

BOE Technology Group Co., Ltd.

ENGLISH TRANSLATION OF FINANCIAL STATEMENTS FOR THE YEAR 1 JANUARY  
2021 TO 31 DECEMBER 2021  
IF THERE IS ANY CONFLICT BETWEEN THE CHINESE VERSION AND ITS ENGLISH  
TRANSLATION, THE CHINESE VERSION WILL PREVAIL

## AUDITOR'S REPORT

毕马威华振审字第 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>	
<p>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.</p>	
<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)

	Note	2021	2020
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	153,505,791	19,061,846
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	55,215,102	72,139,666

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	(Company stamp)
Chairman of the Board	Chief Executive Officer	Chief Financial Officer	The head of the accounting department	
(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
		<u>63,655,025,447</u>	<u>70,901,578,897</u>
Sub-total of cash inflows		----- 63,655,025,447	----- 70,901,578,897

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 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)	

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	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.  
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							Sub-total	Non-controlling interests	Total
		Share capital	Other equity instruments	Capital reserve	Less: Treasury shares	Other comprehensive income	Surplus reserve	Retained earnings			
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		<u>38,445,746,482</u>	<u>14,146,997,427</u>	<u>53,804,309,393</u>	<u>3,415,768,207</u>	<u>113,551,147</u>	<u>2,889,590,205</u>	<u>36,941,121,452</u>	<u>142,925,547,899</u>	<u>73,947,595,568</u>	<u>216,873,143,467</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	(Company
Chairman of the Board	Chief Executive Officer	Chief Financial Officer	The head of the accounting department	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.  
 Consolidated statement of changes in shareholders' equity  
 for the year ended 31 December 2020  
 (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			
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 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.  
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	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.

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

8 Foreign currency transactions and translation of 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.

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- 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
<b>Assets</b>			
<b>Current assets:</b>			
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	-
<b>Total current assets</b>	<b>128,985,457,255</b>	<b>128,970,383,712</b>	<b>(15,073,543)</b>
<b>Non-current assets:</b>			
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	-
<b>Total non-current assets</b>	<b>295,271,349,076</b>	<b>295,779,815,953</b>	<b>508,466,877</b>
<b>Total assets</b>	<b>424,256,806,331</b>	<b>424,750,199,665</b>	<b>493,393,334</b>

	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	<u>104,959,322,995</u>	<u>105,005,523,202</u>	<u>46,200,207</u>
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	<u>145,899,748,622</u>	<u>146,346,941,749</u>	<u>447,193,127</u>
Total liabilities	<u>250,859,071,617</u>	<u>251,352,464,951</u>	<u>493,393,334</u>
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	<u>15,509,794,622</u>	<u>15,509,794,622</u>	<u>-</u>
Total equity attributable to shareholders of the Company	<u>103,276,766,835</u>	<u>103,276,766,835</u>	<u>-</u>
Non-controlling interests	<u>70,120,967,879</u>	<u>70,120,967,879</u>	<u>-</u>
Total	<u>173,397,734,714</u>	<u>173,397,734,714</u>	<u>-</u>
Total liabilities and shareholders' equity	<u>424,256,806,331</u>	<u>424,750,199,665</u>	<u>493,393,334</u>

	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 Optoelectronics)	15%	High-tech Enterprise
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 Invensight Optoelectronics Technology Co., Ltd. (Yunnan Invensight)	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			47,311			60,900
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			55,392,165			46,443,965
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	51,118,704	1,769,656,282	0.0632	111,842,277
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	<u>160,874,810</u>	<u>82,662,833</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>

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

(4) Accounts receivable by provisioning method

Category	31 December 2021				Carrying amount
	Book value		Provision for impairment		
	Amount	Percentage (%)	Amount	Percentage (%)	
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	<u>34,309,953,455</u>	96%	<u>35,361,003</u>	0%	<u>34,274,592,452</u>
Total	<u><u>35,585,181,960</u></u>	100%	<u><u>81,767,140</u></u>	0%	<u><u>35,503,414,820</u></u>

Category	31 December 2020				Carrying amount
	Book value		Provision for impairment		
	Amount	Percentage (%)	Amount	Percentage (%)	
Individual assessment					
- Customers with high credit risk	60,093,972	0%	41,752,588	69%	18,341,384
- Customers with low credit risk	1,036,981,635	5%	-	0%	1,036,981,635
Collective assessment					
- Customers with moderate credit risk	<u>21,929,927,770</u>	95%	<u>16,110,434</u>	0%	<u>21,913,817,336</u>
Total	<u><u>23,027,003,377</u></u>	100%	<u><u>57,863,022</u></u>	0%	<u><u>22,969,140,355</u></u>

(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	1,929,457,691	100%	9,043,816	0%	1,920,413,875

  

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	663,279,256	100%	9,044,012	1%	654,235,244

(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	(159,905)	(103,903)
Balance at the end of the year	9,043,816	9,044,012

(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
<b>Total</b>	<b><u>33,336,534,835</u></b>	<b><u>5,611,727,896</u></b>	<b><u>27,724,806,939</u></b>	<b><u>21,160,350,244</u></b>	<b><u>3,284,895,754</u></b>	<b><u>17,875,454,490</u></b>

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>
Total	<u>3,284,895,754</u>	<u>4,648,923,385</u>	<u>(1,211,292,945)</u>	<u>(1,110,798,298)</u>	<u>5,611,727,896</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	-
Total	<u>519,088,146</u>	<u>533,645,423</u>

(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
<b>Total</b>		<b>24,695,749</b>	<b>(215,438,630)</b>	<b>-</b>	

### 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	-
<b>Total</b>	<b>606,895,447</b>	<b>-</b>

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	..... 687,434,677	..... 1,022,831,969	..... 1,710,266,646
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	..... 168,017,805	..... 383,883,440	..... 551,901,245
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:

<i>Item</i>	<i>Plant &amp; buildings</i>	<i>Equipment</i>	<i>Others</i>	<i>Total</i>
<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
Total	<u>32,164,814,331</u>	<u>44,493,824</u>	<u>32,120,320,507</u>	<u>42,575,849,952</u>	<u>-</u>	<u>42,575,849,952</u>

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)
Deferred tax assets:				
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
Sub-total	<u>1,519,315,022</u>	<u>280,364,354</u>	<u>1,043,580,330</u>	<u>255,735,007</u>
Amount offset		<u>(90,028,830)</u>		<u>(50,693,919)</u>
Balance after offsetting		<u>190,335,524</u>		<u>205,041,088</u>
Deferred tax liabilities:				
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)
Sub-total	<u>(8,873,008,425)</u>	<u>(1,615,651,703)</u>	<u>(7,280,043,648)</u>	<u>(1,478,295,073)</u>
Amount offset		<u>90,028,830</u>		<u>50,693,919</u>
Balance after offsetting		<u>(1,525,622,873)</u>		<u>(1,427,601,154)</u>

(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

	Note	31 December 2021	31 December 2020
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

31 December 2021				
	Amount in original currency	Exchange rate	RMB/RMB equivalents	Credited/collaterali sed guaranteed/pledged
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				Credited/collateral ised guaranteed/pledged
	Amount in original currency	Exchange rate	RMB/RMB equivalents	
Bank loans				
- RMB			600,623,333	Collateralised
- RMB			1,853,305,416	Guaranteed
- RMB			<u>2,872,713,095</u>	Credited
Sub-total			<u>5,326,641,844</u>	
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	<u>146,094,482</u>	Credited
Sub-total			<u>3,272,927,627</u>	
Total			<u>8,599,569,471</u>	

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

	31 December 2021	31 December 2020
Bank acceptance bills	663,001,350	1,130,824,139
Commercial acceptance bills	<u>164,956,681</u>	<u>100,709,756</u>
Total	<u>827,958,031</u>	<u>1,231,533,895</u>

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	<u>32,313,273,587</u>	<u>27,055,412,243</u>
Total	<u><u>32,455,830,694</u></u>	<u><u>27,164,171,682</u></u>

(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			<u>1,181,228,602</u>			<u>839,227,233</u>
Total			<u><u>32,455,830,694</u></u>			<u><u>27,164,171,682</u></u>

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	<u>145,178,278</u>	<u>118,022,230</u>
Total	<u><u>146,140,084</u></u>	<u><u>124,040,749</u></u>

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> RMB
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		2021	2020
	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		31 December 2021	31 December 2020
			<i>Note</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:

	Note	31 December 2021	31 December 2020
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:

	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			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					
	Note	Amount in original currency	Exchange rate	RMB / RMB equivalents	Credited /collateralised guaranteed /pledged
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	<u>63,560,969</u>	Pledged
Sub-total				23,521,529,001	
Long-term payables	V.34			<u>979,021,120</u>	
Total				<u>24,500,550,121</u>	

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

Item	31 December 2021	31 December 2020
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	<u>97,161,211</u>	<u>155,556,184</u>
Total	<u>4,051,532,509</u>	<u>2,194,716,852</u>

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:

<i>Debenture</i>	<i>Face value</i>	<i>Issuance date</i>	<i>Maturity period</i>	<i>Issuance amount</i>	<i>Balance at the beginning of the year</i>	<i>Increase during the year</i>	<i>Interest at face value</i>	<i>Amortisation of discounts or premium</i>	<i>Repayment during the period</i>	<i>Translation differences</i>	<i>Balance at the end of the year</i>
Euro PP	EUR 10,000,000	2016.12.29	7 years	EUR 10,000,000	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					<u>398,971,739</u>	<u>-</u>	<u>14,190,565</u>	<u>689,873</u>	<u>(14,190,565)</u>	<u>(40,075,175)</u>	<u>359,586,437</u>

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

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

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	(3,029,300)	3,647,347,719	38,445,746,482

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

	31 December 2021	31 December 2020
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>1,036,298,508</u>	<u>2,428,003,419</u>	<u>(48,533,720)</u>	<u>3,415,768,207</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

	2021	2020
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

	2021	2020
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>	<b><u>4,478,251,852</u></b>	<b><u>3,280,425,399</u></b>

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>	<b><u>153,505,791</u></b>	<b><u>19,061,846</u></b>	<b><u>153,505,791</u></b>

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

	Note	2021	2020
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
Total		4,187,971,404	1,564,566,246

(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:

	2021	2020
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)	-
Income tax expenses	4,187,971,404	1,564,566,246

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	<u>73,550,122</u>	<u>114,291,641</u>
Weighted average number of ordinary shares at the end of the year	<u>35,704,986,088</u>	<u>34,684,107,122</u>

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

<i>Name of enterprise</i>	<i>Disposal price</i>	<i>Shareholding being disposed (%)</i>	<i>Disposal method</i>	<i>Date of losing control</i>	<i>Basis for determining date of losing control</i>	<i>Difference between consideration received and the related share of net assets in consolidated financial statements</i>	<i>Proportion of remaining shareholding on the date of losing control</i>	<i>Carrying amount of remaining equity interests on the date of losing control</i>	<i>Fair value of remaining equity interests on the date of losing control</i>	<i>Gain or loss from remeasurement of remaining equity interests to fair value</i>	<i>Method and key assumptions for determining the fair value of remaining equity interests</i>	<i>Investment income or loss transferred from other comprehensive income related to previous equity investments in subsidiaries</i>
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

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 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	
			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
Dongfang Chengqi (Beijing) Business Technology Co., Ltd.	Beijing, China	Beijing, China		RMB 800,000,000	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 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-wiget 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:

	Hefei Display Technology		Mianyang BOE		Wuhan BOE	
	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:

	2021 Contractual undiscounted cash flow				Total	Carrying amount of balance sheet
	Within 1 year or demand	More than 1 year but less than 3 years	More than 3 years but less than 5 years	More than 5 years		
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>

	2020 Contractual undiscounted cash flow				Total	Carrying amount of balance sheet
	Within 1 year or demand	More than 1 year but less than 3 years	More than 3 years but less than 5 years	More than 5 years		
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:

	Average rate		Balance sheet date mid-spot rate	
	2021	2020	2021	2020
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>	Note	31 December 2021			<u>Total</u>
		Level 1 Fair value measurement	Level 2 Fair value measurement	Level 3 Fair value measurement	
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		168,325,009	-	10,985,831,437	11,154,156,446

<u>Assets</u>	Note	31 December 2020			<u>Total</u>
		Level 1 Fair value measurement	Level 2 Fair value measurement	Level 3 Fair value measurement	
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		214,214,021	-	4,686,633,235	4,900,847,256

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
Total	<u>73,830,000,000</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>	<i>2021</i>	<i>2020</i>
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>	<u>2021</u>		<u>2020</u>	
	<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>	<u>2021</u>		<u>2020</u>	
	<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	.....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>15,230,115,046</u>	<u>15,885,213,081</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>167,179,023</u>	<u>177,761,718</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	<u>(353,017)</u>	<u>8,539,434</u>	<u>(8,756,087)</u>	<u>(569,670)</u>
<b>Total</b>	<b><u>8,034,946</u></b>	<b><u>87,996,947</u></b>	<b><u>(88,163,846)</u></b>	<b><u>7,868,047</u></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	<u>(969,885)</u>	<u>7,314,175</u>	<u>(6,697,307)</u>	<u>(353,017)</u>
<b>Total</b>	<b><u>10,821,616</u></b>	<b><u>66,029,897</u></b>	<b><u>(68,816,567)</u></b>	<b><u>8,034,946</u></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)	<u>2,874,322,796</u>	<u>6,535,467,510</u>
<b>Total</b>		<b><u>2,880,884,768</u></b>	<b><u>6,541,918,681</u></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		<u>212,167,248</u>	<u>115,159,549</u>
<b>Total</b>		<b><u>2,874,322,796</u></b>	<b><u>6,535,467,510</u></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</u> <u>Income</u>	<u>2020</u> <u>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	271,874	253,948
 Total	 36,630,410	 40,889,596

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	506,478,542	485,149,163
 Total	 2,330,865,497	 2,102,895,125

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	3,217,093	1,091,676
 Total	 798,736,264	 916,538,545

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		<u>2021</u>	<u>2020</u>
		Note		
	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>	Restricted reason
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	38,295,964	-
Total	129,343,868	-

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	191,362,477	185,966,533
	2,292,897,384	2,683,111,002
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:

	<i>2021</i>	<i>2020</i>
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%