

# **Tunghsu Optoelectronic Technology Co., Ltd.**

## **The Semi-annual Report 2019**

**August 2019**

## **I. Important Notice, Table of Contents and Definitions**

The Board of Directors, Supervisory Committee, all directors, supervisors and senior executives of the Company hereby guarantees that there are no misstatement, misleading representation or important omissions in this report and shall assume joint and several liability for the authenticity, accuracy and completeness of the contents hereof.

Mr. Wang Lipeng, The Company leader, Ms. Feng Qiuju, Chief financial officer and the Mr. Wang Cang, the person in charge of the accounting department (the person in charge of the accounting) hereby confirm the authenticity and completeness of the financial report enclosed in this semi-annual report.

All the directors attended the board meeting for reviewing the semi-annual Report.

The development strategy, operation plan and other forward-looking statements involved in this report will not constitute any substantive commitment to the investors by the Company. Investors please be aware of the investment risks.

The company has already described the risk items existed in details in the report with reference to (IV) possible risks of X Operation Conditions Discussion and Analysis.

The Company has no plan of cash dividends carried out, bonus issued and capitalizing of common reserves either.

## **Table of Contents**

2019 Semi-annual Report

I. Important Notice and Definitions

II. Corporate Profile and Key Financial Indicators

III. Business Profile

IV. Performance Discussion and Analysis

V. Important Events

VI. Change of share capital and shareholding of Principal Shareholders

VII. Situation of the Preferred Shares

VIII. Information about Directors, Supervisors and Senior Executives

IX. Corporate Bonds

X. Financial Report

XI. Documents available for inspection

## Definition

Terms to be defined	Refers to	Definition
Company Law	Refers to	Company Law of the People's Republic of China
Securities Law	Refers to	Securities Law of the People's Republic of China
CSRC	Refers to	China Securities Regulatory Commission
SZSE	Refers to	Shenzhen Stock Exchange
Tunghsu Group	Refers to	Tunghsu Group Co., Ltd.
Baoshi Group	Refers to	Shijiazhuang Baoshi Electronics Group Co., Ltd.
Tunghsu Optoelectronic , Company, The Company	Refers to	Tunghsu Optoelectronic Technology Co., Ltd.
Tunghsu (Yingkou) Optoelectronic	Refers to	Tunghsu (Yingkou) Optoelectronic Display Co., Ltd.
Xuhong Optoelectronic	Refers to	Sichuan Xuhong Optoelectronic Technology Co., Ltd.
Wuhu Optoelectronic	Refers to	Wuhu Tunghsu Optoelectronic Technology Co., Ltd.
Wuhu Equipment	Refers to	Wuhu Tunghsu Optoelectronic Equipment Technology Co., Ltd.
Xufei Optoelectronic	Refers to	Zhengzhou Xufei Optoelectronic Technology Co., Ltd.
Xuxin Optoelectronic	Refers to	Shijiazhuang Xuxin Optoelectronic Technology Co., Ltd.
Jiangsu Jixing	Refers to	Jiangsu Jixing New Material Co., Ltd.
Tunghsu (Kunshan )	Refers to	Tunghsu (Kunshan) Display material Co., Ltd.
Chongqing Jihu ateng	Refers to	Chongqing Jinghuateng Optoelectronic Technology Co., Ltd.
Jiangsu Tunghsu Yitai	Refers to	Jiangsu Tunghsu Yitai Intelligent Equipment Co., Ltd.
Hunan Tunghsu Delai	Refers to	Hunan Tunghsu Delai Electronic Technology Co., Ltd.
Tunghsu Construction	Refers to	Tunghsu Construction Group Co., Ltd.
Fuzhou Xufu	Refers to	Fuzhou Xufu Optoelectronic Technology Co., Ltd.
Fuzhou Optoelectronic	Refers to	Fuzhou Tunghsu Optoelectronic Technology Co., Ltd.
Tunghsu Finance Company	Refers to	Tunghsu Group Finance Co., Ltd.
Shanghai Tanyuan Huigu	Refers to	Shanghai Tanyuan Huigu New Material Technology Co., Ltd.
Xutan New Material	Refers to	Beijing Xutan New Material Technology Co., Ltd.
Mingshuo Technology	Refers to	Mingshuo (Beijing) Electronic Technology Co., Ltd.
Tengda Tengda Optical	Refers to	Suzhou Tengda Optical Technology Co., Ltd.
SUNLONG	Refers to	Shanghai Sunlong Bus Co., Ltd.
Guangxi Sunlong	Refers to	Guangxi Sunlong Automobile Manufacturing Co., Ltd. (Former Guangxi Yuanzheng New Energy Automobile Co., Ltd.)
Sanbao Innovation	Refers to	Shenzhen Sanbao Innovation Intelligence Co., Ltd.
BOE	Refers to	BOE Technology Group Co., Ltd.
CSOT	Refers to	China Star optoelectronics Technology Co., Ltd.
Tianma	Refers to	Tianma Microelectronics Co Ltd
TFT-LCD	Refers to	Thin Film Transistor Liquid Crystal Display
OLED	Refers to	Organic Light-Emitting Diode, OLED
Glass substrate	Refers to	A thin glass sheet with extremely smooth surface is a basic component of constituting LCD display device as well as one of the critical basic materials in panel display industry. The glass sheet can be divided into various generations by its size, and the higher the generation is, the bigger the size will be.
G5 glass substrate	Refers to	The size of the 5th-generation glass substrate is 1100 mm×1300 mm.

G6 glass substrate	Refers to	The size of the 6th-generation glass substrate is 1500 mm×1850 mm.
G8.5 glass substrate	Refers to	The size of the 8.5th-generation glass substrate is 2300 mm×2500 mm
Optical film	Refers to	refers to the general name of optical diaphragms such as diffusion, reflection, prism, composite prism, etc., mainly used in TFT LCD backlights.
CF	Refers to	Critical original materials of LCD panel for realizing colorization display
Grapheme materials	Refers to	Refers to two-dimensional carbon materials related to grapheme, with a layer less than 10 carbon atoms
Cover glass, Curved glass, 3D cover glass	Refers to	In addition to mobile phones, tablet PCs and other displays, for the touch screen touch module, display and non-touch screen display to protect the transparent glass lens
New Energy Bus	Refers to	Adopting new power systems, fully or mainly rely on new energy-driven passenger bus, including pure electric bus and fuel cell bus

## II. Basic Information of the Company and Financial index

### I. Company Information

Stock abbreviation	Tunghsu Optoelectronic, Tunghsu B	Stock code	000413、200413
Stock abbreviation after change (if any)	Tunghsu Optoelectronic, Tunghsu B		
Stock exchange for listing	Shenzhen Stock Exchange		
Name in Chinese	东旭光电科技股份有限公司		
Chinese Abbreviation	东旭光电		
English name (If any)	Tunghsu Optoelectronic Technology Co.,Ltd.		
English abbreviation (If any)	Tunghsu Optoelectronic		
Legal Representative	Wang Lipeng		

### II. Contact person and contact manner

	Board secretary	Securities affairs Representative
Name	Gong Xin	Wang Qingfei
Contact address	No.1 Caiyuan Street, Xicheng District, Beijing	No.1 Caiyuan Street, Xicheng District, Beijing
Tel	010-63541061	010-63541061
Fax	010-63541061	010-63541061
E-mail	gongxin_dx@126.com	wangqingfei@dong-xu.com

### III. Other

#### 1. Way of contact

Whether registrations address, offices address and codes as well as website and email of the Company changed in reporting period or not

☒ Applicable ☐ Not applicable

Registered address	No.9, Huanghe Road, Shijiazhuang High-tech Industrial Development Area, Shijiazhuang, Hebei Province
Postal code of the Registered Address	050035
Office Address	No.1 Caiyuan Street, Xicheng District, Beijing
Postal code of the office address	100053
Internet Web Site	<a href="http://www.Tunghsuguan dian.cn/">http://www.Tunghsuguan dian.cn/</a>
E-mail	dxgd@dong-xu.com
Provisional announcement of the disclosure of the designated website date.(If any)	January 8,2019
Index of designated website disclosed in interim announcement.(If any)	<a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a>

#### 2. Information inquiry

Whether information disclosure and preparation place changed in reporting period or not

☐ Applicable ☒ Not applicable

None of the official presses, website, and place of enquiry has been changed in the semi report period. For details please find the Annual Report 2018.

#### IV. Summary of Accounting Data and Financial Indicators

Indicate by tick mark whether the Company needs to retroactively restate any of its accounting data.

☐ Yes ☒ No

	Reporting period	Same period of last year	YoY+/- (%)
Operating Gross income (Yuan)	8,475,089,222.93	11,129,851,790.88	-23.85%
Net profit attributable to the shareholders of the listed company (Yuan)	844,176,169.98	858,296,089.08	-1.65%
Net profit after deducting of non-recurring gain/loss attributable to the shareholders of listed company (Yuan)	778,095,326.66	811,345,478.77	-4.10%
Cash flow generated by business operation, net (Yuan)	594,348,068.16	83,617,287.66	610.80%
Basic earning per share(Yuan/Share)	0.15	0.15	0.00%
Diluted gains per share(Yuan/Share)	0.15	0.15	0.00%
Net asset earning ratio (%)	2.57%	2.74%	-0.17%
	As at the end of the reporting period	As at the end of last year	YoY+/- (%)
Gross assets (Yuan)	71,378,527,997.21	72,576,122,859.60	-1.65%
Shareholders' equity attributable to shareholders of the listed company (Yuan)	32,994,457,818.10	32,521,130,925.14	1.46%

#### V. Differences between accounting data under domestic and overseas accounting standards

1. Simultaneously pursuant to both Chinese accounting standards and international accounting standards disclosed in the financial reports of differences in net income and net assets.

☐ Applicable ☒ Not applicable

Nil

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

☐ Applicable ☒ Not applicable

Nil

#### VI. Items and amount of non-current gains and losses

☒ Applicable ☐ Not applicable

In RMB

Items	Amount	Notes
Non-current asset disposal gain/loss(including the write-off part for which assets impairment provision is made)	14,672,155.64	
Government subsidies recognized in current gain and loss(excluding those closely related to the Company's business and granted under the state's policies)	68,408,139.17	
Gain/loss on entrusting others with investment or asset management	246,200.42	

Other non-operating income and expenditure beside for the above items	7,342,788.31	
Less: Influenced amount of income tax	12,093,227.86	
Amount of influence of minority interests (After tax)	12,495,212.36	
Total	66,080,843.32	--

For the Company's non-recurring gain/loss items as defined in the Explanatory Announcement No.1 on information disclosure for Companies Offering their Securities to the Public-Non-recurring Gains and Losses and its non-recurring gain/loss items as illustrated in the Explanatory Announcement No.1 on information Disclosure for Companies offering their securities to the public-non-recurring Gains and losses which have been defined as recurring gains and losses, it is necessary to explain the reason.

☐ Applicable ☒ Not applicable

None of Non-recurring gain /loss items recognized as recurring gain /loss/items as defined by the information disclosure explanatory Announcement No.1- Non -recurring gain/loss in the report period.



### III. Business Profile

#### I .Main Business the Company is Engaged in During the Report Period

Whether the company needs to comply with the disclosure requirements of the particular industry

No

In recent years, driven by the strategy of industrial integration and transformation and upgrading, the company has gradually developed into a leading integrated supplier of intelligent manufacturing in China. The company started from the photoelectric display industry. While maintaining the leading edge of liquid crystal glass substrate technology, the company horizontally laid out the new material fields represented by photoelectric display materials such as cover glass original sheet, curved glass, optical diaphragm, etc. The industrial cluster of photoelectric display materials has outstanding advantages; In the process of graphene industrialization, overseas cooperation and integration will accelerate the improvement of the layout, development and sales of graphene industrial application products; In the field of high-end equipment manufacturing, the company has become one of the stable sources of revenue and profit for the company by virtue of the continuous spillover effect of the self-developed complete set of glass substrate production equipment technology and in-depth exploration and expansion of numerous extension fields. In the field of new energy vehicles, the company takes Shenlong Bus as the carrier, combines with the new trend of industrial development, actively arranges and builds new bases, engages in the research and development, manufacturing and sales of new energy buses and logistics vehicles including hydrogen fuel vehicles, and meanwhile strives to continue to develop overseas markets, which is another important source of income and profit for the company. Construction and installation business and electronic communication business as value-added business provide beneficial supplement to the company's main business.

#### I. New material business system

##### 1. Glass substrate original film business

The liquid crystal glass substrate is a core raw material to the upstream of the liquid crystal display panel, with extremely high requirements of manufacturing process. Based on the breakthrough in the field of complete-set of liquid crystal glass substrate production equipment, the company took the lead in breaking the international monopoly and achieved the home-making of liquid crystal glass substrate. Currently, the Company possesses five production bases of liquid crystal glass substrate respectively located in Zhengzhou, Shijiazhuang, Wuhu Fuzhou and Yingkou covering G5, G6, and G8.5 (compatible with 8.6 generation) TFT-LCD liquid crystal glass substrates. In terms of technology research and development, the technical reserve of OLED glass production line has been completed, which is compatible with LTPS and G8.5 and G10 original chip production. In terms of high generation adaptability, light weight, thinness and third generation flexible display technology, it will continue to maintain great advantages. So far, the company has more than 20 production lines for liquid crystal glass substrates (including projects under construction and planned projects), with that the mass production capacity tops first in China and ranks fourth in the world.

##### 2. Other display materials business

In order to enhance the competitiveness and profitability of the display materials business and conform to the development trend of OLED flexible display, the company has adopted the strategy of horizontally expanding the industrial chain, and has successively laid out such businesses as cover glass original sheet, curved cover glass, optical diaphragm, color filter, sapphire, etc. The business structure has been optimized and the industrial cluster effect has taken shape. Cover glass is used to protect touch modules and display screens, and is the main raw material for manufacturing touch screens. It is widely used in the application fields of touch screen products, such as notebook computers, palmtop computers, vehicle-mounted displays, mobile phone screens, digital photo frames and other flat panel display industries. The company has an advanced production line for glass substrates with float cover plates, and is the only enterprise in China that has mastered both overflow melting method and float method for large-scale production of glass substrates. Meanwhile, the Company's optical film products, which are the important material of the display module, can cover the polarizer, diaphragm, tape, graphite sheet, OCA glue and other sub-fields, and those are widely used in TFT-LCD modules and OLED display modules, making the Company is a stable supplier to BOE-the leading panel manufacturer in China, especially gradually consolidated the strategic supplier place to the OLED flexible display material through the introduction and application of graphite sheets and OCA rubber products in OLED flexible products. The color filters, which are broadly used in liquid crystal flat panel displays, are essential components for true colorization of display devices, and they are the

upstream supporting materials for LCD panels. The Company will focus on extending the flat panel display industry chain to improve the local matching rate of the domestic TFT-LCD industry and reduce the cost of domestic TFT-LCD products, which will enhance the competitiveness of China's TFT-LCD industry. The sapphire business focuses on the supply of LED substrates, and the Company possesses the sapphire crystal growth and complete processing technology. At present, the Company's main products are 4-inch LED substrate products, which provide the sapphire substrates for downstream LED customers, and it maintains a stable development trend.

### 3. Industrial application of graphene material

The graphene has excellent characteristics of optics, electricity, heat and mechanics and important application prospects in terms of materialogy and energy, etc. and is deemed as a revolutionary new material. The company hatched a batch of high-tech subsidiaries of graphene industrialization in the graphene field, and formed effective linkage with the main business of the company to accelerate the development and application of its own graphene products. Currently, the company's industrial application of graphene materials has formed a product layout with four industrial product series of graphene-based lithium ion batteries, graphene energy-saving lighting, graphene electric heating and graphene anticorrosive coatings as the forerunner, with exploration for innovative applications as the development goal. During the reporting period, the research and development and innovation incubation capabilities of graphene-related products reached a new high. Mingshuo Technology Smart Lamp products, a subsidiary of the company, integrated the independently developed graphene heat dissipation technology, which is featured by high light efficiency, high protection, small volume, intelligence and green energy conservation, and realizes smart city terminal application with lamp caps as carriers. In addition, the company successfully entered the laboratory of the University of Manchester Engineering Innovation Center in the UK, and accelerated the research and development of key graphene technologies through close cooperation with the world's top graphene research and development resources. With the gradual implementation and transformation of scientific research achievements in graphene and other fields, a new round of performance growth has started.

## II. High-end equipment manufacturing business

In recent years, the development path of intelligent manufacturing has deepened step by step from process automation to production line automation and intelligent factory. With the prosperity of industrial Internet, the production mode of intelligent factory will subvert the traditional manufacturing mode in the future, which is the development direction of China's high-end equipment manufacturing industry. While realizing the independent research and development of the equipment, the company has further promoted the intelligent development of the equipment manufacturing industry. Through continuous self-improvement, the company has accumulated abundant high-end equipment research and development and manufacturing strength, and has a complete set of domestic leading liquid crystal glass substrate production technology. The company has realized the independent development and manufacture of hardware and software of automatic handling equipment in the panel industry, gradually realized the localization substitution of core process equipment, and steadily expanded the market of high-generation panel production equipment. Currently, the company's high-end equipment business mainly adopts the system integration production mode, specializing in research, development and production of photoelectric display materials, semiconductor field, automatic logistics, automatic control system, customizes special equipment supply service, etc. At present, the company has a large number of large customers, group customers and leading enterprises in the industry with demand in the field of intelligence, revsing up the Company's smart manufacturing production performance improvement.

## III. New energy automobile business

Under the reshuffle effect of the industry brought by the new energy subsidy policy, the Company's new energy vehicle sector been steadily increasing, The company strives to build a new force in the industry landscape. Currently, the company's new energy vehicle products mainly cover pure electric city buses, hydrogen fuel cell buses and hybrid city buses. They are pre-arranged and have the design, production and manufacturing capabilities of new energy logistics vehicles and new energy sanitation special vehicles. They can be customized and sold according to customer needs. Currently, hydrogen fuel cell bus is an important direction for the development of new energy bus. Conforming to this market trend, Shenlong takes the lead in the development of hydrogen fuel cell bus relying on many years of production experience and strong scientific research ability. The company adopts lightweight design, three-dimensional full-load frame and high charging and discharging performance power battery technology, which greatly improves the driving experience and comfort. The power, safety, comfort and stability of the vehicle reach the first-class level in China. Meanwhile, thanks to the national "the belt and road initiative", the overseas new energy bus market is gradually warming up, providing a good external environment for the overseas business development of Sunlong Bus, with products sold in batches to

Southeast Asia, the Middle East, South America and Africa. The start-up and increase-in of the auto finance business will make the Company's development of new energy auto industry more healthy and sustainable.

#### IV. Other business system

##### 1. Electrocommunication product business

With the "13th Five-Year Plan" for national infrastructure construction, the company's construction and installation business takes smart city construction and green city construction as its direction and engineering construction as its main focus, driving the production and sales of supporting products for smart projects, realizing "smart projects+product integration" and creating a benchmark enterprise for smart construction. The business covers smart city, sponge city, municipal infrastructure, underground utility tunnel, industrial plant, land consolidation and other fields. Relying on the company's core industries, it provides an infrastructure construction system with reasonable layout, complete functions, supporting facilities and green intelligence to lead the development, so as to make both smart products and quality services, supplement the main business and boost the company's development.

##### 2. Electronic communication product business

As a supplement to the company's main business, based on high-quality customer resources such as photoelectric display materials and high-end equipment, the company provides sales services for display materials, memory chips, high-end intelligent electronic competition hosts, liquid crystal screen modules, complete machines and other related products to meet the needs of customers at different levels and provide high-quality customized products and services for customers at different levels.

## II .Major Changes in Main Assets

### 1. Major Changes in Main Assets

Main assets	Major changes
Equity assets	No significant change
Fixed assets	No significant change
Intangible assets	No significant change
Construction in process	No significant change
Notes receivable	Notes receivable decreased by 87.76%, mainly due to bills received in 2018 being cashed or endorsed in the first half of 2019.
Inventories	Inventory growth of 35.42% was mainly due to the completion of follow-up orders, stock up and the increase in completed and unsettled assets in the construction business sector
Long-term receivable	Long-term receivables increased by 68.62%, mainly due to the increase in long-term receivables caused by the increase in installment collection.

### 2. Main Conditions of Overseas Assets

☐ Applicable    ☒ Not applicable

## III. Analysis On core Competitiveness

Whether the company needs to comply with the disclosure requirements of the particular industry  
No

In Annual Report 2018, the Company disclosed five core competitive forces, namely "strong advantage in independent research and development and innovation ability", "scale advantage of core photoelectric display material", "integration advantage of endogenous and epitaxial industrial chains", "synergistic advantages of mutual dependence of business sectors" and "advantage in efficient management and decision-making mechanism". In the first half year of 2019, such core competitive force has been strengthened and deepened further without any other significant change.



## IV. Performance Discussion and Analysis

### I .General

In the first half of 2019, under the boost of the “steady growth” policy and a series of reform measures, the Chinese economy successfully resisted the impact of multiple downside risks, and the economy showed a slow and stable pick-up performance. However, as the uncertainty of Sino-US trade disputes increases, the global economic downturn is obvious, and ensued with zero interest rate or negative interest rate policies, the overall economic fundamentals in particular from the second quarter tend to have a striking feature of decline. Under this situation, the company closely follows the development orientation of national policies, seizes the new connotation of important strategic opportunities, actively enhances the ability of scientific and technological innovation, revs up the green development, and transforms the pressure of accelerating high-quality economic development into a driving force, solid develops the industry and deeply focuses on development of the fields including the high-technology, semiconductor, new materials and equipment manufacturing.

During the reporting period, in one respect, the Company solidly cultivated the existing industrial structure, focused on technological innovation, meticulously developed the business and products, promoting development through R&D, adhere to quality and efficiency, and on the other respect, it optimized management and personnel structure, reduced the costs and increased the efficiency, thus improving the business performance. In terms of refined management, the Company adheres to the “1+5” all-round target incentive mechanism, further highlights the strategic leading position of technology and product research and development, and takes the comprehensive budget management and financial management analysis as a platform, and builds the cadre management system and the enterprise culture as the cornerstone; with focusing on endogenous development and internal potential tapping, implementing the enhanced assessment and incentives, and with continuous optimizing of organizational configuration and organizational effectiveness, the increasingly strengthening of external market development and industrial synergy, it has revved up the capability of revenue generation, profitability, efficiency and core competition. In the first half of 2019, all aspects of the Company's production and operation were steadily advanced, gained with a certain degree of economic benefits. During the reporting period, the Company achieved the operating income of 8.475 billion yuan and realized a net profit of 844 million yuan attributable to shareholders.

The company's each business development status in the first half of 2019:

#### 1. Photoelectric display material business system

(1) Consolidate the main business to achieve stable development and strengthen the leading position of LCD glass substrates

From the Company's 5th generation of liquid crystal glass substrates to the 8.5th generation of glass substrates, the Company possesses a total of more than 20 production lines, which provides a full range of glass substrate products for downstream panel customers. Utilizing the advantages and fitting the trend, the Company has solidly improved the yield of high-generation glass substrate production lines and increased the market share. At present, the Company's products have been widely purchased by mainstream panel companies such as BOE, Shen Chao Optoelectronics and Longteng Optoelectronics, which are used in various display terminals such as portable display, car LED display, computer and home appliances. During the reporting period, the Company optimized and adjusted the industrial structure of glass substrates and revved up the technological innovation to further consolidate the Company's core competitiveness in the field of glass substrates.

(2) Distinguished Quality improvement, for providing a solid base to promote the OLED flexible display industry

Fitting the trends, based on its own technological advantages, the Company has deeply ploughed its technology research and development and innovation, promoting the high-aluminum cover glass substrate products used in the flexible display field, and it has gradually entered a good position, with the production line has entered a period of rapid development and the capacity of high-aluminum cover glass substrate ranked first in China, third in the world. During the reporting period, relied on the Company's high-end equipment manufacturing capabilities, the Company's subordinate company-Xu Hong Optoelectronics carried out the independent research and development, and now it has owned the completely independent intellectual property rights, with a good quality production technology. The product has fully covered the cover glass products ranging from the thickness of 0.1-6mm, with the overall product line has a comprehensive yield of 97%-which far exceeds the industry average of 80%. The cover glass and curved glass has achieved a balanced ratio, which has become an important step in the Company's layout of development of OLED display industry.

### (3) Active industrial chain extension and distinct industrial cluster effect

The Company's subordinate company-Tengda Optics continues to expand its optical film business scale and market share by relying on continuous deepening cooperative relationship with BOE. During the reporting period, in terms of scale, it closely followed the layout of BOE's industry, and built new plants in Chongqing and Mianyang to supply BOE. From the product, it had strengthened the research and development capabilities, gradually extended from the TFT product field to the OLED flexible display field, and the number of applicable optical films was increased sharply, as well as providing BOE with the related materials, thus laying a technical and market foundation for the Company's sustained and stable development. The Company further put efforts internally and externally in the color filters and consolidated the market competitiveness. During the reporting period, upon the continuous improvement of production line technology and quality level, it actively carried out the new product development and customer certification. At present, the Company has established stable cooperative relations with customers including INES and IVO. The sapphire products closely followed the LED industry on the large-size development trend. During the reporting period, the Company actively implemented the large-size product technical transformation, expanded the production capacity of 4-inch substrate products, and timely met the changes in the product demand structure by downstream customers, thus providing a solid basis for the Company's stable operation.

### (4) Vertically advancing the integration and development, continuing to promote the graphene industrialization

By continuously optimizing the product design, the Company strives to create the star products. As the core industry of Tunghsu Optoelectronic's second take-off development, the graphene industry has been strategically defined with leading path of various graphene preparation technologies and the realization of high value-added industrial application development such as "lampwick". The Company's controlling subsidiary-Mingshuo Technology has become one of the first six companies selected as responding to the national brand strategy-"New Action for National Brand Engineering and Service Industry by Xinhua News Agency". Meanwhile, the first self-developed Industry pioneering-"Graphene cooling LED tube" was awarded the "Aladdin Lamp Award-" which is regarded as the Oscar of the domestic lighting industry-upon its outstanding originality and technological advancement, which was graded first in the review and final review, and its market sales have reached new highs. In addition, the Company's international cooperation with Manda continued to advance and became the first member of China's first Manda Graphene Engineering Innovation Center. Cooperated with the team of Mandano Award scientists, by jointly shared the equipment and resources, it has jointly promoted the graphene technology and incubated the graphene industrialization of related products. Meanwhile, the Company seized the development opportunities, timely adjusted its development strategy and sales strategy, launched several EMC projects in a timely manner, and it combined with new opportunities in the capital market for striving for greater development of the graphene industry. With the application of relevant key technical achievements, the graphene industrialization application sector is expected to maintain a strong growth momentum and to contribute the profits to the listed company.

### 2. Smart manufacturing business system

Be honest and faithful and keeping doing a good job in development, continues to steadily develop the equipment and technology

In recent years, the Company's high-end smart equipment has been deeply cultivated and steadily developed in the fields of optoelectronic industry chain, semiconductor equipment and other general-purpose equipment, which has been benefited from the integration of two technologies and the promotion of smart manufacturing policies. During the reporting period, the Company consolidated its development strength and achieved the development of its own equipment technology and industrial upgrading based on the customers' system requirements for products and supporting equipment. By utilizing the advanced technology and the complete system of high-end equipment manufacturing capabilities, it further promoted the high value-added business, which has gained a good reputation and stable partners in the domestic high-end customer field. The company expands its multi-dimensional intelligent manufacturing business, develops towards the direction of smart, high-end, green and integrated, and having a good lay-out of production of smart robots, thus to further accelerate the deep expansion and development of high-end smart manufacturing.

### 3. New energy vehicle business

Forward-looking concept and synergy with the main business, deepen the harmonious development of the new energy automobile industry

Under the reshuffle effect of the industry brought by the new energy subsidy policy, the Company's new energy vehicle sector has grown substantially and has become a new force in building the industry structure. Under the Company's forward-looking concept and collaborative development for promoting the energy revolution, it deeply cooperates with Yihuatong to seize the hydrogen fuel bus development opportunities and meanwhile shapes up the hydrogen fuel cell development technology, thus to further improve the industrial synergy effect of the

Company's new energy vehicle business. During the reporting period, in the 5th batch of “Recommended Models for Promotion and Application of New Energy Vehicles” issued by the Ministry of Industry and Information Technology, the number of selected models of Shenlong Bus accounted for a percentage of 21.1% in the total number of selected models, nearly 1/4 of the total number of models and ranked the top place, and also the total number of selected models that meet the latest subsidy technical standards for 2019 ranked second in the industry. In addition, the Company has been actively accelerating the construction of the new energy automobile industry base, thus to provide a guarantee for the healthy development of the Company's new energy industry cluster. While striving to develop the business, as the scale grew in the business development stage, the Company promptly started to strengthen the business-related auto finance work, thus laying the foundation for the further healthy development.

#### 4. Other value-added services

Stable and sound development, construction and installation business and electronic communication business are conducive to promote profitability

As a supplement to the Company's main business, the construction and installation business involves smart cities, sponge cities, municipal infrastructure, underground integrated pipe corridors, industrial plants, land consolidation and many other fields. With the smart domestic cities development and the continuous improvement of industrialization level, the construction and installation business has been increasingly innovated, meanwhile which cooperates with other core industries of the Company to expand business space in new materials, energy conservation and environmental protection and other fields to promote the Company's sustainable development with smart products and quality services. The electronic communication products business continued to grow rapidly during the reporting period, and by utilizing the Company's various industry business customer resources, it further broadened the sales and contributed to improve the Company's operating income.

## II. Main business analysis

Refer to relevant contents of “1. Summarization” in “Discussion and Analysis of Management”.

Changes in the financial data

In RMB

	This report period	Same period last year	YOY change (%)	Cause change
Operating income	8,475,089,222.93	11,129,851,790.88	-23.85%	
Operating cost	6,571,893,216.94	9,021,989,897.09	-27.16%	
Sale expenses	155,812,716.54	93,892,692.42	65.95%	Mainly due to the increase in sales promotion & marketing
Administrative expenses	282,118,024.57	204,871,395.72	37.70%	Mainly due to the increased labor costs
Financial expenses	368,090,095.96	395,227,116.30	-6.87%	
Income tax expenses	186,908,717.85	282,130,776.24	-33.75%	Mainly due to the decrease in profit before tax for the current period compared with the previous year
R & D Investment	239,995,337.32	193,027,311.57	24.33%	
Net cash generate by operating activities	594,348,068.16	83,617,287.66	610.80%	Mainly due to the increase in sales payment collected
Net cash generated by investing activities	-100,846,155.97	-1,660,557,972.96	93.93%	Mainly due to the increase in the recovery of matured deposits and the decrease in investment in fixed assets during the period.
Net cash generated by financing activities	-20,827,235.34	-2,092,134,104.87	99.00%	Mainly due to the fund increase by financing in place.
Net increase in cash and cash equivalents	470,382,603.34	-3,671,727,390.78	112.81%	

Major changes to the profit structure or sources of the Company in the reporting period

☐ Applicable ☒ Not applicable

Breakdown of main business

In RMB

	Operating revenue	operating costs	Gross profit rate(%)	Increase/decrease of reverse in the same period of the previous year(%)	Increase/decrease of principal business cost over the same period of previous year (%)	Increase/decrease of gross profit rate over the same period of the previous year (%)
<b>On Industry</b>						
Optoelectronic display material	1,965,002,241.79	1,475,046,536.81	24.93%	-9.12%	-12.89%	3.24%
Equipment and Technology serves	3,291,442,406.83	2,330,990,248.59	29.18%	-10.21%	-19.25%	7.93%
Industrial application of graphene	62,522,517.77	36,518,588.14	41.59%	181.81%	302.60%	-17.53%
New energy vehicle	653,517,499.98	529,402,326.49	18.99%	-36.07%	-35.41%	-0.83%
Construction Installation	1,533,873,637.92	1,371,263,434.71	10.60%	-1.40%	-8.64%	7.08%
Electronic communication products	669,208,048.08	658,461,020.61	1.61%	-57.41%	-57.19%	-0.50%
<b>On Products</b>						
Optoelectronic display material	1,965,002,241.79	1,475,046,536.81	24.93%	-9.12%	-12.89%	3.24%
Equipment and Technology serves	3,291,442,406.83	2,330,990,248.59	29.18%	-10.21%	-19.25%	7.93%
Industrial application of graphene	62,522,517.77	36,518,588.14	41.59%	181.81%	302.60%	-17.53%
New energy vehicle	653,517,499.98	529,402,326.49	18.99%	-36.07%	-35.41%	-0.83%
Construction Installation	1,533,873,637.92	1,371,263,434.71	10.60%	-1.40%	-8.64%	7.08%
Electronic communication products	669,208,048.08	658,461,020.61	1.61%	-57.41%	-57.19%	-0.50%
<b>On Area</b>						
China	7,807,204,035.77	6,045,900,645.75	22.56%	-11.71%	-17.67%	5.60%
Hongkong,Macau and Taiwan	305,000,622.44	303,790,862.26	0.40%	-72.05%	-71.30%	-2.59%
Overseas	63,361,694.16	51,990,647.34	17.95%	-3.19%	13.70%	-12.19%

### III.Non-core business analysis

☐ Applicable ☒ Not applicable

### IV. Analysis of assets and liabilities

#### 1.Significant changes in asset composition

In RMB

	End of Reporting period	End of same period of last year	Change in	Reason for
--	-------------------------	---------------------------------	-----------	------------



	Amount	As a percentage of total assets(%)			percentage(%)	significant change
Cash and bank balances	19,608,160,332.91	27.47%	23,794,597,055.80	35.68%	-8.21%	
Accounts receivable	11,948,970,007.58	16.74%	9,937,647,168.77	14.90%	1.84%	
Inventories	4,754,313,963.62	6.66%	4,210,883,497.85	6.31%	0.35%	
Real estate Investment	711,680,374.74	1.00%	66,930,130.01	0.10%	0.90%	
Long-term equity investment	2,191,785,865.01	3.07%	2,142,476,783.38	3.21%	-0.14%	
Fixed assets	9,043,235,757.53	12.67%	10,938,598,162.98	16.40%	-3.73%	
Construction in process	5,511,187,961.75	7.72%	5,387,496,213.47	8.08%	-0.36%	
Short-term loans	9,194,934,400.00	12.88%	6,812,784,698.87	10.22%	2.66%	
Long-term loans	3,200,691,400.00	4.48%	3,823,532,289.32	5.73%	-1.25%	
Intangible assets	1,114,095,291.45	1.56%	1,149,208,605.35	1.72%	-0.16%	
Goodwill	2,702,403,019.28	3.79%	2,840,823,542.00	4.26%	-0.47%	
Bonds payable	5,282,105,325.64	7.40%	5,625,817,373.23	8.44%	-1.04%	

## 2.Asset and Liabilities Measured by Fair Value

√ Applicable □ Not applicable

In RMB

Items	Amount at year beginning	Gain/loss on fair value change in the reporting period	Cumulative fair value change recorded into equity	Impairment provisions in the reporting period	Purchased amount in the reporting period	Sold amount in the reporting period	Amount at year end
Financial assets							
1. Tradable financial assets (excluding derivative financial assets)					3,000,000.00		3,000,000.00
Other Non current financial assets	243,158,605.30				305,000,000.00		548,158,605.30
Total	243,158,605.30				308,000,000.00		551,158,605.30
Financial Liability	0.00				0.00		0.00

Did great change take place in measurement of the principal assets in the reporting period ?

□ Yes √ No

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

Restrictions on asset rights at the end of the reporting period are as follows:

The restrictive currency funds are 4,221,140,438.53 yuan, mainly including the security deposit of acceptance bill, the time deposit and the guarantee deposit.

The restrictive fixed assets are 10,023,924,207.63 yuan, mainly including the fixed assets formed by set mortgage and finance lease.

The restrictive intangible assets are 444,132,103.11 yuan, mainly as the collateral for obtaining loans.

The restrictive construction in progress is 2,387,597,640.81 yuan, mainly as the collateral to obtain loans.

The restrictive investment real estate is 663,577,011.23 yuan, mainly as the collateral to obtain loans.

The restrictive inventory amount is 286,588,819.60 yuan, mainly as the collateral to obtain loans.

The restrictive accounts receivable is 1,739,594,424.68 yuan, mainly is factoring financing.

## V. Investment situation

### 1. External investment

√ Applicable □ Not applicable

Investments made in the reporting period	Investments made in same period of last year	+/- %
2,618,415,914.74	3,148,450,556.06	-16.83%

### 2. Condition of Acquiring Significant Share Right Investment during the Report Period

√ Applicable □ Not applicable

In RMB

Name of the Company Invested	Main Business	Investment Way	Investment Amount	Share Proportion %	Capital Source	Partner	Investment Horizon	Product Type	Progress up to Balance Sheet Date	Anticipated Income	Gain or Less or the Current Investment	Whether to Involve in Lawsuit	Date of Disclosure (Note 5)	Disclosure Index
Tunghsu (Jinzhou) Precision optoelectronic technology co., Ltd.	Photoelectric display material	New establishment	500,000,000.00	100.00 %	Self funds	No	long-term	Photoelectric display material	Completed	0.00	0.00	No		
Tunghsu (Jinzhou) Intelligent material technology co., Ltd.	Photoelectric display material	New establishment	300,000,000.00	100.00 %	Self funds	No	Long-term	Photoelectric display material	Completed	0.00	0.00	No		
Tunghsu (Jinzhou) Intelligent Optoelectronic Co., Ltd.	Photoelectric display material	New establishment	300,000,000.00	100.00 %	Self funds	No	Long-term	Photoelectric display material	Completed	0.00	0.00	No		
Tunghsu (Jinzhou) Precision Optoelectronic Co., Ltd.	Photoelectric display material	New establishment	500,000,000.00	100.00 %	Self funds	No	Long-term	Photoelectric display material	Completed	0.00	0.00	No		
Liaonin	Research	New	100,000,000.00	100.00 %	Self funds	No	Long-term	high-end	Completed	0.00	-30.00	No		

g Tunghs u Sanbao Intellig ent Technol ogy Co., Ltd.	h & Develo pment and Manufa cturing of Robot and Intellig ent Electro nic equipm ent	establis hment	0,000.0 0	%	funds		erm	d manufa cture	eted					
Tunghs u Kunsha n Display Materia ls Co., Ltd.	Photoel ectric display material	Increas e capital	400,00 0,000.0 0	93.40%	Rised funds	Kunsha n Develo pment Zone Guotou Holdin gs Co., Ltd.	Long-t erm	Photoel ectric display materia l	Compl eted	0.00	-4,185,4 13.92	No	March 9,2019	<a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a>
Total	--	--	2,100,0 00,000. 00	--	--	--	--	--	--	0.00	-4,185,4 43.92	--	--	--

### 3. Situation of the Significant Non-equity Investment Undergoing in the Report Period

☐ Applicable ☒ Not applicable

### 4. Investment of Financial Asset

#### (1) Securities investment

☒ Applicable ☐ Not applicable

Secu rity categ ory	Secu rity code	Stock Abbrevi ation:	Initial investm ent cost	Mode of account ing measure ment	Net carryi ng amou nt balan ce at the begin ning of the report ing perio d	Chan ges in fair valu e of the this perio d	Cumul ative fair value change s in equity	Purchas e amount in the this period	Sale amo unt in the this peri od	Gain/ loss of the report ing period	Net carryin g amount balance at the end of the reportin g period	Account ing items	Sou rce of the shar es
Bon ds	2040 04	GC004	3,000,0 00.00	FVM	0	0	0	3,000,0 00.00	0	0	3,000,0 00.00	Transac tional financia l assets	Self fun ds
Total			3,000,0 00.00	--	0	0	0	3,000,0 00.00	0	0	3,000,0 00.00	--	--
Securities Investment Approval Board Announcement													

Disclosure Date	
Securities Investment Approval Shareholders' Meeting Announcement Disclosure Date (if any)	

## (2) Investment in Derivatives

☐ Applicable ☒ Not applicable  
Nil

**VI. Significant Asset and Right Offering**

## 1. Situation of Significant Asset Sale

☐ Applicable ☒ Not applicable  
Nil

## 2. Situation of Substantial Stake Sale

☐ Applicable ☒ Not applicable

**VII. Analysis of the Main Share Holding Companies and Share Participating Companies**

☒ Applicable ☐ Not applicable

Situation of Main Subsidiaries and the Joint-stock Company with over 10% net profit influencing to the Company  
In RMB

Company Name	Company type	Sectors engaged in	Registered capital	Total assets	Net assets	Turnover	Operating profit	Net Profit
Wuhu Tunghsu Optoelectronic Equipment Technology Co., Ltd.	Subsidiary	Equipment and technology Service	2,500,000,000.00	18,372,631,984.28	3,689,405,492.48	2,178,587,816.15	885,107,149.25	753,444,410.24
Tunghsu Construction Group Co., Ltd.	Subsidiary	Construction	3,000,000,000.00	8,605,204,372.88	3,522,915,565.19	1,011,103,466.89	121,227,209.43	89,344,160.05
Wuhu Tunghsu Optoelectronic Technology Co., Ltd.	Subsidiary	Photoelectric display material	2,000,000,000.00	11,113,701,599.97	5,542,854,866.59	406,102,687.12	55,304,194.88	50,621,430.45
Sichuan Xuhong Optoelectronic Technology Co., Ltd.	Subsidiary	Photoelectric display material	2,000,000,000.00	3,776,575,572.12	2,242,805,067.29	211,894,433.02	66,519,340.47	55,981,994.87

Acquirement and disposal of subsidiaries in the Reporting period

☒ Applicable ☐ Not applicable

Name	Mode	Influence
Wuhan Tunghsu Optoelectronic Technology Co., Ltd.	Disposition	Based on overall strategic layout planning considerations
Zhongcheng Guojian Co., Ltd.	Disposition	Based on overall strategic layout planning considerations

### VIII. Structured vehicle controlled by the Company

☐ Applicable ☒ Not applicable

### IX. Prediction of business performance for January -September 2019

Estimation of accumulative net profit from the beginning of the year to the end of next report period to be loss probably or the warning of its material change compared with the corresponding period of the last year and explanation of reason.

☐ Applicable ☒ Not applicable

### X. Risks facing the Company and countermeasures

#### 1. Macroeconomic cyclical fluctuation risk and technology upgrade alternative risk

The Company's optoelectronic display materials business centered on glass substrates, which relied on the LCD panels in the downstream industry. In recent years, LCD panels have gradually evolved from low-generation to high-generation. Due to the gradual saturation demand in the global consumer electronics market, the growth of the consumer electronics industry has slowed down, and the competition in LCD panels and upstream glass substrates has been intensified, leading to the price of glass substrates decreased. In addition, with the rapid development of the electronic display industry, other new alternatives of composite materials may be surfaced in the future, thus if the downstream flat panel display industry undergoes major technological changes and the Company fails to timely achieve the technological innovation, then the Company will face certain alternative risks brought by technologies upgrading, and will expose to the risk of a downturn in the industry.

Improvement actions: After years of development, the Company has many times broken through the international technology blockade upon the strong scientific research strength, realized the home-made of liquid crystal glass substrates, and gradually become a leading enterprise in the production of integrated photoelectric display materials and intelligent manufacturing. In recent years, under the multi-round industry-driven model, the Company has made coordinated development and synergy development, closely tracking and analyzing the trend of macroeconomic situation, predicting the macroeconomic changes, mastering the relevant industry policies and information, and timely preventing from the policy risks and industry risks to ensure the efficiency and effectiveness of the Company's operations, as well as effectively responded to the macroeconomic cyclical fluctuations. Furthermore, upon the continuous investment in scientific research, the Company has maintained the technological advantages in the field of optoelectronic display. In order to cope with the risks of technology substitution and to adapt to the development trend and technological changes, the Company will continue to increase investment in research and development, putting efforts to make constant breakthroughs in the ultra-thin glass, high-temperature glass and OLED carrier glass, thereby effectively improving the core technology level and market competitiveness of glass substrates.

#### 2. Risks brought by the continuous decline of subsidies for new-energy vehicles

With the gradual maturity of the new energy automobile industry, the continuous decline of new energy automobile subsidies will bring certain impact on the future sales of new energy automobile products. At present, the new energy automobile industry is highly competitive and highly dependent on policy. Although the Company has detailedly measured the feasibility of realizing the relevant business plan after the subsidies retreat, Sunlong bus will face the risk of its business performance less-than-expected if there are major adverse changes in the relevant industrial policies in the future. Besides, in recent years, due to the slow global economic recovery, exchange rate fluctuations, changes in the economic pattern and other complex factors, the automobile market competition will be increasingly intensified.

Improvement actions: In the future, the competition in China's auto industry will continue to intensify. Due to the gap between technology and capital, the leading enterprises have strong ability to reduce costs. In the future, the

industry concentration is expected to increase significantly, and the effect of leading position will be increasingly obvious-that a leading company with the comprehensive advantages of technology, capital, R&D and brand will continue to benefit more and the small-scale companies will have limited profit margins. In addition, with the gradual improvement and upgrade of related technologies in power batteries, vehicle manufacturing, charging piles, charging stations and so on, the production costs and the unit sales prices will be effectively reduced; thus the production costs of Shenlong Bus is expected to gradually decline, which will effectively offset the adverse effects brought by the subsidy retreat policy, and will then drive the demand growth and sales of Shenlong new energy passenger bus products. In recent years, with the increasing awareness of environmental protection among Chinese people, new energy vehicles have become more and more popular, and new energy vehicles are more likely to be accepted by the public as a major force for energy conservation and emission reduction. Furthermore, with the continuous deepening development of the “One Belt, One Road” construction-which is deemed as the world's longest economic corridor across more than 60 countries and regions, the overseas new energy bus market is likely to have a gradual recovery, thus providing a good external environment for the development of Sunlong Bus's overseas business. Meanwhile, the building work of the auto finance business was initiated, which not only solved the recent operational disturbances, but also mainly solved the difficulties and shortcomings faced in the long-term scale development.

## V. Important Events

### 1. Annual General Meeting and Extraordinary Shareholders' Meetings in the Reporting Period

#### 1. Annual General Meeting

Meeting	Type	Investor participation ratio	Convened date	Disclosure date	Index to disclosed information
The First provisional shareholders' General meeting in 2019	Provisional shareholders' General meeting	24.21%	April 19,2019	April 20,2019	Announcement No.:2019-024).. Published in China Securities Daily, Securities Times, Shanghai Securities Daily , Securities daily , Hong Kong Commercial Daily and <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> .
2018 Shareholders' general meeting	Annual Shareholders' General Meeting	18.93%	May 20,2019	May 21,2019	Announcement No.:2019-039).. Published in China Securities Daily, Securities Times, Shanghai Securities Daily , Securities daily , Hong Kong Commercial Daily and <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> .
The Second provisional shareholders' General meeting in 2019	Provisional shareholders' General meeting	18.96%	June 14,2019	June 15,2019	Announcement No.:2019-047).. Published in China Securities Daily, Securities Times, Shanghai Securities Daily , Securities daily , Hong Kong Commercial Daily and <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> .
The Third provisional shareholders' General meeting in 2019	Provisional shareholders' General meeting	19.13%	July 15,2019	July 16,2019	Announcement No.:2019-047).. Published in China Securities Daily, Securities Times, Shanghai Securities Daily , Securities daily , Hong Kong Commercial Daily and <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> .
The Fourth provisional shareholders' General meeting in 2019	Provisional shareholders' General meeting	19.11%	July 26,2019	July 27,2019	Announcement No.:2019-071).. Published in China Securities Daily, Securities Times, Shanghai Securities Daily , Securities daily , Hong Kong Commercial Daily and <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> .

#### 2. Preferred stockholders restored voting rights to request to convene Provisional Shareholders' Meeting.

☐Applicable ☒Not applicable

## **II. Proposal for profit distribution and converting capital Reserve into share actual for the reporting period**

☐ Applicable ☒ Not applicable

For the reporting period, the Company plans not to distribute cash dividends or bonus shares or convert capital reserve into share capital.

## **III. The fulfilled commitments in the reporting period and under-fulfillment commitments by the end of the reporting period made by the company, shareholder, actual controller, acquirer, director, supervisor, senior management personnel and other related parities.**

☐ Applicable ☒ Not applicable

Not -existent

## **IV. Particulars about engagement and disengagement of CPAs firm**

Whether the semi-annual financial report had been audited?

☐ Yes ☒ Not

The semi-annual report was not audited.

## **V. Explanations given by board of directors and supervisory board regarding “ Modified auditor’s” Issued by CPAs firm for the reporting period**

☐ Applicable ☒ Not applicable

## **VI. Explanations given by Board of Directors regarding “ Modified auditor’s Report” Issued for last year**

☐ Applicable ☒ Not applicable

## **VII. Bankruptcy and restructuring**

☐ Applicable ☒ Not applicable

No such cases in the reporting period.

## **VIII. Legal matters**

Significant lawsuits or arbitrations

☐ Applicable ☒ Not applicable

No such cases in the reporting period.

Other legal matters

☐ Applicable ☒ Not applicable

## **IX. Punishments and rectifications**

☐ Applicable ☒ Not applicable

No such cases in the reporting period.

## **X. Credit conditions of the Company as well as its Controlling shareholder and actual Controller**

☐ Applicable ☒ Not applicable

**XI. Equity incentive plans, employee stock ownership plans or other incentive measures for employees**√ Applicable ☐ Not applicable

1. The Company's first session of staff shareholding plan totaled RMB 495.4 million and involved full-amount subscription of 72,639,296 shares in the Company's 2015 private placement through Changjiang Xingli No.2 Directed Issue Plan at cost price of RMB 6.82/share. Going public at Shenzhen Stock Exchange on December 17, 2015, the preceding shares will sustain 48 months in total. The restriction on sales was relieved in the staff shareholding plan on December 18, 2018. The due date is December 16, 2019.

On June 15, 2019, the company disclosed the Suggestive Announcement on the First Phase of Employee Stock Ownership Plan 6 months before the expiration of the first phase of employee stock ownership plan according to the relevant provisions of Shenzhen Stock Exchange's Mainboard Information Disclosure Memorandum No 3 - Equity Incentive and Employee Stock Ownership Plan.

2. The Company set up the second session of its staff shareholding plan on September 5, 2017. Through the assembled fund trust plan of the Zhonghai Trust-Tunghsu Optoelectronic Staff Shareholding Plan, 52,555,280 shares of the Company were bought at the secondary market in such methods as centralized bidding and block trade, involving the amount of RMB 496,412,100, RMB 9.45/share in average; on December 28, 2017, the transaction was completed and funds earned were transferred to the account of the assembled fund trust plan. The duration is 24 months, and the duration of the Employee Stock Ownership Plan will expire on September 4, 2019.

On March 2, 2019, the company disclosed the Suggestive Announcement on the Second Phase of Employee Stock Ownership Plan 6 months before the expiration of the second phase of employee stock ownership plan according to the relevant provisions of Shenzhen Stock Exchange's Mainboard Information Disclosure Memorandum No 3 - Equity Incentive and Employee Stock Ownership Plan.

According to the Guidance on Regulating Asset Management Business of Financial Institutions jointly issued by the People's Bank of China, the Bank of China Insurance Regulatory Commission, the China Securities Regulatory Commission and the State Administration of Foreign Exchange (YF [2018] No.106, hereinafter referred to as the "New Regulation of Assets"), the "Zhonghai Trust Co., Ltd. - Zhonghai Trust-Tunghsu Optoelectronic Collective Funds Trust Plan for Employee Stock Ownership Plan" subscribed for in the second phase of the Company's Employee Stock Ownership Plan does not meet the requirements of the new regulation on leverage ratio. According to the new asset management regulations and related regulatory requirements, the company's second phase of employee stock ownership plan will not be extended. The company disclosed the Announcement on the Termination of the Company's Second Phase of Employee Stock Ownership Plan on July 27, 2019 in accordance with the relevant provisions of Shenzhen Stock Exchange's Mainboard Information Disclosure Memorandum No 3 - Equity Incentive and Employee Stock Ownership Plan, the Second Phase of Employee Stock Ownership Plan of Tunghsu Photoelectric Technology Co., Ltd. (Draft) and Shenzhen Stock Exchange's Information Disclosure Guidelines for Listed Companies No.4 - Employee Stock Ownership Plan (Draft for Comments).

**XII. Material related transactions****1. Related transactions in connection with daily operation**√ Applicable ☐ Not applicable

Related parties	Relationship	Type of trade	Subjects of the related transactions	Principle of pricing the related transactions	Price of trade	Amount of trade (ten thousand)	Ratio in similar trades	Trading limit approved (ten thousand)	Whether over the approved limit	Way of payment	Market price of similar trade available	Date of disclosure	Index of information disclosure
-----------------	--------------	---------------	--------------------------------------	---	----------------	--------------------------------	-------------------------	---------------------------------------	---------------------------------	----------------	---	--------------------	---------------------------------



									ed or not (Y/N )				
Zhongshan Shenzhen Real Estate Development Co., Ltd.	Controlled by the same actual controller	Selling goods and providing services	Construction Engineering	Reference price setting	22,971.24	22,971.24		70,881.1	No	Currency	22,971.24	April 30, 2019	<a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a>
Dongguan Real Estate Development Co., Ltd.	Controlled by the same actual controller	Selling goods and providing services	Construction Engineering	Reference price setting	9,353.83	9,353.83		23,822.96	No	Currency	9,353.83	April 30, 2019	<a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a>
Kunming Tunghsu Qiming Investment Development Co., Ltd.	Controlled by the same actual controller	Selling goods and providing services	Construction Engineering	Reference price setting	8,184.12	8,184.12		57,164.1	No	Currency	8,184.12	April 30, 2019	<a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a>
Huidong Baoan Hongji Real Estate Development Co., Ltd.	Controlled by the same actual controller	Selling goods and providing services	Construction Engineering	Reference price setting	7,878.76	7,878.76		22,686.34	No	Currency	7,878.76	April 30, 2019	<a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a>
Chongqing Tunghsu Qide Real Estate Co., Ltd.	Controlled by the same actual controller	Selling goods and providing services	Construction Engineering	Reference price setting	7,273.87	7,273.87		1,600	Yes	Currency	7,273.87	April 30, 2019	<a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a>
Zhongshan Shenzhen Real Estate Investment Co., Ltd.	Controlled by the same actual controller	Selling goods and providing services	Construction Engineering	Reference price setting	5,174.76	5,174.76		500	No	Currency	5,174.76	April 30, 2019	<a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a>
Total				--	--	60,836.58	--	176,654.5	--	--	--	--	--
Details of any sales return of a large amount				Nil									
Give the actual situation in the report period where a forecast had been				Nil									

made for the total amounts of routine related-party transactions by type to occur in the current period(if any )	
Reason for any significant difference between the transaction price and the market reference price (if applicable)	Not applicable

## 2. Related-party transactions arising from asset acquisition or sold

☐ Applicable ☒ Not applicable

No such cases in the reporting period.

## 3. Related-party transitions with joint investments

☐ Applicable ☒ Not applicable

No such cases in the reporting period.

## 4. Credits and liabilities with related parties

☒ Applicable ☐ Not applicable

Whether has non-operational contact of related liability and debts or not

☐ Yes ☒ No

No such cases in the reporting period.

## 5. Other significant related-party transactions

☐ Applicable ☒ Not applicable

No such cases in the reporting period.

## **XIII. Particulars about the non-operating occupation of funds by the Controlling shareholder and other related parties of the Company**

☐ Applicable ☒ Not applicable

The company was not involved in the non-operating occupation of funds by the controlling shareholder and other related parties during the reporting period.

## **XIV. Significant contracts and execution**

### 1. Entrustments, contracting and leasing

#### (1) Entrustment

☐ Applicable ☒ Not applicable

No such cases in the reporting period.

#### (2) Contracting

☐ Applicable ☒ Not applicable

No such cases in the reporting period.

## (3) Leasing

□Applicable √ Not applicable

No such cases in the reporting period.

## 2.Significant guarantees

√ Applicable □Not applicable

## (1) Guarantees

Ten thousands yuan

External Guarantee (Exclude controlled subsidiaries)								
Name of the Company	Relevant disclosure date/No. of the guaranteed amount	Amount of Guarantee	Date of happening (Date of signing agreement)	Actual mount of guarantee	Guarantee type	Guarantee term	Complete implementation or not	Guarantee for associated parties (Yes or no)
Auto sales mortgage customers	July 14,2018	150,000		21,898.34	The joint liability guaranty	12 months	No	No
Total of external guarantee approved in the report term (A1)		0		Total of external guarantee actually occurred in the report term (A2)		21,898.34		
Total of external guarantee approved as of end of report term (A3)		150,000		Total of external guarantee actually occurred as of end of report term (A4)		21,898.34		
Guarantee of the company for its subsidiaries								
Guarantee provided to	Amount of guarantee and date of disclosure	Amount of the guarantee	Actual date of occurring (signing date of agreements)	Actual amount of guarantee	Type of guarantee	Term	Complete d or not	Related guarantee
Wuhu Tunghsu Optoelectronic Technology Co., Ltd.	June 20,2013	132,000	November 12,2013	59,375	The joint liability guaranty	96 months	No	No
Wuhu Tunghsu Optoelectronic Technology Co., Ltd.	September 27,2013	90,000	April 8,2014	34,375	The joint liability guaranty	96 months	No	No
Wuhu Tunghsu Optoelectronic Equipment Technology Co., Ltd.	April 12,2014	150,000	October 30,2014	29,000	The joint liability guaranty	96 months	No	No
Wuhu Tunghsu Optoelectronic Technology Co., Ltd.	November 18,2016	52,300	December 2,2016	38,678.63	The joint liability guaranty	6 years	No	No
Wuhu Tunghsu Optoelectronic Equipment Technology Co., Ltd.	December 26, 2017	9,500	July 31, 2018	9,500	The joint liability guaranty	1 years	No	No
Tunghsu (Kunshan) Display Material	May 11,2018	38,000	May 14,2018	27,166.67	The joint liability guaranty	From the effective date of the	No	No

Co., Ltd.						guarantee contract to two years after the expiration of the term of performance of the finance lease contract		
Tunghsu (Kunshan) Display Material Co., Ltd.	July 14, 2018	15,000	July 26, 2018	4,950	The joint liability guaranty	3 years	No	No
Chongqing Jinghuateng Optoelectronic Technology Co., Ltd.	August 4, 2018	1,000	September 26, 2018	1,000	The joint liability guaranty	1 year	No	No
Chongqing Jinghuateng Optoelectronic Technology Co., Ltd.	August 4, 2018	1,000	February 7, 2018	1,000	The joint liability guaranty	1 year	No	No
Zhengzhou Xufei Optoelectronic Technology Co., Ltd.	August 31, 2018	8,000	September 18, 2018	8,000	The joint liability guaranty	12 months	No	No
Jiangsu Jixing New material Co., Ltd.	September 22, 2018	10,000	September 30, 2018	8,458.34	The joint liability guaranty	3 years	No	No
Shanghai Sunlong	September 22, 2018	4,000	November 5, 2018	2,000	The joint liability guaranty	1 year	No	No
Zhengzhou Xufei	September 22, 2018	12,000	September 28, 2018	12,000	The joint liability guaranty	1 year	No	No
Chongqing Jinghuateng	September 22, 2018	2,000	September 27, 2018	2,000	The joint liability guaranty	1 year	No	No
Hunan Tunghsu Delai	October 20, 2018	12,000	December 19, 2018	2,000	The joint liability guaranty	1 year	No	No
Guangxi Sunlong	October 20, 2018	30,000	November 29, 2018	5,000	The joint liability guaranty		No	No
Jiangsu Tunghsu Yitai	October 20, 2018	2,000	January 3, 2019	1,500	The joint liability guaranty	1 year	No	No
Suzhou Tengda	October 31, 2018	2,000	October 31, 2018	2,000	The joint liability guaranty	1 year	No	No
Chongqing Jinghuateng	October 31, 2018	2,500	November 20, 2018	2,500	The joint liability guaranty	1 year	No	No
Guangxi Sunlong	October 31, 2018	11,000	December 28, 2018	11,000	The joint liability guaranty	3 years	No	No
Guangxi Sunlong	October 31, 2018	19,000	January 3, 2019	9,000	The joint liability guaranty	3 years	No	No

Suzhou Tengda	November 24, 2018	2,500	December 3, 2018	2,000	The joint liability guaranty	1 year	No	No
Tunghsu (Kunshan) Display Material Co., Ltd.	November 24, 2018	30,000	December 14, 2018	10,000	The joint liability guaranty	1 year	No	No
Shanghai Sunlong	December 26, 2018	2,500	January 3, 2019	2,500	The joint liability guaranty	12 months	No	No
Tunghsu (Kunshan) Display Material Co., Ltd.	January 17, 2019	4,950		0	The joint liability guaranty	24 months	No	No
Shanghai Sunlong	January 17, 2019	2,990		0	The joint liability guaranty	6 months	No	No
Guangxi Sunlong	January 26, 2019	10,000	January 28, 2019	10,000	The joint liability guaranty	1 year	No	No
Guangxi Sunlong	January 26, 2019	17,000	March 6, 2019	10,000	The joint liability guaranty	1 year	No	No
Zhengzhou Xufei	January 19, 2019	11,000		0	The joint liability guaranty	1 year	No	No
Hunan Tunghsu Weitao	March 2, 2019	5,000	March 20, 2019	3,000	The joint liability guaranty	1 year	No	No
Jiangsu Tunghsu Yitai	March 2, 2019	3,000	March 8, 2019	2,945	The joint liability guaranty	1 year	No	No
Wuhu Tunghsu Optoelectronic	March 2, 2019	6,000		0	The joint liability guaranty	1 year	No	No
Wuhu Tunghsu Weigao	March 23, 2019	3,000		0	The joint liability guaranty	1 year	No	No
Chongqing Jinghuateng	April 4, 2019	2,000	April 19, 2019	2,000	The joint liability guaranty	1 year	No	No
Hunan Tunghsu Weisheng	April 4, 2019	2,000	April 16, 2019	2,000	The joint liability guaranty	1 year	No	No
Chenzhou Xuhong Traffic	May 9, 2019	26,200	June 6, 2019	26,200	The joint liability guaranty	15 years	No	No
Guangxi Sunlong	May 9, 2019	60,000	May 21, 2019	60,000	The joint liability guaranty	36 months	No	No
Wuhu Tunghsu Optoelectronic Equipment	May 30, 2019	28,000	June 17, 2019	10,500	The joint liability guaranty	1 year	No	No
Shanghai Sunlong	June 28, 2019	87,500			The joint liability guaranty		No	No
Total of guarantee for subsidiaries			268,640		Total of actual guarantee for subsidiaries in the			140,645

approved in the Period (B1)		Period (B2)	
Total of guarantee for subsidiaries approved at Period-end (B3)	906,940	Total of actual guarantee for subsidiaries at Period-end (B4)	411,648.64
Total approved guarantee amount during the reporting period(A1+B1+C1)	268,640	Total amount of guarantee amount in the reporting period(A2+B2+C2)	162,543.34
Total amount of guarantee approved at the end of the report(A3+B3+C3)	1,056,940	Total actual guarantee balance at end of reporting period(A4+B4+C4)	433,546.98
The proportion of the total amount of actually guarantee in the net assets of the company (A4+B4+C4)		13.14%	
Including :			
Amount of guarantee for shareholders, actual controller and its associated parties (D)		0	
The debts guarantee amount provided for the Guaranteed parties whose assets-liability ratio exceed 70% directly or indirectly (E)		17,000	
Proportion of total amount of guarantee in net assets of the Company exceed 50% (F)		0	
Total guarantee A mount of the abovementioned guarantees (D+E+F)		17,000	
Explanations on possibly bearing joint and several liquidating responsibilities for undue guarantees (if any)		Nil	
Explanations on external guarantee against regulated procedures (if any)		Nil	

## (2) Illegal providing of external guarantees

☐ Applicable ☒ Not applicable

No illegal providing of external guarantees in the report period.

## 3. Other significant contracts

☐ Applicable ☒ Not applicable

No such cases in the reporting period.

## XV. Social responsibilities

### 1. Major environmental protection

The Listed Company and its subsidiary whether belongs to the key sewage units released from environmental protection department

Yes

Company or subsidiary name	Main pollutant and specific pollutant name	Emission way	Emission port number	Emission port distribution condition	Emission concentration (mg/Nm <sup>3</sup> )	Implemented pollutant emission standards	Total emission	Verified total emission(Tons)	Excessive emission condition
Shanghai Sunlong Bus Co., Ltd.	COD	After the treatment reaches the standard, enter the urban sewage pipe	1	Total discharge of wastewater in the southeast corner of the plant	74mg/L	Shanghai Integrated wastewater discharge standard DB31/199-2018	/	/	Not exceeded

Shanghai Sunlong Bus Co., Ltd.	Ammonia nitrogen	After the treatment reaches the standard, enter the urban sewage pipe	1	Total discharge of wastewater in the southeast corner of the plant	5.63mg/L	Shanghai Integrated wastewater discharge standard	/	/	Not exceeded
Shanghai Sunlong Bus Co., Ltd.	SS	After the treatment reaches the standard, enter the urban sewage pipe	1	Total discharge of wastewater in the southeast corner of the plant	8mg/L	Shanghai Integrated wastewater discharge standard DB31/199-2018	/	/	Not exceeded
Shanghai Sunlong Bus Co., Ltd.	Petroleum	After the treatment reaches the standard, enter the urban sewage pipe	1	Total discharge of wastewater in the southeast corner of the plant	0.26mg/L	Shanghai Integrated wastewater discharge standard DB31/199-2018	/	/	Not exceeded
Shanghai Sunlong Bus Co., Ltd.	TP	After the treatment reaches the standard, enter the urban sewage pipe	1	Total discharge of wastewater in the southeast corner of the plant	2.19mg/L	Shanghai Integrated wastewater discharge standard	/	/	Not exceeded
Shanghai Sunlong Bus Co., Ltd.	VOCs	High-altitude emissions after treatment has reached the standard	4	Factory west	4.906mg/m <sup>3</sup>	"Automotive Manufacturing (Painting) Air Pollutant Emission Standards" DB32/859-2014	8.27t	/	Not exceeded
Shanghai Sunlong Bus Co., Ltd.	SO2	High-altitude emissions after treatment has reached the standard	10	West part of the middle of Factory	10.71mg/m <sup>3</sup>	"Emission Standards for Air Pollutants in Industrial Furnaces" DB31/860-2014	0.00115t	/	Not exceeded
Shanghai Sunlong Bus Co., Ltd.	NO	High-altitude emissions after treatment has reached the standard	10	West part of the middle of Factory	11.375mg/m <sup>3</sup>	"Emission Standards for Air Pollutants in Industrial Furnaces" DB31/860-2014	0.536t	/	Not exceeded
Shanghai Sunlong Bus Co., Ltd.	PM	High-altitude emissions after treatment has reached the standard	18	The middle of Factory	2.669mg/m <sup>3</sup>	"Integrated Emission Standards for Air Pollutants" DB31/933-2015	2.997t	/	Not exceeded
Guangxi	Chemical	Continuous	1	There is 1	45mg/L	Integrated	0.92t	/	Not

Sunlong	oxygen demand	Blowdown		total sewage outlet		Wastewater Discharge Standard Level 3 Standard			exceeded
Guangxi Sunlong	Ammonia nitrogen	Continuous Blowdown	1	There is 1 total sewage outlet	2.24 mg/L	Integrated Wastewater Discharge Standard Level 3 Standard	0.08t	/	Not exceeded
Guangxi Sunlong	Toluene	Continuous Blowdown	31	31 exhaust outlets in the painting workshop	0.135mg/m <sup>3</sup>	Integrated Wastewater Discharge Standard Level 3 Standard	0.032t	/	Not exceeded
Guangxi Sunlong	Xylene	Continuous Blowdown	31	31 exhaust outlets in the painting workshop	0.45 mg/m <sup>3</sup>	Integrated Wastewater Discharge Standard Level 3 Standard	0.03t	/	Not exceeded
Guangxi Sunlong	Particulate matter	Continuous Blowdown	31	31 exhaust outlets in the painting workshop	3.4 mg/m <sup>3</sup>	Integrated Wastewater Discharge Standard Level 3 Standard	0.284t	/	Not exceeded
Chengdu Tunghsu Intelligence Technology Co., Ltd.	Waste water	Directly discharge to industrial port sewage pipe network	4	Underground water pipe in the park	8mg/L	Water quality standard for sewage to be discharged into urban sewage drain (CJ3082-1999)	14t/a	15 t/a	Not exceeded
Chengdu Tunghsu Intelligence Technology Co., Ltd.	DUST	Bag filter	2	Production Workshop	1mg/ m <sup>3</sup>	Integrated Emission Standard of Air Pollutants (GB16297-1996) secondary standards	110 mg/ m <sup>3</sup>	120mg/m <sup>3</sup>	Not exceeded
Chengdu Tunghsu Intelligence Technology Co., Ltd.	Tin and its compounds	Air extraction and exhaust system	2	Production Workshop	0.24mg/ m <sup>3</sup>	Integrated Emission Standard of Air Pollutants (GB16297-1996) secondary standards	3.3 mg/ m <sup>3</sup>	8.5 mg/ m <sup>3</sup>	Not exceeded
Chengdu Tunghsu Intelligence Technology Co., Ltd.	NOISE	/	/	In the Zone	Daytime (65) dB/A Nighttime (55) dB/A	Emission Standard for Industrial Enterprises Noise at	16500 m <sup>3</sup> h	20000 m <sup>3</sup> h	Not exceeded



						Boundary (GB12348-2008)			
Tunghsu (Yingkou) Photoelectric display Co., Ltd.	Wastewater	After treatment, the waste water from the plant area will enter the municipal pipe network of the industrial base through the total discharge outlet and be discharged to the No.3 sewage treatment plant of Liaoning (Yingkou) coastal industrial base for further treatment.	1	Near the gate on the east side of the plant area	PH: 6-9; COD: 52.07mg/L; SS: 28.78mg/L; BOD: 22.25mg/L; ammonia nitroge: 1.31mg/L	Integrated Wastewater Discharge Standard of Liaoning Province (DB21/1627-2008)	Waste water535m <sup>3</sup> /d; COD: 9.93t/a; SS: 5.44t/a; BOD: 4.24t/a; ammonia nitroge: 0.25t/a	Waste water1005.4m <sup>3</sup> /d; COD: 57.21t/a; SS: 56.71t/a; BOD: 47.64t/a; ammonia nitroge: 5.73t/a	Not exceeded
Fuzhou Tunghsu Optoelectronic Technology Co., Ltd.	COD	After the treatment reaches the standard, it enters the urban sewage pipe network	1	Total wastewater discharge outlet in southeast corner of plant area	50mg/L	Integrated Wastewater Discharge Standard GB8978-1997	5.48t/a	117.1t/a	Not exceeded
Fuzhou Tunghsu Optoelectronic Technology Co., Ltd.	Ammonia Nitrogen	After the treatment reaches the standard, it enters the urban sewage pipe network	1	Total wastewater discharge outlet in southeast corner of plant area	5mg/L	Water quality standard for sewage to be discharged into urban sewage drain CJ-343-2010	0.55t/a	15.6t/a	Not exceeded
Jiangsu Jixing New Material Co., Ltd.	COD	Discharge into the municipal sewage treatment plant through the sewage pipe network	1	WS-960001 west side of sewage treatment station	≤500	HJ/T399-2007	5.2446t	7.35t	Not exceeded
Jiangsu Jixing New Material	COD	Discharge into the municipal	1	WS-960001 west side of sewage	≤5	GB/T11901-1989	0.325t	0.735t	Not exceeded

Co., Ltd.		sewage treatment plant through the sewage pipe network		treatment station					
Jiangsu Jixing New Material Co., Ltd.	Ammonia Nitrogen	Discharge into the atmosphere through alkali mist spraying treatment facilities	1	FQ-960001 north side of manufacturing workshop	Emission concentration $\leq 100 \text{ mg/m}^3$ ; Emission rate $\leq 0.26 \text{ kg/h}$	GB16297-1996	0.002165t	0.566t	Not exceeded
Sichuan Xuhong Optoelectronic Technology Co., Ltd.	$\text{NO}_x$ 、 particulate matter (melting furnace), particulate matter (ingredients , broken glass)	After being treated by dust removal system and denitration system, it is discharged into the atmosphere	3	Furnace exhaust gas: 60-meter high chimney batching particulate matter in northwest of the plant area: crushed glass feed particulate matter on batching roof in northwest of the plant area: 3rd floor of crushed glass feeding building in northwest of the plant area	$\text{NO}_2 \leq 700 \text{ mg/m}^3$ $\text{NO}_x \leq 400 \text{ mg/m}^3$ Granule (melting furnace) $\leq 50 \text{ mg/m}^3$ Particulate matter (batching, broken glass) $\leq 30 \text{ mg/m}^3$	Emission Standard of Air Pollutants for Flat Glass Industry (GB26453-2011)	$\text{NO}_x$ : 82.67tons/year $\text{SO}_2$ : 1.28 tons/year Particulate matter: 2.09 tons/year	$\text{NO}_x$ : 82.67tons/year $\text{SO}_2$ : 8.49 tons/year Particulate matter: 6.23 tons/year	Not exceeded
Taizhou Enwang New Energy Technology Co., Ltd.	Waste acid	External handling	Nil	Nil	PH 1-3	/	70t	100t	Not exceeded
Wuhu Tunghsu Optoelectronic Technology Co., Ltd.	( $\text{SO}_2$ )	After passing through the flue gas treatment system, it is directly discharged into the atmosphere.	2	Between plant 101 and plant 202	$4.15 \text{ mg/m}^3$	$\text{SO}_2 \leq 400 \text{ mg/m}^3$	0.3 t	4.52 t/a	Not exceeded
Wuhu Tunghsu Optoelectronic Technology Co., Ltd.	( $\text{NO}_x$ )	After passing through the flue gas treatment system, it is directly discharged	2	Between plant 101 and plant 202	$182.9 \text{ mg/m}^3$	$\text{NO}_x \leq 700 \text{ mg/m}^3$	14.3 t	84.76 t/a	Not exceeded

		into the atmosphere.							
Wuhu Tunghsu Optoelectronic Technology Co., Ltd.	(COD)	After neutralization, it enters the Chengdong Sewage Treatment Plant through municipal sewage pipe network	1	East side of the east gate of the company	7 mg/L	COD≤500 mg/L	4.3 t	42.5 t/a	Not exceeded
Wuhu Tunghsu Optoelectronic Technology Co., Ltd.	NH <sub>3</sub> -N	After neutralization, it enters the Chengdong Sewage Treatment Plant through municipal sewage pipe network	1	East side of the east gate of the company	1.17 mg/L	/	0.72 t	2.86 t/a	Not exceeded
Wuhu Tunghsu Optoelectronic Equipment Technology Co., Ltd	Wastewater, noise, solid waste (waste cutting liquid)	Wastewater; After treatment, it is discharged by Wuhu Tunghsu Photovoltaic Technology Co., Ltd after reaching the standard; Noise: reasonable layout and noise reduction measures; Solid waste: waste cutting liquid shall be recovered and treated by a qualified company	/	/	Meet the requirements and standards	Integrated Wastewater Discharge Standard (GB8978-1996) and Emission Standard for Industrial Enterprises Noise at Boundary (GB12348-2008)	Noise: up to standard Wastewater: up to standard after treatment, solid waste (waste cutting liquid): 0.2 tons	Subject to the requirements of environmental protection standards	Not exceeded
Zhengzhou Xuwei	Nitrogen oxides	The furnace flue gas is discharged after being treated by a bag filter, and the boiler flue gas is	5	1 chimney for the first-stage glass furnace, 1 chimney for the second-stage glass	— Flue gas discharge port of first-stage furnace: 226mg/m <sup>3</sup> Flue gas discharge port of	The flue gas of glass furnace shall be subject to the limit values in Table 2 of Emission	7.918t/a	10.014t/a	Not exceeded

		discharged after being treated by a low-nitrogen burner		furnace, and 1 chimney for each of the 3 natural gas boilers	second-stage furnace: 288mg/m <sup>3</sup>	Standard of Air Pollutants for Electronic Glass Industry (GB29495-2013), and the flue gas of boiler shall be subject to the emission limit values in Table 1 of Emission Standard of Air Pollutants for Boiler (GB13271-2014)			
Zhengzhou Xufei	SO <sub>2</sub>	The furnace flue gas is discharged after being treated by a bag filter, and the boiler flue gas is discharged after being treated by a low-nitrogen burner	5	1 chimney for the first-stage glass furnace, 1 chimney for the second-stage glass furnace, and 1 chimney for each of the 3 natural gas boilers	Flue gas outlet of first-stage furnace: not detected. Flue gas outlet of second-stage furnace: not detected.	The flue gas of glass furnace shall be subject to the limit values in Table 2 of Emission Standard of Air Pollutants for Electronic Glass Industry (GB29495-2013), and the flue gas of boiler shall be subject to the emission limit values in Table 1 of Emission Standard of Air Pollutants for Boiler (GB13271-2014)	0t/a	1.387t/a	Not exceeded
Zhengzhou Xufei	Particulates	The furnace flue gas is discharged after being treated by a bag filter, and the boiler flue gas is	5	1 chimney for the first-stage glass furnace, 1 chimney for the second-stage glass	— Flue gas discharge port of first-stage furnace: 4.26mg/m <sup>3</sup> Flue gas discharge port of	The flue gas of glass furnace shall be subject to the limit values in Table 2 of Emission	0.113t/a	\	Not exceeded

		discharged after being treated by a low-nitrogen burner		furnace, and 1 chimney for each of the 3 natural gas boilers	second-stage furnace: 3.61mg/m <sup>3</sup>	Standard of Air Pollutants for Electronic Glass Industry (GB29495-2013), and the flue gas of boiler shall be subject to the emission limit values in Table 1 of Emission Standard of Air Pollutants for Boiler (GB13271-2014)			
Zhengzhou Xufei	COD	Domestic wastewater is discharged after biochemical (AO2) treatment, and production wastewater is discharged after	1	The company has set up a total wastewater discharge port	9.67mg/L	Implementation of the integrated sewage discharge standard (GB8978-1996) table 4 secondary standards	3.22t/a	9.1t/a	Not exceeded
Zhengzhou Xufei	Ammonia Nitrogen	Domestic wastewater is discharged after biochemical (AO2) treatment, and production wastewater is discharged after	1	The company has set up a total wastewater discharge port	0.41mg/L	Implementation of the integrated sewage discharge standard (GB8978-1996) table 4 secondary standards	0.07t/a	0.13t/a	Not exceeded
Chongqing Jinghuateng	Non-methane total hydrocarbon	Be organized	1	/	60	Emission standard of packaging and printing industry	/	0.38	Not exceeded

Entrust financial expected to be unable to recover the principal or impairment might be occurred

#### 1. Shanghai Sunlong Bus Co. Ltd

Shanghai Sunlong Bus Co., Ltd. operates normally throughout the year. The main pollutants are wastewater, exhaust gas and hazardous waste. The rain and sewage diversion drainage system was completed in 2008. An industrial wastewater treatment station was built to mainly treat coating wastewater in the production process, with a designed treatment capacity of 10 t/h and a physical and biochemical treatment process adopted. All the production wastewater will be discharged into the municipal sewage pipe network (Yuanshan Road) together with

domestic sewage after reaching the treatment standard and finally into the Bailonggang system. During the reporting period, the wastewater treatment station operated normally and the discharge reached the standard. Exhaust gas treatment: organic exhaust gas (VOCs) from spraying and painting is treated by zeolite rotating wheel +RTO combustion process and then discharged at high altitude; low-concentration organic exhaust gas (VOCs) is treated by activated carbon adsorption and desorption + catalytic combustion process and discharged at high altitude after reaching the standard; Online monitoring system (FID) is installed at the discharge port of organic exhaust gas (VOCs) to monitor the emission value in real time; For particulate matter, welding fumes, etc., filter core filtration technology is adopted to remove dust, and the dust is discharged at high altitude after reaching the standard; Facilities that need to be heated in the production process shall be natural gas burners. Through the ternary internal circulation process, natural gas is efficiently combusted, energy consumption is reduced, and pollutant emission is reduced.

## 2. Guangxi Sunlong Automobile Manufacturing Co., Ltd

In the first half of 2019, the company's environmental protection equipment and facilities operated continuously, reliably and stably, regular pollutant monitoring was carried out, and the requirements of the national environmental protection emission standard were implemented strictly, to ensure that all kinds of pollutants reach the standard for emission.

### 1) Construction of pollution prevention and control facilities

Exhaust gas emission and treatment: The coating exhaust gas uses water-filled + activated carbon adsorption device to control volatile organic compounds, toluene, xylene and other atmospheric pollutants. The purified exhaust gas is discharged through a 15m high exhaust cylinder. The company has 6 water-filled+activated carbon adsorption devices; Catalytic combustion device is used to control volatile organic compounds, toluene, xylene and other air pollutants in the coating and drying waste gas. The purified waste gas is discharged through a 15m high exhaust cylinder. The company has 3 sets of catalytic combustion device; The putty polishing chamber, glass fiber reinforced plastic polishing chamber and midway polishing chamber adopt the process of installing bag filter at the bottom exhaust channel and the top of the air supply to control atmospheric pollutants such as particulate matters. The collected waste particulate matters after bag filter are respectively discharged through a 15m high exhaust cylinder. The company has a total of 8 bag dust removal devices. The waste gas from paint makeup is controlled by activated carbon adsorption devices to control volatile organic compounds, particulate matters and other atmospheric pollutants. The company has 8 sets of activated carbon adsorption devices, and the purified waste gas is discharged through a 15m high exhaust cylinder. Environmental protection equipment and facilities continued to operate steadily, and all kinds of pollution factors met the discharge standards.

Wastewater discharge and treatment: the company's wastewater mainly consists of domestic wastewater, rain test wastewater and coating circulating wastewater, among which the rain test wastewater is discharged every six months and the coating circulating wastewater is discharged every quarter, the domestic wastewater is treated by septic tank and mixed with the production wastewater, then enters the plant sewage treatment station for treatment and then is discharged to Wuxiang sewage treatment through municipal sewage pipe network for further treatment. The plant sewage treatment station mainly adopts the process of oil isolation +UASB anaerobic+biological contact oxidation. About 3,000 tons of wastewater are treated in the first half of 2019, and the waste water pollution factors monitored reach the standard.

Noise treatment: reasonable layout of high-noise equipment and noise control measures such as sound insulation, sound absorption and vibration reduction. Noise monitoring at plant boundary is qualified.

Solid waste treatment: the solid wastes generated by the company mainly include general solid wastes such as paper skins and cartons, and hazardous wastes such as paint residues and waste organic solvents, among which, paint residues and other hazardous wastes are entrusted to CECEP (Guangxi) CleanTech Development Co., Ltd., which has a hazardous waste management license, for disposal.

In the first half of 2019, a total of 20 tons of hazardous waste such as paint residue and resin-containing waste are transferred for disposal, with a harmless disposal rate of 100%.

## 3. Chengdu Tunghsu Intelligent Technology Co., Ltd

1) Wastewater: All kinds of wastewater can meet the requirements of Grade III standard of *Integrated Wastewater Discharge Standard* (GB8978-1996) after being treated by corresponding measures. Wastewater is discharged into the sewage pipe network of the park from the main discharge port, and enters Qingshui River after being treated by Chengdu Cooperative Sewage Treatment Plant, and an obvious signboard is set at the main discharge port.

2) Exhaust gas: Solder smoke is collected through the exhaust system provided by welding equipment above each area, and finally collected by a 20-meter-high exhaust cylinder and directly discharged, after which, it can meet the Grade II standard of *Integrated Emission Standard of Air Pollutants* (GB16297-1996).

3) Noise: Reasonable arrangement of sound sources; Low noise equipment is adopted in the selection; Most of the noise equipment is installed in a closed plant building; Evolutionary exhaust system.

Environmental impact assessment of construction projects and other administrative permission for environmental protection

#### 4. Tunghsu (Yingkou) Optoelectronic Display Co., Ltd.

1) The output of grinding wastewater in this project is 160m<sup>3</sup>/d, mainly containing SS and wastewater. The wastewater is collected through pipelines, enters the grinding wastewater equalization tank of the wastewater treatment station, and is pumped into the grinding wastewater treatment system for treatment. The wastewater is discharged into the sedimentation tank for coagulation sedimentation after being precipitated by stepped precipitation tank, and finally discharged into the integrated treatment system for further treatment, and then discharged into the sewage treatment plant of the industrial base for further treatment through the municipal pipe network of the industrial base. This project adopts coagulation and sedimentation process to treat grinding wastewater. The design capacity of the grinding wastewater treatment system is 400 m<sup>3</sup>/d, and the production capacity of grinding wastewater in this project is 176m<sup>3</sup>/d. It is fully capable of treating grinding wastewater generated in this project.

2) The cleaning wastewater enters the regulating tank, adjusts its PH value for neutralization treatment, and then is pumped into the sedimentation tank, and is discharged into the total sewage outlet of the plant area after sedimentation treatment. The treatment capacity of the cleaning wastewater treatment system in this project is 700 m<sup>3</sup>/d, and the production capacity of the cleaning wastewater in this project is 210 m<sup>3</sup>/d, which is fully capable of treating the cleaning wastewater produced in this project.

3) The discharge amount of domestic wastewater in this project is 20 m<sup>3</sup>/d, including washing, flushing and canteen drainage. The main pollutants COD, SS, ammonia nitrogen, etc. are designed in the domestic wastewater treatment system. Oil separation tank+septic tank is adopted for treatment, which has good removal effect on large suspended solids, animal and plant oil, etc. Septic tank is a common simple biochemical treatment measure for wastewater. It has good and stable treatment effect on domestic sewage.

4) Three-layer anti-seepage measures are adopted for the production workshop, chemical warehouse and ground of this project, i.e. the bottom layer shall be paved with not less than 30 cm thick concrete for compaction, whose top shall be paved with 100mm thick concrete, and then hardened with 200mm thick high-strength concrete to ensure the permeability coefficient is less than 1x10<sup>-7</sup>cm/s, and the water treatment structure shall be constructed with anti-seepage concrete; Each link of drainage is transported by cement or ceramic anti-seepage pipelines. Except for Green land, the ground of the plant area is all coated with cement plastering anti-seepage hardening. After the anti-seepage and anti-corrosion measures mentioned above are adopted, the pollution effects of chemical warehouse and production workshop on groundwater can be effectively prevented.

#### 5. Fuzhou Tunghsu Optoelectronic Co., Ltd.

1. Fuzhou Tunghsu optoelectronic operates normally during the whole year and produces main pollution of waste water. In 2017, it built the rain and sewage diversion system and waste water treatment station with designed treatment capacity of 1000t/d, which adopts PH adjustment + secondary concrete sedimentation treatment process. All production waste water will be collected after treatment and meeting standards and discharged into Rongyuan sewage treatment plant together with pre-treated sanitary sewage by septic tank for uniform treatment. The waste water treatment station operates normally during the report period and discharges per standards.

#### 6. Jiangsu Jixing New Material Co., Ltd

The existing wastewater treatment facilities of Jiangsu Jixing New Material Co., Ltd are operating normally, with an approved wastewater treatment capacity of 52,030 t/a; The expanded sewage treatment station facility was put into operation in April with an approved wastewater treatment capacity of 147,037 t/a.

#### 7. Sichuan Xuhong Optoelectronic Technology Co., Ltd.

##### 1) SCR denitration system (1 set)

The company uses natural gas as the fuel for glass production, and the air pollutants produced are mainly particulates, sulfur dioxide and nitrogen oxides. In 2015, the company spent a lot of money to establish an SCR denitration system. Untreated furnace flue gas enters the electrostatic precipitator of the denitration system through the flue. The dedusted flue gas enters the SCR reactor with ammonia water as reductant and V2O5/TiO2 as catalyst. Nitrogen oxides in the flue gas are reduced to N2 and then enter the 60-meter-high chimney through the outlet flue for emission. In order to ensure that the pollutants discharged by the company reach the standard, the denitration system operates continuously throughout the year. The denitration system of the company is equipped with two flue gas induced draft fans (one for use and one for standby), which adopt double-loop power supply. The operation personnel of denitration treatment facilities are subject to 4 shifts and 3 rotations to ensure that the operation personnel are on duty 24 hours a day. The operation management shall be carried out strictly in accordance with the operation procedures, operation instructions and inspection tour operation instructions, and the operation parameters shall be monitored in real time to ensure the normal operation rate of denitration system to the greatest extent.

## 2) Dust removal equipment (13 filter cartridge dust collectors and 1 bag filter)

The company produces a small amount of particulate matter in the process of glass feeding and batching. At the beginning of the factory in 2011, the company installed filter cartridge dust collectors in all silos, broken glass feeding systems and kiln head feeding ports of the batching workshop to collect the particulate matter generated in the feeding and batching process. In order to ensure that the discharged particles reach the standard, in February 2015, the company collected the exhaust cylinders of all silos into a main pipe, and installed a bag filter to carry out secondary dust removal on the treated residual particles. The dust removal equipment of the company is operated intermittently. During the gap period, the post personnel clean the filter cartridge and filter bag of the dust removal equipment and carry out regular maintenance to ensure the normal operation of the dust removal equipment in the operation process.

## 8. Taizhou Enwang New Energy Technology Co., Ltd.

There are anti-leakage grooves for the process of producing waste acid and the storage position to prevent waste acid overflow. Changzhou Longshun Environmental Protection Service Co., Ltd is responsible for its waste acid disposal.

## 9. Wuhu Tunghsu Optoelectronic Technology Co., Ltd

The company has a flue gas treatment system, an industrial wastewater treatment station and a septic tank. In order to ensure the normal operation of pollution prevention facilities, the company has formulated relevant management systems, explicitly requiring the facility usage and operation departments to regularly maintain and service the facilities. At present, the company's pollution prevention and control facilities are operating normally and stably, and the discharge of various pollutants meets the discharge standards.

## 10. Wuhu Tunghsu Optoelectronic Equipment Technology Co., Ltd

Air pollution prevention and control measures: through strengthening the ventilation and exhaust in the workshop,

1. Air pollution prevention and control measures: through strengthening the ventilation and exhaust in the workshop, at the same time, through the barrier of the workshop, it basically falls inside the workshop; 2. Measures for prevention and control of wastewater pollution: Before domestic wastewater is discharged into the pipeline of Wuhu Tunghsu Optoelectronic Technology Co., Ltd. and Wuhu Tunghsu Optoelectronic Technology Co., Ltd. takes over Chengdong Sewage Treatment Plant, and it meets the discharge standard after being treated by buried sewage treatment facilities; 3. Noise pollution prevention and control measures: low-noise and high-performance equipment shall be selected, and measures such as foundation construction, wall barrier and greening barrier shall be taken for these noise sources; 4. Prevention and control measures for solid waste pollution: general solid waste is comprehensively utilized, waste cutting liquid is entrusted to a qualified unit (Maanshan Guandong Lubricating Oil Co., Ltd.) for recycling, and domestic waste is handed over to the sanitation department for treatment.

## 11. Zhengzhou Xufei Optoelectronic Technology Co., Ltd

1) Invest 1.094 million yuan to implement ultra-low nitrogen renovation on 3 gas boilers (2 10t/h boilers and 1 6t/h boiler), with nitrogen oxide emission concentration lower than 30mg/m<sup>3</sup>, which has passed the verification of Zhengzhou Ecological Environment Bureau.

2) An investment of 790,000 yuan has been invested to install an on-line monitoring system for furnace flue gas to realize the grid connection with Zhengzhou Ecological Environment Bureau.

3) Environmental protection facilities operate continuously and stably throughout the year. There is no unplanned shutdown. All pollutants are discharged stably up to standard. No environmental violations occur.

4) 105,500 yuan is invested to install an unorganized emission monitoring system, so as to realize grid-connected operation with Zhengzhou Ecological Environment Bureau.

5) 500 yuan is invested to change the transmission of waste water online monitoring data from by telephone card to by environmental protection dedicated line.

6) 17,000 yuan is invested to review and assess the emergency plan for environmental emergencies.

7) 57,000 yuan is invested to carry out cleaning production.

## 12. Chongqing Jinghuateng Optoelectronic Technology Co., Ltd

Water pollution: the existing 2# biochemical pool of Yingtian • Liangjiang industrial valley standard plant building project is used to treat and discharge the municipal sewage pipe network in the park. The domestic sewage in the plant area is connected to the municipal sewage treatment pipe network, and the domestic sewage is discharged up to the standard.

Solid waste: after centralized collection of domestic waste, it shall be uniformly treated by the district sanitation department. It is strictly prohibited to dump and stack waste at will. Domestic waste shall be cleared every day. Solid wastes shall be treated in strict accordance with relevant regulations without causing secondary pollution.

Environmental impact assessment of construction projects and other administrative permission for environmental protection



## 1. Shanghai Sunlong Bus Co. Ltd

Shanghai Sunlong Bus Co., Ltd. strictly implements the environmental impact assessment system and Three Simultaneities system, and the construction project is legal and compliant. The project was approved for completion and acceptance by Shanghai Minhang District Environmental Protection Bureau (MHBGXY [2009] No. 041) in January 2009.

## 2. Guangxi Sunlong Automobile Manufacturing Co., Ltd

Nanning Yuanzheng All-aluminum New Energy Automobile Production Base Project was approved by Guangxi Environmental Protection Bureau on October 22, 2015 with the approval document number of GHS [2015] No.175. The project completed the environmental protection completion acceptance on March 27, 2018 with the completion acceptance document number of GHS [2018] No.45.

## 3.Chengdu Tunghsu Intelligent Technology Co., Ltd.

Documents such as enterprise investment project filing notice (PF Project No.2011-119), request for instructions on environmental standards (PH No.2011-88), approval of environmental standards (CHJF No.2011-204), review opinions on environmental impact report (CHJP 2009-406), etc.

## 4. Tunghsu (Yingkou) Optoelectronic Display Co., Ltd.

The environmental impact report was approved in February 2012, and the processing environmental protection acceptance was completed in March 2018. It is qualified upon acceptance.

## 5. Fuzhou Tunghsu Optoelectronic Technology Co., Ltd

The company strictly implements the environmental impact assessment system and "Three Simultaneities" system, and the construction project is legal and compliant. The project was approved by Fuqing Environmental Protection Bureau in September 2016.

## 6. Jiangsu Jixing New Material Co., Ltd

Jiangsu Jixing New Material Co., Ltd has obtained the approval of Yangzhong Municipal Environmental Protection Bureau for the new project of producing 2.6 million large-size Micro-LED sapphire intelligent production lines annually, with the approval document number of YHS [2018] No. 64.

## 7. Sichuan Xuhong Optoelectronic Technology Co.,Ltd

The company's "PDP Glass Substrate Project" and "10 million m2 of High-strength and Ultra-thin Display Cover Glass Project" compiled environment impact report form and obtained EIA approval. The two projects passed EIA acceptance in 2015 and 2017 respectively. Our company obtained the new sewage permit in 2017 and 2012. In 2019, it strictly carried out sewage discharge and various environmental management according to the requirements of the new sewage permit.

8.Taizhou Enwang New Energy Technology Co., Ltd. The company has environmental assessment permission from Taizhou Environmental Protection Department, and the reply is: THSP [2017] No. 20067.

## 9. Wuhu Tunghsu Optoelectronic Technology Co., Ltd

The company's environmental impact assessment and other environmental protection administrative licenses are shown in the following table:

Time	Environmental impact assessment and other environmental protection administrative permits
November 2011	Anhui Environmental Science Research Institute has compiled and completed the Environmental Impact Report of Wuhu Tunghsu optoelectronic Technology Co., Ltd. Display Glass Substrate Production Line Project.
December 2011	Anhui Provincial Environmental Protection Department approved the project with EIA Letter [2011] No. 1283 Reply on Environmental Impact Report of Wuhu Tunghsu Optoelectronic Technology Co., Ltd. Display Glass Substrate Production Line Project.
March 2012	Anhui Environmental Science Research Institute has compiled the Environmental Impact Report of Changes to Flat Panel Display Glass Substrate Production Line Project of Wuhu Tunghsu optoelectronic Technology Co., Ltd.
March 2012	Anhui Environmental Protection Department approved the change of EIA for the project with EIA Letter [2012] No 298 Letter on the Review Opinions of Environmental Impact Report of Wuhu Tunghsu Optoelectronic Technology Co., Ltd Flat Panel Display Glass Substrate Production Line Project.
April 2014	The Anhui Environmental Protection Department approved the Letter of Anhui Environmental Protection Department on approving the phased trial production of Wuhu Tunghsu Optoelectronic Technology Co., Ltd Flat Panel Display Glass Substrate Production Line Project (WHH [2014] No. 472) and approved the phased trial production of the project.
June 2015	Through the 1-4 line G6 liquid crystal (TFT-LCD) glass substrate production line completed environmental protection stage acceptance.
October 2017	Through the 5-8 line G6 liquid crystal (TFT-LCD) glass substrate production line completed environmental protection stage acceptance.
December 2018	Through the 9-10 line G6 liquid crystal (TFT-LCD) glass substrate production line completed environmental protection stage acceptance.

## 10. Wuhu Tunghsu optoelectronic Equipment Technology Co., Ltd

1) Before the construction of the project, a third party unit shall be entrusted to prepare the environmental impact

assessment report and file it through Wuhu Environmental Protection Bureau (document No.: HH [2013] No.156).  
2) Accepted by Wuhu Environmental Protection Bureau (document No: HY [2016] No.190).

11. Zhengzhou Xufei Optoelectronic Technology co., ltd

EIA for Phase I of the project: on August 16, 2009, the Henan Environmental Protection Department passed the Reply of Henan Environmental Protection Department on the Environmental Impact Report of TFT-LCD Glass Substrate Production Line of Zhengzhou Xufei Photoelectric Technology Co., Ltd (YHS [2009] No. 295), and on February 24, 2011, the Henan Environmental Protection Department passed the Opinions on Environmental Protection Acceptance for the completion of TFT-LCD Glass Substrate Production Line Project of Zhengzhou Xufei Optoelectronic Technology Co., Ltd (YHPY [2011] No. 12).

EIA for Phase II of the project: On November 2, 2010, Henan Environmental Protection Department approved the Reply of Henan Provincial Environmental Protection Department on the Environmental Impact Report of Zhengzhou Xufei Photoelectric Technology Co., Ltd. on the Project of Annual Output of 2.2 Million sq.m. Liquid Crystal Glass Substrate Production Line (YHS [2010] No. 251), and on February 28, 2014, Henan Environmental Protection Department approved the Reply of Zhengzhou Xufei Optoelectronic Technology Co., Ltd. on the Application for Completion of Environmental Protection Acceptance of the Project of Annual Output of 2.2 Million sq.m. Liquid Crystal Glass Substrate Production Line (YHS [2014] No. 77).

12..Chongqing Jinghuateng Optoelectronic Technology Co., Ltd.

Chongqing Jinghuateng: Yu (Liangjiang) HZ{2017}No.240

Emergency response plan of emergency environmental event

1. Shanghai Sunlong Bus Co. Ltd

Shanghai Sunlong Bus Co., Ltd.'s Plan for Environmental Emergencies of Shanghai Sunlong Bus Co., Ltd. has been filed for environmental protection (Filing No.: 3102212018043), and regular training and drills of the plan have been organized to effectively improve the enterprises' emergency response and disposal capabilities to environmental pollution emergencies.

2. Guangxi Sunlong Automobile Manufacturing Co., Ltd

On November 2, 2017, the company entrusted Guangxi Gaobiao Monitoring Co., Ltd. to prepare a plan for environmental emergencies. The report was prepared on January 21, 2018 and passed the expert group review. On May 22, 2018, Yongning District Environmental Protection Bureau completed the filing of the plan for environmental emergencies of Guangxi Sunlong Automobile Manufacturing Co., Ltd. with the filing number of 450109-2018-0002-m.

3. Chengdu Tunghsu Intelligent Technology Co., Ltd

Chengdu Tunghsu Intelligent Technology Co., Ltd. adheres to the principle of "clean production, emission up to standard and total amount control", formulates feasible pollution prevention and control measures, establishes and improves the environmental system, formulates environmental management formulation, defines the main responsibilities of the management organization, analyzes the environmental risks, and collects public participation opinions, which can fully meet the requirements of national and local environmental protection laws and standards.

4. Tunghsu (Yingkou)Optoelectronic Display Co., Ltd.

The company has a sound environmental emergency plan, which mainly includes: environmental pollution incidents caused by leakage of hazardous waste storage devices, leakage of natural gas and diesel oil, fire and explosion accidents in the plant area; Noise, ingredient dust, outflow of hazardous chemicals, environmental pollution events caused by radiation source leakage and other environmental pollution events caused by force majeure.

5. Fuzhou Tunghsu Optoelectronic Technology Co., Ltd

The company commissioned a qualified third party to prepare the Plan for Environmental Emergencies of Fuzhou Tunghsu optoelectronic Technology Co., Ltd. and regularly organize and carry out training and drills of the plan to effectively improve the enterprises' emergency response capability and disposal capability to environmental pollution emergencies.

6. Jiangsu Jixing New Material Co., Ltd

Jiangsu Jixing New Material Co., Ltd entrusted a third party to prepare and file the Comprehensive Plan for Environmental Emergencies in 2017. The number of the emergency plan is JSJX-YA-2017001 and the version number of the emergency plan is 2017 (1).

7. Sichuan Xuhong Optoelectronic Technology Co., Ltd.

There are natural gas, hydrogen, liquefied petroleum gas, diesel and other risk substances in the company, so in December 2015, the company organized and formulated the Plan for Environmental Emergencies and submitted it

to Mianyang Environmental Protection Bureau for filing. In 2019, our company will apply to Mianyang Environmental Protection Bureau to carry out "revision, review and filing of the plan for environmental emergencies" according to relevant management requirements.

#### 8. Wuhu Tunghsu Optoelectronic Technology Co., Ltd

According to the relevant requirements of the Emergency Response Law of the People's Republic of China, Wuhu Tunghsu Optoelectronic Technology Co., Ltd. has compiled the Plan for Environmental Emergencies of Wuhu Tunghsu Optoelectronic Technology Co., Ltd. in accordance with the Risk Classification Method for Environmental Emergencies of Enterprises and in combination with the actual situation of Wuhu Tunghsu Optoelectronic Technology Co., Ltd., which describes the emergency rescue principles, emergency rescue procedures and emergency rescue measures for environmental emergencies of the company, and is a programmatic document and operational guideline for guiding the emergency management of environmental emergencies of the company. The plan was reported to Wuhu Environmental Protection Bureau for filing in November 2015 (for the record: 340207-2015-016-L). After three years, it was reported to Wuhu Environmental Protection Bureau for filing again in September 2018 as required (for the record: 340207-2018-044-L).

#### 9. Zhengzhou Xufei Optoelectronic Technology co., ltd

The Company's emergency plan for environmental emergencies, which passes the expert group review, and the emergency plans for hazardous waste accidents, environmental abnormalities in wastewater discharge, radiation sources and exhaust emissions are reviewed.

#### 10. Chongqing Xufuda Optoelectronic Technology Co., Ltd.

The corresponding Emergency Plan Management System has been formulated, and all personnel have been trained, and emergency plan team members have been publicized.

#### 11. Chongqing Jinghuateng Optoelectronic Technology Co., Ltd.

The corresponding Emergency Plan Management System has been formulated, and all personnel have been trained, and emergency plan team members have been publicized.

### Environmental self-monitoring plan

#### 1. Shanghai Sunlong Bus Co. Ltd

Shanghai Sunlong Bus Co., Ltd. strictly abides by national and local laws, regulations and relevant provisions, and entrusts ICAS Testing Technology Services (Shanghai) Co., Ltd. to carry out quarterly testing of wastewater, exhaust gas and noise as required. It regularly logs on the environmental protection census platform and the environmental statistics business system to upload data and information such as testing results.

#### 2. Guangxi Sunlong Automobile Manufacturing Co., Ltd

The preparation of the environmental self-monitoring plan is completed on April 30, 2019 and is filed with Nanning Municipal Bureau of Ecological Environment. Meanwhile, relevant monitoring data is filled in on a monthly basis on the national pollution source monitoring and management sharing platform as required.

#### 3. Chengdu Tunghsu Intelligent Technology Co., Ltd

Since the company does not have an independent sewage treatment station, the management committee provides unified assistance for treatment, and since there is no independent monitoring equipment and facilities for waste gas and noise, manual instruments are usually used for monitoring. Since the company does not have the expertise to monitor exhaust gas and noise, the qualification testing company (Sichuan Jiuhe Evaluation Company) is invited to conduct annual workplace hazard factor testing, and issue a written testing report, which shall be filed with the system and management committee.

#### 4. Tunghsu (Yingkou) Optoelectronic Display Co., Ltd.

1) The management of solid wastes and hazardous wastes is strengthened, relevant management systems are formulated and ledgers are established, the whereabouts of wastes are strictly controlled, and wastes are disposed according to national standards.

2) The wastewater station is equipped with wastewater online monitoring and dosing equipment to monitor the pH value of wastewater in real time; In the morning and evening, the pH value of wastewater from the total sewage outlet is monitored manually to ensure that the wastewater discharge reaches the standard.

#### 5. Fuzhou Tunghsu Optoelectronic Technology Co., Ltd

The company strictly abides by national and local laws, regulations and relevant provisions, and entrusts Fujian Tuopu Detection Technology Co., Ltd. to carry out monthly detection of the company's wastewater, quarterly detection of the company's noise, and timely log on to its own monitoring website every month to upload data and information such as detection results.

#### 6. Jiangsu Jixing New Material Co., Ltd

Hardware facilities: In addition to the PH real-time monitoring equipment installed in the sewage treatment station of Jiangsu Jixing New Material Co., Ltd, 2 sets of PH real-time monitoring equipment, 1 set of COD on-line

monitoring equipment, 1 set of PLC system that stops discharging when exceeding the standard, and 1 set of real-time data transmission system for sewage treatment are also installed on the sewage discharge pipeline.

Software facilities: Jiangsu Jixing New Material Co., Ltd entrusts a third party to regularly monitor the treatment of wastewater and exhaust gas, and entrusts a real-time monitoring equipment maintenance unit to regularly maintain and check environmental protection equipment.

#### 7. Sichuan Xuhong Optoelectronic Technical Co., Ltd

According to the national environmental protection management requirements, the company has prepared a self-monitoring plan for the environment. The company has installed a flue gas on-line analyzer to carry out on-line monitoring of the major pollutants nitrogen oxides, sulfur dioxide and particulate matter in furnace flue gas and upload the monitoring data to the national environmental protection platform in real time. For the smoke blackness, hydrogen chloride, fluoride and ingredient particles that cannot be monitored online, a third party organization is entrusted to carry out manual monitoring every quarter. For the particulate matter and ammonia emitted by the factory without organization, a third party organization is entrusted to carry out manual monitoring every six months. All monitoring data are uploaded to the monitoring information disclosure platform of national key monitoring enterprise pollution source.

#### 8. Wuhu Tunghsu Optoelectronic Technology Co., Ltd

The company has 1 set of waste water on-line monitoring system and 1 set of flue gas on-line monitoring system for plant 101 and 202 respectively. The monitoring data are uploaded to the municipal environmental monitoring platform in real time. In addition, the company entrusts a qualified third-party environmental monitoring agency to carry out quarterly and annual monitoring of the company's plant environment every year and requires the monitoring agency to provide monitoring reports. Monitoring items include: monitoring of domestic sewage, production wastewater, unorganized waste gas, organized waste gas and noise. The company judges whether relevant environmental indicators meet relevant environmental protection requirements according to monitoring results. So far, the company's emissions of various pollutants have not exceeded the standard.

#### 9. Wuhu Tunghsu Optoelectronic Equipment Technology Co., Ltd

As Wuhu Tunghsu Optoelectronic Equipment Technology Co., Ltd. and Wuhu Tunghsu Optoelectronic Technology Co., Ltd. are located in a park, and the rain and sewage pipelines in the park are managed by Wuhu Tunghsu Optoelectronic Technology Co., Ltd. with the environmental self-detection scheme adopted. The company will regularly carry out noise detection and wastewater detection, and Wuhu Tunghsu Optoelectronic Technology Co., Ltd. will supervise the company.

#### 10. Zhengzhou Xufei Optoelectronic Technology co., Ltd

The company has an on-line waste gas monitoring system, which tests waste gas manually once a month and is outsourced for test once a year; There is an online monitoring system for wastewater, which tests the wastewater manually once a day and is outsourced for test once a year.

#### 11. Chongqing Jinghuateng Optoelectronic Technology Co., Ltd.

- 1) Strengthen the management of "Three Simultaneities" of the project to ensure the construction of environmental protection facilities.
- 2) Regularly maintain and service mechanical equipment to prevent environmental pollution caused by equipment failure.
- 3) Strengthen the operation and management of various pollutant treatment facilities to ensure that pollutants meet the standards for discharge.
- 4) Carry out domestic sewage discharge inspection every year, and arrange a third party to carry out noise and workshop environment inspection.

Other environmental information to be disclosed

#### 1. Shanghai Sunlong Bus Co. Ltd

The company's unit name, unified social credit code, legal representative, production address, main contents of production and operation, products and scale, dosage of raw and auxiliary materials and other basic information, the construction and operation of public pollution prevention facilities, the names of major pollutants and characteristic pollutants, their emission methods, number and distribution of emission ports, emission concentration, and environmental protection data pollution such as pollutant emission standards implemented are released on the environmental information disclosure platform of enterprises and institutions.

#### 2. Guangxi Sunlong Automobile Manufacturing Co., Ltd

On May 16, 2019, the company completed the application for the pollution discharge permit and prepared quarterly and annual pollution discharge permit implementation report according to the requirements of the pollution discharge permit.

#### 3. Chengdu Tunghsu Intelligent Technology Co., Ltd

In February 2019, Chengdu Tunghsu Intelligent Technology Co., Ltd has carried out a hazard factor test in the

workplace and issued a written test report. The test contents include noise, benzene, toluene, xylene, dust, tin and their compounds.

4. Fuzhou Tunghsu Optoelectronic Technology Co., Ltd

1) The environmental self-monitoring information disclosure website of Fuzhou Tunghsu Optoelectronic Technology Co., Ltd.:

<http://wryfb.fjemc.org.cn/page0.aspx?id=CLDICBRK-37EH-9PYO-8M63-F288U13S89W8>

2) The environmental protection acceptance information public website of Fuzhou Tunghsu Optoelectronic Technology Co., Ltd.: <http://114.251.10.205/#/pub-message>

5. Jiangsu Jixing New Material Co., Ltd

Website of EIA report form full publication for sapphire intelligent production line: <http://www.212200.com>.

Pollution discharge permit of Jiangsu Jixing new material Co., Ltd.: 3211822016000043A, Validity: From August 1, 2019 to July 31, 2020.

6. Sichuan Xuhong Optoelectronic Technology Co., Ltd

The company publicized the acquisition of the company's environmental protection administrative licensing procedures, pollution discharge information, solid waste management, environmental risks and monitoring information on the environmental credit evaluation website.

7. Wuhu Tunghsu Optoelectronic Technology Co., Ltd.

1) The company's construction of EIA and acceptance are publicized in the EIA information platform of construction project (<http://114.251.10.205/#/pub-message>).

2) Use Wechat Public Account to publicize relevant environmental protection information of the company.

8. Zhengzhou Xufei Optoelectronic Technology Co., Ltd

Environmental protection credit information management system for enterprises and institutions in Henan province, environmental information disclosure system in Henan province, Air pollution source information filling system and provincial pollution source self-monitoring system

Other information related to environmental protection

Hazardous Waste Pollutants from Shanghai Sunlong Bus Co., Ltd.

Name of the Company or its subsidiary	Names of major and characteristic pollutants	Disposal mode	Storage place	Production distribution	Executive Standards	Output in 2018 (tons)	Disposal Rate (ton)	Inventory (ton)
Shanghai Sunlong Bus Co., Ltd	Waste residue 900-252-12	Entrust qualified third party for disposal	Dangerous waste temporary storage	Painting workshop, assembly shop, commissioning workshop	/	8.46	14.74	8.72
	Waste thinner 900-252-12					2.55	3.25	2.04
	Waste adhesive sealant 900-014-13					6.34	9.36	1.83
	Waste empty barrel 900-041-49					10.09	11.27	0.71
	Waste rag 900-041-49					0	0	1.3
	Used mineral oil 900-218-08					0	0	0.4
	Waste activated carbon 900-041-49					15.12	0	20.67
	Waste filter 900-041-49					0.27	0	2.52

## 2. Overview of the annual targeted poverty alleviation

### (1) Precision poverty alleviation planning

### (2) Half-year poverty relieving summary

1. On January 24, 2019, Shanghai Sunlong Bus Co., Ltd., a wholly-owned subsidiary of the company, donated a bus worth 303,000 yuan to Shanghai Private Wenqi Middle School in order to help the future development of education and in response to the "Promoting Education by All Industries" campaign launched by the Overseas Chinese Affairs Office of Minhang District, Shanghai. To provide transportation for teachers and students of Wenqi Middle School to participate in social practice activities and to facilitate travel, to offer love and practical assistance for educational development with practical actions.

2. On February 21, 2019, the company's controlling subsidiary Huzhou Mingshuo Technology actively responded to the charity donation and assistance activities of the Nanxun District Committee of Huzhou City on the "Three Years for Low-income People to Be Well-off", donating a special fund of 50,000 yuan to help needy people so that all the people in the district can share the fruits of reform and development.

3. In the first half of 2019, the company's controlling subsidiaries Hunan Tunghsu Weigao Medical Device Technology Co., Ltd. and Suzhou Tengda Optical Technology Co., Ltd. responded positively to the call of the state and actively participated in charitable fund-raising activities such as "poverty eradication for a better future", donating 10,000 yuan and 5,000 yuan respectively to help the poor.

## XVI. Other material events

☐ Applicable ☒ Not applicable

No such cases in the reporting period.

## XVII. Material events of subsidiaries

☐ Applicable ☒ Not applicable

## VI. Change of share capital and shareholding of Principal Shareholders

### I. Changes in share capital

## 1. Changes in share capital

In shares

	Before the change		Increase/decrease (+, -)					After the Change	
	Amount	Proportion	Share allotment	Bonus shares	Capitalization of common reserve fund	Other	Subtotal	Quantity	Proportion
I. Shares with conditional subscription	616,094,803	10.75%						616,094,803	10.75%
3. Other domestic shares	616,094,803	10.75%						616,094,803	10.75%
Incl: Domestic legal person shares	614,834,053	10.73%						614,834,053	10.73%
Domestic Natural Person shares	1,260,750	0.02%						1,260,750	0.02%
II. Shares with unconditional subscription	5,114,155,315	89.25%						5,114,155,315	89.25%
1. Common shares in RMB	4,864,155,314	84.89%						4,864,155,314	84.89%
2. Foreign shares in domestic market	250,000,001	4.36%						250,000,001	4.36%
III. Total of capital shares	5,730,250,118	100.00%						5,730,250,118	100.00%

## Reasons for share changed

☐ Applicable ☒ Not applicable

## Approval of Change of Shares

☐ Applicable ☒ Not applicable

## Ownership transfer of share changes

☐ Applicable ☒ Not applicable

## Progress on any share repurchase:

☐ Applicable ☒ Not applicable

## Progress on reducing the repurchased shares by means of centralized bidding:

☐ Applicable ☒ Not applicable

Influence on the basic EPS and diluted EPS as well as other financial indexes of net assets per share attributable to common shareholders of Company in latest year and period

☐ Applicable ☒ Not applicable

Other information necessary to disclose for the company or need to disclosed under requirement from security regulators

☐ Applicable ☒ Not applicable

## 2. Change of shares with limited sales condition

☐ Applicable ☒ Not applicable

## II. Issuing and listing

☐ Applicable ☒ Not applicable

## III. Shareholders and shareholding

In Shares

Total number of common shareholders at the end of the	371,574 (including 354,540 shareholders holding A shares and	Total number of preferred shareholders that had restored the	0
---	--	--	---

reporting period		17,034 shareholders holding B shares)		voting right at the end of the reporting period (if any) (note 8)				
Particulars about shares held above 5% by shareholders or top ten shareholders								
Shareholders	Nature of shareholder	Proportion of shares held ( % )	Number of shares held at period -end	Changes in reporting period	Amount of restricted shares held	Amount of un-restricted shares held	Number of share pledged/frozen	
							State of share	Amount
Tunghsu Group	Domestic Non -State-owned legal person	15.97%	915,064,091		352,006,791	563,057,300	Pledge	775,563,042
Shijiazhuang Baoshi Electronic Group Co., Ltd.	Domestic Non -State-owned legal person	5.80%	332,382,171			332,382,171		
Shanghai Huimao Enterprise Management Co., Ltd.	Domestic Non -State-owned legal person	4.58%	262,626,262		262,626,262	0	Pledge	80,240,722
Minsheng Royal Fund Management Co., Ltd — Ping An Bank-Daye Trust Zengli 2 single Fund Trust	Other	1.63%	93,363,625	-3,828,599		93,363,625		
Tunghsu Optoelectronic Technology Co., Ltd. — The first ESOP	Other	1.27%	72,639,296			72,639,296		
Beixin Ruifeng Fund — China Merchants Bank — Daye Trust — Daye Trust Profit increase 3 single fund plan	Other	1.08%	62,095,032			62,095,032		
Shenzhen Taianer Information Technology Co., Ltd.	Domestic Non -State-owned legal person	1.07%	61,165,682			61,165,682	Pledge	55,265,682
Zhonghai Trust Co., Ltd. — Zhonghai Trust — Tunghsu Optoelectronic ESOP pooled Fund trust	Other	0.92%	52,555,280			52,555,280		
Kunshan Development Zone State-owned Investment Holding Co., Ltd.	State-owned legal person	0.73%	41,838,269	-2,150,000		41,838,269		



Yang Haihui	Domestic natural person	0.55%	31,767,200			31,767,200		
Strategy investors or general legal person becomes top 10 shareholders due to rights issued (if applicable) (See Notes 3)		Among the top 10 shareholders, Kunshan Development Zone State-owned Investment Holding Co., Ltd. and Tunghsu Optoelectronic Technology Co., Ltd. — The first ESOP became the top 10 shareholders of the company by participating in the subscription of the company's non-public share issuance in 2015-and the sale-restricted period for those shares held is 36 months, that is, from December 16,2015 to December 17, 2018. Among the top 10 shareholders, Shenzhen Taianer Information Technology Co., Ltd. became the top 10 shareholders of the company by participating in the subscription of the company's non-public share issuance in 2016-and the sale-restricted period for those shares held is 12 months, that is, from August 26,,2016 to August 25, 2017. Among the top 10 shareholders, Shanghai Huimao Enterprise Management Co., Ltd, Minsheng Jiayin Fund-Ping An Bank-Daye Trust-Daye Trust Zengli No.2 Single Fund Trust, and Beixin Ruifeng Fund-China Merchants Bank-Daye Trust-Daye Trust Zengli No.3 Single Fund Plan became the top 10 shareholders of the company by participating in the subscription of shares of the company's 2017 Non-public Share Issuance and Paying Cash to Purchase Assets and Raising Matching Funds and The Related Transaction, with that: the shares held by Shanghai Huimao Enterprise Management Co., Ltd has a sale-restricted period of 36 months, namely from November 30, 2017 - November 29, 2020; and the shares held by Minsheng Jiayin Fund-Ping An Bank-Daye Trust-Daye Trust Zengli No.2 Single Fund Trust and Beixin Ruifeng Fund-China Merchants Bank-Daye Trust-Daye Trust Zengli No.3 Single Fund Plan have a sale-restricted period of 12 months, namely from December 29, 2017 to December 28, 2018.						
Explanation on shareholders participating in the margin trading business		Among the top ten shareholders , Tunghsu Group , Baoshi Group and Yang Haihui have relationship and constitute persons taking concerted action. The company does not know whether there is relationship between other 7 shareholders or whether they are persons taking concerted action defined in Administrative Measures Relating to Acquisitions of Listed Companies.						
Shareholding of top 10 shareholders of unrestricted shares								
Name of the shareholder		Quantity of unrestricted shares held at the end of the reporting period				Share type		
						Share type		Quantity
Tunghsu Group		563,057,300				RMB Common shares		563,057,300
Shijiazhuang Baoshi Electronic Group Co., Ltd.		332,382,171				RMB Common shares		332,382,171
Minsheng Royal Fund Management Co., Ltd — -Ping An Bank-Daye Trust Zengli 2 single Fund Trust		93,363,625				RMB Common shares		93,363,625
Tunghsu Optoelectronic Technology Co., Ltd. — The first ESOP		72,639,296				RMB Common shares		72,639,296
Beixin Ruifeng Fund — China Merchants Bank — Daye Trust — Daye Trust Profit increase 3 single fund plan		62,095,032				RMB Common shares		62,095,032
Shenzhen Taianer Information Technology Co., Ltd.		61,165,682				RMB Common shares		61,165,682
Zhonghai Trust Co., Ltd. — Zhonghai Trust — Tunghsu Optoelectronic ESOP pooled Fund trust		52,555,280				RMB Common shares		52,555,280
Kunshan Development Zone State-owned Investment Holding Co., Ltd.		41,838,269				RMB Common shares		41,838,269
Yang Haihui		31,767,200				RMB Common shares		31,767,200
Hong Kong Securities Clearing Co. Ltd		30,984,310				RMB Common shares		30,984,310

Explanation on associated relationship or consistent action among the top 10 shareholders of non-restricted negotiable shares and that between the top 10 shareholders of non-restricted negotiable shares and top 10 shareholders	Among the top 10 shareholders of unrestricted tradable shares and the top 10 shareholders of common shares, Tunghsu Group Co., Ltd. has a concerted action relationship with Shijiazhuang Baoshi Electric Group Co., Ltd. and Yang Haihui.
Notes to the shareholders involved in financing securities (if any)(See Notes 4)	Not applicable

Whether top ten common shareholders or top ten common shareholders with un-restrict shares held have a buy-back agreement dealing in reporting period.

☐ Yes ☒ No

The top ten common shareholders or top ten common shareholders with un-restrict shares held of the Company have no buy –back agreement dealing in reporting period.

#### **IV. Change of the controlling shareholder or the actual controller**

Change of the controlling shareholder in the reporting period

☐ Applicable ☒ Not Applicable

There was no any change of the controlling shareholder of the Company in the reporting period.

Change of the actual controller in the reporting period

☐ Applicable ☒ Not applicable

There was no any change of the actual controller of the Company in the reporting period.

## **VII. Situation of the Preferred Shares**

☐Applicable ☒Not applicable

The Company had no preferred shares in the reporting period

## **VIII. Information about Directors, Supervisors and Senior Executives**

### **I. Change in shares held by directors, supervisors and senior executives**

☐Applicable ☒Not applicable

There was no change in shareholding of directors, supervisors and senior management staffs, for the specific information please refer to the 2018 Annual Report.

### **II. Changes in directors, supervisors and senior management staffs**

☐Applicable ☒Not applicable

No changes happened to any of the directors, supervisors, or executives in the report period. For details please refer to the Annual Report 2018.

## IX. Corporate Bond

Whether the company has corporate bonds that have been publicly issued and listed on the stock exchange, and not yet due or due but not fully cashed on the approval date of annual report

Yes

### 1. Basic information of the corporate bonds

Bond Name	Abbreviated Bond Name	Code	Issue Date	Date Due	Bond Balance(RMB' 0000)	Interest Rate	Method of repayment of the principal and interest payment
2015-corporate bond of Tunghsu Optoelectronic Technology Co., Ltd	15 Tunghsu bonds	112243	May 19,2015	May 19,2020	95,355.8	6.80%	Interest paid every year, the principal will be repaid with the last unpaid interest in one time as the bond due
Listed place or Transaction place for the corporate bonds		Shenzhen Stock Exchange					
Arrangement of investor's eligibility		Investor's put table right					
Information about interest paid and bonds honored during the reporting period		The fourth period bond interest 65,010,903.60 was paid in full amount on schedule in the current period.					
Implementation of relevant special clauses(if applicable) such as option clause for the bond issuer or investors and exchangeable clause		Not applicable					

### II. Information about the bond trustee and credit rating agency

Bond trustee:							
Name	Guangzhou Securities Co., Ltd.	Business Address	19,20/F, Main Tower , Guangzhou International Finance Center, No.5 Zhujiang West Road, Tianhe District Guangzhou City	Contacts	Shi Jianhua, Yan Xiangjun	Tel	020-88836999
The credit rating agency who follow up and rate the corporate bonds in the reporting period:							
Name	United Rating Co.,Ltd			Business Address	Room 508 Ailiyuan Apartment, No.38 Water Park North Road, Nankai District, Tianjin City		
During the report period, the bond trustee, credit rating agency employed by the company that have changed, reasons for the change, performing procedures, relevant influence on investors, etc ( if applicable)			Not applicable				

### III. Information about the use of the funds raised by issuing corporate bonds

The information of the use of the funds raised by issuing corporate bonds and related implementation procedure	Using the funds raised by issuing corporate bonds strictly conforming to the purpose stipulated by Rules of Management and Use of the Raised Funds and the Prospectus, and implemented the corresponding approval procedures
--	--

Ending balance of the year(RMB10,000)	0
Operation status of the special account for the raised funds	Normal
Whether the use of the raised funds conforming to the purpose, use plan and other provisions specified in the Prospectus	The use of the raised funds conformed to the purpose promised in the Prospectus

#### IV. Information about the rating of the corporate bonds

On June 21, 2019, United Ratings Co., Ltd. issued trace rating report LHPZ [2019] No.1273 based on the company's 2018. Annual Report. By tracking and rating the long-term credit status of the main body of the company and corporate bonds publicly issued by the company, the rating results is determined as the long-term credit rating AA+, and its outlook is "Steady". The credit rating of "15 Tunghsu Bonds" issued by Tunghsu Optoelectronic Technology Co., Ltd. is AA+. (For details, please refer to the "Tracking Rating Announcement" of the company disclosed on www.cninfo.com on June 25, 2019)

#### V. The corporate bond's credit mechanism, repayment plan and other safeguard measures for repayment

##### Repayment Plan

##### I. Payment of the interest

1. The interest of the bonds shall be paid each year and the last payment of interest shall be paid with the principal. Every payment of interest shall not be charged on interest after the interest paying day and the principal shall not be charged on interest after the bond's date due. The interest payment day of this corporate bond is May 19 of each year from 2016 to 2020 (If it is not a working day, the payment day will be postponed to the first working day after the day). If the investors exercise the puttable right at the end of the third year in the duration of the bond, the interest payment day of the bonds sold back is May 19 of each year from 2016 to 2018.

2. The payment of the interest of the bonds shall be handled through the bond registration institution and other related institutions. The concrete information of the interest payment will be specified in the Interest Payment Announcement issued on the media designated by CSRC, with in accordance with the relevant state regulations.

3. According to relevant national tax laws and regulations, the investor of the corporate bond shall fully bear the relevant tax should be paid.

##### II. The repayment of the principal

1. The principal will be fully repaid in a time, and its repaying day is May 19, 2020. If the investors exercise the puttable right at the end of the third year in the duration of the bond, the repaying day of the principal of the bonds being sold back is May 19, 2018. (If the repaying day aforesaid is not a working day, the repaying day shall be postponed to the first working day after the original day, and there is no need to pay interest in the deferred period)

2. The repayment of the principal of the bonds will be handled through the bond registration institution and other related institutions. The concrete information of repayment of the principal of the bonds will be specified in the Principal Repayment Announcement issued on the media designated by CSRC, with in accordance with the relevant state regulations.

##### Safeguard measures for the repayment

##### I. A designated special department in charge of the repayment working

The company designated its finance department to take the lead in the coordination work for repayment of the bonds and the finance department shall coordinate other relevant departments to schedule the demanded funds for the repayment of the bonds in every year's financial budget, for ensuring the repayment of the interest and principal of the bonds is timely, guaranteeing the bond-holder's interest. The company will set up a working team for repayment 15 days before the day that is the interest paying day or principal repaying day of the bonds, with the personnel of the finance department being included, to specially in charge of the work of paying the interest of the bonds and the repayment of the principal.

##### II. Establishing Meeting Rules for Bond-holders

According to the provisions specified in the Pilot Approach, the company with bond trustee has established the Meeting Rules for Bond-holders for the corporate bonds. The Meeting Rules for Bond-holders specified the scope, procedures and other important items for the bond-holders to exercise rights through the Meeting of the Bond-holders, which provided a reasonable institutional arrangement for the timely and full payment to the interest and the principal of the corporate bonds.

##### III. Making the full use of the bond trustee

According to the requirements specified in the Pilot Approach, the company has adopted the institution of bond

trustee, engaged Guangzhou Securities Co., Ltd as the trustee of the bonds this time and signed the Agreement of Bond Entrusted Management with Guangzhou Securities. The Bond Trustee shall represent all the bond-holders to supervise the relevant information about the company and take all necessary measures to protect the legitimate interest of the bond-holders when the interest or principal of the bonds cannot be repaid in time. The company shall strictly conform to the provisions specified in the Agreement of Bond Entrusted Management, being cooperative when the bond trustee performance its duties, and regularly submit the report of commitment fulfillment status to the bond trustee. When there is a possible bond default, the company shall notice the bond trustee in time, thus the bond trustee can take other necessary measures in time according to the Bond Entrusted Management.

#### IV. Strictly fulfilling the obligation of information disclosure

The company shall adhere to the information disclosure principles of authentic, accurate and completed, making the information of the company's repaying ability and use of the raised funds to be supervised by the bond trustee and shareholders, for preventing the risk of repayment. According to the Agreement of Bond Entrusted Management and relevant regulations, the company shall release the information of major issues, which include but not limited to the following contents: (1) According to the Prospectus and agreement with the registered trustee institution, the company shall transfer the maturity interest payment or principal to the account designated by the registered trustee institution; (2) By estimate or in fact, the company cannot fully repay the interest or principal of the bonds in time according to the provisions stipulated in the Prospectus; (3) Signing the guarantee contract for external or other major contracts may have significant adverse effects of repaying the interest and principal of the bonds; (4) A severe loss occurred or expected to occur, and the loss exceeds 10% of the net asset audited in the last accounting year; (5) Occurrence of capital reduction, merger, division, dissolution, file for bankruptcy, entering into bankruptcy procedure or other main changes of the company; (6) Occurrence of the amount of subject in the major arbitration or lawsuit exceeding 10% of the net asset audited in the last accounting year; (7) Planning to dispose the asset or debt with subject amount exceeding 10% of the net asset audited in the last accounting year; (8) Planning to change the bond trustee; (9) Failing to perform or Planning to change the stipulations specified in the Prospectus; (10) Alteration of the designated person for specially in charge of the relevant matters of the corporate bonds; (11) Occurrence of suspending the bond transaction; (12) Others may significantly impact the repaying of the interest and principal or circumstances specified by laws, administrative regulations and stipulations by the CSRC or exchange.

#### V. Setting up the capital management plan and strictly implementing the plan

After the issuance of the bonds, the company shall further reinforce the company's assets and liabilities management, liquidity management, use management of the raised funds, funds management and so forth according to the company's debt structure. Also, the company will set up monthly and yearly funds use plan based on the maturity of repaying the interest and principal, ensuring on-schedule, timely and full-amount preparing of the funds for repaying every year's interest or principal of the bonds to adequately protect the investor's interest.

#### VI. Commitments

According to the resolutions of the issuance of the bonds approved on the board meeting on Oct 21, 2014 and the general meeting of shareholders on Nov 6, 2014, when the company cannot repay the interest or principal of the bonds in time or fully repay the interest or principal of the bonds, the company shall take the following resolutions and make corresponding measures: (1) None profit distribution to shareholders; (2) Postponing capital expenditure items, such as major investment, merger and acquisition; (3) Reducing or stopping the salaries and bonuses of the directors and senior management personnel; (4) No transferring of principal responsible personnel and so on.

#### VI. Information about the bond-holder meeting during the reporting period

There was no bond-holder meeting convened in the reporting period.

#### VII. Information about the obligations fulfilled by the bond trustee in the reporting period

The bond trustee has been continuously following up the company's credit status, 2018 Entrusted Management Report of 2015 Corporate Bonds of Tunghsu Optoelectronic on May 22, 2019.

#### VIII. The key accounting data and financial indicators of the latest two years to the end of the reporting period

Ten Thousands yuan

Items	As at the end of the reporting period	As at the end of last year	YoY+/- (%) he same period
Current ratio	168.15%	167.08%	1.07%
Debt ratio	52.41%	53.95%	-1.54%
Quick ratio	126.72%	131.58%	-4.86%

	Reporting period	The same period of last year	At the same time rate of change
EBITDA interest coverage ratio	3.51	3.44	2.03%
Loans repayment rate	100.00%	100.00%	0.00%
Interest payment rate	100.00%	100.00%	0.00%

The material reasons for the changed ratio of the accounting data or financial indicators exceeds 30% over the last year

☐ Applicable ☒ Not applicable

IX. The company fails to repay the debt

☐ Applicable ☒ Not applicable

No such cases in the reporting period.

X. Information about the repayment of interest and principal for other bonds or debt financing instruments

1. Bonds issuing, interest payment and cashing within the report period

The company 8th Board of Directors approved the application to National Association of Financial Market Institutional Investors (NAFMII) for registration and issuance of less than 4.7 billion medium term note on September 8, 2016. The extraordinary general shareholders' meeting was convoked on September 26, 2016 and approved the program concerning the proposed registration and issuance of the medium term note. The medium term note in 2016 was 4.7 billion in two periods including the first period with two types of (3+2 years) and 5 years totaling up to 3 billion and the second period with two types of (3+2 years) and 5 years totaling up to 1.7 billion, which would both adopt the interest payment per year, principal repayment upon expiration and the interest payment together with the principal cashing for the last period. The interest payment period has not expires within the report period .

2. Unmatured bonds issuing, interest payment and cashing in previous years

As approved by China Securities Regulatory Commission file of ZJXK[2015] No. 635, the company issued toward the public 1 billion bones on May 19, 2015. and the fourth period bond interest 65,010,903.6 was paid in full amount on schedule in the reporting period.

XI.Information about the bank credit obtaining and use, as well as repayment of the bank loans during the reporting period

The balance of the total amount of the short-term and long-term loans is RMB12,395,625,800.00, increased RMB1,292,929,548.67 compared with the end of year 2018, which mainly because of the need of the production and operation and the construction of projects. The company strictly conformed to requests of bank loans to use the funds and fully repaid the interest and principal to the bank in time.

XII. Information about fulfillment of the stipulations or commitments specified in the Prospectus of the issuance of the bonds during the reporting period

During the reporting period, there is no use of corporate bonds to raise funds, and the company has strictly fulfilled its commitment that the bond raised funds will not be directly or indirectly invested in the real estate development business, and will not be used to increase the capital of subsidiaries engaged in the real estate business or lend money to them.

XIII.Major events occurred during the reporting period

Nil

XIV. Whether the corporate bonds have a guarantor

☐ Yes ☒ No



**X. Financial Report****I. Audit report**

Has this semi-annual report been audited?

☐ Yes ☒ No

The semi-annual financial report has not been audited.

**II. Financial statements**

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

**1.Consolidated Balance sheet**

Prepared by: Tunghsu Optoelectronic Technology Co., Ltd.

June 30,2019

In RMB

Items	June 30,2019	December 31,2018
Current asset :		
Cash and bank balances	19,608,160,332.91	19,807,094,397.16
Settlement provision		
Outgoing call loan		
Transactional financial assets	3,000,000.00	
Financial assets measured at fair value with variations accounted into current income account		
Derivative financial assets		
Notes receivable	61,194,310.70	499,781,503.17
Account receivable	11,948,970,007.58	14,352,781,895.39
Financing of receivables		
Prepayments	5,058,031,101.05	5,215,414,219.51
Insurance receivable		
Reinsurance receivable		
Provisions of Reinsurance contracts receivable		
Other account receivable	1,180,820,462.92	1,125,991,020.55
Including: Interest receivable	97,484,985.07	56,811,961.67
Dividend receivable		
Repurchasing of financial assets		
Inventories	4,754,313,963.62	3,510,786,666.85
Contract assets		
Assets held for sales	119,355,435.58	119,355,435.58
Non-current asset due within 1 year		
Other current asset	792,954,051.81	809,360,778.49
Total of current assets	43,526,799,666.17	45,440,565,916.70
Non-current assets :		
Loans and payment on other's behalf disbursed		

Debt investment		
Available for sale of financial assets		243,158,605.30
Other investment on bonds		
Expired investment in possess		
Long-term receivable	580,792,364.92	344,430,815.68
Long term share equity investment	2,191,785,865.01	2,174,347,969.22
Other equity instruments investment		
Other non-current financial assets	548,158,605.30	
Property investment	711,680,374.74	686,993,881.02
Fixed assets	9,043,235,757.53	9,634,463,323.77
Construction in progress	5,511,187,961.75	5,013,941,980.61
Production physical assets		
Oil & gas assets		
Use right assets		
Intangible assets	1,114,095,291.45	1,146,949,745.14
Development expenses	50,589,620.23	37,122,235.94
Goodwill	2,702,403,019.28	2,835,672,586.90
Long-germ expenses to be amortized	24,320,539.97	21,884,204.82
Deferred income tax asset	572,545,713.26	533,094,627.68
Other non-current asset	4,800,933,217.60	4,463,496,966.82
Total of non-current assets	27,851,728,331.04	27,135,556,942.90
Total of assets	71,378,527,997.21	72,576,122,859.60
Current liabilities		
Short-term loans	9,194,934,400.00	8,361,106,651.33
Loan from Central Bank		
Borrowing funds		
Transactional financial liabilities		
Financial liabilities measured at fair value with variations accounted into current income account		
Derivative financial liabilities		
Notes payable	1,545,392,945.94	1,643,167,026.68
Account payable	6,458,794,541.00	8,632,927,106.20
Advance receipts	1,834,097,832.98	1,402,283,662.37
Selling of repurchased financial assets		
Deposit taking and interbank deposit		
Entrusted trading of securities		
Entrusted selling of securities		
Employees' wage payable	154,026,466.39	238,146,977.17
Tax payable	611,921,439.66	817,173,127.12
Other account payable	2,492,921,065.31	2,089,603,676.60
Including: Interest payable	202,034,241.49	117,554,951.58
Dividend payable	401,117,508.26	
Fees and commissions payable		
Reinsurance fee payable		
Contract Liabilities		

Liabilities held for sales		
Non-current liability due within 1 year	3,290,141,668.70	3,697,392,864.91
Other current liability	303,821,093.64	315,193,128.73
Total of current liability	25,886,051,453.62	27,196,994,221.11
Non-current liabilities:		
Reserve fund for insurance contracts		
Long-term loan	3,200,691,400.00	2,741,589,600.00
Bond payable	5,282,105,325.64	5,630,818,825.32
Including: preferred stock		
Sustainable debt		
Lease liability		
Long-term payable	1,703,412,663.14	2,644,309,592.95
Long-term remuneration payable to staff		
Expected liabilities	92,169,224.93	99,765,750.04
Deferred income	683,720,240.53	676,146,399.31
Deferred income tax liability	50,271,341.82	55,192,983.97
Other non-current liabilities	508,000,000.00	108,000,000.00
Total non-current liabilities	11,520,370,196.06	11,955,823,151.59
Total of liability	37,406,421,649.68	39,152,817,372.70
Owners' equity		
Share capital	5,730,250,118.00	5,730,250,118.00
Other equity instruments		
Including: preferred stock		
Sustainable debt		
Capital reserves	21,816,238,799.56	21,786,233,393.78
Less: Shares in stock	4,422,320.00	4,422,320.00
Other comprehensive income	-29,175.80	-29,175.80
Special reserve	12,877,156.81	12,614,331.35
Surplus reserves	245,507,019.95	245,507,019.95
Common risk provision		
Retained profit	5,194,036,219.58	4,750,977,557.86
Total of owner's equity belong to the parent company	32,994,457,818.10	32,521,130,925.14
Minority shareholders' equity	977,648,529.43	902,174,561.76
Total of owners' equity	33,972,106,347.53	33,423,305,486.90
Total of liabilities and owners' equity	71,378,527,997.21	72,576,122,859.60

Legal representative : Wang Lipeng

Person-in-charge of the accounting work: Feng Qiuju

Person-in -charge of the accounting organ: Wang Cang

## 2. Balance sheet of the Parent Company

In RMB

Items	June 30,2019	December 31, 2018
-------	--------------	-------------------

Current asset :		
Cash and bank balances	6,365,489,664.34	9,732,302,654.23
Transactional financial assets		
Financial assets measured at fair value with variations accounted into current income account		
Derivative financial assets		
Notes receivable		50,000.00
Account receivable	159,080,478.35	176,563,926.23
Financing of receivables		
Prepayments	102,252,178.91	2,008,364.11
Other account receivable	8,980,213,046.51	6,281,675,319.27
Including: Interest receivable	27,122,805.61	7,521,489.86
Dividend receivable	500,000,000.00	500,000,000.00
Inventories	181,088,528.76	269,759,580.95
Contract assets		
Assets held for sales		
Non-current asset due within 1 year		
Other current asset	148,973.38	148,973.38
Total of current assets	15,788,272,870.25	16,462,508,818.17
Non-current assets:		
Debt investment		
Available for sale of financial assets		129,500,056.00
Other investment on bonds		
Expired investment in possess		
Long-term receivable		
Long term share equity investment	28,666,925,896.68	26,504,735,200.89
Other equity instruments investment		
Other non-current financial assets	429,500,056.00	
Property investment		
Fixed assets	153,180,310.07	160,867,244.63
Construction in progress		
Production physical assets		
Oil & gas assets		
Use right assets		
Intangible assets	9,165,533.60	9,339,387.26
Development expenses		
Goodwill		
Long-germ expenses to be amortized		
Deferred income tax asset	143,264,158.31	119,964,967.85
Other non-current asset		
Total of non-current assets	29,402,035,954.66	26,924,406,856.63
Total of assets	45,190,308,824.91	43,386,915,674.80
Current liabilities		
Short-term loans	5,269,000,000.00	4,278,000,000.00

Transactional financial liabilities		
Financial liabilities measured at fair value with variations accounted into current income account		
Derivative financial liabilities		
Notes payable		
Account payable	7,284,844.84	11,500,796.58
Advance receipts	1,580,498.78	1,991,498.78
Contract Liabilities		
Employees' wage payable	4,481,839.86	4,484,401.86
Tax payable	10,425,916.65	17,959,833.09
Other account payable	5,411,174,537.35	3,656,725,253.66
Including: Interest payable	170,142,763.88	97,197,464.99
Dividend payable	401,117,508.26	
Liabilities held for sales		
Non-current liability due within 1 year	1,568,557,987.37	1,533,383,333.28
Other current liability		
Total of current liability	12,272,505,624.85	9,504,045,117.25
Non-current liabilities:		
Long-term loan	496,000,000.00	
Bond payable	4,682,105,325.64	5,630,818,825.32
Including: preferred stock		
Sustainable debt		
Lease liability		
Long-term payable		
Long-term remuneration payable to staff		
Expected liabilities		
Deferred income		
Deferred income tax liability		
Other non-current liabilities		
Total non-current liabilities	5,178,105,325.64	5,630,818,825.32
Total of liability	17,450,610,950.49	15,134,863,942.57
Owners' equity		
Share capital	5,730,250,118.00	5,730,250,118.00
Other equity instruments		
Including: preferred stock		
Sustainable debt		
Capital reserves	21,832,453,907.50	21,832,453,907.50
Less: Shares in stock	4,422,320.00	4,422,320.00
Other comprehensive income		
Special reserve		
Surplus reserves	226,517,795.62	226,517,795.62
Retained profit	-45,101,626.70	467,252,231.11
Total of owners' equity	27,739,697,874.42	28,252,051,732.23
Total of liabilities and owners' equity	45,190,308,824.91	43,386,915,674.80

## 3.Consolidated Income Statement

In RMB

Item	Semi-annual of 2019	Semi-annual of 2018
I. Income from the key business	8,475,089,222.93	11,129,851,790.88
Incl: Business income	8,475,089,222.93	11,129,851,790.88
Interest income		
Insurance fee earned		
Fee and commission received		
II. Total business cost	7,645,968,690.88	10,087,183,529.27
Incl: Business cost	6,571,893,216.94	9,021,989,897.09
Interest expense		
Fee and commission paid		
Insurance discharge payment		
Net claim amount paid		
Insurance policy dividend paid		
Insurance policy dividend paid		
Reinsurance expenses		
Business tax and surcharge	46,727,113.64	186,096,120.70
Sales expense	155,812,716.54	93,892,692.42
Administrative expense	282,118,024.57	204,871,395.72
R & D expense	221,327,523.23	185,106,307.04
Financial expenses	368,090,095.96	395,227,116.30
Including: Interest expense	588,567,514.28	595,740,917.45
Interest income	228,977,031.09	198,162,232.24
Add: Other income	222,651,739.17	108,362,056.52
Investment gain ( “-”for loss )	22,050,338.04	23,706,518.19
Including: investment gains from affiliates	17,437,895.79	11,836,624.48
Financial assets measured at amortized cost cease to be recognized as income		
Gains from currency exchange		
Net exposure hedging income		
Changing income of fair value		
Credit impairment loss	-9,667,362.72	
Impairment loss of assets	-1,753,608.15	-1,058,589.31
Assets disposal income		-664,826.45
III. Operational profit ( “-”for loss )	1,062,401,638.39	1,173,013,420.56
Add : Non-operational income	7,919,928.18	5,945,896.93
Less: Non-operating expense	2,315,427.97	2,767,812.01
IV. Total profit(“-”for loss)	1,068,006,138.60	1,176,191,505.48
Less: Income tax expenses	186,908,717.85	282,130,776.24
V. Net profit	881,097,420.75	894,060,729.24
(I) Classification by business continuity		
1.Net continuing operating profit	881,097,420.75	894,060,729.24
2.Termination of operating net profit		

(II) Classification by ownership		
1.Net profit attributable to the owners of parent company	844,176,169.98	858,296,089.08
2.Minority shareholders' equity	36,921,250.77	35,764,640.16
VI. Net after-tax of other comprehensive income		14,095.23
Net of profit of other comprehensive income attributable to owners of the parent company.		7,752.38
(I) Other comprehensive income items that will not be reclassified into gains/losses in the subsequent accounting period		
1.Re-measurement of defined benefit plans of changes in net debt or net assets		
2.Other comprehensive income under the equity method investee can not be reclassified into profit or loss.		
3. Changes in the fair value of investments in other equity instruments		
4. Changes in the fair value of the company's credit risks		
5.Other		
(II) Other comprehensive income that will be reclassified into profit or loss.		7,752.38
1.Other comprehensive income under the equity method investee can be reclassified into profit or loss.		
2. Changes in the fair value of investments in other debt obligations		
3.Gains and losses from changes in fair value available for sale financial assets		
4. Other comprehensive income arising from the reclassification of financial assets		
5.Held-to-maturity investments reclassified to gains and losses of available for sale financial assets		
6. Allowance for credit impairments in investments in other debt obligations		
7. Reserve for cash flow hedges		
8. Translation differences in currency financial statements		7,752.38
9.Other		
Net of profit of other comprehensive income attributable to Minority shareholders' equity		6,342.85
VII. Total comprehensive income	881,097,420.75	894,074,824.47
Total comprehensive income attributable	844,176,169.98	858,303,841.46

to the owner of the parent company		
Total comprehensive income attributable minority shareholders	36,921,250.77	35,770,983.01
VIII. Earnings per share		
( I ) Basic earnings per share	0.15	0.15
(II)Diluted earnings per share	0.15	0.15

The current business combination under common control, the net profits of the combined party before achieved net profit of RMB0.00, last period the combined party realized RMB0.00.

Legal representative : Wang Lipeng

Person-in-charge of the accounting work: Feng Qiuju

Person-in -charge of the accounting organ: Wang Cang

#### 4. Income statement of the Parent Company

In RMB

Items	Semi-annual of 2019	Semi-annual of 2018
I. Income from the key business	118,328,629.33	55,315,982.40
Incl: Business cost	104,268,766.04	38,492,540.23
Business tax and surcharge	3,986,637.43	2,172,697.75
Sales expense		
Administrative expense	16,722,075.57	24,293,737.94
R & D expense	1,697,882.99	
Financial expenses	144,058,883.12	251,600,276.69
Including: Interest expenses	342,536,623.00	353,696,339.28
Interest income	199,514,566.78	102,176,773.07
Add: Other income	50,000.00	
Investment gain ( “-”for loss )	17,437,895.79	5,131,289.44
Including: investment gains from affiliates		11,835,887.67
Financial assets measured at amortized cost cease to be recognized as income		
Net exposure hedging income		
Changing income of fair value		
Credit impairment loss	3,579.22	
Impairment loss of assets	241.00	7,901,312.69
Assets disposal income		
II. Operational profit ( “-”for loss )	-134,913,899.81	-264,013,293.46
Add : Non-operational income	378,359.80	671.41
Less: Non -operational expenses		0.15
III. Total profit(“-”for loss)	-134,535,540.01	-264,012,622.20
Less: Income tax expenses	-23,299,190.46	-1,269,693.27
IV. Net profit	-111,236,349.55	-262,742,928.93
1.Net continuing operating profit	-111,236,349.55	-262,742,928.93
2.Termination of operating net profit		
V. Net after-tax of other comprehensive income		
(I) Other comprehensive income items		



that will not be reclassified into gains/losses in the subsequent accounting period		
1.Re-measurement of defined benefit plans of changes in net debt or net assets		
2.Other comprehensive income under the equity method investee can not be reclassified into profit or loss.		
3. Changes in the fair value of investments in other equity instruments		
4. Changes in the fair value of the company's credit risks		
5.Other		
(II) Other comprehensive income that will be reclassified into profit or loss.		
1.Other comprehensive income under the equity method investee can be reclassified into profit or loss.		
2. Changes in the fair value of investments in other debt obligations		
3. Gains and losses from changes in fair value available for sale financial assets		
4. Other comprehensive income arising from the reclassification of financial assets		
5.Held-to-maturity investments reclassified to gains and losses of available for sale financial assets		
6. Allowance for credit impairments in investments in other debt obligations		
7. Reserve for cash flow hedges		
8. Translation differences in currency financial statements		
9.Other		
VI. Total comprehensive income	-111,236,349.55	-262,742,928.93
VII. Earnings per share		
(I) Basic earnings per share		
(II) Diluted earnings per share		

## 5. Consolidated Cash flow statement

In RMB

Items	Semi-annual of 2019	Semi-annual of 2018
I.Cash flows from operating activities		
Cash received from sales of goods or rendering of services	12,538,427,324.24	9,938,756,230.71
Net increase of customer deposits and capital kept for brother company		
Net increase of loans from central bank		
Net increase of inter-bank loans from other financial bodies		

Cash received against original insurance contract		
Net cash received from reinsurance business		
Net increase of client deposit and investment		
Cash received from interest, commission charge and commission		
Net increase of inter-bank fund received		
Net increase of repurchasing business		
Net cash received by agent in securities trading		
Tax returned	159,124,487.52	89,994,925.74
Other cash received from business operation	568,920,464.24	730,551,299.36
Sub-total of cash inflow	13,266,472,276.00	10,759,302,455.81
Cash paid for purchasing of merchandise and services	10,469,678,168.19	8,162,424,567.65
Net increase of client trade and advance		
Net increase of savings in central bank and brother company		
Cash paid for original contract claim		
Net increase in financial assets held for trading purposes		
Net increase for Outgoing call loan		
Cash paid for interest, processing fee and commission		
Cash paid for policy dividend		
Cash paid to staffs or paid for staffs	547,688,074.54	608,921,172.96
Taxes paid	647,487,169.76	568,158,273.01
Other cash paid for business activities	1,007,270,795.35	1,336,181,154.53
Sub-total of cash outflow from business activities	12,672,124,207.84	10,675,685,168.15
Net cash generated from /used in operating activities	594,348,068.16	83,617,287.66
II. Cash flow generated by investing		
Cash received from investment retrieving		1,251,030,000.00
Cash received as investment gains		13,923,452.07
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	139,400.00	1,339,040.00
Net cash received from disposal of subsidiaries or other operational units		393,727,652.59
Other investment-related cash received	1,340,340,013.92	200,000,000.00
Sub-total of cash inflow due to investment activities	1,340,479,413.92	1,860,020,144.66
Cash paid for construction of fixed assets, intangible assets and other long-term assets	597,463,088.90	2,686,335,621.99
Cash paid as investment	300,000,000.00	408,243,324.50
Net increase of loan against pledge		

Net cash received from subsidiaries and other operational units		107,762,094.14
Other cash paid for investment activities	543,862,480.99	318,237,076.99
Sub-total of cash outflow due to investment activities	1,441,325,569.89	3,520,578,117.62
Net cash flow generated by investment	-100,846,155.97	-1,660,557,972.96
III.Cash flow generated by financing		
Cash received as investment	125,000,000.00	4,169,500.00
Including: Cash received as investment from minor shareholders	125,000,000.00	4,169,500.00
Cash received as loans	4,372,774,810.00	3,146,840,211.91
Cash received from bond placing		
Other financing –related cash received	1,873,790,909.69	565,785,278.10
Sub-total of cash inflow from financing activities	6,371,565,719.69	3,716,794,990.01
Cash to repay debts	5,130,065,194.65	4,528,169,601.04
Cash paid as dividend, profit, or interests	680,941,043.24	640,756,867.95
Including: Dividend and profit paid by subsidiaries to minor shareholders		
Other cash paid for financing activities	581,386,717.14	640,002,625.89
Sub-total of cash outflow due to financing activities	6,392,392,955.03	5,808,929,094.88
Net cash flow generated by financing	-20,827,235.34	-2,092,134,104.87
IV. Influence of exchange rate alternation on cash and cash equivalents	-2,292,073.51	-2,652,600.61
V.Net increase of cash and cash equivalents	470,382,603.34	-3,671,727,390.78
Add: balance of cash and cash equivalents at the beginning of term	14,916,637,291.04	25,114,660,756.25
VI ..Balance of cash and cash equivalents at the end of term	15,387,019,894.38	21,442,933,365.47

## 6. Cash flow statement of the Parent Company

In RMB

Items	Semi-annual of 2019	Semi-annual of 2018
I.Cash flows from operating activities		
Cash received from sales of goods or rendering of services	84,884,151.99	63,990,000.00
Tax returned		13,719.30
Other cash received from business operation	1,224,517,860.73	330,847,011.69
Sub-total of cash inflow	1,309,402,012.72	394,850,730.99
Cash paid for purchasing of merchandise and services	2,016,245.08	33,858,206.35
Cash paid to staffs or paid for staffs	8,802,854.34	16,144,890.38
Taxes paid	30,828,754.47	3,755,213.45
Other cash paid for business activities	920,560,919.47	217,407,719.04
Sub-total of cash outflow from business activities	962,208,773.36	271,166,029.22

Net cash generated from /used in operating activities	347,193,239.36	123,684,701.77
II. Cash flow generated by investing		
Cash received from investment retrieving		1,770,000,000.00
Cash received as investment gains		678,923,452.07
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets		
Net cash received from disposal of subsidiaries or other operational units		
Other investment-related cash received		
Sub-total of cash inflow due to investment activities		2,448,923,452.07
Cash paid for construction of fixed assets, intangible assets and other long-term assets		
Cash paid as investment	2,141,300,000.00	2,617,565,500.00
Net cash received from subsidiaries and other operational units		
Other cash paid for investment activities	19,435,140,168.74	12,759,192,480.99
Sub-total of cash outflow due to investment activities	21,576,440,168.74	15,376,757,980.99
Net cash flow generated by investment	-21,576,440,168.74	-12,927,834,528.92
III. Cash flow generated by financing		
Cash received as investment		
Cash received as loans	1,741,000,000.00	580,000,000.00
Cash received from bond placing		
Other financing –related cash received	17,708,836,513.48	10,804,871,140.21
Sub-total of cash inflow from financing activities	19,449,836,513.48	11,384,871,140.21
Cash to repay debts	1,322,383,333.28	2,276,373,966.68
Cash paid as dividend, profit, or interests	264,269,240.71	348,534,414.26
Other cash paid for financing activities	750,000.00	
Sub-total of cash outflow due to financing activities	1,587,402,573.99	2,624,908,380.94
Net cash flow generated by financing	17,862,433,939.49	8,759,962,759.27
IV. Influence of exchange rate alternation on cash and cash equivalents		
V. Net increase of cash and cash equivalents	-3,366,812,989.89	-4,044,187,067.88
Add: balance of cash and cash equivalents at the beginning of term	9,732,302,654.23	11,224,359,236.39
VI ..Balance of cash and cash equivalents at the end of term	6,365,489,664.34	7,180,172,168.51

## 7. Consolidated Statement on Change in Owners' Equity

Amount in this period

In RMB

Items	Semi-annual of 2019														
	Owner's equity Attributable to the Parent Company												Minor shareholders' equity	Total of owners' equity	
	share Capital a	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specialized reserve	Surpluss reserves	Common risk provision	Retained profit	Other			Subtotal
		preferred stock	Sustainable debt	Other											
I.Balance at the end of last year	5,730,250,118.00				21,786,233,393.78	4,422,320.00	-29,175.80	12,614,331.35	245,507,019.95		4,750,977,557.86		32,521,130,925.14	902,174,561.76	33,423,305,486.90
Add: Change of accounting policy															
Correcting of previous errors															
Merger of entities under common control															
Other															
II.Balance at the beginning of current year	5,730,250,118.00				21,786,233,393.78	4,422,320.00	-29,175.80	12,614,331.35	245,507,019.95		4,750,977,557.86		32,521,130,925.14	902,174,561.76	33,423,305,486.90
III.Changed in the current year					30,005,405.78			262,825.46			443,058,661.72		473,326,892.96	75,473,967.67	548,800,860.63
(1) Total comprehensive income											844,176,169.98		844,176,169.98	36,921,250.77	881,097,420.75
(II)Investment or decreasing of capital by owners					30,005,405.78								30,005,405.78	38,682,277.03	68,687,682.81
1. Ordinary Shares invested by shareholders					30,005,405.78								30,005,405.78	38,682,277.03	68,687,682.81
2. Holders of other equity instruments invested capital															
3. Amount of shares paid and accounted as owners' equity															
4. Other															
(III) Profit allotment											-401,17,508.26		-401,17,508.26		-401,17,508.26
1.Providing of surplus reserves															
2.Providing of common risk provisions															

3. Allotment to the owners (or shareholders)											-401,17,508.26		-401,17,508.26		-401,17,508.26
4. Other															
(IV) Internal transferring of owners' equity															
1. Capitalizing of capital reserves (or to capital shares)															
2. Capitalizing of surplus reserves (or to capital shares)															
3. Making up losses by surplus reserves.															
4. Change amount of defined benefit plans that carry forward Retained earnings															
5. Other comprehensive income carry-over retained earnings															
6. Other															
(V). Special reserves								262,825.46					262,825.46	-129,560.13	133,265.33
1. Provided this year								2,075,391.67					2,075,391.67		2,075,391.67
2. Used this term								-1,812,566.21					-1,812,566.21	-129,560.13	-1,942,126.34
(VI) Other															
IV. Balance at the end of this term	5,730,250,118.00				21,816,238,799.56	4,422,320.00	-29,175.80	12,877,156.81	245,507,019.95		5,194,036,219.58		32,994,457,818.10	977,648,529.43	33,972,106,347.53

Amount in last year

In RMB

Items	Semi-annual of 2018														
	Owner's equity Attributable to the Parent Company												Minor shareholders' equity	Total of owners' equity	
	share Capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specialized reserve	Surpluss reserves	Common risk provision	Retained profit	Other			Subtotal
		preferred stock	Sustainable debt	Other											
I.Balance at the end of last year	5,730,250,				21,987,405,2	4,422,320.00	-4,518,45	1,983,921.21	224,133,824,		3,010,372,29		30,949,718,5	1,219,031,326,	32,168,749,868

	118.00				20.42				86		6.37		42.41	49	.90
Add: Change of accounting policy															
Correcting of previous errors															
Merger of entities under common control															
Other															
II. Balance at the beginning of current year	5,730,250,118.00				21,987,405,220.42	4,422,320.00	-4,518.45	1,983,921.21	224,133,824.86		3,010,372,296.37		30,949,718,542.41	1,219,031,326.49	32,168,749,868.90
III. Changed in the current year					-193,677,513.88		7,752.38	6,552.46			457,178,580.81		263,515,371.77	-444,517,148.17	-181,001,776.40
(I) Total comprehensive income							7,752.38				858,296,089.08		858,303,841.46	35,764,640.16	894,068,481.62
(II) Investment or decreasing of capital by owners					-270,364.11								-270,364.11	4,169,500.00	3,899,135.89
1. Ordinary Shares invested by shareholders														4,169,500.00	4,169,500.00
2. Holders of other equity instruments invested capital															
3. Amount of shares paid and accounted as owners' equity															
4. Other					-270,364.11								-270,364.11		-270,364.11
(III) Profit allotment											-401,17,508.27		-401,17,508.27		-401,17,508.27
1. Providing of surplus reserves															
2. Providing of common risk provisions															
3. Allotment to the owners (or shareholders)											-401,17,508.27		-401,17,508.27		-401,17,508.27
4. Other															
(IV) Internal transferring of owners' equity															
1. Capitalizing of capital															

reserves (or to capital shares)															
2. Capitalizing of surplus reserves (or to capital shares)															
3. Making up losses by surplus reserves.															
4. Change amount of defined benefit plans that carry forward Retained earnings															
5. Other comprehensive income carry-over retained earnings															
6. Other															
(V). Special reserves							6,552.46					6,552.46		6,552.46	
1. Provided this year							6,552.46					6,552.46		6,552.46	
2. Used this term															
(VI) Other					-193,407,149.77							-193,407,149.77	-484,451,288.33	-677,858,438.10	
IV. Balance at the end of this term	5,730,250,118.00				21,793,727,706.54	4,422,320.00	3,233.93	1,990,473.67	224,133,824.86		3,467,550,877.18	31,213,233,914.18	774,514,178.32	31,987,748,092.50	

## 8. Statement of change in owner's Equity of the Parent Company

Amount in this period

In RMB

Items	Semi-annual of 2019											
	Share capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specialized reserve	Surplus reserves	Retained profit	Other	Total of owners' equity
		preferred stock	Sustainable debt	Other								
I.Balance at the end of last year	5,730,250,118.00				21,832,453,907.50	4,422,320.00			226,517,795.62	467,252,231.11		28,252,051,732.23
Add: Change of accounting policy												
Correcting of previous errors												



Other												
II.Balance at the beginning of current year	5,730,250,118.00				21,832,453,907.50	4,422,320.00			226,517,795.62	467,252,231.11		28,252,051,732.23
III.Changed in the current year										-512,353,857.81		-512,353,857.81
(I) Total comprehensive income										-111,236,349.55		-111,236,349.55
(II) Investment or decreasing of capital by owners												
1. Ordinary Shares invested by shareholders												
2. Holders of other equity instruments invested capital												
3.Amount of shares paid and accounted as owners' equity												
4. Other												
(III) Profit allotment										-401,117,508.26		-401,117,508.26
1.Providing of surplus reserves												
2. Allotment to the owners (or shareholders)										-401,117,508.26		-401,117,508.26
3. Other												
(IV) Internal transferring of owners' equity												
1. Capitalizing of capital reserves (or to capital shares)												
2. Capitalizing of surplus reserves (or to capital shares)												
3. Making up losses by surplus reserves.												
4.Change amount of defined benefit plans that carry forward Retained earnings												
5. Other												

comprehensive income carry-over retained earnings												
6. Other												
(V) Special reserves												
1. Provided this year												
2. Used this term												
(VI) Other												
IV. Balance at the end of this term	5,730,250,118.00				21,832,453,907.50	4,422,320.00			226,517,795.62	-45,101,626.70		27,739,697,874.42

Amount in last year

In RMB

Items	Semi-annual of 2018											
	Share Capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specialized reserve	Surplus reserves	Retained profit	Other	Total of owners' equity
		preferred stock	Sustainable debt	Other								
I. Balance at the end of last year	5,730,250,118.00				21,861,207,672.90	4,422,320.00			205,144,600.53	676,010,983.59		28,468,191,055.02
Add: Change of accounting policy												
Correcting of previous errors												
Other												
II. Balance at the beginning of current year	5,730,250,118.00				21,861,207,672.90	4,422,320.00			205,144,600.53	676,010,983.59		28,468,191,055.02
III. Changed in the current year					-27,531,923.63					-663,860,437.20		-691,392,360.83
(I) Total comprehensive income										-262,742,928.93		-262,742,928.93
(II) Investment or decreasing of capital by owners					-27,531,923.63							-27,531,923.63
1. Ordinary Shares invested by shareholders					-27,531,923.63							-27,531,923.63
2. Holders of other equity instruments invested capital												
3. Amount of shares paid and accounted as												

owners' equity												
4. Other												
( III ) Profit allotment										-401,117,508.27		-401,117,508.27
1.Providing of surplus reserves												
2. Allotment to the owners (or shareholders)										-401,117,508.27		-401,117,508.27
3. Other												
(IV) Internal transferring of owners' equity												
1. Capitalizing of capital reserves (or to capital shares)												
2. Capitalizing of surplus reserves (or to capital shares)												
3. Making up losses by surplus reserves.												
4.Change amount of defined benefit plans that carry forward Retained earnings												
5. Other comprehensive income carry-over retained earnings												
6. Other												
(V) Special reserves												
1. Provided this year												
2. Used this term												
( VI ) Other												
IV. Balance at the end of this term	5,730,250,118.00				21,833,675,749.27	4,422,320.00			205,144,600.53	12,150,546.39		27,776,798,694.19

### III. Brief introduction of the Company

Approved by Hebei Economic System Reform Commission with the Approval of Establishment of Tunghsu Optoelectronic Technology Co., Ltd. (Hereinafter referred to as "The Company" or "Tunghsu Optoelectronic") (Ji Ti Gfai Wei Gu Zi(1992) No.5 Document) in 1992, Shijiazhuang Baoshi Electronic Glass Co., Ltd. is a joint stock limited company jointly established by Shijiazhuang Kinescope General Factory (transformed into Shijiazhuang

Baoshi Electronics Group Co., Ltd.later), China Electronic Import and export Corporation and Zonghua Hebei Import and Export Company. At the Time of establishment, the Company had 25.68 million shares (the par value of each share is RMB 10) and total share capital of RMB 256.80 million.

On July 17, 1993, the Company held a provisional shareholders' general meeting and decided to split the stock equity with par value of RMB 10 per share into stock equity with par value of RMB 1 per share. As a result, the total number of the Company's shares became 256.80 million and its total share capital became RMB 256.80 million.

Approved by Securities Commission under State Council with the Approval of Issue of 100 Million Domestically Listed Foreign Investment Shares by Shijiazhuang Baoshi Electronic Glass Co., Ltd. (Zheng Wei Fa (1996) No. 15 Document) on June 11, 1996, the Company issued 100 million domestically listed foreign investment shares (B shares) (the par value of each share is RMB 1). Approved by China Securities Regulatory Commission with the Approval of the Application of Shijiazhuang Baoshi Electronic Glass Co., Ltd. to Publicly Issue Shares (Zheng Jian Fa Zi (1996) No. 174 Document) on August 30 of the same year, the Company publicly issued 26.20 million shares (the par value of each share is RMB 1). As of September 17, 1996, the total share capital of the Company increased to RMB 383 million.

According to the Approval of Private Issue of Shares by Shijiazhuang Baoshi Electronic Glass Co., Ltd. (Zhen Jian Xu Ke (2012) No. 1661 Document) issued by China Securities Regulatory Commission ("CSRC"), the Company privately issued 520 million RMB ordinary shares (A shares) to specific investors at the price of RMB 9.69 per share on April 3, 2013. All investors subscribed for shares in cash. After this private issue, the registered capital of the Company was changed to RMB 903.00 million.

The controlling shareholder of the company by the Shijiazhuang Baoshi Electronic Group Co., Ltd. changed to Tunghsu Group, a direct stake of 14.40%, Shijiazhuang Baoshi Electronic Glass Co., Ltd. held the indirectly 12.27% of the share.

The 6th Provisional shareholder meeting in 2013 approved the name change of Shijiazhuang Baoshi Electronic Glass Co., Ltd. to Tunghsu Optoelectronic Technology Co., Ltd..

According to the resolution of annual shareholder meeting in 2013 and the provisions of amendments to articles of association approved on April 27, 2014, the company has transferred 20 shares for each 10 shares to all shareholders, and with total shares of 1806 million transferred on the basis of the general capital of 903 million on December 31, 2013. Thus, the registered capital of RMB1806 million applied to add by the company should be transferred into the share capital by the capital reserve with the reference date on May 27, 2014, and the registered capital is RMB2,709 million after changed.

As per the provisions of "Restricted Stock Incentive Plan of Tunghsu Optoelectronic Technology Co., Ltd. (Draft)" and its summary proposal approved after the second temporary shareholders' resolution in 2014, the company has implemented the stock option incentive to grant 41 people the restricted stocks of RMB3,080,000.00 with the price of RMB3.88 per share, which are all in cash subscription. Thus, the company shall increase the share capital of RMB3.08 million and the capital reserve of RMB 8,870,400.00, and the share capital is RMB2,712,080,000.00 after changed.

Under the provisions of "Proposal on Repurchase of Part of Domestic Listed Foreign Shares (Share B)" approved after the second temporary shareholders' resolution in 2014, the company has repurchased 49,999,999.00 B shares released outside, and the repurchased shares shall be written off and the registered capital is reduced correspondingly. Thus, the company shall decrease the share capital of RMB49,999,999.00 and the capital reserve of RMB218,024,376.60, and the share capital is RMB2,662,080,001.00 after changed.

Referring to the resolutions determined on the 27<sup>th</sup> Meeting of the 7<sup>th</sup> Board of Directors of the company, the 31<sup>st</sup> Meeting of the 7<sup>th</sup> Board of Directors, the 1<sup>st</sup> General Meeting of Extraordinary Shareholders in 2015, the 38<sup>th</sup> Meeting of the 7<sup>th</sup> Board of Directors and the Regulatory Approval No. [2015] 2270 by China Securities Regulatory Commission: Replies on Approval of Private Issuing of Stocks by Tunghsu Photoelectric Technology Co., Ltd., it is approved that the company issues new shares less than 1,186,943,620 privately. The planned number of privately issued stocks is less than (including) 1,186,943,620. The actual issuance number of the stock is 1,173,020,525, and the modified equity capital is 3,835,100,526.00 yuan.

According to Proposals on the Repurchase and Cancellation of Partial Restricted Shares deliberated and approved on the 43<sup>rd</sup> Meeting of the 7<sup>th</sup> Board of Directors of the company convened on October 29, 2015, the company plans to repurchase and cancel restricted shares. The granted but unlocked restricted shares held by left equity incentive objects sum to 100,000 at the repurchase price of 3.78 yuan/share. Other forms of lease besides financial leasing are considered as operating leasing, After the repurchase of shares was cancelled, the share capital was changed to RMB 3,835,000,526.00.

According to ZJXK [2016] No. 1322 document On the Approval of Non-public Stock to Tunghsu Optoelectronic

Technology Co. Ltd permitted by China Securities Regulatory Commission and also was resolved in the 7th board of the forty-eight meeting and the first extraordinary shareholders' general meeting, it is approved that the company issues new shares less than 1,104,928,457.00 privately. The planned number of privately issued stocks is less than (including) 1,104,928,457.00. The actual issuance number of the stock is 1,104,928,457.00, and the modified equity capital is 4,939,928,983.00 yuan.

According to the company's eleventh meeting of the eighth Board of Directors held on March 20, 2017, the eighteenth meeting of the eighth Board of Directors held on June 9, 2017, the fourth temporary shareholders' general meeting of 2017 held on June 26, 2017 and the Approval on Tunghsu Optoelectronic Technology Co., Ltd's Share Issuance to Objects Including Shanghai Huimao Enterprise Management Co., Ltd for Asset Purchase and Raising Matching Funds by CSRC (Zhen Jian Xu Ke [2017] No. 1841 Doc), approved that the company shall issue 262,626,262 shares to Shanghai Huimao Enterprise Management Co., Ltd (hereinafter referred to as "Shanghai Huimao"), 106,326,446 shares to Tunghsu Group Co., Ltd (hereinafter referred to as "Tunghsu Group"), 11,380,165 shares to Mianyang Science and Technology City Development Investment (Group) Co., Ltd (hereinafter referred to as "Mianyang Science and Technology Group") and 5,020,661 shares to Sichuan Changhong Electric Appliance Co., Ltd (hereinafter referred to as "Sichuan Changhong") for purchasing the underlying assets; and approved that the Company shall raise no more than RMB 3,750,000,000 of matching funds by the company's non-public share issuance. The Company actually issued 385,353,534.00 shares for purchasing the assets, The issue price per share is 9.90 yuan; and issued 404,967,601.00 shares for raising the matching funds, The issue price per share is 9.26 yuan; thus the capital stock after the change became RMB 5,730,250,118.00.

As of June 30, 2019, Registered capital : RMB 5,730,250,118.00, Legal representative: Wang Lipeng,

Enterprise unified social credit code: 911301001043959836, Registered Address: No.9, Huanghe Road, Shijiazhuang High-tech Industrial Development Area, Shijiazhuang, Hebei Province.

Tunghsu Optoelectronic Parent Company is the Tunghsu Group, Ultimate controller is Li Zhaoting.

Tung Financial statements and notes to the financial statements approved at the 3rd meeting of the 9th Board of Directors on August 30, 2019.

The company's business scope: investing in the project investments with its own funds; research and development of machinery equipment and electronic products; manufacturing and production-process development of various non-standard equipments and components; processing and sales of electronic products for grinding machine (excluding public safety equipment and devices); self operated and agent import and export business of various commodities and technologies; computer system integration, software development, technical consulting; installation of electrical and mechanical equipment (not including pre-licensing ones), engineering advice. (All of the above scope, excluded those prohibited or restricted by laws, regulations and State Council decisions; matters needing approval by other departments can be operated after the approval).

On June 30, 2019, 25 subsidiaries and 97 sub-subsidiaries were included in the consolidation scope by the company, see details at Note 9 "Rights and Interests in Other Subjects ". The consolidation scope of the company increased by 7 companies year on year at this reporting period (Including: 12 new Sub-subsidiaries companies were added, 2 were disposed of and 3 were cancelled) , see details at Note 8 "Change of consolidation scope.

#### IV. Basis for the preparation of financial statements

##### 1. Basis for the preparation of financial statements

The financial statements of the company are prepared based on the going-concern assumption and the actual transactions and items, the Company prepared financial statements in accordance with the ASBE-Basic Standard and revised thereafter, Application Guidance of Accounting Standard for Business Enterprises, Interpretation of Accounting Standards for Business Enterprises and other regulations(hereinafter referred to as "the Accounting Standards for Business Enterprises", "China Accounting Standards" or "CAS"), Rules for Preparation Convention of Disclosure of Public Offering Companies No.15 – General Regulations for Financial Reporting (revised in 2014) by China Securities Regulatory Commission.

In accordance with Accounting Standards for Business Enterprises, the Company has adopted the accrual basis of accounting. Except for certain financial instruments, the Company adopts the historical cost as the principle of

measurement in the financial statements. The valuation will be made according to the lower one between the amount of on-sales non-current assets after fair value deducts the predicted costs and the original Net carrying amount which conforms to the condition of being on-sales. When assets are impaired, provisions for asset impairment are made in accordance with relevant requirements.

## 2. Ongoing-operation

The company has the capacity to continually operate within 12 months at least since the end of report period, and hasn't the major issues impacting on the sustainable operation ability.

## V. The company's major accounting policies, accounting estimates and prior errors

Specific accounting policies and accounting estimates are indicated as follows:

Nil

### 1. Statement on compliance with accounting standards for business Enterprises

The Company state: the financial statements prepared are in line with the requirements in enterprise accounting standards in line with of system, and have truly and completely reflected of the financial status in June 30,2019 , operational results, cash flow, and other relevant information of January –June 2019.

### 2.Accounting year:

The Group's fiscal periods include fiscal years and fiscal periods shorter than a complete fiscal year..from January 1 to December 31 as one accounting year.

### 3. The operating cycle

The normal business cycle refers to the period starting from assets purchased for processing to cash or cash equivalents converted. The Company uses a 12-month operating cycle as liquidity classification criteria for its

### 4. Currency for bookkeeping:

The Company takes RMB as the standard currency for bookkeeping.

## 5. Accounting treatments for a business combinations under common control and under non common control

The term "business combination" refers to a transaction or event combining two or more separate enterprises into one reporting entity. Business combinations are classified into business combinations involving enterprises under common control and business combinations not involving enterprises under common control.

### (1) A business combination involving enterprises under common control

A business combination involving enterprises under common control is a business combination in which all of the combining enterprises are ultimately controlled by the same party or parties both before and after the combination, and that control is not transitory. For the business combination involving enterprises under common control, the party obtaining the control right over other enterprises involved in the combination on the combination date is the combining party, while other enterprises involved in the combination is the combined party. The combination date is the date on which one combining enterprise obtains control of other combining enterprises.

Assets and liabilities obtained are measured at their respective carrying amounts as recorded by the combining entities at the date of the combination. The difference between the carrying amount of the net assets obtained and the carrying amount of the consideration paid for the combination [the aggregate face value of shares issued as consideration] is adjusted to the share premium in capital reserve. If the share premium is not sufficient to absorb the difference, any excess is adjusted against retained earnings.

Costs that are directly attributable to the combination are charged to profit or loss in the period in which they are incurred.

### (2) A business combination not involving enterprises under common control

A business combination not involving enterprises under common control is a business combination in which all of the combining enterprises are not ultimately controlled by the same party or parties before and after the combination. For the business combination not involving enterprises under common control, the party obtaining the control right over other enterprises involved in the combination on the combination date is the combining party, while other enterprises involved in the combination is the combined party. The combination date is the date on which one combining enterprise obtains control of other combining enterprises.

The cost of combination is the aggregate of the fair values, at the acquisition date, of the assets given, liabilities incurred or assumed, and equity securities issued by the acquirer in exchange for control of the acquiree, the intermediary expenses incurred by the acquirer in respect of auditing, legal services, valuation and consultancy services and other associated administrative expense attributable to the business combination are charged to profit or loss when they are incurred. 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. The contingent costs as a part of the consideration for the acquisition are included in the cost of combination on fair values at the acquisition date, and will be adjusted if any new situation incurred or further evidence provided in 12 months subsequent to acquisition date, then the goodwill will be adjusted accordingly. The acquiree's identifiable assets, liabilities and contingent liabilities, acquired by the acquirer in a business combination, that meet the recognition criteria are measured at fair value at the acquisition date. Where the cost of combination exceeds the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is treated as an asset and recognised as goodwill. Where the cost of combination is less than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the acquirer firstly reassesses the measurement of the fair values of the acquiree's identifiable assets, liabilities and contingent liabilities and measurement of the cost of combination. If after that reassessment, the cost of combination is still less than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the acquirer recognizes the remaining difference immediately in profit or loss for the current period.

The deductible temporary difference from the acquiree not recognized as deferred tax assets on the acquisition date, will be recognized as deferred tax assets, if in 12 months subsequent to acquisition date, there is new information indicating that relative situation exists and the economic benefit associated with the deductible temporary difference will flow to the Company, the goodwill will be reduced accordingly. If the goodwill is less

than the deductible temporary difference, the difference will be charged into profit or loss in current period.

For a business combination involving enterprise not under common control and achieved in stages, it should make judgement on whether those transactions are regard as "Package deal" based on "No. 5 Notice on Explanation on Accounting Standards for Business Enterprises by the Ministry of Finance" (CAIKUAI [2012] No.19) and Article 51 of "Accounting Standards for Business Enterprises No. 33: Consolidated Financial Statement". If it is regarded as "package deal", the accounting treatment refers to above-mentioned principle and "Long-term equity investment" in Note III, 14; If it is not regarded as "package deal", the accounting treatment should be different for individual and consolidated financial statements.

In individual financial statement, the initial investment cost is the sum of the Net carrying amount of equity investment held before the acquisition date and the cost of new investment on acquisition date. When the stock equity held before the acquisition date involving other consolidated incomes, at the disposal date, other consolidated incomes related to this investment shall be subjected to accounting treatment (i.e. except the corresponding share accounted by equity method in the change due to remeasurement and setting of net indebtedness or net assets of benefit plan, the remaining shall be transferred to the current investment income) on the same basis as that adopted by the acquiree for the direct disposal of relevant assets or liabilities.

In consolidated financial statement, the share equity held before the acquisition date shall be measured again according to the fair value of this share equity on the acquisition date, the balance of the fair value and its Net carrying amount shall be counted in the current investment income; when the share equity held before the acquisition date involving other consolidated incomes, other consolidated incomes related shall be subjected to accounting treatment (i.e. except the corresponding share accounted by equity method in the change due to remeasurement and setting of net indebtedness or net assets of benefit plan, the remaining shall be transferred to the current investment income of the acquisition date) on the same basis as that adopted by the acquiree for the direct disposal of relevant assets or liabilities.

## 6. Preparation on consolidation financial statements

### (1) Preparation on consolidation financial statements

The company starts to include the actual control right to the net assets and the production and management decisions of the subsidiaries into the combination scope since the date of the actual right acquired, and will stop covering into the combination scope on the date of the actual right lost. For the disposed subsidiaries, the business performance and the cash flow before the disposal date have been properly covered in the consolidated profit statement and the consolidated cash flow statement. For the subsidiaries disposed in the current period, the opening balance of the consolidated balance sheet shall not be adjusted.

### (2) Method of preparing consolidated financial statements

Meanwhile, for the subsidiaries increased through the business combination under non-common control, the business performance and the cash flow after the acquisition date have been properly included in the consolidated profit statement and the consolidated cash flow statement, and the opening balance and the comparison balance of the consolidated financial statement shall not be adjusted. For the subsidiaries increased through the business combination under common control, the business performance and the cash flow from the beginning of current combination period to the combination date have been properly included in the consolidated profit statement and the consolidated cash flow statement, and the comparison balance of the consolidated financial statement shall be adjusted simultaneously.

When preparing the consolidated financial statement, the necessary adjustment shall be made according to the accounting policy of the company and the financial statement of the subsidiaries during the fiscal period if the accounting policy or the fiscal period adopted by the subsidiaries and the company is discrepant. For the subsidiaries acquired through the business combination under non-common control, the financial statement shall be adjusted on the basis of the fair value of the identifiable net assets on the acquisition date.

All the major balances, transactions and the unrealized profits of the company shall be offset in the preparation of the consolidated financial statement.

Those not belong to the company in the shareholders' equity and the current net profit or loss of the subsidiaries



shall be respectively as the minority equity and the minority interest income and individually listed under the shareholders' equity and the net profit of the consolidated financial statement. The minority equity portion from the net profit or loss in current period shall be as "minority interest income" and listed under the net profit in the consolidated financial statement. Moreover, the minority equity is still offset even if the losses of the subsidiaries undertaken by the minority shareholders are beyond the portion of the shareholders' equity shared by the minority shareholders of the company at the beginning of period.

When the control on the original subsidiaries lost due to the disposal of partial equity investment or other reasons, the remaining equity should be measured again according to the fair value on the control lost date. The difference of the consideration acquired by the disposal of equity and the fair value of the surplus equity minus the net assets portion of the original subsidiaries calculated from the purchase date as per the original stock proportion shall be recorded into the current investment income after the control lost. Other comprehensive returns relevant to the original subsidiary shares investment shall be disposed through the accounting treatment on the same basis of the direct disposal of the relevant assets or liabilities by the acquiree when the control lost (Namely, all the rest are transferred into the current investment incomes, with the exception of the changes caused by the net liabilities or the net assets of the defined benefit plans re-measured by the original subsidiaries). Thereafter, the subsequent measurement shall be made for the rest equity according to the relevant provisions of "Accounting Standards for Business Enterprises No. 2 – Long-term Equity Investment" or "Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments". For the details, please see Notes III, 14 "Long-term Equity Investment" or Notes III, 10 "Financial Instruments".

For the equity investment in the subsidiary through the step-by-step disposal of multiple transactions till the control right lost, the company should respectively dispose all the transactions if belong to the package deal. As long as the terms, conditions and economic influence on all the transactions of the disposal of the equity investment in the subsidiary meet one status below, it usually shows that the multiple transactions matters should be conducted the accounting treatment as the package deal: ① these transactions are made simultaneously or under the consideration of the influence each other. ② these transactions shall be as the whole to achieve one complete business results. ③ one transaction occurs depending on the appearance of other one transaction at least. ④ one transaction is economic under the consideration with other transactions even if it is not economic when individually considerate. For the non-package deal, each transaction shall be respectively conducted the accounting treatment according to the applicable principles of "Partial Disposal of Long-term Equity Investment in Subsidiary without Control Lost" (please refer to 14, (2) ④ in Notes III,) and "The Control on Original Subsidiary Lost due to Disposal of Part of Equity Investment or Other Reasons" (details please see forepart). For the package deal from the transactions after the disposal of equity investment in the subsidiary till the control right lost, the transactions shall be as one transaction of the disposal of subsidiary and the control lost for the accounting treatment. Therefore, every balance between the net assets proportion of the subsidiary shared relative to the disposal price and the disposal investment before the control right lost, shall be recognized as other comprehensive incomes in the consolidated financial treatment and transferred into the current profits and losses when the control lost.

#### 7. Accounting treatment for classification and co-operation of joint arrangement

Joint arrangement is an arrangement whereby two or more parties have joint control. The Company classified the joint arrangement into co-operation arrangement and joint venture according to the right and obligation involving in the joint arrangement. Under co-operation, the Company has joint control and rights to the relevant assets and liability of the arrangement. Under joint venture, the Company only has joint control and rights to the net assets of the arrangement.

The company adopts equity method to calculate investment to joint enterprises by referring to accounting policies stated in "Long-term Stock Ownership for Equity Method Calculation" in Note V 22 (2).

Under co-operation, the Company recognizes 1) its solely held of assets and liability, 2) assets and liabilities jointly owned based on share proportions, 3) revenue from sales of assets jointly owned by the Company, 4) revenue from sales of assets based on share proportions, 5) expense incurred by the Company, 6) expense incurred based on share proportions.

When the Company invests, sells or purchase assets (the asset does not constitute a business, the same below), to or from the co-operation, the Company only recognizes the profit or loss belong to other joint parties before selling those assets to third party. If those assets are impaired in compliance with Accounting Standards for Business Enterprises No.8-Assets impairment, the Company should recognize loss for all the invested or sold assets to co-operation. For the assets purchased from co-operation, the Company should recognize loss based on share proportion.

#### 8. Cash and cash equivalent

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.

#### 9. Conversion method of foreign currency transactions

##### (1) Conversion method of foreign currency transactions

The foreign currency transactions are recorded, on initial recognition in the functional currency, by applying the foreign currency amount by the spot exchange rate on the transaction dates, while the foreign currency exchange business or transactions relating to foreign currency exchange are recorded in the functional currency by applying to the foreign currency amount at the actual exchange rate used.

##### (2) Conversion method of foreign currency monetary items and foreign currency non-monetary items

Foreign currency monetary items are converted using the spot exchange rate on the balance sheet date. The exchange gains or losses arising from occurrence of transactions and exchange of currencies are recognized in profit or loss for the period, except that (1) exchange differences related to a specific-purpose borrowing denominated in foreign currency that qualifies for capitalization are capitalized as part of the cost of the qualified asset during the capitalization period; (2) exchange differences arising from changes in the carrying amounts of available-for-sale monetary items are recognized as other comprehensive income.

Foreign currency non-monetary items measured at historical cost are converted to the amounts in functional currency at the spot exchange rates on the dates of the transactions and the amounts in functional currency remain unchanged. Foreign currency non-monetary items measured at fair value are re-converted at the spot exchange rate on the date the fair value is determined. Difference between the re-converted functional currency amount and the original functional currency amount is treated as changes in fair value (including changes of exchange rate) and is recognized in profit and loss or as other comprehensive income.

##### (3) Conversion of financial statements denominated in foreign currencies

As an accounting treatment in respect to a foreign operation, if there are monetary items relating to the investment to foreign operation, the resulting conversion differences are recognized in other comprehensive income as "conversion reserve". The conversion differences accumulated in shareholders' equity with respect to a foreign operation is transferred to profit or loss in the period when the foreign operation is disposed.

Assets and liabilities of foreign operation are converted to Renminbi at the spot exchange rate on the balance sheet date. Equity items, excluding retained earnings, are converted to Renminbi at the spot exchange rates at the transaction dates. Income and expenses of foreign operation are converted to Renminbi at the rates that approximate the spot exchange rates at the transaction dates. The beginning balance of retained earnings is the prior year ending balance of retained earnings converted, while the ending balance of retained earnings is sum total of converted items of income statement. The resulting conversion differences are recognized in other comprehensive income. The conversion differences accumulated in shareholders' equity with respect to a foreign operation is transferred to profit or loss in the period when the foreign operation is disposed.

Cash flow denominated in foreign currency and cash flow of foreign operation are converted to Renminbi at the spot exchange rate at the transaction date. The effect of foreign exchange fluctuation is treated as recociling item that is separately disclosed on cash flow statement.

The beginning balance is present as same as converted balance of financial statement in prior year.

The conversion differences accumulated in shareholders' equity with respect to a foreign operation is transferred to profit or loss in the period when the foreign operation is fully or partially disposed or lost control over the foreign operation due to other causes.

Disposing investment in a foreign operation without losing control, the conversion differences accumulated in shareholder's equity associated with the disposing part is transferred to minority stockholder's interest. Disposing investment in a foreign operation which is joint venture enterprise, the conversion differences accumulated in shareholder's equity associated with the disposing part is transferred to profit or loss in the disposing period with the disposing proportion.

#### 10. Financial instruments

Financial instruments refer to contracts that form financial assets of one party and financial liabilities or equity instruments of other parties. When the company becomes a party to a financial instrument contract, a financial asset or financial liability is recognized.

Financial assets and financial liabilities are measured at fair value upon initial recognition: ① For financial assets and financial liabilities measured at fair value, whose changes are included in current profits and losses, relevant transaction costs are directly included in current profits and losses; ② For other types of financial assets and financial liabilities, relevant transaction costs are included in the initial recognition amount.

If a financial asset or financial liability meets one of the following conditions, it indicates that the purpose of holding the financial asset or bearing the financial liability is transactional: ① The purpose of obtaining the relevant financial asset or bearing the relevant financial liability is mainly to sell or repurchase in the near future; ② Relevant financial assets or financial liabilities are part of the identifiable portfolio of financial instruments under centralized management at the time of initial recognition, and there is objective evidence indicating that there is a short-term profit pattern in the near future; ③ Relevant financial assets or financial liabilities are derivatives, except derivatives that meet the definition of financial guarantee contract and derivatives designated as effective hedging instruments.

##### (1) Classification and measurement of financial assets

At the time of initial recognition, the financial assets of the Company are classified into financial assets measured by amortized cost, financial assets measured by fair value and whose changes are included in other comprehensive income, and financial assets measured by fair value and whose changes are included in current profits and losses according to the company's business mode of managing financial assets and the contractual cash flow characteristics of financial assets. Subsequent measurement of financial assets depends on their classification.

##### ① Financial assets measured at amortized cost

The financial assets that meet the following conditions at the same time are classified as financial assets measured in amortized cost: The business mode for managing the financial assets is aimed at collecting the contract cash flow; The contractual terms of the financial asset stipulate that the cash flow generated on a specific date is only the payment of principal and interest based on the amount of outstanding principal. The Company recognizes interest income for such financial assets according to the effective interest rate method. Gains or losses arising from derecognition of such financial assets and losses arising from impairment are directly included in current profits and losses.

##### ② Financial assets measured at fair value and changes included in other comprehensive income

The financial assets that meet the following conditions at the same time are classified as financial assets measured at fair value and whose changes are included in other comprehensive income: The business mode for managing the financial assets of the Company is aimed at both collecting the contractual cash flow and selling the financial assets; The contractual terms of the financial asset stipulate that the cash flow generated on a specific date is only the payment of principal and interest based on the amount of outstanding principal. Such financial assets are measured at fair value and their changes are included in other comprehensive gains, but impairment losses or gains, exchange gains and losses and interest income calculated according to the actual interest rate method are included in current profits and losses. When such financial assets are derecognized, the changes in fair value accumulated in other comprehensive income will be carried forward to the current profits and losses.

##### ③ Financial assets measured at fair value and changes included in current profits and losses

The above-mentioned financial assets measured in amortized cost and financial assets other than those measured at fair value with changes included in other comprehensive income are classified as financial assets measured at

fair value with changes included in current profits and losses. At the time of initial recognition, in order to eliminate or significantly reduce accounting mismatch, financial assets can be designated as financial assets measured at fair value with changes included in the current profits and losses. In regard with such financial assets, fair value is adopted for subsequent measurement, and all changes in fair value are included in current profits and losses.

When the company changes its business mode of managing financial assets, it will reclassify all relevant financial assets affected.

## (2) Classification and measurement of financial liabilities

The Company's financial liabilities are classified into: financial liabilities measured at amortized cost and financial liabilities measured at fair value with changes recorded in current profits and losses upon initial recognition.

Financial liabilities that meet one of the following conditions can be designated as financial liabilities measured at fair value at the time of initial measurement with changes included in current profits and losses: ① The designation can eliminate or significantly reduce accounting mismatch; ② According to the company's risk management or investment strategy stated in official written documents, the financial liability portfolio or financial asset and financial liability portfolio is managed and evaluated on the basis of fair value, and reported to key management personnel within the company on this basis. Once the designation is made, it cannot be revoked. Financial liabilities designated to be measured at fair value with changes included in current profits and losses are included in other comprehensive income. The amount of changes in fair value caused by changes in the company's own credit risk is included in other comprehensive income; Other changes in fair value are included in current profits and losses. When the financial liability is derecognized, the accumulated gains or losses previously included in other comprehensive income are transferred out of other comprehensive income and included in retained income.

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

Financial assets that meet one of the following conditions shall be derecognized:

- ① Termination of the contractual right to receive cash flow from the financial asset;
- ② The financial asset has been transferred, and the Company has transferred almost all risks and rewards on the ownership of the financial asset to the transferee;
- ③ The financial asset has been transferred. Although the Company has neither transferred nor retained almost all risks and rewards on the ownership of the financial asset, it has given up its control over the financial asset.

If the current obligation of a financial liability (or part thereof) has been discharged, the Company shall terminate the recognition of the financial liability (or part thereof).

## (4) Impairment of financial assets

1) For financial assets measured in amortized cost, financial assets measured at fair value with changes included in other comprehensive income, the Company recognizes loss reserves on the basis of expected credit losses.

The Company takes into account reasonable and reliable information on historical events, current situation and future economic situation forecasts, and uses the risk of default as the weight to calculate the probability weighted amount of the present value of the difference between the cash flow receivable from the contract and the cash flow expected to be received to confirm the expected credit loss.

On each balance sheet date, the Company separately measures the expected credit losses of financial instruments at different stages. If the credit risk of financial instruments has not increased significantly since the initial confirmation, it is in the first stage. The Company measures the loss reserve according to the expected credit loss in the next 12 months; If the credit risk of a financial instrument has increased significantly since its initial recognition but no credit impairment has occurred, it is in the second stage. The Company measures the loss reserve according to the expected credit loss of the financial instrument throughout the duration; If a financial instrument has suffered credit impairment since its initial recognition, it is in the third stage. The Company measures the loss reserve according to the expected credit loss of the instrument throughout the duration.

For financial instruments with low credit risk on the balance sheet date, the Company assumes that their credit risk has not increased significantly since the initial confirmation, and measures the loss reserve according to the expected credit loss in the next 12 months.

For financial instruments in the first and second stages and with low credit risk, the Company calculates interest income based on the book balance before deducting impairment provisions and the actual interest rate. For financial instruments in the third stage, the interest income shall be calculated according to their book balance minus the amortized cost after impairment provision and the actual interest rate.

The Company determines the expected credit losses of relevant financial instruments according to the following methods:

- ① For financial assets, credit loss is the present value of the difference between the contract cash flow to be collected by the company and the cash flow expected to be collected;

② For lease receivables, credit loss is the present value of the difference between the contract cash flow to be collected by the company and the cash flow expected to be collected;

③ For withdrawn loan commitments, the credit loss shall be the present value of the difference between the contractual cash flow to be collected by the enterprise and the cash flow expected to be collected when the holder of the loan commitment withdraws the corresponding loan. The Company's estimation of the expected credit loss of the loan commitment shall be consistent with its expectation of the withdrawal of the loan commitment.

④ For a financial guarantee contract, credit loss shall be the estimated amount of payment made by the enterprise to the contract party for credit loss incurred, less the present value of the difference between the amount the enterprise expects to collect from the contract party, the debtor or any other party.

⑤ For financial assets that have suffered credit impairment on the balance sheet date but are not purchased or incurred credit impairment, credit loss is the difference between the book balance of the financial asset and the present value of the estimated future cash flow discounted at the original actual interest rate.

2) For receivables, regardless of whether there is any significant financing component, the Company considers all reasonable and reliable information, including forward-looking information, estimates the expected credit loss of receivables in a single or combined way, and adopts a simplified model of expected credit loss, and always measures the loss reserve according to the expected credit loss throughout the duration. The accrual method is as follows:

① At the end of the period, an impairment test shall be conducted separately for receivables that have objective evidence of impairment. Impairment losses shall be recognized and provision for bad debts shall be made according to the difference between the present value of the estimated future cash flow and its Net carrying amount.

② When a single financial asset cannot evaluate the expected credit loss information at a reasonable cost, the Company divides the receivables portfolio according to the credit risk characteristics and calculates the expected credit loss based on the portfolio. For receivables classified as risk portfolios, the Company refers to the experience of historical credit losses and calculates the expected credit losses based on the current situation and the forecast of future economic conditions. The Company will include the accrued or reversed loss reserves into the current profits and losses.

#### (5) Transfer of financial assets

If the company has transferred almost all risks and rewards in the ownership of the financial asset to the transferee, the confirmation of the financial asset shall be terminated; If almost all risks and rewards on the ownership of a financial asset are retained, the financial asset shall continue to be recognized.

If the Company neither transfers nor retains almost all risks and rewards in the ownership of financial assets, it shall be handled according to the following situations respectively: If the control over the financial assets is not retained by the company, the recognition of the financial assets shall be terminated, and the rights and obligations arising from or retained in the transfer shall be separately recognized as assets or liabilities; If the control over the financial asset is retained by the company, the relevant financial asset shall continue to be recognized according to the extent that it continues to be involved in the transferred financial asset, and the relevant liabilities shall be recognized accordingly.

## 11. Notes receivable

Please refer to section 12 Accounts Receivable for details

## 12. Account receivable

For accounts receivable, refer to the description of impairment of financial assets in Section 10 and Financial Instruments (4):

### (1) The accounts receivable of bad debt provisions made by credit risk Group

Name	Withdrawing Method
Aging Group	Aging Analysis Method
Other Group	Other method

In Group, Accounts on age basis in the portfolio:

Aging	Rate for receivables(%)	Rate for other receivables(%)
Within 1 year (Including 1 year)	5.00%	5.00%
During the credit period	0.00%	0.00%
The credit period within 1 year	5.00%	5.00%
1—2 years	10.00%	10.00%
2—3 years	30.00%	30.00%
3—4 years	50.00%	50.00%
4—5 years	70.00%	70.00%
Over 5 years	100.00%	100.00%

In Group ,adopting other method for bad debt provision:

Name	Account receivable proportion	Other account receivable proportion
Affiliated company exchanges	0.00%	0.00%
Security deposit	0.00%	0.00%
Deposit	0.00%	0.00%
Petty cash,etc.	0.00%	0.00%

### 13. Financing of receivables

Not applicable

### 14.Other account receivable

Determination method and accounting treatment method of expected credit loss of other receivables

Determination method of expected credit loss of other receivables and accounting treatment method

Same as 12, "Accounts Receivable"

### 15. Inventories

Whether the company needs to comply with the disclosure requirements of the particular industry

No

#### (1)Classification of Inventories

This enterprise's inventories is classified as raw materials, works in process, finished products, circulation materials, low-value consumption goods, packing materials, supplies purchasing, engineering construction, development cost,etc.

#### (2) Obtaining and Measurement of Inventories

The perpetual inventory systems are adopted for this enterprise's inventories. The inventories shall be measured by their actual cost when they are obtained. Raw materials, works in process, finished products, etc. shall be measured with the weighted average method when they are being sent out. Low -value consumption goods shall be written off by one-off write-off method when they are withdrawn for use. Circulation packaging materials shall be recorded into cost according to the predicted usage times.

#### (3) Methods to make provision for loss on decline in value of inventories

If the cost of inventories is higher than the net realizable value at the end of each period, this enterprise shall make the provision for the loss on decline in value of inventories. This enterprise makes provision for the loss on decline in value of inventories on the ground of each item of inventories. If the factors causing any write-down of

the inventories have disappeared, the amount of write-down shall be resumed and be reversed from the provision for the loss on decline in value of inventories that has been made.

(4) Method for confirming the net realizable value of inventories

The net realizable value of inventories refers to the amount of the estimated selling price, less the estimated costs of completion, the estimated selling costs and related tax payments.

16. Contract assets

Not applicable

17. Contract cost

Not applicable

18. Held-for-sale assets

The Company will retrieve its Net carrying amount by means of selling assets (including the exchange of commercial non-monetary assets) instead of sequentially using a non-monetary asset or a disposal group, and when meeting two of the following conditions, the Net carrying amount will be divided into on-sales category:

(1) When a certain non-monetary assets or a certain disposal group sells such kind of assets in similar transactions in accordance with the convention, assets can be sold immediately under the current situation.

(2) The Company has made decision for the selling plans and has acquired assured purchase commitment, predicting that selling will be completed within one year. (The selling, which can only be sold after acquiring approval from relevant authorities or supervision departments according to relevant provision requirement, has acquired its approval).

The Company will be specifically for dividing the non-current assets or disposal group which are acquired from reselling into on-sales category on acquisition date if on acquisition date they can meet the stipulated condition that the predicted selling will be completed within one year, and in a short term (usually 3 months) they are likely to meet other conditions of dividing into on-sales category.

When the non-monetary assets and disposal group were measured by the Company at the beginning or remeasured and divided into on-sales category on balance sheet date, if its Net carrying amount is higher than the net amount after fair value deducts selling expense, the Net carrying amount will be written down to the net amount after fair value deducts selling expense, and the written-down amount will be confirmed as assets impairment losses and counted into the current profits and losses, and the impairment provision with on-sales assets will be withdrawn in the meanwhile. For the on-sales disposal group's confirmed amount of loss of asset impairment, the Net carrying amount of goodwill will be deducted first, and its Net carrying amount will then be deducted proportionally according to the Net carrying amount's percentages of all non-current assets in the disposal group which can be adopted by the measurement stipulations of Accounting Standards for Business Enterprises NO.42- On-sales Non-current Assets, Disposal Groups and Operation Termination

If any increment occurs in the net amount after the on-sales non-current assets on the subsequent balance sheet date deducts selling expense, the amount deducted previously will be recovered and will be transferred back within the amount of asset impairment losses confirmed after being divided into on-sales category, and the amount transferred back will be counted into the current profits and losses. There will be no restitution for asset impairment losses confirmed before being divided into on-sales category. The amount deducted previously of on-sales disposal group shall be recovered, and when after being divided into on-sales category, it will be transferred back within the amount of impairment confirmed by non-current assets by the means of the measure stipulations of Accounting Standards for Business Enterprises NO.42- On-sales Non-current Assets, Disposal Groups and Operation Termination, and the amount transferred back will be counted into the current profits and losses. There will be no restitution for the Net carrying amount of goodwill which has been deducted and for asset impairment losses confirmed before being divided into on-sales category which can be adopted by the measure stipulation of this principle.

No depreciation and amortization will be made in the non-current assets which are on sales or in the disposal group. Confirmation will continue to be made in the debt interest in on-sales disposal group as well as other expenses.

When the non-current assets or the disposal group can not meet the conditions of dividing into on-sales category, the Company will not continue to divide it into on-sales category or remove the non-current assets from the on-sales disposal group, and the valuation will be made according to the lower one between two of followings:

(1) Net carrying amount before being divided into on-sales category, and the amount of money after being under the situation where Net carrying amount is supposed not to be divided into on-sales category and adjustment is made in depreciation, amortization or impairment which should have been confirmed. (2) Recoverable amount.

When derecognizing the on-sales non-current assets or disposal group, the Company will count the gains and losses which are yet to be confirmed into the current profits and losses.

#### 19. Creditor's rights investment

Not applicable

#### 20. Other Creditor's rights investment

Not applicable

#### 21. Long-term account receivable

Determination method and accounting treatment method of expected credit loss of Long-term receivables

Same as 12, "Accounts Receivable"

#### 22. Long-term Equity Investment

Long-term equity investments refer to all investments that are the Company with control of, joint control of, or significant influence over, an investee. The Company accounted investments that are the Company without control of, joint control of, or significant influence over, an investee as financial assets available-for-sale or financial assets at fair value through profit or loss. Please refer to Note III 10 "Financial instruments" for detail.

Joint control refers to the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Significant influence refers to the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.

##### (1) Initial measurement

For business combination under common control, if the consideration of the merging enterprise is that it makes payment in cash, transfers non-cash assets or bear its debts, it shall, on the date of combination, regard the share of the Net carrying amount of the stockholder's equity of the merged enterprise as the initial cost of the long-term equity investment. The difference between the initial cost of the long-term equity investment and the payment in cash, non-cash assets transferred as well as the Net carrying amount of the debts borne by the merging party shall offset against the capital reserve. If the capital reserve is insufficient to dilute, the retained earnings shall be adjusted. If the consideration of the merging enterprise is that it issues equity securities, it shall, on the date of combination, regard the share of the Net carrying amount of the stockholder's equity of the merged enterprise as the initial cost of the long-term equity investment. The total face value of the stocks issued shall be regarded as the capital stock, while the difference between the initial cost of the long-term equity investment and total face value of the shares issued shall offset against the capital reserve. If the capital reserve is insufficient to dilute, the retained earnings shall be adjusted. Business combination under common control achieved in stages by several transactions shall determine whether the transactions belong to one package. If the transactions belong to one package, the Company accounted these transactions as one transaction with control of the investee. If the transactions do not belong to one package, on the date of combination, the Company shall regard the share of the Net carrying amount of the owner's equity of the merged enterprise as the initial cost of the long-term equity investment. The difference between the initial cost of the long-term equity investment and the sum of Net carrying amount of long-term equity investments prior to the combination and the Net carrying amount of consideration paid at the date of combination in order to achieve control of the investees shall offset against the capital reserve. If the capital reserve is insufficient to dilute, the retained earnings shall be adjusted. No accounting treatment will be made for the other comprehensive income arising from equity investment under equity method before the combination date or recognized with available-for-sale financial assets.

For business combination under different control, the Company accounts initial cost of long-term equity investment as combination costs on the acquisition date. Combination costs refer to the fair values, on the acquisition date, of the assets paid, the liabilities incurred or assumed and the equity securities issued by the acquirer. Business combination under different control achieved in stages by several transactions, shall determine whether the transactions belong to one package. If the transactions belong to one package, the Company accounts these transactions as one transaction with control of, joint control of, significant influence over, the investee. If the transactions do not belong to one package, the initial cost of long-term equity shall be accounted under cost method and recognized amount shall be the sum of Net carrying amount of long-term equity investment before acquisition and cost of additional investment. For equity investments previously accounted under equity method,



other comprehensive income related to these investments does not change. For equity investments previously accounted as financial assets available for sale, difference between fair value and Net carrying amount and accumulated changes in fair value originally recorded in other comprehensive income shall be transferred to profit or loss of current period.

The direct cost for the business combination of the combining party shall, including the expenses for audit, assessment and legal services, be recorded into the profits and losses at the current period.

Besides the long-term equity investments formed by business combination, the initial cost of a long-term equity investment obtained by other means shall be initially recognized at cost. The cost shall be ascertained in accordance with the provisions as follows: (a) The initial cost of a long-term equity investment obtained by making payment in cash shall be the purchase cost which is actually paid; (b) The initial cost of a long-term equity investment obtained on the basis of issuing equity securities shall be the fair value of the equity securities issued; (c) The initial cost of a long-term equity investment of an investor shall be the value stipulated in the investment contract or agreement; (d) The initial cost of a long-term investment obtained by the exchange of non-monetary assets shall be the fair value or Net carrying amount of transferred assets. (e) The initial cost of a long-term investment shall be the fair value of the long-term investment; etc. The initial cost also consists of the expenses directly relevant to the obtainment of the long term equity investment, taxes and other necessary expenses. Long-term equity investment which, due to additional investment, can exercise significant influence over, joint control of, but not control of, the investees, shall recognize its cost as the sum of fair value of long-term equity investment before additional investment and cost of additional investment according to Accounting Standard for Business Enterprises No.22-Recognition and Measurement of Financial Instruments.

## (2) Subsequent Measurement and Recognition Method

Long-term equity investments which are the Company with joint control of (excluding joint operation), significant influence over the investees shall be accounted under equity method. Besides, long-term equity investments which are the Company with control of the investees shall be accounted under cost method.

### (1) A long-term equity investment accounted under cost method

Under the cost method, long-term equity investment is measured at initial cost, additional investments or disinvestments shall make an adjustment to the cost of long-term equity investment. The investment income recognized by the Company shall be limited to the dividends or profits declared to distribute by the invested entity, except dividends or profits declared in the consideration paid to acquire the investees.

### (2) A long-term equity investment accounted under the equity method.

Under the equity method, where the initial investment cost of a long-term equity investment exceeds the Company's share of the fair value of the investee's identifiable net assets at the time of acquisition, no adjustment is made to the initial investment cost. Where the initial investment cost is less than the Company's share of the fair value of the investee's identifiable net assets at the time of acquisition, the difference is recognized in profit or loss for the period, and the cost of the long-term equity investment is adjusted accordingly.

Under the equity method, the Company recognizes its share of the net profit or loss and other comprehensive income made by the investee as investment income and other comprehensive income respectively, and adjust the carrying amount of the long-term equity investment accordingly; The carrying amount of the investment is reduced by the portion of any profit distributions or cash dividends declared by the investee that is distributed to the Company; the share of changes in owners' equity of the investee other than those arising from net profit or loss, other comprehensive income and profit distribution are recognized in the capital reserve, the carrying amount of the long-term equity investment is adjusted accordingly. The Company recognizes its share of the investee's net profit or loss after making appropriate adjustments based on the fair value of the investee's individual separately identifiable assets, etc. at the acquisition date. Where the accounting policies and accounting period adopted by the investee are not consistent with those of the Company, the Company shall adjust the financial statements of the investee to conform to its own accounting policies and accounting period, and recognize investment income and other comprehensive income based on the adjusted financial statements. For the Company's transactions with its associates and joint ventures where assets contributed or sold does not constitute a business, unrealized intra-group profits or losses are recognized as investment income or loss to the extent that those attributable to the Company's proportionate share of interest are eliminated. However, unrealized losses resulting from the Company's transactions with its associates and joint ventures which represent impairment losses on the transferred assets are not eliminated. When the assets invested by the Company to associates or joint ventures constitute an operation, and the investors thereafter own long-term equity investment without control of the Company, fair value of the operation invested shall be accounted as cost of additional long-term equity investments, and difference between initial recognized cost of additional long-term equity investments and its Net carrying amount

shall be accounted in the profit or loss of current period. When the assets sold by the Company to associates or joint ventures constitute an operation, the difference between consideration paid and Net carrying amount of the operation shall be recorded in profit or loss of current period. When the assets bought by the Company from associates or joint ventures constitute an operation, gain or loss related shall be recognized according to Accounting Standard for Business Enterprises No.20-Business Combination.

The Company discontinues recognizing its share of net losses of the investee after the carrying amount of the long-term equity investment together with any long-term interests that in substance form part of its net investment in the investee is reduced to zero. If the Company has incurred obligations to assume additional losses of the investee, a provision is recognized according to the expected obligation, and recorded as investment loss for the period. Where net profits are subsequently made by the investee, the Company resumes recognizing its share of those profits only after its share of the profits exceeds the share of losses previously not recognized.

### (3) Acquisition of non-controlling shares

When preparing consolidated financial statements, differences between additional long-term equity investments due to acquisition of non-controlling shares and attributable share of invested entity's identifiable net assets accumulated since acquisition date (or consolidation date) at shareholding ratio after acquisition, shall adjust capital reserve. If the capital reserve is insufficient to dilute, the retained earnings shall be adjusted.

### (1) Disposal of long-term equity investments

In consolidated financial statements, when parent company partially disposes long-term equity investments in subsidiaries without losing control, the difference between proceeds received and attributable share of invested entity's identifiable net assets related to such investments sold, shall be recorded in shareholder's equity; when parent company partially disposes long-term equity investments in subsidiaries with control lost, adjustments shall be made in accordance to Note III 6 (2).

Under other circumstances, for disposal of long-term equity investment, the Company shall derecognize such investment and recognize in profit or loss the difference between the proceeds received, and the carrying amount of the investment in the associates and joint ventures.

In terms of long-term equity investments accounted under equity method, the accounting method after disposal shall not change. The Company shall account for proportionate amount previously recognized in other comprehensive income in relation to that investment on the same basis as would have been required if the investee had directly disposed of the related assets or liabilities. The Company shall also reclassify to current period profit or loss the proportion of changes in shareholders' equity that had previously been recognized excluding changes arising from net gain or loss, other comprehensive income, profit or loss.

In terms of long-term equity investments accounted under cost method, the accounting method after disposal shall not change. The Company shall account for proportionate amount previously recognized in other comprehensive income, arising from according equity method or recognition and measurement standard of financial instruments before control of investees, in relation to that investment on the same basis as would have been required if the investee had directly disposed of the related assets or liabilities. The amount in other comprehensive income shall be transferred to current period profit or loss proportionately.

When the Company loses control over an investee due to partial disposal of its shares, during preparation of individual financial statements, if the Company with retained shares after disposal can still joint control, or influence over, the investee, the Company shall account for the investment under equity method and retained shares shall be adjusted as would have been required if the retained shares had been recorded on initial recognition under equity method; if the Company with retained shares after disposal cannot joint control, or influence over, the investee, the Company shall account for the investment under the recognition and measurement standard of financial instruments and recognize in profit or loss difference between the fair value of any retained shares and carrying amount of the investment at the date of control lost. The Company shall account for amount previously

recognized in other comprehensive income, arising from according equity method or recognition and measurement standard of financial instruments before control of investee in relation to that investment on the same basis as would have been required if the investee had directly disposed of the related assets or liabilities. If equity method is used before control, the Company shall also reclassify to current period profit or loss changes in shareholders' equity that had previously been recognized excluding changes arising from net gain or loss, other comprehensive income, profit or loss. If retained shares are accounted under equity method, other comprehensive income and changes in shareholders' equity shall be transferred to current period profit or loss proportionally; if retained shares are accounted under cost method, other comprehensive income and changes in shareholders' equity shall be transferred to current period profit or loss at once.

When the Company ceases to joint control or influence over investee due to partial disposal of its shares, retained shares shall be accounted for under recognition and measurement standard of financial instruments and difference between fair value and carrying amount shall be recorded in current period profit or loss. The Company shall account for amount previously recognized in other comprehensive income arising from equity method in relation to that investment on the same basis as would have been required if the investee had directly disposed of the related assets or liabilities. The Company shall also reclassify to current period profit or loss the proportion of changes in shareholders' equity that had previously been recognized excluding changes arising from net gain or loss, other comprehensive income, profit or loss.

When the Company ceases to control an investee due to partially dispose its shares by stages, if transactions belong to one package, each transaction shall be accounted for as one event which lead to control cease. Prior to control lost, the difference between proceeds received and carrying amount of investment sold shall be recorded in other comprehensive income first and transferred to current period profit or loss when control lost.

## 23. Investment real estate

The measurement mode of investment property

The measurement by the cost method

Depreciation or amortization method

Investment property refers to the properties held for the purpose of generating rent and/or capital appreciation.

The company's investment property includes the land use right rented and the constructions leased.

The Company makes initial measurement at the costs that the properties is acquired and records as part of the property costs the subsequent expenses that could bring economic benefit inflows and be measured reliably while other subsequent expenses as part of current profit and loss. Such properties are depreciated or amortized in accordance with the relevant regulations for fixed assets or intangible assets.

## 24. Fixed assets

### (1) Recognition criteria for fixed assets

Fixed assets are tangible assets that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and have useful lives of more than one accounting year.

A fixed asset is recognized only when it is probable that economic benefits associated with the asset will flow to the Company and the cost of the asset can be measured reliably. Fixed assets are initially measured at cost.

### (2) Depreciation methods

Type	Detail	Estimated useful Life	Estimated residual value rate	Depreciation rate(%)
House and Building	Straight-line method	Over the period of title (the period specified on	5	3.17

		the real estate title certificate or land use right certificate) or 30 years in case of no period of title		
Kiln	Straight-line method	5	5	19
Platinum passage	Straight-line method	3	95.50	1.5
Glass flat-panel and other equipment	Straight-line method	15	5	6.33
other equipment	Straight-line method	10	5	9.5
Transportation equipment	Straight-line method	5	5	19
Temporary equipment	Straight-line method	According to the length of the project	0	
Testing, quality inspection, office equipment, tools and other tool	Straight-line method	5	5	19

The platinum channel is mainly made up of precious metals such as platinum and rhodium, which almost has no losses. Hence, the channel has a higher rate of net residual value.

Thereinto, the fixed asset whose asset impairment provision has been withdrawn should also have its accumulated amount deducted to count and confirm the depreciation rate.

When the year of the fixed asset comes to an end, the Company will review its service life, net residual value and depreciation method. Should there be any differences between the estimated amount of service life and the initially estimated one, adjustment will be made for the service life; Should there be any differences between the estimated amount of net residual value and the initially estimated one, adjustment will be made for the estimated one.

### (3) Cognizance evidence and pricing method of financial leasing fixed assets

Fixed assets from finance lease are depreciated during the useful life if it is reasonable to determine that the ownership could be obtained upon lease expiration; otherwise, the Company chooses the shorter of the lease period and the remaining useful life to depreciate the assets.

When the year of the fixed asset comes to an end, the Company will review its service life, net residual value and depreciation method. Should there be any differences between the estimated amount of service life and the initially estimated one, adjustment will be made for the service life; Should there be any differences between the estimated amount of net residual value and the initially estimated one, adjustment will be made for the estimated one.

### (4) Charge for Major Overhaul

The Company conducts regular checking on major overhaul fee incurred in the fixed asset, and any parts of the fee that have unambiguous evidence to indicate they conform with the condition for confirming fixed asset will be counted into the fixed asset costs, otherwise into the profit and loss of the current period. During the interval period of regular major overhaul, the fixed asset will be depreciated as before.

## 25. Construction in progress

The costs of construction in progress include all necessary project expenditures, the borrowing expenses that should be capitalized before the works reaches the expected usable status and other relevant expenses.

Construction in progress changes to fixed assets when it reaches the expected usable status.

## 26. Borrowing expenses

Borrowing costs include interest expenses, amortization of discount or premium, auxiliary expenses, exchange differences arising from foreign currency borrowings, etc. Borrowing costs directly attributable to the acquisition, construction or production of qualifying asset are capitalized when expenditures for such asset and borrowing costs are incurred and activities relating to the acquisition, construction or production of the asset that are necessary to prepare the asset for its intended use or sale have commenced. Capitalization of borrowing costs ceases when the qualifying asset being acquired, constructed or produced becomes ready for its intended use or

sale. Other borrowing costs are recognized as an expense in the period in which they are incurred.

Where funds are borrowed under a specific-purpose borrowing, the amount of the capitalized interest is the actual interest expense incurred on that borrowing for the period less any bank interest earned from depositing the borrowed funds before being used on the asset or any investment income on the temporary investment of those funds. Where funds are borrowed under general-purpose borrowings, the Company determines the amount of interest to be capitalized on such borrowings by applying a capitalization rate to the weighted average of the excess of cumulative expenditures on the asset over the amounts of specific-purpose borrowings. The capitalization rate is the weighted average of the interest rates applicable to the general-purpose borrowings.

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

The qualifying assets to be capitalized are fixed assets, investment properties and inventories which need to be acquired, constructed or produced through a long period of time, in order to become ready for its intended use or sale.

If general borrowings are used to purchase, construct or produce the capitalization eligible assets, the borrowing cost to capitalize is the weighted average of the accumulated assets expenditures in exceed of the special borrowings times the capitalization rate of the used general borrowings, which is determined by the weighted average interest rate of the general borrowings.

## 27. Biological assets

Not applicable

## 28. Oil-gas assets

Not applicable

## 29. Assets of the right to use

Not applicable

## 30. Intangible assets

### 1. Valuation Method, Service Life and Impairment Test of Intangible Assets

The Company makes initial measurements on intangible assets in terms of the costs and determines the useful life when obtaining the assets. For intangible assets of a limited useful life, from the time the assets are available for use, the Company adopts the amortization method that reflects realization of the expected economic benefits, or the straight-line amortization method if unable reliably to determine how to realize the expected economic benefits; and no amortization are made for intangible assets of an unlimited useful life.

At the end of each year, the Company reviews the useful life and amortization methods of intangible assets of a limited useful life and makes adjustments and accounting treatment if different from the previous estimates.

For the intangible assets that are estimated to produce no more economic benefits in the future, the Company records the Net carrying amount of such assets all in current profit and loss.

### 2. Accounting Policy of Internal Research and Development Expenditure

The expenditures for internal research and development projects of an enterprise shall be classified into research expenditures and development expenditures.

The research expenditures shall be recorded into the profit or loss for the current period.

Development expenses can only be capitalized when the following conditions are satisfied: the technology is feasible for use or sales; there is the intention to use or sell the intangible assets; it can be proven that the product generated by the intangible assets is demanded or the intangible assets in demanded; if the intangible is used internally, it can be proven that it is useful; with necessary technical and financial resources and other resources to complete the development of the intangible assets and the intangible assets can be used or sold; the development

expense can be reliably measured. If not, the development expense is accounted into the current gain/loss account. If a research project meets the above-mentioned conditions and passes the technical and economic feasibility study, the project will enter the development stage.

### 31. Impairment of the long-term assets

Fixed assets, construction in progress, intangible assets with finite useful lives, investment properties measured using the cost model and long-term equity investments in subsidiaries, joint ventures and associates are tested for impairment if there is any indication that an asset may be impaired at the balance date. If there is an indication that the asset may be impaired, the Company shall estimate the recoverable amount and perform impairment test. Goodwill, intangible assets with indefinite useful life and intangible assets not available for use, shall be tested each year no matter whether there is an indication that the asset may be impaired.

If the result of the impairment test indicates that the recoverable amount of the asset is less than its carrying amount, a provision for impairment and an impairment loss are recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and the present value of the future cash flows expected to be derived from the asset. Fair value shall be determined as the price as stipulated in the sales agreement in the orderly transaction. Where there is no sales agreement but there is an active market of assets, fair value shall be determined as the quoted price in active market for identical assets or liabilities. Where there is no sales agreement and no active market of assets, fair value shall be estimated according to the best information available. The disposal expenses shall include the relevant legal expenses, relevant taxes, truckage as well as the direct expenses for bringing the assets into a marketable state. The present value of the expected future cash flow of an asset shall be determined by the discounted cash with an appropriate discount rate, on the basis of the expected future cash flow generated during the continuous use or final disposal of an asset. Provision for asset impairment is determined and recognized on the individual asset basis. If it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of a group of assets to which the asset belongs is determined. A group of assets is the smallest group of assets that is able to generate independent cash inflows.

Goodwill that is separately presented in the financial statements is tested at least annually for impairment, irrespective of whether there is any indication that it may be impaired. In conducting the test, the carrying value of goodwill is allocated to the related asset groups or groups of asset groups which are expected to benefit from the synergies of the business combination. If the result of the test indicates that the recoverable amount of an asset group or group of asset groups, including the goodwill allocated, is lower than its carrying amount, the corresponding impairment loss is recognized. The impairment loss is first deducted from the carrying amount of goodwill that is allocated to the asset group or group of asset groups, and then deducted from the carrying amounts of other assets within the asset groups or groups of asset groups in proportion to the carrying amounts of other assets.

Once the above asset impairment loss is recognized, it will not be reversed for the value recovered in the subsequent periods.

### 32. Long-term amortizable expenses

Long-term unamortized expenses are valued at the actual costs and amortized at average in an estimated beneficial period of time. If those cannot benefit the Company in future accounting periods, the remaining will be recorded

### 33. Contract Liabilities

Not applicable

### 34 Employees' Remuneration

#### (1) Accounting methods for short-term compensation

Employee remuneration refers to all kinds of rewards or compensations given in return for employees' services or employment termination. It includes short-term compensation, post-employment benefits, demission benefits and other long-term employee benefits as well as the benefits the Company provides to employees' spouses, children, dependents, deceased employees' family and other beneficiaries.

The Company classifies into short-term compensation the employee remuneration that needs to be paid off

entirely in the twelve months following the reporting year the employees have provided their services, which excludes those given for employment termination. Short-term compensation includes payroll, bonus, allowances and subsidies, employee welfare, social security expenses including medical insurance, injury insurance and birth insurance, housing fund, labor union and employee training expenditures, short-term paid leaves, short-term profit share plans, non-monetary benefits and other short-term rewards. It recognizes as liabilities the actual short-term compensation incurred during the accounting period that the employees provide their services and records in current profit and loss or the relevant asset costs. Non-monetary benefits are measured at the fair value.

(2) Accounting methods for post-employment benefits

Post-employment benefits are mainly defined contribution plans, which include basic pension, unemployment insurance etc. The corresponding contributions are recorded in the relevant asset costs or current profit and loss when incurred.

(3) Accounting methods for demission benefits

Demission benefits are the compensations paid to terminate employment before expiration or encourage employees to accept lay-off.

(4) Accounting methods for other long-term employee benefits

Other long-term employee benefits are all other employee compensations than short-term compensation, post-employment benefits and demission benefits. They are long-term paid leaves, long-term benefits for the disabled, long-term profit sharing plans etc.

35. Lease liabilities

Not applicable

36. Estimated Liabilities

The Company recognizes as estimated liabilities the obligations that meet the following conditions:

- A. Current obligations being undertaken by the Company;
- B. Fulfillment of the obligations that lead to cash flow out of the Company;
- C. The amount of the obligations that can be measured reliably.

If it is expected that a third party can compensate for all or partial expenditures to pay off the recognized estimated liabilities, the compensation can be recognized separately as assets only when the Company is sure to receive it. The amount to recognize cannot exceed the Net carrying amount of the recognized liabilities.

37. Share-based Payment

(1) Types of Share-based Payment

It is divided into equity-settled share-based payment and cash-settled share-based payment.

(2) Recognition of Equity Instruments' Fair Value

For the granted equity instruments that there is an active market for, e.g. options, the Company determines the fair value by reference to the quotation prevailing in the active market. For those that there is no active market for, the options pricing model is adopted to determine the fair value.

(3) Recognition Basis for Best Estimates on Exercisable Equity Instruments

On each balance sheet date during the vesting period, the Company makes best estimates based on the latest number changes of its employees and adjusts the quantity of estimated exercisable equity. The final quantity of estimated exercisable equity instruments should be consistent with that of the actual ones on vesting dates.

## 38. Preferred shares, perpetual capital securities and other financial instruments

Not applicable

## 39. Revenues

Whether the company needs to comply with the disclosure requirements of the particular industry

No

Whether implemented new revenue guidelines

☐ Yes ☒ No

Income, is an enterprise formed in daily activities, will lead to an increase in shareholders' equity, the total inflow of capital has nothing to do with the economic interests of the owner of investment. The company involved in income, including revenue from selling goods, income of labor, transferring assets use right and

Construction contract income.

## (1) Merchandise sales

The merchandises will be transferred to the purchaser when they meet with both the major risk and reward of the merchandise ownership; The Company will no longer keep the continuous management right which is usually related to the ownership, and no longer carry out valid control on the merchandises sold; The amount of income can be reliably calculated; Relevant economic interest can inflow; Relevant costs incurred or about to incur can be reliably calculated to confirm the realization of the income of merchandise sales.

Specific methods for revenue recognition: Companies which are engaged in photoelectric display materials, graphene and electronic communication products, according to the stipulations in the sales contract, will have their revenue recognized after the goods have been delivered to clients and checked and accepted by clients; Those which are engaged in passenger car business, according to the agreement, Confirm the sales revenue when the goods are delivered to the customer and invoiced according to the contract; Those which are engaged in export sales business will have their revenue recognized when receiving the export certificate(customs declaration).

## (2) Services

Service transaction can be estimated reliably, meaning the following conditions are satisfied: amount of revenue can be measured reliably; the relevant economic benefits are likely to flow into the enterprise; completion of the transaction can be measured reliably; transactions that have occurred and will occur costs can be reliably measured

For the services that start and end during the same accounting year, the revenue shall be recognized upon completion; if the services end in a different accounting year and the service transaction results can be measured reliably, the Company adopts the completion percentage method to recognize the revenue on balance sheet dates; if not measurable reliably, the Company recognizes the revenue at the amount of the service costs that are incurred and can be compensated expectedly; otherwise, the service costs incurred are recognized as current expenses.

The Company adopts the following methods to determine the completion progress of service transactions: ① measurement of the completed jobs; ② the proportion of the completed services to all; ③ the proportion of the costs incurred to the total.

The company provides services at the balance sheet date, the transaction can not be reliably estimated, it shall be treated as follows: the costs incurred are expected to be compensated, according to the amount of labor costs that have occurred service revenue is recognized, and the same amount knot turn labor costs; the costs incurred are not expected to be compensated, labor costs should be recognized in profit or loss has occurred, no service revenue is recognized.

Contract or agreement entered into with other companies, including the sale of goods when providing services, the sale of goods and rendering of services can be measured in part to distinguish and separate, should be part of the sale of goods as sale of goods, the provision of services and as part of the provision of services deal with. Sales of goods and rendering of services can not be distinguished, or can be distinguished but can not be measured separately, should be part of the sale of goods and provision of services as part of the total sales of goods.

If property management has provided service, economic interest related to property management service is able to flow into the enterprise, and costs related to the property management service can be reliably calculated, the realization of property management income will be confirmed.



### (3) Use Rights of Assets on Alienation

The right of using transferred asset includes lease earning, intermediate business income, interest income and usage fee income.

When the right of use the transferred asset can, at the same time, conform with the condition that relevant interest income is likely to inflow and the income amount can be reliably calculated, the income of the right of use the transferred asset can be confirmed. The interest income will be counted and confirmed according to the time and actual interest rate of the enterprise's monetary capital used by others; The charge for use will be counted and confirmed according to charging time and method stipulated in the relevant contracts or agreements.

### (4) Construction Contracts

Under the situation where the result of contract forming can be reliably estimated, the contract income and contract costs will be confirmed by the contract's completion percentage on the balance sheet date. The contract's completion percentage will be confirmed by the proportion that the accumulated contract costs actually incurred occupies the predicted total contract cost

That the result of construction contract can be reliably estimated refers to that the following can be conformed with at the same time: 1)The total income of contract can be reliably calculated; 2)The economic interest related to the contract has major possibility to flow into the enterprise; 3)The contract costs actually incurred can be clearly distinguished and reliably calculated; 4)The completion progress of contract and the costs which still needs to incurred for completing the contract can be reliably confirmed.

If the result of construction contract can not be reliably estimated while its costs can be recoverable, the contract income will be confirmed according to the actual contract costs which can be recoverable, and the contract costs will be confirmed the contract fee at its current period; The contract costs which can not be recoverable will be confirmed as not the cost income but the cost fee when the recovery incurs.

If the uncertainties that result construction contract to be not reliably estimated no longer exist, the income and fee related to the construction contract will be confirmed according to the completion percentage.

If the predicted total contract cost is more than the total contract income, the predicted loss be will confirmed as the current fee.

The accumulated cost of the construction contract which has incurred, the accumulated gross profit (loss) has been confirmed, and the payment amount which has been settled will be presented as the net amount after offset in the balance sheet. The part that the sum of the accumulated cost incurred and the accumulated gross profit (loss) confirmed more than the payment amount settled will be presented as the one which has been completed but yet to be settled. The part, where the sum that the payment amount settled of the construction contract is more than the accumulated cost incurred and the accumulated gross profit (loss) confirmed, will be presented as the one which has been settled but yet to be completed.

## 40. Governmental subsidy

### (1) Basis and accounting methods for assets related government subsidies

Government subsidy means the Company gratuitously obtains monetary assets or non-monetary assets from the government, not including the capital into which the government invests as a investor who has relevant ownership interest. Government subsidies are divided into the subsidy related to assets and the other related to earnings. Government subsidies related to monetary assets will be measured according to the amount received or the amount receivable. Those which related to non-monetary assets will be measured according to fair value; For any fair value which can not be reliable to be obtained, the assets will be measured according to the nominal amount, and the one measured according to the nominal amount will be directly counted into the current profits and losses. The government grants pertinent to assets are recognized as deferred income and are credited to profit or loss by stages in accordance with a reasonable and systematic method within the useful life of the pertinent assets. If the pertinent assets are sold, transferred, scrapped or destroyed before the end of their useful life, the non-allocated pertinent deferred income balance shall be transferred to the profit or loss of the period of assets disposal, and the

recognized government grant needs to be refunded, then it shall write down the carrying amount of the relevant deferred income and the excess part shall be included in the current profit and loss.

## 2. Judgment Basis and Accounting Treatment Method of Government subsidy related to Income

The government grants pertinent to income that are used to compensate the relevant costs or losses of the subsequent period of the enterprise are recognized as deferred income and are credited to the current profit or loss for the period when the relevant costs, expenses or losses are recognized; those government grants used for compensating the related expenses or losses incurred to the enterprise shall be directly included in the current profits and losses.

For the government subsidy which includes both the assets related part and the income related part, the different parts are treated separately; if it is difficult to distinguish, the whole is classified as the government subsidy related to the income.

Government subsidies related to the daily activities of the company shall be included in other earnings in accordance with the substance of the economic business. Government subsidies not related to the daily activities of the company shall be included in the non-operating income and expenditure.

### 41. Deferred income tax assets/Deferred income tax liability

The balance between the Net carrying amount and the tax basis of some items of assets and liabilities, as well as the temporary differences issued as the balance between the Net carrying amount and the tax basis of the tax basis items that unrecognized as assets and liabilities but can be determined as per the provisions of tax law, which shall be determined as the deferred income tax assets and the deferred income tax liabilities in accordance with the balance sheet debt law.

Taxable temporary differences related to the initial recognition of goodwill, as well as the initial recognition of an asset or liability in a transaction that neither belongs to a business consolidation, nor affects the accounting profit and taxable income (or deductible loss) when it happens, the relevant deferred income tax liabilities shall not be recognized. In addition, as for taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, if the Company could control the reverse time of such differences and such differences cannot be reversed in the foreseeable future, the relevant deferred income tax liabilities also shall not be recognized. Apart from the above-mentioned exceptional cases, the Company recognizes all other deferred income tax liabilities caused by taxable temporary differences.

Deductible temporary differences related to the initial recognition of an asset or liability in a transaction that neither belongs to a business consolidation, nor affects the accounting profit and taxable income (or deductible loss) when it happens, the relevant deferred income tax assets shall not be recognized. In addition, as for deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, if such differences cannot be reversed in the foreseeable future or are not likely to obtain the taxable income to deduct the deductible temporary differences of the taxable income, the relevant deferred income tax liabilities shall not be recognized. Apart from the above-mentioned exceptional cases, the Company recognizes other deferred income tax liabilities caused by deductible temporary differences within the limit of likely obtained taxable income that can be used to deduct the deductible temporary differences of the taxable income.

The corresponding deferred tax assets of deductible loss and tax reduction that can be carried forward during subsequent years shall be recognized within the limit of likely obtained future taxable income that can be used to deduct the deductible loss and tax reduction.

As per the provisions of tax law, the deferred income tax assets and deferred income tax liabilities shall be measured at the applicable tax rates used during the period of expectation recovery of relevant assets or pay-off relevant liabilities at the balance sheet date.

The Net carrying amount of the deferred income tax assets shall be re-checked at the balance sheet date. The Net carrying amount of the deferred income tax assets shall be written-down if it is unlikely to obtain sufficient taxable income in the future to deduct the benefit of the deferred tax assets and the written-down amount shall be carried forward if it is likely to obtain sufficient taxable income.

## 42. Operational leasing

## (1) Accounting of operational leasing

The Company will transfer substantially all the risks and rewards of ownership of an asset lease is recognized as a finance lease. Other forms of lease besides financial leasing are considered as operating leasing.

Lease payments under an operating lease shall be accounted into the relevant asset cost or current profit or loss over the lease term on a straight-line basis.

## (2) Accounting Method for Financing Leases

At the commencement of the lease term, an amount equal to the lower of the fair value of the leased asset and the present value of the minimum lease payments shall be regarded as the recorded value of the leased assets and an amount equal to the minimum lease payments shall be recognized as a long-term recorded value of the leased assets of payables. The balance between the recorded amount of the leased asset and the recorded amount of the payable shall be accounted for as unrecognized finance charge.

## 43. Other significant accounting policies and estimates

## (1) Discontinued Operation

① Discontinued operation means enterprises which can meet one of the following conditions and can be distinguished into a constituent part separately, and this part has been disposed or divided into a on-sales category.

② This part is a one of the related parts which proposes to dispose an independent main business or an independent main business area.

③ This part is a subsidiary acquired from being specifically for reselling.

For accounting treatment methods for discontinued operation, see the relevant descriptions at Article 13-Possession of On-Sales Asset in Note III

## (2) Share Repurchase

Share repurchase refers to the behavior of repurchasing a certain sum of Company's outstanding stocks from the stock market by cash and other methods; and the behavior that the incentive objects of restricted stocks fail to submit a written application to the Board in the prescribed period shall be deemed as voluntarily give up the unlocking, the corresponding restricted stocks shall no longer be unlocked and shall be logged out after the repurchase at the awarded price by the Company. If any period fails to meet the unlocking conditions within the unlocking period, the restricted stock with the unlocking application qualification in the current period cannot be unlocked and shall be logged out after the repurchase by the Company.

Upon the legal procedures and reporting approval and through repurchasing the Company's stocks, the Company's reduction of capital is conducted according to the total nominal value of written-off stocks. The part of price paid to stock repurchase (including transaction expenses) that exceeds the total nominal amount shall offset the capital reserve (share premium), earned surplus and undistributed profits in sequence; The part of price paid to stock repurchase (including transaction expenses) that less than the total nominal amount shall increase the capital reserve (share premium).

## 44. Change of main accounting policies and estimations

## (1) Change of main accounting policies

√ Applicable □ Not applicable

Contents and causes for changes of accounting policy	Approval procedures	Remarks
On April 30, 2019, the Ministry of Finance issued the Notice on Revising and Issuing the Format of Financial Statements for General Enterprises in 2019 (CK [2019] No.6), which revised the format of financial statements for general enterprises	The company will hold the 3rd meeting of Ninth board meeting and the 2nd meeting of ninth meeting board of supervisors on August 30, 2019 to review and approve the Notices on the change of accounting	

and is applicable to the interim financial statements and annual financial statements for non-financial enterprises in 2019 and the financial statements for subsequent periods that implement the Accounting Standards for Enterprises.	policy.	
On March 31, 2017, the Ministry of Finance issued revised Accounting Standards for Business Enterprises No.22-Recognition and Measurement of Financial Instruments (CK [2017] No.7), Accounting Standards for Business Enterprises No.23-Transfer of Financial Assets (CK [2017] No.8) and Accounting Standards for Business Enterprises No.24-Hedge Accounting (CK [2017] No.9). The revised Accounting Standards for Business Enterprises No.37-Presentation of Financial Instruments (CK [2017] No.14) (collectively referred to as "New Financial Instrument Standards") was issued on May 2, 2017, requiring domestic listed enterprises to implement it from January 1, 2019. The revised Accounting Standards for Business Enterprises No.7-Exchange of Non-monetary Assets (CK [2019] No.8) is implemented on June 10, 2019, and the revised Accounting Standards for Business Enterprises No.12-Debt Restructuring (CK [2019] No.9) is implemented on June 17, 2019.	The company will hold the 3rd meeting of Ninth board meeting and the 2nd meeting of ninth meeting board of supervisors on August 30, 2019 to review and approve the Notices on the change of accounting policy.	

Accounting policy changes arising from the implementation of the new accounting standards for business enterprises

On April 30, 2019, The Ministry of Finance issued the Notice on Amending the Format of Financial Statements of General Enterprises in 2019 (CK No. [2019] 6.)

The impact of the company's implementation of this accounting policy on the items and amounts presented in the previous financial statements is as follows:

Name of affected item in the statements	Affected amount of December 31, 2018 / 2018 Increase + / decrease - -
Notes receivable	+499,781,503.17
Account receivable	+14,352,781,895.39
Notes receivable & account receivable	-14,852,563,398.56
Notes payable	+1,643,167,026.68
Account payable	+8,632,927,106.20
Notes payable & Account payable	-10,276,094,132.88

## (2) Change of main accounting estimations

☐ Applicable ☒ Not applicable

(3) Adjustments to the Financial Statements at the Beginning of the First Execution Year of any New Standards Governing Financial Instruments, Revenue or Leases

☒ Applicable ☐ Not applicable

## Consolidated balance sheet

In RMB

Items	December 31, 2018	January 1, 2019	Adjustment amount
Current asset :			
Cash and bank balances	19,807,094,397.16	19,807,094,397.16	
Settlement provision			
Outgoing call loan			
Transactional financial assets			
Financial assets measured at fair value with variations accounted into current income account			
Derivative financial assets			
Notes receivable	499,781,503.17	499,781,503.17	
Account receivable	14,352,781,895.39	14,352,781,895.39	
Financing of receivables			
Prepayments	5,215,414,219.51	5,215,414,219.51	
Insurance receivable			
Reinsurance receivable			
Provisions of Reinsurance contracts receivable			
Other account receivable	1,125,991,020.55	1,125,991,020.55	
Including: Interest receivable	56,811,961.67	56,811,961.67	
Dividend receivable			
Repurchasing of financial assets			
Inventories	3,510,786,666.85	3,510,786,666.85	
Contract assets			
Assets held for sales	119,355,435.58	119,355,435.58	
Non-current asset due within 1 year			
Other current asset	809,360,778.49	809,360,778.49	
Total of current assets	45,440,565,916.70	45,440,565,916.70	
Non-current assets :			
Loans and payment on other's behalf disbursed			
Debt investment			
Available for sale of financial assets	243,158,605.30		-243,158,605.30
Other investment on bonds			
Expired investment in possess			
Long-term receivable	344,430,815.68	344,430,815.68	
Long term share equity investment	2,174,347,969.22	2,174,347,969.22	
Other equity instruments			

investment			
Other non-current financial assets		243,158,605.30	243,158,605.30
Property investment	686,993,881.02	686,993,881.02	
Fixed assets	9,634,463,323.77	9,634,463,323.77	
Construction in progress	5,013,941,980.61	5,013,941,980.61	
Production physical assets			
Oil & gas assets			
Use right assets			
Intangible assets	1,146,949,745.14	1,146,949,745.14	
Development expenses	37,122,235.94	37,122,235.94	
Goodwill	2,835,672,586.90	2,835,672,586.90	
Long-term expenses to be amortized	21,884,204.82	21,884,204.82	
Deferred income tax asset	533,094,627.68	533,094,627.68	
Other non-current asset	4,463,496,966.82	4,463,496,966.82	
Total of non-current assets	27,135,556,942.90	27,135,556,942.90	
Total of assets	72,576,122,859.60	72,576,122,859.60	
Current liabilities			
Short-term loans	8,361,106,651.33	8,361,106,651.33	
Loan from Central Bank			
Borrowing funds			
Transactional financial liabilities			
Financial liabilities measured at fair value with variations accounted into current income account			
Derivative financial liabilities			
Notes payable	1,643,167,026.68	1,643,167,026.68	
Account payable	8,632,927,106.20	8,632,927,106.20	
Advance receipts	1,402,283,662.37	1,402,283,662.37	
Selling of repurchased financial assets			
Deposit taking and interbank deposit			
Entrusted trading of securities			
Entrusted selling of securities			
Employees' wage payable	238,146,977.17	238,146,977.17	
Tax payable	817,173,127.12	817,173,127.12	
Other account payable	2,089,603,676.60	2,089,603,676.60	
Including: Interest payable	117,554,951.58	117,554,951.58	
Dividend payable			
Fees and commissions payable			

Reinsurance fee payable			
Contract Liabilities			
Liabilities held for sales			
Non-current liability due within 1 year	3,697,392,864.91	3,697,392,864.91	
Other current liability	315,193,128.73	315,193,128.73	
Total of current liability	27,196,994,221.11	27,196,994,221.11	
Non-current liabilities:			
Reserve fund for insurance contracts			
Long-term loan	2,741,589,600.00	2,741,589,600.00	
Bond payable	5,630,818,825.32	5,630,818,825.32	
Including: preferred stock			
Sustainable debt			
Lease liability			
Long-term payable	2,644,309,592.95	2,644,309,592.95	
Long-term remuneration payable to staff			
Expected liabilities	99,765,750.04	99,765,750.04	
Deferred income	676,146,399.31	676,146,399.31	
Deferred income tax liability	55,192,983.97	55,192,983.97	
Other non-current liabilities	108,000,000.00	108,000,000.00	
Total non-current liabilities	11,955,823,151.59	11,955,823,151.59	
Total of liability	39,152,817,372.70	39,152,817,372.70	
Owners' equity			
Share capital	5,730,250,118.00	5,730,250,118.00	
Other equity instruments			
Including: preferred stock			
Sustainable debt			
Capital reserves	21,786,233,393.78	21,786,233,393.78	
Less: Shares in stock	4,422,320.00	4,422,320.00	
Other comprehensive income	-29,175.80	-29,175.80	
Special reserve	12,614,331.35	12,614,331.35	
Surplus reserves	245,507,019.95	245,507,019.95	
Common risk provision			
Retained profit	4,750,977,557.86	4,750,977,557.86	
Total of owner's equity belong to the parent company	32,521,130,925.14	32,521,130,925.14	
Minority shareholders' equity	902,174,561.76	902,174,561.76	
Total of owners' equity	33,423,305,486.90	33,423,305,486.90	
Total of liabilities and owners' equity	72,576,122,859.60	72,576,122,859.60	

## Notes

According to the Accounting Standards for Business Enterprises No.22-Recognition and Measurement of Financial Instruments (CK [2017] No.7), the Accounting Standards for Business Enterprises No.23-Transfer of Financial Assets (CK [2017] No.8), the Accounting Standards for Business Enterprises No.24-Hedge Accounting (CK [2017] No.9), Accounting Standard for Business Enterprises No.37-Presentation of Financial Instruments

(CK [2017] No.14) (hereinafter referred to as the new financial instruments standards) issued by the Ministry of Finance in 2017, in combination with the company's business mode of managing financial assets and the contractual cash flow characteristics of financial assets, the original available-for-sale financial assets are adjusted to be accounted for as financial assets measured at fair value with changes included in current profits and losses. Since the period is more than one year, it is listed as "other non-current financial assets" in the report.

## Balance sheet of Parent Company

In RMB

Items	December 31, 2018	January 1, 2019	Adjustment amount
Current asset :			
Cash and bank balances	9,732,302,654.23	9,732,302,654.23	
Transactional financial assets			
Financial assets measured at fair value with variations accounted into current income account			
Derivative financial assets			
Notes receivable	50,000.00	50,000.00	
Account receivable	176,563,926.23	176,563,926.23	
Financing of receivables			
Prepayments	2,008,364.11	2,008,364.11	
Other account receivable	6,281,675,319.27	6,281,675,319.27	
Including: Interest receivable	7,521,489.86	7,521,489.86	
Dividend receivable	500,000,000.00	500,000,000.00	
Inventories	269,759,580.95	269,759,580.95	
Contract assets			
Assets held for sales			
Non-current asset due within 1 year			
Other current asset	148,973.38	148,973.38	
Total of current assets	16,462,508,818.17	16,462,508,818.17	
Non-current assets:			
Debt investment			
Available for sale of financial assets	129,500,056.00		-129,500,056.00
Other investment on bonds			
Expired investment in possess			
Long-term receivable			
Long term share equity investment	26,504,735,200.89	26,504,735,200.89	
Other equity instruments investment			
Other non-current financial assets		129,500,056.00	129,500,056.00
Property investment			
Fixed assets	160,867,244.63	160,867,244.63	



Construction in progress			
Production physical assets			
Oil & gas assets			
Use right assets			
Intangible assets	9,339,387.26	9,339,387.26	
Development expenses			
Goodwill			
Long-term expenses to be amortized			
Deferred income tax asset	119,964,967.85	119,964,967.85	
Other non-current asset			
Total of non-current assets	26,924,406,856.63	26,924,406,856.63	
Total of assets	43,386,915,674.80	43,386,915,674.80	
Current liabilities			
Short-term loans	4,278,000,000.00	4,278,000,000.00	
Transactional financial liabilities			
Financial liabilities measured at fair value with variations accounted into current income account			
Derivative financial liabilities			
Notes payable			
Account payable	11,500,796.58	11,500,796.58	
Advance receipts	1,991,498.78	1,991,498.78	
Contract Liabilities			
Employees' wage payable	4,484,401.86	4,484,401.86	
Tax payable	17,959,833.09	17,959,833.09	
Other account payable	3,656,725,253.66	3,656,725,253.66	
Including: Interest payable	97,197,464.99	97,197,464.99	
Dividend payable			
Liabilities held for sales			
Non-current liability due within 1 year	1,533,383,333.28	1,533,383,333.28	
Other current liability			
Total of current liability	9,504,045,117.25	9,504,045,117.25	
Non-current liabilities:			
Long-term loan			
Bond payable	5,630,818,825.32	5,630,818,825.32	
Including: preferred stock			
Sustainable debt			
Lease liability			
Long-term payable			
Long-term remuneration			

payable to staff			
Expected liabilities			
Deferred income			
Deferred income tax liability			
Other non-current liabilities			
Total non-current liabilities	5,630,818,825.32	5,630,818,825.32	
Total of liability	15,134,863,942.57	15,134,863,942.57	
Owners' equity			
Share capital	5,730,250,118.00	5,730,250,118.00	
Other equity instruments			
Including: preferred stock			
Sustainable debt			
Capital reserves	21,832,453,907.50	21,832,453,907.50	
Less: Shares in stock	4,422,320.00	4,422,320.00	
Other comprehensive income			
Special reserve			
Surplus reserves	226,517,795.62	226,517,795.62	
Retained profit	467,252,231.11	467,252,231.11	
Total of owners' equity	28,252,051,732.23	28,252,051,732.23	
Total of liabilities and owners' equity	43,386,915,674.80	43,386,915,674.80	

## Notes

According to the Accounting Standards for Business Enterprises No.22-Recognition and Measurement of Financial Instruments (CK [2017] No.7), the Accounting Standards for Business Enterprises No.23-Transfer of Financial Assets (CK [2017] No.8), the Accounting Standards for Business Enterprises No.24-Hedge Accounting (CK [2017] No.9), Accounting Standard for Business Enterprises No.37-Presentation of Financial Instruments (CK [2017] No.14) (hereinafter referred to as the new financial instruments standards) issued by the Ministry of Finance in 2017, in combination with the company's business mode of managing financial assets and the contractual cash flow characteristics of financial assets, the original available-for-sale financial assets are adjusted to be accounted for as financial assets measured at fair value with changes included in current profits and losses. Since the period is more than one year, it is listed as "other non-current financial assets" in the report.

(4) Retrospective Restatement of Previous Comparative Data due to the First Execution of any New Standards Governing Financial Instruments or Leases

√ Applicable □ Not applicable

From January 1, 2019, the company starts to implement the new financial instrument standards. This accounting policy change does not involve retrospective adjustment of previous years and does not affect the company's relevant financial indicators in 2018.

#### 45. Other

##### 1. Income tax

Income tax is composed of current income tax and deferred income tax. All taxes and expenses are written in current profit and loss except those for reputation adjustment in enterprise combination or trades directly counted into shareholder's equity or some deferred income tax which is counted in shareholder's equity.

Current income tax is payable tax amount currently calculated as current taxable income. Payable tax amount is calculated by adjusting pre-tax accounting profit specified in related tax laws.

The company confirms deferred income tax by adopting liability method in Balance Sheet based on the temporary

difference between Net carrying amount of asset and liability in Balance Sheet and tax base.

Temporary difference of items of payable taxes are confirmed to be related deferred income tax liabilities, except the temporary difference of payable taxes are made in the following conditions:

A. Initial confirmation of reputation or that of assets or liabilities made in trades with these features: the trade is not enterprise combination and it neither influences accounting profit nor amount of payable tax when it happens.

B. As for temporary difference of items of payable taxes related to investment to subsidiaries, joint enterprises and associated enterprises. The temporary difference return time may be controlled and may not return in foreseeable future.

On the date of balance sheet, the company will calculate deferred income tax assets and deferred income tax liabilities according to applicable tax between expected recovered assets and paid liabilities, and also the company will reflect the income tax influence in ways of expected recovered assets and paid liabilities on the date of balance sheet.

On the date of balance sheet, the company will check the Net carrying amount of the deferred income tax assets. If it was unlikely to obtain sufficient taxable income taxes to offset benefit of deferred income tax assets, while it was likely to obtain sufficient taxable income, carrying amount of deferred income tax assets shall be written down.

## 2. Safety production expenses

The company counts and draws safety production expenses specified in Notification on Printing and Distributing and Administrative Measures on Drawing and Using Enterprise's Safety Production Expenses issued by Ministry of Finance and State Administration of Work Safety. Safety production expenses is specialized in improving safe production.

Safety production expense is counted into related product's cost or current profit and loss. At the same time, it is also counted into specialized reserve. In case the safety production expense to be delivered is used in expense, we directly consume specialized reserve. In case safety production expense to be delivered belongs to fixed asset and is spent in construction in-process, confirm it as fixed asset when the project is completed safely and is ready to put into use. Meantime, consume specialized reserve as the cost forming into fixed asset and confirm it as equivalent accumulated depreciation.

## 3. Judgement and Estimation for Significant Accounting

During the process of applying accounting policies, due to to inherent uncertainties in business activities, the Company requires judgement, estimation and assumption for the Net carrying amount of the report items which can not be measured accurately. Such judgement, estimation and assumption is made basing on the previous experience of the Company's management as well as the consideration of other relevant factors. And the reported amount of revenue, cost and asset, as well as the disclosure of balance sheet date and the liability will be influenced by such judgement, estimation and assumption; However, there may be differences between the actual result caused by the uncertainties of such estimation and the current estimation of the Company's management, thereby significant adjustment will be made for the assets influenced in the coming future and the indebted Net carrying amount.

The Company will periodically recheck the above-mentioned judgement, estimation and assumption based on going concern. The changes of accounting estimation only influence those which are influenced at the current period, and of which the influence number will be confirmed at that current period; For those changes which have influence both at the current period and the future period, the influence number of them will be confirmed at that current period and the future period.

On balance sheet date, the significant fields where the Company needs to make judgement, estimation and assumption for the financial statement items will be as follows:

### (1) Revenue Recognition-Construction Contract

When the result of construction contract can be estimated reliably, the Company will confirm the contract revenue on balance sheet date by adopting Percentage of Completion Method. The percentage of completion will be confirmed according to Article 26-Revenue Recognition Principle in Note III and it will be totalized in each accounting year of executing this contribution contract.

Significant judgement needs to be made when confirming the percentage of completion, the contract cost occurred, the total predicted revenue of the contract and total cost of the contract, as well as the recoverability of the contract. The project management will make judgement mainly by means of previous experience and work. The

total predicted revenue and total cost of the contract, as well as the estimation changes of contract execution result will probably have effect on the operation revenue, the operation cost at the current changing period or at the subsequent period, as well as the profits and losses during that period, and significant influence is likely to be formed due to the above-mentioned changes.

## (2) Provision for bad debts

The Company uses the allowance method to account for bad debt losses in accordance with the accounting policy for accounts receivable. Impairment of accounts receivable is based on the assessment of the recoverability of accounts receivable. The identification of impairment of accounts receivable requires management's judgment and estimation. The difference between the actual result and the original estimate will affect the Net carrying amount of accounts receivable and the provision or reversal of bad debt provision for accounts receivable during the period in which the estimate is changed.

## (3) Inventory falling price preparation

According to the inventory accounting policy, the Company measures the lower of cost and net realizable value, and makes provision for inventory devaluation for inventory whose cost exceeds net realizable value, obsolete and unsalable. The depreciation of inventories to net realizable value is based on the assessment of the saleability of inventories and their net realizable value. Identification of impairment of inventories requires management to make judgments and estimates on the basis of obtaining conclusive evidence and considering the purpose of holding the inventory and the influence of events after the balance sheet date. The difference between the actual result and the original estimate will affect the Net carrying amount of inventory and provision or reversal of inventory depreciation provision during the period in which the estimate is changed.

## (4) Depreciation and amortization

After considering the salvage value of investment real estate, fixed assets and intangible assets, the company shall accrue depreciation and amortization on a straight-line basis over its useful life. The Company regularly reviews the service life to determine the amount of depreciation and amortization expenses to be included in each reporting period. The service life is determined by the Company based on past experience of similar assets and combined with expected technical updates. If there has been a significant change in previous estimates, the depreciation and amortization expense will be adjusted in the future period.

## (5) Deferred income tax assets

Insofar as it is highly probable that there will be sufficient taxable profits to offset losses, the company will recognize deferred income tax assets for all unused tax losses. This requires the management of the company to use a large number of judgments to estimate the time and the amount of future taxable profits, and combine the tax planning strategy to determine the amount of deferred income tax assets that should be recognized.

## (6) Income tax

In the normal business activities of the company, there are certain uncertainties in the final tax treatment and calculation of some transactions. It requires the approval of the tax authorities on whether some items can be listed as deductible in the profit before tax. If there is a difference between the final recognized result of these taxation matters and the originally estimated amount, the difference will have an impact on the income tax and the deferred income tax of that period with the final recognition being made.

# VI. Taxation

## 1. Main categories and rates of taxes

Taxes	Tax references	Applicable tax rates
VAT	Sales revenue	3%,10%,11%,16%,17%
Consumption tax	Sales of taxable consumer goods or sales of taxable consumer goods.	Not applicable
Urban construction tax	Turnover tax to be paid allowances	5%,7%
Enterprises income tax	Taxable income	9%,10%,15%,16.5%,25%
VAT	Technical services revenue	6%
Educational surtax	Turnover tax to be paid allowances	3%
Local education surcharge	Turnover tax to be paid allowances	1%,2%

## 2. Tax Preference

- ① On September 11, 2018, The Company was rated as the national high-tech enterprise with validity of 3 years. As per the provisions of enterprise income tax law, the Company adopts 15% enterprise tax rate applicable for high-tech enterprises for three years since 2018.
- ② On July 20, 2017, Wuhu Tunghsu Optoelectronic Technology Co., Ltd. was rated as the national high-tech enterprise with validity of 3 years. As per the provisions of enterprise income tax law, the Company adopts 15% enterprise tax rate applicable for high-tech enterprises for three years since 2017.
- ③ On October 21, 2016, Wuhu Tunghsu Optoelectronic Equipment Technology Co., Ltd. was rated as the national high-tech enterprise with validity of 3 years. As per the provisions of enterprise income tax law, the Company adopts 15% enterprise tax rate applicable for high-tech enterprises for three years since 2016.
- ④ On November 21, 2016, Shijiazhuang Tunghsu Optoelectronic Equipment Technology Co., Ltd. was rated as the national high-tech enterprise with validity of 3 years. As per the provisions of enterprise income tax law, the Company adopts 15% enterprise tax rate applicable for high-tech enterprises for three years since 2016.
- ⑤ On November 29, 2018, Zhengzhou Xufei Optoelectronic Technology Co., Ltd. was rated as the national high-tech enterprise with validity of 3 years. As per the provisions of enterprise income tax law, the Company adopts 15% enterprise tax rate applicable for high-tech enterprises for three years since 2018.
- ⑥ On November 21, 2016, Shijiazhuang Xuxin Optoelectronic Technology Co., Ltd. was rated as the national high-tech enterprise with validity of 3 years. As per the provisions of enterprise income tax law, the Company adopts 15% enterprise tax rate applicable for high-tech enterprises for three years since 2016.
- ⑦ On November 30, 2016, Jiangsu Jixing New Material Co., Ltd. was rated as the national high-tech enterprise with validity of 3 years. As per the provisions of enterprise income tax law, the Company adopts 15% enterprise tax rate applicable for high-tech enterprises for three years since 2016.
- ⑧ On November 24, 2016, Shanghai Tanyuan Huigu New Material Technology Co., Ltd. was rated as the national high-tech enterprise with validity of 3 years. As per the provisions of enterprise income tax law, the Company adopts 15% enterprise tax rate applicable for high-tech enterprises for three years since 2016.
- ⑨ On December 1, 2016, Mingshuo (Beijing) Electric Technology Co., Ltd. was rated as the national high-tech enterprise with validity of 3 years. As per the provisions of enterprise income tax law, the Company adopts 15% enterprise tax rate applicable for high-tech enterprises for three years since 2016.
- ⑩ On October 25, 2017, Beijing Xutan New Material Technology Co., Ltd. was rated as the national high-tech enterprise with validity of 3 years. As per the provisions of enterprise income tax law, the Company adopts 15% enterprise tax rate applicable for high-tech enterprises for three years since 2017.
- ⑪ On November 17, 2017, Suzhou Tengda Optical Technology Co., Ltd. was rated as the national high-tech enterprise with validity of 3 years. As per the provisions of enterprise income tax law, the Company adopts 15% enterprise tax rate applicable for high-tech enterprises for three years since 2017.
- ⑫ On December 8, 2016, Sichuan Xuhong Optoelectronic Technology Co., Ltd. was rated as the national high-tech enterprise with validity of 3 years. As per the provisions of enterprise income tax law, the Company adopts 15% enterprise tax rate applicable for high-tech enterprises for three years since 2016.
- ⑬ On November 24, 2016, Shanghai Sunlong Bus Co., Ltd. was rated as the national high-tech enterprise with validity of 3 years. As per the provisions of enterprise income tax law, the Company adopts 15% enterprise tax rate applicable for high-tech enterprises for three years since 2016.
- ⑭ On December 8, 2016, Chengdu Tunghsu Intelligence Technology Co., Ltd. was rated as the national high-tech enterprise with validity of 3 years. As per the provisions of enterprise income tax law, the Company adopts 15% enterprise tax rate applicable for high-tech enterprises for three years since 2016.
- ⑮ Daosui Group Tibet Construction Development Co., Ltd, based on the “Notice of the People's Government of Tibet Autonomous Region on Issuing the Measures for the Implementation of Enterprise Income Tax Policy of Tibet Autonomous Region” (Zangzhengfa [2014] No. 51) policy, enjoys the corporate income tax at the rate of 15% for the strategy of developing the western region and is exempted from the 40% tax share that originally belongs to the local place, thus actually implementing the income tax rate of 9%.
- ⑯ Guangxi Sunlong Automobile Manufacturing Co., Ltd, based on the Guangxi People's Government's Circular on the Continuation and Revision of Certain Policies Concerning the Promotion of the Open Development of the

Guangxi Beibu Gulf Economic Zone” (Gui Zhengfa [2014] No. 5) policy, enjoys the corporate income tax at the rate of 15% for the strategy of developing the western region and is exempted from the 40% tax share that originally belongs to the local place, thus actually implementing the income tax rate of 9%.

⑰Harbin Sunlong New Energy Automobile Sales Co., Ltd, based on the “Notice of Ministry of Finance, State Administration of Taxation on the Relevant Issues Concerning the Preferential Policies for Small-scale, Low-profit Enterprises” (Cai Shui [2011] No. 117) and the 28<sup>th</sup> clause of “The People's Republic of China Enterprise Income Tax Law”- that the small profit-making enterprise that meets the requirements enjoys a reduction of 20% tax rate on the corporate income tax, actually implements the income tax rate of 10%.

⑱On October 12, 2018,Tunghsu(Yingkou) Optoelectronic Display Co., Ltd. was rated as the national high-tech enterprise with validity of 3 years. As per the provisions of enterprise income tax law, the Company adopts 15% enterprise tax rate applicable for high-tech enterprises for three years since 2018.

⑲On November 12, 2018,Chongqing Jinghuateng Optoelectronic Technology Co., Ltd. was rated as the national high-tech enterprise with validity of 3 years. As per the provisions of enterprise income tax law, the Company adopts 15% enterprise tax rate applicable for high-tech enterprises for three years since 2018.

⑳On November 30, 2018,Huzhou Mingshuo Optoelectronic Technology Co., Ltd. was rated as the national high-tech enterprise with validity of 3 years. As per the provisions of enterprise income tax law, the Company adopts 15% enterprise tax rate applicable for high-tech enterprises for three years since 2018.

㉑ On November 30, 2018,Jiangsu Tunghsu Yitai Intelligence Equipment Co., Ltd. was rated as the national high-tech enterprise with validity of 3 years. As per the provisions of enterprise income tax law, the Company adopts 15% enterprise tax rate applicable for high-tech enterprises for three years since 2018.

### 3. Other

## VII. Notes of consolidated financial statement

### 1. Cash and Bank Balances

In RMB

Items	Year-end balance	Year-beginning balance
Cash	3,242,652.56	2,593,055.78
Bank deposit	19,052,380,592.27	19,263,011,567.36
Other monetary assets	552,537,088.08	541,489,774.02
Total	19,608,160,332.91	19,807,094,397.16
Including: Total amount deposited abroad	3,087,696.74	2,307,958.14

Other note

Note :The amount of restricted cash and bank balances by the end of the period is RMB 4,221,140,438.53. The main types are acceptance bill deposit, time deposit certificate and letter of guarantee deposit.

### 2. Transactional financial assets

In RMB

Items	Year-end balance	Year-beginning balance
Financial assets measured at fair value through profit or loss	3,000,000.00	
Of which :		
National debt	3,000,000.00	
Of which :		
Total	3,000,000.00	

Other notes

3. Derivative financial assets

4. Notes receivable

(1) Classification Notes receivable

In RMB

Items	Year-end balance	Year-beginning balance
Bank acceptance	53,936,785.03	142,810,310.93
Trade acceptance	7,257,525.67	356,971,192.24
Total	61,194,310.70	499,781,503.17

In RMB

Category	Year-end balance					Year-beginning balance				
	Book balance		Provision for bad debts		Net carrying amount	Book balance		Provision for bad debts		Net carrying amount
	Amount	Proportion (%)	Amount	Proportion (%)		Amount	Proportion (%)	Amount	Proportion (%)	
Of which :										
Accrual of bad debt provision by portfolio	61,194,310.70	100.00%		0.00%	61,194,310.70	499,781,503.17	100.00%		0.00%	499,781,503.17
Of which :										
Bank acceptance	53,936,785.03	88.14%		0.00%	53,936,785.03	142,810,310.93	28.57%		0.00%	142,810,310.93
Trade acceptance	7,257,525.67	11.86%		0.00%	7,257,525.67	356,971,192.24	71.43%		0.00%	356,971,192.24
Total	61,194,310.70	100.00%		0.00%	61,194,310.70	499,781,503.17	100.00%		0.00%	499,781,503.17

Relevant information of the provision for bad debts will be disclosed with reference to the disclosure method of other receivables if the provision for bad debts of bills receivable is accrued according to the general model of expected credit loss:

☐ Applicable ☒ Not applicable

(2) Accounts receivable withdraw, reversed or collected during the reporting period

The withdrawal amount of the bad debt provision:

☐ Applicable ☒ Not applicable

(3) Notes receivable pledged by the Company at the period -end

(4) Notes receivable endorsed or discounted by the Company but not expired on the balance sheet date

In RMB

Items	Amount derecognized as at June 30, 2019	Amount underecognized as at January 1, 2019
Bank acceptance	627,570,099.33	
Total	627,570,099.33	

(5) There is no notes transferred to accounts receivable because drawer of the notes fails to exit the contract or agreement

(6) The actual write-off of notes receivable for the current period

## 5. Accounts receivable

### (1) Accounts receivable disclosed by category

In RMB

Category	Year-end balance					Year-beginning balance				
	Book balance		Bad debt provision		Net carrying amount	Book balance		Bad debt provision		Net carrying amount
	Amount	Proportion (%)	Amount	Proportion (%)		Amount	Proportion (%)	Amount	Proportion (%)	
Accrual of bad debt provision by single item:	136,922,651.00	1.11%	136,922,651.00	100.00%		154,637,381.31	1.06%	154,637,381.31	100.00%	
Of which :										
Accounts receivable of individually withdrawing bad debt provision with significant individual amount	136,922,651.00	1.11%	136,922,651.00	100.00%		154,637,381.31	1.06%	154,637,381.31	100.00%	
Accrual of bad debt provision by portfolio:	12,055,004,373.50	98.88%	106,034,365.92	0.88%	11,948,970,007.58	14,450,540,744.24	98.94%	97,758,848.85	0.68%	14,352,781,895.39
Of which :										
Aging portfolio	8,171,983,020.04	67.03%	106,034,365.92	1.31%	8,065,948,654.12	10,053,763,897.90	68.84%	97,758,848.85	0.97%	9,956,005,049.05
Other portfolio	3,883,021,353.46	31.85%		0.00%	3,883,021,353.46	4,396,776,846.34	30.10%		0.00%	4,396,776,846.34
Total	12,191,927,024.50	100.00%	242,957,016.92	1.99%	11,948,970,007.58	14,605,178,125.55	100.00%	252,396,230.16	1.73%	14,352,781,895.39

Accrual of bad debt provision by single item:

Accounts receivable of individually withdrawing bad debt provision with significant individual amount

In RMB

Name	Year-end balance			
	Account receivable	Provision for bad debts	Proportion%	Reason
Inner Mongolia Zhunxing Heavy Haul Expressway Co., Ltd	136,922,651.00	136,922,651.00	100.00%	Not expected to be recovered as a result of litigation
Total	136,922,651.00	136,922,651.00	--	--

Accrual of bad debt provision by portfolio: Aging portfolio

In RMB

Name	Year-end balance		
	Account receivable	Provision for bad debts	Proportion%
Within 1 year	7,956,250,771.37	63,821,064.11	5.00%
Including: Within credit period	6,679,829,489.21		



Within 1 year after credit period	1,276,421,282.16	63,821,064.11	5.00%
1-2 years	151,196,081.03	15,119,608.10	10.00%
2-3 years	40,372,867.23	12,111,860.17	30.00%
3-4 years	17,671,758.75	8,835,879.38	50.00%
4-5 years	1,151,958.32	806,370.82	70.00%
Over 5 years	5,339,583.34	5,339,583.34	100.00%
Total	8,171,983,020.04	106,034,365.92	--

Notes:

Accrual of bad debt provision by portfolio: Other portfolio

In RMB

Name	Year-end balance		
	Account receivable	Provision for bad debts	Proportion%
State subsidy. Local subsidy	2,607,988,744.40		0.00%
Other portfolio	1,275,032,609.06		0.00%
Total	3,883,021,353.46		--

Notes:

Accrual of bad debt provision by portfolio:

Relevant information of the provision for bad debts will be disclosed with reference to the disclosure method of other receivables if the provision for bad debts of bills receivable is accrued according to the general model of

☐ Applicable ☒ Not applicable

Disclosure by aging

In RMB

Aging	Amount in year-end
Within 1 year (Including 1 year)	7,956,250,771.37
Including : Within credit period	6,679,829,489.21
Within 1 year after credit period	1,276,421,282.16
1-2 years	151,196,081.03
2-3 years	40,372,867.23
Over 3 years	24,163,300.41
3-4 years	17,671,758.75
4-5 years	1,151,958.32
Over 5 years	5,339,583.34
Total	8,171,983,020.04

(2) Accounts receivable withdraw, reversed or collected during the reporting period

The withdrawal amount of the bad debt provision:

In RMB

Category	Opening balance	Amount of change in the current period			Closing balance
		Accrual	Reversed or collected amount	Write-off	
Accounts receivable	252,396,230.16	49,129,548.56	38,025,481.94	20,543,279.86	242,957,016.92
Total	252,396,230.16	49,129,548.56	38,025,481.94	20,543,279.86	242,957,016.92

## (3) The current accounts receivable written-offs situation

In RMB

Items	Amount written-offs
Accounts receivable written-offs	20,543,279.86
Total	20,543,279.86

Account receivables actually written-offs during the reporting period:

In RMB

Name	Nature of account receivable	Amount written-off	Reason for written-off	Verification procedures	Arising from related transactions(Y/N)
Chunghua Picture tubes Ltd.	Goods	17,714,730.31	Unexpected to recover	Relevant approval procedures have been implemented	No
Total	--	17,714,730.31	--	--	--

Notes:

## (4)The ending balance of account receivables owed by the imputation of the top five parties

The total receivable amount of top five closing balances collected by the debtors in the current reporting period is RMB1, 183, 640, 240. 01, which accounts for 9.71% of the total receivables.

## (5)Account receivable which terminate the recognition owing to the transfer of the financial assets

Nil

## (6)The amount of the assets and liabilities formed by the transfer and the continues involvement of accounts receivable

Nil

Other note:

Nil

## 6. Financing of receivables

Increase or decrease of financing backed by accounts receivable and changes in fair value thereof ☐ Applicable ☒ Not applicable

☐ Applicable ☒ Not applicable

Relevant information of the provision for bad debts will be disclosed with reference to the disclosure method of other receivables if the provision for bad debts of bills receivable is accrued according to the general model of

☐ Applicable ☒ Not applicable

## 7. Prepayments

## (1) Disclosed by aging:

In RMB

Aging	Amount in year-end		Amount in year- beginning	
	Amount	Proportion(%)	Amount	Proportion(%)
Within 1 year	4,698,227,254.97	92.89%	4,876,126,216.78	93.49%
1-2 years	150,067,570.31	2.97%	146,513,615.36	2.81%
2-3 years	144,015,871.16	2.85%	148,601,980.13	2.85%

Over 3 years	65,720,404.61	1.05%	44,172,407.24	0.85%
Total	5,058,031,101.05	--	5,215,414,219.51	--

Notes : The amount of Prepayment is RMB 218,959,984.38 which is more than one year and of significant amount. The reason for the non-carry-over is that the settlement conditions have not been met.

(2) The ending balance of Prepayments owed by the imputation of the top five parties

Note 1: As of June 30, 2019, the total amount of the top five companies in advance payments is RMB 1,814,305,700.80 , accounting for 35.87% of the total ending balance of prepayments of advance payments.

## 8. Other accounts receivable

In RMB

Items	Amount in year-end	Amount in year-begin
Interest receivable	97,484,985.07	56,811,961.67
Other receivable	1,083,335,477.85	1,069,179,058.88
Total	1,180,820,462.92	1,125,991,020.55

(1) Interest receivable

(1) Classification Interest receivable

In RMB

Items	Amount in year-end	Amount in year-begin
Fixed deposit	97,484,985.07	56,811,961.67
Total	97,484,985.07	56,811,961.67

(2) Important overdue interest

Other note:

Nil

3) Bad-debt provision

☐ Applicable ☒ Not applicable

(2).Dividend receivable

1) Significant Dividend receivable aged over 1 year

2) Bad-debt provision

☐ Applicable ☒ Not applicable

(3) Other account receivable

(1) Other accounts receivable disclosed by category

In RMB

Nature	Closing book balance	Opening book balance
Current account	281,119,911.18	305,650,872.46
Deposit	619,141,141.17	621,344,394.44

Personal official borrowing	69,050,830.36	59,482,116.20
Persona Returnable Insurance	7,298,593.08	5,863,292.04
Export tax refunds	248,013.42	1,037,409.54
Advance payment	64,665,782.43	55,633,246.16
Project fund	61,369,130.44	37,831,545.08
Other	5,190,118.23	8,661,286.34
Total	1,108,083,520.31	1,095,504,162.26

## 2) Bad-debt provision

In RMB

Bad Debt Reserves	Stage 1	Stage 2	Stage 3	Total
	Expected credit losses over the next 12 months	Expected credit loss over life (no credit impairment)	Expected credit losses for the entire duration (credit impairment occurred)	
Balance as at January 1, 2019	26,325,103.38			26,325,103.38
Balance as at January 1, 2019 in current	—	—	—	—
Withdrawn in the current period	844,122.57			844,122.57
Return in the current period	2,421,183.49			2,421,183.49
2 Balance as at June 30, 2019	24,748,042.46			24,748,042.46

Loss provision changes in current period, change in book balance with significant amount

☐ Applicable ☒ Not applicable

Disclosure by aging

In RMB

Aging	Closing balance
Within 1 year(Including 1 year)	466,071,151.64
Within credit period	425,673,877.39
Within 1 year after credit period	40,397,274.25
1-2 years	51,003,459.69
2-3 years	26,885,298.01
Over 3 years	4,759,995.32
3-4 years	2,659,687.10
4-5 years	431,045.24
Over 5 years	1,669,262.98
Total	548,719,904.66

## 3) Accounts receivable withdraw, reversed or collected during the reporting period

The withdrawal amount of the bad debt provision:

In RMB

Category	Opening balance	Amount of change in the current period		Closing balance
		Accrual	Reversed or collected amount	
Other account receivable	26,325,103.38	844,122.57	2,421,183.49	24,748,042.46
Total	26,325,103.38	844,122.57	2,421,183.49	24,748,042.46

## 4) Other Receivables with Actual Verification in the Reporting Period

## 5) Top 5 of the closing balance of the other accounts receivable collected according to the arrears party

In RMB

Name	Nature	Closing balance	Aging	Proportion of the total year end balance of the accounts receivable	Closing balance of bad debt provision
Sichuan City Construction No.5 Infrastructure Development Co., Ltd.	Deposit	200,000,000.00	1-2 year:80 million yuan, 2-3 years:120 million yuan	18.05%	
Chongqing Haolong Platinum Industry Co., Ltd.	Fund transfers	50,163,611.11	Within credit period	1.71%	
Chengdu Dingyang Technology Co., Ltd.	Deposit	28,457,837.45	Within 1 year:23,904,992.82 Yuan, the rest are 1-2 years	4.53%	
Tibet transportation Dept.	Deposit	26,872,981.40	2-3 years	2.43%	
Shandong Expressway Global financial leasing co., Ltd.	Deposit	19,000,000.00	1-2 years	2.57%	
Total	--	324,494,429.96	--	29.28%	

## (6) Accounts receivable involved with government subsidies

Nil

## (7) Other account receivable which terminate the recognition owing to the transfer of the financial assets

Nil

## (8) The amount of the assets and liabilities formed by the transfer and the continues involvement of other accounts receivable

Nil

Other note:

Nil

## 9.Inventory

Whether implemented new revenue guidelines

☐ Yes ☒ No

## (1) Category of Inventory

In RMB

Items	Closing book balance			Opening book balance		
	Book balance	Provision for inventory impairment	Net carrying amount	Book balance	Provision for inventory impairment	Net carrying amount
Raw materials	1,717,814,957.85	40,854,718.49	1,676,960,239.36	1,011,195,380.28	39,101,593.48	972,093,786.80

Processing products	168,292,684.88		168,292,684.88	144,788,638.36		144,788,638.36
Stock goods	740,835,189.03	21,859,006.00	718,976,183.03	675,474,531.36	21,859,006.00	653,615,525.36
Completed but unsettled assets caused by construction contract	1,424,919,491.55		1,424,919,491.55	1,200,764,859.02		1,200,764,859.02
Development product	317,769,074.78		317,769,074.78	317,769,074.78		317,769,074.78
Commissioned processing material	67,539,591.87	435,243.31	67,104,348.56	33,093,172.93	435,243.31	32,657,929.62
Commissioned materials	15,034,723.49		15,034,723.49	6,883,551.21		6,883,551.21
land arrangement	365,257,217.97		365,257,217.97	182,213,301.70		182,213,301.70
Total	4,817,462,931.42	63,148,967.80	4,754,313,963.62	3,572,182,509.64	61,395,842.79	3,510,786,666.85

Whether the company is required to comply with the "Shenzhen Stock Exchange Industry Information Disclosure Guidelines No. 4 - listed companies engaged in seed industry, planting business" disclosure requirements

No

## (2) Inventory depreciation reserve

In RMB

Items	Beginning of term	Increased in current period		Decreased in current period		End of term
		Provision	Other	Transferred back	Other	
Raw materials	39,101,593.48	3,615,362.28		1,861,754.13	483.14	40,854,718.49
Stock goods	21,859,006.00					21,859,006.00
Commissioned processing material	435,243.31					435,243.31
Total	61,395,842.79	3,615,362.28		1,861,754.13	483.14	63,148,967.80

## (3) Explanation on inventories with capitalization of borrowing costs included at ending balance

Nil

## (4) Assets unsettled formed by construction contract which has completed at period-end

In RMB

Items	Amount
Accumulated Incurred Cost	8,468,913,099.99
Accumulated Confirmed Gross Profit	916,817,995.65
Settlement Amount	7,960,811,604.09
Unliquidated Completed Assets Formed in the Construction Contract	1,424,919,491.55

Other notes

Nil

## 10.Contact assets

Relevant information of the provision for bad debts will be disclosed with reference to the disclosure method of

other receivables if the provision for bad debts of bills receivable is accrued according to the general model of expected credit loss:

☐ Applicable ☒ Not applicable

#### 11. Holding assets for sale

In RMB

Items	Ending carrying amount	Impairment provision	Ending carrying value	Fair value	Estimated disposal cost	Estimated disposal time
Holding assets for sale	119,355,435.58		119,355,435.58	119,355,435.58		December 31, 2019
Total	119,355,435.58		119,355,435.58	119,355,435.58		--

Other notes

Notes:Subsidiary-Shenzhen Xuhui Investment Control Co., Ltd. acquires Sub-Subsidiary Mingshuo (Beijing) Electric Technology Co., Ltd., and the acquisition agreement stipulates that: Mingshuo (Beijing) Electric Technology Co., Ltd.'s original subsidiary, Mingshuo (Beijing) Trade Co., Ltd., Huzhou Mingwang Lighting Technology Co., Ltd., Sold on 31 December 2019.

Pursuant to the agreement of the acquisition of sub-subsidiary company Daosui Group Engineering Co., Ltd.: Daosui Group Engineering Co., Ltd originally held a subsidiary .Sichuan Panxi Liangshan Travel Investment Development Co., Ltd.,Sichuan Panxi Lingshan Travel Investment Huanshun real estate Co., Ltd. Subei Hexing Water Co., Ltd. was stripped after the acquisition, Sold on 31 December 2019.

#### 12. Non-current assets due within 1 year

#### 13. Other current assets

Whether implemented new revenue guidelines

☐ Yes ☒ No

In RMB

Items	Year-end balance	Year-beginning balance
USD exchange	58,000,000.00	58,000,000.00
Prepayment of income tax	734,954,051.81	663,642,694.01
Short-term Financing		87,718,084.48
Total	792,954,051.81	809,360,778.49

Other notes

#### 14.Creditor's rights investment

Loss provision changes in current period, change in book balance with significant amount

☐ Applicable ☒ Not applicable

Other notes

#### 15.Other creditor's rights investment

☐ Applicable ☒ Not applicable

## 16. Long-term accounts receivable

## (1) List of long-term accounts receivable

In RMB

Items	End of term			Beginning of term			Range of rate
	Book balance	Provision for impairment	Net carrying amount	Book balance	Provision for impairment	Net carrying amount	
Sale of commodities by installment	583,727,340.31	2,934,975.39	580,792,364.92	347,225,434.05	2,794,618.37	344,430,815.68	6%-7.6%、45.78%
Total	583,727,340.31	2,934,975.39	580,792,364.92	347,225,434.05	2,794,618.37	344,430,815.68	--

## Provision for bad debts

In RMB

Bad Debt Reserves	Stage 1	Stage 2	Stage 3	Total
	Expected credit losses over the next 12 months	Expected credit loss over life (no credit impairment)	Expected credit losses for the entire duration (credit impairment occurred)	
Balance as at January 1, 2019	2,794,618.37			
Balance as at January 1, 2019 in current	—	—	—	—
Withdrawn in the current period	909,253.33			
Return in the current period	768,896.31			
2 Balance as at June 30, 2019	2,934,975.39			

Loss provision changes in current period, change in book balance with significant amount

☐ Applicable ☒ Not applicable

## (2) Long-term accounts receivable which terminate the recognition owing to the transfer of the financial assets

Nil

## (3) The amount of the assets and liabilities formed by the transfer and the continues involvement of long-term accounts receivable

Nil

Other notes

Nil

## 17. Long-term equity investment

In RMB

Investees	Opening balance	Increase /decrease								Closing balance	Closing balance of impairment provision
		Additional investment	Decrease in investment	Profits and losses on investments Recognized under	Other comprehensive income	Changes in other equity	Cash bonus or profits announced to issue	Withdrawal of impairment provision	Other		



				the equity method							
I. Joint ventures											
II. Associates											
CUHK international business factoring co., Ltd	76,270,934.28			-1,211,117.11						75,059,817.17	
Tunghsu Group Finance Co., Ltd.	2,056,260,495.74			16,642,259.43						2,072,902,755.17	
Zibo Bus service Co., Ltd.	41,816,539.20			2,006,753.47						43,823,292.67	
Subtotal	2,174,347,969.22			17,437,895.79						2,191,785,865.01	
Total	2,174,347,969.22			17,437,895.79						2,191,785,865.01	

Other notes

18. Other equity instruments investment

19. Other non-current assets

In RMB

Items	End of term	Beginning of term
Equity Instrument investment	548,158,605.30	243,158,605.30
Total	548,158,605.30	243,158,605.30

Unit	Book balance			
	Balance of term	Increase	Decrease	End of term
Beijing Yihu atong Technology Co., Ltd.	100,000,056.00			100,000,056.00
Beijing Shenwei Lixing Auto Service Co., Ltd.	29,500,000.00			29,500,000.00
Subei Mongolian Autonomous County Kangrun Water Co., Ltd.		5,000,000.00		5,000,000.00
Nanning Beichuang Shenxu Investment Partnership (Limited Partnership)		300,000,000.00		300,000,000.00
China Metallurgical investment fund management (Beijing) Co., Ltd.	113,658,549.30			113,658,549.30
Total	243,158,605.30	305,000,000.00	-	548,158,605.30

20. Investment real estate

(1) Investment real estate by cost measurement

√ Applicable □ Not applicable

In RMB

Items	House, Building	Land use right	Construction in process	Total
I. Original price				
1. Balance at period-beginning	709,683,677.43			709,683,677.43
2. Increase in the current period	38,880,651.22	4,104,625.69		42,985,276.91
(1) Purchase				
(2) Inventory\Fixed assets\ Transferred from construction in progress	38,880,651.22	4,104,625.69		42,985,276.91
(3) Increased of Enterprise Combination				
3. Decreased amount of the period				
(1) Dispose				
(2) Other out				
4. Balance at period-end	748,564,328.65	4,104,625.69		752,668,954.34
II. Accumulated amortization				
1. Opening balance	22,689,796.41			22,689,796.41
2. Increased amount of the period	17,975,168.49	323,614.70		18,298,783.19
(1) Withdrawal	16,022,855.79	77,337.16		16,100,192.95
(2) Inventory\Fixed assets\ Transferred from construction in progress	1,952,312.70	246,277.54		2,198,590.24
3. Decrease in the reporting period				
(1) Disposal				
(2) Other out				
4. Closing balance	40,664,964.90	323,614.70		40,988,579.60
III. Impairment provision				
1. Opening balance				
2. Increase in the reporting period				
(1) Withdrawal				
3. Decrease in the reporting period				
(1) Disposal				
(2) Other out				
4. Closing balance				
IV. Net carrying amount				
1. Net carrying amount of the period-end	707,899,363.75	3,781,010.99		711,680,374.74
2. Net carrying amount of	686,993,881.02			686,993,881.02

the period-begin				
------------------	--	--	--	--

(2) Investment property adopted fair value measurement mode

☐ Applicable ☒ Not applicable

(3) Investment real estate without certificate of ownership

## 21. Fixed assets

In RMB

Items	End of term	Beginning of term
Fixed assets	9,043,235,757.53	9,634,463,323.77
Total	9,043,235,757.53	9,634,463,323.77

(1) List of fixed assets

In RMB

Items	House, building	Machinery equipment	Transportations	Other equipment	Total
I. Original price					
1. Balance at period-beginning	2,068,252,492.76	10,264,334,339.83	128,892,479.59	194,478,979.06	12,655,958,291.24
2. Increase in the current period	54,863,365.67	1,202,257,608.24	1,607,700.67	11,388,984.12	1,270,117,658.70
(1) Purchase	5,108,402.78	180,112,090.38	1,607,700.67	6,512,309.88	193,340,503.71
(2) Transferred from construction in progress	49,754,962.89	1,022,145,517.86		4,876,674.24	1,076,777,154.99
(3) Increased of Enterprise Combination					
3. Decreased amount of the period	38,880,651.22	1,917,567,756.12	445,192.62	3,120,542.01	1,960,014,141.97
(1) Disposal		82,051.63	445,192.62	3,076,721.71	3,603,965.96
(2) Investment real estate transfer	38,880,651.22				38,880,651.22
(3) Transfer of project under construction		1,917,485,704.49		43,820.30	1,917,529,524.79
4. Closing balance	2,084,235,207.21	9,549,024,191.95	130,054,987.64	202,747,421.17	11,966,061,807.97
II. Accumulated depreciation					
1. Opening balance	456,920,009.10	2,401,022,691.63	70,340,795.65	92,619,086.25	3,020,902,582.63
2. Increased amount of the period	35,262,359.23	351,365,932.03	6,477,375.32	10,336,884.13	403,442,550.71
(1) Withdrawal	35,262,359.23	351,365,932.03	6,477,375.32	10,336,884.13	403,442,550.71
3. Decreased amount of the	1,952,312.70	498,384,857.33	405,203.84	1,369,093.87	502,111,467.74

period					
(1) Disposal or scrap		2,275,989.67	405,203.84	1,369,093.87	4,050,287.38
(2) Investment real estate transfer	1,952,312.70				1,952,312.70
(3) Transferred from construction in progress		496,108,867.66			496,108,867.66
4. Closing balance	490,230,055.63	2,254,003,766.33	76,412,967.13	101,586,876.51	2,922,233,665.60
III. Impairment provision					
1. Opening balance		36,444.84	555,940.00		592,384.84
2. Increase in the reporting period					
(1) Withdrawal					
3. Decrease in the reporting period					
(1) Disposal					
4. Closing balance		36,444.84	555,940.00		592,384.84
IV. Net carrying amount					
1. Net carrying amount of the period-end	1,594,005,151.58	7,294,983,980.78	53,086,080.51	101,160,544.66	9,043,235,757.53
2. Net carrying amount of the period-begin	1,611,332,483.66	7,863,275,203.36	57,995,743.94	101,859,892.81	9,634,463,323.77

(2) Fixed assets temporarily idled

(3) Fixed assets rented by finance leases

In RMB

Items	Original Net carrying amount	Accumulated depreciation	Provision for impairment	Net carrying amount
Wuhu Tunghsu Optoelectronic Technology Co., Ltd.	1,438,000,000.00	475,370,628.44		962,629,371.56

(4) Fixed assets leased in the operating leases

(5) Fixed assets without certificate of title completed

(6) Liquidation of fixed assets

Other notes

Notes 1. For details of restrictions on the use of end-of-term ownership, please refer to Note 81 of Consolidated Financial Statements.

## 22. Project under construction

In RMB

Items	Year-end balance	Year-beginning balance
Project under construction	5,511,187,961.75	5,013,940,816.82
Engineering Materials		1,163.79
Total	5,511,187,961.75	5,013,941,980.61

## (1)Project under construction

In RMB

Items	Year-end balance			Year-beginning balance		
	Book balance	Provision for devaluation	Net carrying amount	Book balance	Provision for devaluation	Net carrying amount
Wuhu LCD glass substrate production line project	2,270,829,930.27		2,270,829,930.27	2,258,254,792.65		2,258,254,792.65
Wuhan LCD glass substrate production line project				14,645,209.52	14,645,209.52	
Kunshan Color film project	651,235,159.65		651,235,159.65	617,456,517.49		617,456,517.49
Surface display cover glass	151,484,912.58		151,484,912.58	125,655,703.76		125,655,703.76
High aluminum silicon cover glass sheet production line upgrade project				1,003,879,240.41		1,003,879,240.41
New energy bus and logistics vehicle production project	148,790,705.98		148,790,705.98	147,947,403.38		147,947,403.38
Yingkou(G5) TFT-LCD -LCD Glass substrate production line	583,439,179.40		583,439,179.40	570,129,313.14		570,129,313.14
Xufei LCD glass substrate production line	1,180,282,639.89		1,180,282,639.89			
Other	525,125,433.98		525,125,433.98	290,617,845.99		290,617,845.99
Total	5,511,187,961.75		5,511,187,961.75	5,028,586,026.34	14,645,209.52	5,013,940,816.82

## (2)Changes of significant construction in progress

In RMB

Name	Budget	Amount at year beginning	Increase at this period	Transferred to fixed assets	Other decrease	Balance in year-end	Proportion(%)	Progress of work	Capitalization of interest accumulated balance	Including: Current amount of capitalization of interest	Capitalization of interest ratio (%)	Source of funds

Wuhu LCD glass substrate production line project	7,576,520,000.00	2,258,254,792.65	61,261,918.69	48,686,781.07		2,270,829,930.27	97.47%	97.47%	834,365,677.14	34,068,008.82		IPO funds
Kunshan Color film project	3,115,500,000.00	617,456,517.49	33,778,642.16			651,235,159.65	22.38%	22.38%				IPO funds
Surface display cover glass	1,497,380,000.00	125,655,703.76	25,829,208.82			151,484,912.58	13.87%	13.87%	13,700,587.69			IPO funds
High aluminum silicon cover glass sheet production line upgrade project	1,300,000,000.00	1,003,879,240.41	12,617,722.65	1,016,496,963.06		0.00	86.41%	100%				IPO funds
New energy bus and logistics vehicle production project	2,955,074,600.00	147,947,403.38	843,302.60			148,790,705.98	10.24%	10.24%				IPO funds
Yingkou (G5) TFT-LCD -LCD Glass substrate production line	981,050,000.00	570,129,313.14	17,147,285.03	3,837,418.77		583,439,179.40	110.92%	95.00%	67,799,598.58	11,097,041.67		Other
Xufei LCD glass substrate production line	1,571,260,000.00		1,180,282,639.89			1,180,282,639.89	85.00%	85.00%				Other
Total	18,996,784,600.00	4,723,322,970.83	1,331,760,719.84	1,069,021,162.90		4,986,062,527.77	--	--	915,865,863.41	45,165,050.49		--

## (3) Impairment provision of construction projects

In RMB

Items	Balance in year-end			Balance Year-beginning		
	Book balance	Provision for devaluation	Net carrying amount	Book balance	Provision for devaluation	Net carrying amount
Special Material				1,163.79		1,163.79
Total				1,163.79		1,163.79

Other notes

Note 1: For details of the mortgage at the end of the construction in progress, see Note 81 of the consolidated financial statements.

## 23. Productive biological assets

### (1) Measured by cost

☐ Applicable ☒ Not applicable

### (2) Measured by fair value

☐ Applicable ☒ Not applicable

## 24. Oil-and-gas assets

☐ Applicable ☒ Not applicable

## 25. Right-to-use assets

Not applicable

## 26. Intangible assets

### (1) Information

In RMB

Items	Land use right	Patent right	Non patent technology	Software	Right of trade mark	Other	Total
I. Original price							
1. Balance at period-beginning	1,027,354,753.34	90,240,410.62	165,136,282.74	19,937,982.42	87,050,298.13	133,831.06	1,389,853,558.31
2. Increase in the current period		2,160,438.49		5,681,106.14		763,846.46	8,605,391.09
(1) Purchase				2,641,114.83		763,846.46	3,404,961.29
(2) Internal R & D		2,160,438.49		3,039,991.31			5,200,429.80
(3) Increased of Enterprise Combination							
(4) Investor investment							
3. Decreased amount of the period	4,104,625.69		14,445,166.67	13,600.00			18,563,392.36
(1) Disposal							
(2) Investment real estate transfer	4,104,625.69						4,104,625.69
(3) Fewer mergers			14,445,166.67	13,600.00			14,458,766.67
4. Balance at period-end	1,023,250,127.65	92,400,849.11	150,691,116.07	25,605,488.56	87,050,298.13	897,677.52	1,379,895,557.04

II. Accumulated amortization							
1. Balance at period-beginning	97,755,902.56	8,343,772.34	44,556,727.66	5,280,107.78	86,949,675.45	17,627.38	242,903,813.17
2. Increase in the current period	11,888,037.37	3,827,498.71	7,052,692.00	1,716,008.46	93,165.63	23,444.47	24,600,846.64
(1) Withdrawal	11,888,037.37	3,827,498.71	7,052,692.00	1,716,008.46	93,165.63	23,444.47	24,600,846.64
(2) Increased of Enterprise Combination							
3. Decreased amount of the period	246,277.54		1,444,516.68	13,600.00			1,704,394.22
(1) Disposal							
(2) Investment real estate transfer	246,277.54						246,277.54
(3) Decreased of Enterprise Combination			1,444,516.68	13,600.00			1,458,116.68
4. Balance at period-end	109,397,662.39	12,171,271.05	50,164,902.98	6,982,516.24	87,042,841.08	41,071.85	265,800,265.59
III. Impairment provision							
1. Balance at period-beginning							
2. Increase in the current period							
(1) Withdrawal							
3. Decreased amount of the period							
(1) Disposal							
4. Balance at period-end							
IV. Net carrying amount							
1. Net carrying amount at period-end	913,852,465.26	80,229,578.06	100,526,213.09	18,622,972.32	7,457.05	856,605.67	1,114,095,291.45
2. Net carrying amount at period-beginning	929,598,850.78	81,896,638.28	120,579,555.08	14,657,874.64	100,622.68	116,203.68	1,146,949,745.14

At the end of this year, the ratio of intangible assets formed through internal R & D of the company to the balance of intangible assets is 0.38

(2) Details of Land use right failed to accomplish certification of property



Other notes:

Notis 1:The certificate of property right has been completed by the end of the current period

Notes 2:For details of the ending mortgage of intangible assets, see Note 81 of the consolidated financial statements.

## 27..Development expenses

In RMB

Items	Beginning balance	Increase in the period			Decrease in period			Ending balance
EASSupply chain system	2,236,772.24	803,219.07			3,039,991.31			
Landscape street lamp design project	3,815,517.36							3,815,517.36
Development of main Control system for AC charging pile	5,522,571.93							5,522,571.93
Research on an efficient LED module street lamp	3,903,701.39							3,903,701.39
Chinese style courtyard lamp design project	1,663,986.67							1,663,986.67
Vehicle charging pile Project	803,963.60							803,963.60
Ultrasonic heat dissipation LED lamp		1,038,745.23						1,038,745.23
LED ceiling lamp		1,174,301.73						1,174,301.73
Research on an efficient LED module street lamp		2,028,914.41						2,028,914.41
Intelligent street lamp (R & D)		1,153,781.02						1,153,781.02
A kind of easy unloading device for Mould		1,271,781.24						1,271,781.24
Application of Metal Phosphate as anode material for Lithium Ion Battery, etc.	8,586,538.36	5,084,320.24			2,146,634.59	1,028,116.84		10,496,107.17

flexible cell	1,456,310.68							1,456,310.68
Jingang Robot	3,361,420.59					48,577.42		3,312,843.17
Warehouse robot	2,855,282.54	3,243,248.78						6,098,531.32
Companion robot (desktop)	2,900,641.21	3,284,134.54						6,184,775.75
Other	15,529.37	662,062.09			13,803.90			663,787.56
Total	37,122,235.94	19,744,508.35			5,200,429.80	1,076,694.26		50,589,620.23

Other notes

## 28. Goodwill

### (1) Original Net carrying amount of goodwill

In RMB

Investees/ Item	Beginning balance	Increase		Decrease		Ending balance
Mingshuo (Beijing) Electric Technology Co., Ltd.	32,783,882.96					32,783,882.96
Chenzhou Hongcheng Public Traffic Constriction Development Co., Ltd.	10,163,443.61					10,163,443.61
Daosui Group Engineering Co., Ltd.	40,095,298.31					40,095,298.31
Chuanglian Huatai(HK) Co., Ltd.	722,450.89					722,450.89
Suzhou Tengda Optics Technology Co., Ltd.	82,350,192.94					82,350,192.94
Guangxi Sunlong Automobile Manufacturing Co., Ltd .	55,664,910.37					55,664,910.37
Shanghai Tanyuan Huigu New Material Co., Ltd.	33,935,384.57					33,935,384.57
Shanghai Sunlong Bus Co., Ltd.	2,331,962,577.34					2,331,962,577.34
Zhongcheng Guojian Co., Ltd.	133,269,567.62			133,269,567.62		
Shenzhen Sanbao Innovation Intelligent Co.,	68,888,405.50					68,888,405.50

Ltd.						
Huaxi Nanchong Automobile Co., Ltd.	55,999,916.40					55,999,916.40
Total	2,845,836,030.51			133,269,567.62		2,712,566,462.89

## (2) Impairment provision of goodwill

In RMB

Name of the investees or the events formed goodwill	Opening balance	Increase		Decrease		Closing balance
Chenzhou Hongcheng Public Traffic Constriction Development Co., Ltd.	10,163,443.61					10,163,443.61
Total	10,163,443.61					10,163,443.61

## 29. Long-term amortization expenses

In RMB

Items	Balance in year-begin	Increase at this period	Amortization balance	Other decrease	Balance in year-end
Building renovation	16,847,249.82	6,261,909.32	3,517,189.17		19,591,969.97
NEG Technology Use fee	5,036,955.00		308,385.00		4,728,570.00
Total	21,884,204.82	6,261,909.32	3,825,574.17		24,320,539.97

## 30. Deferred income tax assets/deferred income tax liabilities

## (1) Details of the un-recognized deferred income tax assets

In RMB

Items	Balance in year-end		Balance in year-begin	
	Deductible temporary difference	Deferred income tax assets	Deductible temporary difference	Deferred income tax assets
Assets devaluation provision	360,994,145.72	68,071,164.97	343,092,733.65	64,950,015.23
Not realized the internal profit	2,036,649,487.27	305,814,781.13	2,085,646,185.70	313,672,923.77
Deductible loss	1,082,508,038.76	169,384,777.19	813,056,144.42	123,065,344.84
Deferred income difference	93,162,059.57	13,913,113.58	99,944,032.99	14,878,382.57
Non-identical control enterprise	8,663,249.92	840,472.95	9,424,416.78	909,279.99
Projected liability	20,944,899.84	5,236,224.96	20,944,899.84	5,236,224.96
Advance quality margin	71,224,325.09	9,285,178.48	78,820,850.20	10,382,456.32
Total	3,674,146,206.17	572,545,713.26	3,450,929,263.58	533,094,627.68

## (2) Details of the un-recognized deferred income tax liabilities

In RMB

Items	Balance in year-end		Balance in year-begin	
	Temporarily Deductible or Taxable Difference	Deferred Income Tax liabilities	Temporarily Deductible or Taxable Difference	Deferred Income Tax liabilities

Impairment of assets under the control of enterprises under the same control	288,623,558.81	49,531,110.49	293,849,152.24	54,572,072.64
Depreciation difference due to different tax law and accounting depreciation period	4,141,445.56	740,231.33	4,198,490.69	620,911.33
Total	292,765,004.37	50,271,341.82	298,047,642.93	55,192,983.97

## (3) Deferred income tax assets or liabilities listed by net amount after off-set

In RMB

Items	Trade-off between the deferred income tax assets and liabilities	End balance of deferred income tax assets or liabilities after off-set	Trade-off between the deferred income tax assets and liabilities at period-begin	Opening balance of deferred income tax assets or liabilities after off-set
Deferred income tax assets		572,545,713.26		533,094,627.68
Deferred income liabilities		50,271,341.82		55,192,983.97

## (4)Details of income tax assets not recognized

In RMB

Items	Balance in year-end	Balance in year-begin
Deductible losses	197,016,306.55	152,606,559.26
Bad debt provision	86,413.68	86,413.68
Provision for impairment of construction projects		14,645,209.52
Total	197,102,720.23	167,338,182.46

## (5)Deductible losses of the un-recognized deferred income tax asset will expire in the following years

In RMB

Year	Balance in year-end	Balance in year-begin	Remark
2018		386,221.54	
2019	814,800.28	3,751,170.54	
2020	20,184,416.87	22,199,323.24	
2021	27,821,173.04	27,911,201.66	
2022	95,966,731.78	98,358,642.28	
2023	52,229,184.58		
Total	197,016,306.55	152,606,559.26	--

## Other notes

## 31 .Other non-current assets

Whether implemented new revenue guidelines

☐ Yes ☒ No

In RMB

Items	Balance in year-end	Balance in year-begin
Prepaid engineering equipment	4,800,933,217.60	4,463,496,966.82

Total	4,800,933,217.60	4,463,496,966.82
-------	------------------	------------------

Other notes

### 32.Short –term borrowings

#### (1) Short-term borrowings by category

In RMB

Items	Balance in year-end	Balance in year-begin
Pledge borrowings	2,398,884,400.00	2,666,853,417.34
Mortgage borrowings	3,181,100,000.00	1,847,600,000.00
Guarantee borrowings	3,465,450,000.00	3,589,753,471.68
Credit borrowings	149,500,000.00	256,899,762.31
Total	9,194,934,400.00	8,361,106,651.33

Note:

Note 1. There is no mature but unredeemed short-term borrowing in the company during the accounting period.

Note 2. At the end of the period, the company's Mortgage loans of RMB3,181,100,00.00:

Including( 1 )End-of-period mortgage loan is RMB 498,000,000.00 which is both a guarantee loan and a mortgage loan. Tunghsu Group Co., Ltd. and Li Zhaoting provide joint liability guarantee for the Company. Tunghsu Zhuding Investment Development Group Co., Ltd., the mortgagor, will mortgage the house and other fixtures (J (2018) H Real Estate No. 0050316) located in No. 115 office property, Yangfangdian, Haidian District, Beijing.

(2) End-of-period guarantee loan is RMB 480,000,000.00. Li Zhaoting provides joint and several guarantees for the Company. All parcel number 33010801200000004 residential lands and parcel number 33010801200000006 commercial lands of Hangzhou Yuanbang Real Estate Development Co., Ltd. located in Kanshan Town, Xiaoshan District, Hangzhou City, Zhejiang Province, serve as the second order mortgage guarantee for the state-owned transfer of land use right. The first floor of Binjiang Huayue Phase III apartment building and the first floor of Binjiang Huayue Phase III office building of Anhui Meisheng Real Estate Co., Ltd. are located in No.368 Baohe Avenue, Baohe District, Hefei City, Anhui Province serve as the mortgage guarantee.

(3) The mortgage loan at the end of the period is 1,000,000,000.00. Tunghsu Group Co., Ltd. and Li Zhaoting provides joint guarantee for the company. The company also pledged 100% shares of its subsidiary Beijing Xufeng Real Estate Co., Ltd. and the land owned by its subsidiary Beijing Xufeng Real Estate Co., Ltd.;

(4) End-of-period guarantee loan is RMB 480,000,000.00. Li Zhaoting provides joint and several guarantees for the Company. All parcel number 33010801200000004 residential lands and parcel number 33010801200000006 commercial lands of Hangzhou Yuanbang Real Estate Development Co., Ltd. located in Kanshan Town, Xiaoshan District, Hangzhou City, Zhejiang Province, serve as the second order mortgage guarantee for the state-owned transfer of land use right. The first floor of Binjiang Huayue Phase III apartment building and the first floor of Binjiang Huayue Phase III office building of Anhui Meisheng Real Estate Co., Ltd. are located in No.368 Baohe Avenue, Baohe District, Hefei City, Anhui Province serve as the mortgage guarantee.

(5) End-of-period mortgage loan is RMB 110,000,000.00. The collateral is the machinery and equipment of the subsidiary Fuzhou Xufu Optoelectronic Technology Co., Ltd. and the land and real estate corresponding to the first production line;

(6) End-of-period mortgage loan is RMB 110,000,000.00 which is both a guarantee loan and a mortgage loan. Tunghsu Group Co., Ltd., the Company and its subsidiary Shanghai Sunlong Bus Co., Ltd. provide guarantee for Guangxi Sunlong Automobile Manufacturing Co., Ltd., the grandson company; the collateral is the inspection line workshop, warehouse and No. 1 production workshop located at No. 99 Puxing Avenue, Yongning District, Nanning City, numbered as No. 0243831, 0243689, 0137166 of Gui (2018) Nanning Real Estate Right;

(7) End-of-period mortgage loan is RMB53,100,000.00 which is both a guarantee loan and a mortgage loan. Tunghsu Construction Group Co., Ltd. and Yang Jianzhong provide joint liability guarantee for Daosui Group Engineering Co., Ltd., the Sub subsidiary. The collateral is the No. 384 construction land (HGY(2012) Z) and No. 200700980 real estates (HYZ No.200700980) located at No. 66 Yingbin Road, Huaying City.

(8) The end-of-period pledge loan is 450,000,000.00 yuan, and Tunghsu Group held 24% equity pledge of GEMSY Group; The real estate and land under the name of Jiangsu Jixing New Material Co., Ltd are with

property certificate numbers of YF Zi No. 81800980, 81800981, 81800982, and the land certificate numbers of No. 10482, 10483, 10484, 10485, 10486, 10487 provided mortgage guarantee; Real estate under the name of Sichuan Xuhong Photoelectric Technology Co., Ltd is with a title certificate No: C (2017) MYSBDCQ No. 0029780, which provides mortgage guarantee; Real estate under Fuzhou Tunghsu Optoelectronic Technology Co., Ltd. is with the certificate number of M (2018) FQSBDCQ No.004823, which provides mortgage guarantee; Real estate under Chengdu Tunghsu Intelligent Technology Co., Ltd. is with a title certificate No.: C (2018) PDQBDCQ No. 0095711, which provides mortgage guarantee;

Note 3: The guarantee loan is RMB 3,465,450,000.00:

Including: (1) End-of-period guarantee loan is RMB 111,000,000.00, Tunghsu Group Co., Ltd. provides joint and several liability guarantee for the Company ;

(2) End-of-period guarantee loan is RMB 200,000,000.00, The company provides joint liability guarantee to the Subsidiary –Wuhu Tunghsu Optoelectronic Equipment Technology Co., Ltd;

(3) End-of-period guarantee loan is RMB 50,000,000.00, The company provides joint liability guarantee to the Subsidiary –Wuhu Tunghsu Optoelectronic Technology Co., Ltd.;

(4) End-of-period guarantee loan is RMB150,000,000.00, Tunghsu Group provides joint liability guarantee to the Subsidiary –Wuhu Tunghsu Optoelectronic Technology Co., Ltd.;

(5) End-of-period guarantee loan is RMB250,000,000.00, Tunghsu Group provides joint liability guarantee to the Sub-Subsidiary –Daosui Group Co., Ltd.;

(6) End-of-period guarantee loan is RMB200,000,000.00, The Company and Li Zhaoting provides joint liability guarantee to the Subsidiary –Zhengzhou Xufei Optoelectronic Technology Co., Ltd.;

(7) End-of-period guarantee loan is RMB40,000,000.00, The Company, Tunghsu Group provides joint liability guarantee to the Sub- Subsidiary –Suzhou Tengda Zhengzhou Xufei Optics Technology Co., Ltd.;

(8) End-of-period guarantee loan is RMB300,000,000.00, Tunghsu Group provides joint liability guarantee to the Subsidiary –Shanghai Sunlong Bus Co., Ltd.;

(9) End-of-period guarantee loan is RMB20,000,000.00, Tunghsu Group provides joint liability guarantee to the Subsidiary –Shanghai Sunlong Bus Co., Ltd.;

(10) End-of-period guarantee loan is RMB100,000,000.00, Tunghsu Group , Li Zhaoting provides joint liability guarantee to the Subsidiary –Shanghai Sunlong Bus Co., Ltd.;

(11) End-of-period guarantee loan is RMB30,000,000.00, Subsidiary-Shanghai Sunlong Bus Co., Ltd.provides joint liability guarantee to the Sub- Subsidiary –Guangxi Sunlong Automobile Manufacturing Co., Ltd.;

(12) End-of-period guarantee loan is RMB50,000,000.00, Tunghsu Group provides joint liability guarantee to the Subsidiary –Guangxi Sunlong Automobile Manufacturing Co., Ltd.;

(13) End-of-period guarantee loan is RMB50,000,000.00, The Company provides joint liability guarantee to the Subsidiary –Guangxi Sunlong Automobile Manufacturing Co., Ltd.;

(14) End-of-period guarantee loan is RMB20,000,000.00, The Company and Li Zhaoting provide the maximum guarantee for the subsidiary Hunan Tunghsu Delai Electronic Technology Co., Ltd.;

(15) End-of-period guarantee loan is RMB10,000,000.00, The company provides guarantee to the Sub Subsidiary-Chongqing Jinghuateng Optoelectronic Technology Co., Ltd.;

(16) End-of-period guarantee loan is RMB25,000,000.00, The company provides guarantee to the Sub-Subsidiary-Chongqing Jinghuateng Optoelectronic Technology Co., Ltd.;

(17) End-of-period guarantee loan is RMB100,000,000.00, The Company provides joint liability guarantee to the Sub-Subsidiary –Guangxi Sunlong Automobile Manufacturing Co., Ltd.;

(18) End-of-period guarantee loan is RMB100,000,000.00, Tunghsu Group ,the Company and Subsidiary-Shanghai Sunlong Bus Co., Ltd. provides joint liability guarantee to the Sub-Subsidiary –Guangxi Sunlong Automobile Manufacturing Co., Ltd.;

(19) End-of-period guarantee loan is RMB1,025,000,000.00, The Company provides joint liability guarantee to the Subsidiary –Shanghai Sunlong Bus Co., Ltd.;

(20) End-of-period guarantee loan is RMB100,000,000.00, Tunghsu Group and Li Zhaoting provides joint liability guarantee to the Subsidiary –Shanghai Sunlong Bus Co., Ltd.;

(21) End-of-period guarantee loan is RMB130,000,000.00, Tunghsu Group provides joint liability guarantee to the Subsidiary –Shanghai Sunlong Bus Co., Ltd.;

(22) The Company provides a guarantee of 30 million yuan for its grandson company, Hunan Tunghsu Weigao Medical Device Technology Co., Ltd, and at the same time, the grandson company, Hunan Tunghsu Weigao Medical Device Technology Co., Ltd uses accounts receivable of 75,161,821.14 yuan as pledge;

Chongqing Jinghuateng Optoelectronic Technology Co., Ltd.;

(23) End-of-period guarantee loan is RMB30,000,000.00, The Company provides joint liability guarantee to the

Sub-Subsidiary –Chongqing Jinghuateng Optoelectronic Technology Co., Ltd.;

(24) End-of-period guarantee loan is RMB20,000,000.00, The Company provides joint liability guarantee to the Sub-Subsidiary –Hunan Tunghsu Weisheng Intelligence Technology Co., Ltd

(25) End-of-period guarantee loan is RMB44,450,000.00, The Company provides joint liability guarantee to the Sub-Subsidiary –Jiangsu Tunghsu Yitai Intelligence Equipment Co., Ltd

(26) End-of-period guarantee loan of RMB 280,000,000.00, dongxu group co., LTD and li zhaoting provide joint liability guarantee for subsidiary zhengzhou xufei photoelectric technology co., LTD

Note 4: End-of-period pledge loan is RMB2,398,884,400.00:

(1) Li Zhaoting and Shenzhen Oufuyuan Technology Co., Ltd. hold 75% equity pledge of Zhongshan Shenzhong Real Estate Development Co., Ltd. to provide joint liability guarantee of RMB 1,800,000,000.00.

(2) The end-of-period pledge loan is 300,000,000.00 yuan. For Tunghsu Group Guarantee, Li Zhaoting's Personal Guarantee and Guarantee of Shanghai Shenlong Bus Co., Ltd., Tunghsu Optoelectronics holds 58% of the shares of Shanghai Sunlong Bus Co., Ltd. as collateral;

(3) The end-of-period pledge loan is 30,884,400.00 yuan, and Sub-subsidiary- Shenzhen Xinyingtong Technology Co., Ltd. pledged 100% deposit to provide guarantee.

(4) The end-of-period pledge loan was 150,000,000.00 yuan. For Tunghsu Group Guarantee, Li Zhaoting Personal Guarantee, Guarantee of Guangxi Shenlong Auto Manufacturing Co., Ltd. Tunghsu Optoelectronics holds 58% of the shares of Shanghai Sunlong Bus Co., Ltd. as collateral;

(5) The Company provides a guarantee of RMB 20,000,000.00 for the subsidiary Chongqing Jinghuateng Optoelectronic Technology Co., Ltd. which uses the accounts receivable of RMB 25,674,800.00 as pledge;

(6) The end-of-period pledge loan is 90,000,000.00 yuan, which is both a guaranteed loan and a pledged loan. Tunghsu Group Co., Ltd., the Company and its subsidiary Shanghai Sunlong Bus Co., Ltd. provide guarantee for the grandson company, Guangxi Sunlong Automobile Manufacturing Co., Ltd.; Guangxi Sunlong Automobile Manufacturing Co., Ltd., the Sub-subsidiary, provided pledge guarantee with 100,000,000.00 yuan time deposit certificate.

(7) The end-of-period pledge loan is 8,000,000.00 yuan, which is pledged by 2 patent certificates of the subsidiary Huzhou Mingshuo Photoelectric Technology Co., Ltd., for a new phase change material composition, with a patent number of ZL201310714156.1, and a heat conductive silicone grease composition, with a patent number of ZL201210119361.9.

### 33. Transactional financial liabilities

### 34. Derivative financial liability

### 35. Notes payable

In RMB

Items	Balance in year-end	Balance in year-begin
Commercial acceptance	154,452,979.00	354,756,705.00
Bank acceptance bills	1,390,939,966.94	1,288,410,321.68
Total	1,545,392,945.94	1,643,167,026.68

### 36. Account payable

#### (1) List of account payable

In RMB

Items	Balance in year-end	Balance in year-begin
Material fund and Engineering Labour service	3,839,200,037.22	6,796,000,151.83
Engineering funds	2,543,119,697.99	1,749,055,669.87
Transportation expenses	11,647,378.64	28,726,403.86
Other	64,827,427.15	59,144,880.64

Total	6,458,794,541.00	8,632,927,106.20
-------	------------------	------------------

## (2) Significant accounts payable that aged over one year

In RMB

Items	Balance in year-end	Balance in year-begin
Beijing Guoxun investment co., Ltd.	41,088,123.25	Unpaid payment term
Ningxia Tianshun Electric Power Engineering Co., Ltd.	21,052,646.58	Unpaid payment term
Xinjiang Anpuneng New Energy Investment Co., Ltd.	20,895,884.25	Unpaid payment term
Qinghai Construction & installation Engineering Co., Ltd.	19,006,049.20	Unpaid payment term
Sichuan Yilong city construction co., ltd. Ke Zhou branch	8,415,000.00	Unpaid payment term
Total	110,457,703.28	--

## 37. Advance from customers

Whether implemented new revenue guidelines

☐ Yes ☒ No

## (1) List of advance from customers

In RMB

Items	Closing balance	Opening balance
Goods	339,866,862.89	133,288,930.47
Engineering fund	1,494,230,970.09	1,268,994,731.90
Total	1,834,097,832.98	1,402,283,662.37

## (2) Accounts payable with major amount and aging of over one year

## (3) Information of unliquidated completed assets formed in the construction contract at the end of the period

## 38. Contract liabilities

## 39. Employee compensation payable

## (1) Classification of employee compensation payable

In RMB

Items	Balance in year-begin	Increase at this period	Decrease at this period	Balance in year-end
I. Short-term wages	235,863,317.11	436,967,426.67	520,938,717.39	151,892,026.39
II. Welfare after waving of position-fixed provision scheme	2,283,660.06	40,040,282.86	40,605,874.12	1,718,068.80
III. Termination benefit		11,560,344.89	11,143,973.69	416,371.20
Total	238,146,977.17	488,568,054.42	572,688,565.20	154,026,466.39

## (2) Short-term remuneration

In RMB

Items	Balance in year-begin	Increase in this period	Payable in this period	Balance in year-end
I. Wages, bonuses,	169,708,173.64	377,101,853.63	460,750,395.93	86,059,631.34



allowances and subsidies				
2.Employee welfare	137,405.99	12,550,058.07	12,657,668.56	29,795.50
3. Social insurance premiums	1,517,087.32	20,751,623.48	21,045,444.72	1,223,266.08
Including: Medical insurance	1,137,093.83	18,110,212.74	18,204,744.71	1,042,561.86
Work injury insurance	243,792.72	1,098,021.20	1,213,010.02	128,803.90
Maternity insurance	136,200.77	1,543,389.54	1,627,689.99	51,900.32
4. Public reserves for housing	1,918,300.75	16,816,501.65	18,217,506.12	517,296.28
5.Union funds and staff education fee	62,196,228.18	7,252,493.91	5,733,132.27	63,715,589.82
Other	386,121.23	2,494,895.93	2,534,569.79	346,447.37
Total	235,863,317.11	436,967,426.67	520,938,717.39	151,892,026.39

## (3) Defined contribution plans listed

In RMB

Items	Balance in year-begin	Increase in this period	Payable in this period	Balance in year-end
1. Basic old-age insurance premiums	2,130,682.36	36,925,506.77	37,397,676.42	1,658,512.71
2.Unemployment insurance	152,977.70	3,114,776.09	3,208,197.70	59,556.09
Total	2,283,660.06	40,040,282.86	40,605,874.12	1,718,068.80

## 40. Taxes payable

In RMB

Items	Closing balance	Opening balance
VAT	191,328,836.79	349,650,560.67
Enterprise Income tax	283,877,459.79	307,974,748.03
Individual Income tax	10,747,903.73	8,509,011.91
City Construction tax	5,750,907.26	13,922,593.39
Land VAT	99,050,016.88	101,545,748.03
House property tax	8,984,992.63	10,701,618.07
Land use tax	1,513,468.97	1,534,812.83
Educational surtax	5,023,311.50	10,584,164.68
Stamp Tax	606,367.93	3,930,901.55
Other	5,038,174.18	8,818,967.96
Total	611,921,439.66	817,173,127.12

## 41.Other payable

In RMB

Items	Balance in year-end	Balance in year-begin
Interest payable	202,034,241.49	117,554,951.58
Dividend payable	401,117,508.26	
Other account payable	1,889,769,315.56	1,972,048,725.02
Total	2,492,921,065.31	2,089,603,676.60

## (1) Interest payable

In RMB

Items	Balance in year-end	Balance in year-begin
Long-term loans interest of installment and interest charge	22,047,586.88	37,542,540.23
Enterprise bond interest	160,788,325.16	71,935,414.10
Short term loan interest payable	19,198,329.45	8,076,997.25
Total	202,034,241.49	117,554,951.58

## (2) Dividends payable

In RMB

Items	Balance in year-end	Balance in year-begin
Common dividends	401,117,508.26	
Total	401,117,508.26	

## (3) Other payable

## 1) Disclosure by nature

In RMB

Items	Balance in year-end	Balance in year-begin
Current account	806,351,870.24	632,884,079.05
Project Current account	604,352,980.73	558,426,427.62
Deposit	319,706,081.62	370,070,455.32
Individual official borrowing	41,634,194.91	95,995,501.74
Government Subsidy	15,000,000.00	15,000,000.00
Social security withholding	7,647,710.80	8,526,750.21
Advance funds	7,921,620.45	10,363,123.11
Stock right fund	71,923,529.95	266,310,044.77
Restricted stock repurchase obligations	4,422,320.00	4,422,320.00
Other	10,809,006.86	10,050,023.20
Total	1,889,769,315.56	1,972,048,725.02

## (2) Other payables with large amount and aging of over one year

## Other notes

The amount of important other accounts payable over one year at the end of the period is 483905338.77 yuan. Outstanding or uncarried forward reason is that settlement conditions have not been met.

## 42. Divided into liability held for sale

## 43. Non-current liabilities due within 1 year

In RMB

Items	Closing balance	Opening balance
Long-term loans due within 1 year	1,561,148,956.04	2,523,290,150.75

Bond payable due within 1 year	953,557,987.37	
Long-term Account payable due within 1 year	775,434,725.29	1,124,359,280.45
Deferred earnings due within one year		49,743,433.71
Total	3,290,141,668.70	3,697,392,864.91

Other notes:

Note 1: Non-current liabilities due within one year was decreased at the end of the period, The main reason is the decrease in borrowings due within one year.

Note 2: long-term loans due within one year could be referred to Note VII,48.

Note 3: long-term account receivable due within one year could be referred to Note VII,45.

#### 44. Other current-liabilities

Whether implemented new revenue guidelines

☐ Yes ☒ No

In RMB

Items	Balance in year-end	Balance in year-begin
USD exchange	68,747,000.00	68,632,000.00
For resale tax	133,074,093.64	136,561,128.73
Financing	102,000,000.00	110,000,000.00
Total	303,821,093.64	315,193,128.73

#### 45. Long-term loan

##### (1) Category of long-term loan

In RMB

Items	Balance in year-end	Balance in year-begin
Pledge loans	469,750,000.00	450,000,000.00
Mortgage loans	2,531,090,356.04	3,013,496,417.47
Guarantee loans	1,761,000,000.00	1,801,383,333.28
Less : Long-term loan due 1 year	-1,561,148,956.04	-2,523,290,150.75
Total	3,200,691,400.00	2,741,589,600.00

Note:

Notes 1: At the end of the period, the Company has no long-term borrowings that have not yet been repaid.

Notes 2: The Guarantee of RMB 1,761,000,000.00 is both the mortgage loan and the guarantee loan, reclassified into the non-current liabilities due within one year RMB 637,358,000.00.

Including: (1) Tunghsu Group Co., Ltd., Li Zhaoting and Li Qing provide joint and several liability guarantee for the Company's loan of 115,000,000.00 yuan, of which 115,000,000.00 yuan is classified as non-current liabilities due within one year; Tunghsu Group Co., Ltd. and Li Zhaoting provide the Company with a joint and several liability guarantee of 96,000,000.00 yuan, of which 96,000,000.00 yuan is reclassified as non-current liabilities due within one year; Tunghsu Group Co., Ltd., Tunghsu Optoelectronic Investment Co., Ltd. and Li Zhaoting provide joint and several liability guarantee for the Company's 400,000,000.00 yuan, of which 400,000,000.00 yuan is reclassified as the non-current liabilities due within one year; Tunghsu Group Co., Ltd., its subsidiaries Liaoning Tunghsu Sanbao Intelligent Technology Co., Ltd. and Li Zhaoting provide joint and several liability guarantee for the Company's loan of 500,000,000.00 yuan, of which 4,000,000.00 yuan is reclassified as non-current liabilities due within one year; Tunghsu Group Co., Ltd. provides joint and several liability guarantee for the grandson company Sichuan Tunghsu Fanrong Construction and Development Co., Ltd. on 200,000,000.00 yuan;

(2) Japan Electric Nitrous Co., Ltd. provides joint and several liability guarantee for the loan of 188,000,000.00 yuan of the Sub-subsidiaries- Fuzhou Xufu Optoelectronic Technology Co., Ltd., of which 22,358,000.00 yuan is reclassified as non-current liabilities due within one year; (3) The Company provides joint and several liability

guarantee for the Sub-subsidiaries -Chenzhou Xuhong Transportation Construction Co., Ltd. on 262,000,000.00 yuan, while Chenzhou Huashun Automobile Transportation Co., Ltd. provides counter guarantee, of which 0.00 yuan is reclassified as non-current liabilities due within one year.

Note 3: The mortgage loan of 2,531,090,356.04 yuan is both mortgage loan and guarantee loan. It is reclassified into non-current liabilities of 921,840,956.04 yuan due within one year.

Including: (1) The non-current liabilities reclassified and transferred into one-year maturity in the loan of 136,000,000.00 yuan are 68,000,000.00 yuan. The collateral and guarantor of the loan are: a. The 202 mu state-owned land use right and the plant after the completion of the project are mortgaged by Wuhu Tunghsu Optoelectronic Technology Co., Ltd., and 2 precious metal platinum passages are provided for mortgage guarantee; b. The loan guarantor is Wuhu Construction Investment Co., Ltd.

(2) The non-current liabilities reclassified and transferred into one-year maturity in the loan of 937,500,000.00 yuan are 375,000,000.00 yuan. The collateral and guarantor of the loan are: a. 8 precious metal platinum passage assets owned by Wuhu Tunghsu Optoelectronic Technology Co., Ltd. provides mortgage and guarantee; b. The Company provides joint and several liability guarantee for Wuhu Tunghsu Optoelectronic Technology Co., Ltd., the subsidiary of the Company.

(3) The non-current liabilities reclassified and transferred into one-year maturity in the loan of 420,000,000.00 yuan are 35,000,000.00 yuan. The mortgage and pledge guarantee of the loan are: a. Real estates YFQZYZ No. 20150301716, etc. of Tunghsu (Yingkou) Optoelectronic Technology Co., Ltd.; b. Tunghsu Group Co., Ltd. shall provide joint liability guarantee for Tunghsu (Yingkou) Optoelectronic Technology Co., Ltd. c. It provides pledge guarantee of 40 million shares.

(4) The non-current liabilities reclassified and transferred into one-year maturity in the loan of 91,556.04 yuan are 91,556.04 yuan. The collateral and guarantor of the loan are: Zeng Jiankai shall provide joint liability guarantee and vehicle with a value of RMB 729,238.00 as collateral;

(5) The non-current liabilities reclassified and transferred into one-year maturity in the loan of 375,000,000.00 yuan are 150,000,000.00 yuan. The collateral and guarantor of the loan are: a. Shijiazhuang Xuxin Optoelectronic Technology Co., Ltd., the mortgagor, provides mortgage guarantee with the assets formed by the mortgagable Project, including the land use right, plants and other buildings, machinery and equipment (including the three precious metal platinum passages), etc.; b. Tunghsu Group Co., Ltd. and the couple Li Zhaoting and Li Qing provide joint and several liability guarantee.

(6) The amount reclassified and transferred into one-year maturity in the loan of 290,000,000.00 yuan is 80,000,000.00 yuan. The collateral and guarantor of the loan are: a. The land use right of WK (Gong) GY 2013 No. 020, WK (Gong) GY 2013 No. 021 and WK (Gong) GY 2014 No. 008 and the fixed assets after the completion of the project owned by Wuhu Tunghsu Optoelectronic Equipment Technology Co., Ltd. are mortgaged; b. The Company provides joint liability guarantee for its subsidiary Wuhu Tunghsu Optoelectronic Equipment Technology Co., Ltd.

(7) The non-current liabilities reclassified and transferred into one-year maturity in the loan of 372,498,800.00 yuan are 213,749,400.00 yuan. The collateral and guarantor of the loan are: a. Tunghsu Group Co., Ltd., the guarantor, provides joint liability guarantee to the Lender for the loan equivalent to RMB 450 million under the Project and the interest, penalty interest, compound interest, compensation, liquidated damages, damage awards and the expenses of the realized creditor's rights thereof; b. The appraisal value of the collateral of the buildings, machinery and equipment on the ground (including 4 precious metal platinum passages) is 1,055,713,019.27 yuan.

Note 4: The pledge loan of 469,750,000.00 yuan is both a pledge loan and a guarantee loan, and the non-current liabilities reclassified and transferred into one-year maturity shall be 1,950,000.00 yuan.

Of which (1) For the loan of 450,000,000.00, the loan pledge and the guarantor are: a. The pledge is the RMB 5 million circulating stocks of Tunghsu Optoelectronic Technology Co., Ltd. held by Tunghsu Group Co., Ltd. and the full pledge of the equity corresponding to the paid-in contribution of 178,750,000.00 yuan of Chengdu Tunghsu Intelligent Technology Co., Ltd. held by Tunghsu Group Co., Ltd.; b. Tunghsu Group Co., Ltd. and Li Zhaoting provide guarantee;

(2) For the loan of 19,750,000.00 yuan, the pledge and guarantor of the loan are: a. The pledge is the accounts receivable of 84,330,000.00 yuan used by Huzhou Mingshuo Optoelectronic Technology Co., Ltd.; B. Tunghsu Group Co., Ltd. provides guarantee.

Notes 5. Rate of annual long-term borrowing is generally ranged from 3.68%--8.50%.

#### 46. Bonds payable

##### (1) Bonds payable

In RMB

Items	Balance in year-end	Balance in year-begin
15 Tunghsu bonds	953,557,987.37	952,223,306.45
Mid-term note I	2,988,490,963.78	2,986,250,396.83
Mid-term note II	1,693,614,361.86	1,692,345,122.04
Convertible bonds	600,000,000.00	
Less: Bond payable due 1 year	-953,557,987.37	
Total	5,282,105,325.64	5,630,818,825.32

(2) Changes of bonds payable(Not including the other financial instrument of preferred stock and perpetual capital securities that classify as financial liability)

In RMB

Bond name	Par value	Date of issue	Bond period	Issued amount	Opening balance	Issue of current period	Interest withdrawn as per par value	Amortization of premium or discount	Current repayment	Ending balance
15 Tunghsu bonds	956,042,700.00	2015.5.19	5 years	1,000,000,000.00	952,223,306.45		60,000,000.00	1,334,680.92		953,557,987.37
Mid-term note I	3,000,000,000.00	2016.11.17	5 years	3,000,000,000.00	2,986,250,396.83		139,280,000.00	2,240,566.95		2,988,490,963.78
Mid-term note II	1,700,000,000.00	2016.12.02	5 years	1,700,000,000.00	1,692,345,122.04		85,000,000.00	1,269,239.82		1,693,614,361.86
Convertible bonds	600,000,000.00	2019.5.21	3 years	600,000,000.00		600,000,000.00	4,224,996.01			600,000,000.00
Less: Bond payable due 1 year	956,042,700.00			1,000,000,000.00						-953,557,987.37
Total	--	--	--	7,300,000,000.00	5,630,818,825.32	600,000,000.00	288,504,996.01	4,844,487.69		5,282,105,325.64

(3) Note to conditions and time of share transfer of convertible bonds

Guangxi Sunlong Automobile Manufacturing Co., Ltd., a subsidiary of the Company, issued 600 million yuan of non-public convertible bonds on May 21, 2019. According to the prospectus for Non-public Issuance of Convertible Corporate Bonds of Guangxi Sunlong Automobile Manufacturing Co., Ltd., the number of bonds issued is not more than 600 million yuan, totaling 6 million bonds, with the face value of each bond of 100 yuan, which are issued at face value.; The issuance period shall not exceed 36 months; The coupon rate is 6.25%, the interest will be paid in installments and principal will be repaid at maturity.

Term of conversion: After 33 months from the expiration of the issuance period, the holder can convert each bond (100 yuan) into the equity of 160 yuan for the issuer at a ratio of 160.

(4) Other financial instruments that are classified as financial liabilities

The issuance of preferred stock and other financial instruments such as perpetual debt

Nil

Notes: On May 19, 2015, the “15 Tunghsu Debt” with a total amount of RMB 1 billion was issued. In May 2018, the resale amount was RMB 43,957,300.00, and the coupon rate was adjusted from 6.00% to 6.80%.

47. Lease liability

48. Long-term payable

In RMB

Items	Balance in year-end	Balance in year-begin
Long-term payable	1,703,412,663.14	2,644,309,592.95
Total	1,703,412,663.14	2,644,309,592.95

(1) Long-term payable listed by nature of the account

In RMB

Items	Balance in year-end	Balance in year-begin
Long-term payable	2,731,286,982.05	4,441,492,662.34
Less: Unconfirmed financing costs	252,439,593.62	672,823,788.94
Less: Port due Within 1 year	775,434,725.29	1,124,359,280.45

Other notes

Note: Tunghsu Group Co., Ltd. provides a guarantee of RMB 933,547,888.88 for financial lease, Tunghsu Group Co., Ltd. and Li Zhaoting provide a guarantee of RMB 930,371,262.5 for financial lease, Tunghsu Group, Yang Jianzhong and Hong Shuping provide a guarantee of RMB 102,905,470.25 for the financial lease; Subsidiaries of the Company provide RMB 295,583,333.32 as security deposit pledge for financing lease; Sub-Subsidiaries of the Company provide RMB 35,880,000.00 as security deposit pledge for financing lease

The production lines and machinery and equipment of the subsidiaries of the Company provide a mortgage of RMB 177,639,027.10 for financing lease. A subsidiary of the company obtained 168 electric bus batteries under financial lease, totaling 255,360,000.00 yuan.

(2) Specific payable

49. Long-term employee salary payable

(1) Long-term employee salary payable

(2) Changes of defined benefit plans

50. Estimates liabilities

Whether implemented new revenue guidelines

☐ Yes ☒ No

In RMB

Items	Balance in year-end	Balance in year-begin	Rreason
Lispendens	20,944,899.84	20,944,899.84	
Product guarantee	71,224,325.09	78,820,850.20	

Total	92,169,224.93	99,765,750.04	--
-------	---------------	---------------	----

## 51.Deferred income

In RMB

Items	Beginning of term	Increased this term	Decreased this term	End of term	Reason
Govemment Subsidy	659,798,232.60	51,826,087.17	27,904,079.24	683,720,240.53	
Not realized after sale rental return	16,348,166.71		16,348,166.71		
Total	676,146,399.31	51,826,087.17	44,252,245.95	683,720,240.53	--

## Details of government subsidies

In RMB

Items	Beginning of term	New subsidy in current period	Amount transferred to non-operational income	Other income recorded in the current period	Amount of cost deducted in the current period	Other changes	End of term	Asset-related or income-related
Grant of Government Infrastructure (Land refund)	20,949,600.00			1,122,300.00		2,244,600.00	22,071,900.00	Related to assets
Grant of Industry Revitalization and Technology Reconstruction Project	2,177,778.05			116,666.64		233,333.28	2,294,444.69	Related to assets
Technical reconstruction	2,133,333.29			133,333.33		266,666.68	2,266,666.64	Related to assets
Grant of Glass Substrate Project	7,999,999.94			500,000.00		1,000,000.00	8,499,999.94	Related to assets
Industry Development Fund	3,733,333.29			233,333.33		466,666.68	3,966,666.64	Related to assets
Project finance discount	250,666.73			15,666.67		31,333.32	266,333.38	Related to assets
Grant of Industry Revitalization and Technology Reconstruction Project	58,638,000.07			3,257,666.67		6,515,333.32	61,895,666.72	Related to assets
2013 Provincial strategic emerging industries of special grant funds	3,583,333.40			166,666.67		333,333.32	3,750,000.05	Related to assets
Technology	24,510,333.32			1,078,000.00		2,156,000.00	25,588,333.32	Related to

reconstruction on Special funds								assets
Investment and Subsidies of “Double Hundred Plan” Project granted by the People's Government of Henan Province	1,383,333.33			100,000.02		200,000.00	1,483,333.31	Related to assets
TFT glass substrate technology R&D fund	69,166.77			4,999.98		10,000.00	74,166.79	Related to assets
TFT glass substrate project Subsidy	4,611,111.06			333,333.36		666,666.70	4,944,444.40	Related to assets
Investment and Subsidies within Budget for Technological Transformation Project by National Development and Reform Commission and the Ministry of Industry and Information Technology	6,455,555.57			466,666.68		933,333.33	6,922,222.22	Related to assets
TFT glass substrate project Subsidy	9,222,222.25			666,666.66		1,333,333.33	9,888,888.92	Related to assets
Subsidy Major Scientific and Technical Projects by Finance Bureau of Zhengzhou City	461,111.09			33,333.36		66,666.67	494,444.40	Related to assets
Financial Supports for National Key Industry and Technical Transformation on Projects Granted by the Municipal Finance Bureau	6,455,555.57			466,666.68		933,333.33	6,922,222.22	Related to assets



Economic and Technological Development Zone Finance Bureau Industrial Development Support Fund	3,227,777.76			233,333.34		466,666.67	3,461,111.09	Related to assets
Funds for Independent Innovation of Provincially Supported Enterprises	2,766,666.71			199,999.98		400,000.00	2,966,666.73	Related to assets
Supporting Funds on Finance Discounts	922,222.25			66,666.66		133,333.33	988,888.92	Related to assets
Funds for Education, Science and Culture Granted by the Finance Bureau	691,666.71			49,999.98		100,000.00	741,666.73	Related to assets
Supporting Funds for Industrial Structure -adjusting Projects Granted by the Regional Finance Bureau	1,368,888.82			93,333.36		186,666.67	1,462,222.13	Related to assets
Industry discount and expenses	791,111.08			53,333.34		106,666.67	844,444.41	Related to assets
Financial discount	2,527,777.84			166,666.68		333,333.33	2,694,444.49	Related to assets
Industrial restructuring project financial funds	2,853,333.29			160,000.02		320,000.00	3,013,333.27	Related to assets
Special Funds for High-end Information Industry Chain Granted by the Finance Bureau of the Economic and Technological Development Zone	3,194,444.43			166,666.68		333,333.33	3,361,111.08	Related to assets
2015 project	25,398,566.28			1,145,800.02		2,291,600.16	26,544,366.42	Related to

equipment investment subsidies								assets
Zhengzhou City Finance Bureau in 2011 and 2012 has been the acceptance of the provincial industrial structure adjustment project the second batch of funds	2,065,555.29			86,666.64		173,333.40	2,152,222.05	Related to assets
Project subsidy of Chongqing Lianjiang New Area Finance Bureau	1,760,000.00						1,760,000.00	Related to assets
Equipment subsidy of Chongqing Lianjiang New Area Finance Bureau	880,000.00						880,000.00	Related to assets
Investment in the Central Budget of Strategic emerging Industries	21,500,000.00			1,000,000.00		2,000,000.00	22,500,000.00	Related to assets
The high-tech zone appropriates baseboard projects	5,013,333.29			213,333.33		426,666.68	5,226,666.64	Related to assets
Production line award fund	16,228,012.57			753,471.70		1,506,943.40	16,981,484.27	Related to assets
Special fund for the transformation of scientific and technological achievements in 2015	4,887,756.76			317,580.90		635,161.74	5,205,337.60	Related to assets
G8.5tft-lcd glass substrate manufacturing precision intelligent digital workshop construction project	42,000,000.00			1,500,000.00			40,500,000.00	Related to assets
Investment in the Central	2,333,333.56			399,999.96		799,999.93	2,733,333.53	Related to assets

Budget of Strategic emerging Industries								
2011Key technical transformation project funds	291,666.78			49,999.98		99,999.96	341,666.76	Related to assets
2011Strategic emerging industry development funds	335,416.78			57,499.98		114,999.96	392,916.76	Related to assets
2012Electronic Information Industry Development Assistance Project	583,333.22			100,000.02		200,000.04	683,333.24	Related to assets
Subsidies from the Bureau of Finance of the Economic and technological Development Zone	7,799,999.93			400,000.02		800,000.04	8,199,999.95	Related to assets
2013Strategic emerging industry funds	326,110.98			16,666.68		33,333.46	342,777.76	Related to assets
Mianyang Municipal Bureau of Finance Special funds	196,666.64			10,000.02		20,000.00	206,666.62	Related to assets
Glass substrate finishing production Transformation Project	454,999.98			23,333.34		46,666.68	478,333.32	Related to assets
Special fund subsidy for industrial development of municipal financial bureau	360,555.45			18,333.36		36,666.72	378,888.81	Related to assets
2013 fund of strategic new industry	3,277,777.74			166,666.68		333,333.36	3,444,444.42	Related to assets
Sichuan Province Industrial Transformation and upgrading Project 2015	15,708,333.41			724,999.98		1,449,999.96	16,433,333.39	Related to assets

Special funds for Industrial Development in 2016	33,448,382.99			1,601,092.62		3,202,185.24	35,049,475.61	Related to assets
Technical Reformation of key Green Technology for Glass substrate (840)	7,700,000.00			280,000.00		560,000.00	7,980,000.00	Related to assets
Intelligent manufacturing pilot demonstration project subsidy fund (100)	866,666.66			33,333.34		66,666.67	899,999.99	Related to assets
Group transfer subsidy (National key R & D Program, key basic Materials Technology Promotion and industrialization Project, 2016)	915,400.00						915,400.00	Related to assets
Intelligent Manufacturing New Mode Engineering Project	3,990,000.00			88,666.68			3,901,333.32	Related to assets
Annual production of 10 million square meters high aluminum ultra-thin display panel glass items	4,700,000.00			104,444.44			4,595,555.56	Related to assets
2017 funds for technological Transformation of Electronic Information Industry	30,000,000.00			666,666.68			29,333,333.32	Related to assets
Subsidy fund for technical transformation of industrial enterprises in Fuzhou	2,408,000.00			86,000.00			2,322,000.00	Related to assets
Technical Transformati	1,204,000.00			43,000.00			1,161,000.00	Related to assets

on of Industrial Enterprises in Fuzhou and supporting subsidy funds in Fuqing City								
2018 Industrial Internet Innovation Development Project and Intelligent Manufacturing Integrated Standardization and New Model Application Project Subsidy		1,880,000.00		45,301.20			1,834,698.80	Related to assets
2018 Industrial Enterprise technological Transformation subsidy Fund Fuqing Local supporting Grant		940,000.00		17,090.91			922,909.09	Related to assets
2018 Industrial Internet Innovation Development Project and Intelligent Manufacturing Integrated Standardization and New Model Application Project Subsidy	43,699,421.97			1,560,693.66			42,138,728.31	Related to assets
The Development Bureau of Economic and Trade Development of Wuhu Economic and technological Development Zone in 2017 "Triple creation" high-end equipment and new	11,628,153.54			447,236.64		894,473.28	12,075,390.18	Related to assets

material								
Glass substrate production line transformation special funds	30,000,000.00			3,000,000.00			27,000,000.00	Related to assets
Tunghsu group limited transfer to project five funds	150,400.00						150,400.00	Related to assets
China National Building Material International Engineering Group Co., Ltd. transferred funds for 11-625 projects	496,000.00						496,000.00	Related to assets
Bengbu Glass Industry Design and Research Institute Co., Ltd., China Building Materials Co., Ltd., transferred to indirect funds (subject 4)	521,000.00						521,000.00	Related to assets
Factory building construction award 877,500	793,075.77			30,570.16		30,699.73	793,205.34	Related to assets
Qualification acquisition and factory rental subsidy	45,653,100.00						45,653,100.00	Related to assets
Special fund for automobile development	1,914,399.00						1,914,399.00	Related to assets
Project subsidy from the Bureau of Finance of the Economic Development Zone	5,788,633.30			294,478.50		588,957.06	6,083,111.86	Related to assets
National key R & D Program key basic Materials Technical	2,280,000.00						2,280,000.00	Related to assets

Project subsidy								
Group transfer subsidy (National key R & D Plan, key basic Materials Technology Promotion and industrialization key Special Project 2016)		117,100.00					117,100.00	Related to assets
Group transfer subsidy (National key R & D Plan, key basic Materials Technology Promotion and industrialization key Special Project 2016)		13,200.00					13,200.00	Related to assets
2018 Special funds for technological transformation		600,000.00					600,000.00	Related to assets
Program Excellence Project Funding Allowance.		400,000.00					400,000.00	Related to assets
2019 Provincial Science and Technology Plan		2,000,000.00					2,000,000.00	Related to assets
National key R & D Program key basic Materials Technical Project subsidy		7,340,000.00					7,340,000.00	Related to assets
Financial subsidy for the major scientific and technological achievements transformation project of "High Aluminium cover Glass	1,000,000.00			33,333.32			966,666.68	Related to assets

complete Technology"								
2017 Special Fund for Industrial Development in Economic Development Zone	4,275,362.32			217,391.28		434,782.61	4,492,753.65	Related to assets
Intelligent factory construction and application of key materials and components for curved display	9,350,000.00						9,350,000.00	Related to assets
Key new product projects	80,000.10			20,000.06		39,999.98	100,000.02	Related to assets
Financial allocation for Strategic emerging Industries in Sichuan Provinc	2,754,000.00			153,000.00		306,000.00	2,907,000.00	Related to assets
Technical revamping items of 300,000 production Line of Pole-less Lights Ballast	472,999.84			43,000.02		86,000.04	515,999.86	Related to assets
Intelligent Engineering Laboratory of High efficiency Lighting system	1,383,333.21			100,000.02		200,000.04	1,483,333.23	Related to assets
District level technical reform project subsidy 150	1,500,000.00			1,500,000.00				Related to assets
The subsidy for the construction of the factory building is 1,892,900 yuan	1,816,715.17			8,096.93		70,324.39	1,878,942.63	Related to assets
Glass substrate project subsidy fund	84,339,018.30			658,196.34		1,316,392.68	84,997,214.64	Related to assets
Science and education	2,287,595.41						2,287,595.41	Related to assets



support fund								
Subsidy for post stabilization	2,833.74			2,833.74				Related to assets

## 52. Other Non-current liabilities

Whether implemented new revenue guidelines

☐ Yes ☒ No

In RMB

Items	Balance in year-end	Balance in year-begin
Shangao Zhuoyue Financing	400,000,000.00	
Yingkou coastal financing	108,000,000.00	108,000,000.00
Total	508,000,000.00	108,000,000.00

Other notes

Note 1: According to the investment contract signed between Tunghsu Group Co., Ltd., Tunghsu (Yingkou) Optoelectronic Display Co., Ltd. and Yingkou Coastal Development and Construction Group Co., Ltd., Yingkou Coastal Development and Construction Group Co., Ltd. has increased the capital of Tunghsu (Yingkou) Optoelectronic Display Co., Ltd. with RMB 108 million. The Company undertakes all the rights and obligations to be fulfilled by Tunghsu Group, with the repurchase no more than RMB 108 million of investment principal of Yingkou Coastal Development and Construction Group Co., Ltd. and the compensation obligation corresponding to 1.2%/year investment income involved in total. before June 2024, the equity of Tunghsu Yingkou corresponding to the registered capital of RMB 108 million will be transferred to the Company after the payment of the investment principal of RMB 108 million and 1.2%/year investment income is completed.

2: According to the capital increase and stock expansion agreement signed by Tunghsu Photoelectric Technology Co., Ltd., Shanghai Shenlong Bus Co., Ltd. and Shangao (Yantai) Zhuoyue Investment Center (limited partnership), Shangao (Yantai) Zhuoyue Investment Center (limited partnership) has increased the capital of Shanghai Shenlong Bus Co., Ltd. by 400 million yuan. Two years later, Tunghsu Photoelectric Technology Co., Ltd. will determine the repurchase price based on the audited net assets per share of Shanghai Shenlong Bus Co., Ltd.

## 53. Stock capital

In RMB

	Balance Year-beginning	Increase/decrease this time (+, -)					Balance year-end
		Issuing of new share	Bonus shares	Transferred from reserves	Other	Subtotal	
Total shares	5,730,250,118.00						5,730,250,118.00

## 54. Other equity instruments

(1) The Basic Information of Other Financial Instruments such as Preferred Stock and Perpetual Bond Outstanding at the End of the Period

(2) Changes in Financial Instruments such as Preferred Stock and Perpetual Bond Outstanding at the End of the Period

## 55. Capital reserves

In RMB

Items	Year-beginning balance	Increase in the current	Decrease in the current	Year-end balance
-------	------------------------	-------------------------	-------------------------	------------------

		period	period	
Share premium	21,754,711,018.52	30,005,405.78		21,816,238,799.56
Other capital reserves	31,522,375.26			31,522,375.26
Total	21,786,233,393.78	30,005,405.78		21,816,238,799.56

Other explanation, including changes and reasons for changes :

The main reason is the increase in capital reserve caused of Introduction of investors of the subsidiary company Weiyu of Wuhu Tunghsu Photoelectric Equipment Technology Co., Ltd.

#### 56. Treasury stock

In RMB

Items	Year-beginning balance	Increase in the current	Decrease in the current period	Year-end balance
The obligation to repurchase equity incentive	4,422,320.00			4,422,320.00
Total	4,422,320.00			4,422,320.00

#### 57. Other comprehensive income

In RMB

Items	Year-beginning balance	Amount of current period						Year-end balance
		Amount incurred before income tax	Less: Amount transferred into profit and loss in the current period that recognized into other comprehensive income in prior period	Less: Prior period included in other composite income transfer to retained income in the current period	Less: Income tax expenses	After-tax attribute to the parent company	After-tax attribute to minority shareholder	
2. Other comprehensive income reclassifiable to profit or loss in subsequent periods	-29,175.80							-29,175.80
Balance from the translation of foreign currency financial statements	-29,175.80							-29,175.80
Total of Other comprehensive income	-29,175.80							-29,175.80

#### 58. Special reserves

In RMB

Items	Year-beginning balance	Increase in the current	Decrease in the current period	Year-end balance
Safety production cost	12,614,331.35	2,075,391.67	1,812,566.21	12,877,156.81
Total	12,614,331.35	2,075,391.67	1,812,566.21	12,877,156.81

#### 59. Surplus reserve

In RMB

Items	Year-beginning balance	Increase in the current	Decrease in the current	Year-end balance
-------	------------------------	-------------------------	-------------------------	------------------

		period	period	
Statutory surplus reserve	245,507,019.95			245,507,019.95
Total	245,507,019.95			245,507,019.95

## 60. Retained profits

In RMB

Items	Amount of current period	Amount of previous period
Retained earnings before adjustments at the year beginning	4,750,977,557.86	3,009,860,755.82
Retained earnings after adjustments at the year end	4,750,977,557.86	3,009,860,755.82
Add: Net profit attributable to owners of the Company for the period	844,176,169.98	2,163,607,505.39
Less: Appropriation to statutory surplus reserve		21,373,195.09
Common stock dividend payable	401,117,508.26	401,117,508.26
Common stock dividends converted to shares	5,194,036,219.58	4,750,977,557.86

As regards the details of adjusted the beginning undistributed profits

(1) As the retroactive adjustment on Enterprise Accounting Standards and its related new regulations, the affected beginning undistributed profits are RMB 0.00.

(2) As the change of the accounting policy, the affected beginning undistributed profits are RMB 0.00.

(3) As the correction of significant accounting error, the affected beginning undistributed profits are RMB 0.00 .

(4) As the change of consolidation scope caused by the same control, the affected beginning undistributed profits are RMB 0.00

(5) Other adjustment of the total affected beginning undistributed profits are RMB 0.00 .

## 61. Business income, Business cost

In RMB

Items	Amount of current period		Amount of previous period	
	Income	Cost	Income	Cost
Main business	8,175,566,352.37	6,401,682,155.35	9,999,123,145.77	8,447,438,316.36
Other business	299,522,870.56	170,211,061.59	1,130,728,645.11	574,551,580.73
Total	8,475,089,222.93	6,571,893,216.94	11,129,851,790.88	9,021,989,897.09

Whether implemented new revenue guidelines

☐ Yes ☒ No

Other notes

## 62. Business tax and subjoin

In RMB

Items	Amount of current period	Amount of previous period
Urban construction tax	11,762,133.66	13,771,482.99
Education surcharge	8,444,523.53	10,156,508.49
Property tax	12,524,959.32	6,512,792.08
Land use tax	9,661,644.39	10,858,460.78
vehicle and vessel usage tax	57,245.66	39,819.43
Stamp tax	2,760,842.32	4,395,608.94

Land VAT	357,537.50	140,193,026.84
Other	1,158,227.26	168,421.15
Total	46,727,113.64	186,096,120.70

Other notes

The decrease in the current period compared with the same period last year is mainly due to the realization of sales income of Beijing Xufeng Real Estate Co., Ltd., a subsidiary of the previous period, and the increase in land value-added tax

### 63.Sales expenses

In RMB

Items	Amount of current period	Amount of previous period
Wage and welfare insurance	39,543,142.17	32,420,959.74
Shipment	46,954,680.10	25,834,245.26
Travel	17,795,433.29	7,538,832.95
Business expenses	14,498,461.05	8,817,205.59
Office fee	5,001,103.44	3,923,420.20
Consumables and repairs	1,298,294.17	562,745.82
Depreciation	807,590.31	730,676.07
Advertising	2,880,968.06	963,064.93
Consultancy services	15,297,062.04	6,399,309.05
Technology Services	8,290,060.23	3,967,469.34
Other	3,445,921.68	2,734,763.47
Total	155,812,716.54	93,892,692.42

### 64. Administrative expenses

In RMB

Items	Amount of current period	Amount of previous period
Wage and additional cost	141,870,875.73	82,041,857.60
Business expenses	8,386,889.15	7,359,258.97
Labor protect fee	762,086.89	1,128,621.91
Office fees	7,209,981.58	6,110,342.22
Travel fees	6,119,421.21	8,120,703.11
Publicize Fees	5,973,770.82	3,787,328.88
Miscellaneous charges	8,227,361.97	7,514,986.97
Depreciation accumulative	40,297,337.40	39,025,365.01
Low value consumables and repair costs	9,388,453.22	3,471,887.09
Consultation fees	30,543,975.24	21,680,834.70
Miscellaneous charges	18,514,104.80	17,785,438.11
Other	4,823,766.56	6,844,771.15
Total	282,118,024.57	204,871,395.72

### 65. R&D Expense

In RMB

Items	Amount of current period	Amount of previous period
Labor cost	98,420,080.80	95,137,006.74

Material expenses	81,502,054.72	61,686,515.46
Test inspection fee	12,928,490.64	6,905,691.51
Hydropower and gas charge	9,625,875.56	5,292,844.69
Depreciation expenses	8,263,939.04	6,786,419.52
Amortization of Intangible assets	5,510,235.32	4,088,319.47
Other	5,076,847.15	5,209,509.65
Total	221,327,523.23	185,106,307.04

## 66. Financial expenses

In RMB

Items	Amount of current period	Amount of previous period
Interest expenses	588,567,514.28	595,740,917.45
Less: Interest income	228,977,031.09	198,162,232.24
Net interest expenses	359,590,483.19	397,578,685.21
Exchange gains and losses	-2,865,260.20	-11,686,449.38
Commission charge	3,125,586.70	2,132,029.71
Note discount rate	1,161,678.46	4,213,453.93
Financing	5,747,000.00	2,829,302.85
Other	1,330,607.81	160,093.98
Total	368,090,095.96	395,227,116.30

## 67. Other gains

In RMB

Items	Amount of this period	Amount of last period
Government subsidy	222,438,371.95	108,362,056.52
Personal income tax fee	213,367.22	
Total	222,651,739.17	108,362,056.52

## 68. Investment income

In RMB

Items	Amount of this period	Amount of last period
Long-term equity investment income by equity method	17,437,895.79	11,836,624.48
Disposal of investment income from long-term equity investments	4,366,241.83	-2,053,558.36
Financing income	246,200.42	13,923,452.07
Total	22,050,338.04	23,706,518.19

## 69. Net exposure hedging income

## 70. Gains on the changes in the fair value

## 71. Credit impairment loss

In RMB

Items	Amount of this period	Amount of last period
-------	-----------------------	-----------------------

Loss of bad debts in other receivables	1,577,060.92	
Loss of bad debts in Long-term receivable	-140,357.02	
Loss of bad accounts receivable	-11,104,066.62	
Total	-9,667,362.72	

## 72. Losses from asset impairment

Whether implemented new revenue guidelines

☐ Yes ☒ No

In RMB

Items	Amount of current period	Amount of previous period
I. Bad debt loss		5,903,665.15
II. Losses for falling price of inventory	-1,753,608.15	-6,962,254.46
Total	-1,753,608.15	-1,058,589.31

## 73. Assets disposal income

In RMB

Source	Amount of current period	Amount of previous period
Non-current assets disposal gains and losses		-664,826.45
Including: Income from disposal of fixed assets		-664,826.45
Total		-664,826.45

## 74. Non-Operation income

In RMB

Items	Amount of current period	Amount of previous period	Recorded in the amount of the non-recurring gains and losses
Debt restructuring gains		484,207.00	
Government Subsidy		320,000.00	
Net fine income	5,241,663.64	95,955.07	5,241,663.64
Other	2,678,264.54	5,045,734.86	2,678,264.54
Total	7,919,928.18	5,945,896.93	7,919,928.18

Government subsidy reckoned into current gains/losses

In RMB

Subsidy items	Issuing body	Issuing reason	Nature	Whether the impact of subsidies on the current profit and loss	Whether special subsidies	Amount of current period	Amount of previous period	Assets-related/income-related
Special fund for utilization of foreign capital in 2017	Fuqing Municipal Finance Bureau	Subsidy	Grants obtained due to the country encourage and support specific industries (Obtained in	No	No		300,000.00	Related to income

			accordance with the national policies and regulations)					
Listing subsidy	Huzhou Municipal Finance Bureau	Subsidy	Grants obtained due to the country encourage and support specific industries (Obtained in accordance with the national policies and regulations)	No	No		20,000.00	Related to income

## 75. Non-Operation expense

In RMB

Items	Amount of current period	Amount of previous period	The amount of non-operating gains & losses
Donation expense	368,000.00	268,500.00	368,000.00
Non current assets disposal loss	184,895.35		184,895.35
Penalty	1,310,728.37	2,038,214.22	1,310,728.37
Other	451,804.25	461,097.79	451,804.25
Total	2,315,427.97	2,767,812.01	2,315,427.97

## 76. Income tax

## (1) Details of income tax

In RMB

Items	Amount of current period	Amount of previous period
Current Income tax	231,281,445.58	266,217,607.40
Deferred income tax	-44,372,727.73	15,913,168.84
Total	186,908,717.85	282,130,776.24

## (2) Accounting profit and tax expense adjustment process

In RMB

Items	Amount of current period
Total profit	1,068,006,138.60
Income tax expense at statutory / applicable tax rates	160,200,920.79
Effect of different tax rates applicable to subsidiaries	26,039,381.37
Income tax adjustments on prior periods	-2,191,187.78
Effect of non-taxable income	-2,615,684.37
Affect the use of deferred tax assets early unconfirmed deductible losses	-1,238,518.44
Affect the use of deferred tax assets early unconfirmed deductible losses	-4,527,416.27
The current period does not affect the deferred tax assets recognized deductible temporary differences or deductible loss	11,241,222.55
Income tax expense	186,908,717.85

## 77 .Other comprehensive income

Refer to Notes 57.

## 78.Items of Cash flow statement

## (1) Other cash received from business operation

In RMB

Items	Amount of current period	Amount of previous period
Interest income	17,952,132.76	2,562,489.64
Government subsidy	95,537,184.98	61,907,216.56
Deposits income	428,460,518.83	638,622,319.42
Other	26,970,627.67	27,459,273.74
Total	568,920,464.24	730,551,299.36

## (2)Other cash paid related to operation activities

In RMB

Items	Amount of current period	Amount of previous period
Deposit	667,549,135.01	1,021,839,493.62
Petty cash	45,890,764.66	9,329,418.54
Travel expenses	19,457,400.77	20,052,329.77
Period expenses paid in cash	274,373,494.91	284,959,912.60
Total	1,007,270,795.35	1,336,181,154.53

## (3)Cash received related to other investment activities

In RMB

Items	Amount of current period	Amount of previous period
Fixed deposit	1,121,010,000.00	200,000,000.00
Short-term financing	219,330,013.92	
Total	1,340,340,013.92	200,000,000.00

## (4) Other Cash payable related to investment activities

In RMB

Items	Amount of current period	Amount of previous period
Current account	123,910,471.26	317,956,820.99
Deposit	120,014,093.45	
At the date of disposal, the company's book cash was greater than the cash received for disposal.	1,660,110.29	
Short-term financing	98,424,142.25	
Fixed deposit	102,860,933.44	
Equity payments paid to the former shareholders of the pre-acquired subsidiary	96,992,730.30	
Other		280,256.00
Total	543,862,480.99	318,237,076.99



## (5) Other cash received in relation to financing activities

In RMB

Items	Amount of current period	Amount of previous period
Interest income	164,395,034.45	210,076,517.70
Finance lease		280,000,000.00
Debt financing	1,025,920,000.00	
Current account	683,475,875.24	75,708,760.40
Total	1,873,790,909.69	565,785,278.10

## (6) Other Cash payable related to Financing activities

In RMB

Items	Amount of current period	Amount of previous period
Bank charges	66,267.88	2,106,071.31
Credit deposit		4,076,591.14
Bank Financing expenses	1,250,000.00	1,900,000.00
Finance lease	566,862,486.56	299,742,705.14
Current account	13,207,962.70	332,177,258.30
Total	581,386,717.14	640,002,625.89

## 79. Supplement Information for cash flow statement

## (1) Supplement Information for cash flow statement

In RMB

Supplement Information	Amount of current period	Amount of previous period
I. Adjusting net profit to cash flow from operating activities	--	--
Net profit	881,097,420.75	894,060,729.24
Add: Impairment loss provision of assets	11,420,970.87	1,058,589.31
Depreciation of fixed assets, oil and gas assets and consumable biological assets	419,542,743.66	475,906,123.13
Amortization of intangible assets	24,600,846.64	42,850,991.09
Amortization of long-term deferred expenses	3,825,574.17	10,182,574.85
Loss on disposals of fixed assets, intangible assets and other long-term assets ("-" for gains)		664,826.45
Loss on write-off of fixed assets	184,895.35	
Financial cost	434,556,225.47	588,837,294.67
Investment losses	-22,050,338.04	-23,706,518.19
Decrease in deferred income tax assets	-39,451,085.58	23,648,059.15
Increased in deferred income tax liabilities	-4,921,642.15	2,146,288.22

Decrease in inventories	-1,243,527,296.77	703,598,779.36
Decrease in operating receivables	2,382,171,230.52	-16,508,886,465.22
Increase in operating payables	-2,253,101,476.73	13,873,256,015.60
Cash flows from operating activities	594,348,068.16	83,617,287.66
2. Significant investment and financing activities not affecting cash flows	--	--
3. Changes in cash and cash equivalents:	--	--
Ending balance of cash	15,387,019,894.38	21,442,933,365.47
Less: Beginning balance of cash	14,916,637,291.04	25,114,660,756.25
Net increase of cash and cash equivalents	470,382,603.34	-3,671,727,390.78

## (2) Cash paid for acquiring subsidiaries and other business units

In RMB

	金额
Including:	--
Including:	--
Add: Cash or cash equivalents paid in the current period for business combinations in the previous period	96,992,730.30
Including:	--
Guangxi Sunlong Automobile Manufacture Co., Ltd.	91,992,730.30
Suzhou Tengda Optics Technology Co., Ltd.	5,000,000.00
Obtain the net cash paid by the subsidiary	96,992,730.30

## (3) Net Cash receive of disposal of the subsidiary

In RMB

	Amount
Cash or cash equivalents received by the disposal company in the current year	0.00
Including:	--
WuhanTunghsu Optoelectronic Technology Co., Ltd.	0.00
Cheng Construction Co., Ltd.	0.00
Less: Cash and cash equivalents held by a controlling subsidiary	1,660,110.29
Including:	--
WuhanTunghsu Optoelectronic Technology Co., Ltd.	1,558,524.13
Zhongcheng Guojian Co., Ltd.	101,586.16
Including:	--
Net cash received from disposal subsidiaries	-1,660,110.29

## (4) Composition of cash and cash equivalents

In RMB

Items	Balance in year-end	Balance in year-beginning
I. Cash	15,387,019,894.38	14,916,637,291.04
Including: cash in treasury	3,242,652.56	2,593,055.78
Bank savings could be used at any time	15,383,782,402.29	14,914,044,235.26

III. Balance of cash and cash equivalents at the period end	15,387,019,894.38	14,916,637,291.04
Including: Use of restricted cash and cash equivalents by parent companies or subsidiaries within the group	4,221,140,438.53	4,890,457,106.12

## 80. Note of statement of changes in the owner's equity

## 81. The assets with the ownership or use right restricted

In RMB

Items	Closing Net carrying amount	Causation of limitation
Cash and bank balances	4,221,140,438.53	Mainly for acceptance of bill of exchange security, time deposit certificate and guarantee bond, etc.
Inventory	286,588,819.60	Mortgage loans
Fixed assets	10,023,924,207.63	Set up the mortgage and the fixed assets of the financial lease
Intangible assets	444,132,103.11	Pledge loans
Construction in progress	2,387,597,640.81	Pledge loans
Investment property	663,577,011.23	Pledge loans
Account receivable	1,739,594,424.68	Factoring financing
Total	19,766,554,645.59	--

## 82. Foreign currency monetary items

## (1) Foreign currency monetary items

In RMB

Items	Closing foreign currency balance	Exchange rate	Closing convert to RMB balance
Cash and bank balances	--	--	
Including: USD	2,816,715.22	6.8747	19,364,072.36
Euro	8,576.60	7.8170	67,043.29
HKD	3,553,929.94	0.8797	3,126,391.98
yen	77,501,332.59	0.0638	4,945,825.03
Account receivable	--	--	
Including: USD	27,138,595.64	6.8747	186,569,703.46
Euro			
HKD	3,619,241.20	0.8797	3,183,846.48
yen	1,077,297,872.00	0.0638	68,748,841.00
Long-term loans	--	--	
Including: USD	4,000,000.00	6.8747	27,498,800.00
Euro			
HKD			
Account payable			
Including: USD	17,526,645.22	6.8747	120,490,427.92
Euro	14,538,916.21	7.8170	113,650,708.05
HKD	906,708.76	0.8797	797,631.70
YEN	290,863,606.91	0.0638	18,561,751.94
GBP	1,418,980.38	8.7113	12,361,163.79

(2) Note to overseas operating entities, including important overseas operating entities, which should be disclosed about its principal business place, function currency for bookkeeping and basis for the choice. In case of any change in function currency, the cause should be disclosed.

☐ Applicable ☒ Not applicable

### 83. Hedging

### 84. Government subsidy

#### 1) Government subsidies confirmed in current period

In RMB

Type	Amount	Items	Amount included in current profit or loss
Subsidy fund for technological transformation of industrial enterprises in 2018	1,880,000.00	Deferred income	45,301.20
Industrial enterprise technical transformation subsidy funds for Fuqing local supporting subsidy in 2018	940,000.00	Deferred income	17,090.91
Group transfer subsidy (National key R & D Plan, key basic Materials Technology Promotion and industrialization key Special Project 2016)	117,100.00	Deferred income	
Group transfer subsidy (National key R & D Plan, key basic Materials Technology Promotion and industrialization key Special Project 2016)	13,200.00	Deferred income	
Special fund for technological transformation in 2018	600,000.00	Deferred income	
Project fund subsidy for Excellence Plan	400,000.00	Deferred income	
Provincial science and technology plan in 2019	2,000,000.00	Deferred income	
Special fund for provincial industrial development	7,340,000.00	Deferred income	
Special fund for scientific and technological achievement transformation in 2015	317,580.90	Other income	317,580.90
Award for industry-intensive towns in 2018	15,000.00	Other income	15,000.00
Award for industry-intensive towns in 2018	80,000.00	Other income	80,000.00
Labor and employment management center post stabilization subsidy	33,098.25	Other income	33,098.25
Development and reform and economic information industry awards	50,000.00	Other income	50,000.00
Investment and Subsidies of "Double Hundred Plan" Project granted by the People's Government of Henan Province	100,000.02	Other income	100,000.02
TFT glass substrate technology R&D fund	4,999.98	Other income	4,999.98
TFT glass substrate project Subsidy	333,333.36	Other income	333,333.36
Investment and Subsidies within Budget for Technological Transformation Project by National Development and Reform Commission and the Ministry of Industry and Information Technology	466,666.68	Other income	466,666.68
TFT glass substrate project Subsidy	666,666.66	Other income	666,666.66
Subsidy Major Scientific and Technical Projects by Finance Bureau of Zhengzhou City	33,333.36	Other income	33,333.36
Financial Supports for National Key Industry and Technical Transformation on Projects Granted by the Municipal Finance Bureau	466,666.68	Other income	466,666.68
Economic and Technological Development Zone Finance Bureau Industrial Development Support Fund	233,333.34	Other income	233,333.34

Funds for Independent Innovation of Provincially Supported Enterprises	199,999.98	Other income	199,999.98
Supporting Funds on Finance Discounts	66,666.66	Other income	66,666.66
Funds for Education, Science and Culture Granted by the Finance Bureau	49,999.98	Other income	49,999.98
Supporting Funds for Industrial Structure -adjusting Projects Granted by the Regional Finance Bureau	93,333.36	Other income	93,333.36
Industry discount and expenses	53,333.34	Other income	53,333.34
Henan State-owned assets holding Operation Co., Ltd. Financial discount	166,666.68	Other income	166,666.68
The first batch of financial funds of industrial structure adjustment project in 2013.	160,000.02	Other income	160,000.02
Special Funds for High-end Information Industry Chain Granted by the Finance Bureau of the Economic and Technological Development Zone	166,666.68	Other income	166,666.68
2015 project equipment investment subsidies	1,145,800.02	Other income	1,145,800.02
Zhengzhou City Finance Bureau in 2011 and 2012 has been the acceptance of the provincial industrial structure adjustment project the second batch of funds	86,666.64	Other income	86,666.64
Received new material insurance money from the Chinese people's property insurance	1,895,092.94	Other income	1,895,092.94
After receiving the research and development expenses of Zhengzhou science and technology enterprises in 2018, special funds will be subsidized	6,000,000.00	Other income	6,000,000.00
Received patent grant from Zhengzhou Economic and Technological Development Zone Management Committee	18,400.00	Other income	18,400.00
High-tech enterprise subsidy in 2018	200,000.00	Other income	200,000.00
Investment in strategic emerging industry projects within the budget of the central government	399,999.96	Other income	399,999.96
Fund for municipal key technological transformation projects in 2011	49,999.98	Other income	49,999.98
Fund for strategic emerging industry development promotion in 2011	57,499.98	Other income	57,499.98
Projects supported by the electronic information industry development fund in 2012	100,000.02	Other income	100,000.02
Subsidy of Economic and Technological Development Zone Finance Bureau	400,000.02	Other income	400,000.02
Glass substrate finishing achievement transformation project	23,333.34	Other income	23,333.34
Industrial transformation and upgrading projects in Sichuan Province in 2015	724,999.98	Other income	724,999.98
Fund for strategic emerging industries in 2013	16,666.68	Other income	16,666.68
Special fund of Mianyang Municipal Finance Bureau	10,000.02	Other income	10,000.02
Special fund subsidy for industrial development of Municipal Finance Bureau	18,333.36	Other income	18,333.36
Funds allocated by the Economic Development Zone Government on behalf of the Provincial Finance Department for strategic emerging industries in 2013	166,666.68	Other income	166,666.68
Special fund for industrial development in Economic Development Zone in 2016	1,601,092.62	Other income	1,601,092.62
Subsidy for project of Economic Development Zone Finance Bureau	294,478.50	Other income	294,478.50
Special fund for industrial development in Economic Development Zone in 2017	217,391.28	Other income	217,391.28

Transformation project of high strength and ultrathin aluminosilicate touch screen glass production based on float process	33,333.32	Other income	33,333.32
Intelligent manufacturing new mode project	88,666.68	Other income	88,666.68
Cover glass project for ultra-thin aluminum displays with an annual output of 10 million square meters	104,444.44	Other income	104,444.44
Provincial industrial development in 2018	550,000.00	Other income	550,000.00
Disaster relief for industrial development in flood season	135,200.00	Other income	135,200.00
Special project for technical transformation of electronic information industry in 2017	666,666.68	Other income	666,666.68
Second batch for Economic Development Zone in 2018 -patent subsidy	81,000.00	Other income	81,000.00
Development of science and technology in the Economic Development Zone in 2018	200,000.00	Other income	200,000.00
Patent subsidy	9,000.00	Other income	9,000.00
Land tax refund for coastal industrial bases	300,000.00	Other income	300,000.00
Subsidy fund for glass substrate project	658,196.34	Other income	658,196.34
Foreign trade funds for business development in 2018	30,000.00	Other income	30,000.00
Provincial-level intellectual property rights compliance award supplement in 2018	20,000.00	Other income	20,000.00
Subsidy for infrastructure (land refund)	1,122,300.00	Other income	1,122,300.00
Industrial revitalization and technological transformation projects	116,666.64	Other income	116,666.64
Subsidy for "Three Majors and One Innovation" emerging industries	447,236.64	Other income	447,236.64
Technological transformation	133,333.33	Other income	133,333.33
Subsidy fund for glass substrate project	500,000.00	Other income	500,000.00
Industrial development fund	233,333.33	Other income	233,333.33
Financial discount of project	15,666.67	Other income	15,666.67
Subsidy for industrial revitalization and technological transformation projects	3,257,666.67	Other income	3,257,666.67
Special fund subsidy for provincial strategic emerging industries	166,666.67	Other income	166,666.67
Special fund for technological transformation	1,078,000.00	Other income	1,078,000.00
Fund for strategic emerging industry development projects	1,000,000.00	Other income	1,000,000.00
Funds allocated by High-tech Zone for substrate projects	213,333.33	Other income	213,333.33
Reward fund for production line	753,471.70	Other income	753,471.70
Green key technological transformation of glass substrate (840)	280,000.00	Other income	280,000.00
Subsidy fund for intelligent manufacturing pilot demonstration project (100)	33,333.34	Other income	33,333.34
Subsidy for district-level technical transformation projects: 150	1,500,000.00	Other income	1,500,000.00
Reward fund for product research and development	86,464.80	Other income	86,464.80
Recommended catalogue subsidy	400,000.00	Other income	400,000.00
Incentive funds for offshore R&D institutions in 2018	35,000,000.00	Other income	35,000,000.00
Trainee subsidy	67,200.00	Other income	67,200.00
Incentive funds for offshore R&D institutions in 2018	294,000.00	Other income	294,000.00
Special funds for science and technology for municipal industry guiding funds in 2018	720,000.00	Other income	720,000.00
Provincial industrial transformation funds in 2018	450,000.00	Other income	450,000.00

Provincial industry prospective projects allocated by year in 2018	300,000.00	Other income	300,000.00
Provincial subsidy for enterprise research and development expenses in 2018	300,000.00	Other income	300,000.00
Discount on loans	607,800.00	Other income	607,800.00
Economic growth support in the fourth quarter of 2018	400,000.00	Other income	400,000.00
Funding for research and development in 2017	57,000.00	Other income	57,000.00
Wangcheng Economic Development Zone Enterprise Compliance Award	160,000.00	Other income	160,000.00
Tax revenue return	1,084,000.00	Other income	1,084,000.00
Research fees for the 13th five-year plan	21,400.00	Other income	21,400.00
Direct Funds of China Building Materials International Engineering Group Co., Ltd. (4-110) (Topic 3)	72,000.00	Other income	72,000.00
Drawback.	94,685,000.00	Other income	94,685,000.00
Tax incentives	13,353,000.00	Other income	13,353,000.00
High-tech enterprise subsidy	50,000.00	Other income	50,000.00
Tax revenue reward	56.72	Other income	56.72
Tax incentives in 2018	1,345,800.00	Other income	1,345,800.00
Tax incentives in 2018	160,000.00	Other income	160,000.00
Tax incentives in 2018	400,000.00	Other income	400,000.00
Tax incentives	110,000.00	Other income	110,000.00
Industry-incentive park award	50,000.00	Other income	50,000.00
Industrial support fund	1,117,500.00	Other income	1,117,500.00
Subsidy fund for technological transformation of industrial enterprises in Fuzhou City	86,000.00	Other income	86,000.00
Fuqing supporting subsidy for technological transformation of industrial enterprises in Fuzhou City	43,000.00	Other income	43,000.00
G8.5 TFT-LCD glass substrate precision intelligent manufacturing digital workshop construction project	1,500,000.00	Other income	1,500,000.00
Project subsidy for industrial internet innovation development project and integrated standardization and new mode application of intelligent manufacturing in 2018	1,560,693.66	Other income	1,560,693.66
Import awards in 2018	200,000.00	Other income	200,000.00
Urban bus subsidy of Municipal Finance Bureau	6,232,555.60	Other income	6,232,555.60
Key new product projects	20,000.06	Other income	20,000.06
Financial fund for strategic emerging industries in Sichuan Province	153,000.00	Other income	153,000.00
Technical transformation project of 300,000 sets of electrodeless lamp ballast production line	43,000.02	Other income	43,000.02
Intelligent Engineering Laboratory of High Efficiency Lighting System	100,000.02	Other income	100,000.02
Tax return for Huaying City Finance Bureau in 2016 and 2017	1,894,975.00	Other income	1,894,975.00
The surtax in the first quarter and the tax reduction policy for small-scale taxpayers in the current period are applicable, with a reduction rate of 50%	1,004.17	Other income	1,004.17
Tax Preferences	1,106.78	Other income	1,106.78
financial aid	25,800.00	Other income	25,800.00
Dynamic monitoring subsidy for unemployment	300.00	Other income	300.00
Subsidy for post stabilization	2,833.74	Other income	2,833.74
Employment subsidy	7,650.00	Other income	7,650.00

Subsidy fund for sales income	15,348,600.00	Other income	15,348,600.00
Spring festival solatium in 2019	50,000.00	Other income	50,000.00
Bonus for automobile in the consumption month	8,126,000.00	Other income	8,126,000.00
Plant building award is 875,500 yuan	30,570.01	Other income	30,570.01
Plant counstruction Subsidy is 1.8929 million	8,096.93	Other income	8,096.93
Plant relocation	167,498.60	Other income	167,498.60
Plant relocation	100,000.00	Other income	100,000.00
Small-to-regular	1,118,390.00	Other income	1,118,390.00
Patent award	2,400.00	Other income	2,400.00
Huzhou special award	350,000.00	Other income	350,000.00
Special fund for glass substrate production line transformation	3,000,000.00	Other income	3,000,000.00

## (2) Government subsidy return

☐ Applicable ☒ Not applicable

Other notes

## 85.Other

## VIII.Changes of consolidation scope

## 1.Enterprise consolidation not under the same control

## (1)Enterprise consolidation not under the same control in reporting period

## (2)Consolidation Cost and Goodwill

## (3) The identifiable assets and liabilities of acquiree at purchase date

## (4) The profit or loss from equity held by the date before acquisition in accordance with the fair value measured again

Whether there is a transaction that through multiple transaction step by step to realize enterprises merger and gaining the controlduring the reporting period

☐ Yes ☒ No

## (5) Note to merger could not be determined reasonable consideration or Identifiable assets, Fair value of liabilities of the acquiree at acquisition date or closing period of the merge

## (6) Other notes

## 2. Business combination under the same control

## (1) Business combination under the same control during the reporting period

## (2)Consolidation Cost

## (3) The identifiable assets and liabilities of acquiree at purchase date

## 3. Counter purchase

## 4. The disposal of subsidiary

Whether there is a single disposal of the investment to subsidiary and lost control

☒ Yes ☐ No

In RMB

Name	Equity disposal price	Equity disposal ratio	Disposal of equity	Loss of control point	Determining the basis for the loss of	The difference between the	Proportion of remaining stocks at the	The Net carrying amount of the remaining	The fair value of the remaining equity	Regain or losses arising from	Determining the fair value of the	The amount of other comprehensive
------	-----------------------	-----------------------	--------------------	-----------------------	---------------------------------------	----------------------------	---------------------------------------	--	--	-------------------------------	-----------------------------------	-----------------------------------



					control	disposal price and the share of the subsidiary's net assets at the level of the consolidated financial statement corresponding to the disposal of the investment	date of loss control	of equity at the date of loss control	at the date of loss control	re-measurement of the remaining equity at fair value	remain in equity at the date of loss control	income related to the company's equity investment transferred to profit and loss
Wuhan Tunghsu Optoelectronic	3,247,200.00	100.00%	Sell	January 1, 2019	Received consideration and lost control	14,292,343.65	0.00%	0.00	0.00	0.00	0	0.00
Zhongcheng Guojian Co., Ltd.	40,000,000.00	70.00%	Sell	June 28, 2019	Received consideration and lost control	46,123,113.92	0.00%	0.00	0.00	0.00	0	0.00

Whether there are multiple transactions step by step dispose the investment to subsidiary and lost control in reporting period

☐ Yes ☒ No

5. Other reasons for the changes in combination scope

Notes to reasons for the changes in combination scope (Newly established subsidiary and subsidiary of liquidation) and relevant information:

For details of newly established companies in the first half of 2019, see Section 10.9, Interests in Other Subjects 1.

## 6.Other

## IX. Equity in other entity

## 1. Equity in subsidiary

## (1) Constitute of enterprise group

Subsidiary	Main operation	Registered place	Business nature	Share-holding ratio		Acquired way
				Directly	Indirectly	
Shijiazhuang Colour Bulb Co., Ltd.	Shijiazhuang	9 Huanghe Road, Shijiazhuang High-tech Industrial Development Area, Shijiazhuang, Hebei Province	Photoelectric display material	81.26%		Establish
Wuhu Tunghsu Optoelectronic Technology Co., Ltd.	Wuhu	No.36, Daowei 2 Road, Wanchun Street , Wuhu Economy Technology Development Zone	Photoelectric display material	100.00%		Establish
Anhui Xuan Optoelectronic Technology Co., Ltd.	Chu Zhou	No.155, Quanjiao Road, Chuzhou City, Anhui	Photoelectric display material	100.00%		Establish
Beijing Xufeng Real Estate Co., Ltd.	Beijing	Room C17, Building 1, No.10, Xinghuo Road, Technology City, Fengtai District, Beijing	Real estate Development	100.00%		Establish
Tunghsu (Kunshan) Display Material Co., Ltd.	Kunshan	No.500, Pengxi North Road, Economic Development Area,Kunshan	Photoelectric display material	93.40%		Establish
Zhengzhou Xufei Optoelectronic Technology Co., Ltd.	Zhengzhou	66,No 3 Jingnan Road, Econornic & Technology Development Zone, Zhengzhou	Photoelectric display material	100.00%		Control combination
Shijiazhuang Xuxin Optoelectronic Technology Co.,Ltd.	Shijiazhuang	No.377,Zhujiang Road, High-tech Area, Shijiazhuang, Hebei	Photoelectric display material	100.00%		Control combination
Beijing Xutan New Material Technology Co., Ltd.	Beijing	206, 2/F, Building 2B,No.80, Xingshikou Road, Haidian District, Beijing	Industrial application of graphene	70.00%		Establish
Jiangsu Jixing New Material Co., Ltd.	Jiangsu	New Material Industry Zone, Youfang Town,	Photoelectric display material	100.00%		Non control combination

		Yangzhong City				
Beijing Tunghsu Huaqing Investment Co., Ltd.	Beijing	1201-E18(Area)1 2/F, No.1, 6-3 Building, Autornobile Museum East Road, Fengtai District, Beijing	Investment	70.00%		Establish
Fuzhou Tunghsu Optoelectronic Technology Co., Ltd.	Fuzhou	(072) Room 109, Supervision Building, Processing trade Free zone, Fuzhou, Fujian.(No.9, Xinjiang Road, Xincuo Town, Fuqing City)	Photoelectric display material	87.25%	12.75%	Establish
Wuhu Tunghsu Optoelectronic Equipment Technology Co., Ltd.	Wuhu	Room 302, A floor, Management Committee of Jiangbei Industry Zone, Anhui Prov	Equipment and technical services	100.00%		Establish
Shanghai Tanyuan Huigu New Material Technology Co., Ltd.	Shanghai	Room 02, 2/F, No.3 Building, No.28,, Jiangcchuan East Road, Minhang District ,Shanghai	Industrial application of graphene	50.50%		Non control combination
Shenzhen Xuhui Investment Co., Ltd.	Shenzhen	Room 201, A building, No.1, Qianwan Road, Qianhai Shenzhen-Hongkong Cooperation Zone, Shenzhen	Investment	100.00%		Establish
Tunghsu Construction Group Co., Ltd.	Sichuan	No.21, 15 Building, No.181, Erhuan Road, Jinniu District, Chengdu	Building Installing	100.00%		Non control combination
Shanghai Sunlong Bus Co., Ltd.	Shanghai	A, No .2898, Huaning Road, Minhang District ,Shanghai	New Energy Automobile	100.00%		Non control combination
Sichuan Xuhong Optoelectronic Technology Co., Ltd.	Mianyang	No.177, Fubin North Road, Economic Development Zone, Mianyang	Photoelectric display material	100.00%		Control combination
Shenzhen Sanbao Innovation Intelligent Co., Ltd.	Shenzhen	28/F, Shenyue Shangcheng , Huanggang Road, Hufu Street, Futian District, Shenzhen	R&D and manufacturing of robots and intelligent electronic devices	67.00%		Non control combination
Tunghsu (Yingkou) Optoelectronic Display Co., Ltd.	Liaoning	No.19, Xincheng Street, Yingkou City, Liaoning	Photoelectric display material	65.00%		Control combination
Tunghsu Optoelectronic	Holland	Strawinskylaan 909, 1077XX	Overseas investment	100.00%		Establish

EU.C.V		Amsterdam, the Netherlands	management			
Liaoning Tunghsu Sanbao Intelligent Technology Co., Ltd.	Liaoning	Room 205, Attached Building 1, Section 3, Yangshan Road, Longqiwan New Energy Industry Area, Binhai New Area, Jinzhou City, Liaoning Province	R&D and manufacturing of robots and intelligent electronic devices	100.00%		Establish
Tunghsu (Jinzhou) Precision optoelectronic technology co., Ltd.	Liaoning	Room 204, Attached Building 1, Section 3, Yangshan Road, Longqiwan New Energy Industry Area, Binhai New Area, Jinzhou City, Liaoning Province	Photoelectric display material	100.00%		Establish
Tunghsu(Jinzhou) Intelligent Material Technology Co., Ltd.	Liaoning	Room 201, Attached Building 1, Section 3, Yangshan Road, Longqiwan New Energy Industry Area, Binhai New Area, Jinzhou City, Liaoning Province	Photoelectric display material	100.00%		Establish
Tunghsu(Jinzhou) Intelligent Optoelectronic Co., Ltd.	Liaoning	Room 202, Attached Building 1, Section 3, Yangshan Road, Longqiwan New Energy Industry Area, Binhai New Area, Jinzhou City, Liaoning Province	Photoelectric display material	100.00%		Establish
Tunghsu (Jinzhou) Precision optoelectronic technology co., Ltd.	Liaoning	Room 203, Attached Building 1, Section 3, Yangshan Road, Longqiwan New Energy Industry Area, Binhai New Area, Jinzhou City, Liaoning Province	Photoelectric display material	100.00%		Establish
Jiangsu Xuheng New Material Co., Ltd.	Jiangsu	9/f, Main Buiding, Document & Sport Center, No.36, Hanjing Road, Yunlong District , Xuzhou	Research and development of new material technology	100.00%		Establish

Other notes

Note: It is filled in according to the sum of the shareholding proportion of each enterprise in the Group to these subsidiaries

## (2) Significant not wholly-owned subsidiaries

In RMB

Name	Holding proportion of non-controlling interest	Profit or loss attributable to non-controlling interest	Dividend declared to non-controlling interest	Closing balance of non-controlling interest
Fuzhou Xufu Optoelectronic Technology Co., Ltd..	40.00%	11,483,840.30		171,278,962.83
Shanghai Tanyuan Huigu New Material Technology Co., Ltd.	49.50%	-2,017,362.75		61,356,481.82
Shenzhen Sanbao Innovation Intelligent Co., Ltd.	33.00%	-839,568.37		38,651,603.09
Tunghsu (Yingkou) Optoelectronic Display Co., Ltd.	35.00%	5,054,759.48		98,948,008.73
Mingshuo(Bingjing) Electric Technology Co., Ltd.	49.00%	1,089,016.63		44,648,671.14

## (3) The main financial information of significant not wholly owned subsidiary

In RMB

Name	Year-end balance						Year-beginning balance					
	Current assets	Non current assets	Total assets	Current Liabilities	Non current liabilities	Total liabilities	Current assets	Non current assets	Total assets	Current Liabilities	Non current liabilities	Total liabilities
Fuzhou Xufu Optoelectronic Technology Co., Ltd..	718,665,733.80	558,110,514.19	1,276,776,247.99	768,576,322.32	165,642,000.00	934,218,322.32	875,591,098.65	556,167,620.87	1,431,758,719.52	924,168,474.44	188,000,000.00	1,112,168,474.44
Shanghai Tanyuan Huigu New Material Technology Co., Ltd.	40,480,483.42	89,434,282.66	129,914,766.08	7,919,288.39	0.00	7,919,288.39	54,919,712.81	89,462,417.94	144,382,130.75	15,988,124.61	366,037.32	16,354,161.93
Shenzhen Sanbao Innovation Intelligent Co., Ltd.	247,394,096.21	73,000,304.55	320,394,400.76	205,831,517.94	0.00	205,831,517.94	54,727,702.15	71,302,661.35	126,030,363.50	5,342,553.57	1,017,593.35	6,360,146.92
Tunghsu (Yingkou) Optoelectronic Display Co., Ltd.	354,672,768.37	1,111,321,730.39	1,465,994,498.76	605,288,687.74	577,997,214.64	1,183,285,902.38	325,578,183.83	1,104,104,232.11	1,429,682,415.94	579,076,971.21	582,339,018.30	1,161,415,989.51

Mingshuo(Bingjiing) Electric Technology Co., Ltd.	128,041,529.66	20,123,273.35	148,164,803.01	37,598,624.26	19,446,441.73	57,045,065.99	101,793,806.44	17,369,725.88	119,163,532.32	28,619,836.48	1,646,441.73	30,266,278.21
--	----------------	---------------	----------------	---------------	---------------	---------------	----------------	---------------	----------------	---------------	--------------	---------------

In RMB

Name	Amount of current period				Amount of previous period			
	Business income	Net profit	Total Comprehensive income	Cash flows from operating activities	Business income	Net profit	Total Comprehensive income	Cash flows from operating activities
Fuzhou Xufu Optoelectronic Technology Co., Ltd..	733,704,143.44	22,967,680.59	22,967,680.59	-218,101,968.20	632,696,266.30	16,136,539.17	16,136,539.17	-15,703,750.76
Shanghai Tanyuan Huigu New Material Technology Co., Ltd.	515,312.82	-4,012,863.37	-4,012,863.37	6,280,920.96	488,093.83	-6,566,421.86	-6,566,421.86	12,587,728.47
Shenzhen Sanbao Innovation Intelligent Co., Ltd.	9,455,781.22	-2,483,775.04	-2,483,775.04	188,723,924.64	736,964.91	-1,101,997.15	-1,101,997.15	-730,374.74
Tunghsu (Yingkou) Optoelectronic Display Co., Ltd.	93,477,028.23	14,442,169.95	14,442,169.95	196,156,030.58	27,289,664.99	-9,555,668.76	-9,555,668.76	-13,351,591.23
Mingshuo(Bingjiing) Electric Technology Co., Ltd.	40,975,003.35	2,222,482.91	2,222,482.91	-35,672,127.99	21,763,105.18	2,186,907.76	2,186,907.76	-41,296,984.35

(4) Significant restrictions of using enterprise group assets and pay off enterprise group debt

(5) Provide financial support or other support for structure entities incorporate into the scope of

2. The transaction of the Company with its owner's equity share changed but still controlling the subsidiary

(1) Note to owner's equity share changed in subsidiary

(2) The transaction's influence to equity of minority shareholders and attributable to the owner's equity of the parent company

3. Equity in joint venture arrangement or associated enterprise

(1) Significant joint venture arrangement or associated enterprise

Name of Subsidiary	Main Places of Operation	Registration Place	Nature of Business	Shareholding Ratio (%)		Obtaining Method
				direct	indirect	
Yudean Finance	Guangzhou	Guangzhou	Finance	40.00%		Equity method

(2) Main financial information of Significant joint venture

(3) Main financial information of significant associated enterprise

In RMB

	Closing balance/This period	Opening balance/Last period
Current assets	951,887,221.50	3,045,452,313.85
Non-current assets	27,694,836,725.65	28,093,049,900.77
Total of assets	28,646,723,947.15	31,138,502,214.62

Current liabilities	23,464,467,059.26	25,997,850,975.29
Total liabilities	23,464,467,059.26	25,997,850,975.29
Attributable to shareholders of the parent company	5,182,256,887.89	5,140,651,239.33
Share of net assets calculated by stake	2,072,902,755.16	2,056,260,495.73
Net carrying amount of equity investment in associates	2,072,902,755.16	2,056,260,495.73
Business income	155,760,250.37	105,115,733.62
Net profit	41,605,648.56	16,178,088.57
Total comprehensive income	41,605,648.56	16,178,088.57

## (4) Summary financial information of insignificant joint venture or associated enterprise

In RMB

	Closing balance/This period	Opening balance/Last period
Joint venture:	--	--
The total number of shares in each of the following shares	--	--
Associated enterprise:	--	--
Total investment Net carrying amount	118,883,109.84	118,087,473.48
The total number of shares in each of the following shares	--	--
--Net profit	795,636.36	5,365,389.05
Total comprehensive income	795,636.36	5,365,389.05

(5) Note to the significant restrictions of the ability of joint venture or associated enterprise transfer funds to the Company

(6) The excess loss of joint venture or associated enterprise

(7) The unrecognized commitment related to joint venture investment

(8) Contingent liabilities related to joint venture or associated enterprise investment

4. Significant common operation

5. Equity of structure entity not including in the scope of consolidated financial statements

Related notes to structure entity not including in the scope of consolidated financial statements

6. Other

**X. The risk related financial instruments**

The company's main financial instruments include loans, accounts receivable, accounts payable and other non-current financial assets. For detailed descriptions of various financial instruments, please refer to the relevant items in the notes to the consolidated statement items in Section 10.7 of this note. The Company adopts a series of risk management policies to reduce risks related to these financial assets, and manages and monitors the risk exposure of these financial assets to ensure that its risks are controlled within the set range.

The risks faced by the company's financial instruments are mainly market risks, credit risks and liquidity risks.

## 1. Classification of financial assets and financial liabilities

Financial assets Items	Amount	Financial Liabilities items	Amount
Cash and bank balances	19,608,160,332.91	Short-term loans	9,194,934,400.00
Transactional financial assets	3,000,000.00	Notes payable	1,545,392,945.94
Notes receivable	61,194,310.70	Account payable	6,458,794,541.00
Account receivable	11,948,970,007.58	Other payable	2,492,921,065.31
Other receivable	1,180,820,462.92	Long-term loans	3,200,691,400.00
Other current assets	792,954,051.81	Bonds payable	5,282,105,325.64
Other non-current financial assets	548,158,605.30		

## (II) Risks to financial assets and liabilities

## 1. Market risk

Interest rate risk-Cash flow change risk

The company's risk of cash flow changes in financial instruments due to interest rate changes is mainly related to

floating rate bank borrowings (see note 7 and related items in notes to consolidated statements). The Company's policy is to determine the long-term stable interest rate level as far as possible and reduce the impact of short-term interest rate fluctuations. For the interest rate changes that must be borne, the Company adopts the floating interest rate for these loans. The policy cannot completely avoid the risk that the interest rate paid exceeds the current market interest rate, nor can it completely eliminate the cash flow risks related to the fluctuation of interest payment. However, the management believes that the policy has achieved a reasonable balance between these risks.

## 2. Foreign exchange risk

refers to the risk that the fair value of financial instruments or future cash flows may fluctuate due to changes in foreign exchange rates. The main business of the company is in China, and there is a subsidiary company with small business volume overseas. Due to the small business volume, the overall foreign exchange risk is also small, but the company still tries its best to match the foreign currency income and foreign currency expenditure to reduce the exchange rate risk. The company has not signed any forward foreign exchange contracts or currency swap contracts during the current period and the previous period.

## 2. Credit risk

On June 30, 2019, the company's credit risk may be mainly caused by customer default.

In order to reduce credit risk, the Company only deals with approved and reputable customers. According to the company's policy, all customers who require credit transactions shall be subject to credit review. In addition, the Company continuously monitors the balance of accounts receivable to ensure that the Company will not be subject to major bad debt risks. At the same time, it will determine the credit rating for different customers, grant different credit lines, carry out credit approval, and implement other monitoring procedures to ensure necessary measures are taken. In addition, the Company will review the recovery of each single receivable on each balance sheet date to ensure that sufficient bad debt reserves are accrued for uncollectible funds. Therefore, the company's credit risk has been greatly reduced.

The company's working capital is deposited in banks with higher credit rating, so the credit risk of working capital is lower.

## 3. Liquidity risk

When managing liquidity risks, the Company maintains sufficient cash and cash equivalents as deemed by the management and monitor them to meet the Company's operational needs and reduce the impact of cash flow fluctuations. The Company reasonably uses various financing methods such as bank loans and other interest-bearing loans to maintain the balance between sustainability and flexibility of financing. The Company's management monitors the use of bank loans and ensures compliance with loan agreements.

## (II) Transfer of financial assets

The Company did not have any matters related to the transfer of financial assets this year.

## (III) Offsetting of financial assets and financial liabilities

This year, the Company has not incurred any events related to the offset of financial assets and financial liabilities.

# XI. Disclosure of fair value

## 1. Ending fair value of the assets and liabilities measured by fair value

In RMB

Items	Ending fair value			
	First-order	Second-order	Third-order	Total
I. Consistent fair value measurement	--	--	--	--
(1) Debt instrument investment			3,000,000.00	3,000,000.00
(2) Equity instrument investment			548,158,605.30	548,158,605.30
II. Non –persistent measure	--	--	--	--
Holding equity investments for sale			119,355,435.58	119,355,435.58



2. Recognized basis for the market price sustaining and non-persistent measured by fair value on first-order

3. Valuation technique and qualitative and quantitative information on major parameters for the fair value measure sustaining and non-persistent on second-order

4. Valuation technique adopted and nature and amount determination of important parameters for

consistent and inconsistent fair value measurement items at level 3

The investment cost of the invested unit is taken as an important reference basis for evaluating its fair value. The investee is a non-listed company. It is difficult to obtain comparable market transaction prices for the same or similar assets, and the investee's business is relatively stable. The investment time of the company is not long. Therefore, the investment cost is taken as the base for evaluating the fair value.

5. Sensitiveness analysis on unobservable parameters and adjustment information between opening and

closing Net carrying amount of consistent fair value measurement items at level 3

6. Explain the reason for conversion and the policy governing when the conversion happens if conversion happens among consistent fair value measurement items at different levels

7. Changes in the valuation technique in the current period and the reason for change

8. Fair value of financial assets and liabilities not measured at fair value

9. Other

## XII. Related parties and related-party transactions

1. Parent company information of the enterprise

Parent company name	Registration place	Nature	Registered capital	Share ratio of parent company against the company (%)	Vote right ratio of parent company against the company (%)
Tunghsu Group	No.369, Zhujiang Road, High-tech zone, Shijiazhuang	Investment production and R & D, etc.	36.8 billion	15.97%	21.85%

Explanation on parent company of the enterprise

During the reporting period, the paid-in capital of the parent company changed as follows:

Ultimate controller of the Company is Li Zhaoting

2. Subsidiary of the Enterprise

See details to Notes IX, Situation of the enterprise subsidiaries refer to the Notes.

3. Cooperative enterprise and joint venture

Other cooperative enterprise and joint venture that have related transaction with the Company in the Period or occurred in previous period:

Name	Relation of other Related parties with the company
CUHK international business factoring co., Ltd	Associated enterprise
Tunghsu Group Finance Co., Ltd.	Associated enterprise
Zibo Bus Co., Ltd.	Associated enterprise

## 4. Other related party

Other related party	Relationship with the Enterprise
Tunghsu Technology Group Co., Ltd.	The shareholders of the company
Tunghsu Optoelectronic Investment Co., Ltd.	Controlled by the same actual controller
Shijiazhuang Baoshi Electronic vacuum Glass Co., Ltd.	Controlled by the same actual controller
Shijiazhuang Baoshi Large-diameter plastic tube Co., Ltd.	Controlled by the same actual controller
Shijiazhuang Baoshi Zhonghe Steel Plastic Shape Co., Ltd.	Controlled by the same actual controller
Shijiazhuang Baoshi Xuming Tube Co., Ltd.	Controlled by the same actual controller
Shijiazhuang Baodong Electronic Co., Ltd.	Controlled by the same actual controller
Hebei Baoshi Lighting Co., Ltd.	Controlled by the same actual controller
Jinzhou Xulong New Material Technology Co., Ltd.	Controlled by the same actual controller
Hebei Decoration Printing Machine Co., Ltd.	Controlled by the same actual controller
Chengdu Optoelectronic Technology Co., Ltd.	General Manager: Li Zhaotin
Shijiazhuang Xuling Electronic Technology Co., Ltd.	Controlled by the same actual controller
Shijiazhuang Baoshi Electronic Group Co., Ltd.	Controlled by the same actual controller
Tibet Financial Leasing Co., Ltd.	Joint venture of the company
Tunghsu Group Finance Co., Ltd.	Joint venture of the company
Yinchuan Fengxiang Street Underground integrated Management Co., Ltd.	Joint venture of the company
Yixian Xuhua Park Construction Development Co., Ltd.	Controlled by the same actual controller
Guangdong Huakai Real estate Development Co., Ltd.	Controlled by the same actual controller
Li Qing	The spouse of the actual controller
Kunming Tunghsu Qiming Investment Development Co., Ltd.	Controlled by the same actual controller
Aahui Tunghsu Dabieshan Agricultural Technology Co., Ltd.	Controlled by the same actual controller
Dongguan Yijiu Real Estate Development Co., Ltd.	Controlled by the same actual controller
Tunghsu North Real Estate (Beijing) Co., Ltd.	Controlled by the same actual controller
Tunghsu Technology Development Co., Ltd.	Controlled by the same actual controller
Fujian Hengda Investment Co., Ltd.	Controlled by the same actual controller
Hunan Baoan Hongji Real Estate Development Co., Ltd.	Controlled by the same actual controller
Huiyin Jinkong Asset Management Co., Ltd.	Controlled by the same actual controller
Huidong Baoan Hongji Real Estate Development Co., Ltd.	Controlled by the same actual controller
Huidong Baoan Jinan Real Estate Development Co., Ltd.	Controlled by the same actual controller
Shenzhen Hongji Property Management Co., Ltd.	Controlled by the same actual controller
Chengzhou Zhexu Real Estate Co., Ltd.	Controlled by the same actual controller
Chongqing Tunghsu Qide Real Estate Co., Ltd.	A joint venture of the parent company
Shanghai Anxuan Automation Technology Co., Ltd.	Controlled by the same actual controller
Tibet Xuri Asset Management Co., Ltd.	Controlled by the same actual controller
Beijing Hexie Guanglu Technology Co., Ltd.	Controlled by the same actual controller
Chengdu Taiyisi Technology Co., Ltd.	Controlled by the same actual controller

Beijing Zhonghuan Xinrong Trade Co., Ltd.	Controlled by the same actual controller
Tunghsu Chuanzhi (Beijing) Cultural Media Co., Ltd.	Controlled by the same actual controller
Tunghsu International Investment Group Co., Ltd.	Controlled by the same actual controller
Tunghsu KechuangTechnology Industry Development Co., Ltd.	Controlled by the same actual controller
Fujian Tunghsu Qiming Real Estate Co., Ltd.	Controlled by the same actual controller
Hangzhou Yuanbang Real Estate Development Co., Ltd.	Controlled by the same actual controller
Shijiazhuang Tunghsu Medical Equipment Co., Ltd.	Controlled by the same actual controller
Tibet Tunghsu Electric Power Engineering Co., Ltd.	Controlled by the same actual controller
Zhangzhou Nanrong Real Estate Development Co., Ltd.	Controlled by the same actual controller
Zhongshan Shenzhong Real Estate Development Co., Ltd.	Controlled by the same actual controller
Zhongshan Shenzhong Real Estate Investment Co., Ltd.	Controlled by the same actual controller
Tunghsu Honghai Environmental Protection Technology Co., Ltd.	Controlled by the same actual controller
Tunghsu Lantian New Energy Co., Ltd.	Controlled by the same actual controller
Huizhou Dexin Real Estate Co., Ltd.	Controlled by the same actual controller
Xudong Machinery Industry Co., Ltd.	Controlled by the same actual controller
Tunghsu (HK) Holding Co., Ltd.	Controlled by the same actual controller
Zhongshan Donghong Real Estate Development Co., Ltd.	Controlled by the same actual controller
Anhui Tunghsu Dangtu Solar Energy Technology Co., Ltd.	Controlled by the same actual controller
Hua rong jinshu biao mian chuli (anping) Technology Co., Ltd.	Controlled by the same actual controller
Ttai yuan Tunghsu rongtuo zhiye Co., Ltd.	Controlled by the same actual controller
Hebei xuzhen Supply chain management co. LTD	Controlled by the same actual controller
Hui zhoushi baoan Real estate development co. LTD	Controlled by the same actual controller

## 5. Related transactions.

### (1) Related transactions on purchasing goods and receiving services

#### Acquisition of goods and reception of labor service

In RMB

Related parties	Content of related transaction	Amount of current period	Amount of previous period	Over the trading limit or not?	Amount of last period
Anhui Tunghsu Dabieshan Agricultural Science & Technology Co., Ltd.	Camellia Oi	25,296.00			28,800.00
Shijiazhuang Baoshi Zhonghe Steel Plastic Shape Co., Ltd.	Material				4,000,000.00
Shijiazhuang Baoshi Electronic vacuum Glass Co., Ltd.	Electromechanical equipment				980,000.00
Chengdu China Optoelectronic	Glass substrate	19,800,000.00			980,001.00

Technology Co., Ltd.					
----------------------	--	--	--	--	--

## Related transactions on sale goods and receiving services

In RMB

Related parties	Content of related transaction	Amount of current period	Amount of previous period
Tunghsu North Real estate (Beijing) Co., Ltd.	Graphere	77,011.75	48,801.64
Fujian Hengda Investment Co., Ltd.	Graphere		15,404.96
Shengzhou Zhexu Real Estate Co., Ltd.	Graphere	15,474.14	13,641.03
Huarong Metal Surface treatment (Anping) Technology Co., Ltd.	Graphere	6,879.31	
Kunming Tunghsu Qiming Investment Development Co., Ltd.	Graphere	10,318.97	
Taiyuan Tunghsu Rongtuo Real Estate Co., Ltd.	Graphere	7,395.89	
Tunghsu Chuangzhi(Beijing) Culture Media Co., Ltd.	Graphere	896.55	
Tibet Tunghsu Power Engineering Co., Ltd.	Graphere	5,810.35	
Chengdu China Optoelectronic Technology Co., Ltd.	Traction roll project	188,275.86	611,459.82
Hebei Xuzhen Supply Chain Management Co., Ltd.	Robot	5,862.07	
Beijing Hexie Guanglu Technology Co., Ltd.	Efficient lightbulb		287,179.49
Chengdu Taiyisi Technology Co., Ltd.	Efficient lightbulb		23,131.62
Chengdu China Optoelectronic Technology Co., Ltd.	Efficient lightbulb	14,068.83	13,203.41
Tunghsu North Real estate (Beijing) Co., Ltd.	Efficient lightbulb		40,528.38
Tunghsu Group Co., Ltd.	Efficient lightbulb		1,589,885.32
Tunghsu Technology Group Co., Ltd.	Efficient lightbulb		811.97
Hebei Baoshi Lighting Co., Ltd.	Efficient lightbulb		-37,264.96
Huiyin Jinkong Asset Management Co., Ltd.	Efficient lightbulb		270,305.10
Shenzhen Hongji Property Management Co., Ltd.	Efficient lightbulb		263,333.34
Zhangzhou Shenghuawu Real Estate Development Co., Ltd.	Efficient lightbulb		6,974.36
Shenzhen Hongji Property Management Co., Ltd.	Charging pile	539,806.13	
Tunghsu Technology Group Co., Ltd.	Intelligent water cup	62,546.48	
Tunghsu Chuangzhi(Beijing) Culture Media Co., Ltd.	Intelligent water cup	32,388.95	
Dongguan Yijiu Real estate Development Co., Ltd.	Construction Engineering	93,538,303.77	431,182.25
Tunghsu Technology	Construction Engineering	137,828.80	3,794,623.64

Development Co., Ltd.			
Tunghsu Lantian New Energy Co., Ltd.	Construction Engineering		2,719,618.11
Fujian Hengda Investment Co., Ltd.	Construction Engineering		2,745,454.55
Guangdong Huakai Real estate Development Co., Ltd.	Construction Engineering		19,945,292.12
Hunan Baoan Hongji Real estate Development Co., Ltd.	Construction Engineering	20,788,568.71	229,566.55
Huidong Baoan Real estate Development Co., Ltd.	Construction Engineering	78,787,578.76	46,614,031.74
Huidong Baoan Jinan Real estate Development Co., Ltd.	Construction Engineering	21,627,108.94	46,435,095.47
Kunming Tunghsu Investment Development Co., Ltd.	Construction Engineering	81,841,192.08	140,707,948.79
Shengzhou Zhexu Real Estate Co., Ltd.	Construction Engineering	33,702,095.67	35,168,074.85
Shijiazhuang Baoshi Large-diameter plastic tube Co., Ltd.	Construction Engineering		594,000.00
Yixian Xuhua Park Construction Development Co., Ltd.	Construction Engineering	16,916,569.73	39,616,134.40
Yinchuan Fengxiang Street Underground integrated Management Co., Ltd.	Construction Engineering	30,889,866.97	45,273,158.21
Zhangzhou Shenghuawu Real Estate Development Co., Ltd.	Construction Engineering		22,413,913.92
Chongqing Tunghsu Qide Real Estate Co., Ltd.	Construction Engineering	72,738,733.59	18,348,758.40
Beijing Zhonghuan Xinrong Technology Co., Ltd.	Construction Engineering	13,487,314.83	
Fujian Tunghsu Qiming Real Estate Co., Ltd.	Construction Engineering	244,417.64	
Huizhou Dexin Real Estate Co., Ltd.	Construction Engineering	29,198,578.42	
Zhongshan Shenzhong Real Estate Development Co., Ltd.	Construction Engineering	229,712,398.39	
Zhongshan Shenzhong Real Estate Investment Co., Ltd.	Construction Engineering	51,747,572.82	

(2) Related trusteeship or contracting

(3) Information of related lease

(4) Status of related party guarantee

As a guarantor for the company

In RMB

Guarantor	Guarantee amount	Start date	End date	Execution accomplished or not
Tunghsu Group , Li Zhaoting, Li Qing	115,000,000.00	October 31,2017	October 31,2019	No

Tunghsu Group , Li Zhaoting	100,000,000.00	July 7,2017	July 6,2019	No
Tunghsu Group , Tunghsu Optoelectronic Investment Co., Ltd., Li Zhaoting	400,000,000.00	November 30,2016	November 30,2019	No
Li Zhaoting	1,800,000,000.00	October 16,2018	October 15,2019	No
Tunghsu Group , Li Zhaoting	98,000,000.00	November 6,2018	November 6,2019	No
Tunghsu Group , Li Zhaoting	200,000,000.00	November 26,2018	November 26,2019	No
Tunghsu Group , Li Zhaoting,Shanghai Sunlong Bus Co., Ltd.	200,000,000.00	November 30,2018	November 30,2019	No
Tunghsu Group , Li Zhaoting,Shanghai Sunlong Bus Co., Ltd.	100,000,000.00	December 11,2018	November 11,2019	No
Tunghsu Group , Tunghsu Optoelectronic Investment Co., Ltd., Li Zhaoting	1,000,000,000.00	December 7,2018	December 6,2019	No
Li Zhaoting, Hangzhou Yuanbang Real Estate Development Co., Ltd.	480,000,000.00	December 21,2018	December 22,2019	No
Tunghsu Group Co., Ltd. holds 24%equity pledge of Baoshi Group, Asset Mortgage of Jiangsu Jixing New Materials Co., Ltd.	450,000,000.00	January 8,2019	January 8,2020	No
Li Zhaoting	480,000,000.00	January 25,2019	January 25,2020	No
Tunghsu Group, Li Zhaoting	200,000,000.00	March 18,2019	March 18,2020	No
Tunghsu Group , Li Zhaoting, Shanghai Sunlong Bus Co., Ltd., Tunghsu Optoelectronic Technology Co., Ltd. holds 58% of Shanghai Shenlong's shares.	150,000,000.00	April 30,2019	April 29,2020	No
Tunghsu Group, Li Zhaoting	500,000,000.00	May 13,2019	April 19,2022	No
Tunghsu Group	100,000,000.00	June 28,2019	June 28,2020	No
Tunghsu Group	11,000,000.00	June 28,2019	June 28,2020	No
Tunghsu Group	300,000,000.00	April 1,2014	April 11,2022	No
Tunghsu Group	150,000,000.00	April 22,2015	April 11,2022	No
Tunghsu Group	500,000,000.00	November 7,2016	June 20,2024	No
Tunghsu Group, Li Zhaoting	450,000,000.00	September 30,2016	September 29,2021	No
Tunghsu Group	100,000,000.00	September 18,2017	September 15,2022	No
Tunghsu Group	200,000,000.00	September 18,2017	September 15,2022	No
Tunghsu Group	200,000,000.00	September 18,2017	September 15,2022	No
Tunghsu Group	100,000,000.00	September 18,2017	September 15,2022	No
Tunghsu Group	200,000,000.00	October 31,2017	September 15,2022	No
Tunghsu Group	200,000,000.00	October 31,2017	September 15,2022	No

Tunghsu Group, Li Zhaoting	300,000,000.00	November 6,2017	November 6,2020	No
Tunghsu Group, Li Zhaoting	199,000,000.00	November 7,2017	November 7,2020	No
Tunghsu Group	250,000,000.00	May 31,2016	May 30,2021	No
Tunghsu Group	50,000,000.00	July 26,2018	July 26,2019	No
Tunghsu Group, Li Zhaoting	150,000,000.00	March 19,2019	March 19,2020	No
Tunghsu Group	1,285,000,000.00	January 28,2013	January 27,2021	No
Tunghsu Group	100,929,000.00	January 28,2013	January 27,2021	No
Li Zhaoting, Tunghsu Optoelectronic Technology Co., Ltd.	80,000,000.00	September 18,2018	September 18,2019	No
Li Zhaoting, Tunghsu Optoelectronic Technology Co., Ltd.	40,000,000.00	September 28,2018	September 27,2019	No
Li Zhaoting, Tunghsu Optoelectronic Technology Co., Ltd.	80,000,000.00	September 30,2018	September 29,2019	No
Tunghsu Group, Li Zhaoting	90,000,000.00	April 30,2019	April 9,2020	No
Tunghsu Group, Li Zhaoting	50,000,000.00	April 30,2019	April 30,2020	No
Tunghsu Group, Li Zhaoting	50,000,000.00	May 8,2019	April 30,2020	No
Tunghsu Group, Li Zhaoting	90,000,000.00	June 17,2019	June 4, 2020	No
Tunghsu Group	450,000,000.00	June 13,2018	June 13,2019	No
Tunghsu Group, Tunghsu Optoelectronic Technology Co., Ltd.	20,000,000.00	September 26,2018	September 25,2019	No
Tunghsu Group, Tunghsu Optoelectronic Technology Co., Ltd.	25,000,000.00	February 3,2018	December 2,2019	No
Tunghsu Group	50,000,000.00	December 6,2018	December 6,2019	No
Tunghsu Group, Tunghsu Optoelectronic Technology Co., Ltd., Mortgage of assets of Shanghai Sunlong Bus Co., Ltd.	110,000,000.00	December 28, 2018	December 28,2019	No
Tunghsu Group, Tunghsu Optoelectronic Technology Co., Ltd., Pledge of deposit certificate of Shanghai Shenlong bus Co., Ltd.	90,000,000.00	January 3,2019	January 3,2020	No
Tunghsu Group, Tunghsu Optoelectronic Technology Co., Ltd., Shanghai Shenlong bus Co., Ltd.	100,000,000.00	March 6,2019	March 6, 2020	No
Tunghsu Group, Tunghsu Optoelectronic Technology Co., Ltd., Shanghai Shenlong bus Co., Ltd.	600,000,000.00	May 21,2019	May 21, 2022	No

Tunghsu Group	100,000,000.00	July 11, 2018	July 10,2019	No
Tunghsu Group	200,000,000.00	September 27,2018	Septembert 26,2019	No
Tunghsu Group	100,000,000.00	December 11,2018	December 10,2019	No
Tunghsu Group, Li Zhaoting	100,000,000.00	January 25,2019	January 23,2020	No
Tunghsu Group	50,000,000.00	March 22,2019	March 20,2020	No
Tunghsu Group	30,000,000.00	April 22,2019	April 22,2020	No
Tunghsu Group	280,000,000.00	June 27,2019	June 26,2021	No
Tunghsu Group	250,000,000.00	July 31,2018	July 28,2019	No
Tunghsu Group, Yang Jianzhong, Hong Shuping and Project Department Asset Mortgage of Daosui Group	50,000,000.00	October 12,2018	October 12,2021	No
Tunghsu Group	30,000,000.00	July 26,2018	March 20,2021	No
Tunghsu Group	50,000,000.00	Novemer 1,2018	March 20,2021	No
Tunghsu Group	50,000,000.00	January 30,2019	March 20,2021	No
Tunghsu Group	30,000,000.00	April 11,2019	March 20,2021	No
Tunghsu Group	40,000,000.00	May 20,2019	March 20,2021	No
Li Zhaoting, Tunghsu Optoelectronic Technology Co., Ltd.	100,000,000.00	Septemer 30,2018	September 30,2021	No
Pledge of account receivable of Tunghsu Group and its subsidiaries	1,900,000.00	January 25,2019	December 20,2023	No
Pledge of account receivable of Tunghsu Group and its subsidiaries	18,000,000.00	May 7,2019	December 20,2023	No
Tunghsu Group, Tunghsu Optoelectronic Technology Co., Ltd.	100,000,000.00	March 27,2018	March 27,2019	Yes
Tunghsu Group, Tunghsu Optoelectronic Technology Co., Ltd.	100,000,000.00	March 28,2018	March 28,2019	Yes
Tunghsu Group, Tunghsu Optoelectronic Technology Co., Ltd.	70,000,000.00	March 27,2018	March 15,2019	Yes
Tunghsu Group, Tunghsu Optoelectronic Technology Co., Ltd.	30,000,000.00	April 2,2018	March 15,2019	Yes
Li Zhaoting, Tunghsu Optoelectronic Technology Co., Ltd.	60,000,000.00	March 1,2018	March 1,2019	Yes
Tunghsu Group, Tunghsu Optoelectronic Technology Co., Ltd.	50,000,000.00	March 30,2018	March 29,2019	Yes
Tunghsu Group	100,000,000.00	September 26,2013	April 11,2022	Yes
Tunghsu Group	220,000,000.00	March 17,2016	March 17,2028	Yes
Tunghsu Group	280,000,000.00	June 16,2016	June 16,2028	Yes
Tunghsu Group	90,000,000.00	April 12,2018	April 2,2019	Yes
Tunghsu Group	15,000,000.00	June 12,2018	May 7,2019	Yes



Tunghsu Group	300,000,000.00	May 25,2016	May 20,2019	Yes
Tunghsu Group , Li Qing, Li Zhaoting	200,000,000.00	May 27,2016	May 26,2019	Yes
Tunghsu Group , Li Qing, Li Zhaoting	600,000,000.00	June 7,2016	June 7,2019	Yes
Tunghsu Group , Li Zhaoting	166,666,666.66	January 6,2017	January 6,2019	Yes
Tunghsu Group , Li Zhaoting	100,000,000.00	March 3,2017	March 2,2019	Yes
Tunghsu Group , Li Zhaoting	200,000,000.00	November 10,2017	November 15,2022	Yes
Tunghsu Group , Li Zhaoting	100,000,000.00	June 16,2016	June 16,2019	Yes
Tunghsu Group , Li Zhaoting	200,000,000.00	June 26,2018	June 24,2019	Yes
Tunghsu Group , Li Zhaoting, Tunghsu Optoelectronic Technology Co., Ltd.	40,000,000.00	February 9,2018	February 8,2019	Yes
Tunghsu Group , Li Zhaoting, Tunghsu Optoelectronic Technology Co., Ltd.	40,000,000.00	February 12,2018	February 11,2019	Yes
Tunghsu Group, Shanghai Qianhe Industry Co., Ltd.	200,000,000.00	June 8,2018	June 8,2019	Yes
Tunghsu Group	50,000,000.00	February 7,2018	February 6,2019	Yes
Tunghsu Group	200,000,000.00	March 15,2018	March 15,2019	Yes
Tunghsu Group	95,000,000.00	March 19,2018	March 12,2019	Yes
Tunghsu Group , Li Qing, Li Zhaoting	200,000,000.00	May 15,2017	May 15,2019	Yes
Tunghsu Group , Li Qing, Li Zhaoting	300,000,000.00	June 2,2017	June 2,2019	Yes
Pledge of periodic deposit certificate of Tunghsu Group , Wuhu Tunghsu Optoelectronic Equipment Technology Co., Ltd. and its subsidiaries	45,000,000.00	May 28,2018	May 28,2019	Yes
Pledge of periodic deposit certificate of Tunghsu Group , Wuhu Tunghsu Optoelectronic Equipment Technology Co., Ltd. and its subsidiaries	135,000,000.00	June 27,2018	June 27,2019	Yes
Tunghsu Group, Li Zhaoting	50,000,000.00	March 13,2018	March 13,2019	Yes
Tunghsu Group, Li Zhaoting	30,000,000.00	May 22,2018	May 22,2019	Yes

(5) Inter-bank lending of capital of related parties :

(6) Related party asset transfer and debt restructuring

## (7) Rewards for the key management personnel

## (8) Other related transactions

## 6. Payables and receivables of the related party

## (1) Receivables

In RMB

Name	Related party	Amount at year end		Amount at year beging	
		Balance of Book	Bad debt provision	Balance of Book	Bad debt provision
Account receivable	Chengdu China Optoelectronic Technology Co., Ltd	787,800.00		874,842.20	
Account receivable	Guangdong Huakai Real Estate Development Co., Ltd.	23,755,684.99		30,096,793.88	
Account receivable	Jinzhou Xulong Solar Energy Technology Co., Ltd.	2,449,198.07		2,449,198.07	
Account receivable	Kunming Tunghsu Qiming Investment Development Co., Ltd.	221,018,737.46		247,253,556.82	
Account receivable	Yinchuan Fengxiang Street Comprehensive Construction Management Co., Ltd.	105,272,505.45		107,844,476.63	
Account receivable	Anhui Tunghsu Kangtu Solar Energy Technology Co., Ltd.	222,740.00		222,740.00	
Account receivable	Tunghsu Lantian New Energy Co., Ltd.	29,158,965.85		35,392,973.72	
Account receivable	Beijing Hexie Guanglu Technology Co., Ltd.	138,000.00		138,000.00	
Account receivable	Beijing Zhonghuan Xinrong Trade Co., Ltd.	215,747,350.00		215,747,350.00	
Account receivable	Dongguan Yijiu Real Estate Development Co., Ltd.	6,028,046.96		996,344.71	
Account receivable	Tunghsu Chuangzhi (Beijing) Cultural Media Co., Ltd.	1,250.00		204,000.00	
Account receivable	Tunghsu Technology Development Co., Ltd.	3,633,892.00		4,133,892.00	
Account receivable	Fujian Tunghsu Qiming Real Estate Co., Ltd.	1,133,161.10		3,389,184.77	
Account receivable	Hunan Baoan Hongji Real Estate	12,626.16		19,459,762.15	

	Development Co., Ltd.				
Account receivable	Huidong Baoan Hongji Real Estate Development Co., Ltd.	32,098,949.22		32,810,756.93	
Account receivable	Huidong Ban Jinan Real Estate Development Co., Ltd.	176,388,422.73		256,023,829.26	
Account receivable	Huizhou Dexin Real Estate Co., Ltd.	60,404,758.73		67,266,007.88	
Account receivable	Shanghai Anxuan Automation Technology Co., Ltd.	109,032.00		109,032.00	
Account receivable	Shenzhen Hongji Property Management Co., Ltd.	259,397.37		15,405.00	
Account receivable	Shengzhou Zhexu Real Estate Co., Ltd.	46,364,725.69		85,658,187.65	
Account receivable	Tibet Xuri Capital Management Co., Ltd.			9,800.00	
Account receivable	Zhangzhou Shenghua Real Estate Development Co., Ltd.			128,070,429.45	
Account receivable	Zhongshan Shenzhong Real Estate Development Co., Ltd.	228,504,453.73		193,677,332.40	
Account receivable	Zhongshan Shenzhong Real Estate Development Co., Ltd.	32,244,511.45		42,197,817.95	
Account receivable	Huizhou Baoan Real Estate Development Co., Ltd.	2,000,000.00			
Account receivable	Chongqing Tunghsu Qide Real Estate Co., Ltd.	87,298,400.10		57,086,524.08	
Prepayments	Hebei Baoshi Energy saving lighting technology Co., Ltd.	60,000.00		60,000.00	
Prepayments	Hebei Decoration Printing Machinery Co., Ltd.			835,680.87	
Prepayments	Tunghsu Technology Group Co., Ltd.			4,000.00	
Prepayments	Zhongshan Shenzhong Real Estate Development Co., Ltd.			1,347,924.53	
Other receivable	Huidong Baoan Hongji Real Estate Development Co., Ltd.			4,020,000.00	
Other receivable	Huizhou Dexin Real	50,000.00		500,000.00	

	Estate Co., Ltd.				
Other receivable	Chongqing Tunghsu Qide Real Estate Co., Ltd.			1,050,000.00	
Other receivable	Tunghsu Group Finance Company Co., Ltd.	17,112,926.77			
Other receivable	Kunming Tunghsu Qiming Investment Development Co., Ltd.	30,000.00			
Other receivable	Tunghsuf North Real Estate (Beijing) Co., Ltd.	116,342.89			
Other non-current assets	Tunghsu Group	35,640,118.34		73,876,642.13	

## (2) Payables

In RMB

Name	Related party	Book balance at year end	Book balance at year beginning
Account payable	Shijiazhuang Baoshi Xuming Pipe Co., Ltd.	14,948.00	14,948.00
Account payable	Shijiazhuang Baoshi Electronic vacuum Glass Co., Ltd.	6,344.16	6,344.16
Account payable	Shijiazhuang Baoshi Large-diameter plastic tube Co., Ltd.	533,942.80	533,942.80
Account payable	Shijiazhuang Baoshi Zhonghe Steel Plastic Shape Co., Ltd.	30,296.40	3,483,519.11
Account payable	Shijiazhuang Xuling Electronic Technology Co., Ltd.	1,320,164.09	1,320,164.09
Account payable	Tunghsu Honghai Environmental Protection Technology Co., Ltd.	39,500.00	276,500.00
Account payable	Chengdu China Optoelectronic Technology Co., Ltd.	13,424,400.00	
Advance revenue	Chengdu China Optoelectronic Technology Co., Ltd.	160,273.75	
Advance revenue	Hunan Baoan Hongji Real Estate Development Co., Ltd.	7,449,795.64	
Advance revenue	Tunghsu Group	47,075,980.50	47,075,980.50
Advance revenue	Yixian Xuhua Garden Construction Development Co., Ltd.	98,974,098.18	110,259,360.60
Advance revenue	Hangzhou Yuanbang Real Estate Development Co., Ltd.	100,000,000.00	100,000,000.00
Advance revenue	Zhongshan Donghong Real Estate Development Co., Ltd.	3,318,850.80	3,318,850.80
Other payable	Baoshi Group	28,967,925.86	722,000.00
Other payable	Tunghsu Group	201,704,321.57	275,490,964.33
Other payable	Shijiazhuang Baoshi Electronic vacuum Glass Co., Ltd.	4,792,523.07	4,768,691.30
Other payable	Shijiazhuang Baoshi Xuming Pipe Co., Ltd.	97,031.00	97,031.00

Other payable	Chengdu China Optoelectronic Technology Co., Ltd.	6,850.92	6,850.92
Other payable	Huidong Baoan Jinan Real Estate Development Co., Ltd.		4,008,400.00
Other payable	Tibet Xuri Capital Management Co., Ltd.	8,000,000.00	8,000,000.00
Other payable	Tunghsu Technology Group Co., Ltd.	165,242.00	
Other payable	Huizhou Dexin Real Estate Co., Ltd.	8,117,975.82	
Other payable	Chongqing Tunghsu Real Estate Co., Ltd.	500,000.00	
Other payable	Tunghsu (HK) Holding Co., Ltd.		782,250.00
Other payable	Zhongshan Shenzhong Real Estate Development Co., Ltd.		339,000,000.00

## 7. Related party commitment

Nil

## 8. Other

Nil

## XIII. Stock payment

### 1. The Stock payment overall situation

☐ Applicable ☒ Not applicable

### 2. The Stock payment settled by equity

☐ Applicable ☒ Not applicable

### 3. The Stock payment settled by cash

☐ Applicable ☒ Not applicable

### 4. Modification and termination of the stock payment

Nil

## 5. Other

## XIV. Commitments

### 1. Importance commitment events

Important commitments of existence of balance sheet date

Important commitments not required to be disclosed by the company as of December 30, 2019.

### 2. Contingency

(1) Significant contingency at balance sheet date

1. Construction project contract disputes. The plaintiff Chongqing Mingyi Labor Service Co., Ltd. requested the amount of 5 million yuan in project compensation and the interest from August 1, 2011. The No. 2370 Case of (2017) CHUAN 1130 MINCHU of the People's Court of Shunqing District of Nanchong City was held at 15:30 on July 26th, 2017, and the case was transferred to the Intermediate People's Court of Chengdu for railway transportation. The case was handed over to the Chengdu Intermediate People's Court for Railway Transportation. On December 18, 2017, the court accepted the case for the first instance and informed the Plaintiff and the Defendant to supplement data, First instance judgment result: Daosui paid RMB 1.5 million and bore the acceptance fee of RMB 14,040. The Daosui company appealed, judgment of second instance on April 15, 2019: 1. Revoke the judgment of first instance. 2. Daosui will pay 5 million yuan. The toll for Daosui is 46,800 yuan and the toll for the second instance is 53,100 yuan. On May 16, 2019, Daosui applied for a retrial, and the Provincial High Court accepted the notice of retrial, (2019) CMS No. 2455, waiting for the retrial notice.
2. Construction project contract disputes. Plaintiff: Chongqing Mingyi Labor Service Co., Ltd., Defendant: Daosui Group Engineering Co., Ltd., Road&bridge International Co., Ltd., Third Party: Earth and Rock Engineering Branch of Sichuan Nanchong Hongcheng Construction Engineering Co., Ltd., Litigation Request: Litigation request: Daosui Group Engineering Co., Ltd. pays 4,260,061 yuan for on-site material equipment and interest on January 23, 2011; Road&bridge International Co., Ltd. and the third party bear joint responsibility for payment within the scope of 2,75,721.63 yuan of on-site materials and equipment received. The No. 2371 case of (2017) CHUAN 1302 MINCHU of People's Court of Shunqing District of Nanchong City was held at 15:30 on July 27th, 2017, and the case was transferred to the Intermediate People's Court of Chengdu for railway transportation. The case was handed over to the Chengdu Intermediate People's Court for Railway Transportation. On December 18, 2017, the court accepted the case for the first instance and informed the Plaintiff and the Defendant to supplement data, First instance judgment result: Daosui paid RMB 2,300,720.63 and interest and bore the acceptance fee of RMB 21,591.00. The Daosui company appealed, judgment of second instance on April 26, 2019: 1. Revoke the judgment of first instance. 2. Daosui paid 1800720.63 yuan and interest. The toll for Daosui is 19,302 yuan for the first instance and 25,205.77 yuan for the second instance. On May 22, 2019, Beibei District Court of Chongqing City: Notice of Fulfillment of Due Debts, Execution Ruling: Freezing Mingyi Company's Creditor's Rights at Daosui of 1800720 Yuan. Application for objection to enforcement of Daosui appeal.
3. Private lending disputes. Plaintiff: Ye Pingyuan, defendant: He Yuanyuan, Daosui Group, plaintiff's request: immediate repayment of the loan principal amount of 3.3 million yuan and interests of 726,000 yuan during the period, overdue interests and penalty interests, etc.; a total of 80,000 yuan for lawyers' fees, travel expenses, property preservation guarantees, etc. The plaintiff's request: immediate repayment of the loan principal of 2.7 million yuan and interest of 972,000 yuan during the period, overdue interest and penalty interest, etc.; payment of legal fees, travel expenses, property preservation guarantee fees, etc., totaling 50,000 yuan. The People's Court of Nanan District, Chongqing City accepted and issued the No. 5009 and No.5010 notice of response to action of (2017)YU 0108 ZI to Daosui Group on February 5, 2018. (2017) Yu 0108 Zi No. 5009 first instance judgment result: He Yuanyuan and Daosui Group repaid the principal amount of RMB 3.3 million and interest, Daosui Company appealed, second instance judgment result: abrogated the first instance judgment, remanded it to the court of first instance for retrial, and now it is in the remanding and retrial stage. (2017) Yu 0108 Zi No. 5010 first instance judgment result: He Yuanyuan and Daosui Group repaid the principal amount of RMB 2.7 million and interest, Daosui Company appealed, second instance judgment result: abrogated the first instance judgment, remanded it to the court of first instance for retrial, and now it is in the remanding and retrial stage. (2017) Yu 0108 Zi No. 5010 first instance judgment result: He Yuanyuan and Daosui Group repaid the principal amount of RMB 2.7 million and interest, Daosui Company appealed, second instance judgment result: abrogated the first instance judgment, remanded it to the court of first instance for retrial, and now it is in the remanding and retrial stage.
4. Construction project contract disputes, Plaintiff: Nanchong Jian'an Labor Service Co., Ltd., Defendant: Road and Bridge International Co., Ltd., Third party: Daosui Group. Plaintiff's request: Payment of RMB 3,850,838.84. Pleadings, summons, notice of response to action, notice of evidence sent by Shunqing District Court in Nanchong City were received on July 30, 2018. The Company filed application for jurisdiction objection on July 31, 2018. and The written verdict sent by Shunqing District Court in Nanchong City was received on September 26, 2018: The case was transferred to Chengdu Railway Transportation Court for trial. Pleadings, summons, notice of response to action, notice of evidence and notice of members of the collegiate bench sent by Chengdu Railway Court were received on November 29, 2018. It was scheduled to be heard at 2:30 p.m. on December 19, 2018, and is now waiting for the judgment of first instance. On May 8, 2019, the attorney received the legal information, and the case shall be handled according to the withdrawal of the other party.
5. In March 2016, Daosui Group Engineering Co., Ltd. filed a lawsuit to the owner of Inner Mongolia Zhunxing Heavy-duty Highway Co., Ltd. for payable quality guarantee deposit, totaling amount of RMB 103,000,000 Yuan,

and the owners raised objections to jurisdiction. The first instance ruling was arbitrated by Beijing Arbitration Commission, and Daosui Group Engineering Co., Ltd. appealed. Through judgment of the Supreme Court, it decided to be arbitrated by Beijing Arbitration Commission on September 27, 2016. The case is in a state of suspension, waiting for the Company to apply for arbitration from Beijing Arbitration Commission. In the same year, Daosui Group Engineering Co., Ltd. counterclaimed AZ-1 and AZ-2 parts except for the quality guarantee deposit. After the counterclaim, the owner filed an objection to jurisdiction and the first instance judged to be arbitrated by Beijing Arbitration Commission. The Company appealed, and the second instance of the Supreme Court judged to be prosecuted by Inner Mongolia High Court in July, 2017. On September 10, 2017, the complaint was resubmitted. Inner Mongolia High Court accepted the case and has not held a court until the reporting date. In May 2019, the court held a hearing in Inner Mongolia High Court. The original defendants in the court all applied for engineering appraisal and are now waiting for the court to select an appraisal institution.

(2) The Company have no significant contingency to disclose, also should be stated

The was no significant contingency in the Company.

### 3.Other

#### XV. Post-balance-sheet events

##### 1. Significant events had not adjusted

##### 2. Profit distribution

##### 3. Sales return

##### 4. Notes of other significant events

#### XVI. Other significant events

##### 1. The accounting errors correction in previous period

###### (1) Retrospective restatement

###### (2) Prospective application

##### 2. Debt restructuring

##### 3. Replacement of assets

###### (1) Non-monetary assets exchange

###### (2) Other assets replacement

##### 4. Pension plan

##### 5. Discontinuing operation

##### 6. Segment information

###### (1) Recognition basis and accounting policies of reportable segment

## (2) Reporting Segment Financial Information

(3) There was no reportable segment, or the total amount of assets and liabilities of each part of reportable segment, shall disclose the reason.

## (4) Other notes

7. Other important transactions and events have an impact on investors' decision-making

8. Other

**XVII. Notes s of main items in financial reports of parent company**

## (1) Account receivable

## 1. Classification account receivables.

In RMB

Category	Year-end balance					Year-beginning balance				
	Book balance		Bad debt provision		Net carrying amount	Book balance		Bad debt provision		Net carrying amount
	Amount	Proportion (%)	Amount	Proportion (%)		Amount	Proportion (%)	Amount	Proportion (%)	
Of which :										
Accrual of bad debt provision by portfolio:	159,365,761.71	100.00%	285,283.36	0.18%	159,080,478.35	176,852,788.81	100.00%	288,862.58	0.16%	176,563,926.23
Of which :										
Aging portfolio	295,683.88	0.19%	285,283.36	96.48%	10,400.52	82,795,683.88	46.82%	285,283.36	0.34%	82,510,400.52
Other portfolio	159,070,077.83	99.81%		0.00%	159,070,077.83	94,057,104.93	53.18%	3,579.22	0.00%	94,053,525.71
Total	159,365,761.71	100.00%	285,283.36	0.18%	159,080,478.35	176,852,788.81	100.00%	288,862.58	0.16%	176,563,926.23

Accrual of bad debt provision by single item:

Accrual of bad debt provision by portfolio item: Aging portfolio

In RMB

Name	Year-end balance		
	Account receivable	Provision for bad debts	Proportion%
Within 1 year	10,400.52		
Within credit period	10,400.52		
Within 1 year after credit period			5.00%
1-2 years			10.00%
2-3 years			30.00%
Over 3 years			50.00%
3-4 years			70.00%
4-5 years	285,283.36	285,283.36	100.00%
Over 5 years	295,683.88	285,283.36	--
Total			

Accrual of bad debt provision by portfolio: Other portfolio

Name	Year-end balance		
	Account receivable	Provision for bad debts	Proportion%
Other portfolio	159,070,077.83		0.00%



Total	159,070,077.83		--
-------	----------------	--	----

Notes:

Relevant information of the provision for bad debts will be disclosed with reference to the disclosure method of other receivables if the provision for bad debts of bills receivable is accrued according to the general model of

☐Applicable ☒Not applicable

Disclosure by aging

In RMB

Aging	Amount in year-end
Within 1 year (Including 1 year)	10,400.52
Within credit period	10,400.52
Over 3 years	285,283.36
Over 5 years	285,283.36
Total	295,683.88

(2) Accounts receivable withdraw, reversed or collected during the reporting period

The withdrawal amount of the bad debt provision:

In RMB

Category	Opening balance	Amount of change in the current period			Closing balance
		Accrual	Reversed or collected amount	Write-off	
Accounts receivable	288,862.58		3,579.22		285,283.36
Total	288,862.58		3,579.22		285,283.36

(3) The current accounts receivable written-offs situation

(4) The ending balance of account receivables owed by the imputation of the top five parties

The total receivable amount of top five closing balances collected by the debtors in the current reporting period is RMB157,559,672.99, which accounts for 98.87% of the total receivables. The total amount of closing balance for corresponding accrued bad-debt provision is RMB0.00.

(5) Account receivable which terminate the recognition owing to the transfer of the financial assets

(6) The amount of the assets and liabilities formed by the transfer and the continues involvement of accounts receivable

## 2. Other accounts receivable

In RMB

Items	Amount in year-end	Amount in year-begin
Interest receivable	27,122,805.61	7,521,489.86
Dividend receivable	500,000,000.00	500,000,000.00
Other receivable	8,453,090,240.90	5,774,153,829.41
Total	8,980,213,046.51	6,281,675,319.27

## (1) Interest receivable

## (1) Classification Interest receivable

In RMB

Items	Amount in year-end	Amount in year-begin
Fixed deposit	27,122,805.61	7,521,489.86
Total	27,122,805.61	7,521,489.86

## (2) Important overdue interest

## (3) Bad-debt provision

□ Applicable √ Not applicable

## (2).Dividend receivable

## 1) Classification Dividend receivable

In RMB

Items	Amount in year-end	Amount in year-begin
Wuhu Tunghsu Equipment Technology Co., Ltd.	500,000,000.00	500,000,000.00
Total	500,000,000.00	500,000,000.00

## 2) Significant Dividend receivable aged over 1 year

## 3) Bad-debt provision

□ Applicable √ Not applicable

## (3) Other account receivable

## (1) Other accounts receivable disclosed by category

In RMB

Nature	Closing book balance	Opening book balance
Deposit	11,155,341.10	29,065,478.16
Personal official borrowing	336,146.86	163,295.56
Current account	8,441,976,283.64	5,743,653,445.32
Persona Returnable Insurance	655,870.15	603,814.14
Other	601,747.71	2,302,944.80
Total	8,454,725,389.46	5,775,788,977.98

## 2) Bad-debt provision

In RMB

Bad Debt Reserves	Stage 1	Stage 2	Stage 3	Total
	Expected credit losses over the next 12 months	Expected credit loss over life (no credit impairment)	Expected credit losses for the entire duration (credit impairment occurred)	
Balance as at January 1, 2019	1,635,148.56			1,635,148.56
Balance as at January 1,	—	—	—	—

2019 in current				
Balance as at June 30, 2019	1,635,148.56			1,635,148.56

Loss provision changes in current period, change in book balance with significant amount

☐ Applicable ☒ Not applicable

Disclosure by aging

In RMB

Aging	Closing balance
Within 1 year(Including 1 year)	2,462,545.16
Within credit period	2,462,545.16
Within 1 year after credit period	
Over 3 years	1,699,532.09
3-4 years	45,661.16
4-5 years	208,497.63
Over 5 years	1,445,373.30
Total	4,162,077.25

3) Accounts receivable withdraw, reversed or collected during the reporting period

The withdrawal amount of the bad debt provision:

In RMB

Category	Opening balance	Amount of change in the current period		Closing balance
		Accrual	Reversed or collected amount	
Other account receivable	1,635,148.57			1,635,148.57
Total	1,635,148.57			1,635,148.57

4) Other Receivables with Actual Verification in the Reporting Period

5) Top 5 of the closing balance of the other accounts receivable collected according to the arrears party

In RMB

Name	Nature	Closing balance	Aging	Proportion of the total year end balance of the accounts receivable	Closing balance of bad debt provision
Wuhu Tunghsu Optoelectronic Technology Co., Ltd.	Current account	3,389,564,171.94	Within credit period	39.62%	
Wuhu Tunghsu Optoelectronic Equipment Technology Co., Ltd.	Current account	1,989,513,586.99	Within credit period	23.26%	
Tunghsu(Kunshan)Display Material Co., Ltd.	Current account	1,341,936,710.56	Within credit period	15.69%	
Liaoning Tunghsu Sanbao Intelligence Technology Co., Ltd.	Current account	565,140,000.00	Within credit period	6.61%	
Guangxi Sunlong	Current account	425,980,000.00	Within credit period	4.98%	
Total	--	7,712,134,469.49	--	90.15%	

6) Accounts receivable involved with government subsidies

7) Other account receivable which terminate the recognition owing to the transfer of the financial assets Nil

8) The amount of the assets and liabilities formed by the transfer and the continues involvement of other accounts receivable

### 3. Long-term equity investment

In RMB

Items	End of term			Beginning of term		
	Book Balance	Impairment provision	Net carrying amount	Book Balance	Impairment provision	Net carrying amount
Investment in subsidiaries	26,853,312,681.51	378,172,649.84	26,475,140,031.67	24,708,559,881.51	378,172,649.84	24,330,387,231.67
Investment in joint ventures and associates	2,191,785,865.01		2,191,785,865.01	2,174,347,969.22		2,174,347,969.22
Total	29,045,098,546.52	378,172,649.84	28,666,925,896.68	26,882,907,850.73	378,172,649.84	26,504,735,200.89

#### (1) Investment to the subsidiary

In RMB

Name of investee	Opening balance	Increase /decrease				Closing balance	Closing balance of impairment provision
		Increase			Other		
Wuhu Tunghsu Optoelectronic Equipment Technology Co., Ltd.	290,900,000.00					290,900,000.00	
Shijiazhuang Xuxin Optoelectronic Technology Co., Ltd	1,966,568,609.92					1,966,568,609.92	
Zhengzhou Xufei Optoelectronic Technology Co., Ltd.	1,791,853,741.58					1,791,853,741.58	
Sichuan Xuhong Optoelectronic Technology Co., Ltd.	2,021,178,272.58	48,000,000.00				2,069,178,272.58	
Wuhu Tunghsu Optoelectronic Technology Co., Ltd.	4,711,064,000.00					4,711,064,000.00	
Fuzhou Tunghsu Optoelectronic Technology Co., Ltd.	1,745,000,000.00					1,745,000,000.00	
Wuhan Tunghsu Optoelectronic	3,247,200.00		3,247,200.00				

Technology Co., Ltd.							
Fuzhou Xufu Optoelectronic Technology Co., Ltd.	24,000,000.00					24,000,000.00	
Shenzhen Xuhui Investment Co., Ltd.	100,000,000.00					100,000,000.00	
Tunghsu (Yingkou) Optoelectronic Display Co., Ltd.	166,771,734.60					166,771,734.60	
Shijiazhuang Colour Bulb Co., Ltd	61,169,306.96					61,169,306.96	378,172,649.84
Jiangsu Jixing New Material Co., Ltd.	297,345,300.00					297,345,300.00	
Tunghsu (Kunshan) Display Material Co., Ltd.	1,000,000,000.00	400,000,000.00				1,400,000,000.00	
Beijing Xutan New Material Technology Co., Ltd.	10,500,000.00					10,500,000.00	
Beijing Xufeng Real Estate Co., Ltd.	470,000,000.00					470,000,000.00	
Tunghsu Construction Group Co., Ltd.	3,000,453,728.53					3,000,453,728.53	
Shanghai Sunlong Bus Co., Ltd.	5,900,000,000.00					5,900,000,000.00	
Shenzhen Sanbao Chuangxin Intelligent Co., Ltd.	157,598,587.50					157,598,587.50	
Beijing Tunghsu Huaqing Investment Co., Ltd.	3,500,000.00					3,500,000.00	
Shanghai Tanyuan Huigu New Material Technology Co., Ltd.	73,454,500.00					73,454,500.00	
Taizhou Tunghsu graphene Industry Investment Fund Management Centre	25,000,000.00					25,000,000.00	

Fuzhou Tunghsu Investment Development Co., Ltd.	500,000,000.00					500,000,000.00	
Anhui Xuan Optoelectronic Technology Co., Ltd.	10,000,000.00					10,000,000.00	
Tunghsu Optoelectronic EU B.V.B20	782,250.00					782,250.00	
Liaoning Tunghsu Sanbao Intellitence Technology Co., Ltd.		100,000,000.00				100,000,000.00	
Tunghsu (Jinzhou) Precision Optoelectronic Technology Co. Ltd.		500,000,000.00				500,000,000.00	
Tunghsu (Jinzhou) Precision Optoelectronic Technology Co. Ltd.		500,000,000.00				500,000,000.00	
Tunghsu (Jinzhou) Intellitence Optoelectronic Co., Ltd.		300,000,000.00				300,000,000.00	
Tunghsu (Jinzhou) Intellitence Material Technology Co., Ltd.		300,000,000.00				300,000,000.00	
Total	24,330,387,231.67	2,148,000,000.00	3,247,200.00	0.00		26,475,140,031.67	378,172,649.84

## (2) Investment to joint ventures and associated enterprises

In RMB

Name	Opening balance	Increase /decrease in reporting period								Closing balance	Closing balance of impairment provision
		Add investment	Decrease d investment	Gain/loss of Investment	Adjustme nt of other compre hensive income	Other equity changes	Declarati on of cash dividends or profit	Withdraw n impairme nt provision	Other		
I. Joint ventures											
II. Associated enterprises											
CUHK international business factoring	76,270,934.28			-1,211,117.11						75,059,817.17	

co., Ltd.											
Tunghsu Group Finance Co., Ltd.	2,056,260,495.74			16,642,259.43						2,072,902,755.17	
Zibo Bus Co., Ltd.	41,816,539.20			2,006,753.47						43,823,292.67	
Subtotal	2,174,347,969.22			17,437,895.79						2,191,785,865.01	
Total	2,174,347,969.22			17,437,895.79						2,191,785,865.01	

## (3) Other

## 4. Business income and Business cost

In RMB

Items	Amount of current period		Amount of previous period	
	Income	Cost	Income	Cost
Main business	51,609,257.90	46,674,867.31	54,602,917.98	38,492,540.23
Other business	66,719,371.43	57,593,898.73	713,064.42	
Total	118,328,629.33	104,268,766.04	55,315,982.40	38,492,540.23

Whether implemented new revenue guidelines

☐ Yes ☒ No

## 5. Investment income

In RMB

Items	Amount of current period	Amount of previous period
Investment loss through disposal of long-term equity investment	17,437,895.79	11,835,887.67
Disposal of investment income from long-term equity investments		-20,628,050.30
Other Investment income		13,923,452.07
Total	17,437,895.79	5,131,289.44

## 6. Other

## XVIII. Supplementary Information

## 1. Current non-recurring gains/losses

☒ Applicable ☐ Not applicable

In RMB

Items	Amount	Notes
Gains/Losses on the disposal of non-current assets	14,672,155.64	
Government grants recognized in the current period, except for those acquired in the ordinary course of business or granted at certain quotas or amounts according to the country's unified standards	68,408,139.17	
Entrusted with the operating of the trust to obtain fee income	246,200.42	
Net amount of non-operating income and expense except the aforesaid items	7,342,788.31	

Less: .Amount of influence of income tax	12,093,227.86	
Amount of influence of minority interests	12,495,212.36	
Total	66,080,843.32	--

For the Company's non-recurring gain/loss items as defined in the Explanatory Announcement No.1 on information disclosure for Companies Offering their Securities to the Public-Non-recurring Gains and Losses and its non-recurring gain/loss items as illustrated in the Explanatory Announcement No.1 on information Disclosure for Companies offering their securities to the public-non-recurring Gains and losses which have been defined as recurring gains and losses, it is necessary to explain the reason.

☐ Applicable ☒ Not applicable

## 2 Return on net assets and earnings per share

Profit of the report period	Return on net assets . Weighted (%)	Earnings per share	
		Basic earnings per share	Diluted gains per share
Net profit attributable to the Common stock shareholders of Company.	2.57%	0.15	0.15
Net profit attributable to the Common stock shareholders of Company after deducting of non-recurring gain/loss.	2.37%	0.14	0.14

## 3. Differences between accounting data under domestic and overseas accounting standards

(1) Differences of net profit and net assets disclosed in financial reports prepared under international and

Chinese accounting standards

☐ Applicable ☒ Not applicable

(2) Differences of net profit and net assets disclosed in financial reports prepared under overseas and

Chinese accounting standards

☐ Applicable ☒ Not applicable

(3) Explain reasons for the differences between accounting data under domestic and overseas accounting standards, for audit data adjusting differences had been foreign audited, should indicate the name of the foreign institutions

## 4.Other



#### XI. Documents available for inspection

- 1.The original semi-annual report bearing the signature of the Chairman of the Board of Directors of the Company;
- 2.The text of the financial report bearing the seal and signature of the person in charge of the Company, financial controller and the person in charge of accounting organ
3. Originals of all documents and manuscripts of public Notices of the Company Disclosed in public in the newspapers as designated by China Securities Regulatory Commission.
4. **【Notes】** This Report has been prepared in both Chinese and English. In case of any discrepancy, the Chinese version shall prevail.

Tunghsu Optoelectronic Technology Co., Ltd.

Chairman:Wang Lipeng

Issue day approved by the Board of Directors: August 30, 2019