919
Total	30,746,554	707,946,622	703,838,532	34,854,644

21 Taxes payable

	2018	*2017*
Value-added tax	112,292,699	7,384,437
Corporate income tax	387,053,187	501,685,626
Individual income tax	39,659,862	41,968,486
City construction tax	205,222,860	84,932,308
Education surcharges and local education surcharges	148,544,558	61,375,167
Others	77,335,132	78,275,122
Total	970,108,298	775,621,146

22 Other payables

	Note	*2018*	*2017*
Interest payable		1,016,761,921	847,955,186
Dividends payable	*(1)*	23,648,778	9,651,170
Others	*(2)*	21,916,569,129	15,264,806,774
Total		22,956,979,828	16,122,413,130

(1) Dividends payable

Dividends not paid this year were mainly due to dividends not yet available to non-tradable shareholders and cash dividends of non-controlling shareholders who have not paid individual subsidiaries.

(2) Others

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

	2018	*2017*
Projects and equipment	18,042,357,713	12,772,388,210
Deferred VAT for imported equipment	1,400,000,000	675,815,849
Accrued water and electricity charges and freight	606,071,394	430,803,905
Deposits	440,792,988	380,789,096
External agency fee	53,393,714	34,108,132
Others	1,373,953,320	970,901,582
Total	21,916,569,129	15,264,806,774

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

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

	2018			*2017*		
	Amount in original currency	*Exchange rate*	*RMB / RMB equivalents*	*Amount in original currency*	*Exchange rate*	*RMB / RMB equivalents*
RMB			15,064,792,480			10,281,873,020
USD	724,117,103	6.8632	4,969,760,500	574,115,354	6.5342	3,751,384,540
JPY	29,183,294,045	0.0619	1,806,445,901	20,695,199,824	0.0579	1,198,039,317
Other foreign currencies			75,570,248			33,509,897
Total			21,916,569,129			15,264,806,774

23 Non-current liabilities due within one year

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

	2018			
	Amount in original currency	*Exchange rate*	*RMB / RMB equivalents*	*Credited /collateralised guaranteed /pledged*
Bank loans				
- RMB			37,743,750	Pledged
- RMB			1,702,180,000	Collateralised
- RMB			990,000,000	Credited
- USD	378,624,409	6.8632	2,598,575,044	Collateralised
- EUR	3,694,262	7.8473	28,989,985	Credited
- EUR	3,950,000	7.8473	30,996,836	Pledged
Long-term payables			209,077,589	Collateralised
Total			5,597,563,204	

	2017			
	Amount in original currency	*Exchange rate*	*RMB / RMB equivalents*	*Credited /collateralised guaranteed /pledged*
Bank loans				
- RMB			2,725,000,000	Credited
- RMB			915,745,064	Collateralised
- RMB			1,000,000	Pledged
- USD	200,000,000	6.5342	1,306,840,000	Credited
- USD	609,380,700	6.5342	3,981,815,370	Collateralised
Long-term payables			179,308,077	Collateralised
Total			9,109,708,511	

The interest rate of RMB long-term loans due within one year for the Group ranged from 0% to 5.88% in 2018 (2017: from 0% to 5.64%).

24 Other current liabilities

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

25 Long-term loans

	2018			
	Amount in original currency	*Exchange rate*	*RMB / RMB equivalents*	*Credited /collateralised guaranteed /pledged*
Bank loans				
- RMB			640,180,000	Pledged
- RMB			32,190,024,533	Collateralised
- RMB			660,000,000	Guaranteed
- RMB			27,697,000,000	Credited
- USD	5,422,274,409	6.8632	37,214,153,724	Collateralised
- EUR	7,172,652	7.8473	56,285,953	Credited
- EUR	218,025,000	7.8473	1,710,919,269	Pledged
Less: Long-term loans due within one year			5,388,485,615	
Total			94,780,077,864	

	2017			
	Amount in original currency	*Exchange rate*	*RMB / RMB equivalents*	*Credited /collateralised guaranteed /pledged*
Bank loans				
- RMB			26,676,070,000	Credited
- RMB			18,725,264,133	Collateralised
- RMB			508,585,000	Pledged
- USD	308,062,697	6.5342	2,012,943,277	Credited
- USD	5,950,391,285	6.5342	38,881,046,734	Collateralised
- EUR	141,000,000	7.8023	1,100,124,300	Pledged
Less: Long-term loans due within one year			8,930,400,434	
Total			78,973,633,010	

The interest rate of RMB long-term loans for the Group ranged from 0% to 5.88% in 2018 (2017: from 0% to 6.60%).

26 Bonds payable

(1) Bonds payable

Item	*2018*	*2017*
Debentures payable	10,288,666,233	9,966,467,496
Less: Bonds payable due within one year	-	-
Total	10,288,666,233	9,966,467,496

(2) Increase and decrease of bonds payable:

Name of bond	*Par value*	*Issuance date*	*Maturity*	*Issuance amount*	*Balance at the beginning of the year*	*Additions due to business combinations involving entities not under common control*	*Interest recognized based on par value*	*Amortization to discounts or premium*	*Translation differences*	*Repayment during the period*	*Balance at the end of the year*
16BOE01	RMB 10,000,000,000	As at 21/03/2016	5	RMB 10,000,000,000	9,966,467,496	-	315,000,000	10,065,929	-	(315,000,000)	9,976,533,425
Euro PP	EUR10,000,000	As at 29/12/2016	7	EUR10,000,000	-	78,035,000	2,738,890	-	435,471	(2,738,890)	78,470,471
Euro PP	EUR30,000,000	As at 29/03/2017	6	EUR30,000,000	-	232,249,600	8,216,670	106,324	1,306,413	(8,216,670)	233,662,337
Total					9,966,467,496	310,284,600	325,955,560	10,172,253	1,741,884	(325,955,560)	10,288,666,233

From 21 March 2016 to 22 March 2016, with the Approval document No. 469 [2016] of CSRC, the Group successfully issued a corporate bond of RMB 10 billion to qualified investors via Shenzhen Stock Exchange. The full name of the bond was Corporate Bond Issued Publicly by BOE Technology Group Co., Ltd. to Qualified Investors in 2016 (the First Phase), which referred to as 16BOE01.

The total amount of the bond in the current period is RMB 10 billion issued at a par value of RMB 100, with a maturity of 5 years from 21 March 2016 to 21 March 2021. Interest starts to accrue on 21 March 2016 and the interest payments are made annually. The company will pay out the last interest payment with the principle amount of the bond when it becomes mature. The coupon rate is 3.15% which is fixed in the first 3 years, after which the company has a right to raise the rate and so are the investors to sell back the bond to the company. On 30 January 2019, the company has decided that the coupon rate remains unchanged and the investors may exercise the put option considering the market environment at the time. A number of 96,705,976 bonds were sold back to the company at a total value of RMB 9,975,221,424.40 with interests included while 3,294,024 bonds remains held by the investors. As at 20 March 2019, the company has made a payment that includes both the principles and the interests of the put-back bonds to the designated bank account of China Securities Depository and Clearing Co., Ltd Shenzhen branch (CSDC Shenzhen), the payment then went through the clearing system of CSDC Shenzhen to the investors' registered reserve deposit account. As on 21 March 2019, the payments were allocated to investors' account with CSDC.

SES issued two private placement bonds with a total face value of 40 million euro to institutional investors on 29 December 2016 and 29 March 2017. The coupon rate of the bonds is 3.5% and the maturity date is 29 December 2023. Interest payments are made annually and the principle amount will be paid when the bonds become due.

27 Long-term payables

Item	*Note*	*2018*	*2017*
Financial lease payables	*(1)*	1,625,169,828	1,355,559,059
Less: Financial lease payable due within one year		209,077,589	179,308,077
Total		1,416,092,239	1,176,250,982

(1) Details of obligations under finance leases included in long-term payables

As at 31 December, the total future minimum lease payments under finance leases were as follows:

Minimum lease payments	*2018*	*2017*
Within 1 year (inclusive)	310,816,661	256,663,314
After 1 year but within 2 years (inclusive)	362,741,342	283,747,221
After 2 years but within 3 years (inclusive)	345,762,549	307,743,543
Over 3 years	1,096,208,635	825,636,817
Sub-total	2,115,529,187	1,673,790,895
Less: Unrecognized finance fees	490,359,359	318,231,836
Total	1,625,169,828	1,355,559,059

The Group leased back some of its sold machinery equipment and constructions in progress. The sales of the assets are related to the leases, and the Group basically can ensure to buy back the asset after lease term. Therefore, the Group adopts the accounting treatment of collateral loans.

28 Provisions

Name of investee	*2018*	*2017*
Pending implementation of the agreement	16,457,010	16,457,010

In 2009, the Group ceased producing several products and stopped fulfilling the purchase contract related to production. Due to the indemnity incurred accordingly, the Group accrued provisions according to reasonable estimation of loss.

29 Deferred income

Item	*Balance at the beginning of the year*	*Government grants newly increased during the year*	*Amount included in other income*	*Other changes*	*Balance at the end of the year*
Government grants related to assets	2,028,326,953	570,687,312	(446,432,359)	(232,830,923)	1,919,750,983
Related to income	233,628,354	210,252,793	(176,073,597)	-	267,807,550
Total	2,261,955,307	780,940,105	(622,505,956)	(232,830,923)	2,187,558,533

30 Other non-current liabilities

Item	*Note*	*2018*	*2017*
Convertible debt	*(1)*	4,175,131,508	3,985,192,661
Contribution of minority shareholders with redemption provisions	*(2)*	3,700,737,154	3,629,616,046
Deferred VAT for imported equipment		3,187,164,914	1,401,435,788
Others		271,839,746	114,000,000
Total		11,334,873,322	9,130,244,495

(1) Convertible debt

Convertible debt arise from the Company's capital commitment and conversion obligations to the minority shareholders of Hefei Xinsheng. In December 31 2018, the balance of the convertible debt includes principal and interest measured according to amortized cost totalled RMB 4,104,131,508 and financial liabilities based on fair value totalled RMB 71,000,000 which its fair value change is recognised in the gains from changes in fair value (Note V. 45).

(2) Contribution of minority shareholders with redemption provisions

The Contribution of minority shareholders with redemption provisions is mainly due to the redemption obligation of the company to the minority shareholders of Fuzhou BOE and BOE Smart Retail (Hong Kong) Co., Ltd. The company recognizes the above minority shareholder contribution as a financial liability which is subsequently measured at the cost of amortization. The book balance on December 31 2018 is RMB 3,700,737,154.

31 Share capital

	Balance at the beginning of the year	*Balance at the end of the year*
Total shares	34,798,398,763	34,798,398,763

32 Capital reserve

Item	*Share premiums*	*Other capital reserves*	*Total*
Balance at the beginning of the year	37,546,517,053	1,038,998,069	38,585,515,122
Add: Equity movements arising from investment increase in non-wholly owned subsidiaries	-	3,754,159	3,754,159
Other movements in equity of investee	-	2,424,598	2,424,598
Less:Equity changes arising from acquisition of non-controlling interests	-	378,593,283	378,593,283
Closing balance	37,546,517,053	666,583,543	38,213,100,596

In December 2017, BOE Smart Retail (Hong Kong) Co., Ltd., a subsidiary of the Company, acquired over 50.01% of SES Imagotag SA Co.Ltd. at a price of 30 Euro per share through block trading, and get control of SES Imagotag SA Co. Ltd. in February 6, 2018. The block trading triggered a comprehensive tender offer obligation for SES Imagotag SA Co. Ltd. As of March 16, 2018 (the date of completion of the tender offer), BOE Smart Retail (Hong Kong) Co., Ltd. had a total offer of 3,582,490 shares, and pay consideration of RMB 837,507,347. The acquisition of non-controlling shareholders' equity above leads to the reduction of capital reserve of RMB 378,593,283.

33 Other comprehensive income

		Movements during the year					
Item	*Balance at the beginning of the year attributable to shareholders of the parent company*	*Before-tax amount during the year*	*Less: Previsously recognized amount transferred to profit or loss*	*Less: Income tax expenses*	*After-tax amount attributable to the parent company*	*After-tax amount attributable to the non-controlling shareholders*	*Balance at the end of the year attributable to shareholders of the parent company*
Other comprehensive income that will be reclassified to profit or loss							
Including: Share of other comprehensive income of the equity-accounted investee that may be reclassified to profit or loss	144,614,667	(202,778,999)	219,616	-	(202,998,615)	-	(58,383,948)
Gains or losses arising from changes in fair value of available-for-sale financial assets	120,396,369	(121,965,782)	38,312,453	(17,724,875)	(136,009,652)	(6,543,708)	(15,613,283)
Translation differences arising from translation of foreign currency financial statements	(114,408,103)	95,737,106	-	-	63,147,082	32,590,024	(51,261,021)
Total	150,602,933	(229,007,675)	38,532,069	(17,724,875)	(275,861,185)	26,046,316	(125,258,252)

34 Surplus reserve

Item	*Balance at the beginning of the year*	*Additions during the year*	*Reductions during the year*	*Balance at the end of the year*
Statutory surplus reserve	599,969,166	262,985,835	-	862,955,001

Discretion arysurplus reserve	289,671,309	-	-	289,671,309
Total	889,640,475	262,985,835	-	1,152,626,310

35 Retained earnings

Item	*2018*	*2017*
Retained earnings at the beginning of the year	10,385,659,084	4,011,055,487
Add: Net profits for the year attributable to shareholders of the Company	3,435,127,975	7,567,682,493
Less: Appropriation for statutory surplus reserve	262,985,835	146,500,620
Dividends to ordinary shares	1,739,919,938	1,046,578,276
Retained earnings at the end of the year	11,817,881,286	10,385,659,084

According to the Annual Shareholders' Meeting for 2017 held on 28 May 2018, the Company distributed cash dividends to all shareholders on 26 June 2018, with RMB 0.5 every 10 shares (2017: RMB 0.3) and a total dividend of RMB 1,739,919,938 (2017: RMB 1,046,578,276) distributed.

As at 31 December 2018, the consolidated retained earnings attributable to the Company included an appropriation of RMB 2,028,756,975 (2017: RMB 870,170,635) to surplus reserve made by the subsidiaries.

36 Operating income and operating costs

	2018		*2017*	
Item	*Income*	*Cost*	*Income*	*Cost*
Principal activities	94,629,547,884	75,771,556,938	91,648,854,762	68,916,418,783
Other operating activities	2,479,317,051	1,534,667,350	2,151,624,453	1,366,058,802
Total	97,108,864,935	78,206,224,288	93,800,479,215	70,282,477,585

Details of operating income:

	2018	*2017*
Operating income from principal activities		
- Sale of goods	94,629,547,884	91,648,854,762
Other operating income		
- Sales of raw materials	936,524,913	985,858,732
- Rental income of investment properties	1,023,141,383	878,867,829
- Others	519,650,755	286,897,892
Total	97,108,864,935	93,800,479,215

Information on income, expenses and profit of principal activities has been included in Note XIII.

37 Taxes and surcharges

	2018	*2017*
Property tax	311,354,873	237,646,244
Urban maintenance and construction tax	192,007,248	173,249,514
Education surcharges and local education surcharges	137,643,535	124,162,574
Stamp duty	84,381,357	69,998,977
Land use tax	28,005,681	37,247,474
Others	25,213,432	66,076,746
Total	778,606,126	708,381,529

38 Selling and distribution expenses

	2018	*2017*
Warranty provisions	1,068,015,463	1,200,437,455
Staff cost	582,456,239	536,623,384
Logistics	530,295,839	452,572,779
Others	710,289,428	402,292,180
Total	2,891,056,969	2,591,925,798

39 General and administrative expenses

	2018	*2017*
Staff cost	2,304,932,925	1,886,440,369
Repair expense	1,155,436,163	1,076,177,465
Depreciation and amortisation	445,659,627	256,406,262
Others	1,053,155,482	849,751,849
Total	4,959,184,197	4,068,775,945

40 Research and development costs

	2018	*2017*
Staff cost	2,337,224,942	1,256,769,303
Material expenses	888,449,869	751,707,490
Depreciation and amortisation	662,379,702	524,292,457
Others	1,151,872,922	644,998,145

Total	5,039,927,435	3,177,767,395

41 Financial expenses

	2018	*2017*
Interest expenses from loans	4,566,725,543	3,143,654,626
Less: Borrowing costs capitalised	1,300,993,229	664,318,467
Interest income from bank deposits	(748,004,557)	(665,076,391)
Net exchange losses	544,018,382	19,922,620
Other financial expenses	134,949,751	113,842,472
Total	3,196,695,890	1,948,024,860

The interest rate per annum, at which the borrowing costs were capitalized by the Group, was 3.88% ~ 5.06% (2017: 2.66% ~ 4.74% for the year).

42 Impairment losses

	2018	*2017*
Provision losses for bad debts	4,499,724	282,200,188
Impairment losses of inventories	1,201,958,587	1,903,973,944
Impairment losses of fixed assets	-	43,350,550
Available-for-sale financial assets	33,130,452	-
Total	1,239,588,763	2,229,524,682

43 Other income

	2018	*2017*
Government grants related to assets	514,836,515	386,080,172
Government grants related to income	1,485,737,116	346,469,940
Total	2,000,573,631	732,550,112

The amount of government subsidies received by the Group in 2018 and directly included in other income was RMB 1,378,067,675.

44 Investment income

	2018	*2017*
Long-term equity investments gains/(loss) under equity method	(13,925,731)	169,034
Investment income from disposal of long-term equity investment	(3,948,640)	-
Investment income from holding available-for-sale financial assets	11,543,726	12,671,679
Investment income from wealth management products on maturity	313,218,224	102,761,970
Including: Reversal of other comprehensive income	38,312,453	356,146
Total	306,887,579	115,602,683

45 Gains from changes in fair value

Item	*2018*	*2017*
Financial liabilities at fair value through profit or loss	2,061,153	32,048,211
Including: Gains from changes in fair value of derivative financial instruments	2,061,153	32,048,211
Total	2,061,153	32,048,211

As stated in Note V.30 (1), the Group assessed the fair value of the financial liability - the acquisition duty during the current year and recognized the gains from changes in fair value amounting to RMB 2,061,153.

46 Gains/ (Losses) from disposal of assets

Item	*2018*	*2017*	*Amount recognized in extraordinary gain and loss in 2018*
Gains/ (Losses) from disposal of fixed assets	1,067,273	(69,145)	1,067,273
Total	1,067,273	(69,145)	1,067,273

47 Non-operating income and non-operating expenses

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

Item	*2018*	*2017*	*Amount recognized in extraordinary gain and loss in 2018*
Government grants	73,136,030	108,695,893	73,136,030
Others	96,293,485	71,722,965	96,293,485
Total	169,429,515	180,418,858	169,429,515

Government grants recognized in current profit or loss

Item	*2018*	*2017*
Policy incentives and others	73,136,030	108,695,893

(2) Non-operating expenses

	2018	*2017*	*Amount recognized in extraordinary gain and loss in 2018*
Donations provided	8,931,099	18,829,148	8,931,099
Losses from scrapping of non-current assets damage	25,378,178	87,861,553	25,378,178
Others	21,000,974	6,389,900	21,000,974
Total	55,310,251	113,080,601	55,310,251

48 Income tax expenses

	Note	*2018*	*2017*
Current tax expense based on tax law and regulations		1,114,931,211	1,746,755,541
Changes in deferred tax	*(1)*	127,484,883	133,904,439
Total		1,242,416,094	1,880,659,980

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

	2018	*2017*
Origination and reversal of temporary differences	127,484,883	133,904,439

(2) Reconciliation between income tax expense and accounting profit is as follows:

	2018	*2017*
Profit before taxation	4,122,290,167	9,741,071,539
Expected income tax expense at tax rate of 15%	618,343,525	1,461,160,731
Add: Effect of different tax rates applied by subsidiaries	(8,605,091)	(27,391,522)
Effect of non-deductible costs, expense and losses	57,787,173	43,112,436
Tax effect of weighted deduction and tax preference	(326,776,754)	(167,780,559)
Utilisation of prior year tax losses	(42,090,199)	(55,457,681)
Tax effect of deductible losses of deferred tax assets not recognized	801,853,138	160,554,413
Tax effect of deductible temporary differences of deferred tax assets not recognized	167,943,845	490,319,923
Recognized temporary differences of previous years	-	(23,857,761)
Effect of tax rates changes on deferred tax	(26,039,543)	-
Income tax expense	1,242,416,094	1,880,659,980

According to the Ministry of Finance, the State Administration of Taxation and the Ministry of Science and Technology Finance and Taxation [2018] No. 99 *Notice on Increasing the Pre-tax Deduction Ratio of Research and Development Expenses*, in order to further encourage enterprises to increase investment in research and development, support scientific and technological innovation, enterprises actually carry out research and development activities. The research and development expenses which are not resulted in intangible assets but in the current profits and losses, are deducted on the basis of the regulations truthfully. Besides, during January 1, 2018 and December 31 2020, extra deduction will be added to the research and development expenses before taxation according to 75% of the actual amount.

49 Basic earnings per share and diluted earnings per share

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

	2018	*2017*
Consolidated net profit attributable to ordinary shareholders of the Company	3,435,127,975	7,567,682,493
Weighted average number of ordinary shares outstanding (share)	34,798,398,763	34,888,807,218
Basic earnings per share (RMB / share)	0.10	0.22

Weighted average number of ordinary shares is calculated as follows:

	2018	*2017*
Issued ordinary shares at the beginning of the year	34,798,398,763	35,020,526,918
Weighted average effect of shares repurchased	-	(131,719,700)
Weighted average number of ordinary shares at 31 December	34,798,398,763	34,888,807,218

50 Supplementary information on cash flow statement

(1) Supplement to cash flow statement

	2018	*2017*
(a) Reconciliation of net profit to cash flows from operating activities:		
Net profit	2,879,874,073	7,860,411,559
Add: Impairment loss	1,239,588,763	2,229,524,682
Depreciation of fixed assets and investment property	13,335,938,485	11,582,379,561
Amortisation of intangible assets	439,474,291	283,359,395
Amortisation of long-term deferred expenses	141,908,077	78,774,292
(Losses) / gains from disposal of fixed assets, intangible assets, and other long-term assets	(3,694,057)	69,145
Losses from scrapping of fixed assets and intangible assets	25,378,178	87,861,553
Financial expenses	2,568,053,826	1,446,546,521
Gains from changes in fair value	(2,061,153)	(32,048,211)
Investment income	(306,887,579)	(115,602,683)
Change in deferred income	87,642,739	153,536,921
(Increase) / decrease in deferred tax assets	(97,760,872)	40,282,908
Increase in deferred tax liabilities	841,185,989	93,600,350
Increase in inventories	(3,709,307,660)	(3,028,554,792)
Decrease in operating receivables	828,109,193	2,126,578,448
Increase in operating payables	7,416,604,903	3,920,210,006
Net cash inflow from operating activities	25,684,047,196	26,726,929,655

(b) Significant investing and financing activities not requiring the use of cash:

On January 16, 2018, the Company signed a debt examption agreement with Fuzhou Municipal People's Government, Fuzhou Chengtou BOE Investment Co., Ltd. and Fuzhou Construction & Investment Group Co., Ltd. for the investment framework agreement of Fuzhou 8.5th new semiconductor display device production line project. The loan exempted for the construction of Fuzhou's 8.5th generation new semiconductor display device production line project totaled RMB 6.3 billion.

In 2018, Hefei Display Technology, a subsidiary of the Group, signed *the Overseas Payment Financing Contract* with the China Development Bank. The China Development Bank arranged the Payment Bank to pay RMB47,369,984 and JPY313,000,000 in advance for imports on behalf of Hefei Display Technology. At the agreed financing maturity date, Hefei Display Technology will repay the principal and interest of the financing and related costs to the China Development Bank, which will return the relevant funds to the paying bank on behalf of the China Development Bank.

In 2018, Chengdu Optoelectronics, a subsidiary of the Group, signed *the Overseas Payment Financing Contract* with the China Development Bank, which arranged by the China Development Bank to pay USD163,440,859 in advance for imports of Chengdu Optoelectronics on behalf of the Bank. At the agreed financing maturity date, Chengdu Optoelectronics will repay the financing principal, interest and related costs to the China Development Bank, and the China Development Bank will repay the relevant funds to the paying bank. In 2018, Chengdu Optoelectronics has paid

a total of USD148,905,859.

In 2018, Mianyang BOE, a subsidiary of the Group, signed *the Overseas Payment Financing Contract* with the China Development Bank, which arranged by the China Development Bank to pay the import money of USD 48,271,469 and JPY 7,784,950,000 in advance on behalf of Mianyang BOE. At the agreed financing maturity date, Mianyang BOE will repay the principal and interest of the financing and related expenses to the China Development Bank, and the relevant funds will be returned by the China Development Bank to the paying bank.

In 2018, Kunming BOE, a subsidiary of the company, received a minority shareholder's investment in patents and proprietary technology, and accounted for RMB 200,000,000 according to the assessed bookkeeping value.

In 2018, BOE Energy, a subsidiary of the Group, leased fixed assets. The financial leasing company directly paid for the purchase of suppliers. The total amount was RMB 111,358,145.

(c) Changes in cash and cash equivalents:

	2018	*2017*
Cash and cash equivalents at the end of the year	43,350,696,520	47,913,287,583
Less: Cash and cash equivalents at the beginning of the year	47,913,287,583	49,354,810,388
Net Decrease in cash and cash equivalents	(4,562,591,063)	(1,441,522,805)

(2) Information on acquisition or disposal of subsidiaries and other business units during the year

Information on acquisition of subsidiaries and other business units:

	2018	*2017*
Cash and cash equivalents paid during the year for acquiring subsidiaries	-	-
Less: Cash and cash equivalents held by acquired subsidiaries	6,801,508,810	-
Net cash paid for the acquisition	(6,801,508,810)	-

Note: Details on the acquistion of subsidiaries the year, refer to Note VI.1(1).

(3) Details of cash and cash equivalents

	2018	*2017*
Cash on hand	537,805	526,764
Bank deposits available on demand	43,340,146,382	47,912,760,611
Other monetary funds available on demand	10,012,333	208

Cash and cash equivalents at the end of the year	43,350,696,520	47,913,287,583

Note: Cash and cash equivalents disclosed above exclude other monetary fund with restricted usage.

51 Assets with restrictive ownership title or right of use

Item	*Balance at the beginning of the year*	*Additions during the year*	*Reductions during the year*	*Balance at the end of the year*	*Reason for restriction*
Cash at bank and on hand	9,215,371,993	5,150,842,367	6,235,371,169	8,130,843,191	Pledged as collateral and margin deposit
Bills receivable	503,406,676	208,324,414	503,406,676	208,324,414	Discounted with recourse, endorsed with resource and pledged for drawing bill
Investment properties	188,015,432	37,889,470	8,469,341	217,435,561	Mortgaged as collateral
Fixed assets	56,639,021,799	50,921,156,278	9,308,311,371	98,251,866,706	Mortgaged as collateral
Construction in progress	8,275,020,678	72,197,786,830	46,354,833,254	34,117,974,254	Mortgaged as collateral
Intangible assets	958,034,967	279,067,185	20,174,667	1,216,927,485	Mortgaged as collateral
Total	75,778,871,545	128,795,066,544	62,430,566,478	142,143,371,611	

52 Details of provision for impairment of assets

Item	*Note*	*Balance at the beginning of the year*	*Additions during the year*	*Reductions during the year*		*Translation differences*	*Balance at the end of the year*
				Move Back	*Transferred out*		
		RMB Yuan	RMB Yuan	RMB Yuan	RMB Yuan	RMB Yuan	RMB Yuan
Provision for bad and doubtful debts	*V. 2, 4*	305,196,374	6,279,434	1,779,710	3,917,581	13,883,825	319,662,342
Provision for impairment of inventories	*V. 5*	1,989,915,833	2,022,017,881	820,059,294	1,502,889,490	2,650,454	1,691,635,384
Provision for impairment of available-for-sale financial assets	*V. 7*	150,279,655	33,130,452	-	-	1,185,500	184,595,607
Provision for impairment of held-to-maturity investments		17,960,946	-	-	-	-	17,960,946
Provision for impairment of long-term equity investments	*V. 8*	537,136,972	-	-	-	-	537,136,972
Provision for impairment of fixed assets	*V. 10*	673,709,754	-	-	20,847,412	-	652,862,342
Provision for impairment of goodwill	*V. 13*	4,423,876	-	-	-	-	4,423,876
Total		3,678,623,410	2,061,427,767	821,839,004	1,527,654,483	17,719,779	3,408,277,469

For reasons of recognition of impairment losses, refer to the notes of relevant assets.

VI. Change of consolidation scope

1 Business combinations involving entities not under common control

(1) Material business combinations involving entities not under common control occurred during the year

			Acquiree from acquisition date to 31 December 2018		
	Acquisition date of equity investment	*Basis for determination of acquisition date*	*Income*	*Net profit / (loss)*	*Net cash inflow/ (outflow)*
SES Imagotag SA Co.Ltd.	6 February 2018	Achieving actual control by holding more than half of the Board of Directors of acquiree	1,420,775,536	(130,954,351)	(68,101,987)
Mianyang BOE Optoelectronics Technology Co., Ltd.	3 May 2018	Achieving actual control by holding more than half of the Board of Directors of acquiree	-	(111,309,141)	(3,086,584,881)
Wuhan BOE Optoelectronics Technology Co., Ltd.	25 December 2018	Achieving actual control by signing a concerted action agreement	-	-	1,099,140,725

(a) SES Imagotag SA Co.Ltd. was established in France in 1992, listed on the Euronext Paris in 2006, and headquartered in Nanterre of France. SES Imagotag SA Co.Ltd. is mainly engaged in the research and development and sales of electronic shelf labels and digital signage. On December 20, 2017 (delivery date), BOE Smart Retail (Hong Kong) Co., Ltd., a subsidiary of the Company, paid a total of 7,156,696 shares through the block tranding at a price of 30 euros per share. The total consideration is 200,075,280 euros, accounting for 54.40% of the shares outstanding on the SES delivery date. After the completion of the block transaction, the board of directors consists of five directors and the company recommends two of them. According to the company's articles of association, material business and financial decision-making matters must be approved by more than the majority of the members of the board of directors. Therefore, the company has a significant impact on SES from the delivery date, and it is accounted for as an associate by the equity method. On February 6, 2018 (the purchase date), SES held a general meeting of shareholders. The meeting decided to increase the number of board members to nine, of which the number of directors of the Company increased to five. From that date, the Company has control over SES and SES will be included in the scope of consolidation. The book value of the original shareholding of the Company on the date of purchase was RMB 1,685,720,539, and the fair value was RMB 1,684,309,084, the balance between the book value and the fair value was RMB 1,411,455, which was recognised in the investment loss in consolidated financial statements.

(b) Mianyang BOE Optoelectronics Technology Co., Ltd. (Mianyang BOE) was established in Mianyang in 2016. It is mainly engaged in the investment, construction, research and development, production and sales of semiconductor display device related products and related products. Before the purchase date, the shareholding ratio of the Company and Mianyang Science and Technology City Development Investment (Group) Co., Ltd. to Mianyang BOE was 61.54% and 38.46% respectively. On May 3, 2018, the Mianyang BOE Shareholders' Meeting passed a resolution to amend the Articles of Association, in which material business and financial decision-making matters were revised to be approved by more than one-half of the board of directors. Mianyang BOE's board of directors consists of 5 directors, of which 3 are recommended by the company. Therefore, on May 3, 2018, the company has control over Mianyang BOE and included it in the consolidated financial statement. The book value and fair value of the original shareholding of the Company on the purchase date were RMB 5,096,980,083.

(c) Wuhan BOE Optoelectronics Technology Co., Ltd. (Wuhan BOE) was established in Wuhan in 2017. It is mainly engaged in the investment, construction, research and development, production and sales of thin film transistor liquid crystal display device related products and related products. Before the purchase date, the Company, Wuhan Airort Economic Development Zone Industrial Development Investment Group Co., Ltd. and Hubei Changbai Industrial Investment Fund Partnership (Limited Partnership) held shares of Wuhan BOE at 14.58%, 65.30% and 20.12% respectively. On December 25, 2018, the Company and the shareholder of Wuhan BOE, Wuhan Airort Economic Development Zone Industrial Development Investment Group Co., Ltd. signed a concerted action agreement, Wuhan Airort Economic Development Zone Industrial Development Investment Group Co., Ltd.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. Since that date, the company has control of Wuhan BOE and included it in the consolidated financial statement. The book value and fair value of the original shareholding of the Company on the date of purchase were RMB 1,230,860,516.

(2) Acquisition cost and goodwill

	SES Imagotag SA Co.Ltd.		*Mianyang BOE Optoelectronics Technology Co., Ltd.*		*Wuhan BOE Optoelectronics Technology Co., Ltd.*	
Acquisition cost	*Carrying amounts*	*Fair value*	*Carrying amount*	*Fair value*	*Carrying amount*	*Fair value*
Cash	-	-	-	-	-	-
Equity interests held before acquisition date	1,685,720,539	1,684,309,084	5,096,980,083	5,096,980,083	1,230,860,516	1,230,860,516
Total acquisition cost		1,684,309,084		5,096,980,083		1,230,860,516
Less: share of the fair value of the identifiable net assets acquired		977,902,263		5,096,980,083		1,230,860,516
Amount of acquisition cost more than share of the fair value of the identifiable net assets acquired		706,406,821		-		-

The fair value of the equity held before the purchase date in the above-mentioned acquisition of SES Imagotag SA Co.Ltd. in the merger cost is determined according to the stock price of SES Imagotag SA Co.Ltd.

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

	SES Imagotag SA Co.Ltd.		*Mianyang BOE Optoelectronics Technology Co., Ltd.*		*Wuhan BOE Optoelectronics Technology Co., Ltd.*	
	Carrying amounts	*Fair value*	*Carrying amount*	*Fair value*	*Carrying amount*	*Fair value*
Assets						
Current assets	1,206,351,591	1,206,351,591	5,361,878,464	5,361,878,464	2,012,249,472	2,012,249,472
Non-current assets	489,972,401	2,338,548,994	3,249,053,667	3,249,053,667	8,158,163,711	8,158,163,711
Liabilities:						
Current liabilities	577,892,138	577,892,138	251,707,967	251,707,967	1,724,095,238	1,724,095,238
Non-current liabilities	534,566,084	1,150,696,662	77,190,000	77,190,000	4,201,925	4,201,925
Net assets	583,865,770	1,816,311,785	8,282,034,164	8,282,034,164	8,442,116,020	8,442,116,020
Less: Non-controlling interests	269,512,440	838,409,522	3,185,054,081	3,185,054,081	7,211,255,504	7,211,255,504
Net assets acquired	314,353,330	977,902,263	5,096,980,083	5,096,980,083	1,230,860,516	1,230,860,516

The Company assessed the fair value of the identifiable assets and liabilities of SES Imagotag SA Co. Ltd. on the acquisition date. If there is an active market for the above identifiable assets, the quoted prices in the active market are used to establish their fair value; if there is no active market, their fair values are estimated based on the market prices of the same or similar types of assets which have an active market; if there is no active market for the same asset or similar types of assets, valuation techniques are used to determine the fair value. For the above identifiable liabilities, the payable amount or the present value of the payable amount is its fair value.

Mianyang BOE Optoelectronics Technology Co., Ltd. and Wuhan BOE Optoelectronics Technology Co., Ltd are both in the construction period on the purchase date and have no major business activities. Therefore, the above-mentioned purchased parties have no significant difference between the fair value and the book value of identifiable assets and liabilities on the date of combination.

2 Other reasons for change of consolidation scope

The Company has set up a new subsidiary this year, which is Beijing BOE Sensing Technology Co., Ltd. The Company holds 100% of the shares of the subsidiary.

VII. Interests in other entities

1 Interests in subsidiaries

(1) Composition of the Group

Name of the Subsidiary	*Principal place of business*	*Registered place*	*Business nature*	*Registered capital*	*Shareholding (or similar equity interest) percentage*		*Acquisition method*
					Direct	*Indirect*	
Beijing BOE Optoelectronics Technology Co., Ltd.	Beijing, China	Beijing, China	Research and development, design and manufacture of TFT-LCD	USD 649,110,000	82.49%	17.51%	Founded by investment
Chengdu BOE Optoelectronics Technology Co., Ltd.	Chengdu, China	Chengdu, China	Research and development, design, manufacture, and sale of new display devices and components	RMB 22,000,000,000	100%	-	Business combinations involving entities not under common control
Hefei BOE Optoelectronics Technology Co., Ltd.	Hefei, China	Hefei, China	Investing, researching, manufacturing and promoting TFT-LCD products and accessory products	RMB 9,000,000,000	100%	-	Business combinations involving entities not under common control
Beijing BOE Display Technology Co., Ltd.	Beijing, China	Beijing, China	Development of TFT-LCD, manufacture and sale of LCD	RMB 17,882,913,500	97.17%	2.83%	Founded by investment
Hefei Xinsheng Optoelectronics Technology Co., Ltd.	Hefei, China	Hefei, China	Investing, researching, manufacturing and promoting TFT-LCD products and accessory products	RMB 19,500,000,000	84.59%	0.03%	Business combinations involving entities not under common control
Ordos Yuansheng Optoelectronics Co., Ltd.	Ordos, China	Ordos, China	The production and operation of AMOLED and relevant products	RMB 11,804,000,000	100%	-	Founded by investment
Chongqing BOE Optoelectronics Co., Ltd.	Chongqing, China	Chongqing, China	Research, development, manufacture and sales of semiconductor display devices, machine and relevant products, import and export of goods and technical consulting	RMB 19,226,000,000	100%	-	Business combinations involving entities not under common control
Fuzhou BOE Optoelectronics Technology Co., Ltd.	Fuzhou, China	Fuzhou, China	Investing, researching, manufacturing and promoting TFT-LCD products and accessory products	RMB 17,600,000,000	81.25%	-	Business combinations involving entities not under common control
Beijing BOE Vision-electronic Technology Co., Ltd.	Beijing, China	Beijing, China	Research, manufacture and sales of terminal products of LCD monitor and TV etc.	RMB 3,720,600,000	100%	-	Founded by investment
Beijing BOE Vacuum Electronics Co., Ltd.	Beijing, China	Beijing, China	Manufacture and sales of vacuum electronic products	RMB 35,000,000	55%	-	Founded by investment
Beijing BOE Vacuum Technology Co., Ltd.	Beijing, China	Beijing, China	Manufacture and sales of vacuum tubes	RMB 32,000,000	100%	-	Founded by investment

Name of the Subsidiary	*Principal place of business*	*Registered place*	*Business nature*	*Registered capital*	*Shareholding (or similar equity interest) percentage*		*Acquisition method*
					Direct	*Indirect*	
Beijing BOE Special Display Technology Co., Ltd.	Beijing, China	Beijing, China	Development of display products and sales of electronic products	RMB 100,000,000	100%	-	Founded by investment
Beijing Yinghe Century Co., Ltd.	Beijing, China	Beijing, China	Engineering project management, real estate development, mobile vehicle parking lot services and marketing research	RMB 233,105,200	100%	-	Founded by investment
BOE Optical Science and technology Co., Ltd.	Suzhou, China	Suzhou, China	Development, manufacture and sales of backlight and related parts and components for LCD	RMB 826,714,059	95.17%	-	Founded by investment
BOE Hyundai LCD Inc.	Beijing, China	Beijing, China	Development of display products and sales of electronic products	USD 5,000,000	75%	-	Founded by investment
BOE (Hebei) Mobile Technology Co., Ltd.	Langfang, China	Langfang, China	Manufacture and sales of mobile flat screen display technical products and related services	RMB 1,358,160,140	100%	-	Founded by investment
Beijing BOE multimedia Technology Co., Ltd.	Beijing, China	Beijing, China	Sales of computer software and Hardware, the numeral regards the audio frequency technology	RMB 400,000,000	100%	-	Founded by investment
Beijing BOE Energy Technology Co., Ltd.	Beijing, China	Beijing, China	Design, consultation and services of solar battery, photovoltaic system, wing turbine system and photo-thermal system, and energy saving service	RMB 850,000,000	100%	-	Founded by investment
Beijing BOE Smart Commercial Co., Ltd.	Beijing, China	Beijing, China	Technology poromotion services, property management, sales of electronic products	RMB 10,000,000	100%	-	Founded by investment
Beijing Zhongxiangying Technologies Co.,Ltd.	Beijing, China	Beijing, China	Technology poromotion services, property management, sales of electronic products	RMB 10,000,000	100%	-	Founded by investment
Ordos City Haosheng Energy Investment Co., Ltd.	Ordos, China	Ordos, China	Investment in enegy	RMB 30,000,000	20%	80%	Founded by investment
BOE Semi-conductor Co., Ltd.	Beijing, China	Beijing, China	Processing, production, and sales of goods, primarily comprising sales of precision electronic metal parts and semiconductor devices, in addition to micromodules, microelectronic devices and electronic materials; import and export of goods	RMB 11,700,000	80.77%	-	Founded by investment
BOE Optoelectronics Holding Co.,Ltd.	Hong Kong, China	British Virgin Islands	Design, manufacturing and sales of electronic-information industry related products, investment and financing businesses	USD 260,809,100	100%	-	Founded by investment
Beijing Asahi Electronic Materials Co.,Ltd.	Beijing, China	Beijing, China	Sales of Supports and glass bar for TV and CTV low melting sealing frit	RMB 61,576,840	100%	-	Business combinations involving entities not under common control
BOE Health Investment & Management Co., Ltd.	Beijing, China	Beijing, China	Investmentt management and investment	RMB 3,000,000,000	100%		Business combinations involving entities not under common control

Name of the Subsidiary	*Principal place of business*	*Registered place*	*Business nature*	*Registered capital*	*Shareholding (or similar equity interest) percentage*		*Acquisition method*
					Direct	*Indirect*	
Beijing·Matsushita Color CRT Co., Ltd.	Beijing, China	Beijing, China	Color TV, display tube, color rear projection TV projection tube and electronic component materials, property management, parking services, etc.	RMB 670,754,049	88.80%	-	Business combinations involving entities not under common control
Hefei BOE Display Technology Co.,Ltd.	Hefei, China	Hefei, China	Investing, researching, manufacturing and promoting TFT-LCD products and accessory products	RMB 24,000,000,000	8.33%	-	Business combinations involving entities not under common control
Beijing BOE Technology Development Co., Ltd.	Beijing, China	Beijing, China	Development, transfer, consultation and services of technologies	RMB 1,000,000	100%	-	Founded by investment
BOE Intelligent Technology Co.,Ltd.	Beijing, China	Beijing, China	Development, transfer, consultation, services and promotion of technologies	RMB 100,000,000	100%	-	Founded by investment
Hefei BOE Zhuoyin Technology Co., Ltd.	Hefei, China	Hefei, China	Investing, researching, manufacturing and promoting TFT-LCD products and accessory products	RMB 800,000,000	75%	-	Founded by investment
Beijing BOE Land Co.,Ltd.	Beijing, China	Beijing, China	Development, construction, property management and supporting services of industrial plants and supporting facilities, information and consultation of real estates, lease of commercial facilities, service staff and other supporting facilities and public parking area services for vehicles	RMB 55,420,000	70%	-	Founded by investment
Beijing BOE Sales Co.,Ltd.	Beijing, China	Beijing, China	Sales of communication devices, computer hardware and software and accessory devices and electronic products and equipment maintenance; development, transfer, consultation and services of technologies; import and export of goods, import and export agency, import and export of technologies; Consigned processing of electronic products and LCD	RMB 50,000,000	100%	-	Founded by investment
Kunming BOE Display Technology Co., Ltd.	Yunnan, China	Yunnan, China	Development, promotion, transfer, consultation and services of display technology; computer software, hardware and network system services; the construction, operations and management of e-commerce platform; product design; conference services; undertaking exhibitions and presentation activities; computer animation design; production, R&D and sales of OLED microdisplays and AR/VR complete machines; warehousing services; I-type Xuanmu investment and management of investment projects	RMB 1,000,000,000	45.11%	-	Founded by investment
Mianyang BOE Optoelectronics Technology Co., Ltd.	Mianyang, China	Mianyang, China	research and development, production and sales of flexible AMOLED, the products are mainly used in smart phones, wearable devices, car display, AR/VR, etc.	RMB 20,800,000,000	81.35%	-	Business combinations involving entities not under common control

Name of the Subsidiary	*Principal place of business*	*Registered place*	*Business nature*	*Registered capital*	*Shareholding (or similar equity interest) percentage*		*Acquisition method*
					Direct	*Indirect*	
Beijing BOE Sensing Technology Co., Ltd.	Beijing, China	Beijing, China	Formation of X-ray sensors, microfluidic chips, biochemical chips, gene chips, security sensors, microwave antennas, biosensors, logistics network technology and other semiconductor sensors, technology testing, technical consulting, technical services, technology transfer	RMB 50,000,000	100%	-	Founded by investment
Beijing BOE Yiyun Science &Technology Co., Ltd.	Beijing, China	Beijing, China	Technology development, technology transfer, technical consulting, technical services; technology intermediary services; information system integration; basic software services; application software services; software development	RMB 200,000,000	95.92%	-	Business combinations involving entities not under common control
Wuhan BOE Optoelectronics Technology Co., Ltd.	Wuhan, China	Wuhan, China	Investing, researching, manufacturing and promoting TFT-LCD products and accessory products	RMB 17,573,000,000	14.58%	-	Business combinations involving entities not under common 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	RMB 510,000,000	38.46%	-	Business combinations involving entities not under common control
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	EUR 10,789,186	-	73.93%	Business combinations involving entities not under common control

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 79.88%.

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%.

(2) Material non-wholly owned subsidiaries

Name of subsidiaries	*Shareholding percentage of non-controlling interests*	*Losses attributable to non-controlling interests during the year*	*Dividend declared to non-controlling shareholders during the year*	*Balance of non-controlling interests at the end of the year*
Hefei BOE Display Technology Co.,Ltd.	91.67%	(372,612,785)	-	21,615,961,309

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

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

	Hefei BOE Display Technology Co.,Ltd.	
	2018	*2017*
Current assets	11,725,102,123	10,186,968,292
Non-current assets	36,531,775,939	22,403,727,292
Total assets	48,256,878,062	32,590,695,584
Current liabilities	7,708,059,063	3,935,813,860
Non-current liabilities	16,968,627,760	9,109,930,632
Total liabilities	24,676,686,823	13,045,744,492
Operating income	3,318,954,798	242,505,228
Net loss	(406,216,942)	(7,117,515)
Total comprehensive income	(412,759,853)	11,524,506
Cash flows from operating activities	407,026,027	(62,244,174)

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

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

	Before changes of interests	*After changes of interests*
Hefei BOE Display Technology Co.,Ltd.	7.94%	8.33%
Hefei BOE Zhuoyin Technology Co., Ltd.	75.05%	75.00%
Kunming BOE Display Technology Co., Ltd.	81.25%	45.11%
Mianyang BOE Optoelectronics Technology Co., Ltd.	61.54%	81.35%
Beijing BOE Yiyun Science &Technology Co., Ltd.	51.00%	95.92%
SES Imagotag SA Co.Ltd.	53.84%	73.93%

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

BOE Smart Retail (Hong Kong) Co., Ltd., a subsidiary of the Company, acquired of non-controlling shareholders' equity through comprehensive tender offer obligation, which results to the reduction of capital reserve of RMB 378,593,283 (Note V. 32).

The changes in the shareholding of the Company in the owners of above-mentioned other subsidiaries were caused by the capital increase of the Company and its non-controlling interests, which results to the increase of capital reserver by RMB 3,754,159.

3 Interests in joint ventures or associates

Please see Note V.8 (2) for details of the summarized financial information of the associates and joint ventures.

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

VIII. Risk related to financial instruments

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

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

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

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

(1) Credit risk

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

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

In respect of receivables, the Group has established a credit policy under which individual credit evaluations are performed on all customers to determine the credit limit and terms applicable to the customers. These evaluations focus on the customers' financial position, the external ratings of the customers and the record of previous transactions. Receivables are due within 15 to 120 days from the date of billing. Debtors with balances that are past due are requested to settle all outstanding balances before any further credit is granted. Normally, the Group does not obtain collateral from customers.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry, country or area in which the customers operate and therefore significant concentrations of credit risk arise primarily when the Group has significant exposure to individual customers. At the balance sheet date, the Group and the Company's accounts receivable and other receivables due from the top five customers account for 40% and 0.06% of the total accounts receivables respectively (2017: 37% and 0.2%). In addition, the accounts receivable not overdue or impaired is mainly related to many clients who don't have payment in arrears records recently.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet. As mentioned in Note XII, as at 31 December 2018 the Group does not provide any external guarantees which would expose the Group or the Company to credit risk.

(2) Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in meeting obligations that are settled by delivering cash or another financial asset. The Company and its individual subsidiaries are responsible for their own cash management, including short-term investment of cash surpluses and the raising of loans to cover expected cash demands (subject to approval by the Company's board when the borrowings exceed certain predetermined levels). 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.

	2018 Contractual undiscounted cash flow					
	Within 1 year or on demand	*More than 1 year but less than 3 years*	*More than 3 years but less than 5 years*	*More than 5 years*	*Total*	*Carrying amount of balance sheet*
Financial liabilities						
Short-term loans	5,542,824,867	-	-	-	5,542,824,867	5,449,954,885
Bills payable and accounts payable	22,805,065,888	-	-	-	22,805,065,888	22,805,065,888
Other payables	22,956,979,828	-	-	-	22,956,979,828	22,956,979,828
Non-current liabilities due within one year	6,081,520,241	-	-	-	6,081,520,241	5,597,563,204
Long-term borrowings	4,283,202,579	9,376,015,293	14,959,103,283	92,225,178,032	120,843,499,187	94,780,077,864
Long-term payables	-	708,503,891	399,396,820	696,811,815	1,804,712,526	1,416,092,239
Bonds payable	325,986,220	10,651,972,440	335,864,440	-	11,313,823,100	10,288,666,233
Total	61,995,579,623	20,736,491,624	15,694,364,543	92,921,989,847	191,348,425,637	163,294,400,141

	2017 Contractual undiscounted cash flow					
	Within 1 year or on demand	*More than 1 year but less than 3 years*	*More than 3 years but less than 5 years*	*More than 5 years*	*Total*	*Carrying amount of balance sheet*
Financial liabilities						
Short-term loans	3,267,011,755	-	-	-	3,267,011,755	3,249,736,430
Bills payable and accounts payable	16,749,587,533	-	-	-	16,749,587,533	16,749,587,533
Other payables	16,122,413,130	-	-	-	16,122,413,130	16,122,413,130
Non-current liabilities due within one year	9,620,665,187	-	-	-	9,620,665,187	9,109,708,511
Long-term borrowings	2,884,011,291	8,571,300,399	6,211,128,059	78,338,069,603	96,004,509,352	78,973,633,010
Long-term payables	-	591,490,764	411,613,803	414,023,014	1,417,127,581	1,176,250,982
Bonds payable	315,000,000	630,000,000	10,315,000,000	-	11,260,000,000	9,966,467,496
Total	48,958,688,896	9,792,791,163	16,937,741,862	78,752,092,617	154,441,314,538	135,347,797,092

(3) Interest rate risk

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

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

Fixed rate instruments:

	2018		*2017*	
Item	*Effect interest rate*	*Amount*	*Effective interest rate*	*Amount*
Financial assets				
- Cash at bank and on hand	0.20% ~ 3.74%	21,898,508,469	0.20% ~ 2.75%	22,137,189,508
Financial liabilities				
- Short-term loans	1.28% ~ 4.95%	(2,927,190,124)	1.43% ~ 5.20%	(2,172,993,056)
- Non-current liabilities due within one year	0% ~ 5.88%	(2,967,991,325)	0% ~ 5.64%	(3,404,283,141)
- Debentures payable	3.15% ~ 3.50%	(10,288,666,233)	3.15%	(9,966,467,496)
- Long-term payables	3.56% ~ 7.09%	(1,416,092,239)	4.17% ~ 7.02%	(1,176,250,982)
- Long-term loans	0% ~ 5.88%	(58,484,576,750)	0% ~ 6.60%	(35,926,709,530)
Total		(54,186,008,202)		(30,509,514,697)

Variable rate instruments:

	2018		*2017*	
Item	*Effect interest rate*	*Amount*	*Effective interest rate*	*Amount*
Financial assets				
- Cash at bank and on hand	0.0001% ~ 3.90%	29,582,493,437	0.0001% ~ 2.75%	34,990,943,302
Financial liabilities				
- Short-term loans	3.44% ~ 4.39%	(2,522,764,761)	0.35%	(1,076,743,374)
- Non-current liabilities due within one year	5.37% ~ 7.18%	(2,629,571,879)	4.02% ~ 5.62%	(5,705,425,370)
- Long-term loans	1.04% ~ 7.18%	(36,295,501,114)	1.07% ~ 5.62%	(43,046,923,480)
Total		(11,865,344,317)		(14,838,148,922)

(b) Sensitivity analysis

As at 31 December 2018, it is estimated that a general increase / decrease of 100 basis points in interest rates of variable rate instrument, with all other variables held constant, would decrease / increase the Group's net profit and equity by RMB 104,380,000 (2017: RMB 123,360,000).

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

(4) Foreign currency risk

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

(a) The Group's exposure as at 31 December to currency risk arising from recognized foreign currency assets or liabilities is mainly denominated in US dollar. The amount of the USD exposure is net liabilities exposure USD 2,098,686,634 (2017 net liabilities exposure: USD 2,282,216,777), translated into RMB 14,403,706,106 (2017: RMB 14,912,460,861), 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) The following are the exchange rates for Renminbi against US dollar applied by the Group:

	Average rate		*Reporting date mid-spot rate*	
	2018	*2017*	*2018*	*2017*
USD	6.6987	6.7356	6.8632	6.5342

Assuming all other risk variables remained constant, a 5% strengthening / weakening of the Renminbi against the US dollar at 31 December would have increased / decreased both the Group's equity and net profit by the amount RMB 506,911,356 (2017: RMB 199,436,178).

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

(5) Other price risks

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

IX. Fair value disclosure

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

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

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

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

		31 December 2018			
Assets	*Notes*	*Level 1 Fair value measurement*	*Level 2 Fair value measurement*	*Level 3 Fair value measurement*	*Total*
Recurring fair value measurements					
- Wealth management products	*V、6*	-	-	5,534,413,566	5,534,413,566
- Available-for-sale financial assets	*V、7*				
Including: Available-for-sale debt instrument		-	-	12,866,432	12,866,432
Available-for-sale equity instrument		378,636,117	-	-	378,636,117
Total assets measured at fair value on a recurring basis		378,636,117	-	5,547,279,998	5,925,916,115
- Equity of redemption terms-Swap obligation		-	-	(71,000,000)	(71,000,000)
Total liabilities measured at fair value on a recurring basis		-	-	(71,000,000)	(71,000,000)

		31 December 2017			
Assets		*Level 1 Fair value measurement*	*Level 2 Fair value measurement*	*Level 3 Fair value measurement*	*Total*
Recurring fair value measurements					
- Wealth management products	*V、6*	-	-	9,791,137,808	9,791,137,808
- Available-for-sale financial assets	*V、7*				
Including: Available-for-sale debt instrument		4,328,710	-	10,583,436	14,912,146
Available-for-sale equity instrument		512,838,390	-	-	512,838,390
Total assets measured at fair value on		517,167,100	-	9,801,721,244	10,318,888,344

a recurring basis				
- Equity of redemption terms-Swap obligation	-	-	(73,061,153)	(73,061,153)
Total liabilities measured at fair value on a recurring basis	-	-	(73,061,153)	(73,061,153)

The fair value of available-for-sale equity instruments and available-for-sale equity instruments is determined by market price on the balance sheet date. The fair value of financial products is determined using discounted cash flow method, whose amortized cost is not significantly different from the fair value on the balance sheet date. The fair value of Equity of redemption terms-Swap obligation is determined by Monte Carlo method.

During 2018, there were no changes in valuation technique of fair value. As at 31 December, there were no significant discrepancies between the book value and fair value of all the financial assets and financial liabilities except the above available-for-sale equity instrument and wealth management products measured at fair value.

X. Related parties and related party transactions

1 Information about the parent of the Company

Company name	*Registered place*	*Business nature*	*Registered capital*	*Shareholding percentage (%)*	*Percentage of voting rights (%)*	*Ultimate controlling party of the Company*
Beijing Electronics Holding Co., Ltd.	No. 12, Jiuxianqiao Road Chaoyang District, Beijing	Operation and management of state-owned assets within authorization, etc.	RMB 2,418,350,000	0.79%	11.32%	Yes

2 Information about the subsidiaries of the Company

For information about the subsidiaries of the Company, refer to Note VII.1.

3 Information about joint ventures and associates of the Company

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

Name of entity	*Relationship with the Company*
Beijing Nittan Electronic Co., Ltd.	Associate of the Group and the Company
TPV Display Technology (China) Limited	Associate of the Group and the Company
Beijing Xindongneng Investment Management Co., Ltd.	Associate of the Group and the Company
Shenzhen Yunyinggu Technology Co., Ltd.	Associate of the Group and the Company
Cnoga Medical Co.Ltd.	Associate of the Group
Mianyang BOE Optoelectronics Technology Co., Ltd.*	Joint venture of the Group and the Company
Chongqing BOE Display Technology Co., Ltd.*	Associate of the Group and the Company
Wuhan BOE Optoelectronics Technology Co., Ltd.*	Joint venture of the Group and the Company
Beijing BOE Yiyun Science &Technology Co., Ltd.*	Joint venture of the Group and the Company

*The above-mentioned Companies became subsidiaries of the Company in 2018, and Note X. only disclosed the related party transactions of companies above the before the acquisition.

4 Information on other related parties

Name of other related parties	*Related party relationship*
Beijng NAURA Microelectronics Equipment Co.,Ltd.	Enterprises that are controlled by the Company's ultimate holding company
Beijing Zhengdong Electronic Power Group Co., Ltd.	Enterprises that are controlled by the Company's ultimate holding company
Beijing Yandong Microelectronic Co., Ltd.	Enterprises that are controlled by the Company's ultimate holding company
Beijing Dongdian Industrial Development Co., Ltd.	Enterprises that are controlled by the Company's ultimate holding company
Beijing Sevenstar PV Group Co., Ltd.	Enterprises that are controlled by the Company's ultimate holding company
Sevenstar Semiconductor Technologies Co.,Ltd.	Enterprises that are controlled by the Company's ultimate holding company
NAURA Technology Group Co., Ltd.	Enterprises that are controlled by the Company's ultimate holding company
Beijing Zhaowei Electronic Group Co., Ltd.	Enterprises that are controlled by the Company's ultimate holding company
Beijing Zhaowei Technology Development Co., Ltd.	Enterprises that are controlled by the Company's ultimate holding company
Beijing BBEF Science & Technology Co., Ltd.	Enterprises that are controlled by the Company's ultimate holding company
Beijing C&W Intelligent Equipment Co., Ltd.	Enterprises that are controlled by the Company's ultimate holding company
New Vision Micro.(Hong Kong) Co., Ltd.	Enterprises that are controlled by the Company's ultimate holding company
Beijing Ether Electronics Group co. , Ltd.	Enterprises that are controlled by the Company's ultimate holding company
Beijing Yansong Economic and Trade Co., Ltd.	Enterprises that are controlled by the Company's ultimate holding company
Beijing BOE Investment Development Co., Ltd.	Enterprises that are controlled by the Company's ultimate holding company
Beijing Ripeness Sanyuan Instrumentation Co., Ltd.	Enterprises that are controlled by the Company's ultimate holding company
Beijing Electronics Holding & SK Technology Co., Ltd.	Enterprises that are controlled by the Company's ultimate holding company
BAIC Motor Corporation., Ltd.	Other related parties

5 Transactions with related parties

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

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

The Group

Nature of transaction	*2018*	*2017*

Purchase of goods	141,966,350	41,887,513
Procurement of equipment	601,680,874	488,196,010
Receiving services	19,901,930	14,049,102
Total	763,549,154	544,132,625

The Company

Nature of transaction	*2018*	*2017*
Purchase of goods	11,854,329	-
Receiving services	96,670,167	17,850,493
Payment of interest expenses	544,410,236	138,968,179
Total	652,934,732	156,818,672

(2) Sale of goods / rendering of services

The Group

Nature of transaction	*2018*	*2017*
Sales of goods	45,676,373	74,184,881
Provision of services	10,166,253	25,676
Total	55,842,626	74,210,557

The Company

Nature of transaction	*2018*	*2017*
Provision of services	3,864,353,230	2,638,703,536
Interest income received	511,825	173,360,989
Total	3,864,865,055	2,812,064,525

(3) Leases

(a) As the lessor

The Group

Type of assets leased	*Lease income recognized in 2018*	*Lease income recognized in 2017*
Investment properties	2,485,506	4,129,082

The Company

Type of assets leased	*Lease income recognized in 2018*	*Lease income recognized in 2017*
Investment properties	17,972,397	18,700,067

(b) As the lessee

The Group

Type of assets leased	*Lease expense recognized in 2018*	*Lease expense recognized in 2017*
Fixed assets	2,441,711	51,292

The Company

Type of assets leased	*Lease expense recognized in 2018*	*Lease expense recognized in 2017*
Fixed assets	1,936,219	-

(4) Funding from related party

The Company

Name of related party	*Amount of funding*	*Inception date*	*Maturity date*
Funds from			
Subsidiary of the parent company	2,000,000,000	09/06/2017	09/06/2020
Subsidiary of the parent company	700,000,000	13/04/2018	13/04/2020
Subsidiary of the parent company	500,000,000	13/09/2015	Non-fixed term
Subsidiary of the parent company	1,200,000,000	30/09/2015	Non-fixed term
Subsidiary of the parent company	650,000,000	25/04/2018	25/04/2020
Subsidiary of the parent company	3,500,000,000	01/08/2018	01/08/2023
Subsidiary of the parent company	200,000,000	28/07/2017	28/07/2019
Subsidiary of the parent company	1,600,000,000	04/12/2017	04/06/2019
Subsidiary of the parent company	3,800,000,000	19/07/2018	19/07/2023
Subsidiary of the parent company	1,000,000,000	23/12/2018	23/12/2019
Subsidiary of the parent company	4,000,000,000	09/06/2017	09/06/2020
Subsidiary of the parent company	3,000,000,000	28/05/2018	28/05/2020
Subsidiary of the parent company	600,000,000	19/12/2018	19/12/2023
Subsidiary of the parent company	2,250,000,000	28/05/2018	28/05/2020

Related parties	*Amount of funding*	*Inception date*	*Maturity date*
Funds to			
Subsidiary of the parent company	30,000,000	06/01/2016	21/01/2022
Subsidiary of the parent company	50,000,000	27/03/2015	26/12/2021
Subsidiary of the parent company	5,000,000	19/08/2016	Non-fixed term
Subsidiary of the parent company	2,000,000	16/12/2016	Non-fixed term
Subsidiary of the parent company	50,000,000	28/04/2016	28/04/2019
Subsidiary of the parent company	25,000,000	05/05/2016	28/04/2019
Subsidiary of the parent company	25,000,000	08/06/2016	07/06/2019
Subsidiary of the parent company	100,000,000	22/11/2016	21/05/2019
Subsidiary of the parent company	100,000,000	22/11/2016	15/11/2019
Subsidiary of the parent company	9,375,000	19/01/2017	18/01/2019
Subsidiary of the parent company	9,375,000	19/01/2017	18/07/2019
Subsidiary of the parent company	9,375,000	19/01/2017	17/01/2020
Subsidiary of the parent company	40,625,000	20/01/2017	18/01/2019
Subsidiary of the parent company	40,625,000	20/01/2017	18/07/2019
Subsidiary of the parent company	40,625,000	20/01/2017	17/01/2020
Subsidiary of the parent company	350,000,000	28/12/2018	28/12/2019
Subsidiary of the parent company	50,000,000	16/03/2018	16/09/2019
Subsidiary of the parent company	50,000,000	16/03/2018	16/03/2020
Subsidiary of the parent company	50,000,000	16/03/2018	16/09/2020
Subsidiary of the parent company	50,000,000	16/03/2018	12/03/2021

(5) Remuneration of key management personnel

The Group and the Company

Item	*2018*	*2017*
Remuneration of key management personnel	65,765,000	40,609,000

6 Receivables from and payables to related parties

Receivables from related parties

The Group

	2018		*2017*	
Item	*Book value*	*Provision for bad and doubtful debts*	*Book balance*	*Provision for bad and doubtful debts*
Accounts receivable	52,246	-	9,600,724	-
Prepayments	2,814,000	-	5,007,430	-
Other receivables	12,148	-	27,591,317	-

The Company

	2018		*2017*	
Item	*Book value*	*Provision for bad and doubtful debts*	*Book balance*	*Provision for bad and doubtful debts*
Accounts receivable	36,108,800	473,228	40,255,999	473,228
Prepayments	79,660	-	3,723,049	-
Dividends receivable	14,115,915	-	10,404,147	-
Other receivables	1,967,828,693	-	1,792,487,745	-
Other non-current assets	280,000,000	-	480,000,000	-
Non-current assets due within one year	450,000,000	-	3,648,840,000	-

Payables to related parties

The Group

Item	*2018*	*2017*
Accounts payable	30,361,810	14,532,494
Advances from customers	1,111	141,921
Other payables	294,554,788	133,821,563

The Company

Item	*2018*	*2017*
Accounts payable	3,119,036	1,856,219
Advances from customers	1,563,300,806	1,353,212,276
Other payables	7,690,814,090	9,472,440,978
Other non-current liabilities	20,954,104,125	7,600,000,000

7 Commitments of the related parties

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

	2018	*2017*
Procurement of equipment	370,768,209	107,208,907

XI. Capital management

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

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

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

The Group's capital structure is monitored on the basis of an adjusted net debt-to-capital ratio (total liabilities divided by total assets). The capital management strategies exerted by the Group remained unchanged from 2017. In order to maintain or adjust the ratio, the Group may adjust the amount of dividends paid to shareholders, request new loans, issue new shares, or sell assets to reduce debt.

As at 31 December 2018 and 31 December 2017, the Group's asset-liability ratios are as follows:

	2018	*2017*
Asset-liability ratio	60.41%	59.28%

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

XII. Commitments and contingencies

1 Significant commitments

(1) Capital commitments

The Group	*2018*	*2017*
Contracts entered into but not performed or partially performed	61,515,573,632	51,309,042,746
Contracts authorized but not entered into	84,789,129,465	37,485,065,035
Total	146,304,703,097	88,794,107,781

The Group's contracts authorised but not entered into mainly included the fixed assets that Chengdu Optoelectronics, BOE (Chengdu) Digital Medical Center, Chongqing Display Technology, Mianyang BOE and Wuhan BOE planned to purchase in 2018 and project equipment that the Group planned to purchase in 2018.

The Company	*2018*	*2017*
Contracts entered into but not performed or partially performed	39,666,849,756	40,532,322,288

The Company's contracts entered into but not performed or partially performed mainly included guaranteed investments in Chengdu Optoelectronics, BOE (Chengdu) Digital Medical Center, Chongqing Display Technology, Mianyang BOE and Wuhan BOE.

(3) Operating lease commitments

As at 31 December, the total future minimum lease payments under non-cancellable operating leases of the Group's properties were payable as follows:

Item	*2018*	*2017*
Within 1 year (inclusive)	53,187,055	31,054,096
After 1 year but within 2 years (inclusive)	30,220,405	27,481,454
After 2 years but within 3 years (inclusive)	21,345,206	20,499,253
Over 3 years	82,499,050	87,810,970
Total	187,251,716	166,845,773

As at 31 December 2018, the Company had no significant operating lease commitments.

2 Guarantee

(1) The Group as the guarantor

As at 31 December 2018, the Group did not have guarantees provided for external enterprises.

(2) The Company as the guarantor

On December 31, 2018, Chengdu Optoelectronics used the equipment with a book value of RMB 13,180,966,120 and the construction in progress of RMB 12,119,027,108 as collateral to obtain long-term loans of RMB 11,150,000,000 and USD 670,000,000, and letter of credit issued but not accepted of USD 4,463,271 and JPY 4,965,422,733, the overseas payment of USD 14,535,000 and the long-term guarantee of RMB 2,318,500,000. The Company provides joint and several liability guarantee for the above loans.

On December 31, 2018, Hefei BOE used other monetary funds with a book value of RMB1,300,000, land use rights with a book value of RMB 77,725,970, and plants and buildings of RMB 1,710,957,610 and RMB 1,104,270,142 to obtain a long-term loan of USD 43,444,409. The company provided a joint liability guarantee for the above loans.

On December 31, 2018, Yuansheng Optoelectronics used its plant and construction of RMB 2,612,115,325, machinery and equipment of RMB 4,814,248,015, land use rights of RMB 47,804,118 and The Company used 20% of the equity of BOE Energy Investment Co., Ltd. (BOE Energy Investment)and 20% of Ordos City Haosheng Energy Investment Co., Ltd. (Haosheng Energy), Hefei BOE used 65% of the shares of Haosheng Energy and BOE OT used 15% of the shares of Haosheng Energy to enable Yuansheng Optoelectronics to obtain syndicated loans of RMB 633,330,000 and USD 96,000,000 (syndicated loan phase I). The company provided a joint liability guarantee for the above loans. At the same time, Yuansheng Optoelectronics used its machinery and equipment with a book value of RMB 8,356,950,447 as collateral. The collateral of the first syndicated loan was continued as a collateral after the repayment of the first syndicated loan, so that Yuan Sheng Optoelectronics obtained a second-phase II syndicated loan of RMB 3,500,000,000 and USD 121,000,000, and the Company provided a third-party joint liability guarantee.

On December 31, 2018, Hefei Xinsheng secured the land use right of RMB 119,560,942, the plant and building of RMB 3,674,066,918, and the equipment of RMB 7,392,380,002 to obtain the long-term loans due within one year of USD 254,560,000 and the long-term loans of USD 820,440,000, the Company provides joint liability guarantee for the above loans.

On December 31, 2018, Chongqing BOE secured the land use right of RMB 169,407,160 and the machinery and equipment and buildings of RMB 14,553,397,523, and the pledge of the deposit of USD 18,500,000 to obtain the long-term loans of USD 952,030,000 and RMB 823,000,000, the Company provides joint and several liability guarantee for the above loans.

On December 31, 2018, Fuzhou BOE secured the land use right of RMB 216,323,878, the machinery and equipment of RMB 15,898,593,435, and the construction in progress of RMB 106,603,967 as collateral to obtain USD 984,000,000 and for long-term loans of RMB 5,002,990,000, the Company provided joint and several liability guarantees for the above-mentioned loans. In addition, the Company provided joint and several liability guarantees for the long-term guarantees of RMB 338,600 and JPY 95,200,000 for the opening of un-accepted letters of credit and RMB 1,800,000,000.

On December 31, 2018, Hefei Display Lighting secured the land use right with a book value of RMB 299,402,850, the machinery and equipment of RMB 23,173,261,703 and the construction in progress of RMB 5,136,944,836 for long-term loans of RMB 5,001,721,200 and US$1,470,800,000. The Company provided joint and several liability guarantee for the above loans. In addition, The Company provides joint and several liability guarantee for unsecured letter of credit of RMB 14,142,912 and JPY 3,607,400,000 and a long-term guarantee of RMB 2,860,000,000.

On December 31, 2018, Mianyang BOE secured its long-term borrowings of USD 10,000,000 and RMB 6,000,000,000 with its land use rights of RMB 279,067,185, the property, plant, and equipment of RMB 108,538,569 and the construction in progress of RMB 16,597,768,730. The Company provided joint liability guarantee for the above-mentioned loans. In addition, the Company provided joint liability guarantee for the RMB 2,960,000,000 issued guarantee letters, USD 148,827,295 and JPY 4,011,006,903 for the issuance of unaccepted letters of credit, and USD 48,271,469 and JPY 7,784,950,000 overseas payment.

XIII. Segment reporting

(1) Segment reporting considerations

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

(a) Display and Sensor 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, amortisation, impairment losses, gains or losses from changes in fair value, investment gain, non-operating income and expenses and income tax expenses attributable to the individual segments. The transfer pricing of inter-segment sales are determined with reference to prices charged to external parties for similar orders.

	2018						
	Port devices business	*Smart IoT business*	*Healthcare business*	*Others*	*Elimination*	*Remaining items*	*Total*
Operating income	86,688,426,362	17,499,500,352	1,151,844,468	3,569,024,583	(11,799,930,830)	-	97,108,864,935
Including: Operating income from external customers	81,265,815,692	14,734,461,467	1,108,587,776	-	-	-	97,108,864,935
Inter-segment operating income	5,422,610,670	2,765,038,885	43,256,692	3,569,024,583	(11,799,930,830)	-	-
Operating cost	83,977,714,485	17,397,663,021	862,984,461	2,197,359,466	(11,483,372,588)	1,048,345,187	93,100,694,032
Operating profit / (loss)	2,710,711,877	101,837,331	288,860,007	1,371,665,117	(316,558,242)	(1,048,345,187)	4,008,170,903
Total profit / (loss)	2,818,100,703	106,837,228	296,075,661	1,366,180,004	(316,558,242)	(1,048,345,187)	4,122,290,167
Income tax expense	624,917,163	16,151,805	90,102,577	234,879,588	276,364,961	-	1,242,416,094
Net profit / (Net loss)	2,193,183,540	90,685,423	205,973,084	1,131,300,416	(592,923,203)	(1,048,345,187)	2,879,874,073
Total assets	306,849,853,351	21,967,564,757	5,852,144,685	151,623,442,496	(182,516,887,526)	252,373,622	304,028,491,385
Total liabilities	122,453,918,956	13,679,315,017	2,384,123,956	103,650,272,046	(59,915,809,696)	1,419,373,545	183,671,193,824
Other items:							
- Impairment losses for the current period	1,198,177,937	39,528,417	1,882,409	-	-	-	1,239,588,763
- Depreciation and amortization expenses	13,511,852,315	507,380,278	92,219,472	238,099,764	(156,607,616)	-	14,192,944,213
- Long-term equity investments in associates	-	-	-	2,389,166,886	-	-	2,389,166,886
- Capital outlay	55,330,404,250	1,672,461,272	815,566,097	232,876,486	(283,237,527)	-	57,768,070,578
- Losses from investment in associates and joint ventures	-	-	-	(13,925,731)	-	-	(13,925,731)
- Net interest expenses	2,409,003,425	161,469,304	9,616,358	197,583,788	-	623,009,190	3,400,682,065

	2017						
	Port devices business	*Smart IoT business*	*Healthcare business*	*Others*	*Elimination*	*Remaining items*	*Total*
Operating income	85,149,888,634	15,620,915,713	1,023,905,566	2,225,609,340	(10,219,840,038)	-	93,800,479,215
Including: Operating income from external customers	80,120,037,284	12,663,489,516	1,016,952,415	-	-	-	93,800,479,215
Inter-segment operating income	5,029,851,350	2,957,426,197	6,953,151	2,225,609,340	(10,219,840,038)	-	-
Operating cost	75,230,477,664	15,722,416,289	670,105,169	1,892,185,869	(10,023,810,470)	635,371,412	84,126,745,933
Operating profit / (loss)	9,919,410,970	(101,500,576)	353,800,397	333,423,471	(196,029,568)	(635,371,412)	9,673,733,282
Total profit / (loss)	9,939,734,442	(43,269,543)	357,160,920	318,689,267	(195,872,135)	(635,371,412)	9,741,071,539
Income tax expense	1,651,714,228	2,686,594	83,168,222	143,090,936	-	-	1,880,659,980
Net profit / (Net loss)	8,288,020,214	(45,956,137)	273,992,698	175,598,331	(195,872,135)	(635,371,412)	7,860,411,559
Total assets	252,310,396,239	12,835,279,534	3,517,599,267	133,049,382,316	(145,710,171,164)	106,255,657	256,108,741,849
Total liabilities	106,262,096,277	9,450,107,994	384,374,814	81,468,098,461	(46,304,097,806)	563,899,276	151,824,479,016
Other items:							
- Impairment losses for the current period	2,184,895,069	42,940,013	1,689,600	-	-	-	2,229,524,682
- Depreciation and amortization expenses	11,567,593,359	231,141,413	69,857,531	244,966,959	(169,046,014)	-	11,944,513,248
- Long-term equity investments in associates	-	-	-	6,928,854,415	-	-	6,928,854,415
- Capital outlay	46,574,510,032	2,248,086,802	643,076,998	248,554,284	(579,340,067)	-	49,134,888,049
- Income from investment in associates and joint ventures	-	-	-	169,034	-	-	169,034
- Net interest expenses	2,029,955,478	92,655,402	12,635,399	83,953,305	-	373,979,047	2,593,178,631

From 2018, when the Group's management assessing segment performance and allocating resources between segments, Varitronix International Group Ltd is classified as Port devices business part. To make information comparable, 2017 segment reporting is adjusted corresponding.

(3) Secondary segment reporting (regional segments)

(a) The geographical information is based on the location of customers receiving services or goods.

The information of the Group's external transactions based by locations is as follows:

	Operating income from external customers	
	2018	*2017*
Chinese mainland	42,942,349,994	44,077,183,105
Other Asian countries and regions	44,256,356,951	44,260,377,203
Europe	3,488,264,284	2,185,981,332
America	6,354,884,816	3,198,611,737
Other regions	67,008,890	78,325,838
Total	97,108,864,935	93,800,479,215

(b) Divided based on asset locations

The geographical location of the specified non-current assets is based on the physical location of the asset, in the case of fixed assets; the location of the operation to which they are allocated, in the case of intangible assets and goodwill; and the location of operations, in the case of interests in associates and jointly controlled enterprises. Most of the non-current assets in the Group are located in Chinese mainland.

(4) Major customers

Operating income of Display and Sensor Devices from which is over 10% of the Group's total operating income ended up with one customer. The operating income from this customer represented RMB 16,287,833,781 (2017: RMB 18,838,046,705), which was approximately 17% (2017: 20%) of the Group's total operating income.

XIV. Notes of financial statements of the Company

1 Cash at bank and on hand

	2018			*2017*		
	Amount in original currency	*Exchange rate*	*RMB / RMB equivalents*	*Amount in original currency*	*Exchange rate*	*RMB / RMB equivalents*
Cash on hand:						
RMB			339			1,178
USD	5	6.8632	34	5	6.5342	31
HKD	165	0.8762	145	165	0.8359	138
JPY	51,325	0.0619	3,176	51,325	0.0579	2,971
KRW	420,000	0.0061	2,562	420,000	0.0061	2,566
Other foreign currencies			16,337			16,009
Sub-total			22,593			22,893
Bank Deposits:						
RMB			1,333,209,249			1,991,214,902
USD	363,428,749	6.8632	2,494,284,193	152,685,791	6.5342	997,679,497
HKD	2,622,706	0.8762	2,298,015	2,254,086	0.8359	1,884,209
Sub-total			3,829,791,457			2,990,778,608
Total			3,829,814,050			2,990,801,501

Including: Total overseas deposits were equivalent to RMB 158,521 (2017: RMB 149,395).

2 Bills receivable and accounts receivable

	Note	*2018*	*2017*
Bills receivable		1,500,000	-
Accounts receivable	*(1)*	36,952,623	39,897,385
Total		38,452,623	39,897,385

(1) Accounts payable

(a) The Company's accounts receivable by customer type:

	2018	*2017*
Amounts due from subsidiaries	36,108,800	40,249,695
Amounts due from other related parties	-	6,304
Amounts due from other customers	3,733,689	2,531,252
Sub-total	39,842,489	42,787,251
Less: Provision for bad and doubtful debts	2,889,866	2,889,866
Total	36,952,623	39,897,385

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

Ageing	*2018*	*2017*
Within 1 year (inclusive)	3,889,195	829,805
1 to 2 years (inclusive)	-	2,506,960
2 to 3 years (inclusive)	-	5,795,247
Over 3 years	35,953,294	33,655,239
Sub-total	39,842,489	42,787,251
Less: Provision for bad and doubtful debts	2,889,866	2,889,866
Total	36,952,623	39,897,385

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

(c) Accounts receivable by category

	2018					*2017*				
	Book value		*Provision for bad and doubtful debts*			*Book balance*		*Provision for bad and doubtful debts*		
Category	*Amount*	*Percentage (%)*	*Amount*	*Percentage (%)*	*Carrying amounts*	*Amount*	*Percentage (%)*	*Amount*	*Percentage (%)*	*Carrying amounts*
Accounts receivables that are collectively assessed for impairment based on credit risk characteristics*	25,743,537	65%	-	-	25,743,537	25,391,284	59%	-	-	25,391,284
Individually insignificant but assessed for impairment individually	14,098,952	35%	2,889,866	20%	11,209,086	17,395,967	41%	2,889,866	17%	14,506,101
Total	39,842,489	100%	2,889,866	7%	36,952,623	42,787,251	100%	2,889,866	7%	39,897,385

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

The Company has no individually significant accounts receivable and individually for impairment this year.

As at 31 December 2018, the Company collectively assessed accounts receivable having been individually assessed but not impaired for impairment and did not recognize impairment loss against this amount of accounts receivable (2017: nil).

(d) Additions and recoveries of provision for bad and doubtful debts during the year:

	2018	*2017*
Balance at the beginning of the year	2,889,866	2,889,866
Charge during the year	-	-
Write-offs during the year	-	-
Balance at the end of the year	2,889,866	2,889,866

For the year ended 31 December 2018, the Company had no individually significant write-off or recovery of doubtful debts which had been fully or substantially made in prior years.

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

The five largest accounts receivable of the Company amounted to RMB 38,947,850, amounting to 98% of the total accounts receivable at the end of the year, and the corresponding balance of provision for bad and doubtful debts is RMB 2,889,866.

3 Other receivables

	Note	*2018*	*2017*
Interest receivable		9,659,279	-
Dividends receivable	*(1)*	14,115,915	10,404,147
Others	*(2)*	1,992,053,266	1,824,727,573
Total		2,015,828,460	1,835,131,720

(1) Dividends receivable

	2018	*2017*
Yinghe Century	8,204,147	8,204,147
Vacuum Electronics	2,200,000	2,200,000
Beijing Electronics Zone Investment and Development Co., Ltd.	3,711,768	-
Balance at the end of the year	14,115,915	10,404,147

(2) Others

(a) The Company's other receivables by customer type:

Customer type	*2018*	*2017*
Amounts due from subsidiaries	1,967,828,693	1,775,667,804
Amounts due from other related parties	-	16,819,941
Amounts due from other customers	24,224,573	32,239,828
Total	1,992,053,266	1,824,727,573

(b) The Company's other receivables by currency:

	2018			*2017*		
	Amount in original currency	*Exchange rate*	*RMB / RMB equivalents*	*Amount in original currency*	*Exchange rate*	*RMB / RMB equivalents*
RMB			1,992,041,781			1,824,727,573
HKD	13,107	0.8762	11,485			-
Sub-total			1,992,053,266			1,824,727,573
Less: Provision for bad and doubtful debts			-			-
Total			1,992,053,266			1,824,727,573

(c) The ageing analysis of other receivables of the Company is as follows:

	2018	*2017*
Within 1 year (inclusive)	1,649,255,313	1,290,921,174
1 to 2 years (inclusive)	94,152,814	169,386,864
2 to 3 years (inclusive)	11,422,640	65,663,702
Over 3 years	237,222,499	298,755,833
Total	1,992,053,266	1,824,727,573

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

(d) Other receivables categorized by nature

Nature of other receivables	*2018*	*2017*
Transaction amount	305,938,861	702,635,642
Rent	227,919,843	211,037,415
Royalty fee	1,441,130,049	878,653,588
Others	17,064,513	32,400,928
Total	1,992,053,266	1,824,727,573

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

Other receivables at the end of the year due from the top five debtors of the Company amounted to RMB 1,611,402,222 in total, most of which are borrowings and royalty fees. No provision is made for bad and doubtful debts after assessment.

4 Other current assets

	2018	*2017*
VAT on tax credits	1,127,650	40,631,837
Others	46,677,446	20,450,238
Total	47,805,096	61,082,075

5 Available-for-sale financial assets

(1) Available-for-sale financial assets

	2018			*2017*		
Item	*Book value*	*Provision for impairment of inventories*	*Carrying amount*	*Book value*	*Provision for impairment of inventories*	*Carrying amount*
Available-for-sale equity instruments						
- Measured at fair value	259,708,877	150,099,655	109,609,222	280,680,730	150,099,655	130,581,075
- Measured at cost	124,689,635	106,001,603	18,688,032	124,689,635	106,001,603	18,688,032
Total	384,398,512	256,101,258	128,297,254	405,370,365	256,101,258	149,269,107

(2) Available-for-sale financial assets at fair value at the end of the year:

	2018
Cost	224,818,586
Fair Values	109,609,222
Accumulated fair value movements in other comprehensive income	34,890,291
Provision for impairment	(150,099,655)

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

Investee	*Book value*				*Provision for impairment*	
	Balance at the beginning of the year	*Increase during the year*	*Reductions during the year*	*Balance at the end of the year*	*Balance at the beginning and the end of the year*	*Percentage of shareholding in investees (%)*
Teralane Semiconductor Inc.	11,868,000	-	-	11,868,000	-	7.29%
Zhejiang BOE Display Technology Co., Ltd.	59,959,709	-	-	59,959,709	59,638,453	7.03%
Zhejiang Qiusheng Photoelectric Technology Co., Ltd.	46,431,926	-	-	46,431,926	46,183,150	5.09%
National Engineering Laboratory of Digital Television (Beijing) Co., Ltd.	6,250,000	-	-	6,250,000	-	12.50%
Others	180,000	-	-	180,000	180,000	
Total	124,689,635	-	-	124,689,635	106,001,603	

6 Long-term equity investments

(1) The Company's long-term equity investments by category:

	2018	*2017*
Investments in subsidiaries	141,883,775,023	116,691,267,854
Investments in associates and joint ventures	1,675,958,462	4,562,412,537
Sub-total	143,559,733,485	121,253,680,391
Less: Provision for impairment	60,000,000	60,000,000
Total	143,499,733,485	121,193,680,391

In previous year, the Company provided full impairment losses for investments in its subsidiary, Special Display, which amounted to RMB 60,000,000.

(2) Investments in subsidiaries:

Subsidiary	*Balance at the beginning of the year*	*Additions during the year*	*Reductions during the year*	*Balance at the end of the year*	*Opening balance of provision for impairments*	*Closing balance of provision for impairments*
Beijing BOE Optoelectronics Technology Co., Ltd.	4,172,288,084	-	-	4,172,288,084	-	-
Chengdu BOE Optoelectronics Technology Co., Ltd.	14,733,149,991	4,550,000,000	-	19,283,149,991	-	-
Hefei BOE Optoelectronics Technology Co., Ltd.	9,000,000,000	-	-	9,000,000,000	-	-
Beijing BOE Display Technology Co., Ltd.	17,418,713,599	-	-	17,418,713,599	-	-
Hefei Xinsheng Optoelectronics Technology Co., Ltd.	16,575,150,000	-	-	16,575,150,000	-	-
Ordos Yuansheng Optoelectronics Co., Ltd.	11,804,000,000	-	-	11,804,000,000	-	-
Beijing BOE Vision-electronic Technology Co., Ltd.	2,170,000,000	850,000,000	-	3,020,000,000	-	-
Chongqing BOE Optoelectronics Co., Ltd.	19,565,354,599	-	-	19,565,354,599	-	-
Beijing BOE Vacuum Electronics Co., Ltd.	19,250,000	-	-	19,250,000	-	-
Beijing BOE Vacuum Technology Co., Ltd.	32,000,000	-	-	32,000,000	-	-
Beijing BOE Special Display Technology Co., Ltd.	100,000,000	-	-	100,000,000	60,000,000	60,000,000
Beijing Yinghe Century Co., Ltd.	333,037,433	-	-	333,037,433	-	-
BOE Optical Science and technology Co., Ltd.	658,961,914	-	-	658,961,914	-	-
BOE Hyundai LCD (Beijing) Display Technology Co., Ltd.	31,038,525	-	-	31,038,525	-	-
BOE (Hebei) Mobile Technology Co., Ltd.	1,053,651,020	300,000,000	-	1,353,651,020	-	-
Beijing BOE multimedia Technology Co., Ltd.	400,000,000	-	-	400,000,000	-	-
Beijing BOE Energy Technology Co., Ltd.	850,000,000	-	-	850,000,000	-	-
Beijing BOE Smart Commerce Co., Ltd.	10,000,000	-	-	10,000,000	-	-
Beijing Zhongxiangying Technology Co., Ltd.	10,000,000	-	-	10,000,000	-	-
Erdos Haosheng Energy Investment Co., Ltd.	2,000,000	-	-	2,000,000	-	-
BOE Semi-conductor Co., Ltd.	9,450,000	-	-	9,450,000	-	-
BOE Optoelectronics Holding Co.,Ltd.	1,743,602,824	1,025,059,200	-	2,768,662,024	-	-
Beijing Asahi Electronic Materials Co.,Ltd.	30,888,470	-	-	30,888,470	-	-
Beijing BOE Land Co., Ltd.	7,731,474	-	-	7,731,474	-	-
BOE KOREA Co., Ltd.	788,450	-	-	788,450	-	-
Beijing BOE Marketing Co., Ltd.	20,500,000	10,000,000	-	30,500,000	-	-
Fuzhou BOE Optoelectronics Technology Co., Ltd.	12,666,042,079	1,634,000,000	-	14,300,042,079	-	-
Healthcare Investment	1,193,154,069	550,000,000	-	1,743,154,069	-	-
Hefei Display	1,550,765,323	448,000,000	-	1,998,765,323	-	-

Technology Development	1,000,000	-	-	1,000,000	-	-
Smart Science & Technology	50,000,000	-	-	50,000,000	-	-
Zhuoyin Science & Technology	400,750,000	199,250,000	-	600,000,000	-	-
Kunming BOE Display Technology Co., Ltd.	78,000,000	124,800,000	-	202,800,000	-	-
Sensing Technology	-	50,000,000	-	50,000,000	-	-
Wuhan BOE Optoelectronics Technology Co., Ltd.	-	1,230,860,516	-	1,230,860,516	-	-
Chongqing BOE Display Technology Co., Ltd.	-	193,557,370	-	193,557,370	-	-
Mianyang BOE Optoelectronics Technology Co., Ltd.	-	13,936,980,083	-	13,936,980,083	-	-
Beijing BOE Yiyun Science &Technology Co., Ltd.	-	90,000,000	-	90,000,000	-	-
Total	116,691,267,854	25,192,507,169	-	141,883,775,023	60,000,000	60,000,000

For information about the major subsidiaries of the Company, refer to Note VII. 1.

(3) Investments in associates and joint ventures:

Investee	*Balance at the beginning of the year*	*Movements during the year*						*Balance at the end of the year*	*Closing balance of provision for impairments*
		Increase in investments	*Investment income recognized under equity method*	*Other comprehensive income*	*Other changes in equity*	*Cash dividends or profit declared*	*Acquired as subsidiaries during the year*		
Joint ventures									
Wuhan BOE Optoelectronics Technology Co., Ltd.	91,590,309	1,140,000,000	(729,793)	-	-	-	(1,230,860,516)	-	-
Mianyang BOE Optoelectronics Technology Co., Ltd.	2,698,378,093	2,400,000,000	(1,398,010)	-	-	-	(5,096,980,083)	-	-
Beijing BOE Yiyun Science &Technology Co., Ltd.	3,763,783	-	(3,763,783)	-	-	-	-	-	-
Sub-total	2,793,732,185	3,540,000,000	(5,891,586)	-	-	-	(6,327,840,599)	-	-
Associates									
Beijing Nissin Electronics Precision Component Co., Ltd.	-	-	(1,886,109)	-	2,424,598	-	-	538,489	-
Beijing Nittan Electronic Co., Ltd.	53,786,835	-	10,946,250	-	-	(3,000,000)	-	61,733,085	-
Erdos BOE Energy Investment Co., Ltd.	9,458,312	-	-	-	-	-	-	9,458,312	-
Beijing Infi-Hailin Venture Investment Co., Ltd.	373,361	-	62,467	-	-	-	-	435,828	-
Beijing Infi-Hailin Venture Investment (Limited Partnership)	137,448,451	-	22,591,316	(47,702,834)	-	(30,000,000)	-	82,336,933	-
TPV Display Technology (China) Limited	27,190,533	-	(4,189,174)	-	-	-	-	23,001,359	-
Beijing Xindongneng Investment Fund (Limited Partnership)	1,472,249,231	150,000,000	(11,778,573)	(155,295,781)	-	-	-	1,455,174,877	-
Beijing Xindongneng Investment Management Co., Ltd.	4,861,735	-	2,327,127	-	-	(2,000,000)	-	5,188,862	-
Shenzhen Yunyinggu Technology Co., Ltd.	35,483,897	-	(20,002,391)	-	-	-	-	15,481,506	-
Beijing Xloong Technologies Co.,Ltd.	23,981,997	-	(1,372,786)	-	-	-	-	22,609,211	-
Chongqing BOE Display Technology Co., Ltd.	3,846,000	192,300,000	(2,808,246)	219,616	-	-	(193,557,370)	-	-
Sub-total	1,768,680,352	342,300,000	(6,110,119)	(202,778,999)	2,424,598	(35,000,000)	(193,557,370)	1,675,958,462	-
Total	4,562,412,537	3,882,300,000	(12,001,705)	(202,778,999)	2,424,598	(35,000,000)	(6,521,397,969)	1,675,958,462	-

7 Deferred tax assets / deferred tax liabilities

Item	*2018*		*2017*	
	Deductible/ (taxable) temporary differences	*Deferred tax assets / (liabilities)*	*Deductible/ (taxable) temporary differences*	*Deferred tax assets / (liabilities)*
Deferred tax assets:				
Provisions for impairment losses of assets	342,108,420	51,316,263	342,108,420	51,316,263
Depreciation of fixed assets	87,117,936	13,067,690	76,472,749	11,470,912
Advances from customers	1,551,798,448	232,769,767	797,348,485	119,602,273
Others	151,182,178	22,677,327	-	-
Sub-total	2,132,206,982	319,831,047	1,215,929,654	182,389,448
Amount offset		(29,036,499)		(32,183,263)
Balance after offset		290,794,548		150,206,185
Deferred tax liabilities:				
Bond interest	(71,525,943)	(10,728,891)	(71,532,514)	(10,729,877)
Others	(122,050,720)	(18,307,608)	(143,022,573)	(21,453,386)
Sub-total	(193,576,663)	(29,036,499)	(214,555,087)	(32,183,263)
Amount offset		29,036,499		32,183,263
Balance after offset		-		-

As at 31 December 2018, the Company estimated that the amount of taxable income is expected to be available in the future period that the deductible temporary differences are reversed, thereby confirming the relevant deferred tax assets.

8 Employee benefits payable

(1) Employee benefits payable:

	Note	*Balance as of January 01, 2018.*	*Increase during the year*	*Reductions during the year*	*Balance on 31 December 2018*
Short-term employee benefits	*(2)*	271,338,126	807,603,371	887,781,188	191,160,309
Post-employment benefits					
- defined contribution plans	*(3)*	11,662,067	77,656,828	79,339,943	9,978,952
Termination benefits		-	547,277	547,277	-
Total		283,000,193	885,807,476	967,668,408	201,139,261

	Note	*Balance as of January 01, 2017.*	*Increase during the year*	*Reductions during the year*	*Balance on 31 December 2017*

Short-term employee benefits	*(2)*	162,208,573	761,394,639	652,265,086	271,338,126
Post-employment benefits					
- defined contribution plans	*(3)*	7,708,530	56,247,103	52,293,566	11,662,067
Termination benefits		-	43,597	43,597	-
Total		169,917,103	817,685,339	704,602,249	283,000,193

(2) Short-term employee benefits

	Balance as of January 01, 2018.	*Increase during the year*	*Reductions during the year*	*Balance on 31 December 2018*
Salaries, bonuses and allowances	232,610,577	622,616,346	705,728,418	149,498,505
Staff welfare	-	37,159,393	37,159,393	-
Social insurance				
Medical insurance	13,533,102	36,532,908	37,038,227	13,027,783
Work-related injury insurance	963,123	2,603,687	2,627,503	939,307
Maternity insurance	1,363,607	2,921,927	2,840,340	1,445,194
Housing fund	3,136,970	43,830,388	44,121,341	2,846,017
Labour union fee, staff and workers' education fee	19,730,747	29,224,557	25,551,801	23,403,503
Others	-	32,714,165	32,714,165	-
Total	271,338,126	807,603,371	887,781,188	191,160,309

	Balance as of January 01, 2017.	*Increase during the year*	*Reductions during the year*	*Balance on 31 December 2017*
Salaries, bonuses and allowances	124,332,853	636,782,785	528,505,061	232,610,577
Staff welfare	-	33,701,495	33,701,495	-
Social insurance				
Medical insurance	14,421,576	26,055,881	26,944,355	13,533,102
Work-related injury insurance	991,072	2,108,621	2,136,570	963,123
Maternity insurance	1,142,898	2,171,760	1,951,051	1,363,607
Housing fund	5,160,816	30,942,311	32,966,157	3,136,970
Labour union fee, staff and workers' education fee	16,159,358	21,661,709	18,090,320	19,730,747
Others	-	7,970,077	7,970,077	-
Total	162,208,573	761,394,639	652,265,086	271,338,126

(3) Post-employment benefits - defined contribution plans

	Balance as of January 01, 2018	*Increase during the year*	*Reductions during the year*	*Balance on 31 December 2018*
Basic pension insurance	11,238,473	69,320,207	70,786,273	9,772,407
Unemployment insurance	249,227	2,917,729	2,960,411	206,545
Annuity	174,367	5,418,892	5,593,259	-
Total	11,662,067	77,656,828	79,339,943	9,978,952

	Balance as of January 01, 2017	*Increase during the year*	*Reductions during the year*	*Balance on 31 December 2017*
Basic pension insurance	7,035,905	49,445,579	45,243,011	11,238,473
Unemployment insurance	300,444	2,080,473	2,131,690	249,227
Annuity	372,181	4,721,051	4,918,865	174,367
Total	7,708,530	56,247,103	52,293,566	11,662,067

9 Other payables

	Note	*2018*	*2017*
Interest payable		330,964,989	312,029,252
Dividends payable		6,451,171	6,451,170
Others	*(1)*	7,872,319,930	9,713,912,548
Total		8,209,736,090	10,032,392,970

(1) Others

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

	2018	*2017*
Projects, equipment and intangible assets	52,308,258	143,778,196
External agency fee	17,476,002	21,106,470
Advanced disbursement	7,690,628,499	9,472,358,381
Others	111,907,171	76,669,501
Total	7,872,319,930	9,713,912,548

(b) The Company's other payables by currency:

	2018			*2017*		
	Amount in original currency	*Exchange rate*	*RMB / RMB equivalents*	*Amount in original currency*	*Exchange rate*	*RMB / RMB equivalents*
RMB			5,082,657,694			9,321,901,661
USD	406,452,150	6.8632	2,789,562,393	59,993,708	6.5342	392,010,887
JPY	1,612,973	0.0619	99,843			-
Total			7,872,319,930			9,713,912,548

10 Long-term loans

	2018			
	Amount in original currency	*Exchange rate*	*RMB / RMB equivalents*	*Credited /collateralised guaranteed /pledged*
Bank loans				
- RMB			27,510,000,000	Credited
Less: Long-term loans due within one year			990,000,000	Credited
Total			26,520,000,000	

	2017			
	Amount in original currency	*Exchange rate*	*RMB / RMB equivalents*	*Credited /collateralised guaranteed /pledged*
Bank loans				
- RMB			26,668,000,000	Credited
- USD	200,000,000	6.5342	1,306,840,000	Credited
Less: Long-term loans due within one year			4,031,840,000	Credited
Total			23,943,000,000	

The interest rate of RMB long-term loans for the Company ranged from 0% to 4.75% in 2018 (2017: 0% to 4.75%). The Company had no renewed long-term loans because of overdue loans (2017: nil).

11 Deferred income

Item	*Balance at the beginning of the year*	*Additions during the year*	*Amount included in other income*	*Other changes*	*Balance at the end of the year*
Government grants					
- Government grants related to assets	6,407,437	6,324,630,210	(913,120,098)	(973,500)	5,416,944,049
- Government grants related to income	124,244,690	64,925,367	(82,164,265)	-	107,005,792
Total	130,652,127	6,389,555,577	(995,284,363)	(973,500)	5,523,949,841

12 Capital reserve

Item	*Share premiums*	*Other capital reserves*	*Total*
Balance at the beginning of the year	37,546,517,053	42,024,540	37,588,541,593
Add: Changes in other equity of investees	-	2,424,598	2,424,598
Closing balance	37,546,517,053	44,449,138	37,590,966,191

13 Other comprehensive income

Item	*Opening balance of other comprehensive income at the beginning of the year*	*Movements during the year*		*Closing balance of other comprehensive income at the beginning of the year*
		Before-tax amount during the year	*Less: Income tax expenses*	
Other comprehensive income that will be reclassified to profit or loss				
Including: Gains or losses arising from changes in fair value of available-for-sale financial assets	47,482,822	(20,971,853)	(3,145,778)	29,656,747
Share of the other comprehensive income of the equity-accounted investee that may be reclassified to profit or loss	144,614,667	(202,778,999)	-	(58,164,332)
Total	192,097,489	(223,750,852)	(3,145,778)	(28,507,585)

14 Retained earnings

Item	*2018*	*2017*
Retained earnings at the beginning of the year	1,765,291,136	1,493,363,829
Add: Net profits for the year	2,629,858,350	1,465,006,203
Less: Appropriation for statutory surplus reserve	262,985,835	146,500,620
Less: Cash dividends declared	1,739,919,938	1,046,578,276
Retained earnings at the end of the year	2,392,243,713	1,765,291,136

15 Operating income

	2018	*2017*
Rental income of investment properties	180,927,207	148,470,813
Technology development income	3,326,012,588	2,344,168,358
Others	541,409,893	322,922,350
Total	4,048,349,688	2,815,561,521

16 Taxes and surcharges

	2018	*2017*
Property tax	36,681,107	34,628,574
Land use tax	2,864,304	2,864,304
Stamp duty	2,218,487	1,046,438
Urban maintenance and construction tax	706,057	913,638
Education surcharges and local education surcharges	343,357	183,462
Others	1,316,562	12,900
Total	44,129,874	39,649,316

17 Financial expenses

	2018	*2017*
Interest expenses from loans	1,055,792,484	556,880,963
Interest income from bank deposits	(44,583,524)	(58,850,619)
Net exchange losses	1,797,658	5,408,147
Other financial expenses	1,414,091	2,441,048
Total	1,014,420,709	505,879,539

18 Other income

	2018	*2017*
Government grants related to assets	913,120,098	9,017,759
Government grants related to income	82,164,265	14,495,697
Total	995,284,363	23,513,456

19 Investment income

	2018	*2017*
Income from long-term equity investments accounted for using cost method	936,394,420	949,318,351
Long-term equity investments (loss) / gains under equity method	(12,001,705)	169,034
Investment income from holding available-for-sale financial assets	3,917,184	792,018
Total	928,309,899	950,279,403

20 Non-operating income and non-operating expenses

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

Item	*2018*	*2017*	*Amount recognized in extraordinary gain and loss in 2018*
Government grants	-	771,051	-
Others	4,336,405	2,781,521	4,336,405
Total	4,336,405	3,552,572	4,336,405

(2) Non-operating expenses

Item	*2018*	*2017*	*Amount recognized in extraordinary gain and loss in 2018*
Donations provided	7,830,588	18,004,947	7,830,588
Others	837,822	3,187	837,822
Total	8,668,410	18,008,134	8,668,410

21 Income tax expenses

	Note	*2018*	*2017*
Current tax expense based on tax law and regulations		372,322,173	124,006,061
Changes in deferred tax	*(1)*	(137,442,585)	(110,905,862)
Total		234,879,588	13,100,199

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

	2018	*2017*
Origination and reversal of temporary differences	(137,442,585)	(110,905,862)

(2) Reconciliation between income tax expense and accounting profit is as follows:

Item	*2018*	*2017*
Profit before taxation	2,864,737,938	1,478,106,402
Expected income tax expense at tax rate of 15%	429,710,691	221,715,960
Add: Non-deductible expenses	4,554,071	3,141,493
Non-taxable income	(139,246,485)	(142,663,108)
Tax deduction for R&D activities	(60,138,689)	(29,911,193)
Recognized temporary differences of previous years	-	(32,857,761)
Changes of deductible temporary differences unrecognized	-	(6,325,192)
Income tax expense	234,879,588	13,100,199

22 Supplementary information on cash flow statement

(1) Supplement to cash flow statement

		2018	*2017*
(a)	Reconciliation of net profit to cash flows from operating activities:		
	Net profit	2,629,858,350	1,465,006,203
	Add: Depreciation of fixed assets and investment property	125,672,901	106,857,117
	Amortisation of intangible assets	112,898,414	109,446,190
	Amortisation of long-term deferred expenses	34,008,232	30,511,433
	Losses from disposal of fixed assets, intangible assets, and other long-term assets	-	157,430
	Finance expenses	1,041,426,618	503,438,491
	Investment income	(928,309,899)	(950,279,403)
	increase in deferred tax assets	(140,588,363)	(110,905,862)
	Decrease / (increase) in inventories	3,462,706	(681,982)
	Increase in operating receivable items	(315,481,253)	(549,268,534)
	Increase / (decrease) in operating payable items	898,567,740	(4,307,629,184)
	Net cash inflow from operating activities	3,461,515,446	(3,703,348,101)

(b) Net changes in cash and cash equivalents:

	2018	*2017*
Cash and cash equivalents at the end of the year	3,829,814,050	2,990,801,501
Less: Cash and cash equivalents at the beginning of the year	2,990,801,501	7,548,700,412
Net increase / (decrease) in cash and cash equivalents	839,012,549	(4,557,898,911)

(2) Details of cash and cash equivalents

	2018	*2017*
Cash on hand	22,593	22,893
Bank deposits available on demand	3,829,791,457	2,990,778,608
Cash and cash equivalents at the beginning of the year	3,829,814,050	2,990,801,501

Note: Cash and cash equivalents disclosed above exclude other monetary fund with restricted usage.

23 Assets with restrictive ownership title

As at 31 December 2018, the Company pledged its 20% equity of BOE Energy Investment and 20% equity of Haosheng Energy as security for the syndicated loans of RMB 633,330,000 and USD 96,000,000 for Yuansheng Optoelectronics, which will expire on 9 June 2021.

The Company has no other asset with restrictive ownership title.

XV. Extraordinary gains and losses in 2018

	2018	*2017*
Losses from long-term equity investments	(3,948,640)	-
Losses from disposal of non-current assets	(21,684,121)	(87,930,698)
Government grants recognized in current profit or loss (except for government subsidies that are closely related to the normal business operations of the company and that are in compliance with national policies and are subject to constant or fixed amount according to certain standards)	2,073,709,661	962,283,001
Fair value changes in derivative financial liabilities, and income from available-for-sale financial assets and wealth management products on maturity	315,279,377	134,810,181
Reversal of provision for bad and doubtful debts assessed on an individual basis	1,779,710	2,616,024
Other non-operating income and expenses besides items above	63,734,628	46,503,917
Less: Tax effect	328,634,385	126,533,931
Total	2,100,236,230	931,748,494
Including: Extraordinary gains affecting net profit of equity shareholders of the Company	1,917,425,622	888,471,355
Extraordinary gains affecting net profit of equity shareholders of the non-controlling shareholders	182,810,608	43,277,139

Notes: Extraordinary gain and loss item listed above are presented in the amount before taxation.

XVI. Return on net assets and earnings per share

In accordance with *Regulation on the Preparation of Information Disclosures by Companies Issuing Securities No.9 – Calculation and Disclosure of the Return on Net Assets and Earnings Per Share (2010 revised)* issued by the CSRC and relevant accounting standards, the Group's return on net assets and earnings per share are calculated as follows:

Profit for the reporting period	*Weighted average return on net assets (%)*	*Basic earnings per share*	*Diluted earnings per share*
Net profit attributable to the Company's ordinary equity shareholders	4.00%	0.10	0.10
Net profit excluding extraordinary gain and loss attributable to the Company's ordinary equity shareholders	1.77%	0.04	0.04