

BOE

ANNUAL REPORT 2016

April 2017

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

Section I Important Statements, Contents and Definitions

The board of directors (the “Board”), the supervisory board (the “Supervisory Board”), as well as the directors, supervisors and executive officers of BOE Technology Group Co., Ltd. (the “Company”) hereby guarantee the factuality, accuracy and completeness of the contents of this Report, and shall be jointly and severally liable for any false representation, misleading statements or material omissions in this Report.

Mr. Wang Dongsheng, head of the Company, Mr. Chen Yanshun, president of the Execution Committee (chief executive officer) of the Company, Ms. Sun Yun, accounting head for this Report, and Ms. Yang Xiaoping, head of the accounting department (head of accounting), hereby guarantee that the Financial Report carried in this Report is factual, accurate and complete.

All directors attended the board meeting for the review of this Report.

Any plans for the future and other forward-looking statements mentioned in this Report shall NOT be considered as virtual promises of the Company to investors. Therefore, investors are kindly reminded to pay attention to possible investment risks.

The Board has considered and approved the following proposal for profit distribution: a cash dividend of RMB 0.30 Yuan (tax inclusive) per 10 shares will be distributed to all shareholders of the Company. No bonus shares will be granted, nor will any capital reserve be converted into share capital.

This Report has been prepared in compliance with the Chinese “Accounting Standards for Business Enterprises” and other relevant regulations. KPMG Huazhen LLP has issued a standard auditor’s report with unqualified opinion for the Company.

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

Table of Contents

Section I Important Statements, Contents and Definitions.....	2
Section II Corporate Profile and Key Financial Results	5
Section III Business Profile	10
Section IV Performance Discussion and Analysis	13
Section V Significant Events	37
Section VI Share Changes and Information about Shareholders	67
Section VII Preference Shares	78
Section VIII Directors, Supervisors, Senior Executive Officers and Staff.....	79
Section IX Corporate Governance	96
Section X Corporate Bonds.....	106
Section XI Financial Report.....	111
Section XII Documents Available for Reference	114

Definitions

Term	Definition
BOE, the Company, Company, the Group, Group	BOE Technology Group Co., Ltd.
The Stock Listing Rules	The Stock Listing Rules of the Shenzhen Stock Exchange (Revised in 2014)
SZSE, the Stock Exchange	The Shenzhen Stock Exchange
CSRC	China Securities Regulation Commission
CSRC Beijing	China Securities Regulation Commission Beijing Bureau
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
The cninfo website	http://www.cninfo.com.cn/
OASIS Hospital	OASIS International Hospital
SID	The Society for Information Display
DBG	The display business group of the Company
SBG	The smart business group of the Company
HBG	The health business group of the Company
United Ratings	United Credit Ratings Co., Ltd.
TFT	Thin Film Transistor
LCD	Liquid Crystal Display
LTPS	Low Temperature Poly-silicon
AMOLED	Active-matrix organic light emitting diode
OLED	Organic Light-Emitting Diode
VR/AR	Virtual reality/ Augmented Reality
KPMG	KPMG Huazhen LLP

Section II Corporate Profile and Key Financial Results

I Corporate information

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

II Contact information

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

III Information disclosure and place where this Report is kept

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

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

IV Company registration and alteration

Credibility code	No changes
Changes in main business activities of the Company after going public (if any)	No changes
Changes of controlling shareholder (if any)	No changes

V Other information

The CPAs firm hired by the Company

Name	KPMG Huazhen LLP
Office address	8/F, East Tower 2, Oriental Plaza, 1 East Chang An Avenue, Beijing, P.R.China
Accountants writing signatures	Su Xing, Wang Ting

Sponsor engaged by the Company to continuously perform its supervisory function during this Reporting Period

Applicable Not applicable

Name	Office address	Sponsor representative	Supervisory period
China Securities Co., Ltd.	Room 2203, North Tower, Shanghai Stock Exchange Building, 528 Pudong South Road, Shanghai, P.R.China	Zhu Mingqiang, Zhao Jun	04/05/2014~12/31/2015 (Up to December 31, 2015, the funds raised by the Company through a private A-share offering had not yet been used up. Therefore, China Securities Co., Ltd. would continue to perform its supervisory function on the Company. As of December 31, 2016, the said funds had been used up and the sponsor thus ceased its supervision.)

Financial advisor engaged by the Company to continuously perform its supervisory function during this Reporting Period

Applicable Not applicable

VI Key financial results

Indicate by tick mark whether the Company performed any retroactive adjustments to or restatement of its accounting data due to changes of accounting policies or correction of accounting errors.

Yes No

Item	2016	2015	+/-%	2014
Operating revenues (RMB Yuan)	68,895,658,963	48,623,732,312.00	41.69%	36,816,316,676.00
Net profit attributable to	1,882,571,674	1,636,270,488.00	15.05%	2,562,128,829.00

shareholders of the Company (RMB Yuan)				
Net profit attributable to shareholders of the Company before exceptional profit and loss (RMB Yuan)	12,534,878.00	613,814,833.00	-97.96%	1,827,866,642.00
Net cash flows from operating activities (RMB Yuan)	10,073,287,120.00	10,493,385,445.00	-4.00%	8,095,825,923.00
Basic earnings per share (RMB Yuan /share)	0.054	0.046	17.39%	0.087
Diluted earnings per share (RMB Yuan /share)	0.054	0.046	17.39%	0.087
Weighted average return on equity (%)	2.40%	2.13%	0.27%	4.29%
Item	December 31, 2016	December 31, 2015	+/-%	December 31, 2014
Total assets (RMB Yuan)	205,135,011,042	152,592,894,442.00	34.43%	136,240,283,477.00
Net assets attributable to shareholders of the Company (RMB Yuan)	78,699,988,493	77,485,275,564.00	1.57%	76,155,071,579.00

VII Differences in accounting data under domestic and foreign accounting standards

1. Differences in the net profit and the net assets disclosed in the financial reports prepared under Chinese and international accounting standards

Applicable Not applicable

No such differences for this Reporting Period.

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

Applicable Not applicable

No such differences for this Reporting Period.

VIII Key financial results by quarter

Unit: RMB Yuan

Item	1Q	2Q	3Q	4Q
Operating revenues	12,297,738,830.00	14,150,571,887.00	19,393,595,018.00	23,053,753,228.00
Net profit attributable to shareholders of the Company	108,325,454.00	-624,797,872.00	657,140,380.00	1,741,903,712.00

Net profit attributable to shareholders of the Company before exceptional profit and loss	-1,356,749,356.00	-952,948,032.00	509,396,071.00	1,812,836,195.00
Net cash flows from operating activities	2,767,654,463.00	-33,567,508.00	3,814,061,583.00	3,525,138,582.00

Indicate by tick mark whether there are any material differences between the financial indicators above or their summations and those which have been disclosed in quarterly or semi-annual reports

Yes No

IX Exceptional profit/loss

Applicable Not applicable

Unit: RMB Yuan

Item	2016	2015	2014	Note
Profit/loss on disposal of non-current assets (including offset asset impairment provisions)	-46,754,352.00	-8,350,324.00	-15,575,867.00	N/A
Tax rebates, reductions and exemptions due to approval beyond authority or the lack of official approval documents	0.00	0.00	0.00	N/A
Government subsidies charged to the profit/loss for this Reporting Period (except for the government grants closely related to the business of the Company and given at a fixed quota or amount in accordance with the State's uniform standards)	1,914,531,603.00	1,045,101,727.00	830,471,170.00	N/A
Capital occupation charges on non-financial enterprises that are charged to the profit/loss for this Reporting Period	0.00	0.00	0.00	N/A
Profit due to the situation where investment costs for the Company to obtain subsidiaries, associates and joint ventures are lower than the enjoyable fair value of identifiable net assets of investees when making investments	105,228,293.00	163,082.00	10,168,409.00	N/A
Profit/loss on non-monetary asset swap	0.00	0.00	0.00	N/A
Profit/loss on entrusting others with investments or asset management	0.00	0.00	0.00	N/A
Asset impairment provisions due to acts of God such as natural disasters	0.00	0.00	0.00	N/A
Profit/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

Profit/loss on the part over the fair value due to transactions with distinctly unfair prices	0.00	0.00	0.00	N/A
Net Reporting Period profit/loss on subsidiaries acquired through business mergers under the same control from the period-beginning to merger dates	0.00	0.00	0.00	N/A
Profit/loss on contingencies irrelevant to the Company's routine business activities	0.00	0.00	0.00	N/A
Profit/loss on fair value changes of transactional financial assets and liabilities & investment income from disposal of transactional financial assets and liabilities as well as financial assets available for sale, except for effective hedges related to routine operations of the Company	149,197,609.00	173,197,708.00	6,113,418.00	N/A
Impairment provision reversal for accounts receivable on which the impairment test is carried out separately	24,547,083.00	4,535,849.00	5,583,021.00	N/A
Profit/loss on entrusted loans	0.00	0.00	0.00	N/A
Profit/loss on fair value changes in investing properties of which the subsequent measurement is carried out adopting the fair value method	0.00	0.00	0.00	N/A
Effect on Reporting Period profit/loss when a one-off adjustment is made to Reporting Period profit/loss according to requirements of taxation, accounting and other relevant laws and regulations	0.00	0.00	0.00	N/A
Custody fee income when entrusted with operations	0.00	0.00	0.00	N/A
Non-operating income and expense other than the above	40,206,943.00	22,787,015.00	43,217,737.00	N/A
Other profit/loss that meet the definition of exceptional profit/loss	0.00	0.00	-4,190,740.00	N/A
Less: Corporate income tax	305,399,453.00	185,320,551.00	119,985,837.00	N/A
Minority interests (after tax)	11,520,930.00	29,658,851.00	21,539,124.00	N/A
Total	1,870,036,796.00	1,022,455,655.00	734,262,187.00	--

Explanation of why the Company classified an item as exceptional profit/loss according to the definition in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public—Exceptional Profit and Loss, or reclassified any exceptional profit/loss item given as an example in the said explanatory announcement to recurrent profit/loss

Applicable Not applicable

No such cases in this Reporting Period.

Section III Business Profile

I Main business scope for this Reporting Period

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

No.

BOE Technology Group Co., Ltd. (BOE) was established in April 1993. Its core business includes display devices, intelligent systems and health services.

1. Display business group

As a leader in semi-conductor display innovation and development, the Company is trying to strengthen the core technology through transformation in technology, product design and application so as to create more value. It is committed to the development, production and marketing of TFT-LCD, AMOLED, virtual display, etc. Currently, it mainly provides display screens and thin film transistors for mobile phones, tablet PCs, laptops, displays, TVs, vehicles, wearable devices, industrial control, medical care, as well as tiled and transparent display screens.

2. Smart business group

Following the main line of “the Internet of Things and artificial intelligence”, the Company is building four business sub-divisions, namely intelligent manufacturing, intelligent display systems, intelligent vehicle display systems, and intelligent energy systems. At present, it mainly provides, for its global partners, the most competitive ODM, OEM and customized intelligent manufacturing services of complete machines, backlight units, etc., as well as specialized Internet of Things solutions for intelligent display and banking, vehicle-mounted units, intelligent energy systems, etc.

3. Health business group

With “information medicine and big data” as the basic features, the Company is building a health service system covering mobile health services, O2O medical services, regenerative medicine, medicine integration, health service centers and health insurance.

II Significant changes in main assets

1. Significant changes in main assets

Main assets	Reason for any significant change
Equity assets	No changes
Fixed assets	No changes
Intangible assets	No changes
Construction in progress	New construction and equipment procurement increased in this Reporting Period

2. Main assets overseas

Applicable Not applicable

III Core competitiveness analysis

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

No.

1. The Company firmly promoted and implemented DSH business strategy, rapidly formed the layout of new business area, consolidated businesses and improved global competitiveness

In 2016, the BOE firmly promoted and implemented DSH business strategy, made efforts to strengthen and expand display device business, rapidly formed layout of smart system business and health service business, consolidated its businesses and improved global competitiveness. As for display device business: The Company rapidly formed layout of AMOLED. The construction of the large-size TFT-LCD Production Line, the Chengdu 6th Generation Flexible AMOLED Production Line, as well as the Fuzhou 8.5th Generation TFT-LCD Production Line were stably promoted, and capped in advance. The Hefei 10.5th TFT-LCD Product Line project construction was rapidly promoted. The aforesaid projects offered the security both in capacity and technology for strengthening and expanding display device business, as well as for making transformation and upgrade of the Company. As for smart system business: the Company founded four business systems separately in smart manufacturing, smart panel connection, smart vehicle connection, and smart energy. In 2016, the acquirement of VARITRONIX made the foundation for developing smart vehicle connection business for smart system business. And the launch of iGallery (a digital art gallery) expanded the market for smart panel connection business. As for health service business, the Company founded six business systems separately in mobile health, O2O health service, regenerative medical science, integrated medicine, health park, and health insurance. The Oasis International Hospital won the JCI (Joint Commission on Accreditation of Healthcare Organizations) authentication. The architecture design and medical planning of Hefei BOE Hospital project were finished, and the system establishment and talents introduction were being promoted as scheduled.

2. The Company stuck to client orientation, and deeply ploughed and subdivided the market

With the policy of “Deep cooperation, Collaborative development, and Value co-creation”, BOE has become the world top supplier in semiconductor and display field. BOE has kept long-term and sustainable cooperation with well-known domestic and overseas clients, including Samsung, LG, Hisense, Konka, Lenovo, Dell, and HP, ranking as the 1st supplier for plenty of international 1st class brands. While intensifying on enlarging and maintaining strategic clients, the Company deeply ploughed and subdivided the markets, and realized stable increase in market share in subdivided markets. As for display service: according to IHS Markit (Information Handling Services, Inc. & Markit Ltd.) data, the market share of LCD display screen of smart phones and tablets kept ranking as the world number 1, the market share of display screen of laptops leaped to the 4th place in the world in the fourth quarter, the market share of display screen of displayers ranked in the 2nd place in the world, and the market share of TV display ranked in the 3rd place in the world. As for smart system business: The shipment of complete machines was nearly 13 million units. The market share of TV and MNT was remarkably improved. Clients were introduced to the shipment of vehicle-mounted display system. Product projects including VR/AR have been positively pushing forward.

3. The Company reinforced independent innovation, and further promoted its ability to innovate

BOE firmly persisted in self-innovation, as well as innovation ideas of “leading technology, first release in the globe, and joint value creation”, continued to strengthen construction of patent attack and defense system, positively took part in domestic and international industrial standard formation, constantly intensified self-innovation capability, kept foresight and primacy of technologies and products, and thoroughly improved global competitiveness. In 2016, the Company applied 7570 patents, of which the authorized patents amounted to over 3000. As at 31 Dec. 2016, BOE’s patents in commission accumulated to an amount of over 50,000. The IFI (a USA service institution for commercial patents data) announced the top 50 companies list in the field of authorized patents in the USA, where only 2 companies in mainland China ranked in. The BOE ranked as the 40th one as the only one with over 200% increase in authorized patents. At the same time, breakthroughs in productization and mass production were made in new technologies such as TDDI (integrated technology in touch control and display driver), SLOC (single-layer multipoint

outer-embedded technology), and LTPS AMOLED. The Company launched a series of globally leading innovated products, of which the 2.8-inch LTPS display screen with pixel density reaching up to 1600 PPI, the 7-inch FHD LTPS heteromorphism display, the 82-inch 10K hook face product with the highest hook face resolution rate in the world, and Alta Max, won high praises in global industry in SID, and innovated product including iGallery won the attention and recognition by the industry and from consumers. In the Global Innovation Report issued by Thomson Reuters, the BOE ranked in the 2nd place in the world in respect of Innovation Power of Semiconductor Companies.

4. The Company pushed forward transformation and upgrade, and further promoted its brand image

With the promotion of transformation and upgrade, the Company's products and service quality was further improved, the innovation vigor of the organization was further motivated, the publicity and marketing promotion was further enhanced, and the Company's brand image was further improved. In 2016, the CCTV news broadcasting of the innovative brand image of the Company for many times, together with the organization and implementation of significant brand activities in China and overseas, for example, the participation in SID in the USA, the holding of global suppliers' meeting and global innovation partners' meeting, sharply improved the brand recognition and reputation of the Company. Based on the evaluation of market institutions, the BOE brand value was improved in a multiplied way, customer satisfaction and brand reputation were continuously improved, as well as the selection into the Top 10 Leading Brands in Consumer Electronics in China in ten consecutive years, showed the high recognition and broad attention for the BOE brand image in global market.

Section IV Performance Discussion and Analysis

I Overview

2016 marked the first year for China's 13th Five-Year Plan for Economic and Social Development. In the year, in light of the faster integration among industries under the "+ Internet" policy, the Company tried to build an "Open and Connected Ecosystem" and positioned itself as a "supplier of Internet of Things technology, products and services" centering on four core technologies, namely "display, sensor technology, artificial intelligence and big data".

2015 and the first half of 2016 witnessed a considerable decline in market demand, fierce competition, as well as the reform towards large-sized, HD display products and those carrying new technology, new techniques and new materials. In face of a complex and changeable market, all employees of the Company united as one man and worked hard to try to seize opportunities. As a result, its operating revenues reaches RMB 68.89 billion Yuan, with year-on-year growth of 41.69%, with a steady growth in its profit. While strengthening new display and sensor technology such as TFT-LCD and AMOLED, the Company also improved its capability regarding intelligent manufacturing, intelligent energy systems, intelligent vehicle display systems and intelligent display systems. Meanwhile, it made cross-field innovations by combining semi-conductor display, artificial intelligence and sensor technology with medical and life technology. Details about the situations of the Company's business divisions are given as follows:

(I) Display business group (DBG)

The ratio of touch-control modules for semiconductor display products, as well as products with high resolution and new applications was improved, which effectively hedged the impact from price drop to revenue. The Company seized market opportunities, swept marketing and sales, raised market share, and kept the market share of main products in subdivided markets in the leading position in the industry. The market share of LCD display screen of smart phones and tablets kept ranking as the world number 1, the market share of display screen of laptops leaped to the 4th place in the world in the fourth quarter, the market share of display screen of displays ranked in the 2nd place in the world, and the market share of TV display ranked in the 3rd place in the world. The VR/AR (visual reality/augmented reality) products realized mass production, and clients were introduced. Projects of X-ray, gene sequencing, and smart antenna forged ahead steadily. The Company continued to deeply dig technique capability, optimize bottleneck crafts, and arrange lean production scheduling, so as to set a new record for yield rate and capacity. Projects of smart manufacturing and manufacturing engineers were executed as planned, and the personal structure was further optimized. The domestication ratio in materials, equipment, as well as reserve products and parts was continuously improved. The localization supporting plan for suppliers of new production lines was carried forward as scheduled. The Company further perfected quality management and control mechanism, reached the cost control target for poor quality, and won A-class appraisal from clients. The Company established green product analysis center, and became the first semiconductor manufacturer in China to build the GP lab.

(II) Smart business group (SBG)

As for smart manufacturing: The shipment of TV/MNT complete machines marked record high. The shipment of mobile backlight modules made breakthrough. Cooperation with strategic clients was further firm. The Hefei smart manufacturing factory was established and put into use. The construction of Chongqing smart manufacturing factory was started. As for smart energy: The photovoltaic project made new progress, the semiconductor lighting business kept being improved, and the plant factory explored new business patterns. As for smart vehicle connection: the Company purchased HK VARITRONIX, a vehicle connection business platform, and positively promoted the business integration with VARITRONIX. As for smart panel connection: The Company launched iGallery (a digital art gallery) products and pleased the market. The Company conducted cooperation project of smart banks and won clients' recognition. The Company established the platform and center for artificial intelligence and big data, promoted the transformation of innovation technology, and supported the development of four major divisions.

(III) Health business group (HBG)

In 2016, supported by the platform of service from robot doctors, the Company founded six business systems in mobile health, regenerative medical science, integrated medicine, O2O healthy service, health park, and health insurance. The Oasis International Hospital won the JCI authentication and achieved over 40% year-on-year increase in revenue and the quantity of new clients. The construction of Hefei BOE hospital was started. The resource expansion in Beijing-Tianjin-Hebei and southwest region was propelled step by step. The pattern design and planning for online health service platform were finished, and the preliminary operation was started. As for mobile health business, the Company integrated mobile health with robot doctors, and promoted new product development. As for the business of regenerative medical science, the Company accomplished the planning of development path and platform, and started the establishment of research center of regenerative medical science. The transformation of health park made breakthrough, and new profit growth factor for business revenue was dug out. As for health insurance business, the Company perfected operation mechanism and business development planning, and accelerated the reviewing process of operation qualification.

II Analysis of main business

1. Overview

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

2. Revenues and costs

(1) Breakdown of operating revenues

Unit: RMB Yuan

Item	2016		2015		+/-%
	Revenue	As a percentage of total operating revenues (%)	Revenue	As a percentage of total operating revenues (%)	
Total operating revenues	68,895,658,963.00	100%	48,623,732,312.00	100%	41.69%
By business segment					
Display device	61,207,032,381.00	88.84%	43,501,436,202.00	89.47%	40.70%
Intelligent system	12,503,057,007.00	18.15%	8,781,046,730.00	18.06%	42.39%
Health service	907,225,055.00	1.32%	826,323,560.00	1.70%	9.79%
Other	1,835,270,634.00	2.66%	1,196,198,355.00	2.46%	53.43%
Offset	-7,556,926,114.00	-10.97%	-5,681,272,535.00	-11.69%	33.01%
By product					
Display devices	61,207,032,381.00	88.84%	43,501,436,202.00	89.47%	40.70%
Intelligent systems	12,503,057,007.00	18.15%	8,781,046,730.00	18.06%	42.39%
Health services	907,225,055.00	1.32%	826,323,560.00	1.70%	9.79%
Others	1,835,270,634.00	2.66%	1,196,198,355.00	2.46%	53.43%

Offset	-7,556,926,114.00	-10.97%	-5,681,272,535.00	-11.69%	33.01%
By geographical segment					
China	36,758,279,462.00	53.35%	21,057,873,677.00	43.31%	74.56%
Other regions in Asia	28,659,907,880.00	41.60%	21,339,034,068.00	43.89%	34.31%
Europe	1,576,844,846.00	2.29%	2,677,131,554.00	5.51%	-41.10%
America	1,783,928,923.00	2.59%	3,430,415,741.00	7.06%	-48.00%
Other regions	116,697,852.00	0.17%	119,277,272.00	0.23%	-2.16%

(2) Business segments, products or geographical segments contributing over 10% of the operating revenues or profit

Applicable Not applicable

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

No.

Unit: RMB Yuan

Item	Operating revenue	Operating cost	Gross profit margin	Operating revenue: YoY +/-%	Operating cost: YoY +/-%	Gross profit margin: YoY +/-%
By business segment						
Display device	61,207,032,381.00	50,827,910,258.000	16.96%	40.70%	46.16%	-3.10%
Intelligent system	12,503,057,007.00	11,436,764,569.00	8.53%	42.39%	42.60%	-0.14%
By product						
Display devices	61,207,032,381.00	50,827,910,258.00	16.96%	40.70%	46.16%	-3.10%
Intelligent systems	12,503,057,007.00	11,436,764,569.00	8.53%	42.39%	42.60%	-0.14%
By geographical segment						
China	36,758,279,462.00	32,674,830,264.00	11.11%	74.56%	120.12%	-18.40%
Other regions in Asia	28,659,907,880.00	21,072,655,784.00	26.47%	34.31%	18.00%	10.16%

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

Applicable Not applicable

(3) Whether revenue from physical sales is higher than service revenue

Yes No

Business segment	Item	Unit	2016	2015	+/-%
TFT-LCD	Sales volume	0,000 units	59,001	52,573	12.23%
	Output volume	0,000 units	60,127	53,810	11.74%

	Inventory	0,000 units	2,530	3,960	-36.11%
--	-----------	-------------	-------	-------	---------

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

Applicable Not applicable

In 2016, the sales volume of small-sized products increased, bringing down the number of the stock.

(4) Execution progress of major signed sales contracts in this Reporting Period

Applicable Not applicable

(5) Breakdown of operating costs

By business segment

Unit: RMB Yuan

Business segment	Costs	2016		2015		+/-%
		Cost amount	As a percentage of total operating costs (%)	Cost amount	As a percentage of total operating costs (%)	
Display device	Materials, labor costs, depreciation, etc.	50,827,910,258.00	89.82%	34,776,700,215.00	89.73%	46.16%
Intelligent system	Materials, labor costs, depreciation, etc.	11,436,764,569.00	20.21%	8,020,038,488.00	20.69%	42.60%
Health service	Materials, labor costs, depreciation, etc.	404,222,596.00	0.71%	411,163,905.00	1.06%	-1.69%
Other	Materials, labor costs, depreciation, etc.	19,378,863.00	0.03%	6,372,839.00	0.02%	204.09%
Offset	Materials, labor costs, depreciation, etc.	-6,102,580,195.00	-10.77%	-4,459,184,781.00	-11.50%	36.85%

Notes:

N/A

(6) Changes in the scope of the consolidated financial statements for this Reporting Period

Yes No

Five new subsidiaries were included in the consolidation scope of this Reporting Period due to ownership changes. And the relevant data exclusive of the five new subsidiaries are as follows:

Item	Operating revenue	Operating cost	Gross profit	Operating revenue:	Operating cost:	Gross profit
------	-------------------	----------------	--------------	--------------------	-----------------	--------------

			margin	YoY +/-%	YoY +/-%	margin: YoY +/-%
By business segment						
Display device	61,207,024,362.00	50,827,910,258.00	16.96%	40.72%	46.16%	-3.09%
Intelligent system	11,201,629,071.00	10,403,551,258.00	7.12%	27.57%	29.72%	-1.55%
Health service	904,534,276.00	402,140,219.00	55.54%	9.46%	-2.19%	5.30%
Other	1,672,096,930.00	19,378,863.00	98.84%	39.78%	162.65%	-0.54%
Offset	-7,395,196,484.00	-6,583,178,143.00	10.98%	30.17%	47.44%	-10.43%
By product						
Display devices	61,207,024,362.00	50,827,910,258.00	16.96%	40.72%	46.16%	-3.09%
Intelligent systems	11,201,629,071.00	10,403,551,258.00	7.12%	27.57%	29.72%	-1.55%
Health services	904,534,276.00	402,140,219.00	55.54%	9.46%	-2.19%	5.30%
Others	1,672,096,930.00	19,378,863.00	98.84%	39.78%	162.65%	-0.54%
Offset	-7,395,196,484.00	-6,583,178,143.00	10.98%	30.17%	47.44%	-10.43%
By geographical segment						
China	36,480,855,574.00	31,975,617,652.00	12.35%	73.24%	115.48%	-17.18%
Other regions in Asia	28,328,807,163.00	20,828,026,521.00	26.48%	32.76%	16.63%	10.17%
Europe	1,066,272,192.00	991,357,734.00	7.03%	-60.09%	-61.97%	4.39%
America	1,650,781,793.00	1,226,386,241.00	25.71%	-51.88%	-63.18%	22.80%
Other regions	63,371,433.00	48,414,307.00	23.60%	-46.87%	-58.40%	21.16%

(7) Major changes in the business, products or services in this Reporting Period

Applicable Not applicable

(8) Main customers and suppliers

Main customers

Total sales to top five customers (RMB Yuan)	26,037,132,038.00
Total sales to top five customers as a percentage of the total sales for this Reporting Period (%)	37.79%
Total sales to related parties among top five customers as a percentage of the total sales for this Reporting Period	0.00%

(%)	
-----	--

Information about top five customers

No.	Customer	Sales amount (RMB)	As a percentage of the total sales for this Reporting Period (%)
1	Customer A	12,128,602,338.00	17.60%
2	Customer B	4,330,041,610.00	6.28%
3	Customer C	3,818,324,990.00	5.54%
4	Customer D	2,921,763,901.00	4.24%
5	Customer E	2,838,399,199.00	4.12%
Total	--	26,037,132,038.00	37.79%

Other information about the main customers

Applicable Not applicable

Main suppliers

Total purchases from top five suppliers (RMB Yuan)	9,869,787,655.00
Total purchases from top five suppliers as a percentage of the total purchases for this Reporting Period (%)	17.44%
Total purchases from related parties among top five suppliers as a percentage of the total purchases for this Reporting Period (%)	0.00%

Information about top five suppliers

No.	Supplier	Purchase amount (RMB)	As a percentage of the total purchases for this Reporting Period (%)
1	Supplier A	5,183,295,066.00	9.16%
2	Supplier B	1,886,899,606.00	3.33%
3	Supplier C	1,082,069,720.00	1.91%
4	Supplier D	866,010,035.00	1.53%
5	Supplier E	851,513,228.00	1.50%
Total	--	9,869,787,655.00	17.44%

Other information about the main suppliers

Applicable Not applicable

3. Expense

Unit: RMB Yuan

Item	2016	2015	+/-%	Reason for any significant change
Selling expenses	1,984,361,921.00	1,290,038,686.00	53.82%	Increased accordingly as the operating revenues increased

Administrative expenses	5,618,443,652.00	4,675,778,199.00	20.16%	N/A
Finance costs	2,299,116,897.00	1,496,013,180.00	53.68%	Increase in borrowings, corporate bonds and expensed interest cost due to the fact that some new construction became fixed assets

4. R&D input

Applicable Not applicable

N/A

Details about R&D input:

Item	2016	2015	+/-%
Number of R&D personnel	3,248	2,603	24.78%
R&D personnel as a percentage in the total employees	6.61%	6.08%	0.53%
R&D input (RMB Yuan)	4,139,435,892.00	3,318,561,843.00	24.74%
R&D input as a percentage in operating revenues	6.01%	6.82%	-0.81%
Capitalized R&D input (RMB Yuan)	919,711,205.00	786,493,174.00	16.94%
Capitalized R&D input as a percentage in the total R&D input	22.22%	23.70%	-1.48%

Reasons for any significant YoY change in the percentage of the R&D input in the operating revenues

Applicable Not applicable

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

Applicable Not applicable

5. Cash flows

Unit: RMB Yuan

Item	2016	2015	+/-%
Subtotal of cash inflows from operating activities	73,610,884,095.00	54,646,309,541.00	34.70%
Subtotal of cash outflows due to operating activities	63,537,596,975.00	44,152,924,096.00	43.90%
Net cash flows from operating activities	10,073,287,120.00	10,493,385,445.00	-4.00%
Subtotal of cash inflows from investing activities	34,686,752,663.00	13,757,314,612.00	152.13%
Subtotal of cash outflows due to	59,181,683,823.00	33,351,718,502.00	77.45%

investing activities			
Net cash flows from investing activities	-24,494,931,160.00	-19,594,403,890.00	-25.01%
Subtotal of cash inflows from financing activities	44,117,048,127.00	21,241,472,453.00	107.69%
Subtotal of cash outflows due to financing activities	17,975,955,326.00	13,112,545,053.00	37.09%
Net cash flows from financing activities	26,141,092,801.00	8,128,927,400.00	221.58%
Net increase in cash and cash equivalents	13,172,072,171.00	-321,968,943.00	4191.10%

Explanation of why the data above varied significantly

Applicable Not applicable

Mainly due to the issue of RMB10 billion bonds and the increased borrowings, the net cash flows from financing activities increased 221% from last year.

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

Applicable Not applicable

The Company was engaged in manufacture and the relevant depreciation & amortization was great, resulting in a big difference between the operating cash flows and the net profits in the year.

III Analysis of non-core business

Applicable Not applicable

Unit: RMB Yuan

Item	Amount	As a percentage of total profit (%)	Source/reason	Recurring or not
Investment income	151,006,609.00	6.01%	Gains on financial products	No
Profit/Loss on fair value changes	0.00	0.00%	N/A	No
Asset impairment	1,594,488,553.00	63.46%	Amount provided for inventory falling price impairment according to market conditions	No
Non-operating revenue	2,085,966,318.00	83.03%	Governmental subsidies received in the Reporting Period	No
Non-operating expense	78,861,768.00	3.14%	Loss on disposal of fixed assets	No

IV Analysis of assets and liabilities

1. Significant changes in the asset composition

Unit: RMB Yuan

Item	December 31, 2016		December 31, 2015		Change in percentage (%)	Reason for any significant change
	Amount	As a percentage of total assets (%)	Amount	As a percentage of total assets (%)		
Monetary funds	58,152,817,223.00	28.35%	38,866,861,836.00	25.47%	2.88%	Arrival of specialized funds and cash inflows from operating activities
Accounts receivable	16,191,791,617.00	7.89%	8,192,514,361.00	5.37%	2.52%	Increased accordingly as the operating revenues increased
Inventories	7,833,138,532.00	3.82%	6,609,406,228.00	4.33%	-0.51%	No significant changes
Investment property	1,192,932,896.00	0.58%	1,227,099,427.00	0.80%	-0.22%	No significant changes
Long-term equity investments	1,356,111,395.00	0.66%	1,260,302,959.00	0.83%	-0.17%	No significant changes
Fixed assets	69,947,586,967.00	34.10%	63,565,099,405.00	41.66%	-7.56%	No significant changes
Construction in progress	33,008,248,720.00	16.09%	18,645,461,692.00	12.22%	3.87%	New construction and equipment procurement increased
Short-term borrowings	4,916,965,507.00	2.40%	5,091,974,830.00	3.34%	-0.94%	No significant changes
Long-term borrowings	49,885,166,211.00	24.32%	36,341,198,145.00	23.82%	0.50%	New borrowings for new construction
Other current assets	5,691,200,226.00	2.77%	8,712,017,517.00	5.71%	-2.94%	Decrease in wealth management products upon maturity
Other non-current assets	4,139,533,216.00	2.02%	347,851,674.00	0.23%	1.79%	Increase in prepayments for engineering equipment
Accounts payable	13,835,615,665.00	6.74%	9,849,935,031.00	6.46%	0.28%	Material procurement increased

						accordingly as the production and sales volumes increased
Other accounts payable	14,395,525,248.00	7.02%	8,864,929,878.00	5.81%	1.21%	The payables for engineering equipment increased as construction proceeded
Non-current liabilities due within one year	3,684,236,935.00	1.80%	2,283,535,113.00	1.50%	0.30%	Long-term borrowings became due within one year

2. Assets and liabilities measured at fair value

√ Applicable □ Not applicable

Unit: RMB Yuan

Item	Opening balance	Profit/loss on fair value changes in this Reporting Period	Cumulative fair value changes charged to equity	Impairment provided in this Reporting Period	Purchased in this Reporting Period	Sold in this Reporting Period	Closing balance
Financial assets							
1. Financial assets at fair value through profit/loss (excluding derivative financial assets)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2. Derivative financial assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3. Available-for-sale financial assets	305,520,857.00	0.00	112,739,631.00	0.00	86,693,214.00	0.00	394,236,151.00
Subtotal of financial assets	305,520,857.00	0.00	112,739,631.00	0.00	86,693,214.00	0.00	394,236,151.00
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	305,520,857.00	0.00	112,739,631.00	0.00	86,693,214.00	0.00	394,236,151.00
Financial liabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00

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

Yes No

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

Item	Closing book value	Reason for restriction
Monetary funds	8,798,006,835.00	As pledge for guarantee and as security deposits
Notes receivable	554,066,161.00	Endorsed and transferred with right of recourse, as pledge for opening notes payable
Inventories	0.00	N/A
Fixed assets	59,103,357,241.00	As mortgage for guarantee
Intangible assets	962,788,931.00	As mortgage for guarantee
Investment property	194,397,438.00	As mortgage for guarantee
Construction in progress	2,578,810,470.00	As mortgage for guarantee
Total	72,191,427,076.00	--

V Investments made

1. Total investments made

Applicable Not applicable

Investments made in this Reporting Period (RMB Yuan)	Investments made in the prior year (RMB Yuan)	+/-%
501,072,666.00	684,136,502.00	-26.76%

2. Significant equity investments made in this Reporting Period

Applicable Not applicable

3. Significant non-equity investments ongoing in this Reporting Period

Applicable Not applicable

4. Financial investments

(1) Securities investments

Applicable Not applicable

Unit: RMB Yuan

Variety of securities	Code of securities	Name of securities	Initial investment cost	Accounting measurement model	Opening book value	Profit/loss on fair value changes in this Reporting Period	Cumulative fair value changes charged to equity	Purchased in this Reporting Period	Sold in this Reporting Period	Profit/loss in this Reporting Period	Closing book value	Accounting title	Source of investment funds
Domestic/overseas stock	HK00903	TPV Technology	134,658,158.00	Fair value method	20,817,148.00	0.00	720,066.00	0.00	0.00	205,296.00	28,763,373.00	Available-for-sale financial asset	Own funds

Domestic/overseas stock	SH600658	Electronic Zone	90,160,428.00	Fair value method	137,178,316.00	0.00	83,039,879.00	0.00	0.00	2,641,444.00	129,715,503.00	Available-for-sale financial asset	Own funds
Domestic/overseas stock	HK01963	Bank of Chongqing	120,084,375.00	Fair value method	147,525,393.00	0.00	27,983,239.00	0.00	0.00	6,651,480.00	148,067,614.00	Available-for-sale financial asset	Own funds
Domestic/overseas stock	BLK	BlackRock Global Allocation Fund A2 USD	4,004,297.00	Fair value method	0.00	0.00	1,969,866.00	4,004,297.00	0.00	0.00	5,974,163.00	Available-for-sale financial asset	Own funds
Domestic/overseas stock	HK06066	China Securities	70,041,364.00	Fair value method	0.00	0.00	-673,895.00	70,041,364.00	0.00	0.00	69,367,469.00	Available-for-sale financial asset	Own 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			418,948,622.00	--	418,948,622.00	0.00	113,039,155.00	74,045,661	0.00	9,498,220.00	381,888,122.00	--	--
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) Investment in derivative financial instruments

Applicable Not applicable

No such cases in this Reporting Period

5. Use of raised funds

√ Applicable □ Not applicable

(1) Overview of the use of raised funds

√ Applicable □ Not applicable

RMB'0,000 Yuan

Year of raising	Way of raising	Total raised amount	Raised funds used in this Reporting Period	Raised funds accumulatively used	Raised funds with changed use in the Reporting Period	Accumulative raised funds with changed use	Accumulative raised funds with changed use as a percentage of total raised funds	Unused raised funds	Intended use of unused raised funds and place where it is kept	Raised funds being idle for more than two years
2014	Private offering	4,488,471	679,593	4,488,471	68,474	418,474	9.32%	0	--	0
2016	Corporate bonds	995,000	995,000	995,000	0	0	0.00%	0	--	0
Total	--	5,483,471	1,674,593	5,483,471	68,474	418,474	9.32%	0	--	0

Overview of the use of raised funds

The total raised funds stood at RMB45,712,999,989.30. After deducting the various issuance expense of RMB828,294,936.66, the net raised funds via asset and cash subscription stood at RMB44,884,705,052.64, of which including the assets subscription of RMB8,532,999,999.30 (Beijing State-owned Capital Operation and Management Center subscribed by 48.92% equities of Beijing BOE Display Technology Co., Ltd.) and RMB5,999,999,999.70 of the relevant creditor's rights subscription with the issuance and raising funds investment projects of the Company that held by Hefei Jianxiang Investment Co., Ltd.. During the Reporting Period, the raised funds gradually invested in each project according to the expected plans. On December 21, 2016, it was approved at the 8th meeting of the 8th Board to permanently supplement the working capital with the surplus funds in the special account for raised funds as of December 19, 2016, which had been raised through a private offering in 2014.

The net amount of the raised funds of the 16BOE01 bonds was of RMB99.50 hundred million Yuan, and up to the period-end, the raised funds has been used up, all of which used in supplementing the working funds which met with the agreement of the bond prospectus.

(2) Projects with promised raised funds investment

√ Applicable □ Not applicable

Unit: RMB'0,000 Yuan

Projects with promised raised funds investment and investment of over-raised capital	Project changed or not (including partially changed)	Promised raised funds investment	Changed investment (1)	Investment in the Reporting Period	Accumulative investment as of the period-end (2)	Investment progress as of the period-end (3)= (2)/(1)	Date when the project reaches the expected usable condition	Profit generated in the Reporting Period	Expected profit reached or not	Significant change in project feasibility
Projects with promised raised funds investment										
1. Hefei 8.5G Line Project	No	700,000	699,500	78,072	699,500	100.00%	10/31/2014	2,638,509	--	None
2. Touch Screen Production Line Project	No	250,000	250,000	0	250,000	100.00%	05/31/2017	--	--	None
3. Erdos 5.5G Line Project	No	400,000	400,000	117,130	400,000	100.00%	06/30/2017	227,869	--	None
4. Chongqing 8.5G Line Project	Yes	1,520,000	1,144,608	226,884	1,144,608	100.00%	12/31/2015	1,321,509	Yes	None
5. Supplementing the working capital	No	165,171	233,645	68,474	233,645	100.00%	--	--	--	--
6. Subscription to equity interests in BOE Display	No	853,300	853,300	0	853,300	100.00%	--	--	--	--
7. Subscription to creditor's rights on Hefei Jianxiang	No	600,000	600,000	0	600,000	100.00%	--	--	--	--
8. 2016 Supplement circulating funds of the Company's bonds	No	995,000	995,000	995,000	995,000	100.00%	--	--	--	--
Subtotal of projects with promised raised funds investment	--	5,483,471	5,176,053	1,485,560	5,176,053	--	--	4,168,765	--	--

Investment of over-raised capital										
N/A				0						
Subtotal of investment of over-raised capital	--					--	--	0	--	--
Total	--	5,483,471	5,176,053	1,485,560	5,176,053	--	--	4,168,765	--	--
Reason for failing to reach expected progress or profit (explain one project by one project)	No such cases in the Reporting Period									
Explanation on significant changes in feasibility of projects	N/A									
Amount, use and use progress of over-raised funds	N/A									
Change of the place where any raised funds investment project will be carried out	N/A									
Change of the way how any raised funds investment project will be carried out	N/A									
Advanced investment and exchange of any raised funds investment project	N/A									
Idle raised funds used for temporarily supplementing working capital	N/A									

Surplus raised funds in project implementation and reasons	During the construction of capital raising investment project, the Company and Project Company start from realities of situation; implement budget management strictly; use raised capital cautiously with the principle of reasonability, effectiveness and economy; strictly control purchase and construction procedure; control cost effectively; decrease implementation costs of project, so as to save maximum project capital. Also, interest income is generated when the raised capital is deposited. The Company held the 8th Meeting of the 8th Board of Directors on 21 Dec. 2016. The meeting deliberated and passed the issue that non-development release savings of raised capital in 2014 replenished circulating capital permanently, also the meeting agreed to use the savings of raised capital, around RMB 1.38 billion (including interest income) and in the special account of raised capital of the Company till 19 Dec. 2016, as permanent replenishing circulating capital.
Intended use of unused raised funds and place where it is kept	N/A
Problems or other issues found in the use and disclosure of raised funds	N/A

(3) Changes in raised funds investment projects

√ Applicable □ Not applicable

Unit: RMB'0,000 Yuan

Changed project	Originally promised project	Total raised funds to be invested in the changed project (1)	Actual investment in the Reporting Period	Actual cumulative investment as of the period-end (2)	Investment progress as of the period-end (3) = (2)/(1)	Date when the project reaches the expected usable condition	Profit generated in the Reporting Period	Expected profit reached or not	Significant change in feasibility of the changed project
Chongqing 8.5G 30K production expansion project	Chongqing 8.5G Line Project	307,418	189,033	307,418	100.00%	04/01/2016	--	Yes	None
Supplementing the working capital	Supplementing the working capital Hefei 8.5G Line Project	233,645	68,474	233,645	100.00%	--	--	--	None

	Chongqing 8.5G and 30K production								
Hefei 8.5G Line Project	Hefei 8.5G Line Project	699,500	78,072	699,500	100.00%	10/31/2014	2,638,514	Yes	None
Chongqing 8.5G Line Project	Chongqing 8.5G Line Project	1,144,608	226,884	1,144,608	100.00%	12/31/2015	1,302,382	Yes	None
Total	--	2,385,171	562,463	2,385,171	--	--	3,940,896	--	--
Reasons for change, decision-making procedure and relevant information disclosure (explain one project by one project)		<p>1. Chongqing 8.5G Line Project: Considering the narrowing profit margin for touch screen due to increasingly fierce competition, our analysis of market trends and the actual situation of the project, the use of some raised funds has been adjusted according to the Proposal for Adjusting Use of Some Raised Funds to Invest in Chongqing 8.5G Line 30K Production Expansion Project which was reviewed and approved at the 23rd Meeting of the Seventh Board of Directors dated 19 April 2015 and later at the 2014 Annual General Meeting dated 20 May 2015. The adjustment details have been disclosed in the Announcement No. 2015-022 of BOE Technology Group Co., Ltd. on Adjusting Use of Some Raised Funds to Invest in Chongqing 8.5G Line 30K Production Expansion Project dated 20 April 2015.</p> <p>2. Supplementing the working capital : When the raised funds investment projects were being carried out, the Company and the project companies managed to save some funds based on the reality of the projects. In addition, interest accrued when the raised funds was kept in a bank account. As such, on December 21, 2016, it was approved at the 8th meeting of the 8th Board to permanently supplement the working capital with the surplus funds in the special account for raised funds as of December 19, 2016, which had been raised through a private offering in 2014. The said matter has been disclosed in the Announcement No. 2016-093 of BOE Technology Group Co., Ltd. on Permanently Supplementing Working Capital with Surplus Raised Funds dated December 23, 2016.</p>							
Reason for failing to reach expected progress or profit (explain one project by one project)		N/A							
Explanation on significant changes in feasibility of changed project		No significant changes							

Note: The profit reached in this reporting period of Chongqing 8.5G and 30K production were calculated tighter..

VI Sale of major assets and equity interests

1. Sale of major assets

Applicable Not applicable

No such cases in this Reporting Period.

2. Sale of major equity interests

Applicable Not applicable

VII Main controlled and joint stock companies

Applicable Not applicable

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

Unit: RMB Yuan

Company name	Relationship with the Company	Main business scope	Registered capital	Total assets	Net assets	Operating revenues	Operating profit	Net profit
Beijing BOE Display Technology Co., Ltd.	Subsidiary	Development and production of TFT-LCD	17,882,913,500.00	28,911,968,701.00	19,921,321,452.00	15,874,528,030.00	170,186,471.00	421,670,504.00
Hefei Xinsheng Optoelectronics Technology Co., Ltd.	Subsidiary	Investment, construction, R&D, production and sales of the relevant products of thin film transistor LCD and its auxiliary products	19,500,000,000.00	35,527,569,494.00	20,993,546,027.00	11,685,780,086.00	-302,116,871.00	452,959,474.00

Chongqing BOE Optoelectronics Technology Co., Ltd.	Subsidiary	Investment, construction, R&D, production and sales of the relevant products of thin film transistor LCD and its auxiliary products	19,226,000,000.00	36,718,702,593.00	20,035,249,763.00	11,880,542,795.00	720,657,942.00	787,537,938.00
--	------------	---	-------------------	-------------------	-------------------	-------------------	----------------	----------------

Subsidiaries obtained or disposed in this Reporting Period

√ Applicable □ Not applicable

Subsidiary	How the subsidiary was obtained or disposed in this Reporting Period	Effect on overall production and operation results
Beijing BOE Changhong Network Technology Co., Ltd.	Transferred	No significant effects
Beijing BOE Digital Technology Co., Ltd.	Liquidated	No significant effects
BOE Taiwan Inc.	Liquidated	No significant effects
Varitronix International Limited	Business combination not under the same control	No significant effects
Beijing BOE Property Development Co., Ltd.	Business combination not under the same control	No significant effects
Hefei BOE Display Technology Co., Ltd.	Business combination not under the same control	No significant effects
Hefei BOE Video Technology Co., Ltd.	Incorporated through investment	No significant effects
Chongqing BOE Intelligent Electronic System Co., Ltd.	Incorporated through investment	No significant effects
Huaining Orient Duxiu New Energy Co., Ltd.	Incorporated through investment	No significant effects
BOE Taiwan Inc.	Incorporated through investment	No significant effects
BOE India Private Limited	Incorporated through investment	No significant effects
Beijing BOE Technology Development Co., Ltd.	Incorporated through investment	No significant effects
BOE Intelligent Technology Co., Ltd.	Incorporated through investment	No significant effects
Hefei BOE Zhuoyin Technology Co., Ltd.	Incorporated through investment	No significant effects

Information about the main controlled and joint stock companies

N/A

VIII Structured bodies controlled by the Company

Applicable Not applicable

IX Outlook for the future development of the Company

(I) Analysis of future environment for development

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

(II) Future development of the Company

BOE has made a 25year development strategy at the beginning of entering the field of semi-conduct display industry. In the face of opportunities and challenges, BOE will further promote the integration of hardware and software, integration of application and transformation towards service orientation. The company will completely establish revolutionary innovative organization and mechanism as well as vitality to accelerate its transformation towards new display technological products and intelligent products, foster the ability to integrate life technology and IT and then promote the Company's innovation-oriented transformation and rapid but stable development of DSH through sticking to innovation and implementation of Internet Plus Strategy.

1. Display business group (DBG)

The Company should improve its core competitiveness in business group of new display and sensor through finding the potential demand of customers and optimizing customer experience taking customers as the centre. The Company need develop new products jointly to provide the best human-computer interactive products and service for application field such as smart phone, tablet PC, laptop, TV, industry control, healthcare, VR/AR etc.

TFT-LCD: Strengthening technical innovation, improving its ability to increase value in production line and flexibly respond to productivity fluctuation so as to meet customers' needs maximally; raising the standardization of production line, optimizing the technological risks assessment mechanism of new products to ensure maximization of efficiency of production line; further promoting touch modularization, increasing the market share of five traditional applications--smart phone, table PC, laptop, TV, and display--at the time of speeding up the increasing of market share of new applications such as car carrying, industry control, health care, and display for commercial use etc.; promoting the increasing of production of Fuqing G8.5 production line and the building of G10.5 production line in Hefei.

AMOLED: Strengthening the ability of technological accumulation in AMOLED, enhancing the core capability, improving the technological reserve of key products and speeding up mass production of new technology; improving the supply chain of future display technology, finding potential customers and building a supply chain system with technological strength and cost competitiveness. Accelerating the project of the building of Chengdu AMOLED to achieve mass production as soon as possible.

Sensor: Improving the ability and core technology in sensor and application products, speeding up the technological development of sensor and developing of new customers, and contributing to the breakthrough of sensor market.

VR/AR: promoting the project construction of Kunming micro-display quickly, speeding up productization of technology so as to seize the market.

2. Smart business group (SBG)

The Company constantly improves the core capacity-building of smart manufacturing service, smart retail, smart vehicle connection, and smart energy, and cooperates with household appliances, commercial equipment, culture and art, health care and other industry to expand new application, develop new market, set up new ecology, and create new value.

Smart manufacturing service: digging the potential demand of strategic customers deeply, developing the new brand customers, and

carrying out the first supplier plan with lean management; achieving the annual sales breakthrough of medium and large size products, and constantly improving the market share of mobile products; promoting the construction of Hefei smart manufacturing factory, Chongqing smart manufacturing factory, and etc, completing the analysis of investment and operation to improve profitability.

Smart retail: accelerating the progress of self-service system, retail system, and the platform of art trading, etc, improving the core capacity of niche business of service system of internet of things, rapidly obtaining the revenues and profit, and improving the global competitiveness.

Smart energy: strengthening the core capacity, developing the new market, and setting up healthy and sustainable development model.

Smart vehicle connection: promoting the sales of TFT car products, and getting the substantive achievements of vehicle electronic system products; promoting the construction of car module production to produce line and sell soon.

3. Health business group (HBG)

Combining the electronic information technology, such as semiconductor display, artificial intelligence, and sensor technology with medicine and life science and technology innovatively, setting up health care service system that is human-centered to improve people healthy lifespan and life quality, and strive to be the global model of the field of health care service.

Mobile health: accelerating the customers development and market expansion of multi-signs tester, digging customers and market and developing the products, like glucose meter and occupying the market quickly to improve the profitability.

Regenerative medical science: attracting the industry leading talents, accumulating the core capacity of regenerative medical science; promoting positively the construction of projects, like cell engineering lab, cell preparation center, and clinical transformation center.

O2O healthy service: setting up and perfecting the discipline of ecological system where medical, teaching, and research are put into one, consolidating the core capacity of medical business; accelerating the construction and operating preparation of Hefei BOE hospital project; pushing forward the confirmation of Chengdu project layout.

Health park: innovating the business model, constantly optimizing TS project, and improving the service ability of overall solution.

X Visits paid to the Company for purposes of research, communication, interview, etc.

1. In this Reporting Period

√ Applicable □ Not applicable

Date of visit	Way of visit	Type of visitor	Index to main inquiry information
01/07/2016	By phone	Institution	Main discussions: 1. The status quo and future outlook of the Company; 2. The status quo and development trends of the industry; and 3. The production lines of the Company.
01/12/2016	One-on-one meeting	Institution	
01/15/2016	One-on-one meeting	Institution	
01/25/2016	One-on-one meeting	Institution	
02/18/2016	One-on-one meeting	Institution	
02/19/2016	By phone	Institution	
02/24/2016	By phone	Institution	
03/07/2016	One-on-one meeting	Institution	
03/17/2016	By phone	Institution	
04/21/2016	One-on-one meeting	Institution	
05/06/2016	By phone	Institution	Main discussions: 1. The operating results of the first quarter in the year and the future outlook of the Company; 2. The status quo and development trends of the industry; and 3. The production lines of the Company.
05/10/2016	One-on-one meeting	Institution	
05/11/2016	By phone	Institution	
05/12/2016	One-on-one meeting	Institution	
05/23/2016	One-on-one meeting	Institution	
05/27/2016	By phone	Institution	
05/27/2016	One-on-one meeting	Institution	
06/06/2016	One-on-one meeting	Institution	
06/08/2016	By phone	Institution	
06/13/2016	One-on-one meeting	Institution	
06/16/2016	One-on-one meeting	Institution	
06/24/2016	One-on-one meeting	Institution	
06/28/2016	By phone	Institution	
07/01/2016	One-on-one meeting	Institution	
07/01/2016	By phone	Institution	
07/05/2016	One-on-one meeting	Institution	
07/14/2016	One-on-one meeting	Institution	
07/15/2016	One-on-one meeting	Institution	
07/21/2016	One-on-one meeting	Institution	
09/01/2016	One-on-one meeting	Institution	Main discussions: 1. The semi-annual operating results and the future outlook
09/02/2016	One-on-one meeting	Institution	

09/02/2016	By phone	Institution	of the Company; 2. The status quo and development trends of the industry; and 3. The production lines of the Company.
09/07/2016	One-on-one meeting	Institution	
09/21/2016	By phone	Institution	
09/21/2016	One-on-one meeting	Institution	
09/23/2016	One-on-one meeting	Institution	
10/14/2016	By phone	Institution	
10/26/2016	By phone	Institution	
10/27/2016	One-on-one meeting	Institution	
10/31/2016	One-on-one meeting	Institution	
11/03/2016	By phone	Institution	
11/04/2016	One-on-one meeting	Institution	
11/04/2016	One-on-one meeting	Institution	
11/10/2016	One-on-one meeting	Institution	
11/11/2016	One-on-one meeting	Institution	
11/11/2016	By phone	Institution	
11/11/2016	By phone	Institution	
11/16/2016	One-on-one meeting	Institution	
12/22/2016	One-on-one meeting	Institution	
12/26/2016	By phone	Institution	
Times of visit			50
Number of visiting institutions			195
Number of visiting individuals			0
Number of other visitors			0
Significant undisclosed information disclosed, revealed or leaked		None	

Section V Significant Events

I Profit distribution and converting capital reserve into share capital for common shareholders

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

Applicable Not applicable

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

The Preplan for 2014 Annual Profit Allocation was reviewed and approved at the 2014 Annual Board of Directors. According to the Company's Scheme of Returns for Shareholders for the Coming Three Years (2014-2016), the Company shall, except in special circumstances, first adopt cash in dividend distribution provided that the Company makes a profit and the accumulative retained profits are positive for a year. The profits distributed in cash, stock or the combination of cash and stock for a year shall not be less than 30% of the distributable profits made in the year. And special circumstances refer to: (I) that the Company is to have a significant external investment plan or a significant cash expenditure in the coming 12 months reaching or exceeding 10% of the Company's lately audited net assets; and (II) other circumstances recognized by the general meeting of shareholders. Since the undistributed profits of the Company (without subsidiaries) for 2014 are RMB41,186,231 Yuan and the basic undistributed profits per share are RMB0.001167 Yuan, which is a small amount, the Board proposes not to distribute profits or transfer capital reserves into share capital for 2014. And the retained profits will be used for distribution for subsequent years or semi-years as well as in the routine operation of the Company.

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

The 2015 Annual Profit Distribution Proposal was considered and approved at the 2015 annual meeting of the Board. With the undistributed profit for 2015 at RMB486,814,338 Yuan and the basic undistributed profit per share at RMB0.013848 Yuan, the Company planned to distribute a dividend of RMB0.1 Yuan per 10 shares for 2015. For 2015, based on the total shares of 35,153,067,743.00, the Company distributed, with the undistributed profit, a cash dividend of RMB0.10 Yuan (tax inclusive) per 10 shares to all its shareholders, with the total distributed amount reaching RMB351,530,677.43 Yuan, representing 72.21% of the total undistributed profit. And no bonus shares were granted, nor was any capital reserve converted into share capital.

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

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

Unit: RMB Yuan

Year	Cash dividends (tax included)	Net profit attributable to common shareholders of the Company in the consolidated statements for the year	Proportion in net profit attributable to common shareholders of the Company in the consolidated statements for the year (%)	Cash dividends in other forms	Ratio of cash dividends in other forms
2016	1,048,616,247.48	1,882,571,674.00	55.70%	0.00	0.00%
2015	703,061,354.86	1,636,270,488.00	42.97%	0.00	0.00%
2014	0.00	2,562,128,829.00	0.00%	0.00	0.00%

Indicate by tick mark whether the Company made profit in this Reporting Period and the profit distributable to common shareholders of the Company was positive, but it did not put forward a proposal for cash dividend distribution to its common shareholders.

Applicable Not applicable

II Proposal for profit distribution and converting capital reserve into share capital for this Reporting Period

Applicable Not applicable

Bonus shares for every 10 shares (share)	0
Dividend for every 10 shares (RMB Yuan) (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)	34,953,874,916
Total cash dividends (RMB Yuan) (tax included)	1,048,616,247.48
Distributable profit (RMB Yuan)	1,493,363,829.00
Percentage of cash dividends in the total profit to be distributed (%)	100.00%
Cash dividend policy adopted	
If the Company is in a growth stage and has any plan for significant expenditure, in profit distribution, the proportion of cash dividends shall be 20% or above.	
Details about the proposal for profit distribution and converting capital reserve into share capital	
For 2016, based on the total shares excluding the A and B shares bought back, the Company intended to distribute a cash dividend of RMB0.30 Yuan (tax inclusive) per 10 shares to all its shareholders. And no bonus shares would be granted, nor would any	

capital reserve be converted into share capital. 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.

Note: The total share base for the Company's profit distribution proposal may change. Since the Company is carrying out a plan to buy back some public shares, the total share base for this profit distribution plan shall be subject to the figure in the register of shareholders on the relevant book closure date.

III Fulfillment of commitments

1. Commitments of the Company's actual controller, shareholders, related parties and acquirer, as well as the Company and other commitment makers, fulfilled in this Reporting Period or ongoing at the period-end

√ Applicable □ Not applicable

Commitment	Commitment maker	Type of commitment	Contents	Date of commitment making	Period of commitment	Fulfillment
Commitments made in share reform						
Commitments made in acquisition documents or shareholding alteration documents						
Commitments made in time of asset restructuring						
Commitments made in time of IPO or refinancing	Beijing State-owned Capital Operation and Management Center, Hefei Jianxiang Investment Co., Ltd., Chongqing Capital Optoelectronics Investment Co., Ltd.	Restricted shares commitments	Committed that the shares acquired from purchasing would not be transferred from the first date of issuing the newly increased shares of the issuer within 36 months	04/08/2014	36 months	Ongoing
	Hefei Rongke Project Investment Co., Ltd.	Restricted shares commitments	Voluntarily committed to lock up for 24 months of the whole held Company's shares since January 9, 2014	01/09/2014	24 months	Fulfilled
Commitments concerning stock ownership incentive						
Other commitments made to minority interests	Beijing Electronics Holdings Co., Ltd.	Other commitments	Committed not to decrease the shareholding during the shareholding increase execution and	07/31/2015	6 months	Fulfilled

			within 6 months after the completion of the shareholding increase of 231,700 tradable shares of the RMB ordinary shares which increased the shareholding through the directional asset plan.			
	Beijing BOE Investment & Development Co., Ltd.	Other commitments	Committed not to decrease the shareholding during the shareholding increase execution and within 6 months after the completion of the shareholding increase of 6,311,100 tradable shares of the RMB ordinary shares which increased the shareholding through the directional asset plan.	08/24/2015	6 months	Fulfilled
	All Directors, Supervisors and Senior Executives	Other commitments	Committed not to decrease the shareholding of the Company's shares within the future 6 months since July 11, 2015.	07/11/2015	6 months	Fulfilled
	Beijing Electronics Holdings Co., Ltd., Beijing BOE Investment & Development Co., Ltd. and Hefei Rongke Project Investment Co., Ltd.	Other commitments	Committed not to decrease the shareholding of the Company's shares within the future 6 months since January 28, 2016.	01/28/2016	6 months	Fulfilled
	Beijing BDA Technological Investment Development Co., Ltd.	Other commitments	Committed not to decrease the shareholding of the Company's shares within the future 6 months since February 14, 2016.	02/14/2016	6 months	Fulfilled
Fulfilled on time or not	Yes					
Specific reasons for failing to fulfill commitments on time and plans for next step	N/A					

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

Applicable Not applicable

IV Occupation of the Company's funds by the controlling shareholder or its related parties for non-operating purposes

Applicable Not applicable

No such cases in this Reporting Period.

V Explanations given by the Board of Directors, the Supervisory Board and the independent directors (if any) regarding the "modified auditor's report" issued by the CPAs firm for this Reporting Period

Applicable Not applicable

VI YoY changes in accounting policies, estimations and methods

Applicable Not applicable

No such cases in this Reporting Period.

VII Retroactive restatement due to correction of material accounting errors in this Reporting Period

Applicable Not applicable

No such cases in this Reporting Period.

VIII YoY changes in the scope of the consolidated financial statements

Applicable Not applicable

In November 2016, the Company included Hefei BOE Display Technology Co., Ltd. in its consolidation scope because it had realized actual control on Hefei BOE Display by signing an acting-in-concert agreement with the other shareholders of Hefei BOE Display.

In April 2016, the Company included Varitronix International Limited in its consolidation scope because it had acquired a 54.70% stake of Varitronix International Limited.

In July 2016, the Company included Beijing BOE Property Development Co., Ltd. in its consolidation scope because it had acquired the 100% stake of Varitronix International Limited.

In August 2016, the Company excluded Beijing BOE Changhong Network Technology Co., Ltd. from its consolidation scope because it had sold its 51% stake in Beijing BOE Changhong.

In August 2016, the Company excluded controlled subsidiary Beijing BOE Video Technology Co., Ltd. from its consolidation scope because liquidation had been carried out on Beijing BOE Video.

In September 2016, the Company excluded Taiwan-based subsidiary Hometek Electronics Co., Ltd. from its consolidation scope because liquidation had been carried out on Hometek Electronics.

The Company incorporated eight new subsidiaries in the Current Year, namely, Hefei BOE Video Technology Co., Ltd., Chongqing BOE Intelligent Electronic System Co., Ltd., Huaining Orient Duxiu New Energy Co., Ltd., BOE Taiwan Inc., BOE India Private Limited, Beijing BOE Technology Development Co., Ltd., BOE Intelligent Technology Co., Ltd. and Hefei BOE Zhuoyin Technology Co., Ltd.

IX Engagement and disengagement of CPAs firm

Current CPAs firm

Name of the domestic CPAs firm	KPMG Huazhen LLP
The Company's payment for the domestic CPAs firm (RMB'0,000 Yuan)	810
Consecutive years of the audit service provided by the domestic CPAs firm	12 years
Names of the certified public accountants from the domestic CPAs firm	Su Xing, Wang Ting
Name of the foreign CPAs firm (if any)	N/A
Consecutive years of the audit service provided by the foreign CPAs firm (if any)	N/A
Names of the certified public accountants from the foreign CPAs firm (if any)	N/A

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

Yes No

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

Applicable Not applicable

The Company hired KPMG Huazhen LLP as the internal control auditor for the Current Year at the cost of RMB2.25 million Yuan.

X Possibility of listing suspension or termination after disclosure of this Report

Applicable Not applicable

XI Bankruptcy and restructuring

Applicable Not applicable

No such cases in this Reporting Period.

XII Significant lawsuits and arbitrations

Applicable Not applicable

No such cases in this Reporting Period.

XIII Punishments and rectifications

Applicable Not applicable

No such cases in this Reporting Period.

XIV Credit conditions of the Company as well as its controlling shareholder and actual controller

Applicable Not applicable

XV Implementation of any equity incentive plan, employee stock ownership plan or other incentive measures for employees

Applicable Not applicable

No such cases in this Reporting Period.

XVI Significant related-party transactions

1. Related-party transactions relevant to routine operation

Applicable Not applicable

No such cases in this Reporting Period.

2. Related-party transactions regarding purchase or sales of assets or equity interests

Applicable Not applicable

No such cases in the Reporting Period.

3. Related-party transactions regarding joint investments

Applicable Not applicable

No such cases in the Reporting Period.

4. Credits and liabilities with related parties

Applicable Not applicable

No such cases in the Reporting Period.

5. Other significant related-party transactions

Applicable Not applicable

No

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

Title of public announcement	Disclosure date	Disclosure website
Announcement on the Prediction of 2016 Annual Routine Related Transaction of BOE Technology Group Co., Ltd.	04/26/2016	www.cninfo.com.cn
Announcement on the Adjustment of Investment Amounts for the 10.5 Generation Film Transistor LCD Devices Production Line Project of BOE Technology Group Co., Ltd.	07/28/2016	www.cninfo.com.cn
Announcement on the Adjustment of Registered Capital of Hefei BOE Display Technology Co., Ltd and the Signing of Investor's Concerted Action Agreement of BOE Technology Group Co., Ltd.	12/01/2016	www.cninfo.com.cn
Announcement on the Offer of Guarantee and Related Transaction for Hefei BOE Display Technology Co., Ltd of BOE Technology Group Co., Ltd.	12/01/2016	www.cninfo.com.cn

XVII Significant contracts and execution

1. Entrustment, contracting and leasing

(1) Entrustment

Applicable Not applicable

No such cases in the Reporting Period.

(2) Contracting

Applicable Not applicable

No such cases in the Reporting Period.

(3) Leasing

Applicable Not applicable

Explanation to leasing

1. The fixed assets rent financed by leasing in our group is our youth apartment used for staff dormitory.
2. The group sold and leased back part of the machinery equipment and construction in progress. The sale of assets and lease transactions are related to each other, and there is almost no doubt that the group will repurchase them after expiry of the lease.

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

Applicable Not applicable

No such cases in the Reporting Period.

2. Significant guarantees

√ Applicable □ Not applicable

(1) Guarantees provided by the Company

Unit:RMB'0,000 Yuan

Guarantees provided by the Company and its subsidiaries for external parties (excluding those for subsidiaries)								
Guaranteed party	Disclosure date of the guarantee line announcement	Line of guarantee	Actual occurrence date (date of agreement signing)	Actual guarantee amount	Type of guarantee	Term of guarantee	Due or not	Guarantee for a related party or not
无								
Guarantees between the Company and its subsidiaries								
Guaranteed party	Disclosure date of the guarantee line announcement	Line of guarantee	Actual occurrence date (date of agreement signing)	Actual guarantee amount	Type of guarantee	Term of guarantee	Due or not	Guarantee for a related party or not
Hefei BOE Photoelectric Technology Co., Ltd.	08/14/2014	757,554	03/12/2015	332,818	Joint liability guarantee	07/23/2010 - 07/23/2019	No	No
Beijing BOE Display Technology Co., Ltd.	08/14/2014	1,072,387	09/30/2014	139,053	Joint liability guarantee	01/27/2011 - 01/26/2020	No	No
Hefei Xin Sheng Photoelectric Technology Co., Ltd.	08/14/2014	1,283,345	01/15/2015	1,082,172	Joint liability guarantee	01/06/2014 - 01/06/2022	No	No
Ordos Yuan Sheng Photoelectric Co., Ltd.	04/02/2013	482,976	05/22/2013	407,844	Pledge	06/17/2013 - 06/09/2021	No	No
Ordos Yuan Sheng Photoelectric Co., Ltd.	08/14/2014	482,976	09/30/2014	407,844	Joint liability guarantee	06/17/2013 - 06/09/2021	No	No

Chongqing BOE Photoelectric Technology Co., Ltd.	08/14/2014	1,477,581	9/29/2014	1,064,802	Joint liability guarantee	11/05/2014 - 11/05/2022	No	No
Chongqing BOE Photoelectric Technology Co., Ltd.	08/14/2014	300,000	05/25/2015	135,000	Joint liability guarantee	Opening date of the letter of guarantee - 12/31/2020	No	No
Hefei BOE Display Technology Co., Ltd.	12/17/2016	1,706,502	12/26/2016	291,354	Joint liability guarantee	12/26/2016 - 12/26/2017	No	No
Fuzhou BOE Photoelectric Technology Co., Ltd.	12/10/2015	1,387,400	11/08/2016	857,057	Joint liability guarantee	12/19/2016 - 12/19/2024	No	No
Total guarantee line for subsidiaries approved during the Reporting Period (B1)			1,706,502	Total actual guarantee amount for subsidiaries during the Reporting Period (B2)				327,567
Total approved guarantee line for subsidiaries at the end of the Reporting Period (B3)			8,467,745	Total actual guarantee balance for subsidiaries at the end of the Reporting Period (B4)				4,310,100
Guarantees between subsidiaries								
Guaranteed party	Disclosure date of the guarantee line announcement	Line of guarantee	Actual occurrence date (date of agreement signing)	Actual guarantee amount	Type of guarantee	Term of guarantee	Due or not	Guarantee for a related party or not
Ordos Yuan Sheng Photoelectric Co., Ltd.	04/02/2013	482,976	05/22/2013	407,844	Pledge	06/17/2013 - 06/09/2021	No	No
Total guarantee line for subsidiaries approved during the Reporting Period (C1)			0	Total actual guarantee amount for subsidiaries during the Reporting Period (C2)				0
Total approved guarantee line for subsidiaries at the end of the Reporting Period (C3)			0	Total actual guarantee balance for subsidiaries at the end of the Reporting				0

		Period (C4)	
Total guarantee amount (total of the above-mentioned three kinds of guarantees)			
Total guarantee line approved during the Reporting Period (A1+B1+C1)	1,706,502	Total actual guarantee amount during the Reporting Period (A2+B2+C2)	327,567
Total approved guarantee line at the end of the Reporting Period (A3+B3+C3)	8,467,745	Total actual guarantee balance at the end of the Reporting Period (A4+B4+C4)	4,310,100
Proportion of the total actual guarantee amount (A4+B4+C4) in net assets of the Company		54.77%	
Of which:			
Amount of guarantees provided for shareholders, the actual controller and their related parties (D)			0
Amount of debt guarantees provided directly or indirectly for entities with a liability-to-asset ratio over 70% (E)			0
Portion of the total guarantee amount in excess of 50% of net assets (F)			205,428
Total amount of the three kinds of guarantees above (D+E+F)			205,428
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	

Note: The Company provided a joint-liability guarantee for a syndicated loan for Erdos Yuansheng Optoelectronics Co., Ltd. In the meantime, the Company, Hefei BOE Optoelectronics Technology Co., Ltd. and Beijing BOE Display Technology Co., Ltd. provided guarantees for the said syndicated loan for Erdos Yuansheng Optoelectronics Co., Ltd. with their stakes in Erdos Haosheng Energy Investment Co., Ltd. as the pledges, so C1, C2, C3 and C4 are 0.

Explanation on guarantee that adopts complex method

N/A

(2) Illegal provision of guarantees for external parties

Applicable Not applicable

No such cases in the Reporting Period.

3. Entrusted cash management

(1) Entrusted asset management

√ Applicable □ Not applicable

Unit:RMB'0,000 Yuan

Name of trustee	Whether it is a related-party transaction	Product type	Value of entrusted assets	Commencement date	Termination date	Method of remuneration	Actual principal amount recovered for the Reporting Period	Amount provided for impairment (if applicable)	Projected income	Actual profit and loss amount for the Reporting Period	Actually received/paid profit/loss amount for the Reporting Period
Industrial and Commercial Bank of China	No	Bank wealth management product	48,000	09/30/2015	01/27/2016	Pledged principal	48,000	0	631	137	631
Industrial and Commercial Bank of China	No	Bank wealth management product	20,000	12/01/2015	03/29/2016	Pledged principal	20,000	0	243	178	243
Industrial and Commercial Bank of China	No	Bank wealth management product	25,000	12/11/2015	04/08/2016	Pledged principal	25,000	0	304	248	304
Industrial and Commercial Bank of China	No	Bank wealth management product	10,000	02/05/2016	04/07/2016	Pledged principal	10,000	0	61	61	61
Industrial and Commercial Bank of China	No	Bank wealth management product	10,000	02/03/2016	05/10/2016	Pledged	10,000	0	97	97	97

Commercial Bank of China		management product				principal					
China Everbright Bank	No	Bank wealth management product	12,800	05/27/2016	08/27/2016	Pledged principal	12,800	0	98	98	98
China Everbright Bank	No	Bank wealth management product	10,000	07/29/2016	10/29/2016	Pledged principal	10,000	0	75	75	75
China Everbright Bank	No	Bank wealth management product	13,000	08/29/2016	11/29/2016	Pledged principal	13,000	0	98	98	98
China Everbright Bank	No	Bank wealth management product	12,300	08/26/2016	11/26/2016	Pledged principal	12,300	0	92	92	92
China Development Bank	No	Bank wealth management product	20,000	03/04/2016	04/05/2016	Pledged principal	20,000	0	47	47	47
China Development Bank	No	Bank wealth management product	10,000	05/30/2016	06/30/2016	Pledged principal	10,000	0	23	23	23
China Development Bank	No	Bank wealth management product	20,000	07/08/2016	08/08/2016	Pledged principal	20,000	0	44	44	44
China Development Bank	No	Bank wealth management product	20,000	06/28/2016	09/28/2016	Pledged principal	20,000	0	146	146	146
China Development	No	Bank wealth management	100,000	08/16/2016	09/15/2016	Pledged	100,000	0	218	218	218

Bank		product				principal					
China Development Bank	No	Bank wealth management product	18,800	06/03/2016	09/01/2016	Pledged principal	18,800	0	134	134	134
China Development Bank	No	Bank wealth management product	35,000	07/21/2016	10/24/2016	Pledged principal	35,000	0	264	264	264
China Development Bank	No	Bank wealth management product	20,000	09/02/2016	10/08/2016	Pledged principal	20,000	0	52	52	52
China Development Bank	No	Bank wealth management product	100,000	09/19/2016	10/24/2016	Pledged principal	100,000	0	254	254	254
China Development Bank	No	Bank wealth management product	25,000	08/16/2016	11/16/2016	Pledged principal	25,000	0	183	183	183
China Development Bank	No	Bank wealth management product	40,000	08/31/2016	11/29/2016	Pledged principal	40,000	0	286	286	286
China Development Bank	No	Bank wealth management product	50,000	08/09/2016	11/07/2016	Pledged principal	50,000	0	358	358	358
Huishang Bank	No	Bank wealth management product	6,000	11/09/2016	05/05/2017	Pledged principal	0	0	90	64	0
Huishang Bank	No	Bank wealth management	15,000	09/24/2015	01/20/2016	Pledged principal	15,000	0	213	34	213

		product									
Huishang Bank	No	Bank wealth management product	20,000	09/11/2015	01/06/2016	Pledged principal	20,000	0	269	12	269
Huishang Bank	No	Bank wealth management product	15,000	11/13/2015	03/09/2016	Pledged principal	15,000	0	192	112	192
Huishang Bank	No	Bank wealth management product	30,000	01/15/2016	05/05/2016	Pledged principal	30,000	0	319	319	319
Huishang Bank	No	Bank wealth management product	30,000	05/25/2016	08/25/2016	Pledged principal	30,000	0	253	253	253
China Construction Bank	No	Bank wealth management product	100,000	05/27/2016	07/07/2016	Pledged principal	100,000	0	315	315	315
Bank of Communications	No	Bank wealth management product	20,000	11/15/2016	12/20/2016	Pledged principal	20,000	0	59	59	59
Minsheng Bank	No	Bank wealth management product	55,000	05/24/2016	07/26/2016	Pledged principal	55,000	0	313	313	313
Minsheng Bank	No	Bank wealth management product	185,000	05/26/2016	08/25/2016	Pledged principal	185,000	0	1,545	1,545	1545
The Agricultural Bank of China	No	Bank wealth management	5,000	08/31/2016	11/29/2016	Pledged principal	5,000	0	35	35	35

		product									
The Agricultural Bank of China	No	Bank wealth management product	15,000	10/19/2016	12/20/2016	Pledged principal	15,000	0	69	69	69
Ping An Bank	No	Bank wealth management product	20,000	04/01/2016	04/29/2016	Pledged principal	20,000	0	52	52	52
Ping An Bank	No	Bank wealth management product	98,400	04/01/2016	04/29/2016	Pledged principal	98,400	0	257	257	257
Ping An Bank	No	Bank wealth management product	20,000	03/11/2016	05/18/2016	Pledged principal	20,000	0	116	116	116
Ping An Bank	No	Bank wealth management product	20,000	05/04/2016	05/18/2016	Pledged principal	20,000	0	21	21	21
Ping An Bank	No	Bank wealth management product	10,000	04/08/2016	05/17/2016	Pledged principal	10,000	0	35	35	35
Ping An Bank	No	Bank wealth management product	128,400	05/06/2016	05/20/2016	Pledged principal	128,400	0	138	138	138
Ping An Bank	No	Bank wealth management product	10,000	05/26/2016	06/02/2016	Pledged principal	10,000	0	5	5	5
Ping An Bank	No	Bank wealth management	128,400	05/25/2016	06/08/2016	Pledged principal	128,400	0	135	135	135

		product									
Ping An Bank	No	Bank wealth management product	40,000	05/24/2016	06/23/2016	Pledged principal	40,000	0	104	104	104
Ping An Bank	No	Bank wealth management product	40,000	05/27/2016	06/24/2016	Pledged principal	40,000	0	81	81	81
Ping An Bank	No	Bank wealth management product	40,000	06/30/2016	07/28/2016	Pledged principal	40,000	0	101	101	101
Ping An Bank	No	Bank wealth management product	20,000	06/24/2016	07/22/2016	Pledged principal	20,000	0	49	49	49
Ping An Bank	No	Bank wealth management product	5,000	07/15/2016	08/12/2016	Pledged principal	5,000	0	11	11	11
Ping An Bank	No	Bank wealth management product	20,000	05/27/2016	08/26/2016	Pledged principal	20,000	0	162	162	162
Ping An Bank	No	Bank wealth management product	128,400	06/15/2016	09/13/2016	Pledged principal	128,400	0	1,061	1,061	1061
SPD Bank	No	Bank wealth management product	10,000	10/09/2015	01/07/2016	Pledged principal	10,000	0	108	7	108
SPD Bank	No	Bank wealth management	30,400	10/22/2015	01/20/2016	Pledged principal	30,400	0	322	68	322

		product									
SPD Bank	No	Bank wealth management product	10,000	11/13/2015	01/20/2016	Pledged principal	10,000	0	97	27	97
SPD Bank	No	Bank wealth management product	30,000	11/26/2015	02/24/2016	Pledged principal	30,000	0	318	191	318
SPD Bank	No	Bank wealth management product	16,600	11/13/2015	02/11/2016	Pledged principal	16,600	0	176	80	176
SPD Bank	No	Bank wealth management product	20,000	11/30/2015	02/29/2016	Pledged principal	20,000	0	214	139	214
SPD Bank	No	Bank wealth management product	25,000	12/14/2015	03/14/2016	Pledged principal	25,000	0	268	215	268
SPD Bank	No	Bank wealth management product	35,000	12/21/2015	03/20/2016	Pledged principal	35,000	0	371	326	371
SPD Bank	No	Bank wealth management product	30,000	12/23/2015	03/22/2016	Pledged principal	30,000	0	333	300	333
SPD Bank	No	Bank wealth management product	30,000	02/26/2016	04/26/2016	Pledged principal	30,000	0	207	207	207
SPD Bank	No	Bank wealth management	30,000	03/24/2016	04/25/2016	Pledged principal	30,000	0	108	108	108

		product									
SPD Bank	No	Bank wealth management product	10,000	01/11/2016	04/11/2016	Pledged principal	10,000	0	112	112	112
SPD Bank	No	Bank wealth management product	15,000	03/11/2016	04/11/2016	Pledged principal	15,000	0	55	55	55
SPD Bank	No	Bank wealth management product	30,000	03/25/2016	04/24/2016	Pledged principal	30,000	0	101	101	101
SPD Bank	No	Bank wealth management product	30,000	03/25/2016	04/24/2016	Pledged principal	30,000	0	101	101	101
SPD Bank	No	Bank wealth management product	20,000	01/28/2016	04/27/2016	Pledged principal	20,000	0	212	212	212
SPD Bank	No	Bank wealth management product	26,600	02/25/2016	04/25/2016	Pledged principal	26,600	0	184	184	184
SPD Bank	No	Bank wealth management product	10,000	03/11/2016	04/11/2016	Pledged principal	10,000	0	25	25	25
SPD Bank	No	Bank wealth management product	20,000	03/11/2016	05/10/2016	Pledged principal	20,000	0	138	138	138
SPD Bank	No	Bank wealth management	106,600	04/29/2016	05/18/2016	Pledged principal	106,600	0	172	172	172

		product									
SPD Bank	No	Bank wealth management product	20,000	05/12/2016	05/19/2016	Pledged principal	20,000	0	14	14	14
SPD Bank	No	Bank wealth management product	25,000	04/14/2016	05/14/2016	Pledged principal	25,000	0	84	84	84
SPD Bank	No	Bank wealth management product	25,000	04/14/2016	05/16/2016	Pledged principal	25,000	0	90	90	90
SPD Bank	No	Bank wealth management product	30,000	05/04/2016	05/18/2016	Pledged principal	30,000	0	36	36	36
SPD Bank	No	Bank wealth management product	25,000	03/17/2016	05/16/2016	Pledged principal	25,000	0	173	173	173
SPD Bank	No	Bank wealth management product	10,000	04/14/2016	05/16/2016	Pledged principal	10,000	0	36	36	36
SPD Bank	No	Bank wealth management product	30,000	05/05/2016	05/18/2016	Pledged principal	30,000	0	33	33	33
SPD Bank	No	Bank wealth management product	10,000	05/30/2016	06/29/2016	Pledged principal	10,000	0	22	22	22
SPD Bank	No	Bank wealth management	60,000	05/27/2016	06/27/2016	Pledged principal	60,000	0	189	189	189

		product									
SPD Bank	No	Bank wealth management product	40,000	05/27/2016	06/27/2016	Pledged principal	40,000	0	126	126	126
SPD Bank	No	Bank wealth management product	70,000	05/25/2016	07/24/2016	Pledged principal	70,000	0	426	426	426
SPD Bank	No	Bank wealth management product	80,000	05/25/2016	07/24/2016	Pledged principal	80,000	0	487	487	487
SPD Bank	No	Bank wealth management product	10,000	07/08/2016	08/07/2016	Pledged principal	10,000	0	31	31	31
SPD Bank	No	Bank wealth management product	55,000	07/29/2016	08/29/2016	Pledged principal	55,000	0	173	173	173
SPD Bank	No	Bank wealth management product	80,000	05/25/2016	08/23/2016	Pledged principal	80,000	0	730	730	730
SPD Bank	No	Bank wealth management product	15,000	08/11/2016	09/12/2016	Pledged principal	15,000	0	47	47	47
SPD Bank	No	Bank wealth management product	10,000	07/06/2016	10/08/2016	Pledged principal	10,000	0	77	77	77
SPD Bank	No	Bank wealth management	20,000	08/17/2016	09/14/2016	Pledged principal	20,000	0	46	46	46

		product									
SPD Bank	No	Bank wealth management product	40,000	09/01/2016	10/08/2016	Pledged principal	40,000	0	144	144	144
SPD Bank	No	Bank wealth management product	100,000	09/02/2016	10/08/2016	Pledged principal	100,000	0	335	335	335
Industrial Bank	No	Bank wealth management product	10,000	12/28/2015	01/28/2016	Pledged principal	10,000	0	32	28	32
Industrial Bank	No	Bank wealth management product	10,000	01/28/2016	05/20/2016	Pledged principal	10,000	0	150	150	150
Industrial Bank	No	Bank wealth management product	10,000	05/30/2016	07/30/2016	Pledged principal	10,000	0	47	47	47
The Agricultural Bank of China	No	Bank wealth management product	10,000	06/30/2016	09/28/2016	Pledged principal	10,000	0	76	76	76
Bank of China	No	Bank wealth management product	10,000	08/23/2016	09/20/2016	Pledged principal	10,000	0	19	19	19
Bank of China	No	Bank wealth management product	15,000	07/13/2016	10/13/2016	Pledged principal	15,000	0	113	113	113
Bank of China	No	Bank wealth management	15,000	07/13/2016	11/10/2016	Pledged principal	15,000	0	148	148	148

		product									
Bank of China	No	Bank wealth management product	5,000	12/01/2016	12/30/2016	Pledged principal	5,000	0	10	10	10
Bank of China	No	Bank wealth management product	15,000	11/14/2016	12/30/2016	Pledged principal	15,000	0	49	49	49
China Citic Bank	No	Bank wealth management product	10,000	05/26/2016	06/23/2016	Pledged principal	10,000	0	20	20	20
China Citic Bank	No	Bank wealth management product	8,000	08/26/2016	11/25/2016	Pledged principal	8,000	0	58	58	58
Total			3,252,700	--	--	--	3,246,700	0	17,351	15,336	--
Source of entrusted assets			All from the Company's own funds								
Cumulative amount of principal and revenue overdue			0								
Litigation involved (if applicable)			Not applicable								
Disclosure date of the announcement about the board's consent for the asset management entrustment (if any)			04/26/2016								
Disclosure date of the announcement about the general meeting's consent for the asset management entrustment (if any)			05/21/2016								
Any plan for asset management entrustment in the future			Yes								

Note: The amount of entrusted assets approved by Company shareholders' meeting is 10 billion Yuan, which can be recycled.

(2) Entrusted loans

Applicable Not applicable

No such cases in the Reporting Period.

4. Other significant contracts

Applicable Not applicable

No such cases in the Reporting Period.

XVIII. Social responsibilities

1. Implementation of social responsibility of targeted measures in poverty alleviation

Applicable Not applicable

2. Condition of implementing other social responsibility

Earning from society, giving back to society and existing with society harmoniously are the faith which BOE always persists. For many years, BOE undertakes social responsibilities, integrates into local area and devotes into social public welfare actively.

BOE establishes volunteer service system which covers each entity. BOE volunteers become the link between BOE and community, they practice what they advocate and pass on love and faith. The footprint of volunteer service has reached throughout the country. In 2016, BOE donated RMB 1 million Yuan to China Volunteer Service Foundation for supporting the development of social public welfare and volunteer service business.

In 2016, BOE launched several public welfare programs of education such as “lighting the growth road”, “rain and dew plan” and “dream space” etc. They are used to supporting poverty students and improve investment of educational resources in poverty area. The investment throughout the year is RMB 186,291 Yuan. Plus, BOE has signed long-term cooperation agreement with Yan’an Human resources and social security bureau, and promise that in the future 3 years, they would offer more than 400 employment positions to employees who are compatible with job requirements. In 2016, BOE has successfully arranged 48 employees relevant jobs in company.

Details can be seen in 2016 Social Responsibility Report of BOE Technology Group Co., Ltd. which was disclosed on 25 Apr. 2017.

If listed company and its subsidiaries belong to the key pollution discharge units which are published by environmental protection department

Yes

Name of Company or subsidiary	Name of Main Pollutant and Distinctive Pollutant	Discharge Method	Quantity of Emission Outlet	Distribution Information of Emission Outlet	Emission Concentration	Executed Emission Standard of Pollutant	Total Weight of Emission (t)	Approved Total Weight of Emission (t)	Excessive Emission Condition
Beijing BOE Optoelectronics Technology Co., Ltd.	COD	Standard emission after being treated by sewage treatment system	2	South gate of factory, northwest corner of factory	171.17mg/L	500mg/L	54.33 tons	702.68 tons	None
	Ammonia nitrogen				22.29 mg/L	45 mg/L	0.3 tons	55.93 tons	
Chengdu BOE Optoelectronics Technology Co., Ltd.	COD	Standard emission after being treated by sewage treatment system	1	North side of factory	141mg/L	500mg/L	164.18 tons	490.51 tons	None
	Ammonia nitrogen				21.2mg/L	45 mg/L	24.68 tons	25.249 tons	
Heifei BOE Optoelectronics Technology Co., Ltd.	COD	Standard emission after being treated by sewage treatment system	1	Northwest corner of factory	39.41mg/L	380mg/L	155.92 tons	1059 tons	None
	Ammonia nitrogen				1.97mg/L	30mg/L	7.95 tons	99.2 tons	None
Beijing BOE Display Technology Co., Ltd.	COD	Standard emission after being treated by sewage treatment system	2	East gate of factory	135 mg/L	500mg/L	1291.042 tons	1618.8 tons	None
	COD			Behind No. 8 Building of factory	97 mg/L				

	Ammonia nitrogen			East gate of factory	9.91mg/L	45 mg/L	59.56 tons	134.4 tons	None
	Ammonia nitrogen			Behind No. 8 Building of factory	2.59mg/L				
Hefei Xinsheng Optoelectronics Technology Co., Ltd.	COD	Standard emission after being treated by sewage treatment system	1	Northeast gate of factory	57.56 mg/l	380mg/L	284.86 tons	1621.97 tons	None
	Ammonia nitrogen			Northeast gate of factory	12.31 mg/l	30mg/L	62.9 tons	128.08 tons	None
Erdos Yuansheng Optoelectronics Co., Ltd.	COD	Standard emission after being treated by sewage treatment system	1	North side of factory	30.5mg/L	500mg/L	58.5 tons	713.81 tons	None
	Ammonia nitrogen			North side of factory	0.83mg/L	45mg/L	1.5 tons	76.82 tons	None
Chongqing BOE Optoelectronics Technology Co., Ltd.	COD	Standard emission after being treated by sewage treatment system	1	South side of factory	70.32mg/L	400mg/L	418.13 tons	727.08 tons	None
	Ammonia nitrogen			South side of factory	7.56mg/L	30mg/L	42.98 tons	79.424 tons	None

Construction of pollution prevention equipment and operation condition

During report period, the Company does not have important environmental problem and builds strict environmental management system. Based on DSH three business groups, the Company improves environmental management structure constantly, specifies responsibility of environmental management at each level and prevents the unfavorable influence of enterprise operation on environment maximally. The Company has internal organizational structure to supervise overall environmental performance of the Company, formulate environmental management regulations and targets, carry out regular supervision for the environmental management condition of subordinate enterprises and promote the implementation of environmental management work.

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

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

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

The Company focuses on the recycle of water resource and advanced cleaning methods such as adverse cleaning etc are adopted for processing equipment. Most high purity water and chemicals are recycled, reducing the consumption of high purity water, chemical and other materials maximally and reducing the discharge of waste water and waste materials. According to the principle of using water by separating, the RO concentrated water with higher salt content (deionized water which is got by osmose process) which is generated during preparing original pure water can be used in pure water preparing system after treatment, the remain RO concentrated water is flowed into recycled water system as exhaust gas purifying, cycling and cooling water, replenishing water of sewage treatment system and household flushing water for toilet, watering water for road, water for greening. The drainage water which is generated during ultrapure water preparing process is used for humidification of air conditioning system.

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

In recent years, the environmental emission index of the Company is up to national standards such as Sewage Comprehensive Discharge Standard (GB8979-1996), Air Pollutant Comprehensive Emission Standard (GB89879-1996), Industrial Enterprise Environmental Noise Emission Standard within Factory Boundary (GB12348-2008) etc and local standards without any emission and discharge which exceed the standards. The Company will continue to promote the environmental management, devote to forging green factory and improve environmental management level constantly.

If social responsibility report is published

Yes No

Corporate Social Responsibility Report					
Nature of Corporate	If information about environment is included	If information about society is included	If information about corporate governance is included	Standard disclosed in report	
				National standard	Foreign standard
Others	Yes	Yes	Yes	1. Guide for Compiling China Corporate Social Responsibility Report 2. Guide for Standard Operation of Listed Company in Main Board of Shenzhen Stock Exchange	GRI

Explanation of specific situation

1. If the Company passes certification of environmental management system (ISO14001)	Yes
2. Annual environmental investment and expenditure amount of the Company (RMB'0,000)	42,097
3. Emission reduction performance of "waste gas, waste water, waste residue" of the Company	In recent years, the environmental emission index of BOE Group is successively up to national standards such as Sewage Comprehensive Discharge Standard (GB8979-1996), Air Pollutant Comprehensive Emission Standard (GB89879-1996), Industrial Enterprise Environmental Noise Emission Standard within Factory Boundary (GB12348-2008), The People's Republic of China Prevention and Treatment Law of Environmental Pollution of Solid Waste etc and local standards without any emission and discharge which exceed the standards.
4. The investment of the Company in improving personal knowledge and skill of employee for improving career development ability of employee (RMB'0,000)	2,806
5. The amount of social public welfare donation (fund, goods and materials, free professional service) of the Company	118.63

XIX Other significant events

Applicable Not applicable

1. According to the Notice About Subscription of Additional Shares of Varitronix International Limited(Notice No.: 2016-011) released on February 4, 2016 by the company, the Company signed the Subscription Agreement Between Varitronix International Limited and BOE Technology Group Co., Ltd on February 3, 2016 with Varitronix International Limited that the Company funded from the Company's own funds and subscribed over 50% shares of Varitronix International Limited by the way of subscribing additional shares to integrate its superior resources and accelertaely implement the global strategy of the vehicle display business of the company. The company had completed the delivery of stock options for Varitronix International Limited on April 28, 2016 in accordance with the Notice About Settlement for Subscription of Additional Shares of Varitronix International Limited (Notice No.: 2016-043) released on April 29, 2016. After the delivery, the Company held 400 million shares of Varitronix International Limited which accounts for 54.70% of total shares and became its controlling shareholder. For the details, please see the related announcement.
2. According to the Notice About the Coupon Rate of Company Securities (the First) Issued publicly for Qualified Investors in 2016(Notice No.: 2016-024) released on March 21, 2016 by the company, the Company issued publicly Securities(the First) (“16BOE01” for short, stock code“112358”) 10,000 million for Qualified Investors in 2016, and the final coupon rate of the securities was 3.15%.
3. On 21 May, 2016, the Company disclosed Announcement on Resolution of 2015 Shareholders Meeting (Announcement No. : 2016-045), Announcement on Resolution of the 1st Meeting of the 8th Board of Directors (Announcement No. : 2016-047) and Announcement on Resolution of the 1st Meeting of the 8th Board of Supervisors (Announcement No. : 2016-048). The meeting passed the relevant proposal for general election and finished general election. Specific information can be seen in relevant announcements in detail.
4. The Company disclosed Plan about Repurchasing Part of Social Public Shares of the Company on 15 Jul. 2016, the 3rd temporary shareholders meeting in 2016 has deliberated and approved the plan. The Company implemented the proposal about repurchasing part of social public shares for the first time in 20 September. Up to 31 Dec. 2016, the Company repurchased 88,692,299 shares of A-share and 43,848,526 shares of B-share accumulatively. Specific information can be seen in Announcement on Progress of Repurchasing Part of Social Public Shares (Announcement No. : 2017-001) in detail which was disclosed on 4 Jan. 2017 by the Company.
5. On 31 Oct. 2016, the Company disclosed Announcement on Signing Investment Framework Agreement (Announcement No.: 2016-075), the Company signed Investment Framework Agreement on the 6th AMOLED (Soft) Production Line Project in Mianyang with Mianyang Municipal People’s Government. It is planned to invest RMB 46.5 billion Yuan in building a 6th AMOLED (soft) production line in Mianyang, Sichuan. The main product positioning is AMOLED soft display product, and the production line is used for producing high-end phone display and newly-developing mobile display product. The 4rd temporary shareholders meeting in 2016 has deliberated and approved the issue. Specific information can be seen in Announcement on Investing in Construction of the 6th AMOLED (Soft) Production Line Project (Announcement No.: 2016-084) in detail.
6. In order to fairly present the value of various assets, as per the Accounting Standards for Business Enterprises of the Ministry of Finance, as well as the Company’s accounting policies and estimates, the Company carried out an impairment test on its assets with any sign of impairment at the end of 2016. Upon the test, the Company’s asset impairment provisions as of the end of 2016 stood at RMB2,497.2778 million Yuan, up by RMB251.8448 million Yuan from the opening amount.

XX Significant events of subsidiaries

Applicable Not applicable

Section VI Share Changes and Information about Shareholders

I. Changes in shares

1. Change in shares

Unit: Share

Item	Before the change		Increase/decrease (+, -)					After the change	
	Amount	Proportion	Newly issue share	Bonus shares	Capitalization of public reserves	Other	Subtotal	Amount	Proportion
I. Restricted shares	10,597,612,766	30.15%	0	0	0	-675,346,658	-675,346,658	9,922,266,108	28.23%
1. Shares held by the state	0	0.00%	0	0	0	0	0	0	0.00%
2. Shares held by state-owned corporations	10,595,502,993	30.14%	0	0	0	-675,026,803	-675,026,803	9,920,476,190	28.22%
3. Shares held by other domestic investors	2,109,773	0.01%	0	0	0	-319,855	-319,855	1,789,918	0.01%
Among which: shares held by domestic corporations	0	0.00%	0	0	0	0	0	0	0.00%
Shares held by domestic individuals	2,109,773	0.01%	0	0	0	-319,855	-319,855	1,789,918	0.01%
4. Shares held by foreign investors	0	0.00%	0	0	0	0	0	0	0.00%
Among which: Shares held by foreign corporations	0	0.00%	0	0	0	0	0	0	0.00%
Shares held by foreign individuals	0	0.00%	0	0	0	0	0	0	0.00%
II. Non-restricted shares	24,555,454,977	69.85%	0	0	0	675,346,658	675,346,658	25,230,801,635	71.77%
1. RMB ordinary shares	23,353,364,808	66.43%	0	0	0	675,346,658	675,346,658	24,028,711,466	68.35%

2. Domestically listed foreign shares	1,202,090,169	3.42%	0	0	0	0	0	1,202,090,169	3.42%
3. Overseas listed foreign shares	0	0.00%	0	0	0	0	0	0	0.00%
4. Other	0	0.00%	0	0	0	0	0	0	0.00%
III. Total shares	35,153,067,743	100.00%	0	0	0	0	0	35,153,067,743	100.00%

Reasons for changes in shares

Applicable Not applicable

1. On 11 Jan. 2016, the shareholders of the Company eased restrictions on restricted shares, the amount of released restricted shares is 675,026,803.

2. On 22 Oct. 2015, senior managers changed and all shares they held are transferred into restricted shares. Up to the end of report period, the restricted period of this part of shares expired, this part of shares transferred into unrestricted shares, 517,405 shares in total. On 20 May, 2015, the term of office for board of directors and board of supervisors of the Company was changed, directors, supervisors and senior managers changed, 75% of the shares which the new directors, supervisors and senior managers held were transferred into restricted shares; all shares which the outgoing directors, supervisors and senior managers held were transferred into restricted shares, increasing 384,150 restricted shares in total. The total amount of decreased restricted shares was 133,255.

3. On 20 May, 2016, the term of Senior Vice President of the Company Li Xuezheng expired and he left his post; on 20 Nov. 2016, the restricted shares dropped by 186,600 shares.

Approval of share changes

Applicable Not applicable

Particulars about transferring ownership of shares

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

2. Change of the 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
Beijing State-owned Capital Operation and Management Center	4,063,333,333	0	0	4,063,333,333	Non-public issuance	04/10/2017
Chongqing Ezcapital Opto-electronics Industry Investment Co., Ltd.	3,000,000,000	0	0	3,000,000,000	Non-public issuance	04/10/2017
Hefei Jianxiang Investment Co., Ltd.	2,857,142,857	0	0	2,857,142,857	Non-public issuance	04/10/2017
Hefei Rongke Project Investment Co., Ltd.	675,026,803	675,026,803	0	0	Voluntarily committed to add the selling restriction	01/11/2016
Senior Executives shareholdings	2,109,773	704,005	384,150	1,789,918	Change in Senior Executives	11/20/2016
Total	10,597,612,766	675,346,658	384,150	9,922,266,108	--	--

II. Issuance and listing of securities

1. Securities issuance in Reporting Period (excluding preferred stock)

√ Applicable □ Not applicable

Name of the shares and their derivative securities	Issuance date	Issuance price (or interest rate)	Issuance number	Listing date	Approved listing trading number approved	Expiration date of the trading

shares class						
No						
Convertible bonds, and Convertible bonds, bonds class in separation deal						
BOE Technology Group Co., Ltd publicly issued Company securities(the First) for Qualified Investors in 2016	03/21/2016	3.15%	100,000,000	04/26/2016	100,000,000	03/21/2021
Other derivative securities						
No						

Explanation of securities issuance (preferred shares are not included)

The bonds issued by the Company are used for supplementing working capital of the Company, optimizing financing structure and improving the capital condition of the Company. The Company is developed into integrated services architecture of display device, intelligent product and service, health service from single display device business eventually to achieve the integration of software and hardware, application integration and service transition. The Company will integrate to establish the intelligent product and service business group with the main direction of “internet of things and artificial intelligence” and the health service business group which is characterized by “information medicine and big data” on the basis of constantly strengthening the core ability of display business group. Through the financing arrangement, the requirement of operating capital of the Company can be satisfied to a certain extent, which helps the development and expansion of the corporate business and strengthens the market development and risk resistance ability.

2. Changes of the Company’s share number and structure, as well as the corresponding changes in its asset-liability structure

Applicable Not applicable

During the Reporting Period, the Company publicly issued 10,000million securities for Qualified Investors. At the end of Reporting Period, the total assets increased from RMB 152,592,894,442 Yuan to RMB205,135,011,042 Yuan. The asset-liability ratio increased from 48.65% to 55.14%.

3. List of the existing internal workers’ shares

Applicable Not applicable

III. Shareholders and actual controller

Total number of shareholders and their shareholding situation

Unit: share

Total number of common shareholders at the period-end		1,185,732 (including 1,140,580 A-share holders and 45,152 B-share holders)		Total number of common shareholders at the prior month-end before the disclosure of this Report		1,056,889 (including 1,014,828 A-share holders and 42,061 B-share holders)		
Shareholdings of shareholders with a shareholding percentage over 5% or the top 10 shareholders								
Name of shareholder	Nature of shareholder	Shareholding percentage (%)	Total shares held at the period-end	Increase/decrease during the Reporting Period	Number of restricted shares held	Number of non-restricted shares held	Pledged or frozen shares	
							Status of shares	Number of shares
Beijing State-owned Capital Operation and Management Center	State-owned Corporation	11.56%	4,063,333,333	0	4,063,333,333	0		
Chongqing Ezcapital Opto-electronics Industry Investment Co., Ltd.	State-owned Corporation	8.53%	3,000,000,000	0	3,000,000,000	0	Pledged	955,000,000
Hefei Jianxiang Investment Co., Ltd.	State-owned Corporation	8.13%	2,857,142,857	0	2,857,142,857	0		
Hua An Fund-ICBC-Zhongrong International Trust-Zhongrong-Assembled Funds Trust Plan of Rongjing No. 1	Other	4.45%	1,564,126,904	0	0	1,564,126,904		
Beijing Economic-Technological Investment & Development	State-owned Corporation	3.53%	1,241,423,641	564,000,000	0	1,241,423,641		

Corp.								
China Securities Finance Corp.	Other	2.49%	876,936,082	-174,142,849	0	876,936,082		
Beijing BOE Investment & Development Co., Ltd.	State-owned Corporation	2.34%	822,092,180	0	0	822,092,180		
Hefei Rongke Project Investment Co., Ltd.	State-owned Corporation	1.92%	675,026,803	0	0	675,026,803		
National Social Security Fund Portfolio 108	Other	0.80%	279,999,795	279,999,795	0	279,999,795		
Beijing Electronics Holdings Co., Ltd.	On behalf of the government	0.78%	273,735,583	0	0	273,735,583		
Strategic investors or general corporations becoming top-ten shareholders due to placing of new shares (if any) (see Note 3)	N/A							
Related or acting-in-concert parties among the shareholders above	<p>1. Beijing State-owned Capital Operation and Management Center held 100% equities of Beijing Electronics Holdings Co., Ltd.</p> <p>2. Beijing Electronics Holdings Co., Ltd. held 66.25% equities of Beijing BOE Investment & Development Co., Ltd. and was its controlling shareholder.</p> <p>3. After the non-public issuing of BOE in 2014, Hefei Jianxiang Investment Co., Ltd. and Chongqing Capital Photoelectricity Investment Co., Ltd., by entering into Implementation Protocol of Voting Right respectively, agreed to maintain all of the shares held by them respectively unanimous with Beijing BOE Investment & Development Co., Ltd. when executing the voting rights of the shareholders.</p> <p>4. After the non-public issuing of the Company in 2014, Beijing State-owned Capital Operation and Management Center handed over 70% of the shares directly held by it to Beijing Electronics Holdings Co., Ltd. for management through Stock Management Protocol, and Beijing Electronics Holdings Co., Ltd. gained the incidental shareholders' rights except for disposing right and usufruct of the shares, of which the rest 30% voting right maintained unanimous with Beijing Electronics Holdings Co., Ltd. through the agreement according to Implementation Protocol of Voting Right.</p> <p>5. Except for relationship among the above shareholders, the Company is not aware of whether the other top ten shareholders exist associated relationship or not, or they are persons acting in concert or not.</p>							
Shareholdings of the top ten non-restricted shareholders								

Name of shareholder	Number of non-restricted shares held at the period-end	Type of shares	
		Type	Number
Hua An Fund-ICBC-Zhongrong International Trust-Zhongrong-Assembled Funds Trust Plan of Rongjing No. 1	1,564,126,904	RMB ordinary shares	1,564,126,904
Beijing Economic-Technological Investment & Development Corp.	1,241,423,641	RMB ordinary shares	1,241,423,641
China Securities Finance Corp.	876,936,082	RMB ordinary shares	876,936,082
Beijing BOE Investment & Development Co., Ltd.	822,092,180	RMB ordinary shares	822,092,180
Hefei Rongke Project Investment Co., Ltd.	675,026,803	RMB ordinary shares	675,026,803
National Social Security Fund Portfolio 108	279,999,795	RMB ordinary shares	279,999,795
Beijing Electronics Holdings Co., Ltd.	273,735,583	RMB ordinary shares	273,735,583
Central Huijin Asset Management Co., Ltd.	248,305,300	RMB ordinary shares	248,305,300
Founder BEA Trust Co., Ltd- Founder BEA ·Hengsheng No.30 Securities Investment Single Fund Trust	210,289,500	RMB ordinary shares	210,289,500
Founder BEA Trust Co., Ltd - Founder BEA ·Hengsheng No.36 Single Fund Trust	207,960,100	RMB ordinary shares	207,960,100
Related or acting-in-concert parties among the top ten non-restrictedly tradable share holders and between the top ten non-restrictedly tradable share holders and the top ten shareholders	<p>1. Beijing State-owned Capital Operation and Management Center held 100% equities of Beijing Electronics Holdings Co., Ltd.</p> <p>2. Beijing Electronics Holdings Co., Ltd. held 66.25% equities of Beijing BOE Investment & Development Co., Ltd. and was its controlling shareholder.</p> <p>3. After the non-public issuing of BOE in 2014, Hefei Jianxiang Investment Co., Ltd. and Chongqing Capital Photoelectricity Investment Co., Ltd., by entering into Implementation Protocol of Voting Right respectively, agreed to maintain all of the shares held by them respectively unanimous with Beijing BOE Investment & Development Co., Ltd. when executing the voting rights of the shareholders.</p> <p>4. After the non-public issuing of the Company in 2014, Beijing State-owned Capital Operation and Management Center handed over 70% of the shares directly held by it to Beijing Electronics Holdings Co., Ltd. for management through Stock Management Protocol, and Beijing Electronics Holdings Co., Ltd. gained the incidental shareholders' rights except for disposing right and</p>		

	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. The investment counselor of both Fangzheng East Asia EntrustmentCo., Ltd- Fangzheng East Asia Hengsheng No.30 Securities Investment with Single Fund Entrustment and Fangzheng East Asia EntrustmentCo., Ltd- Fangzheng East AsiaHengsheng No.36 Single Fund Entrustmen belong to Zhengjin Capital Management. 6. Except for relationship among the above shareholders, the Company is not aware of whether the other top ten shareholders exist associated relationship or not, or they are persons acting in concert or not.
Top ten common shareholders conducting securities margin trading (if any) (see Note 4)	N/A

Did any top 10 common shareholder or any top 10 common shareholder with non-restricted share of the Company carry out an agreed buy-back in the Reporting Period?

Yes No

No top 10 common shareholder or any top 10 common shareholder with non-restricted share of the Company carried out any agreed buy-back in the Reporting Period.

2. Particulars about the controlling shareholder

Nature of the controlling shareholders: local state-controlled

Type of the controlling shareholders: corporation

Name of controlling shareholder	Legal representative / company principal	Date of establishment	Unified social credit code	Main business scope
Beijing Electronics Holdings Co., Ltd.	Wang Yan	04/08/1997	91110000633647998H	Operation and management of state-owned assets within authorization; communications equipments, audio & visual products for broadcasting and television; computer and its supporting equipments and the applied products; electronic raw material and components; home electric appliances and electronic products; electronic surveying instruments and meters; mechanical and electric equipments; electronic transportation products and investment in business fields other than electronics and its management; development of real estate, lease and sales of commodity apartments; property management.
Situation of the equities of the other	Beijing Electronic Shareholding Co., Ltd. held 363,429,503shares of A share of Electronic City (Stock Code: 600658), which was of 45.49% of the			

domestic and overseas listed companies for the share controlling and share participating of the controlling shareholders during the Reporting Period	total shares amount of Electronic City; it held 42,287,460 shares of A share of North Huachuang (originally “Seven Star Electronics”)(Stock Code: 002371), which accounted for 9.23% of the total shares of North Huachuang. Beijing Electronic Shareholding Co., Ltd. held 178,175,721 shares of A share of North Huachuang through holding the subsidiary Beijing Seven Star Huadian Technology GroupCo., Ltd, which covered 38.90% of the total shares amount of North Huachuang.
--	--

Change of the controlling shareholder during the Reporting Period

Applicable Not applicable

There was no change of the controlling shareholder during the Reporting Period.

3. Information about the actual controller

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

Type of the actual controller: Corporation

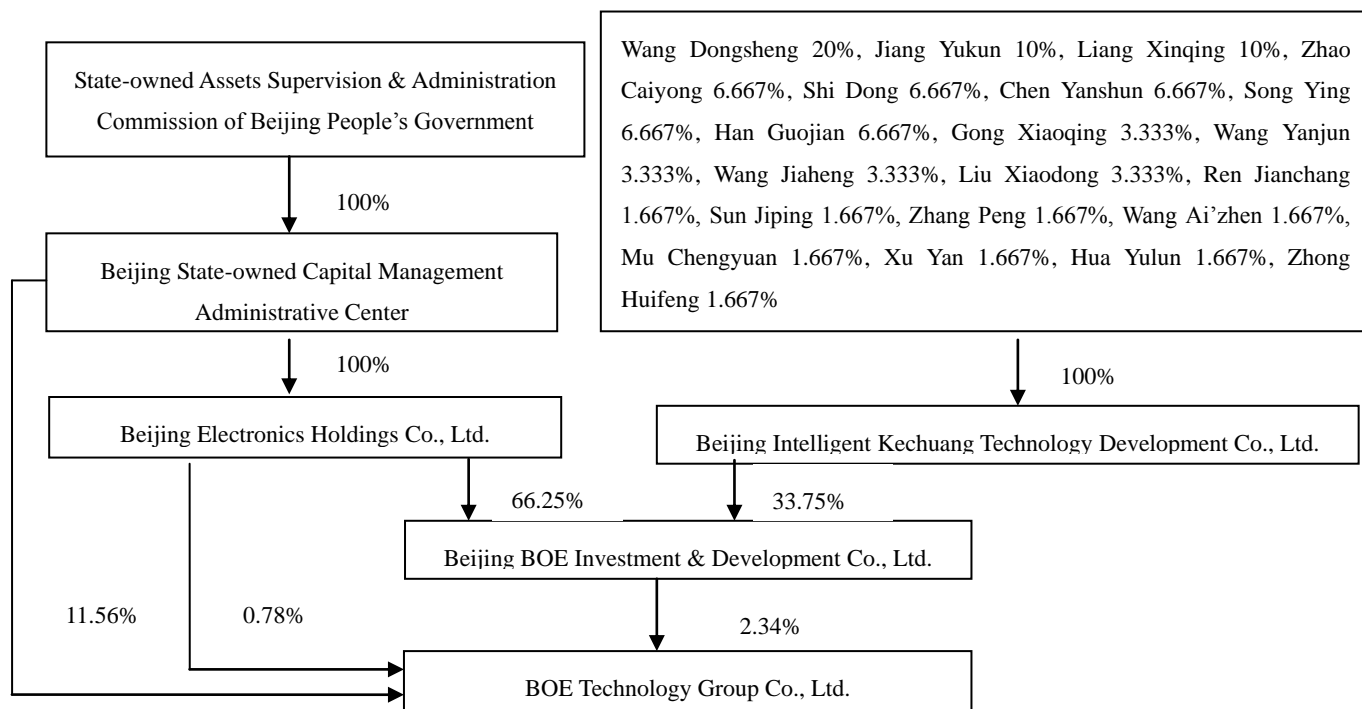
Name of actual controller	Legal representative / company principal	Date of establishment	Unified social credit code	Business scope
Beijing Electronics Holdings Co., Ltd.	Wang Yan	04/08/1997	91110000633647998H	Operation and management of state-owned assets within authorization; communications equipments,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

Change of the actual controller during the Reporting Period

Applicable Not applicable

There was no change of the actual controller during the Reporting Period.

Ownership and control relations between the actual controller and the Company



Notes: 1: The Company regards Beijing Intelligent Kechuang Technology Development Co., Ltd. as a platform to implement equity incentive for the whole core technology manager, the aforesaid 20 subscribers are nominal shareholders, each investment proportion is not actual equity proportion, the equities of Beijing Intelligent Kechuang Technology Development Co., Ltd. are held in common by all implemented objectives of simulate plan of equity incentive mechanism.

2: When the Company completed private offering of shares in 2014, Beijing State-owned Capital Operation and Management Center transferred the 70% shares directly held to Beijing Electronic Shareholding Co., Ltd. for managing through Shares Management Protocol, and Beijing Electronic Shareholding Co., Ltd. acquired the shareholders rights except for the disposition rights and equity rights attached to the equities; Beijing State-owned Capital Operation and Management Center maintained its voting rights of the rest 30% equity directly held by itself in accordance with Beijing Electronic Shareholding Co., Ltd. through the agreement of the Voting Rights Exercising Agreement.

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

Applicable Not applicable

4. Other corporate shareholders with a shareholding percentage above 10%

Applicable Not applicable

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

5. Limits on the Company's shares held by its controlling shareholder, actual controller, reorganizer and other commitment subjects

Applicable Not applicable

Section VII Preference Shares

Applicable Not applicable

There was no preferred stock during Reporting Period.

Section VIII Directors, Supervisors, Senior Executive Officers and Staff

I Changes in shareholdings of directors, supervisors and senior management

Name	Office title	Incumbent /former	Gender	Age	Starting date of tenure	Ending date of tenure	Opening shareholding (share)	Increase in the Reporting Period (share)	Decrease in the Reporting Period (share)	Other increase/decrease (share)	Closing shareholding (share)
Wang Dongsheng	Chairman of the Board	Current	Male	59	05/20/2016	05/19/2019	299,905	0	0	0	299,905
Xie Xiaoming	Vice Chairman of the Board	Current	Male	57	05/20/2016	05/19/2019	7,680	0	0	0	7,680
Chen Yanshun	Vice Chairman of the Board, Chief of Executive Committee(CEO)	Current	Male	50	05/20/2016	05/19/2019	260,000	0	0	0	260,000
Wang Jing	Director	Current	Female	45	05/20/2016	05/19/2019	0	0	0	0	0
Zhang Jinsong	Director	Current	Male	44	05/20/2016	05/19/2019	0	0	0	0	0
Liu Xiaodong	Director, Executive Vice President, President and COO	Current	Male	52	05/20/2016	05/19/2019	250,000	0	0	0	250,000
Song Jie	Director	Current	Male	49	05/20/2016	05/19/2019	0	0	0	0	0
YaoXiangjun	Director, Executive Committee Member, Senior Vice President, Joint COO and CEO of Intellectual System Business Group	Current	Male	39	05/20/2016	05/19/2019	100,000	0	0	0	100,000

Lv Tingjie	Independent Director	Current	Male	61	05/20/2016	05/19/2019	0	0	0	0	0
Wang Huacheng	Independent Director	Current	Male	53	05/20/2016	05/19/2019	0	0	0	0	0
Hu Xiaolin	Independent Director	Current	Male	38	05/20/2016	05/19/2019	0	0	0	0	0
Li Xuan	Independent Director	Current	Male	48	08/19/2016	05/19/2019	0	0	0	0	0
Chen Ming	Chief of Supervisory Board (Convener)	Current	Male	59	05/20/2016	05/19/2019	0	0	0	0	0
Xu Tao	Supervisor	Current	Male	53	05/20/2016	05/19/2019	0	0	0	0	0
Mu Chengyuan	Supervisor	Current	Male	49	05/20/2016	05/19/2019	2,991	0	0	0	2,991
Zhao Wei	Supervisor	Current	Male	48	05/20/2016	05/19/2019	0	0	0	0	0
Shi Hong	Supervisor	Current	Female	32	05/20/2016	05/19/2019	0	0	0	0	0
Zhuang Haoyu	Supervisor	Current	Male	32	05/20/2016	05/19/2019	0	0	0	0	0
Miao Chuanbin	Employee Supervisor, CCO	Current	Male	43	05/20/2016	05/19/2019	0	0	0	0	0
Xu Yangping	Employee Supervisor	Current	Male	42	05/20/2016	05/19/2019	0	0	0	0	0
He Daopin	Employee Supervisor	Current	Male	47	05/20/2016	05/19/2019	0	0	0	0	0
Dong Youmei	Executive Vice President, Secretary General of Strategy Committee of the Board and Director of Technology and Products Strategy Committee	Current	Female	53	05/20/2016	05/19/2019	200,000	0	0	0	200,000
Sun Yun	Executive Committee Member, Executive Vice President, CFO	Current	Female	47	05/20/2016	05/19/2019	155,981	0	0	0	155,981
Yue Zhanqiu	Executive Committee	Current	Male	49	05/20/2016	05/19/2019	150,000	0	0	0	150,000

	Member, Senior Vice President, CIO										
Feng Liqiong	Senior Vice President, Chief Lawyer	Current	Female	44	05/20/2016	05/19/2019	150,000	0	0	0	150,000
Zhong Huifeng	Executive Committee Member, Senior Vice President, CHO	Current	Male	46	05/20/2016	05/19/2019	150,000	0	0	0	150,000
Xie Zhongdong	Executive Committee Member, Senior Vice President, Chief Risk Officer and Auditor General	Current	Male	46	05/20/2016	05/19/2019	110,000	0	0	0	110,000
Zhang Zhaohong	Executive Committee Member, Senior Vice President, CEO of Display Devices Business Group	Current	Male	46	05/20/2016	05/19/2019	150,000	0	0	0	150,000
Feng Qiang	Executive Committee Member, Senior Vice President, CEO of Health Service Business Group	Current	Male	40	05/20/2016	05/19/2019	100,000	0	0	0	100,000
Yang Anle	Senior Vice President, Chief Investment Officer	Current	Male	46	05/20/2016	05/19/2019	100,000	0	0	0	100,000
Tong Guanshan	Senior Vice President, CTO	Current	Male	48	05/20/2016	05/19/2019	0	0	0	0	0
Liu Hongfeng	Vice President, Secretary of the Board	Current	Male	38	05/20/2016	05/19/2019	100,000	0	0	0	100,000

Jing Linfeng	Vice President, CSO and Executive Secretary of the Executive Committee	Current	Male	38	05/20/2016	05/19/2019	100,000	0	0	0	100,000
Ji Guoping	Independent Director	Former	Male	69	07/10/2013	05/20/2016	0	0	0	0	0
Yu Ning	Independent Director	Former	Male	61	07/10/2013	06/01/2016	0	0	0	0	0
Zhou Yanwen	Employee Supervisor	Former	Male	49	07/10/2013	05/20/2016	0	0	0	0	0
Li Xuezheng	Senior Vice President	Former	Male	47	07/10/2013	05/20/2016	186,600	0	186,600	0	0
Total	--	--	--	--	--	--	2,573,157	0	186,600	0	2,386,557

II Changes in directors, supervisors and senior management

√ Applicable □ Not applicable

Name	Office title	Type of change	Date	Reason
YaoXiangjun	Director, Executive Committee Member, Senior Vice President, Joint COO and CEO of Intellectual System Business Group	Appointed	05/20/2016	Elected
Hu Xiaolin	Independent Director	Appointed	05/20/2016	Elected
Li Xuan	Independent Director	Appointed	08/19/2016	Elected
He Daopin	Employee Supervisor	Appointed	05/20/2016	Elected
Dong Youmei	Executive Vice President, Secretary General of Strategy Committee of the Board and Director of Technology and Products Strategy Committee	Appointed	05/20/2016	Employment
Zhang Zhaohong	Executive Committee Member, Senior Vice President, CEO of Display Devices Business Group	Appointed	05/20/2016	Employment
Feng Qiang	Executive Committee Member, Senior Vice President, CEO of Health Service Business Group	Appointed	05/20/2016	Employment
Yang Anle	Senior Vice President, Chief Investment Officer	Appointed	05/20/2016	Employment

Tong Guanshan	Senior Vice President, CTO	Appointed	05/20/2016	Employment
Liu Hongfeng	Vice President, Secretary of the Board	Appointed	05/20/2016	Employment
Jing Linfeng	Vice President, CSO and Executive Secretary of the Executive Committee	Appointed	05/20/2016	Employment
Ji Guoping	Independent Director	Left as the service term expired	05/20/2016	Left as the service term expired
Yu Ning	Independent Director	Left the post	06/01/2016	Pass away
Zhou Yanwen	Employee Supervisor	Left as the service term expired	05/20/2016	Left as the service term expired
Li Xuezheng	Senior Vice President	Left as the service term expired	05/20/2016	Left as the service term expired

III Brief biographies

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

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

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

Mr. Wang Dongsheng led to found BOE in 1993, and made BOE became 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, 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, Chairman of Beijing Dongguang Micro Electronic Co., Director of Beijing Seven Star Huachuang Electronics Holding Co., Ltd., and Director of Beijing Electronic Control Ai Sikai Technology Co., Ltd.

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

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

Mrs. Wang Jing, Bachelor of Finance, LLM, MBA and Senior Economist. She once worked as Clerk of Securities Department in

Beijing Lightbus Co., Ltd., Cadre of General Office of the Economic System Reform Committee of Beijing, assistants to the Directors and Deputy Directors Financing Department of Beijing Enterprises Holdings Ltd. (HK Head office), Entrepreneurship Manager of Beijing Enterprises Holdings Investment Management Ltd., Deputy GM of Beijing BHL Investment Management Center of Beijing Holdings, Manager of Business Operating & Management Department of Beijing Holdings, General Manager Assistant of Beijing Holdings, Chairman and GM of Inland Port International Logistics Co., Ltd., GM of Investment Management Department and Investment Management Department I of Beijing State-owned Capital Operation Management Center, and Director of the 7th Board of Directors of the Company.

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

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

Now he acts as Director of the 8th Board of Directors of the Company, Vice President of Beijing Electronics Holdings Corp., Chairman of Beijing Sevenstar Huachuang Electronics Co., Ltd, and Chairman of Beijing Peony Electronic Group Co., Ltd, and Director of Beijing BOE Investment & Development Co., Ltd, Director of Beijing Beiguang Science & Technology Co., Ltd., Director of Beijing Electronic Control Ai Sikai Technology Co., Ltd, and Director of Beijing Yandong Microelectronics Co., Ltd..

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

Now he takes the posts of Director of the 8th Board of Director, Executive Vice President, President and COO of the Company, Deputy Chairman of Chongqing BOE Optoelectronics Technology Co., Ltd., 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 Economic-Technological Investment & Development Corp, Director of the 7th Board of Directors of the Company.

Now he is the Director of the 8th Board of Directors of the Company, Manager of Department of investment and financing of Beijing Economic -Technological Investment & Development Corp.

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

Now he serves as Director of the 8th board of directors, Member of Execution Committee, Senior Vice President, Co-Chief

Operating Officer and Chief Executive Officer of Intelligent System Business Group, Chairman of Beijing BOE Optical Science and Technology Co., Ltd., Beijing BOE Video Science and Technology Co., Ltd., Beijing BOE Multi-Media Science and Technology Co., Ltd., Beijing BOE Intelligent Science and Technology Co., Ltd. and Varitronix International Limited.

Independent director's particulars

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

Now he is the independent director of the 8th Board of Directors of the Company. He has worked in Beijing University of Posts and Telecommunications since May 1985, and he was the Independent Director of Xinhua Net, BOE, and Gohigh Data Networks Technology Co., Ltd, Independent Director of Shenzhen Ai Shide Co., Ltd.

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

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

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

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

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

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

Supervisors' Particulars

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

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

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

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

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

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

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

Now he is the Supervisor of the 8th Supervisory Committee of the Company, Member of CPC Committee, Director, Deputy GM of Hefei City Construction Investment Co., Ltd..

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

Now he is the Supervisor of the 8th Supervisory Committee of the Company, worked in Department of Investment and Financing of Beijing Economic-Technological Investment & Development Corp. Member of Investment Decision Committee of China Reform Fund Management Co., Ltd. and Supervisor of Beijing Boda Xinyuan House Real Estate Development Co., Ltd..

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

Now he is Supervisor of the 8th Supervisory Committee of the Company, and Project Assistant of Beijing Industrial Development.

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 Plant. 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 Officials and Chief Officer of Culture; member of the Third National Committee of China's Defense of Posts and Telecommunications Union.

Mr. Xu Yangping, Master of Civil and Commercial Law. He was former Deputy Minister, Minister of the Company's Legal Department, 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 and the Director of Board of Directors of Gaochuang (Suzhou) Electronics Co., Ltd, Supervisor of Beijing BOE Vacuum Electric Appliance Co., Ltd and Beijing BOE Technology Development Co., Ltd.

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

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

Introduction of senior managerial personnel

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

Now she serves as Senior Vice President and Chief Technology Officer of the Company, Chief of TFT-LCD Technology National Engineering Laboratory, Member of Advisory Committee for the State Information, Member of Electronic Science and Technology Committee of Ministry of Industry and Information Technology, Team Leader of Core Technology Team of China OLED Industry Union, Expert of State Science and Technology Awards Evaluation, member of The Ministry of Education of Higher School Teaching Steering Committee and Member of Editorial Board of Modern Display.

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

Now she is Executive Committee Member, Senior 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. 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 Executive Committee Member , Senior Vice President and CIO of the Company.

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

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

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

Now he acts as Executive Committee Member, Senior Vice President and CHO of the Company.

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

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

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

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

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

Mr. Yang Anle, master. He once worked as Deputy Chief of Financial Division of Beijing Electronic Tube Factory, Manager of

Financial Department of Beijing BOE Investment & Development Co., Ltd., Chief Financial Officer of Beijing Dongdian Industrial Development Co., Ltd., Supervisor of the 2nd, 3rd, 4th Board of Supervisors of the Company, Employee Supervisor of 5th, 6th Board of Supervisors.

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

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

He now serves as Senior Vice President, Chief Technology Officer.

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

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

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

He now works as Vice President, Chief Strategic Officer of the Company and Executive Secretary of Executive Committee.

Post-holding in shareholders' units

Applicable Not applicable

Name of the person holding any post in shareholder's unit	Name of shareholder's unit	Position in shareholder's unit	Beginning date of office term	Ending date of office term	Receive payment from shareholder's unit or not
Xie Xiaoming	Beijing Electronics Holdings Co., Ltd.	Vice president	06/22/2011		Yes
Wang Jing	Beijing State-owned Capital Management Center	Vice GM	01/26/2014		Yes
Zhang Jinsong	Beijing Electronics Holdings Co., Ltd.	Vice president	08/29/2011		Yes
Zhang Jinsong	Beijing BOE Investment &	Director	12/14/2012		No

	Development Co., Ltd.				
Song Jie	Beijing Economic-Technological Investment & Development Corp.	Manager of Investment Securities Department	05/26/2008		Yes
Mu Chengyuan	Beijing Electronics Holdings Co., Ltd.	Minister of Investment Securities Department	06/01/2011		Yes
Mu Chengyuan	Beijing BOE Investment & Development Co., Ltd.	Director, Vice president	12/14/2012		No
Xu Tao	Beijing Electronics Holdings Co., Ltd.	Finance Minister	10/26/2012		Yes
Shi Hong,	Beijing Economic-Technological Investment & Development Corp.	Investment & Financing Director	09/18/2012		Yes
Notes to post-holding in shareholder's unit	The documents for holding the posts of shareholders entities haven't listed the expiry date.				

Post-holding in other units

√ Applicable □ Not applicable

Name of the person holding any post in other unit	Name of other unit	Position in other unit	Beginning date of office term	Ending date of office term	Receive payment from other unit or not
Lv Tingjie	Beijing University of Posts and Telecommunications	Doctor Advisor			Yes
Wang Huacheng	Renmin University of China	Doctor Advisor			Yes
Hu Xiaolin	Tsinghua University	Associate Researcher			Yes
Li Xuan	The Central University of Finance and Economics	Post-graduate Tutor			Yes
Zhao Wei	Hefei Construction Investment Holding (Group) Co.,Ltd.	Vice General Manager			Yes
Zhuang Haoyu	Beijing Industry Development Investment Management Co., Ltd	Project Manager			Yes
Notes to post-holding in other unit	Due to the above personnel's units were special, their start dates and ending dates of the office terms have not been fixed.				

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

Applicable Not applicable

IV. Remuneration for directors, supervisors and senior management staffs

Decision-making procedure, determining basis and actual payment for the remuneration of directors, supervisors and senior management staffs

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

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

(2) Up to the end of the Reporting Period, the current directors, supervisors and senior management staffs drew their remuneration from the Company total RMB30.2189 million Yuan (before tax). Allowance for independent directors is RMB150,000 Yuan (after tax) per year in 2016. For details please referred to the statement below:

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

Unit: RMB'0,000 Yuan

Name	Office title	Sex	Age	Tenure status	Total remuneration (before tax) gained from the Company	Whether gain remuneration from the Related Party of the Company
Wang Dongsheng	Chairman of the Board	Male	59	Current	223.51	No
Xie Xiaoming	Vice Chairman of the Board	Male	57	Current	0	
Chen Yanshun	Vice Chairman of the Board, Chief of Executive Committee(CEO)	Male	50	Current	253.94	No
Wang Jing	Director	Female	45	Current	0	
Zhang Jinsong	Director	Male	44	Current	0	
Liu Xiaodong	Director, Executive Vice President, President and COO	Male	52	Current	200.94	No
Song Jie	Director	Male	49	Current	8	
YaoXiangjun	Director, Executive Committee Member, Senior Vice President, Joint COO and CEO of Intellectual	Male	39	Current	190.2	No

	System Business Group					
Lv Tingjie	Independent Director	Male	61	Current	15	No
Wang Huacheng	Independent Director	Male	53	Current	15	No
Hu Xiaolin	Independent Director	Male	38	Current	9.23	
Li Xuan	Independent Director	Male	48	Current	5.5	
Chen Ming	Chief of Supervisory Board (Convener)	Male	59	Current	0	
Xu Tao	Supervisor	Male	53	Current	0	
Mu Chengyuan	Supervisor	Male	49	Current	0	
Zhao Wei	Supervisor	Male	48	Current	8	
Shi Hong	Supervisor	Female	32	Current	8	
Zhuang Haoyu	Supervisor	Male	32	Current	8	
Miao Chuanbin	Employee Supervisor, CCO	Male	43	Current	52.9	No
Xu Yangping	Employee Supervisor	Male	42	Current	67.55	No
He Daopin	Employee Supervisor	Male	47	Current	53.41	No
Dong Youmei	Executive Vice President, Secretary General of Strategy Committee of the Board and Director of Technology and Products Strategy Committee	Female	53	Current	179.05	No
Sun Yun	Executive Committee Member, Executive Vice President, CFO	Female	47	Current	208.19	No
Yue Zhanqiu	Executive Committee Member, Senior Vice President, CIO	Male	49	Current	135.77	No
Feng Liqiong	Senior Vice President, Chief Lawyer	Female	44	Current	135.29	No
Zhong Huifeng	Executive Committee Member, Senior Vice President, CHO	Male	46	Current	132.79	No
Xie Zhongdong	Executive Committee Member, Senior Vice President, Chief Risk Officer and Auditor General	Male	46	Current	132.62	No
Zhang	Executive Committee	Male	46	Current	142.94	No

Zhaohong	Member, Senior Vice President, CEO of Display Devices Business Group					
Feng Qiang	Executive Committee Member, Senior Vice President, CEO of Health Service Business Group	Male	40	Current	106.4	No
Yang Anle	Senior Vice President, Chief Investment Officer	Male	46	Current	153.44	No
Tong Guanshan	Senior Vice President, CTO	Male	48	Current	188.48	No
Liu Hongfeng	Vice President, Secretary of the Board	Male	38	Current	120.74	No
Jing Linfeng	Vice President, CSO and Executive Secretary of the Executive Committee	Male	38	Current	95.02	No
Ji Guoping	Independent Director	Male	69	Former	15	No
Yu Ning	Independent Director	Male	61	Former	6.21	No
Zhou Yanwen	Employee Supervisor	Male	49	Former	52.83	No
Li Xuezheng	Senior Vice President	Male	47	Former	97.94	No
Total	--	--	--	--	3,021.89	--

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

Applicable Not applicable

V Employees

1. Number, functions and educational backgrounds of the staff

Number of in-service employees of the Company	1,629
Number of in-service employees of main subsidiaries	46,078
Total number of in-service employees	49,151
Total number of employees with remuneration in the Reporting Period	49,151
Number of retirees to whom the Company or its main subsidiaries need to pay retirement pension	19
Functions	
Function	Number of employees
Production	26,527
Sales	964
Technicians	19,359
Financial	462

Administrative	300
Manager	1,344
Other	195
Total	49,151
Educational backgrounds	
Educational background	Number of employees
Doctor and post-doctorate	259
Master	5,534
Bachelor	10,708
College	13,653
Technical secondary school	11,321
Other	7,676
Total	49,151

2. Employee's remuneration policy

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

3. Employee's training plan

In 2015, BOE University has been set-up, which with a vision of being international competitive and respectful Industrial University. And 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, professional and industry personnel. Meanwhile the data of participation people and the participation period and satisfaction of the training keep continuously increasing.

4. Outsourcing

Applicable Not applicabe

Section IX Corporate Governance

I. Basic information of corporate governance

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

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

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

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

Main governance of the Company was as follows:

(1) About shareholders and shareholders' general meetings

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

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

The Company was independent from the controlling shareholder and the actual controller in terms of personnel, assets, financing, organization and business. The controlling shareholder and actual controller of the Company was able to strictly control its behaviors, with no direct or indirect intervention in the Company's decision-making, production and operating activities by violating relevant laws, regulations and the Company's 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 Company adjusted the composition of special committees, further perfect the Board of Directors and special committees. 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 Company's 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 Company's 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

The Company's supervisors enhanced Supervisors' ability of supervision to the compliance and legal of executing duty of the Board and Senior Executives 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 use of raised funds, and capital flows between the Company and its related parties, and safeguarded the benefits and interests of the Company and its shareholders. Sessions of the Supervisory Committee were organized and convened in strict compliance with the Company's 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 Company's Articles of Association and Management Methods for Information Disclosure and other requirements, the Company disclosed information in a timely and fair manner and ensured the factuality, accuracy and completeness of the information disclosed.

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

2. Corporate governance system established in the Reporting Period

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

Time of Disclosure	Name of System	New Creation/Revision
21 May, 2016	Articles of Company	Revision
21 May, 2016	Rules of Procedure for Board of Directors	Revision
21 May, 2016	Members of Board Strategic Committee and Rules of Procedure	Revision
21 May, 2016	Members of Board Risk Control and Audit Committee and Rules of Procedure	Revision
21 May, 2016	Members of Board Nomination, Salary, Assessment Committee and Rules of Procedure	Revision
21 May, 2016	Members of Executive Committee and Rules of Procedure	Revision

20 Aug. 2016	Articles of Company	Revision
1 Dec. 2016	Regulations on Capital Raising	Revision
1 Dec. 2016	Regulations on External Guarantee	Revision
1 Dec. 2016	Regulations on Transactions of Derivatives	Revision
1 Dec. 2016	Regulations on Financial Business	Revision
1 Dec. 2016	Regulations on Movement of Funds with Related Party	Revision
1 Dec. 2016	Regulations on External Investment	Revision
1 Dec. 2016	Regulations on Connected Transactions	Revision
1 Dec. 2016	Regulations on Information Disclosure	Revision

Whether it exists any difference between the corporate governance and the Company Law and relevant rules of CSRC or not?

Yes No

There is no difference between the corporate governance and the Company Law and relevant rules of CSRC.

II. Particulars about the Company's "five-separation" from the controlling shareholder in respect of business, personnel, assets, organization and financing

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. President, Vice 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 general meeting and special general meetings convened during the Reporting Period

1. General meetings convened during the Reporting Period

Meeting	Type	Investor participation ratio	Convened date	Disclosure date	Index to the disclosed information
The First Special Shareholders' General Meeting for 2016	Special Shareholders' General Meeting	35.56%	29 Jan. 2016	30 Jan. 2016	Announcement on Resolutions Made at the First Special Shareholders' General Meeting for 2016 (2016-009), published on China Securities Journal, Shanghai Securities News, Securities Times and Hong Kong Ta Kung Pao as well as http://www.cninfo.com.cn .
The Second Special Shareholders' General Meeting for 2016	Special Shareholders' General Meeting	35.75%	28 Mar. 2016	29 Mar. 2016	Announcement on Resolutions Made at the Second Special Shareholders' General Meeting for 2016 (2016-028), published on China Securities Journal, Shanghai Securities News, Securities Times and Hong Kong Ta Kung Pao as well as http://www.cninfo.com.cn .
2015 Annual Shareholders' General Meeting	Annual Shareholders' General Meeting	35.86%	20 May 2016	21 May 2016	Announcement on Resolutions Made at 2015 Annual Shareholders' General Meeting (2016-045), published on China Securities Journal, Shanghai Securities News, Securities Times and Hong Kong Ta Kung Pao as well as http://www.cninfo.com.cn .
The Third Special Shareholders' General Meeting for 2016	Special Shareholders' General Meeting	35.77%	19 Aug. 2016	20 Aug. 2016	Announcement on Resolutions Made at the Third Special Shareholders' General Meeting for 2016 (2016-060), published on China Securities Journal, Shanghai Securities News, Securities Times and Hong Kong Ta Kung Pao as well as http://www.cninfo.com.cn .
The Forth Special Shareholders' General Meeting for 2016	Special Shareholders' General Meeting	37.32%	16 Dec. 2016	17 Dec. 2016	Announcement on Resolutions Made at the Forth Special Shareholders' General Meeting for 2016 (2016-090), published on China Securities Journal, Shanghai Securities News, Securities Times and Hong Kong Ta Kung Pao as well as http://www.cninfo.com.cn .

2. Special Shareholders' General Meeting required by the preferred stockholder with voting rights recovered

Applicable Not applicable

V Performance of independent directors in the Reporting Period

1. Attendance of independent directors in board meetings and general meetings

Particulars about the independent directors attending the board sessions							
Name of independent directors	Due presence (times)	Presence in person (times)	Presence by telecommunication (times)	Entrusted presence (times)	Absence (times)	Failing to present in person for two consecutive sessions or not	
Lv Tingjie	13	3	10	0	0	No	
Wang Huacheng	13	3	10	0	0	No	
Hu Xiaolin	7	2	5	0	0	No	
Li Xuan	4	1	3	0	0	No	
Ji Guoping	6	2	4	0	0	No	
Yu Ning	6	2	4	0	0	No	
Presence of independent directors in general meetings (times)							19

Explanation on failing to present in person for two consecutive sessions

N/A

2. Particulars about independent directors propose objection on relevant events

Whether independent directors propose objection on relevant events or not?

Yes No

The independent directors didn't propose objection on relevant events during the Reporting Period.

3. Other explanation on performance of independent directors

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

Yes No

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

The Company has four current independent directors, who are experts and scholars in the fields of technology, 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 the Special Committees under the Board during 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 Y2016. 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 2016 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 2016 annual report with KPMG Huazhen Certified Public Accountants (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 held a meeting to review 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 senior management staffs, as well as the appraisal procedure for directors and senior management staffs. Reviewed the qualification of the director candidates nominated by the board of directors, the board of supervisors and qualify shareholders and searched by Nomination & Remuneration & Appraisal Committee and allowance of senior managerial staffs of the Company.

VII. Performance of the Supervisory Committee

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

Yes No

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

VIII. Performance appraisal and incentive mechanism for senior management staff

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

IX Internal control

1. Serious internal control defects found in the Reporting Period

Yes No

2. Self-evaluation report on internal control

Disclosure date of the internal control self-evaluation report	04/25/2017								
Index to the disclosed internal control self-evaluation report	On April 25, 2017, the Company published 2016 Internal Control Self-evaluation Report; disclosure website: www.cninfo.com.cn								
Total assets of the evaluated entities as a percentage in the consolidated total assets			96.00%						
Operating revenues of the evaluated entities as a percentage in the consolidated operating revenues			92.00%						
Defect identification standards									
Type	Financial-report related	Non-financial-report related							
Nature standard	The material fault in a financial report includes but not limited to the following types: (1) the enterprise corrects the publicized financial statements; (2) material misstatement is found in the current financial statement, which is not found during internal control.	Defect included but not limited to the following characteristics: (1) the Corporate governance did not form operation mechanism and execution, a significant decision failed to run; (2) Existing control designed for the board of directors, managers above risk of control; (3) The directors, supervisors and senior management were found fraud; (4) The audit committee and internal audit institutions' supervision of the internal control is invalid							
Quantitative standard	1) The internal control of a financial report (company level, consolidated statements at group level) refers to the internal control designed and implemented for objectives in the financial report. The fault in the internal control of a financial report is classified into major fault, important fault and general fault, identified with a standard	1) Quantitative standard I of defect identification standards of the non-financial report: <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Type</th> <th style="text-align: center;">The amount of direct property losses</th> <th style="text-align: center;">Significant negative impact</th> </tr> </thead> <tbody> <tr> <td style="height: 20px;"></td> <td></td> <td></td> </tr> </tbody> </table>		Type	The amount of direct property losses	Significant negative impact			
Type	The amount of direct property losses	Significant negative impact							

<p>directly depending on the importance of misstatement in a financial report that may be caused by the fault. The potential misstated amount shall be calculated based on the proportion of faulty sample and the specific identification and quantitative procedures and quantitative criteria at company level are as follows:</p> <p>(1) record misstatement sample</p> <p>(2) confirm potential misstatement rate</p> <p>(3) calculate potential misstated amount (=co-current accumulated amount in corresponding accounting subject × potential misstatement rate)</p> <p>(4) generally, for misstated amount and fault grade, the following can be taken as reference for the standard for identifying and quantifying the fault in the internal control of a financial report (company level): General fault: $0.1\% \times \text{total group assets} \leq \text{misstated amount} < 0.5\% \times \text{total group assets}$; important fault: $0.5\% \times \text{total group assets} \leq \text{misstated amount} < 1\% \times \text{total group assets}$; major fault: $\text{misstated amount} \geq 1\% \times \text{total group assets}$. In addition, it must be noted that the company with relatively small assets amount and scales may separately confirm quantitative standard in formulating a scheme for assessment and the importance level shall not be higher than the abovementioned standard.</p> <p>2) the assessment team (process level), based on the auditing standard, after confirming a proper criterion, generally applies professional judgment to reasonably select a percentage based on which to confirm the importance level. The following are examples of reference value: (1) for a profit-making enterprise, the percentage is 5% of profit before tax or net profit after tax from current operations, or 0.5% of the total revenue. Under appropriate circumstances, a certain proportion of total assets or net assets may be adopted; (2) for a non-profit organization, 0.5% of the total expenses or revenue;</p>	<p>Common defect</p> <p>RMB100 thousand Yuan (including RMB100 thousand Yuan)- RMB5 million Yuan</p>	<p>Or punishment by the government provincial level (including provincial) below but had no negative influence to the disclosure of the Company's periodic report</p>
	<p>Significant defect</p> <p>RMB5 million Yuan (including RMB5 million Yuan) - RMB10 million Yuan</p>	<p>Or punishment by the state government but had no negative influence to the disclosure of the Company's periodic report</p>
	<p>Major Defect</p> <p>RMB10 million Yuan above</p>	<p>Or public disclosed but had no negative influence to the disclosure of the Company's periodic report</p>
<p>2) The Quantitative standard II when the defect of internal control related to quantifiable assessment KPI target but unable or unable specifically use the aforesaid methods to recognized the type of defect of internal control and the actual recognition procedure and standards were as following:</p>		
Type	The completeness of Group KPI target	The completeness of some organization's KPI target

	(3) for a mutual fund company, 0.5% of the net assets. Misstated amount and fault grade: General fault: $25\% \times \text{importance level} \leq \text{misstated amount} < 50\% \times \text{importance level}$; important fault: $50\% \times \text{importance level} \leq \text{misstated amount} < 75\% \times \text{importance level}$; the standard for quantifying and identifying the fault in internal control of a financial report (process level) when misstated amount $\geq 75\% \times \text{importance level}$ shall be based on the confirmed importance level.	Common defect	$10\% \leq \text{KPI completeness of target} < 30\%$	$30\% \leq \text{KPI completeness of target} < 50\%$
		Significant defect	$30\% \leq \text{KPI completeness of target} < 50\%$	$50\% \leq \text{KPI completeness of target} < 80\%$
		Major Defect	$\text{KPI completeness of target} \geq 50\%$	$\text{KPI completeness of target} \geq 80\%$
Number of serious financial-report-related defects				0
Number of serious non-financial-report-related defects				0
Number of important financial-report-related defects				0
Nature standard				0

X Auditor's report on internal control

Applicable Not applicable

Opinion paragraph in the auditor's report on internal control	
We believe that the Company and important subsidiaries make valid internal control on financial report in all significant aspects on December 31, 2016 according to the Basic Rules on Enterprise Internal Control and other relevant stipulations.	
Auditor's report on internal control disclosed or not	Disclosed
Disclosure date	04/25/2017
Index to the disclosed auditor's report on internal control	The Company discloses the Audit Report on Internal Control on April 25, 2017, for details, please refer to http://www.cninfo.com.cn
Type of the auditor's opinion	Standard unqualified opinion
Serious non-financial-report-related defects	No

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

Yes No

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

Yes No

Section X Corporate Bonds

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

Yes

1. Basic information of the Company bonds

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

2. List of the bond trustee and the rating organization

Bond trustee:							
Name	Office address	Contact	Contact number				
China Securities Co., Ltd.	Rm. 2203, North Tower, Shanghai Securities Plaza, 528	Zhu Mingqiang, Han Yong, Sheng Cheng	021-68801565				

			Pudong Road South, Shanghai				
Rating organization executed the tracking rating of the Company bonds of the Reporting Period:							
Name	United Ratings Co., Ltd.			Office address	12/F, PICC Building, No.2 Jianwai Street, Chaoyang District, Beijing		
Alternation reasons, execution process and influences on the investors' interests etc. if there was alternation of the bond trustees and the credit rating agencies engaged by the Company during the Reporting Period (if applicable)		Not applicable					

3. List of the usage of the raised funds of the Company bonds

List of the usage of the raised funds and the execution process of the Company bonds	The Company executed the internal decision-making process strictly according to the applications committed by the prospectus as well as the reviewal regulations of the Board of Directors and Annual General Meeting of the Company.
Ending balance (RMB'0,000 Yuan)	2.73
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

4. Rating situation of the Company bonds information

On 25 Jan. 2016, United Ratings Co., Ltd. (hereinafter referred to as "United Ratings") issued *the Analysis Report of the 2016 Corporate Bonds Credit Rating of BOE Technology Group Co., Ltd.*, with the issuers' main body credit rating of AAA and AAA of the credit rating of the current corporate bonds. The main body of the credit rating of the Company was AAA with the rating outlook was stable that reflected the rather strong debt paying ability which would basically not be influenced by the disadvantage economic environment with rather low default risks. The credit rating of the bonds of the Reporting Period was AAA, which reflected the rather high bond credit quality and the rather low credit risks.

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

United Ratings is expected to issue *the Tracking Rating Report of the 2017 Corporate Bonds of BOE Technology Group Co., Ltd.* in June 2017. The Company will disclose Tracking Rating Analysis Report in <http://www.cninfo.com.cn/> in time, vast investors, please pay attention to it.

5. Credit-adding mechanism, repayment plan and other repayment guarantee measures of the Company bonds

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

The profits of the main business of the issuers was 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 1st 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 1st working day). The principal of the current bonds should be paid at one time when expired. The payment date of the current bonds would be 21 March 2021 (if met with the legal holidays or rest days, should postpone which to the subsequent 1st working day); if the investors executed the put-back right, the payment date of the part of the put-back bonds would be 21 March 2019 (if met with the legal holidays or rest days, should postpone which to the subsequent 1st working day).

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

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

6. Convene situation of the bonds holders meeting during the Reporting Period

Trustee of the Company China Securities held the First Bondholders Meeting of the 2016 Corporate Bonds on cancelling repurchased shares of the Company according to laws and correspondingly decreasing the registered capital of the Company according to relevant regulations in *Rules of Bondholders Meeting and Raising Specifications*. The on-the-spot meeting was held at ten o'clock on 1 September, 2016 in No. 12 meeting room of the Company, Xihuan Middle Road, Beijing Economic and Technological Development Zone, Beijing City. The meeting used the method of combining with on-the-spot voting, network voting and communication (post or fax) voting. The Bondholders Meeting passed *the Proposal about Not Requiring the Company to Pay off Debts in Advance and to Provide Guarantee*.

7. 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 on 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.

8. The major accounting data and the financial indicators of the recent 2 years of the Company up the period-end

Unit: RMB'0,000 Yuan

Item	2016	2015	Change rate of the same period
EBITDA	1,490,866	1,146,017	30.09%
Current ratio	219.70%	220.83%	-1.13%
Asset-liability ratio	55.14%	48.65%	6.49%
Quick ratio	200.63%	197.94%	2.69%
Total debt ratio of EBITDA	13.18%	15.44%	-2.26%
Times interest earned	1.93	1.79	7.82%
Times interest earned of cash	7.05	9.05	-22.10%
Times interest earned of EBITDA	8.05	6.08	32.40%
Loan repayment rate	100.00%	100.00%	0.00%
Interest coverage	100.00%	100.00%	0.00%

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

Applicable Not applicable

EBITDA increased of 31.41% over the same period of last year, which mainly due to increase in net profit this year of Y2016;

9. List of the interest payment of other bonds and bonds financing instruments during the Reporting Period

No such situation of the Company during the Reporting Period.

10. List of the acquired bank credit lines, usage and the repayment of the bank loans

The operation and reputation of the Company was favourable and the profitability as well as the debt payment ability of the Company was strong as well as the Company maintained the long-term cooperative partnerships with China Development Bank, Ping An Bank and Industrial and Commercial Bank. Up to 31 Dec. 2016, the total amount of the credit line of the major cooperative banks with the Company was of RMB29.20 billion Yuan with the used credit line of RMB5.9 billion Yuan and the unused amount of which was of RMB23.3 billion Yuan.

11. 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.

12. Significant events occurred during the Reporting Period

Up to 31 Dec. 2016, the audited balance of loans (consolidated statement) of the Company is RMB 68.443 billion Yuan, increasing

RMB 24.726 billion Yuan compared with RMB 43.717 billion Yuan of audited balance of loans (consolidated statement) of the Company on 30 Dec. 2015. The increased amount accounts for 31.56% in RMB 78.351 billion of audited net asset (consolidated statement) on 31 Dec. 2015. The increased amount is within the limit which is approved in annual shareholders meeting, mainly comprising newly issuing corporate bonds, entrusting loans, borrowing from bank etc, required by project operation of the Company and within range of normal business activities.

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

The Company has disclosed on December 3, 2016 the announcement about accumulative newly increased loans in the year in <http://www.cninfo.com.cn/>.

13. Whether there was guarantor of the Company bonds

Yes No

Section XI Financial Report

I. Audit Report

Type of audit opinion	Standard unqualified audit opinion
Signature date of audit report	21 Apr. 2017
Name of the audit agency	KPMG Huazhen Certified Public Accountants (LLP)
Reference number of audit report	KPMGHZSZ No. 1701961
Name of CPA	Su Xing, Wang Ting

AUDITORS' REPORT

毕马威华振审字第 1701961 号

All Shareholders of BOE Technology Group Company Limited:

We have audited the accompanying financial statements of BOE Technology Group Company Limited (“the Company”), which comprise the consolidated balance sheet and balance sheet as at 31 December 2016, the consolidated income statement and income statement, the consolidated cash flow statement and cash flow statement, the consolidated statement of changes in shareholders’ equity and statement of changes in shareholders’ equity for the year then ended, and notes to the financial statements.

Management’s Responsibility for the Financial Statements

The Company’s management is responsible for the preparation and fair presentation of these financial statements. This responsibility includes: (1) preparing these financial statements in accordance with Accounting Standards for Business Enterprises issued by the Ministry of Finance of the People’s Republic of China, and fairly presenting them; (2) designing, implementing and maintaining internal control which is necessary to enable that the financial statements are free from material misstatement, whether due to fraud or error.

Auditors’ Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with China Standards on Auditing for Certified Public Accountants. Those standards require that we comply with China Code of Ethics for Certified Public Accountants, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the consolidated financial position and financial position of the Company as at 31 December 2016, and the consolidated financial performance and financial performance and the consolidated cash flows and cash flows of the Company for the year then ended in accordance with the requirements of Accounting Standards for Business Enterprises issued by the Ministry of Finance of the People's Republic of China.

KPMG Huazhen LLP

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

Su Xing

Beijing, China

Wang Ting

21 April 2017

II. Financial Statements

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

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

Section XII Documents Available for Reference

Note: The Company shall disclose a list of the documents available for reference, which is as follows:

(I) The financial statements with the signatures and seals of the company principal, the chairman of the Executive Committee (the Chief Executive Officer), the accounting head for this Report and the head of the accounting organ (the accounting head);

(II) The original of the Auditor's Report with the seal of the CPAs firm and the signatures & seals of the certified public accountants; and

(III) The texts of all the Company's documents ever disclosed on <http://www.cninfo.com.cn> in the Reporting Period, and the originals of the public announcements.

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

Chairman of the Board: Mr. Wang Dongsheng (signature)

Date of the Board of Directors approving to report: 21 Apr 2017

BOE Technology Group Company Limited

ENGLISH TRANSLATION OF FINANCIAL STATEMENTS
FOR THE YEAR 1 JANUARY 2016 TO 31 DECEMBER 2016
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 1701961 号

All Shareholders of BOE Technology Group Company Limited:

We have audited the accompanying financial statements of BOE Technology Group Company Limited ("the Company"), which comprise the consolidated balance sheet and balance sheet as at 31 December 2016, the consolidated income statement and income statement, the consolidated cash flow statement and cash flow statement, the consolidated statement of changes in shareholders' equity and statement of changes in shareholders' equity for the year then ended, and notes to the financial statements.

Management's Responsibility for the Financial Statements

The Company's management is responsible for the preparation and fair presentation of these financial statements. This responsibility includes: (1) preparing these financial statements in accordance with Accounting Standards for Business Enterprises issued by the Ministry of Finance of the People's Republic of China, and fairly presenting them; (2) designing, implementing and maintaining internal control which is necessary to enable that the financial statements are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with China Standards on Auditing for Certified Public Accountants. Those standards require that we comply with China Code of Ethics for Certified Public Accountants, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

AUDITORS' REPORT (continued)

毕马威华振审字第 1701961 号

Opinion

In our opinion, the financial statements present fairly, in all material respects, the consolidated financial position and financial position of the Company as at 31 December 2016, and the consolidated financial performance and financial performance and the consolidated cash flows and cash flows of the Company for the year then ended in accordance with the requirements of Accounting Standards for Business Enterprises issued by the Ministry of Finance of the People's Republic of China.

KPMG Huazhen LLP

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

Su Xing

Beijing, China

Wang Ting

21 April 2017

BOE Technology Group Company Limited
Consolidated balance sheet as at 31 December 2016
(Expressed in Renminbi Yuan)

	Note	2016	2015
Assets			
Current assets			
Cash at bank and on hand	V.1	58,152,817,223	38,866,861,836
Bills receivable	V.2	1,369,836,650	362,053,092
Accounts receivable	V.3	16,191,791,617	8,192,514,361
Prepayments	V.4	708,511,473	226,447,504
Interest receivable		125,141,573	194,518,278
Other receivables	V.5	903,069,416	593,329,847
Inventories	V.6	7,833,138,532	6,609,406,228
Non-current assets due within one year		66,321,715	-
Other current assets	V.7	5,691,200,226	8,712,017,517
Total current assets		<u>91,041,828,425</u>	<u>63,757,148,663</u>
Non-current assets			
Available-for-sale financial assets	V.8	622,502,556	454,096,246
Long-term equity investments	V.9	1,356,111,395	1,260,302,959
Investment properties	V.10	1,192,932,896	1,227,099,427
Fixed assets	V.11	69,947,586,967	63,565,099,405
Construction in progress	V.12	33,008,248,720	18,645,461,692
Intangible assets	V.13	3,136,873,387	2,679,239,255
Goodwill	V.14	197,963,688	197,963,688
Long-term deferred expenses	V.15	344,891,227	341,526,213
Deferred tax assets	V.16	146,538,565	117,105,220
Other non-current assets	V.17	4,139,533,216	347,851,674
Total non-current assets		<u>114,093,182,617</u>	<u>88,835,745,779</u>
Total assets		<u>205,135,011,042</u>	<u>152,592,894,442</u>

The notes on pages 21 to 142 form part of these financial statements.

BOE Technology Group Company Limited
 Consolidated balance sheet as at 31 December 2016 (continued)
 (Expressed in Renminbi Yuan)

	Note	2016	2015
Liabilities and shareholders' equity			
Current liabilities			
Short-term loans	V.18	4,916,965,507	5,091,974,830
Bills payable	V.19	640,262,461	343,277,037
Accounts payable	V.20	13,835,615,665	9,849,935,031
Advances from customers	V.21	548,942,714	386,538,903
Employee benefits payable	V.22	1,542,852,266	1,092,103,138
Taxes payable	V.23	656,351,894	224,415,009
Interest payable		676,358,748	348,173,849
Dividends payable	V.24	9,651,170	9,651,170
Other payables	V.25	14,395,525,248	8,864,929,878
Non-current liabilities due within one year	V.26	3,684,236,935	2,283,535,113
Other current liabilities	V.27	532,983,474	376,906,959
Total current liabilities		<u>41,439,746,082</u>	<u>28,871,440,917</u>
Non-current liabilities			
Long-term loans	V.28	49,885,166,211	36,341,198,145
Bonds payable	V.29	9,956,719,508	-
Long-term payables	V.30	1,261,446,565	-
Provisions	V.31	16,457,010	16,457,010
Deferred income	V.32	2,494,122,929	2,406,244,676
Deferred tax liabilities	V.16	448,625,054	435,880,215
Other non-current liabilities	V.33	7,616,672,523	6,170,843,660
Total non-current liabilities		<u>71,679,209,800</u>	<u>45,370,623,706</u>
Total liabilities		<u>113,118,955,882</u>	<u>74,242,064,623</u>

The notes on pages 21 to 142 form part of these financial statements.

BOE Technology Group Company Limited
 Consolidated balance sheet as at 31 December 2016 (continued)
 (Expressed in Renminbi Yuan)

	Note	2016	2015
Liabilities and shareholders' equity (continued)			
Shareholders' equity			
Share capital	V.34	35,153,067,743	35,153,067,743
Capital reserve	V.35	39,031,357,529	39,018,900,467
Less: Treasury shares	V.36	314,350,824	-
Other comprehensive income	V.37	75,718,703	90,153,009
Surplus reserve	V.38	743,139,855	592,242,059
Retained earnings	V.39	4,011,055,487	2,630,912,286
Total equity attributable to shareholders of the Company		<u>78,699,988,493</u>	<u>77,485,275,564</u>
Non-controlling interests		<u>13,316,066,667</u>	<u>865,554,255</u>
Total shareholders' equity		<u>92,016,055,160</u>	<u>78,350,829,819</u>
Total liabilities and shareholders' equity		<u>205,135,011,042</u>	<u>152,592,894,442</u>

These financial statements were approved by the Board of Directors of the Company on 21 April 2017.

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

The notes on pages 21 to 142 form part of these financial statements.

BOE Technology Group Company Limited
Balance sheet as at 31 December 2016
(Expressed in Renminbi Yuan)

	Note	2016	2015
Assets			
Current assets			
Cash at bank and on hand	XIV.1	7,649,349,412	3,327,934,443
Bills receivable		200,197,354	-
Accounts receivable	XIV.2	45,853,859	59,397,930
Prepayments		7,462,061	6,825,464
Interest receivable		21,525,261	52,437,366
Dividends receivable	XIV.3	1,007,950,479	90,941,079
Other receivables	XIV.4	1,629,176,234	1,281,026,259
Inventories		12,069,865	10,846,799
Other current assets	XIV.5	25,504,074	109,578,393
Total current assets		<u>10,599,088,599</u>	<u>4,938,987,733</u>
Non-current assets			
Available-for-sale financial assets	XIV.6	177,166,908	176,683,497
Long-term equity investments	XIV.7	99,918,451,449	77,551,596,817
Investment properties		164,540,581	169,723,827
Fixed assets		862,860,227	846,738,969
Construction in progress		468,494,838	160,409,258
Intangible assets		624,007,700	638,764,378
Long-term deferred expenses		98,745,001	104,917,711
Deferred tax assets	XIV.8	47,679,645	-
Other non-current assets		4,010,146,153	2,551,631,765
Total non-current assets		<u>106,372,092,502</u>	<u>82,200,466,222</u>
Total assets		<u>116,971,181,101</u>	<u>87,139,453,955</u>

The notes on pages 21 to 142 form part of these financial statements.

BOE Technology Group Company Limited
 Balance sheet as at 31 December 2016 (continued)
 (Expressed in Renminbi Yuan)

	Note	2016	2015
Liabilities and shareholders' equity			
Current liabilities			
Accounts payable		34,015,337	13,975,839
Advances from customers		1,093,593,891	3,439,149
Employee benefits payable	XIV.9	169,917,103	111,350,496
Taxes payable		80,897,741	34,371,553
Interest payable		281,124,448	5,091,297
Dividends payable		6,451,170	6,451,170
Other payables	XIV.10	10,791,929,737	7,507,464,657
Non-current liabilities due within one year		<u>100,000,000</u>	<u>670,000,000</u>
Total current liabilities		<u>12,557,929,427</u>	<u>8,352,144,161</u>
Non-current liabilities			
Long-term loans	XIV.11	18,922,400,000	4,140,720,000
Bonds payable	V.29	9,956,719,508	-
Deferred income	XIV.12	<u>148,987,694</u>	<u>151,809,223</u>
Total non-current liabilities		<u>29,028,107,202</u>	<u>4,292,529,223</u>
Total liabilities		<u>41,586,036,629</u>	<u>12,644,673,384</u>

The notes on pages 21 to 142 form part of these financial statements.

BOE Technology Group Company Limited
 Balance sheet as at 31 December 2016 (continued)
 (Expressed in Renminbi Yuan)

	Note	2016	2015
Liabilities and shareholders' equity (continued)			
Shareholders' equity			
Share capital	V.34	35,153,067,743	35,153,067,743
Capital reserve	XIV.13	38,157,600,408	38,152,869,635
Less: Treasury shares	V.36	314,350,824	-
Other comprehensive income	XIV.14	152,323,461	109,786,796
Surplus reserve	V.38	743,139,855	592,242,059
Retained earnings	XIV.15	1,493,363,829	486,814,338
Total shareholders' equity		<u>75,385,144,472</u>	<u>74,494,780,571</u>
Total liabilities and shareholders' equity		<u>116,971,181,101</u>	<u>87,139,453,955</u>

These financial statements were approved by the Board of Directors of the Company on 21 April 2017.

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

The notes on pages 21 to 142 form part of these financial statements.

BOE Technology Group Company Limited
 Consolidated income statement for the year ended 31 December 2016
 (Expressed in Renminbi Yuan)

	Note	2016	2015
I. Operating income	V.40	68,895,658,963	48,623,732,312
II. Less: Operating costs	V.40	56,585,696,091	38,755,090,666
Taxes and surcharges	V.41	459,263,933	275,798,416
Selling and distribution expenses	V.42	1,984,361,921	1,290,038,686
General and administrative expenses	V.43	5,618,443,652	4,675,778,199
Financial expenses	V.44	2,299,116,897	1,496,013,180
Impairment losses	V.45	1,594,488,553	1,364,500,152
Add: Investment income	V.46	151,006,609	187,191,686
Including: (Loss) / income from investments in associates		(15,121,347)	4,748,739
III. Operating profit		505,294,525	953,704,699
Add: Non-operating income	V.47	2,085,966,318	1,082,717,233
Including: Gains from disposal of non-current assets		11,206,342	3,026,374
Less: Non-operating expenses	V.48	78,861,768	23,178,815
Including: Losses from disposal of non-current assets		64,068,631	11,376,698
IV. Profit before income tax		2,512,399,075	2,013,243,117
Less: Income tax expenses	V.49	467,228,316	375,133,185
V. Net profit for the year		2,045,170,759	1,638,109,932
Attributable to:			
Shareholders of the Company		1,882,571,674	1,636,270,488
Non-controlling interests		162,599,085	1,839,444

The notes on pages 21 to 142 form part of these financial statements.

BOE Technology Group Company Limited
Consolidated income statement for the year ended 31 December 2016
(continued)
(Expressed in Renminbi Yuan)

	Note	2016	2015
VI. Other comprehensive income, net of tax	V.37	32,059,196	49,447,550
Other comprehensive income (net of tax) attributable to shareholders of the Company		(14,434,306)	49,522,398
Items that may be reclassified to profit or loss:			
1 Share of other comprehensive income of the equity method investments		42,053,252	26,510,264
2 Gains or losses arising from changes in fair value of available-for-sale financial assets		(16,836,007)	35,188,234
3 Translation differences arising from translation of foreign currency financial statements		(39,651,551)	(12,176,100)
Other comprehensive income (net of tax) attributable to non-controlling interests		<u>46,493,502</u>	<u>(74,848)</u>
VII. Total comprehensive income for the year		<u>2,077,229,955</u>	<u>1,687,557,482</u>
Attributable to:			
Shareholders of the Company		1,868,137,368	1,685,792,886
Non-controlling interests		209,092,587	1,764,596
VIII. Earnings per share			
(1) Basic earnings per share	V.50	0.054	0.046
(2) Diluted earnings per share	V.50	0.054	0.046

These financial statements were approved by the Board of Directors of the Company on 21 April 2017.

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

The notes on pages 21 to 142 form part of these financial statements.

BOE Technology Group Company Limited
Income statement for the year ended 31 December 2016
(Expressed in Renminbi Yuan)

	Note	2016	2015
I. Operating income	XIV.16	1,890,892,555	1,425,473,680
II. Less: Operating costs		73,853,601	128,651,008
Taxes and surcharges	XIV.17	21,040,511	9,972,879
Selling and distribution expenses		2,769,587	3,014,862
General and administrative expenses		1,393,918,778	1,016,795,024
Financial expenses / (net financial income)	XIV.18	211,354,173	(91,691,634)
Impairment losses / (reversal)		500,604	(112,708)
Add: Investment income	XIV.19	1,111,742,988	459,538,688
Including: (Loss) / income from investments in associates		(14,730,259)	4,748,739
III. Operating profit		1,299,198,289	818,382,937
Add: Non-operating income	XIV.20	260,303,997	94,708,410
Including: Gains from disposal of non-current assets		76,084	103,499
Less: Non-operating expenses	XIV.21	1,730,874	5,010,447
Including: Losses from disposal of non-current assets		96,766	8,690
IV. Profit before income tax		1,557,771,412	908,080,900
Less: Income tax expenses	XIV.22	48,793,448	22,348,918
V. Net profit		1,508,977,964	885,731,982

The notes on pages 21 to 142 form part of these financial statements.

BOE Technology Group Company Limited
Income statement for the year ended 31 December 2016 (continued)
(Expressed in Renminbi Yuan)

	<i>Note</i>	<i>2016</i>	<i>2015</i>
VI. Other comprehensive income, net of tax	<i>XIV.14</i>	42,536,665	37,135,441
Items that may be reclassified to profit or loss:			
1 Share of other comprehensive income of the equity method investments		42,053,252	26,510,264
2 Gains arising from changes in fair value of available-for-sale financial assets		483,413	10,625,177
		<u>483,413</u>	<u>10,625,177</u>
VII. Total comprehensive income for the Year		<u>1,551,514,629</u>	<u>922,867,423</u>

These financial statements were approved by the Board of Directors of the Company on 21 April 2017.

Wang Dongsheng Chairman of the Board <i>(Signature and stamp)</i>	Chen Yanshun Chief Executive Officer <i>(Signature and stamp)</i>	Sun Yun Chief Financial Officer <i>(Signature and stamp)</i>	(Company stamp)
---	---	--	-----------------

The notes on pages 21 to 142 form part of these financial statements.

BOE Technology Group Company Limited
Consolidated cash flow statement for the year ended 31 December 2016
(Expressed in Renminbi Yuan)

	Note	2016	2015
I. Cash flows from operating activities:			
Proceeds from sale of goods and rendering of services		68,853,018,038	50,577,270,660
Refund of taxes		3,917,650,651	3,288,689,442
Proceeds from other operating activities		<u>840,215,406</u>	<u>780,349,439</u>
Sub-total of cash inflows		<u>73,610,884,095</u>	<u>54,646,309,541</u>
Payment for goods and services		(55,859,347,637)	(36,746,483,055)
Payment to and for employees		(6,063,846,083)	(5,127,957,029)
Payment of various taxes		(604,705,988)	(1,094,353,613)
Payment for other operating activities		<u>(1,009,697,267)</u>	<u>(1,184,130,399)</u>
Sub-total of cash outflows		<u>(63,537,596,975)</u>	<u>(44,152,924,096)</u>
Net cash inflow from operating activities	V.51(1)	<u>10,073,287,120</u>	<u>10,493,385,445</u>

The notes on pages 21 to 142 form part of these financial statements.

BOE Technology Group Company Limited
Consolidated cash flow statement for the year ended 31 December 2016
(continued)
(Expressed in Renminbi Yuan)

	Note	2016	2015
II. Cash flows from investing activities:			
Proceeds from disposal of investments		31,157,802,962	12,515,000,000
Investment returns received		149,197,609	184,586,410
Net proceeds from disposal of fixed assets, intangible assets and other long-term assets		214,137,335	25,777,766
Cash received from acquisition of subsidiaries	V.51(2)	2,403,114,462	-
Proceeds from government grants related to assets		47,729,081	223,654,697
Proceeds from other investing activities		714,771,214	808,295,739
Sub-total of cash inflows		<u>34,686,752,663</u>	<u>13,757,314,612</u>
Payment for acquisition of fixed assets, intangible assets and other long-term assets		(30,702,614,717)	(18,607,146,447)
Payment for acquisition of investments		(28,468,266,548)	(14,339,727,658)
Net payment for acquisition of subsidiaries	V.51(2)	-	(404,844,397)
Net payment for disposal of subsidiaries	V.51(2)	(10,802,558)	-
Sub-total of cash outflows		<u>(59,181,683,823)</u>	<u>(33,351,718,502)</u>
Net cash outflow from investing activities		<u>(24,494,931,160)</u>	<u>(19,594,403,890)</u>
III. Cash flows from financing activities:			
Proceeds from investors		4,500,000,000	-
Including: Proceeds from non-controlling shareholders of subsidiaries		4,500,000,000	-
Proceeds from borrowings		38,124,199,131	18,383,259,217
Net change of cash pledged for borrowing		-	316,363,688
Proceeds from other financing activities		1,492,848,996	2,541,849,548
Sub-total of cash inflows		<u>44,117,048,127</u>	<u>21,241,472,453</u>

The notes on pages 21 to 142 form part of these financial statements.

BOE Technology Group Company Limited
Consolidated cash flow statement for the year ended 31 December 2016
(continued)
(Expressed in Renminbi Yuan)

	Note	2016	2015
III. Cash flows from financing activities: (continued)			
Repayments of borrowings		(15,306,109,721)	(11,506,938,478)
Payment for dividends or interest Including: Dividends paid to non- controlling shareholders of subsidiaries		(2,273,801,245)	(1,574,606,575)
		(8,732,530)	(200,000)
Net change of cash pledged for borrowing		(17,853,536)	-
Payment for other financing activities		(378,190,824)	(31,000,000)
Sub-total of cash outflows		<u>(17,975,955,326)</u>	<u>(13,112,545,053)</u>
Net cash inflow from financing activities		<u>26,141,092,801</u>	<u>8,128,927,400</u>
IV. Effect of foreign exchange rate changes on cash and cash equivalents		<u>1,452,623,410</u>	<u>650,122,102</u>
V. Net increase / (decrease) in cash and cash equivalents	V.51(1)	13,172,072,171	(321,968,943)
Add: Cash and cash equivalents at the beginning of the year		<u>36,182,738,217</u>	<u>36,504,707,160</u>
VI. Cash and cash equivalents at the end of the year	V.51(3)	<u>49,354,810,388</u>	<u>36,182,738,217</u>

These financial statements were approved by the Board of Directors of the Company on 21 April 2017.

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

The notes on pages 21 to 142 form part of these financial statements.

BOE Technology Group Company Limited
Cash flow statement for the year ended 31 December 2016
(Expressed in Renminbi Yuan)

	Note	2016	2015
I. Cash flows from operating activities:			
Proceeds from sale of goods and rendering of services		2,674,977,287	1,299,166,255
Proceeds from other operating activities		<u>3,981,911,784</u>	<u>1,182,132,246</u>
Sub-total of cash inflows		<u>6,656,889,071</u>	<u>2,481,298,501</u>
Payment for goods and services		(464,475,338)	(520,099,530)
Payment to and for employees		(514,664,760)	(487,897,643)
Payment of various taxes		(79,647,917)	(41,607,593)
Payment for other operating activities		<u>(158,578,872)</u>	<u>(125,664,468)</u>
Sub-total of cash outflows		<u>(1,217,366,887)</u>	<u>(1,175,269,234)</u>
Net cash inflow from operating activities	XIV.23(1)	<u>5,439,522,184</u>	<u>1,306,029,267</u>
II. Cash flows from investing activities:			
Proceeds from disposal of investments		8,236,000,000	-
Investment returns received		128,126,936	454,989,949
Net proceeds from disposal of fixed assets		775,023	1,282,071
Proceeds from other investing activities		<u>934,888,042</u>	<u>827,665,579</u>
Sub-total of cash inflows		<u>9,299,790,001</u>	<u>1,283,937,599</u>

The notes on pages 21 to 142 form part of these financial statements.

BOE Technology Group Company Limited
Cash flow statement for the year ended 31 December 2016 (continued)
(Expressed in Renminbi Yuan)

	2016	2015
II. Cash flows from investing activities: (continued)		
Payment for acquisition of fixed assets, intangible assets and other long-term assets	(848,208,277)	(315,534,306)
Payment for acquisition of investments	(30,995,624,582)	(9,185,582,156)
Net payment for acquisition of subsidiaries	-	(759,738,513)
Payment for other investing activities	<u>(2,040,000,000)</u>	<u>(3,166,519,191)</u>
Sub-total of cash outflows	<u><u>(33,883,832,859)</u></u>	<u><u>(13,427,374,166)</u></u>
Net cash outflow from investing activities	<u><u>(24,584,042,858)</u></u>	<u><u>(12,143,436,567)</u></u>
III. Cash flows from financing activities:		
Proceeds from borrowings	24,830,951,698	4,692,300,200
Proceeds from other financing activities	<u>1,280,000,000</u>	<u>3,529,295,099</u>
Sub-total of cash inflows	<u><u>26,110,951,698</u></u>	<u><u>8,221,595,299</u></u>
Repayments of borrowings	(670,000,000)	(636,550,000)
Payment for interest	(511,706,064)	(391,739,316)
Payment for other financing activities	<u>(1,584,350,197)</u>	<u>(1,700,000,000)</u>
Sub-total of cash outflows	<u><u>(2,766,056,261)</u></u>	<u><u>(2,728,289,316)</u></u>
Net cash inflow from financing activities	<u><u>23,344,895,437</u></u>	<u><u>5,493,305,983</u></u>

The notes on pages 21 to 142 form part of these financial statements.

BOE Technology Group Company Limited
Cash flow statement for the year ended 31 December 2016 (continued)
(Expressed in Renminbi Yuan)

	<i>Note</i>	<i>2016</i>	<i>2015</i>
IV. Effect of foreign exchange rate changes on cash and cash equivalents		<u>26,110,206</u>	<u>(5,559,829)</u>
V. Net increase / (decrease) in cash and cash equivalents	<i>XIV.23(1)</i>	4,226,484,969	(5,349,661,146)
Add: Cash and cash equivalents at the beginning of the year		<u>3,322,215,443</u>	<u>8,671,876,589</u>
VI. Cash and cash equivalents at the end of the year	<i>XIV.23(2)</i>	<u>7,548,700,412</u>	<u>3,322,215,443</u>

These financial statements were approved by the Board of Directors of the Company on 21 April 2017.

Wang Dongsheng Chairman of the Board <i>(Signature and stamp)</i>	Chen Yanshun Chief Executive Officer <i>(Signature and stamp)</i>	Sun Yun Chief Financial Officer <i>(Signature and stamp)</i>	(Company stamp)
---	---	--	-----------------

The notes on pages 21 to 142 form part of these financial statements.

BOE Technology Group Company Limited
 Consolidated statement of changes in shareholders' equity for the year ended 31 December 2016
 (Expressed in Renminbi Yuan)

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

These financial statements were approved by the Board of Directors of the Company on 21 April 2017.

<u>Wang Dongsheng</u> Chairman of the Board (Signature and stamp)	<u>Chen Yanshun</u> Chief Executive Officer (Signature and stamp)	<u>Sun Yun</u> Chief Financial Officer (Signature and stamp)	(Company stamp)
---	---	--	-----------------

The notes on pages 21 to 142 form part of these financial statements.

BOE Technology Group Company Limited
 Consolidated statement of changes in shareholders' equity for the year ended 31 December 2015
 (Expressed in Renminbi Yuan)

	Note	Attributable to shareholders of the Company							Non-controlling interests	Total
		Share capital	Capital reserve	Less: treasury shares	Other comprehensive income	Surplus reserve	Retained earnings	Sub-total		
I. Balance at the beginning of the year		35,289,637,574	39,084,393,441	198,004,581	40,630,611	503,668,861	1,434,745,673	76,155,071,579	804,334,640	76,959,406,219
II. Changes in equity for the year										
1. Total comprehensive income		-	-	-	49,522,398	-	1,636,270,488	1,685,792,886	1,764,596	1,687,557,482
2. Shareholders' contributions and decrease of capital										
(1) Acquisitions of subsidiaries' minorities interests		-	596,438	-	-	-	-	596,438	61,255,019	61,851,457
(2) Repurchase of treasury shares		-	-	79,051,194	-	-	-	(79,051,194)	-	(79,051,194)
(3) Written off treasury shares		(136,569,831)	(140,485,944)	(277,055,775)	-	-	-	-	-	-
3. Appropriation of profits	V.39									
(1) Appropriation for surplus reserve		-	-	-	-	88,573,198	(88,573,198)	-	-	-
(2) Distributions to shareholders		-	-	-	-	-	(351,530,677)	(351,530,677)	(1,800,000)	(353,330,677)
4. Others		-	74,396,532	-	-	-	-	74,396,532	-	74,396,532
III. Balance at the end of the year		<u>35,153,067,743</u>	<u>39,018,900,467</u>	<u>-</u>	<u>90,153,009</u>	<u>592,242,059</u>	<u>2,630,912,286</u>	<u>77,485,275,564</u>	<u>865,554,255</u>	<u>78,350,829,819</u>

These financial statements were approved by the Board of Directors of the Company on 21 April 2017.

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

The notes on pages 21 to 142 form part of these financial statements.

BOE Technology Group Company Limited
Statement of changes in shareholders' equity for the year ended 31 December 2016
(Expressed in Renminbi Yuan)

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

These financial statements were approved by the Board of Directors of the Company on 21 April 2017.

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

The notes on pages 21 to 142 form part of these financial statements.

BOE Technology Group Company Limited
Statement of changes in shareholders' equity for the year ended 31 December 2015
(Expressed in Renminbi Yuan)

	<i>Share capital</i>	<i>Capital reserve</i>	<i>Less: treasury shares</i>	<i>Other comprehensive income</i>	<i>Surplus reserve</i>	<i>Retained earnings</i>	<i>Total</i>
I. Balance at the beginning of the year	35,289,637,574	38,218,959,047	198,004,581	72,651,355	503,668,861	41,186,231	73,928,098,487
II. Changes in equity for the year							
1. Total comprehensive income	-	-	-	37,135,441	-	885,731,982	922,867,423
2. Shareholders' contributions and decrease of capital							
(1) Repurchase of treasury shares	-	-	79,051,194	-	-	-	(79,051,194)
(2) Written off treasury shares	(136,569,831)	(140,485,944)	(277,055,775)	-	-	-	-
3. Appropriation of profits							
(1) Appropriation for surplus reserve	-	-	-	-	88,573,198	(88,573,198)	-
(2) Distributions to shareholders	-	-	-	-	-	(351,530,677)	(351,530,677)
4. Others	-	74,396,532	-	-	-	-	74,396,532
III. Balance at the end of the year	<u>35,153,067,743</u>	<u>38,152,869,635</u>	<u>-</u>	<u>109,786,796</u>	<u>592,242,059</u>	<u>486,814,338</u>	<u>74,494,780,571</u>

These financial statements were approved by the Board of Directors of the Company on 21 April 2017.

Wang Dongsheng Chairman of the Board <i>(Signature and stamp)</i>	Chen Yanshun Chief Executive Officer <i>(Signature and stamp)</i>	Sun Yun Chief Financial Officer <i>(Signature and stamp)</i>	(Company stamp)
---	---	--	-----------------

The notes on pages 21 to 142 form part of these financial statements.

BOE Technology Group Company Limited
Notes to the financial statements
(Expressed in Renminbi Yuan unless otherwise indicated)

I. Company status

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

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

II. Basis of preparation

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

III. Significant accounting policies and accounting estimates

1. Statement of compliance

The financial statements have been prepared in accordance with the requirements of Accounting Standards for Business Enterprises or referred to as China Accounting Standards (“CAS”). These financial statements present truly and completely the consolidated financial position and financial position of the Company as at 31 December 2016, and the consolidated financial performance and financial performance and the consolidated cash flows and cash flows of the Company for the year then ended.

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

2. Accounting period

The accounting period is from 1 January to 31 December.

3. Operating cycle

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

4. Functional currency

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

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

(1) Business combinations involving entities under common control

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

(2) Business combinations involving entities not under common control

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

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

6. Consolidated financial statements

(1) General principles

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

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

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

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

(2) Subsidiaries acquired through a business combination

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

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

(3) Disposal of subsidiaries

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

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

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

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

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

(4) Changes in non-controlling interests

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

7. Cash and cash equivalents

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

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

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

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

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

9. Financial instruments

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

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

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

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

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

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

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

- Receivables

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

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

- Held-to-maturity investments

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

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

- Available-for-sale financial assets

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

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

- Other financial liabilities

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

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

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

(2) Presentation of financial assets and financial liabilities

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

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

(3) Derecognition of financial assets and financial liabilities

A financial asset is derecognised if the Group's contractual rights to the cash flows from the financial asset expire or if the Group transfers substantially all the risks and rewards of ownership of the financial asset to another party.

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

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

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

(4) Impairment of financial assets

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

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

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

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

- Held-to-maturity investments

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

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

- Available-for-sale financial assets

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

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

(5) Equity instrument

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

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

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

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

(6) Convertible instruments

- Convertible instruments containing an equity component

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

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

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

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

- Other convertible instruments not containing an equity component

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

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

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

10. Impairment of receivables

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

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

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

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

11. Inventories

(1) Classification and cost

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

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

(2) Measurement method of cost of inventories

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

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

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

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

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

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

(4) Inventory count system

The Group maintains a perpetual inventory system.

12. Long-term equity investment

(1) Investment cost of long-term equity investments

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

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

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

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

(2) Subsequent measurement of long-term equity investment

(a) Investments in subsidiaries

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

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

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

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

(b) Investment in joint ventures and associates

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

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

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

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

- Where the initial cost of a long-term equity investment exceeds the Group's interest in the fair value of the investee's identifiable net assets at the date of acquisition, the investment is initially recognised at cost. Where the initial investment cost is less than the Group's interest in the fair value of the investee's identifiable net assets at the date of acquisition, the investment is initially recognised at the investor's share of the fair value of the investee's identifiable net assets, and the difference is recognised in profit or loss.
- After the acquisition of the investment, the Group recognises its share of the investee's profit or loss and other comprehensive income as investment income or losses and other comprehensive income respectively, and adjusts the carrying amount of the investment accordingly. Once the investee declares any cash dividends or profit distributions, the carrying amount of the investment is reduced by that amount attributable to the Group. Changes in the Group's share of the investee's owners' equity, other than those arising from the investee's net profit or loss, other comprehensive income or profit distribution (referred to as "other changes in owners' equity"), is recognised directly in the Group's equity, and the carrying amount of the investment is adjusted accordingly.

- In calculating its share of the investee's net profits or losses, other comprehensive income and other changes in owners' equity, the Group recognises investment income and other comprehensive income after making appropriate adjustments to align the accounting policies or accounting periods with those of the Group based on the fair value of the investee's identifiable net assets at the date of acquisition. Unrealised profits and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's interest in the associates or joint ventures. Unrealised losses resulting from transactions between the Group and its associates or joint ventures are eliminated in the same way as unrealised gains but only to the extent that there is no impairment.
- The Group discontinues recognising its share of further losses of the investee after the carrying amount of the long-term equity investment and any long-term interest that in substance forms part of the Group's net investment in the joint venture or associate is reduced to zero, except to the extent that the Group has an obligation to assume additional losses. If the joint venture or associate subsequently reports net profits, the Group resumes recognising its share of those profits only after its share of the profits has fully covered the share of losses not recognised.

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

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

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

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

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

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

13. Investment properties

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

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

<i>Class</i>	<i>Estimated useful life (years)</i>	<i>Residual value rate (%)</i>	<i>Depreciation rate (%)</i>
Land use rights	32 - 50 years	0%	2% - 3.1%
Buildings	25 - 40 years	3% - 10%	2.3% - 3.9%

14. Fixed assets

(1) Recognition of fixed assets

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

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

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

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

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

(2) Depreciation of fixed assets

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

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

<i>Class</i>	<i>Estimated useful life (years)</i>	<i>Residual value rate (%)</i>	<i>Depreciation rate (%)</i>
Plant and buildings	10 - 50 years	3% - 10%	1.8% - 9.7%
Equipment	2 - 20 years	0 - 10%	4.5% - 50%
Others	2 - 10 years	0 - 10%	9% - 50%

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

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

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

(5) Disposal of fixed assets

The carrying amount of a fixed asset is derecognized:

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

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

15. Construction in progress

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

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

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

16. Borrowing costs

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

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

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

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

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

The capitalisation period is the period from the date of commencement of capitalisation of borrowing costs to the date of cessation of capitalisation, excluding any period over which capitalisation is suspended. Capitalisation of borrowing costs commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities of acquisition, construction that are necessary to prepare the asset for its intended use are in progress, and ceases when the assets become ready for their intended use. Capitalisation of borrowing costs is suspended when the acquisition, construction activities are interrupted abnormally for a period of more than three months.

17. Intangible assets

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

The respective amortisation periods for intangible assets are as follows:

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

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

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

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

18. Goodwill

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

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

19. Long-term deferred expenses

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

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

20. Impairment of assets other than inventories and financial assets

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

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

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

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

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

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

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

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

21. Fair value measurement

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

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

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

22. Provisions

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

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

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

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

23. Revenue recognition

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

(1) Sale of goods

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

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

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

The Company determines different trading methods with the buyer in the sales contract, determines the timing of the transfer of significant risks and rewards based on the trading methods, and recognised revenue accordingly.

(2) Rendering of services

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

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

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

(3) Revenue from construction contracts

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

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

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

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

(4) Interest income

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

(5) Royalties from intangible assets

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

24. Employee benefits

(1) Short-term employee benefits

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

(2) Post-employment benefits – defined contribution plans

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

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

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

(4) Termination benefits

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

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

25. Government grants

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

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

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

Government grants related to assets are grants whose primary condition is that the Group qualifying for them should purchase, construct or otherwise acquire long-term assets. Government grants related to income are grants other than those related to assets. A government grant related to an asset is recognised initially as deferred income and amortised to profit or loss on a straight-line basis over the useful life of the asset. A grant that compensates the Group for expenses to be incurred in the subsequent periods is recognised initially as deferred income and recognised in profit or loss in the same periods in which the expenses are recognised. A grant that compensates the Group for expenses incurred is recognised in profit or loss immediately.

26. Income tax

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

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

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

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

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

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

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

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

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

27. Operating and finance leases

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

(1) Operating lease charges

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

(2) Assets leased out under operating leases

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

(3) Assets acquired under finance leases

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

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

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

28. Assets held for sale and discontinued operations

(1) Assets held for sale

A non-current asset (or disposal group, the same below) is accounted for as held for sale when all the following criteria are met. A disposal group is a group of assets to be disposed of together as a group in a single transaction, and liabilities directly associated with those assets that will be transferred in the transaction.

- The assets must be available for immediate sale in their present condition subject only to terms that are usual and customary for sales of such assets;
- The Group has decided to dispose the assets;
- The Group has signed an irrevocable transfer agreement with the transferee, and the transfer is to be completed within one year.

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

Once classified as held for sale, fixed assets, intangible assets and investment properties previously accounted for using the cost model are no longer depreciated or amortised, and long-term equity investments previously accounted for using the equity method will no longer be equity accounted.

(2) Discontinued operations

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

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

29. Profit distributions

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

30. Related parties

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

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

31. Segment reporting

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

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

32. Significant accounting estimates and judgements

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

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

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

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

Note V. 33 – Convertible debt and equity investment with redemption provisions terms are categorised as financial liabilities.

IV. Taxation

1. Main types of taxes and corresponding rates

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

2. Corporate income tax

The income tax rate applicable to the Company for the year is 15% (2015: 15%).

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

On 30 October 2014, the Company renewed the High-tech Enterprise Certificate No. GR201411003041, which was entitled jointly by Beijing Municipal Science and Technology Commission, Beijing Municipal Financial Bureau, Beijing Municipal State Administration of Taxation and Beijing Municipal Local Administration of Taxation. The Company is subject to corporate income tax rate of 15% since the date of certification with the valid period of three years.

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

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

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

Chongqing BOE obtained the tax notice (Yu Liang Jiang Di Shui Shui Shui Tong [2017] No.445) released on 10 April 2017 by the tax office of SHUITU Technology Industrial Development Zone under the local tax bureau in Liangjiang New Area, Chongqing. According to the tax notice, Chongqing BOE is recognised as the enterprise located in west areas and encouraged by the government and so qualified to pay corporate income tax at the rate of 15%. Any changes in its qualification for tax reduction or exemption shall be reported to tax authorities within 15 days. Enterprises which no longer meet the tax reduction or exemption criteria shall pay taxes in accordance with laws and tax authorities shall recover tax in arrears if enterprises fail to do so.

V. Notes to the consolidated financial statements

1. Cash at bank and on hand

	2016			2015		
	Original currency	Exchange rate	RMB / RMB equivalents	Original currency	Exchange rate	RMB / RMB equivalents
Cash on hand						
RMB			429,678			75,913
USD	8,410	6.9370	58,337	9,416	6.4936	61,144
HKD	56,545	0.8945	50,579	9,665	0.8378	8,097
JPY	283,063	0.0596	16,870	53,566	0.0539	2,887
Korean Won	513,831	0.0058	2,977	513,831	0.0055	2,834
Other foreign currencies			149,355			102,725
Sub-total			707,796			253,600
Bank deposit						
RMB			20,283,958,386			20,699,085,451
USD	4,019,966,852	6.9370	27,886,510,065	2,378,004,298	6.4936	15,441,809,024
HKD	66,025,420	0.8945	59,059,739	1,215,123	0.8378	1,018,030
JPY	14,943,519,516	0.0596	890,504,565	512,240,885	0.0539	27,602,245
Korean Won	531,008,311	0.0058	3,057,014	806,855,564	0.0055	4,437,706
Other foreign currencies			47,526,900			8,532,161
Sub-total			49,170,616,669			36,182,484,617
Other monetary funds						
RMB			7,598,180,199			2,386,293,475
USD	186,376,585	6.9370	1,292,894,367	43,341,957	6.4936	281,445,337
HKD	100,480,138	0.8945	89,879,483	14,039,835	0.8378	11,762,574
JPY	9,040,109	0.0596	538,709	85,795,505	0.0539	4,622,233
Sub-total			8,981,492,758			2,684,123,619
Total			58,152,817,223			38,866,861,836

Including: Total overseas deposits were equivalent to RMB 858,689,619 (2015: RMB 540,239,745).

As at 31 December 2016, other monetary funds were pledged by the Group amounting to USD 17,428,071 (2015: USD 36,550,000) for short-term loans, and RMB 120,217,226 and USD 11,000,000 (2015: RMB 211,842,560) were pledged for long-term loans. The rest of other monetary funds, amounting to RMB 8,480,584,080 (2015: RMB 2,234,939,979), were the deposits in commercial banks as security.

2. Bills receivable

(1) Classification of bills receivable:

<i>Item</i>	<i>2016</i>	<i>2015</i>
Bank acceptance bills	1,358,736,650	353,803,012
Commercial acceptance bills	<u>11,100,000</u>	<u>8,250,080</u>
Total	<u><u>1,369,836,650</u></u>	<u><u>362,053,092</u></u>

All of the above bills are due within one year.

As at 31 December 2016, the pledged bills of the Group amounted to RMB 103,352,825 (2015: RMB 4,227,148).

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

<i>Item</i>	<i>Amount derecognised at year end</i>	<i>Amount not-derecognised at year end</i>
Bank acceptance bills	15,670,176	450,713,336
Commercial acceptance bills	<u>-</u>	<u>-</u>
Total	<u><u>15,670,176</u></u>	<u><u>450,713,336</u></u>

For the year ended 31 December 2016, there was no amount transferred to accounts receivable from bills receivable due to non-performance of the issuers of the Group (2015: nil).

3. Accounts receivable

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

<i>Item</i>	<i>2016</i>	<i>2015</i>
Amounts due from related parties	32,089,791	98,545,751
Amounts due from other customers	<u>16,191,073,637</u>	<u>8,145,292,525</u>
Sub-total	16,223,163,428	8,243,838,276
Less: provision for bad and doubtful debts	<u>31,371,811</u>	<u>51,323,915</u>
Total	<u><u>16,191,791,617</u></u>	<u><u>8,192,514,361</u></u>

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

	<i>2016</i>			<i>2015</i>		
	<i>Original currency</i>	<i>Exchange rate</i>	<i>RMB / RMB equivalents</i>	<i>Original currency</i>	<i>Exchange rate</i>	<i>RMB / RMB equivalents</i>
RMB			6,042,307,916			3,315,181,701
USD	1,436,590,148	6.9370	9,965,625,859	758,910,996	6.4936	4,928,064,432
JPY	3,006,320,604	0.0596	179,176,708	-	0.0539	-
Other foreign currencies			<u>36,052,945</u>			<u>592,143</u>
Sub-total			16,223,163,428			8,243,838,276
Less: provision for bad and doubtful debts			<u>31,371,811</u>			<u>51,323,915</u>
Total			<u><u>16,191,791,617</u></u>			<u><u>8,192,514,361</u></u>

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

	<i>2016</i>	<i>2015</i>
Within 1 year (inclusive)	16,154,541,771	8,150,955,522
1 to 2 years (inclusive)	30,205,486	60,990,488
2 to 3 years (inclusive)	30,336,028	10,843,363
Over 3 years	<u>8,080,143</u>	<u>21,048,903</u>
Sub-total	16,223,163,428	8,243,838,276
Less: Provision for bad and doubtful loans	<u>31,371,811</u>	<u>51,323,915</u>
Total	<u><u>16,191,791,617</u></u>	<u><u>8,192,514,361</u></u>

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

(4) The Group's accounts receivable by category

Category	2016					2015				
	Book value		Provision for bad and doubtful debts		Carrying amount	Book value		Provision for bad and doubtful debts		Carrying amount
	Amount	Percentage (%)	Amount	Percentage (%)		Amount	Percentage (%)	Amount	Percentage (%)	
Collectively assessed for impairment based on credit risk characteristics *	15,857,746,391	98%	-	-	15,857,746,391	8,175,630,706	99%	-	-	8,175,630,706
Individually insignificant but assessed for impairment individually	365,417,037	2%	31,371,811	9%	334,045,226	68,207,570	1%	51,323,910	75%	16,883,655
Total	16,223,163,428	100%	31,371,811	0%	16,191,791,617	8,243,838,276	100%	51,323,910	1%	8,192,514,361

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

The Group has no individually significant accounts receivable and individually for impairment this year (2015: nil).

As at 31 December 2016, the Group collectively assessed accounts receivable having been individually assessed but not impaired for impairment and did not recognise impairment loss against this amount of accounts receivable (2015: nil).

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

	2016	2015
Balance at the beginning of the year	51,323,915	58,300,298
Additions during the year	5,442,744	4,323,947
Recoveries during the year	21,427,488	4,535,849
Write-offs during the year	<u>3,967,360</u>	<u>6,764,481</u>
Balance at the end of the year	<u><u>31,371,811</u></u>	<u><u>51,323,915</u></u>

For the year ended 31 December 2016, the Group had no individually significant write-off or recovery of doubtful debts which had been fully or substantially made in prior years (2015: nil).

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

The sub-total of five largest accounts receivable of the Group at the end of the year was RMB 7,370,094,336, representing 45% of the total accounts receivable, and no provision was made for bad and doubtful debts after assessment.

4. Prepayments

(1) The Group's prepayments by category:

	2016	2015
Prepayment for inventory	268,366,388	112,514,008
Others	<u>440,145,085</u>	<u>113,933,496</u>
Total	<u><u>708,511,473</u></u>	<u><u>226,447,504</u></u>

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

<i>Ageing</i>	<u>2016</u>		<u>2015</u>	
	<i>Amount</i>	<i>Percentage (%)</i>	<i>Amount</i>	<i>Percentage (%)</i>
Within 1 year (inclusive)	706,523,558	100%	222,965,900	99%
1 to 2 years (inclusive)	1,191,189	-	2,911,881	1%
2 to 3 years (inclusive)	418,929	-	495,306	-
Over 3 years	377,797	-	74,417	-
Total	<u>708,511,473</u>	<u>100%</u>	<u>226,447,504</u>	<u>100%</u>

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

As at 31 December 2016, the total of five largest prepayments of the Group is RMB 399,927,674, representing 56% of the total prepayments.

5. Other receivables

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

<i>Customer type</i>	<u>2016</u>	<u>2015</u>
Amounts due from related parties	6,440	1,055,976
Amounts due from other customers	903,716,317	597,101,055
Sub-total	<u>903,722,757</u>	<u>598,157,031</u>
Less: Provision for bad and doubtful loans	653,341	4,827,184
Total	<u>903,069,416</u>	<u>593,329,847</u>

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

	2016			2015		
	Original currency	Exchange rate	RMB / RMB equivalents	Original currency	Exchange rate	RMB / RMB equivalents
RMB			876,808,626			580,194,852
USD	798,455	6.9370	5,538,884	2,159,507	6.4936	14,022,975
JPY	75,180,579	0.0596	4,480,763	55,049,242	0.0539	2,967,153
Korean Won	-	0.0058	-	176,736,541	0.0055	972,051
Other foreign currencies			16,894,484			-
Sub-total			<u>903,722,757</u>			<u>598,157,031</u>
Less: Provision for bad and doubtful loans			653,341			4,827,184
Total			<u>903,069,416</u>			<u>593,329,847</u>

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

	2016	2015
Within 1 year (inclusive)	604,482,596	260,559,729
1 to 2 years (inclusive)	51,411,837	32,793,069
2 to 3 years (inclusive)	12,539,126	36,323,681
Over 3 years	235,289,198	268,480,552
Sub-total	<u>903,722,757</u>	<u>598,157,031</u>
Less: Provision for bad and doubtful loans	653,341	4,827,184
Total	<u>903,069,416</u>	<u>593,329,847</u>

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

(4) The Group's other receivables by category

Category	2016					2015				
	Book Value		Provision for bad and doubtful debts		Carrying amount	Book Value		Provision for bad and doubtful debts		Carrying amount
	Amount	Percentage (%)	Amount	Percentage (%)		Amount	Percentage (%)	Amount	Percentage (%)	
Collectively assessed for impairment based on credit risk characteristics *	903,069,416	100%	-	-	903,069,416	593,323,066	99%	-	-	593,323,066
Individually insignificant but assessed for impairment individually	653,341	0%	653,341	100%	-	4,833,965	1%	4,827,184	100%	6,781
Total	903,722,757	100%	653,341	0%	903,069,416	598,157,031	100%	4,827,184	1%	593,329,847

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

The Group has no individually significant other receivable and individually for impairment this year. As at 31 December 2016, the Group collectively assessed other receivable having been individually assessed but not impaired for impairment and did not recognise impairment loss against this amount of other receivable (2015: nil).

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

	2016	2015
Balance at the beginning of the year	4,827,184	8,818,190
Additions during the year	214,232	406,270
Recoveries during the year	3,119,595	-
Write-offs during the year	1,268,480	4,397,276
	653,341	4,827,184
Balance at the end of the year	653,341	4,827,184

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

<i>Nature of other receivables</i>	2016	2015
VAT refunds	252,652,057	105,110,154
Amount due from equity transfer	200,000,000	200,000,000
Deposits	289,801,526	8,822,268
Others	161,269,174	284,224,609
	903,722,757	598,157,031
Sub-total	903,722,757	598,157,031
Less: Provision for bad and doubtful debts	653,341	4,827,184
	903,069,416	593,329,847
Total	903,069,416	593,329,847

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

As at 31 December 2016, the total balance of other receivables due from the Group's top five debtors amounted to RMB 624,584,732, most of which are export tax rebate receivables due from tax authorities and receivables due from equity transfer. No provision is made for bad and doubtful debts after assessment.

6. Inventories

(1) The Group's inventories by category:

	2016			2015		
	Book value	Provision for impairment of inventories	Carrying amount	Book value	Provision for impairment of inventories	Carrying amount
Raw materials	3,378,887,483	170,279,800	3,208,607,683	2,140,352,715	109,664,234	2,030,688,481
Work in progress	1,110,541,775	154,157,198	956,384,577	729,493,187	86,221,585	643,271,602
Finished goods	4,348,635,413	789,031,165	3,559,604,248	4,670,195,081	838,807,123	3,831,387,958
Consumables	109,264,439	722,415	108,542,024	104,891,330	833,143	104,058,187
Total	<u>8,947,329,110</u>	<u>1,114,190,578</u>	<u>7,833,138,532</u>	<u>7,644,932,313</u>	<u>1,035,526,085</u>	<u>6,609,406,228</u>

As at 31 December 2016, there was no amount of capitalised borrowing cost in the Group's closing balance of inventories (2015: nil).

As at 31 December 2016, the Group had no inventory used as collateral (2015: nil).

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

	Balance at the beginning of the year	Additions during the year	Reductions during the year		Balance at the end of the year
			Reversals	Write-offs	
Raw materials	109,664,234	214,171,786	48,950,377	104,605,843	170,279,800
Work in progress	86,221,585	174,743,092	72,065,901	34,741,578	154,157,198
Finished goods	838,807,123	1,393,366,613	265,310,078	1,177,832,493	789,031,165
Consumables	833,143	108,669	219,397	-	722,415
Total	<u>1,035,526,085</u>	<u>1,782,390,160</u>	<u>386,545,753</u>	<u>1,317,179,914</u>	<u>1,114,190,578</u>

7. Other current assets

	2016	2015
VAT on tax credits	4,323,654,894	3,618,069,252
Input tax to be verified or deducted	1,264,145,639	1,322,422,140
Prepayment of income tax	155,248	123,348,135
Wealth management products	60,267,110	3,620,970,828
Others	42,977,335	27,207,162
Total	<u>5,691,200,226</u>	<u>8,712,017,517</u>

As at 31 December 2016, all of the wealth management products owned by the Group are due within one year.

8. Available-for-sale financial assets

(1) Available-for-sale financial assets

<i>Item</i>	<i>2016</i>			<i>2015</i>		
	<i>Book value</i>	<i>Provision for impairment</i>	<i>Carrying amount</i>	<i>Book value</i>	<i>Provision for impairment</i>	<i>Carrying amount</i>
Available-for-sale debt instruments	12,348,030	-	12,348,030	-	-	-
Available-for-sale equity instruments						
- At fair value	531,987,776	150,099,655	381,888,121	455,620,512	150,099,655	305,520,857
- At cost	228,446,405	180,000	228,266,405	148,755,389	180,000	148,575,389
Total	772,782,211	150,279,655	622,502,556	604,375,901	150,279,655	454,096,246

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

	<i>Available-for-sale equity instruments</i>	<i>Available-for-sale debt instruments</i>	<i>Total</i>
Cost of equity instruments / amortised cost of debt instruments	418,948,622	12,647,553	431,596,175
Fair value	381,888,121	12,348,030	394,236,151
Accumulative fair value changes recognised in other comprehensive income	113,039,154	(299,523)	112,739,631
Provision for impairment	150,099,655	-	150,099,655

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

<i>Investee</i>	<i>Book value</i>			<i>Balance at the end of the year</i>	<i>Provision for impairment Balance at the beginning and the end of the year</i>	<i>Percentage of shareholding in investees (%)</i>
	<i>Balance at the beginning of the year</i>	<i>Increase during the year</i>	<i>Decrease during the year</i>			
Teralane Semiconductor Inc	11,868,000	-	-	11,868,000	-	7.29%
Zhejiang BOE Display Technology Co., Ltd.	321,256	-	-	321,256	-	7.03%
Zhejiang Qiusheng Photoelectric Technology Co., Ltd.	248,776	-	-	248,776	-	7.03%
National Engineering Laboratory of Digital Television (Beijing) Co., Ltd.	6,250,000	-	-	6,250,000	-	12.50%
Meta Company	30,733,954	3,950,994	-	34,684,948	-	7.24%
Danhua Capital, L. P.	23,308,625	2,705,125	-	26,013,750	-	5.48%
Danhua Capital II, L.P.	-	13,874,000	-	13,874,000	-	5.00%
Kateeva Inc.	75,844,778	7,017,688	-	82,862,466	-	3.89%
DEPICT INC.	-	13,874,000	-	13,874,000	-	19.83%
MOOV INC.	-	27,862,839	-	27,862,839	-	6.48%
ZGLUE INC.	-	10,405,488	-	10,405,488	-	6.00%
Fabord Ltd.	-	882	-	882	-	10.30%
Others	180,000	-	-	180,000	180,000	
Total	148,755,389	79,691,016	-	228,446,405	180,000	

9. Long-term equity investments

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

	2016	2015
Investments in associates	1,893,248,367	1,597,915,136
Less: Provision for impairment	537,136,972	337,612,177
Total	1,356,111,395	1,260,302,959

(2) Information on Investments in associates:

<i>Investee</i>	<i>Balance at the beginning of the year</i>	<i>Additional investment</i>	<i>Investment income recognised under equity method</i>	<i>Other comprehensive income</i>	<i>Other equity movements</i>	<i>Acquired as subsidiaries during the year</i>	<i>Balance at the end of the year</i>
Beijing Nissin Electronics Precision Component Co., Ltd.	3,011,145	-	(2,651,253)	-	-	-	359,892
Beijing Nittan Electronic Co., Ltd.	29,353,994	-	11,274,609	-	-	-	40,628,603
Erdos BOE Energy Investment Co., Ltd.	907,476,536	-	(13,266)	-	-	-	907,463,270
Beijing Infi-Hailin Venture Investment Co., Ltd.	324,896	-	131,785	-	-	-	456,681
Beijing Infi-Hailin Venture Investment (Limited Partnership)	117,872,528	22,333,400	(993,478)	16,891,494	877,088	-	156,981,032
TPV Display Technology (China) Limited	23,715,205	-	2,907,139	-	-	-	26,622,344
Hefei BOE Display Technology Co., Ltd.	85,566,875	444,000,000	(1,654,610)	-	3,853,059	(531,765,324)	-
Beijing Xindongneng Investment Fund (Limited Partnership)	370,261,522	300,000,000	(16,099,481)	25,161,758	-	-	679,323,799
Beijing Xindongneng Investment Management Co., Ltd.	1,921,429	-	984,789	-	-	-	2,906,218
Shenzhen Yunyinggu Technology Co., Ltd.	58,411,006	-	(8,065,070)	-	-	-	50,345,936
Beijing Xloong Technologies Co., Ltd.	-	25,000,000	(551,423)	-	-	-	24,448,577
New on Technology Co. Ltd.	-	4,103,103	(391,088)	-	-	-	3,712,015
Sub-total	<u>1,597,915,136</u>	<u>795,436,503</u>	<u>(15,121,347)</u>	<u>42,053,252</u>	<u>4,730,147</u>	<u>(531,765,324)</u>	<u>1,893,248,367</u>
Less: Provision for impairment	<u>337,612,177</u>						<u>537,136,972</u>
Total	<u>1,260,302,959</u>						<u>1,356,111,395</u>

The Group performed an impairment test on the long-term equity investments in which indication of impairment existed on 31 December 2016. As the book value of equity investment of individual companies held by the Group was higher than the recoverable amount, the book value was reduced to recoverable amount by the Group to recognise impairment loss from long-term equity investment.

10. Investment properties

	<i>Land use rights</i>	<i>Buildings</i>	<i>Total</i>
Cost			
Balance at the beginning of the year	659,779,217	854,334,573	1,514,113,790
Additions during the year	-	4,439,896	4,439,896
Balance at the end of the year	659,779,217	858,774,469	1,518,553,686
Less: Accumulated depreciation or amortisation			
Balance at the beginning of the year	84,345,006	202,669,357	287,014,363
Additions during the year	14,507,032	24,099,395	38,606,427
Balance at the end of the year	98,852,038	226,768,752	325,620,790
Carrying amounts			
At the end of the year	560,927,179	632,005,717	1,192,932,896
At the beginning of the year	575,434,211	651,665,216	1,227,099,427

11. Fixed assets

(1) The Group's fixed assets are as follows:

	<i>Plant & buildings</i>	<i>Equipment</i>	<i>Other categories</i>	<i>Total</i>
Cost:				
Balance at the beginning of the year	19,601,399,268	73,620,519,802	827,314,126	94,049,233,196
Additions during the year				
-Purchases	827,724	566,538,096	377,626,338	944,992,158
-Transfer from construction in progress	2,801,341,470	12,433,453,836	192,473,212	15,427,268,518
-Additions due to business combinations involving entities not under common control	146,812,929	175,445,367	20,198,824	342,457,120
Disposals or write-offs during the year	63,530,560	364,476,638	13,827,703	441,834,901
Difference of foreign currency translation	(925,271)	(28,614,199)	(4,084,947)	(33,624,417)
Balance at the end of the year	<u>22,485,925,560</u>	<u>86,402,866,264</u>	<u>1,399,699,850</u>	<u>110,288,491,674</u>
Less: Accumulated depreciation				
Balance at the beginning of the year	2,133,566,863	27,422,371,406	282,075,525	29,838,013,794
Additions during the year	679,278,852	9,146,329,511	277,901,840	10,103,510,203
Disposals or write-offs during the year	15,756,811	199,261,398	10,723,308	225,741,517
Difference of foreign currency translation	(2,576,012)	(32,946,552)	(4,972,505)	(40,495,069)
Balance at the end of the year	<u>2,794,512,892</u>	<u>36,336,492,967</u>	<u>544,281,552</u>	<u>39,675,287,411</u>
Less: Provision for impairment				
Balance at the beginning of the year	1,161,260	643,793,809	1,164,928	646,119,997
Additions during the year	-	38,050,772	1,674,557	39,725,329
Disposals or write-offs during the year	61,245	18,070,639	2,096,146	20,228,030
Balance at the end of the year	<u>1,100,015</u>	<u>663,773,942</u>	<u>743,339</u>	<u>665,617,296</u>
Carrying amounts				
At the end of the year	<u>19,690,312,653</u>	<u>49,402,599,355</u>	<u>854,674,959</u>	<u>69,947,586,967</u>
At the Beginning of the year	<u>17,466,671,145</u>	<u>45,554,354,587</u>	<u>544,073,673</u>	<u>63,565,099,405</u>

The Group recognised provision of impairment of some idle equipment and mould assets of RMB 39,725,329 for the current year.

(2) Fixed assets acquired under finance leases:

Item	2016				2015			
	Cost	Accumulated depreciation	Provision for impairment	Carrying amount	Cost	Accumulated depreciation	Provision for impairment	Carrying amount
Plant & buildings	11,291,665	3,849,627	-	7,442,038	11,291,665	3,595,938	-	7,695,727

The Group's fixed assets under finance leases represented a youth apartment under finance lease for the Company, which is used for the purposes of the staff dormitory.

12. Construction in progress

(1) The Group's construction in progress is as follows:

Project	2016			2015		
	Book value	Provision for impairment	Carrying amount	Book value	Provision for impairment	Carrying amount
The 6th generation LTPS / AMOLED production line project of Chengdu BOE	6,623,826,176	-	6,623,826,176	126,732,620	-	126,732,620
The 8.5th generation TFT-LCD and Touch screen production of Hefei Xinsheng	3,775,171,446	-	3,775,171,446	3,848,879,771	-	3,848,879,771
The 5.5th generation LTPS and AMOLED projects of Yuansheng	6,977,796,088	-	6,977,796,088	10,517,718,706	-	10,517,718,706
The 8.5th generation TFT-LCD production line of Chongqing BOE	456,322,808	-	456,322,808	2,634,406,927	-	2,634,406,927
The 10.5th generation TFT-LCD project of Hefei Display	3,720,534,213	-	3,720,534,213	-	-	-
The 8.5th generation new semiconductor display device production line of Fuzhou BOE	8,408,445,327	-	8,408,445,327	460,185,529	-	460,185,529
Others	3,047,464,118	1,311,456	3,046,152,662	1,058,849,595	1,311,456	1,057,538,139
Total	33,009,560,176	1,311,456	33,008,248,720	18,646,773,148	1,311,456	18,645,461,692

(2) Movements of major construction in progress during the year

Project	Budget	Balance at the beginning of the year	Additions during the year	Transfer to fixed assets during the year	Transfer to Intangible assets during the year	Transfer to long-term deferred expenses and others during the year	Balance at the end of the year	Percentage of actual cost to budget (%)	Accumulated capitalised interest	Including: Interest capitalised in 2016	Interest rate for capitalization in 2016 (%)	Sources of funding
The 6th generation LTPS / AMOLED production line project of Chengdu BOE	44,800,000,000	126,732,620	6,502,873,565	-	5,780,009	-	6,623,826,176	14.80%	-	-	-	Self-funding
The 8.5th generation TFT-LCD and Touch screen production of Hefei Xinsheng	30,987,000,000	3,848,879,771	644,027,821	716,237,732	1,498,414	-	3,775,171,446	80.96%	3,831,721	-	-	Self-funding, loans and raising capitals
The 5.5th generation LTPS and AMOLED projects of Yuansheng	20,020,000,000	10,517,718,706	6,081,240,304	9,496,179,316	124,983,606	-	6,977,796,088	84.20%	61,580,545	156,759,799	5.13%	raising capitals
The 8.5th generation TFT-LCD production line of Chongqing BOE	30,000,000,000	2,634,406,927	1,626,853,055	3,792,993,683	11,943,491	-	456,322,808	74.01%	-	150,664,739	4.73%	raising capitals
The 10.5th generation TFT-LCD project of Hefei Display	42,937,000,000	-	3,720,588,352	54,139	-	-	3,720,534,213	8.67%	3,360,633	1,584,642	3.92%	Self-funding and loans
The 8.5th generation The new semiconductor display device production line of Fuzhou BOE	26,985,000,000	460,185,529	8,321,114,759	372,854,961	-	-	8,408,445,327	32.54%	17,682,700	17,682,700	2.75%	Self-funding and loans
Others		1,058,849,595	3,042,802,006	1,048,948,687	4,009,833	1,228,963	3,047,464,118					
Total		<u>18,646,773,148</u>	<u>29,939,499,862</u>	<u>15,427,268,518</u>	<u>148,215,353</u>	<u>1,228,963</u>	<u>33,009,560,176</u>					

13. Intangible assets

	<i>Land use rights</i>	<i>Patent and technology rights</i>	<i>Software</i>	<i>Others</i>	<i>Total</i>
Cost:					
Balance at the beginning of the year	1,300,366,510	1,703,881,828	572,981,178	262,962,616	3,840,192,132
Additions during the year					
- Purchase	208,160,708	66,851,120	40,885,770	1,118,663	317,016,261
- Transfer from construction in progress	5,780,009	-	81,551,624	60,883,720	148,215,353
- Additions due to business combinations involving entities not under common control	327,958,987	-	140,209	-	328,099,196
Disposal during the year	76,158,611	-	68,060	-	76,226,671
Balance at the end of the year	<u>1,766,107,603</u>	<u>1,770,732,948</u>	<u>695,490,721</u>	<u>324,964,999</u>	<u>4,557,296,271</u>
Less: Accumulated amortisation					
Balance at the beginning of the year	111,021,207	701,485,352	315,817,972	32,156,893	1,160,481,424
Additions during the year	33,615,548	162,869,266	57,451,767	12,172,340	266,108,921
Disposal during the year	6,622,466	-	16,448	-	6,638,914
Balance at the end of the year	<u>138,014,289</u>	<u>864,354,618</u>	<u>373,253,291</u>	<u>44,329,233</u>	<u>1,419,951,431</u>
Less: Provision for impairment					
Balance at the beginning and the end of the year	<u>-</u>	<u>-</u>	<u>471,453</u>	<u>-</u>	<u>471,453</u>
Carrying amounts					
At the end of the year	<u>1,628,093,314</u>	<u>906,378,330</u>	<u>321,765,977</u>	<u>280,635,766</u>	<u>3,136,873,387</u>
At the beginning of the year	<u>1,189,345,303</u>	<u>1,002,396,476</u>	<u>256,691,753</u>	<u>230,805,723</u>	<u>2,679,239,255</u>

14. Goodwill

<i>Name of investee or events from which goodwill arose</i>	<i>Balance at the end of the year</i>	<i>Balance at the beginning of the year</i>
Book value		
Beijing Yinghe Century Co., Ltd.	42,940,434	42,940,434
K-Tronics (Suzhou) technology Co., Ltd.	8,562,464	8,562,464
Beijing BOE Optoelectronics Technology Co., Ltd.	4,423,876	4,423,876
BOE Healthcare Investment & Management Co., Ltd.	<u>146,460,790</u>	<u>146,460,790</u>
Sub-total	202,387,564	202,387,564
Provision for impairment	<u>4,423,876</u>	<u>4,423,876</u>
Carrying amount	<u><u>197,963,688</u></u>	<u><u>197,963,688</u></u>

As at 31 December 2016, The Group performed an impairment test of the goodwill recognised in the acquisition of Beijing Yinghe Century Co., Ltd., K-Tronics (Suzhou) technology Co., Ltd., and BOE Healthcare Investment & Management Co., Ltd. and determined that no provision for impairment loss needs to be recognised. In previous year, full impairment losses had been recognised for the goodwill recognised in the acquisition of Beijing BOE Optoelectronics Technology Co., Ltd.

15. Long-term deferred expense

	<i>Balance at the beginning of the year</i>	<i>Additions during the year</i>	<i>Decrease during the year</i>	<i>Balance at the end of the year</i>
Prepayment for public facilities construction and use	144,183,461	-	15,370,224	128,813,237
Cost of operating lease assets improvement	10,254,474	-	1,699,754	8,554,720
Others	<u>187,088,278</u>	<u>71,712,409</u>	<u>51,277,417</u>	<u>207,523,270</u>
Total	<u><u>341,526,213</u></u>	<u><u>71,712,409</u></u>	<u><u>68,347,395</u></u>	<u><u>344,891,227</u></u>

16. Deferred tax assets and deferred tax liabilities

(1) Recognised deferred tax assets and deferred tax liabilities

Item	2016		2015	
	Deductible / (taxable) temporary differences	Deferred tax Assets / (liabilities)	Deductible / (taxable) temporary differences	Deferred tax Assets / (liabilities)
Deferred tax assets:				
Provision for impairment of Assets	150,713,954	36,340,807	153,660,274	38,165,517
Difference of depreciation / amortisation	19,830,095	2,974,516	23,677	3,553
Revaluation due to investment of real estate	153,218,516	38,304,629	158,772,372	39,693,093
Accumulated losses	61,989,130	15,497,284	122,194,824	30,548,708
Advances from customers	349,621,212	52,443,182	-	-
Others	65,184,744	13,273,757	34,656,467	8,694,349
Sub-total	<u>800,557,651</u>	<u>158,834,175</u>	<u>469,307,614</u>	<u>117,105,220</u>
Amount offset		(12,295,610)		-
Balance after offset		<u>146,538,565</u>		<u>117,105,220</u>
Deferred tax liabilities:				
Revaluation due to business combinations involving entities not under common control	(1,129,240,231)	(282,310,058)	(1,141,068,053)	(285,267,013)
Depreciation of fixed assets	(699,513,159)	(107,479,271)	(391,241,676)	(58,686,251)
Fair value changes of wealth management products	(356,147)	(89,037)	(21,473,098)	(3,220,965)
Changes in fair value of available-for- sale financial assets	(27,983,239)	(4,617,234)	(28,168,564)	(4,647,813)
Long-term equity investments	(360,863,027)	(54,129,454)	(560,387,820)	(84,058,173)
Bond interest	(71,221,140)	(10,683,171)	-	-
Others	(10,749,594)	(1,612,439)	-	-
Sub-total	<u>(2,299,926,537)</u>	<u>(460,920,664)</u>	<u>(2,142,339,211)</u>	<u>(435,880,215)</u>
Amount offset		12,295,610		-
Balance after offset		<u>(448,625,054)</u>		<u>(435,880,215)</u>

(2) Details of unrecognised deferred tax assets

	2016	2015
Deductible temporary differences	4,878,250,340	4,004,972,209
Deductible tax losses	<u>1,797,146,855</u>	<u>1,555,680,596</u>
Total	<u><u>6,675,397,195</u></u>	<u><u>5,560,652,805</u></u>

As at 31 December 2016, the deductible temporary differences are mainly the differences between the carrying amount and tax base of 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 recognised in consideration of prudence.

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

Year	2016	2015
2016	-	99,532,368
2017	284,484,489	280,647,569
2018	158,349,778	185,377,579
2019	278,873,005	231,252,534
2020	826,746,986	758,870,546
2021	<u>248,692,597</u>	-
Total	<u><u>1,797,146,855</u></u>	<u><u>1,555,680,596</u></u>

17. Other non-current assets

	2016	2015
Prepayment for projects	1,056,333,969	38,134,743
Prepayment for fixed assets	2,447,632,012	225,828,407
VAT on tax credits	199,580,943	-
Deferred VAT for imported equipment	354,553,214	75,720,270
Others	<u>81,433,078</u>	<u>8,168,254</u>
Total	<u><u>4,139,533,216</u></u>	<u><u>347,851,674</u></u>

18. Short-term loans

<u>2016</u>				
	<i>Original currency</i>	<i>Exchange rate</i>	<i>RMB / RMB equivalents</i>	<i>Credited / collateralised guaranteed / pledged</i>
Bank loans				
- RMB			1,027,787,762	Credited
- RMB			389,996,480	Pledged
Sub-total			<u>1,417,784,242</u>	
Foreign currency bank loans				
- USD	17,357,860	6.9370	120,411,472	Pledged
- USD	420,000,000	6.9370	2,913,540,000	Guaranteed
- USD	58,988,221	6.9370	409,201,296	Credited
- JPY	940,217,573	0.0596	56,028,497	Credited
Sub-total			<u>3,499,181,265</u>	
Total			<u>4,916,965,507</u>	
<u>2015</u>				
	<i>Original currency</i>	<i>Exchange rate</i>	<i>RMB / RMB equivalents</i>	<i>Credited / collateralised guaranteed / pledged</i>
Bank loans				
- RMB			10,000,000	Collateralised
Sub-total			<u>10,000,000</u>	
Foreign currency bank loans				
- USD	34,478,897	6.4936	223,892,165	Pledged
- USD	600,000,000	6.4936	3,896,160,000	Guaranteed
- USD	145,542,250	6.4936	945,093,159	Credited
- JPY	312,374,837	0.0539	16,829,506	Credited
Sub-total			<u>5,081,974,830</u>	
Total			<u>5,091,974,830</u>	

The interest rate of RMB short-term loans for the Group ranged from 2.70% to 5.00% in 2016 (2015: 5.62%); the interest rate of USD short-term loans for the Group ranged from 1.77% to 3.56% and its variable rate was LIBOR+2.6% for six months in 2016 (2015: from 0.47% to 2.87% and from LIBOR+1.55% to LIBOR+2.8%); the interest rate of JPY short-term loans for the Group ranged from 1.20% to 3.00% in 2016 (2015: from 1.08% to 1.68%).

As at 31 December 2016, no short-term loan was past due (2015: nil).

19. Bills payable

	2016	2015
Bank acceptance bills	524,560,235	343,277,037
Commercial acceptance bills	<u>115,702,226</u>	<u>-</u>
Total	<u><u>640,262,461</u></u>	<u><u>343,277,037</u></u>

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

20. Accounts payable

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

	2016	2015
Payables to related parties	5,937,474	11,313,820
Payables to third parties	<u>13,829,678,191</u>	<u>9,838,621,211</u>
Total	<u><u>13,835,615,665</u></u>	<u><u>9,849,935,031</u></u>

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

	2016			2015		
	Original currency	Exchange rate	RMB / RMB equivalents	Original currency	Exchange rate	RMB / RMB equivalents
- RMB			8,024,220,650			5,121,366,631
- USD	745,461,344	6.9370	5,171,265,343	647,147,839	6.4936	4,202,299,002
- JPY	10,642,803,787	0.0596	634,284,846	9,756,902,307	0.0539	525,772,543
- Other foreign currencies			<u>5,844,826</u>			<u>496,855</u>
Total			<u><u>13,835,615,665</u></u>			<u><u>9,849,935,031</u></u>

As at 31 December 2016, the Group had no individually significant accounts payable ageing more than one year.

21. Advances from customers

<i>Item</i>	<i>2016</i>	<i>2015</i>
Advances from related parties	-	2,700
Advances from third parties	<u>548,942,714</u>	<u>386,536,203</u>
Total	<u><u>548,942,714</u></u>	<u><u>386,538,903</u></u>

As at 31 December 2016, the Group had no individually significant advances from customers ageing more than one year.

22. Employee benefits payable

(1) Employee benefits payable:

	<i>Note</i>	<i>Balance at 1 January 2016</i>	<i>Accrued during the year</i>	<i>Decreased during the year</i>	<i>Balance at 31 December 2016</i>
Short-term employee benefits	(2)	1,051,226,920	6,591,953,839	6,146,112,007	1,497,068,752
Post-employment benefits-defined contribution plans	(3)	25,755,886	531,414,880	526,424,212	30,746,554
Termination benefits		<u>15,120,332</u>	<u>865,719</u>	<u>949,091</u>	<u>15,036,960</u>
Total		<u><u>1,092,103,138</u></u>	<u><u>7,124,234,438</u></u>	<u><u>6,673,485,310</u></u>	<u><u>1,542,852,266</u></u>

	<i>Note</i>	<i>Balance at 1 January 2015</i>	<i>Accrued during the year</i>	<i>Decreased during the year</i>	<i>Balance at 31 December 2015</i>
Short-term employee benefits	(2)	1,101,654,236	5,186,168,369	5,236,595,685	1,051,226,920
Post-employment benefits-defined contribution plans	(3)	34,848,353	442,997,647	452,090,114	25,755,886
Termination benefits		<u>15,120,332</u>	<u>330,170</u>	<u>330,170</u>	<u>15,120,332</u>
Total		<u><u>1,151,622,921</u></u>	<u><u>5,629,496,186</u></u>	<u><u>5,689,015,969</u></u>	<u><u>1,092,103,138</u></u>

(2) Short-term employee benefits

	<i>Balance at 1 January 2016</i>	<i>Accrued during the year</i>	<i>Decreased during the year</i>	<i>Balance at 31 December 2016</i>
Salaries, bonuses, allowances	802,297,623	5,200,061,896	4,824,279,085	1,178,080,434
Staff welfare	-	665,138,127	665,138,127	-
Social insurance	34,946,466	302,125,182	270,292,495	66,779,153
Medical insurance	33,257,964	258,719,751	228,640,046	63,337,669
Work-related injury insurance	685,379	22,027,310	21,081,268	1,631,421
Maternity insurance	1,003,123	21,378,121	20,571,181	1,810,063
Housing fund	18,494,267	262,493,474	260,379,985	20,607,756
Labour union fee, staff and workers' education fee	182,715,621	141,501,553	109,280,533	214,936,641
Staff bonus and welfare fund	7,282,591	-	-	7,282,591
Other short-term employee benefits	5,490,352	20,633,607	16,741,782	9,382,177
Total	1,051,226,920	6,591,953,839	6,146,112,007	1,497,068,752

	<i>Balance at 1 January 2015</i>	<i>Accrued during the year</i>	<i>Decreased during the year</i>	<i>Balance at 31 December 2015</i>
Salaries, bonuses, allowances	888,236,228	4,082,074,752	4,168,013,357	802,297,623
Staff welfare	-	565,464,073	565,464,073	-
Social insurance	34,142,462	217,336,948	216,532,944	34,946,466
Medical insurance	32,329,441	181,343,398	180,414,875	33,257,964
Work-related injury insurance	606,425	19,812,161	19,733,207	685,379
Maternity insurance	1,206,596	16,181,389	16,384,862	1,003,123
Housing fund	11,509,770	190,699,521	183,715,024	18,494,267
Labour union fee, staff and workers' education fee	158,223,788	110,895,324	86,403,491	182,715,621
Staff bonus and welfare fund	7,282,591	-	-	7,282,591
Other short-term employee benefits	2,259,397	19,697,751	16,466,796	5,490,352
Total	1,101,654,236	5,186,168,369	5,236,595,685	1,051,226,920

(3) Post-employment benefits- defined contribution plans

	<i>Balance at 1 January 2016</i>	<i>Accrued during the year</i>	<i>Decreased during the year</i>	<i>Balance at 31 December 2016</i>
Basic pension insurance	22,621,515	487,546,677	485,539,176	24,629,016
Unemployment insurance	1,284,085	25,615,575	25,680,498	1,219,162
Annuity	1,850,286	18,252,628	15,204,538	4,898,376
Total	25,755,886	531,414,880	526,424,212	30,746,554

	<i>Balance at 1 January 2015</i>	<i>Accrued during the year</i>	<i>Decreased during the year</i>	<i>Balance at 31 December 2015</i>
Basic pension insurance	23,742,078	404,925,571	406,046,134	22,621,515
Unemployment insurance	1,312,546	25,444,758	25,473,219	1,284,085
Annuity	9,793,729	12,627,318	20,570,761	1,850,286
Total	<u>34,848,353</u>	<u>442,997,647</u>	<u>452,090,114</u>	<u>25,755,886</u>

23. Taxes payable

	2016	2015
Value-added tax	6,826,361	6,034,483
Business tax	-	2,950,474
Corporate income tax	342,021,556	51,227,464
Individual income tax	28,431,907	26,686,375
City maintenance and construction tax	114,056,922	61,736,456
Education surcharge and local education surcharge	81,471,180	44,106,572
Others	83,543,968	31,673,185
Total	<u>656,351,894</u>	<u>224,415,009</u>

24. Dividends payable

As at 31 December 2016, dividends payable mainly represented unclaimed dividends for non-public shareholders and dividends payable to minority shareholders of Vacuum Electronics.

25. Other payables

(1) Details of other payables are as follows:

	2016	2015
Projects and equipment	11,986,641,278	6,809,238,439
Deferred VAT for imported equipment	1,019,532,634	980,993,091
Technology licence fee	44,447,195	149,873,192
Deposits	295,916,263	186,443,738
Accrued water and electricity charges and freight	363,061,275	263,579,363
Agency fee payable	39,629,069	32,624,494
Technology royalties	17,622,563	48,675,647
Others	628,674,971	393,501,914
Total	14,395,525,248	8,864,929,878

Significant other payables aged over one year are payables of projects and equipment.

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

	2016			2015		
	Original currency	Exchange rate	RMB/ RMB equivalents	Original currency	Exchange rate	RMB/ RMB equivalents
RMB			7,206,854,497			5,338,668,580
USD	926,858,546	6.9370	6,429,617,732	375,250,844	6.4936	2,436,728,856
JPY	12,540,233,332	0.0596	747,278,731	20,113,929,548	0.0539	1,084,050,962
Other foreign currencies			11,774,288			5,481,480
Total			14,395,525,248			8,864,929,878

26. Non-current liabilities due within one year

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

2016			
<i>Original currency</i>	<i>Exchange rate</i>	<i>RMB / RMB equivalents</i>	<i>Credited / collateralised / guaranteed / pledged</i>
Bank loans			
- RMB		100,000,000	Credited
- RMB		397,380,000	Collateralised
- USD	24,145,788	6.9370 167,499,332	Credited
- USD	419,760,700	6.9370 2,911,879,976	Collateralised
Long-term payables		<u>107,477,627</u>	Collateralised
Total		<u><u>3,684,236,935</u></u>	
2015			
<i>Original currency</i>	<i>Exchange rate</i>	<i>RMB / RMB equivalents</i>	<i>Credited / collateralised / guaranteed / pledged</i>
Bank loans			
- RMB		248,330,000	Collateralised
- RMB		670,000,000	Credited
- USD	210,238,560	6.4936 <u>1,365,205,113</u>	Collateralised
Total		<u><u>2,283,535,113</u></u>	

The interest rate of RMB long-term loans due within one year for the Group ranged from 4.75% to 5.94% in 2016 (2015: from 3.90% to 5.94%), the interest rate of USD long-term loans for the Group due within one year ranged from 2.33% to LIBOR+4.3% in 2016 (2015: from LIBOR+3.2% to LIBOR+4.3%).

27. Other current liabilities

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

28. Long-term loans

				2016	
	<i>Principal</i>	<i>Exchange rate</i>	<i>RMB / RMB equivalents</i>		<i>Credited / collateralised / guaranteed / pledged</i>
Bank loans					
- RMB			14,865,000		Pledged
- RMB			2,684,820,636		Collateralised
- RMB			17,635,000,000		Credited
- USD	4,424,999,231	6.9370	30,696,219,667		Collateralised
- USD	350,442,585	6.9370	2,431,020,216		Credited
Less: Long-term loans within one year			<u>3,576,759,308</u>		
Total			<u>49,885,166,211</u>		
				2015	
	<i>Principal</i>	<i>Exchange rate</i>	<i>RMB / RMB equivalents</i>		<i>Credited / collateralised / guaranteed / pledged</i>
Bank loans					
- RMB			19,755,000		Pledged
- RMB			3,359,822,712		Collateralised
- RMB			3,512,000,000		Credited
- USD	4,660,836,176	6.4936	30,265,605,790		Collateralised
- USD	225,999,408	6.4936	1,467,549,756		Credited
Less: Long-term loans within one year			<u>2,283,535,113</u>		
Total			<u>36,341,198,145</u>		

The interest rate of RMB long-term loans for the Group ranged from 0% to 7.68% in 2016 (2015: from 0% to 7.68%); the interest rate of USD long-term loans for the Group ranged from 4.42% to 5.56% and the variable rate ranged from LIBOR+2.00% to LIBOR+4.3% in 2016 (2015: from LIBOR+2.7% to LIBOR+4.3%).

29. Bonds payable

(1) Bonds payable

<i>Items</i>	<i>2016</i>	<i>2015</i>
Bonds payable	9,956,719,508	-
Less: Bonds payable due within one year	-	-
Total	<u>9,956,719,508</u>	<u>-</u>

(2) Increase and decrease of bonds payable:

Name of bond	Par value	Issuance date	Maturity	Issued amount	Balance of the beginning of the year	Issued amount during the year	Interest recognised based on par value	Amortisation discounted to premium	Repayment during the year	Balance of the end of the year
16BOE01	10,000,000,000	2016.03.21	5 years	10,000,000,000	-	10,000,000,000	-	(43,280,492)	-	9,956,719,508
Total				10,000,000,000	-	10,000,000,000	-	(43,280,492)	-	9,956,719,508

From 21 March 2016 to 22 March 2016, with the Approval document No. 469 [2016] of CSRC, the Group issued successfully a corporate bond of RMB 10 billion to qualified investors via Shenzhen Stock Exchange. The full name of the bond is corporate bond issued publicly by BOE Technology Group Co., Ltd. to qualified investors in 2016 (the first phase), which is referred to as 16BOE01.

The total amount of the bond in the current period is RMB 10 billion issued at a par value of RMB 100, with its maturity of 5 years from 21 March 2016 to 21 March 2021. At the end of the third year of the maturity, the bond is accompanied by option of the issuer to increase the coupon rate and option of investors to sell back the bond. The coupon rate of the bond is 3.15% which is fixed for the first 3 years of the maturity. At the end of the third year of the maturity, if the issuer exercises the option of increasing the coupon rate, the coupon rate of part of the bond which is not sold back equal to the coupon rate of the first 3 years of the maturity plus the increased basis point. This rate is fixed during the rest of 2 years of the maturity. The principal of the bond should be repaid in full at expiration date. The interests, calculated from 21 March 2016, should be paid annually and the interest of the last period should be paid along with the principal.

30. Long-term payables

Items	2016	2015
Amount payables of sale and leaseback	1,368,924,192	-
Less: Amount payables of sale and leaseback due within one year	107,477,627	-
Total	1,261,446,565	-

The Group rented back some of its sold machinery equipment and constructions in progress. The sales of the assets are related to the leases, and the Group basically can ensure to buy back the asset after lease term. Therefore, the Group adopts the accounting treatment of collateral loans.

31. Provisions

<i>Item</i>	<i>2016</i>	<i>2015</i>
Pending implementation of the agreement	<u>16,457,010</u>	<u>16,457,010</u>

In 2009, the Group ceased producing several products and stopped fulfilling the purchase contract related to production. Due to the indemnity incurred accordingly, the Group accrued provisions according to reasonable estimation of loss.

32. Deferred income

<i>Item</i>	<i>Balance at the beginning of the year</i>	<i>Additions during the year</i>	<i>Reductions during the year</i>	<i>Balance at the end of the year</i>
Government grants	<u>2,406,244,676</u>	<u>731,464,843</u>	<u>643,586,590</u>	<u>2,494,122,929</u>
	<i>Balance at the beginning of the year</i>	<i>Additions of grants during the year</i>	<i>Recognition as non-operating income</i>	<i>Balance at the end of the year</i>
Government grants related to assets				
The 8.5th generation of TFT-LCD production line	762,261,809	42,515,845	176,026,102	628,751,552
The 6th generation of TFT-LCD production line	146,666,667	5,758,696	69,599,767	82,825,596
The 10.5th generation of TFT-LCD production line	-	369,744,100	-	369,744,100
Subsidies for scientific research and development	<u>1,299,583,097</u>	<u>166,392,036</u>	<u>207,278,353</u>	<u>1,258,696,780</u>
Sub-total	<u>2,208,511,573</u>	<u>584,410,677</u>	<u>452,904,222</u>	<u>2,340,018,028</u>
Government grants related to income				
Subsidies for scientific research and development	<u>197,733,103</u>	<u>147,054,166</u>	<u>190,682,368</u>	<u>154,104,901</u>
Sub-total	<u>197,733,103</u>	<u>147,054,166</u>	<u>190,682,368</u>	<u>154,104,901</u>
Total	<u>2,406,244,676</u>	<u>731,464,843</u>	<u>643,586,590</u>	<u>2,494,122,929</u>

33. Other non-current liabilities

<i>Item</i>	<i>Note</i>	<i>2016</i>	<i>2015</i>
Convertible debt	(1)	3,823,719,309	3,595,123,390
Equity investment with redemption provisions	(2)	3,336,400,000	2,500,000,000
Deferred VAT for imported equipment		354,553,214	75,720,270
Others	(3)	102,000,000	-
Total		<u>7,616,672,523</u>	<u>6,170,843,660</u>

(1) Convertible debt

Pursuant to the agreement regarding the investment in Hefei Xinsheng signed by the Company and its minority shareholders, the Company is responsible for converting the investment RMB 4,000,000,000 made by the minority shareholders on 1 April 2013 with its increased issue of shares if the increase issue was granted by the CSRC. The Company should acquire the minority shareholder's rights otherwise. The Company affirmed the equity investment by minority shareholders aforesaid to be the financial instruments mixed as the following: 1) the acquisition duty should be categorised as the financial liabilities initially recognised at its fair value and subsequently measured at its amortised costs; 2) the convertible duty should be categorised as the financial liabilities recognised at its fair value and changes therein are recognised in profit and loss. These financial liabilities were recognised in consolidated balance sheet as other non-current liabilities.

The Group evaluated the value of financial liability- the acquisition duty in accordance with the valuation model for its initial recognition. The remaining of the evaluation deducted by the actual investment made by minority shareholders was recognised as the financial liability- the convertible duty. In November 2014, the Company acquired the minority stockholders' investment in Hefei Xinsheng amounting to RMB 1,000,000,000 and derecognised the book value of the relevant financial liabilities. As at 31 December 2016, the Company used effective interest rate method to evaluate the amortised costs to be RMB 3,718,609,945 for the value of financial liability- the acquisition duty, the remaining equity investment attributable to minority shareholders amounting to RMB 3,000,000,000. The value of the financial liability- the convertible duty was recognised at its initial investment costs for RMB 105,109,364.

(2) Equity investment with redemption provisions

Pursuant to the first, second and third agreements regarding the investment in the 8.5th generation semiconductor display device production line of Fuzhou signed among Fuzhou Government, Fuzhou Construction, China Development Bond Co., LTD (“CDB Development Fund”) and the Company, CDB Development Fund invested RMB 1,700,000,000, RMB 800,000,000 and RMB 800,000,000 as paid-in capitals in Fuzhou BOE Optoelectronics Technology Co., Ltd (Fuzhou BOE) in December 2015, December 2015 and February 2016 respectively. CDB Development Fund has the right to demand the Company to repurchase all the equity generated from the investment at the same price as its initial investment and the Company should guarantee that CDB Development Fund enjoys an annualized yield at 1.2% of the total investment through dividend distribution. The Company recognised all the mentioned investments from CDB Development Fund as other non-current liabilities and recognised interest expense of RMB 36,400,000 calculated based on annualized yield at the end of 2016.

(3) Others

The subsidiary of the Group acquired special support fund for construction projects and fixed asset acquisition. The special support fund can be reclassified as government grant related to assets once the construction projects are reviewed and verified as qualified. Otherwise, the principal and interests which are calculated at the bank interest rate of the current period from the date of capital appropriation should be repaid. During the agreement period, the Group categorised the fund as Other non-current liabilities.

34. Share capital

	<i>Balance at the beginning of the year</i>	<i>Balance at the end of the year</i>
Total shares	<u>35,153,067,743</u>	<u>35,153,067,743</u>

35. Capital reserve

	<i>Balance at the beginning of the year</i>	<i>Additions during the year</i>	<i>Reductions during the year</i>	<i>Balance at the end of the year</i>
Share premiums	38,115,575,868	-	-	38,115,575,868
Other capital reserves				
- Equity investment provision	259,913,487	-	-	259,913,487
- Acquisition of minority interests	635,655,430	11,579,348	-	647,234,778
- Other changes of investees	7,755,682	4,730,773	3,853,059	8,633,396
Total	<u>39,018,900,467</u>	<u>16,310,121</u>	<u>3,853,059</u>	<u>39,031,357,529</u>

36. Treasury shares

<i>Item</i>	<i>Balance at the beginning of the year</i>	<i>Additions during the year</i>	<i>Reductions during the year</i>	<i>Balance at the end of the year</i>
Repurchase of unrestricted A-share	-	226,480,961	-	226,480,961
Repurchase of unrestricted B-share	-	87,869,863	-	87,869,863
Total	-	314,350,824	-	314,350,824

The Company utilised its own fund to repurchase the issued public shares through centralised bidding in Shenzhen Stock Exchange on 20 September 2016. As at 31 December 2016, the Company have repurchased 88,692,299 unrestricted A-share and 43,848,526 unrestricted B-share. After the repurchase is completed, the repurchased shares will be deregistered within 6 months of the repurchase in accordance with the requirements of Company Law.

37. Other comprehensive income

<i>Item</i>	<i>Balance at the beginning of the year attributable to shareholders of the parent company</i>	<i>Movements during the year</i>					<i>Balance at the end of the year attributable to shareholders of the parent company</i>
		<i>Before-tax amount</i>	<i>Less: Previously recognised amount transferred to profit or loss</i>	<i>Less: income tax</i>	<i>After-tax amount attributable to the parent company</i>	<i>After-tax amount attributable to the minority shareholders</i>	
Other comprehensive income that will be reclassified to profit or loss Including: Share of other comprehensive income of equity method investments	26,510,264	42,053,252	-	-	42,053,252	-	68,563,516
Gain or loss arising from changes in fair value of available-for-sale financial assets	124,321,870	2,140,108	18,252,133	89,037	(16,836,007)	634,945	107,485,863
Translation difference from foreign financial statements	(60,679,125)	6,207,006	-	-	(39,651,551)	45,858,557	(100,330,676)
Total	90,153,009	50,400,366	18,252,133	89,037	(14,434,306)	46,493,502	75,718,703

38. Surplus reserve

<i>Item</i>	<i>Balance at the beginning of the year</i>	<i>Additions during the year</i>	<i>Reductions during the year</i>	<i>Balance at the end of the year</i>
Statutory surplus reserve	302,570,750	150,897,796	-	453,468,546
Discretionary surplus reserve	289,671,309	-	-	289,671,309
Total	592,242,059	150,897,796	-	743,139,855

39. Retained earnings

<i>Item</i>	<i>2016</i>	<i>2015</i>
Retained earnings at the beginning of the year	2,630,912,286	1,434,745,673
Add: Net profits for the year attributable to shareholders of the Company	1,882,571,674	1,636,270,488
Less: Appropriation for statutory surplus reserve	150,897,796	88,573,198
Dividends to ordinary shares	<u>351,530,677</u>	<u>351,530,677</u>
Retained earnings at the end of the year	<u><u>4,011,055,487</u></u>	<u><u>2,630,912,286</u></u>

As at 31 December 2016, the consolidated retained earnings attributable to the Company included an appropriation of RMB 807,192,450 to surplus reserve by the Company's subsidiaries (2015: RMB 1,451,832,263).

According to the Annual Shareholders' Meeting for 2015 held on 20 May 2016, the Company distributed cash dividends to all shareholders on 28 June 2016, with RMB 0.1 every 10 shares and a total dividend of RMB 351,530,677 distributed.

40. Operating income and operating costs

	<u>2016</u>		<u>2015</u>	
	<i>Income</i>	<i>Cost</i>	<i>Income</i>	<i>Cost</i>
Principal activities	66,518,894,197	54,744,486,677	46,808,437,681	37,383,502,981
Other operating activities	<u>2,376,764,766</u>	<u>1,841,209,414</u>	<u>1,815,294,631</u>	<u>1,371,587,685</u>
Total	<u><u>68,895,658,963</u></u>	<u><u>56,585,696,091</u></u>	<u><u>48,623,732,312</u></u>	<u><u>38,755,090,666</u></u>

Details of operating income:

	<i>2016</i>	<i>2015</i>
Operating income from principal activities		
- Sales of goods	66,518,894,197	46,808,437,681
Other operating income		
- Sales of raw materials	1,377,253,263	899,663,002
- Rental income of investment properties	805,736,949	700,499,244
- Others	<u>193,774,554</u>	<u>215,132,385</u>
Total	<u><u>68,895,658,963</u></u>	<u><u>48,623,732,312</u></u>

Information on income, expenses and profit of principal activities has been included in Note XIII.

41. Taxes and surcharges

	2016	2015
Business tax	15,807,478	32,870,880
City maintenance and construction tax	129,074,343	135,042,622
Education surcharge and local education charge	92,429,674	96,995,837
Real estate tax	138,000,971	-
Land use tax	26,748,602	-
Stamp duty	52,130,827	-
Others	5,072,038	10,889,077
	<u>459,263,933</u>	<u>275,798,416</u>
Total	<u>459,263,933</u>	<u>275,798,416</u>

In accordance with *Notice of Ministry of Finance on Promulgation of the Regulations on Accounting Treatment of Value-added Tax (Cai Kuai [2016] No. 22)*, taxes such as real estate tax, land use tax, license tax for vehicles and vessels, stamp tax should be recorded in the tax and surcharge from 1 May 2016.

42. Selling and distribution expenses

	2016	2015
Staff cost	370,619,778	274,041,738
Logistics	347,897,805	240,430,388
Warranty provisions	958,418,943	480,703,981
Other expenses	307,425,395	294,862,579
	<u>1,984,361,921</u>	<u>1,290,038,686</u>
Total	<u>1,984,361,921</u>	<u>1,290,038,686</u>

43. General and administrative expenses

	2016	2015
Staff cost	1,246,903,134	810,284,723
Depreciation and amortisation	212,598,319	185,533,307
Research and development expense	2,619,111,248	2,187,548,666
Repair expense	800,135,647	727,044,555
Other expenses	739,695,304	765,366,948
	<u>5,618,443,652</u>	<u>4,675,778,199</u>
Total	<u>5,618,443,652</u>	<u>4,675,778,199</u>

44. Financial expenses

	2016	2015
Interest expenses from loans	2,349,432,222	1,885,066,434
Less: Borrowing costs capitalised	326,691,880	533,424,651
Interest income from deposits	(533,341,012)	(725,634,009)
Net exchange losses	754,759,625	815,250,986
Other financial expenses	54,957,942	54,754,420
	<u>2,299,116,897</u>	<u>1,496,013,180</u>
Total	<u>2,299,116,897</u>	<u>1,496,013,180</u>

The interest rate per annum, at which the borrowing costs were capitalised by the Group, was 2.75% - 5.13% (2015: 2.43% - 4.97%) for the year.

45. Impairment losses

	2016	2015
Bad debts (reversal) / loss	(18,890,107)	194,368
Inventories	1,374,128,536	1,362,645,452
Long-term equity investments	199,524,795	-
Fixed assets	39,725,329	1,660,332
	<u>1,594,488,553</u>	<u>1,364,500,152</u>
Total	<u>1,594,488,553</u>	<u>1,364,500,152</u>

46. Investment income

	2016	2015
Long-term equity investments (loss) / income under equity method	(15,121,347)	4,748,739
Investment income from disposal of long-term equity investment	6,107,937	-
Investment loss from disposal of financial assets measured at fair value through profit or loss	(20,988,941)	-
Including: Financial assets held for trading	(20,988,941)	-
Investment income from disposal of available-for-sale financial assets	11,921,601	-
Investment income from holding available-for-sale financial assets	10,822,410	9,245,239
Investment income from wealth management products on maturity	158,264,949	173,197,708
Including: Reversal of other comprehensive income	<u>21,473,098</u>	<u>30,095,798</u>
Total	<u><u>151,006,609</u></u>	<u><u>187,191,686</u></u>

47. Non-operating income

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

<i>Item</i>	2016	2015	<i>Amount recognised in extraordinary gain and loss in 2016</i>
Total gains from disposal of non-current assets	11,206,342	3,026,374	11,206,342
Including: Disposal of fixed assets	5,076,889	3,026,374	5,076,889
Disposal of intangible assets	5,053,946	-	5,053,946
Government grants	1,914,531,603	1,045,101,727	1,914,531,603
Others	<u>160,228,373</u>	<u>34,589,132</u>	<u>160,228,373</u>
Total	<u><u>2,085,966,318</u></u>	<u><u>1,082,717,233</u></u>	<u><u>2,085,966,318</u></u>

(2) Details of government grants

<i>Item</i>	<i>2016</i>	<i>2015</i>
Relate to assets		
The 8.5th generation of TFT- LCD production line	176,026,102	156,636,126
The 6th generation of TFT-LCD production line	69,599,767	68,571,429
Subsidies for scientific research and development	<u>207,278,353</u>	<u>207,672,737</u>
Sub-total	<u>452,904,222</u>	<u>432,880,292</u>
Relate to income		
Subsidies for scientific research and development	<u>1,461,627,381</u>	<u>612,221,435</u>
Sub-total	<u>1,461,627,381</u>	<u>612,221,435</u>
Total	<u>1,914,531,603</u>	<u>1,045,101,727</u>

48. Non-operating expenses

<i>Item</i>	<i>2016</i>	<i>2015</i>	<i>Amount recognised in extraordinary gain and loss in 2016</i>
Total losses from disposal of non-current assets	64,068,631	11,376,698	64,068,631
Including: Losses from disposal of fixed assets	64,017,019	11,376,698	64,017,019
Losses from disposal of intangible assets	51,612	-	51,612
Donations provided	2,719,012	4,948,561	2,719,012
Others	<u>12,074,125</u>	<u>6,853,556</u>	<u>12,074,125</u>
Total	<u>78,861,768</u>	<u>23,178,815</u>	<u>78,861,768</u>

49. Income tax expenses

	<i>Note</i>	<i>2016</i>	<i>2015</i>
Current tax expenses for the year based on tax law and corresponding regulations		492,415,785	325,421,338
Changes in deferred tax assets / liabilities	(1)	<u>(25,187,469)</u>	<u>49,711,847</u>
Total		<u>467,228,316</u>	<u>375,133,185</u>

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

	<i>2016</i>	<i>2015</i>
Origination and reversal of temporary differences	<u>(25,187,469)</u>	<u>49,711,847</u>

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

	<i>2016</i>	<i>2015</i>
Profit before taxation	2,512,399,075	2,013,243,117
Expected income tax expenses at a tax rate of 15%	376,859,861	301,986,467
Add: Effect of different tax rates applied by subsidiaries	46,714,771	3,843,487
Tax effect of non- deductible costs, expenses and losses	29,725,849	37,930,558
Tax effect of weighted deduction and tax preference	(164,389,739)	(203,814,433)
Utilisation of prior year tax losses	(34,812,379)	(57,887,723)
Tax effect of deductible losses of deferred tax assets not recognised	50,457,430	131,240,811
Tax effect of temporary deductible temporary differences of deferred tax assets not recognised	<u>162,672,523</u>	<u>161,834,018</u>
Income tax expenses	<u>467,228,316</u>	<u>375,133,185</u>

50. Basic earnings per share and diluted earnings per share

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

	2016	2015
Consolidated net profit attributable to ordinary shareholders of the Company	1,882,571,674	1,636,270,488
Weighted average number of ordinary shares outstanding (share)	35,132,740,903	35,255,569,283
Basic earnings per share (RMB / share)	0.054	0.046

Weighted average number of ordinary shares is calculated as follows:

	2016	2015
Issued ordinary shares at the beginning of the year	35,153,067,743	35,289,637,574
Weighted average number of ordinary shares issued in current period	-	-
Effect of shares repurchased	<u>(20,326,840)</u>	<u>(34,068,291)</u>
Weighted average number of ordinary shares at the end of the year	<u>35,132,740,903</u>	<u>35,255,569,283</u>

51. Notes to cash flow statement

(1) Supplement to cash flow statement

	2016	2015
a. Reconciliation of net profit to cash flows from operating activities:		
Net profit	2,045,170,759	1,638,109,932
Add: Provisions for impairment of assets	1,594,488,553	1,364,500,152
Depreciation of fixed assets and investment property	10,043,152,205	7,799,457,709
Amortisation of intangible assets	263,565,131	239,631,840
Amortisation of long-term deferred expenses	66,800,461	56,193,811
Gains from disposal of fixed assets, intangible assets, and other long-term assets	(11,206,342)	(3,026,374)
Losses from scrapping of fixed assets and intangible assets	64,068,631	11,376,698
Gains from share acquisition	(105,228,293)	(163,082)
Financial expenses	3,054,587,745	980,021,974
Income arising from investments	(151,006,609)	(187,191,686)
Gains from Government grants	(1,056,995,722)	(432,880,292)
(Increase) / decrease in deferred tax assets	(28,829,528)	21,674,405
Increase in deferred tax liabilities	3,944,619	32,778,710
Increase in gross inventories	(2,266,461,601)	(3,807,241,082)
Increase in operating receivables	(9,061,142,249)	(506,006,281)
Increase in operating payables	5,618,379,360	3,286,149,011
Net cash inflow from operating activities	10,073,287,120	10,493,385,445
b. Change in cash and cash equivalents:		
Cash and cash equivalents at the end of the year	49,354,810,388	36,182,738,217
Less: Cash and cash equivalents at the beginning of the year	36,182,738,217	36,504,707,160
Net increase / (decrease) in cash and cash equivalents	13,172,072,171	(321,968,943)

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

Information on acquisition of subsidiaries:

	2016	2015
Consideration of acquiring subsidiaries	<u>1,172,780,300</u>	<u>759,738,513</u>
Cash and cash equivalents paid during the year for acquiring subsidiaries	1,172,780,300	759,738,513
Including: Viratronix International Co., Ltd.	1,172,360,000	-
Beijing BOE Property Development Co., Ltd.	420,300	-
Fuzhou BOE Optoelectronics Technology Co., Ltd.	-	509,500,000
BOE Healthcare Investment & Management Co., Ltd.	-	250,238,513
Less: Cash and cash equivalents held by subsidiaries	3,575,894,762	354,894,116
Including: Viratronix International Co., Ltd.	1,825,401,971	-
Hefei BOE Display Technology Co., Ltd.	1,724,618,836	-
Beijing BOE Property Development Co., Ltd.	25,873,955	-
Fuzhou BOE Optoelectronics Technology Co., Ltd.	-	346,999,560
BOE Healthcare Investment & Management Co., Ltd.	-	<u>7,894,556</u>
Net cash received from / paid for the acquisition of subsidiaries	<u>(2,403,114,462)</u>	<u>404,844,397</u>

For non-cash assets and liabilities held by the acquired subsidiaries and other business units, refer to Note VI.1(3).

Information on disposal of subsidiaries:

	<i>2016</i>
Consideration from disposing subsidiaries:	<u>18,590,000</u>
Cash and cash equivalents received during the year for disposing subsidiaries during the year	18,590,000
Including: Beijing BOE Changhong Network Science & Technology Co., Ltd.	18,590,000
Less: Cash and cash equivalent held by disposed subsidiaries	29,392,558
Including: Beijing BOE Changhong Network Science & Technology Co., Ltd.	28,711,286
Beijing BOE Digital Technology Co., Ltd.	89,059
BOE Taiwan Inc.	<u>592,213</u>
Net cash received for disposing subsidiaries	<u>(10,802,558)</u>
Non-cash assets and liabilities held by disposed subsidiaries and other business units	
- Current assets	22,499,052
- Non-current assets	304,238
- Current liabilities	19,150,640
- Other non-current liabilities	-

(3) Details of cash and cash equivalents

	<i>2016</i>	<i>2015</i>
Cash on hand	707,796	253,600
Bank deposits available on demand	49,170,616,669	36,182,484,617
Other monetary funds available on demand	<u>183,485,923</u>	<u>-</u>
Cash and cash equivalents at the end of year	<u>49,354,810,388</u>	<u>36,182,738,217</u>

Note: Cash and cash equivalents disclosed above exclude other monetary fund with restricted usage.

52. Assets with restrictive ownership title or right of use

Item	Balance at the beginning of the year	Additions during the year	Decreases during the year	Balance at the end of the year	Reason for restriction
Cash at bank and on hand	2,684,123,619	9,112,226,181	2,998,342,965	8,798,006,835	Pledged as collateral and margin deposit
Bills receivable	51,563,586	879,582,674	377,080,099	554,066,161	Discounted with recourse, endorsed with resource and pledged for drawing bill
Investment properties	170,325,299	30,299,557	6,227,418	194,397,438	Mortgaged as collateral
Fixed assets	51,516,583,058	15,629,932,827	8,043,158,644	59,103,357,241	Mortgaged as collateral
Construction in progress	10,479,844,601	3,484,318,546	11,385,352,677	2,578,810,470	Mortgaged as collateral
Intangible assets	668,801,276	351,196,755	57,209,100	962,788,931	Mortgaged as collateral
Total	65,571,241,439	29,487,556,540	22,867,370,903	72,191,427,076	

53. Provisions for impairment of assets

Item	Note	Balance at the beginning of the year	Additions during the year	Decreases during the year			Balance at the end of the year
				Reversals	Write-offs	Disposals due to business combinations	
Receivables	V.3,5	56,151,099	5,656,976	24,547,083	5,235,840	-	32,025,152
Inventories	V.6	1,035,526,085	1,782,390,160	386,545,753	1,317,149,145	30,769	1,114,190,578
Available-for-sale financial assets	V.8	150,279,655	-	-	-	-	150,279,655
Held-to-maturity investments		17,960,946	-	-	-	-	17,960,946
Long-term equity investments	V.9	337,612,177	199,524,795	-	-	-	537,136,972
Fixed assets	V.11	646,119,997	39,725,329	-	20,228,030	-	665,617,296
Construction in progress	V.12	1,311,456	-	-	-	-	1,311,456
Intangible assets	V.13	471,453	-	-	-	-	471,453
Goodwill	V.14	4,423,876	-	-	-	-	4,423,876
Total		2,249,856,744	2,027,297,260	411,092,836	1,342,613,015	30,769	2,523,417,384

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

Name of the subsidiary	Acquisition time of equity investment	Cost of equity investment	Shareholding acquired (%)	Acquisition method	Acquisition date	Basis of acquisition date determination	Acquiree- from acquisition date 31 December 2016		
							Income	Net profit	Net cash inflow / (outflow)
Hefei BOE Display Technology Co., Ltd.	30 November 2016	Not Applicable	Not Applicable	Not Applicable	30 November 2016	Entering into unified action agreement and obtaining actual control	8,019	1,586,766	4,134,039,396
Varitronix International Limited	28 April 2016	1,172,360,000	54.70%	Business combination	28 April 2016	Owning more than half of the acquiree's Board seats with actual control	1,301,427,936	37,037,859	(282,476,239)
Beijing BOE Property Management Co., Ltd.	13 July 2016	420,300	100%	Business combination	13 July 2016	Closing date of the share agreed in the agreement	97,919,353	18,828,512	25,642,327

Hefei BOE Display Technology Co., Ltd. (“Hefei Display”) was established in Hefei in 2015 and mainly engaged in researching and developing, manufacturing and selling semiconductor display devices, complete machines and related products. Before the acquisition date, the Company, Hefei Construction Investment & Holding Co., Ltd. and Hefei Xinping Industry Investment Fund (Limited Partnership) held 7.27%, 65.46% and 27.27% of Hefei Display’s capital shares, respectively. The controlling shareholder of Hefei Display was Hefei Construction Investment & Holding Co., Ltd. According to the Articles of Association, the board of directors consists of five directors, three of whom are recommended by the Company and the resolutions of board meetings must be approved by more than two thirds of all directors from the board of directors. Therefore, the Company has significant influence over Hefei Display, and accounts for this investment as a joint venture using the equity method. In November 2016, the Company, Hefei Construction Investment & Holding Co., Ltd. and Hefei Xinping Industry Investment Fund (Limited Partnership) concluded an agreement to act as concerted action in accordance with the wishes of the Company and exercise their voting rights in accordance with the opinions of the Company, unconditionally and irrevocably. Therefore, the Company has control over Hefei Display. The book value of the equity investment held by the Company at the acquisition date is RMB 531,765,324. The Company transferred the capital reserves related to shares held to the investment income of RMB 3,853,059 in the consolidated financial statements at the acquisition date.

Varitronix International Limited was established in Bermuda in 1978 with its head office in Hong Kong and mainly engaged in designing, manufacturing and selling of LCD monitors and related products. Before the business combination, the controlling shareholder of Varitronix International Limited is Gao Zhenshun. BOE Technology (HK) Limited, which is a subsidiary of the Company, subscribed for 400 millions of newly shares with voting rights issued by Varitronix International Limited with cash in April 2016. The subscription price was HKD 3.5 per share. After the subscription, BOE Technology (HK) Limited holds 54.7% shares of Varitronix International Limited.

Beijing BOE Property Management Co., Ltd. was established in Beijing in November 2009 with its head office located at Room 101, Floor 4, Building 55, No. 10, Jiuxianqiao Road, Chaoyang District, Beijing and mainly engaged in property management, engineering project management, engineering consultation, landscape engineering design, food and beverage management, agent business of real estates, real estate consultation, lease of office buildings and other activities (Operation of the projects, subject to the approval by related authorities in accordance with laws, are carried out based on the content approved). Before the business combination, the parent company of Beijing BOE Property Management Co., Ltd. is the Labour Union of Beijing-Matsushita Color CRT Co.,Ltd.

(2) Acquisition costs and goodwill

Acquisition costs	Hefei BOE Display Technology Co., Ltd.		Varitronix International Limited		Beijing BOE Property Management Co., Ltd.	
	Book value	Fair value	Book value	Fair value	Book value	Fair value
Cash	-	-	1,172,360,000	1,172,360,000	420,300	420,300
Equity interests held before acquisition date	531,765,324	531,765,324	-	-	-	-
Total acquisition cost		531,765,324		1,172,360,000		420,300
Less: Fair value share of identifiable net assets acquired		531,765,324		1,277,588,293		420,300
Amount of acquisition cost less than share of the fair value of the identifiable net assets acquired		-		(105,228,293)		-

(3) Identifiable assets and liabilities of acquirees at the acquisition dates

	Hefei BOE Display Technology Co., Ltd.		Varitronix International Limited		Beijing BOE Property Management Co., Ltd.	
	Book value	Fair value	Book value	Fair value	Book value	Fair value
Assets:						
Current assets	3,821,372,125	3,821,372,125	2,717,780,109	2,717,780,109	38,485,563	38,485,563
Non-current assets	5,460,410,470	5,460,410,470	382,099,747	419,702,698	2,118,278	2,118,278
Liabilities:						
Current liabilities	1,517,845,143	1,517,845,143	789,751,021	789,796,426	40,183,541	40,183,541
Non-current liabilities	447,924,100	447,924,100	6,380,743	12,021,186	-	-
Net assets	7,316,013,352	7,316,013,352	2,303,748,092	2,335,665,195	420,300	420,300
Less: Non-controlling interests	6,784,248,028	6,784,248,028	1,043,597,886	1,058,076,902	-	-
Net assets acquired	531,765,324	531,765,324	1,260,150,206	1,277,588,293	420,300	420,300

The fair value of the above identifiable assets existing in active market is determined based on their prices in the active market. For the identifiable assets which do not exist in active market, the fair value is determined based on the market prices of the assets of the similar kind or of the same kind; if there is not any assets of the similar kind or of the same kind, the fair value is determined under valuation.

The fair value of the above identifiable liabilities is determined based on present value of the amounts payable or amounts paid.

2. Disposal of subsidiaries

Losing control in the single disposal of investment in the subsidiary

Name	Consideration	Shareholding being disposed (%)	Disposal method	Date of losing control	Basis for determining date of losing control	Difference between the consideration received and the related share of net assets in consolidated financial statements	Proportion of remaining shareholding on the date of losing control	Carrying amount of remaining equity interests on the date of losing control	Fair value of remaining equity interests on the date of losing control	Gain or loss from remeasurement of remaining equity interests to fair value	Method and key assumptions for determining the fair value of remaining equity interests	Investment income or loss transferred from other comprehensive income related to previous equity investment in subsidiaries
Beijing BOE Changhong Network Science & Technology Co., Ltd.	18,590,000	51%	Transfer	16 August 2016	Completing the equity transfer procedures	1,177,864	-	-	-	-	-	-

In return of losing the control of Beijing BOE Changhong Network Science & Technology Co., Ltd., The Group obtained gain of RMB 1,177,864, stated in the investment income in the consolidated financial statements.

3. Other reasons for change of consolidation scope

(1) New-established subsidiaries

The Company established 8 subsidiaries, namely Chongqing BOE Smart Electronic System Co., Ltd., Huaining Dongfangduxiu New Energy Co., Ltd., BOE India Private Limited, Hefei BOE Vision-electronic Technology Co., Ltd., BOE Taiwan Inc., Beijing BOE Technology Development Co., Ltd., BOE Smart Technology Co., Ltd., and Hefei BOE Zhuoyin Technology Co., Ltd. The shareholding percentage of the above companies is 100%.

(2) Settlement of subsidiaries

Beijing BOE Digital Technology Co., Ltd. and OE Taiwan Inc., the holding subsidiaries of the Company, entered into settlement in August 2016 and September, 2016 respectively.

VII. Interests in other entities

1. Interests in subsidiaries

Name of the Subsidiary	Principal Place of Business	Registration place	Business Nature	Registered capital	Shareholding (or similar equity interest) percentage		Acquisition method
					Direct	Indirect	
Beijing BOE Optoelectronics Technology Co., Ltd.	Beijing, China	Beijing, China	Research, development, and manufacture of TFT-LCD	USD 649,110,000	82.49%	17.51%	Investment
Chengdu BOE Optoelectronics Technology Co., Ltd. (Chengdu Optoelectronics)	Chengdu, China	Chengdu, China	Research, development, manufacture, and sale of new display devices and components	RMB 20,000,000,000	100%	-	Business combinations involving enterprises not under common control
Hefei BOE Optoelectronics Technology Co., Ltd.	Hefei, China	Hefei, China	Investing, researching, manufacturing and promoting TFT-LCD products and accessory products	RMB 9,000,000,000	100%	-	Business combinations involving enterprises not under common control
Beijing BOE Display Technology Co., Ltd. (BOE Display)	Beijing, China	Beijing, China	Development of TFT-LCD, manufacture and sale of TFT-LCD	RMB 17,882,913,500	97.17%	2.83%	Investment
Hefei Xinsheng Optoelectronics Technology Co., Ltd.	Hefei, China	Hefei, China	Investing, researching, manufacturing and promoting TFT-LCD products and accessory products	RMB 19,500,000,000	84.59%	0.03%	Business combinations involving enterprises not under common control
Erdos Yuansheng Optoelectronics Co., Ltd. (Yuansheng Optoelectronics)	Erdos, China	Erdos, China	The production and operation of AMOLED and relevant products	RMB 11,804,000,000	100%	-	Investment
Chongqing BOE Optoelectronics Technology Co., Ltd. (Chongqing BOE)	Chongqing, China	Chongqing, China	Research, development, manufacture and sales of semiconductor display devices, machine and relevant products, import and export of goods and technical consulting	RMB 19,226,000,000	81.80%	-	Business combinations involving enterprises not under common control
Fuzhou BOE Optoelectronics Technology Co., Ltd. (Fuzhou BOE)	Fuzhou, China	Fuzhou, China	Investing, researching, manufacturing and promoting TFT-LCD products and accessory products	RMB 10,483,000,000	68.52%	-	Business combinations involving enterprises not under common control
Beijing BOE Vision-electronic Technology Co., Ltd. (BOE Vision-electronic)	Beijing, China	Beijing, China	Research, manufacture and sales of LCD and terminal products of TV	RMB 1,750,000,000	100%	-	Investment
Beijing BOE Vacuum Electronics Co., Ltd.	Beijing, China	Beijing, China	Manufacture and sales of vacuum electronic products	RMB 35,000,000	55%	-	Investment
Beijing BOE Vacuum Technology Co., Ltd.	Beijing, China	Beijing, China	Manufacture and sales of vacuum products	RMB 32,000,000	100%	-	Investment
Beijing BOE Special Display Technology Co., Ltd. (Special Display)	Beijing, China	Beijing, China	Development of display products and sales of electronic products	RMB 100,000,000	100%	-	Investment
Beijing Yinghe Century Co., Ltd.	Beijing, China	Beijing, China	Engineering project management, real estate development, mobile vehicle parking lot services and marketing research	RMB 233,105,200	100%	-	Investment
BOE Optical Science and technology Co., Ltd. (Optical Technology)	Suzhou, China	Suzhou, China	Development, manufacture and sales of backlight and related parts and components for LCD	RMB 826,714,059	93.88%	-	Investment
BOE Hyundai LCD (Beijing) Display Technology Co., Ltd.	Beijing, China	Beijing, China	Development, manufacture and sales of liquid display for mobile termination	USD 5,000,000	75%	-	Investment
BOE (Hebei) Mobile Technology Co., Ltd. (BOE Hebei)	Langfang, China	Langfang, China	Manufacture and sales of mobile flat screen display technical products and related services	RMB 1,358,160,140	100%	-	Investment

Name of the Subsidiary	Principal Place of Business	Registration place	Business Nature	Registered capital	Shareholding (or similar equity interest) percentage		Acquisition method
					Direct	Indirect	
Beijing BOE Multimedia Technology Co., Ltd. (BOE Multimedia)	Beijing, China	Beijing, China	Sales of computer software and Hardware, the numeral regards the audio frequency technology	RMB 400,000,000	100%	-	Investment
Beijing BOE Energy Technology Co., Ltd. (BOE Energy)	Beijing, China	Beijing, China	Design, consultation and services of solar battery, photovoltaic system, wing turbine system and photo-thermal system, and energy saving service	RMB 850,000,000	100%	-	Investment
Beijing BOE Smart Commerce Co., Ltd. (Beijing Smart Commerce)	Beijing, China	Beijing, China	Technology promotion, property management, and sales of electronic products	RMB 10,000,000	100%	-	Investment
Beijing Zhongxiangying Technology Co., Ltd. (Beijing Zhongxiangying)	Beijing, China	Beijing, China	Technology promotion, property management, and sales of electronic products	RMB 10,000,000	100%	-	Investment
Erdos Haosheng Energy Investment Co., Ltd. (Haosheng Energy)	Erdos, China	Erdos, China	Energy investment 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 30,000,000	20%	80%	Investment
BOE Semi-conductor Co., Ltd.	Beijing, China	Beijing, China	Design, manufacturing and sales of electronic-information industry related products, investment and financing businesses	RMB 11,700,000	80.77%	-	Investment
BOE Optoelectronics Holding Co.,Ltd. (Optoelectronics Holding)	Hong Kong, China	Virgin Islands, British		USD 47,349,100	100%	-	Investment
Beijing ASAHI Electronic Materials Co., Ltd.	Beijing, China	Beijing, China	Sales of Supports and glass bar for TV and CTV low melting sealing frit	RMB 61,576,840	100%	-	Business combinations involving enterprises not under common control
BOE Healthcare Investment & Management Co., Ltd. (Healthcare Investment)	Beijing, China	Beijing, China	Investment management and project investment	RMB 710,921,556	100%	-	Business combinations involving enterprises not under common control
Beijing-Matsushita Color CRT Co., Ltd. (Matsushita)	Beijing, China	Beijing, China	Coloured TV, cathode-ray tube of display, projection cathode ray tube of coloured RPTV and materials of electronic parts, property management service, toll parking lots	RMB 670,754,049	88.80%	-	Business combinations involving enterprises not under common control
Hefei BOE Display Technology Co., Ltd.	Hefei China	Hefei China	Investment, development and manufacture of TFT-LCD products and accessory products	RMB 8,969,000,000	7.46%	-	Business combinations involving enterprises not under common control
Beijing BOE Technology Development Co., Ltd. (Technology Development)	Beijing, China	Beijing, China	Development, transfer, consultation and services of technologies	RMB 1,000,000	100%	-	Investment
BOE Smart Technology Co., Ltd. (Smart Technology)	Beijing, China	Beijing, China	Development, transfer, consultation, services and promotion of technologies	RMB 100,000,000	100%	-	Investment
Hefei BOE Zhuoyin Science & Technology Co., Ltd. (Zhuoyin Science & Technology)	Hefei China	Hefei China	Investment, development, manufacture and sales of OLED display products and accessory products	RMB 1,000,000	100%	-	Investment
Beijing BOE Property 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 54,420,000	70%	-	Investment
Beijing BOE Marketing 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 500,000	100%	-	Investment

The movements of major subsidiaries' paid-in capital during the year:

<i>Name of the Subsidiary</i>	<i>Balance at the beginning of the year</i>	<i>Additions during the year</i>	<i>Reduction during the year</i>	<i>Balance at the end of the year</i>
Chengdu BOE	2,830,000,000	8,500,000,000	-	11,330,000,000
Yuansheng Optoelectronics	6,904,000,000	4,900,000,000	-	11,804,000,000
Chongqing BOE	16,226,000,000	3,000,000,000	-	19,226,000,000
BOE Display	17,377,199,300	505,714,200	-	17,882,913,500
Optical Technology	364,068,929	160,000,000	-	524,068,929
BOE Hebei	558,160,140	500,000,000	-	1,058,160,140
BOE Energy	50,000,000	200,000,000	-	250,000,000
Optoelectronics Holding	210,894,285	87,041,182	-	297,935,467
Matsushita	1,240,754,049	-	570,000,000	670,754,049
BOE Vision-electronic	560,000,000	560,000,000	-	1,120,000,000
Hefei Display	7,333,000,000	1,636,000,000	-	8,969,000,000
Fuzhou BOE	2,250,000,000	8,233,000,000	-	10,483,000,000
Healthcare Investment	510,921,556	200,000,000	-	710,921,556

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

Changes in the Group's interests in subsidiaries:

	<i>Before changes of interests</i>	<i>After changes of interest</i>
Chongqing BOE	96.92%	81.80%
Optical Technology	91.20%	93.88%
Hefei Display	7.27%	7.46%

In March 2016, Guotai Yuanxin Asset Management Co. Ltd. and Shenzhen Pingan Dahua Huitong Wealth Management Co., Ltd. increased capital contribution to Chongqing BOE by RMB 1,700,000,000 and RMB 1,300,000,000, respectively. The percentage of shares held by the Company in Chongqing BOE decreased from 96.92% to 81.80% after the capital increase.

The Company increased capital contribution to Optical Science and Technology by RMB 60,000,000 and RMB 100,000,000 respectively in April 2016 and September 2016. The percentage of shares held by the Company increased from 91.20% to 93.88% after the capital increase.

In November 2016, the Company, Hefei Construction Investment & Holding Co., Ltd. and Hefei Xinping Industry Investment Fund (Limited Partnership) concluded an agreement on concredited action to have control over Hefei Display. In December 2016, the Company and Hefei Xinping Industry Investment Fund (Limited Partnership) increased capital contribution to Hefei Display by RMB 136,000,000 and RMB 1,500,000,000, respectively. The percentage of shares held by the Company in Hefei Display increased from 7.27% to 7.46% after the capital increase.

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

	<i>Chongqing BOE Optical Technology</i>	<i>Hefei Display</i>
Acquisition cost		
- Cash	-	160,000,000
		136,000,000
Less: Share of net assets in subsidiaries based on the shares acquired	<u>8,899,085</u>	<u>162,628,429</u>
		<u>136,051,834</u>
Difference	<u>(8,899,085)</u>	<u>(2,628,429)</u>
Including: Adjustment on capital reserve	8,899,085	2,628,429
		51,834

3. Interests in associates

Please see Note V.9(2) for details of the summarised financial information of the associates.

No material restrictions on transfers of funds from investees to the Group.

VIII. Risk related to financial instruments

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

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

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

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

(1) Credit risk

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

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

In respect of receivables, the Group has established a credit policy under which individual credit evaluations are performed on all customers to determine the credit limit and terms applicable to the customers. These evaluations focus on the customers' financial position, the external ratings of the customers and the record of previous transactions. Receivables are due within 15 to 120 days from the date of billing. Debtors with balances that are past due are requested to settle all outstanding balances before any further credit is granted. Normally, the Group does not obtain collateral from customers.

In monitoring customer credit risk, customers are grouped according to some factors, such as ageing and maturity date, etc.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry, country or area in which the customers operate and therefore significant concentrations of credit risk arise primarily when the Group has significant exposure to individual customers. At the balance sheet date, the Group and the Company's accounts receivable and other receivables due from the top five customers account for 40% and 1% of the total receivables respectively (2015: 38% and 1%). In addition, the accounts receivable not overdue or impaired is mainly related to many clients who don't have payment in arrears records recently.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet. As mentioned in Note XII, as at 31 December 2016, the Group does not provide any external guarantees which would expose the Group or the Company to credit risk.

(2) Liquidity risk

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

At the balance sheet date, rest of contractual term and the earliest payment date required of the contractual cash flows belonging to the Group's financial liabilities which have not been discounted, including interests calculated on contractual interest rate (if the interest rate is floating, the actual interest rate as at 31 December is adopted) are as follows:

<i>Contract cash flow not discounted in the year of 2016</i>						<i>Carrying amount at balance sheet date</i>
<i>Within 1 year or on demand</i>	<i>1 to 2 years</i>	<i>2 to 5 years</i>	<i>Over 5 years</i>	<i>Total</i>		
Financial liabilities						
Short-term loans	5,051,842,272	-	-	-	5,051,842,272	4,916,965,507
Bills payable	640,262,461	-	-	-	640,262,461	640,262,461
Accounts payable	13,835,615,665	-	-	-	13,835,615,665	13,835,615,665
Interest payable	676,358,748	-	-	-	676,358,748	676,358,748
Dividends payable	9,651,170	-	-	-	9,651,170	9,651,170
Other payables	14,395,525,248	-	-	-	14,395,525,248	14,395,525,248
Non-current liabilities due within one year	3,800,756,577	-	-	-	3,800,756,577	3,684,236,935
Long-term loans	1,290,145,169	1,842,519,105	12,256,912,204	37,703,989,254	53,093,565,732	49,885,166,211
Long-term payables	184,320,143	598,914,389	766,317,278	-	1,549,551,810	1,261,446,565
Bonds payable	68,178,082	315,000,000	10,945,000,000	-	11,328,178,082	9,956,719,508
Total	39,952,655,535	2,756,433,494	23,968,229,482	37,703,989,254	104,381,307,765	99,261,948,018
<i>Contract cash flow not discounted in the year of 2015</i>						<i>Carrying amount at balance sheet date</i>
<i>Within 1 year or on demand</i>	<i>1 to 2 years</i>	<i>2 to 5 years</i>	<i>Over 5 years</i>	<i>Total</i>		
Financial liabilities						
Short-term loans	5,191,079,555	-	-	-	5,191,079,555	5,091,974,830
Bills payable	343,277,037	-	-	-	343,277,037	343,277,037
Accounts payable	9,849,935,031	-	-	-	9,849,935,031	9,849,935,031
Interest payable	348,173,849	-	-	-	348,173,849	348,173,849
Dividends payable	9,651,170	-	-	-	9,651,170	9,651,170
Other payables	8,864,929,878	-	-	-	8,864,929,878	8,864,929,878
Non-current liabilities due within one year	2,334,938,435	-	-	-	2,334,938,435	2,283,535,113
Long-term loans	1,543,202,766	5,041,962,653	31,062,688,027	4,028,762,598	41,676,616,044	36,341,198,145
Total	28,485,187,721	5,041,962,653	31,062,688,027	4,028,762,598	68,618,600,999	63,132,675,053

(3) Interest rate risk

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

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

Fixed rate instruments:

Item	2016		2015	
	Real interest rate	Amount	Real interest rate	Amount
Financial assets				
- Cash at bank and on hand	1.10%~2.75%	27,271,387,386	1.10%~3.10%	22,631,183,057
Financial liabilities				
- Short-term loans	1.20%~5.00%	(2,003,425,507)	0.72%~5.62%	(460,163,736)
- Non-current liabilities due within one year	2.33%~5.94%	(206,116,992)	3.90%	(670,000,000)
- Bonds payable	3.15%	(9,956,719,508)	-	-
- Long-term payables	5%~5.04%	(1,261,446,565)	-	-
- Long-term loans	0.00%~7.68%	(16,698,135,000)	0.00%~7.68%	(2,861,755,000)
Total		<u>(2,854,456,186)</u>		<u>18,639,264,321</u>

Variable rate instruments:

Items	2016		2015	
	Real interest rate	Amount	Real interest rate	Amount
Financial assets				
- Cash at bank and on hand	0.30%~2.025%	30,880,722,041	0.35%	16,235,425,179
Financial liabilities				
- Short-term loans	LIBOR+2.6%	(2,913,540,000)	0.47%	(4,631,811,094)
- Non-current liabilities due within one year	LIBOR+3.0%	(3,478,119,943)	LIBOR+3.2%	(1,613,535,113)
	~4.30%		~5.94%	
- Long-term loans	LIBOR+2.0%	(33,187,031,211)	LIBOR+2.7%	(33,479,443,145)
	~4.3%		~5.94%	
Total		<u>(8,697,969,113)</u>		<u>(23,489,364,173)</u>

(b) Sensitivity analysis

As at 31 December 2016, 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 81,370,000 (2015: RMB 200,740,000).

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

(4) Foreign currency risk

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

(a) The Group's exposure as at 31 December to currency risk arising from recognised foreign currency assets or liabilities is mainly denominated in US dollar. The amount of the USD exposure is net liabilities exposure USD 181,256,436 (2015 net liabilities exposure: USD 3,506,829,240), translated into RMB 1,257,375,894 (2015: RMB 22,771,925,816), 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:

	<u>Average rate</u>		<u>Reporting date mid-spot rate</u>	
	2016	2015	2016	2015
USD	6.7153	6.3063	6.9370	6.4936

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 99,443,997 (2015: RMB 943,464,255).

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

(5) Other price risks

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

IX. Fair value disclosure

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. The levels are defined as follows:

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

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

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

Item	31 December 2016			Total
	Level 1 Fair value measurement	Level 2 Fair value measurement	Level 3 Fair value measurement	
Recurring fair value measurements				
- Wealth management products	-	-	60,267,110	60,267,110
- Available-for-sale debt instrument	3,670,223	-	8,677,807	12,348,030
- Available-for-sale equity instrument	381,888,121	-	-	381,888,121
Total assets measured at fair value on a recurring basis	<u>385,558,344</u>	<u>-</u>	<u>68,944,917</u>	<u>454,503,261</u>

Item	31 December 2015			Total
	Level 1 Fair value measurement	Level 2 Fair value measurement	Level 3 Fair value measurement	
Recurring fair value measurements				
- Wealth management products	-	-	3,620,970,828	3,620,970,828
- Available-for-sale equity instrument	305,520,857	-	-	305,520,857
Total assets measured at fair value on a recurring basis	<u>305,520,857</u>	<u>-</u>	<u>3,620,970,828</u>	<u>3,926,491,685</u>

The fair value of available-for-sale equity instruments is determined by market price on the balance sheet date. The fair value of financial products is determined using discounted cash flow method, whose amortised cost is not significantly different from the fair value on the balance sheet date. The fair value of available-for-sale debt instruments is determined by market price on the balance sheet date and discounted cash flow method, respectively.

During the year ended 31 December 2016, there were no changes in valuation technique of fair value. As at 31 December 2016, there were no significant discrepancies between the book value and fair value of all the financial assets and financial liabilities except the above fair value of available-for-sale equity instrument and wealth management products.

X. Related parties and related party transactions

1. Information about the parent of the Company

<i>Company name</i>	<i>Registered place</i>	<i>Business nature</i>	<i>Registered capital</i>	<i>Shareholding percentage (%)</i>	<i>Percentage of voting rights (%)</i>	<i>Ultimate controlling party of the Company</i>
Electronics Holdings	No. 12, Jiuxianqiao Road Chaoyang District, Beijing	Operation and management of state-owned assets within authorisation, etc.	RMB 1,307,370,000	0.78%	11.21%	Yes

2. Information about the subsidiaries of the Company

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

3. Information about associates of the Company

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

<i>Name of entity</i>	<i>Relationship with the Company</i>
Beijing Nissin Electronics Precision Component Co., Ltd.	Associate of the Group and 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

4. Information on other related parties

<i>Name of other related parties</i>	<i>Related party relationship</i>
Beijing Sevenstar Front Electronics Co., Ltd.	Enterprises that are controlled by the Company's ultimate holding company
Beijing Sevenstar Electronics Co., Ltd.	Enterprises that are controlled by the Company's ultimate holding company
Beijing Sevenstar Integrated Circuit Co., Ltd.	Enterprises that are controlled by the Company's ultimate holding company
Beijing Sevenstar Science and Technology Co., Ltd.	Enterprises that are controlled by the Company's ultimate holding company
Beijing Sevenstar Huasheng Electronics & Machinery Co., Ltd.	Enterprises that are controlled by the Company's ultimate holding company
Beijing Sevenstar-hitech Electronics Co., Ltd.	Enterprises that are controlled by the Company's ultimate holding company
Beijing Dongdian Industrial Development Co., Ltd.	Enterprises that are controlled by the Company's ultimate holding company
Beijing Zhaowei Electronic Group Co., Ltd.	Enterprises that are controlled by the Company's ultimate holding company
Beijing Zhaowei Technology Development Co., Ltd.	Enterprises that are controlled by the Company's ultimate holding company
Beijing Jile Electronics Group Co., Ltd.	Enterprises that are controlled by the Company's ultimate holding company
Beijing Orient Electronics Material Corp.	Enterprises that are controlled by the Company's ultimate holding company
Beijing Zhengdong Electronic Power Group Co., Ltd.	Enterprises that are controlled by the Company's ultimate holding company
Beijing PCB Square Corporation	Enterprises that are controlled by the Company's ultimate holding company
Beijing Yandong Microelectronic Co., Ltd.	Enterprises that are controlled by the Company's ultimate holding company
Beijing Electronic City Co., Ltd.	Enterprises that are controlled by the Company's ultimate holding company
Beijing BBEF Science & Technology Co., Ltd.	Enterprises that are controlled by the Company's ultimate holding company
Beijing Beifang Research Centre of Micro- electronic Base Equipment and Technique	Enterprises that are controlled by the Company's ultimate holding company
NAURA Technology Group Co., Ltd.	Enterprises that are controlled by the Company's ultimate holding company

5. Transactions with related parties

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

(1) Purchase of goods and assets / receiving services (excluding remuneration of key management personnel)

The Group

<i>Nature of transaction</i>	2016	2015
Purchase of goods	30,867,050	38,746,827
Purchase of assets	170,825,347	452,450,778
Receiving services	2,331,484	2,616,085
Total	<u>204,023,881</u>	<u>493,813,690</u>

The Company

<i>Nature of transaction</i>	2016	2015
Purchase of goods	8,894,274	8,773,571
Receiving services	725,509	533,558
Total	<u>9,619,783</u>	<u>9,307,129</u>

(2) Sale of goods / rendering of services

The Group

<i>Nature of transaction</i>	2016	2015
Sale of goods	173,444,370	285,134,989
Rendering of services	5,400	1,467,988
Total	<u>173,449,770</u>	<u>286,602,977</u>

The Company		
<i>Nature of transaction</i>	<i>2016</i>	<i>2015</i>
Sale of goods	-	920,322
Rendering of services	<u>1,713,605,854</u>	<u>1,050,089,867</u>
Total	<u><u>1,713,605,854</u></u>	<u><u>1,051,010,189</u></u>
(3) Leases		
(a) As the lessor		
The Group		
<i>Type of assets leased</i>	<i>Lease income recognised in 2016</i>	<i>Lease income recognised in 2015</i>
Investment properties	<u>5,886,590</u>	<u>5,525,862</u>
The Company		
<i>Type of assets leased</i>	<i>Lease income recognised in 2016</i>	<i>Lease income recognised in 2015</i>
Investment properties	<u>28,213,831</u>	<u>16,989,175</u>
(b) As the lessee		
The Group		
<i>Type of assets leased</i>	<i>Lease fee recognised in 2016</i>	<i>Lease fee recognised in 2015</i>
Fixed assets	<u>22,606</u>	<u>151,033</u>

(4) Funding from related party

The Company

<i>Related party relationship</i>	<i>Amount of funding</i>	<i>Inception date</i>	<i>Maturity date</i>
Funds from			
Subsidiary of the parent	500,000,000	13/09/2015	Paid as demand
Subsidiary of the parent	920,000,000	30/09/2015	Paid as demand
Subsidiary of the parent	1,000,000,000	23/12/2016	23/12/2017
Funds to			
Subsidiary of the parent	50,000,000	27/03/2015	26/12/2018
Subsidiary of the parent	30,000,000	21/01/2016	20/01/2019
Subsidiary of the parent	773,425,000	28/05/2015	27/05/2018
Subsidiary of the parent	1,583,794,000	28/05/2015	28/05/2018
Subsidiary of the parent	600,000,000	26/09/2016	26/09/2017
Subsidiary of the parent	565,181,000	28/05/2015	28/05/2018
Subsidiary of the parent	300,000,000	28/04/2016	27/04/2019
Subsidiary of the parent	100,000,000	08/06/2016	07/06/2019
Subsidiary of the parent	400,000,000	22/11/2016	15/11/2019
Subsidiary of the parent	200,000,000	17/02/2016	28/05/2018
Subsidiary of the parent	100,000,000	21/01/2016	28/05/2018
Subsidiary of the parent	5,000,000	19/08/2016	18/08/2018
Subsidiary of the parent	2,000,000	16/12/2016	16/12/2017

(5) Remuneration of key management personnel

The Group and the Company

<i>Item</i>	<i>2016</i>	<i>2015</i>
Remuneration of key management personnel	<u>29,239,000</u>	<u>18,267,000</u>

6. Receivables from and payables to related parties

Receivables from related parties

The Group

<i>Item</i>	<u>2016</u>		<u>2015</u>	
	<i>Book value</i>	<i>Provision for bad and doubtful debts</i>	<i>Book value</i>	<i>Provision for bad and doubtful debts</i>
Accounts receivable	32,089,791	-	98,545,751	121,741
Prepayments	-	-	1,080,000	-
Other receivables	6,440	-	1,055,976	-
Other non-current assets	-	-	691,736	-

The Company

<i>Item</i>	<u>2016</u>		<u>2015</u>	
	<i>Book value</i>	<i>Provision for bad and doubtful debts</i>	<i>Book value</i>	<i>Provision for bad and doubtful debts</i>
Accounts receivable	43,019,526	473,228	54,546,968	55,623
Prepayments	975	-	428,772	-
Dividends receivable	1,007,950,479	-	90,941,079	-
Other receivables	1,601,879,382	-	1,250,898,077	-
Other non-current assets	4,007,400,000	-	2,523,720,000	-
Bills receivable	200,000,000	-	-	-

Payables to related parties

The Group

<i>Item</i>	<u>2016</u>	<u>2015</u>
Accounts payable	5,937,474	11,313,820
Advance from customers	-	2,700
Other payables	113,722,663	123,842,691

The Company

<i>Item</i>	<u>2016</u>	<u>2015</u>
Accounts payable	588,982	1,374,630
Advance from customers	1,086,617,052	253,215
Other payables	10,625,868,282	6,373,460,758

XI. Capital management

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

The Group defines capital as shareholders' equity, net of proposed distribution of dividends unrecognised. Such capital does not include related party transaction balances.

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

The Group's capital structure is monitored on the basis of an adjusted net debt-to-capital ratio (Total Liabilities divided by Total Assets). The capital management strategies exerted by the Group remained unchanged from 2015. For this purpose, the Group may adjust the amount of dividends paid to shareholders, request new loans, issue new shares, or sell assets to reduce debt.

As at 31 December 2016 and 31 December 2015, the Group's debt-to-capital ratios are as follows:

	2016	2015
Debt-to-capital ratio	55.14%	48.65%

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

XII. Commitments and contingencies

1. Significant commitments

(1) Capital commitments

<i>The Group</i>	2016	2015
Contracts entered into but not performed or performed partially	36,715,593,193	5,327,996,929
Contracts authorised but not entered into	67,984,162,416	60,550,486,510
Total	104,699,755,609	65,878,483,439

The Group's contracts authorised but not entered into mainly included the fixed assets that Chengdu BOE, Chongqing BOE, Fuzhou BOE, Hefei Display and Yuansheng Optoelectronics planned to purchase in 2017 and project equipment that the Group planned to purchase in 2017.

<i>The Company</i>	<i>2016</i>	<i>2015</i>
Contracts entered into but not performed or partially performed	28,310,042,427	36,044,597,742
Contracts authorised but not entered into	-	92,652,892
Total	<u><u>28,310,042,427</u></u>	<u><u>36,137,250,634</u></u>

The Company's contracts entered into but not performed or performed partially mainly included guaranteed investments in Chengdu BOE, Chongqing BOE, Fuzhou BOE, Hefei Display and Yuansheng Optoelectronics.

(2) Operating lease commitments

As at 31 December, the total future minimum lease payments under irrevocable operating leases of the Group's properties were payable as follows:

<i>Item</i>	<i>2016</i>	<i>2015</i>
Within 1 year (inclusive)	21,220,578	20,347,968
After 1 year but within 2 years (inclusive)	17,634,577	20,499,876
After 2 years but within 3 years (inclusive)	13,715,188	17,601,350
After 3 years	16,038,238	39,958,929
Total	<u><u>68,608,581</u></u>	<u><u>98,408,123</u></u>

As at 31 December 2016, the Company had no significant operating lease commitments.

2. Guarantees provided for other enterprises

(1) The Group as the guarantor

As at 31 December 2016, the Group did not have guarantees provided for external enterprises.

(2) The Company as the guarantor

As at 31 December 2016, the long-term loans of RMB 1,266,670,000 and USD 405,330,000 were collateralised by Yuansheng Optoelectronics with its plant and buildings whose book value amounted to RMB 2,318,369,521, machinery, equipment and other devices amounting to RMB 7,165,304,813, land use rights amounting to RMB 49,963,737, and construction in progress amounting to RMB 1,277,987,918. These loans were also pledged by the Company with its 20% shareholding of Erdos BOE Energy Investment Co., Ltd (“BOE Energy Investment”) and 20% shareholding of Haosheng Energy, pledged by Hefei BOE with its 65% shareholding of Haosheng Energy, and by BOE Display with its 15% shareholding of Haosheng Energy. The Company also provided a third-party guarantee with joint and several liabilities for these loans.

As at 31 December 2016, the long-term loans of RMB 520,000,000 and USD 1,460,000,000 were collateralised by Chongqing BOE with its machinery and equipment whose book value amounted to RMB 14,677,980,475, land use rights amounting to RMB 200,595,395, and construction in progress amounting to RMB 444,531,459, and were pledged by its other monetary funds of USD 11,000,000. The Company also provided a third-party guarantee with joint and several liabilities for these loans, and also provided guarantee with joint and several liabilities for the long-term letter of guarantee limit of RMB 1,350,000,000.

As at 31 December 2016, the long-term loans of USD 1,560,000,000 of Hefei Xinsheng was collateralised by its plant and buildings whose book value amounted to RMB 3,905,142,401, machinery and equipment amounting to RMB 11,337,852,984, and land use rights amounting to RMB 125,227,107, and was pledged by its other monetary funds of RMB 88,000,000. The Company also provided a third-party guarantee with joint and several liabilities for the loan.

As at 31 December 2016, the long-term loans of RMB 115,183,044 and USD 183,847,246 were collateralised by BOE Display with its plant and buildings whose book value amounted to RMB 4,796,819,905, machinery and equipment amounting to RMB 9,008,176,846, land use rights amounting to RMB 271,795,762, and construction in progress amounting to RMB 630,251,890. The Company also provided a third-party guarantee with joint and several liabilities for the loans.

As at 31 December 2016, the long-term loans of RMB 623,987,593 and USD 389,821,985 were collateralised by Hefei BOE with its plant and buildings whose book value amounted to RMB 1,876,885,287, machinery and equipment amounting to RMB 2,837,224,993, and land use rights amounting to RMB 81,604,189, and were pledged by its other monetary funds of RMB 1,300,000. Besides, the Company also provided a third-party guarantee with joint and several liabilities for the loans.

As at 31 December 2016, the foreign exchange loan of USD 426,000,000 was collateralised by Fuzhou BOE with its land use rights amounting to RMB 225,594,902, and collateralised by the Company with a third-party guarantee with joint and several liabilities. Besides, the Company provided a guarantee with joint and several liabilities regarding the short-term letter of guarantee limit of RMB 900,000,000, the issued but not accepted letter of credit of JPY 46,991,117,400, and the issued but not accepted letter of credit of USD 276,079,032.

As at 31 December 2016, a short-term loan of USD 420,000,000 was granted by the Anhui Branch of China Development Bank to Hefei BOE Display Technology Co., Ltd. for the period from 26 December 2016 to 26 December 2017. Besides, the Company also provided a third-party guarantee with joint and several liabilities for the loan.

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 parts — This business mainly involves the development, manufacture and sales of panel and module for TFT-LCD and AMOLED.
- (b) Smart system — This business mainly involves the development, manufacture and sales of display terminal products and system; OEM service for terminal products and system of TV, display, special display product; offering safe, energy-saving, healthy, fashionable quality illumination service and solutions; the integration and operation for solar energy application system (e.g. photovoltaic-thermal system), including key parts and overall solution for this area.
- (c) Healthcare service — This business mainly covers HealthCloud, Health & Medical product, and Park Solution. HealthCloud is an information management system based on cloud computing and cloud server; Health & Medical product and service mainly includes wearable and testing equipment; Park Solution refers to professional solution for technology estate and health estate and so on.
- (d) Others — Other service mainly includes technical development service and patent maintenance service

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

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

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

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

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

	2016						
	Display parts	Smart system	Healthcare service	Others	Elimination	Remaining items	Total
Operating income	61,207,032,381	12,503,057,007	907,225,055	1,835,270,634	(7,556,926,114)	-	68,895,658,963
Including: External transaction	57,705,786,975	10,324,396,954	865,475,034	-	-	-	68,895,658,963
Segment transaction	3,501,245,406	2,178,660,053	41,750,021	1,835,270,634	(7,556,926,114)	-	-
Operating expenses	60,144,631,820	12,532,051,803	583,851,925	1,694,886,410	(6,923,319,054)	358,261,534	68,390,364,438
Operating profits / (losses)	1,062,400,561	(28,994,796)	323,373,130	140,384,224	(633,607,060)	(358,261,534)	505,294,525
Profits / (losses) before income tax	2,759,485,942	119,385,393	343,539,752	397,485,658	(749,236,136)	(358,261,534)	2,512,399,075
Income tax expenses	386,734,771	6,248,025	53,992,327	20,253,193	-	-	467,228,316
Net profits / (net losses)	2,372,751,171	113,137,368	289,547,425	377,232,465	(749,236,136)	(358,261,534)	2,045,170,759
Total assets	195,080,731,538	11,643,284,994	3,899,250,735	116,972,145,984	(122,606,940,774)	146,538,565	205,135,011,042
Total liabilities	80,455,038,367	7,592,061,082	1,286,981,254	56,507,263,497	(33,171,013,372)	448,625,054	113,118,955,882
Other items:							
- Impairment losses for the current period	1,332,484,203	53,641,246	684,295	207,678,809	-	-	1,594,488,553
- Depreciation and amortisation expenses	10,075,266,855	150,710,562	96,953,044	195,111,267	(144,523,931)	-	10,373,517,797
- Long-term equity investments in associates	-	-	-	1,356,111,395	-	-	1,356,111,395
- Capital outlay	30,576,055,416	1,040,749,393	253,312,916	521,206,363	(1,113,663,502)	-	31,277,660,586
- Losses arising from investments in associates	-	-	-	15,121,347	-	-	15,121,347
- Net interest expenses	1,620,578,396	46,559,718	6,654,996	64,682,224	-	339,222,950	2,077,698,284

	2015						Total
	Display parts	Smart system	Healthcare service	Others	Elimination	Remaining items	
Operating income	43,501,436,202	8,781,046,730	826,323,560	1,196,198,355	(5,681,272,535)	-	48,623,732,312
Including: External transaction	40,426,767,112	7,427,772,088	769,193,112	-	-	-	48,623,732,312
Segment transaction	3,074,669,090	1,353,274,642	57,130,448	1,196,198,355	(5,681,272,535)	-	-
Operating expenses	42,679,745,815	8,866,708,973	526,076,913	1,025,090,631	(5,542,625,604)	115,030,885	47,670,027,613
Operating profits / (losses)	821,690,387	(85,662,243)	300,246,647	171,107,724	(138,646,931)	(115,030,885)	953,704,699
Profits / (losses) before income tax	1,708,841,419	6,943,544	306,339,038	260,503,802	(154,353,801)	(115,030,885)	2,013,243,117
Income tax expenses	302,208,715	1,965,397	47,221,692	23,737,381	-	-	375,133,185
Net profits / (net losses)	1,406,632,704	4,978,147	259,117,346	236,766,421	(154,353,801)	(115,030,885)	1,638,109,932
Total assets	166,981,540,531	5,689,069,590	3,446,685,864	87,044,095,970	(110,685,602,733)	117,105,220	152,592,894,442
Total liabilities	83,288,257,377	4,965,158,045	570,547,952	7,757,459,924	(27,585,958,890)	5,246,600,215	74,242,064,623
Other items:							
- Impairment losses / (recoveries) for current period	1,340,214,668	22,611,445	(53,232)	1,727,271	-	-	1,364,500,152
- Depreciation and amortisation expenses	7,888,127,620	94,748,316	58,574,720	176,948,110	(123,115,406)	-	8,095,283,360
- Long-term equity investments in associates	-	-	-	1,260,302,959	-	-	1,260,302,959
- Capital outlay	18,994,866,642	334,148,623	333,561,559	525,351,626	(456,163,379)	-	19,731,765,071
- Gains arising from investments in associates	-	-	-	4,748,739	-	-	4,748,739
- Net interest expenses	1,160,907,008	45,631,939	3,488,250	-	-	196,369,006	1,406,396,203

(3) Secondary segment reporting (geographical segments)

- (a) Divided based on the location at which the services were provided or the goods delivered.

The information of the Group's external transactions based on the location is as follows:

	<u>Revenue from external customers</u>	
	<u>2016</u>	<u>2015</u>
PRC mainland	36,758,279,462	21,057,873,677
Other Asian regions	28,659,907,880	21,339,034,068
Europe	1,576,844,846	2,677,131,554
America	1,783,928,923	3,430,415,741
Other regions	116,697,852	119,277,272
Total	<u><u>68,895,658,963</u></u>	<u><u>48,623,732,312</u></u>

- (b) Divided based on assets location

The geographical location of the specified non-current assets is based on the physical location of the asset, in the case of fixed assets; the location of the operation to which they are allocated, in the case of intangible assets and goodwill; and the location of operations, in the case of interests in associates and jointly controlled enterprises. Most of the non-current assets in the Group are located in mainland China.

- (4) Main clients

Operating income of TFT-LCD Business 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 12,128,602,338 (2015: RMB 10,969,549,418), which was approximately 18% (2015: 23%) of the Group's total operating income.

XIV. Notes of financial statements of the Company

1. Cash at bank and on hand

	2016			2015		
	Original currency	Exchange rate	RMB/ RMB equivalents	Original currency	Exchange rate	RMB/ RMB equivalents
Cash on hand:						
RMB			2,386			20,752
USD	7,525	6.9370	52,199	7,525	6.4936	48,864
HKD	9,665	0.8945	8,645	9,665	0.8378	8,097
JPY	51,325	0.0596	3,059	51,325	0.0539	2,765
Korean Won	420,000	0.0058	2,436	420,000	0.0055	2,317
Other foreign currencies			85,221			83,047
Sub-total			153,946			165,842
Current deposit:						
RMB			3,121,994,347			2,383,205,326
USD	614,464,401	6.9370	4,262,539,551	144,423,171	6.4936	937,826,301
HKD	728,649	0.8945	651,777	1,215,056	0.8378	1,017,974
Sub-total			7,385,185,675			3,322,049,601
Other monetary funds:						
RMB			174,130,308			5,719,000
HKD	100,480,138	0.8945	89,879,483			-
Sub-total			264,009,791			5,719,000
Total			7,649,349,412			3,327,934,443

Including: Total overseas deposits were equivalent to RMB 158,064 (2015: RMB 148,467).

As at 31 December 2016, other monetary funds of the Company amounting to RMB 100,649,000 were deposits in commercial banks as security. The remaining monetary funds of RMB 73,481,308 and HKD 100,480,138 were refundable deposits used for share repurchase.

2. Accounts receivable

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

	2016	2015
Amounts due from subsidiaries	43,013,222	53,650,969
Amounts due from other related parties	6,304	895,999
Amounts due from other customers	5,724,199	8,058,313
Sub-total	48,743,725	62,605,281
Less: Provision for bad and doubtful debts	2,889,866	3,207,351
Total	45,853,859	59,397,930

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

<i>Ageing</i>	2016	2015
Within 1 year (inclusive)	9,293,239	16,111,686
1 to 2 years (inclusive)	5,795,247	2,879,445
2 to 3 years (inclusive)	2,879,445	7,397,684
Over 3 years	30,775,794	36,216,466
Sub-total	48,743,725	62,605,281
Less: Provision for bad and doubtful debts	2,889,866	3,207,351
Total	45,853,859	59,397,930

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

(3) The Company's accounts receivable by category

Category	2016					2015				
	Book value		Provision for bad and doubtful debts		Carrying amount	Book value		Provision for bad and doubtful debts		Carrying amount
	Amount	Percentage (%)	Amount	Percentage (%)		Amount	Percentage (%)	Amount	Percentage (%)	
Collectively assessed for impairment based on credit risk characteristics*	30,874,530	63%	-	-	30,874,530	35,709,167	57%	-	-	35,709,167
Individually insignificant but assessed for impairment individually	17,869,195	37%	2,889,866	16%	14,979,329	26,896,114	43%	3,207,351	12%	23,688,763
Total	48,743,725	100%	2,889,866	6%	45,853,859	62,605,281	100%	3,207,351	5%	59,397,930

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

The Company has no individually significant accounts receivable and individually for impairment this year.

As at 31 December 2016, the Company collectively assessed accounts receivable having been individually assessed but not impaired for impairment and did not recognise impairment loss against this amount of accounts receivable (2015: nil).

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

	2016	2015
Balance at the beginning of the year	3,207,351	3,320,059
Additions during the year	500,604	9,606
Recoveries or reversals during the year	-	122,314
Write-offs during the year	818,089	-
	818,089	-
Balance at the end of the year	2,889,866	3,207,351

For the year ended 31 December 2016, the Company had no individually significant write-off, recovery or reversal of doubtful debts which had been fully or substantially made in prior years.

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

The five largest accounts receivable of the Company amounted to RMB 43,545,292, amounting for 89% of the total accounts receivable at the end of the year, and the corresponding balance of provision for bad and doubtful debts is RMB 473,228.

3. Dividends receivable

	2016	2015
Yinghe Century	86,204,147	8,204,147
Chengdu Optoelectronics	80,536,932	80,536,932
Vacuum Electronics	2,200,000	2,200,000
Hefei BOE	61,649,400	-
BOE Display	777,360,000	-
	777,360,000	-
Balance at the end of the year	1,007,950,479	90,941,079

4. Other receivables

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

Customer type	2016	2015
Amounts due from subsidiaries	1,601,879,382	1,250,457,124
Amounts due from other related parties	-	440,953
Amounts due from other customers	27,296,852	30,128,182
Total	1,629,176,234	1,281,026,259

(2) The Company's other receivables by currency:

	2016			2015		
	Original currency	Exchange rate	RMB / RMB equivalents	Original currency	Exchange rate	RMB / RMB equivalents
RMB			1,629,176,234			1,279,700,545
USD	-	6.9370	-	204,157	6.4936	1,325,714
Sub-total			1,629,176,234			1,281,026,259
Less: Provision for bad and doubtful debts			-			-
Total			1,629,176,234			1,281,026,259

(3) The ageing analysis of other receivables is as follows:

	2016	2015
Within 1 year (inclusive)	366,058,914	349,515,633
1 to 2 years (inclusive)	349,515,633	691,769,562
2 to 3 years (inclusive)	691,769,562	221,832,125
Over 3 years	221,832,125	17,908,939
Total	1,629,176,234	1,281,026,259

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

(4) The Company's other receivables by nature:

<i>Nature of other receivables</i>	<i>2016</i>	<i>2015</i>
Borrowing	1,248,425,532	777,919,107
Rent	209,636,819	209,470,610
Royalty fee	105,591,491	227,819,480
Others	65,522,392	65,817,062
Total	<u>1,629,176,234</u>	<u>1,281,026,259</u>

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

As at 31 December 2016, other receivables at the end of the year due from the top five debtors of the Company amounted to RMB 1,504,807,217 in total, most of which are borrowings and royalty fees. No provision is made for bad and doubtful debts after assessment.

5. Other current assets

	<i>2016</i>	<i>2015</i>
Deductible VAT	21,214,487	105,819,892
Others	4,289,587	3,758,501
Total	<u>25,504,074</u>	<u>109,578,393</u>

6. Available-for-sale financial assets

(1) Available-for-sale financial assets

<i>Item</i>	<i>2016</i>			<i>2015</i>		
	<i>Book value</i>	<i>Provision for impairment</i>	<i>Carrying amount</i>	<i>Book value</i>	<i>Provision for impairment</i>	<i>Carrying amount</i>
Available-for-sale equity instruments						
- At fair value	308,578,531	150,099,655	158,478,876	308,095,120	150,099,655	157,995,465
- At cost	124,689,635	106,001,603	18,688,032	124,689,635	106,001,603	18,688,032
Total	<u>433,268,166</u>	<u>256,101,258</u>	<u>177,166,908</u>	<u>432,784,755</u>	<u>256,101,258</u>	<u>176,683,497</u>

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

	2016
Cost	224,818,586
Fair value	158,478,876
Accumulative fair value changes recognised in other comprehensive income	83,759,945
Provision for impairment	150,099,655

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

<i>Investee</i>	<i>Book value</i>				<i>Provision for impairment Balance at the beginning and the end of the year</i>	<i>Percentage of shareholding in investees (%)</i>
	<i>Balance at the beginning of the year</i>	<i>Increase during the year</i>	<i>Decrease during the year</i>	<i>Balance at the end of the year</i>		
Teralane Semiconductor Inc	11,868,000	-	-	11,868,000	-	7.29%
Zhejiang BOE Display Technology Co., Ltd.	59,959,709	-	-	59,959,709	59,638,453	7.03%
Zhejiang Qiusheng Photoelectric Technology Co., Ltd.	46,431,926	-	-	46,431,926	46,183,150	7.03%
National Engineering Laboratory of Digital Television(Beijing) Co., Ltd.	6,250,000	-	-	6,250,000	-	12.50%
Others	180,000	-	-	180,000	180,000	
Total	124,689,635	-	-	124,689,635	106,001,603	

7. Long-term equity investments

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

	2016	2015
Investments in subsidiaries	98,986,915,097	76,924,098,231
Investments in associates	<u>991,536,352</u>	<u>699,915,136</u>
Sub-total	99,978,451,449	77,624,013,367
Less: Provision for impairment	<u>60,000,000</u>	<u>72,416,550</u>
Total	<u><u>99,918,451,449</u></u>	<u><u>77,551,596,817</u></u>

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

<i>Subsidiary</i>	<i>Balance at the beginning of the year</i>	<i>Increase during the year</i>	<i>Decrease during the year</i>	<i>Balance at the end of the year</i>	<i>Opening balance of provision for bad and doubtful debts</i>	<i>Closing balance of provision for bad and doubtful debts</i>
BOE OT	4,172,288,084	-	-	4,172,288,084	-	-
Chengdu Optoelectronics	2,833,149,991	8,500,000,000	-	11,333,149,991	-	-
Hefei BOE	9,000,000,000	-	-	9,000,000,000	-	-
BOE Display	17,418,713,599	-	-	17,418,713,599	-	-
Hefei Xinsheng	16,575,150,000	-	-	16,575,150,000	-	-
Yuansheng Optoelectronics	6,904,000,000	4,900,000,000	-	11,804,000,000	-	-
BOE Vision-electronic	560,000,000	560,000,000	-	1,120,000,000	-	-
Chongqing BOE	15,739,669,199	-	-	15,739,669,199	-	-
Vacuum Electronics	19,250,000	-	-	19,250,000	-	-
Vacuum Technology	32,000,000	-	-	32,000,000	-	-
Special Display	100,000,000	-	-	100,000,000	60,000,000	60,000,000
Yinghe Century	333,037,433	-	-	333,037,433	-	-
Optical Technology	359,961,914	160,000,000	-	519,961,914	-	-
BOE Hyundai	31,038,525	-	-	31,038,525	-	-
BOE Hebei	553,651,020	500,000,000	-	1,053,651,020	-	-
BOE Multimedia	400,000,000	-	-	400,000,000	-	-
BOE Energy	50,000,000	200,000,000	-	250,000,000	-	-
BOE Smart Commerce	10,000,000	-	-	10,000,000	-	-
Zhongxiangying	10,000,000	-	-	10,000,000	-	-
Haosheng Energy	2,000,000	-	-	2,000,000	-	-
BOE Semi-conductor	9,450,000	-	-	9,450,000	-	-
Optoelectronics Holding	210,894,285	87,041,182	-	297,935,467	-	-
ASAHI Glass	30,888,470	-	-	30,888,470	-	-
Matsushita	424,823,089	-	424,823,089	-	-	-
Beijing BOE Land Co., Ltd.	7,731,474	-	-	7,731,474	-	-
BOE KOREA Co., Ltd	788,450	-	-	788,450	-	-
Beijing BOE Marketing Co., Ltd.	500,000	-	-	500,000	-	-
Beijing BOE Digital Technology Co., Ltd.	12,416,550	-	12,416,550	-	12,416,550	-
Fuzhou BOE	509,542,079	6,673,500,000	-	7,183,042,079	-	-
Healthcare Investment	613,154,069	200,000,000	-	813,154,069	-	-
Hefei Display	-	667,765,323	-	667,765,323	-	-
Technology Development	-	1,000,000	-	1,000,000	-	-
Smart Science & Technology	-	50,000,000	-	50,000,000	-	-
Zhuoyin Science & Technology	-	750,000	-	750,000	-	-
Total	76,924,098,231	22,500,056,505	437,239,639	98,986,915,097	72,416,550	60,000,000

For information about the main subsidiaries of the Company, refer to Note VII.1.

(3) Investments in associates:

Investee	Balance at the beginning of the year	Movements during the year					Balance at the end of the year	Balance of provision for impairment at the end of the year
		Increase in investments	Investment income recognised under equity method	Other comprehensive income	Changes in other equity	Transferred to investments in subsidiaries		
Beijing Nissin Electronics Precision Component Co., Ltd.	3,011,145	-	(2,651,253)	-	-	-	359,892	-
Beijing Nittan Electronic Co., Ltd.	29,353,994	-	11,274,609	-	-	-	40,628,603	-
Erdos BOE Energy Investment Co., Ltd.	9,476,536	-	(13,266)	-	-	-	9,463,270	-
Beijing Infi-Hailin Venture Investment Co., Ltd.	324,896	-	131,785	-	-	-	456,681	-
Beijing Infi-Hailin Venture Investment (Limited Partnership)	117,872,528	22,333,400	(993,478)	16,891,494	877,088	-	156,981,032	-
TPV Display Technology (China) Co., Ltd.	23,715,205	-	2,907,139	-	-	-	26,622,344	-
Hefei BOE Display Technology Co., Ltd.	85,566,875	444,000,000	(1,654,610)	-	3,853,059	(531,765,324)	-	-
Beijing Xindongneng Investment Fund (Limited Partnership)	370,261,522	300,000,000	(16,099,481)	25,161,758	-	-	679,323,799	-
Beijing Xindongneng Investment Management Co., Ltd.	1,921,429	-	984,789	-	-	-	2,906,218	-
Shenzhen Yunyinggu Technology Co., Ltd.	58,411,006	-	(8,065,070)	-	-	-	50,345,936	-
Beijing Xloong Technologies Co.,Ltd.	-	25,000,000	(551,423)	-	-	-	24,448,577	-
Total	699,915,136	791,333,400	(14,730,259)	42,053,252	4,730,147	(531,765,324)	991,536,352	-

8. Deferred tax assets and deferred tax liabilities

<i>Item</i>	<i>2016</i>	
	<i>Deductible / (taxable) temporary differences</i>	<i>Deferred tax assets / (liabilities)</i>
Deferred tax assets:		
Provision for impairment	183,119	27,468
Difference of depreciation / amortisation	19,806,418	2,970,963
Advances from customers	349,621,212	52,443,182
Others	30,224,283	4,533,642
Sub-total	<u>399,835,032</u>	<u>59,975,255</u>
Amount offset		<u>(12,295,610)</u>
Balance after offset		<u>47,679,645</u>
Deferred tax liabilities:		
Bond interest	(71,221,140)	(10,683,171)
Others	(10,749,594)	(1,612,439)
Sub-total	<u>(81,970,734)</u>	<u>(12,295,610)</u>
Amount offset		<u>12,295,610</u>
Balance after offset		<u>-</u>

As at 31 December 2016, the Company estimated that the amount of taxable income is expected to be available in the future period that the deductible temporary differences are reversed, thereby confirming the relevant deferred tax assets.

9. Employee benefits payable

(1) Employee benefits payable:

	Note	Balance at 1 January 2016	Accrued during the year	Decreased during the year	Balance at 31 December 2016
Short-term employee benefits	(2)	104,758,659	536,322,713	478,872,799	162,208,573
Post-employment benefits - defined contribution plans	(3)	6,591,837	46,092,054	44,975,361	7,708,530
Termination benefits		-	116,293	116,293	-
Total		111,350,496	582,531,060	523,964,453	169,917,103

	Note	Balance at 1 January 2015	Accrued during the year	Decreased during the year	Balance at 31 December 2015
Short-term employee benefits	(2)	137,019,227	419,533,323	451,793,891	104,758,659
Post-employment benefits - defined contribution plans	(3)	7,331,574	37,093,316	37,833,053	6,591,837
Total		144,350,801	456,626,639	489,626,944	111,350,496

(2) Short-term employee benefits

	Balance at 1 January 2016	Accrued during the year	Decreased during the year	Balance at 31 December 2016
Salaries, bonuses, allowances	71,829,733	423,043,848	370,540,728	124,332,853
Staff welfare fees	-	43,293,341	43,293,341	-
Social insurance				
Medical insurance	14,973,035	21,126,438	21,677,897	14,421,576
Work injury insurance premium	244,642	1,957,434	1,211,004	991,072
Maternity insurance premium	459,432	1,685,300	1,001,834	1,142,898
Housing fund	4,559,805	24,935,288	24,334,277	5,160,816
Labour union fee, staff and workers'	12,692,012	15,024,677	11,557,331	16,159,358

education fee				
Others	-	5,256,387	5,256,387	-
Total	104,758,659	536,322,713	478,872,799	162,208,573

	<i>Balance at 1 January 2015</i>	<i>Accrued during the year</i>	<i>Decreased during the year</i>	<i>Balance at 31 December 2015</i>
Salaries, bonuses, allowances	107,483,058	323,401,216	359,054,541	71,829,733
Staff welfare fees	-	40,316,256	40,316,256	-
Social insurance				
Medical insurance	14,710,387	16,479,478	16,216,830	14,973,035
Work injury insurance premium	195,717	1,646,683	1,597,758	244,642
Maternity insurance premium	425,183	1,314,989	1,280,740	459,432
Housing fund	3,734,781	18,878,516	18,053,492	4,559,805
Labour union fee, staff and workers' education fee	10,470,101	12,236,232	10,014,321	12,692,012
Others	-	5,259,953	5,259,953	-
Total	<u>137,019,227</u>	<u>419,533,323</u>	<u>451,793,891</u>	<u>104,758,659</u>

(3) Post-employment benefits - defined contribution plans

	<i>Balance at 1 January 2016</i>	<i>Accrued during the year</i>	<i>Decreased during the year</i>	<i>Balance at 31 December 2016</i>
Basic pension insurance	5,737,530	40,621,919	39,323,544	7,035,905
Unemployment insurance	247,257	1,821,493	1,768,306	300,444
Annuity	607,050	3,648,642	3,883,511	372,181
Total	<u>6,591,837</u>	<u>46,092,054</u>	<u>44,975,361</u>	<u>7,708,530</u>

	<i>Balance at 1 January 2015</i>	<i>Accrued during the year</i>	<i>Decrease during the year</i>	<i>Balance at 31 December 2015</i>
Basic pension insurance	4,663,761	32,824,174	31,750,405	5,737,530
Unemployment insurance	199,977	1,640,658	1,593,378	247,257
Annuity	2,467,836	2,628,484	4,489,270	607,050
Total	<u>7,331,574</u>	<u>37,093,316</u>	<u>37,833,053</u>	<u>6,591,837</u>

10. Other payables

(1) The Company's other payables are as follows:

	<i>2016</i>	<i>2015</i>
Projects, equipment and intangible assets	134,757,262	385,565,764
Agency fee payable	25,300,518	26,927,410
Advanced disbursement	10,625,718,591	7,052,279,420
Technology royalties	-	5,428,584
Others	6,153,366	37,263,479
	10,791,929,737	7,507,464,657
Total	10,791,929,737	7,507,464,657

(2) Other payables of the Company by currency are as follows:

	<i>2016</i>			<i>2015</i>		
		<i>Exchange</i>	<i>RMB /</i>		<i>Exchange</i>	<i>RMB /</i>
	<i>Original currency</i>	<i>rate</i>	<i>RMB equivalents</i>	<i>Original currency</i>	<i>rate</i>	<i>RMB equivalents</i>
RMB			6,189,669,746			6,097,645,554
USD	663,436,643	6.9370	4,602,259,991	217,109,015	6.4936	1,409,819,103
			10,791,929,737			7,507,464,657
Total			10,791,929,737			7,507,464,657

11. Long-term loans

	<i>2016</i>			
		<i>Exchange</i>	<i>RMB /</i>	<i>Credited /</i>
	<i>Original currency</i>	<i>rate</i>	<i>RMB equivalents</i>	<i>collateralised</i>
			<i>guaranteed / pledged</i>	
Bank loans				
- RMB			17,635,000,000	Credited
- USD	200,000,000	6.9370	1,387,400,000	Credited
Less: Long-term loans due within one year			100,000,000	Credited
Total			18,922,400,000	

2015				
	<i>Original currency</i>	<i>Exchange rate</i>	<i>RMB / RMB equivalents</i>	<i>Credited / collateralised guaranteed / pledged</i>
Bank loans				
- RMB			3,512,000,000	Credited
- USD	200,000,000	6.4936	1,298,720,000	Credited
Less: Long-term loans due within one year			670,000,000	Credited
Total			4,140,720,000	

As at 31 December 2016, the Company's long-term loans consisted of credit loans of RMB 17,535,000,000 with interest rates between 0% and 4.75%, and the credit loan of USD 200,000,000 at six-month LIBOR plus 2.7% (2015: credit loans of RMB 2,842,000,000 with interest rates between 0% and 4.75%, and the credit loan of USD 200,000,000 with interest rate of 3.34%). The Company had no renewed long-term loans because of overdue loans (2015: nil).

As at 31 December 2016, the Company's long-term loans due within one year amounted to RMB 100,000,000 with interest rate of 4.75%.

12. Deferred income

<i>Item</i>	<i>Balance at the beginning of the year</i>	<i>Additions during the year</i>	<i>Reductions during the year</i>	<i>Balance at the end of the year</i>
Government grant	151,809,223	30,920,140	33,741,669	148,987,694

	<i>Balance at the beginning of the year</i>	<i>Additions during the year</i>	<i>Recognitions as non-operating income</i>	<i>Balance at the end of the year</i>
Government grants related to assets				
Subsidies for scientific research and development, etc.	25,514,385	13,431,109	10,628,942	28,316,552
Government grants related to income				

Subsidies for scientific research and development, etc.	126,294,838	17,489,031	23,112,727	120,671,142
Total	<u>151,809,223</u>	<u>30,920,140</u>	<u>33,741,669</u>	<u>148,987,694</u>

13. Capital reserve

	<i>Balance at the beginning of the year</i>	<i>Additions during the year</i>	<i>Reductions during the year</i>	<i>Balance at the end of the year</i>
Share premiums	38,115,575,868	-	-	38,115,575,868
Other capital reserves				
- Capital reserve brought forward from original scheme	29,538,085	-	-	29,538,085
- Changes in other equity of investees	7,755,682	4,730,773	-	12,486,455
Total	<u>38,152,869,635</u>	<u>4,730,773</u>	<u>-</u>	<u>38,157,600,408</u>

14. Other comprehensive income

<i>Item</i>	<i>Balance at the beginning of the year attributable to shareholders of the Company</i>	<i>Movements during the year</i> <i>Before-tax amount</i>	<i>Less: Income tax expense</i>	<i>Balance at the end of the year attributable to shareholders of the Company</i>
Items that will be reclassified to profit or loss				
Including: Gains / (losses) arising from changes in fair value of available- for-sale financial assets	83,276,532	483,413	-	83,759,945
Share of other comprehensive income of the equity method investments	26,510,264	42,053,252	-	68,563,516
Total	<u>109,786,796</u>	<u>42,536,665</u>	<u>-</u>	<u>152,323,461</u>

15. Retained earnings

<i>Item</i>	<i>2016</i>	<i>2015</i>
Retained earnings at the beginning of the year	486,814,338	41,186,231
Add: Net profits for the year	1,508,977,964	885,731,982
Less: Appropriation for statutory surplus reserve	150,897,796	88,573,198
Less: Distribution of cash dividends	<u>351,530,677</u>	<u>351,530,677</u>
Retained earnings at the end of the year	<u><u>1,493,363,829</u></u>	<u><u>486,814,338</u></u>

16.	Operating income		
		2016	2015
	Rental income of investment properties	174,980,284	151,084,598
	Technological development income	1,451,002,636	1,018,550,576
	Others	264,909,635	255,838,506
		<u>1,890,892,555</u>	<u>1,425,473,680</u>
	Total	<u>1,890,892,555</u>	<u>1,425,473,680</u>
17.	Taxes and surcharges		
		2016	2015
	Business tax	1,873,356	8,898,215
	City maintenance and construction tax	445,037	626,887
	Education surcharge and local education surcharge	317,883	447,777
	Real estate tax	15,136,751	-
	Land use tax	1,432,152	-
	Stamp duty	1,824,682	-
	Others	10,650	-
		<u>21,040,511</u>	<u>9,972,879</u>
	Total	<u>21,040,511</u>	<u>9,972,879</u>
18.	Financial expenses / (net financial income)		
		2016	2015
	Interest expenses from loans	443,656,348	290,278
	Interest income from deposits	(233,975,937)	(112,491,103)
	Net exchange losses	444,414	19,552,729
	Other financial expense	1,229,348	956,462
		<u>211,354,173</u>	<u>(91,691,634)</u>
	Total	<u>211,354,173</u>	<u>(91,691,634)</u>

19. Investment income

	2016	2015
Long-term equity investments income under cost method	1,007,385,303	452,043,628
Long-term equity investments (losses) / income under equity method	(14,730,259)	4,748,739
Investment income from disposal of long-term equity investments	81,336,911	-
Investment income from available-for-sale financial assets	2,846,739	2,746,321
Investment income from wealth management products	34,904,294	-
Including: Transfers from other comprehensive income	-	-
Total	<u>1,111,742,988</u>	<u>459,538,688</u>

20. Non-operating income

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

<i>Item</i>	2016	2015	<i>Amount recognised in extraordinary gains and losses in 2016</i>
Gains from disposal of non-current assets	76,084	103,499	76,084
Including: Disposal of fixed assets	76,084	103,499	76,084
Government grants	257,695,342	92,767,653	257,695,342
Others	2,532,571	1,837,258	2,532,571
Total	<u>260,303,997</u>	<u>94,708,410</u>	<u>260,303,997</u>

(2) Details of government grants

<i>Item</i>	2016	2015
Relate to assets		

Subsidies for scientific research and Development, etc.	10,628,942	10,089,189
Relate to income		
Subsidies for scientific research and Development, etc.	<u>247,066,400</u>	<u>82,678,464</u>
Total	<u><u>257,695,342</u></u>	<u><u>92,767,653</u></u>

21. Non-operating income

<i>Item</i>	<i>2016</i>	<i>2015</i>	<i>Amount recognised in extraordinary gains and losses in 2016</i>
Losses from disposal of non-current assets	96,766	8,690	96,766
Including: Losses from disposal of fixed assets	96,766	8,690	96,766
External contribution	1,563,700	4,943,561	1,563,700
Others	<u>70,408</u>	<u>58,196</u>	<u>70,408</u>
Total	<u><u>1,730,874</u></u>	<u><u>5,010,447</u></u>	<u><u>1,730,874</u></u>

22. Income tax expense

	<i>Note</i>	<i>2016</i>	<i>2015</i>
Current tax expenses for the period based on tax law and corresponding regulations		96,473,093	22,348,918
Changes in deferred tax assets / liabilities	(1)	<u>(47,679,645)</u>	<u>-</u>
Total		<u><u>48,793,448</u></u>	<u><u>22,348,918</u></u>

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

	<i>2016</i>	<i>2015</i>
--	-------------	-------------

Origination and reversal of temporary differences	<u>(47,679,645)</u>	<u>-</u>
---	---------------------	----------

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

<i>Item</i>	<i>2016</i>	<i>2015</i>
Profit before taxation	1,557,771,412	908,080,900
Expected income tax expenses at a tax rate of 15%	233,665,712	136,212,135
Add: Non-deductible costs	3,572,754	980,500
Non-taxable income	(159,287,713)	(68,930,803)
Weighted deduction of research and development expenses and tax preference	(29,157,305)	(31,508,977)
Utilisation of prior year tax losses	-	(10,091,886)
Changes of deductible temporary differences not recognised	-	(4,312,051)
Income tax expenses	<u>48,793,448</u>	<u>22,348,918</u>

23. Notes to cash flow statement

(1) Supplement to cash flow statement

	<i>2016</i>	<i>2015</i>
(a) Reconciliation of net profit to cash flows from operating activities:		
Net profits	1,508,977,964	885,731,982
Add: Provisions / (reversals) for impairment of assets	500,604	(112,708)
Depreciation of fixed assets and investment properties	86,061,009	56,028,074
Amortisation of intangible assets	107,119,375	97,082,752
Amortisation of long-term deferred expenses	29,846,094	29,020,530
Income from disposal of fixed assets	(76,084)	(103,499)
Losses from disposal of fixed assets	96,766	8,690
Financial expenses / (net financial income)	210,124,825	(92,648,096)
Investment income	(1,111,742,988)	(459,538,688)
Increase in deferred tax assets	(47,679,645)	-

Increase in inventories	(1,223,066)	(5,790,865)
Increase in operating receivables	(53,667,138)	(109,509,972)
Increase in operating payables	<u>4,711,184,468</u>	<u>905,861,067</u>
Net cash inflow from operating activities	<u>5,439,522,184</u>	<u>1,306,029,267</u>

(b) Net change in cash and cash equivalents:

Cash and cash equivalents at the end of the year	7,548,700,412	3,322,215,443
Less: Cash and cash equivalents at the beginning of the year	<u>3,322,215,443</u>	<u>8,671,876,589</u>
Net increase / (decrease) in cash and cash equivalents	<u><u>4,226,484,969</u></u>	<u><u>(5,349,661,146)</u></u>

(2) Details of cash and cash equivalents

	2016	2015
Cash on hand	153,946	165,842
Bank deposits available on demand	7,385,185,675	3,322,049,601
Other monetary funds available on demand	<u>163,360,791</u>	<u>-</u>
Closing balance of cash and cash equivalents	<u><u>7,548,700,412</u></u>	<u><u>3,322,215,443</u></u>

Note: Cash and cash equivalents disclosed above exclude other monetary funds with restricted usage.

24. Assets with restrictive ownership title or right of use

As at 31 December 2016, other monetary funds amounting to RMB 100,649,000 were deposits in commercial banks as security with maturity date from 22 January 2017 to 30 June 2017.

As at 31 December 2016, the Company pledged its 20% equity of BOE Energy Investment and 20% equity of Haosheng Energy as security for the syndicated loans of RMB 1,500,000,000 and USD 480,000,000 for Yuansheng Optoelectronics, which will expire on 9 June 2021.

The Company has no other asset with restrictive ownership title or right of use.

XV. Extraordinary gains and losses in 2016

	2016	2015
Losses from disposal of non-current assets	(46,754,352)	(8,350,324)
Government grants recognised through profit or loss	1,914,531,603	1,045,101,727
Excess of interest in the fair value of investee's identifiable net assets over investment costs of subsidiaries acquired	105,228,293	163,082
Investment income from disposal of trading financial assets, available-for-sale financial assets and matured wealth management products	149,197,609	173,197,708
Reversal of provisions for impairment test for receivables on an individual basis	24,547,083	4,535,849
Other non-operating income and expenses	40,206,943	22,787,015
Less: Tax effect	305,399,453	185,320,551
Total	<u>1,881,557,726</u>	<u>1,052,114,506</u>
Including: Extraordinary gains affecting net profit of equity shareholders of the Company		
	1,870,036,796	1,022,455,655
Extraordinary gains affecting the net profit of non-controlling interest		
	11,520,930	29,658,851

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 the "Regulation on the Preparation of Information Disclosures by Companies Issuing Securities No. 9 - Calculation and Disclosure of the Return on Net Assets and Earnings per Share" (2010 revised) issued by the CSRC, the Group's return on net assets and earnings per share are calculated as follows:

<i>Profit for the reporting period</i>	<i>Weighted average</i>		
	<i>return on net assets (%)</i>	<i>Basic earnings per share</i>	<i>Diluted earnings per share</i>
Net profit attributable to the Company's ordinary equity shareholders	2.40%	0.054	0.054

Net profit excluding extraordinary gains and losses attributable to the Company's ordinary equity shareholders	0.02%	0.000	0.000
---	-------	-------	-------