

BOE Technology Group Co., Ltd.

ENGLISH TRANSLATION OF FINANCIAL STATEMENTS FOR THE YEAR 1 JANUARY  
2020 TO 31 DECEMBER 2020  
IF THERE IS ANY CONFLICT BETWEEN THE CHINESE VERSION AND ITS ENGLISH  
TRANSLATION, THE CHINESE VERSION WILL PREVAIL

## AUDITOR'S REPORT

毕马威华振审字第 2102796 号

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

### **Opinion**

We have audited the accompanying financial statements of BOE Technology Group Company Limited ("BOE"), which comprise the consolidated and company's balance sheet as at 31 December 2020, the consolidated and company's income statement, the consolidated and company's cash flow statement, and the consolidated and company's statement of changes in shareholders' equity for the year then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated and company's financial position of BOE as at 31 December 2020, and its consolidated and company's financial performance and cash flows of BOE for the year then ended in accordance with Accounting Standards for Business Enterprises issued by the Ministry of Finance of the People's Republic of China.

### **Basis for Opinion**

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

## AUDITOR'S REPORT (continued)

毕马威华振审字第 2102796 号

### Key Audit Matters

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

<b>Revenue recognition</b>	
Refer to the accounting policies set out in the notes to the financial statements "III. Significant accounting policies and accounting estimates" 23 and "V. Notes to the consolidated financial statements" 44.	
<b>The Key Audit Matter</b>	<b>How the matter was addressed in our audit</b>
<p>The revenue of BOE and its subsidiaries ("BOE Group") is mainly derived from the sales of products relating to display device across the domestic and overseas market.</p> <p>The sales contracts/orders signed between BOE Group and its customers (mainly electronic equipment manufacturers) contain various trading terms. BOE Group judges the transfer timing of control according to the trading terms, and recognises revenue accordingly. Depending on the trading terms, the income is usually recognised when the goods are delivered and received, or when they are received by the carrier.</p> <p>We identified the recognition of BOE Group's revenue as a key audit matter because revenue, as one of BOE Group's key performance indicators, involves various trading terms, and there is an inherent risk that revenue may not be recognised in a correct period.</p>	<p>Our audit procedures to evaluate revenue recognition included the following:</p> <ul style="list-style-type: none"> <li>• Evaluate the design and operation effectiveness of key internal controls related to revenue recognition;</li> <li>• Check key sales contracts/orders on a sampling basis to identify relevant trading terms, and evaluate whether the accounting policies for revenue recognition of BOE Group meet the requirements of the Enterprise Accounting Standards;</li> <li>• On a sampling basis and according to different trading terms, reconcile the revenue recorded in the current year to relevant supporting files such as relevant orders, shipping orders, sales invoices, customs declarations, delivery receipts, etc. to evaluate whether revenue is recognised in accordance with the accounting policy of BOE Group;</li> <li>• On a sampling basis and according to different trading terms, cross check the revenue recorded before and after the balance sheet date against relevant supporting files such as relevant orders, shipping orders, sales invoices, customs declarations, delivery receipts, etc. to evaluate whether revenue is recorded in the appropriate period;</li> </ul>

## AUDITOR'S REPORT (continued)

毕马威华振审字第 2102796 号

### Key Audit Matters (continued)

<b>Revenue recognition (continued)</b>	
Refer to the accounting policies set out in the notes to the financial statements "III. Significant accounting policies and accounting estimates" 23 and "V. Notes to the consolidated financial statements" 44.	
<b>The Key Audit Matter</b>	<b>How the matter was addressed in our audit</b>
	<ul style="list-style-type: none"><li>• Select a sample based on the characteristics and nature of customer's transaction, and perform certification on the balance of accounts receivable as at the balance sheet date and the sales transaction amount during the current year;</li><li>• On a sampling basis, check the written-back of revenue after the balance sheet date (including sales discounts and sales returns, etc.) with relevant supporting documents to assess whether revenue is recorded in the appropriate period;</li><li>• Select revenue accounting entries that meet specific risk criteria and check related supporting documents.</li></ul>

## AUDITOR'S REPORT (continued)

毕马威华振审字第 2102796 号

### Key Audit Matters (continued)

<b>Book value of fixed assets and construction in progress</b>	
Refer to the accounting policies set out in the notes to the financial statements "III. Significant accounting policies and accounting estimates" 13, 14 and "V. Notes to the consolidated financial statements" 14, 15.	
<b>The Key Audit Matter</b>	<b>How the matter was addressed in our audit</b>
<p>BOE Group continued to invest in building production lines of display device to expand its production capacity. As at 31 December 2020, the book value of fixed assets and construction in progress amounted to RMB 267,442 million.</p> <p>The judgement made by the management on the following aspects will affect the book value of fixed assets and construction in progress, including:</p> <ul style="list-style-type: none"> <li>• Determine which type of expenditures are qualified for capitalisation;</li> <li>• Determine the timing for transferring construction in progress to fixed assets and making depreciation;</li> <li>• Estimate the useful life and residual value of corresponding fixed assets.</li> </ul> <p>We identified the book value of fixed assets and construction in progress of BOE Group as a key audit matter because the valuation of the book value of fixed assets and construction in progress involves significant judgement from the management and it is of importance to the consolidated financial statements.</p>	<p>Our audit procedures to assess the book value of fixed assets and construction in progress included the following:</p> <ul style="list-style-type: none"> <li>• Evaluate the design and operation effectiveness of key internal controls (including estimating useful life and residual values, etc.) related to the integrity, existence and accuracy of fixed assets and construction in progress;</li> <li>• Check the physical status of construction in progress and fixed assets on a sampling basis;</li> <li>• Check capital expenditures with relevant supporting documents (including purchase agreements/orders, acceptance orders, engineering construction contracts, project progress reports, etc.) on a sampling basis;</li> <li>• Assess whether the capitalised commissioning expenses for the current year are in compliance with relevant capitalisation conditions; check the commissioning expenses with relevant supporting documents on a sampling basis;</li> <li>• On the basis of sampling, assess the timing for transferring construction in progress to fixed assets, through the inspection of commissioning situation and the documents for transferring construction in progress to fixed assets;</li> <li>• Based on our understanding of industry practices and actual operating conditions of assets, we evaluate the management's estimation of the useful life and residual value of fixed assets.</li> </ul>

## AUDITOR'S REPORT (continued)

毕马威华振审字第 2102796 号

### Key Audit Matters (continued)

<b>Impairment of fixed assets and intangible assets</b>	
<p>Refer to the accounting policies set out in the notes to the financial statements “III. Significant accounting policies and accounting estimates” 19 and “V. Notes to the consolidated financial statements” 14, 16.</p>	
<b>The Key Audit Matter</b>	<b>How the matter was addressed in our audit</b>
<p>BOE Group principally generates revenue from the production and sale of display device. Due to the fluctuation of supply-demand relationship of display device and the influence of technology upgrading, the profit level of different production lines suffer dramatic fluctuation. As at 31 December 2020, the book value of fixed assets and intangible assets amounted to RMB 236,743 million, the judgement on impairment indications and impairment test are material to BOE Group's financial statements.</p> <p>The management classifies asset groups based on the smallest identifiable group of assets that generates cash inflows that are independent, and continuously monitors the trend of market of supply and demand as well as the technology evolution; comprehensively judges impairment indications of each asset group in accordance with market trends, operating conditions of production lines and technological advanced performance, and performs impairment test on asset groups if any impairment indication exists.</p> <p>For asset groups with impairment indications, the management assesses whether the book value of fixed assets and intangible assets as at 31 December 2020 were impaired by calculating the present value of expected future cash flows. Calculating the present value of expected future cash flows requires management to make significant judgements, especially for the estimation of future selling prices, sales volume and applicable discount rate.</p>	<p>Our audit procedures to assess the impairment of fixed assets and intangible assets included the following:</p> <ul style="list-style-type: none"> <li>• Evaluate management's identification of asset groups, assessment of impairment indications, and assess the design and operation effectiveness of key internal controls for impairment tests;</li> <li>• Based on our understanding of BOE Group's businesses and relevant accounting standards, evaluate management's classification basis of asset groups and judgement basis of impairment indications;</li> <li>• For asset groups with impairment indications, based on our understanding of the industry, compare the key assumptions in the calculation of recoverable amounts used by management with external available data and historical analysis, including future selling prices, sales volume and discount rate used by management, evaluate the key assumptions and estimations used by the management;</li> <li>• For asset groups with significant impairment risk, assess the competence, professional quality and objectivity of experts hired by the management; and adopt our own valuation experts' work, assess if discount rates used for estimating the present value of future cash flows by management are within the range used by other companies in the same industry;</li> </ul>

## AUDITOR'S REPORT (continued)

毕马威华振审字第 2102796 号

### Key Audit Matters (continued)

<b>Impairment of fixed assets and intangible assets (continued)</b>	
Refer to the accounting policies set out in the notes to the financial statements "III. Significant accounting policies and accounting estimates" 19 and "V. Notes to the consolidated financial statements" 14, 16.	
<b>The Key Audit Matter</b>	<b>How the matter was addressed in our audit</b>
We identified the impairment of fixed assets and intangible assets as a key audit matter because the book value of fixed assets and intangible assets is significant to the financial statements; management's significant judgements and estimations are involved in assessing the classification basis of asset groups, existence of impairment indications and impairment test of asset groups with impairment indications, which may exist errors or potential management bias.	<p>Our audit procedures to assess the impairment of fixed assets and intangible assets included the following:</p> <ul style="list-style-type: none"><li>• Compare estimations used for calculating the present value of expected future cash flows in the previous year by the management with the actual situation in this year to consider the historical accuracy of management's forecast results;</li><li>• Perform sensitivity analysis on key assumptions, including future selling prices, sales volume and discount rates, used in the calculation of recoverable amount by the management; assess how changes in key assumptions (individually or collectively) will lead to different results and assess whether there are indications of management bias in the selection of key assumptions;</li><li>• Consider whether the disclosure of impairment of fixed assets and intangible assets in the financial statements is consistent with relevant accounting policy.</li></ul>

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

毕马威华振审字第 2102796 号

### **Other Information**

BOE's management is responsible for the other information. The other information comprises all the information included in 2020 annual report of BOE, other than the financial statements and our auditor's report thereon.

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

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

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

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

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

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

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



## AUDITOR'S REPORT (continued)

毕马威华振审字第 2102796 号

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

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

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

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

## AUDITOR'S REPORT (continued)

毕马威华振审字第 2102796 号

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

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

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

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

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

KPMG Huazhen LLP

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

Zhang Huan (Engagement Partner)

Beijing China

Chai Jing

9 April 2021

BOE Technology Group Co., Ltd.  
 Consolidated balance sheet  
 as at 31 December 2020  
 (Expressed in Renminbi Yuan)

	<i>Note</i>	<i>2020</i>	<i>2019</i>
Assets			
Current assets			
Cash at bank and on hand	V. 1	73,694,296,095	56,972,723,239
Financial assets held for trading	V. 2	4,367,201,833	5,809,184,994
Bills receivable	V. 3	215,994,373	331,145,492
Accounts receivable	V. 4	22,969,140,355	18,135,687,806
Prepayments	V. 5	1,119,595,984	626,985,706
Other receivables	V. 6	658,114,833	706,171,112
Inventories	V. 7	17,875,454,490	12,396,194,762
Contract assets	V. 8	49,897,395	-
Assets held for sale	V. 9	186,892,645	173,910,820
Other current assets	V. 10	<u>7,848,869,252</u>	<u>9,296,637,067</u>
Total current assets		<u>128,985,457,255</u>	<u>104,448,640,998</u>

The notes on pages 31 to 174 form part of these financial statements.

BOE Technology Group Co., Ltd.  
Consolidated balance sheet  
as at 31 December 2020 (continued)  
*(Expressed in Renminbi Yuan)*

	<i>Note</i>	<i>2020</i>	<i>2019</i>
Assets (continued)			
Non-current assets			
Long-term equity investments	V. 11	3,693,170,224	2,718,037,934
Investments in other equity instruments	V. 12	533,645,423	632,076,647
Investment properties	V. 13	1,196,168,511	1,241,242,850
Fixed assets	V. 14	224,866,586,069	125,786,241,938
Construction in progress	V. 15	42,575,849,952	87,376,782,527
Intangible assets	V. 16	11,875,926,448	7,416,416,829
Goodwill	V. 17	1,400,357,242	707,603,856
Long-term deferred expenses	V. 18	299,634,100	345,424,409
Deferred tax assets	V. 19	205,041,088	248,153,761
Other non-current assets	V. 20	<u>8,624,970,019</u>	<u>9,491,581,559</u>
Total non-current assets		<u>295,271,349,076</u>	<u>235,963,562,310</u>
Total assets		<u>424,256,806,331</u>	<u>340,412,203,308</u>

The notes on pages 31 to 174 form part of these financial statements.

BOE Technology Group Co., Ltd.  
Consolidated balance sheet  
as at 31 December 2020 (continued)  
*(Expressed in Renminbi Yuan)*

	<i>Note</i>	<i>2020</i>	<i>2019</i>
Liabilities and shareholders' equity			
Current liabilities			
Short-term loans	V. 21	8,599,569,471	6,366,717,121
Bills payable	V. 22	1,231,533,895	2,028,917,980
Accounts payable	V. 23	27,164,171,682	21,183,567,553
Advance payments received	V. 24	124,040,749	1,260,732,785
Contract liabilities	V. 25	3,440,720,535	-
Employee benefits payable	V. 26	3,758,623,797	2,373,745,454
Taxes payable	V. 27	1,077,686,869	730,996,129
Other payables	V. 28	32,867,709,024	24,570,589,610
Non-current liabilities due within one year	V. 29	24,500,550,121	18,849,281,019
Other current liabilities	V. 30	<u>2,194,716,852</u>	<u>1,013,738,515</u>
Total current liabilities		<u>104,959,322,995</u>	<u>78,378,286,166</u>

The notes on pages 31 to 174 form part of these financial statements.

BOE Technology Group Co., Ltd.  
 Consolidated balance sheet  
 as at 31 December 2020 (continued)  
 (Expressed in Renminbi Yuan)

	<i>Note</i>	<i>2020</i>	<i>2019</i>
Liabilities and shareholders' equity (continued)			
Non-current liabilities			
Long-term loans	V. 31	132,452,767,135	107,730,595,615
Debentures payable	V. 32	398,971,739	387,878,384
Long-term payables	V. 33	2,114,175,683	984,520,824
Provisions	V. 34	-	16,457,010
Deferred income	V. 35	4,246,231,468	2,204,400,566
Deferred tax liabilities	V. 19	1,427,601,154	1,451,825,357
Other non-current liabilities	V. 36	<u>5,260,001,443</u>	<u>8,200,542,412</u>
Total non-current liabilities		<u>145,899,748,622</u>	<u>120,976,220,168</u>
Total liabilities		<u>250,859,071,617</u>	<u>199,354,506,334</u>

The notes on pages 31 to 174 form part of these financial statements.

BOE Technology Group Co., Ltd.  
 Consolidated balance sheet  
 as at 31 December 2020 (continued)  
 (Expressed in Renminbi Yuan)

	Note	2020	2019
Liabilities and shareholders' equity (continued)			
Shareholders' equity			
Share capital	V. 37	34,798,398,763	34,798,398,763
Other equity instruments	V. 38	14,146,997,427	8,013,156,853
Capital reserve	V. 39	37,435,655,934	38,353,242,364
Less: Treasury shares	V. 40	1,036,298,508	-
Other comprehensive income	V. 41	(22,198,072)	(4,566,639)
Surplus reserve	V. 42	2,444,416,669	1,516,139,709
Retained earnings	V. 43	<u>15,509,794,622</u>	<u>12,381,758,005</u>
 Total equity attributable to shareholders of the Company		 <u>103,276,766,835</u>	 <u>95,058,129,055</u>
 Non-controlling interests		 <u>70,120,967,879</u>	 <u>45,999,567,919</u>
 Total shareholders' equity		 <u>173,397,734,714</u>	 <u>141,057,696,974</u>
 Total liabilities and shareholders' equity		 <u>424,256,806,331</u>	 <u>340,412,203,308</u>

These financial statements were approved by the Board of Directors of the Company on 9 April 2021.

Chen Yanshun Chairman of the Board	Liu Xiaodong Chief Executive Officer	Sun Yun Chief Financial Officer	Yang Xiaoping The head of the accounting department	(Company stamp)
(Signature and stamp)	(Signature and stamp)	(Signature and stamp)	(Signature and stamp)	

The notes on pages 31 to 174 form part of these financial statements.

BOE Technology Group Co., Ltd.  
 Company balance sheet  
 as at 31 December 2020  
 (Expressed in Renminbi Yuan)

	<i>Note</i>	<i>2020</i>	<i>2019</i>
Assets			
Current assets			
Cash at bank and on hand	XV. 1	4,375,497,010	3,680,770,048
Bills receivable		-	84,230,531
Accounts receivable	XV. 2	3,974,212,308	646,533,115
Prepayments		12,185,651	77,682,682
Other receivables	XV. 3	16,345,474,583	4,827,398,094
Inventories		18,622,283	13,935,401
Other current assets	XV. 4	<u>177,761,718</u>	<u>109,497,897</u>
Total current assets		<u>24,903,753,553</u>	<u>9,440,047,768</u>

The notes on pages 31 to 174 form part of these financial statements.



BOE Technology Group Co., Ltd.  
 Company balance sheet  
 as at 31 December 2020 (continued)  
 (Expressed in Renminbi Yuan)

	<i>Note</i>	<i>2020</i>	<i>2019</i>
Assets (continued)			
Non-current assets			
Long-term equity investments	XV. 5	182,135,057,208	159,389,864,760
Investments in other equity instruments		81,192,872	79,405,724
Investment properties		271,212,241	280,525,802
Fixed assets		1,009,178,229	949,104,308
Construction in progress		418,343,961	358,933,667
Intangible assets	XV. 6	1,380,069,827	1,493,632,264
Long-term deferred expenses		105,439,681	109,216,398
Deferred tax assets	XV. 7	-	360,268,466
Other non-current assets		<u>2,611,437,988</u>	<u>162,516,190</u>
Total non-current assets		<u>188,011,932,007</u>	<u>163,183,467,579</u>
Total assets		<u>212,915,685,560</u>	<u>172,623,515,347</u>

The notes on pages 31 to 174 form part of these financial statements.

BOE Technology Group Co., Ltd.  
 Company balance sheet  
 as at 31 December 2020 (continued)  
 (Expressed in Renminbi Yuan)

	<i>Note</i>	<i>2020</i>	<i>2019</i>
Liabilities and shareholders' equity			
Current liabilities			
Short-term loans		-	1,220,000,000
Accounts payable		272,241,469	27,919,341
Advance payments received	XV. 8	18,286,458	2,117,568,995
Employee benefits payable	XV. 9	516,060,153	252,206,075
Taxes payable		87,179,892	107,287,957
Other payables	XV. 10	6,541,918,681	5,260,470,974
Non-current liabilities due within one year		7,847,210,073	5,490,440,787
Other current liabilities		<u>1,977,977</u>	<u>1,423,133</u>
Total current liabilities		<u>15,284,874,703</u>	<u>14,477,317,262</u>
Non-current liabilities			
Long-term loans	XV. 11	38,360,714,121	33,310,701,574
Deferred income	XV. 12	3,633,342,446	4,627,393,256
Deferred tax liabilities	XV. 7	385,697,604	-
Other non-current liabilities		<u>56,156,661,805</u>	<u>33,297,240,830</u>
Total non-current liabilities		<u>98,536,415,976</u>	<u>71,235,335,660</u>
Total liabilities		<u>113,821,290,679</u>	<u>85,712,652,922</u>

The notes on pages 31 to 174 form part of these financial statements.

BOE Technology Group Co., Ltd.  
 Company balance sheet  
 as at 31 December 2020 (continued)  
 (Expressed in Renminbi Yuan)

	Note	2020	2019
Liabilities and shareholders' equity (continued)			
Shareholders' equity			
Share capital	V. 37	34,798,398,763	34,798,398,763
Other equity instruments	V. 38	14,146,997,427	8,013,156,853
Capital reserve	XV. 13	36,696,079,366	37,608,039,685
Less: Treasury shares	V. 40	1,036,298,508	-
Other comprehensive income	XV. 14	90,713,133	193,638,576
Surplus reserve	V. 42	2,444,416,669	1,516,139,709
Retained earnings	XV. 15	<u>11,954,088,031</u>	<u>4,781,488,839</u>
Total shareholders' equity		<u>99,094,394,881</u>	<u>86,910,862,425</u>
Total liabilities and shareholders' equity		<u>212,915,685,560</u>	<u>172,623,515,347</u>

These financial statements were approved by the Board of Directors of the Company on 9 April 2021.

Chen Yanshun Chairman of the Board	Liu Xiaodong Chief Executive Officer	Sun Yun Chief Financial Officer	Yang Xiaoping The head of the accounting department	
(Signature and stamp)	(Signature and stamp)	(Signature and stamp)	(Signature and stamp)	(Company stamp)

The notes on pages 31 to 174 form part of these financial statements.

BOE Technology Group Co., Ltd.  
Consolidated income statement  
for the year ended 31 December 2020  
*(Expressed in Renminbi Yuan)*

	<i>Note</i>	<i>2020</i>	<i>2019</i>
I. Operating income	V. 44	135,552,569,729	116,059,590,164
II. Less: Operating costs	V. 44	108,823,122,756	98,446,269,296
Taxes and surcharges	V. 45	1,078,900,085	861,100,605
Selling and distribution expenses	V. 46	3,137,719,001	2,917,865,380
General and administrative expenses	V. 47	6,203,600,521	5,214,948,027
Research and development expenses	V. 48	7,622,597,925	6,699,973,240
Financial expenses	V. 49	2,650,153,972	1,994,150,258
Including: Interest expenses		3,497,697,709	2,525,136,209
Interest income		873,376,712	840,190,118
Add: Other income	V. 50	2,337,705,817	2,605,658,711
Investment income	V. 51	897,891,109	342,620,691
Including: Income from investment in associates and joint ventures		444,407,986	200,020,686
Gains from changes in fair value	V. 52	31,936,339	137,473,077
Credit losses	V. 53	1,827,519	(28,262,627)
Impairment losses	V. 54	(3,280,425,399)	(2,584,183,258)
Gains from asset disposals	V. 55	19,061,846	79,029
III. Operating profit		6,044,472,700	398,668,981
Add: Non-operating income	V. 56	120,503,628	208,430,198
Less: Non-operating expenses	V. 56	72,139,666	103,349,078

The notes on pages 31 to 174 form part of these financial statements.

BOE Technology Group Co., Ltd.  
 Consolidated income statement  
 for the year ended 31 December 2020 (continued)  
 (Expressed in Renminbi Yuan)

	<i>Note</i>	<i>2020</i>	<i>2019</i>
IV. Profit before income tax		6,092,836,662	503,750,101
Less: Income tax expenses	V. 57	<u>1,564,566,246</u>	<u>979,991,504</u>
V. Net profit/(losses) for the year		<u>4,528,270,416</u>	<u>(476,241,403)</u>
Attributable to:			
Shareholders of the Company		5,035,627,952	1,918,643,871
Non-controlling interests		(507,357,536)	(2,394,885,274)

The notes on pages 31 to 174 form part of these financial statements.

BOE Technology Group Co., Ltd.  
 Consolidated income statement  
 for the year ended 31 December 2020 (continued)  
 (Expressed in Renminbi Yuan)

	<i>Note</i>	<i>2020</i>	<i>2019</i>
VI. Other comprehensive income, net of tax	V. 41	165,945,656	228,445,653
Other comprehensive income (net of tax) attributable to owners of the Company		177,438,725	236,859,881
(1) Items that will not be reclassified to profit or loss			
a. Other comprehensive income recognised under equity method		136,381,254	366,930,596
b. Changes in fair value of investments in other equity instruments		(19,975,534)	(36,688,762)
(2) Items that may be reclassified to profit or loss			
a. Other comprehensive income recognised under equity method		11,835	-
b. Translation differences arising from translation of foreign currency financial statements		61,021,170	(93,381,953)
Other comprehensive income (net of tax) attributable to non-controlling interests		<u>(11,493,069)</u>	<u>(8,414,228)</u>

The notes on pages 31 to 174 form part of these financial statements.

BOE Technology Group Co., Ltd.  
 Consolidated income statement  
 for the year ended 31 December 2020 (continued)  
 (Expressed in Renminbi Yuan)

	<i>Note</i>	<i>2020</i>	<i>2019</i>
VII. Total comprehensive income for the year		<u>4,694,216,072</u>	<u>(247,795,750)</u>
Attributable to shareholders of the Company		5,213,066,677	2,155,503,752
Attributable to non-controlling interests		(518,850,605)	(2,403,299,502)
VIII. Earnings per share			
(1) Basic earnings per share	V. 58	0.13	0.05
(2) Diluted earnings per share	V. 58	0.13	0.05

These financial statements were approved by the Board of Directors of the Company on 9 April 2021.

Chen Yanshun Chairman of the Board	Liu Xiaodong Chief Executive Officer	Sun Yun Chief Financial Officer	Yang Xiaoping The head of the accounting department	
(Signature and stamp)	(Signature and stamp)	(Signature and stamp)	(Signature and stamp)	(Company stamp)

The notes on pages 31 to 174 form part of these financial statements.

BOE Technology Group Co., Ltd.  
Company income statement  
for the year ended 31 December 2020  
(Expressed in Renminbi Yuan)

	<i>Note</i>	<i>2020</i>	<i>2019</i>
I. Operating income	XV. 16	4,541,676,195	4,785,387,719
II. Less: Operating costs		22,304,841	29,852,957
Taxes and surcharges	XV. 17	40,889,596	41,488,521
General and administrative expenses		858,750,449	741,464,420
Research and development expenses	XV. 18	2,102,895,125	2,184,751,287
Financial expenses	XV. 19	916,538,545	903,880,632
Including: Interest expenses		970,259,855	934,776,554
Interest income		37,793,976	41,156,445
Add: Other income	XV. 20	970,989,167	945,400,212
Investment income	XV. 21	2,429,685,102	2,185,769,102
Including: Income from investment in associates and joint ventures		416,901,621	244,595,829
Credit losses		(5,376,889)	(62,558,750)
Impairment losses		-	(32,000,000)
III. Operating profit		3,995,595,019	3,920,560,466
Add: Non-operating income		6,879,087	4,120,515
Less: Non-operating expenses		11,908,850	8,305,483
IV. Profit before income tax		3,990,565,256	3,916,375,498
Less: Income tax expenses	XV. 22	251,373,672	230,811,042
V. Net profit		3,739,191,584	3,685,564,456

The notes on pages 31 to 174 form part of these financial statements.



BOE Technology Group Co., Ltd.  
 Company income statement  
 for the year ended 31 December 2020 (continued)  
 (Expressed in Renminbi Yuan)

	<i>Note</i>	<i>2020</i>	<i>2019</i>
VI. Other comprehensive income, net of tax	XV. 14	136,131,965	389,401,782
(1) Items that will not be reclassified to profit or loss			
a. Other comprehensive income recognised under equity method		136,381,254	366,930,596
b. Changes in fair value of investments in other equity instruments		(261,124)	22,471,186
(2) Items that may be reclassified to profit or loss		11,835	-
VII. Total comprehensive income for the year		<u>3,875,323,549</u>	<u>4,074,966,238</u>

These financial statements were approved by the Board of Directors of the Company on 9 April 2021.

Chen Yanshun Chairman of the Board	Liu Xiaodong Chief Executive Officer	Sun Yun Chief Financial Officer	Yang Xiaoping The head of the accounting department	
(Signature and stamp)	(Signature and stamp)	(Signature and stamp)	(Signature and stamp)	(Company stamp)

The notes on pages 31 to 174 form part of these financial statements.

BOE Technology Group Co., Ltd.  
Consolidated cash flow statement  
for the year ended 31 December 2020  
*(Expressed in Renminbi Yuan)*

	<i>Note</i>	<i>2020</i>	<i>2019</i>
I. Cash flows from operating activities:			
Proceeds from sale of goods and rendering of services		152,737,944,370	131,939,100,428
Refund of taxes		11,677,125,705	9,211,921,444
Proceeds from other operating activities		<u>5,178,686,102</u>	<u>4,372,301,569</u>
Sub-total of cash inflows		<u>169,593,756,177</u>	<u>145,523,323,441</u>
Payment for goods and services		(115,414,695,545)	(103,103,588,751)
Payment to and for employees		(10,375,043,429)	(11,274,232,340)
Payment of various taxes		(2,493,092,709)	(2,151,136,164)
Payment for other operating activities		<u>(2,059,151,036)</u>	<u>(2,911,286,992)</u>
Sub-total of cash outflows		<u>(130,341,982,719)</u>	<u>(119,440,244,247)</u>
Net cash inflow from operating activities	V. 59(1)	<u>39,251,773,458</u>	<u>26,083,079,194</u>

The notes on pages 31 to 174 form part of these financial statements.

BOE Technology Group Co., Ltd.  
Consolidated cash flow statement  
for the year ended 31 December 2020 (continued)  
*(Expressed in Renminbi Yuan)*

	<i>Note</i>	<i>2020</i>	<i>2019</i>
II. Cash flows from investing activities:			
Proceeds from disposal of investments		23,039,182,987	33,515,656,910
Investment returns received		79,109,825	93,386,997
Net proceeds from disposal of fixed assets, intangible assets and other long-term assets		177,874,045	19,822,394
Net amount received from subsidiaries V. 59(2)		954,155,710	33,640,033
Net proceeds from disposal of subsidiaries		336,086,996	-
Proceeds from other investing activities		<u>945,857,001</u>	<u>2,287,178,748</u>
Sub-total of cash inflows		<u>25,532,266,564</u>	<u>35,949,685,082</u>
Payment for acquisition of fixed assets, intangible assets and other long-term assets		(44,215,334,543)	(49,415,897,698)
Payment for acquisition of investments		(20,725,326,161)	(33,949,914,820)
Net payment for acquisition of subsidiaries and other business units V. 59(2)		(1,895,124,119)	-
Payment for other investing activities		<u>(2,103,448,590)</u>	<u>-</u>
Sub-total of cash outflows		<u>(68,939,233,413)</u>	<u>(83,365,812,518)</u>
Net cash outflow from investing activities		<u>(43,406,966,849)</u>	<u>(47,416,127,436)</u>

The notes on pages 31 to 174 form part of these financial statements.

BOE Technology Group Co., Ltd.  
 Consolidated cash flow statement  
 for the year ended 31 December 2020 (continued)  
 (Expressed in Renminbi Yuan)

	<i>Note</i>	<i>2020</i>	<i>2019</i>
III. Cash flows from financing activities:			
Proceeds from investors		10,377,793,629	14,066,343,889
Including: Proceeds from non- controlling shareholders of subsidiaries		10,377,793,629	14,066,343,889
Proceeds from issuance of debentures		5,966,660,000	8,075,977,975
Proceeds from borrowings		50,709,738,711	53,575,950,243
Net amount of monetary movements for pledging loans		2,927,370,511	-
Proceeds from other financing activities		<u>920,016,046</u>	<u>6,000,000</u>
Sub-total of cash inflows		<u>70,901,578,897</u>	<u>75,724,272,107</u>

The notes on pages 31 to 174 form part of these financial statements.

BOE Technology Group Co., Ltd.  
Consolidated cash flow statement  
for the year ended 31 December 2020 (continued)  
(Expressed in Renminbi Yuan)

	Note	2020	2019
III. Cash flows from financing activities (continued):			
Repayments of borrowings		(38,547,043,449)	(36,944,543,462)
Payment for dividends or interest		(6,520,054,957)	(6,746,163,635)
Including: Profits paid to non- controlling shareholders of subsidiaries		(88,810,446)	(10,911,242)
Net amount of monetary movements for pledging loans		-	(287,261,600)
Payment for other financing activities		<u>(2,016,750,534)</u>	<u>(3,967,658,080)</u>
Sub-total of cash outflows		<u>(47,083,848,940)</u>	<u>(47,945,626,777)</u>
Net cash inflow from financing activities		<u>23,817,729,957</u>	<u>27,778,645,330</u>
IV. Effect of foreign exchange rate changes on cash and cash equivalents		<u>(1,868,121,768)</u>	<u>474,027,965</u>
V. Net increase in cash and cash equivalents	V. 59(1)	17,794,414,798	6,919,625,053
Add: Cash and cash equivalents at the beginning of the year		<u>50,270,321,573</u>	<u>43,350,696,520</u>
VI. Cash and cash equivalents at the end of the year	V. 59(3)	<u>68,064,736,371</u>	<u>50,270,321,573</u>

These financial statements were approved by the Board of Directors of the Company on 9 April 2021.

Chen Yanshun Chairman of the Board	Liu Xiaodong Chief Executive Officer	Sun Yun Chief Financial Officer	Yang Xiaoping The head of the accounting department	(Company stamp)
(Signature and stamp)	(Signature and stamp)	(Signature and stamp)	(Signature and stamp)	

The notes on pages 31 to 174 form part of these financial statements.

BOE Technology Group Co., Ltd.  
Company cash flow statement  
for the year ended 31 December 2020  
(Expressed in Renminbi Yuan)

	<i>Note</i>	<i>2020</i>	<i>2019</i>
I. Cash flows from operating activities:			
Proceeds from sale of goods and rendering of services		3,125,955,887	6,487,868,213
Proceeds from other operating activities		<u>77,211,104</u>	<u>53,961,183</u>
Sub-total of cash inflows		<u>3,203,166,991</u>	<u>6,541,829,396</u>
Payment for goods and services		(952,364,398)	(1,576,266,273)
Payment to and for employees		(977,064,794)	(942,542,615)
Payment of various taxes		(513,631,723)	(528,982,127)
Payment for other operating activities		<u>(644,659,863)</u>	<u>(1,042,770,921)</u>
Sub-total of cash outflows		<u>(3,087,720,778)</u>	<u>(4,090,561,936)</u>
Net cash inflow from operating activities	XV. 23(1)	<u>115,446,213</u>	<u>2,451,267,460</u>
II. Cash flows from investing activities:			
Proceeds from disposal of investments		931,412,417	191,270,404
Investment returns received		1,208,468,425	1,006,558,146
Net proceeds from disposal of fixed assets		303,987	2,791,799
Proceeds from other investing activities		<u>470,877,944</u>	<u>3,334,425,767</u>
Sub-total of cash inflows		<u>2,611,062,773</u>	<u>4,535,046,116</u>

The notes on pages 31 to 174 form part of these financial statements.

BOE Technology Group Co., Ltd.  
Company cash flow statement  
for the year ended 31 December 2020 (continued)  
(Expressed in Renminbi Yuan)

	<i>Note</i>	<i>2020</i>	<i>2019</i>
II. Cash flows from investing activities (continued):			
Payment for acquisition of fixed assets, intangible assets and other long-term assets		(412,494,447)	(1,158,649,934)
Payment for acquisition of investments		(20,477,410,853)	(15,438,773,685)
Payment for other investing activities		<u>(12,405,000,000)</u>	<u>(5,866,921,400)</u>
Sub-total of cash outflows		<u>(33,294,905,300)</u>	<u>(22,464,345,019)</u>
Net cash outflow from investing activities		<u>(30,683,842,527)</u>	<u>(17,929,298,903)</u>
III. Cash flows from financing activities:			
Proceeds from issuance of debentures		5,966,660,000	8,000,000,000
Proceeds from borrowings		21,867,000,000	19,341,142,361
Proceeds from other financing activities		<u>23,967,730,377</u>	<u>14,869,430,596</u>
Sub-total of cash inflows		<u>51,801,390,377</u>	<u>42,210,572,957</u>
Repayments of borrowings		(15,767,047,454)	(17,830,000,000)
Payment for dividends and interest		(2,254,787,893)	(2,289,037,712)
Payment for other financing activities		<u>(2,398,651,425)</u>	<u>(6,801,944,858)</u>
Sub-total of cash outflows		<u>(20,420,486,772)</u>	<u>(26,920,982,570)</u>
Net cash inflow from financing activities		<u>31,380,903,605</u>	<u>15,289,590,387</u>

The notes on pages 31 to 174 form part of these financial statements.

BOE Technology Group Co., Ltd.  
 Company cash flow statement  
 for the year ended 31 December 2020 (continued)  
 (Expressed in Renminbi Yuan)

	Note	2020	2019
IV. Effect of foreign exchange rate changes on cash and cash equivalents		<u>(133,212,123)</u>	<u>39,397,054</u>
V. Net (decrease)/increase in cash and cash equivalents	XV. 23(1)	679,295,168	(149,044,002)
Add: Cash and cash equivalents at the beginning of the year		<u>3,680,770,048</u>	<u>3,829,814,050</u>
VI. Cash and cash equivalents at the end of the year	XV. 23(2)	<u>4,360,065,216</u>	<u>3,680,770,048</u>

These financial statements were approved by the Board of Directors of the Company on 9 April 2021.

_____ Chen Yanshun Chairman of the Board	_____ Liu Xiaodong Chief Executive Officer	_____ Sun Yun Chief Financial Officer	_____ Yang Xiaoping The head of the accounting department	(Company stamp)
(Signature and stamp)	(Signature and stamp)	(Signature and stamp)	(Signature and stamp)	

The notes on pages 31 to 174 form part of these financial statements.



BOE Technology Group Co., Ltd.  
Consolidated statement of changes in shareholders' equity  
for the year ended 31 December 2020  
(Expressed in Renminbi Yuan)

		Attributable to shareholders of the Company								Non-controlling interests	Total
Note	Share capital	Other equity instruments	Capital reserve	Less: Treasury shares	Other comprehensive income	Surplus reserve	Retained earnings	Sub-total			
I.	Balance at the beginning of the year	34,798,398,763	8,013,156,853	38,353,242,364	-	(4,566,639)	1,516,139,709	12,381,758,005	95,058,129,055	45,999,567,919	141,057,696,974
	Add: Changes in accounting policies	-	-	-	-	-	533,906,114	(533,906,114)	-	-	-
	Adjusted balance at the beginning of the year	34,798,398,763	8,013,156,853	38,353,242,364	-	(4,566,639)	2,050,045,823	11,847,851,891	95,058,129,055	45,999,567,919	141,057,696,974
II.	Changes in equity during the year										
	1. Total comprehensive income	-	-	-	-	177,438,725	-	5,035,627,952	5,213,066,677	(518,850,605)	4,694,216,072
	2. Shareholders' contributions of capital										
	(1) Contribution by non-controlling interests	-	-	-	-	-	-	-	-	10,663,566,927	10,663,566,927
	(2) Contribution by holders of other equity instruments	V. 38	5,967,915,094	-	-	-	-	-	5,967,915,094	-	5,967,915,094
	(3) Repurchase of treasury shares	V. 40	-	-	1,998,774,694	-	-	-	(1,998,774,694)	-	(1,998,774,694)
	(4) Business combinations involving entities not under common control	VI. 1	-	-	-	-	-	-	-	14,293,193,400	14,293,193,400
	(5) Changes in shareholding ratio of subsidiaries	V. 39	-	76,020,559	-	-	-	-	76,020,559	(76,020,559)	-
	(6) Equity-settled share-based payments	XI	-	(946,466,251)	(962,476,186)	-	-	-	16,009,935	1,201,528	17,211,463
	3. Appropriation of profits										
	(1) Appropriation for surplus reserve	V. 42	-	-	-	-	373,919,158	(373,919,158)	-	-	-
	(2) Accrued interest on holders of other equity instruments	V. 38	-	485,925,480	-	-	-	(485,925,480)	-	-	-
	(3) Payment for interest on holders of other equity instruments	V. 38	-	(320,000,000)	-	-	-	-	(320,000,000)	-	(320,000,000)
	(4) Distributions to shareholders	V. 43	-	-	-	-	-	(695,967,975)	(695,967,975)	(88,810,446)	(784,778,421)

The notes on pages 31 to 174 form part of these financial statements.

BOE Technology Group Co., Ltd.  
 Consolidated statement of changes in shareholders' equity  
 for the year ended 31 December 2020 (continued)  
 (Expressed in Renminbi Yuan)

	Note	Attributable to shareholders of the Company							Sub-total	Non-controlling interests	Total
		Share capital	Other equity instruments	Capital reserve	Less: Treasury shares	Other comprehensive income	Surplus reserve	Retained earnings			
4. Transfers within equity											
(1) Transfer of other comprehensive income to retained earnings	V. 41/43	-	-	-	-	(195,070,158)	23,905,741	171,164,417	-	-	-
5. Others											
(1) Disposal of subsidiaries to equity method accounting	VI. 2	-	-	(46,470,087)	-	-	(3,454,053)	3,454,053	(46,470,087)	(146,654,227)	(193,124,314)
(2) Other movements in equity of associates	V. 11	-	-	7,011,400	-	-	-	-	7,011,400	-	7,011,400
(3) Others		-	-	(7,682,051)	-	-	-	7,508,922	(173,129)	(6,226,058)	(6,399,187)
III. Balance at the end of the year		<u>34,798,398,763</u>	<u>14,146,997,427</u>	<u>37,435,655,934</u>	<u>1,036,298,508</u>	<u>(22,198,072)</u>	<u>2,444,416,669</u>	<u>15,509,794,622</u>	<u>103,276,766,835</u>	<u>70,120,967,879</u>	<u>173,397,734,714</u>

These financial statements were approved by the Board of Directors of the Company on 9 April 2021.

<u>Chen Yanshun</u> Chairman of the Board	<u>Liu Xiaodong</u> Chief Executive Officer	<u>Sun Yun</u> Chief Financial Officer	<u>Yang Xiaoping</u> The head of the accounting department	(Company stamp)
(Signature and stamp)	(Signature and stamp)	(Signature and stamp)	(Signature and stamp)	

The notes on pages 31 to 174 form part of these financial statements.

BOE Technology Group Co., Ltd.  
Consolidated statement of changes in shareholders' equity  
for the year ended 31 December 2019 (continued)  
(Expressed in Renminbi Yuan)

	Note	Attributable to shareholders of the Company						Sub-total	Non-controlling interests	Total
		Share capital	Other equity instruments	Capital reserve	Other comprehensive income	Surplus reserve	Retained earnings			
I. Balance at the beginning of the year		34,798,398,763	-	38,213,100,596	(291,856,968)	1,152,626,310	11,977,119,533	85,849,388,234	34,499,426,498	120,348,814,732
II. Changes in equity during the year										
1. Total comprehensive income		-	-	-	236,859,881	-	1,918,643,871	2,155,503,752	(2,403,299,502)	(247,795,750)
2. Shareholders' contributions of capital										
(1) Contributed by non-controlling interests		-	-	-	-	-	-	-	14,066,343,889	14,066,343,889
(2) Non-controlling interests' decrease of capital		-	-	-	-	-	-	-	(40,233,450)	(40,233,450)
(3) Contribution by holders of other equity instruments		-	7,957,047,264	-	-	-	-	7,957,047,264	-	7,957,047,264
(4) Business combinations involving entities not under common control		-	-	-	-	-	-	-	11,310,000	11,310,000
(5) Change in shareholding ratio of subsidiaries		-	-	123,068,274	-	-	-	123,068,274	(123,068,274)	-
3. Appropriation of profits										
(1) Appropriation for surplus reserve	V. 43	-	-	-	-	368,556,446	(368,556,446)	-	-	-
(2) Accrued interest on holders of other equity instruments		-	56,109,589	-	-	-	(56,109,589)	-	-	-
(3) Distributions to shareholders		-	-	-	-	-	(1,043,951,963)	(1,043,951,963)	(10,911,242)	(1,054,863,205)

The notes on pages 31 to 174 form part of these financial statements.

BOE Technology Group Co., Ltd.  
 Consolidated statement of changes in shareholders' equity  
 for the year ended 31 December 2019 (continued)  
 (Expressed in Renminbi Yuan)

	Note	Attributable to shareholders of the Company						Sub-total	Non-controlling interests	Total
		Share capital	Other equity instruments	Capital reserve	Other comprehensive income	Surplus reserve	Retained earnings			
4. Transfers within equity										
(1) Transfer of other comprehensive income to retained earnings	V. 43	-	-	-	50,430,448	(5,043,047)	(45,387,401)	-	-	
5. Others		-	-	17,073,494	-	-	-	17,073,494	17,073,494	
III. Balance at the end of the year		<u>34,798,398,763</u>	<u>8,013,156,853</u>	<u>38,353,242,364</u>	<u>(4,566,639)</u>	<u>1,516,139,709</u>	<u>12,381,758,005</u>	<u>95,058,129,055</u>	<u>45,999,567,919</u>	<u>141,057,696,974</u>

These financial statements were approved by the Board of Directors of the Company on 9 April 2021.

<u>Chen Yanshun</u> Chairman of the Board	<u>Liu Xiaodong</u> Chief Executive Officer	<u>Sun Yun</u> Chief Financial Officer	<u>Yang Xiaoping</u> The head of the accounting department	(Company stamp)
(Signature and stamp)	(Signature and stamp)	(Signature and stamp)	(Signature and stamp)	

The notes on pages 31 to 174 form part of these financial statements.

BOE Technology Group Co., Ltd.  
 Company statement of changes in shareholders' equity  
 for the year ended 31 December 2020  
 (Expressed in Renminbi Yuan)

	Note	Share capital	Other equity instruments	Capital reserve	Less: Treasury shares	Other comprehensive income	Surplus reserve	Retained earnings	Total
I. Balance at the beginning of the year		34,798,398,763	8,013,156,853	37,608,039,685	-	193,638,576	1,516,139,709	4,781,488,839	86,910,862,425
Add: Changes in accounting policies	III. 35	-	-	-	-	-	533,906,114	4,805,155,027	5,339,061,141
Adjusted balance at the beginning of the year		34,798,398,763	8,013,156,853	37,608,039,685	-	193,638,576	2,050,045,823	9,586,643,866	92,249,923,566
II. Changes in equity during the year									
1. Total comprehensive income		-	-	-	-	136,131,965	-	3,739,191,584	3,875,323,549
2. Shareholders' contributions of capital									
(1) Contribution by holders of other equity instruments	V. 38	-	5,967,915,094	-	-	-	-	-	5,967,915,094
(2) Repurchase of treasury shares	V. 40	-	-	-	1,998,774,694	-	-	-	(1,998,774,694)
(3) Equity-settled share-based payments	XI	-	-	(945,264,723)	(962,476,186)	-	-	-	17,211,463
3. Appropriation of profits									
(1) Appropriation for surplus reserve	V. 42	-	-	-	-	-	373,919,158	(373,919,158)	-
(2) Accrued interest on holders of other equity instruments	V. 38	-	485,925,480	-	-	-	-	(485,925,480)	-
(3) Payment for interest on holders of other equity instruments	V. 38	-	(320,000,000)	-	-	-	-	-	(320,000,000)
(4) Distributions to shareholders	V. 43	-	-	-	-	-	-	(695,967,975)	(695,967,975)

The notes on pages 31 to 174 form part of these financial statements.

BOE Technology Group Co., Ltd.  
 Company statement of changes in shareholders' equity  
 for the year ended 31 December 2020 (continued)  
 (Expressed in Renminbi Yuan)

	Note	Share capital	Other equity instruments	Capital reserve	Less: Treasury shares	Other comprehensive income	Surplus reserve	Retained earnings	Total
4. Transfers within equity									
(1) Transfer of other comprehensive income to retained earnings	XV. 14/15	-	-	-	-	(239,057,408)	23,905,741	215,151,667	-
5. Others									
(1) Disposal of subsidiaries to equity method accounting	VI. 2	-	-	-	-	-	(3,454,053)	(31,086,473)	(34,540,526)
(2) Other movements in equity of associates	XV. 5	-	-	33,304,404	-	-	-	-	33,304,404
III. Balance at the end of the year		<u>34,798,398,763</u>	<u>14,146,997,427</u>	<u>36,696,079,366</u>	<u>1,036,298,508</u>	<u>90,713,133</u>	<u>2,444,416,669</u>	<u>11,954,088,031</u>	<u>99,094,394,881</u>

These financial statements were approved by the Board of Directors of the Company on 9 April 2021.

_____ Chen Yanshun Chairman of the Board	_____ Liu Xiaodong Chief Executive Officer	_____ Sun Yun Chief Financial Officer	_____ Yang Xiaoping The head of the accounting department	(Company stamp)
(Signature and stamp)	(Signature and stamp)	(Signature and stamp)	(Signature and stamp)	

The notes on pages 31 to 174 form part of these financial statements.

BOE Technology Group Co., Ltd.  
 Company statement of changes in shareholders' equity  
 for the year ended 31 December 2019 (continued)  
 (Expressed in Renminbi Yuan)

	<i>Note</i>	<i>Share capital</i>	<i>Other equity instruments</i>	<i>Capital reserve</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		34,798,398,763	-	37,590,966,191	(246,193,654)	1,152,626,310	2,609,929,782	75,905,727,392
II. Changes in equity during the year								
1. Total comprehensive income		-	-	-	389,401,782	-	3,685,564,456	4,074,966,238
2. Shareholders' contributions of capital								
Contribution by holders of other equity instruments		-	7,957,047,264	-	-	-	-	7,957,047,264
3. Appropriation of profits								
(1) Appropriation for surplus reserve		-	-	-	-	368,556,446	(368,556,446)	-
(2) Accrued interest on holders of other equity instruments		-	56,109,589	-	-	-	(56,109,589)	-
(3) Distributions to shareholders		-	-	-	-	-	(1,043,951,963)	(1,043,951,963)

The notes on pages 31 to 174 form part of these financial statements.

BOE Technology Group Co., Ltd.  
 Company statement of changes in shareholders' equity  
 for the year ended 31 December 2019 (continued)  
 (Expressed in Renminbi Yuan)

	Share capital	Other equity instruments	Capital reserve	Other comprehensive income	Surplus reserve	Retained earnings	Total
4. Transfers within equity							
(1) Transfer of other comprehensive income to retained earnings	-	-	-	50,430,448	(5,043,047)	(45,387,401)	-
5. Others	-	-	17,073,494	-	-	-	17,073,494
III. Balance at the end of the year	<u>34,798,398,763</u>	<u>8,013,156,853</u>	<u>37,608,039,685</u>	<u>193,638,576</u>	<u>1,516,139,709</u>	<u>4,781,488,839</u>	<u>86,910,862,425</u>

These financial statements were approved by the Board of Directors of the Company on 9 April 2021.

<u>Chen Yanshun</u> Chairman of the Board	<u>Liu Xiaodong</u> Chief Executive Officer	<u>Sun Yun</u> Chief Financial Officer	<u>Yang Xiaoping</u> The head of the accounting department	(Company stamp)
(Signature and stamp)	(Signature and stamp)	(Signature and stamp)	(Signature and stamp)	

The notes on pages 31 to 174 form part of these financial statements.



I. Company status

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

The Company and its subsidiaries (referred to as the “Group”) comprise five main business segments: display business, smart systems innovation business, smart medicine & engineering integration business, sensor and application solutions business and Mini-LED business. For information about the subsidiaries of the Company, refer to Note VII.

II. Basis of preparation

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

The Group has adopted the revised “Accounting Standard for Business Enterprises No. 22 – Financial Instruments: Recognition and Measurement” and related new financial instruments standards, issued by the Ministry of Finance (“MOF”) of the People’s Republic of China in 2017, since 1 January 2019. In addition, it has adopted the revised “Accounting Standard for Business Enterprises No. 14 – Revenue” issued by the MOF in 2017 since 1 January 2020 (see Note III.35), and has not adopted the revised “Accounting Standard for Business Enterprises No. 21 – Leases” issued by the MOF in 2018.

Certain overseas subsidiaries of the Group have adopted the revised “Accounting Standard for Business Enterprises No. 21 – Leases”, issued by the MOF in 2018. The adoption of the above standards does not have a material impact on the Group’s consolidated financial position and consolidated financial performance.

III. Significant accounting policies and accounting estimates

1 Statement of compliance

The financial statements have been prepared in accordance with the requirements of Accounting Standards for Business Enterprises or referred to as China Accounting Standards (“CAS”) issued by the MOF. These financial statements present truly and completely the consolidated financial position and financial position of the Company as at 31 December 2020, 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

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

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

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

(1) Business combinations involving entities under common control

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

(2) Business combinations involving entities not under common control

A business combination involving entities not under common control is a business combination in which all of the combining entities are not ultimately controlled by the same party or parties both before and after the business combination. Where (1) the aggregate of the acquisition-date fair value of assets transferred (including the acquirer's previously held equity interest in the acquiree), liabilities incurred or assumed, and equity securities issued by the acquirer, in exchange for control of the acquiree, exceeds (2) the acquirer's interest in the acquisition-date fair value of the acquiree's identifiable net assets, the difference is recognised as goodwill (see Note III.17). If (1) is less than (2), the difference is recognised in profit or loss for the current period. The costs of issuing equity or debt securities as a part of the consideration for the acquisition are included in the carrying amounts of these equity or debt securities upon initial recognition. Other acquisition-related costs are expensed when incurred. Any difference between the fair value and the carrying amount of the assets transferred as consideration is recognised in profit or loss. The acquiree's identifiable asset, liabilities and contingent liabilities, if the recognition criteria are met, are recognised by the Group at their acquisition-date fair value. The acquisition date is the date on which the acquirer obtains control of the acquiree.

For a business combination involving entities not under common control and achieved in stages, the Group remeasures its previously-held equity interest in the acquiree to its acquisition-date fair value and recognises any resulting difference between the fair value and the carrying amount as investment income or other comprehensive income for the current period. In addition, any amount recognised in other comprehensive income and other changes in the owners' equity under equity accounting in prior reporting periods relating to the previously-held equity interest that may be reclassified to profit or loss are transferred to investment income at the date of acquisition (see Note III.11(2)(b)); Any previously-held equity interest that is designated as equity investment at fair value through other comprehensive income, the other comprehensive income recognised in prior reporting periods is transferred to retained earnings and surplus reserve at the date of acquisition.

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 financial statements of the subsidiary are included in the consolidated financial statements based on the carrying amounts of the assets and liabilities of the subsidiary in the financial statements of the ultimate controlling party as if the combination had occurred at the date that the ultimate controlling party first obtained control. The opening balances and the comparative figures of the consolidated financial statements are also restated.

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

(3) Disposal of subsidiaries

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

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

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

If each of the multiple transactions does not form part of a bundled transaction, the transactions conducted before the loss of control of the subsidiary are accounted for in accordance with the accounting policy for partial disposal of equity investment in subsidiaries where control is retained (see Note III.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 withdrawn on demand, and short-term, highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of change in value.

8 Foreign currency transactions and translation of foreign currency financial statements

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

Monetary items denominated in foreign currencies are translated to Renminbi at the spot exchange rate at the balance sheet date. The resulting exchange differences are generally recognised in profit or loss, unless they arise from the re-translation of the principal and interest of specific borrowings for the acquisition and construction of qualifying assets (see Note III.15). Non-monetary items that are measured at historical cost in foreign currencies are translated to Renminbi using the exchange rate at the transaction date. Non-monetary items that are measured at fair value in foreign currencies are translated using the exchange rate at the date the fair value is determined. The resulting exchange differences are recognised in profit or loss, except for the differences arising from the re-translation of equity investments at fair value through other comprehensive income, which are recognised in other comprehensive income.

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

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.11), receivables, payables, loans and borrowings, debentures payable and share capital.

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

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

A financial asset or financial liability is measured initially at fair value. For financial assets and financial liabilities at fair value through profit or loss, any related directly attributable transaction costs are charged to profit or loss; for other categories of financial assets and financial liabilities, any related directly attributable transaction costs are included in their initial costs. A trade receivable, without significant financing component or practical expedient applied for one year or less contracts, is initially measured at the transaction price in accordance with Note III.23.

(2) Classification and subsequent measurement of financial assets

(a) Classification of financial assets

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

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

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

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

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

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

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

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



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

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

(b) Subsequent measurement of financial assets

- Financial assets at FVTPL

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

- Financial assets at amortised cost

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

- Debt investments at FVOCI

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

- Equity investments at FVOCI

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

(3) Classification and subsequent measurement of financial liabilities

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

- Financial liabilities at FVTPL

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

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

- Financial liabilities at amortised cost

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

(4) Offsetting

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

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

(5) Derecognition of financial assets and financial liabilities

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

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

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

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

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

(6) Impairment

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

- financial assets measured at amortised cost;
- contract assets;
- Debt investments at FVOCI

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

*Measurement of ECLs*

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

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

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

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

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECL. ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the balance sheet date.

Except for trade receivables and contract assets, the Group measures loss allowance at an amount equal to 12-month ECL for the following financial instruments, and at an amount equal to lifetime ECL for all other financial instruments.

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

*Financial instruments that have low credit risk*

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

### *Significant increases in credit risk*

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

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

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

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

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

### *Credit-impaired financial assets*

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

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

### *Presentation of allowance for ECL*

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

### *Write-off*

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

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

### (7) Equity instrument

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

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

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

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

### (8) Perpetual bonds

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

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

10 Inventories

(1) Classification and cost

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

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

(2) 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 charged to profit or loss upon receipt. The amortisation charge is 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 and method for provision for obsolete inventories

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

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

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

(4) Inventory count system

The Group maintains a perpetual inventory system.

11 Long-term equity investments

(1) Investment cost of long-term equity investments

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

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

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

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

(2) Subsequent measurement of long-term equity investment

(a) Investments in subsidiaries

In the Company's separate financial statements, long-term equity investments in subsidiaries are accounted for using the cost method for subsequent measurement unless the investment is classified as held for sale (see Note III.29). 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.19.

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.11(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.11(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.29).

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

- Where the initial cost of a long-term equity investment exceeds the Group's interest in the fair value of the investee's identifiable net assets at the date of acquisition, the investment is initially recognised at cost. Where the initial investment cost is less than the Group's interest in the fair value of the investee's identifiable net assets at the date of acquisition, the investment is initially recognised at the investor's share of the fair value of the investee's identifiable net assets, and the difference is recognised in profit or loss.
- After the acquisition of the investment, the Group recognises its share of the investee's profit or loss and other comprehensive income as investment income or losses and other comprehensive income respectively, and adjusts the carrying amount of the investment accordingly. Once the investee declares any cash dividends or profit distributions, the carrying amount of the investment is reduced by the amount attributable to the Group. Changes in the Group's share of the investee's owners' equity, other than those arising from the investee's net profit or loss, other comprehensive income or profit distribution (referred to as "other changes in owners' equity"), is recognised directly in the Group's equity, and the carrying amount of the investment is adjusted accordingly.
- In calculating its share of the investee's net profits or losses, other comprehensive income and other changes in owners' equity, the Group recognises investment income and other comprehensive income after making appropriate adjustments to align the accounting policies or accounting periods with those of the Group based on the fair value of the investee's identifiable net assets at the date of acquisition. Unrealised profits and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's interest in the associates or joint ventures. Unrealised losses resulting from transactions between the Group and its associates or joint ventures are eliminated in the same way as unrealised gains but only to the extent that there is no impairment.
- The Group discontinues recognising its share of further losses of the investee after the carrying amount of the long-term equity investment and any long-term interest that in substance forms part of the Group's net investment in the joint venture or associate is reduced to zero, except to the extent that the Group has an obligation to assume additional losses. If the joint venture or associate subsequently reports net profits, the Group resumes recognising its share of those profits only after its share of the profits has fully covered the share of losses not recognised.

For the impairment of the investments in joint ventures and associates, refer to Note III.19.

(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.

12 Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or for both. Investment properties are accounted for using the cost model and stated in the balance sheet at cost less accumulated depreciation, amortisation and impairment losses. The cost of investment property, less its estimated residual value and accumulated impairment losses, is depreciated or amortised using the straight-line method over its estimated useful life, unless the investment property is classified as held for sale (see Note III.29). For the impairment of the investment properties, refer to Note III.19.

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

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

13 Fixed assets

(1) Recognition of fixed assets

Fixed assets represent the tangible assets held by the Group for use in production of goods, for use in 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.14.

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

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

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

(2) Depreciation of fixed assets

The cost of a fixed asset, less its estimated residual value and accumulated impairment losses, is depreciated using the straight-line method over its estimated useful life, unless the fixed asset is classified as held for sale (see Note III.29).

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 & buildings	10 - 50 years	3% - 10%	1.8% - 9.7%
Equipment	2 - 25 years	0 - 10%	3.6% - 50%
Others	2 - 10 years	0 - 10%	9.0% - 50%

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

(3) For the impairment of the fixed assets, refer to Note III.19.

(4) For the recognition, measurement and depreciation of fixed assets acquired under finance leases, refer to Note III. 28(3).

(5) Disposal of fixed assets

The carrying amount of a fixed asset is derecognised:

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

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

14 Construction in progress

The cost of self-constructed assets includes the cost of materials, direct labour, capitalised borrowing costs (see Note III.15), 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.19).

## 15 Borrowing costs

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

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

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

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

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

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

## 16 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.19). For an intangible asset with finite useful life, its cost less estimated residual value and accumulated impairment losses is amortised using the straight-line method over its estimated useful life, unless the intangible asset is classified as held for sale (see Note III.29).



The respective amortisation periods for intangible assets are as follows:

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

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

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.19). Other development expenditure is recognised as an expense in the period in which it is incurred.

## 17 Goodwill

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

Goodwill is not amortised and is stated in the balance sheet at cost less accumulated impairment losses (see Note III.19). On disposal of an asset group or a set of asset groups, any attributable goodwill is written off and included in the calculation of the profit or loss on disposal.

## 18 Long-term deferred expenses

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

<i>Item</i>	<i>Amortisation period (years)</i>
Payment for public facilities construction and use	10 - 15 years
Cost of operating lease assets improvement	2 - 10 years
Others	2 - 10 years



## 19 Impairment of assets other than inventories and financial assets

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

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

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

The recoverable amount of an asset (or asset group, set of asset groups) is the higher of its fair value (see Note III.20) less costs to sell and its present value of expected future cash flows.

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

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

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

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

## 20 Fair value measurement

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

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

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

## 21 Provisions

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

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

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

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

## 22 Share-based payments

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

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

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

- Equity-settled share-based payments

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

## 23 Revenue recognition

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

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

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

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

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

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

inception, that the period between when the Group transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less.

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

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

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

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

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

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

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

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

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

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

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

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

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

A contract asset is the Group's right to consideration in exchange for goods or services that it has transferred to a customer when that right is conditional on something other than the passage of time. The Group recognises loss allowances for expected credit loss on contract assets (see Note III.9(6)). Accounts receivable is the Group's right to consideration that is unconditional (only the passage of time is required). A contract liability is the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

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

(1) Sale of goods

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

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

(2) Rendering of services

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

24 Contract costs

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

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

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

- the costs relate directly to an existing contract or to a specifically identifiable anticipated contract, including direct labour, direct materials, allocations of overheads (or similar costs), costs that are explicitly chargeable to the customer and other costs that are incurred only because the Group entered into the contract
- the costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- the costs are expected to be recovered.

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

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

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

## 25 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 plan and unemployment insurance based on the applicable benchmarks and rates stipulated by the government. Annuity is accrued based on the gross salaries of the employees. Basic pension insurance contributions payable are recognised as a liability as the employee provides services, with a corresponding charge to profit or loss or included in the cost of assets where appropriate.

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

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

### (4) Termination benefits

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

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



## 26 Government grants

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

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

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

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

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

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

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

In respect of the policy-based preferential loan interest subsidy obtained by the Group, if the interest subsidy is appropriated to the lending bank which shall provide loans to the Group at the policy-based preferential interest rate, the actual loan amount is used as the entry value and relevant borrowing costs are calculated on the basis of the loan principal and the preferential interest rate. If the interest subsidy is directly appropriated to the Group, relevant borrowing costs shall be offset by corresponding interest subsidy. If borrowing costs are capitalised as part of the cost of the asset (see Note III.15), the interest subsidy shall be used to offset relevant asset costs.

## 27 Income tax

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

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

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

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

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

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

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

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

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

## 28 Operating leases and finance leases

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

### (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.12), are depreciated in accordance with the Group's depreciation policies described in Note III.13(2). Impairment losses are recognised in accordance with the accounting policy described in Note III.19. Income derived from operating leases is recognised in profit or loss using the straight-line method over the lease term. If initial direct costs incurred in respect of the assets leased out are material, the costs are initially capitalised and subsequently 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

At the commencement of the lease term, the minimum lease payments are recorded as long-term payables. The difference between the carrying amount of the leased assets and the minimum lease payments is accounted for as 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.13(2) and III.19, 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 charges arising from a finance lease are recognised 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.15).

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

## 29 Assets held for sale

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

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



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

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

Non-current assets or disposal groups held for sale are stated at the lower of carrying amount and fair value (see Note III.20) less costs to sell (except financial assets (see Note III.9) and deferred tax assets (see Note III.27)) initially and subsequently. Any excess of the carrying amount over the fair value (see Note III.20) less costs to sell is recognised as an impairment loss in profit or loss.

### 30 Hedge accounting

Hedge accounting is a method which recognises in profit or loss (or other comprehensive income) the gain or loss on the hedging instrument and the hedged item in the same accounting period(s) to represent the effect of risk management.

Hedged items are items that expose the Group to risks of changes in fair value or cash flows and that are designated as being hedged and can be reliably measured. The Group's hedged items include fixed-rate borrowings that expose the Group to the risk of changes in fair value, a firm commitment that is settled with a fixed amount of foreign currency and that exposes the Group to foreign currency risk.

A hedging instrument is a designated financial instrument whose changes in fair value or cash flows are expected to offset changes in the fair value or cash flows of the hedged item. For a hedge of foreign currency risk, the foreign currency risk component of a non-derivative financial asset or non-derivative financial liability may also be designated as a hedging instrument provided that it is not an investment in an equity instrument for which an entity has elected to present changes in the fair value in other comprehensive income.

The Group assesses at the inception of a hedging relationship, and on an ongoing basis, whether the hedging relationship meets the hedge effectiveness requirements. A hedging relationship is regarded as having met the hedge effectiveness requirements if all of the following conditions are satisfied:

- There is an economic relationship between the hedged item and the hedging instrument.
- The effect of credit risk does not dominate the value changes that result from the economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the entity actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of the hedged item.

When a hedging relationship no longer meets the hedge effectiveness requirements due to the hedge ratio, but the risk management objective of the designated hedging relationship remains unchanged, the Group rebalances the hedging relationship. Rebalancing refers to the adjustments made to the designated quantities of the hedged item or the hedging instrument of an already existing hedging relationship for the purpose of maintaining a hedge ratio that complies with the hedge effectiveness requirements.

The Group discontinues applying hedge accounting in any of the following circumstances:

- The hedging relationship no longer meets the risk management objective on the basis of which it qualified for hedge accounting.
- The hedging instrument expires or is sold, terminated or exercised.
- There is no longer an economic relationship between the hedged item and the hedging instrument or the effect of credit risk starts to dominate the value changes that result from that economic relationship.
- The hedging relationship no longer meets other criteria for applying hedge accounting.

#### Cash flow hedges

A cash flow hedge is a hedge of the exposure to variability in cash flows. The portion of the gain or loss on a hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income as a cash flow hedge reserve. The amount of the cash flow hedge reserve is adjusted to the lower of the following (in absolute amounts):

- the cumulative gain or loss on the hedging instrument from inception of the hedge;
- the cumulative change in present value of the expected future cash flows on the hedged item from inception of the hedge.

The change in the amount of the cash flow hedge reserve is recognised in other comprehensive income in each period.

The portion of the gain or loss on the hedging instrument that is determined to be ineffectiveness is recognised in profit or loss.

If a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, or a hedged forecast transaction for a non-financial asset or non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, the Group removes that amount from the cash flow hedge reserve and includes it in the initial cost or other carrying amount of the asset or liability.

For cash flow hedges other than those covered above, that amount is reclassified from the cash flow hedge reserve to profit or loss as a reclassification adjustment in the same period or periods during which the hedged expected future cash flows affect profit or loss.

When the Group discontinues hedge accounting for a cash flow hedge, the amount of the accumulated cash flow hedge reserve recognised in other comprehensive income is accounted for as follows:

- If the hedged future cash flows are still expected to occur, that amount will remain in the cash flow hedge reserve, and be accounted for in accordance with the above policy.
- If the hedged future cash flows are no longer expected to occur, that amount is immediately reclassified from the cash flow hedge reserve to profit or loss as a reclassification adjustment.

#### 31 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.

## 32 Related parties

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

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

## 33 Segment reporting

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

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

## 34 Significant accounting estimates and judgements

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

Except for accounting estimates relating to depreciation and amortisation of assets such as fixed assets and intangible assets (see Notes III.13 and 16) and provision for impairment of various types of assets (see Notes V.4, 6, 7, 8, 11, 14, 15, 16 and 17 and Notes XV.2, 3, 5 and 6). Other significant accounting estimates are as follows:

- (i) Note V.19: – Recognition of deferred tax assets;
- (ii) Note V.30 – Warranty provisions;
- (iii) Note IX – Valuation of fair value of financial instruments; and
- (iv) Note XI: – Share-based payments.

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

- (i) Note VII.1(1) –Significant judgements and assumptions in determining control over other entity.

35 Changes in accounting policies

(1) Description and reasons of changes in accounting policies

In 2020, the Group has adopted the following accounting standards issued by the MOF recently:

- CAS No.14 - Revenue (Revised) (“new revenue standard”)
- CAS Bulletin No.13 (Caikuai [2019] No.21)
- The Accounting Treatment of COVID-19-Related Rent Concessions (Caikuai [2020] No. 10)

(a) New revenue standard

New revenue standard replaces CAS No.14 – Revenue and CAS No.15 - Construction Contracts issued by the MOF in 2006 (“previous revenue standard”).

Under previous revenue standard, the Group recognised revenue when the risks and rewards had passed to the customers. The Group's revenue from sales of goods was recognised when the following conditions were met: the significant risks and rewards of ownership of the goods had been transferred to the customer, the amount of revenue and related costs could be reliably measured, the relevant economic benefits would probably flow to the Group and the Group retained neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold. Revenue from rendering of services and revenue from construction contracts were recognised by reference to the stage of completion of the transaction at the balance sheet date.

Under new revenue standard, revenue is recognised when the customer obtains control of the promised goods or services in the contract:

- Revenue is recognised when the Group satisfies the performance obligation in the contract by transferring the control over relevant goods or services to the customers. The Group satisfies a performance obligation over time if certain criteria is met; or otherwise, a performance obligation is satisfied at a point in time. Where a contract has two or more performance obligations, the Group determines the stand-alone selling price at contract inception of the distinct good or service underlying each performance obligation in the contract and allocates the transaction price in proportion to those stand-alone selling prices. The Group recognises as revenue the amount of the transaction price that is allocated to each performance obligation. The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties. The Group recognises the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved. Where the contract contains a significant financing component, the Group recognises the transaction price at an amount that reflects the price that a customer would have paid for the promised goods or services if the customer had paid cash for those goods or services when (or as) they transfer to the customer. The difference between the amount of promised consideration and the cash selling price is amortised using an effective interest method over the contract term.



- The Group have adjusted the relevant accounting policies in accordance with the specific provisions on specific matters or transactions under new revenue standard, such as contract costs, warranties, principal versus agent considerations, sale with a right of return, customer options for additional goods or services, licensing, repurchase agreements, advance receipts, non-refundable upfront fee, etc.
- Under new revenue standard, the Group presents a contract asset or a contract liability in the balance sheet based on the relationship between the Group's performance and the customer's payment. At the same time, the Group provides more disclosures on revenue and related information based on the disclosure requirements under new revenue standard, such as relevant accounting policies, significant judgements (measurement of variable consideration, the method used to allocate the transaction price to each performance obligation, the assumption used for estimating stand-alone selling price of each performance obligation, etc.), information of contracts with customers (revenue recognised in current period, contract balance, performance obligation, etc.), information of assets related to contract costs, etc.

The effect of adopting new revenue standard on the Group's accounting policies are as follows:

- When there is a third party participating in sales of goods to customers, under previous revenue standard, the Group determines whether it is a principal or an agent by comprehensively taking into account whether it has pricing rights and assumes any inventory risk and credit risk and other factors. Under new revenue standard, the Group determines according to the following conditions: 1) the entity transfers to the customer after having obtained the control of the goods or other assets from a third party; 2) the entity can engage a third party to provide services to the customer on its behalf; 3) after obtaining control of the goods from a third party, the entity integrates the goods with other goods by providing a significant service to form a compound output to transfer to the customer.
- The transportation costs related to sales contract assumed by the Group are presented as selling expenses under previous revenue standard. According to the accounting requirements of new revenue standard, transportation is a necessary activity when the Group is fulfilling the sales contract, and therefore the related costs are the costs to fulfil a contract, which will be adjusted to be presented under operating costs after the adoption of new revenue standard.
- For advance from customers for transfer of goods (or rendering of services), under previous revenue standard, the Group will include it in "Advance from customers". Under new revenue standard, the Group presents its obligation to transfer goods for which the Group has received consideration from the customer in the balance sheet as a "contract liability" since 1 January 2020, depending on the relationship between the entity's performance and the customer's payment. Comparative figures are not restated.
- For the transfer of products with a right of return, under previous revenue standard the Group made a reasonable estimation of the return based on experience, then adjusted revenue and corresponding cost for the amount expected to be returned and recognised the difference as a liability. Under new revenue standard, the Group recognises a refund liability based on the amount expected to be returned. The product expected to be returned is initially recognised as an asset for the right to recover returned goods.



- For the revenue from granting of a licence of intellectual property to subsidiaries of the Group, under previous revenue standard, the company recognises revenue according to the period and method of charging as stipulated in the relevant contracts or agreements. Under new revenue standard, if all of the following criteria are met, revenue is recognised for performance obligations satisfied over time. Otherwise, revenue is recognised for performance obligations satisfied at a point in time: 1) the contract requires, or the customer reasonably expects, that the Group will undertake activities that significantly affect the intellectual property to which the customer has rights; 2) the rights granted by the licence directly expose the customer to any positive or negative effects of the Group's activities; and 3) those activities do not result in the transfer of a good or a service to the customer as those activities occur. When the Company grants a licence of intellectual property to subsidiaries, the revenue shall be recognised at a point in time.

The Group has recognised the cumulative effect of initial application as an adjustment to the opening balance of retained earnings and the amount of other relevant items in the financial statements at 1 January 2020, and comparative information has not been restated. The Group only adjusted the cumulative effect of contracts that were not completed before 1 January 2020 to the opening balance of retained earnings and the amount of other relevant items in the financial statements at 1 January 2020.

The following tables provide information of the impact on each of the line items in the consolidated income statement and company income statement, and the consolidated balance sheet and company balance sheet, as well as the consolidated cash flow statement and company cash flow statement for the year ended 31 December 2020 had the previous policies still been applied in the year.

- The effects on each of the line items in the consolidated income statement and company income statement for the year ended 31 December 2020 are analysed as follows:

	<i>Decrease in the line items for the year as a result of applying new accounting policies</i>	
	<i>The Group</i>	<i>The Company</i>
Operating income from principal activities	(9,117,107,992)	(1,200,000,000)
Operating cost of principal activities	(8,446,207,600)	-
Selling and distribution expenses	(670,900,392)	-
Profit before income tax	-	(1,200,000,000)
Income tax expenses	-	(180,000,000)
Net profit for the year	-	(1,020,000,000)

- The effects on each of the line items in the consolidated balance sheet and company balance sheet as at 31 December 2020 are analysed as follows:

	<i>Decrease/(increase) in the line items as a result of applying new accounting policies</i>	
	<i>The Group</i>	<i>The Company</i>
<b>Assets</b>		
Accounts receivable	(49,897,395)	1,723,155,949
Contract assets	49,897,395	-
Other current assets	131,986,424	-
Deferred tax assets	-	(315,937,260)
Other non-current assets	-	2,250,000,000
<b>Liabilities</b>		
Advance from customers	(3,719,511,537)	(1,108,092,452)
Contract liabilities	3,440,720,535	-
Other current liabilities	410,777,426	-
Deferred tax liabilities	-	(446,250,000)
<b>Shareholders' equity</b>		
Surplus reserve	-	431,906,114
Retained earnings	-	3,887,155,027

The impact of the adoption of new revenue standard on each of the line items in the consolidated balance sheet and company balance sheet as at 1 January 2020 are analysed as follows:

	<i>The Group</i>		
	<i>31 December 2019</i>	<i>1 January 2020</i>	<i>Adjustments</i>
<b>Assets</b>			
<b>Current assets</b>			
Cash at bank and on hand	56,972,723,239	56,972,723,239	-
Financial assets held for trading	5,809,184,994	5,809,184,994	-
Bills receivable	331,145,492	331,145,492	-
Accounts receivable	18,135,687,806	18,107,976,861	(27,710,945)
Contract assets	-	27,710,945	27,710,945
Prepayments	626,985,706	626,985,706	-
Other receivables	706,171,112	706,171,112	-
Inventories	12,396,194,762	12,396,194,762	-
Assets held for sale	173,910,820	173,910,820	-
Other current assets	9,296,637,067	9,375,901,777	79,264,710
<b>Total current assets</b>	<b>104,448,640,998</b>	<b>104,527,905,708</b>	<b>79,264,710</b>
<b>Non-current assets</b>			
Long-term equity investments	2,718,037,934	2,718,037,934	-
Investments in other equity instruments	632,076,647	632,076,647	-
Investment properties	1,241,242,850	1,241,242,850	-
Fixed assets	125,786,241,938	125,786,241,938	-
Construction in progress	87,376,782,527	87,376,782,527	-
Intangible assets	7,416,416,829	7,416,416,829	-
Goodwill	707,603,856	707,603,856	-
Long-term deferred expenses	345,424,409	345,424,409	-
Deferred tax assets	248,153,761	248,153,761	-
Other non-current assets	9,491,581,559	9,491,581,559	-
<b>Total non-current assets</b>	<b>235,963,562,310</b>	<b>235,963,562,310</b>	<b>-</b>
<b>Total assets</b>	<b>340,412,203,308</b>	<b>340,491,468,018</b>	<b>79,264,710</b>

	<i>The Group</i>		<i>Adjustments</i>
	<i>31 December 2019</i>	<i>1 January 2020</i>	
Liabilities and shareholders' equity			
Current liabilities			
Short-term loans	6,366,717,121	6,366,717,121	-
Bills payable	2,028,917,980	2,028,917,980	-
Accounts payable	21,183,567,553	21,183,567,553	-
Advance payments received	1,260,732,785	123,152,835	(1,137,579,950)
Contract liabilities	-	1,083,074,827	1,083,074,827
Employee benefits payable	2,373,745,454	2,373,745,454	-
Taxes payable	730,996,129	730,996,129	-
Other payables	24,570,589,610	24,570,589,610	-
Non-current liabilities due within one year	18,849,281,019	18,849,281,019	-
Other current liabilities	<u>1,013,738,515</u>	<u>1,147,508,348</u>	<u>133,769,833</u>
Total current liabilities	<u>78,378,286,166</u>	<u>78,457,550,876</u>	<u>79,264,710</u>
Non-current liabilities			
Long-term loans	107,730,595,615	107,730,595,615	-
Debentures payable	387,878,384	387,878,384	-
Long-term payables	984,520,824	984,520,824	-
Provisions	16,457,010	16,457,010	-
Deferred income	2,204,400,566	2,204,400,566	-
Deferred tax liabilities	1,451,825,357	1,451,825,357	-
Other non-current liabilities	<u>8,200,542,412</u>	<u>8,200,542,412</u>	<u>-</u>
Total non-current liabilities	<u>120,976,220,168</u>	<u>120,976,220,168</u>	<u>-</u>
Total liabilities	<u>199,354,506,334</u>	<u>199,433,771,044</u>	<u>79,264,710</u>
Shareholders' equity			
Share capital	34,798,398,763	34,798,398,763	-
Other equity instruments	8,013,156,853	8,013,156,853	-
Capital reserve	38,353,242,364	38,353,242,364	-
Other comprehensive income	(4,566,639)	(4,566,639)	-
Surplus reserve	1,516,139,709	2,050,045,823	533,906,114
Retained earnings	<u>12,381,758,005</u>	<u>11,847,851,891</u>	<u>(533,906,114)</u>
Total equity attributable to shareholders of the Company	<u>95,058,129,055</u>	<u>95,058,129,055</u>	<u>-</u>
Non-controlling interests	<u>45,999,567,919</u>	<u>45,999,567,919</u>	<u>-</u>
Total shareholders' equity	<u>141,057,696,974</u>	<u>141,057,696,974</u>	<u>-</u>
Total liabilities and shareholders' equity	<u>340,412,203,308</u>	<u>340,491,468,018</u>	<u>79,264,710</u>

	<i>The Company</i>		<i>Adjustments</i>
	<i>31 December 2019</i>	<i>1 January 2020</i>	
<b>Assets</b>			
<b>Current assets</b>			
Cash at bank and on hand	3,680,770,048	3,680,770,048	-
Bills receivable	84,230,531	84,230,531	-
Accounts receivable	646,533,115	1,698,906,221	1,052,373,106
Prepayments	77,682,682	77,682,682	-
Other receivables	4,827,398,094	4,827,398,094	-
Inventories	13,935,401	13,935,401	-
Other current assets	<u>109,497,897</u>	<u>109,497,897</u>	<u>-</u>
<b>Total current assets</b>	<u>9,440,047,768</u>	<u>10,492,420,874</u>	<u>1,052,373,106</u>
<b>Non-current assets</b>			
Long-term equity investments	159,389,864,760	159,389,864,760	-
Investments in other equity instruments	79,405,724	79,405,724	-
Investment properties	280,525,802	280,525,802	-
Fixed assets	949,104,308	949,104,308	-
Construction in progress	358,933,667	358,933,667	-
Intangible assets	1,493,632,264	1,493,632,264	-
Long-term deferred expenses	109,216,398	109,216,398	-
Deferred tax assets	360,268,466	-	(360,268,466)
Other non-current assets	<u>162,516,190</u>	<u>3,337,516,190</u>	<u>3,175,000,000</u>
<b>Total non-current assets</b>	<u>163,183,467,579</u>	<u>165,998,199,113</u>	<u>2,814,731,534</u>
<b>Total assets</b>	<u>172,623,515,347</u>	<u>176,490,619,987</u>	<u>3,867,104,640</u>

	<i>The Company</i>		<i>Adjustments</i>
	<i>31 December 2019</i>	<i>1 January 2020</i>	
Liabilities and shareholders' equity			
Current liabilities			
Short-term loans	1,220,000,000	1,220,000,000	-
Accounts payable	27,919,341	27,919,341	-
Advance payments received	2,117,568,995	9,476,543	(2,108,092,452)
Contract liabilities	-	51,148,261	51,148,261
Employee benefits payable	252,206,075	252,206,075	-
Taxes payable	107,287,957	107,287,957	-
Other payables	5,260,470,974	5,260,470,974	-
Non-current liabilities due within one year	5,490,440,787	5,490,440,787	-
Other current liabilities	1,423,133	4,492,029	3,068,896
Total current liabilities	<u>14,477,317,262</u>	<u>12,423,441,967</u>	<u>(2,053,875,295)</u>
Non-current liabilities			
Long-term loans	33,310,701,574	33,310,701,574	-
Deferred income	4,627,393,256	4,627,393,256	-
Deferred tax liabilities	-	581,918,794	581,918,794
Other non-current liabilities	33,297,240,830	33,297,240,830	-
Total non-current liabilities	<u>71,235,335,660</u>	<u>71,817,254,454</u>	<u>581,918,794</u>
Total liabilities	<u>85,712,652,922</u>	<u>84,240,696,421</u>	<u>(1,471,956,501)</u>
Shareholders' equity			
Share capital	34,798,398,763	34,798,398,763	-
Other equity instruments	8,013,156,853	8,013,156,853	-
Capital reserve	37,608,039,685	37,608,039,685	-
Other comprehensive income	193,638,576	193,638,576	-
Surplus reserve	1,516,139,709	2,050,045,823	533,906,114
Retained earnings	4,781,488,839	9,586,643,866	4,805,155,027
Total shareholders' equity	<u>86,910,862,425</u>	<u>92,249,923,566</u>	<u>5,339,061,141</u>
Total liabilities and shareholders' equity	<u>172,623,515,347</u>	<u>176,490,619,987</u>	<u>3,867,104,640</u>

(b) CAS Bulletin No.13

CAS Bulletin No.13 amends the three elements that constitute a business, provides specific guidance on the determination of a business, and introduces an optional concentration test when the acquirer determines whether the acquired operating activities or asset portfolios not involving enterprises under common control constitute a business.

In addition, CAS Bulletin No.13 has further clarified that related parties of an entity also include the joint venture(s) or associate(s) of the other members (including the parent and subsidiaries) in the same group that includes the entity, and the other joint venture(s) or associate(s) of the investors who exercise joint control over the entity, etc.

CAS Bulletin No.13 takes effect on 1 January 2020. The Group has adopted the accounting policy change prospectively. The adoption of CAS Bulletin No.13 does not have any significant effect on the financial position, financial performance or related party disclosures of the Group.

(c) Caikuai [2020] No.10

Caikuai [2020] No.10 provides a practical expedient under certain conditions for rent concessions occurring as a direct consequence of the Covid-19 pandemic. If an entity elects to apply the practical expedient, the entity does not need to assess whether a lease modification has occurred or to reassess the lease classification.

Caikuai [2020] No.10 takes effect on 24 June 2020 (the implementation date). The entity is allowed to adjust the related rent concessions that occurred between 1 January 2020 and the implementation date. The adoption of Caikuai [2020] No.10 does not have any significant effect on the financial position or financial performance of the Group.



IV. Taxation

1 Main types of taxes and corresponding tax rates

<i>Tax type</i>	<i>Tax basis</i>	<i>Tax rate</i>
Value-added tax (VAT)	Output VAT is calculated on product sales and taxable services revenue. The basis for VAT payable is to deduct input VAT from the output VAT for the period	6%, 9%, 10%, 13%, 16%
City maintenance and construction tax	Based on VAT paid, VAT exemption and offset for the period	7%, 5%
Education surcharges and local education surcharges	Based on VAT paid, VAT exemption and offset for the period	3%, 2%
Corporate income tax	Based on taxable profits	15% - 33%

2 Corporate income tax

The income tax rate applicable to the Company for the year is 15% (2019: 15%).

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

On 2 December 2020, the Company renewed the High-tech Enterprise Certificate No. GR202011004594, which was entitled jointly by Beijing Municipal Science and Technology Commission, Beijing Municipal Financial Bureau, Beijing Municipal State Administration of Taxation and Beijing Municipal Local Administration of Taxation. The Company is subject to corporate income tax rate of 15% since the date of certification with the valid period of three years.

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

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

<i>Company name</i>	<i>Preferential rate</i>	<i>Reason</i>
Beijing BOE Optoelectronics Technology Co., Ltd. (BOE OT)	15%	High-tech Enterprise
Chengdu BOE Optoelectronics Technology Co., Ltd. (Chengdu Optoelectronics )	15%	High-tech Enterprise
Hefei BOE Optoelectronics Technology Co., Ltd.(Hefei BOE)	15%	High-tech Enterprise
Beijing BOE Display Technology Co., Ltd. (BOE Display)	15%	High-tech Enterprise
Hefei Xinsheng Optoelectronics Technology Co., Ltd. (Hefei Xinsheng)	15%	High-tech Enterprise
Ordos Yuansheng Optoelectronics Co., Ltd. (Yuansheng Optoelectronics)	15%	Encouraged enterprise in Western Regions
Chongqing BOE Optoelectronics Co., Ltd. (Chongqing BOE)	15%	Encouraged enterprise in Western Regions
BOE (Hebei) Mobile Technology Co., Ltd. (BOE Hebei)	15%	High-tech Enterprise
BOE Optical Science and technology Co., Ltd. (Optical Technology)	15%	High-tech Enterprise
Beijing BOE CHATANI Electronics Co., Ltd. (Beijing CHATANI)	15%	High-tech Enterprise
Hefei BOE Display Lighting Co., Ltd. (Hefei Display Lighting)	15%	High-tech Enterprise
Chongqing BOE Display Lighting Co., Ltd. (Chongqing Display Lighting)	15%	High-tech Enterprise
Hefei BOE Semiconductor Co., Ltd. (Hefei Semiconductor)	15%	High-tech Enterprise
Beijing BOE Special Display Technology Co., Ltd. (Special Display)	15%	High-tech Enterprise
Beijing BOE Vacuum Electronics Co., Ltd. (Vacuum Electronics)	15%	High-tech Enterprise
Beijing BOE Vacuum Technology Co., Ltd. (Vacuum Technology)	15%	High-tech Enterprise
Beijing BOE Energy Technology Co., Ltd. (BOE Energy)	15%	High-tech Enterprise
Fuzhou BOE Optoelectronics Technology Co., Ltd. (Fuzhou BOE)	15%	High-tech Enterprise
Hefei BOE Vision-Electronic Technology Co., Ltd. (Hefei Technology)	15%	High-tech Enterprise
Mianyang BOE Optoelectronics Technology Co., Ltd. (Mianyang BOE)	15%	Encouraged enterprise in Western Regions
BOE Wisdom IOT Technology Co., Ltd. (Wisdom IOT)	15%	High-tech Enterprise
K-Tronics (Suzhou) Technology Co., Ltd. (Suzhou K-Tronics)	15%	High-tech Enterprise
Beijing BOE Sensing Technology Co., Ltd. (Sensing Technology)	15%	High-tech Enterprise
Chongqing BOE Smart Electronic System Co., Ltd. (Chongqing Smart Electronic)	15%	Encouraged enterprise in Western Regions
Beijing BOE Health Technology Co., Ltd. (Health Technology)	15%	High-tech Enterprise
Chongqing BOE Electronic Technology Co., Ltd. (Chongqing Electronic Technology)	15%	Encouraged enterprise in Western Regions
Wuhan BOE Optoelectronics Technology Co., Ltd. (Wuhan BOE)	15%	High-tech Enterprise
Nanjing CEC Panda FPD Technology Co., Ltd. (Nanjing CEC Panda)	15%	High-tech Enterprise
Chengdu CEC Panda Display Technology Co., Ltd. (Chengdu CEC Panda)	15%	Encouraged enterprise in Western Regions
BOE Regenerative Medical Technology Co., Ltd. (Regenerative Medical)	15%	High-tech Enterprise

V. Notes to the consolidated financial statements

1 Cash at bank and on hand

	2020			2019		
	Amount in original currency	Exchange rate	RMB/RMB equivalents	Amount in original currency	Exchange rate	RMB/RMB equivalents
Cash on hand						
RMB			277,055			352,736
USD	1,493	6.5249	9,741	1,927	6.9762	13,443
HKD	55,494	0.8416	46,706	96,829	0.8958	86,739
JPY	58,474	0.0632	3,698	51,485	0.0641	3,300
KRW	490,445	0.0060	2,941	490,690	0.0060	2,944
Other foreign currencies			60,900			79,176
Sub-total			<u>401,041</u>			<u>538,338</u>
Bank deposits						
RMB			39,618,620,160			22,108,949,641
USD	4,051,241,539	6.5249	26,433,945,919	3,793,451,398	6.9762	26,463,875,643
HKD	21,037,675	0.8416	17,706,149	17,880,803	0.8958	16,017,623
JPY	15,628,343,064	0.0632	988,273,902	11,996,438,527	0.0641	768,971,710
KRW	521,128,601	0.0060	3,125,209	700,598,718	0.0060	4,203,592
EUR	136,705,809	8.0250	1,097,064,115	110,515,896	7.8155	863,736,985
Other foreign currencies			46,443,965			43,452,413
Sub-total			<u>68,205,179,419</u>			<u>50,269,207,607</u>
Other monetary funds						
RMB			3,949,848,676			3,728,439,717
USD	218,704,451	6.5249	1,427,024,669	421,172,173	6.9762	2,938,181,313
HKD	15	0.8416	13	3,156	0.8958	2,827
JPY	1,769,656,282	0.0632	111,842,277	567,260,199	0.0641	36,353,437
Sub-total			<u>5,488,715,635</u>			<u>6,702,977,294</u>
Total			<u>73,694,296,095</u>			<u>56,972,723,239</u>

Including: Total overseas deposits were equivalent to RMB 7,025,632,935 (2019: RMB 5,864,466,250).

As at 31 December 2020, other monetary funds were pledged by the Group amounting to RMB 99,133,679 for long-term loans, and USD 152,091,672 were pledged for short-term loans. The rest of other restricted monetary funds, amounting to RMB 4,396,583,003, were the deposits in commercial banks as security.

As at 31 December 2019, other monetary funds were pledged by the Group amounting to USD 342,000,000 for short-term loans, and RMB 151,840,291 and USD 7,500,000 were pledged for long-term loans. The rest of other restricted monetary funds, amounting to RMB 4,112,379,475, were the deposits in commercial banks as security.

2 Financial assets held for trading

Item	31 December 2020	31 December 2019
Financial assets at fair value through profit or loss		
- Structured deposit and wealth management products	<u>4,367,201,833</u>	<u>5,809,184,994</u>

3 Bills receivable

(1) Classification of bills receivable

<i>Item</i>	<i>31 December 2020</i>	<i>31 December 2019</i>
Bank acceptance bills	<u>215,994,373</u>	<u>331,145,492</u>
Total	<u><u>215,994,373</u></u>	<u><u>331,145,492</u></u>

All of the above bills are due within one year.

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

As at 31 December 2020, there is no pledged bills for the Group (2019: Nil).

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

<i>Item</i>	<i>Amount derecognised as at 31 December 2020</i>	<i>Amount not derecognised as at 31 December 2020</i>
Bank acceptance bills	<u>4,370,824</u>	<u>60,214,157</u>
Total	<u><u>4,370,824</u></u>	<u><u>60,214,157</u></u>

For the year ended 31 December 2020, there was no amount transferred to accounts receivable from bills receivable due to non-performance of the issuers of the Group (2019: Nil).

4 Accounts receivable

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

<i>Item</i>	<i>31 December 2020</i>	<i>31 December 2019</i>
Amounts due from related parties	38,773,536	1,960,247
Amounts due from other customers	<u>22,988,229,841</u>	<u>18,481,732,857</u>
Sub-total	23,027,003,377	18,483,693,104
Less: Provision for bad and doubtful debts	<u>57,863,022</u>	<u>348,005,298</u>
Total	<u><u>22,969,140,355</u></u>	<u><u>18,135,687,806</u></u>

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

	2020			2019		
	Amount in original currency	Exchange rate	RMB/RMB equivalents	Amount in original currency	Exchange rate	RMB/RMB equivalents
RMB			8,322,396,079			8,041,480,485
USD	2,136,679,897	6.5249	13,941,622,660	1,438,995,152	6.9762	10,038,717,980
JPY	36,855,786	0.0632	2,329,286	25,172,988	0.0641	1,613,589
Other foreign currencies			<u>760,655,352</u>			<u>401,881,050</u>
Sub-total			23,027,003,377			18,483,693,104
Less: Provision for bad and doubtful debts			<u>57,863,022</u>			<u>348,005,298</u>
Total			<u>22,969,140,355</u>			<u>18,135,687,806</u>

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

	31 December 2020	31 December 2019
Within 1 year (inclusive)	22,515,188,628	17,872,807,760
Over 1 year but within 2 years (inclusive)	256,800,012	233,485,656
Over 2 years but within 3 years (inclusive)	172,351,904	68,549,411
Over 3 years	<u>82,662,833</u>	<u>308,850,277</u>
Sub-total	23,027,003,377	18,483,693,104
Less: Provision for bad and doubtful debts	<u>57,863,022</u>	<u>348,005,298</u>
Total	<u>22,969,140,355</u>	<u>18,135,687,806</u>

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

(4) Accounts receivable by provisioning method

Category	31 December 2020				
	Book value		Provision for impairment		Carrying amount
	Amount	Percentage (%)	Amount	Percentage (%)	
Individual assessment					
- Customers with high credit risk	60,093,972	0%	41,752,588	69%	18,341,384
- Customers with low credit risk	1,036,981,635	5%	-	0%	1,036,981,635
Collective assessment					
- Customers with moderate credit risk	<u>21,929,927,770</u>	95%	<u>16,110,434</u>	0%	<u>21,913,817,336</u>
Total	<u>23,027,003,377</u>	100%	<u>57,863,022</u>	0%	<u>22,969,140,355</u>
Category	31 December 2019				
	Book value		Provision for impairment		Carrying amount
	Amount	Percentage (%)	Amount	Percentage (%)	
Individual assessment					
- Customers with high credit risk	334,464,437	2%	334,419,437	100%	45,000
- Customers with low credit risk	1,398,318,800	7%	38,734	0%	1,398,280,066
Collective assessment					
- Customers with moderate credit risk	<u>16,750,909,867</u>	91%	<u>13,547,127</u>	0%	<u>16,737,362,740</u>
Total	<u>18,483,693,104</u>	100%	<u>348,005,298</u>	2%	<u>18,135,687,806</u>

(a) Criteria for collective assessment in 2020 and details:

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

(b) Assessment of ECLs on accounts receivable in 2020:

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

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

	<i>31 December 2020</i>	<i>31 December 2019</i>
Balance at the beginning of the year	348,005,298	325,211,590
Charge during the year	13,048,035	23,510,271
Recoveries during the year	(15,387,358)	(1,493,365)
Written-off during the year	(285,159,459)	(4,211,814)
Translation differences	<u>(2,643,494)</u>	<u>4,988,616</u>
Balance at the end of the year	<u>57,863,022</u>	<u>348,005,298</u>

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

The total of five largest accounts receivable of the Group at the end of the year was RMB 7,874,647,846, representing 34% of the total accounts receivable, and no provision was made for bad and doubtful debts after assessment.

5 Prepayments

(1) The Group's prepayments by category:

	<i>31 December 2020</i>	<i>31 December 2019</i>
Prepayment for inventory	617,801,035	107,673,472
Prepayment for electricity and water	230,580,992	271,295,136
Others	<u>271,213,957</u>	<u>248,017,098</u>
Total	<u>1,119,595,984</u>	<u>626,985,706</u>

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

Ageing	31 December 2020		31 December 2019	
	Amount	Percentage (%)	Amount	Percentage (%)
Within 1 year (inclusive)	1,008,648,097	90%	459,763,565	73%
Over 1 year but within 2 years (inclusive)	18,143,348	2%	148,351,079	24%
Over 2 years but within 3 years (inclusive)	84,733,056	8%	17,719,439	3%
Over 3 years	8,071,483	-	1,151,623	-
<b>Total</b>	<b>1,119,595,984</b>	<b>100%</b>	<b>626,985,706</b>	<b>100%</b>

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

The total of five largest prepayments of the Group at the end of the year is RMB 712,385,803, representing 64% of the total prepayments.

6 Other receivables

	Note	31 December 2020	31 December 2019
Interest receivable		2,037,452	215,977,831
Dividends receivable		1,842,137	-
Others	(1)	654,235,244	490,193,281
<b>Total</b>		<b>658,114,833</b>	<b>706,171,112</b>

(1) Others

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

Customer type	31 December 2020	31 December 2019
Amounts due from related parties	14,062,445	603,515
Amounts due from other customers	649,216,811	498,225,877
<b>Sub-total</b>	<b>663,279,256</b>	<b>498,829,392</b>
Less: Provision for bad and doubtful debts	9,044,012	8,636,111
<b>Total</b>	<b>654,235,244</b>	<b>490,193,281</b>

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

	31 December 2020			31 December 2019		
	Amount in original currency	Exchange rate	RMB/RMB equivalents	Amount in original currency	Exchange rate	RMB/RMB equivalents
RMB			577,989,243			457,159,067
USD	7,746,274	6.5249	50,543,663	3,966,373	6.9762	27,670,211
JPY	35,289,875	0.0632	2,230,320	42,000,525	0.0641	2,692,234
Other foreign currencies			<u>32,516,030</u>			<u>11,307,880</u>
Sub-total			663,279,256			498,829,392
Less: Provision for bad and doubtful debts			<u>9,044,012</u>			<u>8,636,111</u>
Total			<u>654,235,244</u>			<u>490,193,281</u>

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

	31 December 2020	31 December 2019
Within 1 year (inclusive)	336,023,652	209,994,098
Over 1 year but within 2 years (inclusive)	65,883,117	25,165,256
Over 2 years but within 3 years (inclusive)	18,983,553	14,546,942
Over 3 years	<u>242,388,934</u>	<u>249,123,096</u>
Sub-total	663,279,256	498,829,392
Less: Provision for bad and doubtful debts	<u>9,044,012</u>	<u>8,636,111</u>
Total	<u>654,235,244</u>	<u>490,193,281</u>

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

(d) Other receivables by provisioning method

Category	31 December 2020				
	Book value		Provision for impairment		Carrying amount
	Amount	Percentage (%)	Amount	Percentage (%)	
Individual assessment	9,044,012	1%	9,044,012	100%	-
Collective assessment	<u>654,235,244</u>	<u>99%</u>	<u>-</u>	<u>0%</u>	<u>654,235,244</u>
Total	<u>663,279,256</u>	<u>100%</u>	<u>9,044,012</u>	<u>1%</u>	<u>654,235,244</u>

  

Category	31 December 2019				
	Book value		Provision for impairment		Carrying amount
	Amount	Percentage (%)	Amount	Percentage (%)	
Individual assessment	8,636,111	2%	8,636,111	100%	-
Collective assessment	<u>490,193,281</u>	<u>98%</u>	<u>-</u>	<u>-</u>	<u>490,193,281</u>
Total	<u>498,829,392</u>	<u>100%</u>	<u>8,636,111</u>	<u>2%</u>	<u>490,193,281</u>



(e) Movements of provisions for bad and doubtful debts

	31 December 2020	31 December 2019
Balance at the beginning of the year	8,636,111	2,933,581
Charge during the year	572,266	6,251,161
Recoveries during the year	(60,462)	(5,440)
Written-off during the year	<u>(103,903)</u>	<u>(543,191)</u>
Balance at the end of the year	<u><u>9,044,012</u></u>	<u><u>8,636,111</u></u>

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

<i>Nature</i>	31 December 2020	31 December 2019
VAT refunds and export tax rebate	41,149,236	10,648,330
Amount due from equity transfer	200,000,000	200,000,000
Surety and deposits	171,340,282	178,899,557
Others	<u>250,789,738</u>	<u>109,281,505</u>
Sub-total	663,279,256	498,829,392
Less: Provision for bad and doubtful debts	<u>9,044,012</u>	<u>8,636,111</u>
Total	<u><u>654,235,244</u></u>	<u><u>490,193,281</u></u>

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

The total of five largest other receivables of the Group at the end of the year was RMB 359,386,051, most of which are amount due from equity transfer and deposits. No provision is made for bad and doubtful debts after assessment.

7 Inventories

(1) The Group's inventories by category:

	31 December 2020			1 January 2020/31 December 2019		
	<i>Book value</i>	<i>Provision for impairment of inventories/Provision for impairment of costs to fulfil a contract with a customer</i>	<i>Carrying amount</i>	<i>Book value</i>	<i>Provision for impairment of inventories</i>	<i>Carrying amount</i>
Raw materials	8,068,822,655	933,491,391	7,135,331,264	4,663,835,151	288,351,560	4,375,483,591
Work in progress	2,811,789,420	583,885,537	2,227,903,883	1,750,768,537	372,043,796	1,378,724,741
Finished goods	10,074,715,347	1,767,518,826	8,307,196,521	7,671,273,928	1,152,223,633	6,519,050,295
Consumables	162,817,575	-	162,817,575	122,936,135	-	122,936,135
Costs to fulfil a contract with a customer	42,205,247	-	42,205,247	-	-	-
Total	<u>21,160,350,244</u>	<u>3,284,895,754</u>	<u>17,875,454,490</u>	<u>14,208,813,751</u>	<u>1,812,618,989</u>	<u>12,396,194,762</u>

As at 31 December 2020, there was no amount of capitalised borrowing cost in the Group's closing balance of inventories (2019: Nil).

As at 31 December 2020, the Group had no inventory used as collateral (2019: Nil).

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

	<i>Balance at the beginning of the year</i>	<i>Charge during the year</i>	<i>Decrease during the year</i>		<i>Balance at the end of the year</i>
			<i>Reversals</i>	<i>Write-off</i>	
Raw materials	288,351,560	843,256,105	(143,418,140)	(54,698,134)	933,491,391
Work in progress	372,043,796	462,312,355	(204,781,587)	(45,689,027)	583,885,537
Finished goods	<u>1,152,223,633</u>	<u>2,521,348,291</u>	<u>(969,342,859)</u>	<u>(936,710,239)</u>	<u>1,767,518,826</u>
Total	<u>1,812,618,989</u>	<u>3,826,916,751</u>	<u>(1,317,542,586)</u>	<u>(1,037,097,400)</u>	<u>3,284,895,754</u>

8 Contract assets

(1) The Group's contract assets by customer type:

A contract asset is the Group's right to consideration in exchange for goods or services that it has transferred to a customer when that right is conditional on something other than the passage of time.

(2) Significant changes in the contract assets during the year:

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

	<i>2020</i> <i>RMB</i>
Balance under previous revenue standard	-
Adjustment on initial application of the new revenue standard	<u>27,710,945</u>
Balance at the beginning of the year after adjustment	----- 27,710,945
Transfers from contract assets recognised receivables	(24,932,485)
Increase in contract assets resulting from no unconditional right obtained	<u>47,118,935</u>
Balance at 31 December 2020	<u><u>49,897,395</u></u>

(3) Additions, recoveries or reversals of provision for contract asset during the year:

	<i>2020</i>
Balance at the beginning of the year	-
Additions during the year	207,800
Recoveries during the year	-
Written-off during the year	----- -
Balance at the end of the year	<u><u>207,800</u></u>

9 Assets held for sale

2020

	<i>Non-current assets held for sale</i>	
	<i>Carrying amount</i>	<i>Fair value</i>
Fixed assets	157,662,559	328,796,100
Intangible assets	<u>29,230,086</u>	<u>55,251,000</u>
Total of assets held for sale	<u><u>186,892,645</u></u>	<u><u>384,047,100</u></u>

In March 2018, K-Tronics (Suzhou) Technology Co., Ltd., a subsidiary of the Company, entered into the Recovery Agreement of Land and Properties with Management Committee of Wujiang Economic and Technological Development Zone to sell properties and other attachments located in Wujiang Economic and Technological Development Zone. As at 31 December 2020, the carrying amount of the assets held for sale above is RMB 186,892,645. K-Tronics (Suzhou) Technology Co., Ltd. and the Management Committee of Wujiang Economic and Technological Development Zone agreed that the recovery price of the subject matter is RMB 384,047,100, which is determined according to the evaluation report. The disposal of relevant assets was completed in March 2021.

10 Other current assets

	31 December 2020	1 January 2020	31 December 2019
VAT on tax credits	6,447,432,350	5,979,120,265	5,979,120,265
Input tax to be verified or deducted	1,068,285,033	1,984,055,118	1,984,055,118
Prepaid income taxes	23,710,045	45,154,225	45,154,225
Wealth management products	2,611,572	1,162,273,445	1,162,273,445
Costs receivables for recovering products from a customer	131,986,424	79,264,710	-
Others	<u>174,843,828</u>	<u>126,034,014</u>	<u>126,034,014</u>
Total	<u>7,848,869,252</u>	<u>9,375,901,777</u>	<u>9,296,637,067</u>

11 Long-term equity investments

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

	2020	2019
Investments in associates	<u>4,722,215,043</u>	<u>3,495,896,246</u>
Sub-total	4,722,215,043	3,495,896,246
Less: Provision for impairment	<u>1,029,044,819</u>	<u>777,858,312</u>
Total	<u>3,693,170,224</u>	<u>2,718,037,934</u>

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

Investee	Movements during the year							Translation differences arising from translation of foreign currency financial statements	Balance at the end of the year
	Balance at the beginning of the year	Increase in capital	Decrease in capital	Investment income recognised under equity method	Other comprehensive income	Other equity movements	Declared distribution of cash dividends or profits		
Beijing Nissin Electronics Precision Component Co., Ltd.	483,248	-	-	(219,390)	-	-	-	-	263,858
Beijing Nittan Electronic Co., Ltd.	64,808,755	-	-	8,588,066	-	-	(2,000,000)	-	71,396,821
ErDOS BOE Energy Investment Co., Ltd.	907,348,226	-	-	(1,185,089)	-	-	-	-	906,163,137
Beijing Infi-Hailin Venture Investment Co., Ltd.	663,215	-	-	503,309	-	-	-	-	1,166,524
Beijing Infi-Hailin Venture Investment (Limited Partnership)	74,384,952	-	(79,000,000)	(210,320)	5,702,455	(877,087)	-	-	-
TPV Display Technology (China) Limited	24,545,664	-	-	282,600	-	-	-	-	24,828,264
Beijing Xindongneng Investment Fund (Limited Partnership)	1,944,514,849	-	(427,412,416)	410,089,641	130,950,251	-	-	-	2,058,142,325
Beijing Xindongneng Investment Management Co., Ltd.	7,410,061	-	-	2,511,565	-	-	(2,000,000)	-	7,921,626
Shenzhen Yunyinggu Technology Co., Ltd.	12,715,084	-	-	(5,368,560)	60,150	14,504,213	-	-	21,910,887
Beijing Xloong Technologies Co., Ltd.	22,237,044	-	-	(2,470,104)	-	-	-	-	19,766,940
Beijing Innovation Industry Investment Co., Ltd.	100,363,345	100,000,000	-	3,699,909	-	-	-	-	204,063,254
Beijing Electric Control Industry Investment Co., Ltd.	16,841,609	183,000,000	-	679,994	(319,767)	81,278	-	-	200,283,114
Hunan BOE Yiyun Science & Technology Co., Ltd.	-	253,630,000	-	-	-	-	-	-	253,630,000
New on Technology Co., Ltd.	2,727,606	-	-	(366,860)	-	-	-	39,292	2,400,038
Cnoga Medical Co., Ltd.	307,506,903	-	-	(15,779,857)	-	(6,697,004)	-	(18,509,718)	266,520,324
Beijing Zhonglianhe Ultra HD Collaborative Technology Centre Co., Ltd.	2,715,260	-	-	(288,351)	-	-	-	-	2,426,909
Shenzhen Jiangcheng Technology Co., Ltd.	6,630,425	-	-	(1,278,128)	-	-	-	(340,836)	5,011,461
BOE Houji Technology (Beijing) Co., Ltd.	-	1,200,000	-	(282,367)	-	-	-	-	917,633
Tianjin Xianzhilian Investment Centre (Limited Partnership)	-	429,000,000	-	45,207,278	-	-	-	-	474,207,278
BioChain (Beijing) Science & Technology, Inc.	-	200,000,000	-	203,487	-	-	-	-	200,203,487
Tianjin Xianzhilian Investment Management Centre (Limited Partnership)	-	900,000	-	91,163	-	-	-	-	991,163
Sub-total	3,495,896,246	1,167,730,000	(506,412,416)	444,407,986	136,393,089	7,011,400	(4,000,000)	(18,811,262)	4,722,215,043
Less: Provision for impairment	777,858,312	-	-	-	-	-	-	-	1,029,044,819
Total	2,718,037,934	-	-	-	-	-	-	-	3,693,170,224

As at 31 December 2020, Hefei Xin Jing Yuan Electronic Materials Co., Ltd. suffered continuous loss and the Group does not have an obligation to assume additional losses. Therefore, the Company discontinues recognising its share of further losses after the carrying amount of long-term equity investment is reduced to zero. As at 31 December 2020, the accumulated unrecognised investment losses were RMB 18,207,308 (2019: RMB 17,817,673).

12 Investments in other equity instruments

<i>Item</i>	<i>31 December 2020</i>	<i>31 December 2019</i>
Listed equity instruments investment		
- Beijing Electronic City High Tech Group Co., Ltd.	74,372,840	72,585,692
- Bank of Chongqing Co., Ltd.	102,845,668	105,407,103
- CSC Securities Co., Ltd.	-	68,545,920
- New Century Medical Holding Co., Ltd.	36,995,513	53,586,259
Unlisted equity instruments investment		
- Teralane Semiconductor Inc.	-	-
- Zhejiang BOE Display Technology Co., Ltd.	321,256	321,256
- Zhejiang Qiusheng Photoelectric Technology Co., Ltd.	248,776	248,776
- National Engineering Laboratory of Digital Television (Beijing) Co., Ltd.	6,250,000	6,250,000
- Danhua Capital, L. P.	32,624,500	26,160,750
- Danhua Capital II, L.P.	65,249,007	64,529,850
- Kateeva Inc.	77,939,931	83,330,709
- DEPICT INC.	-	-
- Meta Company	-	-
- MOOV INC.	26,207,585	28,020,288
- ZGLUE INC.	-	10,464,288
- Nanosys INC.	48,936,750	52,321,500
- Ceribell INC.	8,482,363	9,069,052
- Baebies INC.	28,668,368	30,651,239
- Illumina Fund I, L.P.	21,320,235	17,181,203
- ACQIS Technology, Inc.	1,304,980	1,395,242
- KA IMAGING INC.	1,877,651	2,007,520
- Beijing Dongfang Electronic Industry Co., Ltd.	-	-
Total	<u>533,645,423</u>	<u>632,076,647</u>

Note\*: In 2020, the Company disposed of its shares in CSC Securities Co., Ltd. and derecognised its investments in Teralane Semiconductor Inc., DEPICT INC. and Meta Company, with gains and or losses accumulated in other comprehensive income reclassified to retained earnings, totalling RMB 55,855,250. See Note V.41.

(1) Investments in other equity instruments:

<i>Item</i>	<i>Reason for being designated at fair value through other comprehensive income</i>	<i>Dividend income recognised for the year</i>	<i>Accumulated gains or losses recognised in other comprehensive income ("-" for losses)</i>	<i>Amount transferred from other comprehensive income to retained earnings</i>	<i>Reason for transferring from other comprehensive income to retained earnings</i>
Listed equity instruments investment					
- Beijing Electronic City High Tech Group Co., Ltd.	With the intention of establishing or maintaining a long-term investment for strategic reasons	1,842,137	(15,787,588)	-	Not applicable
- Bank of Chongqing Co., Ltd.	With the intention of establishing or maintaining a long-term investment for strategic reasons	5,804,204	(17,238,707)	-	Not applicable
- CSC Securities Co., Ltd.	With the intention of establishing or maintaining a long-term investment for strategic reasons	-	-	1,768,891	Disposals
- New Century Medical Holding Co., Ltd.	With the intention of establishing or maintaining a long-term investment for strategic reasons	-	(103,853,337)	-	Not applicable
Unlisted equity instruments investment					
- Teralane Semiconductor Inc.	With the intention of establishing or maintaining a long-term investment for strategic reasons	-	-	11,868,000	Disposals
- Zhejiang BOE Display Technology Co., Ltd.	With the intention of establishing or maintaining a long-term investment for strategic reasons	-	-	-	Not applicable
- Zhejiang Qiusheng Photoelectric Technology Co., Ltd.	With the intention of establishing or maintaining a long-term investment for strategic reasons	1,410,307	-	-	Not applicable
- National Engineering Laboratory of Digital Television (Beijing) Co., Ltd.	With the intention of establishing or maintaining a long-term investment for strategic reasons	-	-	-	Not applicable
- Danhua Capital, L. P.	With the intention of establishing or maintaining a long-term investment for strategic reasons	2,544,309	(1,901,875)	-	Not applicable
- Danhua Capital II, L.P.	With the intention of establishing or maintaining a long-term investment for strategic reasons	13,800,800	(2,398,744)	-	Not applicable
- Kateeva Inc.	With the intention of establishing or maintaining a long-term investment for strategic reasons	-	(4,922,536)	-	Not applicable
- DEPICT INC.	With the intention of establishing or maintaining a long-term investment for strategic reasons	-	-	13,049,800	Disposals
- Meta Company	With the intention of establishing or maintaining a long-term investment for strategic reasons	-	-	29,168,559	Disposals
- MOOV INC.	With the intention of establishing or maintaining a long-term investment for strategic reasons	-	(1,655,254)	-	Not applicable
- ZGLUE INC.	With the intention of establishing or maintaining a long-term investment for strategic reasons	-	(10,405,488)	-	Not applicable
- Nanosys INC.	With the intention of establishing or maintaining a long-term investment for strategic reasons	-	(1,412,250)	-	Not applicable
- Ceribell INC.	With the intention of establishing or maintaining a long-term investment for strategic reasons	-	(179,920)	-	Not applicable
- Baebies INC.	With the intention of establishing or maintaining a long-term investment for strategic reasons	-	(455,186)	-	Not applicable
- Illumina Fund I, L.P.	With the intention of establishing or maintaining a long-term investment for strategic reasons	974,930	(831,445)	-	Not applicable
- ACQIS Technology, Inc.	With the intention of establishing or maintaining a long-term investment for strategic reasons	-	(258,980)	-	Not applicable
- KA IMAGING INC.	With the intention of establishing or maintaining a long-term investment for strategic reasons	-	(129,869)	-	Not applicable
- Beijing Dongfang Electronic Industry Co., Ltd.	With the intention of establishing or maintaining a long-term investment for strategic reasons	-	(180,000)	-	Not applicable
<b>Total</b>		<b>26,376,687</b>	<b>(161,611,179)</b>	<b>55,855,250</b>	



13 Investment properties

	<i>Land use rights</i>	<i>Buildings</i>	<i>Total</i>
<b>Cost</b>			
Balance at the beginning of the year	687,434,677	1,015,816,127	1,703,250,804
Additions during the year	<u>-</u>	<u>362,715</u>	<u>362,715</u>
Balance at the end of the year	..... 687,434,677	..... 1,016,178,842	..... 1,703,613,519
<b>Less: Accumulated depreciation or amortisation</b>			
Balance at the beginning of the year	140,772,403	321,235,551	462,007,954
Additions during the year	<u>13,878,768</u>	<u>31,558,286</u>	<u>45,437,054</u>
Balance at the end of the year	..... 154,651,171	..... 352,793,837	..... 507,445,008
<b>Carrying amounts</b>			
At the end of the year	<u>532,783,506</u>	<u>663,385,005</u>	<u>1,196,168,511</u>
At the beginning of the year	<u>546,662,274</u>	<u>694,580,576</u>	<u>1,241,242,850</u>

14 Fixed assets

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

<i>Item</i>	<i>Plant &amp; buildings</i>	<i>Equipment</i>	<i>Others</i>	<i>Total</i>
<b>Cost</b>				
Balance at the beginning of the year	39,066,346,904	164,514,903,439	5,055,062,392	208,636,312,735
Additions during the year				
- Purchases	106,424,539	251,499,388	1,147,743,024	1,505,666,951
- Transfers from construction in progress	11,166,278,131	70,039,183,590	714,148,657	81,919,610,378
- Additions due to business combinations involving entities not under common control	12,057,991,192	26,025,800,334	147,032,752	38,230,824,278
Disposals or written-offs during the year	(18,533,992)	(631,239,330)	(123,488,328)	(773,261,650)
Translation differences	(480,626)	(23,703,787)	(1,990,617)	(26,175,030)
Balance at the end of the year	<u>62,378,026,148</u>	<u>260,176,443,634</u>	<u>6,938,507,880</u>	<u>329,492,977,662</u>
<b>Less: Accumulated depreciation</b>				
Balance at the beginning of the year	5,124,055,712	74,655,780,434	2,278,538,681	82,058,374,827
Charge during the year	1,189,328,945	19,439,177,557	1,249,871,496	21,878,377,998
Disposals or written-offs during the year	(9,053,218)	(468,884,836)	(87,743,009)	(565,681,063)
Translation differences	(468,222)	(2,345,666)	(3,312,810)	(6,126,698)
Balance at the end of the year	<u>6,303,863,217</u>	<u>93,623,727,489</u>	<u>3,437,354,358</u>	<u>103,364,945,064</u>
<b>Less: Provision for impairment</b>				
Balance at the beginning of the year	1,073,381	784,836,694	5,785,895	791,695,970
Charge during the year	-	432,986,334	72,215,116	505,201,450
Disposals or written-offs during the year	-	(35,236,905)	(213,986)	(35,450,891)
Balance at the end of the year	<u>1,073,381</u>	<u>1,182,586,123</u>	<u>77,787,025</u>	<u>1,261,446,529</u>
<b>Carrying amounts</b>				
At the end of the year	<u>56,073,089,550</u>	<u>165,370,130,022</u>	<u>3,423,366,497</u>	<u>224,866,586,069</u>
At the beginning of the year	<u>33,941,217,811</u>	<u>89,074,286,311</u>	<u>2,770,737,816</u>	<u>125,786,241,938</u>

In 2020, some of the equipment of the Group is idle and there is no clear use plan. The Group evaluated the recoverable amount of these equipment and made a full provision for impairment of RMB 505,201,450 based on the evaluation results.

(2) Fixed assets acquired under finance leases

Item	31 December 2020				31 December 2019			
	Original book value	Accumulated depreciation	Provision for impairment	Carrying amount	Original book value	Accumulated depreciation	Provision for impairment	Carrying amount
Plant & buildings	11,291,665	4,864,383	-	6,427,282	11,291,665	4,610,694	-	6,680,971
Machinery & equipment	3,234,619,899	16,817,720	-	3,217,802,179	111,358,145	10,816,754	-	100,541,391
Total	<u>3,245,911,564</u>	<u>21,682,103</u>	<u>-</u>	<u>3,224,229,461</u>	<u>122,649,810</u>	<u>15,427,448</u>	<u>-</u>	<u>107,222,362</u>

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

(3) Fixed assets pending certificates of ownership

As at 31 December 2020, fixed assets pending certificates of ownership totalled RMB 20,426,632,149 (31 December 2019: RMB 8,208,580,798) and certificates of ownership is still being processed.

15 Construction in progress

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

Item	2020			2019		
	Book value	Provision for impairment	Carrying amount	Book value	Provision for impairment	Carrying amount
The 6th generation AMOLED project - Mianyang	10,195,964,634	-	10,195,964,634	34,753,609,842	-	34,753,609,842
The 6th generation LTPS/AMOLED project - Chengdu	1,609,674,328	-	1,609,674,328	19,490,899,526	-	19,490,899,526
The 6th generation AMOLED project - Chongqing	11,920,916,965	-	11,920,916,965	1,462,975,936	-	1,462,975,936
The 10.5th generation TFT-LCD project - Wuhan	10,551,056,190	-	10,551,056,190	24,749,508,699	-	24,749,508,699
Others	<u>8,298,237,835</u>	<u>-</u>	<u>8,298,237,835</u>	<u>6,919,788,524</u>	<u>-</u>	<u>6,919,788,524</u>
Total	<u>42,575,849,952</u>	<u>-</u>	<u>42,575,849,952</u>	<u>87,376,782,527</u>	<u>-</u>	<u>87,376,782,527</u>

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

<i>Item</i>	<i>Budget</i>	<i>Balance at the beginning of the year</i>	<i>Additions during the year</i>	<i>Transfers to fixed assets</i>	<i>Transfer to intangible assets</i>	<i>Balance at the end of the year</i>	<i>Percentage of actual cost to budget (%)</i>	<i>Accumulated capitalised interest at the end of the year</i>	<i>Interest capitalised in 2020</i>	<i>Interest rate for capitalisation in 2020 (%)</i>	<i>Sources of funding</i>
The 6th generation AMOLED project - Mianyang	46,500,000,000	34,753,609,842	5,358,315,087	(29,648,604,321)	(267,355,974)	10,195,964,634	89.04%	1,198,529,778	585,397,750	3.42%	Self-raised funds and borrowings
The 6th generation LTPS/AMOLED project - Chengdu	46,500,000,000	19,490,899,526	4,552,866,676	(22,409,432,296)	(24,659,578)	1,609,674,328	91.85%	-	367,526,893	1.77%	Self-raised funds and borrowings
The 6th generation AMOLED project - Chongqing	46,500,000,000	1,462,975,936	10,460,532,891	(2,591,862)	-	11,920,916,965	26.05%	1,242,708	1,242,708	2.04%	Self-raised funds and borrowings
The 10.5th generation TFT-LCD project - Wuhan	46,000,000,000	24,749,508,699	9,659,161,031	(23,848,967,181)	(8,646,359)	10,551,056,190	77.36%	115,596,222	317,760,483	3.81%	Self-raised funds and borrowings

16 Intangible assets

(1) Intangible assets

	<i>Land use rights</i>	<i>Patent and proprietary technology</i>	<i>Computer software</i>	<i>Others</i>	<i>Total</i>
Original book value					
Balance at the beginning of the year	4,091,243,669	3,718,555,116	1,042,610,560	1,305,739,329	10,158,148,674
Additions during the year					
- Purchases	299,431,151	248,991,522	27,684,102	2,383,123	578,489,898
- Transfers from construction in progress	62,430,272	-	413,899,417	-	476,329,689
- Non-controlling shareholders' contribution of capital	-	-	-	285,773,298	285,773,298
- Additions due to business combinations involving entities not under common control	804,621,761	2,978,191,033	56,802,736	-	3,839,615,530
Disposals during the year	(5,002,886)	(2,768,601)	(2,000,735)	(42,887,739)	(52,659,961)
Balance at the end of the year	<u>5,252,723,967</u>	<u>6,942,969,070</u>	<u>1,538,996,080</u>	<u>1,551,008,011</u>	<u>15,285,697,128</u>
Less: Accumulated amortisation					
Balance at the beginning of the year	303,706,213	1,601,698,094	652,198,832	184,128,706	2,741,731,845
Charge during the year	95,749,974	350,459,099	158,475,804	86,677,458	691,362,335
Disposals during the year	(1,400,083)	(1,387,324)	(2,000,735)	(18,535,358)	(23,323,500)
Balance at the end of the year	<u>398,056,104</u>	<u>1,950,769,869</u>	<u>808,673,901</u>	<u>252,270,806</u>	<u>3,409,770,680</u>
Carrying amounts					
At the end of the year	<u>4,854,667,863</u>	<u>4,992,199,201</u>	<u>730,322,179</u>	<u>1,298,737,205</u>	<u>11,875,926,448</u>
At the beginning of the year	<u>3,787,537,456</u>	<u>2,116,857,022</u>	<u>390,411,728</u>	<u>1,121,610,623</u>	<u>7,416,416,829</u>

(2) Land use rights pending certificates of ownership

As at 31 December 2020, intangible assets pending certificates of ownership totalled RMB 4,694,121 (31 December 2019: RMB 614,842,056).

17 Goodwill

(1) Changes in goodwill

Name of investee	Note	<i>Balance at the beginning of the year</i>	<i>Additions during the year</i>	<i>Balance at the end of the year</i>
Book value				
Beijing Yinghe Century Co., Ltd.		42,940,434	-	42,940,434
K-Tronics (Suzhou) technology Co., Ltd.		8,562,464	-	8,562,464
Beijing BOE Optoelectronics Technology Co., Ltd.		4,423,876	-	4,423,876
BOE Healthcare Investment & Management Co., Ltd.		146,460,790	-	146,460,790
SES Imagotag SA Co., Ltd.		706,406,821	-	706,406,821
Chengdu CEC Panda Display Technology Co., Ltd.	(a)	-	537,038,971	537,038,971
Nanjing CEC Panda FPD Technology Co., Ltd.	(b)	-	155,714,415	155,714,415
Sub-total		<u>908,794,385</u>	<u>692,753,386</u>	<u>1,601,547,771</u>
Provision for impairment				
Beijing BOE Optoelectronics Technology Co., Ltd.		(4,423,876)	-	(4,423,876)
SES Imagotag SA Co., Ltd.		(196,766,653)	-	(196,766,653)
Sub-total		<u>(201,190,529)</u>	<u>-</u>	<u>(201,190,529)</u>
Carrying amount		<u>707,603,856</u>	<u>692,753,386</u>	<u>1,400,357,242</u>

(a) As disclosed in Note VI.1, the Group obtained the control of Chengdu CEC Panda on 17 December 2020. The excess of the combination cost over the Group's interest in the fair value of Chengdu CEC Panda's identifiable assets and liabilities, amounting to RMB 537,038,971, was recognised as goodwill attributable to Chengdu CEC Panda.

(b) As disclosed in Note VI.1, the Group obtained the control of Nanjing CEC Panda on 24 December 2020. The excess of the combination cost over the Group's interest in the fair value of Nanjing CEC Panda's identifiable assets and liabilities, amounting to RMB 155,714,415, was recognised as goodwill attributable to Nanjing CEC Panda.

(2) Provision for impairment of goodwill

The recoverable amount of Beijing Yinghe Century Co., Ltd. ("Yinghe Century"), Suzhou K-Tronics, BOE Healthcare Investment & Management Co., Ltd. ("Health Investment") and SES Imagotag SA Co., Ltd., Nanjing CEC Panda and Chengdu CEC Panda is determined based on the present value of expected future cash flows. When predicting the present value of cash flow, the cash flow in the next 5 years is determined based on the financial budget approved by the management. The cash flow in the years after the 5-year financial budget will remain stable. The pre-tax discount rate is determined with reference to comparable companies and related capital structures.

18 Long-term deferred expenses

	<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>
Payment for public facilities construction and use	82,702,566	-	(15,370,224)	67,332,342
Cost of operating lease assets improvement	28,066,255	5,227,728	(19,121,157)	14,172,826
Others	234,655,588	84,706,547	(101,233,203)	218,128,932
<b>Total</b>	<b>345,424,409</b>	<b>89,934,275</b>	<b>(135,724,584)</b>	<b>299,634,100</b>

19 Deferred tax assets/deferred tax liabilities

(1) Deferred tax assets and liabilities

<i>Item</i>	<u>2020</u>		<u>2019</u>	
	<i>Deductible/ (taxable) temporary differences</i>	<i>Deferred tax assets/(liabilities)</i>	<i>Deductible/ (taxable) temporary differences</i>	<i>Deferred tax assets/(liabilities)</i>
Deferred tax assets:				
Provision for impairment of assets	122,139,756	27,180,254	131,848,265	29,587,380
Changes in fair value of investments in other equity instruments	121,789,193	18,268,379	135,444,338	20,316,651
Depreciation of fixed assets	179,801,722	30,341,276	147,798,525	25,764,520
Assessed value added by investing real estate in subsidiaries	131,003,100	32,750,775	136,556,956	34,139,239
Accumulated losses	424,212,759	132,565,377	361,764,556	111,182,956
Others	64,633,800	14,628,946	214,882,405	40,237,079
<b>Sub-total</b>	<b>1,043,580,330</b>	<b>255,735,007</b>	<b>1,128,295,045</b>	<b>261,227,825</b>
Amount offset		(50,693,919)		(13,074,064)
<b>Balance after offsetting</b>		<b>205,041,088</b>		<b>248,153,761</b>
Deferred tax liabilities:				
Revaluation due to business combinations involving entities not under common control	(2,395,173,489)	(713,559,149)	(2,594,143,798)	(772,597,483)
Depreciation of fixed assets	(4,622,699,062)	(721,371,438)	(4,178,779,443)	(643,417,497)
Long-term equity investments	(120,141,687)	(18,021,253)	(120,141,687)	(18,021,253)
Others	(142,029,410)	(25,343,233)	(161,910,113)	(30,863,188)
<b>Sub-total</b>	<b>(7,280,043,648)</b>	<b>(1,478,295,073)</b>	<b>(7,054,975,041)</b>	<b>(1,464,899,421)</b>
Amount offset		50,693,919		13,074,064
<b>Balance after offsetting</b>		<b>(1,427,601,154)</b>		<b>(1,451,825,357)</b>

(2) Details of unrecognised deferred tax assets

	2020	2019
Deductible temporary differences	16,442,282,572	9,708,406,691
Deductible tax losses	<u>25,680,094,343</u>	<u>15,354,248,296</u>
<b>Total</b>	<u><u>42,122,376,915</u></u>	<u><u>25,062,654,987</u></u>

As at 31 December 2020, the deductible temporary differences are mainly provisions for the subsidiaries' impairment of assets. Due to the uncertainty that there will be sufficient taxable income to cover these deductible differences in future periods, the deferred income tax assets were not recognised in consideration of prudence. The change of unrecognised deferred tax assets for the year was mainly due to consideration of RMB 8,253,348,675 generated by the acquisition of Nanjing CEC Panda and Chengdu CEC Panda.

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

Year	Note	2020	2019
2020		-	58,901,625
2021		78,927,101	80,449,618
2022		416,996,721	435,146,446
2023		518,668,889	605,118,016
2024		1,129,623,213	1,028,882,595
2025		2,987,078,958	494,894,618
2026		848,779,232	227,711,720
2027		128,972,134	133,673,301
2028		5,149,658,963	4,215,818,107
2029		10,575,127,795	7,359,029,807
2030		2,846,283,820	-
Others	(a)	<u>999,977,517</u>	<u>714,622,443</u>
<b>Total</b>		<u><u>25,680,094,343</u></u>	<u><u>15,354,248,296</u></u>

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



20 Other non-current assets

	Note	31 December 2020	1 January 2020/ 31 December 2019
VAT on tax credits		3,720,414,204	2,482,410,097
Deferred VAT for imported equipment		2,444,720,228	5,027,130,119
Prepayment for fixed assets		1,476,495,591	1,159,943,991
Gains from transfer of exploration right	(a)	512,802,600	512,802,600
Prepayments for construction		130,568,100	43,162,425
Others		339,969,296	266,132,327
<b>Total</b>		<b>8,624,970,019</b>	<b>9,491,581,559</b>

(a) On 31 December 2020, gains from transfer of exploration right are amount for the transfer of exploration paid by the Group through Erdos BOE Energy Investment Co., Ltd. to Ministry of Natural Resources of Inner Mongolia.

21 Short-term loans

31 December 2020				
	Amount in original currency	Exchange rate	RMB/RMB equivalents	Credited/ collateralised guaranteed/ pledged
Bank loans				
- RMB			600,623,333	Collateralised
- RMB			1,853,305,416	Guaranteed
- RMB			2,872,713,095	Credited
Sub-total			5,326,641,844	
Foreign currency bank loans				
- USD	346,986,252	6.5249	2,264,050,596	Guaranteed
- USD	132,229,237	6.5249	862,782,549	Credited
- JPY	2,310,305,559	0.0632	146,094,482	Credited
Sub-total			3,272,927,627	
<b>Total</b>			<b>8,599,569,471</b>	

2019				<i>Credited/ collateralised/ guaranteed/ pledged</i>
<i>Amount in original currency</i>	<i>Exchange rate</i>	<i>RMB/RMB equivalents</i>		
Bank loans				
- RMB		1,706,000,000		Pledged
- RMB		3,570,500,000		Credited
Sub-total		5,276,500,000		
Foreign currency bank loans				
- USD	75,000,000	6.9762	523,215,000	Pledged
- USD	74,983,524	6.9762	523,100,057	Credited
- JPY	685,049,220	0.0641	43,902,064	Credited
Sub-total			1,090,217,121	
Total			6,366,717,121	

The interest rate of short-term loans for the Group ranged from 0.50% to 5.90% in 2020 (2019: 0.40% to 4.35%).

As at 31 December 2020, no short-term loan was past due (2019: Nil).

22 Bills payable

	<i>31 December 2020</i>	<i>31 December 2019</i>
Bank acceptance bills	1,130,824,139	1,812,309,507
Commercial acceptance bills	100,709,756	216,608,473
Total	1,231,533,895	2,028,917,980

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

23 Accounts payable

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

	31 December 2020	31 December 2019
Payables to related parties	108,759,439	77,847,042
Payables to third parties	27,055,412,243	21,105,720,511
<b>Total</b>	<b>27,164,171,682</b>	<b>21,183,567,553</b>

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

	2020			2019		
	Amount in original currency	Exchange rate	RMB/RMB equivalents	Amount in original currency	Exchange rate	RMB/RMB equivalents
- RMB			18,877,719,728	-		14,353,247,507
- USD	1,065,301,852	6.5249	6,950,988,054	869,901,566	6.9762	6,068,607,305
- JPY	7,851,845,994	0.0632	496,236,667	10,667,212,793	0.0641	683,768,340
- Other foreign currencies			839,227,233	-		77,944,401
<b>Total</b>			<b>27,164,171,682</b>			<b>21,183,567,553</b>

As at 31 December 2020, the Group had no individually significant accounts payable ageing more than one year.

24 Advance payments received

<i>Item</i>	31 December 2020	1 January 2020	31 December 2019
Advances from related parties	6,018,519	60,990	60,990
Advances from third parties	1180,022,230	123,091,845	1,260,671,795
<b>Total</b>	<b>124,040,749</b>	<b>123,152,835</b>	<b>1,260,732,785</b>

25 Contract liabilities

<i>Item</i>	<i>31 December 2020</i>	<i>1 January 2020</i>	<i>31 December 2019</i>
Sale of goods	<u>3,440,720,535</u>	<u>1,083,074,827</u>	<u>-</u>

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

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

	<i>2020</i> <i>RMB</i>
Balance under previous revenue standard	-
Adjustment on initial application of the new revenue standard	<u>1,083,074,827</u>
Balance at the beginning of the year after adjustment	<u>1,083,074,827</u>
Revenue recognised that was included in the contract liability balance at the beginning of year	(985,358,861)
Increase of contract liabilities due to cash received at the end of the year	<u>3,343,004,569</u>
Balance at 31 December 2020	<u>3,440,720,535</u>

26 Employee benefits payable

(1) Employee benefits payable:

	<i>Note</i>	<i>Balance at 1 January 2020</i>	<i>Accrued during the year</i>	<i>Decreased during the year</i>	<i>Balance at 31 December 2020</i>
Short-term employee benefits	(2)	2,317,952,892	14,505,206,045	(13,089,586,475)	3,733,572,462
Post-employment benefits					
- defined contribution plans	(3)	30,809,715	603,373,645	(612,555,327)	21,628,033
Termination benefits		<u>24,982,847</u>	<u>6,049,760</u>	<u>(27,609,305)</u>	<u>3,423,302</u>
Total		<u>2,373,745,454</u>	<u>15,114,629,450</u>	<u>(13,729,751,107)</u>	<u>3,758,623,797</u>

	Note	Balance at 1 January 2019	Accrued during the year	Decreased during the year	Balance at 31 December 2019
Short-term employee benefits	(2)	2,175,807,665	11,808,187,563	(11,666,042,336)	2,317,952,892
Post-employment benefits					
- defined contribution plans	(3)	34,353,845	892,704,459	(896,248,589)	30,809,715
Termination benefits		14,769,661	21,224,469	(11,011,283)	24,982,847
<b>Total</b>		<b>2,224,931,171</b>	<b>12,722,116,491</b>	<b>(12,573,302,208)</b>	<b>2,373,745,454</b>

(2) Short-term employee benefits

		Balance at 1 January 2020	Accrued during the year	Decreased during the year	Balance at 31 December 2020
Salaries, bonuses, allowances		1,884,102,804	12,377,361,943	(11,076,670,492)	3,184,794,255
Staff welfare		-	813,811,158	(813,811,158)	-
Social insurance		32,323,849	428,892,729	(428,549,166)	32,667,412
Medical insurance		28,537,074	397,973,661	(396,959,327)	29,551,408
Work-related injury insurance		1,592,189	17,318,426	(17,296,483)	1,614,132
Maternity insurance		2,194,586	13,600,642	(14,293,356)	1,501,872
Housing fund		27,503,744	572,216,189	(572,578,874)	27,141,059
Labour union fee, staff and workers' education fee		345,146,487	294,743,728	(172,165,296)	467,724,919
Staff bonus and welfare fund		7,282,591	13,270,618	-	20,553,209
Other short-term employee benefits		21,593,417	4,909,680	(25,811,489)	691,608
<b>Total</b>		<b>2,317,952,892</b>	<b>14,505,206,045</b>	<b>(13,089,586,475)</b>	<b>3,733,572,462</b>

		Balance at 1 January 2019	Accrued during the year	Decreased during the year	Balance at 31 December 2019
Salaries, bonuses, allowances		1,817,946,511	9,760,123,875	(9,693,967,582)	1,884,102,804
Staff welfare		-	726,894,238	(726,894,238)	-
Social insurance		31,310,324	506,406,607	(505,393,082)	32,323,849
Medical insurance		27,150,184	458,152,049	(456,765,159)	28,537,074
Work-related injury insurance		2,048,914	24,547,049	(25,003,774)	1,592,189
Maternity insurance		2,111,226	23,707,509	(23,624,149)	2,194,586
Housing fund		22,081,660	534,751,562	(529,329,478)	27,503,744
Labour union fee, staff and workers' education fee		274,477,650	258,158,151	(187,489,314)	345,146,487
Staff bonus and welfare fund		7,282,591	-	-	7,282,591
Other short-term employee benefits		22,708,929	21,853,130	(22,968,642)	21,593,417
<b>Total</b>		<b>2,175,807,665</b>	<b>11,808,187,563</b>	<b>(11,666,042,336)</b>	<b>2,317,952,892</b>

(3) Post-employment benefits - defined contribution plans

	<i>Balance at 1 January 2020</i>	<i>Accrued during the year</i>	<i>Decreased during the year</i>	<i>Balance at 31 December 2020</i>
Basic pension insurance	26,271,958	547,052,137	(554,271,266)	19,052,829
Unemployment insurance	1,072,077	23,115,986	(23,077,129)	1,110,934
Annuity	3,465,680	33,205,522	(35,206,932)	1,464,270
<b>Total</b>	<b>30,809,715</b>	<b>603,373,645</b>	<b>(612,555,327)</b>	<b>21,628,033</b>

	<i>Balance at 1 January 2019</i>	<i>Accrued during the year</i>	<i>Decreased during the year</i>	<i>Balance at 31 December 2019</i>
Basic pension insurance	29,206,273	835,731,675	(838,665,990)	26,271,958
Unemployment insurance	964,893	30,896,288	(30,789,104)	1,072,077
Annuity	4,182,679	26,076,496	(26,793,495)	3,465,680
<b>Total</b>	<b>34,353,845</b>	<b>892,704,459</b>	<b>(896,248,589)</b>	<b>30,809,715</b>

27 Taxes payable

	2020	2019
Value-added tax	40,678,414	104,968,721
Corporate income tax	442,103,385	225,781,442
Individual income tax	60,823,097	46,299,098
City construction tax	239,633,339	159,162,466
Education surcharges and local education surcharges	171,225,887	114,515,524
Others	123,222,747	80,268,878
<b>Total</b>	<b>1,077,686,869</b>	<b>730,996,129</b>

28 Other payables

	<i>Note</i>	<i>31 December 2020</i>	<i>31 December 2019</i>
Interest payable		1,946,267	721,325,540
Dividends payable		6,451,171	14,568,242
Others	(1)	<u>32,859,311,586</u>	<u>23,834,695,828</u>
<b>Total</b>		<u><u>32,867,709,024</u></u>	<u><u>24,570,589,610</u></u>

(1) Others

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

	<i>Note</i>	<i>31 December 2020</i>	<i>31 December 2019</i>
Projects and equipment		22,081,009,426	19,265,984,958
Fund transaction (Note)		3,044,729,475	25,236,605
Equity acquisition	VI. 1	2,236,488,561	338,596
Deferred VAT for imported equipment		1,920,558,529	2,277,269,457
Repurchase obligation of restricted shares	V. 40	875,333,536	-
Accrued water and electricity charges and freight		711,995,694	475,398,269
Security deposits		576,740,323	565,971,653
External agency fee		95,378,987	95,525,591
Others		<u>1,317,077,055</u>	<u>1,128,970,699</u>
<b>Total</b>		<u><u>32,859,311,586</u></u>	<u><u>23,834,695,828</u></u>

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

Note: The other payables by the Group to CEC Panda as at 31 December 2020 are amounts and interests due to original controlling shareholders of Nanjing CEC Panda and Chengdu CEC Panda acquired this year, with interest rates of 2.175% and 0%.

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

	31 December 2020			31 December 2019		
	Amount in original currency	Exchange rate	RMB/RMB equivalents	Amount in original currency	Exchange rate	RMB/RMB equivalents
RMB			25,021,226,671			14,900,017,469
USD	834,593,184	6.5249	5,445,637,067	939,445,424	6.9762	6,553,759,167
JPY	36,887,427,437	0.0632	2,331,285,414	36,516,333,058	0.0641	2,340,696,949
Other foreign currencies			61,162,434			40,222,243
Total			<u>32,859,311,586</u>			<u>23,834,695,828</u>

## 29 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.

	Note	31 December 2020			Credited /collateralised /Guaranteed /pledged
		Amount in original currency	Exchange rate	RMB/ RMB equivalents	
Bank loans					
- RMB				28,108,784	Pledged
- RMB				5,654,665,718	Collateralised
- RMB				1,562,733	Guaranteed
- RMB				8,650,207,807	Credited
- USD		1,397,735,847	6.5249	9,120,086,628	Collateralised
- EUR		415,746	8.0250	3,336,362	Credited
- EUR		7,920,370	8.0250	63,560,969	Pledged
Sub-total	V. 31			23,521,529,001	
Long-term payables	V. 33			979,021,120	
Total				<u>24,500,550,121</u>	



31 December 2019					
	<i>Note</i>	<i>Amount in original currency</i>	<i>Exchange rate</i>	<i>RMB/RMB equivalents</i>	<i>Credited/ collateralised/ guaranteed/ pledged</i>
Bank loans					
- RMB				3,548,760,000	Collateralised
- RMB				5,660,431,884	Credited
- RMB				27,187,500	Pledged
- USD		1,192,400,000	6.9762	8,318,420,880	Collateralised
- EUR		144,950,000	7.8155	1,132,856,725	Pledged
- EUR		415,746	7.8155	<u>3,249,263</u>	Credited
Sub-total	V. 31			18,690,906,252	
Long-term payables	V. 33			<u>158,374,767</u>	
Total				<u>18,849,281,019</u>	

The interest rate of RMB long-term loans due within one year for the Group ranged from 0% to 5.88% in 2020 (2019: from 0% to 5.64%).

### 30 Other current liabilities

<i>Item</i>	<i>31 December 2020</i>	<i>1 January 2020</i>	<i>31 December 2019</i>
Warranty provisions	1,615,534,790	940,668,393	940,668,393
Refund liability	144,834,876	79,264,710	-
Pending output VAT	278,791,002	64,391,101	9,885,978
Others	<u>155,556,184</u>	<u>63,184,144</u>	<u>63,184,144</u>
Total	<u>2,194,716,852</u>	<u>1,147,508,348</u>	<u>1,013,738,515</u>

The other current liabilities of the Group were warranty provision accrued. 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.

31 Long-term loans

31 December 2020					
	Note	Amount in original currency	Exchange rate	RMB/RMB equivalents	Credited/ collateralised guaranteed/ pledged
Bank loans					
- RMB				564,470,036	Pledged
- RMB				58,205,922,053	Collateralised
- RMB				3,245,238,880	Guaranteed
- RMB				48,593,938,457	Credited
- USD		6,647,918,240	6.5249	43,377,001,724	Collateralised
- EUR		67,323,142	8.0250	540,268,215	Pledged
- EUR		180,368,445	8.0250	1,447,456,771	Credited
Less: Long-term loans due within one year	V. 29			<u>23,521,529,001</u>	
Total				<u>132,452,767,135</u>	

  

31 December 2019					
	Note	Amount in original currency	Exchange rate	RMB/RMB equivalents	Credited/ collateralised guaranteed/ pledged
Bank loans					
- RMB				590,727,344	Pledged
- RMB				45,290,913,200	Collateralised
- RMB				760,000,000	Guaranteed
- RMB				38,988,142,361	Credited
- USD		5,603,270,000	6.9762	39,089,532,174	Collateralised
- EUR		3,721,275	7.8155	29,083,625	Credited
- EUR		214,075,000	7.8155	1,673,103,163	Pledged
Less: Long-term loans due within one year	V. 29			<u>18,690,906,252</u>	
Total				<u>107,730,595,615</u>	

The interest rate of RMB long-term loans for the Group ranged from 0% to 5.90% in 2020 (2019: from 0% to 5.64%). The increase in the upper limit of the interest rate of RMB long-term loans in 2020 is mainly due to the higher interest rate of Nanjing CEC Panda, which is newly included in the scope of consolidated financial statements.

32 Debentures payable

(1) Debentures payable

Item	31 December 2020	31 December 2019
Debentures payable	398,971,739	387,878,384
Less: Debentures payable due within one year	<u>-</u>	<u>-</u>
Total	<u>398,971,739</u>	<u>387,878,384</u>

(2) The movements of debentures payable:

<i>Debenture</i>	<i>Face value</i>	<i>Issuance date</i>	<i>Maturity period</i>	<i>Issuance amount</i>	<i>Balance at the beginning of the year</i>	<i>Increase during the year</i>	<i>Interest at face value</i>	<i>Amortisation of discounts or premium</i>	<i>Repayment during the period</i>	<i>Translation differences</i>	<i>Balance at the end of the year</i>
Euro PP	EUR 10,000,000	2016.12.29	7 years	EUR 10,000,000	77,674,350	-	2,764,825	108,611	(2,764,825)	2,083,842	79,866,803
Euro PP	EUR 30,000,000	2017.03.29	6 years	EUR 30,000,000	233,145,481	-	8,294,475	401,058	(8,294,475)	6,256,001	239,802,540
Euro PP	EUR 10,000,000	2019.07.22	6 years	EUR 10,000,000	77,058,553	-	3,594,273	175,447	(3,594,273)	2,068,396	79,302,396
Total					<u>387,878,384</u>	<u>-</u>	<u>14,653,573</u>	<u>685,116</u>	<u>(14,653,573)</u>	<u>10,408,239</u>	<u>398,971,739</u>

SES Imagotag SA Co., Ltd. issued two private placement bonds with a total face value of Euro 40 million to institutional investors on 29 December 2016 and 29 March 2017. The coupon rate of the bonds is 3.50% and the maturity date is 29 December 2023. Interest payments are made annually and the principle amount will be paid when the bonds become due.

SES Imagotag SA Co., Ltd. issued a private placement bond with a total face value of Euro 10 million to institutional investors on 22 July 2019. The coupon rate of the bond is 4.55% and the maturity date is 22 July 2025. Interest payments are made annually, and the principle amount will be paid when the bond becomes due.

33 Long-term payables

<i>Item</i>	<i>Note</i>	<i>31 December 2020</i>	<i>31 December 2019</i>
Obligations under finance leases	(1)	3,093,196,803	1,142,895,591
Less: Obligations under finance leases due within one year		<u>979,021,120</u>	<u>158,374,767</u>
Total		<u>2,114,175,683</u>	<u>984,520,824</u>

(1) Details of obligations under finance leases included in long-term payables

As at 31 December, the total future minimum lease payments under finance leases were as follows:

<i>Minimum lease payments</i>	<i>31 December 2020</i>	<i>31 December 2019</i>
Within 1 year (inclusive)	1,175,045,108	240,790,871
After 1 year but within 2 years (inclusive)	1,061,063,290	211,473,668
After 2 years but within 3 years (inclusive)	559,312,651	198,335,280
After 3 years	<u>840,557,857</u>	<u>866,709,073</u>
Sub-total	3,635,978,906	1,517,308,892
Less: Unrecognised finance charges	<u>542,782,103</u>	<u>374,413,301</u>
Total	<u>3,093,196,803</u>	<u>1,142,895,591</u>

The Group leased back some of its sold machinery, equipment and constructions in progress. The sales of the assets are related to the leases, and the Group basically can ensure to buy back the asset after lease term. Therefore, the Group adopts the accounting treatment of collateral loans.

34 Provisions

<u>Name of investee</u>	31 December 2020	31 December 2019
Pending implementation of the agreement	-	16,457,010

In 2009, the Group ceased producing several products and stopped fulfilling the purchase contract related to production. Due to the indemnity incurred accordingly, the Group accrued provisions according to reasonable estimation of loss.

35 Deferred income

<i>Item</i>	<i>Balance at the beginning of the year</i>	<i>Additions during the year</i>	<i>Amounts recognised in other income</i>	<i>Other changes</i>	<i>Balance at the end of the year</i>
Related to assets	1,959,522,274	1,420,632,945	(310,532,631)	(222,882,969)	2,846,739,619
Related to income	244,878,292	1,628,055,408	(471,110,335)	(2,331,516)	1,399,491,849
Total	2,204,400,566	3,048,688,353	(781,642,966)	(225,214,485)	4,246,231,468

36 Other non-current liabilities

<i>Item</i>	<i>Note</i>	31 December 2020	31 December 2019
Contribution of non-controlling interests with redemption provisions	(1)	3,710,474,960	3,699,127,228
Deferred VAT for imported equipment		1,472,958,998	4,409,269,015
Others		76,567,485	92,146,169
Total		5,260,001,443	8,200,542,412

(1) Contribution of non-controlling interests with redemption provisions

The contribution of non-controlling interests with redemption provisions is mainly due to the redemption obligation of the Company to the non-controlling interests of Fuzhou BOE and BOE Smart Retail (Hong Kong) Co., Ltd. The Company recognises the above non-controlling interests contribution as a financial liability which is subsequently measured at the cost of amortisation. The carrying amount as at 31 December 2020 is RMB 3,710,474,960.

37 Share capital

	<i>Balance at the beginning of the year</i>	<i>Balance at the end of the year</i>
Total shares	<u>34,798,398,763</u>	<u>34,798,398,763</u>

38 Other equity instruments

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

<i>Outstanding financial instruments</i>	<i>Issuance date</i>	<i>Accounting classification</i>	<i>Interest rate</i>	<i>Issuance price</i>	<i>Quantity</i>	<i>Amount</i>	<i>Maturity date or renewal status</i>	<i>Conditions for conversion</i>	<i>Conversion status</i>
19BOEY1	29 October 2019	Equity instrument	4.0%	RMB 100/bond	80 million	RMB 8 billion	3+N years	Not Applicable	Not Applicable
20BOEY1	28 February 2020	Equity instrument	3.6%	RMB 100/bond	20 million	RMB 2 billion	3+N years	Not Applicable	Not Applicable
20BOEY2	19 March 2020	Equity instrument	3.5%	RMB 100/bond	20 million	RMB 2 billion	3+N years	Not Applicable	Not Applicable
20BOEY3	27 April 2020	Equity instrument	3.5%	RMB 100/bond	20 million	RMB 2 billion	3+N years	Not Applicable	Not Applicable
Total					<u>140 million</u>	<u>RMB 14 billion</u>			

(2) Major terms

On 29 October 2019, with the approval document No. 1801 [2019] of the China Securities Regulatory Commission (“CSRC”), the Company successfully issued a renewable corporate bond to qualified investors. The full name of the bond was Renewable Corporate Bond Publicly Issued by BOE Technology Group Co., Ltd. (to qualified investors) in 2019 (the First Phase), which referred to as 19BOEY1 (“2019 bond”); on 28 February 2020, 19 March 2020 and 27 April 2020, the Company issued renewable corporate bonds to qualified investors. The full name of these bonds was Renewable Corporate Bond Publicly Issued by BOE Technology Group Co., Ltd. (to qualified investors) in 2020, which referred to as 20BOEY1、20BOEY2、20BOEY3 respectively (“2020 bond”).

Both 2019 bond and 2020 bond have a base term of 3 years and take every three interest-bearing years as a period. The Company is entitled to choose to extend the maturity by 1 period at the end of the agreed base term or at the end of each extended period, or choose to fully redeem the 2019 bond and 2020 bond at the end of the period. The nominal interest rate of the 2019 bond and 2020 bond is fixed during the first period, and then is reset once every period. The nominal interest rate in the first period is the initial benchmark interest rate plus the initial spread, and the nominal interest rate in the subsequent period is adjusted to the current benchmark interest rate plus the initial spread and 300 basis points. Therefore, when the Company exercises the renewal option, the nominal interest rate will significantly increase, and the corresponding nominal interest will also increase sharply. The 2019 bond and 2020 bond have an issuer’s right to defer the payment of interest. Unless a mandatory interest payment event occurs (including distributions to ordinary shareholders and decrease of registered capital). At each interest payment date of the bonds, the Company may choose at its discretion whether to defer the payment of the current interest as well as all the deferred interests and the yields under this term until the next interest payment date without being subjected to any limit on the number of interest deferring attempts.

The actual issuance of the 2019 bond and 2020 bond amounted to RMB 14,000,000,000 in total, and the Company considers that the renewable corporate bonds do not meet the definition of financial liabilities, and therefore will charge the total amount of the issue to other equity instruments after deducting underwriting fees and other transaction costs.

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

	At the beginning of the year		Additions during the year		Accumulated interest		At the end of the year	
	Quantity	Carrying amount	Quantity	Carrying amount	Charge for the year	Paid during the year	Quantity	Carrying amount
Outstanding financial instruments								
19BOEY1	80,000,000	8,013,156,853	-	-	320,876,712	(320,000,000)	80,000,000	8,014,033,565
20BOEY1	-	-	20,000,000	1,989,179,245	61,431,233	-	20,000,000	2,050,610,478
20BOEY2	-	-	20,000,000	1,989,320,755	55,864,110	-	20,000,000	2,045,184,865
20BOEY3	-	-	20,000,000	1,989,415,094	47,753,425	-	20,000,000	2,037,168,519
Total	80,000,000	8,013,156,853	60,000,000	5,967,915,094	485,925,480	(320,000,000)	140,000,000	14,146,997,427

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

	31 December 2020	31 December 2019
Attributable to shareholders of the Company	103,276,766,835	95,058,129,055
- Equity attributable to ordinary shareholders of the Company	89,129,769,408	87,044,972,202
- Equity attributable to holders of the Company's other equity instruments	14,146,997,427	8,013,156,853
Equity attributable to non-controlling shareholders	70,120,967,879	45,999,567,919
- Equity attributable to non-controlling ordinary shareholders	70,120,967,879	45,999,567,919
- Equity attributable to non-controlling shareholders of other equity instruments	-	-

- (5) Accrued interest on holders of other equity instruments

In 2020, as the above-mentioned issued renewable corporate bonds are cumulative other equity instruments, the Company accrued interest of RMB 485,925,480 on renewable corporate bonds from undistributed profits and paid interest of RMB 320,000,000 on renewable corporate bonds.

39 Capital reserve

<i>Item</i>	<i>Note</i>	<i>Share premiums</i>	<i>Other capital reserves</i>	<i>Total</i>
Balance at the beginning of the year		37,546,517,053	806,725,311	38,353,242,364
Add: Change in shareholding ratio of subsidiaries		-	76,020,559	76,020,559
Equity-settled share-based payments	XI	-	(946,466,251)	(946,466,251)
Other movements in equity of associates	V. 11	-	7,011,400	7,011,400
Less: Disposal of subsidiaries to equity method accounting		-	46,470,087	46,470,087
Others		-	7,682,051	7,682,051
Balance at the end of the year		<u>37,546,517,053</u>	<u>(110,861,119)</u>	<u>37,435,655,934</u>

40 Treasury shares

<i>Item</i>	<i>At the beginning of the year</i>	<i>Additions during the year</i>	<i>Reductions during the year</i>	<i>At the end of the year</i>
Treasury shares	-	1,998,774,694	(962,476,186)	1,036,298,508
Total	-	1,998,774,694	(962,476,186)	1,036,298,508

According to the Proposal of Repurchase of Certain Public Shares by the Company deliberated and adopted in the fifteenth meeting of the ninth session of the Board of Directors meeting held on 27 August 2020, the Company completed repurchase of shares through centralised price bidding before 3 September 2020. The Company repurchased 349,999,933 A shares in total by paying total consideration of RMB 1,998,774,694.

The repurchased shares are placed with the designated securities account for the use of Company's repurchase, during which the Company is not entitled to have voting rights at the shareholders' general meeting, or rights of profit appropriations, increasing share capital by transfer of reserves, allotment of share and pledge etc. The repurchased shares will be used for implementing incentive plan. For shares failed to be used in this way within 36 months after being repurchased, the shares will be cancelled by performing related procedures.

As disclosed in Note XI, there is a vesting period for the restricted share incentive plans granted by the Group in 2020. If the incentive object resigns during the vesting period, the Company will repurchase the unlocked restricted shares at the exercise price. Therefore, the Company recognized a total of RMB 875,333,536 in restricted share subscription funds from restricted share incentive objects as other payables—the Repurchased obligation of restricted shares (Note V. 28 (1)) and Treasury Shares. The difference of RMB 962,476,186 between the amount paid by the Company to repurchase the above-mentioned Treasury Shares from the public market and the repurchase obligation is transferred to the Capital reserve-Other capital reserve.



41 Other comprehensive income

Item	Balance at the end of previous year attributable to shareholders of the Company	Movements during the year				Less: Transfer of other comprehensive income to retained earnings	Balance at the end of the year attributable to shareholders of the Company
		Before-tax amount	Less: Income tax expenses	Net-of-tax amount attributable to shareholders of the Company	Net-of-tax amount attributable to non- controlling interests		
Items that will not be reclassified to profit or loss	140,076,335	118,453,992	2,048,272	116,405,720	-	(195,070,158)	61,411,897
Including: Other comprehensive income recognised under equity method	308,546,648	136,381,254	-	136,381,254	-	(250,925,408)	194,002,494
Changes in fair value of investments in other equity instruments	(168,470,313)	(17,927,262)	2,048,272	(19,975,534)	-	55,855,250	(132,590,597)
Items that may be reclassified to profit or loss	(144,642,974)	49,539,936	-	61,033,005	(11,493,069)	-	(83,609,969)
Including: Other comprehensive income recognised under equity method	-	11,835	-	11,835	-	-	11,835
Translation differences arising from translation of foreign currency financial statements	(144,642,974)	49,528,101	-	61,021,170	(11,493,069)	-	(83,621,804)
<b>Total</b>	<b>(4,566,639)</b>	<b>167,993,928</b>	<b>2,048,272</b>	<b>177,438,725</b>	<b>(11,493,069)</b>	<b>(195,070,158)</b>	<b>(22,198,072)</b>

42 Surplus reserve

<i>Item</i>	<i>Balance at the beginning of the year</i>	<i>Add: Changes in accounting policies</i>	<i>Balance at the beginning of the year after adjustment</i>	<i>Additions during the year</i>	<i>Other changes during the year</i>	<i>Balance at the end of the year</i>
Statutory surplus reserve	1,226,468,400	533,906,114	1,760,374,514	373,919,158	20,451,688	2,154,745,360
Discretionary surplus reserve	289,671,309		289,671,309	-	-	289,671,309
<b>Total</b>	<u>1,516,139,709</u>	<u>533,906,114</u>	<u>2,050,045,823</u>	<u>373,919,158</u>	<u>20,451,688</u>	<u>2,444,416,669</u>

43 Retained earnings

<i>Item</i>	<i>Note</i>	<i>2020</i>	<i>2019</i>
Retained earnings at the beginning of the year (before adjustment)		12,381,758,005	N/A
Add: Changes in accounting policies		(533,906,114)	N/A
Retained earnings at the beginning of the year (after adjustment)		11,847,851,891	11,977,119,533
Add: Net profits for the year attributable to shareholders of the Company		5,035,627,952	1,918,643,871
Less: Appropriation for statutory surplus reserve		373,919,158	368,556,446
Interest on holders of other equity instruments	V. 38	485,925,480	56,109,589
Dividends to ordinary shares		695,967,975	1,043,951,963
Transfer of other comprehensive income to retained earnings	(a)	(171,164,417)	45,387,401
Effect of accounting for disposal of subsidiaries to equity method		(3,454,053)	-
Others		<u>(7,508,922)</u>	<u>-</u>
<b>Retained earnings at the end of the year</b>		<u>15,509,794,622</u>	<u>12,381,758,005</u>

According to the Annual Shareholders' Meeting for 2019 held on 29 May 2020, the Company distributed cash dividends to all shareholders on 3 July 2020, with RMB 0.2 every 10 shares (2019: RMB 0.3) and a total dividend of RMB 695,967,975 (2019: RMB 1,043,951,963) distributed.

As at 31 December 2020, the consolidated retained earnings attributable to the Company included appropriation to surplus reserves made by the Company's subsidiaries amounting to RMB 2,958,648,210 (2019: RMB 2,197,635,471).

- (a) The amounts transferred from other comprehensive income to retained earnings in 2020 includes RMB 225,832,867 of associates' gains from disposal of other equity instrument investments included in retained earnings and RMB 54,668,450 of the Group losses from disposals of other equity instrument investments included in retained earnings.

44 Operating income and operating costs

Item	2020		2019	
	Income	Cost	Income	Cost
Principal activities	131,839,051,171	107,017,283,266	112,869,129,027	96,547,463,221
Other operating activities	3,713,518,558	1,805,839,490	3,190,461,137	1,898,806,075
<b>Total</b>	<b>135,552,569,729</b>	<b>108,823,122,756</b>	<b>116,059,590,164</b>	<b>98,446,269,296</b>
Including: Income related to the new revenue standard	134,406,942,755	108,402,500,151	Not applicable	Not applicable
Revenue related to the lease standard	1,145,626,974	420,622,605	Not applicable	Not applicable

Details of operating income:

	2019
Operating income from principal activities	
- Sale of goods	112,869,129,027
Other operating income	
- Sales of raw materials	1,049,219,352
- Rental income of investment properties	1,164,355,875
- Others	976,885,910
<b>Total</b>	<b>116,059,590,164</b>

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

45 Taxes and surcharges

	2020	2019
Property tax	401,351,553	352,251,436
City maintenance and construction tax	266,845,054	190,993,833
Education surcharges and local education surcharges	192,450,398	136,854,543
Stamp duty	136,589,158	108,178,185
Land use tax	45,748,963	43,676,217
Others	35,914,959	29,146,391
<b>Total</b>	<b>1,078,900,085</b>	<b>861,100,605</b>

46 Selling and distribution expenses

	2020	2019
Warranty provisions	1,616,634,833	927,748,774
Staff costs	965,992,069	698,586,373
Logistics	73,934,798	589,504,713
Others	<u>481,157,301</u>	<u>702,025,520</u>
<b>Total</b>	<b><u>3,137,719,001</u></b>	<b><u>2,917,865,380</u></b>

47 General and administrative expenses

	2020	2019
Staff cost	2,869,736,815	2,456,007,113
Repair expense	1,658,988,344	1,221,489,432
Depreciation and amortisation	726,690,746	586,695,417
Others	<u>948,184,616</u>	<u>950,756,065</u>
<b>Total</b>	<b><u>6,203,600,521</u></b>	<b><u>5,214,948,027</u></b>

48 Research and development expenses

	2020	2019
Staff cost	3,621,724,397	2,764,095,983
Material expenses	1,395,642,077	1,517,000,923
Depreciation and amortisation	1,501,402,837	1,234,104,120
Others	<u>1,103,828,614</u>	<u>1,184,772,214</u>
<b>Total</b>	<b><u>7,622,597,925</u></b>	<b><u>6,699,973,240</u></b>

49 Financial expenses

	2020	2019
Interest expenses from loans	4,807,347,590	3,651,979,758
Less: Borrowing costs capitalised	1,309,649,881	1,126,843,549
Interest income from bank deposits	(873,376,712)	(840,190,118)
Net exchange (gains)/losses	(73,110,352)	226,570,667
Other financial expenses	<u>98,943,327</u>	<u>82,633,500</u>
<b>Total</b>	<b><u>2,650,153,972</u></b>	<b><u>1,994,150,258</u></b>

The capitalization rate used by the Group to determine the capitalization amount of borrowing costs was 1.77% - 3.81% (2019: 3.73% - 4.84%) for the year.

50 Other income

	2020	2019
Government grants related to assets	310,532,631	316,744,767
Government grants related to income	2,016,628,502	2,287,022,704
Others	<u>10,544,684</u>	<u>1,891,240</u>
Total	<u>2,337,705,817</u>	<u>2,605,658,711</u>

The amount of government subsidies received by the Group in 2020 and directly included in other income was RMB 1,545,518,167.

51 Investment income

	<i>Note</i>	2020	2019
Income from long-term equity investments accounted for using the equity method	V. 11	444,407,986	200,020,686
Investment income from disposal of long-term equity investments		280,374,469	48,846,682
Dividend income from investments in other equity instruments	V. 12	26,376,687	9,984,205
Including: Dividend income from investments in other equity instruments derecognised during the year		-	471,354
Dividend income from investments in other equity instruments held at the balance sheet date		26,376,687	9,512,851
Investment income from disposal of financial assets held for trading		18,157,931	46,195,167
Interest income from debt investments		22,213,061	19,869,375
Investment income from disposal of debt investments		10,391,153	17,704,576
Gain from remeasurement of remaining equity interests to fair value upon the loss of control	VI. 2	<u>95,969,822</u>	<u>-</u>
Total		<u>897,891,109</u>	<u>342,620,691</u>

52 Gains from changes in fair value

<i>Item</i>	<i>2020</i>	<i>2019</i>
Financial assets held for trading	31,936,339	66,473,077
Gains from changes in fair value of derivative financial liabilities	<u>-</u>	<u>71,000,000</u>
<b>Total</b>	<b><u>31,936,339</u></b>	<b><u>137,473,077</u></b>

53 Credit losses

<i>Item</i>	<i>2020</i>	<i>2019</i>
Accounts receivable	(2,339,323)	22,016,906
Other receivables	<u>511,804</u>	<u>6,245,721</u>
<b>Total</b>	<b><u>(1,827,519)</u></b>	<b><u>28,262,627</u></b>

54 Impairment losses

<i>Item</i>	<i>2020</i>	<i>2019</i>
Impairment losses of inventories	2,509,374,165	1,986,350,231
Impairment losses of fixed assets	505,201,450	160,345,034
Impairment losses of long-term equity investments	265,641,984	240,721,340
Impairment losses of goodwill	-	196,766,653
Impairment losses of contract assets	<u>207,800</u>	<u>-</u>
<b>Total</b>	<b><u>3,280,425,399</u></b>	<b><u>2,584,183,258</u></b>

55 Gains from asset disposals

<i>Item</i>	<i>2020</i>	<i>2019</i>	<i>Amount recognised in extraordinary gain and loss in 2020</i>
Gains from disposal of fixed assets	11,403,591	79,029	11,403,591
Gains from disposal of intangible assets	<u>7,658,255</u>	<u>-</u>	<u>7,658,255</u>
<b>Total</b>	<b><u>19,061,846</u></b>	<b><u>79,029</u></b>	<b><u>19,061,846</u></b>

56 Non-operating income and non-operating expenses

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

<i>Item</i>	<i>2020</i>	<i>2019</i>	<i>Amount recognised in extraordinary gain and loss in 2020</i>
Government grants	4,946,559	36,867,390	4,946,559
Others	<u>115,557,069</u>	<u>171,562,808</u>	<u>115,557,069</u>
Total	<u><u>120,503,628</u></u>	<u><u>208,430,198</u></u>	<u><u>120,503,628</u></u>

Government grants recognised in profit or loss for the current period

<i>Item</i>	<i>2020</i>	<i>2019</i>
Policy incentives and others	<u><u>4,946,559</u></u>	<u><u>36,867,390</u></u>

(2) Non-operating expenses

<i>Item</i>	<i>2020</i>	<i>2019</i>	<i>Amount recognised in extraordinary gain and loss in 2020</i>
Donations provided	13,324,588	9,985,603	13,324,588
Losses from scrapping of non-current assets	22,698,482	31,048,028	22,698,482
Others	<u>36,116,596</u>	<u>62,315,447</u>	<u>36,116,596</u>
Total	<u><u>72,139,666</u></u>	<u><u>103,349,078</u></u>	<u><u>72,139,666</u></u>

57 Income tax expenses

	<i>Note</i>	<i>2020</i>	<i>2019</i>
Current tax expense for the period based on tax law and regulations		1,547,783,003	956,184,825
Changes in deferred tax assets/liabilities	(1)	<u>16,783,243</u>	<u>23,806,679</u>
<b>Total</b>		<u><b>1,564,566,246</b></u>	<u><b>979,991,504</b></u>
 (1) The analysis of changes in deferred tax assets/liabilities is set out below:			
		<i>2020</i>	<i>2019</i>
Origination and reversal of temporary differences		<u>16,783,243</u>	<u>23,806,679</u>
 (2) Reconciliation between income tax expenses and accounting profit:			
		<i>2020</i>	<i>2019</i>
Profit before taxation		6,092,836,662	503,750,101
Expected income tax expense at tax rate of 15%		913,925,499	75,562,515
Add: Effect of different tax rates applied by subsidiaries		(26,770,857)	7,640,088
Effect of non-deductible costs, expense and losses		89,724,266	58,923,605
Effect of weighted pre-tax deduction and tax preference		(643,677,261)	(590,392,743)
Utilisation of prior year tax losses		(95,546,933)	(20,942,179)
Effect of deductible losses of deferred tax assets not recognised		515,687,922	1,358,934,997
Effect of deductible temporary differences of deferred tax assets not recognised		811,223,610	106,073,260
Effect of tax rates changes on deferred tax		<u>-</u>	<u>(15,808,039)</u>
<b>Income tax expenses</b>		<u><b>1,564,566,246</b></u>	<u><b>979,991,504</b></u>



According to Notice on Increasing the Pre-tax Deduction Ratio of Research and Development Expenses (Caishui [2018] No. 99) issued by the Ministry of Finance, the State Administration of Taxation and the Ministry of Science and Technology Finance and Taxation, in order to further encourage enterprises to increase investment in research and development, support scientific and technological innovation, the research and development expenses incurred from the research and development activities carried out by enterprises, which do not form intangible assets and are included in the current profits and losses, can be deducted in accordance with provisions, with 75% of the actual amount is deducted before tax additionally during the period from 1 January 2018 to 31 December 2020.

58 Basic earnings per share and diluted earnings per share

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

	2020	2019
Net profit attributable to the Company's shareholders	5,035,627,952	1,918,643,871
Less: Current interest of other equity instruments	485,925,480	56,109,589
Consolidated net profit attributable to ordinary shareholders of the Company	4,549,702,472	1,862,534,282
Weighted average number of ordinary shares outstanding (share)	34,684,107,122	34,798,398,763
Basic earnings per share (RMB/share)	0.13	0.05

Weighted average number of ordinary shares is calculated as follows:

	2020	2019
Issued ordinary shares at the beginning of the year	34,798,398,763	34,798,398,763
Less: Weighted average number of ordinary shares for the period	114,291,641	-
Weighted average number of ordinary shares at the end of the year	34,684,107,122	34,798,398,763

59 Supplementary information on cash flow statement

(1) Supplement to cash flow statement

	2020	2019
(a) Reconciliation of net profit to cash flows from operating activities:		
Net profits/(losses)	4,528,270,416	(476,241,403)
Add: Credit losses	(1,827,519)	28,262,627
Impairment losses	3,280,425,399	2,584,183,258
Depreciation of fixed assets and investment properties	21,680,555,167	18,357,209,097
Amortisation of intangible assets	758,817,609	505,881,147
Amortisation of long-term deferred expenses	123,440,347	123,883,157
Gains from disposal of fixed assets, intangible assets, and other long-term assets	(19,786,363)	(79,029)
Losses from scrapping of fixed assets and intangible assets	22,698,482	28,585,575
Financial expenses	3,835,299,300	2,849,179,043
Gains from changes in fair value	(31,936,339)	(137,473,077)
Investment income	(897,891,109)	(342,620,691)
Share-based payments	15,779,427	-
Change in deferred income	2,101,629,423	276,854,045
Change in deferred tax assets	43,112,673	(9,992,167)
Change in deferred tax liabilities	(26,272,475)	33,798,846
Increase in inventories	(6,687,901,867)	(2,397,146,821)
Decrease in operating payables	2,870,511,767	1,113,154,602
Increase in operating payables	<u>7,656,849,120</u>	<u>3,545,640,985</u>
Net cash flows from operating activities	<u>39,251,773,458</u>	<u>26,083,079,194</u>
(b) Net changes in cash and cash equivalents:		
	2020	2019
Cash and cash equivalents at the end of the year	68,064,736,371	50,270,321,573
Less: Cash and cash equivalents at the beginning of the year	<u>50,270,321,573</u>	<u>43,350,696,520</u>
Net increase in cash and cash equivalents	<u>17,794,414,798</u>	<u>6,919,625,053</u>

(2) Information on acquisition of subsidiaries during the year

Information on acquisition of subsidiaries:

	2020	2019
Cash and cash equivalents paid during the year for acquiring subsidiaries during the year	6,374,732,839	-
Less: Cash and cash equivalents held by subsidiaries	<u>5,433,764,430</u>	<u>33,640,033</u>
Net cash paid for acquisition of subsidiaries	<u>940,968,409</u>	<u>(33,640,033)</u>

(3) Details of cash and cash equivalents

	2020	2019
Cash on hand	401,041	538,338
Bank deposits available on demand	68,063,719,329	50,269,207,607
Other monetary funds available on demand	<u>616,001</u>	<u>575,628</u>
Closing balance of cash and cash equivalents	<u>68,064,736,371</u>	<u>50,270,321,573</u>

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

60 Assets with restrictive ownership title or right of use

<i>Item</i>	<i>Balance at the beginning of the year</i>	<i>Additions during the year</i>	<i>Decreases during the year</i>	<i>Balance at the end of the year</i>	<i>Reason for restriction</i>
Cash at bank and on hand	6,702,401,666	5,550,402,351	(6,764,704,383)	5,488,099,634	Pledged as collateral and margin deposit
Bills receivable	57,102,517	95,039,227	(91,927,587)	60,214,157	Discounted with recourse, endorsed with resource and pledged for drawing bills payable
Financial assets held for trading	24,000,000	65,254,917	(89,254,917)	-	Pledged for drawing bills payable
Accounts receivable	-	44,682,510	-	44,682,510	Factored and discounted with recourse
Investment properties	43,396,671	21,673,570	(22,111,153)	42,959,088	Mortgaged as collateral
Fixed assets	93,007,772,827	93,804,470,252	(17,839,310,716)	168,972,932,363	Mortgaged as collateral, leaseback assets
Construction in progress	57,083,458,981	24,302,781,621	(60,249,078,522)	21,137,162,080	Mortgaged as collateral
Intangible assets	<u>1,534,385,843</u>	<u>278,789,101</u>	<u>(44,134,527)</u>	<u>1,769,040,417</u>	Mortgaged as collateral
Total	<u>158,452,518,505</u>	<u>124,163,093,549</u>	<u>(85,100,521,805)</u>	<u>197,515,090,249</u>	

61 Details of provision for impairment of assets

<i>Item</i>	<i>Note</i>	<i>Balance at the beginning of the year</i> RMB	<i>Additions during the year</i> RMB	<i>Reductions during the year</i>			<i>Balance at the end of the year</i> RMB
				<i>Reversal</i> RMB	<i>Transferred out</i> RMB	<i>Translation differences</i> RMB	
Provision for impairment	V.4, 6	356,641,409	13,620,301	(15,447,820)	(285,263,362)	(2,643,494)	66,907,034
Provision for impairment of inventories	V. 7	1,812,618,989	3,826,916,751	(1,317,542,586)	(1,031,978,594)	(5,118,806)	3,284,895,754
Provision for impairment of long-term equity investments	V. 11	777,858,312	265,641,984	-	-	(14,455,477)	1,029,044,819
Provision for impairment of fixed assets	V. 14	791,695,970	505,201,450	-	(35,450,891)	-	1,261,446,529
Provision for impairment of goodwill	V. 17	201,190,529	-	-	-	-	201,190,529
Provision for impairment of contract assets	V. 8	-	207,800	-	-	-	207,800
Total		<u>3,940,005,209</u>	<u>4,611,588,286</u>	<u>(1,332,990,406)</u>	<u>(1,352,692,847)</u>	<u>(22,217,777)</u>	<u>5,843,692,465</u>

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

(a) Acquisition of Chengdu CEC Panda

In 2020, the Company increased investment in Chengdu CEC Panda by RMB 7,550,000,000 with one-time subscription and instalment payment. After the completion of capital increase, the Company held 35.0348% of equity interest in Chengdu CEC Panda. On 17 December 2020, the Company entered into Agreement of Acting in Concert with shareholders of Chengdu CEC Panda and obtained control of Chengdu CEC Panda. See Note VII.1. On 23 December 2020, Chengdu CEC Panda completed industrial and commercial modification registration procedures. As at 31 December 2020, the Company has paid a capital increase of RMB 3,020,000,000, with RMB 4,530,000,000 outstanding.

Chengdu CEC Panda is a company established in Chengdu on 7 December 2015 and is mainly engaged in research and development, production and sales of TFT-LCD panels and modules, liquid crystal display monitors, televisions, instruments, machinery equipment and accessories as well as provision of technical services. Before the acquisition, Chengdu CEC Panda was jointly established by Nanjing Huadong Electronic Information & Technology CO., Ltd., Chengdu Xihanggang Industrial Development Investment Co., Ltd., Chengdu Advanced Manufacturing Industry Investment Co., Ltd., Chengdu Shuangliu Xingrong Optoelectronic Display Industry Equity Investment Centre (Limited Partnership), Sichuan Province Integrated Circuit And Information Security Industry Investment Fund Co., Ltd. and Nanjing CEC Panda Information Industry Group Co., Ltd.

(b) Acquisition of Nanjing CEC Panda

In 2020, the Company acquired 80.831% of equity interest in Nanjing CEC Panda with the consideration of RMB 5,591,221,400. As at 15 December 2020, the Company has paid 60% of equity acquisition fee (i.e. RMB 3,354,732,839). On 24 December 2020, Nanjing CEC Panda completed industrial and commercial modification registration procedures. So far, the Company has completed the acquisition of certain equity in Nanjing CEC Panda. As at 31 December 2020, the outstanding equity acquisition fee amounted to RMB 2,236,488,561.

Nanjing CEC Panda is a company established in Nanjing 21 November 2012 and is mainly engaged in research and development, production and sales of TFT-LCD panels and colour filter, LCD whole-widgit module and accessory products. Before the acquisition, the parent company of Nanjing CEC Panda is Nanjing Huadong Electronic Information & Technology CO., Ltd. and the ultimate holding company is China Electronics Corporation.

(2) Acquisition cost and goodwill

Acquisition cost	Chengdu CEC Panda		Nanjing CEC Panda	
	Carrying amount	Fair value	Carrying amount	Fair value
Cash	3,020,000,000	3,020,000,000	3,354,732,839	3,354,732,839
Other payables			2,236,488,561	2,236,488,561
Equity interests held before acquisition date	-	-	-	-
Total acquisition cost		<u>3,020,000,000</u>		<u>5,591,221,400</u>
Less: Share of the fair value of the identifiable net assets acquired		<u>2,482,961,029</u>		<u>5,435,506,985</u>
Amount of acquisition cost more than share of the fair value of the identifiable net assets acquired		<u>537,038,971</u>		<u>155,714,415</u>

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

	Chengdu CEC Panda		Nanjing CEC Panda	
	Carrying amount	Fair value	Carrying amount	Fair value
Assets				
Current assets	5,780,578,892	5,792,754,330	3,057,319,669	3,058,434,669
Non-current assets	25,888,187,662	26,763,545,261	15,092,623,128	16,246,434,439
Liabilities				
Current liabilities	6,841,880,080	6,841,880,080	8,661,587,395	8,691,981,056
Non-current liabilities	10,227,290,745	10,227,290,745	3,888,355,404	3,888,355,404
Net assets	14,599,595,729	15,487,128,766	5,599,999,998	6,724,532,648
Less: Non-controlling interests	12,264,740,503	13,004,167,737	1,073,464,000	1,289,025,663
Net assets acquired	2,334,855,226	2,482,961,029	4,526,535,998	5,435,506,985

The Company assessed the fair value of the identifiable assets and liabilities of Chengdu CEC Panda and Nanjing CEC Panda at the acquisition date. If there is an active market for the above identifiable assets, the quoted prices in the active market are used to establish their fair value; if there is no active market, their fair values are estimated based on the market prices of the same or similar types of assets which have an active market; if there is no active market for the same asset or similar types of assets, valuation techniques are used to determine the fair value. For the above identifiable liabilities, the payable amount or the present value of the payable amount is its fair value.

## 2 Disposal of subsidiaries

### (1) Disposal of investments in subsidiaries through a single transaction resulting in loss of control

Entity name	disposal price	Shareholding being disposed (%)	Disposal method	Date of losing control	Basis for determining date of losing control	Difference between 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 investments in subsidiaries
Beijing Asahi Electronic Materials Co., Ltd.	425,000,000	100%	Listing transfer Diluted by other shareholders'	22 December 2020	Completion of industrial and commercial modification registration	251,411,452	-	-	-	-	-	-
Hunan BOE Yiyun Science & Technology Co., Ltd.	-	5.44%	capital contribution	29 December 2020	Change of articles of association of the Company	(17,507,070)	48.99%	157,660,178	253,630,000	95,969,822	Subscription price of the latest capital increase	46,470,087

The Group has a gain of RMB 251,411,452 on the loss of its control over Beijing Asahi Electronic Materials Co., Ltd., which has been included in investment income of consolidated financial statements.

The Group lost its control over Hunan BOE Yiyun Science & Technology Co., Ltd. (formerly Beijing BOE Yiyun Technology Co., Ltd.) for the capital increase of other shareholders. The Company accounted for its investment in Hunan BOE Yiyun Science & Technology Co., Ltd. (formerly Beijing BOE Yiyun Technology Co., Ltd.) in the company financial statements by using equity method instead of cost method (see Note XV.5). In the consolidated financial statements, the long-term equity investments is re-measured at its fair value at the date when control is lost (see Note V.51).

## 3 Other reasons for change of consolidation scope

The Company has set up five new subsidiaries this year, which are BOE Education Technology Co., Ltd., Dongfang Chengqi (Beijing) Business Technology Co., Ltd., BOE Innovation Investment Co., Ltd., BOE Smart Technology Co., Ltd., and Hefei BOE Xingyu Technology Co., Ltd.

VII. Interests in other entities

1 Interests in subsidiaries

(1) Composition of the Group

Name of the Subsidiary	Principal place of business	Registered place	Business nature	Registered capital	Shareholding (or similar equity interest) percentage		Acquisition method
					Direct	Indirect	
Beijing BOE Optoelectronics Technology Co., Ltd.	Beijing, China	Beijing, China	Research and development ("R&D"), design and manufacturing of TFT-LCD	USD 649,110,000	82.49%	17.51%	Founded by investment
Chengdu BOE Optoelectronics Technology Co., Ltd.	Chengdu, China	Chengdu, China	R&D, design, manufacturing, and sale of new display devices and components	RMB 25,000,000,000	100.00%	-	Business combinations involving entities not under common control
Hefei BOE Optoelectronics Technology Co., Ltd.	Hefei, China	Hefei, China	Investment, construction, R&D, production and sales of the relevant products of thin film transistor LCD and its auxiliary products.	RMB 9,000,000,000	100.00%	-	Business combinations involving entities not under common control
Beijing BOE Display Technology Co., Ltd.	Beijing, China	Beijing, China	Development of TFT-LCD, manufacturing and sale of LCD	RMB 17,882,913,500	97.17%	2.83%	Founded by investment
Hefei Xinsheng Optoelectronics Technology Co., Ltd.	Hefei, China	Hefei, China	Investment, construction, R&D, production and sales of the relevant products of thin film transistor LCD and its auxiliary products.	RMB 19,500,000,000	99.97%	0.03%	Business combinations involving entities not under common control
Ordos Yuansheng Optoelectronics Co., Ltd.	Ordos, China	Ordos, China	Manufacture and sales of AM-OLED products and auxiliary products.	RMB 11,804,000,000	100.00%	-	Founded by investment
Chongqing BOE Optoelectronics Technology Co., Ltd.	Chongqing, China	Chongqing, China	R&D, production and sales of semi-conducting display devices, complete machine and related products; import & export of goods and technology consulting.	RMB 19,226,000,000	100.00%	-	Business combinations involving entities not under common control
Fuzhou BOE Optoelectronics Technology Co., Ltd.	Fuzhou, China	Fuzhou, China	Investment, construction, R&D, production and sales of the relevant products of thin film transistor LCD and its auxiliary products.	RMB 17,600,000,000	81.25%	-	Business combinations involving entities not under common control
Beijing BOE Video Technology Co., Ltd. ("BOE Video")	Beijing, China	Beijing, China	Manufacture of LCD TV, LCD; technology development of terminal products and systems such as TFT-LCD display and TV	RMB 4,093,500,000	100.00%	-	Founded by investment
Beijing BOE Vacuum Electronics Co., Ltd.	Beijing, China	Beijing, China	Manufacture and sale of vacuum electronic products	RMB 35,000,000	55.00%	-	Founded by investment
Beijing BOE Vacuum Technology Co., Ltd.	Beijing, China	Beijing, China	Manufacture and sale of electronic tubes.	RMB 32,000,000	100.00%	-	Founded by investment



Name of the Subsidiary	Principal place of business	Registered place	Business nature	Registered capital	Shareholding (or similar equity interest) percentage		Acquisition method
					Direct	Indirect	
Beijing BOE Special Display Technology Co., Ltd.	Beijing, China	Beijing, China	Development of display products and sale of electronic products.	RMB 100,000,000	100%	-	Founded by investment
Beijing Yinghe Century Co., Ltd.	Beijing, China	Beijing, China	Management of engineering projects; real estate development; public parking lot for motor vehicles service; office lease.	RMB 233,105,200	100%	-	Founded by investment
BOE Optical Science and technology Co., Ltd.	Suzhou, China	Suzhou, China	R&D, production and sales of LCD, back light for display and related components.	RMB 826,714,059	95.17%	-	Founded by investment
BOE Hyundai LCD (Beijing) Display Technology Co., Ltd.	Beijing, China	Beijing, China	Development, manufacture and sale of liquid display for mobile termination.	USD 5,000,000	75%	-	Founded by investment
BOE (Hebei) Mobile Technology Co., Ltd.	Langfang, China	Langfang, China	Manufacture and sale of mobile flat screen display technical products and related services.	RMB 1,358,160,140	100%	-	Founded by investment
Beijing Asahi Electronic Materials Co., Ltd.*	Beijing, China	Beijing, China	Sales of TV bracket glass rod and CTV low-melting-point solder glass.	RMB 61,576,840	100%	-	Business combinations involving entities not under common control
Beijing BOE Multimedia Technology Co., Ltd.	Beijing, China	Beijing, China	Sales of computer software and hardware, digital video-audio products	RMB 400,000,000	100%	-	Founded by investment

Name of the Subsidiary	Principal place of business	Registered place	Business nature	Registered capital	Shareholding (or similar equity interest) percentage		Acquisition method
					Direct	Indirect	
Beijing BOE Energy Technology	Beijing, China	Beijing, China	Design, consultancy and service of solar cell, photovoltaic system, wind power system and solar thermal system as well as the assembly units; energy-saving service.	RMB 850,000,000	100%	-	Founded by investment
Beijing BOE Life Technology Co., Ltd. (Formerly Beijing Zhongpingxun Technology Co., Ltd.)	Beijing, China	Beijing, China	Technology promotion services, property management, sales of electronic products	RMB 24,000,000	100%	-	Founded by investment
Beijing Zhongxiangying Technologies Co., Ltd.	Beijing, China	Beijing, China	Technology promotion services, property management, sales of electronic products	RMB 100,000,000	100%	-	Founded by investment
Ordos City Haosheng Energy Investment Co., Ltd.	Ordos, China	Ordos, China	Energy investment	RMB 30,000,000	-	100%	Founded by investment
BOE Semi-conductor Co., Ltd.	Beijing, China	Beijing, China	Processing, manufacturing and sales of precision electronic components, semi-conductor devices, micro modules, microelectronic devices and electronic materials; import & export of goods	RMB 11,250,000	84%	-	Founded by investment
BOE Optoelectronics Holding Co., Ltd	Hong Kong	British Virgin Islands	Design, manufacturing and sales of electronic-information industry related products, investment and financing businesses	USD 1,000,000,000	100%	-	Founded by investment

Name of the Subsidiary	Principal place of business	Registered place	Business nature	Registered capital	Shareholding (or similar equity interest) percentage		Acquisition method
					Direct	Indirect	
BOE Healthcare Investment & Management Co., Ltd.	Beijing, China	Beijing, China	Investment management and project investment	RMB 7,300,000,000	100%	-	Business combinations involving entities not under common control
Beijing•Matsushita Colour CRT Co., Ltd. ("Matsushita Colour CRT")	Beijing, China	Beijing, China	Colour TV set, display tube, colour RPTV projection tube and materials of electronic components; property management and parking services, etc.	RMB 325,754,049	88.80%	-	Business combinations involving entities not under common control
Hefei BOE Display Technology Co., Ltd.	Hefei, China	Hefei, China	Investment, R & D and production of products related to TFT-LCD and the supporting facility	RMB 24,000,000,000	8.33%	-	Business combinations involving entities not under common control
Beijing BOE Technology Development Co., Ltd.	Beijing, China	Beijing, China	Development, transfer, consulting and service of technology	RMB 1,000,000	100%	-	Founded by investment
BOE Wisdom IOT Technology Co., Ltd. ("Wisdom IOT Technology")	Beijing, China	Beijing, China	Development, transfer, consulting, service and promotion of technology	RMB 142,000,000	100%	-	Founded by investment
Hefei BOE Zhuoyin Technology Co., Ltd.	Hefei, China	Hefei, China	Investment, construction, R&D, production and sales of products related to OLED display device and auxiliary products	RMB 800,000,000	75%	-	Founded by investment
Beijing BOE Real Estate Co., Ltd.	Beijing, China	Beijing, China	Development, construction, property management and supporting service of industrial plants and supporting facilities; information consulting of real estate; lease of commercial facilities, commercial attendants and the supporting service facilities; motor vehicles public parking service	RMB 55,420,000	70%	-	Founded by investment
Beijing BOE Marketing Co., Ltd.	Beijing, China	Beijing, China	Sales of communication equipment, hardware & software of computer and peripheral units, electronic products, equipment maintenance; development, transfer, consulting and service providing of technologies; import & export of goods and technologies, agency of import & export; manufacturing consignment of electronic products and LCD devices	RMB 50,000,000	100%	-	Founded by investment
Yunnan Chuangshijie Optoelectronic Technology Co., Ltd. (Formerly Kunming BOE Display Technology Co., Ltd.)	Yunnan, China	Yunnan, China	Development, promotion, transfer, consultation and services of display technology; computer software, hardware and network system services; the construction, operations and management of e-commerce platform; product design; conference services; undertaking exhibitions and presentation activities; computer animation design; production, R&D and sales of OLED microdisplays and AR/VR whole widget; warehousing services;	RMB 3,040,000,000	79.96%	-	Founded by investment

Name of the Subsidiary	Principal place of business	Registered place	Business nature	Registered capital	Shareholding (or similar equity interest) percentage		Acquisition method
					Direct	Indirect	
Mianyang BOE Optoelectronics Technology Co., Ltd.	Mianyang, China	Mianyang, China	R&D, production and sales of flexible AMOLED, the products are mainly used in smart phones, wearable devices, car display, AR/VR, etc.	RMB 24,000,000,000	66.67%	-	Business combinations involving entities not under common control
Beijing BOE Sensing Technology Co., Ltd.	Beijing, China	Beijing, China	Formation of X-ray sensors, microfluidic chips, biochemical chips, gene chips, security sensors, microwave antennas, biosensors, logistics network technology and other semiconductor sensors, technology testing, technical consulting, technical services, technology transfer	RMB 50,000,000	100%	-	Founded by investment
Hunan BOE Yiyun Science & Technology Co., Ltd. (Formerly Beijing BOE Yiyun Science & Technology Co., Ltd.)	Changsha, China	Changsha, China	Technology development, technology transfer, technical consulting, technical services; technology intermediary services; information system integration; basic software services; application software services; software development	RMB 400,000,000	48.99%	-	Business combinations involving entities not under common control
Wuhan BOE Optoelectronics Technology Co., Ltd. (Wuhan BOE)	Wuhan, China	Wuhan, China	Investing, researching, manufacturing and selling TFT-LCD products and accessory products	RMB 26,000,000,000	23.08%	-	Business combinations involving entities not under common control
Chongqing BOE Display Technology Co., Ltd. (Chongqing BOE Display)	Chongqing, China	Chongqing, China	R&D, manufacture and sales of semiconductor display devices, whole widget and relevant products, import and export of goods and technical consulting	RMB 6,010,000,000	38.46%	-	Business combinations involving entities not under common control
Fuzhou BOE Display Technology Co., Ltd. ("Fuzhou BOE Display")	Fuzhou, China	Fuzhou, China	R&D, production and sales of semiconductor display device-related products and related products; import or export of goods or technology; display device and component, other electronic components, and technology development, technology transfer, technical consulting, related fields related to display devices and electronic products, technical services; business management consulting; property management; house rental; machinery and equipment rental	RMB 50,000,000	43.46%	-	Business combinations involving entities not under common control

Name of the Subsidiary	Principal place of business	Registered place	Business nature	Registered capital	Shareholding (or similar equity interest) percentage		Acquisition method
					Direct	Indirect	
SES Imagotag SA Co., Ltd.	Nanterre, France	Nanterre, France	Support colour electronic paper, segment LCD, TFT-LCD display, covering ESL multi-frequency protocol, Wi-Fi, BLE and NFC; multiple communication methods, integrated electronic paper supply chain resources and downstream software around electronic shelf labels platform, image recognition and big data analytics resources to create a complete solution for the retail industry	EUR 31,516,216	-	68.48%	Business combinations involving entities not under common control
Hefei BOE Xingyu Technology Co., Ltd.	Hefei, China	Hefei, China	Investment, R&D, manufacturing and sales of direct display, sensors related to the display, back light source for LCD and supporting components; enterprise management consulting and service; house rental; equipment rental; technology development, transfer and consulting services.	USD 115,380,000	43.40%	-	Founded by investment
BOE Education Technology Co., Ltd.	Beijing, China	Beijing, China	Technology development, software development, sales of stationery, sports goods and household appliances; enterprise management, economic and trade consulting, education consulting, public relations services; natural science, engineering technology, agricultural science research and experimental development; copyright agency and process beauty creation services.	RMB 55,000,000	100%	-	Founded by investment
Dongfang Chengqi (Beijing) Business Technology Co., Ltd.	Beijing, China	Beijing, China	Technology development; sales of primary edible agricultural products; translation services, conference services; business management, real estate information consulting; ticketing agents, tourism consulting, warehousing services, public relations services, car rental; import and export of goods, technology import and export; beauty services, medical services; inbound tourism business; Internet information services.	RMB 10,000,000	100%	-	Founded by investment
BOE Innovation Investment Co., Ltd.	Beijing, China	Beijing, China	Project investment and investment management	RMB 800,000,000	100%	-	Founded by investment

Name of the Subsidiary	Principal place of business	Registered place	Business nature	Registered capital	Shareholding (or similar equity interest) percentage		Acquisition method
					Direct	Indirect	
BOE Smart Technology Co., Ltd.	Beijing, China	Beijing, China	Information system integration services; technology development, technology transfer; software development; Internet data services; real estate brokerage business; motor vehicle public parking services; conference services; project management; property management; lease of office space and commercial space; labour subcontracting; import and export of goods, technology import and export; human resource services.	RMB 800,000,000	100%	-	Founded by investment
Nanjing CEC Panda FPD Technology Co., Ltd.	Nanjing, China	Nanjing, China	R&D, production and sale of TFT-LCD panels, colour filters and LCD whole-widgit modules; providing products and business-related services, as well as other business activities related to the above; import and export of proprietary and agent commodities and technologies.	RMB 17,500,000,000	80.831%	-	Business combinations involving entities not under common control
Chengdu CEC Panda Display Technology Co., Ltd.	Sichuan, China	Sichuan, China	R&D, production and sales of TFT-LCD panels and modules, liquid crystal display monitors, televisions, instruments, machinery equipment and accessories as well as provision of technical services; foreign trade in form of import and export of goods and technology.	RMB 21,550,000,000	35.0348%	-	Business combinations involving entities not under common control

\* Beijing Asahi Electronic Materials Co., Ltd. and Hunan BOE Yiyun Science & Technology Co., Ltd. are disposed of on 22 December 2020 and 29 December 2020 respectively. See Note VI.2.

The Company signed an agreement of acting in concert with Hefei Core Screen Industrial Investment Fund (Limited Partnership) on 30 November 2016. Hefei Core Screen Industrial Investment Fund (Limited Partnership) agreed to act as a person acting in concert according to the wishes of the Company, and exercised the voting rights unconditionally and irrevocably in accordance with the opinions of the Company. Therefore, the Company's voting right ratio to Hefei Display Technology is 71.67%.

The Company signed an agreement of acting in concert with the shareholder of Wuhan BOE, Wuhan Airport Economic Development Zone Industrial Development Investment Group Co., Ltd. on 25 December 2018. Wuhan Airport Economic Development Zone Industrial Development Investment Group Co., Ltd. agreed to follow the Company's will to act as a person acting in concert, unconditionally and irrevocably exercising voting rights in accordance with the opinions of the Company, the voting rights of the Company to Wuhan BOE is 69.23%.

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

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

The Company signed an agreement of acting in concert with shareholders of Chengdu CEC Panda, Chengdu Advanced Manufacturing Industry Investment Co., Ltd., Chengdu Airport Xingcheng Investment Group Co., Ltd., and Chengdu Airport Xingcheng Construction Management Co., Ltd. on 17 December 2020. Chengdu Advanced Manufacturing Industry Investment Co., Ltd., Chengdu Airport Xingcheng Investment Group Co., Ltd., and Chengdu Airport Xingcheng Construction Management Co., Ltd. agreed to act as persons acting in concert according to the will of the Company, and exercise the voting rights unconditionally and irrevocably in accordance with the opinions of the Company. Therefore, the proportion of voting rights of the Company to Chengdu CEC Panda is 100%.

(2) Material non-wholly owned subsidiaries

Name of the Subsidiary	Proportion of ownership interest held by non-controlling interests	Profit/(loss) allocated to non-controlling interests during the year	Dividend declared to non-controlling shareholders during the year	Balance of non-controlling interests at the end of the year
Hefei Display Technology	91.67%	3,600,766	-	19,364,095,828
Mianyang BOE	33.33%	(270,861,155)	-	7,588,781,957
Wuhan BOE	76.92%	(115,879,453)	-	19,861,266,116
Chongqing BOE Display	61.54%	(88,748,272)	-	6,245,130,676

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

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

	<i>Hefei Display Technology</i>		<i>Mianyang BOE</i>		<i>Wuhan BOE</i>		<i>Chongqing BOE Display</i>	
	2020	2019	2020	2019	2020	2019	2020	2019
Current assets	13,917,088,962	11,633,732,300	5,001,552,767	3,644,261,703	11,748,881,218	3,684,026,094	4,511,835,708	5,182,267,756
Non-current assets	28,144,487,136	33,264,338,502	45,771,813,314	39,751,190,014	34,698,575,568	27,439,008,544	13,507,596,306	1,634,796,122
<b>Total assets</b>	<b>42,061,576,098</b>	<b>44,898,070,802</b>	<b>50,773,366,081</b>	<b>43,395,451,717</b>	<b>46,447,456,786</b>	<b>31,123,034,638</b>	<b>18,019,432,014</b>	<b>6,817,063,878</b>
Current liabilities	8,775,178,650	9,069,027,029	8,221,423,949	4,971,407,195	5,369,267,140	5,661,729,075	6,962,326,548	716,978,520
Non-current liabilities	12,162,697,407	14,787,288,631	19,783,319,398	17,405,543,775	15,257,510,868	7,429,662,481	909,021,819	97,980,000
<b>Total liabilities</b>	<b>20,937,876,057</b>	<b>23,856,315,660</b>	<b>28,004,743,347</b>	<b>22,376,950,970</b>	<b>20,626,778,008</b>	<b>13,091,391,556</b>	<b>7,871,348,367</b>	<b>814,958,520</b>
Operating income	15,153,402,394	11,455,196,518	1,406,636,788	110,313,244	1,775,338,449	130,054,586	355,365	169,027
Net profit/(loss)	3,927,966	(2,448,838,884)	(830,258,844)	(252,575,687)	(158,596,684)	(13,172,938)	(144,212,337)	(1,354,276)
Total comprehensive income	3,927,966	(2,448,838,884)	(830,258,844)	(252,575,687)	(158,596,684)	(13,172,938)	(144,212,337)	(1,925,302)
Cash inflow/(outflow) in operating activities	3,819,978,355	912,437,769	(1,016,864,877)	184,012,366	2,934,840,804	890,669,009	43,940,351	118,933,310



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

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

	<i>Before changes of interests</i>	<i>After changes of interests</i>
Yunnan Chuangshijie Optoelectronic Technology Co., Ltd.	69.43%	79.96%
Mianyang BOE Optoelectronics Technology Co., Ltd.	68.72%	66.67%

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

The changes in the shareholding of the Company in the owners of above-mentioned other subsidiaries were caused by the capital increase of the Company and its non-controlling interests, which results in the increase of capital reserves by RMB 76,020,559. See Note V.39.

3 Interests in associates

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

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

VIII. Risk related to financial instruments

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

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

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

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

(1) Credit risk

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

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

In respect of receivables, the Group has established a credit policy under which individual credit evaluations are performed on all customers to determine the credit limit and terms applicable to the customers. These evaluations focus on the customers' financial position, the external ratings of the customers and the record of previous transactions. Receivables are due within 15 to 120 days from the date of billing. Debtors with balances that are past due are requested to settle all outstanding balances before any further credit is granted. Normally, the Group does not obtain collateral from customers.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry or country/region in which the customers operate. Therefore, significant concentrations of credit risk primarily arise when the Group has significant exposure of the total accounts receivable and contract assets to individual customers. At the balance sheet date, the Group and the Company's accounts receivable due from the top five customers account for 33% and 0.02% of the total accounts receivable and contract assets respectively (2019: 43% and 0.07%). 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 XIII, as at 31 December 2020, the Group does not provide any external guarantees which would expose the Group to credit risk.

(2) Liquidity risk

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

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

	<i>2020 Contractual undiscounted cash flow</i>				<i>Total</i>	<i>Carrying amount of balance sheet</i>
	<i>Within 1 year or demand</i>	<i>More than 1 year but less than 3 years</i>	<i>More than 3 years but less than 5 years</i>	<i>More than 5 years</i>		
Financial liabilities						
Short-term loans	8,778,542,209	-	-	-	8,778,542,209	8,599,569,471
Bills payable	1,231,533,895	-	-	-	1,231,533,895	1,231,533,895
Accounts payable	27,164,171,682	-	-	-	27,164,171,682	27,164,171,682
Other payables	32,867,709,024	-	-	-	32,867,709,024	32,867,709,024
Non-current liabilities due within one year	25,053,537,286	-	-	-	25,053,537,286	24,500,550,121
Long-term loans	4,957,036,602	28,885,981,505	24,623,632,349	97,458,835,686	155,925,486,142	132,452,767,135
Debentures payable	14,886,375	350,772,750	85,932,140	-	451,591,265	398,971,739
Long-term payables	-	1,620,375,941	304,011,108	536,546,749	2,460,933,798	2,114,175,683
<b>Total</b>	<b>100,067,417,073</b>	<b>30,857,130,196</b>	<b>25,013,575,597</b>	<b>97,995,382,435</b>	<b>253,933,505,301</b>	<b>229,329,448,750</b>

	<i>2019 Contractual undiscounted cash flow</i>				<i>Total</i>	<i>Carrying amount of balance sheet</i>
	<i>Within 1 year or demand</i>	<i>More than 1 year but less than 3 years</i>	<i>More than 3 years but less than 5 years</i>	<i>More than 5 years</i>		
Financial liabilities						
Short-term loans	6,458,040,008	-	-	-	6,458,040,008	6,366,717,121
Bills payable	2,028,917,980	-	-	-	2,028,917,980	2,028,917,980
Accounts payable	21,183,567,553	-	-	-	21,183,567,553	21,183,567,553
Other payables	24,570,589,610	-	-	-	24,570,589,610	24,570,589,610
Non-current liabilities due within one year	19,473,884,018	-	-	-	19,473,884,018	18,849,281,019
Long-term loans	4,478,877,485	8,296,257,569	26,580,720,126	94,478,027,383	133,833,882,563	107,730,595,615
Debentures payable	14,497,753	28,995,505	330,673,806	3,556,053	377,723,117	387,878,384
Long-term payables	-	409,808,948	328,617,676	538,091,397	1,276,518,021	984,520,824
<b>Total</b>	<b>78,208,374,407</b>	<b>8,735,062,022</b>	<b>27,240,011,608</b>	<b>95,019,674,833</b>	<b>209,203,122,870</b>	<b>182,102,068,106</b>

(3) Interest rate risk

Interest-bearing financial instruments at floating 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	2020		2019	
	Effective interest rate	Amounts	Effective interest rate	Amounts
Financial assets				
- Cash at bank	0.20%~3.74%	41,745,509,216	0.20% ~ 3.74%	26,721,273,607
Financial liabilities				
- Short-term loans	0.50%~5.90%	(6,327,791,477)	0.40% - 4.35%	(4,643,502,121)
- Non-current liabilities due within one year	0%~5.29%	(12,025,528,359)	0% - 5.64%	(9,071,034,895)
- Long-term loans	0%~5.90%	(49,498,675,910)	0% - 5.64%	(59,667,474,395)
- Debentures payable	3.50%~4.55%	(398,971,739)	3.50% - 4.55%	(387,878,384)
- Long-term payables	4.17%~7.02%	(2,114,175,683)	4.24% ~ 7.09%	(984,520,824)
Total		<u>(28,619,633,952)</u>		<u>(48,033,137,012)</u>

Floating rate instruments:

Item	2020		2019	
	Effective interest rate	Amounts	Effective interest rate	Amounts
Financial assets				
- Cash at bank	0.0001%~3.90%	31,800,233,366	0.0001% ~ 3.90%	30,250,911,294
Financial liabilities				
- Short-term loans	2.02%~2.55%	(2,263,424,127)	3.56% ~ 3.92%	(1,723,215,000)
- Non-current liabilities due within one year	2.78%~5.88%	(12,128,797,769)	1.04% - 6.38%	(9,619,871,357)
- Long-term loans	1.11%~5.39%	(82,790,180,032)	3.00% ~ 6.38%	(48,063,121,220)
Total		<u>(65,382,168,562)</u>		<u>(29,155,296,283)</u>

(b) Sensitivity analysis

As at 31 December 2020, it is estimated that a general increase/decrease of 100 basis points in interest rates of floating rate instrument, with all other variables held constant, would decrease/increase the Group's net profit and equity by RMB 557,440,000 (2019: RMB 251,370,000).

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

(4) Foreign currency risk

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

- (a) The Group's exposure as at 31 December to currency risk arising from recognised foreign currency assets or liabilities is mainly denominated in US dollar. The amount of the USD exposure is net liabilities exposure USD 2,618,785,628 (2019 net liabilities exposure: USD 1,791,577,868), translated into RMB 17,087,314,344 (2019: RMB 12,498,405,521), using the spot rate at the balance sheet date. Differences resulting from the translation of the financial statements denominated in foreign currency are excluded.
- (b) The following are the exchange rates for Renminbi against US dollar applied by the Group:

	Average rate		Balance sheet date mid-spot rate	
	2020	2019	2020	2019
USD	6.7506	6.9197	6.5249	6.9762

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 333,959,173 (2019: RMB 197,336,145).

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

(5) Other price risks

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

IX. Fair value disclosure

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

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

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

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

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

Assets	Note	31 December 2020			Total
		Level 1 Fair value measurement	Level 2 Fair value measurement	Level 3 Fair value measurement	
Recurring fair value measurements					
- Financial assets held for trading Including: Structured deposits and wealth management products		-	-	4,367,201,833	4,367,201,833
	V. 2	-	-	4,367,201,833	4,367,201,833
- Investments in other equity instruments	V. 12	<u>214,214,021</u>	<u>-</u>	<u>319,431,402</u>	<u>533,645,423</u>
Total assets measured at fair value on a recurring basis		<u>214,214,021</u>	<u>-</u>	<u>4,686,633,235</u>	<u>4,900,847,256</u>

Assets	Note	31 December 2019			Total
		Level 1 Fair value measurement	Level 2 Fair value measurement	Level 3 Fair value measurement	
Recurring fair value measurements					
- Financial assets held for trading Including: Structured deposits and wealth management products		-	-	5,809,184,994	5,809,184,994
	V. 2	-	-	5,809,184,994	5,809,184,994
- Investments in other equity instruments	V. 12	<u>300,124,974</u>	<u>-</u>	<u>331,951,673</u>	<u>632,076,647</u>
Total assets measured at fair value on a recurring basis		<u>300,124,974</u>	<u>-</u>	<u>6,141,136,667</u>	<u>6,441,261,641</u>

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

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

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

Financial assets held for trading at recurring fair value within Level 3 are bank wealth management products. For wealth management products measured at fair value, the fair value is determined based on the discounted cash flow method.

Investments in other equity instruments at recurring fair value within Level 3 are unlisted equity investments held by the Group, including:

- (i) For those who raised a new round of financing in 2020, the Group used the financing price as the best estimates of their fair value;
- (ii) For other investments in other equity instruments, since the operating environment, operating conditions and financial status of the investee have not changed significantly during the year, the Group uses the book investment cost as a reasonable estimate of fair value for measurement.

During 2020, there were no changes in valuation technique of fair value. As at 31 December, there were no significant discrepancies between the book value and fair value of all the financial assets and financial liabilities except the above assets measured at fair value and the non-current assets held for sale presented in Note V.9.

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>
Beijing Electronics Holding Co., Ltd.	No. 12, Jiuxianqiao Road, Chaoyang District, Beijing	Operation and management of state-owned assets within authorisation, etc.	RMB 3,139,210,000	0.79%	18.85%	Yes

2 Information about the subsidiaries of the Company

For information about the subsidiaries of the Company, refer to Note VII.1.

3 Information about joint ventures and associates of the Company

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

<i>Name of entity</i>	<i>Relationship with the Company</i>
Beijing Nittan Electronic Co., Ltd.	Associate of the Group and the Company
TPV Display Technology (China) Limited	Associate of the Group and the Company
Shenzhen Yunyinggu Technology Co., Ltd.	Associate of the Group and the Company
Beijing Xindongneng Investment Management Co., Ltd.	Associate of the Group and the Company
BOE Houji Technology (Beijing) Co., Ltd.	Associate of the Group
Beijing Zhonglianhe Ultra HD Collaborative Technology Centre Co., Ltd.	Associate of the Group
Hefei Xin Jing Yuan Electronic Materials Co., Ltd.	Associate of the Group
Changzhou Xiruoqia Medical Technology Co., Ltd.	Subsidiary of associate of the Group



4 Information on other related parties

<i>Name of other related parties</i>	<i>Related party relationship</i>
Beijing Zhengdong Electronic Power Group Co., Ltd.	Under the same control of the ultimate holding company
Beijing NAURA Microelectronics Equipment Co., Ltd.	Under the same control of the ultimate holding company
Sevenstar Semiconductor Technologies Co., Ltd.	Under the same control of the ultimate holding company
Beijing Zhaowei Technology Development Co., Ltd.	Under the same control of the ultimate holding company
Beijing C&W Intelligent Equipment Co., Ltd.	Under the same control of the ultimate holding company
Beijing BBEF Science & Technology Co., Ltd.	Under the same control of the ultimate holding company
Beijing Yandong Microelectronic Co., Ltd.	Under the same control of the ultimate holding company
Beijing Ether Electronics Group Co., Ltd.	Under the same control of the ultimate holding company
Beijing Dongdian Industrial Development Co., Ltd.	Under the same control of the ultimate holding company
Beijing Electrical Control Jiuyi Industrial Development Company	Under the same control of the ultimate holding company
Beijing BOE Investment Development Co., Ltd.	Under the same control of the ultimate holding company
Beijing Yansong Economic and Trade Co., Ltd.	Under the same control of the ultimate holding company
Beijing Electronics Holding & SK Technology Co., Ltd.	Under the same control of the ultimate holding company
Baic Electronics Holding SK (Jiangsu) Technology Co., Ltd.	Under the same control of the ultimate holding company
Beijing Zhaowei Electronic (Group) Co., Ltd.	Under the same control of the ultimate holding company
761 Workshop (Beijing) Technology Development Co., Ltd.	Under the same control of the ultimate holding company
Beijing Electric Control Industry Investment Co., Ltd.	Under the same control of the ultimate holding company
Beijing Feiyu Micro Electronics Co., Ltd.	Under the same control of the ultimate holding company
Beijing Senju Electronic Materials Co., Ltd.	Associate of enterprise that is under the same control of the ultimate holding company
New Vision Microelectronics (Hong Kong) Limited	Associate of enterprise that is under the same control of the ultimate holding company
Beijing Electric Vehicle Co., Ltd.	Other related parties
China United Network Communications Limited	Other related parties
Hefei Yisiwei Integrated Circuit Co., Ltd.	Other related parties
Chengdu ESWIN IC Design Co., Ltd.	Other related parties
Haining Yisiwei IC Design Co., Ltd.	Other related parties

5 Transactions with related parties

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

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

The Group

<i>Nature of transaction</i>	2020	2019
Purchase of goods	698,585,167	480,284,012
Procurement of equipment	169,998,650	397,005,152
Receiving of services	<u>17,527,375</u>	<u>17,744,265</u>
Total	<u>886,111,192</u>	<u>895,033,429</u>

The Company

<i>Nature of transaction</i>	2020	2019
Purchase of goods	14,438,544	12,379,363
Receiving of services	544,225,068	844,688,884
Payment of interest expenses	<u>-</u>	<u>65,689,459</u>
Total	<u>558,663,612</u>	<u>922,757,706</u>

(2) Sale of goods/rendering of services

The Group

<i>Nature of transaction</i>	2020	2019
Sale of goods	20,817,125	2,846,583
Rendering of services	<u>4,762,316</u>	<u>4,670,427</u>
Total	<u>25,579,441</u>	<u>7,517,010</u>

The Company

<i>Nature of transaction</i>	2020	2019
Sale of goods	3,366,359	-
Rendering of services	4,406,612,262	4,635,072,473
Interest income received	<u>4,044,123</u>	<u>318,036</u>
Total	<u>4,414,022,744</u>	<u>4,635,390,509</u>

(3) Leases

(a) As the lessor

The Group

<i>Type of assets leased</i>	<i>Lease income recognised in 2020</i>	<i>Lease income recognised in 2019</i>
Investment properties	<u>1,092,879</u>	<u>1,176,283</u>

The Company

<i>Type of assets leased</i>	<i>Lease income recognised in 2020</i>	<i>Lease income recognised in 2019</i>
Investment properties	<u>66,764,268</u>	<u>63,700,904</u>

(b) As the lessee

The Group

<i>Type of assets leased</i>	<i>Lease expense recognised in 2020</i>	<i>Lease expense recognised in 2019</i>
Fixed assets	<u>2,329,933</u>	<u>3,082,942</u>

(4) Funding from related party

The Company

<i>Name of related party</i>	<i>Amount of funding</i>	<i>Inception date</i>	<i>Maturity date</i>
Funds received			
Subsidiary of the parent company	500,000,000	28/5/2019	31/12/2025
Subsidiary of the parent company	300,000,000	8/7/2020	8/7/2025
Subsidiary of the parent company	2,000,000,000	9/6/2017	31/12/2025
Subsidiary of the parent company	700,000,000	13/4/2018	31/12/2025
Subsidiary of the parent company	2,000,000,000	27/5/2019	31/12/2025
Subsidiary of the parent company	360,000,000	24/4/2020	31/12/2025
Subsidiary of the parent company	2,500,000,000	6/7/2020	6/7/2025
Subsidiary of the parent company	1,700,000,000	12/10/2020	12/10/2025
Subsidiary of the parent company	1,700,000,000	28/12/2020	28/12/2025
Subsidiary of the parent company	1,200,000,000	30/9/2015	31/12/2025
Subsidiary of the parent company	650,000,000	25/4/2018	31/12/2025
Subsidiary of the parent company	3,500,000,000	1/8/2018	31/12/2025
Subsidiary of the parent company	1,500,000,000	24/5/2019	31/12/2025
Subsidiary of the parent company	2,000,000,000	3/7/2020	3/7/2025
Subsidiary of the parent company	2,500,000,000	5/11/2020	5/11/2025
Subsidiary of the parent company	500,000,000	11/12/2020	11/12/2025
Subsidiary of the parent company	200,000,000	28/7/2017	31/12/2025
Subsidiary of the parent company	1,600,000,000	4/12/2017	31/12/2025
Subsidiary of the parent company	3,800,000,000	19/7/2018	31/12/2025
Subsidiary of the parent company	1,000,000,000	26/7/2019	31/12/2025
Subsidiary of the parent company	1,000,000,000	20/8/2020	20/8/2025
Subsidiary of the parent company	4,000,000,000	9/6/2017	31/12/2025
Subsidiary of the parent company	1,000,000,000	23/12/2016	31/12/2025
Subsidiary of the parent company	3,000,000,000	27/4/2018	31/12/2025
Subsidiary of the parent company	2,490,000,000	31/8/2018	31/12/2025
Subsidiary of the parent company	500,000,000	21/5/2019	31/12/2025
Subsidiary of the parent company	2,000,000,000	28/12/2020	28/12/2025
Subsidiary of the parent company	1,200,000,000	6/7/2020	6/7/2025
Subsidiary of the parent company	3,000,000,000	28/5/2018	31/12/2025
Subsidiary of the parent company	1,300,000,000	21/5/2019	31/12/2025
Subsidiary of the parent company	2,500,000,000	28/9/2020	28/9/2025
Subsidiary of the parent company	<u>3,280,000,000</u>	7/12/2020	7/12/2025
Total	<u>55,480,000,000</u>		

<i>Name of related party</i>	<i>Amount of funding</i>	<i>Inception date</i>	<i>Maturity date</i>
Funds provided			
Subsidiary of the parent company	50,000,000	27/3/2015	26/12/2021
Subsidiary of the parent company	30,000,000	21/1/2016	21/1/2022
Subsidiary of the parent company	15,000,000	20/1/2020	20/1/2022
Subsidiary of the parent company	200,000,000	12/10/2020	12/10/2030
Subsidiary of the parent company	100,000,000	13/12/2019	13/12/2022
Subsidiary of the parent company	150,000,000	20/12/2019	19/12/2022
Subsidiary of the parent company	100,000,000	24/12/2019	24/12/2022
Subsidiary of the parent company	200,000,000	27/4/2020	19/12/2022
Subsidiary of the parent company	50,000,000	28/4/2020	17/12/2022
Subsidiary of the parent company	300,000,000	24/11/2020	24/11/2023
Subsidiary of the parent company	1,200,000,000	5/11/2020	28/10/2023
Subsidiary of the parent company	50,000,000	13/12/2019	13/12/2022
Subsidiary of the parent company	800,000,000	17/12/2019	17/12/2022
Subsidiary of the parent company	650,000,000	20/12/2019	19/12/2022
Subsidiary of the parent company	100,000,000	24/12/2019	24/12/2022
Subsidiary of the parent company	770,000,000	19/2/2020	17/2/2023
Subsidiary of the parent company	800,000,000	30/4/2020	17/2/2023
Subsidiary of the parent company	1,490,000,000	21/10/2020	20/10/2023
Subsidiary of the parent company	500,000,000	24/11/2020	24/11/2023
Subsidiary of the parent company	250,000,000	13/12/2019	13/12/2022
Subsidiary of the parent company	450,000,000	20/12/2019	19/12/2022
Subsidiary of the parent company	50,000,000	24/12/2019	24/12/2022
Subsidiary of the parent company	150,000,000	25/12/2019	17/12/2022
Subsidiary of the parent company	400,000,000	13/12/2019	13/12/2022
Subsidiary of the parent company	120,000,000	24/12/2019	17/12/2022
Subsidiary of the parent company	180,000,000	24/12/2019	24/12/2022
Subsidiary of the parent company	70,000,000	28/4/2020	24/12/2022
Subsidiary of the parent company	130,000,000	28/4/2020	17/12/2022
Subsidiary of the parent company	500,000,000	20/11/2020	20/11/2023
Subsidiary of the parent company	800,000,000	19/2/2020	17/2/2023
Subsidiary of the parent company	170,000,000	28/2/2020	17/2/2023
Subsidiary of the parent company	1,700,000,000	20/11/2020	20/11/2023
Subsidiary of the parent company	1,800,000,000	29/10/2020	28/10/2023
Subsidiary of the parent company	<u>1,480,000,000</u>	24/11/2020	24/11/2023
Total	<u>15,805,000,000</u>		

(5) Remuneration of key management personnel

The Group and the Company

<i>Item</i>	<i>2020</i>	<i>2019</i>
Remuneration of key management personnel	<u>56,368,000</u>	<u>49,799,000</u>

The remuneration of key management personnel above does not include the one with respect to 2020 share-based payments scheme.

6 Receivables from and payables to related parties

Receivables from related parties

The Group

<i>Item</i>	<i>2020</i>		<i>2019</i>	
	<i>Book value</i>	<i>Provision for impairment</i>	<i>Book value</i>	<i>Provision for impairment</i>
Accounts receivable	38,773,536	-	1,960,247	-
Prepayments	7,678,237	-	2,259,308	-
Other receivables	14,062,445	-	603,515	-

The Company

<i>Item</i>	<i>2020</i>		<i>2019</i>	
	<i>Book value</i>	<i>Provision for impairment</i>	<i>Book value</i>	<i>Provision for impairment</i>
Accounts receivable	3,988,518,583	14,979,329	659,753,039	14,979,329
Prepayments	153,768	-	833,053	-
Dividends receivable	460,261,502	-	941,634,611	-
Other receivables	15,724,164,267	46,377,509	3,889,934,009	41,038,073
Other non-current assets	2,606,920,400	-	156,920,400	-

Payables to related parties

The Group

<i>Item</i>	<i>2020</i>	<i>2019</i>
Accounts payable	108,759,439	77,847,042
Advance payments received	6,018,519	60,990
Contract liabilities	1,604,187	-
Other payables	183,204,239	166,424,203

The Company

<i>Item</i>	<i>2020</i>	<i>2019</i>
Accounts payable	236,990,054	1,093,063
Advance payments received	8,735,465	2,108,152,470
Other payables	3,051,622,542	4,739,212,844
Other non-current liabilities	56,156,661,805	33,297,240,830

7 Commitments of the related parties

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

	<i>2020</i>	<i>2019</i>
Procurement of equipment	254,763,625	133,794,504

## XI. Share-based payments

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

### (a) Share option incentive plan

The share option incentive plan is classified into initial grant and reserved grant. The initial grant date was 21 December 2020, and the implementation was completed on 25 December 2020. The actual number of grantees was 1,988, with a number of grants of 596,229,700 shares; the number of reserved grants was 33,000,000 shares. The grant date, grant recipients, and implementation completion date, etc. are to be confirmed.

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

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

### (b) Restricted share incentive plan

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

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

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

The incentive objects involved in this share option and restricted share incentive plans are qualified employees of the Company and its subsidiaries. The Company acts as a settlement company, and the Company and its subsidiaries act as service recipients. As at 31 December 2020, the total costs recognised by the Group's equity-settled share-based payments in the consolidated financial statement was RMB 17,211,463, and the accumulated amount of capital reserve paid by equity-settled share-based payments amounted to RMB 16,009,935. In the Company's financial statements, the Company recognised its long-term equity investment of RMB 13,407,214 in its subsidiary at the fair value of the equity instruments at the grant date, and recognised expenses arising from share-based payments of RMB 3,804,249, as well as a capital reserve of RMB 17,211,463.

As at 31 December 2020, the company received a total of RMB 875,333,536 in restricted share subscription funds from restricted share incentive objects. Based on relevant provisions of the restricted share incentive plan for the service period, if the granted object resigns before the release date, the Company will repurchase the restricted shares that have not been released at the subscription price of the granted object. Please refer to Note V. 28 (1) for the repurchased obligation set out in other payables.

(1) Method for determining the fair value of equity instruments at the grant date

Share options:

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

Restricted shares:

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

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

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

XII. Capital management

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

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



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

The Group's capital structure is monitored on the basis of an adjusted net debt-to-capital ratio (total liabilities divided by total assets). The capital management strategies exerted by the Group remained unchanged from 2019. In order to maintain or adjust the ratio, the Group may adjust the amount of dividends paid to shareholders, request new loans, issue new shares, or sell assets to reduce debt.

As at 31 December 2020 and 31 December 2019, the Group's asset-liability ratios are as follows:

	2020	2019
Asset-liability ratio	59.13%	58.56%

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

XIII. Commitments and contingencies

1 Significant commitments

(1) Capital commitments

<i>The Group</i>	2020	2019
Contracts entered into but not performed or partially performed	58,885,156,561	59,347,872,614
Contracts authorised but not entered into	<u>74,192,859,943</u>	<u>102,974,551,619</u>
Total	<u>133,078,016,504</u>	<u>162,322,424,233</u>

The Group's contracts authorised but not entered into mainly included the fixed assets that Chongqing BOE Display, Fuzhou BOE Display, Health Investment and Wuhan BOE planned to purchase in subsequent years and project equipment that the Group planned to purchase in subsequent years.

<i>The Company</i>	2020	2019
Contracts entered into but not performed or partially performed	<u>39,391,365,336</u>	<u>36,732,291,172</u>

The Company's contracts entered into but not performed or partially performed mainly included guaranteed investments in Chongqing BOE Display, Fuzhou BOE Display and Health Investment.

(2) Operating lease commitments

As at 31 December, the total future minimum lease payments under non-cancellable operating leases of the Group's properties were payable as follows:

<i>Item</i>	<i>2020</i>	<i>2019</i>
Within 1 year (inclusive)	76,151,901	56,919,248
After 1 year but within 2 years (inclusive)	38,471,518	34,440,482
After 2 years but within 3 years (inclusive)	21,725,645	31,151,809
After 3 years	<u>33,043,339</u>	<u>61,129,358</u>
Total	<u>169,392,403</u>	<u>183,640,897</u>

As at 31 December 2020, the Company had no significant operating lease commitments.

2 Guarantee

(1) The Group as the guarantor

As at 31 December 2020, the Group did not have guarantees provided for external enterprises.

(2) The Company as the guarantor

At 31 December 2020, Chengdu Optoelectronics pledged its land use right with carrying amount of RMB 41,177,526, construction in progress with carrying amount of RMB 1,221,864,173, machinery and equipment with carrying amount of RMB 32,627,157,411 and plants and buildings with carrying amount of RMB 2,432,658,572 as collaterals to obtain long-term loans of USD 901,460,000 and RMB 15,717,800,000. The Company provides joint-liability guarantee for the above loans. In addition, the Company provides joint-liability guarantee for the letters of credit issued but not accepted of USD 449,008 and JPY 27,540,000 and the long-term letter of guarantee issued but not accepted of RMB 1,118,500,000.

At 31 December 2020, Yuansheng Optoelectronics pledged its plants and buildings with carrying amount of RMB 2,184,506,985, machinery and equipment with carrying amount of RMB 9,074,094,053 and land use right with carrying amount of RMB 45,644,499 as collaterals to obtain long-term loans of RMB 1,922,730,000. The Company provides joint-liability guarantee for the above loans.

At 31 December 2020, Chongqing BOE Display pledged its land use right with carrying amount of RMB 166,784,696 as collaterals to obtain long-term loans of USD 124,000,000 and RMB 1,000,000. The Company provides joint-liability guarantee for the above loans. In addition, the Company provides joint-liability guarantee for the short-term loan of USD 170,000,000 and the letters of credit issued but not accepted of USD 301,146,607 and JPY 18,938,564,000.

At 31 December 2020, Hefei Xinsheng pledged its land use right with carrying amount of RMB 113,894,779, plants and buildings with carrying amount of RMB 3,016,644,938 and equipment with carrying amount of RMB 3,528,523,204 as collaterals to obtain long-term loans of USD 268,120,000. The Company provides joint-liability guarantee for the above loans.



At 31 December 2020, Chongqing BOE pledged its land use right with carrying amount of RMB 132,311,810 and machinery and equipment and buildings with carrying amount of RMB 10,742,935,343 as collaterals to obtain long-term loans of USD 562,240,000 and RMB 255,600,000. The Company provides joint-liability guarantee for the above loans.

At 31 December 2020, Fuzhou BOE pledged its land use right with carrying amount of RMB 207,436,937, plants and buildings with carrying amount of RMB 3,069,470,678 and machinery and equipment with carrying amount of RMB 10,668,568,525 as collaterals to obtain long-term loans of USD 729,000,000 and RMB 3,450,060,000. The Company provides joint-liability guarantee for the above loans. In addition, the Company provides joint-liability guarantee for the long-term letter of guarantee issued but not accepted of RMB 720,000,000.

At 31 December 2020, Hefei Display Technology pledged its land use right with carrying amount of RMB 286,639,674, buildings with carrying amount of RMB 3,919,531,110 and machinery and equipment with carrying amount of RMB 18,739,242,411 as collaterals to obtain long-term loans of USD 1,342,090,000 and RMB 6,118,214,080. The Company provides joint-liability guarantee for the above loans. In addition, the Company provides joint-liability guarantee for the letters of credit issued but not accepted of JPY 899,600,000.

At 31 December 2020, Mianyang BOE pledged its land use right with carrying amount of RMB 384,360,333, buildings with carrying amount of RMB 111,133,982, machinery and equipment with carrying amount of RMB 23,758,696,685 and construction in progress with carrying amount of RMB 9,712,245,614 as collaterals to obtain long-term loans of USD 802,000,000 and RMB 13,182,730,000. The Company provides joint-liability guarantee for the above loans. In addition, the Company provides joint-liability guarantee for the letters of credit issued but not accepted of USD 22,911,342 and JPY 3,424,770,000 and the long-term letter of guarantee issued but not accepted of RMB 1,690,000,000.

At 31 December 2020, Wuhan BOE pledged its machinery and equipment with carrying amount of RMB 18,290,634,775, land use right with carrying amount of RMB 254,850,879 and construction in progress with carrying amount of RMB 10,092,665,066 as collaterals to obtain long-term loans of USD 1,158,000,000 and RMB 7,673,000,000. The Company provides joint-liability guarantee for the above loans. In addition, the Company provides joint-liability guarantee for the letters of credit issued but not accepted of USD 2,440,000 and JPY 3,340,856,000.

At 31 December 2020, Chengdu Hospital obtain long-term loans of RMB 999,092,146. The Company provides joint-liability guarantee for the above loans.

XIV. Segment reporting

(1) Segment reporting considerations

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

- (a) Display business — The display business integrates design and manufacturing of display devices and strives to offer TFT-LCD, AMOLED, Microdisplay and other intelligent interface devices, which develops a platform that integrates panels, modules, whole widget and services. This business focuses on providing high-quality smartphones, tablet PCs, laptops, monitors, TVs, vehicles, electronic shelf label (ESL), tiled display screens, industrial control, wearable devices, VR/AR devices, electronic tags, white goods, healthcare, mobile payment, interactive whiteboards and other intelligent display devices for customers. Besides, this business provides the most competitive whole-widget smart manufacturing services for 3C display, smart IoTs, system platform and other fields.
- (b) Smart systems innovation business — The smart systems innovation business integrates designs of system solutions. Supported by AI and big data technologies, this business focuses on soft and hard products and services and offers integrated IoT solutions of smart government affairs, urban beautification, smart transportation, smart finance, smart education, smart park and smart energy.
- (c) Smart medicine and engineering business — The smart medicine and engineering business provides professional healthcare services and features the innovative integration of medical and engineering by integrating technology and medical science. Adhering to people-centred thought, this business focuses on family, community and hospital and emphasizes developing four core businesses, such as health management, health technology, digital hospital and technology services. It strives to create interconnection among testing equipment, medical personnel and customers through healthcare IoT platform and build an intelligent health management ecosystem to provide customers with one-stop health services of "prevention-diagnosis and treatment-health care".
- (d) Sensor and application solutions business — The sensor and application solutions business integrates design and manufacturing of B2B system solutions. This business focuses on medical detection, household detection, communication and transportation, smart homes and other fields to provide customers with integrated design and manufacturing services of sensor devices; besides, this business provides sensor system solutions of medical imaging, biological detection, smart screens, microwave communication, fingerprint identification and the like, with products including flat panel X-ray detectors (FPXD), digital microfluidic chips, PDLC glass, fingerprint identification systems, etc.

- (e) Mini-LED business — The Mini-LED business integrates design and manufacturing of devices and provides Mini-LED backlight products with strong reliability and high dynamic range that allow precisely brightness adjustment for smartphones, tablet PCs, laptops, monitors, TVs and other products; besides, it provides Mini/Micro-LED display products with high brightness, strong reliability and high dynamic range for use in outdoor display, commercial display and other scenarios.
- (f) 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 business, smart systems innovation business, smart medicine & engineering integration business, sensor and application solutions business, Mini-LED business and other businesses. As these business segments manufacture and distribute different products, apply different manufacturing processes and specify in gross profit, these business segments are managed independently. The management evaluates the performance and allocates resources according to the profit of each business segment and does not take financing cost and investment income into account.

(2) Accounting policies for the measurements of reportable segments

For the purposes of assessing segment performance, the Group's management regularly reviews the revenue and expenses attributable to each reportable segment. Inter-segment sales are determined with reference to prices charged to external parties for similar orders.

	2020							Total
	Display business	Smart systems innovation business	Smart medicine & engineering integration business	Sensor and application solutions business	Mini-LED business	Others	Elimination	
Operating income	131,970,602,256	1,328,060,494	1,522,460,282	119,817,921	-	7,372,351,461	(6,760,722,685)	135,552,569,729
Operating costs	107,769,219,236	981,563,055	724,268,025	75,405,672	-	2,213,785,494	(2,941,118,726)	108,823,122,756
	2019							Total
	Display business	Smart systems innovation business	Smart medicine & engineering integration business	Sensor and application solutions business	Mini-LED business	Others	Elimination	
Operating income	113,741,071,151	821,226,259	1,357,484,752	62,748,635	-	7,320,141,513	(7,243,082,146)	116,059,590,164
Operating costs	98,329,154,262	498,624,217	668,875,829	30,963,371	-	1,681,836,505	(2,763,184,888)	98,446,269,296

The Company develops various businesses by using common assets and liabilities and therefore, it could not analyse assets and liabilities of each reportable segment respectively by business. Besides, the Group restates comparative information in 2019 according to segment reporting in 2020.

(3) Secondary segment reporting (regional segments)

- (a) The geographical information is based on the location of customers receiving services or goods.

The information of the Group's external transactions based by locations is as follows:

	<i>Operating income from external customers</i>	
	2020	2019
Chinese mainland	65,241,679,286	59,444,025,767
Other Asian countries and regions	54,895,384,319	45,030,859,656
Europe	4,804,966,123	4,511,337,220
America	10,316,934,261	6,911,922,720
Other regions	293,605,740	161,444,801
<b>Total</b>	<b>135,552,569,729</b>	<b>116,059,590,164</b>

- (b) Divided based on asset locations

The geographical location of the specified non-current assets is based on the physical location of the asset, in the case of fixed assets; the location of the operation to which they are allocated, in the case of intangible assets and goodwill; and the location of operations, in the case of interests in associates and jointly controlled enterprises. Most of the non-current assets in the Group are located in the Chinese mainland.

(4) Major customers

Operating income of display business from which is over 10% of the Group's total operating income ended up with 2 customers (2019: 2 customers). The operating income from these customers represented RMB 35,420,533,749 (2019: RMB 30,980,334,746), which was approximately 26% (2019: 27%) of the Group's total operating income.

XV. Notes to the Company's financial statements

1 Cash at bank and on hand

	2020			2019		
	<i>Amount in original currency</i>	<i>Exchange rate</i>	<i>RMB/RMB equivalents</i>	<i>Amount in original currency</i>	<i>Exchange rate</i>	<i>RMB/RMB equivalents</i>
Cash on hand						
USD	5	6.5249	31	5	6.9762	35
HKD	165	0.8416	139	165	0.8958	148
JPY	51,325	0.0632	3,244	51,325	0.0641	3,290
KRW	420,000	0.0060	2,520	420,000	0.0060	2,520
Other foreign currencies			16,662			16,943
Sub-total			22,596			22,936
Bank deposits						
RMB			2,694,966,600			1,355,519,593
USD	257,341,260	6.5249	1,679,125,986	333,055,313	6.9762	2,323,460,475
HKD	1,641,906	0.8416	1,381,828	1,972,588	0.8958	1,767,044
Sub-total			4,375,474,414			3,680,747,112
Total			4,375,497,010			3,680,770,048

Including: Total overseas deposits were equivalent to RMB 150,742 (2019: RMB 161,168).



2 Accounts receivable

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

	31 December 2020	31 December 2019
Amounts due from subsidiaries	3,988,518,583	659,753,039
Amounts due from other customers	<u>5,995,278</u>	<u>7,044,176</u>
Sub-total	3,994,513,861	666,797,215
Less: Provision for bad and doubtful debts	<u>20,301,553</u>	<u>20,264,100</u>
Total	<u><u>3,974,212,308</u></u>	<u><u>646,533,115</u></u>

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

Ageing	2020	2019
Within 1 year (inclusive)	3,813,737,996	646,534,878
Over 1 year but within 2 years (inclusive)	163,379,898	2,866,370
Over 2 years but within 3 years (inclusive)	-	-
Over 3 years	<u>17,395,967</u>	<u>17,395,967</u>
Sub-total	3,994,513,861	666,797,215
Less: Provision for bad and doubtful debts	<u>20,301,553</u>	<u>20,264,100</u>
Total	<u><u>3,974,212,308</u></u>	<u><u>646,533,115</u></u>

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

(3) Accounts receivable by provisioning method

Category	2020				Carrying amount
	Book value		Provision for impairment		
	Amount	Percentage (%)	Amount	Percentage (%)	
Individual assessment					
- Customers with high credit risk	5,283,008	0%	5,283,008	100%	-
- Customers with low credit risk	3,988,518,583	100%	14,979,329	0%	3,973,539,254
Collective assessment					
- Customers with moderate credit risk	<u>712,270</u>	0%	<u>39,216</u>	6%	<u>673,054</u>
Total	<u><u>3,994,513,861</u></u>	100%	<u><u>20,301,553</u></u>	1%	<u><u>3,974,212,308</u></u>

Category	Book value		2019 Provision for impairment		Carrying amount
	Amount	Percentage (%)	Amount	Percentage (%)	
	Individual assessment				
- Customers with high credit risk	5,283,008	1%	5,283,008	100%	-
- Customers with low credit risk	660,348,948	99%	14,979,329	2%	645,369,619
Collective assessment					
- Customers with moderate credit risk	<u>1,165,259</u>	0%	<u>1,763</u>	0%	<u>1,163,496</u>
Total	<u>666,797,215</u>	100%	<u>20,264,100</u>	3%	<u>646,533,115</u>

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

	2020	2019
Balance at the beginning of the year	20,264,100	2,889,866
Charge during the year	37,453	17,416,444
Written-off during the year	<u>-</u>	<u>42,210</u>
Balance at the end of the year	<u>20,301,553</u>	<u>20,264,100</u>

For the year ended 31 December 2020, the Company had no individually significant write-off or recovery 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 3,706,332,124, amounting to 93% of the total accounts receivable at the end of the year, and no provisions for bad and doubtful debts were made at the end of the year.

3 Other receivables

	Note	31 December 2020	31 December 2019
Dividends receivable	(1)	460,261,502	941,634,611
Others	(2)	<u>15,885,213,081</u>	<u>3,885,763,483</u>
Total		<u>16,345,474,583</u>	<u>4,827,398,094</u>

(1) Dividends receivable

	31 December 2020	31 December 2019
Yinghe Century	-	572,694,778
Hefei BOE	-	350,000,000
Beijing BOE Land Co., Ltd.	-	18,939,833
Chongqing BOE Optoelectronics Technology Co., Ltd.	400,000,000	-
Beijing Electronics Zone Investment and Development Co., Ltd.	1,842,137	-
BOE (Korea) Co., Ltd.	6,125,106	-
Beijing Matsushita Colour Innovation Co., Ltd.	52,294,259	-
	<u>460,261,502</u>	<u>941,634,611</u>
<b>Total</b>	<b>460,261,502</b>	<b>941,634,611</b>

(2) Others

(a) The Company's other receivables by customer type:

<i>Customer type</i>	31 December 2020	31 December 2019
Amounts due from subsidiaries	15,710,102,798	3,889,330,494
Amounts due from other related parties	14,061,469	603,515
Amounts due from other customers	210,988,466	28,545,610
	<u>15,935,152,733</u>	<u>3,918,479,619</u>
Sub-total	<u>15,935,152,733</u>	<u>3,918,479,619</u>
Less: Provision for bad and doubtful debts	49,939,652	44,600,216
	<u>49,939,652</u>	<u>44,600,216</u>
<b>Total</b>	<b>15,885,213,081</b>	<b>3,873,879,403</b>

(b) The Company's other receivables by currency:

	2020			2019		
	<i>Amount in original currency</i>	<i>Exchange rate</i>	<i>RMB/RMB equivalents</i>	<i>Amount in original currency</i>	<i>Exchange rate</i>	<i>RMB/RMB equivalents</i>
RMB			15,935,152,733			3,930,341,042
HKD	-	-	-	25,293	0.8958	22,657
Sub-total			<u>15,935,152,733</u>			<u>3,930,363,699</u>
Less: Provision for bad and doubtful debts			49,939,652			44,600,216
			<u>49,939,652</u>			<u>44,600,216</u>
<b>Total</b>			<b>15,885,213,081</b>			<b>3,885,763,483</b>

(c) The ageing analysis of other receivables of the Company is as follows:

	2020	2019
Within 1 year (inclusive)	12,252,487,143	3,734,855,375
Over 1 year but within 2 years (inclusive)	3,610,709,401	59,484,488
Over 2 years but within 3 years (inclusive)	19,445,996	56,743,629
Over 3 years	<u>52,510,193</u>	<u>79,280,207</u>
Sub-total	<u>15,935,152,733</u>	<u>3,930,363,699</u>
Less: Provision for bad and doubtful debts	<u>49,939,652</u>	<u>44,600,216</u>
Total	<u>15,885,213,081</u>	<u>3,885,763,483</u>

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

(3) Other receivables by provisioning method

	2020				
	Book value		Provision for impairment		
	Amount	Percentage (%)	Amount	Percentage (%)	
Category					Carrying amount
Individual assessment	49,939,652	0%	49,939,652	100%	-
Collective assessment	<u>15,885,213,081</u>	100%	-	0%	<u>15,885,213,081</u>
Total	<u>15,935,152,733</u>	100%	<u>49,939,652</u>	0%	<u>15,885,213,081</u>

  

	2019				
	Book value		Provision for impairment		
	Amount	Percentage (%)	Amount	Percentage (%)	
Category					Carrying amount
Individual assessment	44,600,216	1%	44,600,216	100%	-
Collective assessment	<u>3,873,879,403</u>	99%	-	0%	<u>3,885,763,483</u>
Total	<u>3,918,479,619</u>	100%	<u>44,600,216</u>	1%	<u>3,885,763,483</u>

(e) Movements of provisions for bad and doubtful debts

	2020	2019
Balance at the beginning of the year	44,600,216	-
Charge for the year	5,339,436	45,142,306
Written-off during the year	<u>-</u>	<u>542,090</u>
Balance at the end of the year	<u>49,939,652</u>	<u>44,600,216</u>

(d) Other receivables categorised by nature

<i>Nature of other receivables</i>	<i>2020</i>	<i>2019</i>
Transaction amount	15,844,170,864	3,889,330,494
Others	<u>90,981,869</u>	<u>41,033,205</u>
Sub-total	..... 15,935,152,733	..... 3,930,363,699
Less: Provision for bad and doubtful debts	<u>49,939,652</u>	<u>44,600,216</u>
Total	<u>15,885,213,081</u>	<u>3,885,763,483</u>

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

Other receivables at the end of the year due from the top five debtors of the Company amounted to RMB 14,636,627,155 in total, most of which are borrowings. No provision is made for bad and doubtful debts after assessment.

4 Other current assets

	<i>2020</i>	<i>2019</i>
VAT on tax credits	45,621,676	17,011,521
Others	<u>132,140,042</u>	<u>92,486,376</u>
Total	<u>177,761,718</u>	<u>109,497,897</u>

5 Long-term equity investments

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

	<i>2020</i>	<i>2019</i>
Investments in subsidiaries	179,426,966,866	157,203,548,708
Investments in associates and joint ventures	<u>2,800,090,342</u>	<u>2,278,316,052</u>
Sub-total	182,227,057,208	159,481,864,760
Less: Provision for impairment	<u>92,000,000</u>	<u>92,000,000</u>
Total	<u>182,135,057,208</u>	<u>159,389,864,760</u>

In previous year, the Company made provision for impairment of investment losses in its subsidiaries, Special Display and Vacuum Technology, which amounted to RMB 60,000,000 and RMB 32,000,000 respectively.

(2) Investments in subsidiaries:

Subsidiary	Balance at the beginning of the year	Increase during the year		Decrease during the year	Balance at the end of the year	Balance of provision for impairment at the beginning of the year	Balance of provision for impairment at the end of the year
		Increase in investments	Share-based payments				
Beijing BOE Optoelectronics Technology Co., Ltd.	4,172,288,084	-	685,343	-	4,172,973,427	-	-
Chengdu BOE Optoelectronics Technology Co., Ltd.	22,703,149,991	2,300,000,000	1,344,328	-	25,004,494,319	-	-
Hefei BOE Optoelectronics Technology Co., Ltd.	9,000,000,000	-	846,416	-	9,000,846,416	-	-
Beijing BOE Display Technology Co., Ltd.	17,418,713,599	-	2,628,382	-	17,421,341,981	-	-
Hefei Xinsheng Optoelectronics Technology Co., Ltd.	20,082,979,185	-	1,039,425	-	20,084,018,610	-	-
Ordos Yuansheng Optoelectronics Co., Ltd.	11,804,000,000	-	123,592	-	11,804,123,592	-	-
Chongqing BOE Optoelectronics Technology Co., Ltd.	19,565,354,599	-	511,822	-	19,565,866,421	-	-
Fuzhou BOE Optoelectronics Technology Co., Ltd.	14,300,042,079	-	560,840	-	14,300,602,919	-	-
Beijing BOE Vision Electronic Technology Co., Ltd.	3,865,344,500	228,155,500	36,288	-	4,093,536,288	-	-
Beijing BOE Vacuum Electronics Co., Ltd.	19,250,000	-	8,410	-	19,258,410	-	-
Beijing BOE Vacuum Technology Co., Ltd.	32,000,000	-	-	-	32,000,000	32,000,000	32,000,000
Beijing BOE Special Display Technology Co., Ltd.	100,000,000	-	113,695	-	100,113,695	60,000,000	60,000,000
Beijing Yinghe Century Co., Ltd.	333,037,433	-	237,796	-	333,275,229	-	-
BOE Optical Science and technology Co., Ltd.	658,961,914	-	80,760	-	659,042,674	-	-
BBOE Hyundai LCD Inc.	31,038,525	-	143,435	-	31,181,960	-	-
BOE (Hebei) Mobile Technology Co., Ltd.	1,353,651,020	-	40,543	-	1,353,691,563	-	-
Beijing BOE Multimedia Technology Co., Ltd.	400,000,000	-	-	-	400,000,000	-	-
Beijing BOE Energy Technology Co., Ltd.	850,000,000	-	110,069	-	850,110,069	-	-
Beijing BOE Life Technology Co., Ltd.	10,000,000	-	-	-	10,000,000	-	-
Beijing Zhongxiangying Technologies Co., Ltd.	10,000,000	40,000,000	14,864	-	50,014,864	-	-
BOE Semi-conductor Co., Ltd.	9,450,000	-	-	-	9,450,000	-	-
BOE Optoelectronics Holding Co., Ltd.	2,768,662,024	443,299,514	-	-	3,211,961,538	-	-
Beijing Asahi Electronic Materials Co., Ltd.	30,888,470	-	-	(30,888,470)	-	-	-
BOE Healthcare Investment & Management Co., Ltd.	2,953,154,069	3,140,000,000	13,515	-	6,093,167,584	-	-
Hefei BOE Display Technology Co., Ltd.	1,998,765,323	-	573,616	-	1,999,338,939	-	-
Beijing BOE Technology Development Co., Ltd.	1,000,000	-	18,591	-	1,018,591	-	-
BOE Wisdom IOT Technology Co., Ltd.	90,670,000	51,330,000	344,796	-	142,344,796	-	-
Hefei BOE Zhuoyin Technology Co., Ltd.	600,000,000	-	66,764	-	600,066,764	-	-
Beijing BOE Land Co., Ltd.	7,731,474	-	21,499	-	7,752,973	-	-
Beijing BOE Sales Co., Ltd.	30,500,000	-	13,199	-	30,513,199	-	-
BOE KOREA Co., Ltd.	788,450	-	84,867	-	873,317	-	-
Kunming BOE Display Technology Co., Ltd.	670,000,000	620,830,000	88,433	-	1,290,918,433	-	-
Mianyang BOE Optoelectronics Technology Co., Ltd.	14,696,980,083	1,280,000,000	380,832	-	15,977,360,915	-	-
Beijing BOE Sensing Technology Co., Ltd.	50,000,000	-	348,624	-	50,348,624	-	-
Hunan BOE Yiyun Science & Technology Co., Ltd.	90,000,000	100,000,000	-	(190,000,000)	-	-	-
Wuhan BOE Optoelectronics Technology Co., Ltd.	4,164,560,516	1,833,990,000	332,380	-	5,998,882,896	-	-
Chongqing BOE Display Technology Co., Ltd.	2,308,857,370	1,649,934,000	190,627	-	3,958,981,997	-	-
Fuzhou BOE Display Technology Co., Ltd.	21,730,000	-	18,591	-	21,748,591	-	-
Beijing Matsushita Colour Innovation Co., Ltd.	-	-	64,903	-	64,903	-	-
BOE Innovation Investment Co., Ltd.	-	440,000,000	-	-	440,000,000	-	-
Hefei BOE Xingyu Technology Co., Ltd.	-	219,139,000	58,471	-	219,197,471	-	-
BOE Education Technology Co., Ltd.	-	25,000,000	73,981	-	25,073,981	-	-
Dongfang Chengqi (Beijing) Business Technology Co., Ltd.	-	8,000,000	-	-	8,000,000	-	-
BOE Smart Technology Co., Ltd.	-	1,440,000,000	-	-	1,440,000,000	-	-
Nanjing CEC Panda FPD Technology Co., Ltd.	-	5,591,221,400	-	-	5,591,221,400	-	-
Chengdu CEC Panda Display Technology Co., Ltd.	-	3,020,000,000	-	-	3,020,000,000	-	-
Others*	-	-	2,187,517	-	2,187,517	-	-
<b>Total</b>	<b>157,203,548,708</b>	<b>22,430,899,414</b>	<b>13,407,214</b>	<b>(220,888,470)</b>	<b>179,426,966,866</b>	<b>92,000,000</b>	<b>92,000,000</b>

\*Others are the equity incentive funds paid for subsidiaries of the subsidiaries of BOE Group to be accrued.

For information about the major subsidiaries of the Company, refer to Note VII. 1.

(3) Investments in associates:

Investee	Movements during the year							Balance at the end of the year	Balance of provision for impairment at the end of the year
	Balance at the beginning of the year	Increase in investments	Decrease in investments	Investment income under equity method	Other comprehensive income	Other equity movements	Declared distribution of cash dividends or profits		
Beijing Nissin Electronics Precision Component Co., Ltd.	483,248	-	-	(219,390)	-	-	-	263,858	-
Beijing Nittan Electronic Co., Ltd.	64,808,755	-	-	8,588,066	-	-	(2,000,000)	71,396,821	-
Erdos BOE Energy Investment Co., Ltd.	9,348,226	-	-	(1,185,089)	-	-	-	8,163,137	-
Beijing Infi-Hailin Venture Investment Co., Ltd.	663,215	-	-	503,309	-	-	-	1,166,524	-
Beijing Infi-Hailin Venture Investment (Limited Partnership)	74,384,952	-	(79,000,000)	(210,320)	5,702,455	(877,087)	-	-	-
TPV Display Technology (China) Limited	24,545,664	-	-	282,600	-	-	-	24,828,264	-
Beijing Xindongneng Investment Fund (Limited Partnership)	1,944,514,849	-	(427,412,416)	410,089,641	130,950,251	-	-	2,058,142,325	-
Beijing Xindongneng Investment Management Co., Ltd.	7,410,061	-	-	2,511,565	-	-	(2,000,000)	7,921,626	-
Shenzhen Yunyinggu Technology Co., Ltd.	12,715,084	-	-	(5,368,560)	60,150	14,504,213	-	21,910,887	-
Beijing Xloong Technologies Co., Ltd.	22,237,044	-	-	(2,470,104)	-	-	-	19,766,940	-
Beijing Innovation Industry Investment Co., Ltd.	100,363,345	100,000,000	-	3,699,909	-	-	-	204,063,254	-
Beijing Electric Control Industry Investment Co., Ltd.	16,841,609	183,000,000	-	679,994	(319,767)	81,278	-	200,283,114	-
Hunan BOE Yiyun Science & Technology Co., Ltd.	-	190,000,000	-	(27,412,408)	-	19,596,000	-	182,183,592	-
<b>Total</b>	<b>2,278,316,052</b>	<b>473,000,000</b>	<b>(506,412,416)</b>	<b>389,489,213</b>	<b>136,393,089</b>	<b>33,304,404</b>	<b>(4,000,000)</b>	<b>2,800,090,342</b>	<b>-</b>

## 6 Intangible assets

	<i>Land use rights</i>	<i>Patent and proprietary technology</i>	<i>Computer software</i>	<i>Others</i>	<i>Total</i>
<b>Book value</b>					
Balance at the beginning of the year	794,939,047	1,102,554,707	299,265,973	79,529,998	2,276,289,725
Additions during the year					
- Purchases	-	-	11,893,193	4,797,580	16,690,773
- Transfers from construction in progress	-	-	62,998,261	-	62,998,261
Balance at the end of the year	<u>794,939,047</u>	<u>1,102,554,707</u>	<u>374,157,427</u>	<u>84,327,578</u>	<u>2,355,978,759</u>
<b>Less: Accumulated amortisation</b>					
Balance at the beginning of the year	52,495,508	595,845,951	133,692,030	623,972	782,657,461
Charge during the year	<u>27,738,406</u>	<u>100,343,266</u>	<u>64,907,673</u>	<u>262,126</u>	<u>193,251,471</u>
Balance at the end of the year	<u>80,233,914</u>	<u>696,189,217</u>	<u>198,599,703</u>	<u>886,098</u>	<u>975,908,932</u>
<b>Carrying amounts</b>					
At the end of the year	<u>714,705,133</u>	<u>406,365,490</u>	<u>175,557,724</u>	<u>83,441,480</u>	<u>1,380,069,827</u>
At the beginning of the year	<u>742,443,539</u>	<u>506,708,756</u>	<u>165,573,943</u>	<u>78,906,026</u>	<u>1,493,632,264</u>

## 7 Deferred tax assets/deferred tax liabilities

<i>Item</i>	<u>31 December 2020</u>		<u>31 December 2019</u>	
	<i>Deductible/(taxable) temporary differences</i>	<i>Deferred tax assets/(liabilities)</i>	<i>Deductible/(taxable) temporary differences</i>	<i>Deferred tax assets/(liabilities)</i>
<b>Deferred tax assets:</b>				
Provision for impairment of assets	185,358,501	27,803,775	179,981,612	26,997,242
Changes in fair value of investments in other equity instruments	121,789,193	18,268,379	135,444,338	20,316,651
Depreciation of fixed assets	145,995,720	21,899,358	111,653,214	16,747,982
Advance payments received	-	-	1,906,248,410	285,937,261
Others	<u>37,699,653</u>	<u>5,654,948</u>	<u>155,622,634</u>	<u>23,343,394</u>
Sub-total	<u>490,843,067</u>	<u>73,626,460</u>	<u>2,488,950,208</u>	<u>373,342,530</u>
Amount offset		<u>(73,626,460)</u>		<u>(13,074,064)</u>
Balance after offsetting		<u>-</u>		<u>360,268,466</u>
<b>Deferred tax liabilities:</b>				
Royalty fees due from subsidiaries	(2,975,000,000)	(446,250,000)	-	-
Others	<u>(87,160,432)</u>	<u>(13,074,064)</u>	<u>(87,160,432)</u>	<u>(13,074,064)</u>
Sub-total	<u>(3,062,160,432)</u>	<u>(459,324,064)</u>	<u>(87,160,432)</u>	<u>(13,074,064)</u>
Amount offset		<u>73,626,460</u>		<u>13,074,064</u>
Balance after offsetting		<u>(385,697,604)</u>		<u>-</u>



8 Advance payments received

<i>Item</i>	<i>31 December 2020</i>	<i>1 January 2020</i>	<i>31 December 2019</i>
Advances from related parties	8,735,465	110,018	2,108,152,470
Advances from third parties	<u>9,550,993</u>	<u>9,366,525</u>	<u>9,416,525</u>
Total	<u><u>18,286,458</u></u>	<u><u>9,476,543</u></u>	<u><u>2,117,568,995</u></u>

9 Employee benefits payable

(1) Employee benefits payable:

	<i>Note</i>	<i>Balance at 1 January 2020</i>	<i>Accrued during the year</i>	<i>Decreased during the year</i>	<i>Balance at 31 December 2020</i>
Short-term employee benefits	(2)	241,384,459	1,190,821,753	(924,181,005)	508,025,207
Post-employment benefits - defined contribution plans	(3)	10,821,616	66,029,897	(68,816,567)	8,034,946
Termination benefits		-	<u>6,942,728</u>	<u>(6,942,728)</u>	-
Total		<u><u>252,206,075</u></u>	<u><u>1,263,794,378</u></u>	<u><u>(999,940,300)</u></u>	<u><u>516,060,153</u></u>

	<i>Note</i>	<i>Balance at 1 January 2019</i>	<i>Accrued during the year</i>	<i>Decreased during the year</i>	<i>Balance at 31 December 2019</i>
Short-term employee benefits	(2)	191,160,309	912,098,158	(861,874,008)	241,384,459
Post-employment benefits - defined contribution plans	(3)	9,978,952	83,250,064	(82,407,400)	10,821,616
Termination benefits		-	<u>2,780,894</u>	<u>(2,780,894)</u>	-
Total		<u><u>201,139,261</u></u>	<u><u>998,129,116</u></u>	<u><u>(947,062,302)</u></u>	<u><u>252,206,075</u></u>

(2) Short-term employee benefits

	<i>Balance at 1 January 2020</i>	<i>Accrued during the year</i>	<i>Decreased during the year</i>	<i>Balance at 31 December 2020</i>
Salaries, bonuses, allowances	188,598,673	1,014,874,667	(764,036,829)	439,436,511
Staff welfare	-	45,099,922	(45,099,922)	-
Social insurance				
Medical insurance	14,688,541	38,992,104	(38,858,702)	14,821,943
Work-related injury insurance	1,104,889	2,639,691	(2,669,154)	1,075,426
Maternity insurance	1,777,726	672,235	(1,212,742)	1,237,219
Housing fund	3,854,824	55,069,148	(53,085,430)	5,838,542
Labour union fee, staff and workers' education fee	31,359,806	33,473,986	(19,218,226)	45,615,566
Others	-	-	-	-
Total	<u><u>241,384,459</u></u>	<u><u>1,190,821,753</u></u>	<u><u>(924,181,005)</u></u>	<u><u>508,025,207</u></u>

	<i>Balance at 1 January 2019</i>	<i>Accrued during the year</i>	<i>Decreased during the year</i>	<i>Balance at 31 December 2019</i>
Salaries, bonuses, allowances	149,498,505	664,206,819	(625,106,651)	188,598,673
Staff welfare	-	46,521,914	(46,521,914)	-
Social insurance				
Medical insurance	13,027,783	44,619,713	(42,958,955)	14,688,541
Work-related injury insurance	939,307	2,862,644	(2,697,062)	1,104,889
Maternity insurance	1,445,194	3,536,732	(3,204,200)	1,777,726
Housing fund	2,846,017	54,005,271	(52,996,464)	3,854,824
Labour union fee, staff and workers' education fee	23,403,503	26,939,926	(18,983,623)	31,359,806
Others	-	69,405,139	(69,405,139)	-
<b>Total</b>	<b>191,160,309</b>	<b>912,098,158</b>	<b>(861,874,008)</b>	<b>241,384,459</b>

(3) Post-employment benefits - defined contribution plans

	<i>Balance at 1 January 2020</i>	<i>Accrued during the year</i>	<i>Decreased during the year</i>	<i>Balance at 31 December 2020</i>
Basic pension insurance	11,489,403	55,939,880	(59,412,804)	8,016,479
Unemployment insurance	302,098	2,775,842	(2,706,456)	371,484
Annuity	(969,885)	7,314,175	(6,697,307)	(353,017)
<b>Total</b>	<b>10,821,616</b>	<b>66,029,897</b>	<b>(68,816,567)</b>	<b>8,034,946</b>

	<i>Balance at 1 January 2019</i>	<i>Accrued during the year</i>	<i>Decreased during the year</i>	<i>Balance at 31 December 2019</i>
Basic pension insurance	9,772,407	73,613,317	(71,896,321)	11,489,403
Unemployment insurance	206,545	3,449,922	(3,354,369)	302,098
Annuity	-	6,186,825	(7,156,710)	(969,885)
<b>Total</b>	<b>9,978,952</b>	<b>83,250,064</b>	<b>(82,407,400)</b>	<b>10,821,616</b>

10 Other payables

	<i>Note</i>	<i>2020</i>	<i>2019</i>
Dividends payable		6,451,171	6,451,171
Others	(1)	6,535,467,510	5,254,019,803
<b>Total</b>		<b>6,541,918,681</b>	<b>5,260,470,974</b>

(1) Others

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

	Note	2020	2019
Amounts due to/from subsidiaries		3,050,656,626	4,739,139,471
Equity acquisition fee	VI. 1	2,236,488,561	-
Repurchase obligation of restricted shares	V. 40	875,333,536	-
Purchase of projects, equipment and intangible assets		257,829,238	345,872,758
Others		115,159,549	169,007,574
Total		<u>6,535,467,510</u>	<u>5,254,019,803</u>

(b) The Company's other payables by currency:

	2020			2019		
	Amount in original currency	Exchange rate	RMB/RMB equivalents	Amount in original currency	Exchange rate	RMB/RMB equivalents
RMB			5,042,463,687			2,257,788,363
USD	228,735,332	6.5249	1,492,475,170	414,300,937	6.9762	2,890,246,197
JPY	8,364,763	0.0632	528,653	157,972,312	0.0641	10,126,025
Total			<u>6,535,467,510</u>			<u>5,158,160,585</u>

11 Long-term loans

	2020		2019	
	RMB	Credited/ collateralised guaranteed/ pledged	RMB	Credited/ collateralised guaranteed/ pledged
Bank loans				
- RMB	46,207,924,194	Credited	38,801,142,361	Credited
Less: Long-term loans due within one year	<u>7,847,210,073</u>	Credited	<u>5,490,440,787</u>	Credited
Total	<u>38,360,714,121</u>		<u>33,310,701,574</u>	

The interest rate of RMB long-term loans for the Company ranged from 0% to 4.75% in 2020 (2019: 0% to 4.75%).

12 Deferred income

Item	Balance at the beginning of the year	Additions during the year	Amounts recognised in other income	Other changes	Balance at the end of the year
- related to assets	4,515,402,780	1,696,830	(903,180,554)	(1,696,830)	3,612,222,226
- related to income	111,990,476	11,567,200	(12,437,456)	(90,000,000)	21,120,220
Total	<u>4,627,393,256</u>	<u>13,264,030</u>	<u>(915,618,010)</u>	<u>(91,696,830)</u>	<u>3,633,342,446</u>

13 Capital reserve

<i>Item</i>	<i>Share premium</i>	<i>Other capital reserves</i>	<i>Total</i>
Balance at the beginning of the year	37,546,517,053	61,522,632	37,608,039,685
Add: Other movements in equity of associates	-	33,304,404	33,304,404
Equity-settled share-based payments	-	<u>(945,264,723)</u>	<u>(945,264,723)</u>
Balance at the end of the year	<u>37,546,517,053</u>	<u>(850,437,687)</u>	<u>36,696,079,366</u>

14 Other comprehensive income

<i>Item</i>	<u><i>Movements during the year</i></u>				<i>Balance at the end of the year</i>
	<i>Balance at the beginning of the year</i>	<i>Before-tax amount</i>	<i>Less: Income tax expense</i>	<i>Add: Transfer of other comprehensive income to retained earnings</i>	
Items that will not be reclassified to profit or loss	193,638,576	138,168,402	2,048,272	(239,057,408)	90,701,298
Including: Other comprehensive income recognised under equity method	308,766,264	136,381,254	-	(250,925,408)	194,222,110
Changes in fair value of investments in other equity instruments	(115,127,688)	1,787,148	2,048,272	11,868,000	(103,520,812)
Items that may be reclassified to profit or loss	-	11,835	-	-	11,835
Total	<u>193,638,576</u>	<u>138,180,237</u>	<u>2,048,272</u>	<u>(239,057,408)</u>	<u>90,713,133</u>

15 Retained earnings

<i>Item</i>	<i>2020</i>	<i>2019</i>
Retained earnings at the beginning of the year (before adjustment)	4,781,488,839	Not applicable
Add: Changes in accounting policies	<u>4,805,155,027</u>	Not applicable
Retained earnings at the beginning of the year (after adjustment)	9,586,643,866	2,609,929,782
Add: Net profits for the year	3,739,191,584	3,685,564,456
Less: Appropriation for statutory surplus reserve	373,919,158	368,556,446
Interest on holders of other equity instruments	485,925,480	56,109,589
Dividends to ordinary shares	695,967,975	1,043,951,963
Transfer of other comprehensive income to retained earnings	(215,151,667)	45,387,401
Effect of accounting for disposal of subsidiaries to equity method	<u>31,086,473</u>	-
Retained earnings at the end of the year	<u>11,954,088,031</u>	<u>4,781,488,839</u>

16 Operating income

<i>Item</i>	<i>2020 Income</i>	<i>2019 Income</i>
Principal activities	3,850,224,763	4,103,362,231
Other operating activities	<u>691,451,432</u>	<u>682,025,488</u>
<b>Total</b>	<b><u>4,541,676,195</u></b>	<b><u>4,785,387,719</u></b>
Including: Income related to the new revenue standard		
Revenue related to the lease standard	4,418,761,325 122,914,870	Not applicable Not applicable

Details of operating income:

	<i>2019</i>
Operating income from principal activities	
- Technology development income	4,103,362,231
Other operating income	
- Rental income of investment properties	122,723,329
- Others	<u>559,302,159</u>
<b>Total</b>	<b><u>4,785,387,719</u></b>

17 Taxes and surcharges

	<i>2020</i>	<i>2019</i>
Property tax	29,195,630	33,323,560
Land use tax	2,834,360	2,849,332
Stamp duty	7,909,675	4,682,297
City maintenance and construction tax	405,990	353,192
Education surcharges and local education surcharges	289,993	252,276
Others	<u>253,948</u>	<u>27,864</u>
<b>Total</b>	<b><u>40,889,596</u></b>	<b><u>41,488,521</u></b>

18 Research and development expenses

	2020	2019
Staff cost	686,052,717	544,087,165
Material expenses	70,093,725	74,036,997
Depreciation and amortisation	221,602,752	242,794,178
Commissioned and cooperative development	533,483,606	853,951,463
Others	<u>591,662,325</u>	<u>469,881,484</u>
<b>Total</b>	<b><u>2,102,895,125</u></b>	<b><u>2,184,751,287</u></b>

19 Financial expenses

	2020	2019
Interest expenses from loans	970,259,855	934,776,554
Interest income from bank deposits	(37,793,976)	(41,156,445)
Net exchange (income)/losses	(17,019,010)	7,509,490
Other financial expenses	<u>1,091,676</u>	<u>2,751,033</u>
<b>Total</b>	<b><u>916,538,545</u></b>	<b><u>903,880,632</u></b>

20 Other income

	2020	2019
Government grants related to assets	903,180,554	901,541,269
Government grants related to income	<u>67,808,613</u>	<u>43,858,943</u>
<b>Total</b>	<b><u>970,989,167</u></b>	<b><u>945,400,212</u></b>

The amount of government grants received by the Company in 2020 and directly included in other income was RMB 55,371,157.

21	Investment income		2020	2019
	Income from long-term equity investments accounted for using cost method		1,608,291,389	1,889,790,465
	Income from long-term equity investments accounted for using equity method		416,901,621	244,595,829
	Investment income from disposal of long-term equity investments		401,239,648	49,028,075
	Dividend income from investments in other equity instruments		3,252,444	2,354,733
	Including: Dividend income from investments in other equity instruments derecognised during the year		-	471,354
	Dividend income from investments in other equity instruments held at the balance sheet date		3,252,444	1,883,379
	Total		<u>2,429,685,102</u>	<u>2,185,769,102</u>
22	Income tax expenses			
		<i>Note</i>	2020	2019
	Current tax expense for the period based on tax law and regulations		449,586,180	313,149,954
	Changes in deferred tax assets/liabilities	(1)	<u>(198,212,508)</u>	<u>(82,338,912)</u>
	Total		<u>251,373,672</u>	<u>230,811,042</u>
(1)	The analysis of changes in deferred tax assets/liabilities is set out below:			
			2020	2019
	Origination and reversal of temporary differences		<u>(198,212,508)</u>	<u>(82,338,912)</u>
(2)	Reconciliation between income tax expenses and accounting profit:			
	<i>Item</i>		2020	2019
	Profit before taxation		3,990,565,256	3,916,375,498
	Expected income tax expense at tax rate of 15%		598,584,788	587,456,325
	Add: Non-deductible expenses		47,469,071	5,063,076
	Non-taxable income		(304,718,886)	(279,640,682)
	Tax deduction for R&D activities		(89,961,301)	(74,503,110)
	Others		-	(7,564,567)
	Income tax expenses		<u>251,373,672</u>	<u>230,811,042</u>

23 Supplementary information on cash flow statement

(1) Supplement to cash flow statement

	2020	2019
(a) Reconciliation of net profit to cash flows from operating activities:		
Net profit	3,739,191,584	3,685,564,456
Add: Credit losses	5,376,889	62,558,750
Impairment losses	-	32,000,000
Depreciation of fixed assets and investment properties	135,264,681	122,776,599
Amortisation of intangible assets	165,094,127	180,015,643
Amortisation of long-term deferred expenses	36,414,535	34,805,818
Financial expenses	1,044,078,606	996,740,951
Investment income	(2,429,685,102)	(2,185,769,102)
Changes in deferred revenue tax assets and liabilities	(196,164,236)	(69,473,918)
Increase in gross inventories	(4,686,882)	(4,646,260)
(Increase)/Decrease in operating receivables	(1,521,836,219)	465,794,325
Decrease in operating payables	<u>(857,601,770)</u>	<u>(869,099,802)</u>
Net cash inflow from operating activities	<u>115,446,213</u>	<u>2,451,267,460</u>

(b) Net changes in cash and cash equivalents:

	2020	2019
Cash and cash equivalents at the end of the year	4,360,065,216	3,680,770,048
Less: Cash and cash equivalents at the beginning of the year	<u>3,680,770,048</u>	<u>3,829,814,050</u>
Net increase/(decrease) in cash and cash equivalents	<u>679,295,168</u>	<u>(149,044,002)</u>

(2) Details of cash and cash equivalents

	2020	2019
Cash on hand	22,596	22,936
Bank deposits available on demand	<u>4,360,042,620</u>	<u>3,680,747,112</u>
Closing balance of cash and cash equivalents	<u>4,360,065,216</u>	<u>3,680,770,048</u>

Note: Cash and cash equivalents disclosed above exclude other monetary fund with restricted usage.

24 Assets with restrictive ownership title

As at 31 December 2020, the Company has no assets with restrictive ownership title.



XVI. Extraordinary gains and losses in 2020

	2020	2019
Investment income from disposal of long-term equity investments	376,344,290	48,846,682
Losses from disposal of non-current assets	(2,912,119)	(28,506,546)
Government grants recognised through profit or loss (excluding those that are closely related to the normal business operations of the Company and that are in compliance with national policies and are subject to constant or fixed amount according to certain standards)	2,332,107,692	2,640,634,861
Gains or losses arising from changes in fair value of financial assets held for trading, and investment income from disposal of financial assets held for trading	82,698,484	112,668,244
Reversal of provision for bad and doubtful debts of receivables assessed on an individual basis	15,447,820	1,498,805
Other non-operating income and expenses besides items above	65,391,368	96,799,305
Other items qualified as extraordinary gain and loss	Note 2	795,126,980
Less: Tax effect	<u>185,966,533</u>	<u>285,904,312</u>
<b>Total</b>	<b><u>2,683,111,002</u></b>	<b><u>3,381,164,019</u></b>
Including: Extraordinary gains affecting net profit of equity shareholders of the Company		
	2,365,173,118	3,085,437,188
Extraordinary gains affecting net profit of equity shareholders of the non-controlling shareholders		
	317,937,884	295,726,831

Note 1: Extraordinary gain and loss items listed above are presented in the amount before taxation.

Note 2: The Company's capital commitment and conversion obligations to non-controlling interests of Hefei Xinsheng are included in financial liabilities in accordance with the relevant accounting standards for financial instruments. In 2019, the Company signed an "Equity Transfer Agreement" with Hefei Heping Investment Co., Ltd. ("Hefei Heping") that the Company agreed to receive 15.3846% of equity interest in Hefei Xinsheng held by Hefei Heping, after which, Hefei Xinsheng becomes a wholly-owned subsidiary of the Company. According to the requirements of the Accounting Standard, the difference of RMB 795,126,980 between the cash payment and the book value of this financial liability is included in the current profit and loss.

XVII. Return on net assets and earnings per share

In accordance with “Regulation on the Preparation of Information Disclosures by Companies Issuing Securities No.9 – Calculation and Disclosure of the Return on Net Assets and Earnings Per Share” (2010 revised) issued by the CSRC and relevant accounting standards, the Group’s return on net assets and earnings per share are calculated as follows:

<i>Profit for the reporting period</i>	<i>Weighted average return on net assets (%)</i>	<i>Basic earnings per share</i>	<i>Diluted earnings per share</i>
Net profit attributable to the Company’s ordinary equity shareholders	5.15%	0.13	0.13
Net profit excluding extraordinary gain and loss attributable to the Company’s ordinary equity shareholders	2.47%	0.06	0.06

1 Calculation of earnings per share

(1) Basic earnings per share

For calculation of the basic earnings per share, refer to Note V.58.

(2) Basic earnings per share excluding extraordinary gain and loss

Basic earnings per share excluding extraordinary gain and loss is calculated as dividing consolidated net profit excluding extraordinary gain and loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding:

	<i>2020</i>	<i>2019</i>
Consolidated net profit attributable to ordinary shareholders of the Company	4,549,702,472	1,862,534,282
Extraordinary gains and losses attributable to ordinary shareholders of the Company	2,365,173,118	3,085,437,188
Consolidated net profit excluding extraordinary gain and loss attributable to the Company’s ordinary equity shareholders	2,184,529,354	(1,222,902,906)
Weighted average number of ordinary shares outstanding	34,684,107,122	34,798,398,763
Basic earnings per share excluding extraordinary gain and loss (RMB/share)	0.06	(0.04)

2 Calculation of weighted average return on net assets

(1) Weighted average return on net assets

Weighted average return on net assets is calculated as dividing consolidated net profit attributable to ordinary shareholders of the Company by the weighted average amount of consolidated net assets:

	2020	2019
Consolidated net profit attributable to ordinary shareholders of the Company	4,549,702,472	1,862,534,282
Weighted average amount of consolidated net assets	88,422,792,378	86,381,158,426
Weighted average return on net assets	5.15%	2.16%

Calculation of weighted average amount of consolidated net assets is as follows:

	2020	2019
Consolidated net assets at the beginning of the year	87,044,972,202	85,849,388,234
Effect of consolidated net profit attributable to ordinary shareholders of the Company	2,274,851,236	931,267,141
Effect of repurchase of treasury shares	(666,258,231)	-
Distribution of profits to ordinary shareholders	(347,983,988)	(521,975,982)
Effect of change in shareholding ratio of subsidiaries	24,957,407	4,049,092
Effect of movements in amounts attributable to ordinary shareholders of the Company	<u>92,253,752</u>	<u>183,465,298</u>
Weighted average amount of consolidated net assets	<u>88,422,792,378</u>	<u>86,446,193,783</u>

(2) Weighted average return on net assets excluding extraordinary gain and loss

Weighted average return on net assets excluding extraordinary gain and loss is calculated as dividing consolidated net profit excluding extraordinary gain and loss attributable to ordinary shareholders of the Company by the weighted average amount of consolidated net assets:

	2020	2019
Consolidated net profit excluding extraordinary gain and loss attributable to the Company's ordinary equity shareholders	2,184,529,354	(1,222,902,906)
Weighted average amount of consolidated net assets	88,422,792,378	86,446,193,783
Weighted average return on net assets excluding extraordinary gain and loss	2.47%	(1.41%)