

**BOE**

**ANNUAL REPORT 2021**

**March 2022**

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

# **Driving High-Quality Development with Innovation as the Engine**

**Chen Yanshun, Chairman of BOE**

Time flies, and a new year has once again begun. On behalf of all staff at BOE, I would like to express our most sincere gratitude and heartfelt respect to all our shareholders who have been following, accompanying and supporting us along this journey.

For BOE, the year 2021 witnessed both progress and accomplishments. In the face of the ever-changing international political and economic situation and unpredictable industrial environment, after striving with resolute fortitude, BOE successfully achieved the best business performance since the Company's incorporation. As a result, our annual revenue exceeded RMB200 billion for the first time, reaching RMB219.31 billion, an increase of 61.79% year-on-year, with net profit attributable to the Company as the parent reaching RMB25.831 billion, an increase of 412.96% year-on-year. In terms of mainstream semiconductor Display Devices business, our market share in the five major application areas of mobile phones, tablet devices, laptop PCs, monitors and televisions continued to rank first in the world. In addition, in December we achieved the milestone of successfully shipping 10 million flexible AMOLED products in a single month. Meanwhile, our IoT Innovation business also continued to make breakthroughs, with annual revenue exceeding RMB28.379 billion, a significant year-on-year increase, with outstanding development achievements in innovative devices, smart terminals, system solutions, Intelligent Car Networking, Smart Retail, Industrial IoT and other areas. Finally, in 2021, BOE was awarded the Fourth China Quality Award and ranked among the top 500 global brands of Brand Finance for the first time, further enhancing its brand reputation and influence.

Since its incorporation, BOE has adhered to the business philosophy of innovation-driven high-quality development, and continued to stimulate organizational vitality through innovation, so as to build and deepen its global competitive advantage. These achievements could not have been made without our unwavering "three insistences" in innovation.

**Insisting on technology and product innovation to serve the public with technology.** Over

the years, through respecting technology, BOE has continued to maintain high investment in R&D. In 2021, the Company's R&D expenses exceeded RMB10 billion for the first time, an increase of 31.72% year-on-year. BOE has also insisted on the global patent layout strategy of "quality-orientation while developing quantity and quality simultaneously." We have ranked among the top 10 in international patent applications for six consecutive years, and among the top 20 global organizations granted US patents for four consecutive years, at number 11 in 2021. Last year, we officially launched the first technology brand in China's semiconductor display industry, which not only marks a material milestone in the development of China's semiconductor display industry, but also ushers in a new era of "technology + branding." This is expected to lead the industry, customers and consumers into a new "visual world" that is brilliant, as well as perceptible and tangible.

**Insisting on management innovation to optimize business operations by digital means.**

Digital technology is rapidly accelerating, and has become a key technological force in driving economic and social development. Based on the strategic need to support the rapid development of the enterprise by digital means, BOE has integrated internal resources and created a special professional organization to promote the Company's digital transformation and ensure the effective implementation of the digital transformation work, while also continuously investing resources in digitalization at the Company level. Aiming at the construction of "a digital, visual BOE," we vigorously improve our digital management level and spare no effort to promote our efficient digital operation by building an end-to-end procedure system, optimizing operation mechanism, strengthening IT system support, and revitalizing data assets.

**Insisting on model innovation to create an industry model of value creation.**

Throughout its development, BOE has been actively exploring the innovation and optimization of business model and corporate structure, and is committed to maximizing operational efficiency with the most effective development model for our feedback shareholders and society as a whole. In 2021, for the Internet of Things (IoT) era, we proposed a development strategy of the "Screen-Connected IoT". This signifies our commitment to maximize our core competencies accumulated in the semiconductor display field over the years, seize the industrial opportunity of the ubiquitous presence of screens in the digital era, and continue to enhance our value creation capability by integrating additional functions into screens, placing

the screen in more scenarios, and deriving more shipping forms of screens while continuously empowering thousands of scenarios. Based on the “Screen-Connected IoT” strategy, we have also innovated the “1+4+N” development structure, the significance of which is as follows: “1” stand for the mother ship platform with the capabilities and resources of Display Devices business as the core, which is the source and origin of BOE’s transformation and development; “4” indicates the four cruiser layers of IoT innovation, namely Sensor and Solution business, the MLED business and the Smart Medical Engineering business, which are also the four main fronts of our IoT transformation; and “N” is the landing ship layer based on the “1+4” core technology products, namely the subdivided application scenarios of IoT that we are continuously exploring and cultivating, along with the specific focus of BOE’s IoT transformation development. Based on the “1+4+N” development structure, we will continue to promote the implementation of the “Screen-Connected IoT” development strategy, enhance our value creation capabilities, and continuously achieve high-quality development at our company.

BOE’s vision is to be the most respected company on earth, including becoming “the world leader in semiconductor display industry” and “a global leading player in related smart systems products and services”. We know full well that realizing this great vision requires a process and generations of BOE employees to continue forging ahead and accumulating experience. After two decades of professional cultivation, we have developed into a leader in the semiconductor display industry. In the future, we will actively play a leading role in the industry chain, continue to practice leading responsibilities, and spare no effort to promote the transformation of the display industry from cyclical to growth-oriented, thereby leading the healthy development of the industry. We have made proper arrangements in Mini/Micro LED, Micro OLED, quantum dot and light field display technologies, and will continue to guarantee resources investment to create a 30-year leading technology system, while engaging in the construction of “industrial ecological toughness,” so to ensure that the industry chain remains safe and controllable. We will also comprehensively compound BOE’s systemic competitive advantages in the global semiconductor display field, consolidate our industry position, and continuously enhance our influence in the industry.

In the current development of the IoT industry, the fourth wave of the industrial revolution is sweeping across the globe with real economy+IoT becoming a significant trend, providing us

with broad market space. Whiling leading the semiconductor display industry into a new era, BOE has determined IoT transformation as its strategic direction, and will firmly implement it. Focusing on digital and intelligent transformation, we will continue to drive integration across the business ecosystem, build an intelligent manufacturing network across the entire business chain, and drive innovation in new paths such as intelligent systems, intelligent medical engineering, and Industrial Internet. By accelerating the integration of software and hardware and system integration capabilities, continuously optimizing business models and establishing a well-suited operation system, we are well positioned to build a series of benchmark projects to set a model for the industry. With the development strategy of “Screen of Things”, we will beef up the in-depth integration of “display technology+IoT application”, i.e., to create more scenarios for display, build more screen functions, create more business forms, and empower more and more businesses and industries. We will strengthen our capability in each specialized segment scenario, significantly increase the performance contribution of the IoT Innovation business to the Company, and resolutely work toward our goal of becoming a global leading player in related smart systems products and services, with an aim to drive high-quality development of BOE and even the digital economy. I firmly believe that BOE’s future will indeed be even more glorious!

At the same time, we could not have made such achievements without the long-term trust and support of our shareholders. To share the fruits of development with our investors, BOE attaches great importance to the return of investors, in terms of both dividends and repos, and continuously provides cash dividends. Over the past three years, we have adhered to taking no less than 30% of the net profit attributable to the Company as the parent for shareholder dividends. For 2021, our Board of Directors proposed a dividend of RMB2.1 for every 10 shares, with total dividends expected to be RMB7,963 million, accounting for 30.83% of net profit attributable to the Company as the parent. At the same time, we completed RMB2,428 million of share repos, with the total shareholder returns expected to account for 40.22% of net profit attributable to the Company as the parent.

Looking ahead to 2022, as this era of change will continue accelerating and the global economic recovery faces uncertainty, both enterprises and individuals will find themselves in an increasingly complex and unpredictable world. Only with stamina and diligence can one make progress. In the face of challenges and opportunities, we at BOE will continue to insist

on our innovation-driven concept, promote our “Screen-Connected IoT” strategy to achieve immense results and benefits, and promote the Company to achieve long-term stable and high-quality development. In other words, we will keep our heads in the clouds, but our feet on the ground.

We look forward to the continuous collaboration and unwavering support of investors as we continue down our road of development. Together, let’s make progress and create a bright future for everyone.

## Part I Important Notes, Table of Contents and Definitions

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

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

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

Name	Office title	Reason for not attending the meeting in person	Proxy entrusted to attend the meeting
Song Jie	Director	Due to work	Sun Yun

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

The Board has approved a final dividend plan for the Reporting Period. Based on 37,917,560,430 shares (the total share capital minus the shares in the share repurchase account), a cash dividend of RMB2.10 (tax inclusive) per 10 shares is to be distributed to all the shareholders, with no bonus issue from either profit or capital reserves.

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

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

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## **Documents Available for Reference**

- (I) The financial statements signed and sealed by the Company's legal representative, President, Chief Financial Officer and head of the financial department (equivalent to financial manager);
- (II) The original of the Independent Auditor's Report sealed by the CPA firm and signed and sealed by the certified public accountants;
- (III) The originals of all the documents and announcements that the Company disclosed on [www.cninfo.com.cn](http://www.cninfo.com.cn) during the Reporting Period; and
- (IV) This Report disclosed in other securities markets.

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

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

**Date of the Board's approval of this Report: 30 March 2022**

## Definitions

Term	Definition
“BOE”, the “Company”, the “Group” or “we”	BOE Technology Group Co., Ltd. and its consolidated subsidiaries, except where the context otherwise requires
The cninfo website	<a href="http://www.cninfo.com.cn/">http://www.cninfo.com.cn/</a>
CSRC	The China Securities Regulatory Commission
SZSE, the Stock Exchange	The Shenzhen Stock Exchange
The Stock Listing Rules	The Stock Listing Rules of the Shenzhen Stock Exchange (Revised in 2020)
The Compliance in Operation of Main Board Listed Companies	Guideline No. 1 of the Shenzhen Stock Exchange Regarding Self-disciplinary Activities and Regulation of Listed Companies—Compliance in Operation of Main Board Listed Companies
The Articles of Association	The Articles of Association of BOE Technology Group Co., Ltd.
The Company Law	The Company Law of the People’s Republic of China
The Securities Law	The Securities Law of the People’s Republic of China
KPMG	KPMG Huazhen LLP
OLED	Organic Light Emitting Diode
LED	Light-emitting Diode
MLED	Mini/Micro LED
TFT-LCD	Thin Film Transistor Liquid Crystal Display
AMOLED	Active-matrix Organic Light Emitting Diode
Oxide	A compound of oxygen and another chemical element
Microdisplay	Microdisplay technology
IoT	Internet of Things
X-ray	A type of radiation that can pass through objects that are not transparent and make it possible to see inside them
Mini/Micro LED	Submillimeter/Micro Light Emitting Diode
IEC	International Electrotechnical Commission
EPQ	A drive technology
HSR	A frequency multiplication technology
$\alpha$ -Si	Amorphous Silicon
IGID	A display screen design form

BD Cell	BOE Dual Cell
BP	Back Plate
FHD	Full High Definition at 1920*1080
EPD	Electrophoretic Display
P0.9	Point 0.9mm
COG	Chip (Mini LED) On Glass
SMD	Surface Mount Technology
COB	Chip (Mini LED) On Board (PCB)
BT2020	HD digital video color standards issued by ITU in 2012
DCI-P3	Digital Cinema Initiatives - Protocol 3, wide color gamut standards released by the American film industry, which are widely used color standards for digital movies
Adobe RGB	Color gamut standards issued by Adobe, and RGB stands for red, green and blue
BLU	Backlight Unit
dB	Decibel
AM	Active Matrix
MNT	Monitor, generally referring to the 27~34 inch model
MNT Gaming	Monitor Gaming
ARM	Advanced RISC Machines, a 32 bits RISC processor structure, widely used in embedded system design
sRGB	standard Red Green Blue, one of the earliest color gamut standards
NTSC	Color gamut standards issued by the National Television Standards Committee of America, usually used to test the color range that a TV screen is able to cover
AIoT	Artificial Intelligence & Internet of Things
Pitch	Distance between two points
mm	Millimeter
nit	Unit for brightness

## Part II Corporate Information and Key Financial Information

### I Corporate Information

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

### II Contact Information

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

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

Stock exchange website where this Report is disclosed	<a href="http://www.szse.cn">http://www.szse.cn</a>
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Media and website where this Report is disclosed	China Securities Journal, Shanghai Securities News, Securities Times, Ta Kung Pao (HK), http://www.cninfo.com.cn/
Place where this Report is lodged	Board Secretary's Office

#### IV Changes to Company Registered Information

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

#### V Other Information

The independent audit firm hired by the Company:

Name	KPMG Huazhen LLP
Office address	8/F, East Tower 2, Oriental Plaza, 1 East Chang An Avenue, Dongcheng District, Beijing
Accountants writing signatures	Zhang Huan and Chai Jing

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

Applicable  Not applicable

Name	Office address	Representatives	Supervision period
China Securities Co., Ltd.	Room 2203, North Tower, Shanghai Securities Plaza, 528 Pudong South Road, Pudong New Area, Shanghai	Han Yong and Liao Ling	20 August 2021-31 December 2022
Hua Ying Securities Company Limited	Rooms 01-06, Wuxi Finance Center, 10 Jinrong First Road, Wuxi Economic Development Zone	Wang Qian and Wu Yi	20 August 2021-31 December 2022

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

Applicable  Not applicable

#### VI Key Financial Information

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

Yes  No

Reason for retrospective restatement:

Change of accounting policy.

Item	2021	2020		2021-over-2020 change (%)	2019	
		Before	Restated		Restated	Before
Operating revenue (RMB)	219,309,799,505.00	135,552,569,729.00	135,552,569,729.00	61.79%	116,059,590,164.00	116,059,590,164.00

Net profit attributable to the listed company's shareholders (RMB)	25,830,935,500.00	5,035,627,952.00	5,035,627,952.00	412.96%	1,918,643,871.00	1,918,643,871.00
Net profit attributable to the listed company's shareholders before exceptional gains and losses (RMB)	23,937,539,752.00	2,670,454,834.00	2,670,454,834.00	796.38%	-1,166,793,317.00	-1,166,793,317.00
Net cash generated from/used in operating activities (RMB)	62,270,556,324.00	39,251,773,458.00	39,251,773,458.00	58.64%	26,083,079,194.00	26,083,079,194.00
Basic earnings per share (RMB/share)	0.71	0.13	0.13	446.15%	0.05	0.05
Diluted earnings per share (RMB/share)	0.71	0.13	0.13	446.15%	0.05	0.05
Weighted average return on equity (%)	23.84%	5.15%	5.15%	18.69%	2.16%	2.16%
Item	31 December 2021	31 December 2020		Change of 31 December 2021 over 31 December 2020 (%)	31 December 2019	
		Before	Restated		Restated	Before
Total assets (RMB)	449,726,980,355.00	424,256,806,331.00	424,256,806,331.00	6.00%	340,412,203,308.00	340,412,203,308.00
Equity attributable to the listed company's shareholders (RMB)	142,925,547,899.00	103,276,766,835.00	103,276,766,835.00	38.39%	95,058,129,055.00	95,058,129,055.00

Reason for accounting policy change and correction of accounting error:

In accordance with the Q&A on the implementation of fixed asset repair charge issued by the Ministry of Finance, the Group recorded routine repair charges of fixed assets that do not meet the subsequent expense conditions after the capitalization of fixed assets in current profit or loss or the cost of underlying assets as incurred in accordance with the objects to be benefited, and treated such repair charges related to the production and processing of inventories in accordance with the principles for determining the cost of inventories. The Group has changed the relevant accounting policy using the retrospective adjustment method. The above change in accounting policy has no impact on the various items of major accounting data and financial indicators for 2020.

Indicate by tick mark whether the lower of the net profit attributable to the listed company's shareholders before and after exceptional gains and losses was negative for the last three accounting years, and the latest independent auditor's report indicated that there was uncertainty about the Company's ability to continue as a going concern.

Yes  No

Indicate by tick mark whether the lower of the net profit attributable to the listed company's shareholders before and after exceptional gains and losses was negative.

Yes  No

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

### 1. Net Profit and Equity under CAS and IFRS

Applicable  Not applicable

No difference for the Reporting Period.

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

Applicable  Not applicable

No difference for the Reporting Period.

## VIII Key Financial Information by Quarter

Unit: RMB

Item	Q1	Q2	Q3	Q4
Operating revenue	49,655,379,519.00	57,629,947,507.00	55,993,022,701.00	56,031,449,778.00
Net profit attributable to the listed company's shareholders	5,182,037,171.00	7,579,987,797.00	7,253,390,635.00	5,815,519,897.00
Net profit attributable to the listed company's shareholders before exceptional gains and losses	4,484,934,082.00	7,176,682,690.00	6,937,108,280.00	5,338,814,700.00
Net cash generated from/used in operating activities	14,522,832,708.00	18,222,355,631.00	12,006,193,144.00	17,519,174,841.00

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

Yes  No

## IX Exceptional Gains and Losses

Applicable  Not applicable

Unit: RMB

Item	2021	2020	2019	Note

Gain or loss on disposal of non-current assets (inclusive of impairment allowance write-offs)	174,174,600.00	373,432,171.00	20,340,136.00	N/A
Tax rebates, reductions and exemptions given with ultra vires approval or in lack of official approval documents	0.00	0.00	0.00	N/A
Government subsidies charged to current profit or loss (exclusive of government subsidies consistently given in the Company's ordinary course of business at fixed quotas or amounts as per governmental policies or standards)	2,077,537,306.00	2,332,107,692.00	2,640,634,861.00	N/A
Capital occupation charges on non-financial enterprises that are charged to current profit or loss	0.00	0.00	0.00	N/A
Gain equal to the amount by which investment costs for the Company to obtain subsidiaries, associates and joint ventures are lower than the Company's enjoyable fair value of identifiable net assets of investees when making investments	0.00	0.00	0.00	N/A
Gain or loss on non-monetary asset swaps	0.00	0.00	0.00	N/A
Gain or loss on assets entrusted to other entities for investment or management	0.00	0.00	0.00	N/A
Allowance for asset impairments due to acts of God such as natural disasters	0.00	0.00	0.00	N/A
Gain or loss on debt restructuring	0.00	0.00	0.00	N/A
Restructuring costs in staff arrangement, integration, etc.	0.00	0.00	0.00	N/A
Gain or loss on the over-fair value amount as a result of transactions with distinctly unfair prices	0.00	0.00	0.00	N/A
Current profit or loss on subsidiaries obtained in business combinations involving enterprises under common control from the period-beginning to combination dates, net	0.00	0.00	0.00	N/A
Gain or loss on contingencies that do not arise in the Company's ordinary course of business	0.00	0.00	0.00	N/A
Gain or loss on fair-value changes in held-for-trading financial assets and liabilities & income from disposal of held-for-trading financial assets and liabilities and available-for-sale financial assets (exclusive of the effective portion of hedges that arise in the Company's ordinary	121,656,142.00	82,698,484.00	112,668,244.00	N/A

course of business)				
Reversed portions of impairment allowances for receivables which are tested individually for impairment	20,304,301.00	15,447,820.00	1,498,805.00	N/A
Gain or loss on loan entrustments	0.00	0.00	0.00	N/A
Gain or loss on fair-value changes in investment property of which subsequent measurement is carried out using the fair value method	0.00	0.00	0.00	N/A
Effects of all adjustments required by taxation, accounting and other applicable laws and regulations on current profit or loss	0.00	0.00	0.00	N/A
Income from charges on entrusted management	0.00	0.00	0.00	N/A
Non-operating income and expense other than the above	90,587,512.00	65,391,368.00	96,799,305.00	N/A
Other gains and losses that meet the definition of exceptional gain/loss	0.00	0.00	795,126,980.00	N/A
Less: Income tax effects	191,362,477.00	185,966,533.00	285,904,312.00	N/A
Non-controlling interests effects (net of tax)	399,501,636.00	317,937,884.00	295,726,831.00	N/A
Total	1,893,395,748.00	2,365,173,118.00	3,085,437,188.00	--

Particulars about other gains and losses that meet the definition of exceptional gain/loss:

Applicable  Not applicable

No such cases for the Reporting Period.

Explanation of why the Company reclassifies as recurrent an exceptional gain/loss item listed in the Explanatory Announcement No.

1 on Information Disclosure for Companies Offering Their Securities to the Public—Exceptional Gain/Loss Items:

Applicable  Not applicable

No such cases for the Reporting Period.

## Part III Management Discussion and Analysis

### I Industry Overview for the Reporting Period

In 2021, the prosperity of the semiconductor display industry remained at a high level. In the first half of the year, as telecommuting, telemedicine, online education, online entertainment and other home economy stimulated the continued growth of the demand for display products, and with the lack of cores and materials, capacity shortages and other factors, the prosperity of the semiconductor display industry continued to improve. Since the beginning of the third quarter, with a slowdown in the demand for display products stimulated by the global home economy, as well as the shipping congestion, rising raw material prices and logistics costs, the downstream willingness to stock up was affected, TV products saw a structural adjustment, while the market quotation of was relatively stable by virtue of the demand from high-end business and supply concentration. In terms of industrial development, semiconductor display technology continued to show diversified development trends, OLED and small spacing LED were poised to become the new growth pole of the industry, with OLED in smart phones, smart watches and other small-size areas to further penetrate, and small spacing LED accelerating the commercialization process under the help of brand enterprises.

The "14th Five-Year Plan" included "accelerating digital development and building a digital China" as a separate chapter, making it clear that China has entered an era of digital economy represented by massive data, advanced computing power and algorithms. IoT is one of the important infrastructures in the digital economy era. 5G, artificial intelligence, edge computing, big data and other technology applications are accelerating iterative development, speeding up the construction of the ecology of the Internet of Everything (IoE) and promoting the rapid development of demand-side scenarios. Currently, the development of demand-side scenarios is dominated by exploratory implementation in the consumer services market, such as smart screens, smart whole products, smart homes and other smart terminal products, which have achieved first-mover advantages supported by mature technology and growing demand for intelligence, with product shipments and market scale continuing to expand. As the technology gradually matures and the potential for integration applications is released, there will be a large number of IoT technologies integrated into industrial, agricultural, transportation, education, medical and other scenarios, advancing the rapid development of the industrial IoT, Intelligent Car Networking, smart finance, smart industrial parks, smart energy, smart healthcare and other IoT application industries.

At the same time, the 14th Five-Year Plan also clarified that it is necessary to comprehensively promote the construction of a healthy China and provide people with health services on all fronts, further promoting the Internet medical platform as a trend; the application of cloud computing, IoT and big data technology has accelerated the implementation of health management application scenarios, which, together with the pandemic, has facilitated the closed-loop management of online and offline services and the integration of "drug + medicine + insurance + healthcare". As aging continues to intensify, active response to aging has become a national strategy, ushering in a golden period of development for the massive health industry.

### II Principal Activity of the Company in the Reporting Period

BOE Technology Group Co., Ltd. is an IoT company providing intelligent interface products and professional services for information interaction and human health. After years of professional cultivation, the Company has developed into a global leader in the field of semiconductor display and a global innovative enterprise in the field of the Internet of Things. Based on a deep understanding of the intrinsic laws of the market and practical exploration, and in order to further enhance the Company's value creation capability, BOE has proposed the development strategy of "Screen-Connected IoT" based on its core genes and capabilities, seizing the ubiquitous growth opportunities of "screen", and fully leveraging its core advantage of "screen" to integrate screens into more market segments and application scenarios by integrating more functions, inserting more scenarios, and deriving more forms. By doing so, BOE will realize the user perception revolution of "screen as terminal" in the digital era, build an industrial ecology of

"screen as platform and screen as system", and reshape the value growth model. At the same time, based on the strategic design of "Screen-Connected IoT", BOE will bring a new connotation to the "1+4+N" development structure under the new development pattern.

"1" is the mother ship platform with the capabilities and resources of Display Devices business as the core, which is the core capacity and quality resources accumulated by BOE, as well as the source and origin of the Company's transformation and development.

"4" is the cruiser layers, which is a high-potential channel and direction of development selected based on BOE's core competence and value chain extension, as well as the four main fronts of the Company's IoT transformation, namely the IoT Innovation business, the Sensor and Solution business, the MLED business and the Smart Medical Engineering business.

"N" is the landing ship layer based on the "1+4" core technology products, which are the subdivided application scenarios of IoT that are continuously explored and cultivated by BOE, as well as the specific focus of the Company's IoT transformation development.

The Company's core business includes:

### **1. Display Devices business**

The Display Devices business offers integrated design and manufacturing services for devices, and is committed to providing interface devices applying TFT-LCD, AMOLED, Oxide, Microdisplay and other technologies, focusing on providing customers with high-quality display devices such as smartphones, tablet PCs, laptops, monitors, TVs, vehicle-mounted, electronic shelf label (ESL), tiled display screens, industrial control, wearable devices, VR/AR devices, electronic tags, white goods, healthcare, mobile payment, and interactive whiteboards.

### **2. IoT Innovation business**

The IoT Innovation business offers integrated design and manufacturing services for system solutions, and provides customers with competitive TVs, monitors, laptops, tablets, low-power, IoT, 3D display and other smart terminal products. Backed by AI and big data, it focuses on products and services combining hardware and software, and provides smart finance, smart parks, smart government, smart transportation, urban light space, smart energy. The company also provides total solutions in the field of IoT segments such as smart finance, smart industrial parks, smart government affairs, smart transportation, city light space, smart energy and other IoT solutions, as well as overall solutions for areas such as whole and large-size products.

### **3. Sensor and Solution business**

The Sensor and Solution business offers integrated design and manufacturing services for system solutions, focuses on medical biological detection, transportation and construction, consumer electronics, microwave communications, industrial sensing and other fields, and provides customers with integrated design and manufacturing of sensor devices and system solution services, with specific products and solutions including flat panel X-ray detectors (FPXD), digital microfluidic chips, PDLC glass, fingerprint identification systems and industrial sensors.

### **4. MLED business**

MLED business renders Mini-LED backlight products with high reliability and high partition of dimming for LCD of mobile phones, tablet PCs, laptops, monitors, TVs, vehicles, wearable devices, etc., as well as Mini/Micro-LED display products with high brightness, high reliability and high contrast for segment markets of outdoor, commercial, transparent, specialized and other displays. All these products are designed and manufactured in an integrated manner.

### **5. Smart Medical Engineering business**

The Smart Medical Engineering business adopts the professional service model to combine technologies with medicine and integrate medicine and engineering with innovation, so as to provide families, communities and hospitals with the four major human-centered services of health management, health technology, digital hospital, and technology services. It connects testing equipment, healthcare workers and customers through the health IoT platform to build a smart health management ecosystem where customers enjoy health services including prevention, treatment, therapy and nursing.

### III Core Competitiveness Analysis

#### 1. Excellent management team

Since the Company implemented the strategy of "conducting overseas acquisitions and taking root in domestic markets" and entered the semiconductor display industry at a high starting point, it has developed into a leading enterprise in the global semiconductor display industry after more than 20 years of concentrated efforts. The Company's management team has solid professional knowledge, rich industry experience, leading management level and keen strategic vision. Thanks to their efforts, the Company continued to grow stronger in the semiconductor display field, and grasped future development opportunities to firmly promote the Company's IoT transformation, and rendered a lot of achievements. In the context of the complex global political and economic situation, repeated outbreaks and the shortage of upstream resources and materials, the Company's management overcame many difficulties and led the team to turn the downturn into growth opportunities and actively seize the market, achieving the best business performance in the Company's history throughout the year.

#### 2. Perfect technology R&D system and technology leading strength

Through the short-, medium- and long-term technology R&D mechanism, the Company productizes technology rapidly and actively lay out forward-looking technology directions while realizing the incubation of technology value to ensure that the Company's technological strength continues to lead. In terms of patents, the number of new patent applications exceeded 9,000, including more than 90% for inventions and 33% for overseas patents. More than 6,000 new patents were granted, of which over 2,000 were for overseas patents, and the Company was ranked among the Top 20 Organizations Granted US Patent in the world for four consecutive years (ranked 11th in 2021). In terms of technical standards, the Company led the formulation and revision of 42 external technical standards throughout the year. BOE led the application for the IEC international standard, *Basic Rating and Characteristics of Flexible Display Devices*, and two national standards, *General Requirements for IoT Electronic Tag System* and *Electronic Dye Liquid Crystal Dimming Glass*, which were approved, achieving a breakthrough in the international standard of product specification in the field of flexible display of China. In terms of products and technology applications, BOE has created the world's first  $\alpha$ -Si 1G1D 8K 288Hz technology equipped with EPQ screen technology and HSR frequency doubling technology, with its BD Cell technology breaking through a million contrast ratios in broadcast-grade monitor applications and achieving world premieres in the vehicle and medical areas. BOE's 65-inch Black Shine whole product is equipped with the first technology applications such as intelligent computing and intelligent drawing, reducing the writing latency to less than 50 milliseconds, winning the C-IDEA Design Award and the "Technology Innovation Award" of the China Video Industry Association. It also launched the industry's first process of glass plating of thick copper for the Mini LED BP segment, achieving a rapid increase in the yield of BP substrates. In addition, its overall solution for the first self-developed next-generation high-throughput gene sequencing (NGS) achieved the leading recovery rate and conversion rate of reagents in the industry.

In December 2021, BOE officially launched the first technology brand in China's semiconductor display field - high-end liquid crystal display technology "ADS PRO", high-end flexible display technology "f-OLED" and high-end glass-based LED display technology " $\alpha$ -MLED", ushering in a new era of "technology + brand" dual-value drive.

#### 3. Leading lean management level and operational efficiency

BOE continuously optimized its operation mechanism, promoted the centralization and scale of products, continued to strengthen platform linkages and connections and leveraged its advantages of intensification, continuously enhancing the efficiency of production lines. BOE's 5th generation of TFT-LCD production line in Beijing achieved new results in transformation and a new breakthrough in the proportion of innovative application products; the 5.5th generation of TFT-LCD production line in Ordos achieved full production and full sales with a significant increase in performance; the 8.5th generation of TFT-LCD production line in Fuzhou achieved a record high in terms of the production capacity; the 10.5th generation of TFT-LCD production line in Hefei achieved an industry high yield for FHD products; the operating quality of the 6th generation of AMOLED production line in Chengdu and Mianyang saw a steady improvement, and the 6th generation of AMOLED production line in Chongqing has successfully achieved mass production and delivery of products.

BOE continued to rank first in terms of quality performance of customers, with 28 of the core LCD customers making it to top two and 24 to number one. Six customers of whole products ranked first throughout the year. In 2021, BOE was awarded the 4th China Quality Award for its management model of innovation-driven high-quality development.

#### **4. Further advanced digital transformation**

BOE continued to comprehensively advance digital transformation, with the top goal of building "a digital, visual BOE". The Company promoted and implemented a series of digital change key measures to build an end-to-end digital management system of "agile response, efficient coordination, and full coverage", so as to stimulate organizational vitality, strengthen IT system support, revitalize data assets, and realize efficient digital operation. The Company continued to improve management efficiency and business efficiency, and all tasks are progressing in an orderly manner.

## **IV Core Business Analysis**

### **1. Overview**

In 2021, as the overall situation in the world was unpredictable, the global pandemic was still unmitigated and the continuous mutations of viruses brought about new uncertainties and challenges, the global economic recovery momentum was still unconsolidated. After the longest prosperity cycle in the history of the semiconductor display industry, market demand growth has slowed down and technology development continues to diversify. At the same time, 5G, AI and other technology applications accelerated iterative development, speeding up the construction of the IoE ecology. Besides, the intensifying global aging brought about a broad development opportunity for the massive health industry.

BOE actively responded to the complex and changing development environment, overcame challenges and seized opportunities, achieving its best ever results with significant growth in revenue and net profit. The Company achieved annual operating revenue of approximately RMB219.31 billion, up approximately 61.79% year on year, while achieving net profit attributable to shareholders of the listed company of approximately RMB25.83 billion, a significant increase of approximately 412.96% year on year. Specific operational aspects:

#### **1. Display Devices business**

BOE further consolidated its leading position in the semiconductor display sector, which generated revenue of approximately RMB202,219 million during the Reporting Period, up approximately 64.30% year on year. Its market position further steadily improved, and product sales volume rose by 9% and sales area rose by 37% year on year. The market share of five mainstream products, such as smartphone LCD screens, tablet PC displays, laptop displays, display screens and TV displays, continued to rank first globally. The sale area of innovative application products saw an increase of 26% year on year. In terms of flexible OLED, the Company's shipments rapidly increased, and a breakthrough in business development was made, with the single-month shipments exceeding 10 million for the first time in December 2021.

#### **2. IoT Innovation business**

BOE has made breakthroughs in business landscape and headway in market expansion, and achieved revenue of approximately RMB28,379 million during the Reporting Period, up approximately 47.98% year on year. In terms of smart terminals, BOE continued to promote high-end product transformation for the TV smart terminal, achieving a year-on-year increase of 13% in sales. It achieved the introduction of leading customers for the high-end products of the display smart terminal, with a year-on-year increase of 29% in sales. EPD retail price tag sales increased by 50% year on year and innovative application scenarios such as the conference table card and passive name tag were expanded. Besides, BOE launched 81-inch and 105-inch 5K UHD wide-screen monitors in terms of the IoT terminal commercial displays, and made market breakthroughs in applications such as smart white boards and light energy boards. In terms of system solutions, the smart whole products achieved full coverage from 55 inches to 135 inches, with sales doubling year on year; the sales of large-size products and splicing products grew rapidly, with year-on-year growth of over 5 times and 3 times, respectively; the smart finance screen was successfully shortlisted for centralized purchase by

bank customers; the smart industrial park created 10 subdivided smart benchmark projects including cultural tourism, commerce and industry; the smart government affairs created the first outdoor 8K UHD large screen in Guangzhou and other benchmark projects, and won the tender for the "100 Cities and 1000 Screens" project, setting a benchmark for the promotion of UHD screens in the country; the smart transportation business has gradually covered many transportation scenarios in nearly 20 cities, including Beijing, Shenzhen, Taiyuan and Qingdao.

### 3. Sensor and Solution business

BOE has made breakthroughs in market development, customer introduction and new product R&D, and achieved revenue of approximately RMB216 million during the Reporting Period, up approximately 80.43% year on year. Among them, BOE's medical imaging products accounted for more than 40% of the domestic leading detector manufacturers, and it kept good cooperation with leading customers in Europe, the United States and South Korea. BOE developed the passenger car post-market for traffic windows, achieving mass production and delivery of products, exceeded 1,000 square meters of delivery area for glass curtain wall for the first time, and officially launched industrial sensor readers, filling the industry's domestic reader gap.

### 4. MLED business

BOE has made breakthroughs in multiple areas of products, technology and markets, and achieved revenue of approximately RMB452 million during the Reporting Period. Applying BOE's unique glass active drive technology, it released 75-inch and 86-inch TV backlight products and 34-inch monitor backlight products, and achieved the world premiere of P0.9 display products. It launched the industry's first PCB 55-inch Mini LED splicing backlight product for entering the high-end security market, achieved mass production and delivery of Mini LED backlight notebook products and mass production and import of Mini LED VR products for leading brand customers.

### 5. Smart Medical Engineering business

BOE continued to improve the digital hospital and health management professional capabilities, and achieved revenue of approximately RMB1,847 million during the Reporting Period, up approximately 21.29% year on year. The health management platform obtained the license qualification of "BOE Intelligent Internet Hospital" and expanded three partner hospitals and six partner doctor teams. The intelligent hospital solution achieved the first project delivery, and a number of projects of the smart healthcare solution were implemented in Beijing, Chengdu and other places. The digital hospital business grew significantly, the total outpatient visits increased by 130% year on year and the total discharges doubled, including over 100,000 visits to the Chengdu BOE Hospital since its opening in April and the smooth opening of the Suzhou BOE Hospital in October. The stock of regenerative medical neonatal stem cells boosted by over 50% year on year.

## 2. Revenue and Cost Analysis

### (1) Breakdown of Operating Revenue

Unit: RMB

Item	2021		2020		Change (%)
	Operating revenue	As % of total operating revenue (%)	Operating revenue	As % of total operating revenue (%)	
Total	219,309,799,505.00	100%	135,552,569,729.00	100%	61.79%
By operating division					
Display devices	202,219,268,075.00	92.21%	123,077,882,346.00	90.80%	64.30%
IoT innovation	28,379,332,761.00	12.94%	19,178,428,559.00	14.15%	47.98%

Sensor and solution	216,187,403.00	0.10%	119,817,921.00	0.09%	80.43%
MLED	451,525,233.00	0.21%	—	—	—
Smart medical engineering	1,846,551,592.00	0.84%	1,522,460,282.00	1.12%	21.29%
Others and offset	-13,803,065,559.00	-6.30%	-8,346,019,379.00	-6.16%	—
By product category					
Display devices	202,219,268,075.00	92.21%	123,077,882,346.00	90.80%	64.30%
IoT innovation	28,379,332,761.00	12.94%	19,178,428,559.00	14.15%	47.98%
Sensor and solution	216,187,403.00	0.10%	119,817,921.00	0.09%	80.43%
MLED	451,525,233.00	0.21%	—	—	—
Smart medical engineering	1,846,551,592.00	0.84%	1,522,460,282.00	1.12%	21.29%
Others and offset	-13,803,065,559.00	-6.30%	-8,346,019,379.00	-6.16%	—
By operating segment					
Mainland China	93,850,467,813.00	42.79%	65,241,679,286.00	48.13%	43.85%
Other regions in Asia	96,116,878,840.00	43.83%	54,895,384,319.00	40.50%	75.09%
Europe	5,478,685,805.00	2.50%	4,804,966,123.00	3.54%	14.02%
America	23,770,495,392.00	10.84%	10,316,934,261.00	7.61%	130.40%
Other regions	93,271,655.00	0.04%	293,605,740.00	0.22%	-68.23%
By marketing model					
Direct sales	219,309,799,505.00	100.00%	135,552,569,729.00	100.00%	61.79%

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

√ Applicable □ Not applicable

Unit: RMB

Item	Operating revenue	Cost of sales	Gross profit margin	YoY change in operating revenue (%)	YoY change in cost of sales (%)	YoY change in gross profit margin (%)
By operating division						
Display devices	202,219,268,075.00	148,920,717,889.00	26.36%	64.30%	45.07%	9.76%
IoT innovation	28,379,332,761.00	25,108,953,836.00	11.52%	47.98%	48.72%	-0.45%
By product category						
Display devices	202,219,268,075.00	148,920,717,889.00	26.36%	64.30%	45.07%	9.76%
IoT innovation	28,379,332,761.00	25,108,953,836.00	11.52%	47.98%	48.72%	-0.45%

By operating segment						
Mainland China	93,850,467,813.00	66,047,036,922.00	29.63%	43.85%	26.26%	9.81%
Other regions in Asia	96,116,878,840.00	68,072,102,152.00	29.18%	75.09%	51.79%	10.87%
America	23,770,495,392.00	17,261,312,475.00	27.38%	130.40%	94.39%	13.45%
By marketing model						
Direct sales	219,309,799,505.00	155,985,225,295.00	28.87%	61.79%	41.28%	10.32%

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

Applicable  Not applicable

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

Yes  No

Operating division	Item	Unit	2021	2020	Change (%)
TFT-LCD	Sales volume	K m <sup>2</sup>	75,969	55,653	37.00%
	Output	K m <sup>2</sup>	79,091	55,628	42.00%
	Inventory	K m <sup>2</sup>	6,000	2,555	135.00%
AMOLED	Sales volume	K m <sup>2</sup>	836	501	67.00%
	Output	K m <sup>2</sup>	855	537	59.00%
	Inventory	K m <sup>2</sup>	62	40	55.00%

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

Applicable  Not applicable

The sales volume, output and inventory of TFT-LCD increased in 2021 primarily due to new entities added to the consolidated financial statements of 2021 and the transfer of new production line to fixed assets.

The sales volume, output and inventory of AMOLED increased in 2021 primarily due to the transfer of new production line to fixed assets.

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

Applicable  Not applicable

### (5) Breakdown of Cost of Sales

By operating division and product category

Unit: RMB

By operating division	Item	2021		2020		Change (%)
		Cost of sales	As % of total cost of sales	Cost of sales	As % of total cost of	

			(%)		sales (%)	
Display devices	Materials, labor costs, depreciation, etc.	148,920,717,889.00	95.47%	102,650,861,838.00	92.97%	45.07%
IoT innovation	Materials, labor costs, depreciation, etc.	25,108,953,836.00	16.10%	16,883,719,082.00	15.29%	48.72%
Sensor and solution	Materials, labor costs, depreciation, etc.	166,800,549.00	0.11%	75,405,672.00	0.07%	121.20%
MLED	Materials, labor costs, depreciation, etc.	436,645,746.00	0.28%	—	—	—
Smart medical engineering	Materials, labor costs, depreciation, etc.	1,370,997,955.00	0.88%	724,268,025.00	0.66%	89.29%
Others and offset	Materials, labor costs, depreciation, etc.	-20,018,890,680.00	-12.84%	-9,924,372,413.00	-8.99%	—

Unit: RMB

By product category	Item	2021		2020		Change (%)
		Cost of sales	As % of total cost of sales (%)	Cost of sales	As % of total cost of sales (%)	
Display devices	Materials, labor costs, depreciation, etc.	148,920,717,889.00	95.47%	102,650,861,838.00	92.97%	45.07%
IoT innovation	Materials, labor costs, depreciation, etc.	25,108,953,836.00	16.10%	16,883,719,082.00	15.29%	48.72%
Sensor and solution	Materials, labor costs, depreciation, etc.	166,800,549.00	0.11%	75,405,672.00	0.07%	121.20%
MLED	Materials, labor costs, depreciation, etc.	436,645,746.00	0.28%	—	—	—
Smart medical engineering	Materials, labor costs, depreciation, etc.	1,370,997,955.00	0.88%	724,268,025.00	0.66%	89.29%
Others and offset	Materials, labor costs, depreciation, etc.	-20,018,890,680.00	-12.84%	-9,924,372,413.00	-8.99%	—

Note: The major cost of sales items such as materials and depreciation are considered as business secrets. In order to avoid the leakage of these secrets, which could result in damage to the interests of the Company and its investors, cost of sales is only presented with respect to the industry segment to which the Company belongs in the table above.

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

Yes  No

The changes in the scope of consolidated financial statements for the Reporting Period had no significant impact on segment data.

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

Applicable  Not applicable

**(8) Major Customers and Suppliers**

Major customers:

Total sales to top five customers (RMB)	82,895,383,535.00
Total sales to top five customers as % of total sales of the Reporting Period (%)	37.80%
Total sales to related parties among top five customers as % of total sales of the Reporting Period (%)	0.00%

Information about top five customers:

No.	Customer	Sales revenue contributed for the Reporting Period (RMB)	As % of total sales revenue (%)
1	Customer A	19,853,271,622.00	9.05%
2	Customer B	18,794,700,191.00	8.57%
3	Customer C	17,115,227,423.00	7.80%
4	Customer D	13,964,581,869.00	6.37%
5	Customer E	13,167,602,430.00	6.00%
Total	--	82,895,383,535.00	37.80%

Other information about major customers:

Applicable  Not applicable

Major suppliers:

Total purchases from top five suppliers (RMB)	23,863,826,743.00
Total purchases from top five suppliers as % of total purchases of the Reporting Period (%)	17.89%
Total purchases from related parties among top five suppliers as % of total purchases of the Reporting Period (%)	0.00%

Information about top five suppliers:

No.	Supplier	Purchase in the Reporting Period (RMB)	As % of total purchases (%)
1	Supplier A	8,879,944,222.00	6.66%
2	Supplier B	5,573,211,870.00	4.18%
3	Supplier C	3,232,676,412.00	2.42%
4	Supplier D	3,094,661,979.00	2.32%
5	Supplier E	3,083,332,260.00	2.31%

Total	--	23,863,826,743.00	17.89%
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Other information about major suppliers:

Applicable  Not applicable

### 3. Expense

Unit: RMB

Item	2021	2020	Change (%)	Reason for any significant change
Selling expense	5,484,589,978.00	3,138,283,646.00	74.76%	Increased operating revenue and changes to the consolidation scope
Administrative expense	6,693,373,589.00	4,600,271,642.00	45.50%	Increased operating revenue and changes to the consolidation scope
Finance costs	3,682,379,202.00	2,650,153,972.00	38.95%	New project being put into operation and changes to the consolidation scope
R&D expense	10,668,844,187.00	7,638,602,711.00	39.67%	Greater R&D investments

### 4. R&D Investments

Applicable  Not applicable

Names of main R&D projects	Project objectives	Project progress	Objectives to be achieved	Expected impact on the future development of the Company
Development of BD Cell broadcast monitors	To make technological breakthroughs in the professional broadcast monitors of BOE and meet ultra-high optical specifications.	Under mass production.	To realize mass production, exceed the megapixel contrast, and meet professional requirements for brightness and color gamut.	To make technological breakthroughs in this aspect, establish a favorable technological and brand image, and improve product profitability.
High refresh rate technology	To provide solutions with ultra-high refresh rates to professional fields, such as e-sports and sports events, so that images will become smoother.	Under mass production.	The complete series of products will include mobiles, tablet PCs, laptops, displays, and TV panels. Refresh rates will be raised significantly. Flagship products, such as multiple client laptops and displays, will be under mass production.	To occupy the high-end e-sports market, optimize the product structure, and raise the profitability of product portfolios, based on BOE's independent and advanced technologies.
High contrast technology	To raise the contrast of LCD products to strengthen image quality.	In progress.	To significantly enhance the contrast of LCD products and reach a leading level in the	The increase in contrast will be important for the improvement in the image quality of panels. Higher

			industry.	contrast will expose users to the better image quality of high-end products and strengthen product competitiveness.
High color gamut technology	To restore true environmental colors through a high color gamut.	Under mass production.	To reach 90% in BT2020 and 100% in both DCI-P3 and Adobe, in terms of the standards for different color gamut.	To utilize BOE's unique, organic, and eco-friendly backlight technology to achieve an ultra-high color gamut, and consider the high color gamut as an important process of the ADS Pro brand, laying a favorable brand foundation for product marketing.
Low-carbon and eco-friendly technology	To reduce the power consumption of displays, prolong standby time, respond to the strategy of peak carbon emissions and carbon neutrality, and turn products more energy-saving and eco-friendly.	Under mass production.	To significantly improve the light transmittance of the complete series of products, strengthen the luminous efficacy of the backlight, and simultaneously reduce power consumption.	For consumers, the reduction of power consumption can prolong the standby time of portable products. For customers, the reduction of power consumption can meet different product standards. For corporate responsibilities, more eco-friendly products with lower carbon emissions will be manufactured, and a green environment will be created.
Healthy display technology	To offer healthier and eye-protecting displays for educational and office scenarios.	Under mass production.	To achieve functions, such as low blue light, adaptive control of brightness/color temperature, rotatory polarization, high frequency, and total reflection.	Healthy displays have attracted increasing attention. Healthy and eye-protecting products have been long-anticipated, such as mobiles and tablet PCs for learning and office laptops and displays. The gradual improvement in this technology will prominently reinforce companies' competitiveness in education and work.
Development of low-temperature polycrystalline oxide (LTPO) integration technology	To enhance the battery life of the machine through low-frequency technology.	The product client has been launched.	1. The refresh rate will enable the free switch between high and low frequencies. 2. The flickering will be less than 45dB, invisible to the naked eye.	This product has been launched on the Magic 4 series. The technological competitiveness of this product will be enhanced by promoting LTPO as a standard configuration of flagship mobiles, foldable products, intelligent watches.
Development of	To make the hole closer to	The product	The border of the punch-hole	Provide customers with more

technology to narrow the hole border of punch-hole displays	the top border and make the hole border narrower and the whole machine design more aesthetic.	client has been launched.	module of the display with a hole diameter of 2.8mm will be 0.45mm. The screen-to-body ratio will be raised to make the display more aesthetic.	aesthetic product design and strengthen product competitiveness by quickly proposing mature plans for independent design and processes.
Development of foldable OLED laptop screens	To develop foldable OLED laptop screens.	Under mass production.	1. To achieve 200,000 times folds of screens in a large size. 2. To successfully achieve the mass production of foldable laptops.	To provide the world's largest foldable products, meet customers' performance requirements, expand new applications, and establish the image of f-OLED.
Development of under-display ultrasonic fingerprint scanning technology	To reserve relevant technologies, and provide new solutions of fingerprint identification when a "depolarization chip" or a high pixel density is adopted for screens in the future.	R&D has been completed	1. To meet the functional requirement of fingerprint after OLEDs are equipped with fingerprint identification: The signal to noise ratio (SNR) > 4. To pass reliability tests. 2. To complete the acceptance of displays and the 20*30mm fingerprint identification processes	1. To fully complete the development of bar-style products and foldable displays + ultrasonic fingerprint. 2. To achieve faster and more precise fingerprint identification and reach the flagship level in fingerprint identification. 3. To realize integrated delivery of BOE's displays + ultrasonic fingerprint and raise the added value of products.
Development of COG MLED backlight TVs	Glass MLED BLU products feature a bigger size, fewer panels, and lower flickering. Besides, its advantages also include ultra-high partition, contrast, and brightness.  The conventional direct-type backlight indicators will be significantly improved to provide TV customers with extreme experiences. Meanwhile, efforts will be made to meet the requirements in the high-end TV market.	The product client has been launched.	1. To address the issue of a high reliability risk regarding the PCB direct-type backlight multiple panels of conventional TV products. 2. To grasp the process route of glass MLED backlight products. 3. To provide customers with 75-inch and 86-inch MLED backlight products with 1,000-grade partition, ultra-high brightness of 1,500nit, ultra-high reliability, and 1 million-grade contrast.	To set the partition grade, based on high-precision glass processes, AM-driven and high-precision die bonding processes, to develop advantages, such as fewer panels, high optical consistency, multiple partitions, and low flickering, exert effort for the application of glass MLED backlight products in the high-end TV market, and lay a solid foundation for the expansion of subsequent industries.
Development of COG P0.9 MLED products	To produce AM-driven tiled display screens, based on P0.9, complete glass MLED display scheme modules with high luminous efficacy	Under mass production.	1. To solve the issues of conventional PCB LED products, such as high flickering, high power consumption, and a high reliability risk.	BOE manufactures MLED products featuring superior advantages, such as seamless tiling, extreme images, and healthy and low flickering, by utilizing its industry-leading side

	and low flickering, and smoothly conduct mass production and delivery.		<p>2. To grasp the process route of glass MLED products.</p> <p>3. To provide customers with MLED products that feature high brightness, high reliability, 1 million-grade contrast, seamless tiling, healthy and low flickering, and extreme darkness.</p>	<p>processes and technology, a major technological breakthrough of LED chips from milliampere to microampere, and self-developed AM-driven schemes, and offer customers extreme experiences. Meanwhile, thanks to the high-precision semiconductor processes, our products will enjoy the innate advantage of small pitch iteration.</p>
Development of COG MLED backlight MNT products	To satisfy high-end requirements in the MNT Gaming market and expand the presence in the glass AM MNT, by developing glass MLED backlight products featuring ultra-high brightness, ultra-high partition, and ultrathin modules.	Under mass production.	<p>1. To materialize MNT products corresponding to single panels and address the issues of PCB direct-type backlight of conventional MNT products, such as multiple panels and a high reliability risk.</p> <p>2. To provide customers with MLED backlight products that are 1,000-grade partition, ultra-high brightness of 1,250nit, ultra-high reliability, and 1 million-grade contrast.</p> <p>3. To invest in the MNT gaming market.</p>	<p>BOE has invested in MNT products, based on its AM-driven schemes, high-precision glass processes, and high-precision die bonding processes.</p> <p>MLED e-sports application products are commensurate with the high-end requirements of the e-sports market, attributable to the high brightness, color gamut, and contrast of glass MLED technology.</p>
Development of COB P1.25MLED products	To produce PM-driven tiled display screens, based on P1.25, complete the PCB MLED display scheme modules, and smoothly conduct mass production and delivery.	Under mass production.	<p>1. To integrate the upstream resource pool of COB products.</p> <p>2. To grasp the COB process route of BOE's factory.</p> <p>3. To provide customers with models with high luminous efficacy and high visual effects and systematic COB products.</p>	<p>COB's market penetration rate has gradually increased since 2021. BOE, based on its own process routes, has quickly entered the fine-pitch COB market to make favorable preparation for the subsequent market perception, market input, and technology progress.</p>
Development of POB MLED backlight tiled commercial display products	To develop 55-inch POB MLED backlight products with high brightness, 100-grade partition, and thin modules to meet requirements of TVs, commercial displays, and the tiled display screen	Under mass production.	<p>1. To integrate the upstream resource pool of MLED backlight POB products.</p> <p>2. To provide customers with cost-effective medium- and high-end tiled display screen products.</p>	<p>With respect to POB MLED products, BOE has systematically integrated core resources and designed systematic plans for products, laying a foundation for entry into the large-size mainstream markets, such as TVs and commercial displays.</p>

	market.			
The R&D project of a mobile smart terminal platform centering on ARM architecture	To center on the Group's strategic vision of the "Screen-Connected IoT", regard display technology as the core, give full play to the key resources of display devices and the leading display technology, and expand and upgrade the building of a smart terminal platform ecosystem centering on ARM architecture.	R&D has been completed	To have independent R&D capabilities of smart terminal architecture with ARM architecture as the core platform and tablet PC projects.	Adhere to the Group's strategy of "Screen-Connected IoT", develop the R&D capabilities of smart terminal tablet PCs, realize mutual empowerment between the Group's whole machine and device businesses, and facilitate the business expansion of the Group's smart terminals in the next 3-5 years.
The R&D project of a PC platform centering on X86 architecture	To center on the Group's strategic vision of "Screen-Connected IoT", regard display technology as the core, give full play to the key resources of display devices and the leading display technology, and combine the development capabilities of the soft and hard systems of terminal machines to establish advantages in the terminal product market.	R&D has been completed	To have independent R&D capabilities of laptop products with X86 architecture as the core platform, and relevant products.	Adhere to the Group's strategy of "Screen-Connected IoT", develop the R&D capabilities of laptop products, establish new terminal production lines, expand the product boundary through the expansion of the technological boundary, and facilitate the business expansion of the Group's smart terminals in the next 3-5 years.
The project of oversea authorization of intelligent TVs	To enrich the intelligent TV production line, strengthen the competitiveness of overseas intelligent TVs, and expand the overseas sales of intelligent TVs.	Under mass production.	To obtain the authorization of the three mainstream smart product platforms in the world, complete product development and certification, and achieve mass production and delivery.	Connect internal and external ecosystems intelligent TV projects, bridge the channel from devices to terminals to systems, and utilize the machine system ecosystem to drive the internal ecosystem transformation.
The project of quantum dot e-sports displays with a high refresh rate	To give priority to analyzing the improvement in color gamut coverage through quantum dots and restore true colors.	The product client has been launched.	To complete the development of the key indicators of displays. The color gamut coverage will reach DCI-P3 95%, Adobe RGB 99%, sRGB 99%, and NTSC 95%. The refresh rate will reach 165Hz. The response time will be within 1ms.	The first application of quantum dots to the Company's display products and the mass production have enriched the categories of the Company's product line of high-end e-sports display products, and laid a solid foundation for the subsequent and sustainable technological

				improvement, branding, and marketing.
The project of development of smart whole products U1	To complete the development of the industry's first Mini LED smart whole products, provide customers with whole products integrating software and hardware strengths with satisfying interactive experiences, good stability, and rich functions, and meet user requirements under multiple scenarios.	The product client has been launched.	To provide high-end customers with intelligent, convenient, and effective application services in scenarios, such as offices, meetings, and painting. To allow the product to have precise light control based on 5,000+ partitions, reach the contrast of 1,000,000: 1 and the color gamut coverage of NTSC 95%. The TUV Rheinland certification for low blue light, the C-IDEA Design Award, and the "Science and Technology Award" of the China Video Industry Association (CVIA) were obtained in 2021.	To optimize users' interactive experience of writing through display and touch technologies, provide multiple intelligent office functions, intensify the office efficiency of users, reinforce the brand competitiveness of BOE, and improve channel delivery sustainably.
The project of a smart park digital platform	To develop an IoT application integration platform universal to the scenario of parks to quickly integrate system applications, display products, AIoT services, and ecological hardware terminals, and offer customers comprehensive solutions of park management, operations, and services.	R&D has been completed	To complete the building of the smart park digital platform, achieve functions, such as security and protection management, equipment management, environmental space management, property operations, and investment attraction, which face owners, merchants, and tourists in the park, complete the R&D of innovative functions, such as intelligent video services and system procedure automation, and realize bulk copy and implementation.	The smart park digital platform is an implementation of the strategy of "Screen-Connected IoT" in the industrial park industry, which strengthens BOE's competitiveness in digital solutions for industrial parks. The platform is designated to serve as a new business growth point.
The project of an intelligent comprehensive financial management platform	To develop sub-systems, such as comprehensive information release systems, precision marketing systems, intelligent edge computing systems, and outlet portrait analysis systems, for the scenario of bank outlets, combine smart	The product client has been launched.	To realize the three-tier management function of banks, covering the head office, branches, and sub-branches, and empower banks with the following six digital capabilities during the whole process of customer service: Deepening customers' impression, enhancing	This platform provides bank outlets with comprehensive digital service capabilities, through intelligent systems and products integration soft and hard strengths. It is an implementation of the strategy of "Screen-Connected IoT" in the financial industry, designated to enhance BOE's competitiveness in

terminals to provide bank outlets with comprehensive services of digital operations and management, and reinforce the management and operations of outlets.	customer experiences, utilizing big data, conducting precision marketing, connecting online and offline services, and strengthening comprehensive operations and management.	digital solutions in the financial industry and deepen brand influences.
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Particulars about R&D personnel:

Item	2021	2020	Change (%)
Number of R&D personnel	19,708	19,694	0.07%
R&D personnel as % of total employees	24.80%	25.76%	-0.96%
Educational background of R&D personnel	—	—	—
Bachelor's degree	11,780	11,425	3.11%
Master's degree	6,035	6,233	-3.18%
Age structure of R&D personnel	—	—	—
Below 30	9,335	9,986	-6.52%
30~40	9,530	8,736	9.09%

Particulars about R&D investments:

Item	2021	2020	Change (%)
R&D investments (RMB)	12,436,495,134.00	9,441,596,318.00	31.72%
R&D investments as % of operating revenue	5.67%	6.97%	-1.30%
Capitalized R&D investments (RMB)	2,067,727,404.00	1,939,420,807.00	6.62%
Capitalized R&D investments as % of total R&D investments	16.63%	20.54%	-3.91%

Reasons for any significant change to the composition of R&D personnel and the impact:

Applicable  Not applicable

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

Applicable  Not applicable

Reasons for any sharp variation in the percentage of capitalized R&D investments and rationale:

Applicable  Not applicable

## 5. Cash Flows

Unit: RMB

Item	2021	2020	Change (%)
Subtotal of cash generated from operating activities	239,061,029,152.00	169,593,756,177.00	40.96%

Subtotal of cash used in operating activities	176,790,472,828.00	130,341,982,719.00	35.64%
Net cash generated from/used in operating activities	62,270,556,324.00	39,251,773,458.00	58.64%
Subtotal of cash generated from investing activities	36,759,481,145.00	25,532,266,564.00	43.97%
Subtotal of cash used in investing activities	77,472,109,931.00	68,939,233,413.00	12.38%
Net cash generated from/used in investing activities	-40,712,628,786.00	-43,406,966,849.00	—
Subtotal of cash generated from financing activities	63,655,025,447.00	70,901,578,897.00	-10.22%
Subtotal of cash used in financing activities	75,836,895,000.00	47,083,848,940.00	61.07%
Net cash generated from/used in financing activities	-12,181,869,553.00	23,817,729,957.00	-151.15%
Net increase in cash and cash equivalents	8,558,749,712.00	17,794,414,798.00	-51.90%

Explanation of why any of the data above varies significantly:

Applicable  Not applicable

Net cash generated from operating activities increased 58.64% year on year, primarily driven by the expansion of the Company's operating revenue and the improvement of operating results.

Net cash generated from financing activities decreased 151.15% year on year, primarily driven by the repayment of borrowings and the buyback of minority interests in subsidiary.

Reason for any big difference between the net cash generated from/used in operating activities and the net profit for this Reporting Period

Applicable  Not applicable

The net cash generated from operating activities was higher than the net profit primarily because the depreciation amount of display equipment is high.

## V Analysis of Non-Core Businesses

Applicable  Not applicable

Unit: RMB

Item	Amount	As % of total profit	Source/Reason	Recurrent or not
Return on investment	1,347,489,345.00	3.89%	Income recognized from associates	Not
Gain/loss on changes in fair value	84,966,963.00	0.25%	N/A	Not
Asset impairments	-4,478,251,852.00	-12.94%	Inventory valuation allowances established based	Not

			on market conditions	
Non-operating income	131,607,946.00	0.38%	N/A	Not
Non-operating expense	55,215,102.00	0.16%	N/A	Not

## VI Analysis of Assets and Liabilities

### 1. Significant Changes in Asset Composition

Unit: RMB

Item	31 December 2021		1 January 2021		Change in percentage (%)	Reason for any significant change
	Amount	As a % of total assets	Amount	As a % of total assets		
Monetary assets	80,986,835,088.00	18.01%	73,694,296,095.00	17.35%	0.66%	N/A
Accounts receivable	35,503,414,820.00	7.89%	22,969,140,355.00	5.41%	2.48%	Increased operating revenue
Contract assets	75,698,324.00	0.02%	49,897,395.00	0.01%	0.01%	N/A
Inventories	27,724,806,939.00	6.16%	17,875,454,490.00	4.21%	1.95%	Increased operating revenue and new project being put into mass production
Investment property	1,158,365,401.00	0.26%	1,196,168,511.00	0.28%	-0.02%	N/A
Long-term equity investments	6,040,948,317.00	1.34%	3,693,170,224.00	0.87%	0.47%	N/A
Fixed assets	226,695,489,704.00	50.41%	224,770,354,605.00	52.92%	-2.51%	N/A
Construction in progress	32,120,320,507.00	7.14%	42,575,849,952.00	10.02%	-2.88%	N/A
Right-of-use assets	753,164,237.00	0.17%	618,678,956.00	0.15%	0.02%	N/A
Short-term borrowings	2,072,057,332.00	0.46%	8,599,569,471.00	2.02%	-1.56%	N/A
Contract liabilities	3,765,081,554.00	0.84%	3,440,720,535.00	0.81%	0.03%	N/A
Long-term borrowings	116,078,666,587.00	25.81%	132,452,767,135.00	31.18%	-5.37%	N/A
Lease liabilities	669,130,264.00	0.15%	549,031,243.00	0.13%	0.02%	N/A

Indicate by tick mark whether overseas assets account for a larger proportion of total assets.

Applicable  Not applicable

## 2. Assets and Liabilities at Fair Value

√ Applicable □ Not applicable

Unit: RMB

Item	Beginning amount	Gain/loss on fair-value changes in the Reporting Period	Cumulative fair-value changes charged to equity	Impairment allowance for the Reporting Period	Purchased in the Reporting Period	Sold in the Reporting Period	Other changes	Ending amount
Financial assets								
1. Held-for-trading financial assets (excluding derivative financial assets)	4,367,201,833.00	84,966,963.00	0.00	0.00	37,245,240,063.00	30,990,344,616.00	0.00	10,635,068,300.00
2. Derivative financial assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3. Investments in other debt obligations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4. Investments in other equity instruments	533,645,423.00	0.00	-215,438,631.00	0.00	39,270,175.00	0.00	0.00	519,088,146.00
Subtotal of financial assets	4,900,847,256.00	84,966,963.00	-215,438,631.00	0.00	37,284,510,238.00	30,990,344,616.00	0.00	11,154,156,446.00
Investment property	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Productive living assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Others	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total of the above	4,900,847,256.00	84,966,963.00	-215,438,631.00	0.00	37,284,510,238.00	30,990,344,616.00	0.00	11,154,156,446.00
Financial liabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Contents of other changes:

N/A

Significant changes to the measurement attributes of the major assets in the Reporting Period:

Yes  No

### 3. Restricted Asset Rights as at the Period-End

Item	Ending carrying value	Reason for restriction
Monetary assets	4,152,705,165.00	Mainly include security deposits, put in pledge for the issuance of notes payable
Notes receivable	23,902,855.00	Endorsed and transferred with right of recourse, and put in pledge for the issuance of notes payable
Inventories	0.00	N/A
Fixed assets	171,435,160,686.00	As collateral for guarantee
Intangible assets	1,623,510,499.00	As collateral for guarantee
Construction in progress	316,234,570.00	As collateral for guarantee
Investment property	41,247,205.00	As collateral for guarantee
Total	177,592,760,980.00	--

## VII Investments Made

### 1. Total Investment Amount

Applicable  Not applicable

Investments made in this Reporting Period (RMB)	Investments made in the prior year (RMB)	Change (%)
2,501,899,622.00	933,268,059.00	168.08%

**2. Significant Equity Investments Acquired in the Reporting Period**

□ Applicable ✓ Not applicable

**3. Significant Non-Equity Investments of which the Acquisition Was Uncompleted in the Reporting Period**

□ Applicable ✓ Not applicable

**4. Financial Investments****(1) Securities Investments**

✓ Applicable □ Not applicable

Unit: RMB

Variety of securities	Code of securities	Name of securities	Initial investment cost	Accounting measurement model	Beginning carrying value	Profit/loss on fair value changes in this Reporting Period	Cumulative fair value changes charged to equity	Purchased in this Reporting Period	Sold in this Reporting Period	Profit/loss in this Reporting Period	Ending carrying value	Accounting title	Funding source
Domestic/overseas stock	SH600658	Electronic Zone	90,160,428.00	Fair value method	74,372,840.00	0.00	-33,521,592.00	0.00	0.00	1,924,620.00	56,638,836.00	Other equity instrument investment	Self-funded
Domestic/overseas stock	HK01963	Bank of Chongqing	120,084,375.00	Fair value method	102,845,668.00	0.00	-28,208,687.00	0.00	0.00	9,345,312.00	91,875,688.00	Other equity instrument investment	Self-funded

Domestic/overseas stock	HK01518	New Century Healthcare	140,848,850.00	Fair value method	36,995,513.00	0.00	-121,038,365.00	0.00	0.00	0.00	19,810,485.00	Other equity instrument investment	Self-funded
Other securities investments held at the period-end			0.00	--	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--	--
Total			351,093,653.00	--	214,214,021.00	0.00	-182,768,644.00	0.00	0.00	11,269,932.00	168,325,009.00	--	--
Disclosure date of the announcement about the board's consent for the securities investment			N/A										
Disclosure date of the announcement about the general meeting's consent for the securities investment (if any)			N/A										

## (2) Investments in Derivative Financial Instruments

√ Applicable □ Not applicable

Unit: RMB'0,000

Counterparty	Relationship with the Company	Related-party transaction or not	Type of derivative	Initial investment amount	Start date	End date	Beginning investment amount	Purchased in the Reporting Period	Sold in the Reporting Period	Impairment allowance (if any)	Ending investment amount	Ending investment amount as % of the Company's ending net asset value	Actual gain/loss in the Reporting Period
Financial institutions	Not related parties	Not	Foreign exchange	118,687.93	1 Jan. 2021	31 Dec. 2021	118,687.93	35,540.25	77,082.21	-	77,145.97	0.54%	-307.53

			forward contract										
Total	118,687.93	--	--	118,687.93	35,540.25	77,082.21	-	77,145.97	0.54%	-307.53			
Funding source	Self-funded												
Legal matters involved (if applicable)	N/A												
Disclosure date of the announcement about the board's consent for the derivatives investment (if any)	N/A												
Disclosure date of the announcement about the general meeting's consent for the derivatives investment (if any)	N/A												
Analysis of risks and control measures associated with the derivative investments held in the Reporting Period (including but not limited to market, liquidity, credit, operational and legal risks, etc.)	As of the end of the reporting period, the financial derivatives held by the company are foreign exchange forward contracts, and the risks faced are related to the uncertainty of the foreign exchange market in the future. The company's control measures for the financial derivatives are as follows: the company controls the types of derivative transactions, reasonably matches the scale of derivative transactions, and the transactions must match the company's production, operation and development planning, mainly for the purpose of cost locking and risk prevention.												
Changes in market prices or fair value of derivative investments in the Reporting Period (fair value analysis should include measurement methods and related assumptions and parameters)	The fair value of the invested derivatives at the end of the reporting period shall be determined by reference to the market quotation of the external financial institutions.												
Significant changes in accounting policies and specific accounting principles adopted for derivative investments in the Reporting Period compared to the last reporting period	No major changes												
Opinion of independent directors on derivative investments and risk control	N/A												

## 5. Use of Funds Raised

√ Applicable □ Not applicable

### (1) Overall Usage of Funds Raised

√ Applicable □ Not applicable

Unit: RMB\*0,000

Year	Way of raising	Total funds raised	Total funds used in the Current Period	Accumulative fund used	Total funds with usage changed	Accumulative funds with usage changed	Proportion of accumulative funds with usage changed	Total unused funds	The usage and destination of unused funds	Amount of funds raised idle for over two years
2021	Private placement of stocks	2,033,260	1,749,817	1,749,817	0	0	0.00%	283,443	Continuously used for the construction of equity investment project	0
Total	--	2,033,260	1,749,817	1,749,817	0	0	0.00%	283,443	--	0
Explanation of overall usage of funds raised										
The cumulative amount of raised funds through private placement of stocks was RMB20,332,599,995.83, and the net proceeds after deducting issuance costs were RMB19,869,507,400. In the Reporting Period, the raised funds were used according to project investment plans, conforming to the relevant promise.										

### (2) Commitment Projects of Fund Raised

√ Applicable □ Not applicable

Unit: RMB\*0,000

Committed investment project and super raise fund arrangement	Changed or not (including partial changes)	Committed investment amount	Investment amount after adjustment (1)	Investment amount in the Reporting Period	Accumulative investment amount as of the period-end (2)	Investment schedule as the period-end (3) = (2)/(1)	Date of reaching intended use of the project	Realized income in the Reporting Period	Whether reached anticipated income	Whether occurred significant changes in project feasibility
Committed investment project										
Fuzhou BOE Optoelectronics	Not	300,000	300,000	300,000	300,000	100.00%	-	-	N/A	Not

Technology Co., Ltd.										
Wuhan BOE Optoelectronics Technology Co., Ltd.	Not	650,000	650,000	650,000	650,000	100.00%	-	-	N/A	Not
Chongqing BOE Display Technology Co., Ltd.	Not	600,000	600,000	420,330	420,330	70.06%	-	-	N/A	Not
Yunnan Chuangshijie Optoelectronics Technology Co., Ltd.	Not	100,000	100,000	0	0	0.00%	-	-	N/A	Not
Chengdu BOE Hospital Co., Ltd.	Not	50,000	50,000	46,227	46,227	92.45%	-	-	N/A	Not
Supplementation of working capital	Not	286,951	286,951	286,951	286,951	100.00%	-	-	N/A	Not
Subtotal of committed investment project	--	1,986,951	1,986,951	1,703,508	1,703,508	--	--	-	--	--
Super raised funds arrangement										
N/A										
Total	--	1,986,951	1,986,951	1,703,508	1,703,508	--	--	-	--	--
Condition and reason for not reaching the schedule and anticipated income (by specific items)	No such cases in the Reporting Period.									
Notes of condition of significant changes occurred in project feasibility	Naught									
Amount, usage and schedule of super raise fund	N/A									
Changes in implementation address of investment project	N/A									
Adjustment of implementation mode of investment project	N/A									
Advance investments in projects financed	Applicable									
	As at 31 December 2021, the Company had replaced the prior invested funds of the committed investment									

with raised funds and swaps of such advance investments with subsequent raised funds	projects with the raised funds from the non-public offering of shares for a total amount of RMB6,023.0660 million . Of these, RMB3 billion was to replace the Company's own funds invested in repaying the loan of Fuzhou Urban Construction Investment Group. RMB250 million was to replace the own funds invested in BOE Health Investment Management Company Limited, and RMB2,773.0660 million was to replace the own funds invested in Chongqing BOE Display Technology Co., Ltd.
Idle fund supplementing the current capital temporarily	N/A
Amount of surplus in project implementation and the reasons	Applicable
	As at 31 December 2021, the balance of the raised funds from the non-public offering of shares was RMB2,875.9032 million, representing the unused raised funds and interest income generated during the deposit period.
Usage and destination of unused funds	As of December 31, 2021, the unspent raised funds will be paid for the purposes specified in the Issuance Report and Listing Notice.
Problems incurred in fund using and disclosure or other condition	Naught

### (3) Changes in Items of Funds Raised

Applicable  Not applicable

No such cases in the Reporting Period.

## VIII Sale of Major Assets and Equity Interests

### 1. Sale of Major Assets

Applicable  Not applicable

No such cases in the Reporting Period.

### 2. Sale of Major Equity Interests

Applicable  Not applicable

## IX Principal Subsidiaries and Joint Stock Companies

√ Applicable □ Not applicable

Principal subsidiaries and joint stock companies with an over 10% effect on the consolidated net profit:

Unit: RMB

Name	Relationship with the Company	Principal activities	Registered capital	Total assets	Net assets	Operating revenue	Operating profit	Net profit
Chongqing BOE Optoelectronics Technology Co., Ltd.	Subsidiary	R&D, Production, and sales of semi-conductor display device, complete machine, and relevant products; import and export business and technology consulting of goods.	19,226,000,000.00	48,094,827,703.00	38,313,768,144.00	33,808,468,804.00	12,344,357,092.00	10,497,372,366.00
Fuzhou BOE Optoelectronics Technology Co., Ltd.	Subsidiary	Investment construction, R&D, Production, and sales of relevant products of TFT-LCD and its matching products.	17,600,000,000.00	30,885,047,739.00	22,399,433,702.00	18,248,612,653.00	5,241,728,412.00	4,569,140,153.00
Hefei BOE Display Technology Co., Ltd.	Subsidiary	Investment construction, R&D, and production of relevant products of TFT-LCD and its matching products.	24,000,000,000.00	40,130,254,060.00	24,459,810,494.00	19,853,911,826.00	3,375,737,558.00	3,314,633,885.00
Beijing BOE Display Technology Co., Ltd.	Subsidiary	Technical Development of TFT-LCD and manufacturing and sales of LCD	17,882,913,500.00	38,687,063,601.00	23,067,372,410.00	33,711,487,459.00	3,744,769,932.00	3,263,994,432.00

Subsidiaries obtained or disposed in this Reporting Period

Applicable  Not applicable

Name of subsidiary	How the subsidiary was acquired or disposed of	Effects on the overall operations and performance
Beijing Smart-Aero Display Technology Co., Ltd.	Negotiating transfer	No significant effects

Other information on principal subsidiaries and joint stock companies:

N/A

## X Structured Bodies Controlled by the Company

Applicable  Not applicable

## XI Prospects

### 1. "1+4+N" development structure

**Display Devices business:** The Company will focus on optimizing the structure of LCD products and speed up the establishment of a comprehensive leading position in the innovative application market; accelerate the improvement of OLED technology capability, continue to optimize the product structure and further strengthen the building of competitive advantages; proactively leverage the advantages of the industry leader and continue to spearhead the healthy development of the industry.

**IoT Innovation business:** The Company will enhance the designed capacity of smart terminal software and hardware integration system, strengthen the conversion of new technology to mass production and the technical reserve of innovative business, and continue to develop strategic customers, strengthen cooperation with eco-partners, strengthen the implementation of benchmark projects, enhance brand influence, and accelerate the growth of business scale.

**Sensor and Solution business:** The Company will continue to deepen the development of medical biology, smart screens, consumer electronics, microwave communications, and industrial sensors, to provide customers with high-performance products and services.

**MLED business:** The Company will create a Mini/Micro LED product group with active driver and COG at its core and coordinated development of SMD/COB, strengthen the collaboration with upstream and downstream resources, continuously enrich the product mix, enhance product competitiveness, expand applications and expedite the development of business landscape.

**Smart Medical Engineering business:** The Company will optimize the whole-cycle O+O health service closed-loop system, improve the unified membership management system, connect platform services, and enhance the core competitiveness of the digital hospital, while steadily promoting the building of Beijing Life Science and Technology Industrial Base.

In other business areas, based on the "1+4" capability distribution to reach the demand side and market side, the Company will achieve large-scale application scenarios, which is the specific focus of BOE's IoT transformation and the frontier position to win the challenge of transformation, such as smart retail, and Zhongxiangying. Additionally, the Company will continue to deepen its advantageous track to accelerate the growth of core capabilities and the opening of emerging application markets, thereby launching a new era of high quality and high speed growth of BOE.

### 2. Digital transformation

With the aim of building "a digital, visible BOE", the Company will firmly promote a series of digital transformation to further improve operational efficiency and business performance, and boost long-term, stable and high-quality development.

### 3. "Double carbon" task

The Company will further implement the concept of green development and undertake "double carbon" task in an orderly manner by

means of green management, green products, green manufacturing, green recycling, green investment and green actions.

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

√ Applicable □ Not applicable

Date	Place	Way of communication	Type of the communication party	Communication party	Main discussions and materials provided by the Company	Index to the relevant information
2021-03-11	Company Conference Room	By phone	Institution	Penghua Fund, China International Fund	Main content: 1. Main situation of the industry; 2. Major operating information of the Company.	www.cninfo.com.cn
2021-03-11	Company Conference Room	By phone	Institution	Akira Investment	Materials provided: public materials including Interim Report 2020, Third Quarterly Report 2020, Performance Forecast for 2020	
2021-04-14	Company Conference Room	By phone, One-site visit	Institution	196 institutions including Acuitykp	Main content: 1. Performance results of the Company	
2021-04-19	Company Conference Room	By phone	Institution	Turiya Capital	2. Main situation of the industry;	
2021-04-20	Company Conference Room	One-site visit	Institution	China Merchants Capital	3. The Company's major operating information;	
2021-04-22-2021-04-23	Company Conference Room	One-site visit	Institution	74 institutions including SDIC Chuangyi Industrial Fund	4. Technologies and innovations. Materials provided: public materials including Annual Report 2020, Performance Forecast for Q1 2021	
2021-04-30	Company	By phone	Institution	141 institutions	Main content:	

	Conference Room			including Acuitykp	1. Performance results of the Company 2. Main situation of the industry; 3. The Company's major operating information; 4. Technologies and innovations. Materials provided: public materials including Annual Report 2020, First Quarterly Report 2021	
2021-05-06	Company Conference Room	One-site visit	Institution	Four institutions including China Reform Central Enterprise Operation and Investment Fund		
2021-05-10	Company Conference Room	One-site visit	Institution	20 institutions including National Manufacturing Transformation and Upgrade Fund		
2021-05-19	Company Conference Room	One-site visit	Institution	Three institutions including Shanghai Shanxi Investment Management Co., Ltd.		
2021-05-20	Company Conference Room	One-site visit	Institution	18 institutions including AVIC Trust		
2021-05-28	Company Conference Room	By phone	Institution	Black Rock Asset Management		
2021-05-31	Company Conference Room	One-site visit	Institution	CCB International		
2021-06-01	Company Conference Room	One-site visit	Institution	15 institutions including China Mobile Capital Holding Co., Ltd.		
2021-06-02	Company Conference Room	One-site visit	Institution	Taikang Asset Management		
2021-06-08	Company Conference Room	One-site visit	Institution	Seven institutions including Allianz GI		

www.cninfo.com.cn

2021-06-08	Company Conference Room	By phone	Institution	Xingyin Investment		
2021-06-09	Company Conference Room	By phone	Institution	FIL Investment Management (Hong Kong) Limited		
2021-06-09	Company Conference Room	One-site visit	Institution	Huaxia Wealth Management, Huaxia Bank		
2021-06-10	Company Conference Room	One-site visit	Institution	UG INVESTMENT ADVISERS LTD		
2021-06-10	Company Conference Room	One-site visit	Institution	Huatai Securities Co., Ltd.		
2021-06-16	Company Conference Room	One-site visit	Institution	Nine institutions including Silk Road Fund Co., Ltd.		
2021-06-25	Company Conference Room	One-site visit	Institution	28 other institutions including CICC Capital Operation Co., Ltd.	Main content: 1. Performance results and major operating information of the Company; 2. Answer questions from investors. Materials provided: public materials including Annual Report 2020, First Quarterly Report 2021.	www.cninfo.com.cn
2021-06-29	Company Conference Room	One-site visit	Seven institutions including Fosun Hi-tech			
2021-07-05	Company Conference Room	One-site visit	Ten institutions including Jiangxi Copper Corporation Ltd.			
2021-07-13	Company Conference Room	By phone	Institution	117 institutions including Bofa	Main content: 1. Performance results and major operating information of the Company;	www.cninfo.com.cn
2021-07-14	Company Conference Room	By phone	Institution	Five institutions including Manulife		

2021-07-14	Company Conference Room	By phone	Institution	Guangzhou Gongkong Capital Management Co., Ltd., Huaying Securities	2. Answer questions from investors. Materials provided: public materials including Annual Report 2020, First Quarterly Report	
2021-07-14	Company Conference Room	One-site visit	Institution	Six institutions including Beijing Win Integrity Investment Management Co., L td.	2021, Performance Forecast for H1 2021	
2021-10-29	Company Conference Room	By phone	Institution	117 institutions including Bofa	Main content: 1. Performance results and major operating information of the Company;	www.cninfo.com.cn
2021-12-07	Company Conference Room	By phone	Institution	Mobius Capital	2. Answer questions from investors.	
2021-12-14	Company Conference Room	By phone	Institution	Black Rock Asset Management	Materials provided: public materials including Annual Report 2020, First Quarterly Report 2021, Interim Report 2021, Third Quarterly Report 2021	

## Part IV Corporate Governance

### I General Information of Corporate Bonds

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

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

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

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

Main governance of the Company was as follows:

#### (1) About Shareholders and Shareholders' General Meetings

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

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

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

#### (3) About Directors and the Board of Directors

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

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

#### (4) About Supervisors and the Supervisory Committee

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

#### (5) About Information Disclosure and Transparency

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

The Company places great emphasis on communication with investors and has set up a dedicated team for investor relations. It maintains active interaction with investors by means of shareholder meetings, online performance presentations, investor open days, the SZSE online interactive platform called Hudongyi, investor hotlines and investor mailboxes. It also engages in communication with investors, answers their questions, heeds their suggestions, and facilitates the exercise of shareholders' rights. The Company aims to promote the open, transparent, efficient and consistent communication between the Company, investors and analyst of securities, made them known more about the strategy, operation and development of the Company. As unremitting effort was made to establish the investor relations communication platform, the Company innovated and developed the investor relations mini APP. While the communication will become more convenient between the investor and the Company via the digital platform, the compliance and fairness of the investor relations work can also be guaranteed. In terms of investor protection, the Company uses a combination of online and offline means to strengthen its publicity and education efforts for investors. The Company has opened up new media channels such as "Weibo, WeChat and news apps" and released publicity information of activities such as "National Investor Protection Promotion Day". The "Investor Protection" column is set up under the "Investor Relations" section of the Company's official website, and a series of articles on investor education are released in conjunction with hot topics. In addition, the Company cooperates with brokerage firms and provides educational lectures and training to investors, which are well received by investors.

## 2. Governance Systems of the Company Revised during the Reporting Period

During the Reporting Period, based on the development demand, the Company revised some governance systems which had been disclosed on Cninfo and details were presented in the following table:

Disclosure date	Name of system	Established/Revised
13 April 2021	Composition and Rules of Procedure for Execution Committee under the Board of Directors	Revised
13 April 2021	Measures for Administration of External Investments	Revised

14 December 2021	Articles of Association	Revised
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Indicate by tick market whether there is any material in-compliance with laws, administrative regulations and the regulatory documents issued by the CSRC governing the governance of listed companies.

Yes  No

No such cases in the Reporting Period.

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

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

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

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

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

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

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

## III Horizontal Competition

Applicable  Not applicable

## IV Annual and Extraordinary General Meetings Convened during the Reporting Period

### 1. General Meeting Convened during the Reporting Period

Meeting	Type	Investor participation ratio	Date of the meeting	Disclosure date	Meeting resolutions
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The 1 <sup>st</sup> Extraordinary General Meeting of 2021	Extraordinary General Meeting	36.16%	26 January 2021	27 February 2021	The following proposals were deliberated and approved, i.e. Proposal on the Company's Compliance with the Conditions for Non-public Offering of A Shares, Proposal on the Program of the Company's Non-public Offering of A Shares, Proposal on Preliminary Plan for the Company's Non-public Offering of A Shares in 2021, Proposal on Feasibility Analysis Report on the Use of Funds Raised from the Company's Non-public Offering of A Shares in 2021, Proposal on the Signing of the Conditional Subscription Agreement for the Company's Non-public Offering of A Shares and Related Transactions between the Company and Jinguorui Fund, Proposal on the Non-requirement to Prepare a Report on the Use of Previously Raised Funds, Proposal on the Company's Dividend Return Plan for Shareholders for the Next Three Years (2021-2023), Proposal of the Company on the Risk Warning and Remedies for Diluted Immediate Returns due to Non-public Offering of A Shares, Proposal on the Commitments of Directors, Senior Management, Controlling Shareholders and de facto controllers of the Company regarding the Remedies for Diluted Immediate Returns Due to the Company's Non-public Offering of A Shares in 2021, Proposal to Approve the Audit Report and Asset Appraisal Report in Connection with the Non-public Offering, Proposal on Independence of Appraisal Institution, Reasonableness of Appraisal Assumptions, Relevance of Appraisal Methodology to the Purpose of Appraisal and Fairness of Appraisal Pricing, Proposal to Request the Company's General Meeting to Authorize the Board of Directors to Handle Specific Matters of the Non-public Offering of A Shares.
The 2020 Annual General Meeting	Annual General Meeting	32.33%	18 May 2021	19 May 2021	The following reports and proposals were deliberated and approved, i.e., Report on the Work of the Board of Directors for 2020, Report on the Work of the Board of Supervisors for 2020, Full Annual Report and Summary for 2020, Financial Final Report for 2020 and Business Plan for 2021, Proposal for the Distribution of Profits for 2020, Proposal on Borrowing and Credit Line, Proposal

					on the Development of Capital Guaranteed Wealth Management and Structured Deposit Business, Proposal on the Intended Appointment of an Audit Agency for 2021, Proposal for the Election of Mr. Zhang Xinmin as an Independent Director of the Ninth Session of the Board of Directors.
The 2 <sup>nd</sup> Extraordinary General Meeting of 2021	Extraordinary General Meeting	20.53%	16 September 2021	17 September 2021	The Proposal on the Repurchase and Write-off of Certain Restricted Shares was deliberated and approved.
The 3 <sup>rd</sup> Extraordinary General Meeting of 2021	Extraordinary General Meeting	21.66%	14 December 2021	15 December 2021	The Proposal on the By-election of Non-Independent Directors of the Ninth Session of the Board of Directors of the Company, the Proposal on the By-election of Supervisors of the Ninth Session of the Board of Supervisors of the Company, and the Proposal on the Amendment of the Articles of Association of the Company were deliberated and approved.

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

Applicable  Not applicable

## V Directors, Supervisors and Senior Management

### 1. Basic Information

Name	Office title	Incumbent/Former	Gender	Age	Start of tenure	End of tenure	Beginning shareholding (share)	Stock options	Number of granted restricted shares (share)	Increase in the Reporting Period (share)	Decrease in the Reporting Period (share)	Other increase/decrease (share)	Ending shareholding (share)	Reason for change
Chen Yanshun	Chairman of the Board, Chief of Executive Committee	Incumbent	Male	56	28 June 2019	27 June 2022	2,900,000	0	2,000,000	0	0	0	2,900,000	N/A
Pan Jinfeng	Vice Chairman of the Board	Incumbent	Male	42	28 June 2019	27 June 2022	0	0	0	0	0	0	0	N/A
Liu Xiaodong	Vice Chairman of the Board, President, Vice Chairman of Executive Committee	Incumbent	Male	57	28 June 2019	27 June 2022	2,480,000	0	1,800,000	0	0	0	2,480,000	N/A
Song Jie	Director	Incumbent	Male	54	28 June 2019	27 June 2022	0	0	0	0	0	0	0	N/A
Sun Yun	Director, member of Executive Committee,	Incumbent	Female	52	28 June 2019	27 June 2022	1,989,481	0	1,500,000	0	0	0	1,989,481	N/A

	Executive vice president, CFO													
Gao Wenbao	Director, member of Executive Committee, Executive vice president, CEO of the Display Business	Incumbent	Male	46	28 June 2019	27 June 2022	1,860,700	0	1,500,000	0	0	0	1,860,700	N/A
Ye Feng	Director	Incumbent	Male	56	14 December 2021	27 June 2022	0	0	0	0	0	0	0	N/A
Hu Xiaolin	Independent director	Incumbent	Male	43	28 June 2019	27 June 2022	0	0	0	0	0	0	0	N/A
Li Xuan	Independent director	Incumbent	Male	53	28 June 2019	27 June 2022	0	0	0	0	0	0	0	N/A
Tang Shoulian	Independent director	Incumbent	Male	69	30 May 2020	27 June 2022	0	0	0	0	0	0	0	N/A
Zhang Xinmin	Independent director	Incumbent	Male	59	18 May 2021	27 June 2022	0	0	0	0	0	0	0	N/A
Yang Xiangdong	Chairman of the Supervisory Committee	Incumbent	Male	60	28 June 2019	27 June 2022	0	0	0	0	0	0	0	N/A
Sun Fuqing	Supervisor	Incumbent	Male	48	14 December 2021	27 June 2022	0	0	0	0	0	0	0	N/A
Wei Shuanglai	Supervisor	Incumbent	Male	54	28 June 2019	27 June 2022	0	0	0	0	0	0	0	N/A
Chen Xiaobei	Supervisor	Incumbent	Female	49	28 June 2019	27 June 2022	0	0	0	0	0	0	0	N/A
Shi Hong	Supervisor	Incumbent	Female	39	28 June 2019	27 June 2022	0	0	0	0	0	0	0	N/A

Xu Yangping	Employee supervisor	Incumbent	Male	47	28 June 2019	27 June 2022	35,000	0	0	0	0	0	35,000	N/A
He Daopin	Employee supervisor	Incumbent	Male	52	28 June 2019	27 June 2022	32,600	0	0	0	0	0	32,600	N/A
Yan Jun	Employee supervisor	Incumbent	Male	50	28 June 2019	27 June 2022	32,000	0	0	0	0	0	32,000	N/A
Teng Jiao	Employee supervisor	Incumbent	Male	39	28 June 2019	27 June 2022	55,200	0	0	0	0	0	55,200	N/A
Yao Xiangjun	Member of Executive Committee, Executive vice president	Incumbent	Male	44	28 June 2019	27 June 2022	1,265,000	0	1,000,000	0	0	0	1,265,000	N/A
Zhang Zhaohong	Member of Executive Committee, Executive vice president, CEO of LED business	Incumbent	Male	51	28 June 2019	27 June 2022	1,498,800	0	1,000,000	0	0	0	1,498,800	N/A
Zhong Hui Feng	Member of Executive Committee, Executive vice president, Chief Performance Officer	Incumbent	Male	51	28 June 2019	27 June 2022	1,310,000	0	1,000,000	0	0	0	1,310,000	N/A
Feng Liqiong	Member of Executive Committee, Executive vice president, lead	Incumbent	Female	49	28 June 2019	27 June 2022	1,360,000	0	1,000,000	0	0	0	1,360,000	N/A

	counsel													
Xie Zhongdong	Member of Executive Committee, Senior vice president, Auditor General, Chief Risk Officer	Incumbent	Male	51	28 June 2019	27 June 2022	1,057,000	0	750,000	0	0	0	1,057,000	N/A
Miao Chuanbin	Member of Executive Committee, vice president, Chief Culture Officer	Incumbent	Male	48	28 June 2019	27 June 2022	758,800	0	650,000	0	0	0	758,800	N/A
Zhang Yu	Vice president, Chief Reform and IT Management Officer, Chief Human Resource Officer	Incumbent	Male	51	22 March 2021	27 June 2022	751,600	0	634,000	0	0	0	751,600	N/A
Liu Hongfeng	Vice president, Secretary of the Board	Incumbent	Male	43	22 March 2021	27 June 2022	1,024,500	0	750,000	0	0	0	1,024,500	N/A
Wang Chenyang	Director	Former	Male	52	28 June 2019	15 October 2021	0	0	0	0	0	0	0	N/A
Li Yantao	Director	Former	Male	40	28 June 2019	24 November 2021	0	0	0	0	0	0	0	N/A
Wang Huacheng	Independent director	Former	Male	58	28 June 2019	18 May 2021	0	0	0	0	0	0	0	N/A
Wang Jing	Director	Former	Female	50	14 December	17 March 2022	0	0	0	0	0	0	0	N/A

					2021									
Xu Tao	Supervisor	Former	Male	57	28 June 2019	24 November 2021	0	0	0	0	0	0	0	N/A
Total	--	--	--	--	--	--	18,410,681	0	13,584,000	0	0	0	18,410,681	--

Indicate by tick mark whether any directors or supervisors left or any senior management were disengaged during the Reporting Period

√ Yes □ No

1. Mr. Wang Huacheng, an independent director of the Company, resigned from his position as an independent director and other positions of the relevant committees of the Board of Directors as he had served as an independent director of the Company for six consecutive years. He would not hold any position in the Company after his resignation. After Mr. Wang Huacheng resigned from his position as an independent director, the number of independent directors on the Board of Directors of the Company was three, which did not satisfy the ratio of one-third representation of the independent directors on the Board of Directors, therefore, Mr. Wang Huacheng would continue his duties as an independent director and serve the relevant committees of the Board of Directors until a new independent director was elected at the General Meeting of the Company on 18 May 2021.
2. The Board of Directors of the Company received a resignation letter from Mr. Wang Chenyang, a non-independent director of the Company, on October 15, 2021. Mr. Wang Chenyang submitted his resignation as a non-independent director of the Company and related positions of the special committee of the Board of Directors due to work arrangement, and will not hold any position in the Company after his resignation.
3. The Board of Directors of the Company received a resignation letter from Mr. Li Yantao, a non-independent director of the Company, on 24 November 2021. Mr. Li Yantao submitted his resignation as a non-independent director of the Company and related positions of the special committee of the Board of Directors due to work arrangement, and will not hold any position in the Company after his resignation.
4. The Board of Supervisors of the Company received the resignation from Supervisor Mr. Xu Tao on 24 November 2021. Mr. Xu Tao submitted his resignation as a supervisor of the Company due to work arrangement, and will not hold any position in the Company after his resignation.

## Change of Directors, Supervisors and Senior Management

√Applicable □ Not applicable

Name	Office title	Type of change	Date of change	Reason for change
Wang Huacheng	Independent director	Left for term expiration	18 May 2021	Left for term expiration
Zhang Xinmin	Independent director	Elected	18 May 2021	Elected
Wang Chenyang	Director	Left	15 October 2021	Resign
Li Yantao	Director	Left	24 November 2021	Resign
Xu Tao	Supervisor	Left	24 November 2021	Resign
Wang Jing	Director	Elected	14 December 2021	Elected
Ye Feng	Director	Elected	14 December 2021	Elected
Sun Fuqing	Supervisor	Elected	14 December 2021	Elected
Wang Jing	Director	Left	17 March 2022	Resign

## 2. Biographical Information

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

### Director

**Mr. Chen Yanshun**, Master of Economics, senior accountant, he had served in the Company from the year of 1993, has taken the posts of Secretary of the Board of the 1<sup>st</sup> Board of Directors of the Company, Secretary of the 2<sup>nd</sup> Board of Directors and Vice President, Executive Director of the 3<sup>rd</sup> Board of Directors and Senior Vice President, Executive Director of the 4<sup>th</sup>, 5<sup>th</sup> and the 6<sup>th</sup> Board of Directors and President, and Vice Chairman of the 7<sup>th</sup> Board of Directors and President, Vice Chairman of the 8<sup>th</sup> Board of Directors, Chairman of Executive Committee (CEO), Chairman of the Board of Beijing BOE Optoelectronics Technology Co., Ltd, and Chairman of the Board of many subordinate subsidiaries such as Hefei BOE Optoelectronics Technology Co., Ltd. and Chongqing BOE Optoelectronics Technology Co., Ltd.

Now he takes the posts of Chairman of the 9<sup>th</sup> Board of Directors of the Company and Chief of Executive Committee, BOE Optoelectronics Holdings Co., Ltd., BOE Optoelectronics Technology Co., Ltd. and BOE Technology (Hong Kong) Co., Ltd., Vice Chairman of Beijing BOE Investment Development Co., Ltd., Chairman of the Board of Beijing Kechuang Intelligent Technology Development Co., Ltd. and BOE Smart Technology Co., Ltd. Meanwhile, he serves as Vice Chairman of China Information Technology Industry Federation (CITIF), Vice Chairman of China Optics & Optoelectronics Manufactures Association (COEMA), Chairman of China Optics & Optoelectronics Manufactures Association LCB (CODA), Chief Supervisor of The Listed Companies Association of Beijing, and was awarded as National Model Worker in 2020 and honored as the Economic Figure of the Year by *China News Weekly* in 2021.

**Mr. Pan Jinfeng**, senior management, MBA, senior economist. He once acted as a staff and a staff of Corporate Planning Department of Shanghai Sales Company of Beijing Zhaowei Electronics (Group) Co., Ltd., Deputy Manager, Manager of Operation Department, Manager of Zhaowei Building Project Department, Assistant of GM, Deputy GM, GM of Zhaowei Industrial Corporation of Beijing Zhaowei Electronics (Group) Co., Ltd. Executive Deputy President of Beijing Zhaowei Electronics (Group) Co., Ltd., Deputy Secretary of Party Committee, Director, GM of Beijing Yiheng Electronics Group Co., Ltd., Assistant of GM and

Deputy GM of Beijing Electronics Holding Co., Ltd.

Now, he acts as the Vice Chairman of the 9<sup>th</sup> Board of Directors of the Company, Secretary of CPC, Director and GM of Beijing Electronics Holding Co., Ltd. & Deputy Chairman of the Board of NAURA Technology Group Co., Ltd., Chairman of the Board of Beijing Electronic Zone High-Tech Group Co., Ltd. and BE New Energy Technology (Jiangsu) Co., Ltd., Director of Beijing Electronics Holding & SK Technology Co., Ltd. and Chairman of the Board of Beijing Integrated Circuit Equipment Innovation Center Co. Ltd. and BE Aisite (Jiangsu) Technology Co., Ltd. & Vice Chairman of Beijing Youth Federation and Chairman of Beijing Electronic Chamber of Commerce.

**Mr. Liu Xiaodong**, Bachelor' degree, Engineer, he ever worked in Research Institute of Beijing Information Optics Apparatus. He successively took the posts of Director, Deputy General Manager and Secretary of CPC of Beijing Matsushita Color CRT Co., Ltd., Vice President of the Company and concurrently Director and General Manager of Beijing BOE Optoelectronics Technology Co., Ltd., Director and General Manager of Hefei BOE Optoelectronics Technology Co., Ltd. Chairman of the Board of Beijing BOE Vision-electronic Technology Co., Ltd. Director and GM of Hefei Xinsheng Optoelectronics Technology Co., Ltd., Deputy Chairman of the Board of Chongqing BOE Optoelectronics Technology Co., Ltd., Director of TPV Display Technology (China) Limited and Fuzhou BOE Optoelectronics Technology Co., Ltd., Chairman of the Board of Beijing BOE Sensor Technology Co., Ltd., Director of the 7<sup>th</sup> Board of Directors, Executive Vice President, COO, Director of the 8<sup>th</sup> Board of Directors, Deputy Chairman of Executive Committee, President & COO of the Company.

Now he takes the posts of Vice Chairman of the 9<sup>th</sup> Board of Director, President, Deputy Chairman of Executive Committee of the Company, Chairman of Mianyang BOE Optoelectronics Technology Co., Ltd., Chongqing BOE Display Technology Co., Ltd., Wuhan BOE Optoelectronics Technology Co., Ltd., Yunnan Chuangshijie Optoelectronics Technology Co., Ltd., and Fuzhou BOE Display Technology Co., Ltd., Executive Director of Beijing BOE Technology Development Co., Ltd. and Director of Hefei BOE Display Technology Co., Ltd.

**Ms. Wang Jing**, BA in Finance, LLM, MBA, Senior Economist. Previously, she served as a clerk in the Securities Department and Deputy Director of the Securities Office of Beijing Lightbus Corp. Ltd., a cadre in the Comprehensive Department of Beijing Municipal Economic Reform Commission, Assistant Manager and Deputy Manager of Financing Department of Beijing Enterprises Holding Limited (Hong Kong headquarter), Manager of Enterprise Management Department of Beijing Holdings Investment Management Limited, Deputy General Manager of Beijing Jingtai Investment Management Center of Jingtai Group, Manager of Enterprise Management Department of Jingtai Group, Assistant General Manager of Jingtai Group, Chairman and General Manager of Lugang International Logistics Co., Ltd., General Manager of Investment Management Department of Beijing State-owned Capital Operation and Management Center, Deputy General Manager of Beijing State-owned Capital Operation and Management Center, Director of the Ninth Session of the Board of Directors of the Company.

Currently, she is a Deputy General Manager of Beijing State-owned Capital Operation and Management Company Limited (formerly Beijing State-owned Capital Operation and Management Center), a Director of Beijing Jingguorui Investment Management Company Limited, a Director of Beijing Equity Investment Development and Management Company Limited, a Supervisor of Beijing Municipal Government Investment Guidance Fund Management Company Limited, a Supervisor of Beijing Guoyi Hospital Company Limited.

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

Holdings Co., Limited, Director of the 7<sup>th</sup> Board of Directors of the Company, Director of the 8<sup>th</sup> Board of Directors of the Company. Now he is the Director of the 9<sup>th</sup> Board of Directors of the Company, GM of Beijing Yizhuang Investment Co., Limited.

**Ms. Sun Yun**, Master of Business, a Senior Accountant. She successively took the posts of Deputy Chief, Chief of Finance Department of the Company, as well as Deputy CFO and Chief Auditor of the Company, Director of the 8<sup>th</sup> Board of Directors, Director of Erdos Yuansheng Optoelectronics Co., Ltd., Beijing BOE Video Technology Co., Ltd., Beijing BOE Multimedia Science and Technology Co., Ltd., BOE Health Investment Management Co., Ltd., Beijing BOE Matsushita Color CRT Innovation Co., Ltd. and Supervisor of Beijing Orient Vacuum Electric Co., Ltd.

Now she is Director of the 9<sup>th</sup> Board of Directors, Member of Executive Committee, Executive Vice President and CFO of the Company, Director of Beijing BOE Land Co., Ltd., Director of Beijing Yinghe Century Land Co., Ltd., Director of BOE Smart Technology Co., Ltd., Chairman of the Board of BOE Innovation Investment Co., Ltd.

**Mr. Gao Wenbao**, PhD in Microelectronics and Solid State Electronics. He joined the Company in 2003 and served as Section Chief, Head of Product Technology, Deputy Director of Technology, Executive Deputy General Manager of BOE, General Manager of TPC SBU, and General Manager of Chongqing BOE Display Technology Co., Ltd.

He is currently a Director, a member of the Executive Committee, and Executive Vice President of the Ninth Session of the Board of Directors, Chief Executive Officer of the Display Business, Executive Director and Chairman of the Board of Directors of BOE Varitronix Limited, and Chairman of Beijing Zhongxiangying Technology Co., Ltd.

**Mr. Ye Feng**, BS in Engineering, Engineer. Previously, he served as Deputy Factory Manager of Beijing Jianzhong Machinery Factory, a Director of the Board of Directors and General Manager of Beijing Qixing Huachuang Electronic Co., Ltd., Vice President of Beijing Beiguang Electron Group Co., Ltd., Factory Manager of Beijing Dahua Radio Instrument Factory, Chairman of Beijing Dahua Radio Instrument Company, Ltd.

He is currently a Director of the Ninth Session of the Board of Directors, a full-time Director assigned by Beijing Electronic Holding Co., Ltd., a Director of Beijing Zhaowei Electronics (Group) Co., Ltd., and a Director of NAURA Technology Group.

### **Independent Director**

**Mr. Hu Xiaolin**, doctor, associate professor of Tsinghua University, artificial intelligence professor, used to be the independent director of the 8th Board of Directors of the Company.

Now he serves as the Independent Director of the 9th Board of Directors of the Company and Hefei Chipmore Technology Co., Ltd, Editorial Board Member of IEEE Transactions on Image Processing and Cognitive Neurodynamics.

**Mr. Li Xuan**, Doctor of Law, Associate Professor, was formerly the Deputy Director of the Law Department of Central University of Finance and Economics, Deputy Dean of the Law School and Director of the Office of Legal Affairs; government legal advisor of the National Mine Safety Administration; Independent Director of China Minzu Securities Co., Ltd. and China Shengmu Organic Milk Limited. (Listed in Hong Kong Exchanges and Clearing Limited), Independent Director of the 8<sup>th</sup> Board of Directors of the Company.

He is currently an Independent Director of the Ninth Session of the Board of Directors of the Company, an Independent Director of Beijing Yandong Microelectronics Company Limited, an Independent Director of Beijing Dabeinong Technology Group Co., Ltd., an Independent Supervisor of China National Building Material Co., Ltd. (listed on the Hong Kong Stock Exchange), Chief of Central University of Finance and Economics Master of Laws (J.M) Education Center, Executive Dean of Public Policy-Making Research Center of China University of Political Science and Law, Deputy Chief of Committee for Social and Legal Affairs of

Beijing Municipal Committee of the CDL, vice chairman of Case Study Association of China Law Society, Executive Director of Lawyer Law Research Institute, a people's supervisor of Beijing and part-time arbitrator and lawyer.

**Mr. Tang Shoulian**, professor, holds a master's degree.

He has served as Director of Finance Office, Dean of School of Management and Humanities, Secretary of Party Committee of School of Economics and Management, Executive Dean of School of Economics and Management, and Standing Committee of Academic Committee and Chairman of Labor Dispute Mediation Committee of Beijing University of Posts and Telecommunications (BUPT). He has served as a member of the Expert Committee on Telecommunications Economy of the Ministry of Industry and Information Technology, a permanent member of the Chinese Association of Market Development, a standing member of the Information Law Research Society of the China Law Society, a senior member of the Chinese Society of Technology Economics, a standing member of the Commerce Statistical Society of China, and a reviewer of the Management Science Department of the National Natural Science Foundation of China.

He is currently an Independent Director of the 9<sup>th</sup> Board of Directors.

**Mr. Zhang Xinmin**, Doctor of Management, Professor, was formerly the Dean of the International Business School of the University of International Business and Economics, and a member of CPC's Standing Committee and Vice President of the University of International Business and Economics.

He is currently an Independent Director of the Ninth Session of the Board of Directors of the Company, an Independent Director of Minmetals Development Co., Ltd., an Independent Director of Fudian Bank Co., Ltd., an Independent Director of Pomegranate Investment Group Limited, an external Supervisor of Xiamen International Bank Limited, a professor of accounting and doctoral supervisor of the International Business School at the University of International Business and Economics, a member of the Business Administration Discipline Review Group of the Academic Degrees Committee of the State Council, Vice President of the China Commercial Accounting Institute, and an expert who enjoys special allowance from the State Council.

### Supervisor

**Mr. Yang Xiangdong**, postgraduate. He once worked as chief of Technology Security Section, minister of Sales Department and minister of Materials Department in Beijing TV Accessories Third Factory, Deputy GM of Beijing Jile Electronics Group Co., Ltd., Deputy GM of Beijing Sevenstar Electronics Co., Ltd., and Deputy GM of Beijing North Microelectronics Co., Ltd., Chairman of the 8th Supervisory Committee (convener),

Now he serves as the Chairman of the 9th Supervisory Committee, assigned full-time Chairman of Supervisory Committee of Beijing Electronics Holdings Co., Ltd., Chairman of Supervisory Committee of Beijing Zhaowei Electronic (Group) Co., Ltd., Chairman of Supervisory Committee of Beijing Seven Star Huadian Technology Group Co., Ltd., Chairman of Supervisory Committee of Kingstronic (Beijing) Limited, Supervisor of Beijing Electronics Holding & SK Technology Co., Ltd., Supervisor of Beijing Electronics New Energy Technology (Jiangsu) Co., Ltd. and supervisor of BEST, Supervisor of Beijing Electronic Information Technician College.

**Mr. Sun Fuqing**, Master of Engineering, Senior Accountant. He was formerly Assistant Financial Manager of Beijing C & W Electronics (Group) Co., Ltd., Manager of Finance Department of Beijing Tianlong Co., Ltd., Deputy Chief of Finance Department of Beijing Electronics Holding Co., Ltd., Vice Dean of Beijing Information Technology College, CFO of Beijing Dahua Radio Instrument Factory, Deputy Party Secretary, Director and General Manager of Beijing Yiheng Electron Group Co., Ltd., and Deputy Director of Adjustment Guarantee Center of Beijing Electronics Holding Co., Ltd.

He is currently a Supervisor of the Ninth Session of the Board of Supervisors of the Company, Chief Controller of Financial Management Department of Beijing Electronics Holdings Limited, and is also a Director of Beijing Electric Control Jiuyi Industrial

Development Company Limited, Chairman and General Manager of Beijing BOE Investment Development Company Limited, and a Director of Beijing Capitel Co., Ltd.

**Mr. Wei Shuanglai**, MBA, senior Engineer. He once acted as a staff of Beijing BBEF Electronics Group Co., Ltd., deputy director of Technology Center, director of General Labor Office, Deputy GM of Beijing BBEF Digital Broadcasting and Television Co., Ltd., president assistant & minister of Television Department, Executive President & Strategic Director, Deputy GM & Executive President, Deputy Secretary of Party Committee, Director, GM in Beijing BBEF Science & Technology Co., Ltd., Vice Minister of Technology Industry Department, Minister of Market Department, Head of Smart Equipment and System Business Department and Operations Management Department in Beijing Electronics Holding Co., Ltd. and Deputy GM of Beijing Zhaowei Electronics (Group) Co., Ltd.

Now, he acts as the Supervisor of the 9<sup>th</sup> Supervisory Committee of the Company, Director of Special Business Department of Beijing Electronics Holding Co., Ltd. & Director of Beijing Zhaowei Electronics (Group) Co., Ltd. and Beijing Dahua Electronic Instrument Corporation

**Ms. Chen Xiaobei**, bachelor, economist. She once acted as deputy director of general office, director of General Office (Party Committee Office), Board Secretary and Supervisor in Hefei Construction and Investment Holding (Group) Co., Ltd.

Now, she acts as the Supervisor of the 9<sup>th</sup> Supervisory Committee of the Company, Member of the Party Committee, Director, Deputy GM and Board Secretary in Hefei Construction and Investment Holding (Group) Co., Ltd.

**Ms. Shi Hong**, Master of Economics, Senior Economist, Supervisor of the 7<sup>th</sup> Supervisory Committee of the Company, Supervisor of the 8<sup>th</sup> Supervisory Committee of the Company.

Now he is the Supervisor of the 9<sup>th</sup> Supervisory Committee of the Company, Vice GM and Director of Beijing Yizhuang Investment Co., Ltd. & Chairman of the Board of Yizhuang Equity Investment Fund Management (Tianjin) Co., Ltd., Vice Chairman of the Board of Schneider (Beijing) LV Appliance Co., Ltd., Member of Investment Decision Committee of China Reform Fund Management Co., Ltd. Director of Beijing Jinyuan Jingkai Limited Liability Company for Sewage Treatment and Supervisor of Beijing Boda Xinyuan House Real Estate Development Co., Ltd..

**Mr. Xu Yangping**, Master of Civil and Commercial Law. He was former Deputy Minister, Minister of the Company's Legal Department, and Employee Supervisor of the 7<sup>th</sup> Supervisory Committee of the Company, Employee Supervisor of the 8<sup>th</sup> Supervisory Committee of the Company

Now he acts as Employee Supervisor of the 9<sup>th</sup> Supervisory Committee of the Company, Chief of the Group's Legal Center, Senior Chief Officer and the Director of Board of Directors of Gaochuang (Suzhou) Electronics Co., Ltd, Director of Beijing BOE Energy Technology Co., Ltd., Director of Orient Chengqi (Beijing) Business Technology Co., Ltd., Nanjing BOE Display Technology Co., Ltd., Qingdao BOE Smart Technology Co., Ltd., Chengdu BOE Smart Technology Co., Ltd., Chongqing BOE Smart Technology Co., Ltd., Suzhou BOE Smart Technology Co., Ltd., Yunnan BOE Smart Technology Co., Ltd., Shenzhen BOE Smart Technology Co., Ltd., Guangzhou BOE Smart Technology Co., Ltd., BEHC Industrial Investment Co., Ltd. and Erdos BOE Energy Investment Co., Ltd., Supervisor of BOE Smart Technology Co., Ltd., BOE Innovation Investment Co., Ltd., Tianjin BOE Innovation Investment Co., Ltd., Beijing BOE Vacuum Electric Appliance Co., Ltd., Beijing BOE Technology Development Co., Ltd., BOE Jingxin Technology Co., Ltd., Hefei BOE Ruisheng Technology Co., Ltd., BOE Digital Technology Co., Ltd., Beijing BOE Zhiwei Biological Technology Co., Ltd., BOE Smart Technology Co., Ltd, BOE Environmental Energy Technology Co., Ltd., Hefei BOE Nursing Hospital Co., Ltd. and BOE Smart Internet Hospital (Chengdu) Co., Ltd.

**Mr. He Daopin**, master. He once worked as Production Supervisor, Purchasing Supervisor, Financial Manager, Vice General

Manager of Beijing Oriental Aristocratic Paper Co., Ltd., Vice General Manager, General Manager of Industrial Gas Underwriting Company of Business Department of Park of the Company, Management Representative of Business Department of Park, Chief of HR and Administrative Department, Chief of Property Department and Chief of Labor Union, Deputy Chief, Chief of Party Mass Work Department of the Company, Corporate Cultural Center, Employee Supervisor of the 8<sup>th</sup> Supervisory Committee of the Company,

He now serves as Employee Supervisor of the 9<sup>th</sup> Supervisory Committee of the Company, Head of the North China Regional Corporate Culture Center, Chairman of Labor Union and Secretary of Committee for Discipline Inspection of Beijing BOE Display Technology Co., Ltd. & Chief of Corporate Culture of the Display BG, Chief of Corporate Culture of Beijing BOE Display Technology Co., Ltd. and Vice Chairman of Labor Union of the Group.

**Mr. Yan Jun**, bachelor. He once acted as the Deputy GM of Beijing Nissin Electronic Precision Components Co., Ltd., Minister of Corporate Culture/Party Affairs Department, Chairman of Labor Union in Chongqing BOE Optoelectronics Technology Co., Ltd. and Deputy Director of General Office of the Group.

Now he acts as the Employee Supervisor of the 9<sup>th</sup> Supervisory Committee, Deputy Head of Party Mass/Corporate Culture Center, Deputy Secretary of Discipline and Inspection Committee, Deputy Chairman of Labor Union in the Company.

**Mr. Teng Jiao**, bachelor of Administration. He once acted as the Deputy Minister of Planning and Finance Department, Minister of Performance Analysis of the Company and Minister of Accounting Department of Beijing BOE Display Technology Co., Ltd., Director of Beijing Asahi Electronic Materials Co., Ltd., Beijing BOE Energy Technology Co., Ltd., Beijing BOE Health Technology Co., Ltd. and Hefei BOE Hospital Co., Ltd., Supervisor of Beijing BOE CHATANI Electronics Co., Ltd. and Nanjing BOE Information Technology Co., Ltd.

Now, he acts as the Employee Supervisor of the 9<sup>th</sup> Supervisory Committee, Head of Finance Organization Accounting Taxation Center, Senior Director of the Company, Director of Beijing BOE Vacuum Electric Co., Ltd., Director of Beijing BOE Matsushita Color CRT Innovation Co., Ltd., Chengdu BOE Hospital Co., Ltd., Suzhou BOE Hospital Co., Ltd. and Gaochuang (Suzhou) Electronics Co., Ltd., BOE Optical Science and Technology Co., Ltd. and BOE Environmental Energy Technology Co., Ltd.

### Senior Management

**Mr. Yao Xiangjun**, MBA, Chinese CPA. He once worked as Minister and Chief Inspector of Financing Department of the Company, CFO of Hefei BOE Optoelectronics Technology Co., Ltd., Director of Business Planning Center, Chief Strategic Officer of the Company, CEO of Intelligent System Business Group, Chairman of the Board of Beijing BOE Video Technology Co., Ltd., Hefei BOE Video Technology Co., Ltd., Chongqing BOE Intelligent Electronic System Co., Ltd., BOE Optical Science and Technology Co., Ltd., Beijing BOE Multimedia Science and Technology Co., Ltd. and BOE Smart IoT Technology Co., Ltd.

Now he serves as member of Executive Committee, Executive Vice President of the Company, Director of SES-imgotag, and Chairman of the Board of BOE Yiyun Technology Co., Ltd., and BOE Smart Retail (Hong Kong) Co., Limited.

**Mr. Zhang Zhaohong**, bachelor of inorganic nonmetallic materials, engineer. He joined in the Company in 1992, he once worked as CEO of the Display BG of BOE, Chairman of the Board of Beijing BOE Optoelectronics Technology Co., Ltd., Chengdu BOE Optoelectronics Technology Co., Ltd., Hefei BOE Optoelectronics Technology Co., Ltd., Erdos Yuansheng Optoelectronics Co., Ltd., and Fuzhou BOE Optoelectronics Technology Co., Ltd., Director of Wuhan BOE Optoelectronics Technology Co., Ltd., Chairman of the Board of Beijing BOE Display Technology Co., Ltd., Chairman of the Board of BOE Health Investment Management Co., Ltd., Beijing BOE Health Technology Co., Ltd. and BOE Hyundai LCD Inc.

Now he serves as the member of Executive Committee, Executive Vice President and CEO of the MLED BG, Chairman of the Board

of BOE Jingxin Technology Co., Ltd.

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

Now he acts as member of Executive Committee, Executive Vice President and Chief Performance Officer of the Company, Director of Beijing BOE Investment Development Co., Ltd.

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

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

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

Now he acts as member of Executive Committee, Senior Vice President, Chief Audit Officer and Chief Risk Control Officer of the Company & Vice President of Beijing Internal Audit Association, Supervisor of Beijing BOE Optoelectronics Technology Co., Ltd., Beijing BOE Display Technology Co., Ltd., Erdos Yuansheng Optoelectronics Co., Ltd., Chongqing BOE Optoelectronics Technology Co., Ltd., Hefei BOE Optoelectronics Technology Co., Ltd., Chengdu BOE Optoelectronics Technology Co., Ltd., Chongqing BOE Display Technology Co., Ltd., Beijing BOE Sensor Technology Co., Ltd., Beijing BOE Video Technology Co., Ltd., Gaochuang (Suzhou) Electronics Co., Ltd., Hefei BOE Video Technology Co., Ltd. and BOE Health Investment Management Co., Ltd., Hefei BOE Display Technology Co., Ltd., Fuzhou BOE Optoelectronics Technology Co., Ltd., Nanjing BOE Display Technology Co., Ltd., Chongqing BOE Intelligent Electronic System Co., Ltd., BOE Optical Science and Technology Co., Ltd., Beijing BOE CHATANI Electronics Co.,Ltd., Nanjing BOE IT Co., Ltd., Hefei BOE Display Light Sources Co., Ltd., Chongqing BOE Display Lighting Co., Ltd., BOE Smart IoT Technology Co., Ltd., Beijing BOE Multimedia Science and Technology Co., Ltd., Hefei BOE Hospital Co., Ltd., Chengdu BOE Hospital Co., Ltd., Beijing BOE Health Technology Co., Ltd., BOE Regenerative Medical Technologies Co. Ltd., Suzhou BOE Hospital Co., Ltd., Beijing BOE Life Technology Co., Ltd., Beijing BOE Hospital Co., Ltd., Beijing BOE Marketing Co., Ltd., BOE Indonesia Co., Ltd. and Beijing BOE Living Technology Co., Ltd.

**Mr. Miao Chuanbin**, Master degree, once worked as Manager of Market Department Beijing Wireless Power Plant Putai Technology Company, Secretary of Party Committee Work Department and Deputy Secretary of Beijing Wireless Power Plan, Deputy General Manager of Beijing Ether-led Electronic Group Co., Ltd., Secretary of Party Committee Work Department, Enterprise Minister of Culture of Beijing Electronics Holdings Co., Ltd, Employee Supervisor of the 7<sup>th</sup> Supervisory Committee of the Company, Employee Supervisor of the 8<sup>th</sup> Supervisory Committee of the Company,.

Now he is the member of Executive Committee, vice president, CCO of the Company, Deputy Secretary of CPC, Secretary of the Commission for Discipline Inspection, Union Chairman of the Company, Deputy Chairman of Beijing Industry (National Defense) Labor Union, member of Beijing Electronic Union, member of Beijing Industrial Movement Theory Research Association and

member of the Commission for Discipline Inspection in Beijing Electronics Holding Co., Ltd.

**Mr. Zhang Yu**, engineer, holds a master's degree. He has served as the Deputy Director of the Executive Office of the Company, General Manager of Hefei Office, Supervisor of Hefei Xinsheng Optoelectronics Technology Co., Ltd., Director of Hefei Xinjingyuan Electronic Materials Co., Ltd. and Hefei BOE Optoelectronics Technology Co., Ltd.

He is currently the Vice President, Chief Human Resources Officer and Chief Reform and IT Management Officer of the Company and Supervisor of Hefei BOE Zhuoyin Technology Co., Ltd. He was awarded the "National Model Worker" in 2020.

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

Now he is a vice president and the Secretary of the 9th Board of Directors of the Company, as well as a director of Beijing Nissin Electronics Precision Component Co., Ltd. and Supervisor of Beijing Yinghe Century Land Co., Ltd.

Offices held concurrently in shareholding entities:

√Applicable □Not applicable

Name	Shareholding entity	Office held in the shareholding entity	Start of tenure	End of tenure	Remuneration or allowance from the shareholding entity
Pan Jinfeng	Beijing Electronics Holdings Co., Ltd.	GM	11 December 2020	--	Yes
Wang Jing	Beijing State-owned Capital Operation and Management Company Limited	Vice GM	1 January 2014	-	Yes
Ye Feng	Beijing Electronics Holdings Co., Ltd.	Full-time Director Dispatched	31 August 2021	-	Yes
Yang Xiangdong	Beijing Electronics Holdings Co., Ltd.	Full-time Chairman of the Supervisory Committee Dispatched	17 April 2015	--	Yes
Sun Fuqing	Beijing Electronics Holdings Co., Ltd.	Finance Minister	24 August 2021	-	Yes
Wei Shuanglai	Beijing Electronics Holdings Co., Ltd.	Minister of Special Business Department	26 November 2021	-	Yes
Notes to post-holding in shareholder's unit	The documents for holding the posts of shareholders entities haven't listed the expiry date.				

Offices held concurrently in other entities:

√Applicable □Not applicable

Name	Other entity	Office held in the entity	Start of tenure	End of tenure	Remuneration or allowance from the entity
Song Jie	Beijing Yizhuang Investment Co., Ltd.	GM	-	-	Yes
Hu Xiaolin	Tsinghua University	Associate professor	--	--	Yes
Li Xuan	The Central University of Finance and Economics	Post-graduate Tutor	--	--	Yes
Zhang Xinmin	University of International Business and Economics	Professor, Doctor Advisor	-	-	Yes
Chen Xiaobei	Hefei Construction Investment Holding (Group) Co., Ltd.	Director, member of CPC Committee, Deputy GM, Secretary of the Board	-	-	Yes
Shi Hong	Beijing Yizhuang Investment Co., Ltd.	Vice GM	-	-	Yes
Notes to post-holding in other unit	Due to the above personnel's units were special, their start dates and ending dates of the office terms have not been fixed.				

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

□ Applicable √ Not applicable

### 3. Remuneration of Directors, Supervisors and Senior Management

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

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

Proposal on Adjustment of Allowance for Directors and Supervisors was reviewed and approved on the 1<sup>st</sup> Extraordinary General Meeting of 2019 held by the Company on 28 June 2019, of which, the allowance for independent directors was adjusted to RMB0.2 million (before tax) per year from RMB0.15 million; the allowance for the Company's executive directors and employee supervisors as well as directors and supervisors holding posts in shareholder's unit was cancelled.

(2) During the Reporting Period, the total after-tax remuneration received by directors, supervisors and senior managers in the company amounted to RMB 67.1152 million, and the withholding of individual income tax by the company amounted to RMB 43.5138 million. Allowance for independent directors is RMB0.2 million (before tax) per year in 2021. For details please referred to the statement below.

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

Unit: RMB'0,000

Name	Office title	Gender	Age	Incumbent/Former	Total after-tax remuneration received from the Company in 2021	Individual income tax withheld by the	Any remuneration from related party
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						Company i n 2021	
Chen Yanshun	Chairman of the Board, Chief of Executive Committee	Male	56	Incumbent	346.12	213.70	No
Pan Jinfeng	Vice Chairman of the Board	Male	42	Incumbent	0	0	-
Liu Xiaodong	Vice Chairman of the Board, President, Vice Chairman of Executive Committee	Male	57	Incumbent	769.78	560.32	No
Song Jie	Director	Male	54	Incumbent	0	0	-
Sun Yun	Director, member of Executive Committee, Executive vice president, CFO	Female	52	Incumbent	707.63	509.56	No
Gao Wenbao	Director, member of Executive Committee, Executive vice president, CEO of the Display Business	Male	46	Incumbent	846.64	621.50	No
Ye Feng	Director	Male	56	Incumbent	0	0	-
Hu Xiaolin	Independent director	Male	43	Incumbent	16.00	4.00	-
Li Xuan	Independent director	Male	53	Incumbent	16.00	4.00	-
Tang Shoulian	Independent director	Male	69	Incumbent	16.00	4.00	-
Zhang Xinmin	Independent director	Male	59	Incumbent	9.87	2.36	-
Yang Xiangdong	Chairman of the Supervisory Committee	Male	60	Incumbent	0	0	-
Sun Fuqing	Supervisor	Male	48	Incumbent	0	0	-
Wei Shuanglai	Supervisor	Male	54	Incumbent	0	0	-
Chen Xiaobei	Supervisor	Female	49	Incumbent	0	0	-
Shi Hong	Supervisor	Female	39	Incumbent	0	0	-
Xu Yangping	Employee supervisor	Male	47	Incumbent	188.93	86.33	No
He Daopin	Employee supervisor	Male	52	Incumbent	138.73	48.30	No
Yan Jun	Employee supervisor	Male	50	Incumbent	109.49	25.18	No
Teng Jiao	Employee supervisor	Male	39	Incumbent	231.86	121.49	No
Yao Xiangjun	Member of Executive Committee, Executive vice	Male	44	Incumbent	371.54	231.55	No

	president						
Zhang Zhaohong	Member of Executive Committee, Executive vice president, CEO of LED business	Male	51	Incumbent	371.35	234.34	No
Zhong Huifeng	Member of Executive Committee, Executive vice president, Chief Performance Officer	Male	51	Incumbent	541.17	373.32	No
Feng Liqiong	Member of Executive Committee, Executive vice president, lead counsel	Female	49	Incumbent	546.46	377.61	No
Xie Zhongdong	Member of Executive Committee, Senior vice president, Auditor General, Chief Risk Officer	Male	51	Incumbent	334.77	204.45	No
Miao Chuanbin	Member of Executive Committee, vice president, Chief Culture Officer	Male	48	Incumbent	262.20	145.07	No
Zhang Yu	Vice president, Chief Reform and IT Management Officer, Chief Human Resource Officer	Male	51	Incumbent	432.20	285.38	No
Liu Hongfeng	Vice president, Secretary of the Board	Male	43	Incumbent	448.47	297.45	No
Wang Chenyang	Director	Male	52	Former	0	0	-
Li Yantao	Director	Male	40	Former	0	0	-
Wang Huacheng	Independent director	Male	58	Former	6.31	1.47	-
Wang Jing	Director	Female	50	Former	0	0	-
Xu Tao	Supervisor	Male	57	Former	0	0	-
Total	--	--	--	--	6711.52	4351.38	--

## VI Performance of Duty by Directors in the Reporting Period

### 1. General Meeting Convened during the Reporting Period

Meeting	Date of the meeting	Disclosure date	Meeting resolutions
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The 21 <sup>st</sup> Meeting of the 9 <sup>th</sup> Board of Directors	2021-01-15	2021-01-16	The following proposals were deliberated and approved, i.e. Proposal on the Company's Compliance with the Conditions for Non-public Offering of A Shares, Proposal on the Program of the Company's Non-public Offering of A Shares, Proposal on Preliminary Plan for the Company's Non-public Offering of A Shares in 2021, Proposal on Feasibility Analysis Report on the Use of Funds Raised from the Company's Non-public Offering of A Shares in 2021, Proposal on the Signing of the Conditional Subscription Agreement for the Company's Non-public Offering of A Shares and Related Transactions between the Company and Jingguorui Fund, Proposal on the Non-requirement to Prepare a Report on the Use of Previously Raised Funds, Proposal on the Company's Dividend Return Plan for Shareholders for the Next Three Years (2021-2023), Proposal of the Company on the Risk Warning and Remedies for Diluted Immediate Returns due to Non-public Offering of A Shares, Proposal on the Commitments of Directors, Senior Management, Controlling Shareholders and de facto controllers of the Company regarding the Remedies for Diluted Immediate Returns Due to the Company's Non-public Offering of A Shares in 2021, Proposal to Approve the Audit Report and Asset Appraisal Report in Connection with the Non-public Offering, Proposal on Independence of Appraisal Institution, Reasonableness of Appraisal Assumptions, Relevance of Appraisal Methodology to the Purpose of Appraisal and Fairness of Appraisal Pricing, Proposal to Request the Company's General Meeting to Authorize the Board of Directors to Handle Specific Matters of the Non-public Offering of A Shares, Proposal on Convening Extraordinary Shareholders' Meeting.
The 22 <sup>nd</sup> Meeting of the 9 <sup>th</sup> Board of Directors	2021-01-21	-	Proposal on the Signing of Patent License Agreement was deliberated and approved
The 23 <sup>rd</sup> Meeting of the 9 <sup>th</sup> Board of Directors	2021-01-26	2021-01-27	Proposal on the Transfer of Part of the Equity of Mianyang BOE Optoelectronics Co., Ltd. was deliberated and passed.
The 24 <sup>th</sup> Meeting of the 9 <sup>th</sup> Board of Directors	2021-03-22	2021-03-23	The following proposals were deliberated and approved: Proposal on Investment in High-Generation Thin Film Transistor Liquid Crystal Display (TFT-LCD) Production Line Expansion Project of Wuhan BOE Optoelectronics Co., Ltd., Proposal for the Appointment of Mr. Zhang Yu as a Member of Senior Management, and Proposal for the Appointment of Ms. Su Xuefei as the Representative of Securities Affairs.
The 25 <sup>th</sup> Meeting of the 9 <sup>th</sup> Board of Directors	2021-04-09	2021-04-13	The following reports and proposals were deliberated and approved, i.e., Report on the Work of the Board of Directors for 2020, Report on the Work of the Board of Directors for 2020, Full Annual Report and Summary for 2020, Financial Final Report for 2020 and Business Plan for 2021, Proposal for the Distribution of Profits for 2020, Special Statement on Non-operating Funds Utilization and Other Related Financial Transactions in 2020, Proposal on Estimated Daily Related Transactions for 2021, Proposal for Change in Accounting Policy, Proposal on Borrowing and Credit Line, Proposal on the Development of Capital Guaranteed

			Wealth Management and Structured Deposit Business, Special Report on the Deposit and Actual Use of Raised Funds for 2020, Proposal on the Intended Appointment of an Audit Agency for 2021, 2020 Annual Internal Control Evaluation Report, 2020 Annual Corporate Social Responsibility Report, Proposal for Authorizing the Chairman of the Board to Exercise his/her Powers, Proposal for Revising the Composition and Rules of Procedure of the Executive Committee, Proposal for Revising the Management Measures for External Investment, Proposal for the Election of Mr. Zhang Xinmin as an Independent Director of the Ninth Session of the Board of Directors, and Proposal for Holding the 2020 Annual General Meeting of Shareholders.
The 26 <sup>th</sup> Meeting of the 9 <sup>th</sup> Board of Directors	2021-04-29	-	Proposal for Deliberation on the Full Text and Body of the First Quarter Report for 2021 was deliberated and approved.
The 27 <sup>th</sup> Meeting of the 9 <sup>th</sup> Board of Directors	2021-05-13	-	The following proposals were deliberated and approved: Proposal on Waiver of Pre-emptive Right to Acquire Equity Interests of Chengdu CEC Panda Display Technology Co., Ltd. Held by Chengdu Aerotropolis Xingcheng Construction Management Co., Ltd.
The 28 <sup>th</sup> Meeting of the 9 <sup>th</sup> Board of Directors	2021-05-24	2021-05-25	The following proposals were deliberated and approved: Proposal on Adjustment of the Program of the Company's Non-public Offering of A Shares, Proposal on the Preliminary Plan for the Company's Non-public Offering of A Shares in 2021 (Revised Draft), Proposal on Feasibility Analysis Report on the Use of Funds Raised from the Company's Non-public Offering of A Shares in 2021 (Revised Draft), Proposal on the Signing of the Conditional Subscription Agreement for the Company's Non-public Offering of A Shares and Related Transactions between the Company and Jingguorui Fund, Proposal of the Company on the Risk Warning and Remedies for Diluted Immediate Returns due to Non-public Offering of A Shares (Revised Draft), Proposal to Approve the Audit Report and Asset Appraisal Report in Connection with the Non-public Offering, Proposal on Independence of Appraisal Institution, Reasonableness of Appraisal Assumptions, Relevance of Appraisal Methodology to the Purpose of Appraisal and Fairness of Appraisal Pricing, and Proposal on Election of Members of the Special Committee of the Board of Directors.
The 29 <sup>th</sup> Meeting of the 9 <sup>th</sup> Board of Directors	2021-06-11	-	Proposal on the Integration of Equity interest in the Sensor and Solution Business was deliberated and approved.
The 30 <sup>th</sup> Meeting of the 9 <sup>th</sup> Board of Directors	2021-07-05	-	Proposal on the Transfer of 100% Equity Interests in Beijing Ruizhihang Display Technology Co. Ltd. and Related Transactions was deliberated and approved.
The 31 <sup>st</sup> Meeting of the 9 <sup>th</sup> Board of Directors	2021-08-27	2021-08-31	The following proposals were deliberated and approved: Proposal for Deliberation on the Full Text and Summary of the Semi-Annual Report for 2021, Proposal for Deliberation on the Special Report on the Deposit and Actual Use of Raised Funds for the Semi-Annual Period of 2021, Proposal for Replacing Self-financing Funds

			Previously Invested in Fund-raising Projects with Raised Funds, Proposal on Adjustment of Exercise Price of Stock Options and Repurchase Price of Restricted Shares, Proposal for the Repurchase and Write-off of Certain Restricted Shares, Proposal for the Write-off of Certain Stock Options, Proposal on the Awarding of Reserved Stock Options to Incentive Objects, Proposal on the Repurchase of Part of the Company's Shares from the Public, Proposal on Investment in Beijing Yandong Microelectronics Company Limited and Related Transactions, Proposal on Investment in BOE IoT Mobile Display Port Device Production Base Project, and Proposal for Convening the Second Extraordinary General Meeting in 2021.
The 32 <sup>nd</sup> Meeting of the 9 <sup>th</sup> Board of Directors	2021-09-24	-	The following proposals were deliberated and approved: Proposal on the Remuneration and Appraisal results of the Chairman of the Executive Committee of the Company in 2020, and Proposal on Prepayment of Deposit to Novatek Microelectronics.
The 33 <sup>rd</sup> Meeting of the 9 <sup>th</sup> Board of Directors	2021-10-28	2021-10-29	The following proposals were deliberated and approved: Proposal on Deliberation on the Third Quarter Report of 2021, and Proposal on Investment in the Project of Chengdu Vehicle Display Base of BOE.
The 34 <sup>th</sup> Meeting of the 9 <sup>th</sup> Board of Directors	2021-11-01	-	The following proposals were deliberated and approved: Proposal on the Company's Business Objectives, Remuneration and Appraisal of the Chairman of the Executive Committee in 2021, and Proposal on the Investment Project for the Production Expansion of Corresponding F1 Products of BOE in Mianyang.
The 35 <sup>th</sup> Meeting of the 9 <sup>th</sup> Board of Directors	2021-11-25	2021-11-26	The following proposals were deliberated and approved: Proposal on the By-election of Non-Independent Directors of the Ninth Session of the Board of Directors of the Company, Proposal on the Amendment of the Articles of Association of the Company, and Proposal for Convening the Third Extraordinary General Meeting in 2021.
The 36 <sup>th</sup> Meeting of the 9 <sup>th</sup> Board of Directors	2021-12-28	2021-12-29	The Proposal on the Intended Participation in the Establishment of Beijing Jinguoguan Equity Investment Fund (Limited Partnership) and Related Transactions was deliberated and approved.

## 2. Attendance of Directors at Board Meetings and General Meetings

Attendance of directors at board meetings and general meetings							
Director	Total number of board meetings the director was eligible to attend	Board meetings attended on site	Board meetings attended by way of telecommunication	Board meetings attended through a proxy	Board meetings the director failed to attend	The director failed to attend two consecutive board meetings (yes/no)	General meetings attended
Chen Yanshun	16	2	14	0	0	No	4
Pan Jinfeng	16	0	15	1	0	No	0
Liu Xiaodong	16	2	14	0	0	No	3
Wang Jing	1	0	1	0	0	No	0

Song Jie	16	0	15	1	0	No	0
Sun Yun	16	1	14	1	0	No	3
Gao Wenbao	16	2	14	0	0	No	2
Ye Feng	1	0	1	0	0	No	0
Hu Xiaolin	16	1	15	0	0	No	3
Li Xuan	16	1	15	0	0	No	4
Tang Shoulian	16	1	15	0	0	No	4
Zhang Xinmin	9	0	9	0	0	No	3
Wang Chenyang	12	1	11	0	0	No	0
Li Yantao	14	1	13	0	0	No	3
Wang Huacheng	7	1	6	0	0	No	1

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

Not applicable.

### 3. Objections Raised by Directors on Matters of the Company

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

Yes  No

No such cases in the Reporting Period.

### 4. Other Information about the Performance of Duty by Directors

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

Yes  No

Suggestions from directors adopted or not adopted by the Company

The Board of Directors of the Company strictly obeyed relevant laws and regulations as well as the rules and regulations of the Company to fulfill the responsibilities seriously, in order to guarantee the standardization and effectiveness of BOE's governance structure. The Company's Board of Directors is composed of four executive directors, four non-executive directors, and four independent directors. All of them are equipped with good professional background, and necessary knowledge, skills and quality to fulfill their responsibilities. They learned about and kept a constant focus on BOE's production and operation, financial status, and influence and risks of significant events. They also took the initiative to search for information needed in their decision-making so as to ensure efficient operation and scientific decision-making of the Board of Directors. The executive directors of the Company are responsible for the operations management of the Company. They understand the business and operational status of the Company, and with rich management experience, they can make decisions efficiently. Non-executive directors are shareholder directors. As the communication bridge between shareholders and the management of the Company, they can combine the suggestions of shareholders with long-term interests of the Company, and participate in the decision-making process of significant events of the Company to protect the interests of shareholders. Independent directors are experts and scholars in the fields of technology, finance, law, and etc. They can express their opinions and views according to their expertise and advantages. During the Reporting Period, in accordance with *Company Law*, *Securities Law*, *Stock Listing Rules*, *Guidance on Establishing Independent Director System for Listed Companies*, *Articles of Association*, *Rules of Procedure for the Board of Directors* and *Independent Director Policy*, directors of the Company paid special attention to the standardized operation of the Company, performed their duties diligently, issued much

precious professional advice in terms of the perfection of policies and routine operating decision-making, etc., and issued their independent and fair opinions as independent directors on the related-party transactions, engagement of audit firm, dividend plan, recruitment of senior management, and other events needing their opinions occurred in the Reporting Period, as well as played their due roles in perfecting the supervisory mechanism of the Company, protecting the legal right of the Company and the whole shareholders.

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

Committee	Members	Number of meetings convened	Convened date	Content	Important opinions and suggestions raised	Other information about the performance of duty	Details about issues with objections (if any)
Strategy Committee under Board of Directors	Director: Mr. Chen Yanshun; Members: Mr. Liu Xiaodong, Ms. Sun Yun, Mr. Gao Wenbao	17	2021-01-05	Working out the operating strategies of the Company, planning its significant investment and financing projects, monitoring its major operation activities and other matters to be reported to the Board for review, etc.	--	--	N/A
			2021-01-11	Working out the operating strategies of the Company, planning its significant investment and financing projects, monitoring its major operation activities and other matters to be reported to the Board for review, etc.	--	--	N/A
			2021-01-15	Working out the operating strategies of the Company, planning its significant investment and financing projects, monitoring its major operation activities and other matters to be reported to the Board for review, etc.	--	--	N/A
			2021-03-11	Working out the operating strategies of the Company, planning its significant investment and financing projects, monitoring its major operation activities and other matters to be reported to the Board	--	--	N/A

				for review, etc.			
			2021-03-30	Working out the operating strategies of the Company, planning its significant investment and financing projects, monitoring its major operation activities and other matters to be reported to the Board for review, etc.	--	--	N/A
			2021-04-19	Working out the operating strategies of the Company, planning its significant investment and financing projects, monitoring its major operation activities and other matters to be reported to the Board for review, etc.	--	--	N/A
			2021-04-26	Working out the operating strategies of the Company, planning its significant investment and financing projects, monitoring its major operation activities and other matters to be reported to the Board for review, etc.	--	--	N/A
			2021-05-14	Working out the operating strategies of the Company, planning its significant investment and financing projects, monitoring its major operation activities and other matters to be reported to the Board for review, etc.	--	--	N/A
			2021-05-31	Working out the operating strategies of the Company, planning its significant investment and financing projects, monitoring its major operation activities and other matters to be reported to the Board for review, etc.	--	--	N/A
			2021-06-24	Working out the operating strategies of the Company, planning its significant investment and financing projects, monitoring its major operation activities and other matters to be reported to the Board	--	--	N/A

				for review, etc.			
			2021-08-17	Working out the operating strategies of the Company, planning its significant investment and financing projects, monitoring its major operation activities and other matters to be reported to the Board for review, etc.	--	--	N/A
			2021-09-14	Working out the operating strategies of the Company, planning its significant investment and financing projects, monitoring its major operation activities and other matters to be reported to the Board for review, etc.	--	--	N/A
			2021-10-28	Working out the operating strategies of the Company, planning its significant investment and financing projects, monitoring its major operation activities and other matters to be reported to the Board for review, etc.	--	--	N/A
			2021-11-01	Working out the operating strategies of the Company, planning its significant investment and financing projects, monitoring its major operation activities and other matters to be reported to the Board for review, etc.	--	--	N/A
			2021-11-15	Working out the operating strategies of the Company, planning its significant investment and financing projects, monitoring its major operation activities and other matters to be reported to the Board for review, etc.	--	--	N/A
			2021-11-18	Working out the operating strategies of the Company, planning its significant investment and financing projects, monitoring its major operation activities and other matters to be reported to the Board	--	--	N/A

				for review, etc.			
			2021-12-17	Working out the operating strategies of the Company, planning its significant investment and financing projects, monitoring its major operation activities and other matters to be reported to the Board for review, etc.	--	--	N/A
Risk Control and Audit Committee under Board of Directors	Convener (Director): Mr. Wang Huacheng; Members: Mr. Song Jie, Mr. Li Xuan, Mr. Li Yantao, Mr. Tang Shoulian	3	2021-02-01	The periodic reports of the Company, internal control, financial auditing, risk management and auditing supervision, etc.	--	--	N/A
			2021-03-31	The periodic reports of the Company, internal control, financial auditing, risk management and auditing supervision, etc.	--	--	N/A
			2021-04-19	The periodic reports of the Company, internal control, financial auditing, risk management and auditing supervision, etc.	--	--	N/A
	Convener (Director): Mr. Zhang Xinmin; Members: Mr. Song Jie, Mr. Li Xuan, Mr. Li Yantao, Mr. Tang Shoulian	2	2021-08-17	The periodic reports of the Company, internal control, financial auditing, risk management and auditing supervision, etc.	--	--	N/A
			2021-10-18	The periodic reports of the Company, internal control, financial auditing, risk management and auditing supervision, etc.	--	--	N/A
	Nomination & Remuneration & Appraisal Committee under Board of Directors	Convener (Director): Mr. Li Xuan; Members: Mr. Wang Chenyang, Mr. Wang Huacheng, Mr. Hu Xiaolin, Mr. Tang Shoulian	2	2021-02-18	Matters related to equity incentive, election of directors and engagement of senior management, etc.	--	--
2021-03-29				Matters related to equity incentive, election of directors and engagement of senior management, etc.	--	--	N/A
Convener (Director): Mr. Li Xuan;		2	2021-08-12	Matters related to equity incentive, election of directors and engagement of senior management,	--	--	N/A

Members: Mr. Wang Chenyang, Mr. Hu Xiaolin, Mr. Tang Shoulian, Mr. Zhang Xinmin  Convener (Director): Mr. Li Xuan; Members: Mr. Hu Xiaolin, Mr. Tang Shoulian, Mr. Zhang Xinmin	2	2021-09-07	etc.  Matters related to equity incentive, election of directors and engagement of senior management, etc.	--	--	N/A
		2021-10-18	Matters related to equity incentive, election of directors and engagement of senior management, etc.	--	--	N/A
	2021-11-03	Matters related to equity incentive, election of directors and engagement of senior management, etc.	--	--	N/A	

## VIII Performance of Duty by the Supervisory Committee

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

Yes  No

The Supervisory Committee raised no objections in the Reporting Period.

## V Employees

### 1. Number, Functions and Educational Backgrounds of Employees

Number of in-service employees of the Company as the parent at the period-end	2,462
Number of in-service employees of major subsidiaries at the period-end	56,315
Total number of in-service employees	79,461
Total number of paid employees in the Reporting Period	79,461
Number of retirees to whom the Company as the parent or its major subsidiaries need to pay retirement pensions	14
<b>Functions</b>	
<b>Function</b>	<b>Employees</b>
Production	48,675
Sales	2,644
Technical	24,745

Financial	775
Administrative	274
Manager	1,895
Other	453
Total	79,461
<b>Educational backgrounds</b>	
Educational background	Employees
Doctor	394
Master	8,893
Bachelor	20,656
College	23,089
Technical secondary school	10,141
Other	16,288
Total	79,461

## 2. Employee Remuneration Policy

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

## 3. Employee Training Plans

Since its establishment in 2015, BOE University (BOEU) has been adhering to the philosophy of "education before career", tapping and developing excellent cultural and wisdom assets to help various professionals grow. It has been cultivating a new generation of professional executives and business leaders, focusing on improving organizational performance and promoting the achievement of corporate strategic goals. BOEU is committed to providing targeted training programs for the Group's industrialists, professionals, managers and leaders, and helping BOE share its corporate philosophy and culture with similar SMEs, upstream and downstream industrial chain and eco-chain partners to achieve mutual benefits and win-win results. After six years of efforts, BOEU is steadily exploring and developing towards the vision of "becoming an internationally competitive and respectable industrial university".

In 2021, BOEU formulated a working policy of "innovative breakthrough, organization empowering, promoting strategy, and synergistic interaction", continuously upgraded and optimized the training project of key talents throughout the year, strengthened the transformation of the leaders' concepts and accelerated the cultivation of back-up leaders, in order to make ideology and talent preparation for the implementation of strategic transformation.

1. Innovation on training ways: Innovation and transformation were made on the training method of leaders. Digital coverage and scenario practice were adopted for pilot, which was recognized by the trainees, business leaders and the CHRO organizations;
2. Innovation on teaching mode: BOEU explored a brand-new teaching method. It accumulated experience on teaching method, course and case development, training product and delivery mode, and completed the teaching tasks by adopting multiple modes including the combination of training and practice, the combination of cultivation and evaluation, online, the combination of online and offline, and case study, so as to meet the needs of diversified training.

3. Accumulation of intellectual capital. Through the building of discipline system such as the building of internal teaching team, independent courses, and case pool of BOE, the internal and external resources were flexibly used to mutually make up their deficiencies, which laid a solid foundation on implementing the concept of "let the most excellent person cultivate more excellent persons", and achieved the extraction and flexible use of intellectual assets.

4. Output of the influence of cultural values: The top-up programme and benchmark visiting programme of University of Electronic Science and Technology of China were conducted. Meanwhile, the cooperation and communication with partners of industrial chains and university-enterprise alliances were deepened, so as to deliver the influence of cultural values of the Company, and promote the mutual development, innovation and win-win result with the partners of industrial chains and global ecological partners.

#### 4. Labor Outsourcing

Applicable  Not applicable

#### X Profit Distributions (in the Form of Cash and/or Stock)

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

Applicable  Not applicable

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

Applicable  Not applicable

Final dividend plan for the Reporting Period

Applicable  Not applicable

Bonus shares for every 10 shares (share)	0
Dividend for every 10 shares (RMB) (tax inclusive)	2.1
Total shares as the basis for the profit distribution proposal (share)	37,917,560,430
Cash dividends (RMB) (tax inclusive)	7,962,687,690.30
Cash dividends in other forms (such as share repurchase) (RMB)	2,427,517,910.23
Total cash dividends (including those in other forms) (RMB)	10,390,205,600.53
Attributable profit (RMB)	11,950,975,927
Total cash dividends (including those in other forms) as % of total profit distribution (%)	130.49%
Cash dividend policy adopted	
If the Company is in a growth stage and has any plan for significant expenditure, in profit distribution, the proportion of cash dividends shall be 20% or above.	
Details about the proposal for profit distribution and converting capital reserve into share capital	
Based on the total shares of 37,917,560,430 after the deduction of shares held through the special account for repurchase, the Company planned to distribute, with the undistributed profit, a cash dividend of RMB2.10 (tax inclusive) per 10 shares to all its shareholders. And no bonus share was granted, nor was any capital reserve converted into share capital. The said proposal is in	

compliance with the Company's Articles of Association and relevant approval procedure, and the independent directors have expressed their independent opinion on the proposal, which fully protects the legal rights and interests of the minority investors.

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

Applicable  Not applicable

### **1. Equity incentive**

The Company disclosed the *Announcement on the Resolution of the 15<sup>th</sup> Meeting of the 9<sup>th</sup> Board of Directors* (Announcement No.: 2020-047) and the *2020 Stock Option and Restricted Stock Grant Program* and other related announcements on 29 August 2020, in which the Company intends to implement the Equity Incentive Scheme, including both the Stock Option Incentive Scheme and the Restricted Stock Incentive Scheme. The source of the stock is the Company's A-shares repurchased from the secondary market. The total stock options and restricted stock incentive plan stock interests shall not exceed 981,150,000 shares, including 639,900,000 stock options and 341,250,000 restricted stock shares, representing approximately 2.82% of the total 34,798,398,763 shares of the Company's share capital at the time of the announcement of this draft incentive plan. On 30 October 2020, the Company received the *Approval on the Implementation of the Equity Incentive Scheme of BOE* (J.G.Z. [2020] No. 77) from the State-owned Assets Supervision and Administration Commission of People's Government of Beijing Municipality forwarded by Beijing Electronics Holding Co., Ltd, the actual controller, and the State-owned Assets Supervision and Administration Commission of People's Government of Beijing Municipality approved in principle the implementation of this incentive plan by the Company. The Company disclosed the *Announcement on the Adjustment of the List of Incentive Subjects and the Number of Equities Granted under the 2020 Stock Option and Restricted Stock Incentive Scheme* (Announcement No.: 2020-081) and the *Announcement on the First Grant of Stock Options and Restricted Shares to Incentive Subjects* (Announcement No.: 2020-082) on 22 December 2020 to determine that the grant date/authorization date of the Incentive Scheme is 21 December 2020, and 596,229,700 stock options will be granted to 1,988 incentive recipients and 321,813,800 restricted shares will be granted to 793 incentive recipients. The Company disclosed the *Announcement on Completion of Registration of the First Grant of the 2020 Stock Option and Restricted Stock Incentive Scheme* (Announcement No.: 2020-086) on 31 December 2020. The conditions for the grant under the Incentive Scheme of the Company have been fulfilled and the first registration of the grant has been completed. The completion date of the registration of the first grant of options under the Stock Option Incentive Scheme was 25 December 2020. The option ticker was 037100 and the option ticker is Eastern JLC1; the listing date of the restricted shares granted was 29 December 2020. The Company disclosed the *Announcement on Granting Reserved Stock Option to Incentive Recipients of the 2020 Stock Option and Restricted Stock Incentive Scheme* (Announcement No.: 2021-066) on 30 August 2021. The conditions for the granting of reserved stock option under the Incentive Scheme of the Company have been fulfilled. The granting date of the reserved stock option was 27 August 2021, and 33,000,000 stock options were granted to 110 incentive recipients. The Company disclosed the *Announcement on Completion of Registration of the Reserved and Granted Stock Option of the 2020 Stock Option and Restricted Stock Incentive Scheme* (Announcement No.: 2021-084) on 23 October 2021. The registration of the granting of reserved stock was completed, and the completion date of this registration was 22 October 2021. The option code is 037179 and the abbreviation of the option is Eastern JLC2.

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

√Applicable □Not applicable

Unit: share

Name	Office title	Share options held at the period-begin	Share options granted in the Reporting Period	Shares feasible to exercise during the Reporting Period	Shares exercised during the Reporting Period	Exercise price of exercised shares during the Reporting Period (RMB/share)	Share options held at the period-end	Market price at the period-end (RMB/share)	Number of restricted shares held at the period-begin	Number of released shares for the Reporting Period	Number of restricted shares newly granted during the Reporting Period	The grant price of restricted shares (RMB/share)	Number of restricted shares held at the period-end
Chen Yanshun	Chairman of the Board, Chief of Executive Committee	0	0	0	0	0	0	5.05	2,000,000	0	0	0	2,000,000
Liu Xiaodong	Vice Chairman of the Board, President, Vice Chairman of Executive Committee	0	0	0	0	0	0	5.05	1,800,000	0	0	0	1,800,000
Sun Yun	Director, member of Executive Committee, Executive vice president, CFO	0	0	0	0	0	0	5.05	1,500,000	0	0	0	1,500,000
Gao Wenbao	Director, member of Executive Committee, Executive vice president, CEO of the Display Business	0	0	0	0	0	0	5.05	1,500,000	0	0	0	1,500,000

Yao Xiangjun	Member of Executive Committee, Executive vice president	0	0	0	0	0	0	5.05	1,000,000	0	0	0	1,000,000
Zhang Zhaohong	Member of Executive Committee, Executive vice president, CEO of MLED Business	0	0	0	0	0	0	5.05	1,000,000	0	0	0	1,000,000
Zhong Huifeng	Member of Executive Committee, Executive vice president, Chief Performance Officer	0	0	0	0	0	0	5.05	1,000,000	0	0	0	1,000,000
Feng Liqiong	Member of Executive Committee, Executive vice president, lead counsel	0	0	0	0	0	0	5.05	1,000,000	0	0	0	1,000,000
Xie Zhongdong	Member of Executive Committee, Senior vice president, Auditor General, Chief Risk Officer	0	0	0	0	0	0	5.05	750,000	0	0	0	750,000
Miao Chuanbin	Member of Executive Committee, vice president, Chief Culture Officer	0	0	0	0	0	0	5.05	650,000	0	0	0	650,000
Zhang Yu	Senior Vice president, Chief Human Resource Officer	0	0	0	0	0	0	5.05	634,000	0	0	0	634,000

Liu Hongfeng	Vice President, Secretary of the Board	0	0	0	0	0	0	5.05	750,000	0	0	0	750,000
Total	--	0	0	0	0	--	0	--	13,584,000	0	0	--	13,584,000
Note (if any)	The restricted shares granted to the directors and senior management of the Company are restricted for a period of 24 months, 36 months and 48 months from the grant date of this equity incentive on 21 December 2020. As at the end of the Reporting Period, all equity incentives received by the directors and senior management of the Company were unlocked shares.												

#### Appraisal of and Incentive for Senior Management

According to the *Articles of Association*, *Management System for Professional Managers* and the *Performance Management System*, members of the senior management of the Company are appointed by the Board of Directors and sign the *Appointment Contract* and the *Annual Target Responsibility Paper*. The annual performance assessment and appointment period assessment will be implemented. The annual performance assessment is determined by the annual task breakdown of the current year's targets and the appointment period targets, and the appointment period assessment is based on medium- and long-term targets, and the salary and rewards are delivered according to the assessment results. Meanwhile, according to BOE's *2020 Stock Option and Restricted Stock Incentive Scheme* and relevant laws and regulations, the granted stock interests will be determined to be unlocked after the lock-up period based on the achievement of relevant conditions.

### 2. Implementation of Employee Stock Ownership Plans

Applicable  Not applicable

### 3. Other Incentive Measures for Employees

Applicable  Not applicable

## XII Establishment and Execution of the Internal Control System for the Reporting Period

### 1. Establishment and Execution of the Internal Control System

The establishment of internal control regulation was carried out according to the requirements of the establishment of internal control regulation of listed companies and the innovation reform of the second stage of SOPIC of the Company. Meanwhile, digital reform was synchronized, and the internal control system (three manuals) was revised and perfected, so as to guarantee the implementation of innovation reform and promote the compliance and efficient development of business.

### 2. Material Internal Control Weaknesses Identified for the Reporting Period

Yes  No

## XIII Management and Control over Subsidiaries by the Company for the Reporting Period

Subsidiary	Integration plan	Integration progress	Problem	Countermeasures taken	Settlement progress	Follow-up settlement plan
N/A	-	-	-	-	-	-

## XIV Internal Control Self-Evaluation Report or Independent Auditor's Report on Internal Control

### 1. Internal Control Self-Evaluation Report

Disclosure date of the internal control self-evaluation report	31 March 2022	
Index to the disclosed internal control self-evaluation report	On 31 March 2022, the Company disclosed 2021 Internal Control Appraisal Report, refer to <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a> for details.	
Evaluated entities' combined assets as % of consolidated total assets	97.52%	
Evaluated entities' combined operating revenue as % of consolidated operating revenue	95.38%	
Identification standards for internal control weaknesses		
Type	Weaknesses in internal control over financial reporting	Weaknesses in internal control not related to financial reporting
Nature standard	The nature standards of internal control deficiency evaluation over financial reporting determined by the Company are as follows: Material weakness: In case of the following situations, it will be deemed as that major defects (including but not limited to the	Evaluation standards for internal defects not related to financial reporting specified by the Company are as below: Material weakness: (1) The business scope of the Company violates

	<p>following situations) may occur:</p> <p>(1) Directors, supervisors and Senior Management make the malpractices;</p> <p>(2) The enterprise corrects the released financial statements;</p> <p>(3) The certified public accountant finds that there is a material misstatement in the current financial report, but the internal control fails to find the misstatement in the process of operation;</p> <p>(4) Supervision of the risk control and audit committee and the internal audit organization for internal control is ineffective. Serious weakness refers to one or combination of several control items, and its severity and economic consequence are lower than those of the material weaknesses but may still affect the real and accurate objective of the financial report.</p> <p>The common weakness refers to other internal control weaknesses except for material weaknesses and serious weaknesses.</p>	<p>national laws and regulations seriously;</p> <p>(2) The decision-making procedure is not scientific, major decision errors are released, the development strategies of the Company are deviated from severely and major property losses are caused for the Company;</p> <p>(3) Safety and environmental accidents occur, resulting in major negative effects on the Company;</p> <p>(4) A lot of senior management personnel and key technicians leave the Company;</p> <p>(5) Important business lacks system control or the system is failure;</p> <p>(6) Material weaknesses or serious weaknesses are not corrected.</p> <p>Serious weakness refers to one or combination of several control items, and its severity and economic consequence are lower than those of the material weaknesses but may still affect the enterprise to deviate from the control goal.</p> <p>The common weakness refers to other internal control defects except for material weaknesses and Serious weakness.</p>
Quantitative standard	<p>The quantitative standards of internal control deficiency evaluation over financial reporting determined by the Company are as follows:</p> <p>Material weakness: The amount reported incorrectly is <math>\geq 1\%</math>* total amount of assets of the Group (operating revenue)</p> <p>Serious weakness: <math>0.5\%</math>*total amount of assets of the Group (operating revenue)<math>\leq</math> the amount reported incorrectly<math>&lt;1\%</math>*total amount of assets of the Group (operating revenue)</p> <p>Common weakness: <math>0.1\%</math>*total group assets (operating revenue)<math>\leq</math> the amount reported incorrectly <math>&lt;0.5\%</math>*total group assets (operating revenue)</p>	<p>The quantitative standards for internal control defects not related to financial reporting determined by the Company are consistent with those over the financial reporting. See the left side for details.</p>
Number of material weaknesses in internal control over financial reporting	0	
Number of material weaknesses in internal control not related to	0	

financial reporting	
Number of serious weaknesses in internal control over financial reporting	0
Number of serious weaknesses in internal control not related to financial reporting	0

## 2. Independent Auditor's Report on Internal Control

Applicable  Not applicable

Opinion paragraph in the independent auditor's report on internal control	
We believe that the Company and important subsidiaries make valid internal control on financial report in all significant aspects on 31 December 2021 according to the Basic Rules on Enterprise Internal Control and other relevant stipulations.	
Independent auditor's report on internal control disclosed or not	Disclosed
Disclosure date	31 March 2022
Index to such report disclosed	The Company disclosed the Audit Report on Internal Control on 31 March 2022, for details, please refer to <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a>
Type of the auditor's opinion	Standard unqualified opinion
Material weaknesses in internal control not related to financial reporting	No

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

Yes  No

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

Yes  No

## XV Rectifications of Problems Identified by Self-inspection in the Special Action for Listed Company Governance

Not applicable

## Part V Environmental and Social Responsibility

### I Major Environmental Issues

Indicate by tick mark whether the Company or any of its subsidiaries is a heavily polluting business identified by the environmental protection authorities of China.

√ Yes □ No

Name of polluter	Name of major pollutants	Way of discharge	Number of discharge outlets	Distribution of discharge outlets	Discharge concentration	Discharge standards implemented	Total discharge	Approved total discharge	Excessive discharge
Beijing BOE Optoelectronics Technology Co., Ltd.	COD	Standard emission after being treated by sewage treatment system	1	Northwest corner of factory	63 mg/L	500 mg/L	183.073t	828.418t	None
	Ammonia nitrogen				4.2 mg/L	45 mg/L	11.888t	59.173t	
	NMHC	Standard emission after being treated by organic waste gases	2	North U third floor roof	3.03 mg/m <sup>3</sup>	10 mg/m <sup>3</sup>	1.877t	311.3t	
Chengdu BOE Optoelectronics Technology Co., Ltd.	COD	Standard emission after being treated by sewage treatment system	1	North side of factory	134.27mg/L	500mg/L	143.96t	607.66t	None
	Ammonia nitrogen				20.5mg/L	45mg/L	21.27t	54.69t	
Hefei BOE Optoelectronics Technology Co., Ltd.	COD	Standard emission after being treated by sewage treatment system	1	Northwest corner of factory	42.57mg/L	380mg/L	150.74t	1081.55t	None
	Ammonia nitrogen				2.46mg/L	30mg/L	8.7t	101.23t	
Beijing BOE Display Technology	COD	Standard emission after being	1	East gate of factory	148.5mg/L	500mg/L	841.25t	1570.32t	None
	Ammonia				22.92mg/L	45mg/L	124.82t	183.20t	

Co., Ltd.	nitrogen	treated by sewage treatment system							
Hefei Xinsheng Optoelectronics Technology Co., Ltd.	COD	Standard emission after being treated by sewage treatment system	1	Northeast gate of factory	124mg/L	350mg/L	1064.29t	3135.04t	None
	Ammonia nitrogen				14.38mg/L	35mg/L	149.51t	313.50t	
ErDOS Yuansheng Optoelectronics Co., Ltd.	COD	Standard emission after being treated by sewage treatment system	1	North side of factory	71.7mg/L	500mg/L	96.11t	713.81t	None
	Ammonia nitrogen				0.91mg/L	45mg/L	1.27t	76.82t	
The 6 <sup>th</sup> generation flexible AMOLED production line of Chengdu BOE Optoelectronics Technology Co., Ltd.	COD	Standard emission after being treated by sewage treatment system	1	North side of factory	48.40mg/L	500mg/L	187.34t	6383.16t	None
	Ammonia nitrogen				6.99mg/L	45 mg/L	25.43t	574.48t	
Chongqing BOE Optoelectronics Technology Co., Ltd.	COD	Standard emission after being treated by sewage treatment system	1	South side of factory	94.02mg/L	400mg/L	427.11t	1900.24t	None
	Ammonia nitrogen				4.47mg/L	30mg/L	20.14t	146.17t	
Hefei BOE Display Technology Co., Ltd.	COD	Standard emission after being treated by sewage treatment system	1	North side of factory	95.7mg/L	400mg/L	395.21t	4759.56t	None
	Ammonia nitrogen				11.25mg/L	35mg/L	47.45t	416.46t	

Fuzhou BOE Optoelectronics Technology Co., Ltd.	COD	Standard emission after being treated by sewage treatment system	1	Northeast side of factory	91.96 mg/L	500 mg/L	66.27t	510.35t	None
	Ammonia nitrogen				6.42 mg/L	45 mg/L	1.59t	68.05t	
Mianyang BOE Optoelectronics Technology Co., Ltd.	COD	Standard emission after being treated by sewage treatment system	1	North side of factory	24.47mg/L	500mg/L	95.54t	6911.3775t	None
	Ammonia nitrogen				2.82mg/L	45mg/L	11t	364.6771t	
Wuhan BOE Optoelectronics Technology Co., Ltd.	COD	Standard emission after being treated by sewage treatment system	1	Northeast corner of factory	54.99mg/l	500mg/L	558.11t	5074.33t	None
	Ammonia nitrogen				2.75mg/L	45mg/L	27.87t	456.69t	
Nanjing BOE Display Technology Co., Ltd.	COD	Standard emission after being treated by sewage treatment system	1	South side of factory	136.6mg/L	500mg/L	914.58t	2215.01t	None
	Ammonia nitrogen				5.4mg/L	45mg/L	35.33t	183.67t	
Chengdu CEC Panda Display Technology Co., Ltd.	COD	Standard emission after being treated by sewage treatment system	1	Northwest corner of factory	101.25mg/L	500mg/L	588.57t	4310.1t	None
	Ammonia nitrogen				12.39mg/L	45 mg/L	72.33t	148.8t	
BOE (Hebei) Mobile Display Technology Co., Ltd.	COD	Discharged into sewage treatment plant through municipal pipes	1	North side of factory	157.45mg/L	500mg/L	11.892t	88.491t	None
	Ammonia nitrogen				6.11 mg/L	45mg/L	0.632t	7.754t	

Yunnan Chuangshijie Optoelectronics Technology Co., Ltd.	COD	Standard emission after being treated by sewage treatment system	1	Northwest corner of factory	89.25mg/L	500mg/L	5.525t	43.271t	None
	Ammonia nitrogen				6.34mg/L	45mg/L	0.365t	4.681t	

#### Construction of pollution prevention equipment and operation condition

During the Reporting Period, the Company did not have any serious environmental problems. The Company builds sound environment management systems and establishes the environment management organizations to supervise the overall environment performance of the Company, work out the environment management objectives and related systems, conduct regular supervision and instruction for the environment management of subordinate companies and push forward the implementation of environment management.

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

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

“4R concept” for the use of materials has been used by the Company, that is recycle (Recycle), reduction (Reduce), renewal (Renew) and responsibility (responsibly). The Company promises that the used materials are all in accordance with requirements of national relevant environmental regulations and the registration, assessment, permission and restriction system of chemicals. In additional, the Company promotes the recycle of package materials constantly. The waste materials which are generated by each subordinate enterprise can be divided into general industrial solid waste, hazardous waste materials and household waste materials, and they all handed over to qualified recycler for regular treatment. The disposal rate of hazardous waste materials is 100%.

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

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

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

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

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

#### Contingency Plan for Emergent Environmental Incidents

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

#### Self-monitoring Plan

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

Administrative penalties imposed for environmental issues during the Reporting Period

Name	Reason	Case	Result	Influence on production and operation	Rectification measures
N/A	N/A	N/A	N/A	N/A	N/A

#### Other environment information that should be disclosed

No

Measures taken to decrease carbon emission in the Reporting Period and corresponding effects

Applicable  Not applicable

The Company has set up a "Peak Emission" and "Carbon Neutrality" project team (including leading group, working group) and the promotion groups of undertakings and organizations to clarify the composition of personnel and organizational responsibilities. The on-site plant achieves the goal of energy-saving and emission reduction through the operation of the energy management system and the incentive energy-saving program through refined management on the energy management platform. Results of energy-saving and emission reduction: The number of energy-saving and emission reduction projects was 301 in total in 2021. As at the end of December, 198.2339 million kWh of electricity, 5.6848 million tons of water, 0.2993 million cubic meters of natural gas, 4.7905 million cubic meters of nitrogen, and 4,536.48 million KJ of vapor had been saved.

Meanwhile, in order to cope with the challenges and opportunities brought by carbon trading, BOE Beijing Factory takes the lead in implementing carbon trading, actively carrying out carbon emission trading, CCER replacement quota and other work, to effectively increase carbon reserves. In 2021, Beijing BOE Optoelectronics Technology Co., Ltd. actively responded to the appeal of the country, and completed carbon neutrality of partial areas of the powerhouse by conducting energy-saving technique improvement project, refinement management and carbon emission trading.

#### Other related environment protection information

BOE fully considers design for recycling, universal design and minimal design of products in the product design stage, adheres to the green management concept of the full life cycle of products, and follows the principles of minimizing energy and resource consumption, minimizing the impact on the ecological environment and maximizing the recyclability.

In order to reduce the impact of the logistics transportation process on the environment, BOE and its partners constantly improve the transportation management system, carry out reasonable layout and planning of transportation stations and routes, improve the delivery efficiency, and reduce greenhouse gas emissions.

## II Social Responsibility

BOE discloses its Corporate Social Responsibility Report every year. As of 2021, BOE had consecutively disclosed Social Responsibility Report for 12 years. Please view and download such report via official website of BOE [www.boe.com](http://www.boe.com) or Cninfo .

## III Consolidation and Expansion of Poverty Alleviation Outcomes, and Rural Revitalization

After the comprehensive victory of poverty alleviation, BOE continued to deepen the implementation of the country's rural revitalization strategy, and prepared the *Programme for Comprehensively Promoting Rural Revitalization of BOE in 2021*. It clarified the goals of industrial support, public welfare support, employment support, and consumption support. At the same time, it made full use of its advantages to extensively mobilize societal forces to participate, and strong joint forces to intensify and expand the achievements of poverty alleviation and comprehensively push forward rural revitalization was formed.

1. Industrial revitalization: Prosperous industries were developed and upgraded in the light of local conditions

BOE gave full play of its advantages, linked up internal resources, and adopted measures suiting local conditions to promote rural revitalization. In terms of helping the villages with weak economy, the Company expanded their channels to increase revenue by donating photovoltaic power generation projects to them. Besides, it internally selected temporary leaders as the first secretaries to pairing villages, so as to be online all the time, have a deep exploration of local conditions, and provide targeted assistance. Meanwhile, BOE also promoted local economic growth by helping upgrade local industries and creating sustainable prosperous industries.

2. Talent revitalization: The "assistance of will and wisdom" invigorated the talents' vigor

BOE treated the promotion of talent revitalization as one of the main fields to facilitate rural revitalization. It assisted in education and public welfare, and employed people out of poverty, which continuously stimulated the vigor of talents.

In 2021, BOE carried out many education and public welfare projects like "Lighting the Way to Growth". Also, it donated and built smart classrooms for 30 township central schools of three counties in Sichuan Province and Hunan Province, and provided smart education solutions of BOE for over 6,000 students in remote areas. It promoted rural digital education with technology and tried its best to contribute to the education development of poverty-stricken areas, so as to narrow the education gap.

In the meantime, relying on its own industries, BOE employed people out of poverty. Also, it made efforts to let more talents in rural areas have the opportunities to give play to their talent and create the platform to show themselves. To arouse the potential and vigor of talents, BOE promoted employment support continuously. In 2021, through combing internal personnel of enterprises, coordinating with colleges and universities to make recommendations, etc., BOE encouraged enterprises to hire people out of poverty, and recruited college students from families out of poverty and specialized talents. Work accounts were also established to ensure comprehensive management.

3. Multiple measures were taken concurrently: Both consumption support and public welfare support were indispensable

BOE continuously promoted consumption support. In terms of the procurement of agricultural accessory products and direct procurement in pairing assisting areas, the supporting amount was RMB4.4864million. Apart from procurement, BOE actively performed its social responsibilities, took various actions to provide public welfare support, donated funds to pairing assisting areas, and provided tuitions for left-behind children and autistic children of single-parent families in pairing assisting areas.

## Part VI Significant Events

### I Fulfillment of Commitments

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

√ Applicable □ Not applicable

Commitment	Promisor	Type of commitment	Details of commitment	Date of commitment making	Term of commitment	Fulfillment
Commitments made in share reform	-	-	-	-	-	-
Commitments made in acquisition documents or shareholding alteration documents	-	-	-	-	-	-
Commitments made in time of asset restructuring	-	-	-	-	-	-
Commitments made in time of IPO or refinancing	-	-	-	-	-	-
Equity incentive commitments	-	-	-	-	-	-
Other commitments made to minority interests	The Chairman of the Board: Mr. Chen Yanshun	Other commitments	In accordance with the Announcement on the Commitments of not Reducing the Shareholding by Some Directors, Supervisors and Senior Management	21 February 2020	During the term as	Ongoing

	Vice Chairman of the Board: Mr. Liu Xiaodong Director: Ms. Sun Yun and Mr. Gao Wenbao Supervisor: Mr. Xu Yangping, Mr. He Daopin, Mr. Yan Jun and Mr. Teng Jiao Senior Management: Mr. Yao Xiangjun, Mr. Zhang Zhaohong, Mr. Zhong Huifeng, Ms. Feng Liqiong, Mr. Xie Zhongdong, Mr. Miao Chuanbin and Mr. Liu Hongfeng	(No.: 2020-001) disclosed by the Company on 22 February 2020, some of the Company's directors, supervisors and senior managers, based on their confidence in the Company's future development and their recognition of the corporate value, promise not to reduce or transfer any shares held in BOE (A shares), not to entrust others to manage specific shares, not to authorize others to execute their voting right by means of any agreement, trust or other arrangements and not to require the Company to repurchase any specific shares during the terms of office and within 6 months after their tenures expire so as to promote the Company's continuous, stable and healthy development and maintain the rights and interests of the Company and all shareholders. For any newly-added shares derived from the assignment of rights and interests including the share donation and the reserved funds converted into share capital during the period (corresponding to the specific shares), they shall still keep their promises till the commitment period expires.	director, supervisor or senior manager, and in six months after the expiration of the term (the term determined when taking office).
Executed on time or not	Yes		
Specific reasons for failing to fulfill commitments on time and plans for next step (if any)	N/A		

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

Applicable  Not applicable

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

Applicable  Not applicable

No such cases in the Reporting Period.

### **III Irregularities in the Provision of Guarantees**

Applicable  Not applicable

No such cases in the Reporting Period.

### **IV Explanations Given by the Board of Directors Regarding the Latest “Modified Opinion” on the Financial Statements**

Applicable  Not applicable

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

Applicable  Not applicable

## VI YoY Changes to Accounting Policies, Estimates or Correction of Material Accounting Errors

√ Applicable □ Not applicable

On 7 December 2018, the Ministry of Finance (MOF) issued the *Notice on Revision and Issuance of the Accounting Standard for Business Enterprises No. 21 - Lease* (C.K. [2018] No. 35) (hereinafter referred to as "new lease standards"). According to the requirements of the Ministry of Finance, those enterprises that are listed both at home and abroad and those enterprises that are listed overseas and adopt the International Financial Reporting Standards or the Accounting Standards for Business Enterprises for preparation of financial statements should implement the standards from 1 January 2019; the other enterprises that adopt the *Accounting Standards for Business Enterprises* should implement the standards from 1 January 2021. The Company has implemented the new lease standards since 1 January 2021, and according to the accumulated number of impacts based on the execution of the new lease standard, the Company will adjust the retained income and the amount of relevant items in the financial statements at the beginning of the first year of execution, and will not adjust information for comparable periods.

On 2 November 2021, the Ministry of Finance updated the Q&As of the implementation of fixed asset standard. It requires that for routine repair charge that is not in conformity with subsequent expenditures of fixed asset capitalization, enterprises should recognize it as profit or loss, or recognize it as the cost of relevant assets by beneficiaries when it occurs according to relevant regulations of the *Accounting Standard for Business Enterprises No.1 - Inventory* (C.K. [2006] No. 3) and *Accounting Standards for Business Enterprises No. 4 - Fixed Assets* (C.K. [2006] No. 3). Routine repair charge of fixed assets related to the production and processing of inventories shall be processed in accordance with the principles for determining the cost of inventories. The routine repair charge of fixed assets incurred in administrative departments and selling institutions specially established by enterprises shall be classified and recognized as management expense or marketing expense according to the functions. The Company adjusted the data of 2021 according to the requirements of Q&As, and made retroactive adjustments to the data in 2020.

The above changes in accounting policies will not exert a significant impact on the Company's financial condition, operating result and cash flow.

## VII YoY Changes to the Scope of the Consolidated Financial Statements

√ Applicable □ Not applicable

One subsidiary was established in the current period, that is BOE Mled Technology Co., Ltd. with 100% shareholding.

One subsidiary was disposed in the current period, that is Beijing BOE Special Display Technology Co., Ltd. With 100% shareholding at the beginning of the period and 0.00% shareholding at the end of the period.

## VIII Engagement and Disengagement of Independent Auditor

Current independent auditor

Name of the domestic independent auditor	KPMG Huazhen (LLP)
The Company's payment to the domestic independent auditor (RMB'0,000)	1,190
How many consecutive years the domestic independent auditor has provided audit service for the Company	17 years
Names of the certified public accountants from the domestic independent auditor writing signatures on the auditor's report	Zhang Huan and Chai Jing

How many consecutive years the certified public accountants from the domestic independent auditor have provided audit service for the Company	Zhang Huan 5 years and Chai Jing 3 year
Name of the foreign independent auditor (if any)	N/A
The Company's payment to the foreign independent auditor (RMB'0,000) (if any)	0
How many consecutive years the foreign independent auditor has provided audit service for the Company (if any)	N/A
Names of the certified public accountants from the foreign independent auditor writing signatures on the auditor's report (if any)	N/A
How many consecutive years the certified public accountants from the foreign independent auditor have provided audit service for the Company (if any)	N/A

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

Yes  No

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

Applicable  Not applicable

During the year, the Company engaged KPMG Huazhen (LLP) as the Company's internal control audit accounting firm, and the Company paid KPMG Huazhen (LLP) total compensation of RMB11.9 million for the 2021 annual audit and internal control audit.

## IX Possibility of Delisting after Disclosure of this Report

Applicable  Not applicable

## X Insolvency and Reorganization

Applicable  Not applicable

No such cases in the Reporting Period.

## XI Major Legal Matters

Applicable  Not applicable

General information	Involved amount (RMB'0,000)	Provision	Progress	Decisions and effects	Execution of decisions	Disclosure date	Index to disclosed information
Litigations for 2021 (including carryforwards in previous years )	20,729.84	No	N/A	N/A	N/A	-	N/A

## XII Punishments and Rectifications

Applicable  Not applicable

No such cases in the Reporting Period.

### **XIII Credit Quality of the Company as well as Its Controlling Shareholder and Actual Controller**

Applicable  Not applicable

### **XIV Major Related-Party Transactions**

#### **1. Continuing Related-Party Transactions**

Applicable  Not applicable

No such cases in the Reporting Period.

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

Applicable  Not applicable

No such cases in the Reporting Period.

#### **3. Related Transactions Regarding Joint Investments in Third Parties**

Applicable  Not applicable

No such cases in the Reporting Period.

#### **4. Amounts Due to and from Related Parties**

Applicable  Not applicable

No such cases in the Reporting Period.

#### **5. Transactions with Related Finance Companies**

Applicable  Not applicable

The Company did not make deposits in, receive loans or credit from and was not involved in any other finance business with any related finance company or any other related parties.

#### **6. Transactions with Related Parties by Finance Companies Controlled by the Company**

Applicable  Not applicable

The finance company controlled by the Company did not make deposits, receive loans or credit from and was not involved in any other finance business with any related parties.

#### **7. Other Major Related-Party Transactions**

Applicable  Not applicable

None

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

Title of public announcement	Disclosure date	Disclosure website
Announcement on Involvement in Related-party Transaction for Private Placement of A-shares	16 January 2021	www.cninfo.com.cn
Announcement on the Prediction of 2021 Annual Routine Connected Transaction	13 April 2021	www.cninfo.com.cn
Announcement on Involvement in Related-party Transaction for Private Placement of A-shares (Revised)	25 May 2021	www.cninfo.com.cn
Announcement on Investment in Beijing YanDong MicroElectronic Co., Ltd. and Related Transactions	31 August 2021	www.cninfo.com.cn
Announcement on the Participation in the Establishment of Beijing Jingguoguan Equity Investment Fund (Limited Partnership) and Related Transactions	29 December 2021	www.cninfo.com.cn

## XV Major Contracts and Execution thereof

### 1. Entrustment, Contracting and Leases

#### (1) Entrustment

Applicable  Not applicable

No such cases in the Reporting Period.

**(2) Contracting**

Applicable  Not applicable

No such cases in the Reporting Period.

**(3) Leases**

Applicable  Not applicable

No such cases in the Reporting Period.

**2. Major Guarantees**

Applicable  Not applicable

Unit: RMB'0,000

Guarantees provided by the Company as the parent and its subsidiaries for external parties (exclusive of those for subsidiaries)										
Obligor	Disclosure date of the guarantee line announcement	Line of guarantee	Actual occurrence date	Actual guarantee amount	Type of guarantee	Collateral (if any)	Counter guarantee (if any)	Term of guarantee	Having expired or not	Guarantee for a related party or not
N/A										
Guarantees provided by the Company as the parent for its subsidiaries										
Obligor	Disclosure date of the guarantee line announcement	Line of guarantee	Actual occurrence date	Actual guarantee amount	Type of guarantee	Collateral (if any)	Counter guarantee (if any)	Term of guarantee	Having expired or not	Guarantee for a related party or not
Ordos YuanSheng Optoelectronics Co., Ltd.	2016-11-30	542,448	2017-03-15	155,455	Joint-liability	N/A	N/A	2017-3-17 to 2027-3-17	Not	Not
Chengdu BOE Optoelectronics	2017-04-24	2,219,994	2017-08-30	2,008,093	Joint-liability	N/A	N/A	2017-9-6 to 2029-9-6	Not	Not

Technology Co., Ltd.										
Chengdu BOE Optoelectronics Technology Co., Ltd.	2017-04-24	450,000	2017-07-31	39,500	Joint-liability	N/A	N/A	Opening date of the letter of guarantee to 2026-5-25	Not	Not
Chongqing BOE Optoelectronics Technology Co., Ltd.	2014-07-28	1,359,514	2014-09-29	119,731	Joint-liability	N/A	N/A	2014-11-5 to 2024-11-5	Not	Not
Hefei BOE Display Technology Co., Ltd.	2016-11-30	1,608,158	2017-08-30	1,052,221	Joint-liability	N/A	The secured party provides a counter guarantee for the guarantor	2017-9-7 to 2027-9-7	Not	Not
Fuzhou BOE Optoelectronics Technology Co., Ltd.	2015-12-09	1,287,089	2016-11-08	457,666	Joint-liability	N/A	N/A	2016-12-19 to 2026-12-19	Not	Not
Mianyang BOE Optoelectronics Co., Ltd.	2018-05-18	2,054,691	2018-09-18	1,942,967	Joint-liability	N/A	The secured party provides a counter guarantee for the guarantor	2018-9-26 to 2031-9-26	Not	Not
Mianyang BOE Optoelectronics Co., Ltd.	2018-05-18	460,000	2018-06-22	48,000	Joint-liability	N/A	The secured party provides a counter guarantee for the guarantor	Opening date of the letter of guarantee to 2027-11-6	Not	Not
Chongqing BOE Display Technology Co., Ltd.	2020-04-27	1,963,503	2020-12-29	778,595	Joint-liability	N/A	The secured party provides a counter guarantee for	2020-12-31 to 2033-12-31	Not	Not

							the guarantor			
Wuhan BOE Optoelectronics Technology Co., Ltd.	2019-03-25	1,940,416	2019-08-16	1,561,416	Joint-liability	N/A	The secured party provides a counter guarantee for the guarantor	2019-8-23 to 2032-8-23	Not	Not
Nanjing BOE Display Technology Co., Ltd.	2020-09-23	180,000	2021-05-12	135,000	Joint-liability	N/A	The secured party provides a counter guarantee for the guarantor	2021-05-12 to 2026-05-31	Not	Not
Nanjing BOE Display Technology Co., Ltd.	2020-09-23	120,000	2021-05-12	120,000	Joint-liability	N/A	The secured party provides a counter guarantee for the guarantor	2021-05-12 to 2026-06-06	Not	Not
Nanjing BOE Display Technology Co., Ltd.	2020-09-23	100,065	2021-07-29	75,055	Joint-liability	N/A	The secured party provides a counter guarantee for the guarantor	2021-7-29 to 2025-6-17	Not	Not
Nanjing BOE Display Technology Co., Ltd.	2020-09-23	19,098	2021-08-13	15,000	Joint-liability	N/A	The secured party provides a counter guarantee for the guarantor	2021-8-13 to 2025-4-28	Not	Not
Nanjing BOE Display Technology Co., Ltd.	2020-09-23	10,500	2021-12-27	10,500	Joint-liability	N/A	The secured party provides	2021-12-27 to 2026-8-24	Not	Not

							a counter guarantee for the guarantor			
Chengdu BOE Hospital Co., Ltd.	2020-04-27	240,000	2020-06-15	115,309	Joint-liability	N/A	The secured party provides a counter guarantee for the guarantor	2020-6-15 to 2042-6-30	Not	Not
Total approved line for such guarantees in the Reporting Period (B1)				0	Total actual amount of such guarantees in the Reporting Period (B2)					-984,171
Total approved line for such guarantees at the end of the Reporting Period (B3)				14,555,476	Total actual balance of such guarantees at the end of the Reporting Period (B4)					8,634,510
Guarantees provided between subsidiaries										
Obligor	Disclosure date of the guarantee line announcement	Line of guarantee	Actual occurrence date	Actual guarantee amount	Type of guarantee	Collateral (if any)	Counter guarantee (if any)	Term of guarantee	Having expired or not	Guarantee for a related party or not
Guangtai Solar Energy Technology (Suzhou) Co., Ltd.	N/A	5,450	2017-12-20	3,458	Joint-liability; pledge	Equity interest	N/A	2017-12-20 to 2029-4-6	Not	Not
Huanda Trading (Hebei) Co., Ltd.	N/A	14,600	2017-05-24	9,097	Joint-liability; pledge	Equity interest	N/A	2017-6-15 to 2031-3-16	Not	Not
Yangyuan Photovoltaic Power Generation (Huanggang) Co., Ltd.	N/A	3,800	2020-09-30	3,743	Joint-liability	N/A	N/A	2020-9-30 to 2034-9-30	Not	Not
Yaoguang New Energy (Shouguang) Co., Ltd.	N/A	3,600	2020-09-30	3,546	Joint-liability	N/A	N/A	2020-9-30 to 2034-9-30	Not	Not

Suzhou Industrial Park Taijing Photovoltaic Co., Ltd.	N/A	2,800	2020-09-30	2,758	Joint-liability	N/A	N/A	2020-9-30 to 2034-9-30	Not	Not
Qingmei Solar Energy Technology (Lishui) Co., Ltd.	N/A	3,300	2020-09-30	3,030	Joint-liability	N/A	N/A	2020-9-30 to 2034-9-30	Not	Not
Qinghong Solar Energy Technology (Jinhua) Co., Ltd.	N/A	1,700	2020-09-30	1,561	Joint-liability	N/A	N/A	2020-9-30 to 2034-9-30	Not	Not
Qinghui Solar Energy Technology (Jinhua) Co., Ltd.	N/A	1,100	2020-09-30	1,010	Joint-liability	N/A	N/A	2020-9-30 to 2034-9-30	Not	Not
Hefei Hexu Technology Co., Ltd.	N/A	400	2020-09-30	394	Joint-liability	N/A	N/A	2020-9-30 to 2034-9-30	Not	Not
Hefei Chenneng Technology Co., Ltd.	N/A	800	2020-09-30	788	Joint-liability	N/A	N/A	2020-9-30 to 2034-9-30	Not	Not
Rongke New Energy (Hefei) Co., Ltd.	N/A	1,400	2017-12-18	1,106	Joint-liability; pledge	Equity interest	N/A	2017-12-18 to 2032-12-18	Not	Not
Tianchi New Energy (Hefei) Co., Ltd.	N/A	1,100	2017-12-18	866	Joint-liability; pledge	Equity interest	N/A	2017-12-18 to 2032-12-18	Not	Not
Qinghao Solar Energy Technology (Jinhua) Co., Ltd.	N/A	890	2017-12-18	675	Joint-liability; pledge	Equity interest	N/A	2017-12-18 to 2032-12-18	Not	Not
Xiangqing Solar Energy Technology (Dongyang) Co., Ltd	N/A	3,476	2017-12-18	2,238	Joint-liability; pledge	Equity interest	N/A	2017-12-18 to 2032-12-18	Not	Not
Qingyue Solar Energy Technology (Wuyi) Co., Ltd	N/A	960	2017-12-18	618	Joint-liability; pledge	Equity interest	N/A	2017-12-18 to 2032-12-18	Not	Not
Qingyou Solar Energy Technology (Longyou) Co., Ltd	N/A	2,210	2017-12-18	1,695	Joint-liability; pledge	Equity interest	N/A	2017-12-18 to 2032-12-18	Not	Not
Qingfan Solar Energy Technology (Quzhou) Co., Ltd	N/A	1,855	2017-12-18	1,194	Joint-liability; pledge	Equity interest	N/A	2017-12-18 to 2032-12-18	Not	Not

Anhui BOE Energy Investment Co., Ltd	N/A	13,575	2017-12-27	10,301	Joint-liability; pledge	Equity interest	N/A	2017-12-27 to 2032-12-27	Not	Not
Taihang Electric Power Technology (Ningbo) Co., Ltd	N/A	300	2020-12-03	281	Joint-liability	N/A	N/A	2020-12-3 to 2034-12-3	Not	Not
Guoji Energy (Ningbo) Co., Ltd.	N/A	1,800	2020-12-03	1,688	Joint-liability	N/A	N/A	2020-12-3 to 2034-12-3	Not	Not
Hongyang Solar Energy Power Generation (Anji) Co., Ltd.	N/A	2,500	2020-12-03	2,345	Joint-liability	N/A	N/A	2020-12-3 to 2034-12-3	Not	Not
Ke'en Solar Energy Power Generation (Pingyang) Co., Ltd.	N/A	1,600	2020-12-03	1,501	Joint-liability	N/A	N/A	2020-12-3 to 2034-12-3	Not	Not
Dongze Photovoltaic Power Generation (Wenzhou) Co., Ltd.	N/A	1,400	2020-12-03	1,313	Joint-liability	N/A	N/A	2020-12-3 to 2034-12-3	Not	Not
Aifeisheng Investment and Management (Wenzhou) Co, Ltd.	N/A	700	2020-12-03	657	Joint-liability	N/A	N/A	2020-12-3 to 2034-12-3	Not	Not
Beijing BOE Energy Technology Co., Ltd.	N/A	12,800	2017-10-23	12,480	Pledge	Charging right	N/A	2017-10-24 to 2032-10-23	Not	Not
Beijing BOE Energy Technology Co., Ltd.	N/A	20,560	2018-08-15	15,680	Pledge	Charging right	N/A	2018-9-26 to 2032-12-21	Not	Not
Beijing BOE Energy Technology Co., Ltd.	N/A	25,418	2017-11-28	22,018	Pledge	Charging right	N/A	2017-12-1 to 2032-12-1	Not	Not
Hengchuang New Energy Technology (Hong'an) Co., Ltd.	N/A	6,892	2018-01-31	5,196	Joint-liability	N/A	N/A	2018-1-31 to 2033-1-31	Not	Not
Anhui BOE Energy Investment Co., Ltd.	N/A	2,060	2018-04-25	1,642	Joint-liability	N/A	N/A	2018-4-25 to 2033-4-25	Not	Not
Junlong New Energy Technology (Huaibin) Co., Ltd.	N/A	8,459	2018-04-25	6,743	Joint-liability	N/A	N/A	2018-4-25 to 2033-4-25	Not	Not

Shaoxing Guangnian New Energy Co., Ltd.	N/A	16,000	2018-12-13	14,285	Joint-liability	N/A	N/A	2018-12-13 to 2033-12-12	Not	Not
Shaoxing Xuhui New Energy Co., Ltd.	N/A	4,500	2018-12-13	4,018	Joint-liability	N/A	N/A	2018-12-13 to 2033-12-12	Not	Not
Hefei BOE Hospital Co., Ltd.	2018-04-27	130,000	2018-04-27	114,500	Joint-liability	N/A	N/A	2018-4-27 to 2036-4-27	Not	Not
Juhui New Energy (Pinghu) Co., Ltd.	N/A	1,200	2021-10-27	1,175	Joint-liability	N/A	N/A	2021-10-27 to 2036-10-27	Not	Not
Dinghui New Energy (Zhuji) Co., Ltd.	N/A	2,100	2021-10-27	2,056	Joint-liability	N/A	N/A	2021-10-27 to 2036-10-27	Not	Not
Juhui New Energy (Shaoxing) Co., Ltd.	N/A	8,700	2021-10-27	8,519	Joint-liability	N/A	N/A	2021-10-27 to 2036-10-27	Not	Not
Beijing BOE Life Technology Co., Ltd.	N/A	60,000	2021-12-29	20,000	Joint-liability	N/A	The secured party provides a counter guarantee for the guarantor	2021-12-29 to 2039-12-28	Not	Not
Total approved line for such guarantees in the Reporting Period (C1)		60,000		Total actual amount of such guarantees in the Reporting Period (C2)		32,151				
Total approved line for such guarantees at the end of the Reporting Period (C3)		370,005		Total actual balance of such guarantees at the end of the Reporting Period (C4)		284,175				
Total guarantee amount (total of the three kinds of guarantees above)										
Total guarantee line approved in the Reporting Period (A1+B1+C1)		60,000		Total actual guarantee amount in the Reporting Period		-952,020				

		(A2+B2+C2)	
Total approved guarantee line at the end of the Reporting Period (A3+B3+C3)	14,925,481	Total actual guarantee balance at the end of the Reporting Period (A4+B4+C4)	8,918,685
Total actual guarantee amount (A4+B4+C4) as % of the Company's net assets			62.40%
Of which:			
Balance of guarantees provided for shareholders, actual controller and their related parties (D)			0
Balance of debt guarantees provided directly or indirectly for obligors with an over 70% debt/asset ratio (E)			39,952
Amount by which the total guarantee amount exceeds 50% of the Company's net assets (F)			1,772,408
Total of the three amounts above (D+E+F)			1,808,936
Joint responsibilities possibly borne or already borne in the Reporting Period for undue guarantees (if any)		N/A	
Provision of external guarantees in breach of the prescribed procedures (if any)		N/A	

Compound guarantees

None

### 3. Cash Entrusted for Wealth Management

#### (1) Cash Entrusted for Wealth Management

Applicable  Not applicable

Overviews of cash entrusted for wealth management during the Reporting Period

Unit: RMB'0,000

Specific type	Capital resources	Amount incurred	Undue balance	Unrecovered overdue amount	Unrecovered overdue amount with provision for impairment
Bank financial products and structured deposit	Self-owned funds	1,016,100	1,000,900	0	0
<b>Total</b>		1,016,100	1,000,900	0	0

Particulars of entrusted cash management with single significant amount or low security and bad liquidity

Applicable  Not applicable

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

Applicable  Not applicable

#### (2) Entrusted Loans

Applicable  Not applicable

No such cases in the Reporting Period.

### 4. Other Major Contracts

Applicable  Not applicable

No such cases in the Reporting Period.

## XVI Other Significant Events

Applicable  Not applicable

1. On 18 October 2019, the Company disclosed the Announcement on the Company's Application for CSRC's Approval for its Public Issue of Renewable Corporate Bonds (Announcement No. 2019-052), and the Company received the No. [2019] 1801 Approval from CSRC. Based on the approval, the Company could publicly issue the renewable corporate bonds with the nominal value no more than RMB30 billion to qualified investors. The Company publicly issued renewable corporate bonds (to qualified investors) (the first issue) ("19BOEY1" for short; Code: 112741) in 2019 with the issue term from 28 October 2019 to 29 October 2019, the issuing scale of RMB8 billion and the bonds' ultimate nominal interest rate of 4.0%. The Company publicly issued renewable corporate bonds (to qualified investors) (the first issue) (epidemic prevention and control bonds) ("20BOEY1" for short; Code: 149046) in 2020 with the issue term from 27 February 2020 to 28 February 2020, the issuing scale of RMB2 billion and the bonds' ultimate nominal interest of 3.64%. The Company publicly issued the renewable corporate bonds (to qualified investors) (the second issue) (epidemic prevention

and control bonds) (“20BOEY2” for short; Code: 149065) in 2020 with the issue term from 18 March 2020 to 19 March 2020, the issuing scale of RMB2 billion and the bonds’ ultimate nominal interest of 3.54%. The Company publicly issued the renewable corporate bonds (to qualified investors) (the third issue) (epidemic prevention and control bonds) (“20BOEY3” for short; Code: 149108) in 2020 with the issue term from 24 April 2020 to 27 April 2020, the issuing scale of RMB2 billion and the bonds’ ultimate nominal interest of 3.50%. The Company disclosed *2021 "20BOEY1" Interest Payment Announcement* (Announcement No. 2021-016) on 23 February 2021. BOE Public Issuance of Renewable Corporate Bonds (to Qualified Investors) (the First Issue) (epidemic prevention and control bonds) in 2020 was one year old until 27 February 2021. According to the regulations, interest will be paid once a year during the interest-bearing period. The interest payment plan is RMB36.40 (including tax) per 10 bonds. The Company disclosed *2021 "20BOEY2" Interest Payment Announcement* (Announcement No. 2021-018) on 17 March 2021. BOE Public Issuance of Renewable Corporate Bonds (to Qualified Investors) (the Second Issue) (epidemic prevention and control bonds) in 2020 was one year old until 18 March 2021. According to the regulations, interest will be paid once a year during the interest-bearing period. The interest payment plan is RMB35.40 (including tax) per 10 bonds. The Company disclosed *2021 "20BOEY3" Interest Payment Announcement* (Announcement No. 2021-035) on 23 April 2021. BOE Public Issuance of Renewable Corporate Bonds (to Qualified Investors) (the Third Issue) (pandemic prevention and control bonds) in 2020 was one year old until 27 April 2021. According to the regulations, interest will be paid once a year during the interest-bearing period. The interest payment plan is RMB35.00 (including tax) per 10 bonds. The Company disclosed *2021 "19BOEY1" Interest Payment Announcement* (Announcement No. 2021-085) on 26 October 2021. BOE Public Issuance of Renewable Corporate Bonds (to Qualified Investors) (the First Issue) in 2019 was two years old until 28 October 2021. According to the regulations, interest will be paid once a year during the interest-bearing period. The interest payment plan is RMB40.00 (including tax) per 10 bonds. The Company disclosed *2022 "20BOEY1" Interest Payment Announcement* (Announcement No. 2022-006) on 24 February 2022. 27 February 2022 was the second anniversary of BOE Public Issuance of Renewable Corporate Bonds (to Qualified Investors) (the First Issue) (epidemic prevention and control bonds) issued in 2020. According to the regulations, interest will be paid once a year during the interest-bearing period. The interest payment plan was RMB36.40 (including tax) every ten bonds. The Company disclosed *2022 "20BOEY2" Interest Payment Announcement* (Announcement No. 2022-013) on March 17, 2022. March 18, 2022 was the second anniversary of BOE Public Issuance of Renewable Corporate Bonds (to Qualified Investors) (the Second Issue) (epidemic prevention and control bonds) issued in 2020. According to the regulations, interest will be paid once a year during the interest-bearing period. The interest payment plan was RMB35.40 (including tax) per ten bonds. The Company publicly issued renewable corporate bonds (digital economy) to professional investors (the first issue) (“22BOEY1” for short; Code: 149861) in 2022 with the issue term from 24 March 2022 to 25 March 2022, the issuing scale of RMB2 billion and the bonds’ ultimate nominal interest rate of 3.50%.

2. On 16 January 2021, the Company disclosed the *Announcement on the Resolution of the 21st Meeting of the 9th Board of Directors* (Announcement No. 2021-001) and the *Plan for Non-Public Offering of A-Shares in 2021*, and other related announcements, in which the Company intends to make a non-public offering of A-shares to no more than 35 specific investors including Jing Guorui Fund. The net fund raised was expected to be no more than 20 billion. The raised funds will be used for "acquisition of 24.06% equity of Wuhan BOE Optoelectronics Technology Co., Ltd.", "capital increase to Chongqing BOE Display Technology Co., Ltd. and construction of its Gen-6 AMOLED (flexible) production line project", "capital increase to Yunnan Chuangshijie Optoelectronics Technology Co., Ltd. and construction of its 12-inch silicon OLED project", "capital increase to Chengdu BOE Hospital and construction of Chengdu BOE Hospital project", "repayment of Fuzhou Urban Construction Investment Group loan" and supplementation of working capital. On 8 July 2021, the Company disclosed the *Announcement on the Approval of the China Securities Regulatory Commission for the Non-Public Offering of A-Shares* (Announcement No. 2021-054), which tells that the Company received the *Reply on Approval of the Non-Public Offering of Shares by BOE Technology Group Co., Ltd.* (ZH.J.X.K. [2021] No. 2277) issued by the China Securities Regulatory Commission on 7 July 2021. On 19 August 2021, the Company disclosed the Report on the Non-public Offering of A-shares by BOE Technology Group Co., Ltd. & the *Announcement on the Listing of these Shares* (announcement No. 2021-058), along with other relevant announcements. 3,650,377,019 new shares were issued in the non-public offering, which were listed on the

Shenzhen Stock Exchange on 20 August 2021. On 18 February 2022, the Company disclosed the *Suggestive Announcement on Relieving Restricted Non-publicly Offered A Shares in 2021* (Announcement No.: 2022-005). On February 21, 2022, 2,932,244,165 restricted shares of non-publicly offered A shares in 2021 were relieved and could be traded in the market. The number of the relieved restricted shares accounted for 8.5058% of non-restricted shares of the Company, and 7.6270% of the total share capital of the Company.

3. On 28 May 2021, the Company disclosed the *Announcement on the Implementation of Equity Distribution for the Year 2020* (Announcement No.: 2021-049), which tells that the Company's equity distribution plan for the year 2020 has been examined and approved at the 2020 Annual General Meeting held on 18 May 2021. In the year 2020, the Company distributed profit to all shareholders at a rate of RMB1.00 per 10 shares, based on the deduction of the total capital of 34,770,212,630 shares held by the Company through the buy-back account (wherein, the profit of B shares was paid by converting RMB into HKD at the central rate of the exchange of RMB into HKD published by People's Bank of China on the first business day after the resolution of the General Meeting of the Company), and the Company did not give any bonus shares or increase the capital by the provident fund.

4. On 31 August 2021, the Company disclosed the Announcement No. 2021-060 on the Resolutions of the 31<sup>st</sup> Meeting of the 9<sup>th</sup> Board of Directors, the Announcement No. 2021-066 on the Grant of Share Options to Awardees of Reserved Share Options under the 2020 Share Option and Restricted Share Incentive Plan, and other related announcements. According to the 2020 Share Option and Restricted Share Incentive Plan (Draft) of BOE Technology Group Co., Ltd., 33,000,000 share options would be granted to 110 awardees on 27 August 2021 for the conditions for the grant of the reserved share options under this plan had been met. On 23 October 2021, the Company disclosed the Announcement No. 2021-084 on the Transfer of the Ownership of the Reserved Share Options under the 2020 Share Option and Restricted Share Incentive Plan. The reserved share options (code: 037179, name: Eastern JLC2) were transferred on 22 October 2021.

5. Following the approval of the Proposal on the Repurchase of Some Public Shares at the 31<sup>st</sup> Meeting of the 9<sup>th</sup> Board of Directors, the Company disclosed the Announcement No. 2021-067 on the Repurchase of Some Public Shares on 31 August 2021. The Company carried out the first repurchase on 2 September 2021 and disclosed the Announcement No. 2021-077 on the First Repurchase of Some Public Shares on 3 September 2021. On 5 January 2022, the Company disclosed the Announcement No. 2022-005 on Progress of the Repurchase of Some Public Shares. As of 31 December 2021, the Company repurchased a total of 460,419,000 A-shares (approximately 1.2275% of the Company's total A-share capital and 1.1976% of its total share capital) to the special securities account for repurchase by way of centralized bidding. With the highest price being RMB5.96/share and the lowest RMB4.89/share, the total payment for this repurchase amounted to RMB2,427,517,910.23 (exclusive of commissions and other fixed costs). The said repurchase was in compliance with applicable laws and regulations, as well as with the Company's repurchase plan. On 2 March 2022, the Company disclosed the *Announcement on the Completed Implementation of Share Repurchase Programme and Repurchase Implementation Results* (Announcement No.: 2022-007). As at 28 February 2022, the Company has implemented the repurchase of the Company's shares by means of centralized bidding through a special securities account for the repurchase, and the cumulative number of A Shares repurchased was 499,999,919, accounting for approximately 1.3330% of the Company's A Shares and 1.3005% of the Company's total share capital, with the highest transaction price of RMB5.96 per share and the lowest transaction price of RMB4.68 per share. The total amount paid was RMB2,620,105,418.52 (including other fixed expenses such as commissions). The above repurchase of the Company was in line with the requirements of relevant laws and regulations, as well as the established repurchase programme of the Company. The total fund of this share repurchase didn't exceed the amount proposed to be used in the repurchase programme, and the number of shares repurchased has reached the cap of shares under the repurchase programme. So far, this share repurchase has been implemented and completed as planned.

Overview of significant events	Disclosure date	Index to disclosure website for interim report
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Announcement on Intention to Purchasing Some Equity of the Subsidiary Wuhan BOE Optoelectronics Technology Co., Ltd.	16 January 2021	www.cninfo.com.cn
Announcement on Being Transferred Some Equity of Mianyang BOE Optoelectronics Technology Co., Ltd.	27 January 2021	www.cninfo.com.cn
Announcement on Investing the Production Line Expansion of Advanced Generation TFT-LCD by Wuhan BOE Optoelectronics Technology Co., Ltd.	23 March 2021	www.cninfo.com.cn
Announcement on Investment in Beijing YanDong MicroElectronic Co., Ltd. and Related Transactions	31 August 2021	www.cninfo.com.cn
Announcement on Investment in BOE IoT Mobile Display Port Device Production Base Project	31 August 2021	www.cninfo.com.cn
Announcement on Investment in the Project of Chengdu Vehicle Display Base of BOE	29 October 2021	www.cninfo.com.cn
Announcement on the Participation in the Establishment of Beijing Jingguoguan Equity Investment Fund (Limited Partnership) and Related Transactions	29 December 2021	www.cninfo.com.cn

## XVII Significant Events of Subsidiaries

Applicable  Not applicable

## Part VII Share Changes and Shareholder Information

### I Share Changes

#### 1. Share Changes

Unit: share

Item	Before		Increase/decrease (+/-)					After	
	Number	Percentage	New issues	Bonus shares	Bonus issue from profit	Other	Subtotal	Number	Percentage
I. Restricted shares	325,345,611	0.93%	3,650,377,019	0	0	-3,522,700	3,646,854,319	3,972,199,930	10.33%
1. Shares held by the state	0	0.00%	0	0	0	0	0	0	0.00%
2. Shares held by state-owned corporations	0	0.00%	1,472,764,818	0	0	0	1,472,764,818	1,472,764,818	3.83%
3. Shares held by other domestic investors	297,364,411	0.85%	1,603,357,266	0	0	-2,191,200	1,601,166,066	1,898,530,477	4.94%
Among which: Shares held by domestic corporations	0	0.00%	1,603,357,266	0	0	0	1,603,357,266	1,603,357,266	4.17%
Shares held by domestic individuals	297,364,411	0.85%	0	0	0	-2,191,200	-2,191,200	295,173,211	0.77%
4. Shares held by foreign investors	27,981,200	0.08%	574,254,935	0	0	-1,331,500	572,923,435	600,904,635	1.56%
Among which: Shares held by foreign corporations	0	0.00%	574,254,935	0	0	0	574,254,935	574,254,935	1.49%
Shares held by	27,981,200	0.08%	0	0	0	-1,331,500	-1,331,500	26,649,700	0.07%

foreign individuals									
II. Non-restricted shares	34,473,053,152	99.07%	0	0	0	493,400	493,400	34,473,546,552	89.67%
1. RMB ordinary shares	33,536,939,664	96.37%	0	0	0	493,400	493,400	33,537,433,064	87.23%
2. Domestically listed foreign shares	936,113,488	2.69%	0	0	0	0	0	936,113,488	2.43%
3. Overseas listed foreign shares	0	0.00%	0	0	0	0	0	0	0.00%
4. Other	0	0.00%	0	0	0	0	0	0	0.00%
III. Total shares	34,798,398,763	100.00%	3,650,377,019	0	0	-3,029,300	3,647,347,719	38,445,746,482	100.00%

Reasons for share changes:

Applicable  Not applicable

During the Reporting Period, the Company issued 3,650,377,019 RMB ordinary shares in a non-public manner, and 3,650,377,019 shares subject to trading moratorium of the Company were added.

During the Reporting Period, the Company repurchased and cancelled 3,029,300 restricted shares that had been authorized to eight incentive recipients but were still locked, resulting in a decrease of 3,029,300 restricted shares of the Company's equity incentive.

During the Reporting Period, according to the Guidelines for the *Standardized Operation of Listed Companies on the Shenzhen Stock Exchange*, the legal quota of transferrable shares of directors, supervisors and senior management of the Company shall be re-calculated at the beginning of the year, which resulted in the change of 493,400 shares held by senior management from restricted to non-restricted.

During the Reporting Period, the total number of shares increased by 3,647,347,719 shares, among which 3,646,854,319 shares were restricted shares, and 493,400 shares were non-restricted shares.

Approval of share changes:

Applicable  Not applicable

On 7 July 2021, China Securities Regulatory Commission issued the *Approval on the Non-Public Offering of Shares by BOE Technology Group Co., Ltd.* (Z.J.X.K. [2021] No. 2277), which approved the Company's non-public offering of no more than 6,959,679,752 new shares. As confirmed by the Shenzhen branch of China Securities Depository and Clearing Corporation Limited, the non-public offering of shares were officially listed on 20 August 2021, and a total of 3,650,377,019 A Shares were issued.

Transfer of share ownership:

Applicable  Not applicable

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

Applicable  Not applicable

Item	January-December 2021
Basic earnings per share (RMB/share)	0.71
Diluted earnings per share (RMB/share)	0.71
Item	31 December 2021
Equity per share attributable to the Company's ordinary shareholders	3.39

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

Applicable  Not applicable

## 2. Changes in Restricted Shares

√ Applicable □ Not applicable

Unit: Share

Name of the shareholders	Restricted shares amount at the period-begin	Restricted shares increased of the period	Restricted shares relieved of the period	Restricted shares amount at the period-end	Restricted reasons	Restricted shares relieved date
Beijing Jing Guorui Soe Reform and Development Fund (L.P.)	0	718,132,854	0	718,132,854	Private placement	2023-02-21
Fuqing Huirong Venture Capital Co., Ltd.	0	538,599,640	0	538,599,640	Private placement	2022-02-21
MORGAN STANLEY & CO.INTERNATIONAL PLC.	0	271,095,152	0	271,095,152	Private placement	2022-02-21
Caitong Fund - PSBC - Caitong Fund - No. 1 Asset Management Plan of Bohai Life in Yuquan	0	179,533,214	0	179,533,214	Private placement	2022-02-21
Yiwu Harmonious Jinhong Equity Investment Partnership (L.P.)	0	179,533,213	0	179,533,213	Private placement	2022-02-21
Shandong Haixiang Equity Investment Fund Management Co., Ltd.	0	147,163,387	0	147,163,387	Private placement	2022-02-21
Hongta Securities Co., Ltd.	0	143,626,570	0	143,626,570	Private placement	2022-02-21
JPMORGAN CHASE BANK,NATIONAL ASSOCIATION	0	116,696,588	0	116,696,588	Private placement	2022-02-21
Shanghai Gao Yi Asset Management Partnership (L.P.) - Gao Yi Xiaofeng No. 2 Zhixin Fund	0	107,719,928	0	107,719,928	Private placement	2022-02-21
Haitong Securities Co., Ltd.	0	99,030,520	0	99,030,520	Private placement	2022-02-21
Other non-public offering restricted shareholders	0	1,149,245,953	0	1,149,245,953	Private placement	2022-02-21
Shares locked by senior executives	3,531,811	0	493,400	3,038,411	Adjustment of legal quota for transferable	2021-01-04

					shares	
Restricted shares for equity incentive	321,813,800	0	3,029,300	318,784,500	Cancellation for equity incentive repurchase	-
Total	325,345,611	3,650,377,019	3,522,700	3,972,199,930	--	--

## II. Issuance and Listing of Securities

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

√ Applicable □ Not applicable

Name of Stock and derivative securities thereof	Issue date	issue price (interest)	Issue amount	Listing date	Approved amount for listing	Termination date for trading	Disclosure index	Disclosure date
Stock								
Private placement of A-share	23 July 2021	RMB5.57 per share	3,650,377,019	20 August 2021	3,650,377,019	-	Report and Listing Announcement of Private Placement of A-Shares of BOE Technology Group Co., Ltd. Disclosed on <a href="http://www.cninfo.com.cn/">http://www.cninfo.com.cn/</a>	18 August 2021
Convertible corporate bonds, convertible corporate bonds separately traded and corporate bonds								
None								
Other derivative securities								
None								

Notes:

On 7 July 2021, China Securities Regulatory Commission issued the *Approval on the Non-Public Offering of Shares by BOE Technology Group Co., Ltd.* (Z.J.X.K. [2021] No. 2277), which approved the Company's non-public offering of no more than 6,959,679,752 new shares. As confirmed by the Shenzhen branch of China Securities Depository and Clearing Corporation Limited, the non-public offering of shares were officially listed on 20 August 2021, and a total of 3,650,377,019 A Shares were issued.

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

Applicable  Not applicable

During the Reporting Period, the Company repurchased and cancelled 3,029,300 restricted shares that had been authorized to eight incentive recipients but were still locked, resulting in a decrease of 3,029,300 restricted shares of the Company's equity incentive.

During the Reporting Period, the Company issued 3,650,377,019 RMB ordinary shares in a non-public manner, resulting in an increase of 3,650,377,019 shares of the Company. During the Reporting Period, the total number of shares increased by 3,647,347,719 shares

## 3. Existing Staff-Held Shares

Applicable  Not applicable

## III Shareholders and Actual Controller

### 1. Total Number of Shareholders and Their Shareholdings

Unit: share

Number of ordinary shareholders at the period-end	1,661,753 (including 1,623,582 A-shareholders and 38,171 B-shareholders)		Number of ordinary shareholders at the month-end prior to the disclosure of this Report	1,646,433 (including 1,608,539 A-shareholders and 37,894 B-shareholders)			
5% or greater shareholders or top 10 shareholders							
Name of shareholder	Nature of shareholder	Shareholding percentage	Total shares held at the period-end	Increase/decrease in the Reporting Period	Restricted shares held	Unrestricted shares held	Shares in pledge, marked or frozen
							Status

Beijing State-owned Capital Operation and Management Company Limited	State-owned legal person	10.57%	4,063,333,333	0	0	4,063,333,333	N/A
Hong Kong Securities Clearing Company Ltd.	Foreign legal person	3.56%	1,368,997,836	-678,017,783	0	1,368,997,836	N/A
Beijing BOE Investment & Development Co., Ltd.	State-owned legal person	2.14%	822,092,180	0	0	822,092,180	N/A
Beijing Jing Guorui Soe Reform and Development Fund (L.P.)	Other	1.87%	718,132,854	718,132,854	718,132,854	0	N/A
Hefei Jianxiang Investment Co., Ltd.	State-owned legal person	1.73%	666,195,772	-64,689,645	0	666,195,772	N/A
Fuqing Huirong Venture Capital Co., Ltd.	Domestic non-state-owned legal person	1.40%	538,599,640	538,599,640	538,599,640	0	N/A
Chongqing Ezcapital Opto-electronics Industry Investment Co., Ltd.	State-owned legal person	0.85%	326,229,746	-343,726,489	0	326,229,746	N/A
Sinatay Life Insurance Co., Ltd.-Traditional Product	Other	0.79%	305,330,128	305,330,128	89,766,606	215,563,522	N/A
Beijing Electronics Holdings Co., Ltd.	State-owned legal person	0.71%	273,735,583	0	0	273,735,583	N/A
MORGAN STANLEY & CO. INTERNATIONAL PLC.	Foreign legal person	0.71%	271,657,232	259,216,188	271,095,152	562,080	N/A
Strategic investors or general corporations becoming top-ten ordinary shareholders due to	Naught						

placing of new shares (if any) (see note 3)	
Related or acting-in-concert parties among the shareholders above	<ol style="list-style-type: none"> <li>1. Beijing State-owned Capital Operation and Management Company Limited held 100% equities of Beijing Electronics Holdings Co., Ltd.</li> <li>2. Beijing Electronics Holdings Co., Ltd. held 66.25% equities of Beijing BOE Investment &amp; Development Co., Ltd. and was its controlling shareholder.</li> <li>3. After the non-public issuing of BOE in 2014, Hefei Jianxiang Investment Co., Ltd. and Chongqing Ezcapital Opto-electronic Industry Investment Co., Ltd., by entering into Implementation Protocol of Voting Right respectively, agreed to maintain all of the shares held by them respectively unanimous with Beijing BOE Investment &amp; Development Co., Ltd. when executing the voting rights of the shareholders.</li> <li>4. After the non-public issuing of the Company in 2014, Beijing State-owned Capital Operation and Management Company Limited handed over 70% of the shares directly held by it to Beijing Electronics Holdings Co., Ltd. for management through Stock Management Protocol, and Beijing Electronics Holdings Co., Ltd. gained the incidental shareholders' rights except for disposing right and usufruct of the shares, of which the rest 30% voting right maintained unanimous with Beijing Electronics Holdings Co., Ltd. through the agreement according to Implementation Protocol of Voting Right.</li> <li>5. During the non-public issuing of the Company in 2021, Beijing Jing Guorui Soe Reform and Development Fund (L.P.) signed the Acting-in-Concert Agreement with Beijing Electronics Holdings Co., Ltd.</li> <li>6. Beijing State-owned Capital Operation and Management Company Limited indirectly held 100% equities of Beijing Jingguorui Investment Management Co., Ltd. and directly held 77.5918% shares of Beijing Jing Guorui Soe Reform and Development Fund (L.P.); Beijing Jingguorui Investment Management Co., Ltd. is the general partner of Beijing Jing Guorui Soe Reform and Development Fund (L.P.). In addition, among the nine members of the Investment Decision-Making Committee of Beijing Jing Guorui Soe Reform and Development Fund (L.P.), three are nominated by Beijing State-owned Capital Operation and Management Company Limited.</li> <li>7. Except for the above relationships, the Company does not know any other connected party or acting-in-concert party among the top 10 shareholders.</li> </ol>
Explain if any of the shareholders above was involved in entrusting/being entrusted with voting rights or waiving voting rights	<ol style="list-style-type: none"> <li>1. After the non-public issuing of BOE in 2014, Hefei Jianxiang Investment Co., Ltd. and Chongqing Ezcapital Opto-electronic Industry Investment Co., Ltd., by entering into Implementation Protocol of Voting Right respectively, agreed to maintain all of the shares held by them respectively unanimous with Beijing BOE Investment &amp; Development Co., Ltd. when executing the voting rights of the shareholders.</li> <li>2. After the non-public issuing of the Company in 2014, Beijing State-owned Capital Operation and Management Company Limited handed over 70% of the shares directly held by it to Beijing Electronics Holdings Co., Ltd. for management through Stock Management Protocol, and Beijing Electronics Holdings Co., Ltd. gained the incidental shareholders' rights except for disposing right and usufruct of the shares, of which the rest 30% voting right maintained unanimous with Beijing Electronics Holdings Co., Ltd. through the agreement according to Implementation Protocol of Voting Right.</li> <li>3. During the non-public issuing of the Company in 2021, Beijing Jing Guorui Soe Reform and Development Fund (L.P.) signed the Acting-in-Concert Agreement with Beijing Electronics Holdings Co., Ltd.</li> </ol>
Special account for share repurchases (if any)	At the end of the Reporting Period, among the top ten shareholders of the Company, the special securities account for the repurchase of BOE Technology

among the top 10 shareholders (see note 10)	Group Co., Ltd. held 488,605,133 shares, accounting for 1.27%. According to relevant regulations in the <i>Rule No. 2 for Content and Format of Information Disclosure of the Company Issuing Securities Publicly</i> , if there are repurchase accounts in the top ten shareholders of the Company, it should be specified, but these shareholders should not be included and listed as the top ten shareholders.		
Shareholdings of the top ten unrestricted ordinary shareholders			
Name of shareholder	Number of unrestricted ordinary shares held at the period-end	Shares by type	
		Type	Shares
Beijing State-owned Capital Operation and Management Company Limited	4,063,333,333	RMB ordinary share	4,063,333,333
Hong Kong Securities Clearing Company Ltd.	1,368,997,836	RMB ordinary share	1,368,997,836
Beijing BOE Investment & Development Co., Ltd.	822,092,180	RMB ordinary share	822,092,180
Hefei Jianxiang Investment Co., Ltd.	666,195,772	RMB ordinary share	666,195,772
Chongqing Ezcapital Opto-electronics Industry Investment Co., Ltd.	326,229,746	RMB ordinary share	326,229,746
Beijing Electronics Holdings Co., Ltd.	273,735,583	RMB ordinary share	273,735,583
Sinatay Life Insurance Co., Ltd.-Traditional Product	215,563,522	RMB ordinary share	215,563,522
China Construction Bank-GF Technology Pioneer Mixed Type Securities Investment Fund	182,316,871	RMB ordinary share	182,316,871
Beijing Yizhuang Investment Holdings Co., Ltd	161,590,832	RMB ordinary share	161,590,832
Shanghai Pudong Development Bank-GF Small-Cap Growth Mixed Type Securities Investment Fund (LOF)	151,065,847	RMB ordinary share	151,065,847
Related or acting-in-concert parties among top 10 unrestricted ordinary shareholders, as well as	<p>1. Beijing State-owned Capital Operation and Management Company Limited held 100% equities of Beijing Electronics Holdings Co., Ltd.</p> <p>2. Beijing Electronics Holdings Co., Ltd. held 66.25% equities of Beijing BOE Investment &amp; Development Co., Ltd. and was its controlling shareholder.</p>		

between top 10 unrestricted ordinary shareholders and top 10 shareholders	<p>3. After the non-public issuing of BOE in 2014, Hefei Jianxiang Investment Co., Ltd. and Chongqing Ezcapital Opto-electronic Industry Investment Co., Ltd., by entering into Implementation Protocol of Voting Right respectively, agreed to maintain all of the shares held by them respectively unanimous with Beijing BOE Investment &amp; Development Co., Ltd. when executing the voting rights of the shareholders.</p> <p>4. After the non-public issuing of the Company in 2014, Beijing State-owned Capital Operation and Management Company Limited handed over 70% of the shares directly held by it to Beijing Electronics Holdings Co., Ltd. for management through Stock Management Protocol, and Beijing Electronics Holdings Co., Ltd. gained the incidental shareholders' rights except for disposing right and usufruct of the shares, of which the rest 30% voting right maintained unanimous with Beijing Electronics Holdings Co., Ltd. through the agreement according to Implementation Protocol of Voting Right.</p> <p>5. During the non-public issuing of the Company in 2021, Beijing Jing Guorui Soe Reform and Development Fund (L.P.) signed the Acting-in-Concert Agreement with Beijing Electronics Holdings Co., Ltd.</p> <p>6. Beijing State-owned Capital Operation and Management Company Limited indirectly held 100% equities of Beijing Jingguorui Investment Management Co., Ltd. and directly held 77.5918% shares of Beijing Jing Guorui Soe Reform and Development Fund (L.P.); Beijing Jingguorui Investment Management Co., Ltd. is the general partner of Beijing Jing Guorui Soe Reform and Development Fund (L.P.). In addition, among the nine members of the Investment Decision-Making Committee of Beijing Jing Guorui Soe Reform and Development Fund (L.P.), three are nominated by Beijing State-owned Capital Operation and Management Company Limited.</p> <p>7. Except for the above relationships, the Company does not know any other connected party or acting-in-concert party among the top 10 shareholders.</p>
Top 10 ordinary shareholders involved in securities margin trading (if any) (see note 4)	The shares held by Beijing Yizhuang Investment Holdings Co., Ltd. in the Company decreased by 119,705,000 shares due to engaging in securities margin trading.

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

Yes  No

No such cases in the Reporting Period

## 2. Controlling Shareholder

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

Type of the controlling shareholder: legal person

Name of controlling shareholder	Legal representative/person	Date of establishment	Unified social credit code	Principal activity
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	in charge			
Beijing Electronics Holdings Co., Ltd.	Wang Yan	8 April 1997	91110000633647998H	Operation and management of state-owned assets within authorization; communications equipment, audio & visual products for broadcasting and television, computer and its supporting equipment and the applied products, electronic raw material and components, home electric appliances and electronic products, electronic surveying instruments and meters, mechanical and electric equipment, electronic transportation products and investment in business fields other than electronics and its management, development of real estate, lease and sales of commodity apartments, property management. (The market entity shall independently choose business items and carry out business activities according to law. For items requiring approval according to law, the company must obtain approval from related authorities before carrying out the business activities. The company shall not engage in business activities that are banned and restricted in the national and municipal industrial policies.)
Controlling shareholder's holdings in other listed companies at home or abroad in the Reporting Period	Beijing Electronic Shareholding Co., Ltd. held 508,801,304 shares of A share of Electronic City (Stock Code: 600658), which was of 45.49% of the total shares amount of Electronic City; it held 49,952,842 shares of A share of NAURA Technology Group Co., Ltd. (original Beijing Sevenstar Electronics Co., Ltd. ) (Stock Code: 002371), which accounted for 9.50% of the total shares of NAURA Technology Group Co., Ltd. Beijing Electronic Shareholding Co., Ltd. held 178,175,721 shares of A share of NAURA Technology Group Co., Ltd. through holding the wholly-owned subsidiary Beijing Seven Star Huadian Technology Group Co., Ltd, which covered 33.90% of the total shares amount of NAURA Technology Group Co., Ltd. Beijing Electronic Shareholding Co., Ltd. held 58,175,076 shares of A shares of BAIC BluePark New Energy Technology Co.,Ltd. (Stock Code: 600733), which accounted for 1.36% of the total shares of BAIC BluePark New Energy Technology Co.,Ltd.			

Change of the controlling shareholder in the Reporting Period:

Applicable  Not applicable

No such cases in the Reporting Period.

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

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

Type of the actual controller: legal person

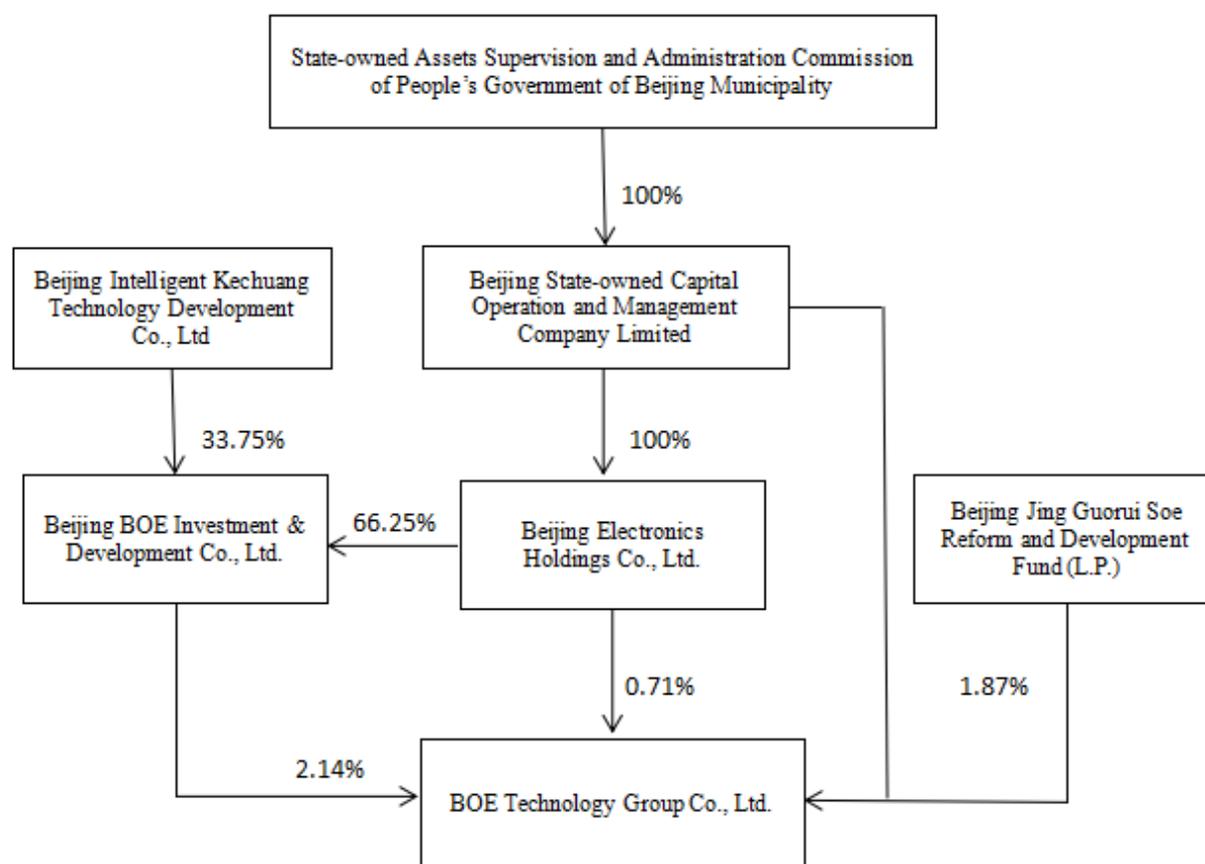
Name of actual controller	Legal representative/person in charge	Date of establishment	Unified social credit code	Principal activity
Beijing Electronics Holdings Co., Ltd.	Wang Yan	8 April 1997	91110000633647998H	Operation and management of state-owned assets within authorization; communications equipment, audio & visual products for broadcasting and television, computer and its supporting equipment and the applied products, electronic raw material and components, home electric appliances and electronic products, electronic surveying instruments and meters, mechanical and electric equipment; electronic transportation products and investment in business fields other than electronics and its management, development of real estate, lease and sales of commodity apartments, property management. (The market entity shall independently choose business items and carry out business activities according to law. For items requiring approval according to law, the company must obtain approval from related authorities before carrying out the business activities. The company shall not engage in business activities that are banned and restricted in the national and municipal industrial policies.)
Other listed companies at home or abroad controlled by the actual controller in the Reporting Period	Beijing Electronic Shareholding Co., Ltd. held 508,801,304 shares of A share of Electronic City (Stock Code: 600658), which was of 45.49% of the total shares amount of Electronic City; it held 49,952,842 shares of A share of NAURA Technology Group Co., Ltd. (original Beijing Sevenstar Electronics Co., Ltd. ) (Stock Code: 002371), which accounted for 9.50% of the total shares of NAURA Technology Group Co., Ltd. Beijing Electronic Shareholding Co., Ltd. held 178,175,721 shares of A share of NAURA Technology Group Co., Ltd. through holding the wholly-owned subsidiary Beijing Seven Star Huadian Technology Group Co., Ltd, which covered 33.90% of the total shares amount of NAURA Technology Group Co., Ltd. Beijing Electronic Shareholding Co., Ltd. held 58,175,076 shares of A shares of BAIC BluePark New Energy Technology Co.,Ltd. (Stock Code: 600733), which accounted for 1.36% of the total shares of BAIC BluePark New Energy Technology Co.,Ltd.			

Change of the actual controller during the Reporting Period:

Applicable  Not applicable

No such cases in the Reporting Period.

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



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

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

3. During the non-public issuing of the Company in 2021, Beijing Jing Guorui Soe Reform and Development Fund (L.P.) signed the Acting-in-Concert Agreement with Beijing Electronics Holdings Co., Ltd.

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

Applicable  Not applicable

#### 4. Number of Accumulative Pledged Shares held by the Company's Controlling Shareholder or the Largest Shareholder as well as Its Acting-in-Concert Parties Accounts for 80% of all shares of the Company held by Them

Applicable  Not applicable

#### 5. Other 10% or Greater Corporate Shareholders

Applicable  Not applicable

Name of corporate shareholder	Legal representative/person in charge	Date of establishment	Registered capital	Principal activity
Beijing State-owned Capital Operation and Management Company Limited	Zhao Jifeng	30 December 2008	RMB50 billion	Operation and management of state-owned capital, investment and investment management; assets management; organize the reorganization as well as the merger and acquisition of the enterprise assets.

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

Applicable  Not applicable

### IV Specific Implementation of Share Repurchase during the Reporting Period

Progress on any share repurchase

Applicable  Not applicable

Disclosure time of plan	Number of shares to be repurchased	As % of total share capital	Amount of all repurchased shares	Term of repurchase	Usage	Number of shares repurchased (share)	Number of shares repurchased as % of the underlying stocks involved in the equity incentive plan (if any)
30 August 2021	350 million shares to 500 million shares	0.09%-0.13%	Not exceeding RMB3 billion	Not exceeding 12 months since the date when the share repurchase plan was reviewed	Implementation of equity incentive plan	460,419,000	49.40%

				and approved by the Board.			
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Progress on reducing the repurchased shares by means of centralized bidding

Applicable  Not applicable

## **Part VIII Preference Shares**

Applicable  Not applicable

No preference shares in the Reporting Period.

## Part IX Bonds

Applicable  Not applicable

### I Enterprise Bonds

Applicable  Not applicable

No enterprise bonds in the Reporting Period.

### II Corporate Bonds

Applicable  Not applicable

#### 1. Basic Information of the Corporate Bonds

Unit: RMB

Bond name	Abbr.	Bond code	Date of issue	Value date	Maturity	Balance (RMB'0,000)	Coupon rate	Way of redemption	Trade place
2019 Public Offering of Renewable Corporate Bonds of BOE (for qualified investors) (Phase I)	19BOEY1	112741	28 October 2019	29 October 2019	29 October 2022	8,000,000,000.00	4.00%	If the issuer does not execute its right in the deferred interest payment, corresponding interests shall be paid for this issue of bonds yearly, and the last installment of interest shall be paid with the redemption of principal.	SZSE
2020 Public Offering of Renewable Corporate Bonds of BOE (for qualified investors) (Phase I) (epidemic prevention and control bonds)	20BOEY1	149046	27 February 2020	28 February 2020	28 February 2023	2,000,000,000.00	3.64%	If the issuer does not execute its right in the deferred interest payment, corresponding interests shall be paid for this issue of bonds yearly, and the last installment of interest shall be paid with the redemption of principal.	SZSE

2020 Public Offering of Renewable Corporate Bonds of BOE (for qualified investors) (Phase II) (epidemic prevention and control bonds)	20BOEY2	149065	18 March 2020	19 March 2020	19 March 2023	2,000,000,000.00	3.54%	If the issuer does not execute its right in the deferred interest payment, corresponding interests shall be paid for this issue of bonds yearly, and the last installment of interest shall be paid with the redemption of principal.	SZSE
2020 Public Offering of Renewable Corporate Bonds of BOE (for qualified investors) (Phase III) (epidemic prevention and control bonds)	20BOEY3	149108	24 April 2020	27 April 2020	27 April 2023	2,000,000,000.00	3.50%	If the issuer does not execute its right in the deferred interest payment, corresponding interests shall be paid for this issue of bonds yearly, and the last installment of interest shall be paid with the redemption of principal.	SZSE
Appropriate arrangement of the investors (if any)	Only for the qualified investors								
Applicable trade mechanism	centralized bidding trade and negotiated block trade								
Risk of delisting (if any) and countermeasures	Not								

Overdue bonds

Applicable  Not applicable

## 2. The Trigger and Execution of the Option Clause of the Issuers or Investors and the Investor Protection Clause

Applicable  Not applicable

For the renewable corporate bonds “19BOEY1”, “20BOEY1”, “20BOEY2” and “20BOEY3” 3 interest-bearing years shall be regarded as a cycle. At the end of each cycle, the issuer shall have the right to conditionally extend the issue of bonds for another cycle (3 years) or choose to fully redeem the due bonds at the end of the cycle. All bonds issued in the Reporting Period entitle the issuer the right in the deferred interest payment. As of the approval quotation date of the Annual Report, these bonds have not yet been executed.

## 3. Intermediary

Bond	Intermediary	Office address	Signature accountant	Contact person of intermediary	Contact number
2019 Public Offering of Renewable Corporate Bonds of BOE (for qualified investors) (Phase I), 2020 Public Offering of	China Securities	Rm. 2203, North	Zhang	Zhu	021-68801569

Renewable Corporate Bonds of BOE (for qualified investors) (Phase I) (epidemic prevention and control bonds), 2020 Public Offering of Renewable Corporate Bonds of BOE (for qualified investors) (Phase II) (epidemic prevention and control bonds), 2020 Public Offering of Renewable Corporate Bonds of BOE (for qualified investors) (Phase III) (epidemic prevention and control bonds)	Co., Ltd.	Tower, Shanghai Securities Plaza, 528 Pudong Road South, Shanghai	Huan, Liu Jingyuan, Su Xing, Wang Ting	Mingqiang, Han Yong, Liao Ling, Xu Tianquan	
2019 Public Offering of Renewable Corporate Bonds of BOE (for qualified investors) (Phase I), 2020 Public Offering of Renewable Corporate Bonds of BOE (for qualified investors) (Phase I) (epidemic prevention and control bonds), 2020 Public Offering of Renewable Corporate Bonds of BOE (for qualified investors) (Phase II) (epidemic prevention and control bonds), 2020 Public Offering of Renewable Corporate Bonds of BOE (for qualified investors) (Phase III) (epidemic prevention and control bonds)	China Lianhe Credit Rating Co., Ltd.	12/F, PICC Building, No.2 Jianwai Street, Chaoyang District, Beijing	None	Li Jie, Sun Jing	010-85679696

Indicate by tick mark whether above intermediary changed in the Reporting Period

Yes  No

#### 4. List of the Usage of the Raised Funds

Unit: RMB

Bonds	Total amount	Amount spent	Unused amount	Operation of special account for raised funds (if any)	Rectification of raised funds for violation operation (if any)	Whether is consistent with the usage, using plan and other agreements stipulated in the raising specification
2019 Public Offering of Renewable Corporate Bonds of BOE (for qualified investors) (Phase I)	8,000,000,000.00	8,000,000,000.00	0.00	N/A	N/A	Yes
2020 Public Offering of Renewable Corporate Bonds of BOE (for qualified investors) (Phase I) (epidemic prevention and control bonds)	2,000,000,000.00	2,000,000,000.00	0.00	N/A	N/A	Yes
2020 Public Offering of Renewable Corporate Bonds of BOE (for qualified investors) (Phase II) (epidemic prevention and control bonds)	2,000,000,000.00	2,000,000,000.00	0.00	N/A	N/A	Yes
2020 Public Offering of Renewable Corporate Bonds of BOE (for qualified investors) (Phase III) (epidemic prevention and control bonds)	2,000,000,000.00	2,000,000,000.00	0.00	N/A	N/A	Yes

The raised funds were used for project construction

Applicable  Not applicable

The Company changed the usage of above funds raised from bonds during the Reporting Period.

Applicable  Not applicable

#### 5. Adjustment of Credit Rating Results during the Reporting Period

Applicable  Not applicable

## 6. Execution and Changes of Guarantee, Repayment Plan and Other Repayment Guarantee Measures as well as Influence on Equity of Bond Investors during the Reporting Period

Applicable  Not applicable

### III Debt Financing Instruments of Non-financial Enterprises

Applicable  Not applicable

No such cases in the Reporting Period.

### IV Convertible Corporate Bonds

Applicable  Not applicable

No such cases in the Reporting Period.

## V Losses of Scope of Consolidated Financial Statements during the Reporting Period Exceeding 10% of Net Assets up the Period-end of Last Year

Applicable  Not applicable

## VI Matured Interest-bearing Debt excluding Bonds up the Period-end

Applicable  Not applicable

## VII Whether there was any Violation of Rules and Regulations during the Reporting Period

Yes  No

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

Unit: RMB'0,000

Item	31 December 2021	31 December 2020	Change
Current ratio	1.56	1.23	26.83%
Debt/asset ratio	51.78%	59.13%	-7.35%
Quick ratio	1.29	1.06	21.70%
Item	2021	2020	Change
Net profit after deducting non-recurring profit or loss	2,393,754	267,045	796.39%
Total debt ratio of EBITDA	50.09%	19.23%	30.86%
Times interest earned	7.63	2.27	236.12%
Times interest earned of cash	10.71	8.07	32.71%

EBITDA-to-interest coverage (times)	14.22	6.69	112.56%
Loan repayment rate	100.00%	100.00%	0.00%
Interest coverage	100.00%	100.00%	0.00%

## Part X Financial Statements

### I Independent Auditor's Report

Type of the independent auditor's opinion	Standard unqualified audit opinion
Name of the independent auditor	KPMG Huazhen Certified Public Accountants (LLP)
Date of signing this report	March 30, 2022
Reference number of auditor's report	KPMGHZSZ No. 2204172
Name of the certified public accountants	Zhang Huan, Chai Jing

#### AUDITOR'S REPORT

毕马威华振审字第 2204172 号

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

#### Opinion

We have audited the accompanying financial statements of BOE Technology Group Co., Ltd. ("BOE"), which comprise the consolidated and company balance sheets as at 31 December 2021, the consolidated and company income statements, the consolidated and company cash flow statements, the consolidated and company statements of changes in shareholders' equity for the year then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated and company financial position of BOE as at 31 December 2021, and the consolidated and company financial performance and cash flows of BOE for the year then ended in accordance with Accounting Standards for Business Enterprises issued by the Ministry of Finance of the People's Republic of China.

#### Basis for Opinion

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

## AUDITOR'S REPORT (continued)

毕马威华振审字第 2204172 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 recognized when the goods are delivered and received, or when they are received by the carrier.</p> <p>We identified the recognition of BOE Group's revenue as a key audit matter because revenue, as one of BOE Group's key performance indicators, involves various trading terms, and there is an inherent risk that revenue may not be recognised in a correct period.</p>	<p>Our audit procedures to evaluate revenue recognition included the following:</p> <ul style="list-style-type: none"><li>• Evaluate the design and operation effectiveness of key internal controls related to revenue recognition;</li><li>• Check key sales contracts/orders on a sampling basis to identify relevant trading terms, and evaluate whether the accounting policies for revenue recognition of BOE Group meet the requirements of the Enterprise Accounting Standards;</li><li>• On a sampling basis and according to different trading terms, reconcile the revenue recorded in the current year to relevant supporting files such as relevant orders, shipping orders, sales invoices, customs declarations, 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 2204172 号

### Key Audit Matters (continued)

<b>Revenue recognition (continued)</b>	
Refer to Note III. 23 of the accounting policy to the financial statements and Note V. 44 to to the consolidated financial statements.	
<b>The Key Audit Matter</b>	<b>How the matter was addressed in our audit</b>
	<ul style="list-style-type: none"><li>• Select a sample based on the characteristics and nature of customer's transaction, and perform 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 2204172 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" 15, 16.	
<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 2021, the book value of fixed assets and construction in progress amounted to RMB 258.816 billion.</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 capitalization 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 2204172 号

### Key Audit Matters (continued)

<b>Impairment of fixed assets and intangible assets</b>	
Refer to the accounting policies set out in the notes to the financial statements "III. Significant accounting policies and accounting estimates" 19 and "V. Notes to the consolidated financial statements" 15, 17.	
<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 2021, the book value of fixed assets and intangible assets amounted to RMB 237.905 billion, the judgement on impairment indications and impairment test are material to BOE Group's financial statements.</p> <p>The management classifies asset groups based on the smallest identifiable group of assets that generates cash inflows that are independent, and continuously monitors the trend of market of supply and demand as well as the technology evolution; comprehensively judges impairment indications of each asset group in accordance with market trends, operating conditions of production lines and technological advanced performance, and performs impairment test on asset groups if any impairment indication exists.</p> <p>For asset groups with impairment indications, the management assesses whether the book value of fixed assets and intangible assets as at 31 December 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 evaluate impairment of fixed assets and intangible assets included the following:</p> <ul style="list-style-type: none"> <li>• Evaluate management's identification of asset groups, assessment of impairment indications, and assess the design and operation effectiveness of key internal controls for impairment tests;</li> <li>• Based on our understanding of BOE Group's businesses and relevant accounting standards, evaluate management's classification basis of asset groups and judgement basis of impairment indications;</li> <li>• For asset groups with impairment indications, based on our understanding of the industry, compare the key assumptions in the calculation of recoverable amounts used by management with external available data and historical analysis, including future selling prices, sales volume and discount rate used by management, evaluate the key assumptions and estimations used by the management;</li> <li>• For asset groups with significant impairment risk, assess the competence, professional quality and objectivity of experts hired by the management; and adopt our own valuation experts' work, assess if discount rates used for estimating the present value of future cash flows by management are within the range used by other companies in the same industry;</li> </ul>

## AUDITOR'S REPORT (continued)

毕马威华振审字第 2204172 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" 15, 17.	
<b>The Key Audit Matter</b>	<b>How the matter was addressed in our audit</b>
We identified the impairment of fixed assets and intangible assets as a key audit matter because the book value of fixed assets and intangible assets is significant to the financial statements; management's significant judgements and estimations are involved in assessing the classification basis of asset groups, existence of impairment indications and impairment test of asset groups with impairment indications, which may exist errors or potential management bias.	<p>Our audit procedures to evaluate impairment of fixed assets and intangible assets included the following:</p> <ul style="list-style-type: none"><li>• Compare estimations used for calculating the present value of expected future cash flows in the previous year by the management with the actual situation in this year to consider the historical accuracy of management's forecast results;</li><li>• Perform sensitivity analysis on key assumptions, including future selling prices, sales volume and discount rates, used in the calculation of recoverable amount by the management; assess how changes in key assumptions (individually or collectively) will lead to different results and assess whether there are indications of management bias in the selection of key assumptions;</li><li>• Consider whether the disclosure of impairment of fixed assets and intangible assets in the financial statements is consistent with relevant accounting policy.</li></ul>

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

毕马威华振审字第 2204172 号

### **Other Information**

BOE's management is responsible for the other information. The other information comprises all the information included in 2021 annual report of BOE, other than the financial statements and our auditor's report thereon.

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

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

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

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

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

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

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

## AUDITOR'S REPORT (continued)

毕马威华振审字第 2204172 号

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

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

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

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

## AUDITOR'S REPORT (continued)

毕马威华振审字第 2204172 号

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

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

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

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

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

KPMG Huazhen LLP

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

Zhang Huan (Engagement Partner)

Beijing, China

Chai Jing

30 March 2022

BOE Technology Group Co., Ltd.  
Consolidated balance sheet  
as at 31 December 2021  
*(Expressed in Renminbi Yuan)*

	<i>Note</i>	<i>2021</i>	<i>2020</i>
Assets			
Current assets			
Cash at bank and on hand	V.1	80,986,835,088	73,694,296,095
Financial assets held for trading	V.2	10,028,172,853	4,367,201,833
Bills receivable	V.3	217,734,298	215,994,373
Accounts receivable	V.4	35,503,414,820	22,969,140,355
Prepayments	V.5	1,112,880,007	1,119,595,984
Other receivables	V.6	1,922,828,378	658,114,833
Inventories	V.7	27,724,806,939	17,875,454,490
Contract assets	V.8	75,698,324	49,897,395
Assets held for sale	V.9	-	186,892,645
Non-current assets due within one year		7,700,735	-
Other current assets	V.10	<u>3,578,919,710</u>	<u>7,848,869,252</u>
Total current assets		<u>161,158,991,152</u>	<u>128,985,457,255</u>

The notes on pages 30 to 193 form part of these financial statements.

BOE Technology Group Co., Ltd.  
Consolidated balance sheet  
as at 31 December 2021 (continued)  
*(Expressed in Renminbi Yuan)*

	<i>Note</i>	<i>2021</i>	<i>2020</i>
Assets (continued)			
Non-current assets			
Long-term receivables		29,918,542	-
Long-term equity investments	V.11	6,040,948,317	3,693,170,224
Investments in other equity instruments	V.12	519,088,146	533,645,423
Other non-current financial assets	V.13	606,895,447	-
Investment properties	V.14	1,158,365,401	1,196,168,511
Fixed assets	V.15	226,695,489,704	224,866,586,069
Construction in progress	V.16	32,120,320,507	42,575,849,952
Right-of-use assets	V.62	753,164,237	-
Intangible assets	V.17	11,209,498,406	11,875,926,448
Goodwill	V.18	1,130,006,987	1,400,357,242
Long-term deferred expenses	V.19	636,530,502	299,634,100
Deferred tax assets	V.20	190,335,524	205,041,088
Other non-current assets	V.21	<u>7,477,427,483</u>	<u>8,624,970,019</u>
Total non-current assets		<u>288,567,989,203</u>	<u>295,271,349,076</u>
Total assets		<u>449,726,980,355</u>	<u>424,256,806,331</u>

The notes on pages 30 to 193 form part of these financial statements.

BOE Technology Group Co., Ltd.  
 Consolidated balance sheet  
 as at 31 December 2021 (continued)  
 (Expressed in Renminbi Yuan)

	<i>Note</i>	<i>2021</i>	<i>2020</i>
Liabilities and shareholders' equity			
Current liabilities			
Short-term loans	V.22	2,072,057,332	8,599,569,471
Bills payable	V.23	827,958,031	1,231,533,895
Accounts payable	V.24	32,455,830,694	27,164,171,682
Advance payments received	V.25	146,140,084	124,040,749
Contract liabilities	V.26	3,765,081,554	3,440,720,535
Employee benefits payable	V.27	5,133,155,237	3,758,623,797
Taxes payable	V.28	2,200,249,305	1,077,686,869
Other payables	V.29	23,835,374,942	32,867,709,024
Non-current liabilities due within one year	V.30	28,874,958,714	24,500,550,121
Other current liabilities	V.31	<u>4,051,532,509</u>	<u>2,194,716,852</u>
Total current liabilities		<u>103,362,338,402</u>	<u>104,959,322,995</u>

The notes on pages 30 to 193 form part of these financial statements.

BOE Technology Group Co., Ltd.  
Consolidated balance sheet  
as at 31 December 2021 (continued)  
*(Expressed in Renminbi Yuan)*

	<i>Note</i>	<i>2021</i>	<i>2020</i>
Liabilities and shareholders' equity (continued)			
Non-current liabilities			
Long-term loans	V.32	116,078,666,587	132,452,767,135
Debentures payable	V.33	359,586,437	398,971,739
Lease liabilities	V.62	669,130,264	-
Long-term payables	V.34	906,592,838	2,114,175,683
Deferred income	V.35	6,416,089,611	4,246,231,468
Deferred tax liabilities	V.20	1,525,622,873	1,427,601,154
Other non-current liabilities	V.36	<u>3,535,809,876</u>	<u>5,260,001,443</u>
Total non-current liabilities		<u>129,491,498,486</u>	<u>145,899,748,622</u>
Total liabilities		<u>232,853,836,888</u>	<u>250,859,071,617</u>

The notes on pages 30 to 193 form part of these financial statements.

BOE Technology Group Co., Ltd.  
Consolidated balance sheet  
as at 31 December 2021 (continued)  
*(Expressed in Renminbi Yuan)*

	<i>Note</i>	<i>2021</i>	<i>2020</i>
Liabilities and shareholders' equity (continued)			
Shareholders' equity			
Share capital	V.37	38,445,746,482	34,798,398,763
Other equity instruments	V.38	14,146,997,427	14,146,997,427
Capital reserve	V.39	53,804,309,393	37,435,655,934
Less: Treasury shares	V.40	3,415,768,207	1,036,298,508
Other comprehensive income	V.41	113,551,147	(22,198,072)
Surplus reserve	V.42	2,889,590,205	2,444,416,669
Retained earnings	V.43	<u>36,941,121,452</u>	<u>15,509,794,622</u>
Total equity attributable to shareholders of the Company		<u>142,925,547,899</u>	<u>103,276,766,835</u>
Non-controlling interests		<u>73,947,595,568</u>	<u>70,120,967,879</u>
Total shareholders' equity		<u>216,873,143,467</u>	<u>173,397,734,714</u>
Total liabilities and shareholders' equity		<u>449,726,980,355</u>	<u>424,256,806,331</u>

These financial statements were approved by the Board of Directors of the Company on 30 March 2022.

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 30 to 193 form part of these financial statements.

BOE Technology Group Co., Ltd.  
 Company balance sheet  
 as at 31 December 2021  
 (Expressed in Renminbi Yuan)

	Note	2021	2020
Assets			
Current assets			
Cash at bank and on hand	XVI.1	5,609,364,822	4,375,497,010
Accounts receivable	XVI.2	4,828,855,275	3,974,212,308
Prepayments		12,669,107	12,185,651
Other receivables	XVI.3	15,449,830,610	16,345,474,583
Inventories		15,853,238	18,622,283
Other current assets	XVI.4	<u>167,179,023</u>	<u>177,761,718</u>
Total current assets		<u>26,083,752,075</u>	<u>24,903,753,553</u>
Non-current assets			
Long-term equity investments	XVI.5	210,945,821,235	182,135,057,208
Investments in other equity instruments		63,458,868	81,192,872
Investment properties		261,526,129	271,212,241
Fixed assets		961,944,766	1,009,178,229
Right-of-use assets	XVI.25	170,173,793	-
Construction in progress		551,352,449	418,343,961
Intangible assets	XVI.6	1,243,806,868	1,380,069,827
Long-term deferred expenses		441,560,097	105,439,681
Other non-current assets		<u>1,744,751,520</u>	<u>2,611,437,988</u>
Total non-current assets		<u>216,384,395,725</u>	<u>188,011,932,007</u>
Total assets		<u>242,468,147,800</u>	<u>212,915,685,560</u>

The notes on pages 30 to 193 form part of these financial statements.

BOE Technology Group Co., Ltd.  
Company balance sheet  
as at 31 December 2021 (continued)  
*(Expressed in Renminbi Yuan)*

	<i>Note</i>	<i>2021</i>	<i>2020</i>
Liabilities and shareholders' equity			
Current liabilities			
Accounts payable		61,519,244	272,241,469
Advance payments received	XVI.8	20,038,334	18,286,458
Employee benefits payable	XVI.9	640,728,285	516,060,153
Taxes payable		244,586,957	87,179,892
Other payables	XVI.10	2,880,884,768	6,541,918,681
Non-current liabilities due within one year		10,909,326,195	7,847,210,073
Other current liabilities		<u>29,190,783</u>	<u>1,977,977</u>
Total current liabilities		<u>14,786,274,566</u>	<u>15,284,874,703</u>
Non-current liabilities			
Long-term loans	XVI.11	32,208,500,000	38,360,714,121
Lease liabilities	XVI.25	129,343,868	-
Deferred income	XVI.12	2,906,951,707	3,633,342,446
Deferred tax liabilities	XVI.7	225,816,218	385,697,604
Other non-current liabilities		<u>74,506,661,805</u>	<u>56,156,661,805</u>
Total non-current liabilities		<u>109,977,273,598</u>	<u>98,536,415,976</u>
Total liabilities		<u>124,763,548,164</u>	<u>113,821,290,679</u>

The notes on pages 30 to 193 form part of these financial statements.

BOE Technology Group Co., Ltd.  
 Company balance sheet  
 as at 31 December 2021 (continued)  
 (Expressed in Renminbi Yuan)

	Note	2021	2020
Liabilities and shareholders' equity (continued)			
Shareholders' equity			
Share capital	V.37	38,445,746,482	34,798,398,763
Other equity instruments	V.38	14,146,997,427	14,146,997,427
Capital reserve	XVI.13	53,598,033,152	36,696,079,366
Less: Treasury shares	V.40	3,415,768,207	1,036,298,508
Other comprehensive income	XVI.14	89,024,650	90,713,133
Surplus reserve	V.42	2,889,590,205	2,444,416,669
Retained earnings	XVI.15	<u>11,950,975,927</u>	<u>11,954,088,031</u>
Total shareholders' equity		<u>117,704,599,636</u>	<u>99,094,394,881</u>
Total liabilities and shareholders' equity		<u>242,468,147,800</u>	<u>212,915,685,560</u>

These financial statements were approved by the Board of Directors of the Company on 30 March 2022.

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

The notes on pages 30 to 193 form part of these financial statements.

BOE Technology Group Co., Ltd.  
Consolidated income statement  
for the year ended 31 December 2021  
*(Expressed in Renminbi Yuan)*

	<i>Note</i>	<i>2021</i>	<i>2020</i>
I. Operation income	V.44	219,309,799,505	135,552,569,729
II. Less: Operating costs	V.44	155,985,225,295	110,409,882,204
Taxes and surcharges	V.45	1,424,205,826	1,078,900,085
Selling and distribution expenses	V.46	5,484,589,978	3,138,283,646
General and administrative expenses	V.47	6,693,373,589	4,600,271,642
Research and development expenses	V.48	10,668,844,187	7,638,602,711
Financial expenses	V.49	3,682,379,202	2,650,153,972
Including: Interest expenses		4,866,778,333	3,497,697,709
Interest income		1,050,431,325	873,376,712
Add: Other income	V.50	2,092,765,728	2,337,705,817
Investment income	V.51	1,347,489,345	897,891,109
Including: Income from investment in associates and joint ventures		1,245,036,895	444,407,986
Gains from changes in fair value	V.52	84,966,963	31,936,339
Credit (losses) /gains	V.53	(28,409,869)	1,827,519
Impairment loss	V.54	(4,478,251,852)	(3,280,425,399)
Gains from asset disposals	V.55	<u>153,505,791</u>	<u>19,061,846</u>
III. Operating profit		34,543,247,534	6,044,472,700
Add: Non-operating income	V.56	131,607,946	120,503,628
Less: Non-operating expenses	V.56	<u>55,215,102</u>	<u>72,139,666</u>

The notes on pages 30 to 193 form part of these financial statements.

BOE Technology Group Co., Ltd.  
 Consolidated income statement  
 for the year ended 31 December 2021 (continued)  
 (Expressed in Renminbi Yuan)

	<i>Note</i>	<i>2021</i>	<i>2020</i>
IV. Profit before income tax		34,619,640,378	6,092,836,662
Less: Income tax expenses	V.57	<u>4,187,971,404</u>	<u>1,564,566,246</u>
V. Net profit for the year		<u>30,431,668,974</u>	<u>4,528,270,416</u>
Shareholders of the Company		25,830,935,500	5,035,627,952
Non-controlling interests		4,600,733,474	(507,357,536)

The notes on pages 30 to 193 form part of these financial statements.

BOE Technology Group Co., Ltd.  
 Consolidated income statement  
 for the year ended 31 December 2021 (continued)  
 (Expressed in Renminbi Yuan)

	<i>Note</i>	<i>2021</i>	<i>2020</i>
VI. Other comprehensive income, net of tax	V.41	155,717,231	165,945,656
Other comprehensive income (net of tax) attributable to owners of the Company		190,988,004	177,438,725
(1) Items that will not be reclassified to profit or loss			
1. Other comprehensive income recognised under equity method		68,869,497	136,381,254
2. Changes in fair value of investments in other equity instruments		(40,618,274)	(19,975,534)
(2) Items that may be reclassified to profit or loss			
1. Other comprehensive income recognised under equity method		(296,553)	11,835
2. Translation differences arising from translation of foreign currency financial statements		163,033,334	61,021,170
Other comprehensive income (net of tax) attributable to non-controlling interests		(35,270,773)	(11,493,069)

The notes on pages 30 to 193 form part of these financial statements.

BOE Technology Group Co., Ltd.  
 Consolidated income statement  
 for the year ended 31 December 2021 (continued)  
 (Expressed in Renminbi Yuan)

	<i>Note</i>	<i>2021</i>	<i>2020</i>
VII. Total comprehensive income for the year		<u>30,587,386,205</u>	<u>4,694,216,072</u>
Attributable to shareholders of the Company		26,021,923,504	5,213,066,677
Attributable to non-controlling interests		4,565,462,701	(518,850,605)
VIII. Earnings per share:			
(1) Basic earnings per share	V.58	0.71	0.13
(2) Diluted earnings per share	V.58	0.71	0.13

These financial statements were approved by the Board of Directors of the Company on 30 March 2022.

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

The notes on pages 30 to 193 form part of these financial statements.

BOE Technology Group Co., Ltd.  
Company income statement  
for the year ended 31 December 2021  
*(Expressed in Renminbi Yuan)*

	<i>Note</i>	<i>2021</i>	<i>2020</i>
I. Operation income	XVI.16	5,716,998,034	4,541,676,195
II. Less: Operating costs		16,459,454	22,304,841
Taxes and surcharges	XVI.17	36,630,410	40,889,596
General and administrative expenses		1,577,032,602	858,750,449
Research and development expenses	XVI.18	2,330,865,497	2,102,895,125
Financial expenses	XVI.19	798,736,264	916,538,545
Including: Interest expenses		892,768,026	970,259,855
Interest income		93,003,346	37,793,976
Add: Other income	XVI.20	948,922,174	970,989,167
Investment income	XVI.21	2,755,668,691	2,429,685,102
Including: Income from investment in associates and joint ventures		864,640,400	416,901,621
Credit losses		(5,247,340)	(5,376,889)
Losses from asset disposals		<u>(773,327)</u>	<u>-</u>
III. Operating profit		4,655,844,005	3,995,595,019
Add: Non-operating income		7,424,220	6,879,087
Less: Non-operating expenses		<u>5,915,655</u>	<u>11,908,850</u>
IV. Profit before income tax		4,657,352,570	3,990,565,256
Less: Income tax expenses	XVI.22	<u>260,856,004</u>	<u>251,373,672</u>
V. Net profit for the year		<u>4,396,496,566</u>	<u>3,739,191,584</u>

The notes on pages 30 to 193 form part of these financial statements.

BOE Technology Group Co., Ltd.  
 Company income statement  
 for the year ended 31 December 2021 (continued)  
 (Expressed in Renminbi Yuan)

	Note	2021	2020
VI. Other comprehensive income, net of tax	XVI.14	53,550,302	136,131,965
(1) Items that will not be reclassified to profit or loss			
1. Other comprehensive income recognised under equity method		68,869,497	136,381,254
2. Changes in fair value of investments in other equity instruments		(15,073,903)	(261,124)
(2) Items that may be reclassified to profit or loss		(245,292)	11,835
		<hr/>	<hr/>
VII. Total comprehensive income for the year		<u>4,450,046,868</u>	<u>3,875,323,549</u>

These financial statements were approved by the Board of Directors of the Company on 30 March 2022.

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

The notes on pages 30 to 193 form part of these financial statements.

BOE Technology Group Co., Ltd.  
Consolidated cash flow statement  
for the year ended 31 December 2021  
*(Expressed in Renminbi Yuan)*

	<i>Note</i>	<i>2021</i>	<i>2020</i>
I. Cash flows from operating activities:			
Proceeds from sale of goods and rendering of services		219,962,740,822	152,737,944,370
Refund of taxes		13,173,129,922	11,677,125,705
Proceeds from other operating activities		<u>5,925,158,408</u>	<u>5,178,686,102</u>
Sub-total of cash inflows		<u>239,061,029,152</u>	<u>169,593,756,177</u>
Payment for goods and services		(145,205,421,170)	(115,414,695,545)
Payment to and for employees		(17,896,262,253)	(10,375,043,429)
Payment of various taxes		(5,149,971,194)	(2,493,092,709)
Payment for other operating activities		<u>(8,538,818,211)</u>	<u>(2,059,151,036)</u>
Sub-total of cash outflows		<u>(176,790,472,828)</u>	<u>(130,341,982,719)</u>
Net cash flows from operating activities	V.59(1)	<u>62,270,556,324</u>	<u>39,251,773,458</u>

The notes on pages 30 to 193 form part of these financial statements.

BOE Technology Group Co., Ltd.  
Consolidated cash flow statement  
for the year ended 31 December 2021 (continued)  
*(Expressed in Renminbi Yuan)*

	<i>Note</i>	<i>2021</i>	<i>2020</i>
II. Cash flows from investing activities:			
Proceeds from disposal of investments		33,071,343,623	23,039,182,987
Investment returns received		180,030,588	79,109,825
Net proceeds from disposal of fixed assets, intangible assets and other long-term assets		69,111,303	177,874,045
Net amount received from subsidiaries		-	954,155,710
Net proceeds from disposal of subsidiaries		-	336,086,996
Proceeds from other investing activities		<u>3,438,995,631</u>	<u>945,857,001</u>
Sub-total of cash inflows		<u>36,759,481,145</u>	<u>25,532,266,564</u>
Payment for acquisition of fixed assets, intangible assets and other long-term assets		(35,669,946,105)	(44,215,334,543)
Payment for acquisition of investments		(41,638,460,294)	(20,725,326,161)
Net cash paid to acquire subsidiaries		(2,815,535)	(1,895,124,119)
Net payment for disposal of subsidiaries		(160,887,997)	-
Payment for other investing activities		<u>-</u>	<u>(2,103,448,590)</u>
Sub-total of cash outflows		<u>(77,472,109,931)</u>	<u>(68,939,233,413)</u>
Net cash flows from investing activities		<u>(40,712,628,786)</u>	<u>(43,406,966,849)</u>

The notes on pages 30 to 193 form part of these financial statements.

BOE Technology Group Co., Ltd.  
 Consolidated cash flow statement  
 for the year ended 31 December 2021 (continued)  
 (Expressed in Renminbi Yuan)

	<i>Note</i>	<i>2021</i>	<i>2020</i>
III. Cash flows from financing activities:			
Proceeds from investors		31,519,607,755	10,377,793,629
Including: Proceeds from non-controlling shareholders of subsidiaries		11,187,003,325	10,377,793,629
Proceeds from issuance of debentures		-	5,966,660,000
Proceeds from borrowings		31,028,727,811	50,709,738,711
Net amount of monetary movements for pledging loans		1,106,689,881	2,927,370,511
Proceeds from other financing activities		-	920,016,046
		<hr/>	<hr/>
Sub-total of cash inflows		<u>63,655,025,447</u>	<u>70,901,578,897</u>

The notes on pages 30 to 193 form part of these financial statements.

BOE Technology Group Co., Ltd.  
Consolidated cash flow statement  
for the year ended 31 December 2021 (continued)  
*(Expressed in Renminbi Yuan)*

	Note	2021	2020
III. Cash flows from financing activities (continued):			
Repayments of borrowings		(48,435,579,182)	(38,547,043,449)
Payment for dividends or interest		(10,261,666,002)	(6,520,054,957)
Including: Profits paid to non-controlling shareholders of subsidiaries		(34,862,550)	(88,810,446)
Payment for other financing activities		<u>(17,139,649,816)</u>	<u>(2,016,750,534)</u>
Sub-total of cash outflows		<u>..(75,836,895,000)</u>	<u>..(47,083,848,940)</u>
Net cash flows from financing activities		<u>..(12,181,869,553)</u>	<u>.. 23,817,729,957</u>
IV. Effect of foreign exchange rate changes on cash and cash equivalents		<u>..(817,308,273)</u>	<u>..(1,868,121,768)</u>
V. Net increase in cash and cash equivalents	V.59(1)	8,558,749,712	17,794,414,798
Add: Cash and cash equivalents at the beginning of the year		<u>68,064,736,371</u>	<u>50,270,321,573</u>
VI. Cash and cash equivalents at the end of the year	V.59(2)	<u>76,623,486,083</u>	<u>68,064,736,371</u>

These financial statements were approved by the Board of Directors of the Company on 30 March 2022.

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

The notes on pages 30 to 193 form part of these financial statements.

BOE Technology Group Co., Ltd.  
Company cash flow statement  
for the year ended 31 December 2021  
*(Expressed in Renminbi Yuan)*

	<i>Note</i>	<i>2021</i>	<i>2020</i>
I. Cash flows from operating activities:			
Proceeds from sale of goods and rendering of services		5,868,891,208	3,125,955,887
Proceeds from other operating activities		<u>406,266,493</u>	<u>77,211,104</u>
Sub-total of cash inflows		<u>6,275,157,701</u>	<u>3,203,166,991</u>
Payment for goods and services		(1,038,043,873)	(952,364,398)
Payment to and for employees		(1,532,937,459)	(977,064,794)
Payment of various taxes		(495,289,004)	(513,631,723)
Payment for other operating activities		<u>(2,504,787,813)</u>	<u>(644,659,863)</u>
Sub-total of cash outflows		<u>(5,571,058,149)</u>	<u>(3,087,720,778)</u>
Net cash flows from operating activities	XVI.23(1)	<u>704,099,552</u>	<u>115,446,213</u>
II. Cash flows from investing activities:			
Proceeds from disposal of investments		890,504,898	931,412,417
Proceeds from disposal of subsidiaries		230,142,095	-
Investment returns received		2,129,623,919	1,208,468,425
Net proceeds from disposal of fixed assets		13,445,008	303,987
Proceeds from other investing activities		<u>2,075,919,565</u>	<u>470,877,944</u>
Sub-total of cash inflows		<u>5,339,635,485</u>	<u>2,611,062,773</u>

The notes on pages 30 to 193 form part of these financial statements.

BOE Technology Group Co., Ltd.  
 Company cash flow statement  
 for the year ended 31 December 2021 (continued)  
 (Expressed in Renminbi Yuan)

	Note	2021	2020
II. Cash flows from investing activities (continued):			
Payment for acquisition of fixed assets, intangible assets and other long-term assets		(715,641,262)	(412,494,447)
Payment for acquisition of investments		(30,498,556,648)	(20,477,410,853)
Payment for other investing activities		<u>(825,000,000)</u>	<u>(12,405,000,000)</u>
 Sub-total of cash outflows		<u>..(32,039,197,910)</u>	<u>..(33,294,905,300)</u>
 Net cash flows from investing activities		<u>..(26,699,562,425)</u>	<u>..(30,683,842,527)</u>
III. Cash flows from financing activities:			
Proceeds from issuance of debentures		-	5,966,660,000
Proceeds from investors		20,332,604,430	-
Proceeds from borrowings		14,303,000,000	21,867,000,000
Proceeds from other financing activities		<u>20,888,483,038</u>	<u>23,967,730,377</u>
 Sub-total of cash inflows		<u>..55,524,087,468</u>	<u>..51,801,390,377</u>
 Repayments of borrowings		(17,355,376,312)	(15,767,047,454)
Payment for dividends and interest		(5,524,312,554)	(2,254,787,893)
Payment for other financing activities		<u>(5,389,705,939)</u>	<u>(2,398,651,425)</u>
 Sub-total of cash outflows		<u>..(28,269,394,805)</u>	<u>..(20,420,486,772)</u>
 Net cash flows from financing activities		<u>..27,254,692,663</u>	<u>..31,380,903,605</u>

The notes on pages 30 to 193 form part of these financial statements.

BOE Technology Group Co., Ltd.  
 Company cash flow statement  
 for the year ended 31 December 2021 (continued)  
 (Expressed in Renminbi Yuan)

	Note	2021	2020
IV. Effect of foreign exchange rate changes on cash and cash equivalents		<u>(19,357,657)</u>	<u>(133,212,123)</u>
V. Net (Decrease)/Increase in cash and cash equivalents	XVI.23(1)	1,239,872,133	679,295,168
Add: Cash and cash equivalents at the beginning of the year		<u>4,360,065,216</u>	<u>3,680,770,048</u>
VI. Cash and cash equivalents at the end of the year	XVI.23(2)	<u>5,599,937,349</u>	<u>4,360,065,216</u>

These financial statements were approved by the Board of Directors of the Company on 30 March 2022.

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 stamp)	and	(Signature stamp)	and	(Signature and stamp)	and	(Signature and stamp)		

The notes on pages 30 to 193 form part of these financial statements.

BOE Technology Group Co., Ltd.  
Consolidated statement of changes in shareholders' equity  
for the year ended 31 December 2021  
(Expressed in Renminbi Yuan)

	Note	Equity attributable to shareholders of the Company									Total
		Share capital	Other equity instruments	Capital reserve	Less: Treasury shares	Other comprehensive income	Surplus reserve	Retained earnings	Sub-total	Non-controlling interests	
I. Balance at the beginning of the year		34,798,398,763	14,146,997,427	37,435,655,934	1,036,298,508	(22,198,072)	2,444,416,669	15,509,794,622	103,276,766,835	70,120,967,879	173,397,734,714
II. Changes in equity during the year											
1. Total comprehensive income		-	-	-	-	190,988,004	-	25,830,935,500	26,021,923,504	4,565,462,701	30,587,386,205
2. Shareholders' contributions of capital											
(1) Contribution by ordinary shareholders	V.37	3,650,377,019	-	16,219,134,815	-	-	-	-	19,869,511,834	-	19,869,511,834
(2) Contribution by non-controlling interests		-	-	-	-	-	-	-	-	11,187,003,325	11,187,003,325
(3) Decrease of capital by non-controlling interests		-	-	322,947	-	-	-	-	322,947	(8,482,947)	(8,160,000)
(4) Repurchase of treasury shares	V.40	-	-	-	2,428,003,419	-	-	-	(2,428,003,419)	-	(2,428,003,419)
(5) Cancellation of treasury shares	V. 37/39/40	(3,029,300)	-	(14,270,384)	(17,299,684)	-	-	-	-	-	-
(6) Equity-settled share-based payments	XI	-	-	598,701,862	(31,234,036)	-	-	-	629,935,898	41,990,775	671,926,673
3. Appropriation of profits											
(1) Appropriation for surplus reserve	V.42	-	-	-	-	-	439,649,657	(439,649,657)	-	-	-
(2) Accrued interest on holders of other equity instruments	V.38	-	533,600,000	-	-	-	-	(533,600,000)	-	-	-
(3) Payment for interest on holders of other equity instruments	V.38	-	(533,600,000)	-	-	-	-	(533,600,000)	-	-	(533,600,000)
(4) Distributions to shareholders	V.43	-	-	-	-	-	-	(3,476,073,919)	(3,476,073,919)	(34,862,550)	(3,510,936,469)

The notes on pages 30 to 193 form part of these financial statements.

BOE Technology Group Co., Ltd.  
 Consolidated statement of changes in shareholders' equity  
 for the year ended 31 December 2021 (continued)  
 (Expressed in Renminbi Yuan)

		Equity 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			
4. Transfers within equity											
(1) Transfer of other comprehensive income to retained earnings	V. 41/43	-	-	-	-	(55,238,785)	5,523,879	49,714,906	-	-	-
5. Others											
(1) Other movements in equity of associates	V. 11	-	-	51,030,550	-	-	-	51,030,550	-	51,030,550	
(2) Acquisition of non-controlling interests	V.39	-	-	(772,223,591)	-	-	-	(772,223,591)	(12,066,861,731)	(12,839,085,322)	
(3) Disposal of equities in subsidiaries	V.39	-	-	288,039,797	-	-	-	288,039,797	146,828,923	434,868,720	
(4) Others	V.39	-	-	(2,082,537)	-	-	-	(2,082,537)	(4,450,807)	(6,533,344)	
III. Balance at the end of the year		38,445,746,482	14,146,997,427	53,804,309,393	3,415,768,207	113,551,147	2,889,590,205	36,941,121,452	142,925,547,899	73,947,595,568	216,873,143,467

These financial statements were approved by the Board of Directors of the Company on 30 March 2022.

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

The notes on pages 30 to 193 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)

	Equity 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)	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		-	-	-	-	-	-	-	-	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 30 to 193 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	Equity 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		-	-	(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 30 March 2022.

<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 30 to 193 form part of these financial statements.

BOE Technology Group Co., Ltd.  
 Company statement of changes in shareholders' equity  
 for the year ended 31 December 2021  
 (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	14,146,997,427	36,696,079,366	1,036,298,508	90,713,133	2,444,416,669	11,954,088,031	99,094,394,881
II. Changes in equity during the year									
1. Total comprehensive income		-	-	-	-	53,550,302	-	4,396,496,566	4,450,046,868
2. Shareholders' contributions of capital									
(1) Contribution by ordinary shareholders	V.37	3,650,377,019	-	16,219,134,815	-	-	-	-	19,869,511,834
(2) Repurchase of treasury shares	V.40	-	-	-	2,428,003,419	-	-	-	(2,428,003,419)
(3) Cancellation of treasury shares	V. 37/39/40	(3,029,300)	-	(14,270,384)	(17,299,684)	-	-	-	-
(4) Equity-settled share-based payment	XI	-	-	640,692,637	(31,234,036)	-	-	-	671,926,673
3. Appropriation of profits									
(1) Appropriation for surplus reserve	V.42	-	-	-	-	-	439,649,657	(439,649,657)	-
(2) Accrued interest on holders of other equity instruments	V.38	-	533,600,000	-	-	-	-	(533,600,000)	-
(3) Payment for interest on holders of other equity instruments	V.38	-	(533,600,000)	-	-	-	-	-	(533,600,000)
(4) Distributions to shareholders	V.43	-	-	-	-	-	-	(3,476,073,919)	(3,476,073,919)

The notes on pages 30 to 193 form part of these financial statements.

BOE Technology Group Co., Ltd.  
 Company statement of changes in shareholders' equity  
 for the year ended 31 December 2021 (continued)  
 (Expressed in Renminbi Yuan)

	Note	Share capital	Other equity instruments	Capital reserve	Less: Treasury shares	Other comprehensive income	Surplus reserve	Retained earnings	Total
4. Transfers within equity									
(1) Transfer of other comprehensive income to retained earnings	XVI.14/15	-	-	-	-	(55,238,785)	5,523,879	49,714,906	-
5. Others									
(1) Other movements in equity of associates	XVI.5	-	-	53,544,976	-	-	-	-	53,544,976
(2) Others		-	-	2,851,742	-	-	-	-	2,851,742
III. Balance at the end of the year		<u>38,445,746,482</u>	<u>14,146,997,427</u>	<u>53,598,033,152</u>	<u>3,415,768,207</u>	<u>89,024,650</u>	<u>2,889,590,205</u>	<u>11,950,975,927</u>	<u>117,704,599,636</u>

These financial statements were approved by the Board of Directors of the Company on 30 March 2022.

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

The notes on pages 30 to 193 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
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		-	-	-	-	-	533,906,114	4,805,155,027	5,339,061,141
Adjusted balance at the beginning of the year		<u>34,798,398,763</u>	<u>8,013,156,853</u>	<u>37,608,039,685</u>	<u>-</u>	<u>193,638,576</u>	<u>2,050,045,823</u>	<u>9,586,643,866</u>	<u>92,249,923,566</u>
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 payment	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 30 to 193 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	XVI.14/15	-	-	-	-	(239,057,408)	23,905,741	215,151,667	-
5. Others									
(1) Disposal of subsidiaries to equity method accounting		-	-	-	-	-	(3,454,053)	(31,086,473)	(34,540,526)
(2) Other movements in equity of associates	XVI.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 30 March 2022.

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 stamp) and	(Signature stamp) and	(Signature stamp) and	(Signature stamp) and	

The notes on pages 30 to 193 form part of these financial statements.

I. Company status

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

The Company and its subsidiaries (referred to as the “Group”) comprise five main business segments: display business, Internet of Things (IoT) innovation business, sensor and application solutions, MLED and smart medicine & engineering. 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, and has adopted the revised “Accounting Standard for Business Enterprises No. 21 – Leases” issued by the MOF in 2018, since 1 January 2021 (see Note III.28).

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 2021, 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 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.20.

### (2) Classification and subsequent measurement of financial assets

#### (a) Classification of financial assets

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

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

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

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

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

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

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

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

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

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

(b) Subsequent measurement of financial assets

- Financial assets at FVTPL

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

- Financial assets at amortised cost

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

- Debt investments at FVOCI

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

- Equity investments at FVOCI

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

(3) Classification and subsequent measurement of financial liabilities

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

- Financial liabilities at FVTPL

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

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

- Financial liabilities at amortised cost

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

#### (4) Offsetting

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

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

#### (5) Derecognition of financial assets and financial liabilities

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

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

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

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

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

(6) Impairment

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

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

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

*Measurement of ECLs*

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

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

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

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

Loss allowances for trade receivables, lease 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, lease 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, 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 the production of goods, supply of services or for administrative purposes with useful lives over one year.

The cost of a purchased fixed asset comprises the purchase price, related taxes, and any directly attributable expenditure for bringing the asset to working condition for its intended use. The cost of self-constructed assets is measured in accordance with the policy set out in Note III.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>
Buildings	10 - 50 years	10%	1.8% - 9.7%
Equipment	2 - 25 years	0 - 10%	3.6% - 50%
Others	2 - 10 years	0 - 10%	9.0% - 50%

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

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

(4) Disposal of fixed assets

The carrying amount of a fixed asset is derecognised:

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

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

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 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
Leasehold improvements	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
- right-of-use assets
- intangible assets
- investment properties measured using a cost model
- long-term equity investments
- goodwill
- long-term deferred expenses, etc.

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

The recoverable amount of an asset (or asset group, set of asset groups) is the higher of its fair value (see Note III.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 and unemployment insurance plans based on the applicable benchmarks and rates stipulated by the government. Annuity is accrued based on the gross salaries of the employees. Basic pension insurance contributions payable are recognised as a liability as the employee provides services, with a corresponding charge to profit or loss or included in the cost of assets where appropriate.

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

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

### (4) Termination benefits

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

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

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

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

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

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

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

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

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

For a contract that contains more separate lease components, the lessee and the lessor separate lease components and account for each lease component as a lease separately. For a contract that contains lease and non-lease components, the lessee and the lessor

separate lease components from non-lease components. For a contract that contains lease and non-lease components, the lessee allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The lessor allocates the consideration in the contract in accordance with the accounting policy in Note III.23.

(1) As a lessee

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

The right-of-use asset is depreciated using the straight-line method. If the lessee is reasonably certain to exercise a purchase option by the end of the lease term, the right-of-use asset is depreciated over the remaining useful lives of the underlying asset. Otherwise, the right-of-use asset is depreciated from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. Impairment losses of right-of-use assets are accounted for in accordance with the accounting policy described in Note III.19.

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

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

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

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

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

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

## (2) As a lessor

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

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

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

The Group calculates and recognises interest income for each period of the lease term based on a fixed periodic interest rate. The derecognition and impairment of the finance lease receivable are recognised in accordance with the accounting policy in Note III.9. Variable lease payments not included in the measurement of net investment in the lease are recognised as income as they are earned.

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

## 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), deferred tax assets (see note III.27) . 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 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 the similar economic characteristics and are same or similar in respect of the nature of each segment's products and services, the nature of production processes, the types or classes of customers for the products and services, the methods used to distribute the products or provide the services, and the nature of the regulatory environment.

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

### 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, 15, 16, 17 and 18 and Notes XVI.2,3,5 and 6). Other significant accounting estimates are as follows:

- (i) Note V.20 Recognition of deferred tax assets;
- (ii) Note V.31: Warranty provisions;
- (iii) Note IX. – Fair value measurements 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) –Disclosure of significant judgements and assumptions of control and exercising significant influence over other entities.

35 Changes in accounting policies

(1) Description and reasons of changes in accounting policies

In 2021, the Group has adopted the following accounting standards and implementation guidance and illustrative examples issued by the MOF, mainly include:

- CAS No.21 – Leases (Revised) (Caikuai [2018] No.35)(“New leases standard”)
- The Accounting Treatment of COVID-19 Related Rent Concessions (Caikuai [2020] No.10) and Notice of Extending the Applicable Period of ‘Accounting Treatment of COVID-19 Related Rent Concessions’ (Caikuai [2021] No.9)
- Implementation Q&As of fixed asset repair and maintenance expenses

(a) New standard on leases

New leases standard has revised CAS No.21 – Leases issued by the MOF in 2006 (“previous leases standard”). The Group has applied new leases standard since 01 January 2021 and has adjusted the related accounting policies.

New leases standard refines the definition of a lease. The Group assesses whether a contract is or contains a lease in accordance with the definition in new leases standard. For contracts existed before the date of initial application, the Group has elected not to reassess whether a contract is or contains a lease at the date of initial application and surplus.

- As a lessee

Under previous leases standard, the Group classifies leases as operating or finance leases based on its assessment of whether the lease transfers significantly all of the risks and rewards incidental to ownership of the underlying asset to the Group.

Under new leases standard, the Group no longer distinguishes between operating leases and finance leases. The Group recognises right-of-use assets and lease liabilities for all leases (except for short-term leases and leases of low-value assets which are accounted for using practical expedient).

For a contract that contains lease and non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group has elected to recognise the cumulative effect of adopting new leases standard as an adjustment to the opening balances of retained earnings and other related items in the financial statement in the initial year of application. Comparative information has not been restated.

For leases classified as operating leases before the date of initial application, lease liabilities were measured at the present value of the remaining lease payments, discounted using the Group’s incremental borrowing rate at the date of initial application. Right-of-use assets are measured at:

- an amount equal to the lease liability, adjusted by the amount of any prepaid lease payments – the Group applied this approach to all leases.

The Group also uses the following practical expedients to account for leases classified as operating leases before the date of initial application:

- accounted for the leases for which the lease term ends within 12 months of the date of initial application as short-term leases;
- applied a single discount rate to leases with similar characteristics when measuring lease liabilities;
- determined the lease term according to the actual implementation or other updates of options before the date of initial application if the contract contains options to extend or terminate the lease;
- accounted for lease modifications before the initial year of application according to the final arrangement of the change under new leases standard without retrospective adjustments.

For leases classified as finance leases before the date of initial application, the right-of-use asset and the lease liability are measured at the original carrying amount of the assets under finance lease and obligations under finance leases at the date of initial application.

- As a lessor

The Group is not required to make any adjustments to the opening balances of retained earnings and other related items in the financial statements in the initial year of application and surplus for leases for which it acts as a lessor. The Group has applied new leases standard since the date of initial application.

The Group applies the requirements of transaction price allocation under the new revenue standard to allocate consideration in the contract to each lease and non-lease component under new leases standard.

- Effect of the application of new leases standard since 1 January 2021 on financial statements

When measuring lease liabilities, the Group discounted lease payments using its incremental borrowing rate at 1 January 2021. The weighted average interest rate used by the Group is 4.62%.

The effects on each of the line items in the consolidated balance sheet and company balance sheet as at 1 January 2020 are analysed as follows:

	The Group		
	31 December 2020	1 January 2021	Adjustments
Assets			
Current assets:			
Cash at bank and on hand	73,694,296,095	73,694,296,095	-
Financial assets held for trading	4,367,201,833	4,367,201,833	-
Bills receivable	215,994,373	215,994,373	-
Accounts receivable	22,969,140,355	22,969,140,355	-
Prepayments	1,119,595,984	1,104,522,441	(15,073,543)
Other receivables	658,114,833	658,114,833	-
Inventories	17,875,454,490	17,875,454,490	-
Contract assets	49,897,395	49,897,395	-
Assets held for sale	186,892,645	186,892,645	-
Other current assets	7,848,869,252	7,848,869,252	-
Total current assets	128,985,457,255	128,970,383,712	(15,073,543)
Non-current assets:			
Long-term equity investments	3,693,170,224	3,693,170,224	-
Investments in other equity instruments	533,645,423	533,645,423	-
Investment properties	1,196,168,511	1,196,168,511	-
Fixed assets	224,866,586,069	224,770,354,605	(96,231,464)
Construction in progress	42,575,849,952	42,575,849,952	-
Right-of-use assets	-	618,678,956	618,678,956
Intangible assets	11,875,926,448	11,875,926,448	-
Goodwill	1,400,357,242	1,400,357,242	-
Long-term deferred expenses	299,634,100	285,653,485	(13,980,615)
Deferred tax assets	205,041,088	205,041,088	-
Other non-current assets	8,624,970,019	8,624,970,019	-
Total non-current assets	295,271,349,076	295,779,815,953	508,466,877
Total assets	424,256,806,331	424,750,199,665	493,393,334

	The Group		
	31 December 2020	1 January 2021	Adjustments
Liabilities and shareholders' equity			
Current liabilities			
Short-term loans	8,599,569,471	8,599,569,471	-
Bills payable	1,231,533,895	1,231,533,895	-
Accounts payable	27,164,171,682	27,164,171,682	-
Advance payments received	124,040,749	124,040,749	-
Contract liabilities	3,440,720,535	3,440,720,535	-
Employee benefits payable	3,758,623,797	3,758,623,797	-
Taxes payable	1,077,686,869	1,077,686,869	-
Other payables	32,867,709,024	32,867,709,024	-
Non-current liabilities due within one year	24,500,550,121	24,546,750,328	46,200,207
Other current liabilities	2,194,716,852	2,194,716,852	-
Total current liabilities	104,959,322,995	105,005,523,202	46,200,207
Non-current liabilities:			
Long-term loans	132,452,767,135	132,452,767,135	-
Debentures payable	398,971,739	398,971,739	-
Lease liabilities	-	549,031,243	549,031,243
Long-term payables	2,114,175,683	2,012,337,567	(101,838,116)
Deferred income	4,246,231,468	4,246,231,468	-
Deferred tax liabilities	1,427,601,154	1,427,601,154	-
Other non-current liabilities	5,260,001,443	5,260,001,443	-
Total non-current liabilities	145,899,748,622	146,346,941,749	447,193,127
Total liabilities	250,859,071,617	251,352,464,951	493,393,334
Shareholders' equity:			
Share capital	34,798,398,763	34,798,398,763	-
Other equity instruments	14,146,997,427	14,146,997,427	-
Capital reserve	37,435,655,934	37,435,655,934	-
Less: Treasury shares	1,036,298,508	1,036,298,508	-
Other comprehensive income for the year	(22,198,072)	(22,198,072)	-
Surplus reserve	2,444,416,669	2,444,416,669	-
Retained earnings	15,509,794,622	15,509,794,622	-
Total equity attributable to shareholders of the Company	103,276,766,835	103,276,766,835	-
Non-controlling interests	70,120,967,879	70,120,967,879	-
Total	173,397,734,714	173,397,734,714	-
Total liabilities and shareholders' equity	424,256,806,331	424,750,199,665	493,393,334

	The Company		
	31 December 2020	1 January 2021	Adjustments
Assets			
Current assets:			
Cash at bank and on hand	4,375,497,010	4,375,497,010	-
Accounts receivable	3,974,212,308	3,974,212,308	-
Prepayments	12,185,651	12,185,651	-
Other receivables	16,345,474,583	16,345,474,583	-
Inventories	18,622,283	18,622,283	-
Other current assets	177,761,718	177,761,718	-
	24,903,753,553	24,903,753,553	-
Total current assets	24,903,753,553	24,903,753,553	-
Non-current assets:			
Long-term equity investments	182,135,057,208	182,135,057,208	-
Investments in other equity instruments	81,192,872	81,192,872	-
Investment properties	271,212,241	271,212,241	-
Fixed assets	1,009,178,229	1,002,750,947	(6,427,282)
Right-of-use assets	-	6,427,282	6,427,282
Construction in progress	418,343,961	418,343,961	-
Intangible assets	1,380,069,827	1,380,069,827	-
Long-term deferred expenses	105,439,681	105,439,681	-
Other non-current assets	2,611,437,988	2,611,437,988	-
	188,011,932,007	188,011,932,007	-
Total non-current assets	188,011,932,007	188,011,932,007	-
Total assets	212,915,685,560	212,915,685,560	-

	The Company		
	31 December 2020	1 January 2021	Adjustments
Liabilities and shareholders' equity			
Current liabilities			
Accounts payable	272,241,469	272,241,469	-
Advance payments received	18,286,458	18,286,458	-
Employee benefits payable	516,060,153	516,060,153	-
Taxes payable	87,179,892	87,179,892	-
Other payables	6,541,918,681	6,541,918,681	-
Non-current liabilities due within one year	7,847,210,073	7,847,210,073	-
Other current liabilities	1,977,977	1,977,977	-
Total current liabilities	15,284,874,703	15,284,874,703	-
Non-current liabilities:			
Long-term loans	38,360,714,121	38,360,714,121	-
Deferred income	3,633,342,446	3,633,342,446	-
Deferred tax liabilities	385,697,604	385,697,604	-
Other non-current liabilities	56,156,661,805	56,156,661,805	-
Total non-current liabilities	98,536,415,976	98,536,415,976	-
Total liabilities	113,821,290,679	113,821,290,679	-
Shareholders' equity:			
Share capital	34,798,398,763	34,798,398,763	-
Other equity instruments	14,146,997,427	14,146,997,427	-
Capital reserve	36,696,079,366	36,696,079,366	-
Less: Treasury shares	1,036,298,508	1,036,298,508	-
Other comprehensive income for the year	90,713,133	90,713,133	-
Surplus reserve	2,444,416,669	2,444,416,669	-
Retained earnings	11,954,088,031	11,954,088,031	-
Total	99,094,394,881	99,094,394,881	-
Total liabilities and shareholders' equity	212,915,685,560	212,915,685,560	-

(b) Caikuai [2020] No.10 and Caikuai [2021] No.9

The Accounting Treatment of COVID-19 Related Rent Concessions 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. Combining the requirements of Caikuai [2021] No.9, such practical expedient is only applicable to any reduction in lease payments due before 30 June 2022.

The adoption of the above regulations does not have significant effect on the financial position and financial performance of the Group.

(c) Presentation of fixed asset repair and maintenance expenses and transportation costs

(i) Presentation of fixed asset repair and maintenance expenses

The routine fixed assets repair and maintenance expenses relating to production and processing activities that do not qualify for capitalisation as subsequent expenditures on fixed assets were directly recognised as "general and administrative expenses". According to the implementation question and answer on fixed asset repair and maintenance expenses issued by the MOF, the above repair and maintenance expenses should be recognised in profit and loss according to their functions or capitalised as the costs of relevant asset when incurred. Repair and maintenance expenses relating to the production and conversion of inventories are accounted for in accordance with the recognition principle of inventory costs. The Group has applied the above changes in accounting policies retrospectively.

(ii) Effects on financial reports

There are no effects on each of the line items in the consolidated balance sheet and company balance sheet as at 31 December 2021.

The effects on each of the line items in the consolidated income statement and company income statement as at 31 December 2021 are analysed as follows:

	Increase/(decrease) in the line items as a result of applying new accounting policies The Group
Operating costs	2,254,438,484
Selling and distribution expenses	812,078
General and administrative expenses	(2,276,273,447)
Research and development expenses	21,022,885
Profit before income tax	-
Less: Income tax expenses	-
Net profit	-
Attributable to: Shareholders of the Company	-
Non-controlling interests	-

There are no effects on each of the line items in the consolidated balance sheet and company balance sheet as at 31 December 2020 and 1 January 2020.

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

	Increase/(decrease) in the line items as a result of applying new accounting policies
	The Group
Operating costs	1,586,759,448
Selling and distribution expenses	564,645
General and administrative expenses	(1,603,328,879)
Research and development expenses	16,004,786
Profit before income tax	-----
Less: Income tax expenses	-----
Net profit	-----
Attributable to: Shareholders of the Company	-----
Non-controlling interests	-----

#### IV. Taxation

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

<i>Tax type</i>	<i>Tax basis</i>	<i>Tax rate</i>
Value-added tax (VAT)	Output VAT is calculated on product sales and taxable services revenue. The basis for VAT payable is to deduct input VAT from the output VAT for the period	6%, 9%, 13%
City maintenance and construction tax	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% - 30%

##### 2 Corporate income tax

The income tax rate applicable to the Company for the year is 15% (2020: 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 Tax Service, State Taxation Administration. The Company is subject to corporate income tax rate of 15% since the date of certification with the valid period of three years.

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

The 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)	15%	High-tech Enterprise

Optoelectronics)		
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%	Encouraged enterprise in Western Regions
Beijing Smart-aero Display Technology Co., Ltd. (Smart-aero)	15%	High-tech Enterprise
Beijing BOE Vacuum Electronics Co., Ltd. (Vacuum Electronics)	15%	High-tech Enterprise
Beijing BOE Vacuum Technology Co., Ltd. (Vacuum Technology)	15%	High-tech Enterprise
Beijing BOE Energy Technology Co., Ltd. (BOE Energy)	15%	High-tech Enterprise
Fuzhou BOE Optoelectronics Technology Co., Ltd. (Fuzhou BOE)	15%	High-tech Enterprise
Hefei BOE Display Technology Co., Ltd. (Hefei Technology)	15%	High-tech Enterprise
Mianyang BOE Optoelectronics Technology Co., Ltd. (Mianyang BOE)	15%	High-tech Enterprise
BOE Wisdom IOT Technology Co., Ltd. (Wisdom IOT)	15%	High-tech Enterprise
K-Tronics (Suzhou) Technology Co., Ltd. (Suzhou K-Tronics)	15%	High-tech Enterprise
Beijing BOE Sensing Technology Co., Ltd. (Sensing Technology)	15%	High-tech Enterprise
Chongqing BOE Smart Electronic System Co., Ltd. (Chongqing Smart Electronic)	15%	Encouraged enterprise in Western Regions
Beijing BOE Health Technology Co., Ltd. (Health Technology)	15%	High-tech Enterprise
Chongqing BOE Electronic Technology Co., Ltd. (Chongqing Electronic Technology)	15%	Encouraged enterprise in Western Regions
Wuhan BOE Optoelectronics Technology Co., Ltd. (Wuhan BOE)	15%	High-tech Enterprise
Nanjing BOE Display Technology Co., Ltd. (Nanjing Technology)	15%	High-tech Enterprise
Chengdu CEC Panda Display Technology Co., Ltd. (Chengdu CEC Panda)	15%	High-tech Enterprise
BOE Regenerative Medical Technology Co., Ltd. (Regenerative Medical)	15%	High-tech Enterprise
Beijing Zhongxiangying Technology Co., Ltd. (Beijing Zhongxiangying)	15%	High-tech Enterprise
Chengdu BOE Intelligent Technology Co., Ltd. (Chengdu Intelligent Technology)	15%	Encouraged enterprise in Western Regions
Yunnan Invsight Optoelectronics Technology Co., Ltd. (Yunnan Invsight)	15%	High-tech Enterprise

V. Notes to the consolidated financial statements

## 1 Cash at bank and on hand

	2021			2020		
	Amount in original currency	Exchange rate	RMB/RMB equivalents	Amount in original currency	Exchange rate	RMB/RMB equivalents
Cash on hand						
RMB			336,429			277,055
USD	1,480	6.3757	9,438	1,493	6.5249	9,741
HKD	35,673	0.8176	29,166	55,494	0.8416	46,706
JPY	528,014	0.0554	29,252	58,474	0.0632	3,698
KRW	70,185	0.0054	379	490,445	0.0060	2,941
Other foreign currencies			<u>47,311</u>			<u>60,900</u>
Sub-total			<u>451,975</u>			<u>401,041</u>
Bank deposits						
RMB			51,889,193,811			39,618,620,160
USD	3,615,879,387	6.3757	23,053,762,209	4,051,241,539	6.5249	26,433,945,919
HKD	9,520,528	0.8176	7,783,984	21,037,675	0.8416	17,706,149
JPY	13,848,652,635	0.0554	767,215,356	15,628,343,064	0.0632	988,273,902
KRW	1,094,268,704	0.0054	5,909,051	521,128,601	0.0060	3,125,209
EUR	135,902,777	7.2197	981,177,279	136,705,809	8.0250	1,097,064,115
Other foreign currencies			<u>55,392,165</u>			<u>46,443,965</u>
Sub-total			<u>76,760,433,855</u>			<u>68,205,179,419</u>
Other monetary funds						
RMB			3,857,498,365			3,949,848,676
USD	49,772,132	6.3757	317,332,183	218,704,451	6.5249	1,427,024,669
HKD	7	0.8176	6	15	0.8416	13
JPY	922,720,289	0.0554	<u>51,118,704</u>	1,769,656,282	0.0632	<u>111,842,277</u>
Sub-total			<u>4,225,949,258</u>			<u>5,488,715,635</u>
Total			<u>80,986,835,088</u>			<u>73,694,296,095</u>

Including: Total overseas deposits were equivalent to RMB 7,197,634,319 (2020: RMB 7,025,632,935).

As at 31 December 2021, other monetary funds included deposits with securities companies by the Group amounting to RMB 73,244,093, used as refundable deposits for stock repurchase and payment for settlement with third party platform, which can be withdrew on demand. The rest was restricted monetary funds, of which, RMB 91,976,204 was pledged for issuance of bills payable, and an equivalent to RMB 4,060,728,961 was mainly deposits in commercial banks as security.

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.

2 Financial assets held for trading

<i>Item</i>	<i>31 December 2021</i>	<i>31 December 2020</i>
Financial assets at fair value through profit or loss - Structured deposit and wealth management products	<u>10,028,172,853</u>	<u>4,367,201,833</u>

3 Bills receivable

(1) Classification of bills receivable

<i>Item</i>	<i>31 December 2021</i>	<i>31 December 2020</i>
Bank acceptance bills	<u>217,734,298</u>	<u>215,994,373</u>
Total	<u>217,734,298</u>	<u>215,994,373</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 2021, the amount of the Group's pledged bills was RMB 8,441,900 (2020: 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 2021</i>	<i>Amount not derecognised as at 31 December 2021</i>
Bank acceptance bills	<u>130,058,540</u>	<u>15,460,955</u>
Total	<u>130,058,540</u>	<u>15,460,955</u>

For the year ended 31 December 2021, there was no amount transferred to accounts receivable from bills receivable due to non-performance of the issuers of the Group (2020: Nil).

4 Accounts receivable

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

<i>Item</i>	<i>31 December 2021</i>	<i>31 December 2020</i>
Amounts due from related parties	88,954,909	38,773,536
Amounts due from other customers	<u>35,496,227,051</u>	<u>22,988,229,841</u>
Sub-total	35,585,181,960	23,027,003,377
Less: Provision for bad and doubtful debts	<u>81,767,140</u>	<u>57,863,022</u>
Total	<u><u>35,503,414,820</u></u>	<u><u>22,969,140,355</u></u>

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

	<i>2021</i>			<i>2020</i>		
	<i>Amount in original currency</i>	<i>Exchange rate</i>	<i>RMB/RMB equivalents</i>	<i>Amount in original currency</i>	<i>Exchange rate</i>	<i>RMB/RMB equivalents</i>
RMB			12,064,153,278			8,322,396,079
USD	3,551,733,364	6.3757	22,644,786,409	2,136,679,897	6.5249	13,941,622,660
JPY	1,985,544	0.0554	109,999	36,855,786	0.0632	2,329,286
Other foreign currencies			<u>876,132,274</u>			<u>760,655,352</u>
Sub-total			35,585,181,960			23,027,003,377
Less: Provision for bad and doubtful debts			<u>81,767,140</u>			<u>57,863,022</u>
Total			<u><u>35,503,414,820</u></u>			<u><u>22,969,140,355</u></u>

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

	31 December 2021	31 December 2020
Within 1 year (inclusive)	35,052,439,412	22,515,188,628
Over 1 year but within 2 years (inclusive)	190,180,631	256,800,012
Over 2 years but within 3 years (inclusive)	181,687,107	172,351,904
Over 3 years	160,874,810	82,662,833
 Sub-total	 35,585,181,960	 23,027,003,377
 Less: Provision for bad and doubtful debts	 81,767,140	 57,863,022
 Total	 35,503,414,820	 22,969,140,355

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

(4) Accounts receivable by provisioning method

	31 December 2021				
	Book value		Provision for impairment		
	Amount	Percentage (%)	Amount	Percentage (%)	
Category					Carrying amount
Individual assessment					
- Customers with high credit risk	66,060,901	0%	46,406,137	70%	19,654,764
- Customers with low credit risk	1,209,167,604	4%	-	0%	1,209,167,604
Collective assessment					
- Customers with moderate credit risk	34,309,953,455	96%	35,361,003	0%	34,274,592,452
Total	35,585,181,960	100%	81,767,140	0%	35,503,414,820

	31 December 2020				
	Book value		Provision for impairment		
	Amount	Percentage (%)	Amount	Percentage (%)	
Category					Carrying amount
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	21,929,927,770	95%	16,110,434	0%	21,913,817,336
Total	23,027,003,377	100%	57,863,022	0%	22,969,140,355

(a) Criteria for collective assessment in 2021 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 2021:

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 2021</i>	<i>31 December 2020</i>
Balance at the beginning of the year	57,863,022	348,005,298
Charge during the year	48,438,509	13,048,035
Recoveries during the year	(20,188,349)	(15,387,358)
Written-off during the year	(3,474,488)	(285,159,459)
Translation differences	<u>(871,554)</u>	<u>(2,643,494)</u>
 Balance at the end of the year	 <u><u>81,767,140</u></u>	 <u><u>57,863,022</u></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 16,114,382,450, representing 45% 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 2021</i>	<i>1 January 2021</i>	<i>31 December 2020</i>
Prepayment for inventory	648,790,765	617,801,035	617,801,035
Prepayment for electricity, water, gas and power	299,002,465	230,580,992	230,580,992
Others	<u>174,086,777</u>	<u>256,140,414</u>	<u>271,213,957</u>
<b>Total</b>	<b><u>1,112,880,007</u></b>	<b><u>1,104,522,441</u></b>	<b><u>1,119,595,984</u></b>

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

<i>Ageing</i>	<i>31 December 2021</i>		<i>1 January 2021</i>		<i>31 December 2020</i>	
	<i>Amount</i>	<i>Percentage (%)</i>	<i>Amount</i>	<i>Percentage (%)</i>	<i>Amount</i>	<i>Percentage (%)</i>
Within 1 year (inclusive)	1,088,149,020	98%	993,574,554	90%	1,008,648,097	90%
Over 1 year but within 2 years (inclusive)	9,828,654	1%	18,143,348	2%	18,143,348	2%
Over 2 years but within 3 years (inclusive)	2,531,759	0%	84,733,056	8%	84,733,056	8%
Over 3 years	<u>12,370,574</u>	1%	<u>8,071,483</u>	1%	<u>8,071,483</u>	-
<b>Total</b>	<b><u>1,112,880,007</u></b>	<b>100%</b>	<b><u>1,104,522,441</u></b>	<b>100%</b>	<b><u>1,119,595,984</u></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 749,974,172, representing 67% of the total prepayments.

6 Other receivables

	<i>Note</i>	<i>31 December 2021</i>	<i>31 December 2020</i>
Interest receivable		-	2,037,452
Dividends receivable		2,414,503	1,842,137
Others	(1)	<u>1,920,413,875</u>	<u>654,235,244</u>
 Total		 <u><u>1,922,828,378</u></u>	 <u><u>658,114,833</u></u>

(1) Others

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

<i>Customer type</i>		<i>31 December 2021</i>	<i>31 December 2020</i>
Amounts due from related parties		1,901,777	14,062,445
Amounts due from other customers		<u>1,927,555,914</u>	<u>649,216,811</u>
 Sub-total		 1,929,457,691	 663,279,256
 Less: Provision for bad and doubtful debts		 <u>9,043,816</u>	 <u>9,044,012</u>
 Total		 <u><u>1,920,413,875</u></u>	 <u><u>654,235,244</u></u>

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

	31 December 2021			31 December 2020		
	Amount in original currency	Exchange rate	RMB/RMB equivalents	Amount in original currency	Exchange rate	RMB/RMB equivalents
RMB			808,428,477			577,989,243
USD	170,390,641	6.3757	1,086,359,610	7,746,274	6.5249	50,543,663
JPY	-	-	-	35,289,875	0.0632	2,230,320
Other foreign currencies			<u>34,669,604</u>			<u>32,516,030</u>
Sub-total			1,929,457,691			663,279,256
Less: Provision for bad and doubtful debts			<u>9,043,816</u>			<u>9,044,012</u>
Total			<u>1,920,413,875</u>			<u>654,235,244</u>

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

	31 December 2021	31 December 2020
Within 1 year (inclusive)	1,637,506,264	336,023,652
Over 1 year but within 2 years (inclusive)	21,232,566	65,883,117
Over 2 years but within 3 years (inclusive)	24,183,841	18,983,553
Over 3 years	<u>246,535,020</u>	<u>242,388,934</u>
Sub-total	1,929,457,691	663,279,256
Less: Provision for bad and doubtful debts	<u>9,043,816</u>	<u>9,044,012</u>
Total	<u>1,920,413,875</u>	<u>654,235,244</u>

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

(d) Other receivables by provisioning method

Category	31 December 2021				
	Book value		Provision for impairment		Carrying amount
	Amount	Percentage (%)	Amount	Percentage (%)	
Individual assessment	9,043,816	0%	9,043,816	100%	-
Collective assessment	1,920,413,875	100%	-	0%	1,920,413,875
Total	<u>1,929,457,691</u>	<u>100%</u>	<u>9,043,816</u>	<u>0%</u>	<u>1,920,413,875</u>

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	654,235,244	99%	-	0%	654,235,244
Total	<u>663,279,256</u>	<u>100%</u>	<u>9,044,012</u>	<u>1%</u>	<u>654,235,244</u>

(e) Movements of provisions for bad and doubtful debts

	31 December 2021	31 December 2020
Balance at the beginning of the year	9,044,012	8,636,111
Charge during the year	275,661	572,266
Recoveries during the year	(115,952)	(60,462)
Written-off during the year	<u>(159,905)</u>	<u>(103,903)</u>
Balance at the end of the year	<u>9,043,816</u>	<u>9,044,012</u>

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

<i>Nature</i>	<i>31 December 2021</i>	<i>31 December 2020</i>
VAT refunds and export tax rebate	253,311	41,149,236
Amounts due from equity transfer	200,000,000	200,000,000
Surety and deposits	Note 1,518,208,550	171,340,282
Others	<u>210,995,830</u>	<u>250,789,738</u>
 Sub-total	 1,929,457,691	 663,279,256
 Less: Provision for bad and doubtful debts	 <u>9,043,816</u>	 <u>9,044,012</u>
 Total	 <u><u>1,920,413,875</u></u>	 <u><u>654,235,244</u></u>

Note: As at 31 December 2021, an equivalent to RMB 1,056,493,338 of the surety and deposits mainly represented production capacity surety paid by the Group to suppliers.

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

The total of five largest other receivables of the Group at the end of the year was RMB 1,328,573,338, most of which were surety and amounts due from equity transfer. No provision is made for bad and doubtful debts after assessment.

7 Inventories

(1) The Group's inventories by category:

	31 December 2021			31 December 2020		
	<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/Provision for impairment of costs to fulfil a contract with a customer</i>	<i>Carrying amount</i>
Raw materials	12,000,601,448	2,083,190,076	9,917,411,372	8,068,822,655	933,491,391	7,135,331,264
Work in progress	4,080,474,691	732,973,017	3,347,501,674	2,811,789,420	583,885,537	2,227,903,883
Finished goods	17,057,256,799	2,795,564,803	14,261,691,996	10,074,715,347	1,767,518,826	8,307,196,521
Consumables	130,472,966	-	130,472,966	162,817,575	-	162,817,575
Costs to fulfil a contract with a customer	67,728,931	-	67,728,931	42,205,247	-	42,205,247
Total	<u>33,336,534,835</u>	<u>5,611,727,896</u>	<u>27,724,806,939</u>	<u>21,160,350,244</u>	<u>3,284,895,754</u>	<u>17,875,454,490</u>

As at 31 December 2021, there was no amount of capitalised borrowing cost in the Group's closing balance of inventories (2020: Nil).

As at 31 December 2021, the Group had no inventory used as collateral (2020: 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	933,491,391	1,531,584,144	(332,196,932)	(49,688,527)	2,083,190,076
Work in progress	583,885,537	501,332,796	(273,342,622)	(78,902,694)	732,973,017
Finished goods	<u>1,767,518,826</u>	<u>2,616,006,445</u>	<u>(605,753,391)</u>	<u>(982,207,077)</u>	<u>2,795,564,803</u>
<b>Total</b>	<u><u>3,284,895,754</u></u>	<u><u>4,648,923,385</u></u>	<u><u>(1,211,292,945)</u></u>	<u><u>(1,110,798,298)</u></u>	<u><u>5,611,727,896</u></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:

	2021 RMB
Balance at the beginning of the year	49,897,395
Transfers from contract assets recognised at the beginning of the year to receivables	(34,634,630)
Increase in contract assets resulting from no unconditional right obtained	62,760,207
Decrease from disposal of subsidiaries	(2,324,648)
Balance at 31 December 2021	75,698,324

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

	2021	2020
Balance at the beginning of the year	207,800	-
Additions during the year	-	207,800
Recoveries during the year	-	-
Written-off during the year	-	-
Decrease from disposal of subsidiaries	(207,800)	-
Balance at the end of the year	-	207,800

9 Assets held for sale

As at 31 December 2020, the Assets held for Sale by the Group were real estate and other attachments of The Company's subsidiary, Gaochuang (Suzhou) Electronics Co., Ltd, located in Wujiang Economic and Technological Development Zone, and the disposal of the relevant assets was completed in March 2021, and the relevant proceeds of RMB156,565,635 were recorded in the gain on asset disposal (Note V. 55).

10 Other current assets

	<i>31 December 2021</i>	<i>31 December 2020</i>
VAT on tax credits	2,643,490,711	6,447,432,350
Input tax to be verified or deducted	575,209,816	1,068,285,033
Prepaid income taxes	20,739,659	23,710,045
Costs receivables for recovering products from a customer	126,447,496	131,986,424
Others	<u>213,032,028</u>	<u>177,455,400</u>
 Total	 <u><u>3,578,919,710</u></u>	 <u><u>7,848,869,252</u></u>

11 Long-term equity investments

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

	<i>2021</i>	<i>2020</i>
Investments in associates	<u>7,066,228,472</u>	<u>4,722,215,043</u>
Sub-total	7,066,228,472	4,722,215,043
Less: Provision for impairment	<u>1,025,280,155</u>	<u>1,029,044,819</u>
 Total	 <u><u>6,040,948,317</u></u>	 <u><u>3,693,170,224</u></u>

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

Investee	Movements during the year							Translation differences arising from translation of foreign currency financial statements	Balance at the end of the year
	Balance at the beginning of the year	Increase 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.	263,858	-	-	1,749,280	-	-	-	-	2,013,138
Beijing Nittan Electronic Co., Ltd.	71,396,821	-	-	9,399,420	-	-	(3,200,000)	-	77,596,241
Erdos BOE Energy Investment Co., Ltd.	906,163,137	502,802,600	-	(1,023,101)	-	1,724,197	-	-	1,409,666,833
Beijing Infi-Hailin Venture Investment Co., Ltd.	1,166,524	-	-	(1,166,524)	-	-	-	-	-
Beijing Infi-Hailin Venture Investment (Limited Partnership)	-	-	-	38,376,800	-	-	(38,376,800)	-	-
TPV Display Technology (China) Limited	24,828,264	-	-	3,631,573	-	-	-	-	28,459,837
Beijing Xindongneng Investment Fund (Limited Partnership)	2,058,142,325	-	(813,699,978)	805,886,583	38,588,937	-	-	-	2,088,917,867
Beijing Xindongneng Investment Management Co., Ltd.	7,921,626	-	-	2,718,868	-	-	(2,000,000)	-	8,640,494
Shenzhen Yunyinggu Technology Co., Ltd.	21,910,887	-	-	(3,878,846)	(188,015)	23,249,160	-	-	41,093,186
Beijing Xloong Technologies Co., Ltd.	19,766,940	-	-	551,530	-	773,082	-	-	21,091,552
Beijing Innovation Industry Investment Co., Ltd.	204,063,254	-	-	3,501,319	-	-	-	-	207,564,573
Beijing Electric Control Industry Investment Co., Ltd.	200,283,114	-	-	1,271,160	30,223,283	-	-	-	231,777,557
BOE Art Cloud Technology Co., Ltd. (formerly known as Hunan BOE Art Cloud Technology Co., Ltd.)	253,630,000	860,000	-	4,687,852	-	27,798,537	-	-	286,976,389
New on Technology Co., Ltd.	2,400,038	-	-	(263,848)	(94,195)	-	-	(62,966)	1,979,029
Cnoga Medical Co., Ltd.	266,520,324	-	-	(6,793,598)	-	(215,626)	-	(6,010,035)	253,501,065
Beijing Zhonglianhe Ultra HD Collaborative Technology Centre Co., Ltd.	2,426,909	-	-	(59,737)	-	-	-	-	2,367,172
Hefei Jiangcheng Technology Co., Ltd. (formerly known as Shenzhen Jiangcheng Technology Co., Ltd.)	5,011,461	-	(4,800,960)	(143,214)	-	-	-	(67,287)	-
BOE Houji Technology (Beijing) Co., Ltd.	917,633	-	-	10,128	-	-	-	-	927,761
Tianjin Xianzhilian Investment Centre (Limited Partnership)	474,207,278	117,000,000	-	379,433,402	-	(2,298,800)	-	-	968,341,880
BioChain (Beijing) Science & Technology, Inc.	200,203,487	150,000,000	-	(10,358,233)	-	-	-	-	339,845,254
Tianjin Xianzhilian Investment Management Centre (Limited Partnership)	991,163	-	-	11,757,469	-	-	(8,100,000)	-	4,648,632
Guoke BOE (Shanghai) Equity Investment Management Co., Ltd.	-	2,571,400	-	(1,387,888)	-	-	-	-	1,183,512
Beijing BOE Microbial Technology Co., Ltd.	-	22,500,000	-	(2,457,064)	-	-	-	-	20,042,936
Beijing YanDong MicroElectronic Co., Ltd.	-	1,000,000,000	-	9,985,276	-	-	-	-	1,009,985,276
Chongqing BOE Smart Private Equity Investment Fund Partnership (Limited Partnership)	-	60,000,000	-	(391,712)	-	-	-	-	59,608,288
Sub-total	4,722,215,043	1,855,734,000	(818,500,938)	1,245,036,895	68,530,010	51,030,550	(51,676,800)	(6,140,288)	7,066,228,472
Less: Provision for impairment	1,029,044,819	-	-	-	-	-	-	-	1,025,280,155
Total	3,693,170,224	-	-	-	-	-	-	-	6,040,948,317

As at 31 December 2021, 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 2021, the accumulated unrecognised investment losses were RMB 20,352,876 (2020: RMB 18,207,308). During year ended 31 December 2021, Beijing Infi-Hailin Venture Investment 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 2021, the accumulated unrecognised investment losses were RMB 1,152,818 (2020: Nil).

The change in the carrying amount of the Group's long term equity investment was mainly due to the exchange translation of foreign currencies for the year ended 31 December 2021.

## 12 Investments in other equity instruments

<i>Item</i>	<i>31 December 2021</i>	<i>31 December 2020</i>
Listed equity instruments investment		
- Beijing Electronic City High Tech Group Co., Ltd.	56,638,836	74,372,840
- Bank of Chongqing Co., Ltd.	91,875,688	102,845,668
- New Century Medical Holding Co., Ltd.	19,810,485	36,995,513
Unlisted equity instruments investment		
- 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.	31,878,500	32,624,500
—Danhua Capital II, L.P.	63,757,002	65,249,007
—Kateeva Inc.	76,157,736	77,939,931
—MOOV INC.	25,608,316	26,207,585
—ZGLUE INC.	-	-
—Nanosys INC	47,817,750	48,936,750
—Ceribell INC	8,288,403	8,482,363
—Baebies INC	28,012,830	28,668,368
—Illumina Fund I,L.P.	25,607,407	21,320,235
—ACQIS Technology, Inc.	1,275,140	1,304,980
—KA IMAGING INC.	1,834,716	1,877,651
- Beijing Dongfang Electronic Industry Co., Ltd.	-	-
—Qingdao Ultra HD Video Innovation Technology Co., Ltd.	500,000	-
—Beijing Horizon Robotics Technology Development Co., Ltd.	31,722,880	-
—Nanjing Xinjiayuan Technology Co., Ltd.	1,482,425	-
<b>Total</b>	<b><u>519,088,146</u></b>	<b><u>533,645,423</u></b>

(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	1,924,620	(33,521,592)	-	Not applicable
- Bank of Chongqing Co., Ltd.	With the intention of establishing or maintaining a long-term investment for strategic reasons	9,345,312	(28,208,687)	-	Not applicable
- New Century Medical Holding Co., Ltd.	With the intention of establishing or maintaining a long-term investment for strategic reasons	-	(121,038,365)	-	Not applicable
Unlisted equity instruments investment					
- 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	1,629,959	-	-	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	9,351,967	(2,647,875)	-	Not applicable
—Danhua Capital II, L.P.	With the intention of establishing or maintaining a long-term investment for strategic reasons	-	(3,890,749)	-	Not applicable
—Kateeva Inc.	With the intention of establishing or maintaining a long-term investment for strategic reasons	-	(6,704,730)	-	Not applicable
—MOOV INC.	With the intention of establishing or maintaining a long-term investment for strategic reasons	-	(2,254,523)	-	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	-	(2,531,250)	-	Not applicable

—Ceribell INC	With the intention of establishing or maintaining a long-term investment for strategic reasons	-	(373,880)	-	Not applicable
—Baebies INC	With the intention of establishing or maintaining a long-term investment for strategic reasons	-	(1,110,724)	-	Not applicable
—Illumina Fund I,L.P.	With the intention of establishing or maintaining a long-term investment for strategic reasons	2,443,891	(1,359,948)	-	Not applicable
—ACQIS Technology, Inc.	With the intention of establishing or maintaining a long-term investment for strategic reasons	-	(288,820)	-	Not applicable
—KA IMAGING INC.	With the intention of establishing or maintaining a long-term investment for strategic reasons	-	(172,804)	-	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
—Qingdao Ultra HD Video Innovation Technology Co., Ltd.	With the intention of establishing or maintaining a long-term investment for strategic reasons	-	-	-	Not applicable
—Beijing Horizon Robotics Technology Development Co., Ltd.	With the intention of establishing or maintaining a long-term investment for strategic reasons	-	(231,620)	-	Not applicable
—Nanjing Xinjiayuan Technology Co., Ltd.	With the intention of establishing or maintaining a long-term investment for strategic reasons	-	(517,575)	-	Not applicable
Total		<u>24,695,749</u>	<u>(215,438,630)</u>	<u>-</u>	

### 13 Other non-current financial assets

Item	2021	2020
Financial assets at fair value through profit or loss	606,895,447	-
Including: Investments in equity instruments	606,895,447	-
Total	<u>606,895,447</u>	<u>-</u>

14 Investment properties

	<i>Land use rights</i>	<i>Buildings</i>	<i>Total</i>
Cost			
Balance at the beginning of the year	687,434,677	1,016,178,842	1,703,613,519
Additions during the year	<u>-</u>	<u>6,653,127</u>	<u>6,653,127</u>
Balance at the end of the year	<u>687,434,677</u>	<u>1,022,831,969</u>	<u>1,710,266,646</u>
Less: Accumulated depreciation or amortisation			
Balance at the beginning of the year	154,651,171	352,793,837	507,445,008
Additions during the year	<u>13,366,634</u>	<u>31,089,603</u>	<u>44,456,237</u>
Balance at the end of the year	<u>168,017,805</u>	<u>383,883,440</u>	<u>551,901,245</u>
Carrying amounts			
At the end of the year	<u>519,416,872</u>	<u>638,948,529</u>	<u>1,158,365,401</u>
At the beginning of the year	<u>532,783,506</u>	<u>663,385,005</u>	<u>1,196,168,511</u>

15 Fixed assets

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

Item	Plant & buildings	Equipment	Others	Total
<b>Cost</b>				
Balance at 31 December 2020	62,378,026,148	260,176,443,634	6,938,507,880	329,492,977,662
Changes in accounting policies (Note III.35)	(11,291,665)	(107,357,735)	-	(118,649,400)
Balance at 1 January 2021	62,366,734,483	260,069,085,899	6,938,507,880	329,374,328,262
Additions during the year				-
- Purchases	61,284,801	694,000,783	1,491,643,310	2,246,928,894
- Transfers from construction in progress	3,338,617,468	28,933,367,595	1,899,046,420	34,171,031,483
- Written-down against government interest discounts	-	(715,023,755)	-	(715,023,755)
Disposals or written-offs during the year	(12,131,793)	(368,463,329)	(298,965,375)	(679,560,497)
Translation differences	(8,320,089)	(38,961,046)	(3,113,936)	(50,395,071)
Balance at 31 December 2021	65,746,184,870	288,574,006,147	10,027,118,299	364,347,309,316
<b>Less: Accumulated depreciation</b>				
Balance at 31 December 2020	6,303,863,217	93,623,727,489	3,437,354,358	103,364,945,064
Changes in accounting policies (Note III.35)	(4,864,383)	(17,553,553)	-	(22,417,936)
Balance at 1 January 2021	6,298,998,834	93,606,173,936	3,437,354,358	103,342,527,128
Charge during the year	1,615,323,566	29,005,403,497	2,458,754,061	33,079,481,124
Disposals or written-offs during the year	(3,152,667)	(432,699,340)	(190,092,327)	(625,944,334)
Translation differences	(3,100,250)	(33,026,947)	(1,203,407)	(37,330,604)
Balance at 31 December 2021	7,908,069,483	122,145,851,146	5,704,812,685	135,758,733,314
<b>Less: Provision for impairment</b>				
Balance at 31 December 2020	1,073,381	1,182,586,123	77,787,025	1,261,446,529
Charge during the year	-	560,810,894	115,021,018	675,831,912
Disposals or written-offs during the year	(1,038,901)	(38,439,084)	(4,714,158)	(44,192,143)
Balance at 31 December 2021	34,480	1,704,957,933	188,093,885	1,893,086,298
<b>Carrying amounts</b>				
At 31 December 2021	57,838,080,907	164,723,197,068	4,134,211,729	226,695,489,704
At 1 January 2021	56,066,662,268	165,280,325,840	3,423,366,497	224,770,354,605
At 31 December 2020	56,073,089,550	165,370,130,022	3,423,366,497	224,866,586,069

In 2021, 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 675,831,912 based on the evaluation results.

(2) Fixed assets pending certificates of ownership

As at 31 December 2021, fixed assets pending certificates of ownership totalled RMB 7,892,064,184 (31 December 2020: RMB 20,426,632,149) and certificates of ownership is still being processed.

16 Construction in progress

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

Item	2021			2020		
	Book value	Provision for impairment	Carrying amount	Book value	Provision for impairment	Carrying amount
The 6th generation AMOLED project - Mianyang	980,943,292	-	980,943,292	10,195,964,634	-	10,195,964,634
The 6th generation AMOLED project - Chongqing	24,786,048,849	-	24,786,048,849	11,920,916,965	-	11,920,916,965
The 10.5th generation TFT-LCD project - Wuhan	258,272,099	-	258,272,099	10,551,056,190	-	10,551,056,190
Others	6,139,550,091	44,493,824	6,095,056,267	9,907,912,163	-	9,907,912,163
<b>Total</b>	<b>32,164,814,331</b>	<b>44,493,824</b>	<b>32,120,320,507</b>	<b>42,575,849,952</b>	<b>-</b>	<b>42,575,849,952</b>

In 2021, some of the engineering projects of the Group is idle and cannot be further used. The Group evaluated the residual values of these engineering projects and made a provision for impairment of RMB 44,493,824 based on the evaluation results.

(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>Transfers 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 2021</i>	<i>Interest rate for capitalisation in 2021 (%)</i>	<i>Sources of funding</i>
The 6th generation AMOLED project - Mianyang	46,500,000,000	10,195,964,634	1,965,743,702	(11,150,619,328)	(30,145,716)	980,943,292	93.64%	-	114,281,964	0.76%	Self-raised funds and borrowings
The 6th generation AMOLED project - Chongqing	46,500,000,000	11,920,916,965	13,456,298,518	(591,166,634)	-	24,786,048,849	55.55%	185,790,742	184,548,034	2.87%	Self-raised funds and borrowings
The 10.5th generation TFT-LCD project - Wuhan	46,000,000,000	10,551,056,190	1,371,755,291	(11,664,402,291)	(137,091)	258,272,099	80.82%	-	25,450,610	3.24%	Self-raised funds and borrowings

17 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	5,252,723,967	6,942,969,070	1,538,996,080	1,551,008,011	15,285,697,128
Additions during the year					
- Purchases	286,798,820	117,964,109	42,232,491	-	446,995,420
- Transfers from construction in progress	-	-	115,841,974	-	115,841,974
- Additions due to business combinations involving entities not under common control	-	27,177,686	-	-	27,177,686
Disposals during the year	-	(34,421,757)	(20,198,855)	-	(54,620,612)
Translation differences	-	(73,738,930)	(22,630)	(798,220)	(74,559,780)
Written-down against interest discount	-	(957,450)	-	(251,116)	(1,208,566)
Balance at the end of the year	<u>5,539,522,787</u>	<u>6,978,992,728</u>	<u>1,676,849,060</u>	<u>1,549,958,675</u>	<u>15,745,323,250</u>
Less: Accumulated amortisation					
Balance at the beginning of the year	398,056,104	1,950,769,869	808,673,901	252,270,806	3,409,770,680
Charge during the year	126,662,903	688,431,777	206,062,248	145,299,554	1,166,456,482
Disposals during the year	-	(11,363,776)	(14,836,853)	-	(26,200,629)
Translation differences	-	(13,996,705)	(11,252)	(193,732)	(14,201,689)
Balance at the end of the year	<u>524,719,007</u>	<u>2,613,841,165</u>	<u>999,888,044</u>	<u>397,376,628</u>	<u>4,535,824,844</u>
Carrying amount at the end of the year	<u>5,014,803,780</u>	<u>4,365,151,563</u>	<u>676,961,016</u>	<u>1,152,582,047</u>	<u>11,209,498,406</u>
Carrying amount at the beginning 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>

18 Goodwill

(1) Changes in goodwill

<i>Name of investee</i>	<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.	537,038,971	-	537,038,971
Nanjing BOE Display Technology Co., Ltd.	155,714,415	-	155,714,415
Hefei jiangcheng Technology Co., Ltd.	-	9,391,961	9,391,961
Sub-total	<u>1,601,547,771</u>	<u>9,391,961</u>	<u>1,610,939,732</u>
Provision for impairment			
Beijing BOE Optoelectronics Technology Co., Ltd.	(4,423,876)	-	(4,423,876)
SES Imagotag SA Co., Ltd.	(196,766,653)	(197,604,547)	(394,371,200)
BOE Healthcare Investment & Management Co., Ltd.	-	(82,137,669)	(82,137,669)
Sub-total	<u>(201,190,529)</u>	<u>(279,742,216)</u>	<u>(480,932,745)</u>
Carrying amount	<u>1,400,357,242</u>	<u>(270,350,255)</u>	<u>1,130,006,987</u>

(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 BOE Display Technology Co., Ltd., Chengdu CEC Panda and Hefei jiangcheng 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.

19 Long-term deferred expenses

	<i>Balance at 31 December 2020</i>	<i>Balance at 1 January 2021</i>	<i>Additions during the year</i>	<i>Decrease during the year</i>	<i>Balance at 31 December 2021</i>
Payment for public facilities construction and use	67,332,342	67,332,342	-	(15,370,224)	51,962,118
Leasehold improvements	14,172,826	14,172,826	7,667,088	(11,513,972)	10,325,942
Others	<u>218,128,932</u>	<u>204,148,317</u>	<u>492,857,377</u>	<u>(122,763,252)</u>	<u>574,242,442</u>
Total	<u>299,634,100</u>	<u>285,653,485</u>	<u>500,524,465</u>	<u>(149,647,448)</u>	<u>636,530,502</u>

20 Deferred tax assets/deferred tax liabilities

(1) Deferred tax assets and liabilities

Item	2021		2020	
	Deductible/ (taxable) temporary differences	Deferred tax assets/(liabilities)	Deductible/ (taxable) temporary differences	Deferred tax assets/(liabilities)
<b>Deferred tax assets:</b>				
Provision for impairment of assets	113,867,486	24,884,958	122,139,756	27,180,254
Changes in fair value of investments in other equity instruments	139,523,200	20,928,480	121,789,193	18,268,379
Depreciation of fixed assets	201,462,125	34,642,083	179,801,722	30,341,276
Assessed value added by investing real estate in subsidiaries	125,449,252	31,362,313	131,003,100	32,750,775
Accumulated losses	422,990,806	118,064,555	424,212,759	132,565,377
Government grant	209,807,147	31,471,072	34,989,313	5,248,397
Others	306,215,006	19,010,893	29,644,487	9,380,549
<b>Sub-total</b>	<b>1,519,315,022</b>	<b>280,364,354</b>	<b>1,043,580,330</b>	<b>255,735,007</b>
Amount offset		(90,028,830)		(50,693,919)
<b>Balance after offsetting</b>		<b>190,335,524</b>		<b>205,041,088</b>
<b>Deferred tax liabilities:</b>				
Revaluation due to business combinations involving entities not under common control	(2,197,597,331)	(584,383,821)	(2,395,173,489)	(713,559,149)
Depreciation of fixed assets	(6,388,163,232)	(984,779,332)	(4,622,699,062)	(721,371,438)
Long-term equity investments	(120,141,687)	(18,021,253)	(120,141,687)	(18,021,253)
Others	(167,106,175)	(28,467,297)	(142,029,410)	(25,343,233)
<b>Sub-total</b>	<b>(8,873,008,425)</b>	<b>(1,615,651,703)</b>	<b>(7,280,043,648)</b>	<b>(1,478,295,073)</b>
Amount offset		90,028,830		50,693,919
<b>Balance after offsetting</b>		<b>(1,525,622,873)</b>		<b>(1,427,601,154)</b>

(2) Details of unrecognised deferred tax assets

	2021	2020
Deductible temporary differences	24,215,956,667	16,442,282,572
Deductible tax losses	<u>19,433,679,291</u>	<u>25,680,094,343</u>
 Total	 <u>43,649,635,958</u>	 <u>42,122,376,915</u>

As at 31 December 2021, the accumulated deductible temporary differences are mainly subsidiaries' impairment provisions of assets and accrual of expenses. Due to the uncertainty that there will be sufficient taxable income to cover these deductible differences in future periods, the deferred income tax assets were not recognised in consideration of prudence .

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

Year	Note	2021	2020
2021		-	78,927,101
2022		316,585,394	416,996,721
2023		290,518,573	518,668,889
2024		458,962,394	1,129,623,213
2025		1,276,919,825	2,987,078,958
2026		1,785,437,184	848,779,232
2027		14,979,073	128,972,134
2028		2,221,266,958	5,149,658,963
2029		5,296,070,440	10,575,127,795
2030		4,368,141,751	2,846,283,820
2031		2,406,109,565	-
Others	(a)	<u>998,688,134</u>	<u>999,977,517</u>
 Total		 <u>19,433,679,291</u>	 <u>25,680,094,343</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.

21 Other non-current assets

	<i>Note</i>	<i>31 December 2021</i>	<i>31 December 2020</i>
VAT on tax credits		3,424,055,815	3,720,414,204
Deferred VAT for imported equipment		1,407,330,930	2,444,720,228
Prepayment for fixed assets		572,510,455	1,476,495,591
Gains from transfer of exploration right	(a)	-	512,802,600
Prepayments for construction		224,400,336	130,568,100
Surety		1,339,517,936	-
Others		<u>509,612,011</u>	<u>339,969,296</u>
<b>Total</b>		<u><u>7,477,427,483</u></u>	<u><u>8,624,970,019</u></u>

(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. On 15 January 2021, the Group entered into the Agreement on Capital and Share Increase of Erdos BOE Energy Investment Co., Ltd. with other enterprise holding coal resources (“the Agreement”). The closing of the capital and share increase transaction was completed in December 2021. Under the Agreement, the Group's gains from transfer of exploration right was converted to long-term equity investment in the Erdos BOE Energy Investment Co., Ltd..

22 Short-term loans

<i>31 December 2021</i>				<i>Credited/collateralized</i>
	<i>Amount in original currency</i>	<i>Exchange rate</i>	<i>RMB/RMB equivalents</i>	<i>guaranteed/pledged</i>
Bank loans				
- RMB			1,352,433,750	Guaranteed
- RMB			<u>140,148,195</u>	Credited
Sub-total			<u>----- 1,492,581,945</u>	
Foreign currency bank loans				
- USD	83,382,510	6.3757	531,621,869	Credited
- JPY	863,548,156	0.0554	<u>47,853,518</u>	Credited
Sub-total			<u>----- 579,475,387</u>	
<b>Total</b>			<u><u>----- 2,072,057,332</u></u>	

31 December 2020				<i>Credited/collateral ised guaranteed/pledg ed</i>
	<i>Amount in original currency</i>	<i>Exchange rate</i>	<i>RMB/RMB equivalents</i>	
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	
Total			8,599,569,471	

The interest rate of short-term loans for the Group ranged from 0.50% to 5.90% in 2021 (2020: 0.50% to 5.90%).

As at 31 December 2021, no short-term loan was past due (2020: Nil).

## 23 Bills payable

	<i>31 December 2021</i>	<i>31 December 2020</i>
Bank acceptance bills	663,001,350	1,130,824,139
Commercial acceptance bills	164,956,681	100,709,756
Total	827,958,031	1,231,533,895

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

24 Accounts payable

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

	31 December 2021	31 December 2020
Payables to related parties	142,557,107	108,759,439
Payables to related parties	32,313,273,587	27,055,412,243
 Total	 32,455,830,694	 27,164,171,682

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

	2021			2020		
	Amount in original currency	Exchange rate	RMB/RMB equivalents	Amount in original currency	Exchange rate	RMB/RMB equivalents
- RMB			23,743,766,250			18,877,719,728
- USD	1,093,846,298	6.3757	6,974,035,842	1,065,301,852	6.5249	6,950,988,054
- JPY	10,050,541,520	0.0554	556,800,000	7,851,845,994	0.0632	496,236,667
- Other foreign currencies			1,181,228,602			839,227,233
 Total			 32,455,830,694			 27,164,171,682

As at 31 December 2021, the Group had no significant accounts payable ageing more than one year.

25 Advance payments received

<u>Item</u>	31 December 2021	31 December 2020
Advances from related parties	961,806	6,018,519
Advances from third parties	145,178,278	118,022,230
 Total	 146,140,084	 124,040,749

26 Contract liabilities

<u>Item</u>	<i>31 December 2021</i>	<i>31 December 2020</i>
Sale of goods	<u>3,765,081,554</u>	<u>3,440,720,535</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:

	<u>2021</u> <i>RMB</i>
Balance at the beginning of the year	----- 3,440,720,535
Revenue recognised that was included in the contract liability balance at the beginning of year	(3,195,107,678)
Increase of contract liabilities due to cash received at the end of the year	<u>3,519,468,697</u>
Balance at 31 December 2021	<u>3,765,081,554</u>

27 Employee benefits payable

(1) Employee benefits payable:

	Note	Balance at 1 January 2021	Accrued during the year	Decrease during the year	Balance at 31 December 2021
Short-term employee benefits	(2)	3,733,572,462	18,689,911,958	(17,324,878,925)	5,098,605,495
Post-employment benefits					
- defined contribution plans	(3)	21,628,033	1,142,227,556	(1,129,619,734)	34,235,855
Termination benefits		3,423,302	26,091,251	(29,200,666)	313,887
<b>Total</b>		<b>3,758,623,797</b>	<b>19,858,230,765</b>	<b>(18,483,699,325)</b>	<b>5,133,155,237</b>

	Note	Balance at 1 January 2020	Accrued during the year	Decrease during the year	Balance at 31 December 2020
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		24,982,847	6,049,760	(27,609,305)	3,423,302
<b>Total</b>		<b>2,373,745,454</b>	<b>15,114,629,450</b>	<b>(13,729,751,107)</b>	<b>3,758,623,797</b>

(2) Short-term employee benefits

		Balance at 1 January 2021	Accrued during the year	Decrease during the year	Balance at 31 December 2021
Salaries, bonuses, allowances		3,184,794,255	15,851,656,348	(14,732,174,514)	4,304,276,089
Staff welfare		-	1,087,174,457	(1,087,174,457)	-
Social insurance		32,667,412	612,771,541	(602,343,269)	43,095,684
Medical insurance		29,551,408	563,695,980	(554,930,349)	38,317,039
Work-related injury insurance		1,614,132	32,393,361	(31,424,153)	2,583,340
Maternity insurance		1,501,872	16,682,200	(15,988,767)	2,195,305
Housing fund		27,141,059	679,488,225	(673,539,311)	33,089,973
Labour union fee, staff and workers' education fee		467,724,919	445,370,010	(216,076,387)	697,018,542
Staff bonus and welfare fund		20,553,209	-	-	20,553,209
Other short-term employee benefits		691,608	13,451,377	(13,570,987)	571,998
<b>Total</b>		<b>3,733,572,462</b>	<b>18,689,911,958</b>	<b>(17,324,878,925)</b>	<b>5,098,605,495</b>

		Balance at 1 January 2020	Accrued during the year	Decrease 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>

(3) Post-employment benefits - defined contribution plans

	<i>Balance at 1 January 2021</i>	<i>Accrued during the year</i>	<i>Decrease during the year</i>	<i>Balance at 31 December 2021</i>
Basic pension insurance	19,052,829	1,055,978,182	(1,044,746,071)	30,284,940
Unemployment insurance	1,110,934	38,192,020	(38,396,371)	906,583
Annuity	1,464,270	48,057,354	(46,477,292)	3,044,332
<b>Total</b>	<b>21,628,033</b>	<b>1,142,227,556</b>	<b>(1,129,619,734)</b>	<b>34,235,855</b>
	<i>Balance at 1 January 2020</i>	<i>Accrued during the year</i>	<i>Decrease 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>

28	Taxes payable		<i>2021</i>	<i>2020</i>
	Value-added tax		101,448,944	40,678,414
	Corporate income tax		1,266,575,648	442,103,385
	Individual income tax		58,763,365	60,823,097
	City construction tax		383,455,432	239,633,339
	Education surcharges and local education surcharges		274,382,851	171,225,887
	Others		<u>115,623,065</u>	<u>123,222,747</u>
	Total		<u><u>2,200,249,305</u></u>	<u><u>1,077,686,869</u></u>
29	Other payables		<i>31 December</i>	<i>31 December</i>
		<i>Note</i>	<i>2021</i>	<i>2020</i>
	Interest payable		126,701	1,946,267
	Dividends payable		6,561,972	6,451,171
	Others	(1)	<u>23,828,686,269</u>	<u>32,859,311,586</u>
	Total		<u><u>23,835,374,942</u></u>	<u><u>32,867,709,024</u></u>

(1) Others

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

	<i>Note</i>	<i>31 December 2021</i>	<i>31 December 2020</i>
Projects and equipment		16,494,274,603	22,081,009,426
Fund transaction (Note)		3,077,116,568	3,044,729,475
Equity acquisition		-	2,236,488,561
Deferred VAT for imported equipment		927,825,520	1,920,558,529
Repurchase obligation of restricted shares	V.40	835,215,390	875,333,536
Accrued water and electricity charges and freight		348,955,956	711,995,694
Security deposits		537,788,828	576,740,323
External agency fee		193,251,964	95,378,987
Others		<u>1,414,257,440</u>	<u>1,317,077,055</u>
Total		<u>23,828,686,269</u>	<u>32,859,311,586</u>

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

Note: The other payables by the Group as at 31 December 2021 are amounts and interests due to original controlling shareholders of Nanjing BOE Display Technology Co., Ltd. and Chengdu CEC Panda acquired in 2020, with interest rates of 2.175% and 0%.

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

	<i>31 December 2021</i>			<i>31 December 2020</i>		
	<i>Amount in original currency</i>	<i>Exchange rate</i>	<i>RMB / RMB equivalents</i>	<i>Amount in original currency</i>	<i>Exchange rate</i>	<i>RMB / RMB equivalents</i>
RMB			16,157,489,471			25,021,226,671
USD	857,826,112	6.3757	5,469,241,942	834,593,184	6.5249	5,445,637,067
JPY	38,321,236,336	0.0554	2,122,996,493	36,887,427,437	0.0632	2,331,285,414
Other foreign currencies			<u>78,958,363</u>			<u>61,162,434</u>
Total			<u>23,828,686,269</u>			<u>32,859,311,586</u>

30 Non-current liabilities due within one year

As at 31 December, the non-current liabilities due within one year for the Group were long-term loans due within one year, lease liabilities, long-term payables and contribution of non-controlling interests with redemption provisions.

<u>31 December 2021</u>					
	<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				27,993,413	Pledged
- RMB				7,544,963,177	Collateralised
- RMB				1,718,446	Guaranteed
- RMB				11,614,011,025	Credited
- USD		1,136,473,175	6.3757	7,245,812,022	Collateralised
- USD		63,796,480	6.3757	406,747,218	Guaranteed
- EUR		141,129,872	7.2197	1,018,915,337	Credited
- EUR		6,605,651	7.2197	47,690,819	Pledged
Sub-total				27,907,851,457	
Long-term payables	V.34			520,546,343	
Lease liabilities	V.62			92,788,055	
Contribution of non-controlling interests with redemption provisions	V.36			353,772,859	
Total				<u>28,874,958,714</u>	

<u>1 January 2021</u>					
	<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				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				23,521,529,001	
Long-term payables	V.34			970,462,538	
Lease liabilities	V.62			54,758,789	
Total				<u>24,546,750,328</u>	

31 December 2020					
		<i>Amount in original currency</i>	<i>Exchange rate</i>	<i>RMB / RMB equivalents</i>	<i>Credited /collateralised guaranteed /pledged</i>
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				23,521,529,001	
Long-term payables	V.34			979,021,120	
Total				24,500,550,121	

The interest rate of RMB long-term loans due within one year for the Group ranged from 0% to 5.88% in 2021 (2020: from 0% to 5.88%).

### 31 Other current liabilities

	<i>31 December 2021</i>	<i>31 December 2020</i>
Warranty provisions	3,595,808,261	1,615,534,790
Refund liability	141,997,964	144,834,876
Pending output VAT	216,565,073	278,791,002
Others	97,161,211	155,556,184
Total	4,051,532,509	2,194,716,852

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

32 Long-term loans

31 December 2021				
Note	Amount in original currency	Exchange rate	RMB / RMB equivalents	Credited /collateralised guaranteed /pledged
Bank loans				
- RMB			537,167,163	Pledged
- RMB			54,546,276,790	Collateralised
- RMB			3,703,662,752	Guaranteed
- RMB			46,573,377,423	Credited
- USD	5,747,119,917	6.3757	36,641,912,455	Collateralised
- USD	101,494,400	6.3757	647,097,846	Guaranteed
- EUR	12,407,013	7.2197	89,574,912	Pledged
- EUR	172,784,008	7.2197	1,247,448,703	Credited
Less: Long-term loans due within one year	V.30		<u>27,907,851,457</u>	
Total			<u>116,078,666,587</u>	

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.30		<u>23,521,529,001</u>	
Total			<u>132,452,767,135</u>	

The interest rate of RMB long-term loans for the Group ranged from 0% to 5.90% in 2021 (2020: from 0% to 5.90%).

33 Debentures payable

(1) Debentures payable

Item	31 December 2021	31 December 2020
Debentures payable	359,586,437	398,971,739
Less: Debentures payable due within one year	<u>-</u>	<u>-</u>
Total	<u>359,586,437</u>	<u>398,971,739</u>

(2) The movements of debenture payable:

Debenture	Face value	Issuance date	Maturity period	Issuance amount	Balance at the beginning of the year	Increase during the year	Interest at face value	Amortisation of discounts or premium	Repayment during the period	Translation differences	Balance at the end of the year
Euro PP	EUR 10,000,000	2016.12.29	7 years	EUR 10,000,000	79,866,803	-	2,677,465	109,029	(2,677,465)	(8,020,678)	71,955,154
Euro PP	EUR 30,000,000	2017.03.29	6 years	EUR 30,000,000	239,802,540	-	8,032,395	402,717	(8,032,395)	(24,086,570)	216,118,687
Euro PP	EUR 10,000,000	2019.07.22	6 years	EUR 10,000,000	79,302,396	-	3,480,705	178,127	(3,480,705)	(7,967,927)	71,512,596
Total					398,971,739	-	14,190,565	689,873	(14,190,565)	(40,075,175)	359,586,437

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.

34 Long-term payables

<i>Item</i>	<i>Note</i>	<i>31 December 2021</i>	<i>1 January 2021</i>	<i>31 December 2020</i>
Obligations under finance leases	(1)	1,427,139,181	2,982,800,105	3,093,196,803
Less: Obligations under finance leases due within one year		<u>520,546,343</u>	<u>970,462,538</u>	<u>979,021,120</u>
Total		<u>906,592,838</u>	<u>2,012,337,567</u>	<u>2,114,175,683</u>

On December 31, 2021, the Group sold and leased back some of its machinery and equipment and construction in progress. Since asset sales and lease transactions are interrelated, and it is almost certain that they will be repurchased after the lease term expires, the Group conducts accounting treatment according to mortgage loans and presents them as long-term payables.

(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>
Within 1 year (inclusive)	1,175,045,108
After 1 year but within 2 years (inclusive)	1,061,063,290
After 2 years but within 3 years (inclusive)	559,312,651
After 3 years	<u>840,557,857</u>
Sub-total	3,635,978,906
Less: Unrecognised finance charges	<u>542,782,103</u>
Total	<u><u>3,093,196,803</u></u>

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	2,846,739,619	2,244,966,798	(507,320,798)	(719,112,322)	3,865,273,297
Related to income	1,399,491,849	2,212,967,205	(1,045,088,111)	(16,554,629)	2,550,816,314
Total	<u>4,246,231,468</u>	<u>4,457,934,003</u>	<u>(1,552,408,909)</u>	<u>(735,666,951)</u>	<u>6,416,089,611</u>

36 Other non-current liabilities

<i>Item</i>	<i>Note</i>	<i>31 December 2021</i>	<i>31 December 2020</i>
Contribution of non-controlling interests with redemption provisions	(1)	3,020,160,654	3,710,474,960
Deferred VAT for imported equipment		479,505,410	1,472,958,998
Others		<u>36,143,812</u>	<u>76,567,485</u>
Total		<u>3,535,809,876</u>	<u>5,260,001,443</u>

(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. ("Smart Retail"). The Company recognises the above non-controlling interests contribution as a financial liability which is subsequently measured at the cost of amortisation.

The put option of non-controlling interest held by the non-controlling shareholders of Smart Retail is exercisable from 15 March 2022 to 7 May 2022. The Company recognised the financial liabilities for its redemption obligation for the above non-controlling interests contributions to non-current liabilities due within one year (Note V.30).

## 37 Share capital

	Balance at the beginning of the year	Changes during the year			Balance at the end of the year
		Issuance of new shares	Cancellation of treasury shares	Sub-total	
		Total shares	34,798,398,763	3,650,377,019	

As approved by the CSRC Permit No. [2021] 2277, the Company has issued 3,650,377,019 A shares through private placement, each at the issue price of RMB5.57. After the capital increase, the Company's total share capital was increased to 34,798,398,763 shares.

On 8 November 2021, repurchased and cancelled 3,029,300 shares of restricted shares at China Securities Depository and Clearing Corporation Limited Shenzhen Branch on 8 November 2021. After repurchase and cancellation, the total share capital of the Company reduced from 38,448,775,782 to 38,445,746,482 shares.

## 38 Other equity instruments

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

Outstanding financial instruments	Issuance date	Accounting classification	Interest rate	Issuance price	Quantity	Amount	Maturity date or renewal status	Conditions for Conversion status	
								conversion	status
19BOEY1	29 October 2019	Equity instrument	4.00%	RMB 100/bond	80 million	RMB 8 billion	3+N years	Not applicable	Not applicable
20BOEY1	28 February 2020	Equity instrument	3.64%	RMB 100/bond	20 million	RMB 2 billion	3+N years	Not applicable	Not applicable
20BOEY2	19 March 2020	Equity instrument	3.54%	RMB 100/bond	20 million	RMB 2 billion	3+N years	Not applicable	Not applicable
20BOEY3	27 April 2020	Equity instrument	3.50%	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 issuance to other equity instruments after deducting underwriting fees and other transaction costs.

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

Outstanding financial instruments	At the beginning of the year		Additions during the year		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
19BOEY1	80,000,000	8,014,033,565	-	-	320,000,000	(320,000,000)	80,000,000	8,014,033,565
20BOEY1	20,000,000	2,050,610,478	-	-	72,800,000	(72,800,000)	20,000,000	2,050,610,478
20BOEY2	20,000,000	2,045,184,865	-	-	70,800,000	(70,800,000)	20,000,000	2,045,184,865
20BOEY3	20,000,000	2,037,168,519	-	-	70,000,000	(70,000,000)	20,000,000	2,037,168,519
<b>Total</b>	<b>140,000,000</b>	<b>14,146,997,427</b>	<b>-</b>	<b>-</b>	<b>533,600,000</b>	<b>(533,600,000)</b>	<b>140,000,000</b>	<b>14,146,997,427</b>

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

	<i>31 December 2021</i>	<i>31 December 2020</i>
Attributable to shareholders of the Company	142,925,547,899	103,276,766,835
- Equity attributable to ordinary shareholders of the Company	128,778,550,472	89,129,769,408
- Equity attributable to holders of the Company's other equity instruments	14,146,997,427	14,146,997,427
Equity attributable to non-controlling shareholders	73,947,595,568	70,120,967,879
- Equity attributable to non-controlling ordinary shareholders	73,947,595,568	70,120,967,879
- Equity attributable to non-controlling shareholders of other equity instruments	-	-

(5) Accrued interest on holders of other equity instruments

In 2021, as the above-mentioned issued renewable corporate bonds are cumulative other equity instruments, the Company accrued interest of RMB 533,600,000 on renewable corporate bonds from undistributed profits and paid interest of RMB 533,600,000 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	(110,861,119)	37,435,655,934
Add: Contribution by ordinary shareholders		16,219,134,815	-	16,219,134,815
Acquisition of non-controlling interests		(772,223,591)	-	(772,223,591)
Disposal of shares of subsidiaries		288,039,797	-	288,039,797
Non-controlling shareholders' decrease of capital		322,947	-	322,947
Equity-settled share-based payment	XI.	-	598,701,862	598,701,862
Other movements in equity of associates	V. 11	-	51,030,550	51,030,550
Cancellation of treasury shares		(14,270,384)	-	(14,270,384)
Others		(32,510)	(2,050,027)	(2,082,537)
Balance at the end of the year		<u>53,267,488,127</u>	<u>536,821,266</u>	<u>53,804,309,393</u>

40 Treasury shares

<i>Item</i>	<i>Balance at the beginning of the year</i>	<i>Additions during the year</i>	<i>Reductions during the year</i>	<i>Balance at the end of the year</i>
Treasury shares	<u>1,036,298,508</u>	<u>2,428,003,419</u>	<u>(48,533,720)</u>	<u>3,415,768,207</u>
Total	<u><u>1,036,298,508</u></u>	<u><u>2,428,003,419</u></u>	<u><u>(48,533,720)</u></u>	<u><u>3,415,768,207</u></u>

According to the *Proposal of Repurchase of Certain Public Shares by the Company* deliberated and adopted in the thirty-first meeting of the ninth session of the Board of Directors meeting held on 27 August 2021, the Company completed repurchase of shares through centralised price bidding before 2 September 2021. As at 31 December 2021, the Company repurchased 460,419,000 A shares in total by paying total consideration of RMB 2,428,003,419.

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.

According to the *Proposal of Repurchase and Cancellation of Certain Restricted Shares by the Company* deliberated and adopted in the thirty-first meeting of the ninth session of the Board of Directors meeting held on 27 August 2021, the Company completed repurchase and cancellation of 3,029,300 restricted shares before 8 November 2021 at an average repurchased price of RMB 5.71/share. The corresponding reduction of the treasury shares are RMB 17,299,684, the shortfall between the cancelled treasury shares and the share capital of RMB 14,270,384 is deducted against Capital reserve—Share premium.

In 2021, the Company recognised RMB 31,234,036 of restricted share dividends against Other payables—the Repurchased obligation of restricted shares (Note V. 29) and Treasury shares.

41 Other comprehensive income

Item	Balance at the end of previous year attributable to shareholders of the Company	Movements during the year					Balance at the end of the year attributable to shareholders of the Company
		Before-tax amount	Less: Income tax expenses	Net-of-tax amount attributable to shareholders of the Company	Net-of-tax amount attributable to non-controlling interests	Less: Transfer of other comprehensive income to retained earnings	
Items that will not be reclassified to profit or loss	61,411,897	25,353,887	(2,660,101)	28,251,223	(237,235)	(55,238,785)	34,424,335
Including: Other comprehensive income recognised under equity method	194,002,494	68,869,497	-	68,869,497	-	(55,238,785)	207,633,206
Changes in fair value of investments in other equity instruments	(132,590,597)	(43,515,610)	(2,660,101)	(40,618,274)	(237,235)	-	(173,208,871)
Items that may be reclassified to profit or loss	(83,609,969)	127,703,243	-	162,736,781	(35,033,538)	-	79,126,812
Including: Other comprehensive income recognised under equity method	11,835	(339,487)	-	(296,553)	(42,934)	-	(284,718)
Translation differences arising from translation of foreign currency financial statements	(83,621,804)	128,042,730	-	163,033,334	(34,990,604)	-	79,411,530
<b>Total</b>	<b>(22,198,072)</b>	<b>153,057,130</b>	<b>(2,660,101)</b>	<b>190,988,004</b>	<b>(35,270,773)</b>	<b>(55,238,785)</b>	<b>113,551,147</b>

42 Surplus reserve

<i>Item</i>	<i>Balance at the beginning of the year</i>	<i>Additions during the year</i>	<i>Others changes during the year</i>	<i>Balance at the end of the year</i>
Statutory surplus reserve	2,154,745,360	439,649,657	5,523,879	2,588,871,138
Discretionary surplus reserve	<u>289,671,309</u>	<u>-</u>	<u>-</u>	<u>289,671,309</u>
Total	<u>2,444,416,669</u>	<u>439,649,657</u>	<u>5,523,879</u>	<u>2,889,590,205</u>

43 Retained earnings

<i>Item</i>	<i>Note</i>	<i>2021</i>	<i>2020</i>
Retained earnings at the beginning of the year		15,509,794,622	11,847,851,891
Add: Net profits for the year attributable to shareholders of the Company		25,830,935,500	5,035,627,952
Less: Appropriation for statutory surplus reserve		439,649,657	373,919,158
Interest on holders of other equity instruments	V.38	533,600,000	485,925,480
Dividends to ordinary shares		3,476,073,919	695,967,975
Transfer of other comprehensive income to retained earnings	(a)	(49,714,906)	(171,164,417)
Effect of accounting for disposal of subsidiaries to equity method		-	(3,454,053)
Others		<u>-</u>	<u>(7,508,922)</u>
Retained earnings at the end of the year		<u>36,941,121,452</u>	<u>15,509,794,622</u>

According to the Annual Shareholders' Meeting for 2020 held on 18 May 2021, the Company distributed cash dividends to all shareholders on 3 June 2021, with RMB 1 (2020: RMB 0.2) every 10 shares and a profit distribution amount of RMB 3,477,021,263. Considering the turnover rate, the corresponding dividends of the expected non-exercisable portions of restricted shares are RMB 947,344 with a profit distribution of RMB 3,476,073,919 (2020: RMB 695,967,975).

As at 31 December 2021, the consolidated retained earnings attributable to the Company included appropriation to surplus reserves made by the Company's subsidiaries amounting to RMB 5,464,555,678 (2020: RMB2,958,648,210).

- (a) The amounts transferred from other comprehensive income to retained earnings in 2021 are RMB 49,714,906 of associates' gains from disposal of other equity instrument investments included in retained earnings.

44 Operating income and operating costs

Item	2021		2020	
	Income	Cost	Income	Cost
Principal activities	215,525,978,470	153,944,778,989	131,839,051,171	108,604,042,714
Other operating activities	3,783,821,035	2,040,446,306	3,713,518,558	1,805,839,490
<b>Total</b>	<b>219,309,799,505</b>	<b>155,985,225,295</b>	<b>135,552,569,729</b>	<b>110,409,882,204</b>
Including: Revenue from contracts with customers	218,440,488,700	155,800,468,061	134,406,942,755	109,989,259,599
Other income	869,310,805	184,757,234	1,145,626,974	420,622,605

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

45 Taxes and surcharges

	2021	2020
Property tax	502,150,698	401,351,553
City maintenance and construction tax	386,889,711	266,845,054
Education surcharges and local education surcharges	278,848,244	192,450,398
Stamp duty	168,092,921	136,589,158
Land use tax	49,797,281	45,748,963
Others	38,426,971	35,914,959
<b>Total</b>	<b>1,424,205,826</b>	<b>1,078,900,085</b>

46 Selling and distribution expenses

	2021	2020
Warranty provisions	3,417,085,420	1,616,634,833
Staff costs	1,350,848,641	965,992,069
Share-based payments	75,191,185	2,050,630
Others	641,464,732	553,606,114
<b>Total</b>	<b>5,484,589,978</b>	<b>3,138,283,646</b>

47 General and administrative expenses

	<i>2021</i>	<i>2020</i>
Staff costs	3,810,075,453	2,869,736,815
Repair expense	94,713,646	55,659,465
Depreciation and amortisation	931,978,993	726,690,746
Share-based payments	218,406,816	4,976,462
Others	<u>1,638,198,681</u>	<u>943,208,154</u>
 Total	 <u>6,693,373,589</u>	 <u>4,600,271,642</u>

48 Research and development expenses

	<i>2021</i>	<i>2020</i>
Staff costs	5,164,241,234	3,621,724,397
Material expenses	2,104,436,143	1,395,642,077
Depreciation and amortisation	1,972,135,608	1,501,402,837
Share-based payments	242,035,555	7,180,405
Others	<u>1,185,995,647</u>	<u>1,112,652,995</u>
 Total	 <u>10,668,844,187</u>	 <u>7,638,602,711</u>

49 Financial expenses

	2021	2020
Interest expenses from loans	5,219,339,546	4,807,347,590
Less: Borrowing costs capitalised	352,561,213	1,309,649,881
Interest income from bank deposits	(1,050,431,325)	(873,376,712)
Net exchange gains	(248,019,022)	(73,110,352)
Other financial expenses	<u>114,051,216</u>	<u>98,943,327</u>
 Total	 <u>3,682,379,202</u>	 <u>2,650,153,972</u>

The interest rate per annum, at which the borrowing costs were capitalised by the Group, was 0.76% - 3.24% (2020: 1.77% - 3.81%) for the year. For details, refer to Note V.16. Construction in progress.

50 Other income

	2021	2020
Government grants related to assets	507,320,798	310,532,631
Government grants related to income	1,567,752,188	2,016,628,502
Others	<u>17,692,742</u>	<u>10,544,684</u>
 Total	 <u>2,092,765,728</u>	 <u>2,337,705,817</u>

The amount of government subsidies related to income received by the Group in 2021 and directly included in other income was RMB 522,664,077.

51	Investment income		2021	2020
		<i>Note</i>		
	Income from long-term equity investments accounted for using the equity method	V. 11	1,245,036,895	444,407,986
	Investment income from disposal of long-term equity investments		37,327,797	280,374,469
	Dividend income from investments in other equity instruments	V. 12	24,695,749	26,376,687
	Including: Dividend income from investments in other equity instruments held at the balance sheet date		24,695,749	26,376,687
	Investment income from disposal of financial assets held for trading		36,689,179	18,157,931
	Interest income from debt investments		-	22,213,061
	Investment income from disposal of debt investments		3,739,725	10,391,153
	Gain from remeasurement of remaining equity interests to fair value upon the loss of control		-	95,969,822
	Total		<u>1,347,489,345</u>	<u>897,891,109</u>
52	Gains from changes in fair value		2021	2020
	<i>Item</i>			
	Financial assets held for trading		<u>84,966,963</u>	<u>31,936,339</u>
	Total		<u>84,966,963</u>	<u>31,936,339</u>
53	Credit losses		2021	2020
	<i>Item</i>			
	Accounts receivable		28,250,160	(2,339,323)
	Other receivables		<u>159,709</u>	<u>511,804</u>
	Total		<u>28,409,869</u>	<u>(1,827,519)</u>

54 Impairment losses

	2021	2020
Impairment losses of inventories	3,437,630,440	2,509,374,165
Impairment losses of fixed assets	675,831,912	505,201,450
Impairment losses of construction in progress	83,037,514	-
Impairment losses of long-term equity investments	2,009,770	265,641,984
Impairment losses of goodwill	279,742,216	-
Impairment losses of contract assets	-	207,800
	<u>4,478,251,852</u>	<u>3,280,425,399</u>
<b>Total</b>	<u><b>4,478,251,852</b></u>	<u><b>3,280,425,399</b></u>

55 Gains from asset disposals

<i>Item</i>	2021	2020	<i>Amount recognised in extraordinary gain and loss in 2021</i>
Gains from the disposal of assets held for sale	156,565,635	-	156,565,635
(Losses) /gains from disposal of fixed assets	(4,596,757)	11,403,591	(4,596,757)
Gains from disposal of intangible assets	29,726	7,658,255	29,726
Losses from disposal of construction in progress	(94,570)	-	(94,570)
Gains from disposal of right-of-use assets	1,601,757	-	1,601,757
	<u>153,505,791</u>	<u>19,061,846</u>	<u>153,505,791</u>
<b>Total</b>	<u><b>153,505,791</b></u>	<u><b>19,061,846</b></u>	<u><b>153,505,791</b></u>

56 Non-operating income and non-operating expenses

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

<i>Item</i>	<i>2021</i>	<i>2020</i>	<i>Amount recognised in extraordinary gain and loss in 2021</i>
Government grants	2,464,320	4,946,559	2,464,320
Others	<u>129,143,626</u>	<u>115,557,069</u>	<u>129,143,626</u>
Total	<u>131,607,946</u>	<u>120,503,628</u>	<u>131,607,946</u>

Government grants recognised in profit or loss for the current period

<i>Item</i>	<i>2021</i>	<i>2020</i>
Policy incentives and others	<u>2,464,320</u>	<u>4,946,559</u>

(2) Non-operating expenses

<i>Item</i>	<i>2021</i>	<i>2020</i>	<i>Amount recognised in extraordinary gain and loss in 2021</i>
Donations provided	4,901,023	13,324,588	4,901,023
Losses from scrapping of non-current assets	18,096,305	22,698,482	18,096,305
Others	<u>32,217,774</u>	<u>36,116,596</u>	<u>32,217,774</u>
Total	<u>55,215,102</u>	<u>72,139,666</u>	<u>55,215,102</u>

57 Income tax expenses

	<i>Note</i>	<i>2021</i>	<i>2020</i>
Current tax expense based on tax law and regulations		4,072,640,975	1,547,783,003
Changes in deferred tax assets/liabilities	(1)	115,330,429	16,783,243
<b>Total</b>		<b>4,187,971,404</b>	<b>1,564,566,246</b>

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

	<u>2021</u>	<u>2020</u>
Origination and reversal of temporary differences	115,330,429	16,783,243

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

	<i>2021</i>	<i>2020</i>
Profit before taxation	34,619,640,378	6,092,836,662
Expected income tax expenses at tax rate of 15%	5,192,946,057	913,925,499
Add: Effect of different tax rates applied by subsidiaries	54,451,529	(26,770,857)
Effect of non-deductible costs, expenses and losses	236,708,708	89,724,266
Tax effect of weighted deduction and tax preference	(1,428,917,005)	(643,677,261)
Utilisation of prior year tax losses	(1,690,731,054)	(95,546,933)
Tax effect of deductible losses of deferred tax assets not recognised	815,217,892	515,687,922
Tax effect of deductible temporary differences of deferred tax assets not recognised	1,076,320,364	811,223,610
Effects of tax rate changes on deferred tax	(68,025,087)	-
<b>Income tax expenses</b>	<b>4,187,971,404</b>	<b>1,564,566,246</b>

In order to further encourage enterprises to increase investment in research and development, support scientific and technological innovation, according to the *Announcement on Further Improvements to the Policy of Weighted Pre-tax Deduction for R&D Expenses* (MOF and STA Announcement [2021] No. 13), during the period from 1 January 2021, the R&D expenses, which do not form intangible assets and are included in the current profit or loss for the manufacturing enterprises, can be deducted in accordance with provisions, with 100% of the actual amount is deducted before tax additionally (2020: 75%). If intangible assets are formed, the 200% of R&D expenditures can be deducted before tax during the aforementioned period with the aim of motivating R&D activities (2020: 175%).

58 Basic 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.

	2021	2020
Consolidated net profit attributable to shareholders of the Company	25,830,935,500	5,035,627,952
Less: Current interest of other equity instruments	533,600,000	485,925,480
Less: Current dividends of restricted shareholders	31,234,036	-
Consolidated net profit attributable to ordinary shareholders of the Company	25,266,101,464	4,549,702,472
Weighted average number of ordinary shares outstanding(shares)	35,704,986,088	34,684,107,122
Basic earnings per share (RMB/share)	0.71	0.13

Weighted average number of ordinary shares is calculated as follows:

	2021	2020
Issued ordinary shares at the beginning of the year	34,448,398,830	34,798,398,763
Add: Weighted average number of ordinary shares issued in current period	1,330,137,380	-
Less: Weighted average number of ordinary shares repurchased in current period	73,550,122	114,291,641
Weighted average number of ordinary shares at the end of the year	35,704,986,088	34,684,107,122

59 Supplementary information on cash flow statement

(1) Supplement to cash flow statement

	2021	2020
(a) Reconciliation of net profit to cash flows from operating activities:		
Net profit	30,431,668,974	4,528,270,416
Add: Credit losses	28,409,869	(1,827,519)
Impairment loss	4,478,251,852	3,280,425,399
Depreciation of fixed assets, investment properties and right-of-use assets	33,432,161,074	21,680,555,167
Amortisation of intangible assets	1,185,263,603	758,817,609
Amortisation of long-term deferred expenses	130,732,527	123,440,347
Gains from disposal of fixed assets, intangible assets, and other long-term assets	(154,943,108)	(19,786,363)
Losses from scrapping of fixed assets and intangible assets	18,096,305	22,698,482
Financial expenses	4,521,336,008	3,835,299,300
Gains from changes in fair value	(84,966,963)	(31,936,339)
Investment income	(1,347,489,345)	(897,891,109)
Share-based payments	640,692,637	15,779,427
Change in deferred income	2,177,609,983	2,101,629,423
Change in deferred tax assets	14,705,564	43,112,673
Change in deferred tax liabilities	100,681,820	(26,272,475)
Increase in inventories	(13,339,890,401)	(6,687,901,867)
Decrease in operating receivables	(8,905,074,070)	2,870,511,767
Increase in operating payables	<u>8,943,309,995</u>	<u>7,656,849,120</u>
Net cash flows from operating activities	<u>62,270,556,324</u>	<u>39,251,773,458</u>

(b) Change in cash and cash equivalents:

	2021	2020
Cash and cash equivalents at the end of the year	76,623,486,083	68,064,736,371
Less: Cash and cash equivalents at the beginning of the year	<u>68,064,736,371</u>	<u>50,270,321,573</u>
Net increase in cash and cash equivalents	<u>8,558,749,712</u>	<u>17,794,414,798</u>

(2) Details of cash and cash equivalents

	2021	2020
Cash on hand	451,975	401,041
Bank deposits available on demand	76,549,790,015	68,063,719,329
Other monetary funds available on demand	<u>73,244,093</u>	<u>616,001</u>
Closing balance of cash and cash equivalents	<u><u>76,623,486,083</u></u>	<u><u>68,064,736,371</u></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

Item	Balance at the beginning of the year	Additions during the year	Decreases during the year	Balance at the end of the year	Reason for restriction
Cash at bank and on hand	5,488,099,634	4,346,124,249	(5,681,518,718)	4,152,705,165	Mainly deposits, pledged for drawing bills payable
Bills receivable	60,214,157	23,902,855	(60,214,157)	23,902,855	Endorsed with resource and pledged for drawing bill
Accounts receivable	44,682,510	-	(44,682,510)	-	Factored and discounted with recourse
Investment properties	42,959,088	-	(1,711,883)	41,247,205	Mortgaged as collateral
Fixed assets	168,972,932,363	33,155,613,526	(30,693,385,203)	171,435,160,686	Mortgaged as collateral
Construction in progress	21,137,162,080	1,054,881,215	(21,875,808,725)	316,234,570	Mortgaged as collateral
Intangible assets	1,769,040,417	-	(145,529,918)	1,623,510,499	Mortgaged as collateral
<b>Total</b>	<b>197,515,090,249</b>	<b>38,580,521,845</b>	<b>(58,502,851,114)</b>	<b>177,592,760,980</b>	

## 61 Details of provision for impairment of assets

Item	Note	Balance at the beginning of the year RMB	Additions during the year RMB	Reductions during the year			Translation differences RMB	Balance at the end of the year RMB
				Reversals RMB	Transferred out RMB	Reduction of disposals of subsidiaries		
Provision for bad and doubtful debts	V. 4, 6	66,907,034	48,714,170	(20,304,301)	(3,634,393)	-	(871,554)	90,810,956
Provision for impairment of inventories	V. 7	3,284,895,754	4,648,923,385	(1,211,292,945)	(1,102,349,090)	-	(8,449,208)	5,611,727,896
Provision for impairment of long-term equity investments	V. 11	1,029,044,819	2,009,770	-	-	-	(5,774,434)	1,025,280,155
Provision for impairment of fixed assets	V. 15	1,261,446,529	675,831,912	-	(44,192,143)	-	-	1,893,086,298
Provision for impairment of construction in progress	V. 16	-	83,037,514	-	(38,543,690)	-	-	44,493,824
Provision for impairment of goodwill	V. 18	201,190,529	279,742,216	-	-	-	-	480,932,745
Provision for impairment of contact assets	V. 8	207,800	-	-	-	(207,800)	-	-
<b>Total</b>		<b>5,843,692,465</b>	<b>5,738,258,967</b>	<b>(1,231,597,246)</b>	<b>(1,188,719,316)</b>	<b>(207,800)</b>	<b>(15,095,196)</b>	<b>9,146,331,874</b>

For reasons of recognition of impairment losses, refer to the notes of relevant assets.

62 Leases

(1) As a lessee

Right-of-use assets

	<i>Plant &amp; buildings</i>	<i>Equipment</i>	<i>Others</i>	<i>Total</i>
<b>Cost</b>				
Balance at 1 January 2021	348,032,248	107,357,735	185,706,910	641,096,893
Additions during the year	260,335,669	-	7,595,813	267,931,482
Decreases during the year	(35,750,138)	-	(390,642)	(36,140,780)
Translation differences	(5,369,812)	-	(27,066)	(5,396,878)
<b>Balance at 31 December 2021</b>	<u>567,247,967</u>	<u>107,357,735</u>	<u>192,885,015</u>	<u>867,490,717</u>
<b>Accumulated depreciation</b>				
Balance at 1 January 2021	4,864,383	17,553,554	-	22,417,937
Charge for the year	92,871,001	4,460,177	9,766,521	107,097,699
Decreases during the year	(14,948,166)	-	(143,906)	(15,092,072)
Translation differences	(99,665)	-	2,581	(97,084)
<b>Balance at 31 December 2021</b>	<u>82,687,553</u>	<u>22,013,731</u>	<u>9,625,196</u>	<u>114,326,480</u>
<b>Provision for impairment</b>				
Balance at 1 January 2021 and 31 December 2021	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Carrying amount</b>				
Carrying amount at 31 December 2021	<u>484,560,414</u>	<u>85,344,004</u>	<u>183,259,819</u>	<u>753,164,237</u>
Carrying amount at 1 January 2021	<u>343,167,865</u>	<u>89,804,181</u>	<u>185,706,910</u>	<u>618,678,956</u>

Lease liabilities

<i>Item</i>	<i>Note</i>	<i>31 December 2021</i>	<i>1 January 2021</i>
Long-term lease liabilities		761,918,319	603,790,032
Less: lease liabilities due within one year	V.30	<u>92,788,055</u>	<u>54,758,789</u>
Total		<u><u>669,130,264</u></u>	<u><u>549,031,243</u></u>

In 2021, the Group, as the lessee, chooses the simplified treatment method for short-term lease expenses, low-value asset lease expenses and the amount of income obtained from sublease of right-of-use assets is not significant.

## VI. Change of consolidation scope

### 1 Disposal of subsidiaries

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

Name of enterprise	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 Smart-aero Display Technology Co., Ltd.	88,028,400	100%	Transfer by agreement	29 July 2021	Received the consideration paid by the buyer	39,320,405	-	-	-	-	-	-

The Group recognised a gain of RMB39,320,405 on disposal of Beijing Smart-aero Display Technology Co., Ltd. resulting in loss of control, which has been included in investment income of consolidated financial statements.

### 2 Change of consolidation scope

The Company has no significant change of consolidation scope during the year.

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%	-	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%	-	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%	-	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%	-	Business combinations involving entities not under common control
Fuzhou BOE Optoelectronics Technology Co., Ltd.	Fuzhou, China	Fuzhou, China	Investment, construction, R&D, production and sales of the relevant products of thin film transistor LCD and its auxiliary products (separate business site); self-support and agency for the import and export of various goods and technologies, except those goods and technologies that are restricted by the country or prohibited from import and export; business management consulting and services; property leases; machinery and equipment leases; technology development, transfer, consulting and services related to LCD products (For business activities subject to approval in accordance with laws and regulations, operations may be conducted only with the approval of the relevant government authorities.).	RMB 17,600,000,000	83.24%	-	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%	-	Founded by investment

Shareholding (or

Name of the subsidiary	Principal place of business	Registered place	Business nature	Registered capital	similar equity interest)		Acquisition method
					Direct	Indirect	
Beijing BOE Vacuum Electronics Co., Ltd.	Beijing, China	Beijing, China	Manufacture and sale of vacuum electronic products	RMB 33,250,000	57.89%	-	Founded by investment
Beijing BOE Vacuum Technology Co., Ltd.	Beijing, China	Beijing, China	Manufacture and sale of electronic tubes	RMB 32,000,000	100%	-	Founded by investment
*Beijing Smart-Aero Display Technology Co., Ltd. (Formerly known as 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; market survey	RMB 233,105,200	100%	-	Founded by investment
BOE Optical Science and technology Co., Ltd.	Suzhou, China	Suzhou, China	R&D, production and sales of LCD, back light for display and related components	RMB 826,714,059	95.17%	-	Founded by investment
BOE Hyundai LCD (Beijing) Display Technology Co., Ltd.	Beijing, China	Beijing, China	Development, manufacture and sale of liquid display for mobile termination	USD 5,000,000	75%	-	Founded by investment
BOE (Hebei) Mobile Technology Co., Ltd.	Langfang, China	Langfang, China	Manufacture and sale of mobile flat screen display technical products and related services	RMB 1,358,160,140	100%	-	Founded by investment
			Technology development, technology transfer, technology consulting and technology services; sales of computer software, hardware and auxiliary equipment, digital video and audio technology products, electronic digital products, video telephone, mobile phones and spare parts, hardware (excluding electric bicycle), household appliances, photographic equipment, sporting goods, Class I medical devices, lamps, stationery, cosmetics, bathroom appliances, knitwear and textile, clothing, daily necessities, timepieces, glasses, toys and food; equipment maintenance; import and export of goods; basic software services; application software service; machinery and equipment leases; design, production, agency and publication of advertisements. (Market participants independently select the business activities and carry out the business activities in accordance with laws and regulations; sales of food and business activities subject to approval in accordance with laws and regulations, operations may be conducted only with the approval of relevant government authorities; business activities prohibited and restricted by the industrial policies of the state and the city.)	RMB 400,000,000	100%	-	Founded by investment
Beijing BOE Multimedia Technology Co., Ltd.	Beijing, China	Beijing, China	Design, consultancy and service of solar cell, photovoltaic system, wind power system and solar thermal system as well as the assembly units; energy-saving service	RMB 850,000,000	100%	-	Founded by investment

<i>Name of the subsidiary</i>	<i>Principal place of business</i>	<i>Registered place</i>	<i>Business nature</i>	<i>Registered capital</i>	<i>Shareholding (or similar equity interest) percentage</i>		<i>Acquisition method</i>
					<i>Direct</i>	<i>Indirect</i>	
Beijing BOE Life Technology Co., Ltd.	Beijing, China	Beijing, China	Technology promotion services, property management, sales of electronic products	RMB 24,000,000	100%	-	Founded by investment
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	Investment holding	USD 1,000,000,000	100%	-	Founded by investment
BOE (Korea) Co.,Ltd.	Korea	Korea	Wholesale and retail trade	KRW95,000,000	100%	-	Founded by investment
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.	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
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

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 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. ("Yunnan Chuangshijie")	Kunming, China	Kunming, 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; Project investments and management of the invested projects; import and export of goods and technologies; property leases, machinery and equipment leases	RMB 3,040,000,000	79.10%	-	Founded by investment
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 26,000,000,000	83.46%	-	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 4,651,482,400	100%	-	Founded by investment
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	47.14%	-	Business combinations involving entities not under common control
Chongqing BOE Display Technology Co., Ltd.	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 21,124,724,750	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 R&D, production and sales of Mini LED backlight components and Mini LED display module components	EUR 31,516,216	-	60.20%	Business combinations involving entities not under common control
Hefei BOE Xingyu Technology Co., Ltd. ("Hefei Xingyu")	Hefei, China	Hefei, China	Technology development, technology consulting, technology services, technology transfer and technology promotion; software development; basic software services; application software services; computer system services; sales of stationery items, sporting goods, household appliances and electronic products; business management; market research; economic and trade consulting; business management consulting; education consulting; public relations services; corporate image planning; exhibition and presentation activities; conference services; research and experimental development in the natural sciences; research and experimental development in engineering and technology; agricultural scientific research and experimental development; medical research and experimental development; copyright agency; arts and crafts creation services. (Market participants independently select the business activities and carry out the business activities in accordance with laws and regulations; sales of food and business activities subject to approval in accordance with laws and regulations, operations may be conducted only with the approval of relevant government authorities; business activities prohibited and restricted by the industrial policies of the state and the city.)	USD 115,380,000	53.86%	-	Founded by investment
BOE Education Technology Co., Ltd.	Beijing, China	Beijing, China		RMB 55,000,000	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	
Dongfang Chengqi (Beijing) Business Technology Co., Ltd.	Beijing, China	Beijing, China	Technology development, technology services; application software services; basic software services; sales of daily necessities, fresh fruit, fresh vegetables, primary edible agricultural products, household appliances, electronic products and sporting goods; trade agency; translation services; conference services; organisation of cultural and artistic interchange activities (excluding shows); exhibition and presentation activities; design, production, agency and publication of advertisements; enterprise management; market research; real estate information consulting; warehousing services; public relations services; health management, health consulting (excluding diagnosis and treatment activities subject to the approval); ticket agency; hotel booking agency; airline ticket sales agency; railway and passenger ticket agency services; tourism consulting; hotel management; automobile leases; property management; public parking services for motor vehicle; landscaping management; cleaning services; import and export of goods, import and export agency, import and export of technologies; car decoration; operation of sporting events (excluding high-risk sports); accommodation (branch operation only); catering services (branch operation only); beauty services, hairdressing services (branch operation only); medical services (branch operation only); family services (branch operation only); inbound tourism business; sales of food; internet information services. (Market participants independently select the business activities and carry out the business activities in accordance with laws and regulations; sales of food and business activities subject to approval in accordance with laws and regulations, operations may be conducted only with the approval of relevant government authorities; business activities prohibited and restricted by the industrial policies of the state and the city.)	RMB 10,000,000	100%	-	Founded by investment
BOE Innovation Investment Co., Ltd.	Beijing, China	Beijing, China	Project investment and investment management Provision of hardware and software integrated system solutions for the IoT market segment; intelligent city, intelligent transport, intelligent finance, intelligent park and the display terminal products such as the intelligent all-in-one machines	RMB 800,000,000	100%	-	Founded by investment
BOE Smart Technology Co., Ltd.	Beijing, China	Beijing, China		RMB 6,521,250,000	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	
Nanjing BOE Display Technology Co., Ltd. (formerly known as "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	80.83%	-	Business combinations involving entities not under common control
Chengdu CEC Panda Display Technology Co., Ltd.	Chengdu, China	Chengdu, China	R&D, production and sales of TFT-LCD panels and modules, liquid crystal display monitors, televisions, instruments, machinery equipment and accessories as well as provision of technical services; foreign trade in form of import and export of goods and technology	RMB 21,550,000,000	35.03%	-	Business combinations involving entities not under common control
BOE Mled Technology Co., Ltd.	Beijing, China	Beijing, China	Technology development, technology consulting, technology transfer, technology services; software development; basic software services; application software services; computer system services; internet data services (data centres in Internet data services, excluding cloud computing data centres with a PUE over 1.4); information processing and storage support services; general construction contracting, professional contracting, labour subcontracting; installation, maintenance and lease of equipment; literary and artistic creation; computer animation design; product design; enterprise management; enterprise management consulting; sales of computer, software and auxiliary equipment, electronic products	RMB 950,000,000	100%	-	Founded by investment

- \* Beijing Smart-Aero Display Technology Co., Ltd. was disposed on 29 July 2021, see Note VI.1.

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

The Company signed an agreement of acting in concert with the shareholder of Wuhan BOE, Wuhan Airport Economic Development Zone Industrial Development Investment Group Co., Ltd. and Hubei Changbai Industrial Investment Fund Partnership (Limited Partnership) (湖北省长柏产业投资基金合伙企业(有限合伙)) on 25 December 2018 and 5 February 2021. Wuhan Airport Economic Development Zone Industrial Development Investment Group Co., Ltd. and Hubei Changbai Industrial Investment Fund Partnership (limited Partnership) agreed to follow the Company's will to act as the persons acting in concert, unconditionally and irrevocably exercising voting rights in accordance with the opinions of the Company, the voting rights of the Company to Wuhan BOE is 100%.

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

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

The Company signed an agreement of acting in concert with shareholders of Chengdu CEC Panda and Chengdu Advanced Manufacturing Industry Investment Co., Ltd., Chengdu Airport Xingcheng Investment Group Co., Ltd., on 17 December 2020. The Company signed an agreement of acting in concert with Nanjing Panda Information Industry Group Co., Ltd. and China Electronics Corporation on 31 December 2020. The Company signed an agreement of acting in concert with Chengdu Xihanggang Industrial Development Investment Co., Ltd. (成都西航港工业发展投资有限公司) on 18 November 2021. Chengdu Advanced Manufacturing Industry Investment Co., Ltd., Chengdu Airport Xingcheng Investment Group Co., Ltd., Chengdu Xihanggang Industrial Development Investment Co., Ltd., Nanjing Panda Information Industry Group Co., Ltd. and China Electronics Corporation 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 96.75%.

(2) Material non-wholly owned subsidiaries

Name of the subsidiary	Proportion of ownership interest held by non-controlling interests	(Income) / losses attributable to non-controlling interests for 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%	3,038,524,882	-	22,422,308,280
Mianyang BOE	16.54%	268,300,651	-	3,933,910,508
Wuhan BOE	52.86%	(1,712,453,524)	-	14,904,450,980

(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>	
	2021	2020	2021	2020	2021	2020
Current assets	15,797,281,551	13,917,088,962	9,246,943,007	5,001,552,767	12,711,279,779	11,748,881,218
Non-current assets	24,332,972,509	28,144,487,136	43,427,820,893	45,771,813,314	37,827,474,491	34,698,575,568
<b>Total assets</b>	<b>40,130,254,060</b>	<b>42,061,576,098</b>	<b>52,674,763,900</b>	<b>50,773,366,081</b>	<b>50,538,754,270</b>	<b>46,447,456,786</b>
Current liabilities	7,432,659,554	8,775,178,650	7,343,085,123	8,221,423,949	7,311,202,489	5,369,267,140
Non-current liabilities	8,237,784,012	12,162,697,407	21,547,455,635	19,783,319,398	15,031,465,931	15,257,510,868
<b>Total liabilities</b>	<b>15,670,443,566</b>	<b>20,937,876,057</b>	<b>28,890,540,758</b>	<b>28,004,743,347</b>	<b>22,342,668,420</b>	<b>20,626,778,008</b>
Operating income	19,853,911,826	15,153,402,394	15,201,712,170	1,406,636,788	15,927,142,620	1,775,338,449
Net profit / (loss)	3,314,633,885	3,927,966	(997,825,728)	(830,258,844)	2,363,022,009	(158,596,684)
Total comprehensive income	3,314,633,885	3,927,966	(997,825,728)	(830,258,844)	2,363,022,009	(158,596,684)
Cash inflows / (outflows) in operating activities	8,612,667,782	3,819,978,355	3,591,201,933	(1,016,864,877)	5,734,190,509	2,934,840,804

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>
Vacuum Electronics	55.00%	57.89%
Yunnan Chuangshijie	79.96%	79.10%
Mianyang BOE	66.67%	83.46%
Wuhan BOE	23.08%	47.14%
Hefei Xingyu	43.40%	53.86%
SES Imagotag SA Co., Ltd.	68.48%	60.20%

(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 483,893,357. 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 7 to 120 days from the date of billing. Debtors with balances that are past due are requested to settle all outstanding balances before any further credit is granted. Normally, the Group does not obtain collateral from customers.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer 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 to individual customers. At the balance sheet date, 39% and 0.001% (2020: 33% and 0.02%) of the Contract assets total accounts receivable were due from the five largest customers of the Group and the Company, respectively. 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 2021 the Group does not provide any external guarantees which would expose the Group or the Company to credit risk.

## 2 Liquidity risk

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

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

	<i>2021 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	2,156,682,843	-	-	-	2,156,682,843	2,072,057,332
Bills payable	827,958,031	-	-	-	827,958,031	827,958,031
Accounts payable	32,455,830,694	-	-	-	32,455,830,694	32,455,830,694
Other payables	23,835,374,942	-	-	-	23,835,374,942	23,835,374,942
Non-current liabilities due within one year	29,209,146,646	-	-	-	29,209,146,646	28,874,958,714
Long-term loans	4,195,689,815	19,625,783,023	10,743,655,014	102,812,410,156	137,377,538,008	116,078,666,587
Debentures payable	13,392,544	305,465,507	74,023,980	-	392,882,031	359,586,437
Lease liabilities	-	284,759,263	138,423,079	333,385,847	756,568,189	669,130,264
Long-term payables	-	373,905,903	211,205,405	457,906,633	1,043,017,941	906,592,838
<b>Total</b>	<b>92,694,075,515</b>	<b>20,589,913,696</b>	<b>11,167,307,478</b>	<b>103,603,702,636</b>	<b>228,054,999,325</b>	<b>206,080,155,839</b>

	<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>

### 3 Interest rate risk

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

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

#### Fixed rate instruments:

<i>Item</i>	<i>2021</i>		<i>2020</i>	
	<i>Effective interest rate</i>	<i>Amounts</i>	<i>Effective interest rate</i>	<i>Amounts</i>
Financial assets				
- Cash at bank	0.30% ~ 3.99%	36,894,761,961	0.20% ~ 3.74%	41,745,509,216
Financial liabilities				
- Short-term loans	0.50% ~ 5.90%	(2,068,800,511)	0.50% ~ 5.90%	(6,327,791,477)
- Non-current liabilities due within one year	0% ~ 6.86%	(9,407,794,957)	0% ~ 5.29%	(12,025,528,359)
- Long-term loans	0% ~ 5.90%	(28,644,395,246)	0% ~ 5.90%	(49,498,675,910)
- Debentures payable	3.50% ~ 4.55%	(359,586,437)	3.50% ~ 4.55%	(398,971,739)
- Long-term payables	4.65% ~ 6.86%	(906,592,838)	4.17% ~ 7.02%	(2,114,175,683)
Total		<u>(4,492,408,028)</u>		<u>(28,619,633,952)</u>

#### Floating rate instruments:

<i>Item</i>	<i>2021</i>		<i>2020</i>	
	<i>Effective interest rate</i>	<i>Amounts</i>	<i>Effective interest rate</i>	<i>Amounts</i>
Financial assets				
- Cash at bank	0.0001% ~ 2.70%	41,471,269,422	0.0001% ~ 3.90%	31,800,233,366
Financial liabilities				
- Short-term loans	-	-	2.02% ~ 2.55%	(2,263,424,127)
- Non-current liabilities due within one year	1.66% ~ 5.88%	(18,827,495,477)	2.78% ~ 5.88%	(12,128,797,769)
- Long-term loans	2.30% ~ 5.88%	(87,317,668,185)	1.11% ~ 5.39%	(82,790,180,032)
Total		<u>(64,673,894,240)</u>		<u>(65,382,168,562)</u>

(b) Sensitivity analysis

As at 31 December 2021, it is estimated that a general increase / decrease of 100 basis points in interest rates of variable rate instrument, with all other variables held constant, would decrease / increase the Group's net profit and equity by RMB 549,530,000 (2020: RMB 557,440,000).

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

4 Foreign currency risk

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

(a) The Group's exposure as at 31 December to currency risk arising from recognized foreign currency assets or liabilities is mainly denominated in US dollar. The amount of the USD exposure is net liabilities exposure USD 177,293,137 (2020 net liabilities exposure: USD 2,618,785,628), translated into RMB 1,130,367,854 (2020: RMB 17,087,314,344), 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:

	<i>Average rate</i>		<i>Balance sheet date mid-spot rate</i>	
	<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>
USD	6.4503	6.7506	6.3757	6.5249

Assuming all other risk variables remained constant, a 5% strengthening / weakening of the Renminbi against the US dollar at 31 December would have decreased / increased both the Group's equity and net profit by the amount RMB 164,148,318 (2020: increased / decreased RMB 333,959,173).

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

<u>Assets</u>	<u>Note</u>	<u>31 December 2021</u>			<u>Total</u>
		<u>Level 1 Fair value measurement</u>	<u>Level 2 Fair value measurement</u>	<u>Level 3 Fair value measurement</u>	
Recurring fair value measurements					
- Financial assets held for trading	V. 2	-	-	10,028,172,853	10,028,172,853
Including: Structured deposit and wealth-management products		-	-	10,028,172,853	10,028,172,853
- Investments in other equity instruments	V. 12	168,325,009	-	350,763,137	519,088,146
- Other non-current financial assets	V. 13	-	-	606,895,447	606,895,447
Including: Investments in other equity instruments		-	-	606,895,447	606,895,447
Total assets measured at fair value on a recurring basis		<u>168,325,009</u>	<u>-</u>	<u>10,985,831,437</u>	<u>11,154,156,446</u>

<u>Assets</u>	<u>Note</u>	<u>31 December 2020</u>			<u>Total</u>
		<u>Level 1 Fair value measurement</u>	<u>Level 2 Fair value measurement</u>	<u>Level 3 Fair value measurement</u>	
Recurring fair value measurements					
- Financial assets held for trading		-	-	4,367,201,833	4,367,201,833
Including: Structured deposit and wealth-management products	V. 2	-	-	4,367,201,833	4,367,201,833
- Investments in other equity instruments	V. 12	214,214,021	-	319,431,402	533,645,423
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>

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.

4 During 2021, there were no changes in valuation technique of fair value. As at 31 December, the Group held no assets and liabilities measured at fair value. All financial assets and financial liabilities of the Group are carried at amounts not materially different from their fair value.

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	0.71%	17.87%	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 Nissin Electronics Precision Component Co., Ltd.	Associate of the Group and the Company
Beijing Nittan Electronic Co., Ltd.	Associate of the Group and the Company
Beijing BOE Art Cloud Technology Co., Ltd.	Associate of the Group and the Company
TPV Display Technology (China) Limited	Associate of the Group and the Company
Beijing Xindongneng Investment Management Co., Ltd.	Associate of the Group and the Company
Shenzhen Yunyinggu Technology Co., Ltd.	Associate of the Group and the Company
Biochain (Beijing) Science-Technology.Inc.	Associate of the Group
Beijing BOE Microbial Technology Co., Ltd.	Associate of the Group
Hefei Xin Jing Yuan Electronic Materials Co., Ltd.	Associate of the Group
Beijing YanDong MicroElectronic Co., Ltd.	Associate of the Group
Qingdao Ultra HD Video Innovation Technology Co., Ltd.	Associate of the Group
BOE Houji Technology (Beijing) Co., Ltd.	Associate of the Group
Changzhou Xiruojia Medical Technology Co., Ltd.	Subsidiary of associate of the Group
Beijing Borcheng Medical Laboratory Co. Ltd.	Subsidiary of associate of the Group

4 Information on other related parties

<i>Name of other related parties</i>	<i>Related party relationship</i>
Beijing Zhengdong Electronic Power Group 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 Electrical Control Jiuyi Industrial Development Company	Under the same control of the ultimate holding company
Beijing Smart-Aero Display Technology Co., Ltd.	Under the same control of the ultimate holding company
Beijing Electrical Energy Technology (Jiangsu) 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
NAURA Technology 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
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
761 Workshop (Beijing) Technology Development Co., Ltd.	Under the same control of the ultimate holding company
Beijing Ripeness Sanyuan Instrumentation 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 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 Yandong Microelectronic Co., Ltd.	Under the same control of the ultimate holding company
Beijing Sevenstar-Hitech Electronic Equipment Co., Ltd.	Under the same control of the ultimate holding company
Beijing C&W Automation Equipment Technology Co., Ltd.	Under the same control of the ultimate holding company
Beijing C&W Electronics (Group) Co., Ltd.	Under the same control of the ultimate holding company
Beijing C&W Technology Co., Ltd.	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 Senju Electronic Materials Co., Ltd.	Associate of enterprise that is under the same control of the ultimate holding company
Beijing Yizhuang Environmental Technology Group Co., Ltd.	Other related parties
Beijing Asahi Electronic Materials Co., Ltd.	Other related parties
China Minsheng Banking Corp., Ltd.	Other related parties

5 Transactions with related parties

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

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

The Group

<i>Nature of transaction</i>	<i>2021</i>	<i>2020</i>
Purchase of goods	965,818,931	698,585,167
Procurement of equipment	255,199,826	169,998,650
Receiving of services	<u>24,377,762</u>	<u>17,527,375</u>
Total	<u>1,245,396,519</u>	<u>886,111,192</u>

The Company

<i>Nature of transaction</i>	<i>2021</i>	<i>2020</i>
Purchase of goods	9,164,606	14,438,544
Receiving of services	<u>249,160,057</u>	<u>544,225,068</u>
Total	<u>258,324,663</u>	<u>558,663,612</u>

(2) Sale of goods/rendering of services

The Group

<i>Nature of transaction</i>	<i>2021</i>	<i>2020</i>
Sale of goods	416,546,796	20,817,125
Rendering of services	<u>10,267,108</u>	<u>4,762,316</u>
Total	<u>426,813,904</u>	<u>25,579,441</u>

The Company

<i>Nature of transaction</i>	<i>Lease income recognised in 2021</i>	<i>Lease income recognised in 2020</i>
Sale of goods	23,488,144	3,366,359
Rendering of services	5,561,607,938	4,406,612,262
Interest income received	<u>17,015,526</u>	<u>4,044,123</u>
Total	<u>5,602,111,608</u>	<u>4,414,022,744</u>

(3) Leases

(a) As the lessor

The Group <i>Type of assets leased</i>	<i>Lease income recognised in 2021</i>	<i>Lease income recognised in 2020</i>
Investment properties	<u>5,114,048</u>	<u>1,092,879</u>

The Company <i>Type of assets leased</i>	<i>Lease income recognised in 2021</i>	<i>Lease income recognised in 2020</i>
Investment properties	<u>70,534,069</u>	<u>66,764,268</u>

(b) As the lessee

The Group <i>Type of assets leased</i>	<i>Lease expense recognised in 2021</i>	<i>Lease expense recognised in 2020</i>
Fixed assets	<u>2,804,351</u>	<u>2,329,933</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	28/05/2019	31/12/2023
Subsidiary of the parent company	300,000,000	08/07/2020	31/12/2023
Subsidiary of the parent company	60,000,000	31/12/2021	31/12/2023
Subsidiary of the parent company	2,000,000,000	09/06/2017	31/12/2023
Subsidiary of the parent company	700,000,000	13/04/2018	31/12/2023
Subsidiary of the parent company	2,000,000,000	27/05/2019	31/12/2023
Subsidiary of the parent company	360,000,000	24/04/2020	31/12/2023
Subsidiary of the parent company	2,500,000,000	06/07/2020	31/12/2023
Subsidiary of the parent company	1,700,000,000	12/10/2020	31/12/2023
Subsidiary of the parent company	1,700,000,000	28/12/2020	31/12/2023
Subsidiary of the parent company	1,000,000,000	09/03/2021	31/12/2023
Subsidiary of the parent company	500,000,000	30/06/2021	31/12/2023
Subsidiary of the parent company	1,200,000,000	30/09/2015	31/12/2023
Subsidiary of the parent company	650,000,000	25/04/2018	31/12/2023
Subsidiary of the parent company	3,500,000,000	01/08/2018	31/12/2023
Subsidiary of the parent company	1,500,000,000	24/05/2019	31/12/2023
Subsidiary of the parent company	2,000,000,000	03/07/2020	31/12/2023
Subsidiary of the parent company	3,000,000,000	05/11/2020	31/12/2023
Subsidiary of the parent company	900,000,000	11/12/2020	31/12/2023
Subsidiary of the parent company	4,000,000,000	25/03/2021	31/12/2023
Subsidiary of the parent company	300,000,000	29/12/2021	31/12/2023
Subsidiary of the parent company	200,000,000	28/07/2017	31/12/2023
Subsidiary of the parent company	1,600,000,000	04/12/2017	31/12/2023
Subsidiary of the parent company	3,800,000,000	19/07/2018	31/12/2023
Subsidiary of the parent company	1,000,000,000	26/07/2019	31/12/2023
Subsidiary of the parent company	1,000,000,000	20/08/2020	31/12/2023
Subsidiary of the parent company	1,000,000,000	23/06/2021	31/12/2023
Subsidiary of the parent company	60,000,000	31/12/2021	31/12/2023
Subsidiary of the parent company	4,000,000,000	09/06/2017	31/12/2023
Subsidiary of the parent company	1,000,000,000	23/12/2016	31/12/2023
Subsidiary of the parent company	3,000,000,000	27/04/2018	31/12/2023
Subsidiary of the parent company	2,500,000,000	31/08/2018	31/12/2023
Subsidiary of the parent company	500,000,000	21/05/2019	31/12/2023
Subsidiary of the parent company	2,300,000,000	28/12/2020	31/12/2023
Subsidiary of the parent company	1,200,000,000	06/07/2020	31/12/2023
Subsidiary of the parent company	2,500,000,000	30/03/2021	31/12/2023
Subsidiary of the parent company	1,000,000,000	30/12/2021	31/12/2023
Subsidiary of the parent company	3,000,000,000	28/05/2018	31/12/2023
Subsidiary of the parent company	1,300,000,000	21/05/2019	31/12/2023
Subsidiary of the parent company	1,000,000,000	18/03/2021	31/12/2023
Subsidiary of the parent company	350,000,000	05/07/2021	31/12/2023
Subsidiary of the parent company	5,400,000,000	07/12/2020	31/12/2023
Subsidiary of the parent company	650,000,000	16/03/2021	31/12/2023
Subsidiary of the parent company	4,500,000,000	23/06/2021	31/12/2023
Subsidiary of the parent company	<u>600,000,000</u>	29/12/2021	31/12/2023
<b>Total</b>	<u><u>73,830,000,000</u></u>		

Name of related party	Amount of funding	Inception date	Maturity date
Funds provided			
Subsidiary of the parent company	50,000,000	27/03/2015	26/12/2024
Subsidiary of the parent company	30,000,000	21/01/2016	21/01/2022
Subsidiary of the parent company	40,000,000	20/01/2020	20/01/2022
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	100,000,000	24/12/2019	13/12/2022
Subsidiary of the parent company	50,000,000	28/04/2020	13/12/2022
Subsidiary of the parent company	290,000,000	24/11/2020	24/11/2023
Subsidiary of the parent company	900,000,000	05/11/2020	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	13/12/2022
Subsidiary of the parent company	650,000,000	20/12/2019	13/12/2022
Subsidiary of the parent company	100,000,000	24/12/2019	13/12/2022
Subsidiary of the parent company	770,000,000	19/02/2020	17/02/2023
Subsidiary of the parent company	800,000,000	30/04/2020	17/02/2023
Subsidiary of the parent company	1,490,000,000	21/10/2020	20/10/2023
Subsidiary of the parent company	482,000,000	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	350,000,000	20/12/2019	13/12/2022
Subsidiary of the parent company	50,000,000	24/12/2019	13/12/2022
Subsidiary of the parent company	200,000,000	08/07/2021	28/06/2026
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	13/12/2022
Subsidiary of the parent company	180,000,000	24/12/2019	13/12/2022
Subsidiary of the parent company	70,000,000	28/04/2020	13/12/2022
Subsidiary of the parent company	130,000,000	28/04/2020	17/12/2022
Subsidiary of the parent company	500,000,000	20/11/2020	20/11/2023
Subsidiary of the parent company	340,000,000	19/02/2020	17/02/2023
Subsidiary of the parent company	170,000,000	28/02/2020	17/02/2023
Subsidiary of the parent company	300,000,000	08/07/2021	28/06/2026
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	1,408,000,000	24/11/2020	24/11/2023
Subsidiary of the parent company	<u>300,000,000</u>	08/07/2021	28/06/2026
 Total	 <u>15,170,000,000</u>		

(5) Remuneration of key management personnel

The Group and the Company

<i>Item</i>	2021	2020
Remuneration of key management personnel	<u>110,629,000</u>	<u>56,368,000</u>

The remuneration of key management personnel above does not include the one with respect to 2021 share-based payments scheme.

6 Receivables from and payables to related parties

Receivables from related parties

The Group

<i>Item</i>	2021		2020	
	<i>Book value</i>	<i>Provision for impairment</i>	<i>Book value</i>	<i>Provision for impairment</i>
Accounts receivable	88,954,909	4,883,531	38,773,536	-
Contract Assets	122,743	-	-	-
Prepayments	1,118,145	-	7,678,237	-
Other receivables	1,901,777	-	14,062,445	-

The Company

<i>Item</i>	2021		2020	
	<i>Book value</i>	<i>Provision for impairment</i>	<i>Book value</i>	<i>Provision for impairment</i>
Accounts receivable	4,827,924,553	-	3,988,518,583	14,979,329
Prepayments	165,134	-	153,768	-
Dividends receivable	219,715,564	-	460,261,502	-
Other receivables	15,067,301,618	2,964,404	15,724,164,267	46,377,509
Other non-current assets	1,740,000,000	-	2,606,920,400	-

Payables to related parties

The Group

<i>Item</i>	<i>2021</i>	<i>2020</i>
Accounts payable	142,557,107	108,759,439
Advance payments received	961,806	6,018,519
Contract liabilities	3,717,500	1,604,187
Other payables	178,187,139	183,204,239

The Company

<i>Item</i>	<i>2021</i>	<i>2020</i>
Accounts payable	18,924,459	236,990,054
Advance payments received	3,212,352	8,735,465
Other payables	1,364,404,865	3,051,622,542
Other non-current liabilities	74,506,661,805	56,156,661,805

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>2021</i>	<i>2020</i>
Procurement of equipment	72,274,623	254,763,625

## XI. Share-based payments

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

### (a) Share option incentive plan

The 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 reserved grant date was 27 August 2021, the actual number of grantees was 110, and the number of grants is 33,000,000 shares, this grant was completed on 22 October 2021.

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

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

### (b) Restricted share incentive plan

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

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

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

As at 31 December 2021, the total costs recognised by the Group's equity-settled share-based payments in the consolidated financial statement was RMB 640,692,637, and the accumulated amount of capital reserve paid by equity-settled share-based payments amounted to RMB 645,945,833. In the Company's financial statements, the Company recognised its long-term equity investment of RMB 500,606,924 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 140,142,667, as well as a capital reserve of RMB 640,692,637.

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

Restricted shares:

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

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

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

## 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 2020. 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 2021 and 31 December 2020, the Group's asset-liability ratios are as follows:

	2021	2020
Asset-liability ratio	51.78%	59.13%

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>	2021	2020
Contracts entered into but not performed or partially performed	36,353,906,810	58,885,156,561
Contracts authorized but not entered into	<u>84,007,549,386</u>	<u>74,192,859,943</u>
Total	<u>120,361,456,196</u>	<u>133,078,016,504</u>

The Group's contracts authorised but not entered into mainly included the fixed assets that Chongqing BOE Display, Fuzhou BOE Display, Mianyang BOE, Kunming BOE, Suzhou K-Tronics, 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>	2021	2020
Contracts entered into but not performed or partially performed	<u>25,226,123,138</u>	<u>39,391,365,336</u>

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

## 2 Guarantee

### (1) The Group as the guarantor

As at 31 December 2021, the Group did not have guarantees provided for external enterprises.

### (2) The Company as the guarantor

At 31 December 2021, Chengdu Optoelectronics pledged its land use right with carrying amount of RMB 40,257,358, construction in progress with carrying amount of RMB 251,614,208, machinery and equipment with carrying amount of RMB 29,981,934,456 and plants and buildings with carrying amount of RMB 2,381,654,025 as collaterals to obtain long-term loans of USD 859,740,000 and RMB 14,595,100,000. 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 395,000,000.

At 31 December 2021, Yuansheng Optoelectronics pledged its land use rights with carrying amount of RMB 44,564,690, machinery and equipment with carrying amount of RMB 7,217,890,323 and plant and buildings with carrying amount of RMB 2,101,390,080 as collaterals to obtain long-term loans of RMB 1,554,550,000. The Company provides joint-liability guarantee for the above loans.

At 31 December 2021, Chongqing BOE Display pledged its land use right with carrying amount of RMB 163,285,716 as collaterals to obtain long-term loans of USD 804,000,000 and RMB 2,626,000,000. 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 4,200,889 and JPY 128,251,000.

At 31 December 2021, Chongqing BOE pledged its land use rights with carrying amount of RMB 129,192,476, machinery and equipment with carrying amount of RMB 4,192,400,886 and plant and buildings with carrying amount of RMB 3,568,105,312 as collaterals to obtain long-term loans of USD 167,240,000 and RMB 131,040,000. The Company provides joint-liability guarantee for the above loans.

At 31 December 2021, Fuzhou BOE pledged its land use right with carrying amount of RMB 202,793,121, with machinery and equipment carrying amount of RMB 8,484,825,161 and plants and buildings with carrying amount of RMB 2,988,060,054 as collaterals to obtain long-term loans of USD 423,000,000 and RMB 1,879,740,000. The Company provides joint-liability guarantee for the above loans.

At 31 December 2021, Hefei Display Technology pledged its land use rights with carrying amount of RMB 280,258,086, machinery and equipment with carrying amount of RMB 15,686,591,945 and plant and buildings with carrying amount of RMB 4,136,421,272 as collaterals to obtain long-term loans of USD 897,620,000 and RMB 4,799,254,080. The Company provides joint-liability guarantee for the above loans.

At 31 December 2021, Mianyang BOE pledged its land use rights with carrying amount of RMB 380,709,305, machinery and equipment with carrying amount of RMB 27,823,641,613 and plant and buildings with carrying amount of RMB 5,003,805,171 as collaterals to obtain long-term loans of USD 911,350,000 and RMB 13,579,379,340. 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 6,242,363 and the long-term letter of guarantee issued but not accepted of RMB 480,000,000.

At 31 December 2021, Wuhan BOE pledged its land use right with carrying amount of RMB 249,533,924, machinery and equipment with carrying amount of RMB 26,124,061,091 and plants and buildings with carrying amount of RMB 4,738,970,130 as collaterals to obtain long-term loans of USD 1,232,000,000 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 JPY 1,557,350,000.

At 31 December 2021, Chengdu Hospital obtain long-term loans of RMB 1,153,092,146. The Company provides joint-liability guarantee for the above loans.

At 31 December 2021, Nanjing BOE Display pledged its plant and buildings with carrying amount of RMB 4,238,396,675 as collaterals to obtain long-term loans of USD 196,200,000. The Company guarantees 60% of the above loan (i.e., USD 117,720,000) by means of a counter guarantee with joint-liability guarantee. Nanjing BOE Display pledged its machinery and equipment with carrying amount of RMB 407,414,018 as collaterals to obtain finance lease loans of RMB 255,000,000. The Company provides joint-liability guarantee for the above loans. In addition, the Company provided joint-liability guarantee by means of counter guarantee for its short-term borrowings of RMB 1,350,000,000 and long-term borrowings of RMB 1,200,000,000.

#### XIV. Subsequent events

On 25 March 2021, BOE Technology Group Co., Ltd. publicly issued the renewable corporate bonds (digital economy) (phase I) to professional investors with a bond abbreviation “22BOEY1”, with a total of RMB 2 billion, and the nominal interest rate is 3.50%.

#### XV. Segment reporting

##### 1 Segment reporting considerations

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

- (a) Display business — The display business integrates design and manufacturing of display devices and strives to offer TFT-LCD, AMOLED, Oxide, Microdisplay and other intelligent interface devices. 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.

- (b) Internet of Things (IoT) innovation business — The IoT innovation business integrates manufacturing models for system solution design, providing customers with competitive smart terminal products in the fields of TVs, monitors, laptops, tablet PCs, low power consumption products, IoT, 3D displays, etc. With artificial intelligence and big data as technical support, it focuses on products and services that integrate software and hardware, providing integrated solutions in IoT segments such as smart finance, smart parks, smart administration, smart transportation, urban light space, smart energy, as well as product line areas such as all-in-one machines and large sizes.
- (c) Sensor and application solutions — The sensor and application solutions integrate manufacturing models for system solution design. It focuses on various fields such as medical bio-detection, transportation and construction, consumer electronics, microwave communication and industrial sensing, providing customers with integrated design and manufacturing of sensor devices and system solution services. Specific products and solutions include flat panel X-ray detectors (FPXD), digital microfluidic chips, PDLC glass, fingerprint identification systems, industrial sensors, etc.
- (d) MLED — The MLED 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 car displays, wearables and other products; besides, it provides Mini/Micro-LED display products with high brightness, strong reliability and high contrast for use in outdoor display, commercial display, transparent display, special display and other scenarios.
- (e) Smart medicine and engineering — The smart medicine and engineering 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 emphasises developing four business units, 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".
- (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, IoT innovation business, sensor and application solutions, MLED and smart medicine and engineering and other businesses. As these business segments manufacture and sale different products, apply different manufacturing processes and specifies in gross profit, the business segments are managed independently. The management evaluates the performance and allocates resources according to the profit of each business segment and does not take financing cost and investment income into account.

2 Accounting policies for the measurements of reporting segments

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

	2021							Total
	Display business	IoT innovation business	Sensor & application solutions	MLED	Smart medicine & engineering	Others	Offsetting	
Operating income	202,219,268,075	28,379,332,761	216,187,403	451,525,233	1,846,551,592	11,308,029,354	(25,111,094,913)	219,309,799,505
Operating costs	148,920,717,889	25,108,953,836	166,800,549	436,645,746	1,370,997,955	3,100,671,887	(23,119,562,567)	155,985,225,295
	2020							Total
	Display business	IoT innovation business	Sensor & application solutions	MLED	Smart medicine & engineering	Others	Offsetting	
Operating income	123,077,882,346	19,178,428,559	119,817,921	-	1,522,460,282	7,372,351,461	(15,718,370,840)	135,552,569,729
Operating costs	102,650,861,838	16,883,719,082	75,405,672	-	724,268,025	2,213,785,494	(12,138,157,907)	110,409,882,204

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 2020 according to segment reporting in 2021.

### 3 Secondary segment reporting (regional segments)

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

The following table sets out information about the geographical location of the Group's operating income from external customers:

	<i>Operating income from external customers</i>	
	<u>2021</u>	<u>2020</u>
Mainland China	93,850,467,813	65,241,679,286
Other Asian countries and regions	96,116,878,840	54,895,384,319
Europe	5,478,685,805	4,804,966,123
America	23,770,495,392	10,316,934,261
Other regions	<u>93,271,655</u>	<u>293,605,740</u>
 Total	 <u>219,309,799,505</u>	 <u>135,552,569,729</u>

- (b) Divided based on asset locations

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

### 4 Major customers

The Group has no customer (2020: 2 customers), the operating income from which is over 10% of the Group's total operating income (2020: the operating income from these customers represented RMB 35,420,533,749, which was approximately 26% of the Group's total operating income).

XVI. Notes to the Company's financial statements

1 Cash at bank and on hand

	2021			2020		
	Amount in original currency	Exchange rate	RMB/RMB equivalents	Amount in original currency	Exchange rate	RMB/RMB equivalents
Cash on hand						
USD	5	6.3757	32	5	6.5249	31
HKD	165	0.8176	135	165	0.8416	139
JPY	1,325	0.0554	73	51,325	0.0632	3,244
KRW	-	0.0054	-	420,000	0.0060	2,520
GBP	347	8.6064	2,986	-	-	-
CHF	400	6.9776	2,791	-	-	-
SGD	1,381	4.7179	6,515	-	-	-
Other foreign currencies			22			16,662
Sub-total			<u>12,554</u>			<u>22,596</u>
Bank deposits						
RMB			5,524,816,219			2,694,966,600
USD	1,183,006	6.3757	7,542,493	257,341,260	6.5249	1,679,125,986
HKD	4,337,000	0.8176	3,545,931	1,641,906	0.8416	1,381,828
Sub-total			<u>5,535,904,643</u>			<u>4,375,474,414</u>
Other monetary funds						
RMB			73,447,625			-
Sub-total			<u>73,447,625</u>			<u>-</u>
Total			<u>5,609,364,822</u>			<u>4,375,497,010</u>

Including: Total overseas deposits were equivalent to RMB 146,479 (2020: RMB150,742) .

On 31 December 2021, the Company's other monetary funds of RMB72,454,721 were investment deposits for share repurchase placed in the securities company's account that can be readily withdraw on demand. Others are restricted monetary funds, which represent margin deposits of RMB992,904 placed in the commercial banks (2020: nil).

2 Accounts receivable

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

	<i>31 December 2021</i>	<i>31 December 2020</i>
Amounts due from subsidiaries	4,827,924,553	3,988,518,583
Amounts due from other customers	<u>5,195,374</u>	<u>5,995,278</u>
Sub-total	4,833,119,927	3,994,513,861
Less: Provision for bad and doubtful debts	<u>4,264,652</u>	<u>20,301,553</u>
Total	<u><u>4,828,855,275</u></u>	<u><u>3,974,212,308</u></u>

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

<i>Ageing</i>	<u>2021</u>	<u>2020</u>
Within 1 year (inclusive)	4,506,053,150	3,813,737,996
Over 1 year but within 2 years (inclusive)	184,286,182	163,379,898
Over 2 years but within 3 years (inclusive)	141,556,611	-
Over 3 years	<u>1,223,984</u>	<u>17,395,967</u>
Sub-total	4,833,119,927	3,994,513,861
Less: Provision for bad and doubtful debts	<u>4,264,652</u>	<u>20,301,553</u>
Total	<u><u>4,828,855,275</u></u>	<u><u>3,974,212,308</u></u>

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

(3) Accounts receivable by provisioning method

Category	2021				Carrying amount
	Book value		Provision for impairment		
	Amount	Percentage (%)	Amount	Percentage (%)	
Individual assessment					
- Customers with high credit risk	4,090,353	0%	4,090,353	100%	-
- Customers with low credit risk	4,828,194,553	100%	-	0%	4,828,194,553
Collective assessment					
- Customers with moderate credit risk	835,021	0%	174,299	21%	660,722
<b>Total</b>	<b>4,833,119,927</b>	<b>100%</b>	<b>4,264,652</b>	<b>0%</b>	<b>4,828,855,275</b>

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	712,270	0%	39,216	6%	673,054
<b>Total</b>	<b>3,994,513,861</b>	<b>100%</b>	<b>20,301,553</b>	<b>1%</b>	<b>3,974,212,308</b>

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

	<u>2021</u>	<u>2020</u>
Balance at the beginning of the year	20,301,553	20,264,100
Charge during the year	135,218	37,453
Reversal during the year	(136)	-
Written-off during the year	<u>(16,171,983)</u>	<u>-</u>
<b>Balance at the end of the year</b>	<b><u>4,264,652</u></b>	<b><u>20,301,553</u></b>

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

The five largest accounts receivable of the Company amounted to RMB 4,426,651,135, amounting to 91.59% 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

	<i>Note</i>	<i>31 December 2021</i>	<i>31 December 2020</i>
Dividends receivable	(1)	219,715,564	460,261,502
Others	(2)	<u>15,230,115,046</u>	<u>15,885,213,081</u>
 Total		 <u><u>15,449,830,610</u></u>	 <u><u>16,345,474,583</u></u>

(1) Dividends receivable

	<i>31 December 2021</i>	<i>31 December 2020</i>
Chongqing BOE Optoelectronics Technology Co., Ltd.	-	400,000,000
Beijing Electronics Zone Investment and Development Co., Ltd.	-	1,842,137
BOE (Korea) Co.,Ltd.	5,474,703	6,125,106
Beijing Matsushita Colour Innovation Co., Ltd.	<u>214,240,861</u>	<u>52,294,259</u>
 Total	 <u><u>219,715,564</u></u>	 <u><u>460,261,502</u></u>

(2) Others

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

<i>Customer type</i>	<i>31 December 2021</i>	<i>31 December 2020</i>
Amounts due from subsidiaries	15,065,482,829	15,710,102,798
Amounts due from other related parties	1,818,789	14,061,469
Amounts due from other customers	<u>169,615,338</u>	<u>210,988,466</u>
Sub-total	15,236,916,956	15,935,152,733
Less: Provision for bad and doubtful debts	<u>6,801,910</u>	<u>49,939,652</u>
Total	<u><u>15,230,115,046</u></u>	<u><u>15,885,213,081</u></u>

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

As at 31 December 2021 and 31 December 2020, there is no other receivables in foreign currency.

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

	<u>2021</u>	<u>2020</u>
Within 1 year (inclusive)	5,896,130,713	12,252,487,143
Over 1 year but within 2 years (inclusive)	6,954,523,850	3,610,709,401
Over 2 years but within 3 years (inclusive)	2,348,713,430	19,445,996
Over 3 years	<u>37,548,963</u>	<u>52,510,193</u>
Sub-total	15,236,916,956	15,935,152,733
Less: Provision for bad and doubtful debts	<u>6,801,910</u>	<u>49,939,652</u>
Total	<u><u>15,230,115,046</u></u>	<u><u>15,885,213,081</u></u>

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

(d) Other receivables by provisioning method

Category	2021		2021		Carrying amount
	Book value		Provision for impairment		
	Amount	Percentage (%)	Amount	Percentage (%)	
Individual assessment	6,801,910	0%	6,801,910	100%	-
Collective assessment	<u>15,230,115,046</u>	100%	-	0%	<u>15,230,115,046</u>
Total	<u>15,236,916,956</u>	100%	<u>6,801,910</u>	0%	<u>15,230,115,046</u>

Category	2020		2020		Carrying amount
	Book value		Provision for impairment		
	Amount	Percentage (%)	Amount	Percentage (%)	
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>

(e) Movements of provisions for bad and doubtful debts

	<u>2021</u>	<u>2020</u>
Balance at the beginning of the year	49,939,652	44,600,216
Charge for the year	5,112,258	5,339,436
Written-off during the year	<u>(48,250,000)</u>	<u>-</u>
Balance at the end of the year	<u><u>6,801,910</u></u>	<u><u>49,939,652</u></u>

(f) Other receivables categorised by nature

<i>Nature of other receivables</i>	<u>2021</u>	<u>2020</u>
Transaction amount	15,065,482,829	15,844,170,864
Others	<u>171,434,127</u>	<u>90,981,869</u>
Sub-total	..... <u>15,236,916,956</u> .....	..... <u>15,935,152,733</u> .....
Less: Provision for bad and doubtful debts	<u>6,801,910</u>	<u>49,939,652</u>
Total	<u><u>15,230,115,046</u></u>	<u><u>15,885,213,081</u></u>

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

Other receivables at the end of the year due from the top five debtors of the Company amounted to RMB 13,723,863,214 in total, most of which are borrowings. No provision is made for bad and doubtful debts after assessment.

4 Other current assets

	<u>2021</u>	<u>2020</u>
VAT on tax credits	1,170,039	45,621,676
Others	<u>166,008,984</u>	<u>132,140,042</u>
Total	<u><u>167,179,023</u></u>	<u><u>177,761,718</u></u>

5 Long-term equity investments

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

	<u>2021</u>	<u>2020</u>
Investments in subsidiaries	207,777,846,290	179,426,966,866
Investments in associates and joint ventures	<u>3,199,974,945</u>	<u>2,800,090,342</u>
Sub-total	210,977,821,235	182,227,057,208
Less: Provision for impairment	<u>32,000,000</u>	<u>92,000,000</u>
Total	<u><u>210,945,821,235</u></u>	<u><u>182,135,057,208</u></u>

The Company disposed of its subsidiary, Beijing Smart-aero Display Technology Co., Ltd in the current year, written off the corresponding prior years impairment provision of RMB 60,000,000. The closing balance represents the Company's impairment provision for its subsidiary Beijing BOE Vacuum Technology Co., Ltd. in the prior year of RMB 32,000,000.

(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.	4,172,973,427	-	25,769,527	-	4,198,742,954	-	-
Chengdu BOE Optoelectronics Technology Co., Ltd.	25,004,494,319	-	51,109,541	-	25,055,603,860	-	-
Hefei BOE Optoelectronics Technology Co., Ltd.	9,000,846,416	-	31,233,392	-	9,032,079,808	-	-
Beijing BOE Display Technology Co., Ltd.	17,421,341,981	-	98,826,758	-	17,520,168,739	-	-
Hefei Xinsheng Optoelectronics Technology Co., Ltd.	20,084,018,610	-	38,714,569	-	20,122,733,179	-	-
Ordos Yuansheng Optoelectronics Co., Ltd.	11,804,123,592	-	4,751,033	-	11,808,874,625	-	-
Chongqing BOE Optoelectronics Technology Co., Ltd.	19,565,866,421	-	18,956,983	-	19,584,823,404	-	-
Fuzhou BOE Optoelectronics Technology Co., Ltd.	14,300,602,919	366,344,118	20,846,744	-	14,687,793,781	-	-
Beijing BOE Vision Electronic Technology Co., Ltd.	4,093,536,288	-	1,377,040	-	4,094,913,328	-	-
Beijing BOE Vacuum Electronics Co., Ltd.	19,258,410	-	319,127	-	19,577,537	-	-
Beijing BOE Vacuum Technology Co., Ltd.	32,000,000	-	-	-	32,000,000	32,000,000	32,000,000
*Beijing Smart-aero Display Technology Co., Ltd. (Beijing BOE Special Display Technology Co., Ltd. (Special Display))	100,113,695	-	2,387,595	(102,501,290)	-	60,000,000	-
Beijing Yinghe Century Co., Ltd.	333,275,229	-	8,909,335	-	342,184,564	-	-
BOE Optical Science and technology Co., Ltd.	659,042,674	-	3,125,597	-	662,168,271	-	-
BOE Hyundai LCD (Beijing) Display Technology Co., Ltd.	31,181,960	-	5,442,881	-	36,624,841	-	-
BOE (Hebei) Mobile Technology Co., Ltd.	1,353,691,563	-	1,248,631	-	1,354,940,194	-	-
Beijing BOE Multimedia Technology Co., Ltd.	400,000,000	-	-	-	400,000,000	-	-
Beijing BOE Energy Technology Co., Ltd.	850,110,069	-	4,176,824	-	854,286,893	-	-
Beijing BOE Life Technology Co., Ltd.	10,000,000	-	-	-	10,000,000	-	-
Beijing Zhongxiangying Technologies Co., Ltd.	50,014,864	50,000,000	564,055	-	100,578,919	-	-
BOE Semi-conductor Co., Ltd.	9,450,000	-	-	-	9,450,000	-	-
BOE Optoelectronics Holding Co., Ltd	3,211,961,538	-	-	-	3,211,961,538	-	-
Beijing Asahi Electronic Materials Co., Ltd.	-	-	-	-	-	-	-
BOE Healthcare Investment & Management Co., Ltd.	6,093,167,584	1,189,500,000	512,827	-	7,283,180,411	-	-
Hefei BOE Display Technology Co., Ltd.	1,999,338,939	-	21,476,569	-	2,020,815,508	-	-
Beijing BOE Technology Development Co., Ltd.	1,018,591	-	705,496	-	1,724,087	-	-
BOE Wisdom IOT Technology Co., Ltd.	142,344,796	-	13,097,140	(142,000,000)	13,441,936	-	-
Hefei BOE Zhuoyin Technology Co., Ltd.	600,066,764	-	2,185,232	-	602,251,996	-	-
Beijing BOE Land Co., Ltd.	7,752,973	-	815,800	-	8,568,773	-	-
Beijing BOE Sales Co., Ltd.	30,513,199	-	500,872	-	31,014,071	-	-
BOE KOREA Co., Ltd	873,317	-	3,027,670	-	3,900,987	-	-
Kunming BOE Display Technology Co., Ltd.	1,290,918,433	220,820,000	3,206,556	-	1,514,944,989	-	-
Mianyang BOE Optoelectronics Technology Co., Ltd.	15,977,360,915	6,339,085,322	13,426,135	-	22,329,872,372	-	-
Beijing BOE Sensing Technology Co., Ltd.	50,348,624	159,000,000	12,595,578	-	221,944,202	-	-
Wuhan BOE Optoelectronics Technology Co., Ltd.	5,998,882,896	6,500,000,000	12,385,063	-	12,511,267,959	-	-
Chongqing BOE Display Technology Co., Ltd.	3,958,981,997	5,119,594,750	7,085,277	-	9,085,662,024	-	-
Fuzhou BOE Display Technology Co., Ltd.	21,748,591	-	705,497	-	22,454,088	-	-
Beijing Matsushita Colour Innovation Co., Ltd.	64,903	-	2,462,787	-	2,527,690	-	-
BOE Innovation Investment Co., Ltd.	440,000,000	2,524,000,000	-	-	2,964,000,000	-	-
Hefei BOE Xingyu Technology Co., Ltd.	219,197,471	114,429,600	2,104,359	-	335,731,430	-	-
BOE Education Technology Co., Ltd.	25,073,981	-	2,807,284	-	27,881,265	-	-
Dongfang Chengqi (Beijing) Business Technology Co., Ltd.	8,000,000	-	-	-	8,000,000	-	-
BOE Smart Technology Co., Ltd.	1,440,000,000	382,000,000	-	-	1,822,000,000	-	-
Nanjing BOE Display Technology Co., Ltd.	5,591,221,400	-	672,372	-	5,591,893,772	-	-
Chengdu CEC Panda Display Technology Co., Ltd.	3,020,000,000	4,530,000,000	673,783	-	7,550,673,783	-	-
BOE Mled Technology Co., Ltd.	-	600,000,000	366,251	-	600,366,251	-	-
Others*	2,187,517	-	82,034,744	-	84,222,261	-	-
<b>Total</b>	<b>179,426,966,866</b>	<b>28,094,773,790</b>	<b>500,606,924</b>	<b>(244,501,290)</b>	<b>207,777,846,290</b>	<b>92,000,000</b>	<b>32,000,000</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.	263,858	-	-	1,749,280	-	-	-	2,013,138	-
Beijing Nittan Electronic Co., Ltd.	71,396,821	-	-	9,399,420	-	-	(3,200,000)	77,596,241	-
Erdos BOE Energy Investment Co., Ltd.	8,163,137	66,920,400	-	(700,727)	-	1,724,197	-	76,107,007	-
Beijing Infi-Hailin Venture Investment Co., Ltd.	1,166,524	-	-	(1,166,524)	-	-	-	-	-
Beijing Infi-Hailin Venture Investment (Limited Partnership)	-	-	-	38,376,800	-	-	(38,376,800)	-	-
TPV Display Technology (China) Co., Ltd.	24,828,264	-	-	3,631,573	-	-	-	28,459,837	-
Beijing Xindongneng Investment Fund (Limited Partnership)	2,058,142,325	-	(813,699,978)	805,886,583	38,588,937	-	-	2,088,917,867	-
Beijing Xindongneng Investment Management Co., Ltd.	7,921,626	-	-	2,718,868	-	-	(2,000,000)	8,640,494	-
Shenzhen Yunyinggu Technology Co., Ltd.	21,910,887	-	-	(3,878,846)	(188,015)	23,249,160	-	41,093,186	-
Beijing Xloong Technologies Co., Ltd.	19,766,940	-	-	551,530	-	773,082	-	21,091,552	-
Beijing Innovation Industry Investment Co., Ltd.	204,063,254	-	-	3,501,319	-	-	-	207,564,573	-
Beijing Electric Control Industry Investment Co., Ltd.	200,283,114	-	-	1,271,160	30,223,283	-	-	231,777,557	-
BOE Art Cloud technology Co., Ltd ( formerly known as Hunan BOE Art Cloud Science & Technology Co., Ltd )	182,183,592	860,000	-	4,687,852	-	27,798,537	-	215,529,981	-
Guoke BOE (Shanghai) Equity Investment Management Co., Ltd.	-	2,571,400	-	(1,387,888)	-	-	-	1,183,512	-
Chengdu BOE Motor Electronics Co., Ltd	-	200,000,000	-	-	-	-	-	200,000,000	-
<b>Total</b>	<b>2,800,090,342</b>	<b>270,351,800</b>	<b>(813,699,978)</b>	<b>864,640,400</b>	<b>68,624,205</b>	<b>53,544,976</b>	<b>(43,576,800)</b>	<b>3,199,974,945</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>
Original book value					
Balance at the beginning of the year	794,939,047	1,102,554,707	374,157,427	84,327,578	2,355,978,759
Additions during the year					
- Purchases	-	-	7,233,761	-	7,233,761
- Transfers from construction in progress	-	-	64,683,648	-	64,683,648
- Written-down against interest discount	-	(957,451)	-	(251,116)	(1,208,567)
Disposals during the year	-	-	(5,109,010)	(700,000)	(5,809,010)
Balance at the end of the year	<u>794,939,047</u>	<u>1,101,597,256</u>	<u>440,965,826</u>	<u>83,376,462</u>	<u>2,420,878,591</u>
Less: Accumulated amortisation					
Balance at the beginning of the year	80,233,914	696,189,217	198,599,703	886,098	975,908,932
Charge during the year	27,738,406	50,605,804	68,853,437	54,449,488	201,647,135
Disposals during the year	-	-	(286,011)	(198,333)	(484,344)
Balance at the end of the year	<u>107,972,320</u>	<u>746,795,021</u>	<u>267,167,129</u>	<u>55,137,253</u>	<u>1,177,071,723</u>
Original book value					
Carrying amount at the end of the year	<u>686,966,727</u>	<u>354,802,235</u>	<u>173,798,697</u>	<u>28,239,209</u>	<u>1,243,806,868</u>
Carrying amount at the beginning 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>

7 Deferred tax assets/deferred tax liabilities

Item	2021		2020	
	Deductible/ (taxable) temporary differences	Deferred tax assets/(liabilities)	Deductible/ (taxable) temporary differences	Deferred tax assets/(liabilities)
Deferred tax assets:				
Provision for impairment of assets	66,183,860	9,927,579	185,358,501	27,803,775
Changes in fair value of investments in other equity instruments	139,523,200	20,928,480	121,789,193	18,268,379
Depreciation of fixed assets	156,677,700	23,501,655	145,995,720	21,899,358
Government grant	209,807,147	31,471,072	34,989,313	5,248,397
Others	59,527,066	8,929,060	2,710,340	406,551
Sub-total	<u>631,718,973</u>	<u>94,757,846</u>	<u>490,843,067</u>	<u>73,626,460</u>
Amount offset		<u>(94,757,846)</u>	-	<u>(73,626,460)</u>
Balance after offsetting		<u>-</u>	-	<u>-</u>
Deferred tax liabilities:				
Revaluation due to business combinations involving entities not under common control	(2,050,000,000)	(307,500,000)	(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>(2,137,160,432)</u>	<u>(320,574,064)</u>	<u>(3,062,160,432)</u>	<u>(459,324,064)</u>
Amount offset		<u>94,757,846</u>		<u>73,626,460</u>
Balance after offsetting		<u>(225,816,218)</u>		<u>(385,697,604)</u>

8 Advance payments received

Item	31 December 2021	31 December 2020
Advances from related parties	3,212,352	8,735,465
Advances from third parties	<u>16,825,982</u>	<u>9,550,993</u>
Total	<u>20,038,334</u>	<u>18,286,458</u>

9 Employee benefits payable

(1) Employee benefits payable

	Note	Balance at 1 January 2021	Accrued during the year	Decrease during the year	Balance at 31 December 2021
Short-term employee benefits	(2)	508,025,207	1,559,623,213	(1,434,788,182)	632,860,238
Post-employment benefits					
- defined contribution plans	(3)	8,034,946	87,996,947	(88,163,846)	7,868,047
Termination benefits		-	3,169,947	(3,169,947)	-
<b>Total</b>		<b>516,060,153</b>	<b>1,650,790,107</b>	<b>(1,526,121,975)</b>	<b>640,728,285</b>

	Note	Balance at 1 January 2020	Accrued during the year	Decrease during the year	Balance at 31 December 2020
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		-	6,942,728	(6,942,728)	-
<b>Total</b>		<b>252,206,075</b>	<b>1,263,794,378</b>	<b>(999,940,300)</b>	<b>516,060,153</b>

(2) Short-term employee benefits

		Balance at 1 January 2021	Accrued during the year	Decrease during the year	Balance at 31 December 2021
Salaries, bonuses, allowances		439,436,511	1,343,203,955	(1,250,864,537)	531,775,929
Staff welfare		-	47,055,395	(47,055,395)	-
Social insurance					
Medical insurance		14,821,943	47,844,895	(48,311,394)	14,355,444
Work-related injury insurance		1,075,426	2,391,672	(2,301,795)	1,165,303
Maternity insurance		1,237,219	43,829	(15,208)	1,265,840
Housing fund		5,838,542	57,975,653	(57,534,667)	6,279,528
Labour union fee, staff and workers' education fee		45,615,566	61,107,814	(28,705,186)	78,018,194
<b>Total</b>		<b>508,025,207</b>	<b>1,559,623,213</b>	<b>(1,434,788,182)</b>	<b>632,860,238</b>

		Balance at 1 January 2020	Accrued during the year	Decrease during the year	Balance at 31 December 2020
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
<b>Total</b>		<b>241,384,459</b>	<b>1,190,821,753</b>	<b>(924,181,005)</b>	<b>508,025,207</b>

(3) Post-employment benefits - defined contribution plans

	<i>Balance at 1 January 2021</i>	<i>Accrued during the year</i>	<i>Decrease during the year</i>	<i>Balance at 31 December 2021</i>
Basic pension insurance	8,016,479	76,624,857	(76,525,687)	8,115,649
Unemployment insurance	371,484	2,832,656	(2,882,072)	322,068
Annuity	(353,017)	8,539,434	(8,756,087)	(569,670)
<b>Total</b>	<b>8,034,946</b>	<b>87,996,947</b>	<b>(88,163,846)</b>	<b>7,868,047</b>

	<i>Balance at 1 January 2020</i>	<i>Accrued during the year</i>	<i>Decrease 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>

10 Other payables

	<i>Note</i>	<i>31 December 2021</i>	<i>31 December 2020</i>
Dividends payable		6,561,972	6,451,171
Others	(1)	2,874,322,796	6,535,467,510
<b>Total</b>		<b>2,880,884,768</b>	<b>6,541,918,681</b>

(1) Others

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

	<i>Note</i>	<u>2021</u>	<u>2020</u>
Amounts due to/from subsidiaries		1,364,404,865	3,050,656,626
Equity acquisition fee		-	2,236,488,561
Repurchase obligation of restricted shares	V. 40	835,215,390	875,333,536
Purchase of projects, equipment and intangible assets		462,535,293	257,829,238
Others		212,167,248	115,159,549
<b>Total</b>		<b>2,874,322,796</b>	<b>6,535,467,510</b>

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

	2021			2020		
	Amount in original currency	Exchange rate	RMB/RMB equivalents	Amount in original currency	Exchange rate	RMB/RMB equivalents
RMB			2,536,057,636			5,042,463,687
USD	52,998,757	6.3757	337,904,175	228,735,332	6.5249	1,492,475,170
JPY	-	0.0554	-	8,364,763	0.0632	528,653
EUR	50,000	7.2197	360,985	-		-
Total			<u>2,874,322,796</u>			<u>6,535,467,510</u>

11 Long-term loans

	2021		2020	
	RMB	Credited/collateralised/guaranteed/pledged	RMB	Credited/collateralised/guaranteed/pledged
Bank loans				
- RMB	43,079,530,231	Credited	46,207,924,194	Credited
Less: Long-term loans due within one year	<u>10,871,030,231</u>	Credited	<u>7,847,210,073</u>	Credited
Total	<u>32,208,500,000</u>		<u>38,360,714,121</u>	

The interest rate of RMB long-term loans for the Company ranged from 0% to 3.77% in 2021 (2020: 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	3,612,222,226	-	(902,698,413)		2,709,523,813
- related to income	<u>21,120,220</u>	<u>285,932,854</u>	<u>(8,025,180)</u>	<u>(101,600,000)</u>	<u>197,427,894</u>
Total	<u>3,633,342,446</u>	<u>285,932,854</u>	<u>(910,723,593)</u>	<u>(101,600,000)</u>	<u>2,906,951,707</u>

13 Capital reserve

Item	Share premium	Other capital reserves	Total
Balance at the beginning of the year	37,546,517,053	(850,437,687)	36,696,079,366
Add: Common stock invested by shareholders	16,219,134,815	-	16,219,134,815
Other movements in equity of associates	-	53,544,976	53,544,976
Equity-settled share-based payments	-	640,692,637	640,692,637
Cancellation of treasury shares	(14,270,384)	-	(14,270,384)
Others	<u>-</u>	<u>2,851,742</u>	<u>2,851,742</u>
Balance at the end of the year	<u>53,751,381,484</u>	<u>(153,348,332)</u>	<u>53,598,033,152</u>

14 Other comprehensive income

<u>Item</u>	<u>Movements during the year</u>				<u>Balance at the end of the year</u>
	<u>Balance at the beginning of the year</u>	<u>Before-tax amount</u>	<u>Less: Income tax expense</u>	<u>Add: Transfer of other comprehensive income to retained earnings</u>	
Items that will not be reclassified to profit or loss	90,701,298	51,135,493	(2,660,101)	55,238,785	89,258,107
Including: Other comprehensive income recognised under equity method	194,222,110	68,869,497	-	55,238,785	207,852,822
Changes in fair value of investments in other equity instruments	(103,520,812)	(17,734,004)	(2,660,101)	-	(118,594,715)
Items that may be reclassified to profit or loss	11,835	(245,292)	-	-	(233,457)
<b>Total</b>	<b>90,713,133</b>	<b>50,890,201</b>	<b>(2,660,101)</b>	<b>55,238,785</b>	<b>89,024,650</b>

15 Retained earnings

<u>Item</u>	<u>2021</u>	<u>2020</u>
Retained earnings at the beginning of the year	11,954,088,031	9,586,643,866
Add: Net profits for the year	4,396,496,566	3,739,191,584
Less: Appropriation for statutory surplus reserve	439,649,657	373,919,158
Interest on holders of other equity instruments	533,600,000	485,925,480
Dividends to ordinary shares	3,476,073,919	695,967,975
Transfer of other comprehensive income to retained earnings	(49,714,906)	(215,151,667)
Effect of accounting for disposal of subsidiaries to equity method	-	31,086,473
<b>Retained earnings at the end of the year</b>	<b>11,950,975,927</b>	<b>11,954,088,031</b>

16 Operating income

<u>Item</u>	<u>2021 Income</u>	<u>2020 Income</u>
Principal activities	5,664,683,841	3,850,224,763
Other operating activities	52,314,193	691,451,432
<b>Total</b>	<b>5,716,998,034</b>	<b>4,541,676,195</b>
Including : Revenue from contracts	5,594,507,267	4,418,761,325
Other income	122,490,767	122,914,870

17 Taxes and surcharges

	<u>2021</u>	<u>2020</u>
Property tax	27,275,020	29,195,630
Land use tax	2,834,360	2,834,360
Stamp duty	4,748,723	7,909,675
City maintenance and construction tax	875,253	405,990
Education surcharges and local education surcharges	625,180	289,993
Others	<u>271,874</u>	<u>253,948</u>
 Total	 <u>36,630,410</u>	 <u>40,889,596</u>

18 Research and development expenses

	<u>2021</u>	<u>2020</u>
Staff cost	896,654,452	686,052,717
Material expenses	76,712,945	70,093,725
Depreciation and amortisation	317,570,050	221,602,752
Commissioned and cooperative development	240,981,951	533,483,606
Technology usage fee	210,374,149	103,450,913
Share-based payment	82,093,408	3,062,249
Others	<u>506,478,542</u>	<u>485,149,163</u>
 Total	 <u>2,330,865,497</u>	 <u>2,102,895,125</u>

19 Financial expenses

	<u>2021</u>	<u>2020</u>
Interest expenses from loans	892,768,026	970,259,855
Interest income from bank deposits	(93,003,346)	(37,793,976)
Net exchange (income)/losses	(4,245,509)	(17,019,010)
Other financial expenses	<u>3,217,093</u>	<u>1,091,676</u>
 Total	 <u>798,736,264</u>	 <u>916,538,545</u>

20 Other income

	<u>2021</u>	<u>2020</u>
Government grants related to assets	902,698,413	903,180,554
Government grants related to income	43,514,609	67,808,613
	<u>2,709,152</u>	<u>-</u>
Total		
Government grants related to assets	<u>948,922,174</u>	<u>970,989,167</u>

The amount of government grants received by the Company in 2021 and directly included in other income was RMB 35,489,429.

21 Investment income

	<u>2021</u>	<u>2020</u>
Income from long-term equity investments accounted for using cost method	1,841,946,602	1,608,291,389
Income from long-term equity investments accounted for using equity method	864,640,400	416,901,621
Investment income from disposal of long-term equity investments	45,527,110	401,239,648
Dividend income from investments in other equity instruments	3,554,579	3,252,444
Including: Dividend income from investments in other equity instruments held at the balance sheet date	<u>3,554,579</u>	<u>3,252,444</u>
Total	<u>2,755,668,691</u>	<u>2,429,685,102</u>

22 Income tax expenses

	Note	<u>2021</u>	<u>2020</u>
Current tax expense for the period based on tax law and regulations		418,134,244	449,586,180
Changes in deferred tax assets/liabilities	(1)	<u>(157,278,240)</u>	<u>(198,212,508)</u>
Total		<u>260,856,004</u>	<u>251,373,672</u>

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

	<u>2021</u>	<u>2020</u>
Origination and reversal of temporary differences	<u>(157,278,240)</u>	<u>(198,212,508)</u>

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

<u>Item</u>	<u>2021</u>	<u>2020</u>
Profit before taxation	4,657,352,570	3,990,565,256
Expected income tax expense at tax rate of 15%	698,602,886	598,584,788
Add: Non-deductible expenses	22,551,281	47,469,071
Non-taxable income	(362,122,686)	(304,718,886)
Tax deduction for R&D activities	(107,936,270)	(89,961,301)
Others	9,760,793	-
	<u>260,856,004</u>	<u>251,373,672</u>
Income tax expenses	<u>260,856,004</u>	<u>251,373,672</u>

23 Supplementary information on cash flow statement

(1) Supplement to cash flow statement

	<u>2021</u>	<u>2020</u>
(a) Reconciliation of net profit to cash flows from operating activities :		
Net profit	4,396,496,566	3,739,191,584
Add: Credit losses	5,247,340	5,376,889
Depreciation of fixed assets and investment properties	186,180,161	135,264,681
Amortisation of intangible assets	175,887,643	165,094,127
Amortisation of long-term deferred expenses	74,101,005	36,414,535
Loss on disposal of fixed assets, intangible assets and other long-term assets	773,327	-
Financial expenses	796,624,497	1,044,078,606
Investment income	(2,755,668,691)	(2,429,685,102)
Share-based payment	139,972,018	3,747,294
Changes in deferred revenue tax assets and liabilities	(159,881,386)	(196,164,236)
Increase in gross inventories	2,769,045	(4,686,882)
Increase in operating receivables	(83,241,004)	(1,521,836,219)
Decrease in operating payables	(2,075,160,969)	(861,349,064)
Net cash inflow from operating activities	<u>704,099,552</u>	<u>115,446,213</u>

(b) Net changes in cash and cash equivalents: :

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents at the end of the year	5,599,937,349	4,360,065,216
Less: Cash and cash equivalents at the beginning of the year	<u>4,360,065,216</u>	<u>3,680,770,048</u>
Net increase/(decrease) in cash and cash equivalents	<u>1,239,872,133</u>	<u>679,295,168</u>

(2) Details of cash and cash equivalents

	<u>2021</u>	<u>2020</u>
Cash on hand	12,554	22,596
Bank deposits available on demand	5,527,470,074	4,360,042,620
Funds in other currencies readily available for payment	<u>72,454,721</u>	<u>-</u>
Closing balance of cash and cash equivalents	<u>5,599,937,349</u>	<u>4,360,065,216</u>

Note: Cash and cash equivalents disclosed above exclude other monetary fund with restricted usage.

24 Assets with restrictive ownership title

<u>Item</u>	<u>Balance at</u> <u>1 January</u> <u>2021</u>	<i>Accrued</i> <i>during the year</i>	<i>Decreased</i> <i>during the</i> <i>year</i>	<u>Balance at</u> <u>31 December</u> <u>2021</u>	<i>Restricted</i> <i>reason</i>
Cash at bank and on hand	<u>-</u>	<u>992,904</u>	<u>-</u>	<u>992,904</u>	Margin deposit

25	Leases		
(1)	The company's lease as a lessee		
	Right-of-use asset		Houses and buildings
	Book value		
	Balance at the beginning of the year		11,291,665
	Additions during the year		207,543,094
	Decrease during the year		-
			-
	Balance at the end of the year		218,834,759
	Accumulated amortisation		
	Balance at the beginning of the year		4,864,383
	Charge during the year		43,796,583
	Decrease during the year		-
			-
	Balance at the end of the year		48,660,966
	Impairment provision		
	Balance at the beginning of the year		
	Balance at the end of the year		-
	Carrying amounts		
	Balance at the end of the year		170,173,793
	Balance at the beginning of the year		6,427,282

Lease liability

Item	<u>Balance at the end of the year</u>	<u>Balance at the beginning of the year</u>
Long-term lease liabilities	167,639,832	-
Less: lease liabilities due within one year	<u>38,295,964</u>	<u>-</u>
Total	<u><u>129,343,868</u></u>	<u><u>-</u></u>

In 2021, the Company, as the lessee, chooses the simplified treatment method for short-term lease expenses, low-value asset lease expenses and the amount of income obtained from sublease of right-of-use assets is not significant.

XVII. Extraordinary gains and losses in 2021

	2021	2020
Investment income from disposal of long-term equity investments	37,327,797	376,344,290
Losses from disposal of non-current assets	136,846,803	(2,912,119)
Government grants recognised through profit or loss (excluding those having close relationships with the Company's normal operation and enjoyed in fixed amount or quantity according to uniform national standard)	2,077,537,306	2,332,107,692
Changes in fair value of financial assets held for trading and investment income from disposal of financial assets held for trading	121,656,142	82,698,484
Reversal of provision for bad and doubtful debts of receivables assessed on an individual basis	20,304,301	15,447,820
Other non-operating income and expenses besides items above	90,587,512	65,391,368
Less: Tax effect	<u>191,362,477</u>	<u>185,966,533</u>
	<u><u>2,292,897,384</u></u>	<u><u>2,683,111,002</u></u>
Including: Extraordinary gains affecting net profit of equity shareholders of the Company	1,893,395,748	2,365,173,118
Extraordinary gains affecting net profit of equity shareholders of the non-controlling shareholders	399,501,636	317,937,884

Notes: Extraordinary gain and loss item listed above are presented in the amount before taxation.

XVIII. Return on net assets and earnings per share

In accordance with “Regulation on the Preparation of Information Disclosures by Companies Issuing Securities No.9 – Calculation and Disclosure of the Return on Net Assets and Earnings Per Share” (2010 revised) issued by the CSRC and relevant accounting standards, the Group’s return on net assets and earnings per share are calculated as follows:

<i>Profit for the reporting period</i>	<i>Weighted average return on net assets (%)</i>	<i>Basic earnings per share</i>	<i>Diluted earnings per share</i>
Net profit attributable to the Company’s ordinary equity shareholders	23.84%	0.71	0.71
Net profit excluding extraordinary gain and loss attributable to the Company’s ordinary equity shareholders	22.05%	0.65	0.65

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:

	2021	2020
Consolidated net profit attributable to ordinary shareholders of the Company	25,266,101,464	4,549,702,472
Extraordinary gains and losses attributable to ordinary shareholders of the Company	1,893,395,748	2,365,173,118
Consolidated net profit excluding extraordinary gain and loss attributable to the Company’s ordinary equity shareholders	23,372,705,716	2,184,529,354
Weighted average number of ordinary shares outstanding	35,704,986,088	34,684,107,122
Basic earnings per share excluding extraordinary gain and loss (RMB/share)	0.65	0.06

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:

	2021	2020
Consolidated net profit attributable to ordinary shareholders of the Company	25,266,101,464	4,549,702,472
Weighted average amount of consolidated net assets	106,001,028,458	88,422,792,378
Weighted average return on net assets	23.84%	5.15%

Calculation of weighted average amount of consolidated net assets is as follows:

	2021	2020
Consolidated net assets at the beginning of the year	89,129,769,408	87,044,972,202
Effect of consolidated net profit attributable to ordinary shareholders of the Company	12,633,050,732	2,274,851,236
Effect of non-public issuance of shares	6,623,170,611	-
Effect of repurchase of treasury shares	(594,867,425)	(666,258,231)
Distribution of profits to ordinary shareholders	(1,738,036,960)	(347,983,988)
Effect of change in shareholding ratio of subsidiaries	(464,228,319)	24,957,407
Effect of movements in amounts attributable to ordinary shareholders of the Company	412,170,410	92,253,752
Weighted average amount of consolidated net assets	106,001,028,458	88,422,792,378

(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:

	2021	2020
Consolidated net profit excluding extraordinary gain and loss attributable to the Company's ordinary equity shareholders	23,372,705,716	2,184,529,354
Weighted average amount of consolidated net assets	106,001,028,458	88,422,792,378
Weighted average return on net assets excluding extraordinary gain and loss	22.05%	2.47%