

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

## **2018 Annual Report**

**April 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. Gao Feipeng, 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 annual report.

All the directors attended the board meeting for reviewing the 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 IX Operation Conditions Discussion and Analysis.

The profit distribution proposal reviewed and approved by the boarding meeting was summarized as follows: total share of 5,730,250,118 for Base on the Company's total share capital, the Company would distribute cash dividend to all the shareholders at the rate of CNY 0.70 for every 10 shares(including tax), 0 bonus share (including tax) and no reserve would be converted into share capital.

## Table of Contents

- I. Important Notice, Table of contents and Definitions
- II. Basic Information of the Company and Financial index
- III. Outline of Company Business
- IV. Management's 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. Administrative structure
- X. Corporate Bond
- XI. Financial Report
- XII. 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.
Shenzhen Xin Ying Tong	Refers to	Shenzhen Xin Ying Tong Technology Co., Ltd.
Tunghsu (Kunshan )	Refers to	Tunghsu (Kunshan) Display material Co., Ltd.
Chongqing Jihuateng	Refers to	Chongqing Jinhuateng 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	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		
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	www:dongxuguangdian.com.cn		
E-mail	dxgd@dong-xu.com		

### 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. Information disclosure and placed

Newspapers selected by the Company for information disclosure	China Securities Journal ,Shanghai Securities News,Securities Times and Hong Kong Commercial Daily
Internet website designated by CSRC for publishing the Annual report of the Company	http://www.cninfo.com.cn
The place where the Annual report is prepared and placed	Securities Dept of the Company

## IV. Registration changes of the Company

Organization Code	No Change
Changes in principal business activities since listing (if any)	No Change
Changes is the controlling shareholder in the past (is any)	No Change

## V. Other Relevant Information

## CPAs engaged

Name of the CPAs	Hebei Guanghuacai Guanghua Certified public Accountants LLP.
Office address	24/F,A Building,Wantong New Word office Building,No.2 Fuwai Street, Xicheng District, Beijing
Names of the Certified Public Accountants as the signatories	Qi Zhenghua, Meng Xiaoguang

The sponsor performing persist ant supervision duties engaged by the Company in the reporting period.

Applicable  Not applicable

Independent financial advisor hired by the Company to exercise constant supervision over the Company during the Reporting period

Applicable  Not applicable

Name	Office address	Name of sponsor	Consistent supervision period
Zhongtian Guofu Securities Co., Ltd.	Financial Area,(North), B Zhongtian Huizhan City,Changling North Road, Guanshanhu District, Guiyang, Guizhou.	Chen Dongyang, Zhang Jin	2017.10.26-2018.12.31

## VI. 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

Reasons for retrospective restatements:

Business merger under the same control.

	2018	2017		Changed over last year ( % )	2016	
		Before adjustment	After adjustment		After adjustment	Before adjustment
Operating revenue ( Yuan )	28,211,700,021 .12	17,336,364,158 .13	17,276,969,039 .03	63.29%	7,632,049,549. 25	7,631,092,002. 07
Net profit attributable to the shareholders of the listed company ( Yuan )	2,163,607,505. 39	1,743,666,827. 25	1,730,174,564. 57	25.05%	1,303,685,863. 90	1,301,466,332. 10
Net profit after deducting of non-recurring gain/loss attributable to the shareholders of listed company ( Yuan )	2,045,875,472. 28	1,539,583,478. 72	1,534,569,793. 43	33.32%	961,311,896.60	961,311,896.60
Net Cash flow generated by business operation ( Yuan )	388,252,004.52	1,265,773,428. 34	1,253,178,511. 31	-69.02%	748,957,164.24	741,861,295.45
Basic earning per share(Yuan/Share)	0.38	0.33	0.32	18.75%	0.28	0.28
Diluted gains per share(Yuan/Share)(Yuan/Share)	0.38	0.33	0.32	18.75%	0.28	0.28
Net asset earning ratio ( % )	6.83%	7.09%	6.95%	-0.12%	7.55%	7.54%
	End of 2018	End of 2017		Changed over last year ( % )	End of 2016	
		Before adjustment	After adjustment		After adjustment	Before adjustment
Gross assets ( Yuan )	72,576,122,859 .60	67,683,329,226 .91	68,611,332,346 .16	5.78%	50,287,380,415 .68	51,373,374,293 .43
Net assets attributable to shareholders of the listed company ( Yuan )	32,521,130,925 .14	30,922,796,455 .46	30,941,044,388 .04	5.11%	23,286,206,822 .68	23,325,208,072 .11

## VII.The differences between domestic and international 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

### VIII. Main Financial Index by Quarters

In RMB

	First quarter	Second quarter	Third quarter	Fourth quarter
Operating income	4,665,570,392.15	6,464,281,398.73	6,133,715,988.34	10,948,132,241.90
Net profit attributable to the shareholders of the listed company	425,984,601.17	432,311,487.91	456,861,464.93	848,449,951.38
Net profit after deducting of non-recurring gain/loss attributable to the shareholders of listed company	391,131,962.40	420,213,516.37	440,653,348.34	793,876,645.17
Net Cash flow generated by business operation	-1,057,540,776.02	1,141,158,063.68	-599,044,017.62	903,678,734.48

Whether significant variances exist between the above financial index or the index with its sum and the financial index of the quarterly report as well as semi-annual report index disclosed by the Company.

Yes  No

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

Applicable  Not applicable

In RMB

Items	Amount (2018)	Amount (2017)	Amount (2016)	Notes
Non-current asset disposal gain/loss(including the write-off part for which assets impairment provision is made)	3,450,757.10	-69,697.52	19,167.58	
Government subsidies recognized in current gain and loss(excluding those closely related to the Company's business and granted under the state's policies)	124,464,054.70	101,686,984.15	356,943,995.55	
Income from the exceeding part between investment cost of the Company paid for obtaining subsidiaries, associates and joint-ventures and recognizable net assets fair value attributable to the Company when			1,804,209.86	

acquiring the investment				
Gain/loss on entrusting others with investment or asset management	14,623,990.55	59,041,599.98		
Net gain and loss of the subsidiary under the common control and produced from enterprise consolidation from the beginning of the period to the consolidation date	-11,435,425.33	66,046,481.62	66,680,503.61	
Income from custodian charge obtained from entrusted operation	707,547.18	8,973,818.33	8,022,209.26	
Net amount of non-operating income and expense except the aforesaid items	10,172,838.56	-29,905.76	-9,601,776.32	
Other non-recurring Gains/loss items	552,086.75			
Less :Influenced amount of income tax	20,174,896.94	22,693,220.73	52,541,535.96	
Influenced amount of minor shareholders' equity (after tax)	4,628,919.46	17,351,288.93	31,172,338.08	
Total	117,732,033.11	195,604,771.14	340,154,435.50	--

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. Outline of Company Business

#### 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

The Company is a leading manufacturer of optoelectronic display materials and a comprehensive service provider of intelligent manufacturing. In the field of optoelectronic display materials, With a liquid crystal glass substrate production capacity ranked first in China and fourth in the world, the Company makes a horizontal layout in cover glass originals, cambered cover glass, optical films, color filters, sapphire and other key optoelectronic display materials and stands out with an industrial cluster advantage; in high-end equipment manufacturing, the Company takes advantage of the technology spillover effect of its independently developed complete-set glass substrate manufacturing equipment to fulfill an in-depth exploration for high-end intelligent

equipment in the optoelectronic industry chain while extending the high-end equipment manufacturing business to a variety of areas and acting as its important income and profit source; in new energy automobile, the Company takes Sunlong Bus as carrier to spare no effort to promote the development of such sectors as new energy buses and logistics vehicles and work hard to build the new energy automobile business to its another important income and profit source; in addition, the Company develops its main businesses in conjunction with its building installation and electronic communication seen as value-added businesses which supplement its main businesses.

## I. Optoelectronic Display Materials Business System

### 1. LCD glass substrate 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. The Company is the only enterprise in China that masters the two kinds of glass substrate production processes-namely overflow fusion method and the floating method-at the same time. Currently, the Company possesses four production bases of liquid crystal glass substrate respectively located in Zhengzhou, Shijiazhuang, Wuhu and Fuzhou, covering G5, G6, and G8.5 TFT-LCD liquid crystal glass substrates. The company has 20 liquid crystal glass substrate production lines (including construction-in-progress and proposed projects), with that the mass production capacity tops first in China and ranks fourth in the world.

### 2. Other display material business

To strengthen the competitiveness and profitability of its business of display materials and comply with the OLED flexible display development trend, the Company adopts a horizontal industry train extension strategy. Since 2015, it has laid out in cover glass originals, cambered cover glass, optical films, color filters, sapphire and other businesses, hence its business structure has been optimized and industrial cluster effect has taken shape.

Cover glass is intended for protecting touch modules and display screens. The Company has a float-process high-aluminum cover glass substrate original production line with a high-aluminum cover glass substrate original production capacity ranked first in China and third in the world; cambered cover glass is also known as 3D cover glass and characterized by curving flexibility, thinness, transparency, cleanliness, fingerprint resistance, dazzle resistance, weathering resistance, etc. and can promote the touch feelings of intelligent terminal products. The cambered cover glass production line with a production capacity of nearly 5 million sheets built by the Company in 2018 has been available for production and sales in batches. Applicable to flexible display, this product is one of powerful measures taken by the Company to comply with the OLED flexible display development trend; the Company's optical film products can cover diffusion, reflection, prism, composite prism and other sub-areas and are mainly used in TFT-LCD backlight; color filter is a key component for LCD colorization and the Company's staple is G5 color filters; sapphire is extensively applied in LED substrate materials and optical elements among other fields and the Company's current staples include 2-inch and 4-inch LED substrate products.

### 3. Graphene preparation and industrialization business

The graphene, with excellent optical, electrical, thermal and mechanical properties, has important application prospects in the material science, energy, etc., and it is considered to be a revolutionary new material.

In recent years, the Company has highlighted laying out in one of strategic emerging industries--industrial application of graphene. In the report period, the Company successfully kept pace with University of Manchester of UK and other famous universities and scientific research institutions in the world regarding industrial

application of graphene and sped up improving development of its own products using graphene by internationally advanced equipment and technical reserves. Based on such four developed industrial product lines as graphene-based lithium ion battery, graphene electric heating, graphene energy-saving illumination and graphene anti-corrosion coating, the Company made breakthroughs in techniques of preparation of high-quality graphene and its derivative raw materials and kept actively exploring new techniques for preparation of graphene and other two-dimensional materials. At the moment, the Company's products of industrial application of graphene mainly cover all kinds of graphene products, graphene-clad anode materials, graphene-based lithium ion battery, graphene high-power LED series light, graphene intelligent electric heating, graphene anti-corrosion coating, graphene-based solid-state flexible lithium ion battery and other products, some of which have been supplied in batches and sold overseas.

## II. High-end equipment and technical services business

By a powerful independent R&D capacity, the Company takes the lead in breaking the international comprehensive mold regarding production equipment and technology and becomes China's only company that has a complete-set liquid crystal glass substrate production process and equipment manufacturing capacity at the same time. After years of development, the Company has completed an in-depth exploration for high-end intelligent equipment in optoelectronic industry chain and kept developing the business market of high-end equipment with a high technology and additional value by the technology spillover effect of its independently developed complete-set glass substrate production equipment in the context that equipment substitutes labor and meets intelligent efficient production in national industrial manufacturing. Step by step, it has become a hi-tech equipment manufacturer that provides design, R&D, and manufacturing of high-end intelligent equipment, semiconductor equipment, and automatic production line equipment for high-end customers in TFT-LCD and OLED panel display industry. Besides, the Company reached out to intelligent platform robotics expected to render a new driver to steady development of its high-end equipment business through M&A of Sanbao Innovation in 2018.

## III. New Energy Bus Business

The Company acquired Sunlong Bus in 2017, marking that it is duly stepping into the new energy bus area. At the moment, Sunlong Bus's new energy automobile products including BEV, hybrid, and fuel cell and other new energy commercial vehicles are mainly oriented in Mainland China (save Qinghai and Tibet) and sold in batches to South Korea, Southeast Asia, Middle East, South America, and Africa among other regions. In 2018, Sunlong Bus was ranked in the eighth place for the eighth time regarding sales; by sub-area, Sunlong's new energy highway bus and bus sales were ranked in the fourth and tenth place respectively. In addition to outstanding sales, Sunlong Bus keeps developing new techniques to replace the prior ones and in hydrogen cell bus manufacturing in particular, Since the first hydrogen fuel cell bus was produced in 2007, it has accumulated years of experience. In 2018, the Company made a full range of major types of hydrogen cell buses ranging from 8m to 12m, wherein 10m and 12m urban hydrogen cell buses were successfully incorporated into List of Recommended Types of New Energy Automobiles in Publicity and Application; in intelligent public transportation product manufacturing, Sunlong Bus worked together with DeepBlue Technology to jointly develop an intelligent Panda Bus, implementing scenario-based application of artificial intelligence and offering a new development function for the Company's new energy automobile business.

## IV. Other businesses

### 1. Construction & installation business

The Company runs its building installation business supplementing its main businesses in a variety of models



such as integrated underground pipe gallery, municipal infrastructure, sponge city, and smart city based on other key sectors, provides infrastructure and construction engineering services in new materials, energy-saving environmental protection, bridge engineering and other areas and makes intelligent products and quality services in conjunction with each other to boost its growth.

## 2. Electronic communication business

The electronic communication business is a replenishment to the Company's main businesses. The Company integrates high-end equipment and liquid crystal display materials customer resources and uses its mature marketing channels to keep increasing import and export channels for liquid crystal display modules, memory chips, high-end peripheral and complete-built-unit electronic products and render quality integrated services for customers with personalized needs.

## II. Major Changes in Main Assets

### 1. Major Changes in Main Assets

Main assets	Major changes
Equity assets	No
Fixed assets	No
Intangible assets	No
Construction in process	Since the first hydrogen fuel cell bus was produced in 2007, it has accumulated years of experience.
Real estate Investment	The investment real estate was attributable to leasing of some properties and other fixed assets in the current period.
Development expenses	The development disbursement increased, attributable to an increase in the sales income, business extension and more spending on R&D.
Notes receivable & account receivable	The increase in development expenditure is due to the increase in sales revenue and the expansion of business.
Prepayment	The expansion of sales and production increases supplies and inventory.
Other non-current assets	In order to expand the scale of company development, increase the construction and acquisition of long-term assets.

### 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

### 1.Strong ability of independent R & D and innovation

Based on years of industrial development and experience, Tunghsu Optoelectronic keeps strengthening its independent innovation capacity, highlights cooperation and exchange with famous national and international scientific research institutions and specialized universities and colleges, and builds an integrated "industry-university-research" scientific research cooperation mechanism, which has founded a national engineering lab of panel display glass technology and equipment, national enterprise technology center, academician workstation, graphene research institute, etc. to give a powerful technical assurance and R&D support to its sustainable development.

Till this date, the Company and its holding shareholders have obtained and applied for more than 2,400 independent intellectual properties pertaining to liquid crystal glass substrate, high-aluminum float-process cover glass, high-end equipment manufacturing, complete-built-unit manufacturing, graphene product making, etc. Herein the Company's wholly-owned subsidiaries including Wuhu Equipment, Wuhu Optoelectronic, Zhengzhou Xufei, Shijiazhuang Xuxin, and Sichuan Xuhong, holding shareholder Tunghsu Group, Beijing University of Technology and Wuhan University of Technology worked together to complete projects of "key techniques for highly uniform ultra-clean glass substrate for optoelectronic display, equipment development and industrialization" and "complete-set techniques for mass production of high-strength ultra-thin float-process aluminosilicate screen protection glass, application and development" which won the first prize regarding substrates and second prize regarding covers in the 2018 "National Award for Science and Technology Progress".

### 2. The scale advantages of core optoelectronic display materials

Till the end of the report period, the Company had five liquid crystal glass substrate production bases located at Zhengzhou, Shijiazhuang, Yingkou, Wuhu and Fuzhou for making a full range of G5, G6 and G8.5 TFT-LCD liquid crystal glass substrate products with a mass production capacity steadily ranked in the first place in China and fourth place in the world and production lines for such key optoelectronic display materials as high-aluminum cover glass, color filter and sapphire. As all its production lines are put into production one after another, the Company has seen a year-on-year rise of market share in national optoelectronic display materials, its scale benefit has taken shape, and all its key optoelectronic display materials have implemented a sound linkage effect, effectively reinforcing its core competitiveness in optoelectronic display materials, raising the right to say in offering downstream customers and assuring profitability of its key optoelectronic display materials.

### 3. The advantages of integration of endogenous and extension industrial chains

Relying on the controlling shareholder Tunghsu Group's more-than-20 years' experience and technological accumulation, the Company, through the endogenous development method, gradually grew into a leading optoelectronic display material supplier and the comprehensive high-end equipment manufacturer in the industry. Meantime, the company, via the extension method, actively explored in the fields of new energy vehicles and graphene, striving to build the Closed Loop of Industrial Chain of "high-end materials— Graphene-based Lithium-ion Battery-New Energy Vehicle". Centering on the main route of utilizing the industrial synergy, directing by realizing the absolute control and advancing by capital means, the company aimed to realize the effect of "1+1>2", and it has successively carried out the horizontal and vertical industrial chain integration for the optoelectronic display materials chains and the high-end equipment manufacturing industry chains, thus adding new vitality to the rapid development of the company.

### 4. Synergistic advantages & effects from various business sectors

In the field of optoelectronic display materials, the company has successively invested and established factories in provinces including Hebei, Henan, Anhui, Sichuan, Jiangsu, Fujian and Liaoning , with the industrial

layout having the economies of scale, and for one hand, it has contributed a large amount of tax revenue to local government and provided a large number of jobs, and for another hand, it has maintained close cooperation with major customers such as BOE. Upon the M&A of Sunlong Bus, the Company has set out to invest and build new energy automobile industry bases in Guangxi, Sichuan, Jiangsu and elsewhere and conduct profound cooperation with the preceding areas. The synergy effect between the company's photoelectric display materials and intelligent manufacturing business gradually became evident, thus gradually forming the business model with comprehensive sales and synergistic effect, so that the company's overall risk resistance capacity and comprehensive competitiveness have been improved.

#### 5. Highly-efficient management and decision-making mechanism

Since Tunghsu Group became the controlling shareholder, the company's management system has achieved a thorough transition from the state-owned enterprise to a private enterprise. The company has continuously improved its incentive system and remuneration system, and the company has garnered a large number of elites and talents as the company has set up the strict and attractive assessment mechanism, rolled out two employee stock ownership plans and the stock incentives with restrictive-conditions and other flexible and efficient ways to motivate the talents. Meantime, the management accurately and incisively studied and judged the market trends and industrial development direction, quickly and flexibly seized opportunities, mobilized the talents and organized the resources by marketization means, enabling that the company efficiently entered the strategic emerging industries such as new energy vehicle and graphene and snatched the strategic high ground in time. Therefore, the company's highly flexible and efficient management and decision-making mechanism has continuously spawned the productivity for the company, with the advantages becoming more obvious.

## IV. Management's Discussion and Analysis

### I. General

In 2018, Tunghsu Optoelectronic kept forging ahead despite the difficulty and challenge. In the report period, the Company's management and employees made concerted efforts to steadily push forward all its production and operation activities and advanced all the work concerning operation plans worked out by its board of directors. In 2018, the Company kept innovating based on the prior results and focused on technical innovation to proceed with upgrading and growth of the existing industry. In the context that industrial collaboration and cluster effect drove each other, the Company further optimized its industry chain layout in optoelectronic display materials, high-end intelligent manufacturing, new energy automobile and graphene and promoted production capacity and growth to implement rapid and efficient growth. In the report period, the Company took the initiative to blaze new trails in a pioneering spirit and forge ahead with determination. It implemented an operating income of RMB 28.212 billion, up 63.29% compared with 2017; it implemented a net profit attributable to listed company shareholders of RMB 2.164 billion, up 25.05% compared with 2017.

#### (1) Optoelectronic display material business

##### 1. Ever-rising performance driven by advanced glass substrate business

In 2018, an increase in the demand for jumbo display screens at panel market drove an ever-increasing demand for display screen glass substrates. In the context, the Company's glass substrate production agreed with the demand of liquid crystal panels, leading a steady development in its glass substrate business. At the moment, the Company has five liquid crystal glass substrate production bases located at Zhengzhou, Shijiazhuang, Wuhu, Fuzhou and Yingkou and more than 20 liquid crystal glass substrate production lines covering G5, G6 and G8.5 liquid crystal glass substrate products and can provide high-quality glass substrate products for downstream panel customers with different dimension needs. In compliance with the development trend and technical reform of jumbo and multi-screen times, the Company effectively yield and output rate of jumbo liquid crystal glass substrates, lowers production cost and boosts stable growth of performance. In the report period, the Company took advantage of strengths of multiple dimensions and types of liquid crystal glass substrate products and full coverage of major panel manufacturers in Mainland China and Taiwan including BOE, Century Technology (Shenzhen) Corporation, Infovision Optoelectronics, Shenzhen Tianma, AU Optronics, etc. to implement a sales income of RMB 4.716 billion in the year. In the report period, the project of "key techniques for highly uniform ultra-clean glass substrate for optoelectronic display, equipment development and industrialization" which the Company's wholly-owned subsidiaries including Wuhu Equipment, Wuhu Optoelectronic, Zhengzhou Xufei, and Shijiazhuang Xuxin got involved in won the first prize regarding substrates in the 2018 "National Award for Science and Technology Progress" awarded by the State Council of the People's Republic of China.

##### 2. Company's accumulation of OLED display glass substrate techniques under a horizontal layout

In the wake of breakthrough in and demand for flexible display techniques on market, it is expected that flexible display screens will boom in the future. In the context, the Company complies with the OLED flexible display screen trend and makes an optimal horizontal layout in high-aluminum cover glass substrate, cambered

cover glass, optical film, color filter and other key optoelectronic display materials that apply to flexible display area. In the report period, the Company implemented bulk supply to downstream, which became a new performance growth point step by step.

In 2018, the Company's wholly-owned subsidiary Xuhong Optoelectronics built and put into production and sales a cover glass production line for cambered display with an annual capacity of nearly 5 million sheets. Its best product "Panda King" cover glass made a significant breakthrough in flexibility--implementing 360° bending and breaking the international technical monopoly. Characterized by fall resistance, scratch resistance, high transmittance, high touch sensitivity, etc., "Panda King" won the first prize of 2018 Sichuan Patent Award and was successfully incorporated into the raw material supply chain of such distinguished terminal brands as Huawei, MIUI, LG, Lenovo and VIVO through finish machining of such downstream customers as Lens Technology, Biel Optoelectronics, Junda Optoelectronics, Firststar Panel Technology and Dongguan Xuhong. The cover project of "complete-set techniques for mass production of high-strength ultra-thin float-process aluminosilicate screen protection glass, application and development" which Xuhong Optoelectronics got involved in won the second prize regarding covers in the 2018 "National Award for Science and Technology Progress" awarded by the State Council of the People's Republic of China.

In the report period, the Company's first G5 color filter production line for TFT-LCD was put into trial production, effectively raising the additional value of the existing G5 liquid crystal glass substrate products.

### 3. Acceleration of industrialization of graphene by building an alliance of international giants for cooperation

Seizing the academic commanding height and conducting international industrial cooperation and integrated linkage, the Company entered into a Manchester with British University of Manchester and UG2M to address key problems in product engineering at the current stage and accelerate improving its own product development system based on worldwide advanced equipment and top technical reserves of University of Manchester. The Company established a partnership with UG2M--a British company taking the lead in graphene to jointly drive industrialization of graphene and technical promotion in this respect and incubate products applied in the graphene industry, laying a foundation for selling products in China and around the world. The "Super Light" graphene product launched by the Company's holding subsidiaries including Huzhou Mingshuo and Mudanjiang Mingshuo won bids for roadway lighting projects at Hangzhou, Puyang, Zhangjiakou, Mudangjiang, etc., indicating that graphene high-power LED street lamp product has been recognized on market step by step by its own outstanding advantages to further promote its mass industrialization which will have a positive impact on the business performance of the Company's graphene business sector. In 2018, the Company's graphene business sector implemented an operating income of RMB 181 million.

#### (II) Intelligent manufacturing service system

##### Steady promotion of equipment and technical services with sustainable effort

Based on years of experience in electronic glass equipment manufacturing and rapid growth of China's high-end equipment manufacturing in recent years and guided by a good policy environment, the Company has completed an in-depth exploration for high-end intelligent equipment in optoelectronic industry chain and shifted its spending from traditional sectors to strategic emerging sectors and development from the equipment technology market needed to the business market of high-end equipment with a high technology and additional value. Step by step, it has become a hi-tech equipment manufacturer that provides design, R&D, and manufacturing of high-end intelligent equipment, semiconductor equipment, and automatic production line equipment for high-end customers in TFT-LCD and OLED panel display industry. The Company spares no effort to foster and develop the high-end intelligent equipment manufacturing seen as a strategic option to seize economic and technological development commanding height in the future. In the report period, the Company

acquired Sanbao Innovation to reach out to intelligent manufacturing service robotics from high-end equipment manufacturing. As a result of the industrial upgrading, the Company improved its competitive edge. And in the wake of ever-rising market demand, the Company took a steady flow of high-end equipment manufacturing orders. In 2018, the Company's business of high-end equipment and technical services implemented a continuously but steadily rising operating income of RMB 8.388 billion, attributable to orders for high-end equipment including optoelectronic display equipment and semiconductor equipment concluded with BOE, Yuansheng Optoelectronics, China Star Optoelectronics, Xiamen Tianma, and Shiya Technology among other companies.

## (II) New Energy Bus Business

New energy automobile business complying with the situation and forging ahead despite the downturn

Only the toughest grass can stand strong winds; fire is the test of gold. In review of the 2018 new energy bus market, in the context of tighter subsidy policy, restricted capacity increase and slowdown in technical updating and upgrading, emerging and booming Sunlong Bus built a new pattern by its own comprehensive strength in this round of shuffle in the industry. In 2018, Sunlong new energy bus achieved sales revenue of 4.258 billion yuan. 4.258 billion, ranked in the eighth place in the industry with an increase of 69.39%. In the report period, the Company's hydrogen cell bus won the bid for the Zhangjiakou downtown bus purchase project to provide green travel services for citizens of Zhangjiakou during the 2022 Beijing-Zhangjiakou Olympic Winter Games and put into practice the philosophy of green Olympic Winter Games. Till the end of the report period, it covered 8-12m major types of hydrogen cell buses, among which, 10m and 12m hydrogen cell city buses were successfully incorporated into the List of Recommended Types of New Energy Automobiles in Publicity and Application and many hydrogen cell city buses were displayed at international exhibitions. In the corresponding period, the Company's wholly-owned subsidiary Guangxi Sunlong became a military supplier of Back Service Department of Central Military Commission, driving the Company's new products to be steadily launched on military supply market and assuring the Company's strategic development. Besides, the Company is planning a new energy automobile industry base layout covering East China, West China, South China and North China and building a Tunghsu New Energy Automobile Industry Cluster. After this project is completed and put into production, the Company's new energy automobile business sector will act in line with the situation, boosting development of China's new energy automobile industry and driving development of new energy, new materials, Internet of Things, automatic drive, artificial intelligence and other strategic emerging industries concerned.

## (III) Other value-added business systems

Progress with maintained stability in conjunction with building installation business and electronic communication business

Building installation engineering business and electronic communication business supplement the Company's main businesses. In the report period, the Company run its building installation business by providing infrastructure and construction engineering services in new materials, energy-saving environmental protection, bridge engineering and other areas and making intelligent products and quality services in conjunction with each other in a variety of models such as integrated underground pipe gallery, municipal infrastructure, sponge city, and smart city based on other key sectors to boost its growth. In addition, the Company maintained an ever-rising momentum in the electronic communication business. Under the industrial collaboration effect, the Company made use of high-end equipment and liquid crystal display materials customer resources and its mature marketing channels to keep increasing import and export channels for liquid crystal display modules, memory chips, high-end peripheral and complete-built-unit electronic products and render quality services for customers with personalized needs. In 2018, the Company's building installation engineering business and electronic communication business implemented an operating income of RMB 5.28 billion and RMB 3.63 billion respectively.

## II. Main business analysis

### 1. General

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

### 2. Revenue and cost

#### (1)Component of Business Income

In RMB

	2018		2017		Increase /decrease
	Amount	Proportion	Amount	Proportion	
Total operating revenue	28,211,700,021.12	100%	17,276,969,039.03	100%	63.29%
On industry					
Optoelectronic display material	4,715,995,341.60	16.72%	3,385,250,589.42	19.59%	39.31%
Equipment and Technology serves	8,388,418,369.14	29.73%	7,239,942,351.91	41.91%	15.86%
Industrial application of graphene	181,389,128.68	0.64%	67,322,912.63	0.39%	169.43%
New energy vehicle	4,257,501,557.67	15.09%	2,513,425,799.56	14.55%	69.39%
Construction Installation	5,280,053,280.29	18.72%	1,896,347,858.88	10.98%	178.43%
Electronic communication products	3,629,930,835.74	12.87%	2,141,375,356.27	12.39%	69.51%
Other	1,758,411,508.00	6.23%	33,304,170.36	0.19%	5,179.85%
On Products					
Optoelectronic display material	4,715,995,341.60	16.72%	3,385,250,589.42	19.59%	39.31%
Equipment and Technology serves	8,388,418,369.14	29.73%	7,239,942,351.91	41.91%	15.86%
Industrial application of graphene	181,389,128.68	0.64%	67,322,912.63	0.39%	169.43%
New energy vehicle	4,257,501,557.67	15.09%	2,513,425,799.56	14.55%	69.39%
Construction Installation	5,280,053,280.29	18.72%	1,896,347,858.88	10.98%	178.43%
Electronic communication products	3,629,930,835.74	12.87%	2,141,375,356.27	12.39%	69.51%

Other	1,758,411,508.00	6.23%	33,304,170.36	0.19%	5,179.85%
Area					
China	25,855,603,599.82	91.65%	16,240,515,360.46	94.00%	59.20%
Hongkong,Macau and Taiwan	2,005,739,741.59	7.11%	1,007,002,901.40	5.83%	99.18%
Overseas	350,356,679.71	1.24%	29,450,777.17	0.17%	1,089.63%

### III.Non-core business analysis

√ Applicable □ Not applicable

In RMB

(2)Situation of Industry, Product and District Occupying the Company's Business Income and Operating Profit with Profit over 10%

√ Applicable □ Not applicable

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

No

In RMB

	Turnover	Operation cost	Gross profit rate(%)	Increase/decrease of revenue in the same period of the previous year(%)	Increase/decrease of business cost over the same period of previous year (%)	Increase/decrease of gross profit rate over the same period of the previous year (%)
On Industry						
Optoelectronic display material	4,715,995,341.60	3,745,308,978.44	20.58%	39.31%	54.72%	-7.91%
Equipment and Technology serves	8,388,418,369.14	6,644,128,423.07	20.79%	15.86%	24.07%	-5.24%
New energy vehicle	4,257,501,557.67	3,301,027,932.47	22.47%	69.39%	64.56%	2.27%
Construction Installation	5,280,053,280.29	4,774,880,498.47	9.57%	178.43%	173.49%	1.63%
Electronic communication products	3,629,930,835.74	3,542,442,721.95	2.41%	69.51%	69.52%	-0.01%
On Products						
Optoelectronic display material	4,715,995,341.60	3,745,308,978.44	20.58%	39.31%	54.72%	-7.91%
Equipment and	8,388,418,369.14	6,644,128,423.07	20.79%	15.86%	24.07%	-5.24%



Technology serves						
New energy vehicle	4,257,501,557.67	3,301,027,932.47	22.47%	69.39%	64.56%	2.27%
Construction Installation	5,280,053,280.29	4,774,880,498.47	9.57%	178.43%	173.49%	1.63%
Electronic communication products	3,629,930,835.74	3,542,442,721.95	2.41%	69.51%	69.52%	-0.01%
Area						
Chinese Mainland	25,855,603,599.82	20,954,288,505.47	18.96%	59.20%	65.10%	-2.89%

Under circumstances of adjustment in reporting period for statistic scope of main business data, adjusted main business based on latest on year's scope of period-end.

Applicable  Not applicable

(3) Whether the Company's Physical Sales Income Exceeded Service Income

Yes  No

(4) Degree of Performance of the Significant Sales Contract Signed up to this Report Period

Applicable  Not applicable

(5) Component of business cost

Product classification

In RMB

Industry	Items	2018		2017		Increase/Decrease (%)
		Amount	Proportion in the operating costs (%)	Amount	Proportion in the operating costs (%)	
Optoelectronic display material	Operation costs	3,745,308,978.44	16.14%	2,420,764,896.51	17.70%	54.72%
Equipment and Technology serves	Operation costs	6,644,128,423.07	28.63%	5,354,959,245.05	39.16%	24.07%
Industrial application of graphene	Operation costs	108,462,263.68	0.47%	27,298,093.82	0.20%	297.33%
New energy vehicle	Operation costs	3,301,027,932.47	14.23%	2,005,947,709.45	14.67%	64.56%
Construction Installation	Operation costs	4,774,880,498.47	20.58%	1,745,898,401.73	12.77%	173.49%
Electronic	Operation costs	3,542,442,721.95	15.27%	2,089,646,020.25	15.28%	69.52%

communication products						
Other	Operation costs	1,087,827,974.30	4.69%	29,973,279.43	0.22%	3,529.33%

Note

(6) Whether Changes Occurred in Consolidation Scope in the Report Period

√ Yes □ No

1. Enterprise consolidation not under the same control

(1) Enterprise consolidation not under the same control in reporting period

Name of Acquirer	Time-point of Obtained Equity	Obtained Cost of Equity	Ratio of Obtained Equity (100%)	Method of Obtained Equity	Purchasing Date	Determination Basis on the Purchasing Date	Income of Acquire from the Purchasing Date to the End of the Period	Net Profit of Acquire from the Purchasing Date to the End of the Period
Shenzhen Sanbao Innovation Intelligence Co., Ltd.	May 30, 2018	157,598,587.50	67.00%	Enterprise consolidation not under the same control	May 30, 2018	Acquisition of control	7,659,108.35	-12,733,040.13
Zhongcheng National construction co., Ltd.	May 30, 2018	140,000,000.00	70.00%	Enterprise consolidation not under the same control	March 30, 2018	Acquisition of control		-7,172,706.59
Huaxi Nanchong Automobile Co., Ltd.	April 4, 2018	56,000,000.00	100.00%	Enterprise consolidation not under the same control	April 4, 2018	Acquisition of control		

(2) Consolidation Cost and Goodwill

In RMB

Consolidation Cost	Shenzhen Sanbao Innovation Intelligence Co., Ltd.	Zhongcheng National construction co., Ltd.	Huaxi Nanchong Automobile Co., Ltd.
--Cash	157,598,587.50	39,999,996.00	44,800,000.00
--Other account payable		100,000,004.00	11,200,000.00
Total consolidation cost	157,598,587.50	140,000,000.00	56,000,000.00

Less: Reduction: Obtained Definable Net Assets Fair Proportion	88,710,182.00	6,730,432.38	83.60
Amount of merging cost which is less than the fair value proportion of obtained net identifiable asset	68,888,405.50	133,269,567.62	55,999,916.40

## (3) The identifiable assets and liabilities of acquirer at purchase date

In RMB

Items	Shenzhen Sanbao Innovation Intelligence Co., Ltd	
	Book value on purchase date	Fair value on purchase date
Cash and bank balances	127,075,645.81	127,075,645.81
Account receivable	203,360.00	203,360.00
Inventories	26,320,943.47	18,724,138.92
Fixed assets	11,205,970.95	9,391,876.78
Intangible assets	53,241,307.46	53,849,371.07
Prepayments	318,723.00	318,723.00
Other account receivable	5,297.05	5,297.05
Other current assets	7,989,608.01	7,989,608.01
Deferred income tax asset	154,125.90	2,110.00
Deferred income tax Liabilities	2,352,724.68	
Advance receipts	410,909.49	410,909.49
Employees' wage payable	59,926.94	59,926.94
Tax payable	7,677.39	7,677.39
Other account payable	91,280,486.44	91,280,486.44
Net assets	132,403,256.71	125,801,130.38
Less: Minority interest	43,693,074.71	41,514,373.03
Acquire net assets	88,710,182.00	84,286,757.35

Continued

Items	Zhongcheng National construction co., Ltd.		Huaxi Nanchong Automobile Co., Ltd.	
	Book value on purchase date	Fair value on purchase date	Book value on purchase date	Fair value on purchase date
Cash and bank balances	1,854,947.92	1,854,947.92	83.60	83.60
Fixed assets	41,040.82	44,833.14		
Intangible assets	14,204,413.89			
Prepayments	284,956.45	284,956.45		

Other receivable	171,120.78	171,120.78		
Other current assets	28,559.54	28,559.54		
Deferred income tax asset	948.08			
Account payable	4,200.00	4,200.00		
Deferred income tax liability	3,551,103.47			
Employees' wage payable	1,261,899.22	1,261,899.22		
Other payable	2,153,881.38	2,153,881.38		
Net assets	9,614,903.41	-1,035,562.77	83.60	83.60
Less: Minority interest	2,884,471.03	-310,668.83		
Acquire net assets	6,730,432.38	-724,893.94	83.60	83.60

## 2. Business combination under the same control

### (1) Business combination under the same control during the reporting period

In RMB10,000

Name	Proportion	Basis	Combination date	Recognition basis of combination date	income of the combined party from the beginning of the current period to the date of merger	Net profit of the merged party from the beginning of the current period to the date of merger	Income of the merged party during the comparison period	Net profit of the merged party during the comparison period
Tunghsu (Yingkou) Optoelectronic Display Co., Ltd.	65.00%	Parent Company	June 30, 2018	Pay the consideration and control the operation	27,289,664.99	-11,435,425.33	16,069,429.21	-13,043,965.22

### (2) Consolidation Cost

Consolidation Cost	Tunghsu (Yingkou) Optoelectronic Display Co., Ltd
-Cash	195,525,500.00

### (3) The identifiable assets and liabilities of acquiree at purchase date

Items	Tunghsu (Yingkou) Optoelectronic Display Co., Ltd	
	Merger date	End of previous period
Cash and bank balances	49,876,382.38	85,581,351.01
Notes receivable & account receivable	26,247,411.94	27,508,065.58
Inventory	25,751,148.63	23,963,131.18

Fixed assets	330,341,703.53	335,451,284.12
Intangible assets	24,988,633.63	25,314,850.99
Prepayments	498,425.88	858,504.05
Other receivable	32,000.00	2,000.00
Other current assets	75,603,084.09	74,056,644.01
Construction in process	586,201,554.22	570,609,032.67
Deferred Income tax assets	4,807,992.36	5,334,663.88
Other non-current assets	1,985,104.15	1,985,104.15
Notes payable & account payable	30,134,535.09	101,667,530.90
Advance Payments	11,593.50	9,537.00
Employees' wage payable	296,037.13	249,318.39
Tax payable	1,840,851.65	280,315.37
Interest payable		1,075,377.78
Other payable	188,164,916.74	124,403,423.83
Non-current liabilities due 1 year	36,316,392.68	36,316,392.68
Long-term loans	420,000,000.00	425,000,000.00
Deferred Income	84,997,214.64	85,655,410.98
Other non-current liabilities	108,000,000.00	108,000,000.00
Net assets	256,571,899.38	268,007,324.71

## 3. Disposal of subsidiaries

Name	Equity disposal price	Proportion	Disposal way	Time of loss of control	Basis	difference between the disposal price and the disposal of the investment in the consolidated financial statements at the level of the net assets of the subsidiary
Xuyou Electronic Material Technology (Wuxi) Co., Ltd.	550million	51.00%	Sales	April 28,2018	Received the consideration, completed the transfer of property rights, lost control	3,182,206.12

Continued

Name	Proportion of remaining equity on the date of loss of control	Book value of the remaining equity on the date of loss of control	Fair value of the remaining equity on the date of loss of control	Re-measure the gain or loss arising from the remaining equity at fair value	Method for determining the fair value of the remaining equity on the date of loss of control and main assumptions	Amount of other comprehensive income related to Atomic Company's equity investment transferred to investment gains and losses
Xuyou Electronic Material Technology (Wuxi) Co., Ltd.	0.00%	0.00	0.00	0.00	0.00	0.00

#### 4. Subsidiary increased due to new establishment in this period

(1) On March 8, 2018, Shenzhen Xuhui Investment Holding Co., Ltd and Jiangxi University of Science and Technology set up a subsidiary-Beijing Xujiang Technology Co., Ltd., with the registered capital of RMB 22.7345 million and the paid-up capital of RMB 22.7345 million. Of which, Shenzhen Xuhui Investment Holding Co., Ltd. Subscribed and pays RMB 12 million, holding 52.78% of the shares. Jiangxi University of Science and Technology subscribed and pays RMB 10.7345 million, holding 47.22% of the shares.

(2) On March 23, 2018, Mingshuo(Beijing) Electronic Technology Co., Ltd. set up a wholly-owned subsidiary-Mudanjiang Mingshuo Optoelectronic Technology Co., Ltd., With the registered capital of RMB30 million and the paid-up capital of RMB 2 million.

(3) On May 17, 2018, Tunghsu Construction Group Co., Ltd. set up a wholly-owned subsidiary- Luoyang Construction Engineering Co., Ltd., With the registered capital of RMB 100 million and the paid-up capital of RMB 100 million.

(4) On July 16, 2018, Mingshuo(Beijing) Electronic Technology Co., Ltd. set up a wholly-owned subsidiary-Zaozhuang Mingshuo Optoelectronic Technology Co., Ltd., With the registered capital of RMB 30 million and the paid-up capital of RMB 10,000.

(5) On July 26, 2018, Jiangsu Yitai Intelligent Equipment Co., Ltd. acquired equity of Tunghsu Ruiqi (Beijing) Technology Co., Ltd. With the registered capital of RMB 20 million, Jiangsu Tunghsu Yitai Intelligent Equipment Co., Ltd. holds 51% of the shares, Liu Yang holds 32% of the shares, Xiajinlong holds 17% of the shares.

(6) November 6, 2018, Tunghsu Optoelectronic Technology Co., Ltd. set up a wholly-owned subsidiary-Anhui Xuan Optoelectronic Technology Co., Ltd., With the registered capital of RMB 1000 million and the paid-up capital of RMB10 million.

(7) Relevant Situation of Significant Changes or Adjustment of the Business, Product or Service in the Company's Report Period

Applicable  Not applicable

(8) Situation of Main Customers and Main Supplier

Information of Main Customers

Total sales amount to top 5 customers (Yuan)	6,241,919,653.45
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Proportion of sales to top 5 customers in the annual sales(%)	22.13%
Proportion of the sales volume to the top five customers in the total sales to the related parties in the year	0.00%

## Information of the Company's top 5 customers

No	Name	Amount(RMB)	Proportion(%)
1	Customer 1	2,009,430,965.39	7.12%
2	Customer 2	1,342,569,568.48	4.76%
3	Customer 3	1,079,622,920.16	3.83%
4	Customer 4	958,146,403.75	3.40%
5	Customer 5	852,149,795.67	3.02%
Total	--	6,241,919,653.45	22.13%

## Other Notes :

Applicable  Not applicable

## Principal suppliers

Total purchase of top 5 Suppliers (Yuan)	4,007,035,725.06
Percentage of total purchase of top 5 suppliers In total annual purchase(%)	19.11%
Proportion of purchase amount from the top 5 suppliers in the total purchase amount from the related parties in the year	0.00%

## Information about the top 5 suppliers

No	Name	Amount (Yuan)	Proportion
1	Supplier 1	1,148,486,354.79	5.48%
2	Supplier 2	1,017,794,292.80	4.85%
3	Supplier 3	691,932,790.49	3.30%
4	Supplier 4	663,319,885.26	3.16%
5	Supplier 5	485,502,401.72	2.31%
Total	--	4,007,035,725.06	19.11%

## Notes

Applicable  Not applicable

## 3.Expenses

In RMB

	2018	2017	Increase/D ecrease(%)	Notes

			)	
Sale expenses	334,476,301.51	209,160,183.73	59.91%	Mainly due to the increase in freight costs such as business growth.
Administration expenses	653,479,277.58	393,125,009.94	66.23%	The main reason for the increase in 2018 compared to 2017 is the increase in labor and depreciation.
Financial expenses	722,695,173.66	753,977,500.45	-4.15%	
R & D expenses	572,089,634.30	256,991,555.91	122.61%	Mainly due to business growth and R&D investment

#### 4. Research and Development

Applicable  Not applicable

In 2018, through business combination involving enterprises under common control, Tunghsu (Yingkou) Optoelectronic Display Co., Ltd. was acquired, hence a retroactive adjustment was made to 2017 data related to R&D spending, wherein the R&D spending on high-end manufacturing increased on account of the Company's M&A of Shenzhen Sanbao Innovation Intelligence Co., Ltd, in June 2018.

##### Situation of Research and Development Input by the Company

	2018	2017	Increase/Decrease(%)
Number of Research and Development persons (persons)	1,735	1,397	24.19%
Proportion of Research and Development persons	21.98%	17.61%	4.37%
Amount of Research and Development Investment ( Yuan)	596,044,201.02	385,731,049.90	54.52%
Proportion of Research and Development Investment of Operation Revenue	2.11%	2.23%	-0.12%
Amount of Research and Development Investment Capitalization ( Yuan)	21,724,530.97	15,397,704.97	41.09%
Proportion of Capitalization Research and Development Investment of Research and Development Investment	3.64%	3.99%	-0.35%

##### The Reason of the Prominent Change in Total Amount of Research and Development Input Occupying the Business Income Year on Year

Applicable  Not applicable

Explanation of the Reason for Substantial Changes in the Research and Development Input's Capitalization Rate and Its Reasonableness



Applicable  Not applicable

### 5. Cash Flow

In RMB

Items	2018	2017	Increase/Decrease(%)
Subtotal of cash inflow received from operation activities	25,914,974,422.73	18,081,214,780.67	43.33%
Subtotal of cash outflow received from operation activities	25,526,722,418.21	16,828,036,269.36	51.69%
Net cash flow arising from operating activities	388,252,004.52	1,253,178,511.31	-69.02%
Subtotal of cash inflow received from investing activities	4,760,814,599.23	10,891,847,680.49	-56.29%
Subtotal of cash outflow for investment activities	11,405,238,586.80	16,644,954,442.07	-31.48%
Net cash flow arising from investment activities	-6,644,423,987.57	-5,753,106,761.58	-15.49%
Subtotal cash inflow received from financing activities	10,927,058,792.58	16,584,610,295.08	-34.11%
Subtotal cash outflow for financing activities	14,874,380,555.60	12,487,573,196.50	19.11%
Net cash flow arising from financing activities	-3,947,321,763.02	4,097,037,098.58	-196.35%
Net increase in cash and cash equivalents	-10,198,023,465.21	-423,591,772.55	-2,307.51%

Notes to the year-on-year change of the relevant data

Applicable  Not applicable

Notes to the big difference between cash flow from operating activities and net profit in the reporting year

Applicable  Not applicable

### III. Analysis of Non-core Business

Applicable  Not applicable

In RMB

	Amount	Proportion in total profit	Explanation of cause	Sustainable (yes or no)
Investment gains	80,925,191.79	2.96%	Mainly due to the investment income of the joint venture	Sustainable
Fair value change gains and losses		0.00%		

Asset impairment	93,480,733.09	3.41%	Accounts receivable and impairment of inventories	
Non-operating income	19,063,270.76	0.70%	Occasional income	Not sustainable
Non-operating expenses	8,892,705.00	0.32%	Sporadic expenditure	Not sustainable
Other income	251,303,953.08	9.18%	Government subsidy	Partially unsustainable

### III. Condition of Asset and Liabilities

#### 1. Condition of Asset Causing Significant Change

In RMB

	End of 2018		End of 2017		Proportion increase/d decrease	Notes to the significant change
	Amount	Proportion in the total assets(%)	Amount	Proportion in the total assets(%)		
Cash and bank balances	19,807,094,397.16	27.29%	27,456,759,768.86	40.02%	-12.73%	none
Accounts receivable	14,352,781,895.39	19.78%	7,873,419,684.42	11.48%	8.30%	none
Inventories	3,510,786,666.85	4.84%	4,909,570,356.36	7.16%	-2.32%	none
Real estate Investment	686,993,881.02	0.95%	58,229,439.86	0.08%	0.87%	none
Long-term equity investment	2,174,347,969.22	3.00%	2,130,640,158.90	3.11%	-0.11%	none
Fixed assets	9,634,463,323.77	13.27%	11,379,727,456.13	16.59%	-3.32%	none
Construction in process	5,013,941,980.61	6.91%	3,667,972,406.42	5.35%	1.56%	none
Short-term loans	8,361,106,651.33	11.52%	5,712,826,382.20	8.33%	3.19%	none
Long-term loans	2,741,589,600.00	3.78%	5,209,726,250.77	7.59%	-3.81%	none
Advance payment	5,215,414,219.51	7.19%	2,021,119,950.95	2.95%	4.24%	Expand sales and production, increase material and inventory.

#### 2. Asset and Liabilities Measured by Fair Value

Applicable  Not applicable

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

The restricted assets till the end of the report period are set out as follows:

1. Restricted monetary funds amounted to RMB 4,890,457,106.12;
2. The book value of fixed assets arranged with a mortgage or incurred by financial leasing was RMB 9,130,840,228.68 till the end of the report period;

3. Intangible assets arranged with a mortgage amounted to RMB 352,121,698.93;
4. Construction-in-progress arranged with a mortgage amounted to RMB 3,143,663,638.12;
5. Investment real estate as collateral amounted to RMB 678,833,230.08;
6. Account receivable as collateral amounted to RMB 455,136,717.34;
7. Inventory as collateral amounted to RMB 317,769,074.78.

#### IV. Investment situation

##### 1. General

√ Applicable □ Not applicable

Investment Amount in 2018(Yuan)	Investment Amount in 2017(Yuan)	Change rate
6,950,053,928.88	9,606,133,252.12	-27.65%

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

√ Applicable □ Not applicable

In RMB

Name of the Company Invested	Main Businesses	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(Not e 5)	Disclosure Index
Shenzhen Sanbao Innovation Intelligence Co., Ltd.	High-end intelligent equipment	Purchase	157,750,000.00	67.00%	Self	Lin Lude, Zhuang Yongjun, Shenzhen Sanbao Innovation and Technology Partnership (Limited Partnership)	Long-term	High-end intelligent equipment	Completed	7,500,000.00	-8,754,472.52	No	May 29, 2018	<a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a>
Tunghsu	Glass substrate	Purchase	195,525,500.00	65.00%	Self	Yingko	Long-term	Glass substrate	Completed	0.00	259,101.72	No	June 13, 2018	<a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a>

(Yingkou) Optoelectronic Display Co., Ltd.	rates		0			Coastal Development and Construction Group Co., Ltd., Minmetals (Yingkou) Industrial Park Development Co., Ltd.		es					8	nfo.com.cn
Shanghai Sunlong Bus Co., Ltd.	New energy bus	Increase capital	2,100,000,000.00	100.00%	Rised funds	No	Long-term	New energy bus	Completed	400,000,000.00	433,305,590.26	No	March 27, 2018	http://www.cninfo.com.cn
Sichuan Xuhong Optoelectronic Technology Co., Ltd.	Glass cover plate	Increase capital	800,000,000.00	100.00%	Rised funds	No	Long-term	Glass cover plate	Completed	98,000,000.00	116,172,589.38	No	March 27, 2018	http://www.cninfo.com.cn
Tungshu Kunshan Display Materials Co., Ltd.	Glass substrate	Increase capital	200,000,000.00	90.86%	Rised funds	Kunshan Development Zone Guotou Holdings Co.,	Long-term	Glass substrate	Completed	0.00	-25,748,415.55	No	December 8, 2018	http://www.cninfo.com.cn

						Ltd.									
Total	--	--	3,453,275,500.00	--	--	--	--	--	--	505,500,000.00	515,234,393.29	--	--	--	

## 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

Nil

## (2) Investment in Derivatives

Applicable  Not applicable

Nil

## 5. Application of the raised capital

Applicable  Not applicable

## (1) General application of the raised funds

Applicable  Not applicable

In 10,000 yuan

Year of Raising	Way of Raising	Total raised capital	Total Amount of the Raised Fund Used at the	Total amount of Raised Funds	Amount of raised capital of which the purpose was changed in the report period	Accumulative amount of raised capital of which the purpose has been changed	Proportion of raised capital of which the purpose has been changed (%)	Total Amount of the Unused Raised Fund at the Current Period	Use and Whereabouts of the Unused Raised Fund	Amount of the Raised Fund with over 2 Years' Idling
2013	Directional add-issuance	503,880	25,257.77	496,727.3	0	0	0.00%	14.79	Not applicable	0
2015	Directional add-issuance	800,000	55,061.01	589,306.36	0	0	0.00%	210,693.64	Continue to invest	0
2015	Corporate bond	100,000	0	100,000	0	0	0.00%	-	-	0
2016	Directional add-issuance	695,000	153,260.89	201,682.88	0	0	0.00%	493,317.12	Continue to invest	0

	ce									
2017	Directional add-issuance	375,000	222,240.77	266,440.79	19,200	19,200	0.78%	108,559.21	Continue to invest	0
Total	--	2,473,880	455,820.44	1,654,157.33	19,200	19,200	0.78%	812,584.76	--	0
Corporate bonds										
In 2018, The company strictly accordance with "use of funds raised management system" and "raise funds tripartite regulatory agreement" to raise funds and special accounts storage use, and timely, truly, accurately and completely disclosure of the deposit and use of proceeds, there is no violation circumstances.										

## (2) Promised projects of raised capital

√ Applicable □ Not applicable

In 10,000 yuan

Committed investment projects and investment	Project changed (including partial change)	Total raised capital invested as committed	Total investment after adjustment (1)	Amount invested in the reporting period	Accumulated amount invested at the end of the reporting period (2)	Investment progress ended the reporting period (%) (3)=(2)/(1)	Date when the project has reached the predicted applicable status	Benefit realized in the reporting period	Has the predicted result been realized	Has any material change taken place in feasibility
Committed investment projects										
Wuhu Optoelectronic Panel display glass substrate Production line project	No	496,106.4	496,106.4	25,257.77	496,727.3	100.13%	December 31, 2019	2,312.98	Not applicable	No
Project of Production Line for the 5th-Generation CF for TFT-LCD	No	300,000	300,000	55,061	92,769	30.92%	December 31, 2019		Not applicable	No
Acquisition for 100% share rights of Xuifei Optoelectronic	No	177,000	177,000	0	177,000	100.00%	December 31, 2015		Yes	No
Acquisition for 100% share rights of Xuxin Optoelectronic	No	198,000	198,000	0	198,000	100.00%	December 31, 2015		Yes	No
To supplement the	No	125,000	125,000	0	121,537	97.23%			Not	No

circulating fund									applicabl e	
To supplement the circulating fund (Corporate bonds)	No	100,000	100,000	0	100,000	100.00%			Not applicabl e	No
Project of Production Line for the 8.5th-Generation CF for TFT-LCD	No	695,000	695,000	153,261	201,683	29.02%	Decembe r 31,2019		Not applicabl e	No
New energy bus and logistics vehicle production project	No	220,000	220,000	141,132	141,132	64.15%	Decembe r 31,2019		Not applicabl e	No
Production of cover glass for curved display	No	110,000	90,800	64,138	64,138	70.64%	Decembe r 31,2019		Not applicabl e	No
High aluminum silicon cover glass sheet production line upgrade project	Yes	0	19,200	16,170	16,170	84.22%	Decembe r 31,2019		Not applicabl e	No
Payment for procurement of Sunlong's equity consideration	No	40,000	40,000	0	40,000	100.00%		0	Yes	No
Payment transaction fees and intermediary agency fees	No	5,000	5,000	800	5,000	100.00%			Not applicabl e	No
Subtotal of Committed investment projects	--	2,466,106.4	2,466,106.4	455,819.77	1,654,156.3	--	--	2,312.98	--	--
Investment of excessive raised capital										
No	No									
Total	--	2,466,106.4	2,466,106.4	455,819.77	1,654,156.3	--	--	2,312.98	--	--
Reason or situation that not on schedule (on specific project)	Not applicable									
Notes to major changes in project feasibility	Not applicable									
Amount, application and application progress of the	Not applicable									

uncooked proceeds	
About the change of the implementation site of the projects invested with the proceeds	Not applicable
Adjustment of the implementation way of investment funded by raised capital	<p>Applicable</p> <p>Occurred in previous years</p> <p>The Company convened the 10<sup>th</sup> meeting of 8th Board of Directors on March 15, 2017.</p> <p>Pursuant to the Company's 2016 Non-public Issuance Plan of A-shares, the project funded by this non-public share issuance was the "project of building the 8.5th generation TFT-LCD glass substrate", with the company's holding subsidiary-Fuzhou Tunghsu Optoelectronic Technology Co., Ltd (hereinafter referred to as "Fuzhou Tunghsu") as the main implementation body. According to the company's business development needs, it's planned to add Fuzhou Xufu Optoelectronic Technology Co., Ltd (hereinafter referred to as "Fuzhou Xufu")-a holding subsidiary to Fuzhou Tunghsu into the main body of implementation of the project. Each TFT-LCD glass substrate production line is consisted by one pre-process production line and one post-processing production line. Fuzhou Xufu undertakes the investment and construction work of two 8.5-generation post-processing production lines in the project funded by the non-public share issuance, with the total amount involved is RMB 823.06 million, which accounts for 11.83% of the total funds raised. The total investment, the input amount of funds raised, and the construction total funds raised. The total investment, the input amount of funds raised, and the construction content of the above-said project remains unchanged.</p>
Investment projects initial investment and replacement	<p>Applicable</p> <p>(1) On April 17, 2013, The 36<sup>th</sup> Meeting of the sixth Board of Directors of the Company has examined and approved the "Proposal on the Replacement of the Self-financing Funds pre-put into Investment Project with the RAISED Funds", and agreed the company to make arrangement for the funds-raising on the replacement of the pre-investment based on the plan of non-public issuance of stocks, with the pre-invested self-financing funds of RMB 2077.4263 million replaced by the raised funds. The company's independent directors, board of supervisors and the sponsor institution-Guangzhou securities issued the clear statement of consent. A special audit report- No.5002-Zhongxin Cai Guan Hua specially Certified (2013) pertain to the item of replacing the funds pre-invested in the project which should be invested by the funds raised was issued by Zhongxincai Guanhua Certified Public Accountants (LLP).</p> <p>2) On December 29, 2015, the 46th meeting of the 7th board of directors and the 18th meeting of the 7th board of supervisors of the Company examined and adopted "Proposal on Using the Raised Fund to Replace the Self-raised Fund of the Advanced Invested Item to Raise Money for and Invest ", The company replaced the self-raising funds in amount of RMB 107.0842 million with the funds raised by the non-public issuing pertain to the relevant projects, which had been audited and certified by by Zhongxincai Guanhua Certified Public Accountants (special general partnership) with the report of No.5037 Zhongxincai Guanhua specially Certified (2015) provided.</p> <p>(3) On January 25, 2017, the 9th meeting of the 8th board of directors of the Company examined and adopted "Proposal on Using the Raised Fund to Replace the Self-raised Fund of the Advanced Invested Item to Raise Money for and Invest ", The company replaced the self-raising funds in amount of RMB 110.7478 million with the funds raised by the non-public issuing pertain to the relevant projects, which had</p>



	<p>been audited and certified by by Zhongxincai Guanhua Certified Public Accountants (special general partnership) with the report of No.105001 Zhongxincai Guanhua specially Certified (2017) provided.</p> <p>(4) In the 28<sup>th</sup> interim meeting of 8th Board of Directors held on January 10, 2018 of the Company, <i>the Proposal on the Use of Raised Funds to Replace the Self-raised Funds of the Investment Project Pre-invested Raised Funds</i> was reviewed and passed, and the Company used raised funds amounted to RMB 23.5088 million to replace the self-raised funds of the investment project pre-invested raised funds, including to replace the total self-raised funds RMB 6.6968 million of the investment project pre-invested in new energy buses, to replace the total self-raised funds RMB 881.08 million of the investment project pre-invested in curved glass and to replace the self-raised funds RMB 8 million for the payment of transaction fees and intermediary agency fees in advance. which had been audited and certified by by Zhongxincai Guanhua Certified Public Accountants (special general partnership) with the report of No.105001 Zhongxincai Guanhua specially Certified (2018) provided.</p>
Using the idle proceeds to supplement the working capital on temporary basis	<p>Applicable</p> <p>(1) On December 7, 2017, the Company convened the 24<sup>th</sup> meeting of No. 8 Board of Directors to review and decide that within 12 months from the date of passing the decision by the Board of Directors, it agreed that the Company can use RMB 300,000 million idle raised funds to temporarily supplement the Company's working capital. And would be used to supplement the company working capital temporarily for not less than 12 months from the approval date by Board of Directors, upon which, such amount would be refunded to the special account for the raising fund,</p> <p>it agreed the Company can use maximum RMB 3 ,000 million (including the principal) idle raised funds from the raised funds RMB 6950 million of “the 8.5th Generation TFT-LCD Glass Substrate Production Line Project” to invest in principal-guaranteed products with good liquidity, low risk and fixed income,. The products invested include principal-guaranteed financial products, seven-day notice deposits and one-day notice deposits, etc., using in roll within the above-mentioned capital limit; it agreed that the Company can use RMB 300,000 million idle raised funds to temporarily supplement the Company's working capital. And would be used to supplement the company working capital temporarily for not less than 12 months from the approval date by Board of Directors, upon which, such amount would be refunded to the special account for the raising fund, The board of supervisors, independent directors and sponsor organizations have agreed on this matter. The board of supervisors, independent directors and sponsor organizations have agreed on this matter. The preceding raised funds were returned and deposited into the Company's special account for raised funds in full amount on December 6, 2018 (refer to the Announcement on Due Return of Some Idle Raised Funds to Supplement Working Capital published by the Company at Cninf on December 7, 2018). (2) On December 7, 2018, the Company's eighth board of directors convened the fifty-first meeting to deliberate and adopt a Proposal on Provisional Use of Some Idle Raised Funds for Supplementing Working Capital. On the ground that raised funds met the financial demand for project construction, the Company planned to use idle raised funds in the amount of RMB 3.5 billion to supplement the working capital for the moment and return the funds duly in the event of any investment project demand for raised funds, wherein the period of use of such funds did not exceed 12 months after being deliberated and adopted by the board of directors and such funds would be returned to the special account for raised funds upon the expiry of the use. Independent directors and board of supervisors approved this proposal. The Company's sponsor Guangzhou Securities Co., Ltd. inspected and approved this proposal.</p>

The amount and reasons of the fund surplus in the project implementation	Not applicable
About application and status of the proceeds unused	Used for the construction of the project
Problems existing in application of the proceeds and the information disclosure or other issues	Not applicable

## (3) The changed project of raised proceeds

√ Applicable □ Not applicable

In RMB10,000

Project after changed	Corresponding original project	Total raised funds plans to invested after changed (1)	Amount actually invested in the period	Accumulative funds actually invested ended as the period(2)	Investment program till the period-end(3)=(2)/(1)	Predicted serviceable condition date of project	Profit realized in this year	Reach the predicted interest or not (Y/N)	Project feasibility was changed hugely or not after project changed
High aluminum silicon cover glass sheet production line upgrade project	Sheet glass production project for curved surface display	19,200	16,170.4	16,170.4	84.22%	December 31, 2019	0	Not applicable	No
Total	--	19,200	16,170.4	16,170.4	--	--	0	--	--
Explanation on reasons of the changes, decision-making procedures and information disclosure (explain by specific project)		The Company convened the thirty-ninth extraordinary meeting of the eighth board of directors, the twenty-third extraordinary meeting of the eighth board of supervisors and the 2018 fourth extraordinary general meeting of shareholders on June 12, 2018 and June 28, 2018 respectively, deliberating and adopting a Proposal on Alteration of Purpose of Some Raised Funds. While implementing the "project of production of cover glass for cambered display", the Company fulfilled the set efficiency in a variety of cost-efficient ways such as former plant reconstruction and independent development and upgrading of some							

	equipment and concluded that the entire project as completed can save some raised funds through a prudent demonstration and estimation. Therefore, the Company determined to use raised funds in the amount of RMB 192 million for the "project of production of cover glass for cambered display" to "upgrade and retrofit high aluminum-silicone alloy cover glass original production line" to promote its product quality and processing yield and reinforce its economic benefit.
Particular and reasons of fail to reached the target advance or anticipated income (explain by specific project)	Nil
Explanation on major changes on project feasibility after project changed	Nil

## VI. Sales of major assets and equity

### 1. Sales of major assets

Applicable  Not applicable

The Company had no sales of major assets in the reporting period.

### 2. Sales of major equity

Applicable  Not applicable

Counter party	Sold equities	Sold date	Transaction price(RMB 10,000)	Net profits contributed by the equities to the listed companies from the period-begin to the sold date (RMB 10,000)	Influence of the selling of the Company	Proportion of the net profits of the contributed amount of the equities selling to the listed companies to the total amount	Pricing principles of the equities selling	Whether was the related transaction	Relationship with the center party	Whether the involved equities all completed the ownership transfer	Whether execute as scheduled and if failed, should state the reasons and the adopted measurements of the company	Disclosure date	Disclosure Index

						t of the net profits							
Tunghsu Technology Group Co., Ltd.	Xuyou Electronic Materials Technology (Wuxi) Co., Ltd.	April 28, 2018	55,000	-1,487.57	No	-0.55%	Based on audited net assets	Yes	Same parent company	Yes	Yes	April 14, 2018	http://www.cninfo.com.cn

### 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	1,000,000.00	13,755,386,995.54	2,935,961,082.24	3,601,268,014.77	1,152,126,380.88	993,962,972.35
Tunghsu Construction Group Co., Ltd.	Subsidiary	Construction、Installation	3,000,000.00	6,259,440,550.97	3,515,093,817.83	5,482,287,403.41	328,684,486.40	271,566,512.31
Beijing Xufeng Real estate Co., Ltd.	Subsidiary	Building and construction Industry	870,000,000.00	1,838,373,077.62	755,833,828.16	1,084,330,384.90	378,362,128.50	283,758,478.29
Zhengzhou Xufei Optoelectronic Technology Co., Ltd.	Subsidiary	Optoelectronic Display material	1,650,000.00	4,802,479,829.41	2,174,401,242.30	1,385,295,105.07	106,711,140.46	88,567,927.59

Shijiazhuang Xuxin Optoelectronic Technology Co., Ltd.	Subsidiary	Glass substrate	1,906,000,000.00	3,309,605,175.07	2,181,522,448.03	368,078,577.55	37,096,592.71	38,845,710.75
Fuzhou Tunghsu Optoelectronic Technology Co., Ltd.	Subsidiary	Glass substrate	2,000,000,000.00	4,137,331,483.74	2,970,732,149.39	1,366,699,357.80	66,407,612.97	49,196,247.99
Shanghai Sunlong Bus Co., Ltd.	Subsidiary	New Energy Bus	3,200,000,000.00	11,319,107,934.84	4,011,771,165.58	4,630,605,185.61	493,809,850.43	433,305,590.26
Sichuan Xuhong Optoelectronic Technology Co., Ltd.	Subsidiary	Optoelectronic Display material	1,900,000,000.00	3,841,237,025.65	2,138,823,072.41	543,995,845.38	125,562,733.68	116,172,589.38

## Acquirement and disposal of subsidiaries in the Reporting period

√ Applicable □ Not applicable

Name	Mode	Influence
Shenzhen Sanbao Innovation Intelligence Co., Ltd.	M & A	Business expansion
Tunghsu (Yingkou) Optoelectronic Display Co., Ltd.	M & A	Business expansion
Xuyou Electronic Materials Technology (Wuxi) Co., Ltd.	Disposition	Based on overall strategic layout planning considerations
Anhui Xuan Optoelectronic Technology Co., Ltd.	New establishment	Business expansion
Tunghsu Optoelectronic EU.C.V	New establishment	Business expansion

Note

## VIII. Special purpose vehicle controlled by the Company

□ Applicable √ Not applicable

## I Prospect for future development of the Company

## I. The Development Trend of the Industry

In optoelectronic display, a rising demand for the size of liquid crystal display screens in the liquid crystal

panel industry drove the size of glass substrate liquid crystal display screens in 2018. Studies show that if display screens are enlarged by 1.5 inches in average, capacity of a G8.5 liquid crystal panel production line will be absorbed. The Company's glass substrate production can match the demand for liquid crystal panels, leading a steady growth in the performance of glass substrate business. In 2019, it is expected that supply of G8.5 liquid crystal panels and ones with a larger size will predominate and remain major products needed on the consumer market. IHS Markit predicts that the world's panel display area demand will rise about 6.4% to 228 million m<sup>2</sup> in 2019, laying a solid foundation for the Company's development of business of optoelectronic display materials kerneled by glass substrates.

In new energy bus, the new energy automobile subsidy has plummeted and industrial pattern has been altered in the wake of variation of the general trend. Nonetheless, driven by market under the policy instruction, Sunlong Bus--a typical bus company--has emerged and boomed to build a new pattern by its own comprehensive strength in the bus industry. In 2019, the new energy subsidy policy will heavily tighten by about 50% in average compared with it was in 2018. Affected by the current scale benefit and provisions pertaining to tightened subsidy policy in new energy automobile, the fittest will survive while the inferior will be eliminated in the industry. Besides, low cost, high technology and intelligence remain strengths of new energy automobile in future development, hence it will continue to play a major role in the automotive market.

## II . Development strategy of the company

In the context, the Company will take the strategic objective of "China's biggest optoelectronic display materials manufacturer and integrated intelligent manufacturing service provider" as its own responsibility, concentrate on China's display market, increase spending in science and technology, and take the lead in technical innovation to stabilize its business of optoelectronic display materials kerneled by liquid crystal glass substrate while further extending and developing its businesses of high-end intelligent manufacturing, new energy automobile and intelligent graphene application.

The Company will continue to push forward G8.5 production construction, enhance production quality and expand coverage of production process based on the market demand to lay a solid foundation for its major business of glass substrate. Besides, in compliance with the OLED flexible display screen trend, the Company will optimize and upgrade techniques in high-aluminum cover glass, cambered glass and sapphire among other businesses, speed up technical innovation, and promote its core competitive edge to further increase the economic benefit in the OLED flexible display area.

In 2019, on the ground of independent innovation, the Company will continue to enhance its R&D and manufacturing abilities, give a play to industrial collaboration, and cover the entire intelligent manufacturing industry chain. To be specific, the Company will make ongoing effort to build a closed loop of industry chain of "high-end materials-graphene-based lithium ion battery-new energy automobile" and transfer original scientific research results to capacity to contribute to its profit.

## III. Business plan in 2019

In 2019, oriented in industrial integration and aimed at geometric growth of net profit, the Company will continue to carry forward such major efforts as "market development, cost reduction and benefit increase", mainly involving the following work:

1. The Company will improve its G8.5 liquid crystal glass substrate production line construction and effectively promote the yield of jumbo-sized liquid crystal substrates to lower the production cost and increase its economic benefit. Mainly by implementing the Fuzhou Xufu G8.5 Production Line Project and targeting at major national customers, the Company will quickly occupy the market to promote the productivity.

2. The Company will continue to work on the high-end equipment business, wherein it will give a full play to strengths of its peripheral business, increase business channels of optoelectronic display materials and equipment,

semiconductor equipment and other universal equipment supplied to domestic high-end customers step by step, and diversify the business development layout to guarantee a steady growth of its high-end equipment business.

3. The Company will continue to improve its new energy automobile industry layout, push forward construction of the three new energy automobile industry bases at Nanning, Mianyang and Suqian, build a "new energy bus Sci-tech industry park" integrating R&D, innovation, manufacturing, promotion and publicity and speed up completion and commissioning to ensure its sufficient capacity. In addition, the Company will comply with China's "Belt & Road" thought of development, increase international marketing channels and spending in sales, and put into practice the green value philosophy of Sunlong Bus and the state-of-the-art new energy techniques.

4. The Company will promote technical R&D in the graphene battery and graphene-related sectors and combine the strength of international R&D teams to facilitate incubation of graphene-related sectors. Meanwhile, the Company will further improve and implement graphene investment projects and actively push forward such projects to seize a favorable place in the graphene industry and occupy market share.

5. Confronted with a huge market demand for OLED, the Company will on one hand, take the initiative to quickly advance all the work in cambered cover glass, color filter and sapphire production projects. On the other hand, the Company will develop its industry chain upgrading system, prepared in terms of technology and R&D for meeting the market demand for flexible display screens.

6. By its brand strength, the Company will strengthen comprehensive market development ability of each business and promote the core competitiveness of its main businesses with effort to guarantee a steady growth in its income and profit.

#### IV. Possible risks

##### 1. Risk of macroeconomic cyclical fluctuations

The optoelectronic display materials business centered on glass substrate relies on the LCD panel industry, which is a cyclical industry and a downstream industry to the company. As the prosperity of the panel industry is affected by the macroeconomic fluctuations, then if the panel price fluctuates sharply due to the deterioration of the macroeconomic environment or the imbalance between the supply and the demand, the company may face the risk of industry downturn.

##### 2. Risk of uncertainty in expected benefits of liquid crystal glass substrate project

As the company's glass substrate production line projects have the features of large investment amount and long construction period, then if there is a future risk occurred in the glass substrate industry and the company's glass substrate production line construction projects can not fully achieve the mass production on schedule, the sales revenue and the profits of glass substrates will probably be less than expected.

Affected by size of product buying demand, bargaining ability, and demand characteristics of consumers and downstream sectors in the glass substrate industry, product sales, needs, price variation, technical R&D situation, and variation of major marketing channels in the glass substrate industry, there is still an uncertainty in whether the Company can continue to increase its market share and develop quality customers, indicating an impact on its business performance.

##### 3. Risk of technological upgrading alternatives

The company never stops the technical research and development and technology reserves, and has made breakthroughs in many areas. However, if the downstream panel display industry undergoes major technological changes and the company fails to achieve timely corresponding technological innovation, then the company will face certain risks when the technological upgrading alternatives hit the market.

##### 4. The risk caused by the continued fade-out of subsidy policies for new energy vehicles

China is decreasing its new energy automobile subsidy standard, which will bring a certain impact on new energy automobile product sales of Sunlong Bus in the future. If the new energy automobile subsidy policy is tightened or any major adverse change happens to relevant industrial policies, it will cause an unexpected risk to business development of Sunlong Bus in the future.

#### X.Particulars about researches, visits and interviews received in this reporting period

##### 1.Particulars about researches, visits and interviews received in this reporting period

Applicable  Not applicable

Reception time	Way of reception	Types of visitors	Basic index
May 15,2018	Other	Individual	Hebei Securities Regulatory Bureau Online Reception Day
January 1,2018	By Phone	Individual	Company telephone records
Reception times			1,958
Reception agency amount			35
Reception personal number			1,932
Number of other objects received			0
Whether to disclose, reveal or disclose non-public material information			No



## V. Important Events

### I. Specification of profit distribution of common shares and capitalizing of common reserves

Formulation, implementation and adjustment of profit distribution policy of common shares especially cash dividend policy during the reporting period

Applicable  Not applicable

In the report period, the common stock dividend distribution program of Tunghsu Optoelectronic was proposed by the board of directors and approved by the general meeting of shareholders for implementation. Subject to the Company's profitability, funding condition and future development demand among other factors, the cash dividend distribution program was worked out and approved at the general meeting of shareholders before being disclosed and implemented as planned.

Special cash dividend policy description	
Whether meets the requirements of the provisions of the articles of association or shareholders' meeting resolutions:	Yes
Whether dividends standard and proportion are clear	Yes
Whether decision making and supervision mechanism for profit distribution are completed	Yes
Whether independent directors perform their duties responsibly and play its due role:	Yes
Whether the Minority shareholders have adequate opportunity to express their views and aspirations and Their legitimate rights and interests have been fully protected	Yes
Whether the Cash dividend policy to adjust or change the conditions and procedures are compliant and transparent	Yes

The profit distribution preplan or proposal and the preplan or proposal of conversion of the capital reserve into share capital in the past three years(with the reporting period inclusive):

1. In 2016, the company total share of 4,939,928,983 shares on December 31, 2016 for base on the Company's total share capital, the Company would distribute cash dividend to all the shareholders at the rate of CNY 0.70 For every 10 shares(including tax) , and no reserve would be converted into share capital.
2. In 2017, the company total share of 5,730,250,118 shares on December 31, 2017 for base on the Company's total share capital, the Company would distribute cash dividend to all the shareholders at the rate of CNY 0.70 For every 10 shares(including tax) , and no reserve would be converted into share capital.
3. In 2018, the company total share of 5,730,250,118 shares on December 31, 2018 for base on the Company's total share capital, the Company would distribute cash dividend to all the shareholders at the rate of CNY 0.70 For every 10 shares(including tax) , and no reserve would be converted into share capital.

Dividend distribution of the latest three years

In RMB

Year for bonus shares	Amount for cash bonus(tax included)	Net profit attributable to common stock shareholders of listed company in consolidation statement for bonus year	Ratio of the cash bonus in net profit attributable to common stock shareholders of listed company contained in consolidation statement	Proportion for cash bonus by other ways(i.e. share buy-backs)	Ratio of the cash bonus by other ways in net profit attributable to common stock shareholders of listed company contained in consolidation statement	Total cash bonus(other ways included)	Ratio of the total cash bonus (other ways included) in net profit attributable to common stock shareholders of listed company contained in consolidation statement
2018	401,117,508.26	2,163,607,505.39	18.54%	0.00	0.00%	401,117,508.26	18.54%
2017	401,117,508.26	1,730,174,564.57	23.18%	0.00	0.00%	401,117,508.26	23.18%
2016	345,795,028.81	1,301,466,332.10	26.57%	0.00	0.00%	345,795,028.81	26.57%

In the reporting period, both the Company's profit and the parent company's retained earnings were positive however not cash dividend distribution proposal has been put forward.

Applicable  Not applicable

## II. Profit distribution plan and capitalizing of common reserves plan for the Period

Applicable  Not applicable

Bonus shares for every 10-share(share)	0
Dividends for every 10-share(RMB)(Tax included)	0.70
Equity base of distribution plan(share)	5,730,250,118
Cas bonus distribution(RMB)(Tax included)	401,117,508.26
Cash bonus distrubution n other way(i.e.share buy-backs)(RMB)	0.00
Total cash bonus(including other ways((RMB)	401,117,508.26
Distributable profits(RMB)	467,252,231.11
Ratio of total cash dividend (Other ways included) in total profit distribution	100%
Cash dividend distribution policy	
When the development stage of the company is a growth period and there is a significant capital expenditure arrangement, that in the profit distribution, cash dividend shall not be less than 80% in proportion.	
Explanation on profit distribution or capitalizing of capital reserves	
The Company formulated the 2018-2020 plan of return to shareholders as follows: 1. methods of profit distribution including cash, stock, cash & stock combination, or other methods allowed by laws and regulations are set out, wherein a priority is given to the	

method of profit distribution by cash dividend. 2. Provided that conditions for cash dividend distribution are met, if the Company's operating income and net profit increase rapidly and the board of directors considers the Company's equity scale and structure to be reasonable, a plan for stock dividend distribution may be proposed and implemented given no impact on the plan for cash dividend distribution. 3. On the ground that conditions provided by the Company in the articles of association regarding distribution of cash dividend and full withdrawal of surplus accumulation fund are met, the Company makes a profit distribution in every accounting year in principle; if necessary, the Company may make an interim cash dividend distribution subject to the profitability and funding demand. Given sufficient funds, no spending in major technical improvement plans or other investment plans, and satisfaction of the Company's fund demand for regular production and operation, the Company's cumulative profit distributed by cash in the following three years will be no less than 30% of the annual average distributive profit incurred in the corresponding period. 4. The Company's management and board of directors will abide by relevant laws, regulations and *Articles of Association* and formulate and submit a 2019 dividend distribution plan to the general meeting of shareholders for approval, according to which, based on the total stock of 5,730,250,118 shares on December 31, 2018, the Company will distribute a cash dividend of RMB 0.7 (tax-inclusive) per 10 shares to all the shareholders by undistributed profit and will not increase the stock by transfer of accumulation fund.

### I. Commitments to fulfill the situation

1. 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 parties.

√ Applicable □ Not applicable

Commitment	Commitment maker	Type	Contents	Time of making commitment	Period of commitment	Fulfillment
Commitment on share reform	Shijiazhuang Baoshi Electronics Group Co., Ltd	Share reduction commitment	If listed companies plans to sell tradable stocks through the bid trading system of Shenzhen Stock Exchange and sell greater than 5% of shares within six months after the first sales, will disclose the contents specified by the Form Guide to Prompt Announcement of Removing Restriction on Sales of Non-tradable Stocks of Listed Companies through the prompt announcement of disclosing sales of listed companies.	March 29, 2007	Long-term effective	Under Fulfillment
Commitment in the acquisition report or the report on equity changes						
Commitment made upon the assets replacement	Tunghsu Group, Li Zhaoting	Commitments on horizontal competition, related transaction and capital	1. As of the date of this statement and commitment, except for trustee company, the company/individual and/or other companies that are directly or indirectly controlled by the company/individual shall not compete with Tunghsu Optoelectronic. 2. During the period when the company/individual acts as the	March 20, 2017	Long-term effective	Under Fulfillment

		occupation	controlling shareholder/actual controller of Tunghsu Optoelectronic, the company/individual and other companies controlled by the company/individual shall not engage in any same or similar business that is competitive with that of Tunghsu Optoelectronic and other companies controlled by it, nor carry out any activities that may impinge on Tunghsu Optoelectronic and other companies controlled by it. If business opportunities obtained by the company/individual and other companies controlled by the company/individual are within the main business scope of Tunghsu Optoelectronic and other companies controlled by it, the company/individual and other companies controlled by the company/individual shall give the opportunities to Tunghsu Optoelectronic and other companies controlled by it. 3. During the period when the company/ individual acts as the controlling shareholder/actual controller of Tunghsu Optoelectronic, the company/individual shall continue to strictly perform the relevant statements and commitments regarding avoiding competition in the same industry previously made by the company/individual.			
	Chen Dacheng, Chen Xicheng, Shanghai Huimao Enterprise Management Co., Ltd.; Wang Wenxi, Yao Eqin	Commitments on horizontal competition, related transaction and capital occupation	1. As of the date of this statement and commitment, the company/individual and/or other companies that are directly or indirectly controlled by the company/individual shall not compete with Tunghsu Optoelectronic (including its subsidiaries, the same below). 2. The company/individual and other companies controlled by the Company/individual shall not engage in any same or similar business that is competitive with that of Tunghsu Optoelectronic and other companies controlled by it, nor carry out any activities that may impinge on Tunghsu Optoelectronic and other companies controlled by it. If business opportunities obtained by the	March 20, 2017	Long-term effective	Under Fulfilment

			controlled by the company/individual are within the main business scope of Tunghsu Optoelectronic and other companies controlled by it, the company/individual and other companies controlled by the company/individual shall give the opportunities to Tunghsu Optoelectronic and other companies controlled by it.			
	Tunghsu Group, Li Zhaoting	Commitments on horizontal competition, related transaction and capital occupation	<p>1. After the transaction and during the association relationship existence between the Company/I and Tunghsu Optoelectronic, without examination and approval of the decision-making process specified by Tunghsu Optoelectronic per the Company Law, Securities Law and relevant regulations as well as Articles of Association and Connected Transaction Management System, the Company/I and any holding enterprise shall endeavor to avoid any connected transaction with Tunghsu Optoelectronic, will not, based on its own influence on the listed company, seek any right superior to that of any third party in the market in terms of the business cooperation with Tunghsu Optoelectronic or any preferential right on the transaction with the same. 2. If any connected transaction does exist necessarily and inevitably, the Company/I and any holding enterprise will, together with Tunghsu Optoelectronic, enter into an agreement per laws based on principles of equity, fairness and valuable consideration, etc. subject to regulations of China Securities Regulatory Commission (CSRC), Shenzhen Stock Exchange (SZSE) and Articles of Association of Tunghsu Optoelectronic, implement legal process and information disclosure obligation. 3. The Company/I undertake not to trade with Tunghsu Optoelectronic per unfair conditions compared with market price or act against the legal interests of Tunghsu Optoelectronic and shareholders thereof through such trade. 4. If Tunghsu Optoelectronic suffers any loss due to the trade against the commitment above,</p>	March 20, 2017	Long-term effective	Under Fulfillment

			the Company/I shall undertake the compensation liability.			
	Chen Dacheng, Chen Xicheng, Shanghai Huimao Enterprise Management Co., Ltd.; Wang Wenxi, Yao Eqin	Commitments on horizontal competition, related transaction and capital occupation	1. After the transaction, without examination and approval of the decision-making process specified by Tunghsu Optoelectronic (including any subsidiary thereof, similarly hereinafter) per the <i>Company Law</i> , <i>Securities Law</i> and relevant regulations as well as <i>Articles of Association</i> and <i>Connected Transaction Management System</i> , the Company/I and any holding enterprise shall endeavor to avoid any connected transaction with Tunghsu Optoelectronic, will not, based on its own influence on Tunghsu Optoelectronic, seek any right superior to that of any third party in the market in terms of the business cooperation with Tunghsu Optoelectronic or any preferential right on the transaction with the same. 2. If any connected transaction does exist necessarily and inevitably, the Company/I and any holding enterprise will, together with Tunghsu Optoelectronic, enter into an agreement per laws based on principles of equity, fairness and valuable consideration, etc. subject to regulations of China Securities Regulatory Commission (CSRC), Shenzhen Stock Exchange (SZSE) and <i>Articles of Association</i> of Tunghsu Optoelectronic, implement legal process and information disclosure obligation. 3. The Company/I undertake not to trade with Tunghsu Optoelectronic per unfair conditions compared with market price or act against the legal interests of Tunghsu Optoelectronic and shareholders thereof through such trade. 4. If Tunghsu Optoelectronic suffers any loss due to the trade against the commitment above, the Company/I shall undertake the compensation liability.	March 20, 2017	Long-term effective	Underr Fulfillment
	Mianyang Technology City Development Investment (Group) Co.,	Other Commitment	Until the issuance of the statement, the Company has never entered into any acting in concert agreement with any shareholder of Tunghsu Optoelectronic or conducted any act possible to impel several shareholders thereof	March 20, 2017	Long-term effective	Underr Fulfillment

	Ltd.;Shanghai Huimao Enterprise Management Co., Ltd.;Sichuan Changhong Electric Appliance Co., Ltd.		to exercise their respective rights jointly resulting in the substantial control of Tunghsu Optoelectronic. After the asset reorganization and supporting funds raising, the Company will own shares of Tunghsu Optoelectronic directly and become one shareholder thereof; thus, the Company undertakes hereby to exercise the shareholder's rights independently and not to conclude any acting in concert agreement or reach private consensus on acting in concert with other shareholders of Tunghsu Optoelectronic in the future.			
	Tunghsu Group,Li Zhaoting	Other Commitment	Not overstepping its authority to interfere with the company's management activities. (2) Not encroach the interests of the company. (3) If the CSRC or Shenzhen Stock Exchange has different requirements on the commitment made by the Company / I to ensure the sound implementation of the returns fill-up measures for the diluted returns at the period caused by this transaction, the Company / I shall voluntarily and unconditionally make the commitment in accordance with the requirements of the CSRC or the Shenzhen Stock Exchange. (4) As one of the relevant liability subjects to the returns fill-up measures, the Company / I undertake that strictly abide by the above commitment made by the Company / I and ensure that the returns fill-up measures of the Company / I can be soundly implemented. If the Company / I violate the above commitments or refuse to fulfill the above commitments, the Company / I hereby agree to impose relevant penalties or relevant management measures on the Company / I in accordance with the relevant regulations and rules formulated and issued by the securities regulatory authorities such as the CSRC and the Shenzhen Stock Exchange.	June 10,2017	Long-term effective	Under Fulfillment
	Gong Xin, Han Zhiguo, Huang Jinliang, Li Zhaoting, Liu	Other Commitment	Undertake that faithfully and diligently perform duties and protect the lawful rights and interests of the company and all its shareholders; (2) undertake that not transfer	June 10,2017	Long-term effective	Under Fulfill

	<p>Wentai, Lu Guihua, Wang Jianqiang, Wang Junming, Wang Lipeng, Wang Zhonghui and Zhang Shuangcai.</p>	<p>benefits to other units or individuals in gratuitous or unfair conditions and not take any other ways to damage the interests of the company; (3) undertake that curb the position-related consumption behavior; (4) undertake not to use the company's assets to engage in investment or consumption activities that have nothing to do with the performance of the duties; (5) undertake that the remuneration system established by the board of directors or the remuneration and assessment committee is linked to the company's implementation of the returns fill-up measures, and make affirmative vote for the relevant motions of the board of directors and the general meeting of shareholders when participating in the decision; (6) if the company launches the equity incentive policy subsequently, then undertake that the terms of exercise of the company's equity incentive to be announced are linked to the performance of the company's measures of returns fill-up and make affirmative vote for the relevant motions of the board of directors and the general meeting of shareholders when participating in the decision; (7) If the CSRC or Shenzhen Stock Exchange has different requirements on the commitment made by I to ensure the sound implementation of the returns fill-up measures for the diluted returns at the period caused by this transaction, I shall voluntarily and unconditionally make the commitment in accordance with the requirements of the CSRC or the Shenzhen Stock Exchange. (8) As one of the relevant liability subjects to the returns fill-up measures, I undertake that strictly abide by the above commitment made by I and ensure that the returns-fill-up measures of the Company shall be soundly implemented. I hereby agree to impose relevant penalties or relevant management measures on the Company / I in accordance with the relevant</p>			<p>lment</p>
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			regulations and rules formulated and issued by the securities regulatory authorities such as the CSRC and the Shenzhen Stock Exchange.			
	Tunghsu Group	Other Commitment	For subscription of the supporting raised funds, Tunghsu Group issues <i>Commitment Letter for Subscription Fund Sources</i> and make the following commitment that: 1. all funds used by the Company for subscription of the supporting raised funds are owned by the Company, which are obtained legally other than financing through mortgage of the owned shares of the listed companies with the bank and any other financial institution, etc.; 2. the funds used by the Company for subscription of the supporting raised funds are free from encumbrance within a short term (12 months); 3. the funds used by the Company for subscription of the supporting raised funds never come from collection from unspecified objects through public or disguised public way or more than 200 specified objects.	August 10,2017	Valid period to December 31,2018	Under Fulfillment
	Shanghai Huimao Enterprise Management Co., Ltd.	Other Commitment	It shall coordinate and cooperate with Sunlong Bus positively in the ownership certificate application formalities for the property before registration and protect Sunlong Bus from influence of such issue during normal production and operation; otherwise, for any economic loss suffered of Sunlong Bus during operation in the future due to such ownership issue (including but not limited to the penalty on the relevant company by the governmental department, overdue fine and losses for normal production operation interruption due to such issue resolution and correction on relevant property problem, etc.), Shanghai Huimao shall compensate Sunlong Bus in full within 30 days after Tunghsu Optoelectronic Technology Co., Ltd. confirms the actual losses suffered by Sunlong Bus due to such issue above per laws.	October 26,2017	Long-term effective	Under Fulfillment
	Tunghsu	Share	The shares of Tunghsu Optoelectronic held by	November	November	Com

	Group, Tunghsu Technology Group Co., Ltd., Shjiazhuang Baoshi Group	limited commitment	the Company prior to this transaction shall not be transferred in any way within 12 months after the completion of this transaction, including but not limited to transfer publicly, in block trade or by agreement in the securities market, nor be bought back by Tunghsu Optoelectronic. The increased shares held by Tunghsu Optoelectronic due to bonus shares and conversion into share capital shall also be locked up in accordance with the above lock-in period requirements.	30,2017	29,2018	Completed
	Tunghsu Group, Shanghai Huimao Enterprise Management Co., Ltd	Share limited commitment	<p>1. The shares of Tunghsu Optoelectronic acquired by the company due to this asset reorganization shall not be transferred or entrusted to others for management within 36 months from the end of issuance of the shares, nor be repurchased by Tunghsu Optoelectronic upon the request of the company. The shares derived from distribution of stock dividends and increase in capital reserves of the stocks issued to targeted investors of Tunghsu Optoelectronic acquired by company in this transaction shall also meet the requirements of above-mentioned share lockup arrangement.</p> <p>2. Tunghsu Group promises that if closing price of Tunghsu Optoelectronic' shares is lower than offering price for twenty consecutive trading days within six months after the completion of the transaction, or if closing price at the end of six months after the completion of the transaction is lower than offering price, Tunghsu Group shall automatically extend the lock-up period of shares acquired by Tunghsu Optoelectronic due to this asset reorganization for 6 months.</p>	November 30,2017	November 29,2020	Under Fulfillment
	Mianyang Technology City Development Investment (Group) Co., Ltd.; Sichuan Changhong Electric	Share limited commitment	The shares of Tunghsu Optoelectronic acquired by the company due to this asset reorganization shall not be transferred or entrusted to others for management within 12 months from the end of issuance of the shares, nor be repurchased by Tunghsu Optoelectronic upon the request of the company. The shares derived from	November 30,2017	November 29,2018	Completed

	Appliance Co., Ltd.		distribution of stock dividends and increase in capital reserves of the stocks issued to targeted investors of Tunghsu Optoelectronic acquired by company in this transaction shall also meet the requirements of above-mentioned share lockup arrangement.			
	Tunghsu Group	Share limited commitment	The shares of Tunghsu Optoelectronic that are issued for supporting fund raising subscribed by Tunghsu Group shall not be transferred within 36 months from the date of being listed, and after 36 months, the shares shall be transferred in accordance with the relevant regulations of China Securities Regulatory Commission and Shenzhen Stock Exchange. Upon the end of the issue, Tunghsu Group shall abide by the preceding provision while acquiring shares of the Company through distribution of dividend and increase of stock by transfer.	December 28,2017	December 28,2020	Under Fulfilment
	Minjia Silver Fund Management Co., Ltd.; Beixin Ruifeng Fund Management Co., Ltd.	Share limited commitment	Shares of Tunghsu Optoelectronic subscribed by other particular target investors except for Tunghsu Group shall not be transferred in 12 months after going public but afterwards, such shares shall be subject to relevant provisions of China Securities Regulatory Commission and Shenzhen Stock Exchange. Upon the end of the issue, other investors shall abide by the preceding provision while acquiring shares of the Company through distribution of dividend and increase of stock by transfer.	December 28,2017	December 28,2018	Completed
	Shanghai Huimao Enterprise Management Co., Ltd	Performance commitment and compensation arrangements	1. Shanghai Huimao promises that the audited net profit of Sunlong Bus shall not be less than RMB 300 million in 2017, RMB 400 million in 2018 and RMB 550 million in 2019. 2. During the profit commitment period, if the actual profit accrued as of the end of 2017 (including the current year), 2018 (including 2017), and 2019 (including 2017 and 2018) of Sunlong Bus cannot reach the cumulative promised net profit for	November 30,2017	December 31,2019	Under Fulfilment

			corresponding year, Shanghai Huimao shall make a profit compensation for the gap by means of shares. If shares are insufficient to make compensation, Shanghai Huimao shall make up for it in cash.			
	Tunghsu Group	Performance commitment and compensation arrangements	1. Tunghsu Group promises that if Xu Hong Photoelectric has completed business transaction in 2017, the audited actual net profit of Xu Hong Photoelectric shall not be less than RMB 75 million yuan in 2017, RMB 98 million in 2018 and RMB 115 million in 2019. If Xuhong Photoelectric has failed to complete business transaction in 2017, Tunghsu Group further promises that net profit of Xu Hong Photoelectric shall not be less than RMB 138 million in 2020. 2. If Xu Hong Photoelectric has completed business transaction in 2017, Tunghsu Group shall make up for the profit gap between actual profit accrued as of the end of 2017 (including the current year), 2018 (including 2017), and 2019 (including 2017 and 2018) within the profitability commitment period and cumulative promised net profit for corresponding year by means of shares.	November 30,2017	December 31,2019	Under Fulfillment
Commitments made upon issuance	Li Zhaoting	Commitments on horizontal competition, related transaction and capital occupation	1.From the date of commitment letter issued, except the managed hosting company for Baoshi , this company and majority-owned subsidiaries do not in any way, directly or indirectly engaged in business and Baoshi and its subsidiaries are the same, or similar, future Baoshi shares and its subsidiaries are not engaged in the same or similar businesses. 2.The company assurances against the use of precious stones share any act prejudicial to the control relationship of Baoshi interests and its wholly-owned subsidiaries, holding, or causing Baoshi shares and its wholly-owned subsidiaries, holding form business competition decisions. 3. The company will not directly invest, purchase and Baoshi identical or similar business enterprises and projects. 4.If the assets owned by the Baoshi . compete	November 22,2011	Long-term effective	Under Fulfillment

			with , the company will adopt effective measures and give up the same business. 5. If the company has horizontal competition with Baoshi and lead to lose to it, the company will bear all the responsibilities. 6. Pursuant to relevant conditions of securities supervision, I promise to inject all my holding equity of entrusted company under management by Baoshi Stock into Baoshi Stock. During the period that I am the actual controller of the Baoshi Stock, the promise is a valid commitment.			
	Tunghsu Group;Shijiazhuang Baoshi Group; Tunghsu Optoelectronic Investment Co.,m Ltd.	Commitments on horizontal competition, related transaction and capital occupation	<p>1.From the date of commitment letter issued, except the managed hosting company for Tunghsu Optoelectronic , this company and majority-owned subsidiaries do not in any way, directly or indirectly engaged in business and Tunghsu Optoelectronic and its subsidiaries are the same, or similar, future Tunghsu Optoelectronic shares and its subsidiaries are not engaged in the same or similar businesses.</p> <p>2.The company assurances against the use of precious stones share any act prejudicial to the control relationship of Tunghsu Optoelectronic interests and its wholly-owned subsidiaries, holding, or causing Tunghsu Optoelectronic shares and its wholly-owned subsidiaries, holding form business competition decisions. 3. The company will not directly invest, purchase and Tunghsu Optoelectronic identical or similar business enterprises and projects.</p> <p>4.If the assets owned by the Tunghsu Optoelectronic . compete with , the company will adopt effective measures and give up the same business. 5. If the company has horizontal competition with Tunghsu Optoelectronic and lead to lose to it, the company will bear all the responsibilities.</p> <p>Within the period when the company is still the controlling shareholder of Tunghsu Optoelectronics, the commitments are in effect.</p>	April1, 1 2012	Long-term effective	Under Fulfilment

	Tunghsu Group	Other commitment	<p>In view of:</p> <p>The main business of Tunghsu Optoelectronic is the production of TFT-LCD glass substrate, and the company now is applying for non-public offering of bonds (2) Tunghsu Group is the controlling shareholder of Tunghsu Optoelectronic; and during the period of holding, Tunghsu Group has signed patent license contracts separately with Tunghsu Optoelectronic and its subsidiaries including Wuhu Tunghsu Optoelectronic Science and Technology Co., Ltd. (hereinafter referred to as Wuhu Optoelectronic), Wuhu Tunghsu Optoelectronic Equipment Technology Co., Ltd. (hereinafter referred to as Wuhu Equipment) and Shijiazhuang Tunghsu Optoelectronic Equipment Technology Co., Ltd. (hereinafter referred to as Shijiazhuang Equipment). For this purpose, Tunghsu Group has made following promises:</p> <p>Any patents related to panel display glass substrate not included in the aforesaid Contract on the Licensing of Patent Exploitation obtained by Tunghsu Group in the future, Tunghsu Group shall sign a free contract of licensing the new pertinent patents with the company and the company's subsidiaries (Wuhu Optoelectronic Technology Co.,Ltd, Wuhu Equipment Company and Shijiazhuang Equipment Company) with the same articles of the former patent licensing contract. After the company successfully completed the issuance of corporate bonds, whether Tunghsu Group control the company during the duration of the bonds, Tunghsu Group shall renew the patent licensing contract unreserved with the company and the company's subsidiaries (Wuhu Optoelectronic Technology Co.,Ltd, Wuhu Equipment Company and Shijiazhuang Equipment Company) under the company's requirement until the bonds expired.</p>	February 8,2015	Valid for December 31,2020	Under Fulfillment
	Tunghsu Optoelectronic	To raise funds to	In view of: Tunghsu Optoelectronic Technology Co., Ltd. is applying for public	February 10, 2015	Valid for December	Under

	Technology Co., Ltd.	use the commitment	<p>offering of corporate bonds, and the total scale of bonds will not exceed 1 billion yuan. After the deduction of issue expenses, all the funds raised are planed to be used to supplement the liquidity and support the R&amp;D, production and material purchase of glass substrate and the equipment. Thus, the demands of business operation and expansion in the company will be satisfied. The company promises: 1. The funds raised through the public offering of corporate bonds will not be directly or indirectly invested in real estate development business, or used to increase the capital fund or as loans in subsidiaries engaged in real estate business; 2. the funds raised through the public offering of corporate bonds will not be used for real estate development business in any form.</p>		31,2020	Fulfillment
	Tunghsu Group	Other commitment	<p>In view of:  (1) The main business of Tunghsu Optoelectronic is the production of TFT-LCD glass substrate, and the company now is applying for non-public offering of stock; (2) Tunghsu Group is the controlling shareholder of Tunghsu Optoelectronic; and during the period of holding, Tunghsu Group has signed patent license contracts separately with Tunghsu Optoelectronic and its subsidiaries including Wuhu Tunghsu Optoelectronic Science and Technology Co., Ltd. (hereinafter referred to as Wuhu Optoelectronic), Wuhu Tunghsu Optoelectronic Equipment Technology Co., Ltd. (hereinafter referred to as Wuhu Equipment) and Shijiazhuang Tunghsu Optoelectronic Equipment Technology Co., Ltd. (hereinafter referred to as Shijiazhuang Equipment). For this purpose, Tunghsu Group has made following promises: within the term of validity involving patent right stated in patent license contracts, whether Tunghsu Optoelectronic is in the control of Tunghsu Group or not, Tunghsu Group promises that when the above</p>	June 17, 2015	Long-term effective	Under Fulfillment

			mentioned patent license contracts expire, the group will unconditionally renew the contracts with Tunghsu Optoelectronic and its subsidiaries (Wuhu Optoelectronic, Wuhu Equipment, Shijiazhuang Equipment and etc) according to the terms of original contracts based on the requirements of Tunghsu Optoelectronic.			
	Tunghsu Group, Li Zhaoting	Commitments on horizontal competition, related transaction and capital occupation	To avoid the horizontal competition with the issuer, the company's actual controller-Zhaoting, Li and the holding company-Tunghsu Group promised: 1. As of this declaration and from the date of commitment letter issued, except the managed hosting companies, the other companies directly or indirectly controlled by the controller or holding company have no horizontal competitions with Tunghsu Optoelectronic Technology Co., Ltd. 2. Any other companies controlled by the actual controller or holding company shall avoid businesses identical or similar to the company may lead to a competitive relation and cannot do any harm activities to Tunghsu Optoelectronic Technology Co., Ltd and companies controlled by Tunghsu Optoelectronic Technology Co., Ltd as long as there are no alterations of the actual controller and the holding company. Any businesses opportunities under the main business scope of Tunghsu Optoelectronic Technology Co., Ltd and its controlled companies shall not take by the companies controlled by the actual controller or the holding company, and the business opportunities shall be given to Tunghsu Optoelectronic Technology Co., Ltd and its controlled companies. 3. As long as the actual controller and the holding company are the same, the actual controller and the holding company shall continue to strictly performance the relevant declarations and commitments of avoiding horizontal	Decembert 16, 2015	Long-term effective	Under Fulfilment



			competition. If I (the company) violated the above commitment, I (the company) will bear all the losses of Tunghsu Optoelectronic and its controlled enterprises arising from this.			
	Tunghsu Group	Other commitment	<p>In order to safeguard the the company's main business of TFT-LCD glass substrate production, the controlling shareholder-Tunghsu Group Co. Ltd made a commitment valid in the period of the company's application for non-public share issuance: given (1) The main business of Tunghsu Optoelectronic Technology Co., Ltd is TFT-LCD glass substrate production, and currently it is applying for non-public share issuance; (2) Tunghsu Group, which is the controlling shareholder of Tunghsu Optoelectronic, respectively signed Patent Licensing Contract with Tunghsu Optoelectronic, Tunghsu Optoelectronic's subsidiaries of Wuhu Tunghsu Optoelectronic Technology Co., Ltd (hereinafter referred to as "Wuhu Optoelectronics"), Wuhu Tunghsu Optoelectronic Equipment Technology Co., Ltd (hereinafter referred to as "Wuhu Equipment") and Shijiazhuang Tunghsu Optoelectronic Equipment Technology Co., Ltd (hereinafter referred to as "Shijiazhuang Equipment") during the control period. Therefore, Tunghsu Group made a commitment as follows: In the term of validity of the patents involved in the patent licensing contract, whether Tunghsu Group controls Tunghsu Optoelectronic or not, after the commitment of the above-said Patent Licensing Contract expired, Tunghsu Group will, according to the requirements by Tunghsu Optoelectronic, unconditionally renew Patent Licensing Contract with Tunghsu Optoelectronic and Tunghsu Optoelectronic's subsidiaries (Wuhu Optoelectronics, Wuhu Equipment and Shijiazhuang Equipment) according to the original contract terms.</p>	December 16,2015	Valid for December 31,2030	Under Fulfilment
	Tunghsu	Share	The company, one of the subscription objects,	December16	Valid for	Under

	Group;Changjia ng Securities (Shanghai )Asset t Management Co., Ltd.;Kunshan Development Zone State Investment Co., Ltd.;Beijing Yingfei Hailin Investment Center (limited partnership).	limited commitme nt	promised that after Tunghsu Optoelectronic Technology Co., Ltd completed the non public issuance of shares to the company and specific objects for raising funds, the shares (New shares) issued by Tunghsu Optoelectronic Technology Co., Ltd and subscribed by the company shall not be transferred to any others in 36 months commenced from the publicly listed date of the new shares. As a result of the issuance of new shares by the Company to the Company, the shareholding of Tunghsu Optoelectronic Co., Ltd. by Tunghsu Optoelectronic Co., Ltd. will also be subject to the above commitments.	,2015	December 16,2018	r Fulfil lment
	Tunghsu Group,Li Zhaoting	Other Commitm ent	Not act in excess of authority to interfere the company’s management and operating activities, not encroach on the interests of the company.	February 6,2016	Valid for December 31,2019	Com plete d
	Li Zhaoting, Zhou Bo,Niu Jianlin, Gong Xin, Lu Guihua, Mu Tiehu, Zhang Shuangcai, Shi Zhiqiang , Liu Wentai,Xiao Zhaoxiong and Zhou Bo	Other Commitm ent	(a) Promised that not freely or unfairly transfer interests to other units or individuals, nor adopt other ways to jeopardize the company’s interests. (b) Promised that restrict the post consumer behaviors of the directors and senior management personnel. (c) Promised that not use the company's assets to engage in the investment &consuming activities which are irrelevant to perform the duties. (d) Promised that the salary system set up by the board of directors or the Remuneration Committee is relevant to the implementation status of the company’s fill-up return measures. (e) Promised that the vesting conditions of the company’s equity incentive are relevant to the implementation status of the company’s fill-up return measures. (f) Promised the full implementation of the relevant fill-up return measures established by the company and any commitment related to the fill-up return measures, if such commitment is breached and resulted in losses to the company or the investors, the concerning party shall take the responsibility for compensating the company	February 6,2016	Valid for December 31,2019	Unde r Fulfil lment

			or the investors according to the law. As one of the relevant responsibility bodies of the fill-up return measures, if the oneself breaches the above-said commitments or refuse to fulfill the above-said commitments, the oneself agrees the punishments or relevant supervise measures carried out in accordance with the regulations and rules issued or enacted by CSRC, Shenzhen Stock Exchange and other securities regulatory organizations.			
	Tunghsu Group	Commitments on horizontal competition, related transaction and capital occupation	Before June 30, 2018, the entire equity of Tunghsu Yingkou, which is held by Tunghsu Group and is entrusted to the company's management, will be injected into Tunghsu Optoelectronic through cash purchase and add-directional share issuance. During the above-mentioned period, if external factors such as the decline in the overall prosperity of the industry, changes in regulatory requirements, and other external factors lead to Tunghsu Yingkou equity not meeting the conditions for asset injection, the actual controllers Li Zhaoting and Tunghsu Group will actively consult with relevant parties and continue to entrust the equity and operating right of the above-said company to Tunghsu Optoelectronic.	December 14, 2017	Valid for June 30, 2018-	Under Fulfillment
Equity incentive commitment						
Other commitments made to minority shareholders	Guo Shouwu, Ma Shengjie, Wu Haixia, Shen Wenzhuo and Shen Li	Performance commitment and compensation arrangements	To ensure Tunghsu Optoelectronic Technology Co., Ltd realizing expected benefits on the M&A of Shanghai Tanyuan Huigu New Materials Technology Co., Ltd, the promisee voluntarily promised the profits of Shanghai Tanyuan Huigu New Materials Technology Co., Ltd for the next three years as follows: (a) Business performance commitment: the net profits of Shanghai Tanyuan Huigu New Materials Technology Co., Ltd in year-2016, year-2017, year-2018 shall accordingly not be less than RMB 5 million, RMB 10 million, RMB 20 million. (b) Compensation mode: if the net profits of	March 8, 2016	Valid for December 31, 2019	Under Fulfillment

			Shanghai Tanyuan Huigu New Materials Technology Co., Ltd in year-2016, year-2017, year-2018 accordingly do not reach the promised net profits, the promised party shall fully compensate the difference by cash.			
	Beijing Heyiyou Investment Partnership(LP);Chen Wei, Jiang Wei, Jin Xiuzhen, Li Honglei, Qian Xinming, Wang Yingchao and Zhu Lei.	Performance commitment and compensation arrangements	All eight shareholders of Ming Shuo (Beijing) Electronic Technology Co., Ltd namely Chen Wei, Zhu Lei, Wang Yingchao, Jin Xiuzhen, Jiang Wei, Li Honglei, Beijing He Yiyou Investment Partnership (limited partnership) and Qian Xinming voluntarily make the commitment for the profits of the next three years of Ming Shuo (Beijing) Electronic Technology Co., Ltd and such commitment is as follows: The audited net profits after tax in 2017, 2018 and 2019 (determined by the lower principle after the deduction of non recurring gains and losses) are no less than RMB 10.5 million, RMB 20 million and RMB 40 million respectively.	May 11,2017	Valid for June 30,2020	Under Fulfilment
	Tunghsu Group	Share holdings commitment	The controlling shareholder of the company, Tunghsu Group, has announced its plan of increasing its holding of shares not less than 1% and not exceeding 3% of the company's current total share capital via buying through the Shenzhen Stock Exchange trading system (i.e. the secondary market) with not less than RMB 500 million and not exceeding RMB1.5 billion in the next six months since the date of the announcement (February 2, 2018). Tunghsu Group promised not to reduce the holdings of the company's shares during the implementation period of this plan of increasing share-holding and during the statutory period.	February 2,2018	Valid for August 2,2018	Under Fulfilment
	Shenzhen Sanbao Innovation and Technology Partnership (limited partnership); Zhuang	Performance commitment and compensation arrangements	In 2018-2020, Shenzhen Sanbao Innovation Intelligence Co., Ltd. (hereinafter referred to as Sanbao Innovation) will implement a cumulative net profit amounting to not lower than RMB 75 million. To avoid ambiguity, the preceding net profit refers to the annual after-tax net profit promised by Sanbao	May 29,2018	Valid for Decemver 31,2020	Under Fulfilment

	Yongjun; Lin Lude		Innovation upon deduction of non-recurring income and loss, subject to what is stated in the annual audit report. If the preceding promised cumulative performance is not fulfilled, parties shall agree that the undertaker shall convert and transfer corresponding share of equity of Sanbao Innovation to the Company free of charge to offset the balance of the outstanding net profit, whereas the cumulative equity of Sanbao Innovation transferred by the undertaker free of charge for supplementing the balance of the promised performance in the performance commitment period shall not be higher than 8%.			
Executed timely or not?	Yes					
If the commitment has not been implemented at the end of the reporting period, it is necessary to explain the specific reason of failure in implementation and the future work plan.	Not applicable					

2.The existence of the company's assets or projects earnings forecasts and earnings reporting period is still in the forecast period, the company has assets or projects meet the original profit forecast made and the reasons explained

Applicable Not applicable

Asset or Project Name of Earnings Forecast	Start date of the forecasting period	End date of the forecasting period	Forecast earnings	Actual earnings	Reason for less than forecast	Disclosure date of the Forecast	Reference for the Forecast
Shanghai Tanyuan Huigu New Material Technology Co., Ltd.	March 8,2016	December 31,2018	2,000	2,060.8	Completed	March 9,2016	Disclosed on cninfo.com.cn.( 2016-030)
Shanghai	November	December	40,000	42,523.26		March	Tunghsu

Sunlong Bus Co., Ltd.	30,2017	31,2019				21,2017	Optoelectronic Technology Co., Ltd. Issued shares, paid cash to buy assets and raised supporting funds and related party transactions as published on cninfo.com.cn
Sichuan Xuhong Optoelectronic Technology Co., Ltd.	November 30,2017	December 31,2019	9,800	9,912.72	Completed	March 21,2017	Tunghsu Optoelectronic Technology Co., Ltd. Issued shares, paid cash to buy assets and raised supporting funds and related party transactions as published on cninfo.com.cn
Mingshuo (Beijing) Electronic Technology Co., Ltd.	May 11,2017	December 31,2019	2,000	273.65	Please refer to the statement on the 2018 performance commitment of mingshuo Technology disclosed by the company for details.	May 11,2017	Disclosed on cninfo.com.cn.( 2017-047)
Shenzhen Sanbao Innovation Intelligence Co., Ltd.	May 28,2018	December 31,2020	750	-875.45	Not applicable	May 29,2018	Disclosed on cninfo.com.cn.( 2018-069, 2018-079)

The commitments of the operating earnings made by the company's shareholder and relevant transaction parties  
Applicable Not applicable

1. The Company's shareholders including Tunghsu Group and Shanghai Huimao made a performance commitment for the report year regarding such M&A targets as Xuhong Optoelectronics and Sunlong Bus in the Company's 2017 related transactions of issuing shares, buying assets by cash and raising supporting funds. In the report period, both Xuhong Optoelectronics and Sunlong Bus fulfilled the performance commitment. Data details are shown in the preceding table.

2. In March 2016, the Company and five natural person shareholders of Shanghai Tanyuan Huigu including Guo Shouwu, Ma Shengjie, Wu Haixia, Shen Wenzhuo and Shen Li (hereinafter referred to as the undertaker)

entered into a *Performance Commitment* to make a commitment to the business performance of Shanghai Tanyuan Huigu in the report period. Till the end of the report period, Shanghai Tanyuan Huigu fulfilled the commitment. Data details are shown in the preceding table.

3. In May 2017, Taizhou Tungshu Graphene Industry Investment Fund Management Center (Limited Partnership) whose funds were managed by the Company's wholly-owned subsidiary Shenzhen Xuhui Investment Holding Limited and holding subsidiary Beijing Tungshu Huaqing Investment Co., Ltd. entered into an *Agreement on Equity Transfer and Capital and Share Increase at Mingshuo (Beijing) Electronic Technology Co., Ltd.* with shareholders of MS Technology including Chen Wei, Zhu Lei, Wang Yingchao, Jin Xiuzhen, Jiang Wei, Li Honglei, Beijing Heyiyou Investment Partnership (Limited Partnership) and Qian Xinming regarding matters of equity transfer and capital and share increase at MS Technology, wherein a commitment was made to the business performance in the report period: the audited after-tax net profit in 2018 (or the amount after deduction of the non-recurring income and loss, whichever lower) is not lower than RMB 20 million. In the report period, MS Technology implemented RMB 2,736,500 in the after-tax net profit upon deduction of non-recurring income and loss, indicating its failure to fulfill the 2018 business performance commitment.

4. In June 2018, the Company invested and acquired Sanbao Innovation. According to the *Agreement on Equity Transfer and Capital and Share Increase at Shenzhen Sanbao Innovation Intelligence Co., Ltd.* concluded with shareholders of Sanbao Innovation including Lin Lvde, Zhuang Yongjun and Shenzhen Sanbao Innovation Technology Partnership (Limited Partnership) (hereinafter referred to as the undertaker), the undertaker made a commitment to profits of Sanbao Innovation in the following three years of their own accord: Sanbao Innovation implements a cumulative net profit amounting to not lower than RMB 75 million in 2018-2020, wherein the amount of 2018 performance commitment is calculated by actual remaining months upon the completion of the transaction in the following method: amount of 2018 performance commitment=2018 promised net profit×(12-months of payment of the Company's equity transfer and capital increase)/12. In June-December 2018, Sanbao Innovation implemented a net profit of RMB -8,754,500 upon deduction of non-recurring income and loss, which was accumulated to the cumulative performance commitment for the following year, not indicating its failure to fulfill the performance commitment.

#### Fulfillment of performance commitment and impact on goodwill impairment test

By the end of the report period, the Company entrusted an external professional appraisal institution--Zhongming (Beijing) Assets Appraisal International Co., Ltd. to appraise and test the goodwill of Shanghai Sunlong, Tanyuan Huigu, Mingshuo and Sanbao Innovation set out hereinbefore through the M&A.

1. Sunlong Bus and Shanghai Tanyuan Huigu which made normal operation and met profit expectation showed no sign of goodwill impairment.

2. Mingshuo Technology failed to fulfill the 2018 business commitment. Through a judgment on the current business situation of Mingshuo Technology and its development plan and market development trend for the five years to come, no sign of impairment was found in the goodwill incurred through M&A of Mingshuo Technology in the appraisal test.

3. The 2018 unfulfilled performance of Sanbao Innovation was accumulated to the promised cumulative performance for the following year, not indicating its failure to fulfill the performance commitment. Through a judgment on the current business situation of Sanbao Innovation and its development plan and market development trend for the five years to come, no sign of impairment was found in the goodwill incurred through M&A of Sanbao Innovation in the appraisal test.

## IV. Particulars about the non-operating occupation of funds by the controlling shareholder

Applicable  Not applicable

Nil

## V. Explanation of the Supervisory Committee and Independent Directors (If applicable) on the Qualified Auditor's Report Issued by the CPAs.

Applicable  Not applicable

## VI. Explanation change of the accounting policy, accounting estimate and measurement methods as compared with the financial reporting of last year.

Applicable  Not applicable

Accounting policy changes due to the implementation of the new Accounting Standards for Business Enterprises

On June 26, 2018, The Ministry of Finance issued the Notice on Revising and Issuing the Format of General Enterprise Financial Statements for 2018 (Caikuai [2018] No. 15).

The impact of the implementation of this accounting policy by the Company on the presentation of the items and amounts of the prior financial statements is as follows:

No	Name of affected item in the statements	Affected amount of December 31, 2017 / 2017
		Increase + / decrease -
1	Notes receivable	-538,128,584.84
	Account receivable	-7,873,419,684.42
	Notes receivable & account receivable	8,411,548,269.26
2	Interest receivable	-49,456,785.29
	Other receivable	49,456,785.29
3	Notes payable	-1,063,897,679.89
	Account payable	-4,636,989,039.65
	Notes payable & account payable	5,700,886,719.54
4	Interest payable	-107,195,147.20
	Dividend payable	-35,000,000.00
	Other payable	142,195,147.20
5	Management expenses	-256,991,555.91
	R & D expenses	256,991,555.91

## VII. Explanation retrospective restatement due to correction of significant accounting errors in the reporting period

Applicable  Not applicable

Nil

## VIII. Explanation change of the consolidation scope as compared with the financial reporting of last year.

Applicable  Not applicable



## 1. Enterprise consolidation not under the same control

## (1) Enterprise consolidation not under the same control in reporting period

Name of Acquirer	Time-point of Obtained Equity	Obtained Cost of Equity	Ratio of Obtained Equity (100%)	Method of Obtained Equity	Purchasing Date	Determination Basis on the Purchasing Date	Income of Acquire from the Purchasing Date to the End of the Period	Net Profit of Acquire from the Purchasing Date to the End of the Period
Shenzhen Sanbao Innovation Intelligence Co., Ltd.	May 30, 2018	157,598,587.50	67.00%	Enterprise consolidation not under the same control	May 30, 2018	Acquisition of control	7,659,108.35	-12,733,040.13
Zhongcheng National construction 1 Co., Ltd.	May 30, 2018	140,000,000.00	70.00%	Enterprise consolidation not under the same control	March 30, 2018	Acquisition of control		-7,172,706.59
Huaxi Nanchong Automobile Co., Ltd.	April 4, 2018	56,000,000.00	100.00%	Enterprise consolidation not under the same control	April 4, 2018	Acquisition of control		

## 2. Business combination under the same control

## (1) Business combination under the same control during the reporting period

In 10,000 yuan

Name	Proportion	Basis	Combination date	Recognition basis of combination date	income of the combined party from the beginning of the current period to the date of merger	Net profit of the merged party from the beginning of the current period to the date of merger	Income of the merged party during the comparison period	Net profit of the merged party during the comparison period
Tunghsu (Yingkou) Optoelectronic Display Co., Ltd.	65.00%	Parent Company	June 30, 2018	Pay the consideration and control the operation	27,289,664.99	-11,435,425.33	16,069,429.21	-13,043,965.22

## 3. Disposal of subsidiaries

Name	Equity disposal price	Proportion	Disposal way	Time of loss of control	Basis	difference between the disposal price and the disposal of the investment in the consolidated financial statements at the level of the net assets of the subsidiary
Xuyou Electronic Material Technology (Wuxi) Co., Ltd.	550million	51.00%	Sales	April 28,2018	Received the consideration, completed the transfer of property rights, lost control	3,182,206.12

Continued

Name	Proportion of remaining equity on the date of loss of control	Book value of the remaining equity on the date of loss of control	Fair value of the remaining equity on the date of loss of control	Re-measure the gain or loss arising from the remaining equity at fair value	Method for determining the fair value of the remaining equity on the date of loss of control and main assumptions	Amount of other comprehensive income related to Atomic Company's equity investment transferred to investment gains and losses
Xuyou Electronic Material Technology (Wuxi) Co., Ltd.	0.00%	0.00	0.00	0.00	0.00	0.00

## 4. The total that this period adds wants subsidiary company

(1) On March 8,2018,Shenzhen Xuhui Investment Holding Co., Ltd and Jiangxi University of Science and Technology set up a subsidiary-Beijing Xujiang Technology Co., Ltd., with the registered capital of RMB 22.7345 million and the paid-up capital of RMB 22.7345 million. Of which, Shenzhen Xuhui Investment Holding Co., Ltd.Subscribet and pays RMB 12 million, holding 52.78% of the shares. Jiangxi University of Science and Technology subscribet and pays RMB 10.7345 million , holding 47.22% of the shares.

(2) On March 23,2018, Mingshuo(Beingjing )Electronic Technology Co., Ltd. set up a wholly-owned subsidiary-Mudanjiang Mingshuo Optoelectronic Technology Co., Ltd., With the registered capital of RMB30

million and the paid-up capital of RMB200.00.

(3) On May 17, 2018, Tunghsu Construction Group Co., Ltd. set up a wholly-owned subsidiary- Luoyang Construction Engineering Co., Ltd., With the registered capital of RMB 100 million and the paid-up capital of RMB 100 million.

(4) On July 16, 2018, Mingshuo(Beijing)Electronic Technology Co., Ltd. set up a wholly-owned subsidiary-Zaozhuang Mingshuo Optoelectronic Technology Co., Ltd., With the registered capital of RMB 30 million and the paid-up capital of RMB 100,000;

(5) On July 26, 2018, Jiangsu Yitai Intelligent Equipment Co., Ltd. acquired equity of Tunghsu Ruiqi (Beijing) Technology Co., Ltd. With the registered capital of RMB 20 million, Jiangsu Tunghsu Yitai Intelligent Equipment Co., Ltd. holds 51% of the shares, Liu Yang holds 32% of the shares, Xiajinlong holds 17% of the shares.

(6) November 6, 2018, Tunghsu Optoelectronic Technology Co., Ltd. set up a wholly-owned subsidiary-Anhui Xuan Optoelectronic Technology Co., Ltd., With the registered capital of RMB 1 million and the paid-up capital of RMB10 million.

#### IX. Engagement/Disengagement of CPAs

##### CPAs currently engaged

Name of the domestic CPAs	Hebei Guanghua Accounting Firms Co., Ltd.(LLP)
Remuneration for domestic accounting firm (RMB10,000)	350
Continuous life of auditing service for domestic accounting firm	6
Name of domestic CPA	Qi Zhenghua, Meing Xiaoguang
Continuous life of auditing service for domestic accounting firm	5

Has the CPAs been changed in the current period

Yes  No

CPAs firm for the internal control audit

Applicable  Not applicable

#### X. Situation of Facing Listing Suspension and Listing Termination after the Disclosure of the Yearly Report

Applicable  Not applicable

#### XI. Relevant Matters of Bankruptcy Reorganization

Applicable  Not applicable

Nil

#### XII. Matters of Important Lawsuit and Arbitration

Applicable  Not applicable

Nil

#### XIII. Situation of Punishment and Rectification

Applicable  Not applicable

Nil

#### XIV. Credit Condition of the Company and its Controlling Shareholders and Actual Controllers

Applicable  Not applicable

## XV. Implementation Situation of Stock Incentive Plan of the Company, Employee Stock Ownership Plan or Other Employee Incentive Measures

√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.

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.

## XVI. 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 Thousands)	Ratio in similar trades	Trading limit approved (Ten Thousands)	Whether approved limited or not (Y/N)	Way of payment	Market price of similar trade available	Date of disclosure	Index of information disclosure
Beijing Zhonghuan Xinrong Trade Co., Ltd.	Controlled by the same actual controller	Selling goods and providing services	Construction Engineering	Reference price setting	19,613.27	19,613.27		14,543.56	No	Currency	19,613.27	January 27, 2018	<a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a>
Huidong Baoan Jinan Real estate Develop	Controlled by the same actual controller	Selling goods and providing services	Construction Engineering	Reference price setting	31,340.93	31,340.93		31,340.93	No	Currency	31,340.93	April 20, 2018	<a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a>

ment Co., Ltd.	er												
Kunming Tunghsu Qiming Investme nt Develop ment Co., Ltd.	Control led by the same actual control ler	Selling goods and providin g services	Constru ction Enginee ring	Referen ce price setting	29,849. 72	29,849. 72		35,000	No	Currenc y	29,849. 72	April 20,2018	<a href="http://www.cninfo.com.cn">http://w ww.cni nfo.co m.cn</a>
Shengzho u Zhexu Real Estate Co., Ltd.	Control led by the same actual control ler	Selling goods and providin g services	Constru ction Enginee ring	Referen ce price setting	13,213. 64	13,213. 64		20,000	No	Currenc y	13,213. 64	April 20,2018	<a href="http://www.cninfo.com.cn">http://w ww.cni nfo.co m.cn</a>
Zhangzho u Shenghua Real Eaeste Develop ment Co., Ltd.	Control led by the same actual control ler	Selling goods and providin g services	Constru ction Enginee ring	Referen ce price setting	15,910. 00	15,910		20,000	No	Currenc y	15,910	April 20,2018	<a href="http://www.cninfo.com.cn">http://w ww.cni nfo.co m.cn</a>
Zhongsha n Shenzhon g Real Eaeste Develop ment Co., Ltd.	Control led by the same actual control ler	Selling goods and providin g services	Constru ction Enginee ring	Referen ce price setting	38,804. 29	38,804. 29		38,804. 29	No	Currenc y	38,804. 29	April 20,2019	<a href="http://www.cninfo.com.cn">http://w ww.cni nfo.co m.cn</a>
Total				--	--	148,731 .85	--	159,688 .78	--	--	--	--	--
Details of any sales return of a large amount				Nil									
Give the actual situation in the report period where a forecast had been made for the total amounts of routine related-party transactions by type to occur in the current period(if any)				Nil									

Reason for any significant difference between the transaction price and the market reference price (if applicable)	Not applicable
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## 2. Related-party transactions arising from asset acquisition or sale

Applicable  Not applicable

Related parties	Relationship	Type of trade	Subjects of the related transactions	Principle of pricing the related transactions	Book value of assets transferred (Ten thousand)	Valuation of transferred assets (Ten thousand) (If any)	Transfer price (Ten thousand)	Way of payment	Transaction gain or loss (Ten thousand)	Date of disclosure	Index of information disclosure
Tunghsu Technology Group Co., Ltd.	Same control	Equity transfer	Disposal of subsidiaries	Based on audited net assets	54,681.78	0	55,000	Monetary funds	-318.22	April 14, 2018	<a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a>
Reasons for the difference between the transfer price and the book value or valuation value (If any)				Nil							
Impact on the company's operating results and financial status				Nil							
If the relevant transaction involves performance agreement, the performance of the report during the reporting period				Nil							

## 3. Related-party transactions with joint investments

Applicable  Not applicable

No such cases in the reporting period.

## 4. Credits and liabilities with related parties

Applicable  Not applicable

No such cases in the reporting period.

## 5. Other significant related-party transactions

Applicable  Not applicable

No such cases in the reporting period.

## XVII. Particulars about significant contracts and their fulfillment

## 1. Particulars about trusteeship, contract and lease

## (1) Trusteeship

Applicable  Not applicable

No such cases in the reporting period.

## (2) Contract

Applicable  Not applicable

No such cases in the reporting period.

## (3) Lease

Applicable  Not applicable

No such cases in the reporting period.

## 2. Guarantees

Applicable  Not applicable

## (1) Guarantees

In RMB10,000

Guarantee of the Company for the controlling subsidiaries (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 amount 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		42,510.39	The joint liability guaranty		No	No
Total of external guarantee approved in the report term (A1)		150,000		Total of external guarantee actually occurred in the report term (A2)		42,510.39		
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)		42,510.39		
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 or not	Related guarantee
Wuhu Optoelectronic	June 20,2013	132,000	November 12,2013	71,250	The joint liability guaranty	96 months	No	No
Wuhu Optoelectronic	September 27,2013	90,000	February 6,2014	41,250	The joint liability guaranty	96 months	No	No
Wuhu Equipment	April 11,2014	150,000	October 30,2014	33,000	The joint liability	96 months	No	No

					guaranty			
Wuhu Optoelectronic	November 18,2016	52,300	December 2,2016	43,341.17	The joint liability guaranty	72months	No	No
Xuhong Optoelectronic	January 11,2018	8,000	February 9,2018	8,000	The joint liability guaranty	12months	No	No
Guangxi Sunlong	March 10,2018	5,000		0			No	No
Sunlong Bus	March 10,2018	10,000	March 27,2018	7,000	The joint liability guaranty	12months	No	No
Sunlong Bus	March 10,2018	6,000	April 2,2018	3,000	The joint liability guaranty	12months	No	No
Sunlong Bus	March 27,2018	5,000	March 30,2018	5,000	The joint liability guaranty	12months	No	No
Guangxi Sunlong	March 27,2018	10,000		0				
Wuhu Optoelectronic	March 27,2018	10,000	March 28,2018	10,000	The joint liability guaranty	12months	No	No
Wuhu Optoelectronic	March 27,2018	10,000	March 27,2018	10,000	The joint liability guaranty	12months	No	No
Wuhu Optoelectronic	April 14,2018	7,000	April 24,2018	5,000	The joint liability guaranty	12months	No	No
Guangxi Sunlong	April 14,2018	4,950	April 28,2018	2,500	The joint liability guaranty	12months	No	No
Zhenzhen Xin Ying Tong	April 14,2018	10,000		10,000	The joint liability guaranty	12months	No	No
Tunghsu (Kunshan)	May 11,2018	38,000	May 14,2018	38,000	The joint liability guaranty	The guarantee period is from the date when the	No	No



						pledge right is established to the date when all the guaranteed debts under the Finance Lease Contract are paid off.		
Zhengzhou Xufei	June 13,2018	5,000	June 29,2018	5,000	The joint liability guaranty		No	No
Suzhou Tengda	June 13,2018	5,000	June 28,2018	2,000	The joint liability guaranty		No	No
Wuhu Tunghsu	June 16,2018	15,000	June 26,2018	15,000	The joint liability guaranty		No	No
Wuhu Equipment	June 16,2018	15,000	June 29,2018	15,000	The joint liability guaranty		No	No
Suzhou Tengda	July 14,2018	2,000		0				
Shanghai Sunlong	July 14,2018	20,000		0				
Zhengzhou Xufei	July 14,2018	20,000		0				
Tunghsu (Kunshan)	July 14,2018	15,000	July 26,2018	4,950	The joint liability guaranty		No	No
Shenzhen Xin Ying Tong	July 28,2018	10,000	July 28,2014	10,000	The joint liability guaranty		No	No
Guangxi Sunlong	July 28,2018	10,000	September 10,2018	5,000	The joint liability guaranty		No	No
Chongqing Jinghuateng	August 4,2018	2,000	September 26,2018	1,000	The joint liability guaranty		No	No
Zhengzhou Xufei	August	8,000	September	8,000	The joint		No	No

	31,2018		18,2018		liability guaranty			
Shanghai Sunlong	September 22,2018	4,000	November 5,2018	2,000	The joint liability guaranty		No	No
Jiangsu Jixing	September 22,2018	10,000	September 30,2018	9,235.07	The joint liability guaranty		No	No
Zhengzhou Xufei	September 22,2018	12,000	September 28,2018	12,000	The joint liability guaranty		No	No
Chongqing Jinghuateng	September 22,2018	2,000	September 27,2018	2,000	The joint liability guaranty		No	No
Hunan Tunghsu Delai	October 20,2018	12,000	December 19,2018	2,000	The joint liability guaranty		No	No
Guangxi Sunlong	October 20,2018	30,000	November 29,2018	5,000	The joint liability guaranty		No	No
Jingsu Tunghsu Yitai	October 20,2018	2,000		0	The joint liability guaranty			
Suzhou Tengda	October 31,2018	2,000	October 31,2018	2,000	The joint liability guaranty		No	No
Chongqing Jinghuateng	October 31,2018	2,500	November 20,2018	2,500	The joint liability guaranty		No	No
Guangxi Sunlong	October 31,2018	30,000	December 28,2018	11,000	The joint liability guaranty		No	No
Suzhou Tengda	November 24,2018	2,500	December 3,2018	2,500	The joint liability guaranty		No	No
Tunghsu (Kunshan)	November 24,2018	30,000	December 11,2018	10,000	The joint liability guaranty		No	No
Zhengzhou Xufei Optoelectronic	December 26,2018	202,400						

Technology Co., Ltd., Sichuan Xuhong Optoelectronic Technology Co., Ltd., Wuhu Tunghsu Optoelectronic Equipment Technology Co., Ltd., Chenzhou Xuhong Transportation Construction Co.,Ltd., Shenzhen Wuyulunbi Technology Co., Ltd, Hunan Tunghsu Delai Electric Technology Co., Ltd., Chongqing Jinghuateng Optoelectronic Technology and Fuzhou Xufu Optoelectronic Technology Co., Ltd.								
Shanghai Sunlong	December 26,2018	2,500			The joint liability guaranty		No	No
Total of guarantee for subsidiaries approved in the Period (B1)		594,850		Total of actual guarantee for subsidiaries in the Period (B2)		264,500		
Total of guarantee for subsidiaries approved at Period-end (B3)		1,104,150		Total of actual guarantee for subsidiaries at Period-end (B4)		224,685		
Guarantee of the subsidiaries for the controlling subsidiaries								
Name of the Company guaranteed	Relevant disclosure date/No. of the guaranteed amount	Amount of guarantee	Date of happening (Date o signing agreement)	Actual mount of guarantee	Guarantee type	Guarantee term	Complete implemen tation or not	Guarante e for associate d parties (Yes or no)
The Company's total guarantee(i.e.total of the first three main items)								

Total guarantee quota approved in the reporting period (A1+B1+C1)	744,850	Total amount of guarantee actually incurred in the reporting period (A2+B2+C2)	307,010.39
Total guarantee quota already approved at the end of the reporting period (A3+B3+C3)	1,254,150	Total balance of the actual guarantee at the end of the reporting period (A4+B4+C4)	267,195.39
The proportion of the total amount of actually guarantee in the net assets of the Company (that is A4+B4+C4) %		8.22%	
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)			0
Proportion of total amount of guarantee in net assets of the Company exceed 50% (F)			0
Total guarantee Amount of the abovementioned guarantees (D+E+F)			0
Explanations on possibly bearing joint and several liquidating responsibilities for undue guarantees (if any)			No
Explanations on external guarantee against regulated procedures (if any)			No

## Description of the guarantee with complex method

## (2) Illegal providing of external guarantees

Applicable  Not applicable

No illegal providing of external guarantees in the report period.

## 3. Situation of Entrusting Others for Managing Spot Asset

## (1) Situation of Entrusted Finance

Nil

## (2) Situation of Entrusted Loans

Applicable  Not applicable

Nil

## 4. Other significant contract

Applicable  Not applicable

Nil

## XVIII. Social responsibilities

## 1. Performance of poverty relieving responsibilities

See the Corporate Social Responsibility Report disclosed by the Company on the same day for details.

## 2. Overview of the annual targeted poverty alleviation

## (1) Precision poverty alleviation planning

## (2) Half-year poverty relieving summary

1. On February 2, 2018, Tunghsu Photoelectricity donated the first batch of 300 graphene heaters to Fuping County, Hebei Province for free in order to realize clean heating in winter. At the same time, it also donated 200,000 yuan worth of books. This donation is only the first pilot project, and the scope of donation will be appropriately expanded in the later period according to the operation situation.

2. On February 8, 2018, Tunghsu Photoelectricity donated 530 sets of graphene heaters which worth 890,400 yuan and 200,000 yuan worth of books to the central primary school at Gonghui Town, Zhangbei County, Hebei Province and to center gerocomium at Haojiaying township to help primary school students and widows and orphans live in warm in the winter and do their part in the primary and secondary education.

3. On June 19, 2018, Guangxi Sunlong Automobile Manufacturing Co., Ltd., a wholly-owned subsidiary of the company, donated 228,500 yuan to Zhongdang village, which lies at Jiafang Township, Mashan County, Guangxi Province, so as to assist in the Sunlong twinning project of poverty alleviation project of the deep poverty-stricken village in Guangxi: reservoir project of drinking water engineering.

4. During the reporting period, Shanghai Sunlong, Jiangsu Jixing and Suzhou Tenda, which are the wholly-owned subsidiaries of the company, donated 10,000 yuan, 10,000 yuan and 20,000 yuan respectively for poverty alleviation.

## 3. 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
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	25mg/L	Integrated Wastewater Discharge Standard GB8978-1997	3.19T/year	117.1T/year	Not exceeded
Fuzhou	Ammonia		1	Total	6.8mg/L	Water quality	0.87T/year	15.6T/year	

Tunghsu Optoelectronic Technology Co., Ltd.	a Nitrogen			wastewater discharge outlet in southeast corner of plant area		standard for sewage to be discharged into urban sewage drain CJ-343-2010	ar	ar	
Sichuan Xuhong Optoelectronic Technology Co., Ltd.	NOX, SO <sub>2</sub> , 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	NOX≤700mg/m <sup>3</sup> SO <sub>2</sub> ≤400mg/m <sup>3</sup> Granule (melting furnace) ≤50mg/m <sup>3</sup> Particulate matter (batching, broken glass)≤30mg/m <sup>3</sup>	Emission Standard of Air Pollutants for Flat Glass Industry (GB26453-2011)	NOX: 82.67tons/year SO <sub>2</sub> : 1.28tons/year Particulate matter: 2.09tons/year	NOX: 82.67tons/year SO <sub>2</sub> : 8.49tons/year Particulate matter: 6.23tons/year	On April 28, 2018, the coordinated monitoring of the air monitoring and measuring tube showed that the company's glass furnace emitted 742mg/m <sup>3</sup> of NOX (emission limit: 700mg/m <sup>3</sup> )
Zhengzhou Xufei Optoelectronic Technology Co., Ltd.	Nitrogen oxides	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	Flue gas discharge port of first-stage furnace: 161.3mg/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 Standard of Air Pollutants for Electronic Glass Industry (GB29495-2013), and the flue gas of	9.72t/a	10.014t/a	Not exceeded

				1 chimney for each of the 3 natural gas boilers	second-stage furnace: 205.7 mg/m <sup>3</sup> .	boiler shall be subject to the emission limit values in Table 1 of Emission Standard of Air Pollutants for Boiler (GB13271-2014)			
Zhengzhou Xufei Optoelectronic Technology Co., Ltd.	Sulphur Dioxide		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)	0.0466t/a	1.387t/a	Not exceeded
Zhengzhou Xufei Optoelectronic Technology Co., Ltd.	Particulates		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 discharge port of first-stage furnace: 8.44mg/m <sup>3</sup> Flue gas discharge port of second-stage furnace: 25.1mg/m <sup>3</sup>	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	0.827t/a	\	Not exceeded

						(GB13271-2014)			
Zhengzhou Xufei Optoelectronic Technology Co., Ltd.	COD	Domestic wastewater is discharged after biochemical	1	The company has set up a total wastewater discharge port	62.3mg/L	Implementation of the integrated sewage discharge standard (GB8978-1996) table 4 secondary standards	5.02t/a	9.1t/a	Not exceeded
Zhengzhou Xufei Optoelectronic Technology Co., Ltd.	Ammonia Nitrogen	(AO2) treatment, and production wastewater is discharged after	1	The company has set up a total wastewater discharge port	0.763mg/L	Implementation of the integrated sewage discharge standard (GB8978-1996) table 4 secondary standards	0.08t/a	0.13t/a	Not exceeded
Tunghsu (Yingkou) Photoelectric display Co., Ltd.	Wastewater PH	Grinding wastewater and cleaning wastewater are respectively	1	Near the gate on the east side of the plant area	6-9	Integrated Wastewater Discharge Standard of Liaoning Province (DB21/1627-2008)	Wastewater volume 535m3/d	Wastewater volume	No
Tunghsu (Yingkou) Photoelectric display Co., Ltd.	Wastewater COD	treated by the grinding wastewater treatment system and the cleaning	1	Near the gate on the east side of the plant area	52.07mg/L	Integrated Wastewater Discharge Standard of Liaoning Province (DB21/1627-2008)	9.93t/a	57.21t/a	No
Tunghsu (Yingkou) Photoelectric display Co., Ltd.	Wastewater SS	wastewater treatment system, and then, together with the domestic	1	Near the gate on the east side of the plant area	28.78mg/L	Integrated Wastewater Discharge Standard of Liaoning Province (DB21/1627-2008)	5.44t/a	56.71t/a	No
Tunghsu (Yingkou) Photoelectric display Co., Ltd.	Wastewater BOD	wastewater treated by the oil separation tank + septic tank, they are collected into the total	1	Near the gate on the east side of the plant area	22.25mg/L	Integrated Wastewater Discharge Standard of Liaoning Province (DB21/1627-2008)	4.24t/a	47.64t/a	No
Tunghsu (Yingkou) Photoelectric display Co., Ltd.	Ammonia nitrogen in wastewater	wastewater discharge port of the plant area and discharged through the municipal pipe network of the industrial base to	1	Near the gate on the east side of the plant area	1.31mg/L	Integrated Wastewater Discharge Standard of Liaoning Province (DB21/1627-2008)	0.25t/a	5.73t/a	No



		the third sewage treatment plant of Liaoning (Yingkou) coastal industrial base for further treatment.							
Wuhu Tunghsu Optoelectronic Technology Co., Ltd.	(SO <sub>2</sub> )	After passing through the flue gas treatment system, it is	2	Between plant 101 and plant 202	19.5 mg/m <sup>3</sup>	SO <sub>2</sub> ≤400 mg/m <sup>3</sup>	1.89 t	4.52 t/a	No
Wuhu Tunghsu Optoelectronic Technology Co., Ltd.	(NO <sub>X</sub> )	directly discharged into the atmosphere.	2	Between plant 101 and plant 202	166 mg/m <sup>3</sup>	NO <sub>X</sub> ≤700 mg/m <sup>3</sup>	33.03 t	84.76 t/a	No
Wuhu Tunghsu Optoelectronic Technology Co., Ltd.	(COD)	After neutralization, it enters the Chengdong	1	East side of the east gate of the company	26 mg/L	COD≤500 mg/L	40.09 t	42.5 t/a	No
Wuhu Tunghsu Optoelectronic Technology Co., Ltd.	(NH <sub>3</sub> -N)	Sewage Treatment Plant through municipal sewage pipe network	1	East side of the east gate of the company	0.979 mg/L	/	1.51 t	2.86 t/a	No
Tunghsu (Kunshan) Display Material Co., Ltd.	COD, TP, ammonia nitrogen	Wastewater is discharged to the sewage treatment plant through pipelines	1	South side of the plant area	101.4mg/L 0.066 mg/L 0.238 mg/L	Standards for Class 4 surface water	36.5tons 0.023tons 0.085tons	62.442 tons 0.096 tons 0.723tons	No
Tunghsu (Kunshan) Display Material Co., Ltd.	Organic exhaust gas (TVOC)	Organic exhaust gas is treated by exhaust gas treatment facilities and then	1	The west roof of the main plant building	1.58 mg/m <sup>3</sup>	DB12/524-2014 Emission Control Standard for Industrial Enterprises Volatile Organic	0.58 吨	10.081tons	No

		discharged through a 25m chimney				Compounds			
Tunghsu (Kunshan) Display Material Co., Ltd.	Acid exhaust gas (HCL)	Organic exhaust gas is treated by exhaust gas treatment facilities and then discharged through a 25m chimney	1	The west roof of the main plant building	0.42 mg/m <sup>3</sup>	GB16297-96 Integrated Emission Standard of Air Pollutants	0.02tons	0.333tons	No
Tunghsu (Kunshan) Display Material Co., Ltd.	Particulate matter, SO <sub>2</sub> , NO <sub>x</sub>	Exhaust gas is discharged through a 25m chimney	1	The north roof of the main plant building	5.62 mg/ m <sup>3</sup> 0.311 mg/m <sup>3</sup> 45.32 mg/m <sup>3</sup>	GB13271-2014 Emission Standard of Air Pollutants for Boiler	0.0103 tons 0.006 tons 0.231 tons	0.231tons s0.014 tons 5.361ton s	No
Tunghsu (Kunshan) Display Material Co., Ltd.	Alkali mist	Exhaust gas is treated by exhaust gas treatment facilities and then discharged through a 25m chimney	1	The west roof of the main plant building	4.83mg/m <sup>3</sup>	Refer to GB28665-2012 Emission Standard of Steel Rolling Industry	0.626tons	2.294tons	No
Jiangsu Jixing New Material Co., Ltd.	COD	Discharge into the municipal sewage treatment plant	1	WS-960001 west side of sewage treatment station	≤500	HJ/T399-2007	5.2446tons	22.774tons	No
Jiangsu Jixing New Material Co., Ltd.	SS	through the sewage pipe network	1	WS-960001 west side of sewage treatment station	≤150	GB/T11901—1989	0.4995tons	13.002tons	No
Jiangsu Jixing New Material Co., Ltd.	Sulfuric Acid Mist	Discharge into the atmosphere through alkali mist spraying treatment facilities	1	FQ-960001 north side of manufacturing workshop	Emission concentration ≤ 100 mg/m <sup>3</sup> ; Emission rate ≤0.26kg/h	GB16297-1996	0.002165tons	0.206tons	No
Shanghai Sunlong	Wastewater:	After the treatment reaches	1	Total wastewater	197mg/L	Integrated Wastewater	/	/	Not exceeded

Bus	Chemical oxygen demand	the standard, it enters the urban sewage pipe network		discharge outlet in southeast corner of plant area		Discharge Standard (DB31/199-2018)			
Shanghai Sunlong Bus	Wastewater: Total nitrogen		1	Total wastewater discharge outlet in southeast corner of plant area	21.93mg/L	Integrated Wastewater Discharge Standard DB31/199-2018	/	/	Not exceeded
Shanghai Sunlong Bus	Wastewater: suspended substance		1	Total wastewater discharge outlet in southeast corner of plant area	42.67mg/L	Integrated Wastewater Discharge Standard DB31/199-2018	/	/	Not exceeded
Shanghai Sunlong Bus	Wastewater: petroleum		1	Total wastewater discharge outlet in southeast corner of plant area	2.54mg/L	Integrated Wastewater Discharge Standard DB31/199-2018	/	/	Not exceeded
Shanghai Sunlong Bus	Wastewater: Total phosphorus		1	Total wastewater discharge outlet in southeast corner of plant area	1.41mg/L	Integrated Wastewater Discharge Standard DB31/199-2018	/	/	Not exceeded
Shanghai Sunlong Bus	Exhaust gas: volatile organic compounds (VOCs)	When it reaches the standard after the treatment, it will be discharged at high altitude	4	West of the plant area	4.33mg/m <sup>3</sup>	Emission Standards of Air Pollutants for Automobile Manufacturing Industry (Coating) (DB32/859-2014)	39.289	/	Not exceeded
Shanghai Sunlong	Exhaust gas:	When it reaches the standard after	10	To the west of the	9.545mg/m <sup>3</sup>	Emission Standard of Air Pollutants for	0.00134	0.02	Not exceeded

Bus	sulfur dioxide	the treatment, it will be discharged at high altitude		central part of the plant area		Industrial Kiln and Furnace DB31/860-2014			
Shanghai Sunlong Bus	Exhaust gas: nitrogen oxide		10	To the west of the central part of the plant area	13.04mg/m <sup>3</sup>	Emission Standard of Air Pollutants for Industrial Kiln and Furnace DB31/860-2014	0.625	0.84	Not exceeded
Shanghai Sunlong Bus	Exhaust gas: welding fumes		11	To the south of the central part of the plant area	<20mg/m <sup>3</sup>	Integrated Emission Standard of Air Pollutants DB31/933-2015	1.001	1.04	Not exceeded
Guangxi Sunlong	Chemical oxygen demand, ammonia nitrogen, pH, toluene, xylene, particulate matter	Continuous Blowdown	32	There is 1 total sewage outlet and 31 exhaust outlets in the painting workshop	COD: 45mg/L Ammonia nitrogen: 2.66 mg/L Toluene 0.215mg/m <sup>3</sup> Xylene 0.5mg/m <sup>3</sup> Particulate 3.2mg/m <sup>3</sup>	Integrated Wastewater Discharge Standard Level 3 Standard; Integrated Emission Standard of Air Pollutants	COD:1.61 tons Ammonia nitrogen: 0.18 tons Toluene: 0.042 tons Xylene: 0.04 tons Particulate matter: 0.384 tons	No	No
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	/	/	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	Subject to the requirements of environmental protection standards	No

		waste: waste cutting liquid shall be recovered and treated by a qualified company					liquid): 0.2 tons			
Changqing Xufu Optoelectronic Technology Co., Ltd.	Domestic sewage	Access to municipal sewage treatment pipe network	1	Yingtian Gonggu wastewater pipe network	/		Limits for Surface Water	0.4350	0.4350	/
Chongqing Jinghuateng Optoelectronic Technology Co., Ltd.	Non-methane total hydrocarbon	Be organized	1	/	60		Emission standard of packaging and printing industry	/	0.38	No
Suzhou Tengda Optic Technology Co., Ltd.	Domestic sewage	Access to municipal sewage treatment pipe network	1	/	/		Water quality standard for sewage to be discharged into urban sewage drain	/	/	/
Hefei Jinghua Optoelectronic Technology Co., Ltd.	Domestic sewage	Access to municipal sewage treatment pipe network	/	/	/		Water quality standard for sewage to be discharged into urban sewage drain	/	/	/
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	No
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>	No
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)	3.3 mg/ m <sup>3</sup>	8.5 mg/ m <sup>3</sup>	No

Co., Ltd.						secondary standards			
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 Boundary (GB12348-2008)	16500 m <sup>3</sup> /h	20000 m <sup>3</sup> /h	/

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

#### 1. 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.

#### 2. 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.

#### 3. 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. 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. 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.

#### 6. Tunghsu (Kunshan) Display Material Co., Ltd

The company has built a set of volatile organic compounds system, an acid exhaust treatment system, an alkali exhaust treatment system, a boiler exhaust system, a acid and alkaline wastewater treatment system and an organic wastewater treatment system. At present, all systems except the volatile organic compounds system are installed

with automatic monitoring systems and operate normally. Currently, the automatic monitoring system of the volatile organic compounds system is not perfect, with certain potential safety hazards. At present, the equipment responsible unit is preparing an automatic control improvement scheme to realize real-time monitoring of equipment operating parameters. During the scheme improvement period, the on-duty personnel conduct regular on-site inspections to ensure the normal operation of the equipment.

#### 7. 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.

#### 8. 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.

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

##### 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.

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.

Noise treatment: reasonable layout of high-noise equipment and noise control measures such as sound insulation, sound absorption and vibration reduction.

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.

## 2) Operation

In 2018, 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.

### 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. Chongqing Xufuda 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.

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

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.

### 13. 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

#### 1. 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.

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

The company's "PDP Glass Substrate Project" and "10 million m<sup>2</sup> 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 2018, it strictly carried out sewage discharge and various environmental management according to the requirements of the new sewage permit.

#### 3. 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 roject: 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).

#### 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. 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.

#### 6. Tunghsu (Kunshan) Display Material Co., Ltd

The examination and approval opinions of the environmental impact report of the construction project were obtained in July 2015. Currently, the environmental protection Three Simultaneities acceptance operation is underway. The expert review of the environmental impact assessment Three Simultaneities acceptance will be completed in February 2019. In the preparation of the Three Simultaneities acceptance report, the publicity is expected to be completed by the end of March 2019. Currently, due to hazardous waste problems (if the waste developer and concentrated waste liquid with high concentration of nitrogen do not conform to the contents of the environmental impact report, it needs to be disposed of outside the contract according to the requirements of the environmental impact report, with records kept), for the overall acceptance part, the acceptance data cannot be submitted to the Environmental Protection Bureau. Currently, the application for outsourcing disposal of waste developer and concentrated waste liquid containing high concentration nitrogen has been submitted. The outsourcing disposal is expected to be completed in April during the purchasing contract negotiation.

#### 7. 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.

#### 8. 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.

#### 9. 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.

#### 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.Suzhou Tengda Optical Technology Co., Ltd.

Wuhuanjian{2013}No.632

12.Chongqing Fuda Optoelectronic Technology Co., Ltd.

Yu (Liangjiang) HZ [2018] No.090

13.Chongqing Jinghuateng Optoelectronic Technology Co., Ltd.

Yu (Liangjiang) HZ{2017No.}240

14.Hefei Jinghuateng Optoelectronic Technology Co., Ltd.

FDJSZD{2016}No.248

15.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.

Emergency response plan of emergency environmental event

1. 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.

2. 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.

3. Zhengzhou Xufei Optoelectronic Technology co., ltd

The company has emergency plans for hazardous waste accidents, environmental anomaly for wastewater discharge, radiation sources and abnormal exhaust emissions.

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. 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).

#### 6. Tunghsu (Kunshan) Display Material Co., Ltd

The company completed the environmental emergency plan report in July 2018, completed the expert review and final report revision in August, and obtained the emergency plan filing approval on September 14.

#### 7. 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).

#### 8. 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.

#### 9. 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.

10. Suzhou Tengda Optical Technology Co., Ltd., Chongqing Xufuda Optoelectronic Technology Co., Ltd., Chongqing Jinghuateng Optoelectronic Technology Co., Ltd., Hefei Jinghuateng Optoelectronic Technology Co., Ltd.

The above subsidiaries have formulated the corresponding Emergency Plan Management System and have trained all employees and publicized the emergency plan team members.

#### 11. 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.

#### Environmental self-monitoring plan

##### 1. 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.

##### 2. 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.

### 3. 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.

### 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. 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.

### 6. Tunghsu (Kunshan) Display Material Co., Ltd

The wastewater discharge port is provided with automatic monitoring equipment for COD, TP, ammonia nitrogen and flow rate, and the online monitoring equipment is all networked with the Environmental Protection Bureau to monitor the wastewater discharge status in real time to ensure the discharge reaching the standard; All exhaust gas treatment systems except the volatile organic compounds system are equipped with automatic monitoring measures to monitor the running status of the treatment device in real time. Qualified third-party units are entrusted to carry out exhaust gas emission testing every year to ensure the standard emission. Currently, there is no automatic monitoring system in the volatile organic compounds system and there are certain potential safety hazards. At present, the equipment responsible unit is preparing an automatic control improvement plan. During this period, the personnel on duty will conduct regular on-site inspections to ensure the normal operation of the equipment.

### 7. 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.

### 8. 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.

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

Currently, the company is entrusting a third-party qualification unit to carry out emission permit application and environmental self-monitoring plan preparation.

#### 10. 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.

11. Suzhou Tengda Optical Technology Co., Ltd., Chongqing Xufuda Optoelectronic Technology Co., Ltd., Chongqing Jinghuateng Optoelectronic Technology Co., Ltd., Hefei 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.

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

1) Self-monitoring plan of the enterprise: 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.

2) Commissioned monitoring: Since the company does not have the expertise to monitor exhaust gas and noise, the qualification testing company (Sichuan Jiuhua 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.

Other environmental information to be disclosed

#### 1. 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>

#### 2. 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.

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

Environmental protection credit information management system for enterprises and institutions in Henan province, and environmental information disclosure system in Henan province.

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

The environmental impact assessment platform of the company's construction project is available at <http://114.251.10.205/#/pub-message>

#### 5. 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.

#### 6. Tunghsu (Kunshan) Display Material Co., Ltd

At present, the environmental protection Three Simultaneities acceptance is being carried out. The acceptance report and the acceptance data are being compiled by the manufacturer. After completion, it is expected to be published on Kunshan website in China at the end of March.

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

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

#### 8. 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.

#### 9. 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. The company has invested a lot of money and adopted advanced treatment systems for wastewater, exhaust gas, noise and risk control, which shows that the company attaches great importance to environmental protection, and is consistent with the company's image as a green environmental protection industry.

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.	900-252-12	Commissioned by a qualified third party for disposal	Temporary storage room for hazardous wastes	Painting workshop, assembly workshop, commissioning workshop	/	21.66	23	15
	900-252-12					5.87	5.31	2.74
	900-014-13					6.6	4.8	4.85
	900-041-49					40.21	43.12	1.89
	900-041-49					1.3	0	1.3
	900-218-08					0.4	0	0.4
	900-041-49					5.55	0	5.55
	900-041-49					2.25	0	2.25



## XIX. Explanation on other significant events

Applicable  Not applicable

Nil

## XX. Material issues of the subsidiaries

Applicable  Not applicable

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

## 1. 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
1.Shares with conditional subscription	1,385,624,525	24.18%				-769,529,722	-769,529,722	616,094,803	10.75%
2. State-owned legal person shares	60,389,095	1.05%				-60,389,095	-60,389,095		
3.Other domestic shares	1,325,235,430	23.13%				-709,140,627	-709,140,627	616,094,803	10.75%
Incl: Domestic legal person shares	1,323,974,680	23.11%				-709,140,627	-709,140,627	614,834,053	10.73%
Domestic Natural Person shares	1,260,750	0.02%						1,260,750	0.02%
II.Shares with unconditional subscription	4,344,625,593	75.82%				769,529,722	769,529,722	5,114,155,315	89.25%
1.Common shares in RMB	4,094,625,592	71.46%				769,529,722	769,529,722	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

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

In Shares

Shareholder Name	Initial Restricted Shares	Number of Unrestricted Shares This Term	Number of Increased Restricted Shares This Term	Restricted Shares in the End of the Term	Reason for Restricted Shares	Date of Restriction Removal
Tunghsu Group	791,889,488	439,882,697		352,006,791	Non-public issue restricted shares of 2015	439,882,687 shares will be released on December 19,2018; 106,326,446 shares will be released on November 30,2020; 245,680,345 shares will be released on December 29,2020.
Tunghsu Optoelectronic Technology Co., Ltd. — The first ESOP	72,639,296	72,639,296		0	Non-public issue restricted shares of 2015	December 19,2018
Kunshan Development Zone State-owned Investment Holding Co., Ltd.	43,988,269	43,988,269		0	Non-public issue restricted shares of 2015	December 19,2018
Beijing Yingfei Hailin	29,325,513	29,325,513		0	Non-public issue	December 19,2018

Investment Center (Limited Partnership)					restricted shares of 2015	
Shanghai Changjiang Wealth & Asset Management Co., Ltd. — China Merchants Bank — Changjiang Wealth — Tunghsu No.1 Special Asset Management Plan	8,005,865	8,005,865			0 Non-public issue restricted shares of 2015	December 19,2018
Shanghai Huimao Enterprise Management Co., Ltd.	262,626,262			262,626,262	In 2017, shares were issued and cash was paid to purchase assets, and matching funds and related transactions were raised	November 30,2020
Minsheng Royal Fund Management Co., Ltd— -Ping An Bank-Daye Trust Zengli 2 single Fund Trust	97,192,224	97,192,224			0 In 2017, shares were issued and cash was paid to purchase assets, and matching funds and related transactions were raised	December 29,2018
Beixin Ruifeng Fund— China Merchants Bank —Daye Trust—Daye Trust Profit increase 3 single fund plan	62,095,032	62,095,032			0 In 2017, shares were issued and cash was paid to purchase assets, and matching funds and related transactions were raised	December 29,2018
Mianyang Technology City Development Investment (Group) Co., Ltd.	11,380,165	11,380,165			0 In 2017, shares were issued and cash was paid to purchase assets, and matching funds and related transactions were raised	December 29,2018
Sichuan Changhong Elec Co.,Ltd	5,020,661	5,020,661			0 In 2017, shares were issued and cash was paid to purchase assets, and matching funds and related transactions were raised	December 29,2018
The 40 Shareholders Awarded Stock	1,260,750			1,260,750	Equity incentive and top management locking	Repurchase cancellation of

Incentive					shares	share incentive object after dismissal or repurchase cancellation for failure to meet the unlocking conditions
The 9 Non-agency Restricted Shareholders before the First Issue	201,000			201,000	Before the first offering, institutional shareholders restricted from sales	When the relevant shareholders entrust the company to handle the business of lifting the restrictions on the sale of shares
Total	1,385,624,525	769,529,722	0	616,094,803	--	--

## II. Issuing and listing

### 1. Explanation of the Situation of the Security Issue(No Preferred Shares) in the Report Period

Applicable Not applicable

### 2. Change of asset and liability structure caused by change of total capital shares and structure

Applicable Not applicable

### 3. About the existing employees' shares

Applicable Not applicable

## III. Shareholders and actual controlling shareholder

### 1. Number of shareholders and shareholding

							In Share	
Total number of common shareholders at the end of the reporting period	350,362	Total shareholders at the end of the month from the date of disclosing the annual report	357,676	The total number of preferred shareholders voting rights restored at period-end (if any)(See Notes 8)	0	Total preferred shareholders at the end of the month from the date of disclosing the annual report(if any)(See Notes 8)	0	

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	799,643,042
Shijiazhuang Baoshi Electronic Group Co., Ltd.	Domestic Non-State-owned legal person	5.80%	332,382,171			332,382,171	Pledge	153,520,000
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	1.70%	97,192,224			97,192,224		
Qianhai equity investment fund (limited partnership)	Domestic Non-State-owned legal person	1.45%	83,341,345			83,341,345		
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—	Other	1.27%	62,095,032			62,095,032		

Daye Trust Profit increase 3 single fund plan								
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		
China Life AMP Asset Management Co., Ltd. — Bohai Bank — Minsheng Trust — China Minsheng Trust-Zhicheng No.192 Tunghsu Optoelectronic Private placement fund trust plan	Other	0.85%	48,619,336			48,619,336		
Strategy investors or general legal person becomes top 10 shareholders due to rights issued (if applicable)( See Notes 3)	Among the top 10 shareholders, Shenzhen Taianer Information Technology Co., Ltd., Qianhai Equity Investment Fund(Limited Partnership), China Life AMP Asset Management Co., Ltd. — Bohai Bank — Minsheng Trust — China Minsheng Trust-Zhicheng No.192 Tunghsu Optoelectronic Private placement fund trust plan 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 Huihao 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 and Baoshi Group have relationship and constitute persons taking concerted action. The company does not know whether there is relationship between other 8 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 (Note 4)	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	97,192,224	RMB Common shares	97,192,224
Qianhai equity investment fund (limited partnership)	83,341,345	RMB Common shares	83,341,345
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
China Life AMP Asset Management Co., Ltd.—Bohai Bank—Minsheng Trust—China Minsheng Trust-Zhicheng No.192 Tunghsu Optoelectronic Private placement fund trust plan	48,619,336	RMB Common shares	48,619,336
Kunshan Development Zone State-owned Investment Holding Co., Ltd.	43,988,269	RMB Common shares	43,988,269
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	The top 10 tradable shareholders of Shijiazhuang Baoshi Electronic Group Co., Ltd. and the top ten shareholders of Tunghsu Group Co., Ltd. have relationship and constitute persons taking concerted action.		

and top 10 shareholders	
Notes to the shareholders involved in financing securities (if any)(See Notes 4)	Not applicable

Whether the top 10 ordinary shareholders of the company and the top 10 ordinary shareholders with unlimited terms of sale shall conduct the agreed repurchase transaction during the reporting period

## 2、 Type of Controlling Shareholders: Legal person

Nature of controlling shareholder: natural person holding

Type of controlling shareholder: legal person

Name of the Controlling shareholder	Legal representative/Leader	Date of incorporation	Organization code	Principal business activities
Tunghsu Group Co., Ltd.	Li Zhaoting	November 5,2004	91130100768130363K	Investing projects with owned funds; Development of mechanical equipment and electronic products; Productions and process formulation of various non-standard equipment and components; Process and sales of component for abrasive materials and electromechanical products(no equipment of public security); Import and export of self-run and agent goods and technology; Computer system integration ; Software development; Technology consulting; Installation and engineering consulting of electromechanical device(no pre-licensing projects included above). (Operation is allowed only if being within the confines of the above laws and regulations and the matters forbidden or restricted by the State Council; Operation is allowed once the matters are examined and approved by other departments.
The equity of the controlling shareholder in other domestic and foreign listed companies	1. As of December 31, 2018, Tunghsu Group holds 579.68 million shares of Tunghsu Lantian New Energy Co., Ltd. (forescout: Tunghsu Lantian, stock code: 000040), accounting for 38.99% of the total share capital of the company. 2. As of December 31, 2018, Tunghsu Group directly holds 35.7488 million shares			



held or partly held by it in the report period	of Shanghai Challenge Textile Co., Ltd. (forescout: Challenge, stock code: 002468), accounting for 4.30% of the total share capital of the company; Indirectly holds 163.19 million shares of Challenge through Shanghai Guojun Investment Co., Ltd., accounting for 19.61% of the total share capital of the company; At the same time, it has the voting rights corresponding to 25.35 million shares of Challenge through the way of entrusted exercise of voting rights, accounting for 3.045% of the total share capital of the company; Tunghsu Group holds voting rights corresponding to 224.29 million shares of Challenge, accounting for 26.96% of the total share capital of the company.
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Change of the actual controller in the reporting period

Applicable Not applicable

Nil

### 3. Information about the controlling shareholder of the Company

Actual controller nature: Domestic natural person

Actual controller type: Natural person

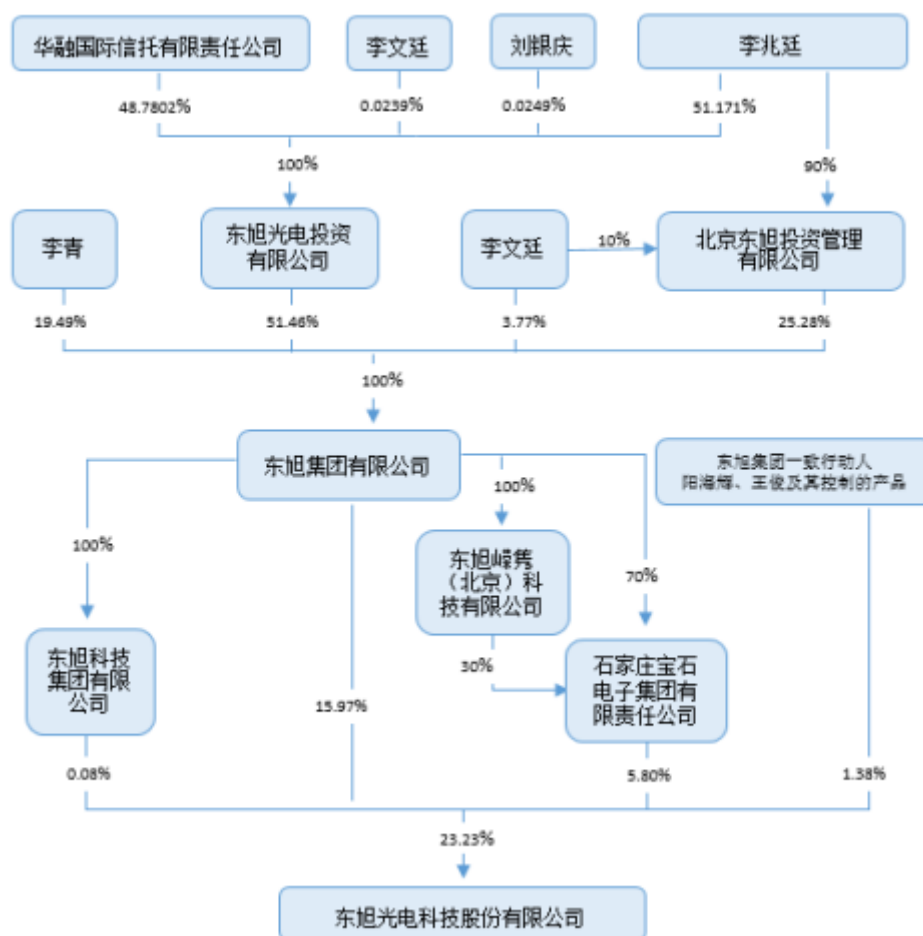
Name of actual controllers	Relationship with the actual controller	Nationality	Whether to obtain the right of abode in other countries or regions
Li Zhaoting	Self	Chinese	No
Main occupations and duties	Mr. Li Zhaoting, Chinese, born in 1965, graduated from Hebei University of Technology as a mechanical engineering major, senior engineer, member of the Communist Party of China and the founder of Tunghsu Group. Li has served successively as the general manager assistant and vice-general manager of Shijiazhuang Diesel Engine Factory, and Chairman of Hebei Tunghsu Investment Group Co., Ltd. Li is now the chairman of Tunghsu Group and Tunghsu Photoelectric Investment, general manager of COE, and the vice chairman as well as general manager of Chengdu COE.		
Situation of domestic and abroad holding listed companies in the part 10 years	1. As of December 31, 2018, Tunghsu Group holds 579.68 million shares of Tunghsu Lantian New Energy Co., Ltd. (forescout: Tunghsu Lantian, stock code: 000040), accounting for 38.99% of the total share capital of the company. 2. As of December 31, 2018, Tunghsu Group directly holds 35.7488 million shares of Shanghai Challenge Textile Co., Ltd. (forescout: Challenge, stock code: 002468), accounting for 4.30% of the total share capital of the company; Indirectly holds 163.19 million shares of Challenge through Shanghai Guojun Investment Co., Ltd., accounting for 19.61% of the total share capital of the company; At the same time, it has the voting rights corresponding to 25.35 million shares of Challenge through the way of entrusted exercise of voting rights, accounting for 3.045% of the total share capital of the company; Tunghsu Group holds voting rights corresponding to 224.29 million shares of Challenge, accounting for 26.96% of the total share capital of the company.		

Change of the actual controller in the reporting period

Applicable Not applicable

Nil

Block Diagram of the ownership and control relations between the company and the actual controller



The actual controller controls the company by means of trust or managing the assets in other way

Applicable Not applicable

4.Other corporate shareholder holding over 10% of the Company’s shares

Applicable Not applicable

5.Situation of Share Limitation Reduction of Controlling Shareholders, Actual Controllers, Restructuring **Party** and Other Commitment Subjects

Applicable Not applicable

## VII. Situation of the Preferred Shares

Applicable Not applicable

No preference shares in the Company.

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

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

Name	Positions	Office status	Sex	Age	Starting date of tenure	Expiry date of tenure	Shares held at the year-begin (share)	Amount of shares increased at the reporting period (share)	Amount of shares decreased at the reporting period (share)	Other changes increase/decrease	Shares held at the year-end (share)
Wang Lipeng	Board chairman	In office	Male	51	August 3, 2018		0	0	0	0	0
Zhang Shuangcai	Independent director	In office	Male	57	July 29, 2013		0	0	0	0	0
Lu Guihua	Independent director	In office	Male	50	May 19, 2014		0	0	0	0	0
Han Zhiguo	Independent director	In office	Male	55	July 28, 2016		0	0	0	0	0
Guo Xuan	Director	In office	Male	53	August 20, 2018		0	0	0	0	0
Zhou Yongjie	Director	In office	Male	38	August 20, 2018		0	0	0	0	0
Wang Zhong	Director	In office	Female	42	August 20, 2018		0	0	0	0	0
Guo Chunlin	Chairman of the supervisory committee	In office	Male	39	July 28, 2016		0	0	0	0	0
Xu Lingzhi	Supervisor	In office	Female	52	July 28, 2016		0	0	0	0	0
Chen Dewei	Supervisor	In office	Male	55	July 28, 2016		0	0	0	0	0
Xie Juwen	Supervisor	In office	Male	41	July 8, 2016		0	0	0	0	0

Wan Huanhuan	Supervisor	In office	Female	33	July 8,2016		0	0	0	0	0
Gong Xin	Board secretary	In office	Female	39	April 20,2015		100,000	0	0	0	100,000
Feng Qiuju	CFO	In office	Female	41	July 27,2018		0	0	0	0	0
Wang Jianqiang	Deputy General Manager	In office	Male	53	July 28,2016		0	0	0	0	0
Liu Wentai	Deputy General Manager	In office	Male	48	July 28,2016		125,000	0	0	0	125,000
Wang Junming	Deputy General Manager	In office	Male	54	July 28,2016		0	0	0	0	0
Li Zhaoting	Board chairman	Dimission	Male	53	November 30,2011	April 25,2018					
Wu Jiwei	Board chairman	Dimission	Male	48	April 25,2018	August 3,2018					
Huang Jinliang	CFO	Dimission	Male	39	April 28,2017	July 27,2018					
Wang Zhonghui	Deputy General Manager	Dimission	Male	41	July 28,2016	December 21,2018					
Total	--	--	--	--	--	--	225,000	0	0	0	225,000

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

√ Applicable □ Not applicable

Name	Positions	Types	Date	Reason
Li Zhaoting	Board chairman	Dimission	April 25,2018	Job change
Wu Jiwei	Board chairman	Dimission	August 3,2018	Personal reasons
Huang Jinliang	CFO	Dimission	July 27,2018	Job change
Gong Xin	Director	Engaged	August 3,2018	Company talent strategy adjustment

### III. Posts holding

The professional background, working experience and main responsibilities of the current board members, supervisors and senior managers in the company

1. Mr. Wang Lipeng, Chinese nationality, was born in 1968, master's degree of Tianjin University. Beginning to work in 1989, he had served as the factory director of the electron gun factory of Shijiazhuang Baoshi Electronics Group Co., Ltd, the general manager of Shijiazhuang Bao Dong Electronics Co., Ltd, the director and the general manager of Shijiazhuang Baoshi Electronic Glass Co., Ltd, the director of chairman office of Tunghsu Group Co., Ltd, the general manager of Sichuan Xu Hong Optoelectronics Technology Co., Ltd. and Tunghsu (Kunshan) Display Material Co., Ltd.

2. Mr. Guo Xuan, Chinese, was born in 1966, Bachelor degree, Senior Engineer, He had served as Deputy General Manager of Shijiazhuang Tractor Plant, Currently, he serves as as director and vice president of Tunghsu Group, he has served as Director of Tunghsu Optoelectronic Investment Co., Ltd., director of the Company.

3. Mr. Zhou Yongjie graduated from Renmin University of China. He started work in 2007 and served as deputy general manager and director of the office of Beijing Chengjian Building Materials Industry Co., Ltd, secretary of the chairman and director of the office of Ocasia Investment Group Co., Ltd, and currently is the vice president and director of the chairman office of the Tunghsu Group.

4. Ms. Wang Zhong, Master Degree, Chinese Academy of Sciences. She entered the work force in October 1999 and joined the Communist Party of China (CPC) in April 1998. She previously served as the Deputy Director of Human Resources of Beijing Huaqi Information (Aigo) Technology Co., Ltd., the Administrative Director of Human Resources of Gome Online, the General Manager Assistant and Administrative Director, the Administrative Director of Human Resources of (Gome) Beijing Dazhong and the Administrative Director of Human Resources of (Gome) Zhongguancun Technology Group. She is currently the Senior Vice President of Tunghsu Group and the Executive Vice President of Tunghsu Capital.

5. Mr. Zhang Shuangcai, Chinese Nationality, born in 1961, PhD in Management, Business Administration postdoctoral, Democratic National Construction Association. He serves as Associate Dean School of Management, Hebei University business professor, World Economic doctoral tutor, accounting, business management professional master tutor. He used to be Baoding CPPCC Standing Committee, representative of 11th People's Congress of Hebei Province. Now he is the representative of 12th People's Congress of Hebei Province, Executive director of the Institute of Hebei Province in budget management, deputy director of the private Center for Economic Research of Hebei Province, Accounting association executive director, executive director of Private Entrepreneur Association of Hebei Province, director of the Private Economic and Financial Committee of Hebei Province, committee member of National Central Economic Committee, independent director of Lekai film Co., Ltd., Boshen tools Co., Ltd., Tianwei Baobian Electrical Co., Ltd. and Huida Bathroom Co., Ltd..

6. Mr. Lu Guihua, male, born in May 1968, Dr. Accounting, Applied Economics postdoctoral, Central University of Finance and Economics Professor of Accounting, Master Instructor, Chinese Certified Public Accountant. Former Tianjin University associate professor, associate professor at the Central University of Finance and professor at the Central University of Finance and Economics, master's and doctoral tutor. Now is Independent Director of Hanvon Technology Co., Ltd., China Minsheng Investment Corp., Ltd., Hebei Iron and Steel Co., Ltd. and the company.

7. Mr. Han Zhiguo, Chinese nationality, was born in 1964, bachelor degree, lawyer of Hebei Dianfan Law Firm. He had served as the teacher of Hebei Vocational College of Politics and Law, and the lawyer of Hebei Zhengchen Law Firm. From September 2006 to September 2013, he had been served as the independent director of

Shijiazhuang Baoshi Electronic Glass Co., Ltd. Since August 2013, he has been served as the independent director of Bosun Tools Co., Ltd and the independent director of the company.

8. Mr. Guo Chunlin, Chinese nationality, was born in 1980, bachelor degree in law. He began to work in 2004. From September 2004 to November 2005, he had been served for Beijing Zhongfu Law Firm; from November 2005 to October 2007, he taught at Communication University of China. He joined Tunghsu Group Co. Ltd in October 2007, and now he is one of the supervisors of Tunghsu Group Co. Ltd.

9. Ms. Xu Lingzhi, Chinese nationality, was born in 1967, bachelor degree in accounting. She began to work in 1988 and joined Tunghsu Group Co. Ltd in 2006. Currently, she serves as the director of financial center of Tunghsu Group Co. Ltd and the general manager and supervisor of risk-control center of board-office headquarter of Tunghsu Group Co. Ltd.

10. Mr. Chen Dewei, Chinese nationality, was born in 1964, college degree. Currently, he serves as the general manager and supervisor of the management center of Tunghsu Group Co., Ltd.

11. Mr. Xie Juwen, was born in June 1977, master degree, professional in project management of Beijing University of Technology. He had served as the R & D Engineer and the project leader of Beiren Group, the project leader and other posts of Sheet-folding Machine Branch of Beiren Group. Currently, he serves as the project manager of comprehensive office of the company and the employee-representative supervisor of the company's eighth board of supervisors.

12. Ms. Wan Huanhuan, was born in July 1985, bachelor degree, professional in accounting of Industrial and Commercial University of Chongqing. She had served as the audit manager of Sino Railway Information Group Co., Ltd, the business manager of Jiangsu Huaxing Certified Public Accountants and the business specialist of Shenzhen JunZhiYuan Certified Public Accountants. Currently, she serves as the audit manager of the company's audit supervision department and the employee-representative supervisor of the company's eighth board of supervisors.

13. Mr. Wang Jianqiang, Chinese nationality, was born in 1964, university degree, graduated from mechanical specialty of Hebei University of Science and Technology. He had served for Shijiazhuang Baoshi Electronics Group Co., Ltd and had served as the supervisor of the company's seventh session board of supervisors. Currently, he serves as the chairman of Fuzhou Tunghsu Optoelectronic Technology Co., Ltd which is the company's 8.5 generation glass substrate project company.

14. Mr. Liu Wentai, Chinese nationality, born in 1969, graduated from chemical-mechanical professional of Qingdao Institute of Chemical Industry, bachelor's degree. He had served as the workshop equipment supervisor of Shijiazhuang Baoshi Electronics Group Co., Ltd, equipment supervisor of maintenance and engineering department of Shijiazhuang Baoshi Electric Nitrate Co., Ltd, the director of liquid crystal glass research institute of Tunghsu Group Co., Ltd, the general manager of the thermal engineering department, the vice president of Tunghsu Group with a concurrent post of purchasing director. Currently, he serves as the company's vice-general manager and is responsible for the company's whole sets of equipment and technical services .

15. Mr. Wang Junming, Chinese nationality, was born in 1964, master of Beijing Jiaotong University. He had served as the vice-general manager of Henan Anfei Electronic Glass Co. Ltd and the general manager of Zhengzhou Xufei Optoelectronic Technology Co. Ltd. Currently, he serves as Deputy General Manager of the Company.

16. Ms. Gong Xin, Nationality: Chinese, born in 1979, bachelor degree. She once worked in Capital Edge Investment and Management as Project Manager of Investment-banking Department, Assistant to Chairman, Vice General Manager and etc. Now Gong is Chief of Securities Department, Company Director and Board Secretary of the company.

17. Ms. Feng Qiuju, graduated from Hunan University with a Bachelor Degree in Accounting, Chinese Certified

Public Accountant. She has served as Financial Controller of Beijing Top Green Grass Co., Ltd., Financial Controller of China Century Holding Group Co., Ltd., General Manager and Assistant President (Financial Risk Management) of Financial Management Center of Tungshu Group Subsidiary, and currently Office taking in shareholder companies

√Applicable □Not applicable

Names of the persons in office	Names of the shareholders	Titles engaged in the shareholders	Sharing date of office term	Expiry date of office term	Does he /she receive remuneration or allowance from the shareholder
Guo Xuan	Tungshu Group	Executive Vice president			Yes
Zhou Yongjie	Tungshu Group	Executive Vice president			Yes
Wang Zhong	Tungshu Group	Executive Vice president			Yes
Guo Chunlin	Tungshu Group	Supervisor			Yes
Xu Lingzhi	Tungshu Group	General manager and supervisor of risk control center			Yes
Chen Dewei	Tungshu Group	General manager and supervisor of the comprehensive management center			Yes

Offices taken in other organizations

√Applicable □Not applicable

Name	Name of other units	Position	Office term start from	Office term ended	Whether receiving remuneration from other units or not
Wang Lipeng	Tungshu (Kunshan)Display Material Co.,	Board			No

	Ltd.	chairman			
Wang Lipeng	Sichuan Xuhong Optoelectronic Technology Co., Ltd.	Board chairman			No
Wang Lipeng	Zhengzhou Xufei Optoelectronic Technology Co., Ltd.	Board chairman			No
Wang Lipeng	Shijiazhuang Baodong Electric Co., Ltd.	Director			No
Zhang Shuangcai	Baoding Tianwei Baocheng Electric Co., Ltd.	Director			No
Zhang Shuangcai	Hebei Construction Industry Group Co., Ltd.	Director			No
Zhang Shuangcai	Hebei Laishui Rural Commercial Bank Co., Ltd.	Director			No
Zhang Shuangcai	Baoding Tianwei Baocheng Electric Co., Ltd.	Director			No
Zhang Shuangcai	Qingdao Topscomm Communication Co., Ltd	Independent director			No
Lu Guihua	HBIS CO., LTD.	Director			No
Lu Guihua	Minsheng Holding Co., Ltd.	Director			No
Lu Guihua	BEZ Group	Independent director			No
Han Zhiguo	Bosun Tools Co., Ltd.	Independent director			No
Guo Xuan	Tunghsu Group	Director			No
Guo Xuan	Tibet Xuri Capital Management Co., Ltd.	Supervisor			No
Guo Xuan	Tunghsu Construction Group	Executive director, Manager			No
Guo Xuan	Hebei Xubao Construction Installation Engineering Co., Ltd.	Executive director, Manager			No
Guo Xuan	Shijiazhuang Tunghsu Energy Saving Technology Co., Ltd.	Supervisor			No
Guo Xuan	Tianjing Xuri Zhongtian Technology Co., Ltd.	Executive director, Manager			No
Guo Xuan	Tunghsu Optoelectronic Investment Co., Ltd.	Director			No
Guo Xuan	China optoelectronic Technology Co.,Ltd.	Supervisor			No



Guo Xuan	Zhongda Chengxin International Commercial Factoring Co., Ltd.	Board chairman			No
Guo Xuan	Tunghsu International Investment Group Co., Ltd.	Board chairman, General Manager			No
Guo Xuan	Tunghsu Rugao High-end Intelligent Manufacturing Industry Investment Management Co., Ltd.	Board chairman			No
Guo Xuan	Chengdu Taiyisi Technology Co., Ltd.	Supervisor			No
Guo Xuan	Shijiazhuang Tunghsu Medical Equipment Co., Ltd.	Supervisor			No
Guo Xuan	Guangdong Tunghsu Real Estate Development Co., Ltd.	Supervisor			No
Guo Xuan	Yuanan Tunghsu Sun New Energy Technology Co., Ltd.	Executive director			No
Zhou Yongjie	Huizhou Tunghsu Bay Area Industry Investment Co., Ltd.	Executive director			No
Zhou Yongjie	Shenzhen Xuheng Dongcheng Investment Consulting Co., Ltd.	General Manager			No
Zhou Yongjie	Huizhou Xuhong Hongsheng Industry Investment Co., Ltd.	Executive director, Manager			No
Zhou Yongjie	Huizhou Xuchanglong Industry Investment Co., Ltd.	Executive director, Manager			No
Zhou Yongjie	Tunghsu Group	Vice president			No
Wang Zhong	Beijing Tunghsu Capital Holding Co., Ltd.	Executive vice president			No
Wang Zhong	Tunghsu Group	Senior Vice president			No
Guo Chunlin	Beijing Xinghua Trade Co., Ltd.	Supervisor			No
Guo Chunlin	Beijing Tunghsu Investment Development Co., Ltd.	Supervisor			No
Guo Chunlin	Huarong Metal Surface treatment (Anping) Technology Co., Ltd.	Supervisor			No
Guo Chunlin	Shanghai Guojun Investment Co., Ltd.	Supervisor			No
Guo Chunlin	Rizhao Tunghsu Guoshan New Energy Technology Co., Ltd.	Supervisor			No

Guo Chunlin	Shijiazhuang Tungshu Optoelectronic Equipment Technology Co., Ltd.	Supervisor			No
Guo Chunlin	Lixian Xuxiang New Energy Development Co., Ltd.	Supervisor			No
Guo Chunlin	Shanxi Guoshan New Energy Co., Ltd.	Supervisor			No
Guo Chunlin	Guangdong Tungshu Qinhuang New Energy Technology Co., Ltd.	Supervisor			No
Guo Chunlin	Tungshu International Investment Co., Ltd.	Supervisor			No
Guo Chunlin	Xuxiu Intelligent Technology (Shanghai) Co., Ltd.	Supervisor			No
Guo Chunlin	Baofeng Xuyang New Energy Co., Ltd.	Supervisor			No
Guo Chunlin	Nenjiang Quantum new energy co., Ltd.	Supervisor			No
Guo Chunlin	Tahe Xuyang New Energy Co., Ltd.	Supervisor			No
Guo Chunlin	Ezhou Xuyang New Energy Co., Ltd.	Supervisor			No
Guo Chunlin	Baishui Xusheng New Energy Technology Co., Ltd.	Supervisor			No
Guo Chunlin	Shanxi Xuhui Photovoltaic Electric Co., Ltd.	Supervisor			No
Guo Chunlin	Lufeng Xuneng New Energy Co., Ltd.	Supervisor			No
Guo Chunlin	Dongying Jian Photovoltaic Electric Co., Ltd.	Supervisor			No
Guo Chunlin	Dongying Hekou Xufei Photovoltaic Power Generation Co., Ltd.	Supervisor			No
Guo Chunlin	Dongying Xufeng New Energy Technology Co., Ltd.	Supervisor			No
Guo Chunlin	Xuteng new energy Co., Ltd	Supervisor			No
Guo Chunlin	Qingshuihe Xuxin New Energy Technology Co., Ltd.	Supervisor			No
Guo Chunlin	Licheng Xuli New Energy Technology Co., Ltd.	Supervisor			No
Guo Chunlin	Yixian Yixu New Energy Co., Ltd.	Supervisor			No
Guo Chunlin	Pingshan Xulan New Energy Technology Co., Ltd.	Supervisor			No
Guo Chunlin	Changling Jiyuan New Energy Co., Ltd.	Supervisor			No
Guo Chunlin	Qulan Yicai New Energy Technology Co., Ltd.	Supervisor			No
Guo Chunlin	Lushan Tungshu New Energy Technology	Supervisor			No

	Co., Ltd.				
Guo Chunlin	Lushan Xulan New Energy Co., Ltd.	Supervisor			No
Guo Chunlin	Huaiyang Xuneng Agriculture Technology Co., Ltd.	Supervisor			No
Guo Chunlin	Huaiyang Xuyang New Energy Co., Ltd.	Supervisor			No
Guo Chunlin	Tungshu International Investment Group Co., Ltd.	Director			No
Guo Chunlin	Qichuan Xuchun Solar Energy Development Co., Ltd.	Supervisor			No
Guo Chunlin	Tungshu Group	Supervisor			No
Guo Chunlin	Henan Taihuang New Energy Technology Co., Ltd.	Supervisor			No
Guo Chunlin	Xuanhua Chengtu Solar Energy Technology Co., Ltd.	Supervisor			No
Guo Chunlin	Wuhan Taihuang New Energy Technology Co., Ltd.	Supervisor			No
Guo Chunlin	Shandan Danxu New Energy Development Co., Ltd.	Supervisor			No
Guo Chunlin	Tangshan Caofeidian Xuyuan New Energy Technology Co., Ltd.	Supervisor			No
Guo Chunlin	Pingliang Quantum New Energy Co., Ltd.	Supervisor			No
Guo Chunlin	Hunan Tungshu Taihuang New Energy Technology Co., Ltd.	Supervisor			No
Guo Chunlin	Shandong Donge Chengxing New Energy Technology Co., Ltd.	Supervisor			No
Guo Chunlin	Yixing Hongji New Energy Technology Co., Ltd.	Supervisor			No
Guo Chunlin	Hubei Taiquan New Energy Technology Co., Ltd.	Supervisor			No
Guo Chunlin	Woyang Xuyang New Energy Co., Ltd.	Supervisor			No
Guo Chunlin	Yingkou Xuying New Energy Technology Co., Ltd.	Supervisor			No
Guo Chunlin	Yuexi Xukun New Energy Technology Co., Ltd.	Supervisor			No
Guo Chunlin	Minle Zhongsheng New Energy Co., Ltd.	Supervisor			No
Guo Chunlin	Zhangjiakou Haojing New Energy Development Co., Ltd.	Supervisor			No
Guo Chunlin	Baoding Tianji New Energy Technology	Supervisor			No

	Co., Ltd.				
Guo Chunlin	Huili Hongkun New Energy Technology Co., Ltd.	Supervisor			No
Guo Chunlin	Gaotai Huisheng New Energy Co., Ltd.	Supervisor			No
Guo Chunlin	Huangmei Guoxu New Energy Technology Co., Ltd.	Supervisor			No
Guo Chunlin	Jinxian Quantum New Energy Co., Ltd.	Supervisor			No
Guo Chunlin	Hainan Tunghsu Taihuang New Energy Technology Co., Ltd.	Supervisor			No
Guo Chunlin	Anhui Taiquan New Energy Technology Co., Ltd.	Supervisor			No
Guo Chunlin	Chengdu Xurong New Energy Technology Co., Ltd.	Supervisor			No
Guo Chunlin	Pingding Quantum Photovoltaic Power Generation Co., Ltd.	Supervisor			No
Guo Chunlin	Kunming Tunghsu Qiming Investment Development Co., Ltd.	Supervisor			No
Guo Chunlin	Guangshui Hongji New Energy Technology Co., Ltd.	Supervisor			No
Guo Chunlin	Guixi Quantum New Energy Technology Co., Ltd.	Supervisor			No
Guo Chunlin	Puyang Tunghsu New Energy Technology Co., Ltd.	Supervisor			No
Guo Chunlin	Linqu Chengri New Energy Technology Co., Ltd.	Supervisor			No
Guo Chunlin	Huangmei Tunghsu New Energy Technology Co., Ltd.	Supervisor			No
Guo Chunlin	Eerduosi Xuyuan New Energy Development Co., Ltd.	Supervisor			No
Guo Chunlin	Gonghe Hongji New Energy Technology Co., Ltd.	Supervisor			No
Guo Chunlin	Mianyang Xuri New Energy Co., Ltd.	Supervisor			No
Guo Chunlin	Youxian Xutai New Energy Technology Co., Ltd.	Supervisor			No
Guo Chunlin	Zhaluteqi Tongbeo Lantian New Energy Co., Ltd.	Supervisor			No
Guo Chunlin	Xiantao Taiquan New Energy Technology Co., Ltd.	Supervisor			No

Guo Chunlin	Quyong Zhengxu Photovoltaic Power Generation Co., Ltd.	Supervisor			No
Guo Chunlin	Wuan Yanyan Photovoltaic Power Generation Co., Ltd.	Supervisor			No
Guo Chunlin	Laiyuan Xuxi New Energy Technology Co., Ltd.	Supervisor			No
Guo Chunlin	Caling Xuheng New Energy Technology Co., Ltd.	Supervisor			No
Guo Chunlin	Fengyang Xuyang New Energy Co., Ltd.	Supervisor			No
Guo Chunlin	Qixian Xulan New Energy Co., Ltd.	Supervisor			No
Guo Chunlin	Xuanhua Chengji Solar Energy Technology Co., Ltd.	Supervisor			No
Xu lingzhi	Beijing Kelinsibei Technology Co., Ltd.	Supervisor			No
Xu Lingzhi	Tunghsu Technology Development Co., Ltd.	Supervisor			No
Xu lingzhi	Tunghsu Technology Group Co., Ltd.	Supervisor			No
Xu Lingzhi	Beijing Tunghsu Investment Development Co., Ltd.	Supervisor			No
Xu Lingzhi	Beijing Xufeng Real Estate Co., Ltd.	Supervisor			No
Xu Lingzhi	Beijing Nanlide New Energy Technology Co., Ltd.	Supervisor			No
Xu Lingzhi	Beijing Yunzhikang Information Technology Co., Ltd.	Supervisor			No
Xu Lingzhi	Hebei Xubao Construction Installation Engineering Co., Ltd.	Supervisor			No
Xu Lingzhi	Shijiazhuang Tunghsu Optoelectronic Equipment Technology Co., Ltd.	Supervisor			No
Xu Lingzhi	Dalian Xuchang Technology Co., Ltd.	Supervisor			No
Xu Lingzhi	Wuhan Zhongkai Technology Co., Ltd.	Supervisor			No
Xu Lingzhi	Fuzhou Tunghsu Optoelectronic Technology Co., Ltd.	Supervisor			No
Xu Lingzhi	Tunghsu International Investment Group Co., Ltd.	Supervisor			No
Xu Lingzhi	Huiyin Gold Control Asset Management Co., Ltd.	Supervisor			No
Xu Lingzhi	Shijiazhuang Jinshun Environmental Protection Co., Ltd.	Supervisor			No
Xu Lingzhi	Fuzhou Xufu Optoelectronic Technology Co., Ltd.	Supervisor			No

Xu Lingzhi	Chongqing Xufuda Optoelectronic Technology Co., Ltd.	Supervisor			No
Xu Lingzhi	Tunghsu Group	Supervisor			No
Chen Dewei	Beijing Tunghsu Investment Development Co., Ltd.	Chairman of the supervisory committee			No
ChenDewei	Tunghsu Group	Supervisor			Yes
Wan Huanhuan	Tunghsu Group Finance Co., Ltd.	Supervisor			No
Wang Jianqiang	Wuhu Tunghsu Optoelectronic Technology Co., Ltd.	Director			No
Wang Jianqiang	Liaotong Xutong Solar Energy Technology Co., Ltd.	Director			No
Wang Jianqiang	Tunghsu (Yingkou) Optoelectronic Display Co., Ltd.	Director			No
Wang Jianqiang	Wuhan Tunghsu Optoelectronic Technology Co., Ltd.	Director			No
Wang Jianqiang	Mudanjiang Xuyang Technology Co., Ltd.	Director			No
Wang Jianqiang	Jinzhou Xulong New Energy Technology Co., Ltd.	Director			No
Wang Jianqiang	Fuzhou Tunghsu Optoelectronic Technology Co., Ltd.	Executive director and General Manager			No
Wang Jianqiang	Fuzhou Xufu Optoelectronic Technology Co., Ltd.	Board chairman			No
Wang Jianqiang	Anhui Xuan Optoelectronic Technology Co., Ltd.	Executive director and General Manager			No
Wang Jianqiang	Shenzhen Sanbao Innovation Intelligence Co., Ltd.	Board chairman			No
Wang Jianqiang	Fuzhou Tunghsu Investment Development Co., Ltd.	Executive director			No
Wang Jianqiang	Chongqing Jinghuateng Optoelectronic Technology Co., Ltd.	Executive director and General Manager			No
Wang Jianqiang	Dalian Sihai Da Tong guiding equipment	Manager			No

	Co., Ltd.				
Wang Jianqiang	Jiangsu Tunghsu Yitai Intelligent Equipment Co., Ltd.	Executive director and General Manager			No
Wang Jianqiang	Suzhou Tengda Optical Technology Co.,Ltd.	Board chairman			No
Wang Jianqiang	Zhejiang Xuheng Yongxin Intelligent Science and Technology Co., Ltd.	Executive director and Manager			No
Wang Jianqiang	Chongqing Xufu Optoelectronic Technology Co., Ltd.	Executive director			No
Liu Wentai	Wuhu Tunghsu Optoelectronic Equipment Technology Co., Ltd.	Board chairman			No
Liu Wentai	Beijing Tunghsu Investment Development Co., Ltd.	Director			No
Wang Junming	Zhengzhou Xufei Optoelectronic Technology Co., Ltd.	Director and General Manager			No
Wang Junming	Shanghai Tanyuan Huigu New Material Technology Co., Ltd.	Board chairman, Manager			No

Punishments to the current and leaving board directors, supervisors and senior managers during the report period by securities regulators in the recent three years

Applicable  Not applicable

#### IV. Remuneration to directors, supervisors and senior executives in the reporting period

Decision-making procedures, basis for determination and actual payment of the remuneration to directors , supervisors and senior executives

The payments for the company board directors, supervisors and senior managers are determined on the salary management system. The annual payments (including basic wages, bonus, allowance, subsidy, welfare expense and insurance premium, housing accumulation funds and other pretax net payments paid by the company) paid to board directors, supervisors and senior managers in 2018 are all based on the salary standard administration related to the job responsibilities, performance appraisal and salary level of the corresponding post. During the report period, the salaries for board directors, supervisors and senior managers have been paid monthly.

Remuneration to directors, supervisors and senior executives in the reporting period

In 10, 000 yuan

Name	Positions	Sex	Age	Office status	Total remuneration received from the	Whether to get paid in the company related

					Company	party
Li Zhaoting	Board chairman	Male	51	In Office	142.56	No
Zhang Shuangcai	Independent Director	Male	57	In Office	5	No
Lu Guihua	Independent Director	Male	50	In Office	5	No
Han Zhiguo	Independent Director	Male	55	In Office	5	No
Guo Xuan	Director	Male	52	In office		Yes
Zhou Yongjie	Director	Male	37	In office		Yes
Wang Zhong	Director	Female	42	In office		Yes
Guo Chunlin	Chairman of the supervisory committee	Male	38	In office		Yes
Xu Lingzhi	Supervisor	Female	51	In office		Yes
Chen Dewei	Supervisor	Male	54	In office		Yes
Xie Juwen	Supervisor	Male	41	In office	39	No
Wan Huanhuan	Supervisor	Female	33	In office	36.72	No
Gong Xin	Director/Board secretary	Female	39	In office	126	No
Feng Qiuju	CFO	Female	41	In office	72	No
Wang Jianqiang	Deputy General Manager	Male	54	In office	99	No
Liu Wentai	Deputy General Manager	Male	49	In office	84	No
Wang Junming	Deputy General Manager	Male	54	In office	73.2	No
Li Zhaoting	Board chairman	Male	53	Dimission		Yes
Wu Jiwei	Board chairman	Male	47	Dimission		Yes
Huang Jinliang	CFO	Male	39	Dimission		No
Wang Zhonghui	Deputy General Manager	Male	40	Dimission	130	No
Total	--	--	--	--	817.48	--

Incentive equity to directors, supervisors or/and senior executives in the reporting period

Applicable  Not applicable



## V. Particulars about employees.

## (1) Particulars about employees.

Number of in-service staff of the parent company(person)	141
Number of in-service staff of the main subsidiaries(person)	8,465
The total number of the in-service staff(person)	8,606
The total number of staff receiving remuneration in the current period(person)	8,606
Retired staff with charges paid by the parent company and main subsidiaries (person)	0
Professional	
Category	Number of persons (person)
Production	2,689
Sales	934
Tech	3,563
Finance	259
Administration	1,161
Total	8,606
Education	
Category	Number of persons (person)
Doctor	8
Master	264
Bachelor degree	2,891
Below college diploma	5,443
Total	8,606

## 2. Remuneration policies

To keep fair to all employees and competitive in business circles and more importantly to inspire employees, we stick to a principle "payment closely matches value of job position, employee's performance and operation, development and change of performance of the company itself" and stick to another principle "High responsibility, high requirement, high payment" based on the company's fact. In addition, payment inclines to core job positions and core talents. Make short-term, medium-term and long-term incentive plans. Short-term incentives mainly include payment (annual pay) and profit sharing. Medium-term incentives include equity subscription and option subscription. Long-term incentives include employee stock ownership plan and partnership.

### 3. Training plan

1. Employment training for recruiters: one training is taken per month. Professional learning of recruiters shall be not less than 2h.

2. Management cadre team (leadership) training: Based on different levels of leadership and expected goals, provide training for senior management personnel and middle management personnel, enhance the operating philosophy of senior management personnel, and improve the overall quality of middle management personnel.

3. (Professional) training for ready-to-be professionals: provide professional training for ready-to-be professionals. Professional learning shall be not less than 2h. Build "Tunghsu School" and "Tunghsu Posthouse".

4. (Profession Enhancement) training of performance improvement: based on management and profession channels, provide sub-channel and systematic training separately. Train and reserve administrative personnel to make performance of company achievable and push the implementation of strategy.

### 4. Outsourcing situation

Applicable  No Applicable

## IX. Administrative structure

### I. General situation

The company adheres to honest operation, standard operation and performs obligation of information disclose required in Company Law, Securities Law, Rule of Stock Exchange Listing in Shenzhen Stock Exchange and Guideline on Standard Operation of Listing Companies on Main Board in Shenzhen Stock Exchange and other laws and regulations as well as related standard files in order to ensure fairness, timeliness and accuracy of information disclosure.

Based on standard files on listing companies issued by China Securities Regulatory Commission, the company constantly adjusts and improves its organizations to ensure completeness, independence and standardization of organizations. Core management organization is composed of general meeting of shareholders, Board of Directors, Board of Supervisors and administrative personnel. A good mechanism shall be created among authorities, decision-making body, supervising body and administrative personnel, namely clearly defied powers and responsibilities, standard operation, mutual coordination and balance of mutual distraction. Separation of positions, clearly defined powers and responsibilities and balance of mutual distraction among different organizations and departments shall be maintained in order to effectively ensure the "Profession", "Standardization" and "Transparency" of company's management and even to guarantee all shareholders' benefits, especially minority shareholders.

General meeting of shareholders is an authority of the company. In 2018, 10 meetings was held totally, among which 1 meeting was annual general meeting of shareholders, 9 were temporary. Board of Directors serves general meeting of shareholders. During reporting period, 21 meetings were held in Board of Director and 121 bills were approved. Special committee is set under Board of Director and 8 meetings were held in 2018. Board of Supervisors serves all shareholders and 13 meeting were held in reporting period. Above meetings were held in conformity with related regulations of Articles of Association, Rule of Procedure of General Meeting of Shareholders, Rule of Procedure of Board of Director, Rule of Procedure of Board of Supervisor. Above meetings were convened, held and voted reasonably and legally while resolutions were all legal and valid, so the meetings play an important role in rapid development of the company.

Does there exist any difference in compliance with the corporate governance , the PRC Company Law and the relevant provisions of CSRC,

Yes  No

There exist no difference in compliance with the corporate governance , the PRC Company Law and the relevant provisions of CSRC.

### II. Independence and Completeness in business, personnel , assets, organization and finance

The controlling shareholder of the company has the standard behavior and hasn't directly or indirectly interfered the decision-making and operations of the company beyond the shareholders' meeting. "Five Separations" achieved on the fields of human resource, finance, assets, organization and business by the company and holding shareholders.

1. Human resource: Management on labor, personnel and wages by the company is independent from holding

shareholders. Senior managers all receive payments in the company; none of them receive payment from or serve in controlling shareholder's entities.

2. Finance: An independent financial management department and accounting system have been established. A formal financial management system has been set up for independent financial decisions. An independent bank account has been opened for independent tax payment in accordance with the law. No accountant work simultaneously in controlling shareholder's entities.

3. Assets: The property rights of company's assets are clear and complete. Production system and supporting facilities independent from holding shareholders have been built up, and free use and embezzlement of corporate assets by holding shareholders or other related parties will not happen.

4. Organization: A sound organization system has been constructed in the company, with which Board of Directors, Board of Supervisors and internal organizations operate independently and no affiliation exists between holding shareholders and functional departments. All the holding shareholders participate in corporate decisions in accordance with legal procedures and have caused no influence on the independence of the corporate operation and management.

5. Business: The company operates independently with complete business structure as well as independent production, sale and financial systems. The company operates and manages independently in accordance with the statutory scope of business, and no shareholders will directly or indirectly control and intervene in the supply and sale. Complete and independent business has been maintained with major shareholders.

### III. Competition situations of the industry

Applicable Not applicable

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

#### 1. Annual General Meeting

Sessions	Type	Investor participation ratio	Meeting Date	Disclosure date	Disclosure index
The First provisional shareholders' General meeting in 2018	Provisional shareholders' General meeting	21.88%	January 26,2018	January 27,2018	Announcement No.2018—011,China Securities Daily, Securities Time, Shanghai Securities News ,Securities daily ,Hongkong Commercial Daily and www.cninfo.com.cn
The Second provisional shareholders' General meeting in 2018	Provisional shareholders' General meeting	21.95%	March 26,2018	March 27,2018	Announcement No.2018—028,China Securities Daily, Securities Time, Shanghai Securities News ,Securities daily ,Hongkong Commercial Daily and www.cninfo.com.cn
The Third provisional shareholders' General meeting in 2018	Provisional shareholders' General meeting	21.96%	April 25,2018	April 26,2018 年	Announcement No.2017—052,China Securities Daily, Securities Time, Shanghai Securities News ,Securities

General meeting in 2018	meeting				daily ,Hongkong Commercial Daily and www.cninfo.com.cn
2017 Shareholders' general meeting	Annual Shareholders' General Meeting	22.66%	May 10,2018	May 11,2018	Announcement No.2018—059,China Securities Daily, Securities Time, Shanghai Securities News ,Securities daily ,Hongkong Commercial Daily and www.cninfo.com.cn
The Fourth provisional shareholders' General meeting in 2018	Provisional shareholders' General meeting	22.73%	June 28,2018	June 29,2018	Announcement No.2017—087,China Securities Daily, Securities Time, Shanghai Securities News ,Securities daily ,Hongkong Commercial Daily and www.cninfo.com.cn
The Fifth provisional shareholders' General meeting in 2018	Provisional shareholders' General meeting	21.99%	July 30,2018	July 31,2018	Announcement No.2018—100,China Securities Daily, Securities Time, Shanghai Securities News ,Securities daily ,Hongkong Commercial Daily and www.cninfo.com.cn
The Sixth provisional shareholders' General meeting in 2018	Provisional shareholders' General meeting	27.68%	August 20,2018	August 21,2018	Announcement No.2018—117,China Securities Daily, Securities Time, Shanghai Securities News ,Securities daily ,Hongkong Commercial Daily and www.cninfo.com.cn
The Seventh provisional shareholders' General meeting in 2018	Provisional shareholders' General meeting	21.87%	November 15,2018	November 16,2018	Announcement No.2018—133,China Securities Daily, Securities Time, Shanghai Securities News ,Securities daily ,Hongkong Commercial Daily and www.cninfo.com.cn
The Eighth provisional shareholders' General meeting in 2018	Provisional shareholders' General meeting	21.92%	December 10,2018	December 11,2018	Announcement No.2018—147,China Securities Daily, Securities Time, Shanghai Securities News ,Securities daily ,Hongkong Commercial Daily and www.cninfo.com.cn
The Ninth provisional shareholders' General meeting in 2018	Provisional shareholders' General meeting	21.93%	December 25,2018	December 26,2019	Announcement No.2018—155,China Securities Daily, Securities Time, Shanghai Securities News ,Securities daily ,Hongkong Commercial Daily and www.cninfo.com.cn

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

Applicable Not applicable

## V. Duty performance of independent Directors

### 1. Attendance of Board Meetings and General Meetings

Independent Directors' Attendance at Board Meetings							
Independent Directors	Number of Board meetings necessary to be attended in the reporting period	Number of spot attendances	Number of meetings attended by Communication	Number of attendances by representative	Number of absence	Failure to personally attend board meetings successively twice (Yes/No)	Number of attendance at general meetings of shareholders
Zhang Shuangcai	27	27	0	0	0	No	10
Lu Guihua	27	27	0	0	0	No	10
Han Zhiguo	27	27	0	0	0	No	10

Notes to failure to personally attend Board Meetings Successively Twice

### 2. Objection of independent directors on some relevant issues

Objection of independent directors on some relevant issues

Yes  No

Independent directors proposed no objection against the relevant matters in the reporting period.

### 3. Other notes to duty performance of independent directors

Has an independent director's advice to the Company been accepted

Yes  No

Explanation on acceptance of or failure to accept an independent director's advice to the Company.

During the report period, the independent directors of the company has strictly followed the relevant laws and regulations of "Governance Rules of Listed Companies", "Stock Listed Rules in Shenzhen Stock Exchange" and "Guidance Suggestion on the Establishment of Independent Directors System by the Listed Company", and the provisions of "Articles of Association" to attend the Board of Directors and Shareholders of the company, conscientiously perform their duties, express the constructive comments or suggestions for the development decisions of the company, Is the company's annual profit distribution plan, annual internal control self assessment, annual related party guaranty fund occupancy, year, renewed annual financial and internal audit institutions, raise money deposit associated with use, finance companies, supplement directors, accounting policy changes, related party transactions, to increase commitment subject changes, raise funds use and replacement, raise funds investment project change, company executives change, company public offering of A shares, convertible corporate bonds and audit opinions issued by the independent directors, which has effectively ensured the impartiality and objectivity of decision-making of the Board of Directors, maintained the whole interests of the company and the legitimate rights of medium and small shareholders, and played a positive role in the company's standard operation and healthy development.

## VI. Duty Performance of Special Committees under the Board of Directors in the Reporting period

### 1. Performance of duties of the Nomination Committee

In 2018, The Nomination Committee of the Board of Directors earnestly performs their duties, and reviews and make recommendations on the company's Candidate for additional director and new CFO candidates as per the provisions of "Implementation Rules of Nomination Committee of the Board of Directors".

### 2. Performance of Remuneration and Appraisal Committee

In 2018, Remuneration and Appraisal Committee under the Board of Directors have conscientiously performed their duties, and conducted the review and provide the suggestions on the subsidy of the independent directors of the company according to the provisions of "Detailed Rules for Implementation of Remuneration and Appraisal Committee under the Board of Directors".

### 3. Performance of Audit Committee

In 2018, Audit Committee under the Board of Directors has conscientiously performed the duties, conducted the duty of care, actively performs all kinds of works according to the relevant provisions of "Detailed Rules for Implementation of Audit Committee under the Board of Directors" and "Articles of Association", and mainly made communication, control and review on the annual audits of the company.

Audit Committee and the certified accountants have made fully communication on the audit plans, business engagement letters, risks and control matters. The Audit Committee has reviewed the audit opinions and the financial accounting statements issued by the certified accountants, and supervised the certified accountants to submit the audit report within the appointment time. At the same time, the Audit Committee believes that the certified accountants have strictly followed the provisions of the independent audit rules from CPAs to perform the audit work, the audit time is enough, the audit personnel is allocated reasonably, the certificated competence is qualified, and the financial accounting statements audited by the certified accountants shall reflect the true, accurate and complete financial condition.

### 4. Performance of Strategy Committee

In accordance with related provisions of The Detailed Rules for Implementing the Strategy Committee of the Board and Articles of Incorporation, Strategy Committee of the company is diligent and dutiful in fulfilling its duties and carrying out its work in 2018. It mainly focuses on the discussion and revision of strategic development planning of the company.

## VII. Work of the supervisory Committee

Did the supervisory Committee find any risk existing in performing the supervision activities in the reporting period

Yes  No

The supervisory Committee has no objection against any matters under supervision in the reporting period

## VIII. Assessment and incentive Mechanism for Senior executives

The company puts store by performance evaluation of administrative personnel, so the company gradually improves evaluation and inspiration mechanism of administrative personnel and builds improved payment management system and performance management system and finally found payment and evaluation committee under Board of Director, which is in charge of evaluating administrative personnel. Performance evaluation has a close influence on payment of administrative personnel. The company makes a scientific and effective inspiration

mechanism.

## IX. Internal control situations

### 1. Specific situations on major defects of internal control discovered during report period

Yes  No

### 2. Self-evaluation report on internal control

Disclosure date of appraisal report on internal control	April 29 , 2019	
Disclosure index of appraisal report on internal control	<a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a>	
Proportion of total unit assets covered by appraisal in the total assets of the consolidated financial statements of the company	90.00%	
Proportion of total unit incomes covered by appraisal in the total business incomes of the consolidated financial statements of the company	90.00%	
Standards of Defects Evaluation		
Type	Financial Report	Non-financial Report
Standard	Evaluation standards of internal control defects in financial reports are based on the degree of importance of the misstatement due to the internal control defects. The degree of importance mainly relies on following factors: (1) the possibility of loss or fraud of related assets or debts; the severity degree of defect control relies on the possibility of prevention, discovery or correction of misstatement concerning to account or presentation; (2) involved account, presentation and related recognized property: whether there is a recognized direct relationship with one or more financial statements; (3) whether the control for evaluation and compensation can offset the control defects, whether the control for evaluation and compensation is precise enough to prevent, discover or correct possible majors misstatements; (4) whether it can arouse attention of personnel in charge	Criteria of quality refers to the severity of involved business nature, which can be determined by the nature, range of influence and other factors of direct or potential negative effects. The following signs indicate possible major defects in internal control of non-financial reports: (1) invalid supervision on internal control by Audit Committee and the internal audit authority; (2) lack of democratic decision-making process, such as the decision-making process of “major policies, appointment or dismissal of cadres in important positions, arrangement of major projects and utilization of sizable funds”; (3) violation of state laws and regulations, for example environment pollution; (4) the outflow of managers and technicians; (5) lack of system control or systemic failure in major business; (6) no



	<p>of supervising enterprise financial reports: a. control defects have been existed since previous year and recognized as major ones; b. control defects exist in the rising business or high-risk business of the company; c. control defects exist in fields highly focused by Board of Directors or Audit Committee, such as special part or sensitive business; (5) the interaction among control defects: whether control defects, which influence the same important account, presentation and related recognized or internal control factors, form major defects; (6) the possible influences caused by control defects in future. When a cautious manager considers a control defect or the combination of control defects are obstacles in formulating basic recording transactions with applicable financial reports in a reasonable way, then the control defect or the combination of control defects should be considered as the indication of major defects. The following signs indicate major defects in internal control of financial reports: (1) any degree of fraud carried out by board members, supervisors and senior managers; (2) financial statements re-published by the company to correct major misstatements due to fraud or mistakes; (3) major misstatements existed in the current financial statements of the company, which have not been discovered during the operation of internal control; (4) invalid supervision on internal control carried out by Audit Committee and internal audit authority; (5) invalid internal control environment in the company; (6) major deviation on budgets; (7) negative effects due to the punishments by regulators; (8) huge losses of the company; (9) total amount of associated business surpasses the upper limit of associated business amount approved by general meeting of shareholders; (10) defects influencing the revenue trend, such as profit</p>	<p>rectification of major or important defects concerning to the results of internal control appraisal.</p>
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	and loss results; (11) other defects influencing the sound judgment by statement users.	
Standards of Quantitation	<p>(1) In Case of profit① Single defect: a. when the influence level reaches or surpasses 5% of the profits before tax when appraising the annual consolidated statements of Tunghsu Photo-electricity, it will be considered as major defect; b. when the influence level is lower than 5% but reaches or surpasses 0.5% of the profits before tax when appraising the annual consolidated statements of Tunghsu Photo-electricity, it will be considered as major defect; c. when it is not belonged to major or important defects, then it will be considered as normal defect. ② The collection of defects influencing the same important account title or disclosure: a. when the influence level after collection reaches or surpasses 5% of the profits before tax when appraising the annual consolidated statements of Tunghsu Photo-electricity, it will be considered as major defect; b. when the influence level after collection is lower than 5% but reaches or surpasses 0.5% of the profits before tax when appraising the annual consolidated statements of Tunghsu Photo-electricity, it will be considered as major defect; c. when it is not belonged to major or important defects, then it will be considered as normal defect.</p>	<p>(1) Defects and problems concerning to the internal control: Single defect: when the influence level reaches or surpasses 0.5% of the sales revenue when appraising the annual consolidated statements of Tunghsu Photo-electricity, it will be considered as major defect; b. when the influence level is lower than 0.5% but reaches or surpasses 0.05% of the sales revenue when appraising the annual consolidated statements of Tunghsu Photo-electricity, it will be considered as major defect; c. when it is not belonged to major or important defects, then it will be considered as normal defect. ② The collection of defects influencing the same important account title or disclosure: a. when the influence level after collection reaches or surpasses 0.5% of the sales revenue when appraising the annual consolidated statements of Tunghsu Photo-electricity, it will be considered as major defect; b. when the influence level after collection is lower than 0.5% but reaches or surpasses 0.05% of the sales revenue when appraising the annual consolidated statements of Tunghsu Photo-electricity, it will be considered as major defect; c. when it is not belonged to major or important defects, then it will be considered as normal defect. (2) For internal control defects and problems including personal fraud, please refer to the integrity management related rules of the company. Standards of internal control defects and problems including personal fraud: a. normal defects: less than one million yuan, or punishments by the government departments following the provincial level (including</p>

	provincial) without negative effects on regular reports or disclosures published by Tunghsu Photo-electricity; b. major defects: one million yuan (including one million) to ten million yuan, or punishments by the government departments at the national level without negative effects on regular reports or disclosures published by Tunghsu Photo-electricity; c. major defects: 10 million or more or defects which have been officially announced and caused negative effects on regular reports or disclosures published by Tunghsu Photo-electricity
Number of major defects in financial reporting (a)	0
Number of major defects in non financial reporting (a)	0
Number of important defects in financial reporting (a)	0
Number of important defects in non financial reporting (a)	0

## X. Internal Control audit report

Applicable  Not applicable

Review opinions in the internal control audit report
ZXCGHSZZD(2019)No.:105014.
To All Shareholders of Tunghsu Optoelectronic Technology Co., Ltd :
In accordance with Audit Guideline for Enterprise Internal Control and relevant requirement of the practicing standards of Chinese Certified Public Accountant, we audited the effectiveness of the financial report's internal control for Tunghsu Optoelectronic Technology Co., Ltd . (the Company) dated 31December 2018.
I. As for responsibility of internal control, The Company established and improved and implemented internal control effectively based on Basic Norms of Enterprises Internal Control, Supporting Guidelines for Enterprise Internal Control and Evaluation Guild lines for Enterprises Internal Control, and board of the director is responsible for evaluating its effectiveness.
II. Auditor's responsibilities

Our responsibility is to express an opinion on the effectiveness of internal control for the financial statements based on our audit. And disclosed major deficits of noted internal control without financial statement concerned.

III. Inherent feature of internal control:

The internal control has an inherent limitation, and exist mistakes that can not prevent and being discovered. Moreover, the internal control might be inappropriate due to the changes of conditions, or fails to follow the controlling policies and procedures, to speculate future effectiveness of the internal control in line with the auditing result has a certain risks.

IV. Auditing opinion: in our opinion, the Company.

In line with Basic Norms of Enterprises Internal Control and relevant regulations, shows an effectiveness internal control of financial report in all major aspects dated 31 December 2018.

Hebei Guanghua Accounting Firms Co., Ltd.(LLP)

Accountants Chinese C.P.A(Project Partner).: Accountants Chinese C.P.A.:

Beijing China

April 29, 2019

Disclosure of internal audit report	Disclosure
Disclosure date of audit report of internal control (full-text)	April 29,2019
Index of audit report of internal control (full-text)	<a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a>
Internal audit report's opinion	Unqualified audit opinion
Non-financial reporting the existence of significant deficiencies	No

Has the CPAs issued a qualified auditor's report of internal control .

Yes  No

Does the internal control audit report issued by the CPAs agree with the self-assessment report of the Board of Directors

Yes  No

## X. Corporation bonds

Whether or not the Company public offering corporation bonds in stock exchange, which undue or without payment in full at maturity on the approval date for annual report disclosed

Yes

### I. Basic information of the corporate bonds

Bond Name	Abbreviated Bond Name	Code	Issue Date	Date Due	Bond Balance(RM B10,000)	Interest Rate	Method of repayment of the principal and interest payment
2015- corporate bond of Tungshu Optoelectronic Technology Co., Ltd	15 Tungshu bonds	112243	May 19,2015	May 19,2020	95,200	6.68%	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 first period bond interest 60,000,000.00 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	The Company will adjust the coupon rate of the follow-up period at the end of the 3rd year of the current bond duration for the "15 Tungshu Bonds". The coupon rate of the bonds is 6.00% for the first 3 years of the duration. At the end of the 3rd year of the duration, the Company chooses to increase the coupon rate, i.e., the coupon rate of 2 years after the duration of the bonds is increased from 6.00% to 6.80%, and remains unchanged within 2 years after the duration of the bonds (May 19, 2018 to May 18, 2020). During the Reporting Period, there are 439,573 declared put-back of "15 Tungshu Bonds", with the put-back amount of RMB 46,594,738.00 (including interest), and the remaining 9,560,427 custodian bonds.						

### 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,	Contacts	Shi Jianhua, Yan Xiangjun	Tel	020-88836999

			Tianhe District Guangzhou City				
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 14, 2018, United Ratings Co., Ltd. issued trace rating report LHPZ [2018] No.960 based on the company's 2016 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". (For details, please refer to the "Tracking Rating Announcement" of the company disclosed on www.cninfo.com on June 16, 2018)

According to the United Rating Co.,Ltd's requirements on tacking and rating, a regular rating shall be carried out within 2 months after the company's disclosure of 2018 annual report. Also, the United Rating Co.,Ltd shall carry out randomly tracking and rating during the duration of the corporate bonds based on relevant information.

### 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, 2017 Entrusted Management Report of 2015 Corporate Bonds of Tunghsu Optoelectronic and and the Interim Report on the Entrusted Management of Major Events of 2015 Corporate Bond of Tunghsu Optoelectronic (on the change of Directors and Chairman) were released on May 10, 2018 and August 9, 2018 respectively, and the



Company was visited on the spot in December 2018 to review the bank reconciliation of the special account for raised funds and continuously supervise the use of the raised funds.

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

In RMB10,000

Items	2018	2017	Rate of change in the same period
Earnings before interest, tax, depreciation and amortization	489,789.49	444,259.47	10.25%
Current ratio	167.08%	223.56%	-56.48%
Debt ratio	53.95%	53.11%	0.84%
Quick ratio	131.58%	177.08%	-45.50%
EBITDA/Total debts	12.51%	12.19%	0.32%
Interest coverage ratio	36.79	22.23	65.50%
Cash interest coverage ratio	1.61	2.26	-28.76%
EBITDA interest coverage ratio	3.73	3.43	8.75%
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

The current ratio decreases by 56.48%, mainly due to the increase of RMB 2.6 billion in short-term borrowings at the end of the current period compared with the end of the previous period.

The significant increase in interest coverage is due to better performance for the current period.

The sharp decline in the quick ratio is also due to a sharp increase in short-term borrowing of RMB 2.6 billion.

The decrease in the multiple of cash interest protection is mainly attributable to the decrease in the ability to recover from operating activities as compared to the same period in 2017.

#### IX. 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 and the interest accrued was RMB 224,280,000.00 .

##### 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 , the first period bond interest 60,000,000.00 was paid in full

amount on schedule in 2016, and the first period bond interest 43,957,300.00 was paid in full amount on schedule in 2018.

X.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 RMB11,102,696,251.33, increased RMB605,143,618.36 compared with the end of year 2017, 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.

XI. 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.

XII.Major events occurred during the reporting period

Nil

XIII. Whether the corporate bonds have a guarantor

Yes  No

## XI. Financial Report

### I. Audit report

Type of auditing opinion	Standard report without qualified opinion
Date for signing the auditor's report	April 29, 2019
Name of audit firm	Hebei Guanghua Accounting Firms Co., Ltd.(LLP)
The audit of the report	ZXCGHSKZD(2019)No.:105028
Certified public accountant's name	Qi Zhenghua, Meng Xiaoguang

### Auditors' Report

ZXCGHSKZD(2019)No.:105028

To all shareholders of Shareholders of Tunghsu Optoelectronic Technology Co., Ltd.:

#### I. Opinion

We have audited the financial statements of Tunghsu Optoelectronic Technology Co., Ltd. (hereinafter referred to as "the Company"), which comprise the balance sheet as at December 31, 2018, the Company's and consolidated income statements, the Company's and consolidated cash flow statements, the Company's and consolidated statements of changes in shareholders' equity for the year then ended, as well as the notes to the financial statements.

In our opinion, the financial statements attached were prepared in line with the regulations of Accounting Standards for Business Enterprises in all significant aspects which gave a true and fair view of the consolidated and parent financial position of the Company as at 31 December 2018 and the consolidated and parent business performance and cash flow of the Company for 2018

#### II. Basis for Our Opinion

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

#### III. Key Audit Matters

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

We confirm that the following matters are the key audit matters that need to be communicated in the audit report:

(1) Recognition of operating income

1. Description of the matter

For details of relevant information disclosure, please refer to "Note V, 28 and Note VII, 52" of the financial statements.

Tunghsu Optoelectronic recognized operating income of 28,211.7 million yuan in 2018, up 63.29% over 2017. The operating income is divided into construction contract income and product sales income:

As for construction contract income, Tunghsu Optoelectronic Company will determine the completion progress according to the proportion of the accumulated actual cost to the estimated total cost under the condition that relevant projects can be reliably estimated. The estimated total cost of the budget contract involves significant accounting estimation and judgment. The estimation and judgment are influenced by existing experience and judgment on the future market. The rationality of the management's estimation and judgment on the estimated total cost will have a significant impact on the recognition of the income of relevant projects of Tunghsu Optoelectronic; Meanwhile, the sales revenue of products accounts for a large proportion of the operating revenue of Tunghsu Optoelectronic;

Therefore, we will recognize the estimated cost of the construction contract and the recognition of product sales income as key audit matters.

2. Audit response

(1) For the recognition of product sales income, the main auditing procedures we implement are as follows:

Understand and evaluate the rationality and effectiveness of management's design of key internal controls related to revenue recognition; (Check whether the accounting policies for income recognition conform to the provisions of the accounting standards for enterprises and whether they are consistently implemented;

Take sampling method to check the major sales contracts, sales invoices, transportation documents, customer acceptance documents, export declaration forms and other documents related to product sales income of Tunghsu Optoelectronic, and conduct confirmation and visits to important customers to confirm the occurrence of product sales income;

For the product sales revenue recognized before and after the balance sheet of Tunghsu Optoelectronic, check the documents such as transportation documents and customer acceptance documents to evaluate whether the income is recorded in the appropriate accounting period.

(2) As for the estimated cost of the construction contract, the main auditing procedures we have implemented are as follows:

Understand and evaluate the rationality and operational effectiveness of the management's key internal control design related to project contract budgeting and revenue recognition;

Using sampling method, compare and analyze the actual total cost of completed projects with the estimated total cost of the contract made by the management on whether there are abnormal differences, so as to judge whether the management effectively manages the contract budget dynamically;

Compare and analyze the estimated total cost of unfinished projects with the historical actual cost of similar completed projects, and evaluate the management's experience and ability in making such accounting estimate;

By sampling method, check the compilation basis of the estimated total cost of Tunghsu Optoelectronic and evaluate the rationality of the estimated total cost;

Obtain company income calculation details and execute recalculation procedures to determine the accuracy of income recognition.

## (II) Goodwill impairment

### 1. Description of the matter

Please refer to "Note V, 22, Note VII, 22" to the financial statement for details of the relevant information disclosure.

As of December 31, 2018, the book value of goodwill in the consolidated financial statements of Tunghsu Optoelectronic was RMB 2835.6726 million, and the provision for goodwill impairment that had been made was RMB 10.1634 million. Management performs an impairment test on goodwill at the end of each year and adjusts the book value of goodwill based on the results of the impairment test. The results of the goodwill impairment test depend to a large extent on the estimates made and assumptions adopted by management (e.g. estimates of the expected future cash flow and discount rate of the asset group). These estimates are influenced by management's judgments on the future market and the economic environment. The use of different estimates and assumptions will have a significant impact on estimating the recoverable value of goodwill. Because the goodwill arising from the acquisition of 100% equity interest in Shanghai Sunlong Bus Co., Ltd. amounted to RMB 2443.6274 million, Net carrying amount accounting for 86.17% of the goodwill in the consolidated statement because of its huge amount. Therefore, we took the impairment measurement of the goodwill arising from the acquisition of equity interest in Shanghai Sunlong Bus Co., Ltd. as a key audit matter.

### 2. Audit response

In response to the above key audit matter, we have implemented the following main audit procedures:

- (1) Understand and test the internal control of Tunghsu Optoelectronic on goodwill impairment assessment;
- (2) Review the recognition of asset group by management and the allocation method of goodwill; understand the historical performance and development planning of the asset group, as well as the development trend of the macro-economy and the industry; evaluate the assumptions and methods used by management in estimating the recoverable value of assets; evaluate and test the assumptions and valuation methods made by Tunghsu Optoelectronic in assessing whether goodwill is impaired as of December 31, 2018, determination of asset groups related to goodwill, cash flow forecasts and other data and parameters used, and evaluate other important parameters, including sales growth rate, output, production costs, operating expenses and discount rate;
- (3) Evaluate the professional competence, independence and objectivity of the asset appraiser, consult the appraisal technical description of the appraisal report, analyze whether the appraisal value and calculation formula are reasonable, and review and calculate the appraisal data. At the same time, interview the appraiser, including the purpose and scope of the appraisal report issued, its independence, the selection of appraisal process, the selection of the main parameters and the rationality of the appraisal results;
- (4) It is appropriate to review the goodwill presentation of Tunghsu Optoelectronic Technology Co., Ltd.

## IV. Other information

The management of the Company is responsible for the other information. The other information comprises information of the Company's annual report in 2018, but excludes the financial statements and our auditor's report.

Our opinion on the financial statements does not cover the other information and we do not and will

not express any form of assurance conclusion thereon.

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

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

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

The Company's management is responsible for preparing the financial statements in accordance with the requirements of Accounting Standards for Business Enterprises to achieve a fair presentation, and for designing, implementing and maintaining internal control that is necessary to ensure that the financial statements are free from material misstatements, whether due to frauds or errors.

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

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

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

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

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

(1) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, omissions, misrepresentations, or the override of internal control.

(2) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

(3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management of the Company.

(4) Conclude on the appropriateness of using the going concern assumption by the management of the Company, and conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events

or conditions may cause the Company to cease to continue as a going concern.

(5) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

(6) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements and bear all liability for the opinion.

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

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

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

Hebei Guanghua Accounting Firms Co., Ltd.(Special General Partnership)

Accountants Chinese C.P.A(Project Partner): Accountants Chinese C.P.A.:

Beijing China

April 29, 2019

## 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.

December 31,2018

In RMB

Items	Year-end balance	Year-beginning balance
Current asset :		
Cash and bank balances	19,807,094,397.16	27,456,759,768.86
Settlement provisions		
Outgoing call loan		
Financial assets measured at fair value		

with variations accounted into current income account		
Derivative financial assets		
Notes receivable & Account receivable	14,852,563,398.56	8,411,548,269.26
Including: Notes receivable	499,781,503.17	538,128,584.84
Account receivable	14,352,781,895.39	7,873,419,684.42
Prepayments	5,215,414,219.51	2,021,119,950.95
Insurance receivable		
Reinsurance receivable		
Provisions of Reinsurance contracts receivable		
Other account receivable	1,125,991,020.55	1,094,347,121.61
Including: Interest receivable	56,811,961.67	49,456,785.29
Dividend receivable		
Repurchasing of financial assets		
Inventories	3,510,786,666.85	4,909,570,356.36
Assets held for sales	119,355,435.58	213,034,435.58
Non-current asset due within 1 year		
Other current asset	809,360,778.49	2,559,947,333.75
Total of current assets	45,440,565,916.70	46,666,327,236.37
Non-current assets:		
Loans and payment on other's behalf disbursed		
Disposable financial asset	243,158,605.30	100,000,056.00
Expired investment in possess		
Long-term receivable	344,430,815.68	143,988,866.91
Long term share equity investment	2,174,347,969.22	2,130,640,158.90
Property investment	686,993,881.02	58,229,439.86
Fixed assets	9,634,463,323.77	11,379,727,456.13
Construction in progress	5,013,941,980.61	3,667,972,406.42
Productive biological assets		
Gas & petrol		
Gas & petrol	1,146,949,745.14	1,001,796,110.02
Intangible assets	37,122,235.94	15,397,704.97
Development expenses	2,835,672,586.90	2,587,678,140.99



Long-germ expenses to be amortized	21,884,204.82	26,538,304.02
Deferred income tax asset	533,094,627.68	526,633,526.09
Other non-current asset	4,463,496,966.82	306,402,939.48
Total of non-current assets	27,135,556,942.90	21,945,005,109.79
Total of assets	72,576,122,859.60	68,611,332,346.16
Current liabilities		
Short-term loans	8,361,106,651.33	5,712,826,382.20
Loan from Central Bank		
Deposit received and hold for others		
Call loan received		
Financial liabilities measured at fair value with variations accounted into current income account		
Derivative financial liabilities		
Notes payable & account payable	10,276,094,132.88	5,700,886,719.54
Advance payment	1,402,283,662.37	1,655,137,563.63
Selling of repurchased financial assets		
Fees and commissions receivable		
Employees' wage payable	238,146,977.17	207,697,362.25
Tax payable	817,173,127.12	294,979,419.96
Other account payable	2,089,603,676.60	2,029,716,039.08
Including: Interest payable	117,554,951.58	107,195,147.20
Dividend payable		35,000,000.00
Reinsurance fee payable		
Insurance contract provision		
Entrusted trading of securities		
Entrusted selling of securities		
Liabilities held for sales		
Non-current liability due within 1 year	3,697,392,864.91	5,045,608,756.45
Other current liability	315,193,128.73	227,155,178.97
Total of current liability	27,196,994,221.11	20,874,007,422.08
Non-current liabilities:		
Long-term loan	2,741,589,600.00	5,209,726,250.77
Bond payable	5,630,818,825.32	5,665,126,090.52
Including: preferred stock		

Sustainable debt		
Long-term payable	2,644,309,592.95	3,276,308,254.44
Long-term payable Employees' remuneration		
Expected liabilities	99,765,750.04	156,421,713.31
Deferred income	676,146,399.31	592,290,617.42
Deferred income tax liability	55,192,983.97	60,149,328.74
Other non-current liabilities	108,000,000.00	608,000,000.00
Total non-current liabilities	11,955,823,151.59	15,568,022,255.20
Total of liability	39,152,817,372.70	36,442,029,677.28
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	21,979,242,606.60
Less: Shares in stock	4,422,320.00	4,422,320.00
Other comprehensive income	-29,175.80	-4,518.45
Special reserves	12,614,331.35	1,983,921.21
Surplus reserves	245,507,019.95	224,133,824.86
Common risk provision		
Retained profit	4,750,977,557.86	3,009,860,755.82
Total of owner's equity belong to the parent company	32,521,130,925.14	30,941,044,388.04
Minority shareholders' equity	902,174,561.76	1,228,258,280.84
Total of owners' equity	33,423,305,486.90	32,169,302,668.88
Total of liabilities and owners' equity	72,576,122,859.60	68,611,332,346.16

Legal representative : Wang Lipeng

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

Person-in -charge of the accounting organ: Gao Feipeng

## 2. Balance sheet of the Parent Company

In RMB

Items	Year-end balance	Year-beginning balance
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Current asset :		
Cash and bank balances	9,732,302,654.23	11,224,359,236.39
Financial assets measured at fair value with variations accounted into current income account		
Derivative financial assets		
Notes receivable & account receivable	176,613,926.23	24,037,262.59
Including: Notes receivable	50,000.00	200,000.00
Account receivable	176,563,926.23	23,837,262.59
Prepayments	2,008,364.11	16,902,375.19
Other account receivable	6,281,675,319.27	5,497,581,593.85
Including: Interest receivable	7,521,489.86	41,868,921.15
Dividend receivable	500,000,000.00	665,000,000.00
Inventories	269,759,580.95	509,283,364.38
Assets held for sales		
Non-current asset due within 1 year		
Other current asset	148,973.38	1,220,148,973.38
Total of current assets	16,462,508,818.17	18,492,312,805.78
Non-current assets:		
Available for sale of financial assets	129,500,056.00	100,000,056.00
Expired investment in possess		
Long-term receivable		
Long term share equity investment	26,504,735,200.89	23,020,364,897.17
Property investment		
Fixed assets	160,867,244.63	44,669,881.93
Construction in progress		
Production physical assets		
Oil & gas assets		
Intangible assets	9,339,387.26	9,687,094.58
Development expenses		
Goodwill		
Long-germ expenses to be amortized		
Deferred income tax asset	119,964,967.85	58,105,970.47
Other non-current asset		1,381,400.00
Total of non-current assets	26,924,406,856.63	23,234,209,300.15

Total of assets	43,386,915,674.80	41,726,522,105.93
Current liabilities		
Short-term loans	4,278,000,000.00	2,760,000,000.00
Financial liabilities measured at fair value with variations accounted into current income account		
Derivative financial liabilities		
Notes payable& account payable	11,500,796.58	15,219,920.86
Advance payment	1,991,498.78	421,587.90
Employees' wage payable	4,484,401.86	4,061,413.48
Tax payable	17,959,833.09	28,150,779.48
Advance payment	3,656,725,253.66	503,617,925.37
Employees' wage payable	97,197,464.99	79,827,566.10
Tax payable		
Liabilities held for sales		
Non-current liability due within 1 year	1,533,383,333.28	2,769,233,333.30
Other current liability		
Total of current liability	9,504,045,117.25	6,080,704,960.39
Non-current liabilities:		
Long-term loan		1,512,500,000.00
Bond payable	5,630,818,825.32	5,665,126,090.52
Including: preferred stock		
Sustainable debt		
Long-term payable		
Long-term Employees' wage payable		
Expected liabilities		
Deferred income		
Deferred income tax liability		
Other non-current liabilities		
Total non-current liabilities	5,630,818,825.32	7,177,626,090.52
Total of liability	15,134,863,942.57	13,258,331,050.91
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	21,861,207,672.90
Less: Shares in stock	4,422,320.00	4,422,320.00
Other comprehensive income		
Special reserve		
Surplus reserves	226,517,795.62	205,144,600.53
Retained profit	467,252,231.11	676,010,983.59
Total of owners' equity	28,252,051,732.23	28,468,191,055.02
Total of liabilities and owners' equity	43,386,915,674.80	41,726,522,105.93

### 3.Consolidated income statement

In RMB

Items	Report period	Same period of the previous year
I. Income from the key business	28,211,700,021.12	17,276,969,039.03
Incl: Business income	28,211,700,021.12	17,276,969,039.03
Interest income		
Insurance fee earned		
Fee and commission received		
II. Total business cost	25,817,783,711.68	15,436,795,701.80
Incl: Business cost	23,204,078,792.38	13,674,487,646.24
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	237,483,799.16	94,070,286.07
Sales expenses	334,476,301.51	209,160,183.73
Administrative expenses	653,479,277.58	393,125,009.94
R & D expenses	572,089,634.30	256,991,555.91
Financial expenses	722,695,173.66	753,977,500.45
Including: Interest expenses	1,204,287,050.60	1,142,316,421.06
Interest income	506,083,846.24	442,489,241.64

Asset impairment loss	93,480,733.09	54,983,519.46
Add: Other income	251,303,953.08	352,095,131.45
Investment gain (“-”for loss)	80,925,191.79	63,704,853.98
Incl: investment gains from affiliates	64,366,051.65	4,663,254.00
Gains from change of fir value (“-”for loss)		
Gains from currency exchange (“-”for loss)		
Assets disposal income	1,515,607.51	
III. Operational profit (“-”for loss)	2,727,661,061.82	2,255,973,322.66
Add : Non-operational income	19,063,270.76	3,569,062.38
Less: Non business expenses	8,892,705.00	2,408,772.80
IV.Total profit(“-”for loss)	2,737,831,627.58	2,257,133,612.24
Less: Income tax expenses	469,003,541.40	336,234,590.36
V. Net profit	2,268,828,086.18	1,920,899,021.88
1.Net continuing operating profit	2,268,828,086.18	1,920,899,021.88
2.Termination of operating net profit		
Net profit attributable to the owners of parent company	2,163,607,505.39	1,730,174,564.57
Minority shareholders’ equity	105,220,580.79	190,724,457.31
VI. Net after-tax of other comprehensive income	-42,240.07	-8,409.93
Net of profit of other comprehensive income attributable to owners of the parent company.	-24,657.35	-4,518.45
(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.		
(II) Other comprehensive income that will be reclassified into profit or loss.	-24,657.35	-4,518.45

1.Other comprehensive income under the equity method investee can be reclassified into profit or loss.		
2.Gains and losses from changes in fair value available for sale financial assets		
3.Held-to-maturity investments reclassified to gains and losses of available for sale financial assets		
4.The effective portion of cash flow hedges and losses		
5.Translation differences in currency financial statements	-24,657.35	-4,518.45
6.Other		
Net of profit of other comprehensive income attributable to Minority shareholders' equity	-17,582.72	-3,891.48
VII. Total comprehensive income	2,268,785,846.11	1,920,890,611.95
Total comprehensive income attributable to the owner of the parent company	2,163,582,848.04	1,730,170,046.12
Total comprehensive income attributable minority shareholders	105,202,998.07	190,720,565.83
VIII. Earnings per share		
( I ) Basic earnings per share	0.38	0.32
(II)Diluted earnings per share	0.38	0.32

The current business combination under common control, the net profits of the combined party before achieved net profit of RMB -11,435,425.33, last period the combined party realized RMB-13,043,965.22.

Legal representative : Wang Lipeng

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

Person-in -charge of the accounting organ: Gao Feipeng

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

In RMB

Items	Report period	Same period of the previous year
I. Income from the key business	192,196,941.80	224,036,245.36

Incl : Business cost	152,993,440.70	157,850,832.08
Business tax and surcharge	6,644,502.15	5,861,889.82
Sales expenses		
Administrative expenses	39,463,721.23	36,146,618.59
R & D expenses	8,322,311.54	4,750,475.24
Financial expenses	379,774,437.36	440,687,806.43
Including: Interest expenses	645,866,773.53	715,302,441.40
Interest income	275,451,910.63	277,294,157.23
Asset impairment loss	10,403,118.18	953,612.93
Add: Other income		5,000.00
Investment gain ( “-”for loss )	556,448,607.09	728,710,908.36
Including: Investment gains from affiliates	64,362,875.25	4,680,716.60
Gains from change of fir value		
Assets disposal income	-83,936.54	
II. Operational profit ( “-”for loss )	150,960,081.19	306,500,918.63
Add : Non-operational income	1,125,858.13	3,258.50
Less : Non business expenses	212,985.83	
III.Total profit(“-”for loss)	151,872,953.49	306,504,177.13
Less : Income tax expenses	-61,858,997.38	-54,393,366.62
IV. Net profit ( “-”for net loss )	213,731,950.87	360,897,543.75
1.Net continuing operating profit	213,731,950.87	360,897,543.75
2.Termination of operating net profit		
V.Net of profit of other comprehensive i ncome		
(I) Other comprehensive income items that will not be reclassified into gains/losses in the subsequent accounting period		
1.Re-measurement of defined benefit pl ans 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.		
( 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. Gains and losses from changes in fair value available for sale financial assets		
3. Held-to-maturity investments reclassified to gains and losses of available for sale financial assets		
4. The effective portion of cash flow hedges and losses		
5. Translation differences in currency financial statements		
6. Other		
VI. Total comprehensive income	213,731,950.87	360,897,543.75
VII. Earnings per share :		
( I ) Basic earnings per share		
(II) Diluted earnings per share		

## 5. Consolidated Cash flow statement

In RMB

Items	Report period	Same period of the previous year
I. Cash flows from operating activities		
Cash received from sales of goods or rendering of services	24,460,106,952.41	16,319,362,118.18
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		
Net increase of trade financial asset disposal		
Cash received as interest, processing fee and commission		
Net increase of inter-bank fund received		
Net increase of repurchasing business		
Tax returned	342,117,355.30	368,068,395.17
Other cash received from business operation	1,112,750,115.02	1,393,784,267.32
Sub-total of cash inflow	25,914,974,422.73	18,081,214,780.67
Cash paid for purchasing of merchandise and services	22,506,440,909.95	13,863,864,085.75
Net increase of client trade and advance		
Net increase of savings n central bank and brother company		
Cash paid for original contract claim		
Cash paid for interest, processing fee and commission		
Cash paid for policy dividend		
Cash paid to staffs or paid for staffs	1,148,904,118.69	675,531,188.29
Taxes paid	874,045,127.91	851,129,505.84
Other cash paid for business activities	997,332,261.66	1,437,511,489.48
Sub-total of cash outflow from business activities	25,526,722,418.21	16,828,036,269.36
Net Cash flow generated by business operation	388,252,004.52	1,253,178,511.31
II.Cash flow generated by investing		
Cash received from investment retrieving	2,287,107,423.40	10,720,000,000.00
Cash received as investment gains	14,623,990.55	61,158,304.69
Net cash retrieved from disposal of	1,342,541.78	4,233.00

fixed assets, intangible assets, and other long-term assets		
Net cash received from disposal of subsidiaries or other operational units	392,179,613.50	
Other investment-related cash received	2,065,561,030.00	110,685,142.80
Sub-total of cash inflow due to investment activities	4,760,814,599.23	10,891,847,680.49
Cash paid for construction of fixed assets, intangible assets and other long-term assets	5,397,726,636.77	2,120,419,910.48
Cash paid as investment	1,100,017,546.00	2,743,196,945.39
Net increase of loan against pledge		
Net cash received from subsidiaries and other operational units	392,683,239.84	409,333,786.20
Other cash paid for investment activities	4,514,811,164.19	11,372,003,800.00
Sub-total of cash outflow due to investment activities	11,405,238,586.80	16,644,954,442.07
Net cash flow generated by investment	-6,664,423,987.57	-5,753,106,761.58
III.Cash flow generated by financing		
Cash received as investment	29,782,250.00	4,089,127,645.26
Incl: Cash received as investment from minor shareholders	29,000,000.00	381,127,660.00
Cash received as loans	9,271,938,586.70	6,415,966,666.66
Cash received from bond placing		
Other financing –related cash received	1,625,337,955.88	6,079,515,983.16
Sub-total of cash inflow from financing activities	10,927,058,792.58	16,584,610,295.08
Cash to repay debts	10,790,796,153.46	7,676,192,931.29
Cash paid as dividend, profit, or interests	1,634,663,688.12	1,506,017,279.72
Incl: Dividend and profit paid by subsidiaries to minor shareholders	35,000,000.00	30,000,000.00
Other cash paid for financing activities	2,448,920,714.02	3,305,362,985.49
Sub-total of cash outflow due to financing activities	14,874,380,555.60	12,487,573,196.50
Net cash flow generated by financing	-3,947,321,763.02	4,097,037,098.58

IV. Influence of exchange rate alternation on cash and cash equivalents	5,470,280.86	-20,700,620.86
V. Net increase of cash and cash equivalents	-10,198,023,465.21	-423,591,772.55
Add: balance of cash and cash equivalents at the beginning of term	25,114,660,756.25	25,538,252,528.80
VI ..Balance of cash and cash equivalents at the end of term	14,916,637,291.04	25,114,660,756.25

## 6. Cash Flow Statement of the Parent Company

In RMB

Items	Amount in this period	Amount in last period
I. Cash flows from operating activities		
Cash received from sales of goods or rendering of services	72,531,777.31	257,729,472.43
Tax returned		
Other cash received from business operation		727,597,222.22
Sub-total of cash inflow	72,531,777.31	985,326,694.65
Cash paid for purchasing of merchandise and services	39,022,885.88	499,508,106.89
Cash paid to staffs or paid for staffs	23,420,776.83	12,003,112.70
Taxes paid	17,690,820.97	13,008,194.55
Other cash paid for business activities	12,832,370.74	704,986,879.59
Sub-total of cash outflow from business activities	92,966,854.42	1,229,506,293.73
Net Cash flow generated by business operation	-20,435,077.11	-244,179,599.08
II. Cash flow generated by investing		
Cash received from investment retrieving	2,788,307,423.40	10,720,000,000.00
Cash received as investment gains	678,923,452.07	631,146,896.47
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	18,756,644,994.40	4,090,240,995.50
Sub-total of cash inflow due to investment activities	22,223,875,869.87	15,441,387,891.97
Cash paid for construction of fixed assets, intangible assets and other long-term assets	56,199.61	108,600.00
Cash paid as investment	4,234,000,000.00	8,020,648,977.50
Net cash received from subsidiaries and other operational units	817,834,645.97	
Other cash paid for investment activities	20,503,969,862.86	16,271,549,676.04
Sub-total of cash outflow due to investment activities	25,555,860,708.44	24,292,307,253.54
Net cash flow generated by investment	-3,331,984,838.57	-8,850,919,361.57
III.Cash flow generated by financing		
Cash received as investment		3,707,999,985.26
Cash received as loans	4,858,000,000.00	4,241,666,666.66
Cash received from bond placing		
Other financing –related cash received	10,928,715,830.12	241,954,213.63
Sub-total of cash inflow from financing activities	15,786,715,830.12	8,191,620,865.55
Cash to repay debts	6,132,307,300.02	3,730,033,333.36
Cash paid as dividend, profit, or interests	1,020,777,853.83	1,044,754,330.46
Other cash paid for financing activities	6,773,267,342.75	49,565,032.84
Sub-total of cash outflow due to financing activities	13,926,352,496.60	4,824,352,696.66
Net cash flow generated by financing	1,860,363,333.52	3,367,268,168.89
IV. Influence of exchange rate alternation on cash and cash equivalents		433,490.39
V.Net increase of cash and cash equivalents	-1,492,056,582.16	-5,727,397,301.37
Add: balance of cash and cash equivalents at the beginning of term	11,224,359,236.39	16,951,756,537.76
VI ..Balance of cash and cash equivalents at the end of term	9,732,302,654.23	11,224,359,236.39

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

Amount in this period

In RMB

Items	Amount in this period												
	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	Surplus reserves	Common risk provision	Retained profit		
	preferred stock	Sustainable debt	Other										
I. Balance at the end of last year	5,730,250,118.00				21,979,242,606.60	4,422,320.00	-4,518.45	1,983,921.21	224,133,824.86		3,009,860,755.82	1,228,258,280.84	32,169,302,668.88
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				21,979,242,606.60	4,422,320.00	-4,518.45	1,983,921.21	224,133,824.86		3,009,860,755.82	1,228,258,280.84	32,169,302,668.88
III. Changed in the current year					-193,009,212.82		-24,657.35	10,630,410.14	21,373,195.09		1,741,166,802.04	-326,083,719.08	1,254,002,818.02
(1) Total comprehensive income							-24,657.35				2,163,607,505.39	105,202,998.07	2,268,785,846.11
(II) Investment or decreasing of capital by owners					2,516,287.18							38,810,610.28	41,326,897.46
1. Ordinary Shares invested by Shareholders												39,734,500.00	39,734,500.00

eholders													
2. Holders of other equity instruments invested capital													
3. Amount of shares paid and accounted as owners' equity													
4. Other					2,516,287.18							-923,889.72	1,592,397.46
( III ) Profit allotment								21,373,195.09		-422,490,703.35			-401,117,508.26
1. Providing of surplus reserves								21,373,195.09		-21,373,195.09			
2. Providing of common risk provisions													
3. Allotment to the owners (or shareholders)										-401,117,508.26			-401,117,508.26
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													
(V). Special reserves							10,630,410.14					7,169,363.61	17,799,773.75
1. Provided this year							38,527,044.56					7,324,978.46	45,852,023.02
2. Used this term							-27,896,634.42					-155,614.85	-28,052,249.27
(VI) Other					-195,525,500.00							-477,266,691.04	-672,792,191.04
IV. Balance at the end of this term	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	902,174,561.76	33,423,305,486.90

Amount in last year

In RMB

Items	Amount in last year												Minor shareholders' equity	Total of owners' equity
	Owner's equity Attributable to the Parent Company													
	Share Capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specialized reserve	Surplus reserves	Common risk provision	Retained profit			
	preferred stock	Sustainable debt	Other											
I. Balance at the end of last year	4,939,928,983.00				16,338,960,810.89	4,422,320.00			188,044,070.48		1,823,695,278.31	1,093,061,728.31	24,379,268,550.99	
Add: Change of accounting policy														
Correcting of previous errors														
Merger of entities under common control					194,098,440.35						-155,097,190.92	91,021,359.68	130,022,609.11	
Other														
II. Balance at the beginning of current year	4,939,928,983.00				16,533,059,251.24	4,422,320.00			188,044,070.48		1,668,598,087.39	1,184,083,087.99	24,509,291,160.10	
III. Changed in the	790,32				5,446,1		-4,518.4	1,983,9	36,089,		1,341,2	44,175,	7,660,0	



current year	1,135.00				83,355.36		5	21.21	754.38		62,668.43	192.85	11,508.78
(I) Total comprehensive income							-4,518.45				1,730,174,564.57	190,724,457.31	1,920,894,503.43
(II) Investment or decreasing of capital by owners	790,321,135.00				6,683,065,275.65							382,886,041.50	7,856,272,452.15
1. Ordinary Shares invested by shareholders	790,321,135.00				6,728,522,710.65							382,886,041.50	7,901,729,887.15
2. Holders of other equity instruments invested capital													
3. Amount of shares paid and accounted as owners' equity													
4. Other					-45,457,435.00								-45,457,435.00
(III) Profit allotment									36,089,754.38		-388,911,896.14	-35,000,000.00	-387,822,141.76
1. Providing of surplus reserves									36,089,754.38		-36,089,754.38		
2. Providing of common risk provisions													
3. Allotment to the owners (or shareholders)											-352,822,141.76	-35,000,000.00	-387,822,141.76
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													
(V). Special reserves								1,983,921.21				1,906,120.38	3,890,041.59
1. Provided this year								38,971,707.64				1,906,120.38	40,877,828.02
2. Used this term								-36,987,786.43					-36,987,786.43
(VI) Other					-1,236,881,920.29							-496,341,426.34	-1,733,223,346.63
IV. Balance at the end of this term	5,730,250,118.00				21,979,242,606.60	4,422,320.00	-4,518.45	1,983,921.21	224,133,824.86		3,009,860,755.82	1,228,258,280.84	32,169,302,668.88

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

Amount in this period

In RMB

Items	Amount in this period										
	Share Capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specialized reserve	Surplus reserves	Retained profit	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					-28,753,765.40				21,373,195.09	-208,758,752.48	-216,139,322.79
(I) Total comprehensive income										213,731,950.87	213,731,950.87
(II) Investment or decreasing of capital by owners					-28,753,765.40						-28,753,765.40
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					-28,753,765.40						-28,753,765.40

					65.40						65.40
( III ) Profit allotment									21,373,195.09	-422,490,703.35	-401,117,508.26
1.Providing of surplus reserves									21,373,195.09	-21,373,195.09	
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											
(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	4,422,320,000.00			226,517,795.62	467,252,231.11	28,252,051,732.23

Amount in last year

In RMB

Items	Amount in last year										
	Share Capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specialized reserve	Surplus reserves	Retained profit	Total of owners' equity
		preferred stock	Sustainable debt	Other							
I. Balance at the end of last year	4,939,928,983.00				15,130,191,736.27	4,422,320.00			169,054,846.15	696,998,223.03	20,931,751,468.45
Add: Change of accounting policy											
Correcting of previous errors											
Other											
II. Balance at the beginning of current year	4,939,928,983.00				15,130,191,736.27	4,422,320.00			169,054,846.15	696,998,223.03	20,931,751,468.45
III. Changed in the current year	790,321,135.00				6,731,015,936.63				36,089,754.38	-20,987,239.44	7,536,439,586.57
(I) Total comprehensive income										360,897,543.75	360,897,543.75
(II) Investment or decreasing of capital by owners	790,321,135.00				6,731,015,936.63						7,521,337,071.63
1. Ordinary Shares invested by shareholders	790,321,135.00				6,728,522,710.65						7,518,843,845.65
2. Holders of other equity instruments invested capital											
3. Amount of shares paid and accounted as owners' equity											
4. Other					2,493,225.98						2,493,225.98
(III) Profit									36,089,754.38	-381,884,783.1	-345,795,028.72

allotment									4.38	9	028.81
1.Providing of surplus reserves									36,089,754.38	-36,089,754.38	
2. Allotment to the owners (or shareholders)										-345,795,028.81	-345,795,028.81
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											
(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				21,861,207,672.90	4,422,320,000.00			205,144,600.53	676,010,983.59	28,468,191,055.02

### 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 RMB1,806 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

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, 2018, 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, Uitimate controller is Li Zhaoting.

Financial statements and notes to the financial statements approved at the 61th meeting of the 8th Board of Directors on April 29, 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).

In the reporting period, 22 subsidiaries and 93 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 33 and decreased by 2 companies year on year at this reporting period, 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 book value 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

Whether the Company needs to comply with the disclosure requirements for specific industries

No

Specific accounting policies and accounting estimates are indicated as follows:

Nil

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

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 December 31, 2018, operational results, cash flow, and other relevant information of 2018.

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 assets and liabilities.

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 book value 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 book value 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. 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 acquirer 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 V, 14 “Long-term Equity Investment” or Notes V, 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 V 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 14 (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 assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. For financial assets and financial liabilities at fair value through profit or loss, transaction costs are recognized in profit and loss for the current period. For other financial assets and financial liabilities, transaction costs are included in their initial recognized amounts.

### (1) Fair value of financial assets and financial liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. If an active market exists for specific financial assets or liabilities, quoted prices in active markets for identical assets or liabilities are used as fair value. Quoted prices in an active market refers to the prices which are readily available regularly in exchange markets, brokers, industry associations and other pricing institutions and represents the prices at which the assets or liabilities are traded in an arm length transaction in the marketplace. If an active market does not exist, the Company uses valuation model to determine the fair value. Valuation model takes into account quoted price for identical or similar assets or liabilities between familiar and willing parties, quoted price for similar assets or liabilities in an active market, discounted cash flow method and options pricing model.

### (2) Classification, Recognition and Measurement of Financial Assets



All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. On initial recognition, the Company's financial assets are classified into one of the four categories, including financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables, and available-for-sale financial assets.

① Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and those designated upon initial recognition as at fair value through profit or loss.

A financial asset held for trading is the financial asset that meets one of the following conditions: A the financial asset is acquired for the purpose of selling it in a short term; B. the financial asset is a part of a group of identifiable financial instruments that are collectively managed, and there is objective evidence indicating that the enterprise recently manages this group for the purpose of short-term profits; C. the financial asset is a derivative, except for a derivative that is designated as effective hedging instrument, or a financial guarantee contract, or a derivative that is linked to and must be settled by delivery of an unquoted equity instrument (without a quoted price from an active market) whose fair value cannot be reliably measured.

The financial assets or financial liabilities meeting any of the following requirements can be designated, on initial recognition, as financial assets or financial liabilities at fair value through profit or loss and of which the variation is included in the current profits and losses: A. The designation is able to eliminate or obviously reduce the discrepancies in the recognition or measurement of relevant gains or losses arising from the different basis of measurement of the financial assets or financial liabilities; B. The official written documents on risk management or investment strategies of the enterprise concerned have recorded that the combination of said financial assets, the combination of said financial liabilities, or the combination of said financial assets and financial liabilities will be managed and evaluated on the basis of their fair values and be reported to the key management personnel.

Financial assets at fair value through profit or loss are subsequently measured at fair value. The gains or losses related to financial assets at fair value through profit or loss and dividend or interest income related to those financial assets are recognized in profit or loss for the current period.

## ②Held-to-maturity investments

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

Such kind of financial assets are subsequently measured at amortized cost using the effective interest method. Gains or losses arising from derecognition, impairment or amortization are recognized in profit or loss for the current period.

The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability (or a group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period, using the effective interest rate. The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial asset or financial liability or, where appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

When calculating the effective interest rate, the Company estimates future cash flows considering all contractual terms of the financial asset or financial liability (without considering future credit losses), and also considers all fees paid or received between the parties to the contract giving rise to the financial asset and financial liability that are an integral part of the effective interest rate, transaction costs, and premiums or discounts, etc.

## ③ Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Financial assets classified as loans and receivables by the Company include notes receivable, accounts receivable, interest receivable, dividends receivable, and other receivables.

Loans and receivables are subsequently measured at amortized cost using the effective interest method. Gain or loss arising from derecognition, impairment or amortization is recognized in profit or loss for the current period.

#### ④ Available-for-sale financial assets

Available-for-sale financial assets include non-derivative financial assets that are designated on initial recognition as available for sale, and financial assets that are not classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments.

Cost of available-for-sale investments in debt instruments are measured on the basis of the post-amortization cost at period end, which is the initially recognized amount of financial asset or financial liability deducting the already paid principal, plus or minus the accumulated amount of amortization incurred from amortizing the balance between the initially recognized amount and the amount of the maturity date by adopting the actual interest rate method and deducting the impairment loss that have actually incurred. Cost of available-for-sale investments in equity instruments is the initially recognized amount at acquisition.

Available-for-sale financial assets are subsequently measured at fair value, and gains or losses arising from changes in the fair value are recognized as other comprehensive income and included in the capital reserve, except that impairment losses and exchange differences related to amortized cost of financial assets are recognized in profit or loss, until the financial assets are derecognized, at which time the gains or losses are released and recognized in profit or loss. Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivative financial assets that are linked to and must be settled by delivery of such unquoted equity instruments are subsequently measured at cost.

Interests obtained and the dividends declared by the investee during the period in which the available-for-sale financial assets are held, are recognized in investment income.

Impairment of Available-for-sale financial assets

If all the related information considered indicates that the decline in fair value of available-for-sale financial assets is significant or non-temporary decline, impairment incurred for available-for-sale financial assets. Significant decline refers to accumulated decline in fair value exceed 20%; non-temporary decline refers to continuous decline in fair value more than 12 months.

When an available-for-sale financial asset is impaired, the cumulative loss arising from decline in fair value previously recognized directly in capital reserve is reclassified from the capital reserve to profit or loss. The amount of the cumulative loss that is reclassified from capital reserve to profit or loss is the difference between the acquisition cost (net of any principal repayment and amortization) and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss.

If, subsequent to the recognition of an impairment loss on available-for-sale financial assets, there is objective evidence of a recovery in value of the financial assets which can be related objectively to an event occurring after the impairment is recognized, the previously recognized impairment loss is reversed. The amount of reversal of impairment loss on available-for-sale equity instruments is recognized as other comprehensive income, while the amount of reversal of impairment loss on available-for-sale debt instruments is recognized in profit or loss.

If an impairment loss has been incurred on an investment in unquoted equity instrument (without a quoted price in an active market) whose fair value cannot be reliably measured, or on a derivative financial asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the impairment loss on such financial asset is not reversed once it is recognized.

### (3) Transfer and measurement of financial assets

The Company derecognizes a financial asset only when: ① the contractual rights to the cash flows from the financial asset expire; or ② it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity; or ③ it transfers the financial asset, neither transfers nor retains substantially all the risks and rewards of ownership but has not retained control over the financial assets.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, and retains its control of the financial asset, it recognizes the financial asset to the extent of its continuing involvement in the transferred financial asset and recognized an associated liability. The extent of the enterprise's continuing involvement in the transferred asset is the extent to which it is exposed to changes in the value of the transferred asset.

For a transfer of a financial asset in its entirety that satisfies the derecognition criteria, the difference between (1) the carrying amount of the financial asset transferred; and (2) the sum of the consideration received from the transfer and any cumulative gain or loss that has been recognized in other comprehensive income, is recognized in profit or loss.

If the transfer of partial financial asset satisfies the derecognition criteria, the entire book value of the transferred financial asset shall, between the portion whose recognition has been stopped and the portion whose recognition has not been stopped, be apportioned according to their respective relative fair value and the difference between the amounts of the following 2 items shall be included into the profit or loss of the current period: (1)The book value of the portion whose recognition has been stopped; (2)The sum of consideration of the portion whose recognition has been stopped, and the portion of the accumulative amount of the changes in the fair value originally recorded in the owner's equities which is corresponding to the portion whose recognition has been stopped.

In terms of financial assets sold with recourse or financial assets transferred by endorsement, the Company shall determine whether substantially all the risks and rewards of ownership of the financial asset are transferred. Where an enterprise has transferred substantially all of the risks and rewards related to the ownership of the financial asset to the transferee, it shall stop recognizing the financial asset. If it retained substantially all of the risks and rewards related to the ownership of the financial asset, it shall not stop recognizing the financial asset. If the Company neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, the Company shall determine whether it retains the control of the financial assets and account the financial assets in accordance with the Standards mentioned above.

### (3) Classification and Measurement of Financial Liability

On initial recognition, financial liabilities are classified as either financial liabilities at 'fair value through profit or loss' (FVTPL) or 'other financial liabilities'. The financial liabilities initially recognized shall be measured at their fair values. For the financial liabilities at fair value through profit or loss, the transaction expenses thereof shall be directly recorded into the profit or loss of the current period; for other financial liabilities, the transaction expenses thereof shall be included into the initially recognized amount.

#### ① Financial liabilities at fair value through profit or loss

The transactional financial liabilities and designated financial liabilities at fair value through profit or loss are classified under the same criteria as the transactional financial assets and designated financial assets at fair value through profit or loss.

On subsequent measurement of financial liabilities at fair value through profit or loss, gain or loss arising from changes in fair value and dividends and interests related to the financial liabilities are recognized in the profit or loss of the current period.

#### ② Other Financial Liability

For a derivative liability that is linked to and must be settled by delivery of an unquoted equity instrument (without a quoted price in an active market) whose fair value cannot be reliably measured, it is subsequently measured at cost. Other financial liabilities are subsequently measured at amortized cost using the effective interest method, with gain or loss arising from derecognition or amortization recognized in profit or loss.

#### (5) Derecognition of financial liabilities

The Company derecognizes a financial liability (or part of it) only when the underlying present obligation (or part of it) is discharged. An agreement between the Company (an existing borrower) and an existing lender to replace the original financial liability with a new financial liability with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

When the Company derecognizes a financial liability or a part of it, it recognizes the difference between the carrying amount of the financial liability (or part of the financial liability) derecognized and the consideration paid (including any non-cash assets transferred or new financial liabilities assumed) in profit or loss.

#### (6) Offsetting financial assets and financial liabilities

When the Company has a legal right that is currently enforceable to set off the recognized financial assets and financial liabilities, and intends either to settle on a net basis, or to realize the financial asset and settle the financial liability simultaneously, financial assets and financial liabilities are offset with the net amounts presented on the balance sheet. Otherwise, financial assets and financial liabilities are separately presented on the balance sheet without offsetting.

#### (7) Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued (including refinanced), repurchased, sold or cancelled by the Company are treated as changes in equity. Changes in the fair value of equity instruments are not recognized. Transaction costs related to equity transactions are deducted from equity.

Distributions to holders of equity instruments by the Company (excluding dividends) reduce shareholders' equity. The Company does not recognize changes in fair value of equity instruments.

### 11. Account receivable

The receivables include accounts receivable and others, etc.

#### (1) Provision for bad debts of account receivable that are individually significant

The judgment basis for significant single-item amount or standard for significant amount	The accounts receivable with single-item amount of RMB 5 million and above
The method of separate provision for bad debts of the accounts receivable with significant single-item amount	Impairment test shall be separately conducted. If the test proves the occurrence of impairment, impairment loss shall be

	determined and provision for bad debts shall be made according to the difference between the present value of its future cash flow and its book value. For the accounts receivable whose impairment is not proved by separate test, such accounts receivable, together with those with insignificant single-item amount, are divided into some groups based on similar characteristics of credit risks. For these groups of accounts receivable, provision for bad debts shall be made according to the regulation mentioned in "(2) provision for bad debts shall be made for accounts receivable on group basis".
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## (2)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:

√ Applicable  Not applicable

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 balance percentage method for bad debt provision:

 Applicable  Not applicable

In Group ,adopting other method for bad debt provision:

√ Applicable  Not applicable

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	0.00%	0.00%

## (3) Accounts receivable that are individually insignificant but with bad debt provision provided on an

Reason for separate provision for bad debts	The accounts receivable with single-item amount of less than
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	RMB 5 million whose risk characteristics can't be reflected by provision for bad debts on basis of group.
Method of provision for bad debts	Provision for bad debts is made according to the difference between the present value of its future cash flow and its book value.

## 12. 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.

## 13. Asset-held for sale

The Company will retrieve its book value 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 book value 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 book value is higher than the net amount after fair value deducts selling expense, the book value 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 book value of goodwill will be deducted first, and its book value will then be deducted proportionally according to the book value'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 book value 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) Book value before being divided into on-sales category, and the amount of money after being under the situation where book value 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.

#### 14. 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 V 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 book value 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 book value 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 book value 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 book value 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 book value of long-term equity investments prior to the combination and the book value 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 book value 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 book value 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 book value 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 book value 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 book value 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.

### (4) 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 V 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.

## 15. 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.

## 16. 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 the real estate title certificate or land use right certificate) or 30 years in case of no period	5	3.17

		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) Basis of asserting, valuation and depreciation method for fixed assets under financing lease

Fixed assets leased by the Company shall be recognized as fixed assets acquired under finance leases when they meet one or more of the following criteria: ① Upon expiration of the lease term, the ownership of the leased assets shall be transferred to the Company. ② The Company has the option to purchase the asset at a price that is expected to be sufficiently lower than the fair value at the date of the option becomes exercisable for it to be reasonably certain, at the inception of the lease, that the option will be exercised. (3) the lease term accounts for a substantial proportion of the useful life of the leased asset, notwithstanding that the ownership will not be transferred; ④ At the inception of lease, the present value of minimum lease payments amount to substantially all of the fair value of leased asset. ⑤ Leased assets are of a specialized nature that only the Company can use them without major modifications. For the fixed assets that are under finance leases, if the ownership of the leased assets can be reasonably determined at the end of the lease term, the depreciation shall be made within the service life of such leased assets; otherwise the depreciation shall be made for a shorter period between the lease term and the remaining service life of such leased assets. (4) Major repair expenses: The major repair expenses incurred by the Company in carrying out regular inspections of fixed assets, if there is conclusive



evidence showing that they meet the conditions for recognition of fixed assets, are included in the cost of fixed assets, while those that do not meet the conditions for recognition of fixed assets are included in the profits and losses of the current period. Fixed assets are under depreciation during regular overhaul intervals.17. Construction in progress

#### 17 Whether the Company needs to comply with the disclosure requirements for specific industries

No

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.

#### 18. 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.

## 19. Biological Assets

## 20. Oil & Gas assets

## 21. 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 book value 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.

## 22. 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.

## 23. 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

## 24 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.

## 25. 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 book value of the recognized liabilities.

## 26 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.

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

## 28. Revenues

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

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 tra

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.

## 29. 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.

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

The balance between the book value and the tax basis of some items of assets and liabilities, as well as the temporary differences issued as the balance between the book value 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 book value of the deferred income tax assets shall be re-checked at the balance sheet date. The book value 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.

### 31. 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.

### 32. Other significant accounting policies and estimates

#### (1) Discontinued Operation

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).

### 33.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
Implementation of the new accounting standards for enterprises - "notice on the revision and issuance of the 2018 annual general financial statement format for enterprises" (finance and accounting [2018] no. 15) implementation of the new accounting standards for enterprises	The company will hold the 49th meeting of eighth board meeting on October 30, 2018 to review and approve the Notices on the change of accounting policy. Notice on the revision and issuance of the format of general corporate financial statements for the year 2018 (finance and accounting [2018] no. 15)	

① Accounting policy changes arising from the implementation of the new accounting standards for business enterprises

The Ministry of Finance issued the Notice on Amending the Format of Financial Statements of General Enterprises in 2018 (CK No. [2018] 15).

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:

No	Name of affected item in the statements	Affected amount of December 31, 2017 / 2017 Increase + / decrease - -
1	Notes receivable	-538,128,584.84
	Account receivable	-7,873,419,684.42
	Notes receivable & account receivable	+8,411,548,269.26
2	Interest receivable	-49,456,785.29
	Other account receivable	+49,456,785.29
3	Notes payable	-1,063,897,679.89
	Account payable	-4,636,989,039.65
	Notes payable & Account payable	+5,700,886,719.54
4	Interest payable	-107,195,147.20
	Dividend payable	-35,000,000.00
	Other account payable	+142,195,147.20
5	Administration expenses	-256,991,555.91
	R & D expenses	+256,991,555.91

#### (2) Change of main accounting estimations

Applicable  Not applicable

## 34. 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 book value 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 book value 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 book value 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 book value.

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 28-Revenue Recognition Principle in Note V 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 book value 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 book value 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%
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%

The disclosure on the rate of income tax of taxpayers in different enterprises is stated below

Name of Taxpayer	Rate of Income Tax
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### 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.

③On 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.

④On 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.

⑤On 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.

⑥On 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.

⑦On 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.

⑧On 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.

⑨On 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.

⑩On 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%.

(17) Harbin 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%.

(18) According to the Notice of the Ministry of Finance, the General Administration of Customs, P.R. China and the State Taxation Administration on Issues Concerning Tax Policies Related to the Further Implementation of the Western Development Strategy (CS (2011) No. 58), Catalogue of Encouraged Industries in the Western Region (Decree No. 15 of the State Development and Reform Commission of the People's Republic of China), Announcement of the State Taxation Administration on Issues Concerning Enterprise Income Tax Related to the Further Implementation of the Strategy for the Development of the Western Region (Announcement of the State Administration No.12, 2012), Announcement of the State Taxation Administration on Implementing the Issues Concerning Enterprise Income Tax in the Catalogue of Encouraged Industries in the Western Region (Announcement of the State Administration No.14, 2015): From January 1, 2011 to December 31, 2020, the enterprise income tax rate may be reduced and paid at 15% for those enterprises located in the western region whose main business is the industrial projects specified in the Catalogue of Encouraged Industries in the Western Region and whose main business income accounts for more than 70% of the total enterprise income in the current year. In 2018, Tunghsu Construction Co., Ltd. shall enjoy this policy and pay enterprise income tax at the rate of 15%.

(19) On 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.

(20) On November 124, 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.

(21) On 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.

## 3.Other

## VII. Notes of consolidated financial statement

## 1. Cash and Bank Balances

In RMB

Items	Year-end balance	Year-beginning balance
Cash	2,593,055.78	2,461,658.94
Bank deposit	19,285,678,472.37	26,666,668,936.88
Other monetary assets	518,822,869.01	787,629,173.04
Total	19,807,094,397.16	27,456,759,768.86
Including: Total amount deposited abroad	2,307,958.14	15,577,823.27

## Other note

Note 1: The decrease of monetary fund at the end of the period compared with the beginning of the period is mainly due to the increase of purchase payment in the current period.

Note 2: The amount of restricted cash and bank balances by the end of the period is RMB4,890,457,106.12. The main types are l/c and acceptance bill deposit, time deposit certificate, pledged deposit certificate and letter of guarantee deposit.

## 2.Financial assets measured at fair value through current profit and loss

## 3.Derivative financial assets

Applicable Not applicable

## 4.Notes receivable &amp; account receivable

In RMB

Items	Year-end balance	Year-beginning balance
Notes receivable	499,781,503.17	538,128,584.84
Account receivable	14,352,781,895.39	7,873,419,684.42
Total	14,852,563,398.56	8,411,548,269.26



## (1) Notes receivable

## (1) Classification Notes receivable

In RMB

Items	Year-end balance	Year-beginning balance
Bank acceptance	142,810,310.93	267,121,031.99
Trade acceptance	356,971,192.24	271,007,552.85
Total	499,781,503.17	538,128,584.84

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

In RMB

Items	Amount
Bank acceptance	0.00
Trade acceptance	0.00
Total	0.00

## (3) Note receivable endorsed or discounted by the Company as at June 30.2018 but not expired on the balance sheet date

In RMB

Items	Amount derecognized as at December 31,2018	Amount underecognized as at January 1,2018
Bank acceptance	1,074,945,963.88	
Trade acceptance		350,505,600.00
Total	1,074,945,963.88	350,505,600.00

## (4) There is no notes transferred to accounts receivable because drawer of the notes fails to exited the contract or agreement

In RMB

Items	Transfer of accounts receivable at the end of the period
Trade acceptance	0.00
Total	0.00

Other note

## (2) Account receivable

## (1)Classification account receivables.

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 (%)	
Accounts receivable of individually withdrawing bad debt provision with significant individual amount	154,637,381.31	1.06%	154,637,381.31	100.00%		175,782,084.76	2.16%	175,782,084.76	100.00%	
Account receivables with provision for bad debt made on a portfolio with similar risk credit characteristics basis	14,450,540,744.24	98.94%	97,758,848.85	0.68%	14,352,781,895.39	7,975,776,808.83	97.84%	102,357,124.41	1.28%	7,873,419,684.42
Total	14,605,178,125.55	100.00%	252,396,230.16	1.73%	14,352,781,895.39	8,151,558,893.59	100.00%	278,139,209.17	3.41%	7,873,419,684.42

Accounts receivable subject to individually withdrawing bad debt provision with significant individual amount..

√ Applicable □ Not applicable

In RMB

Account receivable(Unit)	Amount in year-end			
	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
Korea Sunlong Bus Co.Ltd	17,714,730.31	17,714,730.31	100.00%	Uncollectible
Total	154,637,381.31	154,637,381.31	--	--

Accounts receivable of combinational withdrawing bad debt provision by aging analysis method

√ Applicable □ Not applicable

In RMB

Aging	Amount in year-end		
	Account receivable	Provision for bad debts	Proportion%
Withitem 1 year			

Within credit period	8,737,320,986.99		
Within 1 year after credit period	1,070,531,899.41	53,526,594.96	5.00%
Subtotal within 1 year	9,807,852,886.40	53,526,594.96	5.00%
1-2 years	189,920,028.18	18,992,002.82	10.00%
2-3 years	35,279,812.36	10,583,943.71	20.00%
Over 3 years	20,711,170.96	14,656,307.36	
3-4 years	10,708,702.83	5,354,351.42	30.00%
4-5 years	2,335,040.62	1,634,528.43	50.00%
Over 5 years	7,667,427.51	7,667,427.51	70.00%
Total	10,053,763,897.90	97,758,848.86	100.00%

Notes:

Receivable accounts on which had debt provisions are provided on percentage analyze basis in a portfolio

Applicable Not applicable

Receivable accounts on which had debt provisions are provided by other ways in the portfolio

C.Accounts receivable of combinational withdrawing bad debt provision by Other methods

Group Name	Amount in year-end	Provisionfor bad debt
State subsidy. Local subsidy	2,810,817,714.40	
Other Group	1,585,959,131.94	
Total	4,396,776,846.34	

Continued:

Group Name	Amount in year- beginning	Provision for bad debts
State subsidy. Local subsidy	2,160,997,954.00	
Other Group	254,753,079.36	
Total	2,415,751,033.36	

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

The withdrawal amount of the bad debt provision during the reporting period was of RMB116,848,675.65;The amount of the reversed or collected part during the reporting period was of RMB55,997,072.38.

(3) The current accounts receivable written-offs situation

In RMB

Items	Amount written-offs
Accounts receivable written-offs	86,594,582.28

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 form related transactions(Y/N)
------	------------------------------	--------------------	------------------------	-------------------------	--

Korea sunlong Bus Co.Ltd	Goods	33,605,450.90	Unexpected to recover	Relevant approval procedures have been implemented	No
Siam Standard Energy Co.,Ltd	Goods	29,683,695.30	Unexpected to recover	Relevant approval procedures have been implemented	No
Foshan Sanshui Yuejing Automobile Transportation Co., Ltd.	Goods	5,695,816.45	Bankruptcy of the enterprise is not expected to be recovered.	Relevant approval procedures have been implemented	No
Total	--	68,984,962.65	--	--	--

Account receivable verification instructions:

Note: the company has completed the related examination and approval procedures for the accounts receivable actually written off in the current period

(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 RMB1,861,131,011.67, which accounts for 12.74% of the total receivables. The total amount of closing balance for corresponding accrued bad-debt provision is RMB2,204,560.00.

Note:

Nil

(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:

Note 1: the increase of accounts receivable at the end of the period compared with the beginning of the period is caused by the increase of sales income in the current period and the corresponding increase of receivables.

Note 2: details of factoring financing at the end of accounts receivable are shown in note 70 to the consolidated financial statements

## 5. Prepayments

(1) Disclosed by aging:

In RMB

Aging	Amount in year-end		Amount in year- beginning	
	Amount	Proportion(%)	Amount	Proportion(%)

Within 1 year	4,876,126,216.78	93.49%	1,771,543,035.64	87.65%
1-2 years	146,513,615.36	2.81%	196,545,999.45	9.73%
2-3 years	148,601,980.13	2.85%	27,318,669.74	1.35%
Over 3 years	44,172,407.24	0.85%	25,712,246.12	1.27%
Total	5,215,414,219.51	--	2,021,119,950.95	--

Note:

Note Note: the prepayment amount of 220,285,693.73 yuan with aging over 1 year and significant amount is not carried forward because the settlement conditions are not met.

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

Note 1: As of December 31, 2018, the total amount of the top five companies in advance payments is RMB 1,860,688,593.47 , accounting for 35.68% of the total ending balance of prepayments of advance payments.

Other note:

## 6. Other accounts receivable

In RMB

Items	Amount in year-end	Amount in year-begin
Interest receivable	56,811,961.67	49,456,785.29
Other receivable	1,069,179,058.88	1,044,890,336.32
Total	1,125,991,020.55	1,094,347,121.61

(1) Interest receivable

(1) Classification Interest receivable

In RMB

Items	Amount in year-end	Amount in year-begin
Fixed deposit	56,811,961.67	49,456,785.29
Total	56,811,961.67	49,456,785.29

(2) Important overdue interest

Other note:

Nil

## (2).Dividend receivable

## (3) Other account receivable

## (1) Other accounts receivable disclosed by category

In RMB

Category	Amount in year-end					Amount in year- begin				
	Book Balance		Bad debt provision		Net carrying amount	Book Balance		Bad debt provision		Net carrying amount
	Amount	Proportion(%)	Amount	Proportion(%)		Amount	Proportion(%)	Amount	Proportion(%)	
Other Accounts receivable of individually withdrawing bad debt provision with significant individual amount						9,056,821.74	0.83%	9,056,821.74	100.00%	
Other receivables subject to provision for bad debts on credit risk characteristics basis	1,075,686,445.89	98.19%	19,934,834.82	1.85%	1,055,751,611.07	1,080,821,148.37	98.85%	35,930,812.05	3.32%	1,044,890,336.32
Other Accounts receivable of individually withdrawing bad debt provision with non-significant individual amount	19,817,716.37	1.81%	6,390,268.56	32.25%	13,427,447.81	3,471,143.41	0.32%	3,471,143.41	100.00%	
Total	1,095,504,162.26	100.00%	26,325,103.38	2.40%	1,069,179,058.88	1,093,349,113.52	100.00%	48,458,777.20	4.43%	1,044,890,336.32

Other receivable accounts with large amount and were provided had debt provisions individually at end of period.

 Applicable  Not applicable

Other receivable of combinational withdrawing bad debt provision by aging analysis method

 Applicable  Not applicable

In RMB

Aging	Amount in year-end		
	Other account receivable	Provision for bad debts	Proportion(%)
Within item 1 year			

Within credit period	270,308,778.79		
Within 1 year after credit period	33,176,078.81	1,658,803.94	5.00%
Subtotal Within 1 year	303,484,857.60	1,658,803.94	5.00%
1-2 years	48,822,292.15	4,882,229.21	10.00%
2-3 years	26,135,402.05	7,840,620.61	30.00%
Over 3 years	9,516,681.87	5,553,181.06	
3-4 years	7,896,375.72	3,948,187.86	50.00%
4-5 years	51,043.17	35,730.22	70.00%
Over 5 years	1,569,262.98	1,569,262.98	100.00%
Total	387,959,233.67	19,934,834.82	

Note:

Other receivable account in Group on which bad debt provisions were provided on percentage basis:

Applicable  Not applicable

Other Receivable accounts on which bad debt provisions are provided by other ways in the portfolio:

Applicable  Not applicable

B. other receivable of individually withdrawing bad debt provision with not significant individual amount

Other receivable (Unit)	Book balance	Provision for bad debts	Proportion(%)	Reason
Harbin Junqi Automobile Leasing Co., Ltd.	1,886,873.28	462,229.61	24.50	Estimated recoverable amount
Shenzhen Haisheng Transportation Service Co., Ltd.	2,765,624.60	1,103,381.59	39.90	Estimated recoverable amount
Shenzhen Xinguangtong Automobile Transportation Co., Ltd	2,519,037.04	1,148,020.60	45.57	Estimated recoverable amount
Datong Longtuo Travel Co., Ltd.	1,969,899.05	571,507.85	29.01	Estimated recoverable amount
Harbin Tianlu Automobile Leasing Co., Ltd.	1,866,499.22	801,693.19	42.95	Estimated recoverable amount
Xuchang Yuntong Bus Travel Co., Ltd.	1,478,721.26	802,334.27	54.26	Estimated recoverable amount
Datong Longlu Travel Co.,Ltd.	1,274,996.21	20,059.22	1.57	Estimated recoverable amount
Huhehaote Juding Automobile Sales Co., Ltd.	1,105,311.68	144,270.58	13.05	Estimated recoverable amount
Other	4,950,754.03	1,336,771.65	27.00	Estimated recoverable amount

Total	19,817,716.37	6,390,268.56	32.25
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## (2) Bad debt provision accrual collected or switch back

Bad debt provision accrual was RMB22,110,365.98, the account collected or switches back amounting to RMB30,868,265.50.

Significant amount of reversed or recovered bad debt provision:

## (3) Other account receivables actually cancel after write-off

In RMB

Items	Amount
Other receivables actually written off	13,375,774.30

Of Which, Other receivable write-off:

In RMB

Name	Nature of account receivable	Amount written-off	Reason for written-off	Verification procedures	Arising form related transactions(Y/N)
Foshan Sanshui Yuejing Automobile Services Co., Ltd.	Current account	3,471,143.41	Expected unrecoverable	Confirm bad debt according to the report - Foshan Sanshui yuejing	No
Korea Sunlong Bus Co.Ltd	Current account	9,904,630.89	Expected unrecoverable	According to the company's examination and approval report to confirm the loss of South Korea Sunlong bad debt	No
Total	--	13,375,774.30	--	--	--

Note:

## (4) Other account receivables category by nature of money

In RMB

Nature	Ending book balance	Beginning book balance
Current account	305,650,872.46	283,565,756.25
Deposit	621,344,394.44	507,704,264.31
Personal official borrowing	59,482,116.20	84,988,267.52
Persona Returnable Insurance	5,863,292.04	2,564,564.43
Export tax refunds	1,037,409.54	6,453,137.37



Advance payment	55,633,246.16	129,922,874.94
Project fund	37,831,545.08	68,529,879.43
Other	8,661,286.34	9,620,369.27
<b>Total</b>	<b>1,095,504,162.26</b>	<b>1,093,349,113.52</b>

## (5) The ending balance of other receivables owed by the imputation of the top five parties

In RMB

Name	Nature	Year-end balance	Age	Portion in total other receivables(%)	Bad debt provision of year-end balance
Sichuan City Construction No.5 Infrastructure Development Co., Ltd.	Deposit	200,000,000.00	Within 1 year after credit period:80 million yuan, 1-2 years: 120 million	18.26%	
Sichuan Panxi Lingshan Tourism Investment Development Co., Ltd.	Enterprises fund transfers	83,188,661.00	Within credit period	7.59%	
Chongqing Haolong Platinum Industry Co., Ltd.	Enterprises fund transfers	50,163,611.11	Within credit period	4.58%	
Tibet transportation Dept.	Deposit	30,305,918.60	1-2 years	2.77%	
Chengdu Dingyang Technology Co., Ltd.	Deposit	25,024,900.25	Within 1 year:20,672,055.62 yuan, the rest are 1-2 years	2.28%	
<b>Total</b>	--	<b>388,683,090.96</b>	--	<b>35.48%</b>	

## (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

## 7.Inventory

Whether the Company needs to comply with the disclosure requirements for specific industries

No

### (1) Inventory types

In RMB

Items	Year-end balance			Year-beginning balance		
	Book Balance	Provision for bad debts	Net carrying amount	Book Balance	Provision for bad debts	Net carrying amount
Raw materials	1,011,195,380.28	39,101,593.48	972,093,786.80	2,210,317,909.51	23,802,249.09	2,186,515,660.42
Processing products	144,788,638.36		144,788,638.36	243,932,972.44		243,932,972.44
Stock goods	675,474,531.36	21,859,006.00	653,615,525.36	457,130,464.91	9,080,902.13	448,049,562.78
Completed but unsettled assets caused by construction contract	1,200,764,859.02		1,200,764,859.02	760,198,642.91		760,198,642.91
Development product	317,769,074.78		317,769,074.78			
Commissioned processing material	33,093,172.93	435,243.31	32,657,929.62	60,471,813.36	1,443,698.36	59,028,115.00
Commissioned materials	6,883,551.21		6,883,551.21	13,306,134.19		13,306,134.19
land arrangement	182,213,301.70		182,213,301.70	10,346,187.21		10,346,187.21
Development cost				1,188,193,081.41		1,188,193,081.41
Total	3,572,182,509.64	61,395,842.79	3,510,786,666.85	4,943,897,205.94	34,326,849.58	4,909,570,356.36

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

Whether the company is required to comply with the "Shenzhen Stock Exchange Industry Information Disclosure Guidelines No.11 - listed companies engaged in jewelry related 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	23,802,249.09	15,299,344.39				39,101,593.48
Stock goods	9,080,902.13	14,146,518.02		1,368,414.15		21,859,006.00
Processing products	1,443,698.36			1,008,455.05		435,243.31
Total	34,326,849.58	29,445,862.41		2,376,869.20		61,395,842.79

Notes 1: Basis of provision for inventory revaluation reserve was cost and net realizable value, and reason of inventory revaluation reserve provision was that final realizable net value was lower than cost.

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

The end of the development cost includes interest capitalization of 32,101,989,.83 yuan.

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

In RMB

Items	Amount
Accumulated Incurred Cost	8,396,256,236.64
Accumulated Confirmed Gross Profit	844,504,632.54
Settlement Amount	8,039,996,010.16
Unliquidated Completed Assets Formed in the Construction Contract	1,200,764,859.02

Other note:

## (4) Development cost

Name	Starting time	Estimated completion time	Expected total investment (ten thousand)	Opening balance	Inventory depreciation reserve	Cloding balance	Cloding Inventory depreciation reserve
Tunghsu International Center	2015.12.29	2018.10.16	220,000.00	1,188,193,081.41			
Including: Capital interest				101,544,263.19			
Total				1,188,193,081.41			

## (5) Development Product

Name	Completion time	Opening	Increased in this	Decreased in this	Ending balance	Depreciation
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		balance	period	period		reserve
Tunghsu International Center	2018/10/16		1,459,295,506.43	1,141,526,431.65	317,769,074.78	
Including: Capital interest			125,233,711.67	93,131,721.84	32,101,989.83	

Note 2: Note 2: For details of Mortgages of end-of-period, please refer to Note 70 of Consolidated Financial Statements

## 8. Holding assets for sale

In RMB

Items	End book value	Fair value	Estimated disposal cost	Estimated disposal time
Holding assets for sale	119,355,435.58	119,355,435.58		December 31,2019
Total	119,355,435.58	119,355,435.58		--

Other note:

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.

## 9. Non current assets due within one year

## 10. Other current assets

In RMB

Items	Year-end balance	Year-beginning balance
USD exchange	58,000,000.00	58,000,000.00
Prepayment of income tax	663,642,694.01	1,281,947,333.75
Short –term Financing	87,718,084.48	1,220,000,000.00
Total	809,360,778.49	2,559,947,333.75

Other note:

Note: The decrease at the end of the period compared with the beginning of the period is mainly due to the decrease in short-term financial management, advance payment and taxes to be deducted.

## 11. Available-for-sale financial assets

## (1) Available-for-sale financial assets

In RMB

Items	Closing balance			Opening balance		
	Book balance	Provision for impairment	Net carrying amount	Book balance	Provision for impairment	Net carrying amount
Available-for-sale Equity instrument	243,158,605.30		243,158,605.30	100,000,056.00		100,000,056.00
Cost measured	243,158,605.30		243,158,605.30	100,000,056.00		100,000,056.00
Total	243,158,605.30		243,158,605.30	100,000,056.00		100,000,056.00

## (2) Available-for-sale financial assets measured by cost

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

In RMB

Investee	Book balance				Provision for impairment				Percentage of shareholding in investees%	Cash dividends for the year
	Balance of term	Increase			Balance of term	Increase	Decrease	End of term		
Beijing Yihuatong Technology Co., Ltd.	100,000,056.00			100,000,056.00					5.51%	
Beijing Shenwei Lixing Auto Service Co., Ltd.		29,500,000.00		29,500,000.00					16.50%	
China Metallurgical investment fund management (Beijing) Co., Ltd.		113,658,549.30		113,658,549.30						

Total	100,000,056.00	143,158,549.30		243,158,605.30						--
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(4) Changes of the impairment of the available-for-sale financial assets during the reporting period

(5) Relevant description of the end of the fair value of the equity instruments at the end of a serious decline in fair value or non temporary decline but not related to impairment provision

Other note:

Notes 1: On July 10, 2017, the Company subscribed for 1,282,052.00 shares of the add-directional share issuance of the New Third Board Beijing Yihuatong Technology Co., Ltd at the price of RMB 78.00 per share, with paying the consideration of RMB 100,000,056.00. After the subscription, the company holds 5.51% stake of Beijing Yihuatong Technology Co., Ltd. As it's unable to obtain fair value, the estimate is measured at cost.

Note 2: On July 12, 2018, the company signed an agreement with Ming Feng, Liang Hongjie, Liu Jie and Tu Liying to invest 29.5 million yuan in Beijing Shenwei Shixing Automobile Service Co., Ltd. capital increase, holding 16.5% of Beijing Shenwei Shixing after the capital increase. Since fair value cannot be obtained, it is measured at cost.

Note 3: Tunghsu Construction Group Co., Ltd., a wholly-owned subsidiary of the company (hereinafter referred to as "Tunghsu Construction"), participates in the subscription of the Hengshui Funan New District Municipal Pipe Rack Project Government-Social Capital Cooperation PPP Project Private Equity Investment Fund (hereinafter referred to as "Hengshui Pipe Rack Fund") and Hengshui Funan New District Municipal Road Project Government-Social Capital Cooperation PPP Project Private Equity Investment Fund (hereinafter referred to as "Hengshui Road Fund") initiated by MCC Jianxin Investment Fund Management (Beijing) Co., Ltd. Hengshui Pipe Rack Fund has a total scale of 386.0271 million yuan, of which Tunghsu Construction contributed 200 million yuan in cash and China Metallurgical Tiangong Group Co., Ltd. contributed 186.0271 million yuan in cash. Hengshui Road Fund has a total scale of 64.6776 million yuan, of which Tunghsu Construction contributed 40 million yuan in cash and MCC Tiangong Group Co., Ltd. contributed 24.6776 million yuan in cash. Both Hengshui Pipe Rack Fund and Hengshui Road Fund are managed by MCC Jianxin Investment Fund Management (Beijing) Co., Ltd. and the co-managed funds are managed by Beijing Dongfang Xujie Fund Management Co., Ltd.

12. Held-to-maturity investment

13. Long-term account receivables

(1) Long-term account receivables

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	347,225,434.05	2,794,618.37	344,430,815.68	143,988,866.91		143,988,866.91	6%-7.6% 45.78%

installment							
Total	347,225,434.05	2,794,618.37	344,430,815.68	143,988,866.91		143,988,866.91	--

(2) Long-term account receivables recognition terminated due to transfer of financial assets

Nil

(3) Long-term account receivables transferred and assets & liability formed by its continuous involvement

Nil

Other note

Nil

#### 14. Long-term equity investment

In RMB

Investees	Opening balance	Increase/decrease								Closing balance	Closing balance of impairment provision
		Addition investment	Deduction investment	Gains/losses under equity method	Other comprehensive income adjustments	Other changes in equity	Declaration of cash dividends or profit	Withdrawn impairment provision	Other		
I. Joint ventures											
II. Associates											
Tunghsu Group Finance Co., Ltd.	2,004,062,204.94			52,198,290.80						2,056,260,495.74	
Tunghsu (Deyang) Graphene Industry Development Fund Partnership (LP)	20,436,738.11		20,502,807.13	66,069.02							
Zibo Bus service Co., Ltd.	32,678,813.57			9,137,725.63						41,816,539.20	
CUHK	73,306,96			2,963,966						76,270,93	

international business factoring co., Ltd	8.08			.20					4.28	
Subtotal	2,130,484,724.70		20,502,807.13	64,366,051.65					2,174,347,969.22	
Total	2,130,484,724.70		20,502,807.13	64,366,051.65					2,174,347,969.22	

Other note

Note 1: Tunghsu (Deyang) Graphene Industry Development Fund Partnership (Limited Partnership), the joint venture, was liquidated in November 2018.

Note 2: The long-term equity investment at the beginning of the period includes the investment of RMB 155,434.20 in the subsidiary Tunghsu Technology Co., Ltd. which has decided to be cancelled. The decrease at the end of the period is attributable to the cancellation completion of Tunghsu Technology Co., Ltd. in May 2018.

## 15. 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	58,843,742.66			58,843,742.66
2. Increase in the current period	650,839,934.77			650,839,934.77
(1) Purchase				
(2) Inventory\Fixed assets\ Transferred from construction in progress	650,839,934.77			650,839,934.77
(3) Increased of Enterprise Combination				
3. Decreased amount of the period				
(1) Dispose				
(2) Other out				



4. Balance at period-end	709,683,677.43			709,683,677.43
II. Accumulated amortization				
1. Opening balance	614,302.80			614,302.80
2. Increased amount of the period	22,075,493.61			22,075,493.61
(1) Withdrawal	1,311,370.70			1,311,370.70
(2) Other transfers	20,764,122.91			20,764,122.91
3. Decrease in the reporting period				
(1) Disposal				
(2) Other out				
4. Closing balance	22,689,796.41			22,689,796.41
III. Impairment provision				
1. Opening balance				
2. Increase in the reporting period				
(1) Withdrawal				
(2) Other out				
3. Decrease in the reporting period				
(1) Disposal				
(2) Other out				
4. Closing balance				
IV. Book value				
1. Book value of the period-end	686,993,881.02			686,993,881.02
2. Book value of the period-begin	58,229,439.86			58,229,439.86

## (2) Investment property adopted fair value measurement mode

Applicable  Not applicable

## (3) Investment real estate without certificate of ownership

Other note:

Note 1: At the end of the period, there is no investment real estate without a property right certificate.

Note 2: For details of restrictions on the use of end-of-period ownership, please refer to Note 70 of Consolidated Financial Statements

## 16. Fixed assets

In RMB

Items	End of term	Beginning of term
Fixed assets	9,634,463,323.77	11,379,727,456.13
Total	9,634,463,323.77	11,379,727,456.13

### (1) List of fixed assets

In RMB

Items	House, building	Machinery equipment	Transportations	Other equipment	Total
I. Original price					
1. Balance at period-beginning	2,113,818,494.63	11,507,750,402.79	122,144,132.07	185,704,090.92	13,929,417,120.41
2. Increase in the current period	10,207,180.25	246,913,236.99	12,199,683.44	17,281,305.55	286,601,406.23
(1) Purchase	3,461,826.41	102,143,588.91	11,778,832.81	14,896,843.09	132,281,091.22
(2) Transferred from construction in progress	6,745,353.84	135,659,667.72	420,850.63	154,608.75	142,980,480.94
(3) Increased of Enterprise Combination		9,109,980.36		2,229,853.71	11,339,834.07
3. Decreased amount of the period	55,773,182.12	1,490,329,299.95	5,451,335.92	8,506,417.41	1,560,060,235.40
(1) Disposal	1,643,394.46	31,261,718.03	2,172,216.69	2,555,836.20	37,633,165.38
(2) Investment real estate transfer	54,129,787.66				54,129,787.66
(3) Transfer of project under construction		1,423,046,991.10			1,423,046,991.10
(4) Decreased of Enterprise consolidation		34,979,102.26	3,224,838.34	3,917,061.15	42,121,001.75
(5) Other decrease		1,041,488.56	54,280.89	2,033,520.06	3,129,289.51

4.Closing balance	2,068,252,492.76	10,264,334,339.83	128,892,479.59	194,478,979.06	12,655,958,291.24
II. Accumulated depreciation					
1.Opening balance	404,808,570.47	2,013,275,887.71	57,491,501.47	73,521,319.79	2,549,097,279.44
2.Increased amount of the period	72,379,067.98	748,514,807.63	14,306,694.96	22,334,400.51	857,534,971.08
(1) Withdrawal	72,379,067.98	748,456,500.83	14,306,694.96	22,299,885.01	857,442,148.78
(2) Combined to increase		58,306.80		34,515.50	92,822.30
3.Decreased amount of the period	20,267,629.35	360,768,003.71	1,457,400.78	3,236,634.05	385,729,667.89
(1) Disposal or scrap	711,850.91	22,966,383.95	1,057,436.73	943,282.86	25,678,954.45
(2) Investment real estate transfer	19,555,778.44				19,555,778.44
(3) Transferred from construction in progress		336,099,776.16			336,099,776.16
Combined to reduce		660,355.04	345,683.16	259,831.13	1,265,869.33
(4) Other decrease		1,041,488.56	54,280.89	2,033,520.06	3,129,289.51
4.Closing balance	456,920,009.10	2,401,022,691.63	70,340,795.65	92,619,086.25	3,020,902,582.63
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. Book value					
1.Book value of the period-end	1,611,332,483.66	7,863,275,203.36	57,995,743.94	101,859,892.81	9,634,463,323.77
2.Book value of the period-begin	1,709,009,924.16	9,494,438,070.24	64,096,690.60	112,182,771.13	11,379,727,456.13

(2) Fixed assets temporarily idled

(3) Fixed assets rented by finance leases

In RMB

Items	Original book value	Accumulated depreciation	Accumulated depreciation	Net carrying amount
Machinery equipment	1,438,000,000.00	397,112,850.07		1,040,887,149.93
Total	1,438,000,000.00	397,112,850.07		1,040,887,149.93

(4) Fixed assets leased in the operating leases

(5) Fixed assets without certificate of title completed

In RMB

Items	Net carrying amount	Reason
Substation	249,637.97	Processing
Boiler room	3,700,833.84	Processing

Other note:

Note 1: For details of the mortgage right of fixed assets at the end of the period and the restrictions on financial leasing, please refer to Note 70 of the Consolidated Financial Statements

(6) Liquidation of fixed assets

17. Project under construction

In RMB

Items	Year-end balance	Year-beginning balance
Project under construction	5,013,940,816.82	3,667,972,406.42
Engineering Materials	1,163.79	
Total	5,013,941,980.61	3,667,972,406.42

## (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	2,258,254,792.65		2,258,254,792.65	1,992,039,147.54		1,992,039,147.54
Wuhan LCD glass substrate production line project	14,645,209.52	14,645,209.52		14,645,209.52	14,645,209.52	
Kunshan Color film project	617,456,517.49		617,456,517.49	363,976,794.49		363,976,794.49
Polarizer project				763,009,412.48		763,009,412.48
Surface display cover glass	125,655,703.76		125,655,703.76	15,954,258.93		15,954,258.93
High aluminum silicon cover glass sheet production line upgrade project	1,003,879,240.41		1,003,879,240.41			
Glass substrate production line with annual output of 1.65 million (G5) TFT-LCD	570,129,313.14		570,129,313.14	414,857,526.62		414,857,526.62
New energy bus and logistics vehicle production project	147,947,403.38		147,947,403.38	0.00		0.00
Other	290,617,845.99		290,617,845.99	118,135,266.36		118,135,266.36
<b>Total</b>	<b>5,028,586,026.34</b>	<b>14,645,209.52</b>	<b>5,013,940,816.82</b>	<b>3,682,617,615.94</b>	<b>14,645,209.52</b>	<b>3,667,972,406.42</b>

## (2) Changes of significant construction in progress

In RMB

Name	Budget	Amount	Increase	Transferr	Other	Balance	Proporti	Progress	Capitaliz	Includin	Capitaliz	Source
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		at year beginning	at this period	ed to fixed assets	decrease	in year-end	on(%)	of work	ation of interest accumul ated balance	g: Current amount of capitaliz ation of interest	ation of interest ratio (%)	of funds
Wuhu LCD glass substrate producti on line project	7,576,52 0,000.00	1,992,03 9,147.54	266,215, 645.11			2,258,25 4,792.65	96.66%	96.66%	800,297, 668.32	83,615,8 83.39		IPO funds
Kunshan Color film project	3,115,50 0,000.00	363,976, 794.49	253,479, 723.00			617,456, 517.49	21.30%	21.30%				IPO funds
Surface display cover glass	1,497,38 0,000.00	15,954,2 58.93	109,701, 444.83			125,655, 703.76	12.18%	12.18%	13,715,7 01.19			IPO funds
High aluminu m silicon cover glass sheet producti on line upgrade project	1,300,00 0,000.00		1,003,87 9,240.41			1,003,87 9,240.41	85.44%	85.44%				IPO funds
New energy bus and logistics vehicle producti on project	2,955,07 4,600.00		147,947, 403.38			147,947, 403.38	10.41%	10.41%				IPO funds
Annual output	981,050, 000.00	414,857, 526.62	155,271, 786.52			570,129, 313.14	109.17%	95.00%	56,702,5 56.91	23,550,3 11.10		Other

1.65 million (G5) TFT-LCD glass substrate production line												
Pilot production line project for thick film substrates	126,490,000.00		120,788,399.94	120,788,399.94			95.49%	100.00%				Other
Polarizer project	2,200,000.00	763,009,412.48	15,793,202.47		778,802,632.95							Other
Total	19,752,014,600.00	3,549,837,140.06	2,073,076,863.66	120,788,399.94	778,802,632.95	4,723,322,970.83	--	--	870,715,926.42	107,166,194.49		--

## (3) Impairment provision of construction projects

## 18. Engineering Material

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 note:

Note 1: For details of the mortgage at the end of the construction in progress, see Note 70 of the consolidated financial statements.

## 18. Productive biological assets

## (1) Measured by cost

Applicable  Not applicable

## (2) Measured by fair value

Applicable  Not applicable

## 19. Oil-and-gas assets

Applicable  Not applicable

## 20. Intangible assets

## (1) Information

In RMB

Items	Land use right	Patent right	Non patent technology	Software	Right of trade mark	Total
I. Original price						
1. Balance at period-beginning	887,528,257.12	23,582,996.80	150,931,868.85	7,755,063.97	87,050,298.13	1,156,848,484.87
2. Increase in the current period	145,458,869.94	66,657,413.82	14,204,413.89	12,316,749.51		238,637,447.16
(1) Purchase	145,458,869.94	2,234,200.42		12,316,749.51		160,009,819.87
(2) Internal R & D						
(3) Increased of Enterprise Combination		53,688,713.40	14,204,413.89			67,893,127.29
(4) Investor investment		10,734,500.00				10,734,500.00
3. Decreased amount of the period	5,632,373.72					5,632,373.72
(1) Disposal						
(2) Investment real estate transfer	5,632,373.72					5,632,373.72
4. Balance at	1,027,354,753.34	90,240,410.62	165,136,282.74	20,071,813.48	87,050,298.13	1,389,853,558.31



period-end						
II. Accumulated amortization						
1. Balance at period-beginning	76,219,489.09	3,138,879.85	28,677,985.20	2,965,954.66	44,050,066.05	155,052,374.85
2. Increase in the current period	22,744,757.95	5,204,892.49	15,878,742.46	2,331,780.50	42,899,609.40	89,059,782.80
(1) Withdrawal	22,744,757.95	4,688,497.61	15,878,742.46	2,331,780.50	42,899,609.40	88,543,387.92
(2) Increased of Enterprise Combination		447,405.94				447,405.94
(3) Investment		68,988.94				68,988.94
3. Decreased amount of the period	1,208,344.48					1,208,344.48
(1) Disposal						
(2) Investment real estate transfer	1,208,344.48					1,208,344.48
4. Balance at period-end	97,755,902.56	8,343,772.34	44,556,727.66	5,297,735.16	86,949,675.45	242,903,813.17
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						
4. Book value						
1. Book value at	929,598,850.78	81,896,638.28	120,579,555.08	14,774,078.32	100,622.68	1,146,949,745.14

period -end						
2.Book value at period-beginning	811,308,768.03	20,444,116.95	122,253,883.65	4,789,109.31	43,000,232.08	1,001,796,110.02

The intangible assets by the end of the formation of the company's internal R & D accounted of the proportion of the balance of intangible assets 0.00%

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

Other note:

Note 1: the certificate of title has been completed by the end of this period.

Note2: For details of the ending mortgage of intangible assets, see Note 70 of the consolidated financial statements.

## 21.Development expenses

In RMB

Items	Beginning balance	Increase in the period			Decrease in period			Ending balance
Metal phosphate as a negative electrode material for lithium ion batteries, etc.	3,883,495.16	7,260,906.60				2,557,863.40		8,586,538.36
Jingang Robot		3,361,420.59						3,361,420.59
Warehouse robot		2,855,282.54						2,855,282.54
Companion robot (desktop)		2,900,641.21						2,900,641.21
EASupply chain system		2,236,772.24						2,236,772.24
Landscape street lamp design project	2,141,940.99	1,673,576.37						3,815,517.36
Magnolia lamp design	762,432.49					762,432.49		

project								
Low voltage distribution system project	2,055,487.81					2,055,487.81		
High voltage distribution system project	3,096,837.78					3,096,837.78		
Intelligent photovoltaic junction box	914,598.09					914,598.09		
Vehicle charging pile Project	519,955.68	803,963.60				519,955.68		803,963.60
Energy storage project	2,022,956.97					2,022,956.97		
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
Flexible battery		1,456,310.68						1,456,310.68
Other		15,529.37						15,529.37
<b>Total</b>	<b>15,397,704.97</b>	<b>33,654,663.19</b>				<b>11,930,132.22</b>		<b>37,122,235.94</b>

## 22. Goodwill

### (1) Original book value of goodwill

In RMB

Investees/ Item	Beginning balance	Increase		Decrease		Ending balance
		Business Combination	Purchase	Disposal		
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 National construction co., Ltd.		133,269,567.62				133,269,567.62

Shenzhen Sanbao Innovation Intelligent Co., Ltd.		68,888,405.50				68,888,405.50
Huaxi Nanchong Automobile Co., Ltd.		55,999,916.40				55,999,916.40
Total	2,587,678,140.99	258,157,889.52				2,845,836,030.51

## (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

Relevant information about the asset group or asset group combination in which goodwill resides

The asset group or asset group combination related to goodwill impairment test is that can benefit from the synergistic effect of business merger. The test scope at the balance sheet date is the assets and liabilities involved in the smallest asset group related to goodwill, specifically including business capital and long-term assets.

The asset group has changed in the current period: The Company acquired Shanghai Sunlong Bus Co., Ltd. (hereinafter referred to as "Shanghai Sunlong") in October 2017. There was no consolidation of the bus business due to the short merger and acquisition. Therefore, goodwill impairment test was carried out with Shanghai Sunlong and Guangxi Sunlong Automobile Manufacturing Co., Ltd. (hereinafter referred to as "Guangxi Sunlong"), a subsidiary thereof, as 2 independent asset groups. In 2018, with the consolidation of bus business, unified management of bus R&D, procurement and sales, and unified allocation of resources, the management conducted goodwill impairment test with Shanghai Sunlong, Guangxi Sunlong and Huaxi Nanchong Automobile Co., Ltd. (hereinafter referred to as "Huaxi Nanchong") which was acquired by Shanghai Sunlong in April 2018, as independent asset groups.

Except for the above asset groups, there is no change in other asset groups in the current period.

Describe the goodwill impairment test process, key parameters (e.g. forecast period growth rate, stable period growth rate, profit margin, discount rate and forecast period when forecasting the present value future cash flow) and the recognition method of goodwill impairment loss

The recoverable amounts for asset group and asset group combination are based on the three-to five-year

budgets approved by the management, Then use a fixed growth rate to estimate based on the entry stability period. and calculated using the cash flow forecast method.

Chenzhou Hongsheng has made a full cycle of cash flow forecast due to the construction period and operating period up to 2036.

The discount rate adopted by the management of the company is the pre-tax interest rate reflecting the time value of the current market currency and the specific risks of the relevant asset group. Different asset groups are located in different industries, and the discount rate results are different, including 11.03% for Shanghai Sunlong; 11.39% for Suzhou Tengda; 14.23% for Shenzhen Sanbao; 12.79% for Daosui; 14.11% for Tanyuan Huigu; 12.63% for Mingshuo; 10.29% for Chenzhou Hongsheng.

The recoverable amount of the asset group shall be determined according to the fair value (future disposal value) of the asset minus the disposal expenses due to the future disposal of Zhongcheng National construction co., Ltd. Ltd..

#### Impact of goodwill impairment test

Zhongming International Asset Appraisal (Beijing) Co., Ltd. evaluated and confirmed the present value of the future cash flow of the asset group on December 31, 2018, and issued the appraisal report.

Confirmed in the appraisal report (ZMPBZ [2019] No. 0008), Shanghai Sunlng Asset Group shows no sign of goodwill impairment.

Confirmed in the appraisal report (ZMPBZ [2019] No. 0009), Suzhou Tengda shows no sign of goodwill impairment.

Confirmed in the appraisal report (ZMPBZ [2019] No. 0010), Sanbao Innovation shows no sign of goodwill impairment.

Confirmed in the appraisal report (ZMPBZ [2019] No. 0011), Daosui shows no sign of goodwill impairment.

Confirmed in the appraisal report (ZMPBZ [2019] No. 0012), Tanyuan Huigu shows no sign of goodwill impairment.

Confirmed in the appraisal report (ZMPBZ [2019] No. 0013), Mingshuo shows no sign of goodwill impairment.

Confirmed in the appraisal report (ZMPBZ [2019] No. 0014), Chengzhou Hongcheng shows no sign of goodwill impairment.

Zhongcheng National Construction co., Ltd. has signed an equity transfer agreement in April 2019, and the valuation price of 70% equity of Zhongcheng National construction co., Ltd. held by Tunghsu Construction Group Co., Ltd. is RMB 140 million, thus there is no sign of goodwill impairment.

### 23. 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	20,884,579.02	12,415,384.73	7,862,496.12	8,590,217.81	16,847,249.82
NEG Technology Use fee	5,653,725.00		616,770.00		5,036,955.00
Total	26,538,304.02	12,415,384.73	8,479,266.12	8,590,217.81	21,884,204.82

## 24. 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	343,092,733.65	64,950,015.23	361,268,489.05	72,770,445.79
Not realized the internal profit	2,085,646,185.70	313,672,923.77	2,184,199,412.75	350,253,995.33
Deductible loss	813,056,144.42	123,065,344.84	434,657,411.04	65,723,232.54
Deferred income difference	99,944,032.99	14,878,382.57	73,641,000.14	11,046,150.02
Non-identical control enterprise	9,424,416.78	909,279.99	8,652,114.93	783,147.37
Projected liability	20,944,899.84	5,236,224.96	38,543,627.93	9,635,906.98
Advance quality margin	78,820,850.20	10,382,456.32	117,878,085.38	16,420,648.06
<b>Total</b>	<b>3,450,929,263.58</b>	<b>533,094,627.68</b>	<b>3,218,840,141.22</b>	<b>526,633,526.09</b>

## (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	293,849,152.24	54,572,072.64	349,818,170.15	60,149,328.74
Depreciation difference due to different tax law and accounting depreciation period	4,198,490.69	620,911.33		
<b>Total</b>	<b>298,047,642.93</b>	<b>55,192,983.97</b>	<b>349,818,170.15</b>	<b>60,149,328.74</b>

## (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		533,094,627.68		526,633,526.09
Deferred income liabilities		55,192,983.97		60,149,328.74

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

In RMB

Items	Balance in year-end	Balance in year-begin
Deductible losses	152,606,559.26	74,905,668.59
Fixed assets depreciation reserves	0.00	36,444.84
Provision for impairment of construction projects	14,645,209.52	14,645,209.52
Bad debt provision	86,413.68	86,413.68
Total	167,338,182.46	89,673,736.63

## (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	0.00	15,649.80	
2019	386,221.54	436,608.64	
2020	3,751,170.54	3,751,170.54	
2021	22,199,323.24	32,084,711.54	
2022	27,911,201.66	38,617,528.07	
2023	98,358,642.28		
Total	152,606,559.26	74,905,668.59	--

## 25 .Other non-current assets

In RMB

Items	Balance in year-end	Balance in year-begin
Prepaid land fund		6,590,000.00
Prepaid engineering equipment	4,463,496,966.82	299,812,939.48
Total	4,463,496,966.82	306,402,939.48



## 26.Short –term loans

## (1) Short-term loans by category

In RMB

Items	Balance in year-end	Balance in year-begin
Pledge loan	2,666,853,417.34	320,666,279.80
Mortgage loan	1,847,600,000.00	374,600,000.00
Guarantee loan	3,589,753,471.68	4,997,500,000.00
Credit loan	256,899,762.31	20,060,102.40
Total	8,361,106,651.33	5,712,826,382.20

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 RMB 847,600,000.00.

Including: (1) 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;

(2) End-of-period mortgage loan is RMB 49,600,000.00 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 grandson company. 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.

(3) 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;

(4) End-of-period mortgage loan is RMB 98,000,000.00 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.

(5) 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.

(6) The pledged loan at the end of the period is RMB 1,000,000,000.00.

Li Zhaoting provides joint and several guarantees for the Company. Tunghsu optoelectronic Technology Co., Ltd., Tunghsu Group and Li Zhaoting provides joint and several guarantees for the Company, The company also pledged 100% shares of its subsidiary Beijing Xufeng Real Estate Co., Ltd., which provides mortgage on its own land.

Note 3: The guarantee loan is RMB 3,589,753,471.68:

Of which: (1) End-of-period guarantee loan is RMB 210,000,000.00, The Company and Li Zhaoting provides joint liability guarantee for the Company;

(2) End-of-period guarantee loan is RMB 100,000,000.00, The company provides joint liability guarantee to the Sub-Subsidiary –Guangxi Sunlong Automobile Manufacturing Co., Ltd.;

(3) End-of-period guarantee loan is RMB 25,000,000.00, The company and Li Zhaoting provides joint liability guarantee to the Sub-Subsidiary –Guangxi Sunlong Automobile Manufacturing Co., Ltd.;

(4) End-of-period guarantee loan is RMB 20,000,000.00, The company provides joint liability guarantee to the Sub-Subsidiary –Suzhou Tengda Optics Technology Co., Ltd.;

(5) End-of-period guarantee loan is RMB 205,000,000.00, The company provides joint liability guarantee to the Subsidiary –Wuhu Tungshu Optoelectronic Technology Co., Ltd.;

(6) End-of-period guarantee loan is RMB 95,000,000.00, The company provides joint liability guarantee to the Subsidiary –Wuhu Tungshu Optoelectronic Equipment Technology Co., Ltd.;

(7) End-of-period guarantee loan is RMB 50,000,000.00, The company provides joint liability guarantee to the Subsidiary –Zhengzhou Xufei Optoelectronic Technology Co., Ltd.;

(8) End-of-period guarantee loan is RMB 80,000,000.00, Tungshu Group Co., Ltd. and Li Zhaoting provide joint guarantee for Sichuan Xuhong Optoelectronic Technology Co., Ltd.;

(9) End-of-period guarantee loan is RMB 50,000,000.00, The Company provides joint liability guarantee to the subsidiary -Shanghai Sunlong Bus Co., Ltd.;

(10) End-of-period guarantee loan is RMB100,000,000.00, The Company and Tungshu Group provides joint liability guarantee to the Subsidiary –Shanghai Sunlong Bus Co., Ltd.;

(11) End-of-period guarantee loan is RMB45,000,000.00, The Company and Tungshu Group provides joint liability guarantee to the sub-subsidiary –Suzhou Tengda Optics Technology Co., Ltd.;

(12) End-of-period guarantee loan is RMB200,000,000.00, The Company and Tungshu Group provides joint liability guarantee to the Subsidiary –Wuhu Tungshu Optoelectronic Technology Co., Ltd.;

(13) End-of-period guarantee loan is RMB400,000,000.00, Li Zhaoting and Tungshu Group provides joint liability guarantee to the Company.;

(14) End-of-period guarantee loan is RMB100,000,000.00, Li Zhaoting and Tungshu Group provides joint liability guarantee to Shanghai Sunlong Bus Co., Ltd.;

(15) End-of-period guarantee loan is RMB200,000,000.00, Li Zhaoting and Tungshu Group provides joint liability guarantee to the Subsidiary –Zhengzhou Xufei Optoelectronic Technology Co., Ltd.;

(16) End-of-period guarantee loan is RMB200,000,000.00, Tungshu Group provides joint liability guarantee to the Subsidiary –Shanghai Sunlong Bus Co., Ltd.;

(17) End-of-period guarantee loan is RMB200,000,000.00, Tungshu Group provides joint liability guarantee to the Company.;

(18) End-of-period guarantee loan is RMB250,000,000.00, Tungshu Group provides joint liability guarantee to the Subsidiary –Daosui Group Co., Ltd.;

(19) End-of-period guarantee loan is RMB150,000,000.00, Tungshu Group provides joint liability guarantee to the Subsidiary –Guangxi Sunlong Automobile Manufacturing Co., Ltd.;

(20) End-of-period guarantee loan is RMB320,000,000.00, Tungshu Group provides joint liability guarantee to the Subsidiary –Shanghai Sunlong Bus Co., Ltd.;

(21) End-of-period guarantee loan is RMB50,000,000.00, Tungshu Group provides joint liability guarantee to the Subsidiary –Wuhu Tungshu Optoelectronic Technology Co., Ltd.;

(22) End-of-period guarantee loan is RMB200,000,000.00, Tungshu Group provides joint liability guarantee to

the Subsidiary –Zhengzhou Xufei Optoelectronic Technology Co., Ltd.;

(23) 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.;

(24)End-of-period guarantee loan is RMB55,253,471.68, Sub-Subsidiary-Shenzhen Xinyingtong Technology Co., Ltd.provides guarantee with 100% Pledge .;

(25) End-of-period guarantee loan is RMB150,000,000.00,The Company provides joint liability guarantee to Subsidiary - Wuhu Tunghsu Optoelectronic Equipment Technology Co., Ltd.;

(26) End-of-period guarantee loan is RMB25,000,000.00, The Company provides joint liability guarantee to the sub-subsidiary –Chongqing Jinghuateng Optoelectronic Technology Co., Ltd.;

(27) End-of-period guarantee loan is RMB49,500,000.00, The Company provides joint liability guarantee to the Subsidiary –Tunghsu (Kunshan) Display Co., Ltd.;

(28) End-of-period guarantee loan is RMB20,000,000.00, The Company and Li Zhaoting provides joint liability guarantee to the sub-subsidiary –Hunan Tunghsu Delai Electric Technology Co., Ltd.;

(29) End-of-period guarantee loan is RMB10,000,000.00, The Company provides joint liability guarantee to the sub-subsidiary –Chongqing Jinghuateng Optoelectronic Technology Co., Ltd.

Note 4: End-of-period pledge loan is RMB2,666,853,417.34:

(1) The Company pledges a loan of RMB 142,500,000.00 and provides pledge guarantee for Wuhu Tunghsu Optoelectronic Technology Co., Ltd. with the fixed deposit receipt of RMB 150,000,000.00.

(2) The Company provides a guarantee of RMB 20,000,000.00 for the sub-subsidiary Chongqing Jinghuateng Optoelectronic Technology Co., Ltd. which uses the accounts receivable of RMB 25,674,800.00 as pledge.

(3) End-of-period pledge loan is RMB 180,000,000.00 which is both a guarantee loan and a pledge loan. Tunghsu Group Co., Ltd., Wuhu Tunghsu Optoelectronic Equipment Technology Co., Ltd. and Wuhu Tunghsu Weiyu Medical Apparatus Technology Co., Ltd., a sub-subsidiary of the Company, provide joint guarantee; Hunan Tunghsu Weigao Medical Apparatus Technology Co., Ltd., the grandson company, provides pledge guarantee with fixed deposit receipt of RMB 100 million;

(4) End-of-period pledge loan is RMB 142,500,000.00. Wuhu Tunghsu Optoelectronic Equipment Technology Co., Ltd. provides pledge guarantee with the fixed deposit receipt of RMB 150,000,000.00.

(5) End-of-period pledge loan is RMB 69,000,000.00. Daosui Group Engineering Co., Ltd., the sub-subsidiary company, provides pledge guarantee with the fixed deposit receipt of RMB 72,010,000.00;

(6) The pledged loan at the end of the period is RMB 1,800,000,000.00. Li Zhaoting and Shenzhen Oufuyuan Technology Co., Ltd. hold 75% of the equity of Zhongshan Shenzhong Real Estate Development Co., Ltd. to provide pledge guarantee.

(7) End-of-period pledge loan is RMB 12,853,417.34. Suzhou Tengda Optical Technology Co., Ltd., the sub-subsidiary company, provides pledge guarantee with accounts receivable pledge .

(8) End-of-period pledge loan is RMB 300,000,000.00.Tunghsu Group's loan is both a guarantee loan and a pledge loan guarantee. Li Zhaoting,Tunghsu Group Co., Ltd. and Shanghai Sunlong Bus Co., Ltd. provide joint liability guarantee. Shanghai shenlong bus co., LTD. Provides pledge guarantee for the company with the pledge of 350 million accounts receivable.

## (2) Situation of Overdue Outstanding Short-Term Borrowing

## 27. Financial liabilities measured at fair value through current profit and loss

## 28. Derivative financial liabilities

□ Applicable√ Not applicable

## 29. Notes payable &amp; account payable

In RMB

Items	Balance in year-end	Balance in year-begin
Notes payable	1,643,167,026.68	1,063,897,679.89
Account payable	8,632,927,106.20	4,636,989,039.65
Total	10,276,094,132.88	5,700,886,719.54

## (1) List of Notes payable

In RMB

Items	Balance in year-end	Balance in year-begin
Commercial acceptance	1,288,410,321.68	826,294,597.49
Bank acceptance bills	354,756,705.00	237,603,082.40
Total	1,643,167,026.68	1,063,897,679.89

## (2) List of account payable

In RMB

Items	Balance in year-end	Balance in year-begin
Materials engineering labor payment	6,796,000,151.83	3,434,306,764.15
Project Fouods	1,749,055,669.87	1,093,739,288.73
Transportation expenses	28,726,403.86	11,172,407.72
Other	59,144,880.64	97,770,579.05
Total	8,632,927,106.20	4,636,989,039.65

## (2) Significant accounts payable that aged over one year

In RMB

Items	Balance in year-end	Balance in year-begin
Sichuan zhongde construction labor service co. LTD	48,000,000.00	Unpaid payment term
Beijing Guoxun investment co., Ltd.	41,088,123.25	Unpaid payment term
Sichuan Chaohang Construction Services	22,500,000.00	Unpaid payment term

Co., Ltd. Chengdu Branch		
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
Total	153,536,654.08	--

### 30. Advance account

#### (1) Advance account

In RMB

Items	Closing balance	Opening balance
Goods	133,288,930.47	635,268,325.76
Engineering fund	1,268,994,731.90	1,019,869,237.87
Total	1,402,283,662.37	1,655,137,563.63

#### (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

In RMB

Items	Amount
Accumulated Incurred Cost	2,275,075,178.00
Accumulated Confirmed Gross Profit	162,467,492.90
Settlement Amount	2,688,749,974.00
Unliquidated Completed Assets Formed in the Construction Contract	-251,207,303.10

#### Other note

Note: At the end of the period, there are no important advance receipts with an age of more than one year.

### 31. 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	205,475,973.45	1,098,774,156.49	1,068,386,812.83	235,863,317.11

II. Welfare after waving of position-fixed provision scheme	2,221,388.80	75,449,849.88	75,387,578.62	2,283,660.06
III. Termination benefit		2,985,525.91	2,985,525.91	
Total	207,697,362.25	1,177,209,532.28	1,146,759,917.36	238,146,977.17

## (2) Short-term remuneration

In RMB

Items	Balance in year-begin	Increase in this period	Payable in this period	Balance in year-end
1. Wages, bonuses, allowances and subsidies	158,272,400.10	965,100,495.48	953,664,721.94	169,708,173.64
2. Employee welfare	54,843.85	37,806,600.30	37,724,038.16	137,405.99
3. Social insurance premiums	1,209,437.58	38,925,976.09	38,618,326.35	1,517,087.32
Including: Medical insurance	1,043,116.93	33,687,308.23	33,593,331.33	1,137,093.83
Work injury insurance	66,261.87	2,562,329.37	2,384,798.52	243,792.72
Maternity insurance	100,058.78	2,676,338.49	2,640,196.50	136,200.77
4. Public reserves for housing	986,360.29	28,309,758.40	27,377,817.94	1,918,300.75
5. Union funds and staff education fee	44,804,730.41	23,167,792.00	5,776,294.23	62,196,228.18
Other	148,201.22	5,463,534.22	5,225,614.21	386,121.23
Total	205,475,973.45	1,098,774,156.49	1,068,386,812.83	235,863,317.11

## (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	2,080,192.50	71,033,325.56	70,982,835.70	2,130,682.36
2. Unemployment insurance	141,196.30	4,416,524.32	4,404,742.92	152,977.70
Total	2,221,388.80	75,449,849.88	75,387,578.62	2,283,660.06

Other note: Employee benefits payable has no arrears of wages.

## 32. Taxes payable

In RMB

Items	Closing balance	Opening balance
VAT	349,650,560.67	60,982,068.15
Enterprise Income tax	307,974,748.03	170,094,083.01
Individual Income tax	8,509,011.91	30,271,740.75
City Construction tax	13,922,593.39	7,530,509.66
Land VAT	101,545,748.03	
House property tax	10,701,618.07	8,631,413.12
Land use tax	1,534,812.83	1,802,208.59
Educational surtax	10,584,164.68	6,453,814.04
Stamp Tax	3,930,901.55	3,666,280.55
Other	8,818,967.96	5,547,302.09
Total	817,173,127.12	294,979,419.96

Other note:

Note: The increase in taxes payable at the end of the period compared with the beginning of the period is mainly due to the increase in value added tax payable, enterprise income tax and land value-added tax.

## 33. Other payable

In RMB

Items	Balance in year-end	Balance in year-begin
Interest payable	117,554,951.58	107,195,147.20
Dividend payable		35,000,000.00
Other account payable	1,972,048,725.02	1,887,520,891.88
Total	2,089,603,676.60	2,029,716,039.08

## (1) Interest payable

In RMB

Items	Balance in year-end	Balance in year-begin
Long-term loans interest of installment and interest charge	37,542,540.23	29,020,856.73
Enterprise bond interest	71,935,414.10	66,833,709.29
Short term loan interest payable	8,076,997.25	11,340,581.18

Total	117,554,951.58	107,195,147.20
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## - Particulars of significant overdue unpaid interest

Other note:

Nil

## (2) Dividends payable

In RMB

Items	Balance in year-end	Balance in year-begin
Common dividends		35,000,000.00
Total		35,000,000.00

Note: Including significant unpaid dividends payable over one year, the unpaid reason shall be disclosed:

Nil

## (3) Other payable

## (1) Disclosure by nature

In RMB

Items	Balance in year-end	Balance in year-begin
Related party current account	632,884,079.05	475,619,957.85
Project Current account	558,426,427.62	575,733,577.03
Deposit	370,070,455.32	332,956,845.59
Individual official borrowing	95,995,501.74	118,851,620.51
Government Subsidy	15,000,000.00	15,000,000.00
Social security withholding	8,526,750.21	1,823,102.07
Engineering fund		55,246,500.11
Advance funds	10,363,123.11	33,376,954.61
Stock right fund	266,310,044.77	252,444,235.97
Restricted stock repurchase obligations	4,422,320.00	4,422,320.00
Other	10,050,023.20	22,045,778.14
Total	1,972,048,725.02	1,887,520,891.88

## (2) Other payables with large amount and aging of over one year

Other instructions

Note: other important payables with an aging of more than 1 year at the end of the accounting period are 527,931,897.61 yuan.

The reason for not paying back or carrying forward is that the settlement conditions are not met.



## 34. Divided into liability held for sale

## 35. Non-current liabilities due within 1 year

In RMB

Items	Balance in year-end	Balance in year-begin
Long-term loans due within 1 year	2,523,290,150.75	4,196,242,686.59
Long-term Account payable due within 1 year	1,124,359,280.45	801,679,582.86
Deferred income due within 1 year	49,743,433.71	47,686,487.00
Total	3,697,392,864.91	5,045,608,756.45

## 36. Other current liabilities

In RMB

Items	Balance in year-end	Balance in year-begin
USD exchange	68,632,000.00	65,342,000.00
For resale tax	136,561,128.73	79,012,267.85
Financing	110,000,000.00	82,800,911.12
Total	315,193,128.73	227,155,178.97

Other note:

Notes : In 1993, the Group signed the agreement on exchange of US dollars which agreed returning 10,000,000 US dollars to the Exchange Unit and repossess the RMB58,000,000.00 exchanged in November 1998, As of December 31, 2018, the Group still consults with the Exchange Unit on the returning of the exchange.

## 37. Long-term loan

## (1) Category of long-term loan

In RMB

Items	Balance in year-end	Balance in year-begin
Pledge loans	450,000,000.00	950,000,000.00
Mortgage loans	3,013,496,417.47	4,096,235,604.06
Guarantee loans	1,801,383,333.28	4,359,733,333.30
Less : Long-term loan due 1 year	-2,523,290,150.75	-4,196,242,686.59
Total	2,741,589,600.00	5,209,726,250.77

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 1,801,383,333.28 is both the mortgage loan and the guarantee loan, reclassified into the non-current liabilities due within one year RMB 1,533,383,333.28.

Thereinto: (1) Tunghsu Group Co., Ltd, Li Zhaoting and Li Qing provided the joint and several guarantee for the company's borrowings of RMB 615,000,000.00, of which RMB 615,000,000.00 was reclassified to non-current liabilities due within one year; Tunghsu Group Co., Ltd, and Li Zhaoting provided the joint and several guarantee for the company's borrowings of RMB 218,833,333.28, Tunghsu Group, Li Zhaoting and Li Qing provided the joint and several guarantee for Company's borrowings of 299, 550, 000. 00, of which RMB 518,383,333.28 was reclassified to non-current liabilities due within one year; Tunghsu Group, Tunghsu Optoelectronic Investment Co., Ltd. and Li Zhaoting provided the joint and several guarantee for the company's borrowings of RMB 400,000,000.00, of which RMB 400,000,000.00 was reclassified to non-current liabilities due within one year; Tunghsu Group provided the guarantee for RMB 80,000,000.00 for Sichuan Tunghsu Fanrong Construction Development Co., Ltd., of which RMB 0 was reclassified to non-current liabilities due within one year

(2) NEG provides joint guarantee for the loan of RMB 188,000,000.00 of Fuzhou Xufu Optoelectronic Technology Co., Ltd., the grandson company, of which the non-current liabilities reclassified and transferred into one-year maturity shall be RMB 0.00.

Note 3: Mortgage loan RMB 3,013,496,417.47 is both a mortgage loan and a guarantee loan, and the non-current liabilities reclassified and transferred into one-year maturity shall be RMB 989,906,817.47.

Of which: (1) The non-current liabilities reclassified and transferred into one-year maturity in the loan of RMB 204,000,000.00 are RMB 136,000,000.00. 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 RMB 1,125,000,000.00 are RMB 375,000,000.00. 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 RMB 213,726,400.00 are RMB 375,000,000.00. 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 RMB 1,055,713,019.27.

(4) The non-current liabilities reclassified and transferred into one-year maturity in the loan of RMB 425,000,000.00 are RMB 35,000,000.00. The mortgage and pledge guarantee of the loan are: a. Real estates (YFQZYZ No. 20150301716, YFQZYZ No. 20150301767, YFQZYZ No. 20150301734, YFQZYZ No. F20150301760, YFQZYZ No. 20150301711, YFQZYZ No. 20150301725, YFQZYZ No. 20150301769, YFQZYZ No. 1715047 of Tunghsu (Yingkou) Optoelectronic Technology Co., Ltd.; b. Tunghsu Group Co., Ltd. shall provide joint liability guarantee for Tunghsu (Yingkou) Optoelectronic Technology Co., Ltd. and provide pledge guarantee of 40 million shares.

(5) The non-current liabilities reclassified and transferred into one-year maturity in the loan of RMB 180,417.47 are RMB 180,417.47. 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.

(6) The non-current liabilities reclassified and transferred into one-year maturity in the loan of RMB 450,000,000.00 are RMB 150,000,000.00. 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 guarantee.

(7) The amount reclassified and transferred into one-year maturity in the roan of RMB 330,000,000.00 is RMB 80,000,000.00. 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.

Note 4: The pledge loan of RMB 450,000,000.00 is both a pledge loan and a guarantee loan, and the non-current liabilities reclassified and transferred into one-year maturity shall be RMB 0.00.

Of which, the loan is RMB 450,000,000.00. The 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 RMB 178,750,000.00 of Chengdu Tunghsu Intelligent Technology Co., Ltd. held by Tunghsu Group Co., Ltd.; b. Tunghsu Group Co., Ltd. and Li Zhaoting provide guarantee.

Notes 5. Rate of annual long-term borrowing is generally ranged from 3.68%--8.50%.

### 38. Bonds payable

#### (1) Bonds payable

In RMB

Items	Balance in year-end	Balance in year-begin
15 Tunghsu bonds	952,223,306.45	993,310,440.39
Mid-term note I	2,986,250,396.83	2,981,914,109.61
Mid -term note II	1,692,345,122.04	1,689,901,540.52
Less: Bond payable due 1 year		
<b>Total</b>	<b>5,630,818,825.32</b>	<b>5,665,126,090.52</b>

(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

15 Tunghsu bonds	956,042,700.00	2015.5.19	5 years	1,000,000,000.00	993,310,440.39		63,088,913.18	2,870,166.06	43,957,300.00		952,223,306.45
Mid-term note I	3,000,000,000.00	2016.11.17	5 years	3,000,000,000.00	2,981,914,109.61		139,280,000.00	4,336,287.22			2,986,250,396.83
Mid -term note II	1,700,000,000.00	2016.12.02	5 years	1,700,000,000.00	1,689,901,540.52		85,000,000.00	2,443,581.52			1,692,345,122.04

Total	--	--	--	5,700,000	5,665,126		287,368.9	9,650,034	43,957,30		5,630,818
				,000.00	,090.52		13.18	.80	0.00		,825.32

(3) Note to conditions and time of share transfer of convertible bonds

Nil

(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%.

### 39. Long-term payable

In RMB

Items	Balance in year-end	Balance in year-begin
Long-term payable	2,644,309,592.95	3,276,308,254.44
Total	2,644,309,592.95	3,276,308,254.44

(1) Long-term payable listed by nature of the account

In RMB

Items	Balance in year-end	Balance in year-begin
Long-term payable	4,441,492,662.34	4,935,555,693.56
Less: Unconfirmed financing costs	672,823,788.94	857,567,856.26
Less: Port due Within 1 year	1,124,359,280.45	801,679,582.86

Other note

Note: Tunghsu Group Co., Ltd. provides a guarantee of RMB 1,047,092,103.61 for financial lease, Tunghsu Group Co., Ltd. and Li Zhaoting provide a guarantee of RMB 732,372,469.64 for financial lease, and Tunghsu Group Co., Ltd., Li Zhaoting and Li Qing provide a guarantee of RMB 208,000,000.00 for financial lease; Yang Jianzhong, Hong Shuping, You Shaoguo, Li Yan, Hu Yongsheng and Li Jun provide a guarantee of RMB 123,276,502.66 for the financial lease; The Company and Li Zhaoting provide a guarantee of RMB 11,0316,039.24 for financial lease; Subsidiaries of the Company provide RMB 71,830,000.00 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 2,148,605,547.19 for financing lease.

### 40. Long-term employee salary payable

### 41. Estimates liabilities

In RMB

Items	Balance in year-end	Balance in year-begin	Rreason
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Lispendens	20,944,899.84	38,543,627.93	
Product guarantee	78,820,850.20	117,878,085.38	
Total	99,765,750.04	156,421,713.31	--

## 42. Deferred income

In RMB

Items	Beginning of term	Increased this term	Decreased this term	End of term	Reason
Government Subsidy	601,213,644.42	143,338,833.67	46,218,458.32	698,334,019.77	
Less : Government subsidies due within one year	-36,478,840.45	-2,056,946.72		-38,535,787.17	
Not realized after sale rental return	38,763,460.00	16,348,166.82	27,555,813.56	27,555,813.26	
Less: Unrealized customer service due within 1 year rent to profit or loss	-11,207,646.55			-11,207,646.55	
Total	592,290,617.42	157,630,053.77	73,774,271.88	676,146,399.31	--

## 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)	25,438,800.00			2,244,600.00			23,194,200.00	Related to assets
Grant of Industry Revitalization and Technology Reconstruction Project	2,644,444.61			233,333.28			2,411,111.33	Related to assets
Technical reconstruction	2,666,666.65			266,666.68			2,399,999.97	Related to assets

n								
Grant of Glass Substrate Project	9,999,999.94			1,000,000.00			8,999,999.94	Related to assets
Industry Development Fund	4,666,666.65			466,666.68			4,199,999.97	Related to assets
Project finance discount	313,333.37			31,333.32			282,000.05	Related to assets
Grant of Industry Revitalization and Technology Reconstruction Project	71,668,666.71			6,515,333.32			65,153,333.39	Related to assets
2013 Provincial strategic emerging industries of special grant funds	4,250,000.04			333,333.32			3,916,666.72	Related to assets
Technology reconstruction on Special funds	28,822,333.32			2,156,000.00			26,666,333.32	Related to assets
Investment and Subsidies of "Double Hundred Plan" Project granted by the People's Government of Henan Province	1,783,333.33			200,000.00			1,583,333.33	Related to assets
TFT glass substrate technology	89,166.77			10,000.00			79,166.77	Related to assets

R& D fund								
TFT glass substrate project Subsidy	5,944,444.43			666,666.67			5,277,777.76	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	8,322,222.23			933,333.33			7,388,888.90	Related to assets
TFT glass substrate project Subsidy	11,888,888.91			1,333,333.33			10,555,555.58	Related to assets
Subsidy Major Scientific and Technical Projects by Finance Bureau of Zhengzhou City	594,444.43			66,666.67			527,777.76	Related to assets
Financial Supports for National Key Industry and Technical Transformation on Projects	8,322,222.23			933,333.33			7,388,888.90	Related to assets

Granted by the Municipal Finance Bureau								
Economic and Technological Development Zone Finance Bureau Industrial Development Support Fund	4,161,111.10			466,666.67			3,694,444.43	Related to assets
Funds for Independent Innovation of Provincially Supported Enterprises	3,566,666.71			400,000.00			3,166,666.71	Related to assets
Supporting Funds on Finance Discounts	1,188,888.91			133,333.33			1,055,555.58	Related to assets
Funds for Education, Science and Culture Granted by the Finance Bureau	891,666.71			100,000.00			791,666.71	Related to assets
Supporting Funds for Industrial Structure -adjusting Projects Granted by the Regional Finance Bureau	1,742,222.16			186,666.67			1,555,555.49	Related to assets
Industry	1,004,444.42			106,666.67			897,777.75	Related to



discount and expenses								assets
Financial discount	3,194,444.50			333,333.33			2,861,111.17	Related to assets
Industrial restructuring project financial funds	3,493,333.29			320,000.00			3,173,333.29	Related to assets
Special Funds for High-end Information Industry Chain Granted by the Finance Bureau of the Economic and Technological Development Zone	3,861,111.09			333,333.33			3,527,777.76	Related to assets
2015 project equipment investment subsidies	29,981,766.60			2,291,600.16			27,690,166.44	Related to 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	2,412,222.08			173,333.39			2,238,888.69	Related to assets
Project subsidy of		1,760,000.00					1,760,000.00	Related to assets

Chongqing Liangjiang New Area Finance Bureau								
Equipment subsidy of Chongqing Liangjiang New Area Finance Bureau		880,000.00					880,000.00	Related to assets
Investment in the Central Budget of Strategic emerging Industries	25,500,000.0 0			2,000,000.00			23,500,000.0 0	Related to assets
The high-tech zone appropriates baseboard projects	5,866,666.65			426,666.68			5,439,999.97	Related to assets
Production line award fund	19,241,899.3 7			1,506,943.40			17,734,955.9 7	Related to assets
Special fund for the transformatio n of scientific and technological achievements in 2015	6,158,080.51			635,162.01			5,522,918.50	Related to assets
G8.5tft-lcd glass substrate manufacturin g precision intelligent digital workshop	45,000,000.0 0			3,000,000.00			42,000,000.0 0	Related to assets

construction project								
Investment in the Central Budget of Strategic emerging Industries	3,933,333.41			799,999.92			3,133,333.49	Related to assets
2011Key technical transformation project funds	491,666.70			99,999.96			391,666.74	Related to assets
2011Strategic emerging industry development funds	565,416.70			114,999.96			450,416.74	Related to assets
2012Electronic Information Industry Development Assistance Project	983,333.30			200,000.04			783,333.26	Related to assets
Subsidies from the Bureau of Finance of the Economic and technological Development Zone	9,399,999.99			800,000.02			8,599,999.97	Related to assets
2013Strategic emerging industry funds	392,777.78			33,333.34			359,444.44	Related to assets
Mianyang Municipal Bureau of Finance	236,666.66			20,000.02			216,666.64	Related to assets

Special funds								
Glass substrate finishing production Transformation Project	548,333.33			46,666.67			501,666.66	Related to assets
Special fund subsidy for industrial development of municipal financial bureau	433,888.86			36,666.69			397,222.17	Related to assets
2013 fund of strategic new industry	3,944,444.44			333,333.34			3,611,111.10	Related to assets
Sichuan Province Industrial Transformation and upgrading Project 2015	18,608,333.35			1,449,999.98			17,158,333.37	Related to assets
Special funds for Industrial Development in 2016	39,852,753.54			3,202,185.31			36,650,568.23	Related to assets
Technical Reformation of key Green Technology for Glass substrate (840)	8,400,000.00			140,000.00			8,260,000.00	Related to assets
Intelligent manufacturing pilot demonstration project subsidy fund (100)	1,000,000.00			66,666.67			933,333.33	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						3,990,000.00	Related to assets
Annual production of 10 million square meters high aluminum ultra-thin display panel glass items	4,700,000.00						4,700,000.00	Related to assets
2017 funds for technological Transformation of Electronic Information Industry	30,000,000.00						30,000,000.00	Related to assets
Subsidy fund for technical transformation of industrial enterprises in Fuzhou	2,580,000.00			172,000.00			2,408,000.00	Related to assets

Technical Transformation of Industrial Enterprises in Fuzhou and supporting subsidy funds in Fuqing City	1,290,000.00			86,000.00			1,204,000.00	Related to assets
2018 Industrial Internet Innovation Development Project and Intelligent Manufacturing Integrated Standardization and New Model Application Project Subsidy		45,000,000.00		1,300,578.03			43,699,421.97	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 material	13,417,100.00			894,473.18			12,522,626.82	Related to assets

Glass substrate production line transformation special funds		30,000,000.00					30,000,000.00	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	854,475.22			30,699.72			823,775.50	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	114,399.00	1,800,000.00					1,914,399.00	Related to assets
Project subsidy from the Bureau of Finance of the Economic Development Zone	6,966,547.39			588,957.03			6,377,590.36	Related to assets
National key R & D Program key basic Materials Technical Project subsidy	2,280,000.00						2,280,000.00	Related to assets
Financial subsidy for the major scientific and technological achievements transformation project of "High Aluminium cover Glass complete Technology"	1,000,000.00						1,000,000.00	Related to assets
2017 Special Fund for Industrial Development in Economic Development		5,000,000.00		289,855.07			4,710,144.93	Related to assets



Zone								
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	160,000.04			39,999.96			120,000.08	Related to assets
Financial allocation for Strategic emerging Industries in Sichuan Provinc	3,366,000.00			306,000.00			3,060,000.00	Related to assets
Technical revamping items of 300,000 production Line of Pole-less Lights Ballast	644,999.92			86,000.04			558,999.88	Related to assets
Intelligent Engineering Laboratory of High efficiency Lighting system	1,783,333.29			200,000.04			1,583,333.25	Related to assets
District level technical reform project subsidy 150	0.00	1,500,000.00					1,500,000.00	Related to assets
The subsidy		1,892,899.93		5,860.37			1,887,039.56	Related to

for the construction of the factory building is 1,892,900 yuan								assets
Glass substrate project subsidy fund	86,971,803.66			1,316,392.68			85,655,410.98	Related to assets
Research and development project funds 159	2,226,000.00			2,226,000.00				Related to income
2017 loan discount 4.871 million	1,127,484.71				1,127,484.71			Related to income
Science and education support fund	1,787,595.41	500,000.00					2,287,595.41	Related to income
Subsidy for post stabilization	0.00	2,833.74					2,833.74	Related to income
Special funds for scientific research 40	400,000.00			400,000.00				Related to income

## 43. Other Non-current liabilities

In RMB

Items	Balance in year-end	Balance in year-begin
CDB financing		500,000,000.00
Yingkou coastal financing	108,000,000.00	108,000,000.00
Total	108,000,000.00	608,000,000.00

Other note:

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.

Note 2: According to the investment contract signed between Tunghsu Optoelectronic Technology Co., Ltd., Wuhu Tunghsu Optoelectronic Technology Co., Ltd. Fuzhou Tunghsu Investment Development Co., Ltd. and China Development Bank Development Fund Co., Ltd., China Development Bank Development Fund Co., Ltd. has increased the capital of Fuzhou Tunghsu Investment Development Co., Ltd. with RMB 50,000.00 million and enjoyed a fixed annual rate of return. Upon completion of the project, Tunghsu Optoelectronic Technology Co., Ltd. will redeem the equity held by China Development Bank Development Fund Co., Ltd. in installments. Pursuant to the relevant agreement, the Company redeemed the equity interest held by China Development Bank Development Fund Co., Ltd. in December 2018.

#### 44. 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

#### 45. Other equity instruments

#### 46. Capital reserves

In RMB

Items	Year-beginning balance	Increase in the current period	Decrease in the current period	Year-end balance
Share premium	21,947,720,231.34	4,475,242.57	197,484,455.39	21,754,711,018.52
Other capital reserves	31,522,375.26			31,522,375.26
Total	21,979,242,606.60	4,475,242.57	197,484,455.39	21,786,233,393.78

Other explanation, including changes and reasons for changes:

Changes in capital reserve: The merger of Tunghsu (Yingkou) Optoelectronic Display Co., Ltd. under the same control in the current period results in a decrease of RMB 195,525,500.00 in capital reserve; the non-proportional capital increase to Tunghsu (Kunshan) Display Material Co., Ltd. in the current period results in a decrease of RMB558,955.39 in capital reserve; the non-proportional capital increase to Chenzhou Xuhong Transportation Construction Co., Ltd., the grandson company, in the current period results in an increase of RMB 1,881,000.00 in capital reserve; the non-proportional capital increase to Shenzhen Xinyingtong Technology Co., Ltd., the grandson company, in the current period results in a decrease of RMB 1,400,000.00 in capital reserve; the non-proportional capital increase to Beijing Xujiang Technology Co., Ltd., the grandson company, in the current period results in an

increase of RMB 1,002,082.92 in capital reserve; the disposal of Xuyou Electronic Material Technology (Wuxi) Co., Ltd., a subsidiary, in the current period results in an increase of RMB 1,592,159.65 in capital reserve.

## 47. 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

## 48. Other comprehensive income

In RMB

Items	Year-beginning balance	Amount of current period					Year-end balance
		Amount for the period before income tax	Less: Previously recognized in profit or loss in other comprehensive income	Less: Income tax	After - tax attributable to the parent company	After - tax attributable to minority shareholders	
2. Other comprehensive income reclassifiable to profit or loss in subsequent periods	-4,518.45	-42,240.07			-24,657.35	-17,582.72	-29,175.80
Balance form the translation of foreign currency financial statements	-4,518.45	-42,240.07			-24,657.35	-17,582.72	-29,175.80
Total of Other comprehensive income	-4,518.45	-42,240.07			-24,657.35	-17,582.72	-29,175.80

## 49. Special reserves

In RMB

Items	Year-beginning balance	Increase in the current	Decrease in the current period	Year-end balance
Safety production cost	1,983,921.21	38,527,044.56	27,896,634.42	12,614,331.35
Total	1,983,921.21	38,527,044.56	27,896,634.42	12,614,331.35

## 50. Surplus reserve

In RMB

Items	Year-beginning balance	Increase in the current period	Decrease in the current period	Year-end balance
Statutory surplus reserve	224,133,824.86	21,373,195.09		245,507,019.95
Total	224,133,824.86	21,373,195.09		245,507,019.95

## 51. Retained profits

In RMB

Items	Amount of current period	Amount of previous period
Retained earnings before adjustments at the year beginning	3,009,860,755.82	1,823,695,278.31
Total adjustment of retained earnings at the beginning of the year		-155,097,190.92
Retained earnings after adjustments at the year end	3,009,860,755.82	1,668,598,087.39
Add: Net profit attributable to owners of the Company for the period	2,163,607,505.39	1,730,174,564.57
Less: Appropriation to statutory surplus reserve	21,373,195.09	36,089,754.38
Common stock dividend payable	401,117,508.26	352,822,141.76
Retained earnings at the year end	4,750,977,557.86	3,009,860,755.82

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 -155,097,190.92

(5) Other adjustment of the total affected beginning undistributed profits are RMB 0.00 .

## 52. Business income, Business cost

In RMB

Items	Amount of current period		Amount of previous period	
	Income	Cost	Income	Cost
Main business	27,532,911,433.28	22,666,699,476.31	17,245,606,616.24	13,644,514,366.81
Other business	678,788,587.84	537,379,316.07	31,362,422.79	29,973,279.43
Total	28,211,700,021.12	23,204,078,792.38	17,276,969,039.03	13,674,487,646.24

## 53. Business tax and subjoin

In RMB

Items	Amount of current period	Amount of previous period
Urban construction tax	33,810,482.30	25,979,433.14
Education surcharge	23,159,424.99	17,674,597.83
Property tax	16,876,028.18	12,698,590.04
Land use tax	21,346,497.10	21,300,624.63
vehicle and vessel usage tax	132,583.31	32,274.84
Stamp tax	13,856,742.20	12,325,654.26
Land VAT	124,554,237.34	
Other	3,747,803.74	4,059,111.33
<b>Total</b>	<b>237,483,799.16</b>	<b>94,070,286.07</b>

Other note:

## 54.Sales expenses

In RMB

Items	Amount of current period	Amount of previous period
Wage and welfare insurance	92,273,371.89	58,561,217.08
Shipment	90,294,560.21	63,453,918.97
Travel	20,406,607.49	8,645,322.33
Business expenses	25,334,960.74	8,067,708.92
Quality inspection certification fee	355,243.12	400,656.64
Consultancy services	23,399,717.86	10,178,128.46
car expenses	22,148,062.40	6,054,493.14
Low value consumables and repairs	4,482,483.49	970,196.52
Office fee	5,349,463.64	4,311,147.89
Depreciation	1,264,353.73	837,982.02
Advertising	10,333,401.71	6,800,911.81
Product sales guarantee fee	32,639,764.21	27,469,125.70
Other	6,194,311.02	13,409,374.25
<b>Total</b>	<b>334,476,301.51</b>	<b>209,160,183.73</b>

## 55. Administrative expenses

In RMB

Items	Amount of current period	Amount of previous period
Wage and additional cost	288,091,860.23	180,518,516.88
Business expenses	16,030,918.90	6,808,507.59
Labor protect fee	2,722,389.79	1,944,101.86
Office fees	25,841,772.52	25,043,067.11
Travel fees	17,009,388.53	9,719,098.91
Publicize Fees	8,345,441.30	7,383,473.36
Miscellaneous charges	8,035,086.41	1,946,988.14
Depreciation accumulative	144,145,302.18	62,962,111.58
Low value consumables and repair costs	24,488,949.88	10,288,171.00
Consultation fees	53,847,915.52	51,079,357.72
Miscellaneous charges	45,502,177.92	26,010,092.75
Equity incentive cost		-3,685,060.00
Other	19,418,074.40	13,106,583.04
Total	653,479,277.58	393,125,009.94

Other note:

Note: The increase in 2018 compared with 2017 is mainly due to the increases in labor and depreciation.

In RMB

Items	Amount of current period	Amount of previous period
Labor cost	204,666,344.41	84,414,093.62
Material expenses	220,667,309.89	109,611,282.99
Test inspection fee	86,313,301.06	28,773,748.12
Hydropower and gas charge	14,396,778.76	13,647,405.72
Depreciation expenses	23,882,733.08	12,320,763.99
Amortization of Intangible assets	4,322,047.03	1,256,897.08
Other	17,841,120.07	6,967,364.39
Total	572,089,634.30	256,991,555.91

## 57. Financial expenses

In RMB

Items	Amount of current period	Amount of previous period
Interest expenses	1,204,287,050.60	1,142,316,421.06
Less: Interest income	506,083,846.24	442,489,241.64
Exchange gains and losses	-23,199,230.78	18,458,150.08

Commission charge	21,943,537.39	5,619,616.01
Note discount rate	7,137,552.53	14,514,160.04
Financing	18,000,000.00	14,509,424.87
Other	610,110.16	1,048,970.03
<b>Total</b>	<b>722,695,173.66</b>	<b>753,977,500.45</b>

## 58. Asset impairment loss

In RMB

Items	Amount of current period	Amount of previous period
I. Bad debt loss	54,879,882.12	45,785,385.37
II. Losses for falling price of inventory	28,437,407.36	9,198,134.09
XIII. Goodwill impairment loss	10,163,443.61	
<b>Total</b>	<b>93,480,733.09</b>	<b>54,983,519.46</b>

## Other note

Note: The increase in 2018 compared with 2017 is mainly due to the increase in inventory depreciation loss and goodwill impairment loss.

## 59. Other gains

In RMB

Items	Amount of this period	Amount of last period
Government subsidy	250,713,869.96	352,095,131.45
Personal income tax fee	590,083.12	
<b>Total</b>	<b>251,303,953.08</b>	<b>352,095,131.45</b>

## 60. Investment income

In RMB

Items	Amount of this period	Amount of last period
Long-term equity investment income by equity method	64,366,051.65	4,663,254.00
Disposal of investment income from long-term equity investments	1,935,149.59	
Financing income	14,623,990.55	59,041,599.98
<b>Total</b>	<b>80,925,191.79</b>	<b>63,704,853.98</b>

## Other note



Investment income from disposal of long-term equity investment: The investment income generated by the disposal of Xuyou Electronic Material Technology (Wuxi) Co., Ltd., a subsidiary is RMB 3,182,206.12. The investment income generated by the current liquidation of the partnership of Tunghsu (Deyang) Graphene Industrial Development Fund, the joint venture, is RMB -1,195,383.73. The investment income generated after the grandson disposes of the current liquidation of Tunghsu Technology Co., Ltd. is RMB -51,672.80.

## 61. Fair value change income

## 62. Assets disposal income

In RMB

Source	Amount of current period	Amount of previous period
Non-current assets disposal gains and losses	1,515,607.51	
Including: Income from disposal of fixed assets	1,515,607.51	
Total	1,515,607.51	

## 63. 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
Government Subsidy	203,256.52	1,646,890.81	203,256.52
Unpayable amount	1,100,000.00		1,100,000.00
Net fine income	200,053.96		200,053.96
Insurance premium	10,799,394.15		10,799,394.15
Other	6,760,566.13	1,922,171.57	6,760,566.13
Total	19,063,270.76	3,569,062.38	19,063,270.76

## 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
Housing	Finance	Subsidy	Grants	No	No		1,546,890.81	Related to

maintenance subsidies	bureau of suqian economic and technological development zone		obtained due to the country encourage and support specific industries (Obtained in accordance with the national policies and regulations)					income
Land tax return	Coastal industry base	Subsidy	Grants obtained due to conforming to the local supporting policies such as local government's investment attraction policy	No	No		100,000.00	Related to income
Research funds	China Building Materials Design Institute	Subsidy	Grants obtained due to research and development, technical renovation and transformation, etc.	No	No	153,262.52		Related to income
稳岗补贴	Social security bureau	Subsidy	A subsidy obtained due to undertaking the state's safeguarding for protection for a certain utility or	No	No	29,994.00		Related to income

			socially necessary product supply or price control function.					
Tax incentives	Tax bureau	Award	A subsidy obtained due to undertaking the state's safeguarding for protection for a certain utility or socially necessary product supply or price control function.	No	No	20,000.00		Related to income
Total						203,256.52	1,646,890.81	

## 64. Non-Operation expense

In RMB

Items	Amount of current period	Amount of previous period	The amount of non-operating gains & losses
Donation expense	2,764,006.00	695,000.00	2,764,006.00
Penalty	2,526,929.14	753,616.36	2,526,929.14
Non current assets disposal loss	1,660,746.89	65,061.78	1,660,746.89
Other	1,941,022.97	895,094.66	1,941,022.97
Total	8,892,705.00	2,408,772.80	8,892,705.00

## 65. Income tax

## (1) Details of income tax

In RMB

Items	Amount of current period	Amount of previous period
Current Income tax	486,169,741.93	419,418,513.13

Deferred income tax	-17,166,200.53	-83,183,922.77
Total	469,003,541.40	336,234,590.36

## (2) Accounting profit and tax expense adjustment process

InRMB

Items	Amount of current period
Total profit	2,737,831,627.58
Income tax expense at statutory / applicable tax rates	410,674,744.19
Effect of different tax rates applicable to subsidiaries	53,321,675.38
Effect of non-taxable income	-5,732,239.03
The influence of R & D expenses deduction	-14,980,132.99
Effect of non-taxable income	24,827,760.53
Affect the use of deferred tax assets early unconfirmed deductible losses	-320,369.80
The current period does not affect the deferred tax assets recognized deductible temporary differences or deductible loss	17,547,779.09
Tax preferences	-41,462,810.37
Changes in tax rate resulting in changes in the balance of deferred income tax assets/liabilities at the beginning of the period	25,127,134.40
Income tax expense	469,003,541.40

## 66 .Other comprehensive income

Refer to section XI Notes, VII, 485 for details.

## 67.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	72,580,223.31	140,642,106.05
Government subsidy	285,674,986.53	182,198,655.37
Deposits income	341,556,036.47	898,714,597.84
Advances fund	95,881,327.96	128,508,839.16
Withholding VAT refund	244,105,762.29	

Personal official loans	49,113,531.62	42,487,900.06
Collection of funds	12,042,902.50	
Insurance claims	9,121,325.00	
Other	2,674,019.34	1,232,168.84
<b>Total</b>	<b>1,112,750,115.02</b>	<b>1,393,784,267.32</b>

## (2) Other cash paid related to operation activities

In RMB

Items	Amount of current period	Amount of previous period
Donation expenses	3,003,932.05	164,100.97
Petty cash	37,390,022.00	39,765,728.35
Deposit	384,336,174.24	1,032,128,416.85
Period expenses paid in cash	572,602,133.37	365,453,243.31
<b>Total</b>	<b>997,332,261.66</b>	<b>1,437,511,489.48</b>

## (3) Cash received related to other investment activities

In RMB

Items	Amount of current period	Amount of previous period
Investment	200,000,000.00	50,000,000.00
Cash and cash equivalents of the subsidiary on the date of acquisition after deducting the monetary investments paid for the acquisition		51,681,062.80
Fixed deposit	1,402,500,000.00	
Current account	463,061,030.00	9,004,080.00
<b>Total</b>	<b>2,065,561,030.00</b>	<b>110,685,142.80</b>

## (4) Other Cash payable related to investment activities

In RMB

Items	Amount of current period	Amount of previous period
Short-term Financing	113,658,549.30	9,940,000,000.00
Fixed deposit	3,751,750,000.00	1,352,500,000.00
Investment	200,000,000.00	50,000,000.00

Current account	449,402,614.89	29,503,800.00
<b>Total</b>	<b>4,514,811,164.19</b>	<b>11,372,003,800.00</b>

## (5) Other cash received in relation to financing activities

In RMB

Items	Amount of current period	Amount of previous period
Interest income	426,148,446.55	252,390,350.30
Finance lease	533,750,000.00	2,502,800,000.00
Factoring financing	27,199,088.88	100,000,000.00
Fixed deposit	157,000,000.00	
Current account	481,240,420.45	3,224,325,632.86
<b>Total</b>	<b>1,625,337,955.88</b>	<b>6,079,515,983.16</b>

## (6) Other Cash payable related to Financing activities

In RMB

Items	Amount of current period	Amount of previous period
Bank charges	37,017,570.05	39,217,775.67
Finance lease deposit		47,666,666.66
Factoring financing		17,199,088.88
Finance lease	984,205,977.49	693,258,375.43
Acquisition of minority equity payments	571,040,000.00	
Sunlong No private funds		31,979,671.29
Current account	856,657,166.48	2,476,041,407.56
<b>Total</b>	<b>2,448,920,714.02</b>	<b>3,305,362,985.49</b>

## 68. 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	2,268,828,086.18	1,920,899,021.88

Add: Impairment loss provision of assets	93,480,733.09	54,983,519.46
Depreciation of fixed assets, oil and gas assets and consumable biological assets	858,753,519.46	1,003,010,229.32
Amortization of intangible assets	88,543,387.92	29,493,603.50
Amortization of long-term deferred expenses	8,479,266.12	10,640,874.16
Loss on disposals of fixed assets, intangible assets and other long-term assets ("-" for gains)	-1,515,607.51	
Loss on write-off of fixed assets	1,660,746.89	65,061.78
Financial cost	823,755,233.08	882,333,791.42
Investment losses	-80,925,191.79	-63,704,853.98
Decrease in deferred income tax assets	-6,306,027.61	-81,706,028.32
Increased in deferred income tax liabilities	-10,860,172.92	-1,477,894.45
Decrease in inventories	799,334,364.53	-701,656,101.00
Decrease in operating receivables	-10,076,576,343.39	-2,798,458,529.59
Increase in operating payables	5,621,600,010.47	998,755,817.13
Cash flows from operating activities	388,252,004.52	1,253,178,511.31
2. Significant investment and financing activities not affecting cash flows	--	--
Fixed assets acquired under financial leasing	525,209,012.42	3,234,833,741.02
3. Changes in cash and cash equivalents:	--	--
Ending balance of cash	14,916,637,291.04	25,114,660,756.25
Less: Beginning balance of cash	25,114,660,756.25	25,538,252,528.80
Net increase of cash and cash equivalents	-10,198,023,465.21	-423,591,772.55

## (2) Cash paid for acquiring subsidiaries and other business units

In RMB

Items	Amount
Cash or Cash Equivalent of Enterprise consolidation that Occurred in the Current Period Paid in the Current Period	313,924,083.50
Including:	--
Shenzhen Sanbao Innovation Intelligence Co., Ltd.	33,598,587.50
Zhongcheng National construction co., Ltd.	39,999,996.00
Huaxi Nanchong Automobile Co., Ltd.	44,800,000.00

Tunghsu (Yingkou) Optoelectronic Display Co., Ltd.	195,525,500.00
Less: Cash or Cash Equivalent Owned by Subsidiary on the Purchasing Date	4,930,677.33
Including:	--
Shenzhen Sanbao Innovation Intelligence Co., Ltd.	3,075,645.81
Zhongcheng National construction co., Ltd.	1,854,947.92
Huaxi Nanchong Automobile Co., Ltd.	83.60
Tunghsu (Yingkou) Optoelectronic Display Co., Ltd.	
Add: Cash or cash equivalents paid in the current period for business combinations in the previous period	83,689,833.67
Including:	--
Shijiazhuang Xuxin Optoelectronic Technology Co., Ltd.	17,670,558.47
Jiangsu Tengda Optics Technology Co., Ltd.	20,019,275.20
Changzhou Hongsheng Public Transportation Construction Development Co., Ltd.	8,000,000.00
Guangxi Sunlong Automobile Co., Ltd.	38,000,000.00
Obtain the net cash paid by the subsidiary	392,683,239.84

## (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	550,103,761.40
Including:	--
Xuyou Electronic Materials Technology (Wuxi) Co., Ltd.	550,000,000.00
Tunghsu Technology Co., Ltd.	103,761.40
Less: Cash and cash equivalents held by a controlling subsidiary	157,924,147.90
Including:	--
Xuyou Electronic Materials Technology (Wuxi) Co., Ltd.	157,924,147.90
Tunghsu Technology Co., Ltd.	
Including:	--
Net cash received from disposal subsidiaries	392,179,613.50

## (4) Composition of cash and cash equivalents

In RMB

Items	Balance in year-end	Balance in year-beginning
-------	---------------------	---------------------------



I. Cash	14,916,637,291.04	25,114,660,756.25
Including: cash in treasury	2,593,055.78	2,461,658.94
Bank savings could be used at any time	14,914,044,235.26	24,971,467,452.68
Other monetary capital could be used at any time		140,731,644.63
III. Balance of cash and cash equivalents at the period end	14,916,637,291.04	25,114,660,756.25

## 69. Note of statement of changes in the owner's equity

Explain "other" project name and adjustment amount of the adjustment of closing balance in previous year, etc.:

## 70. The assets with the ownership or use right restricted

In RMB

Items	Closing book value	Causation of limitation
Monetary funds	4,890,457,106.12	Mainly term deposits and deposits
Inventory	317,769,074.78	Mortgage loans
Fixed assets	9,130,840,228.68	Set up the mortgage and the fixed assets of the financial lease
Intangible assets	352,121,698.93	Pledge loans
Construction in progress	3,143,663,638.12	Pledge loans
Investment property	678,833,230.08	Pledge loans
Account receivable	455,136,717.34	Factoring financing
Total	18,968,821,694.05	--

## 71. 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	6,526,979.25	6.8632	44,795,960.10
Euro	6,016.60	7.8473	47,214.06
HKD	10,379.45	0.8762	9,094.97
JPY	563,299,791.60	0.0619	34,860,934.19
Account receivable	--	--	
Including: USD	53,519,866.68	6.8632	367,317,549.01

Euro	1,490.00	7.8473	11,692.48
HKD	23,697,714.31	0.8762	20,763,937.29
JPY	981,801,683.00	0.0619	60,760,760.76
Long-term loans	--	--	
Including: USD	5,000,000.00	6.8632	34,316,000.00
Euro			
HKD			
Notes payable			
Including: USD	5,015,000.00	6.8632	34,418,948.00
Interest payable			
Including: USD	170,737.09	6.86	1,171,802.79
Short-term loans			
Including: USD	8,407,370.00	6.8632	57,701,461.78
Account payable			
Including: USD	75,451,654.63	6.8632	517,839,796.09
Euro	2,680,492.77	7.8473	21,034,630.92
HKD	28,442,325.26	0.8762	24,921,165.40
JPY	234,698,455.00	0.0619	14,521,991.37
GBP	1,230,210.14	8.6762	10,673,549.18

(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

## 72. Hedging

Disclosure of hedging items and related hedging instruments, qualitative and quantitative information on hedged risks in accordance with the hedging category:

## 73. Government subsidy

### 1) Government subsidies confirmed in current period

In RMB

Type	Amount	Items	Amount included in current profit or loss
Project subsidy of Chongqing Liangjiang New Area Finance	1,760,000.00	Deferred income	

Bureau			
Equipment subsidy of Chongqing Liangjiang New Area Finance Bureau	880,000.00	Deferred income	
Project subsidy for industrial internet innovation development project and integrated standardization and new mode application of intelligent manufacturing in 2018	45,000,000.00	Deferred income	
Special fund for glass substrate production line transformation	30,000,000.00	Deferred income	
Subsidy for qualification acquisition and plant rental	45,653,100.00	Deferred income	
Special fund for automobile development	1,800,000.00	Deferred income	
Special fund for industrial development in Economic Development Zone in 2017	5,000,000.00	Deferred income	
Intelligent factory construction and application project of key materials and components for curved display	9,350,000.00	Deferred income	
Subsidy for district-level technical transformation projects150	1,500,000.00	Deferred income	
Subsidy for plant construction: RMB 1,892,900	1,892,899.93	Deferred income	
Science and education support fund	500,000.00	Deferred income	
Subsidy for post stabilization	2,833.74	Deferred income	
Special fund for scientific and technological achievement transformation in 2015	635,162.01	Other income	635,162.01
1.9 Receive Jinshan Talent subsidy fund	500,000.00	Other income	500,000.00
3.12 CCB receives the science and technology innovation award of the Science and	100,000.00	Other income	100,000.00

Technology Bureau			
3.1 Receive the award for promoting industrial towns in 2017	80,000.00	Other income	80,000.00
3.16 CCB receives the first batch of patent funds from the Science and Technology Bureau in 2018	15,000.00	Other income	15,000.00
2017 provincial intellectual property management system performance evaluation award	10,000.00	Other income	10,000.00
4.8 CCB receives the incentive funds for outsourcing implementation from the Finance Bureau	50,000.00	Other income	50,000.00
5.31 CCB receives the reward funds for the implementation of the enterprise standards	10,000.00	Other income	10,000.00
The second batch of patent special funds in 2018	6,000.00	Other income	6,000.00
5.31 CCB receives reward funds for academician workstation	100,000.00	Other income	100,000.00
Subsidy for "Double-hundred Plans" project investment of Henan Provincial People's Government	200,000.00	Other income	200,000.00
Budget for complete set of technology research and development of TFT glass substrate	10,000.00	Other income	10,000.00
Subsidy for TFT glass substrate project	666,666.67	Other income	666,666.67
Subsidy for technology transformation project investment within budget of National Development and Reform Commission and Ministry of Industry and Information Technology	933,333.33	Other income	933,333.33
Subsidy for TFT glass substrate	1,333,333.33	Other income	1,333,333.33

project.			
Special fund for major science and technology of Zhengzhou Municipal Finance Bureau	66,666.67	Other income	66,666.67
Fund for national key industries and technical transformation project support of Municipal Finance Bureau	933,333.33	Other income	933,333.33
Fund for industrial development support of Economic and Technological Development Zone Finance Bureau	466,666.67	Other income	466,666.67
Fund for provincial supporting independent innovation of enterprises	400,000.00	Other income	400,000.00
Fund for financial discount support	133,333.33	Other income	133,333.33
UNESCO fund of Finance Bureau	100,000.00	Other income	100,000.00
Supporting fund for industrial restructuring projects of District Finance Bureau	186,666.67	Other income	186,666.67
Industrial interest discount and budget	106,666.67	Other income	106,666.67
Financial discount of state-owned assets holding operation limited company in Henan Province	333,333.33	Other income	333,333.33
The first batch of financial funds for industrial restructuring projects in 2013	320,000.00	Other income	320,000.00
Special fund for high-end information industry chain of Economic and Technological Development Zone Finance Bureau	333,333.33	Other income	333,333.33
Subsidy fund for investment in project equipment in 2015	2,291,600.16	Other income	2,291,600.16
The second batch of funds for accepted provincial industrial	173,333.39	Other income	173,333.39

adjustment projects in 2011 and 2012 of Zhengzhou Municipal Finance Bureau			
Occupational injury prevention fee of Zhengzhou Municipal Social Security Bureau in January	30,000.00	Other income	30,000.00
Unemployment insurance and post stabilization subsidy of Zhengzhou Municipal Social Security Bureau	215,600.00	Other income	215,600.00
College student probation subsidy of Zhengzhou Municipal Finance Bureau	246,000.00	Other income	246,000.00
Special subsidy for Zhengzhou opening-up in 2017	200,000.00	Other income	200,000.00
Patent subsidy of Zhengzhou Economic and Technological Development Zone Administrative Committee	14,400.00	Other income	14,400.00
Patent subsidy of Zhengzhou Economic and Technological Development Zone Administrative Committee	22,800.00	Other income	22,800.00
Subsidy funds after R&D expenses in 2017	2,000,000.00	Other income	2,000,000.00
Corporate licensed patent funding in 2017	46,400.00	Other income	46,400.00
Service charge for returning three generations	8,816.64	Other income	8,816.64
Subsidy for post stabilization	10,553.00	Other income	10,553.00
New subsidy for specialization	250,000.00	Other income	250,000.00
Subsidy for post stabilization	17,946.00	Other income	17,946.00
Enterprise Technology Innovation Project - Engineering Technology Research Center	50,000.00	Other income	50,000.00
Industrial transformation and upgrading support	50,000.00	Other income	50,000.00
Accelerate the transformation	30,000.00	Other income	30,000.00

and upgrading of enterprises to improve quality and efficiency support			
Investment in strategic emerging industry projects within the budget of the central government	799,999.92	Other income	799,999.92
Fund for municipal key technological transformation projects in 2011	99,999.96	Other income	99,999.96
Fund for strategic emerging industry development promotion in 2011	114,999.96	Other income	114,999.96
Projects supported by the electronic information industry development fund in 2012	200,000.04	Other income	200,000.04
Subsidy of Economic and Technological Development Zone Finance Bureau	800,000.02	Other income	800,000.02
Glass substrate finishing achievement transformation project	46,666.67	Other income	46,666.67
Industrial transformation and upgrading projects in Sichuan Province in 2015	1,449,999.98	Other income	1,449,999.98
Fund for strategic emerging industries in 2013	33,333.34	Other income	33,333.34
Special fund of Mianyang Municipal Finance Bureau	20,000.02	Other income	20,000.02
Special fund subsidy for industrial development of Municipal Finance Bureau	36,666.69	Other income	36,666.69
Funds allocated by the Economic Development Zone Government on behalf of the Provincial Finance Department for strategic emerging industries in 2013	333,333.34	Other income	333,333.34
Special fund for industrial development in Economic Development Zone in 2016	3,202,185.31	Other income	3,202,185.31

Subsidy for project of Economic Development Zone Finance Bureau	588,957.03	Other income	588,957.03
Special fund for industrial development in Economic Development Zone in 2017	289,855.07	Other income	289,855.07
(Municipal supporting) funds for talent introduction project	200,000.00	Other income	200,000.00
Major innovative products	1,000,000.00	Other income	1,000,000.00
Encourage technological transformation of enterprises in 2017	500,000.00	Other income	500,000.00
First batch of patent subsidies in 2018	16,000.00	Other income	16,000.00
Provincial patent subsidy fund	8,400.00	Other income	8,400.00
Additional expenditure for the talent introduction in 2017	120,000.00	Other income	120,000.00
Provincial patent award in 2017	150,000.00	Other income	150,000.00
Patent subsidy	21,260.00	Other income	21,260.00
Provincial intellectual property project (high strength glass version conversion project) in 2018	200,000.00	Other income	200,000.00
National project of talent and expert introduction in 2018	500,000.00	Other income	500,000.00
Group transfer payment subsidy (key basic materials technology upgrading and industrialization special project of the state key research and development plan in 2016)	91,540.00	Other income	91,540.00
Enterprise recruitment subsidy	3,000.00	Other income	3,000.00
First batch of provincial intellectual property funds in 2018	50,000.00	Other income	50,000.00
Fund subsidy for civil-military integration	20,000.00	Other income	20,000.00
Subsidy for technological transformation and innovation	80,000.00	Other income	80,000.00



achievements in 2017			
Subsidy for enterprise post stability in 2018	60,561.00	Other income	60,561.00
Promote benefit up the step: enterprises with warehousing taxes breaking through RMB 20 million	105,000.00	Other income	105,000.00
Land tax refund for coastal industrial bases	500,000.00	Other income	500,000.00
Patent subsidy of Yingkou Science and Technology Bureau	17,100.00	Other income	17,100.00
Subsidy fund for glass substrate project	1,316,392.68	Other income	1,316,392.68
Patent subsidy	5,000.00	Other income	5,000.00
Tax refund	63,490,000.00	Other income	63,490,000.00
Provincial science and technology award in 2018	60,000.00	Other income	60,000.00
Subsidy for construction of demonstration activity room of party committee	200,000.00	Other income	200,000.00
Municipal science and technology plan project fund of Wuhu Science And Technology Bureau	210,000.00	Other income	210,000.00
The third batch of "5111" industrial team support funds of Wuhu Municipal CPC Committee Organization Department	100,000.00	Other income	100,000.00
Technical standard award of Wuhu Economic and Technological Development Zone Finance Bureau	30,000.00	Other income	30,000.00
Trademark registration award of Wuhu Economic and Technological Development Zone Finance Bureau	600.00	Other income	600.00
Provincial culture demonstration enterprise funds of Wuhu Economic and	10,000.00	Other income	10,000.00

Technological Development Zone Finance Bureau			
Strategic emerging industries talent support of Wuhu Human Resources and Social Security Bureau	100,000.00	Other income	100,000.00
Independent innovation subsidy of Wuhu Economic Development Zone Finance Bureau	400,000.00	Other income	400,000.00
Independent innovation award of Wuhu Economic and Technological Development Zone Finance Bureau	200,000.00	Other income	200,000.00
Independent innovation policy - patent award of Wuhu Economic and Technological Development Zone Finance Bureau	106,250.00	Other income	106,250.00
Government subsidy	240,000.00	Other income	240,000.00
Post stability subsidy of development zone in 2018 of Wuhu Social Insurance Center	219,999.00	Other income	219,999.00
Training and identification subsidy of Wuhu Economic and Technological Development Zone Finance Bureau	126,000.00	Other income	126,000.00
Industrial transformation and upgrading funds of Finance Division of Ministry of Industry and Information Technology	6,742,100.00	Other income	6,742,100.00
Construction funds for building strong province in 2018 of Wuhu Economic and Technological Development Zone Finance Bureau	3,000,000.00	Other income	3,000,000.00
Provincial foreign trade subsidy of Wuhu Economic and Technological Development Zone Finance Bureau	189,300.00	Other income	189,300.00
Subsidy for infrastructure (land	2,244,600.00	Other income	2,244,600.00

refund)			
Industrial revitalization and technological transformation projects	233,333.28	Other income	233,333.28
“Subsidy for “Three Majors and One Innovation” emerging industries	894,473.18	Other income	894,473.18
Technical modifications	266,666.68	Other income	266,666.68
Subsidy fund for glass substrate project	1,000,000.00	Other income	1,000,000.00
Industrial development fund	466,666.68	Other income	466,666.68
Financial discount of project	31,333.32	Other income	31,333.32
Subsidy for industrial revitalization and technological transformation projects	6,515,333.32	Other income	6,515,333.32
Special fund subsidy for provincial strategic emerging industries	333,333.32	Other income	333,333.32
Special fund for technological transformation	2,156,000.00	Other income	2,156,000.00
Fund for strategic emerging industry development projects	2,000,000.00	Other income	2,000,000.00
Funds allocated by High-tech Zone for substrate projects	426,666.68	Other income	426,666.68
Reward fund for production line	1,506,943.40	Other income	1,506,943.40
Green key technological transformation of glass substrate (840)	140,000.00	Other income	140,000.00
Subsidy fund for intelligent manufacturing pilot demonstration project (100)	66,666.67	Other income	66,666.67
Fund for CSCEC International Project 159	2,226,000.00	Other income	2,226,000.00
Special fund for scientific research 40	400,000.00	Other income	400,000.00
Project fund subsidy	6,824,000.00	Other income	6,824,000.00
Municipal patent application funds in 2018	500.00	Other income	500.00
Subsidies for input-output	1,400.00	Other income	1,400.00

surveyors in Statistical Bureau			
Receive the bonus for new flat panel display glass substrate technology achievement transformation and industrialization	80,000.00	Other income	80,000.00
Seagull Plan	999,980.01	Other income	999,980.01
Funds for technological innovation projects of key industries in Kunshan in 2018	89,000.00	Other income	89,000.00
Key industry projects of Science and Technology Bureau	200,000.00	Other income	200,000.00
Receive patent subsidy of Shanghai Intellectual Property Office	7,232.00	Other income	7,232.00
Subsidy for additional training in education	34,464.00	Other income	34,464.00
Subsidy for education costs with additional training of Human Resources and Social Security Bureau	101,616.00	Other income	101,616.00
Receive subsidy for VOC governance of Shanghai Minhang District Environmental Protection Bureau	110,000.00	Other income	110,000.00
Acceptance balance of key projects of zhangjiang special fund	500,000.00	Other income	500,000.00
Acceptance funds for science and technology projects	40,000.00	Other income	40,000.00
Acceptance balance of key projects of Zhangjiang special fund	500,000.00	Other income	500,000.00
The fourth batch of domestic intellectual property funds	17,800.00	Other income	17,800.00
Reward for plant construction	30,699.72	Other income	30,699.72
Budget subsidy for science and technology projects	300,000.00	Other income	300,000.00
Subsidy for enterprise post	74,146.00	Other income	74,146.00

stability			
Recommended catalogue subsidy	63,000,000.00	Other income	63,000,000.00
Steady growth subsidy	1,000,000.00	Other income	1,000,000.00
Hi-tech subsidy	100,000.00	Other income	100,000.00
Subsidy for project R&D of Technology Center	200,000.00	Other income	200,000.00
Probation subsidy	3,600.00	Other income	3,600.00
Reward fund for science and technology award	100,000.00	Other income	100,000.00
Down payment for planned projects	210,000.00	Other income	210,000.00
Patent budget subsidy of Nanxun District Science and Technology Bureau	16,800.00	Other income	16,800.00
Special budget subsidy of Nanxun District Science and Technology Bureau	50,000.00	Other income	50,000.00
Special budget subsidy of Huzhou Finance Bureau	100,000.00	Other income	100,000.00
Subsidy for talent development in Nanxun District	1,000,000.00	Other income	1,000,000.00
Tax incentive	50,000.00	Other income	50,000.00
Subsidy for post stabilization	5,376.32	Other income	5,376.32
The second quarter growth support of Enterprise Service Center	300,000.00	Other income	300,000.00
New warehousing support of modern service industry	100,000.00	Other income	100,000.00
The third quarter growth support of Service Center	100,000.00	Other income	100,000.00
Talent subsidy	31,500.00	Other income	31,500.00
Integrated standardization project of intelligent manufacturing in 2016	2,550,000.00	Other income	2,550,000.00
Subsidy allocated by industrial development for building strong province	4,620,000.00	Other income	4,620,000.00

Integrated standardization project of intelligent manufacturing in 2016	3,990,000.00	Other income	3,990,000.00
Provincial key R&D project funds in 2017	900,000.00	Other income	900,000.00
VAT refund in 2017	1,590,000.00	Other income	1,590,000.00
Provincial technology enterprises warehousing award in 2017 of Suqian Development Zone Finance Bureau	123,300.00	Other income	123,300.00
Provincial financial funds for research and development expenses in 2017 of Suqian Development Zone Finance Bureau	203,100.00	Other income	203,100.00
Provincial innovation coupon cashout fund in 2016 of Suqian Development Zone Finance Bureau	150,000.00	Other income	150,000.00
special bonus for municipal industry introducing science and technology innovation in 2017 of Suqian Development Zone Finance Bureau	150,000.00	Other income	150,000.00
One-off award for talent introduction in Suqian City in 2017	10,000.00	Other income	10,000.00
Municipal patent subsidy in Suqian City in 2017	20,500.00	Other income	20,500.00
Subsidy fund for technological transformation of industrial enterprises in Fuzhou City	172,000.00	Other income	172,000.00
Fuqing supporting subsidy for technological transformation of industrial enterprises in Fuzhou City	86,000.00	Other income	86,000.00
G8.5 TFT-LCD glass substrate precision intelligent manufacturing digital workshop construction project	3,000,000.00	Other income	3,000,000.00

Project subsidy for industrial internet innovation development project and integrated standardization and new mode application of intelligent manufacturing in 2018	1,300,578.03	Other income	1,300,578.03
Special fund for utilization of foreign capital in 2017	300,000.00	Other income	300,000.00
Award for increasing production and efficiency in the first quarter of 2018	343,000.00	Other income	343,000.00
Award for city-wide industrial steady growth, increased production and efficiency in 2017	610,000.00	Other income	610,000.00
Award for policy upgrading scale industrial enterprises in 2017	200,000.00	Other income	200,000.00
New material insurance subsidy	2,922,323.47	Other income	2,922,323.47
Award for increasing production and efficiency	71,500.00	Other income	71,500.00
Urban bus subsidy of Municipal Finance Bureau	1,508,400.00	Other income	1,508,400.00
Key new product projects	39,999.96	Other income	39,999.96
Financial fund for strategic emerging industries in Sichuan Province	306,000.00	Other income	306,000.00
Technical transformation project of 300,000 sets of electrodeless lamp ballast production line	86,000.04	Other income	86,000.04
Intelligent Engineering Laboratory of High Efficiency Lighting System	200,000.04	Other income	200,000.04
First batch of science and technology plans in 2018 (key new products of the province)	300,000.00	Other income	300,000.00
District science and technology plan	20,000.00	Other income	20,000.00

Interest subsidy for working capital loans	210,000.00	Other income	210,000.00
Industrial enterprise support	400,000.00	Other income	400,000.00
Dynamic monitoring of unemployment	1,200.00	Other income	1,200.00
Government subsidy for post stability	47,132.90	Other income	47,132.90
Reward and subsidy for enterprise operation (tax refund)	14,424,000.00	Other income	14,424,000.00
Employment subsidy	16,800.00	Other income	16,800.00
Special support project fund for safety production	50,000.00	Other income	50,000.00
Subsidy fund for sales income	6,924,000.00	Other income	6,924,000.00
Post-subsidy bonus for high-tech enterprises	50,000.00	Other income	50,000.00
Subsidy for booth fee of China Industrial Expo	50,000.00	Other income	50,000.00
Subsidy fund for Health Literacy Promotion Action in 2018	10,000.00	Other income	10,000.00
Subsidy of Family Planning Bureau	10,000.00	Other income	10,000.00
Bonus for automobile in the consumption month	2,392,000.00	Other income	2,392,000.00
Budget for emergency management standardization construction demonstration site	10,000.00	Other income	10,000.00
Subsidy fund for supporting key industries	200,000.00	Other income	200,000.00
Subsidy for plant construction: RMB 1,892,900	5,860.37	Other income	5,860.37
Subsidy for statistical primary construction	2,000.00	Other income	2,000.00
Special advanced manufacturing industry development project in Minhang District in 2018	535,000.00	Other income	535,000.00
Small and medium-sized enterprise technology	120,000.00	Other income	120,000.00



innovation plan project in Minhang District			
Shanghai technology-based small and medium-sized enterprise technology innovation fund project	200,000.00	Other income	200,000.00
Science and technology award	5,600.00	Other income	5,600.00
Feasibility study budget	153,262.52	Non- operating income	153,262.52
Subsidy for post stabilization	29,994.00	Non- operating income	29,994.00
Tax incentive	20,000.00	Non- operating income	20,000.00

## (2) Government subsidy return

Applicable  Not applicable

## 74. 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

In RMB

Name of Acquiree	Time-point of Obtained Equity	Obtained Cost of Equity	Ratio of Obtained Equity (100%)	Method of Obtained Equity	Purchasing Date	Determination Basis on the Purchasing Date	Income of Acquire from the Purchasing Date to the End of the Period	Net Profit of Acquire from the Purchasing Date to the End of the Period
Shenzhen Sanbao Chuangxin Intelligent Co., Ltd.	May 30,2018	157,598,587.00	67.00%	Merger of non-identical controlled enterprises	May 30,2018	Acquisition of controlled	7,659,108.35	-12,733,040.13
Zhongcheng National construction co., Ltd.	March 30,2018	140,000,000.00	70.00%	Merger of non-identical controlled enterprises	March 30,2018	Acquisition of controlled		-7,172,706.59
Huaxi Bus Co., Ltd.	April 4,2018	56,000,000.00	100.00%	Merger of non-identical controlled	April 4,2018	Acquisition of controlled		

				enterprises			
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Other note:

(2) Consolidation Cost and Goodwill

In RMB

Consolidation Cost	Shenzhen Sanbao Chuangxin Intelligent Co., Ltd.	Zhongcheng National construction co., Ltd.	Huaxi Bus Co., Ltd.
--Cash	157,598,587.50	39,999,996.00	44,800,000.00
Contingent fair value		100,000,004.00	
Other			11,200,000.00
Consolidation Cost	157,598,587.50	140,000,000.00	56,000,000.00
Less: Reduction: Obtained Definable Net Assets Fair Proportion	88,710,182.00	6,730,432.38	83.60
Goodwill/ The Consolidation Cost is Less Than the Obtained Definable Net Assets Fair Proportion	68,888,405.50	133,269,567.62	55,999,916.40

(3) The identifiable assets and liabilities of acquiree at purchase date

In RMB

	Shenzhen Sanbao Chuangxin Intelligent Co., Ltd.		Zhongcheng National construction co., Ltd.		Huaxi Bus Co., Ltd.	
	Fair value on purchase date	Book value on purchase date	Fair value on purchase date	Book value on purchase date	Fair value on purchase date	Book value on purchase date
Cash and bank balances	127,075,645.81	127,075,645.81	1,854,947.92	1,854,947.92	83.60	83.60
Account receivable	203,360.00	203,360.00				
Inventory	26,320,943.47	18,724,138.92				
Fixed assets	11,205,970.95	9,391,876.78	41,040.82	44,833.14		
Intangible asset	53,241,307.46	53,849,371.07	14,204,413.89			
Prepayments	318,723.00	318,723.00	284,956.45	284,956.45		
Other receivable	5,297.05	5,297.05	171,120.78	171,120.78		
Other current assets	7,989,608.01	7,989,608.01	28,559.54	28,559.54		
Deferred Income tax assets	154,125.90	2,110.00	948.08			

Account payable			4,200.00	4,200.00		
Deferred Income tax Liabilities	2,352,724.68		3,551,103.47			
Advance Payments	410,909.49	410,909.49				
Employees' wage payable	59,926.94	59,926.94	1,261,899.22	1,261,899.22		
Tax payable	7,677.39	7,677.39				
Other account payable	91,280,486.44	91,280,486.44	2,153,881.38	2,153,881.38		
Net assets	132,403,256.71	125,801,130.38	9,614,903.41	-1,035,562.77	83.60	83.60
Less: Minority equity	43,693,074.71	41,514,373.03	2,884,471.03	-310,668.83		
Acquire net assets	88,710,182.00	84,286,757.35	6,730,432.38	-724,893.94	83.60	83.60

(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 control during the reporting period

Yes  No

## 2. Business combination under the same control

### (1) Business combination under the same control during the reporting period

In RMB

Combined party	Proportion of the profits	Basis	Combination date	Recognition basis of combination date	Income of the combined party from the beginning of the year to the date of the merger	Net profit of the combined party from the beginning of the year to the date of the merger	Income of the merged party during the comparison period	Net profit of the combined party during the period of comparison
Tunghsu (Yingkou) Optoelectronic Display Co., Ltd.	65.00%	Same parent company	June 30, 2018	Pay consideration, control operation	27,289,664.99	-11,435,425.33	16,069,429.21	-13,043,965.22

### (2) Consolidation Cost

In RMB

Consolidation Cost	Tunghsu(Yingkou)Optoelectronic Display Co., Ltd.
--Cash	195,525,500.00

## (3) The identifiable assets and liabilities of acquiree at purchase date

In RMB

	Tunghsu (Yingkou) Optoelectronic Display Co., Ltd.	
	Merger date	End of previous period
Cash and bank balances	49,876,382.38	85,581,351.01
Account receivable	26,247,411.94	27,508,065.58
Inventory	25,751,148.63	23,963,131.18
Fixed assets	330,341,703.53	335,451,284.12
Intangible assets	24,988,633.63	25,314,850.99
Prepayments	498,425.88	858,504.05
Other receivable	32,000.00	2,000.00
Other current assets	75,603,084.09	74,056,644.01
Construction in process	586,201,554.22	570,609,032.67
Deferred Income tax assets	4,807,992.36	5,334,663.88
Other non-current assets	1,985,104.15	1,985,104.15
Account payable	30,134,535.09	101,667,530.90
Advance Payments	11,593.50	9,537.00
Employees' wage payable	296,037.13	249,318.39
Tax payable	1,840,851.65	280,315.37
Other payable	188,164,916.74	125,478,801.61
Non-current liabilities due 1 year	36,316,392.68	36,316,392.68
Long-term loans	420,000,000.00	425,000,000.00
Deferred Income	84,997,214.64	85,655,410.98
Other non-current liabilities	108,000,000.00	108,000,000.00
Net assets	256,571,899.38	268,007,324.71
Less: Minority equity	89,800,164.78	93,802,563.65
Acquire net assets	166,771,734.60	174,204,761.06

## 3. Counter purchase

Basic information of trading, the basis of transactions constitute counter purchase, the retain assets, liabilities of the listed companies whether constituted a business and its basis, the determination of the combination costs, the amount and calculation of adjusted rights and interests in accordance with the equity transaction process.

## 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 control	The difference between the disposal price and the share of the subsidiary's net assets at the level of consolidated financial statements corresponding to the disposal of the investment	Proportion of stocks at the date of loss of control	The book value of the remaining equity at the date of loss of control	The fair value of the remaining equity at the date of loss of control	Regain or losses arising from re-measurement of the remaining equity at fair value	Determination of the fair value of the remaining equity at the date of loss of control and its main assumptions	The amount of other comprehensive income related to the atomic company's equity investment and profit and loss
Xuyou Electronic Materials Technology (Wuxi) Co., Ltd.	550,000,000.00	51.00%	Sell	April 28, 2018	Received consideration and lost control	3,182,206.12	0.00%	0.00	0.00	0.00		0.00

Other notes:

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:

New important subsidiaries in the current period

(1) On March 8, 2018, Shenzhen Xuhui Investment Holding Co., Ltd and Jiangxi University of Science and Technology set up a subsidiary-Beijing Xujiang Technology Co., Ltd., with the registered capital of RMB 22.7345 million and the paid-up capital of RMB 22.7345 million. Of which, Shenzhen Xuhui Investment Holding Co., Ltd. subscribes and pays RMB 12 million, holding 52.78% of the shares.

subscribes of RMB 316.1197 million and Holding 90% of the shares; Xiji Traffic Construction Co., Ltd. subscribes and pays RMB 35.1244 million, holding 10% of the shares, Jiangxi University of Science and Technology subscribes and pays RMB 10.7345 million, holding 47.22% of the shares.

(2) On March 23, 2018, Mingshuo (Beijing) Electronic Technology Co., Ltd. set up a wholly-owned subsidiary-Mudanjiang Mingshuo Optoelectronic Technology Co., Ltd., With the registered capital of RMB 30 million and the paid-up capital of RMB 0.00.

(3) On May 17, 2018, Tunghsu Construction Group Co., Ltd. set up a wholly-owned subsidiary- Luoyang Construction Engineering Co., Ltd., With the registered capital of RMB 100 million and the paid-up capital of RMB 100 million.

(4) On July 16, 2018, Mingshuo (Beijing) Electronic Technology Co., Ltd. set up a wholly-owned subsidiary-Zaozhuang Mingshuo Optoelectronic Technology Co., Ltd., With the registered capital of RMB 30 million and the paid-up capital of RMB 10,000

(5) On July 26, 2018, Jiangsu Yitai Intelligent Equipment Co., Ltd. acquired equity of Tunghsu Ruiqi (Beijing) Technology Co., Ltd. With the registered capital of RMB 20 million, Jiangsu Tunghsu Yitai Intelligent Equipment Co., Ltd. holds 51% of the shares, Liu Yang holds 32% of the shares, Xiajinlong holds 17% of the shares.

(6) November 6, 2018, Tunghsu Optoelectronic Technology Co., Ltd. set up a wholly-owned subsidiary-Anhui Xuan Optoelectronic Technology Co., Ltd., With the registered capital of RMB 1 million and the paid-up capital of RMB 10 million.

6. Other

## IX. Equity in other entity

### 1. Equity in subsidiary

#### (1) Constituted 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,	Photoelectric display material	81.26%		Establish

		Shijiazhuang, Hebei Province				
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
Wuhan Tunghsu Optoelectronic Technology Co., Ltd.	Wuhan	1/F, No.2 Business tower, Huazhong Shuguang Software park, No.1Guanshan Road,Donghu Development Zone, Wuhan	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	88.89%		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	Beijing	206, 2/F, Building 2B,No.80,	Industrial application of	70.00%		Establish

Technology Co., Ltd.		Xingshikou Road, Haidian District, Beijing	graphene			
Jiangsu Jixing New Material Co., Ltd.	Jiangsu	New Material Industry Zone, Youfang Town, Yangzhong City	Photoelectric display material	100.00%		Non control combination
Beijing Tunghsu Huaqing Investment Co., Ltd.	Beijing	1201-E18(Area)1 2/F, No.1, 6-3 Building, Automobile 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, Jiangchuan 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-Hong Kong 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, Shenye 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 EU.C.V	Holland	Strawinskyaan 909, 1077XX Amsterdam, the Netherlands	Overseas investment management	100.00%		Establish
Anhui Xuan Optoelectronic Technology Co., Ltd.	Chuzhou	No.155, Quanjiao Road, Chuzhou , Anhui	Photoelectric display material	100.00%		Establish
Jiangsu xuheng new material co. LTD	JiangSu	9 F. main building, recreation and sports center, no.36, hanjing avenue, yunlong district, xuzhou city	Research and development of new material technology	100.00%		Establish

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%	15,261,279.63		127,875,221.16
Daosui Group Engineering Co., Ltd.	49.00%	12,848,583.00		86,002,179.03
Shanghai Tanyuan Huigu New Material Technology Co., Ltd.	49.50%	10,138,966.40		63,373,844.58
Shenzhen Sanbao Innovation Intelligent Co., Ltd.	33.00%	-4,201,903.25		39,491,171.47
Tunghsu (Yingkou) Optoelectronic Display Co., Ltd.	35.00%	90,685.60		93,893,249.25

## (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..	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	646,709,574.39	423,862,686.32	1,070,572,260.71	601,135,214.70	188,000,000.00	789,135,214.70
Daosui Group Engineering Co., Ltd.	2,167,509,492.45	202,708,811.48	2,370,218,303.93	2,073,267,879.04	121,889,831.33	2,195,157,710.37	1,703,235,393.81	212,928,263.97	1,916,163,657.78	1,652,020,253.77	129,832,585.29	1,781,852,839.06
Shanghai	54,919,7	89,462,4	144,382,	15,988,1	366,037.	16,354,1	29,877,8	84,534,6	114,412,	6,477,59	389,647.	6,867,24

Tanyuan Huigu New Material Technology Co., Ltd.	12.81	17.94	130.75	24.61	32	61.93	54.31	00.13	454.44	8.47	55	6.02
Shenzhen Sanbao Innovation Intelligent Co., Ltd.	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.	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	211,969,695.83	938,694,935.81	1,150,664,631.64	264,001,895.95	618,655,410.98	882,657,306.93

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..	1,346,878,749.65	38,153,199.07	38,153,199.07	691,769,381.35	431,614,395.70	41,290,334.25	41,290,334.25	-72,064,807.16
Daosui Group Engineering Co., Ltd.	1,861,703,065.12	26,141,288.12	26,141,288.12	-193,439,024.46	314,838,576.30	3,830,635.45	3,830,635.45	65,139,015.21
Shanghai Tanyuan Huigu New Material Technology Co., Ltd.	88,995,675.61	20,482,760.40	20,482,760.40	8,168,288.19	17,171,660.27	23,827,340.62	23,827,340.62	6,575,862.80

Shenzhen Sanbao Innovation Intelligent Co., Ltd.	7,659,108.35	-12,733,040.13	-12,733,040.13	-11,678,623.70				
Tunghsu (Yingkou) Optoelectronic Display Co., Ltd.	147,376,006.85	259,101.72	259,101.72	61,789,360.02	16,069,429.21	-13,043,965.22	-13,043,965.22	-7,604,917.03

## 2. Equity in joint venture arrangement or associated enterprise

## 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
Tunghsu Group Finance Co., Ltd.	Hebei	Shijiazhuang Hebei	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
	Dongxu group finance co. LTD	Dongxu group finance co. LTD
Current assets	3,045,452,313.85	2,682,394,584.48
Non-current assets	28,093,049,900.77	9,907,461,970.78
Total of assets	31,138,502,214.62	12,589,856,555.26
Current liabilities	25,997,850,975.29	7,579,701,042.91
Total of Liabilities	25,997,850,975.29	7,579,701,042.90
Attributable to shareholders of the parent company	5,140,651,239.33	5,010,155,512.35
Share of net assets calculated by stake	2,056,260,495.73	2,004,062,204.94
Book value of equity investment in associates	2,056,260,495.73	2,004,062,204.94
Business income	520,973,281.19	123,282,711.28
Net profit	130,495,726.98	10,155,512.35
Total comprehensive income	130,495,726.98	10,155,512.35

## (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 book value	118,087,473.48	126,422,519.76
The total number of shares in each of the following shares	--	--
--Net	12,167,760.85	601,000.00
Total comprehensive income	12,167,760.85	601,000.00

## X. The risk related financial instruments

The Company faces a variety of financial risks in the course of operation: credit risk, market risk and liquidity risk. The Business Management Department of the Company management is fully responsible for the determination of risk management objectives and policies, and assumes the ultimate responsibility for the risk management objectives and policies. The Business Management Department of the Company reviews the effectiveness of the performed programs as well as the rationality of risk management objectives and policies through monthly work statement submitted by the Functional Department.

The objective of the Company's engagement in risk management is to obtain a proper balance between the risks and benefits, reduce the risks' negative impact on the Company's operating performance to the lowest level and maximize the interests of shareholders and other equity investors. Based on the risk management objectives, the basic strategy of the Company's risk management is to identify and analyze the risks faced by the Company, establish appropriate baseline of risk tolerance, conduct risk management as well as timely and reliably supervise various risks to control the risks within a limited range.

## 1. Credit Risk

Credit risk refers to the financial loss risk of the other Party if one Party of financial instruments fails to perform its obligations. The Company mainly faces customer credit risk caused by the credit sale. The Company would make an evaluation on new customers' credit risk before signing new contracts, which includes external credit rating and bank reference letter (when available) under certain circumstances. The Company sets quota on credit sale for each customer and such quota is the maximum amount without additional approvals.

The company ensures that the company's overall credit risk is within a manageable range through quarterly audits of existing customer credit ratings and monthly audits of accounts receivable aging analysis. In monitoring the customer's credit risk, according to the customer's credit characteristics of its grouping. Customers who are rated as "high risk" will be placed on the restricted customer list and the company will be able to credit it in the next period, subject to additional approval, otherwise it must be required to pay the corresponding payment in advance.

## 2. Market Risk

The market risk of financial instruments refers to the risk that the fair value or future cash flow of the financial instruments would fluctuate due to the market price changes, which includes interest rate risk ,foreign exchange

risk and other price risks.

#### (1) Interest Rate Risk

Interest rate risk refers to the risk that the fair value or future cash flow of the financial instruments would fluctuate due to the market price changes. The interest rate risk faced by the Company mainly comes from short-term bank loans. The Company meets various short-term financing needs through establishing good bank-enterprise relationship as well as reasonably designing credit line, credit type and credit term to guarantee the sufficient bank credit line. In addition, the Company also reasonably reduces the fluctuation risk of interest rate by shortening the term of single loan and performing specially agreed prepayment term.

#### (2) Foreign Exchange Risk

Foreign exchange risk refers to the risk that the fair value or future cash flow of the financial instruments would fluctuate due to the market price changes. The Company would match the foreign currency incomes and expenses as far as possible to reduce the foreign exchange risk. On account of the small proportion of foreign financial assets and liabilities in the total assets, there's no forward foreign exchange contract or currency swap contract signed by the Company in January 2018- 2017.

The foreign exchange risk faced by the Company mainly comes from the financial assets and financial liabilities priced by US dollar, Yen, Euro and GBP . For the amount of foreign currency financial assets and foreign currency financial liabilities converted into RMB, please refer to Note VII. In the notes to the consolidated financial statements, 71 foreign currency monetary items.

### XI. Disclosure of fair value

### 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:

Items	Opening balance	Indrease	Decerease	Closing balance
Paid-in capital	21,800,000,000.00	15,000,000,000.00		36,800,000,000.00

Ultimate controller of the Company is Li Zhaoting

Other note

Nil

## 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

See Notes IX.

Other cooperative enterprise and joint venture that have related transaction with the Company in the Period or occurred in pervious 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

Other note

## 4.Other related party

Other related party	Relationship with the Enterprisse
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.	A joint venture of the parent company
Tunghsu Group Finance Co., Ltd.	Joint venture of the company
Yinchuan Fengxiang Street Underground integrated Management Co., Ltd.	Controlled by the same actual controller
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
Tunghsu Lantian New Energy 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
Zhangzhou Shenghuawu Real Estate Development Co., Ltd.	Controlled by the same actual controller
Chongqing Tunghsu Qide Real Estate Co., Ltd.	Controlled by the same actual controller
Baoshi Group, Industry & Trade Company Mineral Water Factory	Controlled by the same actual controller
Shanghai Anxuan Autormation 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
Jinzhou Xulong New Material 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

## 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
Chengdu China Optoelectronic Technology Co., Ltd.	Glass substrate semi-finished product	20,000,000.00			
Shijiazhuang Baoshi Zhonghe Steel Plastic Shape Co., Ltd.	Doors and windows	8,963,488.82			289,743.58
Chengdu China Optoelectronic Technology Co., Ltd.	Equipment Material	1,064,512.80			
Chengdu Taiyisi Technology Co., Ltd.	Equipment Material	361,965.81			
Tunghsu Honghai Environmental Protection Technology Co.,Ltd.	Combustion machine	340,517.24			
Anhui Tunghsu Dabieshan	Camellia Oi	48,364.00			

Agricultural Science & Technology Co., Ltd.					
Shijiazhuang Bofa Mechanical Equipment Co., Ltd	A frame				568,390.00
Shijiazhuang Baoshi Electronic vacuum Glass Co., Ltd.	Electromechanical equipment	1,196,581.20			
Shijiazhuang Baoshi Electronic Group Co., Ltd.	Energy	908,190.45			792,773.07
Shijiazhuang Baoshi Electronic Group Co., Ltd.	Security fee				630,779.00
Total		32,883,620.32			2,281,685.65

## Related transactions on sale goods and receiving services

In RMB

Related parties	Content of related transaction	Amount of current period	Amount of previous period
Anhui Tunghsu Kangtu Solar Energy Technology Co., Ltd.	Spares	274,310.34	
Beijing Hexie Guanglu Technology Co., Ltd.	Construction	287,179.49	
Beijing Zhonghuan Xinrong Trade Co., Ltd.	Construction	196,132,742.57	
Chengdu Taiyisi Technology Co., Ltd.	Construction	23,131.62	
Chengdu China Optoelectronic Technology Co., Ltd.	Construction	14,647.38	
Chengdu China Optoelectronic Technology Co., Ltd.	Traction roll project	611,459.82	1,851,454.70
Chengdu China Optoelectronic Technology Co., Ltd.	Sales of alkyne	3,439.66	
Dongguan Yijiu Real Estate Development Co., Ltd.	Construction	7,435,707.37	
Tunghsu North Real Estate	Construction	54,568.04	

(Beijing) Co., Ltd.			
Tunghsu North Real Estate (Beijing) Co., Ltd.	Alkyne	71,503.37	
Tunghsu Chuangzhi(Beijing)Cultural Media Co., Ltd.	Robot	175,862.12	
Tunghsu International Investment Group Co., Ltd.	Spares	8,892.24	
Tunghsu Group	Equity custody income	235,849.06	
Tunghsu Group	Construction	648,458.60	
Tunghsu Group	Glass	34,482.76	
Tunghsu Group	Lamps		8,717.94
Tunghsu Group	Spares	253,922.41	
Tunghsu Group	Equipment		20,085,470.09
Tunghsu Kechuang Technology Industry Development Co., Ltd.	Spares	247,586.21	
Tunghsu Technology Development Co., Ltd.	Construction	9,771,017.46	
Tunghsu Technology Group Co., Ltd.	Efficient lightbulb	811.97	5,384.62
Tunghsu Lantian New EnergyCo., Ltd.	Graphene	39,490,909.09	34,102.56
Fujian Tunghsu Real Estate Co., Ltd.	Construction	9,178,396.21	
Fujian Tunghsu Qiming Real Estate Co., Ltd.	Sales of alkyne	33,456.70	
Guangdong Huakai Real Estate Development Co., Ltd.	Construction	46,479,358.32	50,231,982.84
Hangzhou Yuanbang Real Estate Development Co., Ltd.	Spares	3,008.62	
Hunan Baoan Hongji Real Estate Development Co., Ltd.	Construction	28,799,566.55	
Huiyin Gold Control Asset Management Co., Ltd.	Construction	387,177.52	
Huidong Baoan Hongji Real Estate Development Co., Ltd.	Construction	80,564,662.74	
Huidong Baoan Jinan Real	Construction	313,409,269.67	

Estate Development Co., Ltd.			
Jinzhou Xulong New Material Co., Ltd.	Construction		2,334,172.94
Kunming Tunghsu Qiming Investment Development Co., Ltd.	Construction	472,417,467.35	57,628,263.37
Kunming Tunghsu Qiming Investment Development Co., Ltd.		15,474.14	
Shanghai Anxuan Automation Technology Co., Ltd.	Part	184,745.94	
Shenzhen Hongji Property Management Co., Ltd.	Construction	263,333.34	
Shengzhou Zhexu Real Estate Co., Ltd.	Construction	132,136,363.64	
Shengzhou Zhexu Real Estate Co., Ltd.	Sales of alkyne	20,520.34	
Shijiazhuang Baoshi Large-diameter plastic tube Co., Ltd.	Construction	594,000.00	
Shijiazhuang Bofa Mechanical Co., Ltd.	A frame		7,285,897.44
Ningxia Xutang New Material Technology Co., Ltd.	Sales material		11,964.11
Shijiazhuang Tunghsu Medical Equipment Co., Ltd.	Construction	3,636,363.60	
Tibet Tunghsu Electric Power Engineering Co., Ltd.	Speres	3,275.86	
Tibet Financial Leasing Co., Ltd.	Graphene		5,115.39
Tibet Xuri Capital Management Co., Ltd.	Robot	8,448.28	
Yixian Xuhua Park Construction Development Co., Ltd.	Construction	58,744,654.57	41,574,488.29
Yinchuan Fengxiang Street Comprehensive Construction Management Co., Ltd.	Construction	52,741,795.14	336,755,509.90
Zhangzhou Nancai Real Estate	Construction	3,517.24	

Development Co., Ltd.			
Zhangzhou Nanrong Real Estate Development Co., Ltd.	Alkene	6,879.31	
Zhangzhou Shenghua Real Estate Development Co., Ltd.	Construction	159,100,004.55	
Zhangzhou Shenghua Real Estate Development Co., Ltd.	Spares	8,732.98	
Zhongshan Shenzhong Zhangzhou Shenghua Real Estate Development Co., Ltd.	Construction	388,042,917.70	
Zhongshan Shenzhong Real Estate Investment Co.,Ltd.	Construction	51,747,572.82	
Chongqing Tunghsu Qide Real Estate Co., Ltd.	Construction	72,347,034.55	
Huizhou Dexin Real Estate Co., Ltd.	Construction	84,628,947.48	
Total		2,211,283,426.74	517,812,524.19

Note

Nil

(2) Related trusteeship or contracting

Related custody/contracting situation statement

Nil

Related management/out of the package situation

Nil

(3) Information of related lease

Related lease situation description

Nil

(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

As a secured party for the company

In RMB

Guarantor	Guarantee amount	Start date	End date	Execution accomplished or not

Tunghsu Group Co., Ltd. and its 40 million shares of Tunghsu Optoelectronics Technology Co., Ltd.	425,000,000.00	November 7,2016	June 20,2024	No
Tunghsu Group , Li Zhaoting	17,792,407.79	June 16,2016	June 16,2019	No
Tunghsu Group、 Li Zhaoting、 Li Qing	300,000,000.00	April 1,2014	April 11,2022	No
Tunghsu Group、 Li Zhaoting、 Li Qing	150,000,000.00	April 22,2015	April 11,2022	No
Tunghsu Optoelectronic Technology Co., Ltd., Tunghsu Group	100,000,000.00	March 27,2018	March 27,2019	No
Tunghsu Optoelectronic Technology Co., Ltd., Tunghsu Group	100,000,000.00	March 28,2018	March 28,2019	No
Tunghsu Optoelectronic Technology Co., Ltd., Tunghsu Group	110,000,000.00	December 28,2018	December 28,2019	No
Tunghsu Optoelectronic Technology Co., Ltd., Tunghsu Group	70,000,000.00	March 27,2018	March 15,2019	No
Tunghsu Optoelectronic Technology Co., Ltd., Tunghsu Group	30,000,000.00	April 2,2018	March 15,2019	No
Tunghsu Optoelectronic Technology Co., Ltd., Li Zhaoting	60,000,000.00	March 1,2018	March 1,2019	No
Tunghsu Optoelectronic Technology Co., Ltd., Tunghsu Group	50,000,000.00	March 30,2018	March 29,2019	No
Tunghsu Optoelectronic Technology Co., Ltd., Li Zhaoting	92,350,746.73	September 30,2018	September 29,2021	No
Tunghsu Optoelectronic Investment Co., Ltd., Tunghsu Group, Li Zhaoting, Tunghsu Optoelectronic	1,000,000,000.00	December 7,2018	December 6,2019	No

Technology Co., Ltd.				
Tunghsu Group	50,000,000.00	July 26,2018	July 26,2019	No
Tunghsu Group	95,000,000.00	March 19,2018	March 12,2019	No
Tunghsu Group	90,000,000.00	April 12,2018	April 2,2019	No
Tunghsu Group	15,000,000.00	June 12,2018	May 7,2019	No
Tunghsu Group , Li Zhaoting, Li Qing	115,000,000.00	October 31,2017	October 31,2019	No
Tunghsu Group , Li Zhaoting	98,000,000.00	July 7,2017	July 6,2019	No
Tunghsu Group, Tunghsu Optoelectronic Technology Co., Ltd.	20,000,000.00	September 26,2018	September 26,2019	No
Tunghsu Group, Li Zhaoting, Tunghsu Optoelectronic Technology Co., Ltd.	25,000,000.00	December 3,2018	December 2,2019	No
Tunghsu Group, Li Zhaoting, Tunghsu Optoelectronic Technology Co., Ltd.	400,000,000.00	November 30,2016	November 30,2019	No
Tunghsu Group, Li Zhaoting	200,000,000.00	May 27,2016	May 26,2019	No
Tunghsu Group, Li Zhaoting	100,000,000.00	March 3,2017	March 2,2019	No
Tunghsu Group, Li Zhaoting	136,301,749.37	November 7,2017	November 7,2020	No
Tunghsu Group, Li Zhaoting	180,000,000.00	November 10,2017	November 15,2022	No
Tunghsu Group, Li Zhaoting, Tunghsu Optoelectronic Technology Co., Ltd.	40,000,000.00	February 9,2018	February 8,2019	No
Tunghsu Group, Li Zhaoting, Tunghsu Optoelectronic Technology Co., Ltd.	40,000,000.00	February 12,2018	February 11,2019	No
Tunghsu Group, Li Zhaoting	206,466,015.69	November 6,2017	November 6,2020	No
Tunghsu Group, Li	200,000,000.00	June 26,2018	June 24,2019	No

Zhaoting				
Tunghsu Group, Li Zhaoting	80,000,000.00	September 18,2018	September 18,2019	No
Tunghsu Group, Li Zhaoting	40,000,000.00	September 28,2018	September 27,2019	No
Tunghsu Group, Li Zhaoting	80,000,000.00	September 30,2018	September 27,2019	No
Tunghsu Group	200,000,000.00	June 8,2018	June 8,2019	No
Tunghsu Group	45,000,000.00	May 28,2018	May 28,2019	No
Tunghsu Group	135,000,000.00	June 27,2018	June 27,2019	No
Tunghsu Group	46,225,932.79	October 12,2018	October 12,2021	No
Tunghsu Group	30,000,000.00	July 26,2018	March 20,2020	No
Tunghsu Group	50,000,000.00	November 1,2018	June 20,2020	No
Tunghsu Group	54,306,914.36	May 25,2016	May 20,2019	No
Tunghsu Group, Li Zhaoting	200,000,000.00	November 26,2018	November 26,2019	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 25,2019	No
Tunghsu Group, Li Zhaoting	100,000,000.00	December 11,2018	December 11,2019	否
Tunghsu Group	85,000,000.00	September 18,2017	September 15,2022	No
Tunghsu Group	170,000,000.00	September 18,2017	September 15,2022	No
Tunghsu Group	170,000,000.00	September 18,2017	September 15,2022	No
Tunghsu Group	85,000,000.00	Septemer 18,2017	September 15,2022	No
Tunghsu Group	170,000,000.00	October 31,2017	September 15,2022	No
Tunghsu Group	170,000,000.00	October 31,2017	September 15,2022	No
Tunghsu Group	100,000,000.00	July 11,2018	July 10,2019	No
Tunghsu Group	200,000,000.00	September 27,2018	September 26,2019	No
Tunghsu Group	20,000,000.00	November 5,2018	November 5,2019	No
Tunghsu Group	100,000,000.00	December 11,2018	December 10,2019	No
Tunghsu Group	345,000,000.00	January 28,2013	January 27,2021	No
Tunghsu Group	27,742,800.00	January 28,2013	January 27,2021	No
Tunghsu Group, Li Zhaoting	133,782,675.98	May 31,2016	May 30,2021	No



Tunghsu Group	50,000,000.00	February 7,2018	December 6,2019	No
Tunghsu Group	50,000,000.00	December 4,2018	December 4,2019	No
Tunghsu Group , Li Zhaoting , Li Qing	200,000,000.00	May 15,2017	May 15,2019	No
Tunghsu Group , Li Zhaoting , Li Qing	300,000,000.00	June 2,2017	June 2,2019	No
Tunghsu Group , Li Zhaoting , Li Qing	299,550,000.00	June 7,2016	June 7,2019	No
Tunghsu Group , Li Zhaoting	450,000,000.00	September 30,2016	September 29,2021	No
Tunghsu Group	200,000,000.00	March 15,2018	March 15,2019	No
Tunghsu Group	450,000,000.00	June 13,2018	June 13,2019	No
Tunghsu Group	250,000,000.00	July 28,2018	July 28,2019	No
Tunghsu Group	10,000,000.00	September 26,2018	September 25,2019	No
Li Zhaoting	480,000,000.00	December 21,2018	December 21,2019	No
Li Zhaoting	1,800,000,000.00	October 16,2018	October 15,2019	No
Tunghsu Group	100,000,000.00	April 5,2017	March 14,2018	Yes
Tunghsu Group	100,000,000.00	June 19,2017	March 14,2018	Yes
Tunghsu Group	45,000,000.00	April 1, 2017	March 23,2018	Yes
Tunghsu Group	45,000,000.00	April 10,2017	March 31,2018	Yes
Tunghsu Group ,Li Zhaoting, Li Qing	150,000,000.00	May 26,2016	April 26,2018	Yes
Tunghsu Group ,Li Zhaoting, Li Qing	159,000,049.50	June 8,2016	April 8,2018	Yes
Tunghsu Group ,Li Zhaoting, Li Qing	40,999,950.50	June 21, 2016	April 21,2018	Yes
Tunghsu Group , Li Zhaoting	38,000,000.00	April 20,2017	April 19,2018	Yes
Tunghsu Group , Li Zhaoting	20,000,000.00	June 30,2017	June 29,2018	Yes
Tunghsu Group , Li Zhaoting	22,000,000.00	July 7,2017	July 6,2018	Yes
Tunghsu Group	10,000,000.00	June 20,2017	April 25,2018	Yes
Tunghsu Group	30,000,000.00	June 20,2017	April 20,2018	Yes
Tunghsu Group, Li Zhaoting, Li Qing	387,700,000.00	April 29,2016	April 28,2018	Yes
Tunghsu Group	100,000,000.00	May 17,2016	May 17,2018	Yes

Tunghsu Group	100,000,000.00	May 20,2016	May 20,2018	Yes
Tunghsu Group, Li Zhaoting, Li Qing	150,000,000.00	May 19,2016	May 18,2018	Yes
Tunghsu Group	81,500,000.00	May 26,2016	May 26,2018	Yes
Tunghsu Group	40,000,000.00	May 9,2017	May 8,2018	Yes
Tunghsu Group	160,000,000.00	May 11,2017	May 10,2018	Yes
Tunghsu Optoelectronic Technology Co., Ltd. Li Zhaoting	75,000,000.00	May 31,2017	May 31,2018	Yes
Tunghsu Optoelectronic Technology Co., Ltd. Li Zhaoting	30,000,000.00	June 9,2017	June 9,2018	Yes
Tunghsu Group , Li Zhaoting	400,000,000.00	August 15,2017	June 29,2018	Yes
Tunghsu Group	100,000,000.00	July 7,2017	July 6,2018	Yes
Tunghsu Group	20,000,000.00	July 26,2017	July 6,2018	Yes
Tunghsu Group	100,000,000.00	July 31,2017	July 30,2018	Yes
Tunghsu Group , Li Zhaoting	30,000,000.00	May 22,2018	May 22,2019	Yes
Tunghsu Group , Li Zhaoting	400,000,000.00	August 15,2017	August 15,2018	Yes
Tunghsu Group , Li Zhaoting	50,000,000.00	August 3,2017	August 2,2018	Yes
Tunghsu Group	199,000,000.00	February 24,2017	August 23,2018	Yes
Tunghsu Group	50,000,000.00	August 24,2017	August 24,2018	Yes
Tunghsu Group , Li Zhaoting	80,000,000.00	October 20,2015	October 15,2018	Yes
Tunghsu Group	204,000,000.00	March 29,2017	September 28,2018	Yes
Tunghsu Group , Li Zhaoting	42,000,000.00	April 10,2018	October 10,2018	Yes
Tunghsu Group , Li Zhaoting	38,000,000.00	April 11,2018	October 11,2018	Yes
Tunghsu Group	97,000,000.00	April 27,2017	October 26,2018	Yes
Li Zhaoting	400,000,000.00	October 19,2017	October 19,2018	Yes
Tunghsu Group, Li Zhaoting	200,000,000.00	October 26,2017	October 26,2018	Yes
Tunghsu Group	25,000,000.00	October 19,2017	October 19,2018	Yes

Tunghsu Group	50,000,000.00	October 12,2017	October 10,2018	Yes
Tunghsu Group	100,000,000.00	October 26,2017	October 26,2018	Yes
Tunghsu Group	25,000,000.00	October 20,2017	October 19,2018	Yes
Tunghsu Group	100,000,000.00	September 26,2013	April 11,2022	Yes
Tunghsu Group, Li Zhaoting	200,000,000.00	November 30,2017	November 30,2018	Yes
Tunghsu Group	50,000,000.00	November 1,2017	November 1,2018	Yes
Tunghsu Group	20,000,000.00	November 16,2017	November 15,2018	Yes
Tunghsu Group	50,000,000.00	December 1,2017	November 30,2018	Yes
Tunghsu Group, Li Zhaoting	100,000,000.00	November 13,2017	November 12,2018	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	50,000,000.00	December 28,2017	December 27,2018	Yes
Tunghsu Group	200,000,000.00	December 22,2017	December 22,2018	Yes
Li Zhaoting	560,000,000.00	December 15,2017	December 15,2018	Yes
Tunghsu Group	100,000,000.00	January 31,2018	December 31,2018	Yes
Tunghsu Group, Li Zhaoting, Li Qing	200,000,000.00	December 27,2016	December 27,2018	Yes
Tunghsu Group, Li Zhaoting, Li Qing	200,000,000.00	December 29,2016	December 29,2018	Yes
Tunghsu Group, Li Zhaoting, Li Qing	100,000,000.00	December 23,2016	December 23,2018	Yes
Tunghsu Group	200,000,000.00	December 15,2016	December 15,2018	Yes
Tunghsu Group	100,000,000.00	December 29,2017	December 27,2018	Yes
Tunghsu Group, Li Zhaoting	166,666,666.66	January 6,2017	January 6,2019	Yes
Tunghsu Optoelectronic Technology Co., Ltd., Li Zhaoting	142,500,000.00	June 26,2018	January 26,2019	Yes
Tunghsu Optoelectronic Technology Co., Ltd., Li Zhaoting	150,000,000.00	June 26,2018	January 26,2019	Yes
Dong xu group co. LTD	445,000,000.00	January 28,2013	January 27,2021	None
Dong xu group co. LTD	34,316,000.00	January 28,2013	January 27,2021	None
Hangzhou yuanbang real estate development co.	480,000,000.00	December 21,2018	December,21,2019	None

LTD				
Tunghsu Group, Li Zhaoting	20,000,000.00	December 29,2018	December,18,2019	None
Dong xu group co. LTD	50,000,000.00	November 29,2018	Novemberr28,2019	None
Dong xu group co. LTD, Li Zhaoting	20,833,333.28	January 06,2017	January,06,2019	None

Note

Nil

(5) Inter-bank lending of capital of related parties:

(6) Related party asset transfer and debt restructuring

In RMB

Related party	Content	Amount of current period	Amount of previous period
Tunghsu Technology Group Co., Ltd.	51% equity of Xuyou Electronic Materials Technology (Wuxi) Co., Ltd.	550,000,000.00	
Total		550,000,000.00	

(7) Rewards for the key management personnel

In RMB

Items	Amount of current period	Amount of previous period
Rewards for the key management personnel	817.48	837.29

(8) Other related transactions

(5) Fund settlement business

As approved by the resolution of the shareholders' meeting of the Company, the Company and Tunghsu Group Finance Co., Ltd. (hereinafter referred to as "Tunghsu Finance Company") carried out partial capital settlement business. As of December 31, 2018, the capital settlement between the Company and its subsidiaries and Tunghsu Finance Company was as follows:

Name	Opening balance	Increase in the current period	Interest receivable or payable (-)
I. Deposits stored in Tunghsu Finance Company	5,838,232,555.01	73,647,041,005.91	71,365,240,006.18
II. Acceptance bill stored in Tunghsu Finance Company			
III. Entrusting Tunghsu Finance Company to issue acceptance bill			
IV. Carry out bill discounting to Tunghsu Finance Company			
V. Loan from Tunghsu Finance Company			

VI. Handling non-recourse factoring of accounts receivable to Tunghsu Finance Company			
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Continue

Name	Closing balance	Interest receivable or payable (-)
I. Deposits stored in Tunghsu Finance Company	8,120,033,554.74	135,922,815.23
II. Acceptance bill stored in Tunghsu Finance Company		
III. Entrusting Tunghsu Finance Company to issue acceptance bill		
IV. Carry out bill discounting to Tunghsu Finance Company		
V. Loan from Tunghsu Finance Company		
VI. Handling non-recourse factoring of accounts receivable to Tunghsu Finance Company		

## 6. Payables and receivables of the related party

## (1) Receivables

In RMB

Name	Related party	Amount at year end		Amount at year begiing	
		Balance of Book	Bad debt provision	Balance of Book	Bad debt provision
Account receivable	Chengdu China Optoelectronic Technology Co., Ltd.	874,842.20		629,722.6	
Account receivable	Hebei Baoshi Energy saving lighting technology Co., Ltd.			43,600.00	
Account receivable	Guangdong Huakai Real Estate Development Co., Ltd.	30,096,793.88		19,184,644.15	
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.	247,253,556.82		29,110,261.39	
Account receivable	Yinchuan Fengxiang Street Comprehensive Construction Management Co.,	107,844,476.63		173,363,844.40	

	Ltd.				
Account receivable	Anhui Tunghsu Kangtu Solar Energy Technology Co., Ltd.	222,740.00			
Account receivable	Baoan Hongji Real Estate Group Co., Ltd.	35,392,973.72			
Account receivable	Beijing Hexie Guanglu Technology Co., Ltd.	138,000.00			
Account receivable	Beijing Zhonghuan Xinrong Trade Co., Ltd.	215,747,350.00			
Account receivable	Dongguan Yijiu Real Estate Development Co., Ltd.	996,344.71			
Account receivable	Tunghsu Chuangzhi (Beijing) Cultural Media Co., Ltd.	204,000.00			
Account receivable	Tunghsu Technology Development Co., Ltd.	4,133,892.00			
Account receivable	Fujian Tunghsu Qiming Real Estate Co., Ltd.	3,389,184.77			
Account receivable	Hunan Baoan Hongji Real Estate Development Co., Ltd.	19,459,762.15			
Account receivable	Huidong Baoan Hongji Real Estate Development Co., Ltd.	32,810,756.93			
Account receivable	Huidong Ban Jinan Real Estate Development Co., Ltd.	256,023,829.26			
Account receivable	Huizhou Dexin Real Estate Co., Ltd.	67,266,007.88			
Account receivable	Shanghai Anxuan	109,032.00			

	Automation Technology Co., Ltd.				
Account receivable	Shenzhen Hongji Property Management Co., Ltd.	15,405.00			
Account receivable	Shengzhou Zhexu Real Estate Co., Ltd.	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.	193,677,332.40			
Account receivable	Zhongshan Shenzhong Real Estate Development Co., Ltd.	42,197,817.95			
Account receivable	Chongqing Tunghsu Qide Real Estate Co., Ltd.	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		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.,	4,020,000.00			

	Ltd.				
Other receivable	Huizhou Dexin Real Estate Co., Ltd.	500,000.00			
Other receivable	Chongqing Tungshu Qide Real Estate Co., Ltd.	1,050,000.00			
Other non-current assets	Shijiazhuang Baoshi Electronic vacuum Glass Co., Ltd.			420,000.00	
Other non-current assets	Tungshu Group	73,876,642.13		132,132,857.44	

## (2) Payables

In RMB

Name	Related party	Book balance at year end	Book balance at year beginning
Account payable	Shijiazhuang Bofa Machinery Co., Ltd.		55,444.45
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.	3,483,519.11	30,296.40
Account payable	Shijiazhuang Xuling Electronic Technology Co., Ltd.	1,320,164.09	1,320,164.09
Account payable	Tungshu Honghai Environmental Protection Technology Co., Ltd.	276,500.00	
Advance revenue	Tungshu Group	47,075,980.50	46,176,000.00
Advance revenue	Chengdu China Optoelectronic Technology Co., Ltd.		
Advance revenue	Yixian Xuhua Garden Construction Development Co., Ltd.	110,259,360.60	3,852,318.00
Advance revenue	Hangzhou Yuanbang Real	100,000,000.00	



	Estate Development Co., Ltd.		
Advance revenue	Zhongshan Donghong Real Estate Development Co., Ltd.	3,318,850.80	
Other payable	Jinzhou Xuguang New Material Technology Co., Ltd.		
Other payable	Baoshi Group	722,000.00	722,000.00
Other payable	Tunghsu Group	275,490,964.33	470,099,941.55
Other payable	Shijiazhuang Baoshi Electronic vacuum Glass Co., Ltd.	4,768,691.30	4,700,985.30
Other payable	Shijiazhuang Baoshi Xuming Pipe Co., Ltd.	97,031.00	97,031.00
Other payable	Tunghsu Optoelectronic Investment Co., Ltd.		
Other payable	Chengdu China Optoelectronic Technology Co., Ltd.	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	
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

## 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

Nil

## 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 31, 2018

### 2. Contingency

(1). 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. Daosui Company appealed, with a court held at 9:30 am on March 4, 2019 and waiting for the result of the second instance.

(2). Construction project contract disputes. Plaintiff: Chongqing Minyi 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, and Nanchong Hongcheng Construction Company assumed joint and several liabilities. Daosui Company has appealed and is now waiting for the judgment result.

(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.

(4) Non-governmental loan dispute, plaintiff: Ye Pingyuan, defendant: He Yuanyuan and Daosui Group. Plaintiff requests: immediate repayment of loan principal of 2,700,000.00 yuan and interest of 972,000.00 yuan, overdue interest and default interest, etc.; Payment of 50,000.00 yuan in legal fees, travel expenses and property preservation guarantee fees for realizing creditor's rights. The Nan'an District People's Court of Chongqing accepted the case and issued the No.5010 notice of response to action on February 5, 2018 to Daosui Group.

(5) 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.

(6). 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.

(7). Shanghai Sunlong Bus Co., Ltd. provides foreign guarantees to banks or financial leasing companies for car buyers who purchase cars through financial leasing. As of December 31, 2018, the amount of foreign guarantees is RMB425,103,861.08

(2) The Company have no significant contingency to disclose, also should be stated

The was no significant contingency in the Company.

3.Other

Nil

XV. Post-balance-sheet events

1. Significant events had not adjusted

2. Profit distribution

The profit or dividend to be distributed	401,117,508.26
Profits or dividends declared after deliberation and approval	401,117,508.26

3. Sales return

4. Notes of other significant events

1. In April 2019, Tunghsu Construction Group Co., Ltd. signed a equity transfer framework agreement. to transfer 70% of the equity of Zhongcheng National construction co., Ltd. held at an estimated price of RMB 140 million.

XVI. Other significant events

XVII. Notes of main items in financial reports of parent company

1. Notes receivable & account receivable

In RMB

Items	Year-end balance	Year-beginning balance
Notes receivable	50,000.00	200,000.00
Account receivable	176,563,926.23	23,837,262.59
Total	176,613,926.23	24,037,262.59

## (1) Notes receivable

## (1) Classification Notes receivable

In RMB

Items	Year-end balance	Year-beginning balance
Bank acceptance	50,000.00	200,000.00
Total	50,000.00	200,000.00

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

In RMB

Items	Amount

## (3) Notes receivable endorsed or discounted by the Company as at June 30.2018 but not expired on the balance sheet date

In RMB

Items	Amount derecognized as at December 31,2018	Amount underecognized as at January 1,2018

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

## (2) Account receivable

## (1) Account receivable classified by category

In RMB

Category	Amount in year-end					Amount in year-beginning				
	Book Balance		Bad debt provision		Book value	Book Balance		Bad debt provision		Book value
	Amount	Proportion(%)	Amount	Proportion(%)		Amount	Proportion(%)	Amount	Proportion(%)	
Account receivables provided bad debt provision in credit risk groups	176,852,788.81	100.00%	288,862.58	0.16%	176,563,926.23	24,456,691.50	100.00%	619,428.91	2.53%	23,837,262.59
Total	176,852,788.81	100.00%	288,862.58	0.16%	176,563,926.23	24,456,691.50	100.00%	619,428.91	2.53%	23,837,262.59

Receivable accounts with large amount individually and bad debt provisions were provided.

Applicable  Not applicable

Account receivable on which bad debt provisions are provided on age basis in the group

Applicable  Not applicable

In RMB

Aging	Amount in year-end		
	Account receivable	Provision for bad debts	Proportion%
Within item 1 year			
Within credit period	82,500,000.00		
Within 1 year after credit period			
Wubtotal within 1 year	82,500,000.00		
4-5 years	34,668.39	24,267.87	70.00%
Over 5 yers	264,594.71	264,594.71	100.00%
Total	82,799,263.10	288,862.58	

Note:

In the groups, accounts receivable adopting balance percentage method to withdraw bad debt provision:

Applicable  Not applicable

Receivable accounts on which had debt provisions are provided by other ways in the portfolio

**B** In the groups, accounts receivable adopting other methods to accrue bad debt provision

Group Name	Year-end balance	Provision for bad debts
Other group	94,053,525.71	

Continued:

Group Name	Year-beginning balance	Provision for bad debts
Other group	23,220,877.08	

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

The withdrawal amount of the bad debt provision during the reporting period was of RMB 0.00;The amount of the reversed or collected part during the reporting period was of RMB330,566.33.

Where the current bad debts back or recover significant amounts:Nil

(3) The current accounts receivable write-offs situation

The important write-off of accounts receivable:

Note:

Nil

(4) The ending balance of other receivable 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 RMB169,546,593.20, which accounts for 95.87% 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

Nil

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

Nil

Other note:

Nil

#### 4.Other accounts receivable

In RMB

Items	Balance in year-end	Balance in year- beginning
Interest receivable	7,521,489.86	41,868,921.15
Dividend receivable	500,000,000.00	665,000,000.00
Other	5,774,153,829.41	4,790,712,672.70
Total	6,281,675,319.27	5,497,581,593.85

(1) Interest receivable

1) Classification of interest receivable

In RMB

Items	Balance in year-end	Balance in year- beginning
Fixed deposit	7,521,489.86	41,868,921.15
Total	7,521,489.86	41,868,921.15

2) Important overdue interest

Nil

Other note:

Nil

(2) Dividend receivable

1) Dividend receivable

In RMB

Items	Balance in year-end	Balance in year- beginning
Wuhu Tunghsu Equipment Technology Co., Ltd.	500,000,000.00	665,000,000.00
Total	500,000,000.00	665,000,000.00

## (2) Significant dividend receivable aged over 1 year

Other note:

Nil

## (3) Other accounts receivable

## (1) Other accounts receivable disclosed by category

In RMB

Category	Balance in year-end					Balance in year- beginning				
	Book Balance		Bad debt provision		Book value	Book Balance		Bad debt provision		Book value
	Amount	Proportion(%)	Amount	Proportion(%)		Amount	Proportion(%)	Amount	Proportion(%)	
Other account receivables provided bad debt provision in credit risk groups	5,775,788,977.98	100.00%	1,635,148.57	0.03%	5,774,153,829.41	4,792,302,782.16	100.00%	1,590,109.46	0.03%	4,790,712,672.70
Total	5,775,788,977.98	100.00%	1,635,148.57	0.03%	5,774,153,829.41	4,792,302,782.16	100.00%	1,590,109.46	0.03%	4,790,712,672.70

Other receivable accounts with large amount and were provided had debt provisions individually at end of period.

 Applicable  Not applicable

Other receivable of combinational withdrawing bad debt provision by aging analysis method

 Applicable  Not applicable

In RMB

Aging	Amount in year-end		
	Other receivable	Provision for bad debts	Proportion(%)
WithinItem 1 year			
Within credit period			
Within 1 year after credit period	469,830.82	23,491.54	5.00%
Subtotal within 1 year	469,830.82	23,491.54	5.00%
Over 3 years	1,686,460.99	1,611,657.03	
4-5 years	249,346.55	174,542.59	70.00%



Over 5 years	1,437,114.44	1,437,114.44	100.00%
Total	2,156,291.81	1,635,148.57	

Note:

Nil

Other receivable account in Group on which bad debt provisions were provided on percentage basis:

Applicable  Not applicable

Other Receivable accounts on which bad debt provisions are provided by other ways in the portfolio:

Applicable  Not applicable

(2) Bad debt provision accrual collected or switch back

Bad debt provision accrual was RMB45,039.11, the account collected or switches back amounting to RMB 0.00.

Significant amount of reversed or recovered bad debt provision: Nil

(3) The actual write-off other accounts receivable

Note:

Nil

(4) Other account receivables category by nature of money

In RMB

Nature	Ending book balance	Beginning book balance
Deposit	29,065,478.16	31,693,666.66
Personal Official borrowing	163,295.56	159,109.89
Related current account	5,743,653,445.32	4,728,633,349.92
Current account		28,846,088.84
Persona Returnable Insurance	603,814.14	446,555.34
Other	2,302,944.80	2,524,011.51
Total	5,775,788,977.98	4,792,302,782.16

(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	Current account	2,210,541,471.94	Within credit period	38.27%	

Optoelectronic Technology Co., Ltd.					
Shanghai Sunlong Bus Co., Ltd.	Current account	1,533,274,072.27	Within credit period	26.55%	
Wuhu Tungshu Optoelectronic Equipment Technology Co., Ltd.	Current account	1,269,060,118.34	Within credit period	21.97%	
Fuzhou Xufu Optoelectronic Technology Co., Ltd.	Current account	282,538,999.97	Within 1 year after credit period	4.89%	
				0.00%	
Shijiazhuang Xuxin Optoelectronic Technology Co., Ltd.	Current account	179,448,608.11	1-2 years	3.11%	
Total	--	5,474,863,270.63	--		

## (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

## 3. Long-term equity investment

In RMB

Items	Year-end balance			Year-Beginning balance		
	Book Balance	Impairment provision	Book value	Book Balance	Impairment provision	Book value
Investment in subsidiaries	24,708,559,881.51	378,172,649.84	24,330,387,231.67	21,269,035,359.71	378,172,649.84	20,890,862,709.87
Investment in joint ventures and associates	2,174,347,969.22		2,174,347,969.22	2,129,502,187.30		2,129,502,187.30
Total	26,882,907,850.7	378,172,649.84	26,504,735,200.8	23,398,537,547.0	378,172,649.84	23,020,364,897.1

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## (1) Investment to the subsidiary

In RMB

Name	Opening balance	Increase	Decrease	Closing balance	Withdrawn impairment provision in the reporting period	Closing balance of impairment provision
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.	1,221,178,272.58	800,000,000.00		2,021,178,272.58		
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 Technology Co., Ltd.	3,247,200.00			3,247,200.00		
Fuzhou Xufu Optoelectronic	24,000,000.00			24,000,000.00		

Technology Co., Ltd.						
Shenzhen Xuhui Investment Co., Ltd.	100,000,000.00			100,000,000.00		
Xuyou Electric Material Technology (Wuxi) Co., Ltd.	570,628,050.30		570,628,050.30			
Tunghsu (Yingkou) Optoelectronic Display Co., Ltd.		166,771,734.60		166,771,734.60		
Shijiazhuang Colour Bulb Co., Ltd	439,341,956.80			439,341,956.80		378,172,649.84
Jiangsu Jixing New Material Co., Ltd.	222,345,300.00	75,000,000.00		297,345,300.00		
Tunghsu (Kunshan) Display Material Co., Ltd.	800,000,000.00	200,000,000.00		1,000,000,000.00		
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.	3,800,000,000.00	2,100,000,000.00		5,900,000,000.00		
Shenzhen Sanbao Chuangxin Intelligent Co., Ltd.		157,598,587.50		157,598,587.50		
Beijing Tunghsu Huaqing Investment Co.,	3,500,000.00			3,500,000.00		

Ltd.						
Shanghai Tanyuan Huigu New Material Technology Co., Ltd.	73,454,500.00			73,454,500.00		
Taizhou Tunghsu graphene Industry Investment Fund Management Center	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.C.V(Holland)		782,250.00		782,250.00		
<b>Total</b>	<b>21,269,035,359.71</b>	<b>4,010,152,572.10</b>	<b>570,628,050.30</b>	<b>24,708,559,881.51</b>		<b>378,172,649.84</b>

## (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	Decreased investment	Gain/loss of Investment	Adjustment of other comprehensive income	Other equity changes	Declaration of cash dividends or profit	Withdrawn impairment provision	Other		
I. Joint ventures											
II. Associated enterprises											
Tunghsu Group Finance Co., Ltd.	2,004,062,204.94			52,198,290.80						2,056,260,495.74	

Tunghsu(Deyang) Graphene Development Fund Partnership (LP)	19,454,200.71		19,517,093.33	62,892.62							
Zibo Bus Co., Ltd.	32,678,813.57			9,137,725.63						41,816,539.20	
Zhongda Chengxin International Commercial Factoring Co., Ltd.	73,306,968.08			2,963,966.20						76,270,934.28	
Subtotal	2,129,502,187.30		19,517,093.33	64,362,875.25						2,174,347,969.22	
Total	2,129,502,187.30		19,517,093.33	64,362,875.25						2,174,347,969.22	

## (3) Other notes

## 4. Business income and Business cost

In RMB

Items	Amount of current period		Amount of previous period	
	Income	Cost	Income	Cost
Main business	127,730,245.51	92,810,680.07	188,688,625.35	135,848,152.08
Other business	64,466,696.29	60,182,760.63	35,347,620.01	22,002,680.00
Total	192,196,941.80	152,993,440.70	224,036,245.36	157,850,832.08

## 5. Investment income

In RMB

Items	Amount of current period	Amount of previous period
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Income from long-term equity investment measured by adopting the cost method	479,371,949.70	665,000,000.00
Investment loss through disposal of long-term equity investment	64,362,875.25	4,680,716.60
Disposal of long-term equity investment income	-1,209,669.93	
Financing income	13,923,452.07	59,030,191.76
Total	556,448,607.09	728,710,908.36

## 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	3,450,757.10	
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	124,464,054.70	
Gains and losses from assets under trusted investment or Management	14,623,990.55	
Net gain/loss of current term from consolidation of subsidiaries under common control from beginning of term to the consolidation date	-11,435,425.33	
Entrusted with the operating of the trust to obtain fee income	707,547.18	
Other non-operating income and expenditure beside for the above items	10,172,838.56	
Other gains or losses satisfying the definition of extraordinary gains or losses	552,086.75	
Less: Influenced amount of income tax	20,174,896.94	
Amount of influence of minority interests (After tax)	4,628,919.46	

Total	117,732,033.11	--
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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.	6.83%	0.38	0.38
Net profit attributable to the Common stock shareholders of Company after deducting of non-recurring gain/loss.	6.44%	0.36	0.36

## 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



## **XII. Documents available for inspection**

- 1.The original 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 Legal representative of the Company, financial controller and the person in charge of accounting organ
- 3.Original audit report seal with accounting firms and signature and seal from CPA;
- 4.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.

【Note】 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: April 29,2019