
BOE

2014 Annual Report

April 2015

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

Section I. Important Reminders, Contents & Terms

The Board of Directors, the Supervisory Committee, directors, supervisors and senior management staff of BOE Technology Group Co., Ltd. (hereinafter referred to as “the Company”) warrant that this report does not contain any false record or misleading statement or omit any material fact and shall hereby accept, individually and collectively, responsibility for the factuality, accuracy and completeness of the contents carried in this report.

Mr. Wang Dongsheng, Chairman of the Board, Mr. Chen Yanshun, President of the Company, Ms. Sun Yun, chief of the accounting work, and Ms. Yang Xiaoping, chief of the accounting organ (chief of accounting), hereby confirm that the Financial Report enclosed in this report is factual, accurate and complete.

All directors have attended the board session for reviewing this report.

The Company plans not to distribute cash dividends or bonus shares or turn capital reserve into share capital.

This report is prepared in compliance with the Chinese “Accounting Standards for Business Enterprises” and other relevant regulations. KPMG Huazhen (Special General Partnership) has issued a standard unqualified audit report for the Company.

This report is prepared in both Chinese and English. Should there be any understanding discrepancy between the two versions, the Chinese version shall prevail.

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Terms

Term	Refers to	Contents
BOE, the Company, Company	Refers to	BOE Technology Group Co., Ltd.
Stock Listing Rules	Refers to	Stock Listing Rules of Shenzhen Stock Exchange (Revised in 2014)
SZSE, the Stock Exchange	Refers to	Shenzhen Stock Exchange
CSRC	Refers to	China Securities Regulation Commission
CSRC Beijing	Refers to	China Securities Regulation Commission Beijing Bureau
Articles of Association	Refers to	Articles of Association of BOE Technology Group Co., Ltd.
The “Company Law”	Refers to	The “Company Law of the People’s Republic of China”
The “Securities Law”	Refers to	The “Securities Law of the People’s Republic of China”
AMOLED	Refers to	Active Matrix/Organic Light Emitting Diode
Hefei Xinsheng	Refers to	Hefei Xinsheng Optoelectronics Technology Co., Ltd.
Yuansheng Optoelectronics	Refers to	Erdos Yuansheng Optoelectronics Co., Ltd.
Hefei Optoelectronics, Hefei BOE	Refers to	Hefei BOE Optoelectronics Technology Co., Ltd.
KPMG	Refers to	KPMG Huazhen (Special General Partnership)
The cninfo website	Refers to	http://www.cninfo.com.cn/

Reminder of Major Risks

China Securities Journal, Shanghai Securities News, Securities Times, Ta Kung Pao (HK) and www.cninfo.com.cn are designated by the Company as the media for information disclosure. All information of the Company shall be subject to what is disclosed by the Company on the said media. And Investors are kindly reminded to pay attention to possible investment risks.

Section II. Company Profile

I. Company information

Stock abbreviation	BOE A, BOE B	Stock code	000725, 200725
Stock exchange listed with	Shenzhen Stock Exchange		
Chinese name of the Company	京东方科技集团股份有限公司		
Abbr. of the Chinese name of the Company	京东方		
English name of the Company (if any)	BOE TECHNOLOGY GROUP CO., LTD.		
Abbr. of the English name of the Company (if any)	BOE		
Legal representative of the Company	Wang Dongsheng		
Registered address	No. 10, Jiuxianqiao Road, Chaoyang District, Beijing, P.R.China		
Postal code for the registered address	100015		
Office address	No. 10, Jiuxianqiao Road, Chaoyang District, Beijing, P.R.China		
Postal code for the office address	100015		
Internet website of the Company	http://www.boe.com.cn		
Email address	web.master@boe.com.cn		

II. Contact us

Item	Company Secretary	Securities Affairs Representative
Name	Liu Hongfeng	Xiao Zhaoxiong
Address	No. 10, Jiuxianqiao Road, Chaoyang District, Beijing, P.R.China	No. 10, Jiuxianqiao Road, Chaoyang District, Beijing, P.R.China
Tel.	010—64318888 ext.	010—64318888 ext.
Fax	010—64366264	010—64366264
E-mail	liuhongfeng@boe.com.cn	xiaozhaoxiong@boe.com.cn

III. About information disclosure and where this report is placed

Newspapers designated by the Company for information disclosure	China Securities Journal, Shanghai Securities News, Securities Times, Ta Kung Pao (HK)
Internet website designated by CSRC for disclosing this report	http://www.cninfo.com.cn/
Where this report is placed	Company Secretary Office

IV. Change of the registered information

Item	Registration date	Registration place	Business license No.	Registration code of taxation	Organizational code
Initial registration	9 Apr. 1993	No. 10, Jiuxianqiao Road, Chaoyang District, Beijing, P.R.China	1501259(5-2)	110105520128647	10110166-0
At the end of the reporting period	13 Jun. 2014	No. 10, Jiuxianqiao Road, Chaoyang District, Beijing, P.R.China	110000005012597	110105101101660	10110166-0
Changes of the main business since listing (if any)	Unchanged				
Changes of the controlling shareholder (if any)	The controlling shareholder remained unchanged during the reporting period, but on 10 Mar. 2015, the Company received the <Notice Regarding Change of the Controlling Shareholder> from actual controller Beijing Electronics Holdings Co., Ltd., notifying that the Company's controlling shareholder changed from Beijing BOE Investment & Development Co., Ltd. to Beijing Electronics Holdings Co., Ltd. and that the actual controller remained Beijing Electronics Holdings Co., Ltd. For details, see the Indicative Announcement (No. 2015-008) disclosed by the Company on 12 Mar. 2015.				

V. Other information

The CPAs firm hired by the Company:

Name	KPMG Huazhen Certified Public Accountants (Special General Partnership)
Office address	8/F, Office Tower E2, Oriental Plaza, No. 1 East Chang An Avenue, Beijing, P.R.China
Name of CPA	Su Xing, Xu Junyi

Sponsor engaged by the Company to conduct sustained supervision during the reporting period

☒ Applicable ☐ Inapplicable

Name	Office address	Sponsor representative	Consistent supervision period
China Securities Co., Ltd.	188 Chaonei Avenue, Dongcheng District, Beijing	Zhu Mingqiang, Zhao Jun	8 Apr. 2014-31 Dec. 2015

Financial consultant engaged by the Company to conduct sustained supervision during the reporting period

☐ Applicable ☒ Inapplicable

Section III. Accounting & Financial Indicator Highlights

I. Major accounting data and financial indicators

Does the Company adjust retrospectively or restate accounting data of previous years due to change of the accounting policy or correction of any accounting error?

√ Yes ☐ No

Item	2014	2013		Increase or decrease of this year over last year (%)	2012	
		Before adjustment	After adjustment		Before adjustment	After adjustment
Operating revenues (RMB Yuan)	36,816,316,676.00	33,774,285,620.00	33,774,285,620.00	9.01%	25,771,583,386.00	25,771,583,386.00
Net profit attributable to shareholders of the Company (RMB Yuan)	2,562,128,829.00	2,353,365,694.00	2,353,365,694.00	8.87%	258,133,391.00	258,133,391.00
Net profit attributable to shareholders of the Company after extraordinary gains and losses (RMB Yuan)	1,827,866,642.00	1,713,985,503.00	1,713,985,503.00	6.64%	-544,170,638.00	-544,170,638.00
Net cash flows from operating activities (RMB Yuan)	8,095,825,923.00	8,956,439,250.00	8,956,439,250.00	-9.61%	3,088,875,525.00	3,088,875,525.00
Basic EPS (RMB Yuan/share)	0.087	0.174	0.174	-50.00%	0.019	0.019
Diluted EPS (RMB Yuan/share)	0.087	0.174	0.174	-50.00%	0.019	0.019
Weighted average ROE (%)	4.29%	8.70%	8.70%	-4.41%	1.00%	1.00%
Item	As at 31 Dec. 2014	As at 31 Dec. 2013		Increase or decrease of this year-end than last year-end (%)	As at 31 Dec. 2012	
		Before adjustment	After adjustment		Before adjustment	After adjustment
Total assets (RMB Yuan)	136,240,283,477.00	92,538,451,492.00	92,538,451,492.00	47.23%	67,105,360,865.00	67,105,360,865.00
Net assets attributable to shareholders of the	76,155,071,579.00	28,251,815,361.00	28,251,815,361.00	169.56%	25,886,959,650.00	25,886,959,650.00

Company (RMB Yuan)						
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Note: In 2014, the Ministry of Finance promulgated/revised eight accounting standards for business enterprises, which we have applied since 1 Jul. 2014. Adoption of the new/revised accounting policies has no influence on all items in the consolidated and the Company's income statements for 2014.

Did any change occur to the share capital and the owners' equity was affected during the period from the end of the reporting period to the disclosure date of this report due to new issue, additional issue, allotment, exercise of equity incentive, buy-back, etc.?

☒ Yes ☐ No

Basic EPS based on the new share capital (RMB Yuan/share)	0.0728
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II. Items and amounts of extraordinary gains and losses

√ Applicable □ Inapplicable

Unit: RMB Yuan

Item	2014	2013	2012	Note
Gains/losses on the disposal of non-current assets (including the offset part of the asset impairment provisions)	-15,575,867.00	-112,722,720.00	-41,715,421.00	--
Tax rebates, reductions or exemptions due to approval beyond authority or the lack of official approval documents	0.00	0.00	0.00	--
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 government's unified standards	830,471,170.00	838,279,656.00	925,766,702.00	--
Capital occupation charges on non-financial enterprises that are recorded into current gains and losses	0.00	0.00	0.00	--
Gains due to that the investment costs for the Company to obtain subsidiaries, associates and joint ventures are lower than the enjoyable fair value of the identifiable net assets of the investees when making the investments	10,168,409.00	0.00	1,160,762.00	--
Gain/loss on non-monetary asset swap	0.00	0.00	0.00	--
Gain/loss on entrusting others with investments or asset management	0.00	0.00	0.00	--
Asset impairment provisions due to acts of God such as natural disasters	0.00	0.00	0.00	--
Gain/loss on debt restructuring	0.00	0.00	0.00	--
Expenses on business reorganization, such as expenses on staff arrangements, integration, etc.	0.00	0.00	0.00	--
Gain/loss on the part over the fair value due to transactions with distinctly unfair prices	0.00	0.00	0.00	--
Current net gains and losses of subsidiaries acquired in business combination under the same control from period-begin to combination date	0.00	0.00	0.00	--
Gain/loss on contingent events irrelevant to the Company's normal business	0.00	0.00	0.00	--
Gains and losses on change in fair value from tradable financial assets and tradable financial liabilities, as well as investment income from disposal of tradable financial assets and tradable financial liabilities and financial assets available for sales except for effective hedging related with normal businesses of the Company	6,113,418.00	0.00	0.00	--

Impairment provision reversal of accounts receivable on which the impairment test is carried out separately	5,583,021.00	500,938.00	4,185,236.00	--
Gain/loss on entrustment loans	0.00	0.00	0.00	--
Gain/loss on change of the fair value of investing real estate of which the subsequent measurement is carried out adopting the fair value method	0.00	0.00	0.00	--
Effect on current gains/losses when a one-off adjustment is made to current gains/losses according to requirements of taxation, accounting and other relevant laws and regulations	0.00	0.00	0.00	--
Custody fee income when entrusted with operation	0.00	0.00	0.00	--
Non-operating income and expense other than the above	43,217,737.00	39,012,396.00	25,014,788.00	--
Other gain and loss items that meet the definition of an extraordinary gain/loss	0.00	0.00	0.00	--
Investment gain on disposal of long-term equity investment	-4,190,740.00	1,870,000.00	-1,186,187.00	Naught
Less: Income tax effects	119,985,837.00	32,010,501.00	10,610,168.00	--
Minority interests effects (after tax)	21,539,124.00	95,549,578.00	100,311,683.00	--
Total	734,262,187.00	639,380,191.00	802,304,029.00	--

Explain the reasons if the Company classifies an item as an extraordinary gain/loss according to the definition in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public—Extraordinary Gains and Losses, or classifies any extraordinary gain/loss item mentioned in the said explanatory announcement as a recurrent gain/loss item

☐ Applicable ☒ Inapplicable

No such cases in the reporting period.

Section IV. Report of the Board of Directors

I. Overview

In face of a changeable market and industry environment in 2014, we firmly upheld the working principle for the year—“customer-oriented, lean management, innovation for breakthrough and double profits”, always kept the faith and worked hard as one big family. As a result, we successfully fulfilled the annual operating objectives and achieved continuously stable profits. For 2014, we achieved operating revenues of RMB 36.8 billion, up 9.01% from the year earlier; and net profits attributable to shareholders of the Company of RMB 2.562billion, up 8.87% on the year-on-year basis. In 2014, we continued to adjust our production lines, with some preliminary achievements in product structure optimization. To be specific, the Hefei 8.5G Line successfully went into mass production and generated profits, the Erdos 5.5G Line recorded a steadily increasing yield rate, and the Chongqing 8.5G Line was successfully put into operation in Mar 2015. The global first product coverage rate increased to 38% and the share in the global segment markets was kept at a top level. In 2014, we upgraded our brand marking and the brand culture of “simple, best and perfect” was effectively executed. Throughout the year, we applied for 5,116 patents continuing to represent a top level in the global industry.

Operation in specific business units:

(1) Display device division

We deepened our cooperation with the existing strategic customers and at the same time explored new markets. Throughout the year, we developed 99 new products, which increased our product competitiveness. Meanwhile, we started to produce 5.0” qHD AMOLED and In-Cell; 5.46” FHD, GOA TV and 32” Cu TV went into mass production; and 28” irregular-shaped LED display, 65” UHD curved LED display, 65” OGS and 55” FHD DID were all well received on the market. The Beijing 5G Line and the Hefei 6G Line both recorded a production capacity increase in bottleneck techniques, and the Beijing 8.5G Line saw a continuously climbing production capacity while making sure a successful product shift and mass production. With increasing the competitiveness of our products and production lines as the goal, our global supply chain gave play to its advantage of concentrative price negotiation, made sure a stable supply and reduced costs. It also overfulfilled the annual BOM reduction objective by adopting multiple measures to ensure a stable supply such as supplier dualization, beforehand examination and urging from specific materials. Our global quality control center optimized its organization structure, made overall plans for quality management, accomplished the ISO certification of the Beijing 8.5G Line and the Hefei 8.5G Line, and preliminarily formulated an integrated quality control system. Meanwhile, it set up a yield control system for core products to carry out timely monitoring. It also strengthened work flow standardization and the quality control capability to ensure improvement of products and services. As for the electronic material division, net profit objectives for semi-conductors and vacuum appliances were fulfilled; mass production and sale of key products were realized; and the relocation of the vacuum appliance division smoothly came to an end.

(2) Intelligent system division

Concerning the display end business, the intelligent business platform operated smoothly, establishing an online marketing and offline experience interaction mechanism; and commercial display products saw an increase in the sales volume and improving profitability. About the lighting/photovoltaic business, the R&D capability kept improving and sale of self-developed products was materialized. As for the OEM business, the overall business performance was better than last year, with the Suzhou plant overfulfilling its business objectives. Regarding the backlight unit business, 178 new products were developed, the business objectives were overfulfilled and the profits doubled.

(3) Health service division

Regarding the health medical care business, the top architecture design and the medium- and long-term strategic planning were

completed, accelerating the project. Concerning the professional park business, the park brand influence was brought into play and the business model was innovated upon. As for the cloud service business, the organizational structure design was completed and the core business flow planning mechanism took shape; and the R&D capability for cloud computing products was enhanced and the first platform project was developed.

In 2014, our efforts helped us win the following awards granted by various organizations: “2014 Global Competitive Brands—China Top 10”, “The Most Competitive Brands in the Future”, “The Best Brand Image Award for 2014”, “International Carbon-Value Awards—Carbon Innovation Value Award”, “Golden Roundtable—the Best BOD”, “Top 10 Consumer Electronic Brands of China” for 8 years in a row, etc.

II. Main business analysis

1. Overview

Review the reporting period progress of development strategies and business plans disclosed in previous periods:

1. The production capacity of the Hefei 8.5G Line exceeded 100K/month, a lot higher than the designed production capacity of 90K/month through our own technology went into mass production and generated profits.
2. The Phase I of the Erdos 5.5G AMOLED Line released its production capacity smoothly with a steadily improving yield rate.
3. Regarding the Chongqing 8.5G Line, the main structure topped out in Jul. 2014, equipment was moved in in Dec. 2014 and production officially kicked off on 20 Mar. 2015.

State the reasons why the Company's actual business performance is 20% lower or higher than the earning forecast for the reporting period which has been publicly disclosed earlier:

☐ Applicable ☒ Inapplicable

Changes in the main operational model

☐ Applicable ☒ Inapplicable

2. Revenues

Notes

Is the Company's product sales revenue more than its service revenue?

☒ Yes ☐ No

Industry	Item	Unit	2014	2013	YoY +/-%
TFT-LCD	Sales volume	0,000 pieces	45,682	32,439	41%
	Output	0,000 pieces	48,928	35,331	38%
	Stock	0,000 pieces	5,827	2,581	126%

Reasons for any over-30% YoY movement of the data above:

☒ Applicable ☐ Inapplicable

In the reporting period, new production lines went into mass production and the original lines operated at full capacity, with the output almost sold out.

Major orders on hand:

☐ Applicable ☒ Inapplicable

Significant change or adjustment of the Company's products or services during the reporting period:

☐ Applicable ☒ Inapplicable

Major customers:

Total sales to the top 5 customers (RMB Yuan)	15,946,529,916.00
Ratio of the total sales to the top 5 customers to the annual total sales (%)	44.81%

Information about the top 5 customers:

☒ Applicable ☐ Inapplicable

Serial No.	Name of customer	Sales (RMB Yuan)	Proportion in annual total sales (%)
1	Customer A	8,667,304,357.00	24.36%
2	Customer B	2,607,924,285.00	7.33%
3	Customer C	2,231,135,588.00	6.27%
4	Customer D	1,292,131,768.00	3.63%
5	Customer E	1,148,033,918.00	3.23%
Total	--	15,946,529,916.00	44.81%

Other information about major customers

☐ Applicable ☒ Inapplicable

3. Costs

Classified by industry:

Unit: RMB Yuan

Industry	Item	2014		2013		YoY +/- (%)
		Amount	Proportion in operating costs (%)	Amount	Proportion in operating costs (%)	
Display device	Materials, labor, depreciation, etc.	25,447,592,277.00	89.27%	22,290,301,058.00	86.72%	14.16%
Intelligent system	Materials, labor, depreciation, etc.	5,683,953,065.00	19.94%	5,050,114,723.00	19.65%	12.55%
Intelligent health service	Materials, labor, depreciation, etc.	353,742,423.00	1.24%	287,657,777.00	1.12%	22.97%
Other	Materials, labor, depreciation, etc.	7,897,135.00	0.03%	11,996,201.00	0.05%	-34.17%
Offset	Materials, labor, depreciation, etc.	-2,988,304,171.00	-10.48%	-1,936,246,327.00	-7.53%	54.33%

Classified by product:

Unit: RMB Yuan

Product	Item	2014		2013		YoY +/- (%)
		Amount	Proportion in operating costs (%)	Amount	Proportion in operating costs (%)	
Display devices	Materials, labor, depreciation, etc.	25,447,592,277.00	89.27%	22,290,301,058.00	86.72%	14.16%
Intelligent systems	Materials, labor, depreciation, etc.	5,683,953,065.00	19.94%	5,050,114,723.00	19.65%	12.55%
Intelligent health service	Materials, labor, depreciation, etc.	353,742,423.00	1.24%	287,657,777.00	1.12%	22.97%
Other	Materials, labor, depreciation, etc.	7,897,135.00	0.03%	11,996,201.00	0.05%	-34.17%
Offset	Materials, labor, depreciation, etc.	-2,988,304,171.00	-10.48%	-1,936,246,327.00	-7.53%	54.33%

Notes:

Naught

Major suppliers:

Total purchases from the top 5 suppliers (RMB Yuan)	5,523,066,145.000
Ratio of the total purchases from the top 5 suppliers to the annual total purchases (%)	29.09%

Information about the top 5 suppliers:

√ Applicable □ Inapplicable

Serial No.	Name of supplier	Procurement amount (RMB Yuan)	Proportion in annual total procurement amount (%)
1	Supplier A	2,961,064,942.00	15.60%
2	Supplier B	852,033,552.00	4.49%
3	Supplier C	690,984,991.00	3.64%
4	Supplier D	513,902,646.00	2.71%
5	Supplier E	505,080,014.00	2.66%
Total	--	5,523,066,145.00	29.09%

Other information about major suppliers

□ Applicable √ Inapplicable

4. Expense

The income tax expenses soared 815% from last year mainly because the operating performance continued to improve. And the financial expenses went down 147% from last year mainly because the interest income increased as the monetary funds increased.

5. R&D expenses

Item	2014	2013	YoY +/- %
R&D expenses (RMB Yuan)	2,476,935,252	1,904,377,825	30.07%
Proportion in the Company's latest audited net assets (%)	3.25%	6.74%	-3.49%
Proportion in the Company's latest audited operating revenues (%)	6.73%	5.64%	1.09%

6. Cash flows

Unit: RMB Yuan

Item	2014	2013	YoY +/- (%)
Subtotal of cash inflows from operating activities	39,910,733,056.00	39,274,058,463.00	1.62%
Subtotal of cash outflows from operating activities	31,814,907,133.00	30,317,619,213.00	4.94%
Net cash flows from operating activities	8,095,825,923.00	8,956,439,250.00	-9.61%
Subtotal of cash inflows from investing activities	1,737,649,860.00	757,697,367.00	129.33%
Subtotal of cash outflows from investing activities	25,492,061,006.00	18,914,079,451.00	34.78%
Net cash flows from investing activities	-23,754,411,146.00	-18,156,382,084.00	30.83%
Subtotal of cash inflows from financing activities	54,796,093,553.00	20,560,027,419.00	166.52%
Subtotal of cash outflows from financing activities	19,154,702,339.00	8,296,325,987.00	130.88%
Net cash flows from financing activities	35,641,391,214.00	12,263,701,432.00	190.63%
Net increase in cash and cash equivalents	20,029,731,311.00	2,918,489,157.00	586.30%

Reasons for any over-30% YoY movement of the data above:

√ Applicable □ Inapplicable

Net cash flows from investing activities increased 31% from last year mainly because some new projects were in the construction period and the expenses on engineering and equipment procurement increased.

Net cash flows from financing activities increased 191% from last year mainly because the directional additional issue was completed to support new projects.

Reasons for a big difference between the operating cash flows and the net profit:

√ Applicable □ Inapplicable

The Company was engaged in manufacture and the relevant depreciation & amortization was great, resulting in a big difference between the operating cash flows and the net profit in the year.

III. Breakdown of main business

Unit: RMB Yuan

Item	Operating revenue	Operating cost	Gross profit	Increase/decreas	Increase/decreas	Increase/decrea
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			rate (%)	e of operating revenue over last year (%)	e of operating cost over last year (%)	se of gross profit rate over last year (%)
Classified by industry:						
Display device	32,679,988,414.00	25,447,592,277.00	22%	10.00%	12.00%	-2.00%
Intelligent system	6,224,354,892.00	5,683,953,065.00	9%	13.00%	11.00%	2.00%
Intelligent health service	693,241,463.00	353,742,423.00	49%	11.00%	19.00%	-4.00%
Other	939,551,711.00	7,897,135.00	99%	39.00%	-52.00%	1.00%
Offset	-3,720,819,804.00	-2,988,304,171.00	20%	37.00%	35.00%	2.00%
Classified by product:						
Display devices	32,679,988,414.00	25,447,592,277.00	22%	10.00%	12.00%	-2.00%
Intelligent systems	6,224,354,892.00	5,683,953,065.00	9%	13.00%	11.00%	2.00%
Intelligent health service	693,241,463.00	353,742,423.00	49%	11.00%	19.00%	-4.00%
Other	939,551,711.00	7,897,135.00	99%	39.00%	-52.00%	1.00%
Offset	-3,720,819,804.00	-2,988,304,171.00	20%	37.00%	35.00%	2.00%
Classified by region:						
China	19,715,034,667.00	13,825,573,245.00	30%	8.00%	10.00%	-1.00%
Other regions in Asia	13,904,578,889.00	11,589,396,918.00	17%	5.00%	5.00%	0.00%
Europe	1,017,195,232.00	974,517,181.00	4%	24.00%	27.00%	-3.00%
America	1,916,336,657.00	1,856,506,372.00	3%	14.00%	16.00%	-3.00%
Other regions	263,171,231.00	258,887,013.00	2%	82.00%	84.00%	-9.00%

Where the Company's accounting standard of the main business data above changed during the reporting period, give the main business data of the latest year adjusted according to the accounting standard at the end of the reporting period:

☐Applicable ☒Inapplicable

IV. Asset and liability analysis

1. Major changes in asset items

Unit: RMB Yuan

Item	As at 31 Dec. 2014		As at 31 Dec. 2013		Proportion change (%)	Explain any major change
	Amount	Proportion in total assets (%)	Amount	Proportion in total assets (%)		
Monetary funds	40,172,401,999.00	29.49%	20,464,553,422.00	22.11%	7.38%	The arrival of project construction

						funds and the operating cash inflows.
Accounts receivable	6,615,762,122.00	4.86%	4,855,938,522.00	5.25%	-0.39%	Mainly because new production lines were put into operation and the business scale expanded.
Inventories	4,163,304,029.00	3.06%	3,018,804,659.00	3.26%	-0.20%	New projects went into mass production and we stocked up for strategic customers.
Investing real estate	1,251,820,763.00	0.92%	1,284,415,937.00	1.39%	-0.47%	--
Long-term equity investment	638,819,435.00	0.47%	971,160,051.00	1.05%	-0.58%	Mainly because of the impairment of the long-term equity investment .
Fixed assets	49,398,396,189.00	36.26%	32,495,665,045.00	35.12%	1.14%	New production lines were transferred into fixed assets, resulting in an increase.
Construction in progress	21,868,641,210.00	16.05%	22,172,949,652.00	23.96%	-7.91%	--
Other current assets	6,085,764,454.00	4.47%	1,872,804,826.00	2.02%	2.45%	New wealth management products and the increase in overpaid VAT.
Interest receivable	275,877,747.00	0.20%	109,045,546.00	0.12%	0.08%	Monetary funds increased.

2. Major changes in liability items

Unit: RMB Yuan

Item	2014		2013		Proportion change (%)	Explain any major change
	Amount	Proportion in total assets (%)	Amount	Proportion in total assets (%)		
Short-term borrowings	2,158,988,600.00	1.58%	12,122,769,840.00	13.10%	-11.52%	Mainly because some borrowings for construction projects were repaid.
Long-term borrowings	33,631,104,669.00	24.69%	20,995,628,956.00	22.69%	2.00%	Mainly because of new borrowings for new projects.
Notes payable	258,737,884.00	0.19%	135,654,664.00	0.15%	0.04%	Note settlement was adopted in some procurements.
Payroll payable	1,151,622,921.00	0.85%	845,898,437.00	0.91%	-0.06%	Mainly because the consolidation scope expanded, R&D was enhanced and labor cost increased.

Taxes and fares payable	318,219,650.00	0.23%	190,205,223.00	0.21%	0.02%	Mainly because the enterprise income tax increased.
Interest payable	219,407,964.00	0.16%	314,004,348.00	0.34%	-0.18%	Borrowings decreased.
Non-current liabilities due within 1 year	15,000,000.00	0.01%	308,628,826.00	0.33%	-0.32%	Financial liabilities and postponed VAT decreased.

3. Assets and liabilities measured at fair value

√ Applicable □ Inapplicable

Unit: RMB Yuan

Item	Opening amount	Gain/loss on fair value change in the reporting period	Cumulative fair value change recorded into equity	Impairment provisions in the reporting period	Amount purchased in the reporting period	Amount sold in the reporting period	Closing amount
Financial assets							
1. Financial assets measured at fair value and of which changes are recorded into current gains/losses (excluding derivative financial assets)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2. Derivative financial assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3. Available-for-sale financial assets	254,506,569.00	0.00	11,918,438.00	0.00	0.00	0.00	266,425,007.00
Subtotal of financial assets	254,506,569.00	0.00	11,918,438.00	0.00	0.00	0.00	266,425,007.00
Investing real estate	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Productive biological assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total of the above	254,506,569.00	0.00	11,918,438.00	0.00	0.00	0.00	266,425,007.00
Financial liabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Did any significant change occur to the attribute of the Company's main asset measurement during the reporting period?

□ Yes √ No

4. Main assets overseas

☐ Applicable ☒ Inapplicable

V. Core competitiveness analysis

1. Optimize strategic management process, strengthen the strategy implementation and further improve the strategy implementation ability

In 2014, the company combed and improved the strategic management process, further consolidated the strategic management systematism and strategic management process standardization, providing a more powerful safeguard for the development and quick implementation of strategy. The emphasis for realization of strategic target lies in the implementation, and the key to its quick implementation is the valid supports from the organization mechanism. For which, the company conducted organization mechanism-specific optimization and adjustment, so that the organization mechanism can better meet the requirements of strategy implementation, ensure the fast promotion of strategic measures and achieve significant results. Display device business: The production line of Gen 8.5 in Hefei made profits in the year it was put into service; production line of Gen 5.5 in Erdos was steadily improving its product yield rate; the production line of Gen 8.5 in Chongqing completed the plant construction and the equipment were moved in in advance, and was put into operation formally on March 20, 2015. Smart system business: the smart display strategy was being steadily implemented, and has achieved continuous capacity improvement, strengthening subversive innovation to create a brand image that distinguishes itself by its simplicity and preserving essence, and successfully launched the BOE Alta new concept of display terminal; the sales of OEM machine products increased greatly year over year. Healthcare business: The healthcare and cloud service's top-level design and medium- and long-term strategic planning is being gradually implemented, the specialized park was continuously innovating commercial model, improving service quality, achieving continuous improvement of the park's comprehensive competitiveness;.

2. Strengthen independent innovation, technical innovation and new product promotion capability

The company adheres to the innovative ideas of "technology leadership, first-global-launch products, and value co-creation", and continuously strengthens the building of patent application and protection, continuously enhancing its independent innovation ability, maintains the foresight and takes the lead in terms of technology and products, and fully improves the core competitiveness of its technologies and products. In 2014, it made 5,116 patent applications, up 20% year on year, and the number of new patent issued to it in the year was 1,834. BOE Technology Group Co., Ltd. has a leading position internationally in the high resolution and ultra-high-definition display technology. Its 98" 8K display screen won the CITE Innovation Product and Application Gold Award, Best in Show Award at SID's display week, and its 110" 8K product is now the largest-size ultra-high definition display screen. In addition, BOE launched the 30" Oxide AMOLED display screen that won the 2014 CITE Innovation Product and Application Gold Award, the first independently developed 55inch 4Kx2K curve AMOLED display in China, and the 65" 4Kx2K OGS display--the world's largest size, the 6" LTPS cellphone screen with the 500PPI pixel density, and the world's thinnest cell-phone screen--0.95mm thick only and the 8.0" display screen that integrates the high PPI with slim bezel.

3. Adhere to client orientation, actively expand new client resources, achieving significant results.

In 2014, the world presents a steadily growing demands for the display panel, and the sales of terminal manufacturers in Mainland China saw a great increase. We insisted on the client oriented mechanism centering on value co-creation and win-win cooperation with clients and actively cooperates with new and old clients with high-quality products. In the year, it developed several new clients, and continuous expansion of client base drove the steady increase of the overall sales and market presence. In 2014, the company maintained its the industry's leading place in the market presence of smart phones and tablet computer products, and the its high-end large-size screen market segment also saw a continuous increase in market presence.

4. Continuously deepen the innovative reform, strengthen talent cultivation, and bring the employees' enthusiasm and innovation into full play

In 2014, we continued to deepen the innovative reform, completed organization mechanism optimization and core talent deployment, achieving a significant improvement in organization operation efficiency. The promotion of salesperson compensation reform, creation of active cultural atmosphere, improvement of cohesive force in enterprise, and full mobilization of employees' enthusiasm and innovativeness, the company's sustainable development gained a powerful guarantee. On talent cultivation, the company launched the new employee orientation, project management, manager development, leader development and other such training projects to meet the training demands of employees at different stages and levels, further improving the training system.

VI. Investment analysis

1. Investments in equities of external parties

(1) Investments in external parties

☒ Applicable ☐ Inapplicable

Investments in external parties		
Investment amount in 2014 (RMB Yuan)	Investment amount in 2013 (RMB Yuan)	+/-%
38,417,454.00	25,851,114.00	48.61%
Particulars about investees		
Name of investee	Main business	Proportion of the Company's investment in the investee's total equity interests (%)
Meta Company	Design and manufacture of wearable intelligent equipment, wearable computing, R&D in the augmented reality technique, etc.	7.24%
Danhua Capital, L.P.	Mainly engaged in equity investment in TMT (technology, media and telecommunication)	5.48%

(2) Equity-holdings in financial enterprises

☐ Applicable ☒ Inapplicable

No such cases in the reporting period.

(3) Securities investments

☐ Applicable ☒ Inapplicable

No such cases in the reporting period.

(4) Shareholdings in other listed companies

☒ Applicable ☐ Inapplicable

Stock code	Stock abbr.	Initial	The	Closing book	Gain/loss for	Change of	Accounting title	Source
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		investment amount (RMB Yuan)	Company's shareholding percentage in the investee (%)	value (RMB Yuan)	reporting period (RMB Yuan)	owner's equity in the reporting period (RMB Yuan)		of stock
HK00903	TPV Technology	134,658,158	1.04%	32,285,828	193,140	1,642,657	Available-for-sale financial assets	Subscri ption
SH600658	Electronic Zone	90,160,428	1.69%	115,084,457	2,533,429	-196,391	Available-for-sale financial assets	Share swap
HK01963	Bank of Chongqing	120,084,375	0.93%	119,054,722	5,064,401	10,472,172	Available-for-sale financial assets	Subscri ption
Total		344,902,961	--	266,425,007	7,790,970	11,918,438	--	--

2. Wealth management entrustment, derivative investments and entrustment loans

(1) Wealth management entrustment

√ Applicable □ Inapplicable

Unit: RMB Ten Thousand

Name of trustee	Related-party relation	Related-party transaction or not	Type of products	Amount of wealth	Beginning date	Ending date	Payment determination	Principal actually recovered in current period	Impairment provision (if any)	Anticipated income	Actual gain or loss in current period
SPD Bank	Naught	No	Bank wealth management product	10,000	2014/09/01	2015/03/02	Pledgeable income	0	0	160	0
SPD Bank	Naught	No	Bank wealth management product	15,000	2014/09/05	2015/03/04	Pledgeable income	0	0	237	0
SPD Bank	Naught	No	Bank wealth management product	15,000	2014/10/16	2015/04/14	Pledgeable income	0	0	236	0
SPD Bank	Naught	No	Bank wealth management product	1,000	2014/10/20	2015/01/17	Pledgeable income	0	0	10	0
SPD Bank	Naught	No	Bank wealth management product	1,000	2014/10/10	2015/01/07	Pledgeable income	0	0	10	0
SPD Bank	Naught	No	Bank wealth management	10,000	2014/10/20	2015/01/19	Pledgeable income	0	0	33	0

			product								
Bank of Communications	Naught	No	Bank wealth management product	15,000	2014/09/05 日	2014/12/05/	Pledgeable income	15,000	0	113	113
Bank of Communications	Naught	No	Bank wealth management product	15,000	2014/12/08	2015/03/05	Pledgeable income	0	0	115	0
Bank of China	Naught	No	Bank wealth management product	10,000	2014/09/22	2015/01/05	Pledgeable income	0	0	90	0
Bank of China	Naught	No	Bank wealth management product	15,000	2014/09/25	2015/01/15	Pledgeable income	0	0	145	0
Bank of China	Naught	No	Bank wealth management product	15,000	2014/09/29	2015/01/26	Pledgeable income	0	0	152	0
Bank of China	Naught	No	Bank wealth management product	20,000	2014/10/16	2015/01/19	Pledgeable income	0	0	163	0
Bank of China	Naught	No	Bank wealth management product	10,000	2014/10/29	2015/02/06	Pledgeable income	0	0	84	0
Huishang Bank	Naught	No	Bank wealth management product	10,000	2014/09/24	2015/01/14	Pledgeable income	0	0	94	0
Huishang Bank	Naught	No	Bank wealth management	15,000	2014/10/15	2015/01/14	Pledgeable income	0	0	117	0

			product								
Huishang Bank	Naught	No	Bank wealth management product	20,000	2014/11/18	2015/03/05	Pledgeable income	0	0	178	0
Huishang Bank	Naught	No	Bank wealth management product	10,000	2014/11/19	2015/03/04	Pledgeable income	0	0	55	0
Industrial and Commercial Bank of China	Naught	No	Bank wealth management product	20,000	2014/09/01/	2014/12/22	Pledgeable income	20,000	0	289	289
Industrial and Commercial Bank of China	Naught	No	Bank wealth management product	25,500	2014/12/23	2015/03/24	Pledgeable income	0	0	84	0
Industrial and Commercial Bank of China	Naught	No	Bank wealth management product	13,500	2014/12/31	2015/04/02	Pledgeable income	0	0	45	0
China Everbright Bank	Naught	No	Bank wealth management product	13,500	2014/9/29/	2014/12/29/	Pledgeable income	13,500	0	172	172
China Everbright Bank	Naught	No	Bank wealth management product	19,000	2014/11/20	2015/02/20	Pledgeable income	0	0	63	0
China Guangfa Bank	Naught	No	Bank wealth management product	5,500	2014/10/20/	2014/12/19/	Pledgeable income	5,500	0	37	37
Total				304,000	--	--	--	54,000	0	2,682	611
Source of the entrusted funds				Self-owned funds							

Cumulative overdue principals and gains	0
Lawsuit (if applicable)	Inapplicable
Disclosure date of the announcement about the board approving the wealth management entrustment (if any)	2014/07/29
Disclosure date of the announcement about the general meeting approving the wealth management entrustment (if any)	2014/08/15

Note: The board approved a line of RMB 2.5 billion for entrusted wealth management, which could be used repeatedly.

(2) Derivative investments

☐ Applicable ☒ Inapplicable

No such cases in the reporting period.

(3) Entrustment loans

☐ Applicable ☒ Inapplicable

No such cases in the reporting period.

3. Use of raised funds

☒ Applicable ☐ Inapplicable

(1) Overview of the use of raised funds

☒ Applicable ☐ Inapplicable

Unit: RMB Ten Thousand Yuan

Total raised funds	4,488,470.51
Raised funds input in the reporting period	2,775,755.96
Raised funds accumulatively input	2,775,755.96
Raised funds with changed use in the reporting period	0
Accumulative raised funds with changed use	0
Proportion of accumulative raised funds with changed use (%)	0.00%
Overview of the use of raised funds	
The total raised funds stood at RMB 45,712,999,989.30. After deducting the various issuance expense of RMB 828,294,936.66, the net raised funds via asset and cash subscription stood at RMB 44,884,705,052.64. The total raised funds input in the reporting period included the asset subscription of RMB 8,532,999,999.30 by Beijing State-owned Capital Management Center with its 48.92% stake in Beijing BOE Display Technology Co., Ltd., and the subscription of RMB 5,999,999,999.70 by Hefei Jianxiang Investment Co., Ltd. with its creditor's rights due from the Company and in regard with the investment projects of the funds raised through this private offering. In the reporting period, we input the raised funds to the projects as planned.	

(2) Projects invested with raised funds as promised

√Applicable □ Inapplicable

Unit: RMB Ten Thousand Yuan

Projects invested with raised capital as promised and investments with over-raised capital	Project changed or not (including partially changed)	Raised capital input as promised	Investment after adjustment (1)	Input in the reporting period	Accumulative input up to the period-end (2)	Investment progress up to the period-end (%) (3) = (2)/(1)	Date when the project reaches the expected usable condition	Profit generated in the reporting period	Reach the expected profit or not	Material change in the project feasibility or not
Projects invested with raised funds as promised										
1. Hefei 8.5G Line Project	No	700,000	700,000	338,311	338,311	48.00%	2014/10	327,827	Non-applicable	No
2. Touch Screen Production Line Project	No	250,000	250,000	183,565	183,565	73.00%	2015/06	Non-applicable	Non-applicable	No
3. Erdos 5.5G Line Project	No	400,000	400,000	223,930	223,930	56.00%	In the first half of 2015	Non-applicable	Non-applicable	No
4. Chongqing 8.5G Line Project	No	1,520,000	1,520,000	411,479	411,479	27.00%	2015/12	Non-applicable	Non-applicable	No
5. Supplementing the working capital	No	165,171	165,171	165,171	165,171	100.00%	Non-applicable	Non-applicable	Non-applicable	No
6. BOE Display Equity Subscription Project	No	853,300	853,300	853,300	853,300	100.00%	Non-applicable	Non-applicable	Non-applicable	No
7. Hefei Jianxiang Creditor's Right Subscription Project	No	600,000	600,000	600,000	600,000	100.00%	Non-applicable	Non-applicable	Non-applicable	No
Subtotal of promised investment projects	--	4,488,471	4,488,471	2,775,756	2,775,756	--	--	Non-applicable	--	--
Investment with over-raised funds										
Repaying bank loans (if any)	--	0	0	0	0	Non-applicable	--	--	--	--

Supplementing the working capital (if any)	--	0	0	0	0	0.00%	--	--	--	--
Subtotal of investment with over-raised funds	--	0	0	0	0	--	--	0.00	--	--
Total	--	4,488,471	4,488,471	2,775,756	2,775,756	--	--	Non-applicable	--	--
Reason for failing to reach scheduled progress or projected income (explain one project by one project)	No such cases in the reporting period.									
Explanation on significant changes in feasibility of projects	Naught									
Amount, usage and usage progress of over-raised capital	Inapplicable									
Change of the implementation location of any raised funds investment project	Inapplicable									
Adjustment of the implementation method of any raised funds investment project	Inapplicable									
Advanced input and exchange of any raised funds investment project	Inapplicable									
Idle raised capital for temporarily supplementing working capital	Inapplicable									
Outstanding raised funds in project implementation and reasons	Inapplicable									

Usage and whereabouts of unused raised capital	The unused raised capital will be input to promised investment projects as planned.
Problems found in the usage and disclosure affairs of raised capital and other situations	Naught

(3) Change of raised-funds-invested projects

☐ Applicable ☒ Inapplicable

No such cases in the reporting period.

4. Analysis to main subsidiaries and stock-participating companies

√ Applicable □ Inapplicable

Main subsidiaries and stock-participating companies:

Unit: RMB Yuan

Company name	Company variety	Industry	Main products/services	Registered capital	Total assets	Net assets	Operating revenues	Operating profit	Net profit
Beijing BOE Optoelectronics Technology Co., Ltd.	Subsidiary	Semi-conductor display	Development and production of TFT-LCD	USD 649.11 million	7,315,435,724.00	4,990,523,958.00	3,172,745,883.00	137,680,104.00	151,636,957.00
Chengdu BOE Optoelectronics Technology Co., Ltd.	Subsidiary	Semi-conductor display	Development and production of TFT-LCD	RMB 1.83 billion	2,746,875,913.00	1,920,682,014.00	2,645,864,502.00	30,140,038.00	70,622,355.00
Hefei BOE Optoelectronics Technology Co., Ltd.	Subsidiary	Semi-conductor display	Development and production of TFT-LCD	RMB 9 billion	17,597,822,027.00	9,518,450,064.00	7,706,285,506.00	533,345,166.00	878,191,095.00
Beijing BOE Display Technology Co., Ltd.	Subsidiary	Semi-conductor display	Development and production of TFT-LCD	RMB 17.3772 billion	30,763,383,631.00	18,717,948,050.00	15,490,909,140.00	1,398,239,548.00	1,311,878,544.00
Hefei Xinsheng Optoelectronics Technology Co., Ltd.	Subsidiary	Semi-conductor display	Investment, construction, R&D, production and sales of the relevant products of thin film	RMB 19.5 billion	35,882,681,280.00	19,878,533,112.00	3,337,214,450.00	351,264,447.00	352,378,544.00

Ltd.			transistor LCD and its auxiliary products						
Erdos Yuansheng Optoelectronics Co., Ltd.	Subsidiary	Semi-conductor display	Production and operation of the relevant products of the active-matrix organic light emitting diodes display devices and its auxiliary products	RMB 6.104 billion	12,299,610,209.00	6,030,417,212.00	1,084,599.00	-123,478,932.00	-98,051,148.00

Notes to main subsidiaries and stock-participating companies

Subsidiaries acquired or disposed during the reporting period:

√ Applicable □ Inapplicable

Name of subsidiary	Purpose of acquisition/disposal	Way of acquisition/disposal	Effect on the whole production and business performance
Chongqing BOE Optoelectronics Technology Co., Ltd.	Acquisition of equity interests and increase in the investment	Business merger not under the same control	No insignificant influence
Fuda Electronics (Wujiang) Co., Ltd.	Equity disposition	Sale	No insignificant influence

5. Significant projects invested with non-raised funds

□ Applicable √ Inapplicable

No such cases in the reporting period.

VII. Predict the operating results of Jan.-Mar. 2015

Warning of possible loss or considerable YoY change of the accumulated net profit made during the period-begin to the end of the next reporting period according to prediction, as well as explanations on the reasons:

√ Applicable □ Inapplicable

Business performance forecast: significant increase in the same direction

Type of the business performance forecast data: Interval number

Item	Jan.-Mar. 2015			Jan.-Mar. 2014	+/- (%)		
Predicted accumulative net profit (RMB Ten Thousand Yuan)	95,000	--	100,000	58,765	Up	62.00%	-- 70.00%
Basic EPS (RMB Yuan/share)	0.027	--	0.028	0.043	Down	37.00%	-- 35.00%
Explanation about the predictions	<p>1、 In 2015, our capability in product structure adjustment has been further enhanced and our share in the market segment of mobile products is among the top of the world. The market situation in 2014 continued structurally in 2015, with a strong demand for high-end and large-sized display products, etc.</p> <p>2、 We carry out lean management in 2015. In the first quarter, all production lines produced remarkable results in reduction of raw material costs, coordination among production lines, etc., with the overall profitability further improved.</p> <p>3、 In 2015, we will continue to push forward the product structural adjustment strategy, further increase the output of products with high added value, give full play to new production capacity and seize market opportunities to create a wider space for profits.</p>						

VIII. Entities controlled by the Company for special purposes

☐ Applicable ☒ Inapplicable

IX. Outlook of the future development of the Company

I. Competition pattern of the industry and external economic environment

1. Competition pattern of the industry

In the industry, on the one hand, the internet economy is taking on increasingly obvious trend of software and hardware combination, application integration, and service-focused transformation, and the new technologies, new products, new processes, and new products are quickly upgrading, and new value-added products and services are being launched continuously; on the other, the market in Mainland China is still the focal point of semi-conductor display industry's investment and consumption. With the gradual release of new productivity, the old production lines will gradually transforms to lines with medium and small size and structures, and the consumers' product demands, especially for the smart phones and tablet computer products of small and medium size, have saturated, and therefore, the prices of such products will drop remarkably.

2. External economic environment

In 2015, the world's economic situation will be complicate and changeful. The economic rebalancing is likely to cause a global economic setback. The Chinese economy has shifted from the two-digit high-speed growth rate to the new "normal" of the moderate speed of 6-7%. The stage adjustment will continue for a time, facing the economic downturn.

II. The company's future development

As a semi-conductor display technology, product and solution provider, the company always adheres to the goal of continuous innovation, shifts from a display device manufacturer to the world's innovative system, product and service provider, realization of continuous steady profits and becoming the world's leader in the display field.

In 2015, the company will stick to the work guideline, innovation and break-through, and double increase in revenues and profits", spare no efforts to fulfill the annual business plan, operation target and various strategic tasks. In order to ensure the realization of the company's 2015 operation target, the business groups are actively taking responsive measures, which are as follows:

1. Display device business

The display device business group will further improve its market sensitivity and insight, work on the touch modules, high-resolution, and new application products, form periodic product workshop mechanism in the short, medium and long term, identify the product market promotion roadmap, expand the sales, and push high the available time of the production line. Besides, it will implement the "technology leadership, first-global-launch product, and value co-creation" strategy, establish the in-depth communication mechanism with clients and suppliers externally, and organize the communication and cooperation with product business planning department, strategic business unit, the group's CTO organization, and the global supply chain internally, collaborate to develop new technologies and new products, especially stressing about the dualization of materials in the product approval and design stage. The global manufacturing organization shall promote the philosophy of "Sangen Shugi"--meaning the actual place, the actual part and the actual situations, tap the equipment capacity, strengthen lean management, stabilize production pace, eliminate bottleneck process, improve production capacity utilization, and improve the production line's competitiveness. The global supply chain organization shall enhance the "in-depth cooperation, collaborative development, value co-creation", strengthen the strategic partnership with suppliers, improve the periodic joint meeting mechanism with internal organizations, and while ensuring the quality of materials and equipment, apply new technologies and new materials to improve the product's cost performance, reduce the costs, and especially to promote the improvement of module product competitiveness. The global quality guarantee center shall strengthen the ability building, push the lean six sigma, and intensity the work management; improve the new technology quality management system, improve the group's new technology and product competitiveness. The electronic material business group shall continuously push the industry's

transformation and upgrade, optimize product structure, complete the deployment of relevant industry chain, ensure the stability of staff in the industry transformation, strength the product and technology development ability, intensify the lean management, reduce costs, improve product competitiveness, develop new market and new clients, increase sales, and ensure the full achievement of this year's business plan.

2. Smart system business

The smart system business group must seize the industry development opportunity of the internet era, put into practice the brand culture of "maintaining its footing with product simplicity, reaching the peak of perfection", and promote the thorough market-oriented transformation and subversive innovation, urge the company's fast development to toward the software and hardware combination, application integration and service-focused transformation.

Smart display terminal business: carry out the group's brand and product development strategy, seize the international advisor resources, learn, digest, absorb and re-innovate such resources, and quickly grasp their management ideas and methodology, improve the market insight, product business planning ability, and business process control ability.

Marketing center: ensure the steady operation of online sales platform, establish offline experience channel, form online/offline interactive marketing model, push the increase in sales, establish and perfect the client service system, and improve the client satisfaction and brand image.

Lighting/PV business: strengthen the technology and product business plan, establish the short-, medium- and long-term product business planning mechanism, ensure the quick sales increase of new product. Improve the operation and management mechanism, intensify the internal control management and client quality evaluation, and strictly control the payable and receivable risks.

OEM business: tap into the demands of current clients, develop new markets and new clients, increase sales, ensure the year's profits, improve the product competitiveness; the backlight module business unit shall consolidate and expand strategic partnership and quickly become the No.1 supplier, strengthen the capacities of core technology, improve R&D efficiency; strengthen the interaction between the module center, implement the group's touch module and modular intelligentization strategy; improve the management and innovation ability, improve the quality and supply chain management system.

3. Healthcare service business

Healthcare business: implement the group's overall strategic requirements, develop a long- and medium-term business planning, comb the industry development roadmap and complete the organization of core teams, establish a good healthcare platform.

Specialized park business unit: make full use of the group's resource advantages, create more profit growth point, improve the park's brand influence in combination with the company's brand strategy, create cash flow for the group; promote the performance of the healthcare park and BOE University project as scheduled. Cloud service project: analyze the future development trend of cloud computation, develop a strategic planning that meets its own business demand; establish and improve the working process and organization mechanism to provide technical support for the group's smart commercial platform and healthcare business.

X. Explanation by the Board of Directors and the Supervisory Committee about the “non-standard auditor’s report” issued by the CPAs firm for the reporting period

☐ Applicable ☒ Inapplicable

XI. Explain any change in the accounting policies, the accounting estimates and the accounting methods when compared to the financial report for last year

☒ Applicable ☐ Inapplicable

(1) Changes in accounting policies

(a) Changed contents and reasons

The Company has executed the following new/revised accounting standards for business enterprises of the Ministry of Finance since 1 Jul. 2014:

- (i) <Accounting Standard No. 2 for Business Enterprises—Long-term Equity Investments> (“Standard No. 2 (2014)”)
- (ii) <Accounting Standard No. 9 for Business Enterprises—Employees’ Compensation> (“Standard No. 9 (2014)”)
- (iii) <Accounting Standard No. 30 for Business Enterprises—Financial Statement Presentation> (“Standard No. 30 (2014)”)
- (iv) <Accounting Standard No. 33 for Business Enterprises—Consolidated Financial Statements> (“Standard No. 33 (2014)”)
- (v) <Accounting Standard No. 39 for Business Enterprises—Fair Value Measurement> (“Standard No. 39”)
- (vi) <Accounting Standard No. 40 for Business Enterprises—Joint Arrangements> (“Standard No. 40”)
- (vii) <Accounting Standard No. 41 for Business Enterprises—Disclosure of Equities in Other Entities> (“Standard No. 41”)

Meanwhile, the Company has started to execute the <Regulations Concerning Division of Financial Liabilities and Equity Instruments & Relevant Accounting Treatments> (“Document CK [2004] No. 13”) promulgated by the Ministry of Finance since 17 Mar. 2014, and the <Accounting Standard No. 37 for Business Enterprises—Financial Instrument Presentation> (“Standard No. 37 (2014)”) revised by the Ministry of Finance since the 2014 Annual Financial Report.

Main influence of the new/revised accounting standards above on the Group as follows:

(i) Long-term equity investments

Before adopting the Standard No. 2 (2014), the Group considered an equity investment where the Group did not have control, joint control or significant influence on the investee, there is no offer for the equity investment in the active market and its fair value cannot be reliably measured as an other long-term equity investment, which was subsequently measured at the cost method. After adopting the Standard No. 2 (2014), the Group accounts this kind of investments according to the relevant policies for financial instruments, and adjusts relevant items in the comparative financial statements adopting the retrospective adjustment method.

Apart from the aforesaid changes, the Standard No. 2 (2014) also has different contents about measurement at the equity method, etc. The Group has revised its relevant accounting policies according to these revised contents, the Standard No. 2 (2014) has no significant influence on the Group’s financial statements (both for the current and comparative periods).

The revisions in the Standard No. 2 (2014) involve measurement scopes and some recognition and measurement. And the original disclosure requirements have been considered in the Standard No. 41.

(ii) Employees’ compensation

According to the new accounting treatment requirements in the Standard No. 9 (2014) concerning classification, recognition and measurement of short-term remuneration, after-service welfare, dismissal welfare and other long-term employees’ welfare, the Group has reviewed and revised its accounting policies regarding employees’ compensation. The Standard No. 9 (2014) has no significant influence on the Group’s financial situation and operating results.

The Group does not adjust the information disclosed before 1 Jan. 2014 which does not comply with the Standard No. 9 (2014). And

it does not provide comparative information regarding the new disclosure requirements.

(iii) Financial statement presentation

According to the Standard No. 30 (2014), the Group has revised its accounting policies regarding financial statement presentation, including classifying the item of other comprehensive incomes in the income statement into those that can be reclassified into gains and losses upon satisfaction of prescribed conditions in the subsequent accounting periods, those that cannot be reclassified into gains and losses in the subsequent accounting periods, etc.

The Group has also adjusted the comparative statements accordingly.

(iv) Consolidation scope

The Standard No. 33 (2014) introduces a unitary control model to determine whether an investee shall be consolidated. The control judgment depends on whether the Group has power over an investee, enjoy changeable returns through participating in relevant activities of the investee, and is able to use the power over the investee to influence the returns. According to the Standard No. 33 (2014), the Group has revised its accounting policies regarding whether it has control over an investee and whether an investee shall be consolidated.

It will not change the Group's consolidation scope as at 1 Jul. 2014 by adopting the Standard No. 33 (2014).

(v) Fair value measurement

The Standard No. 39 redefines fair value, provides a unified measurement frame for fair value and standardizes the fair value disclosure requirements. Adopting it has no significant influence on the fair value measurement of the Group's assets and liabilities. The information disclosed by the Group according to the Standard No. 39.

The Group does not retrospectively adjust the information involving fair value measurement disclosed before 1 Jul. 2014 which does not comply with the Standard No. 39. And it does not provide comparative information regarding the new disclosure requirements.

(vi) Joint arrangements

According to the Standard No. 40, the Group has revised its accounting policy concerning joint arrangements and re-assessed its joint arrangements. The Standard No. 40 has no significant influence on the Group's financial situation and operating results.

(vii) Disclosure of equities in other entities

The Standard No. 41 standardizes and revises the disclosure requirements on an enterprise's equity-holdings in subsidiaries, joint arrangements, associated enterprises and non-consolidated structured entities. The Group has revised its relevant disclosure rules according to this standard. See the relevant note for details.

(viii) Division of financial liabilities and equity instruments & presentation and disclosure of financial instruments

The Document CK [2014] No. 13 gives clear and specific guidelines for an issuer to divide its financial instruments into financial liabilities and equity instruments. The Document CK [2014] No. 13 has no significant influence on the Group's financial statements (both for the current and comparative periods).

The Standard No. 37 (2014) gives further guidelines for the offset of financial assets and liabilities, and revises the disclosure requirements on financial instruments, which has no significant influence on the presentation by the Group.

(b) Influence of the changes on financial statements

The aforesaid accounting policies changes have the following influence on financial statements of the Group and the Company:

(i) Influence of the changes on the current financial statements

The changes have no influence on items in the consolidated income statement and the Company's income statement for 2014.

Increase/decrease in the items in the consolidated balance sheet and the Company's balance sheet as at 31 Dec. 2014 prepared according to the revised accounting policies when compared to those prepared according to the accounting policies before revision:

Item	Increase/decrease in statement items after adopting the revised accounting policies	
	The Group	The Company
Assets:		
Long-term equity investments	-57,105,486	-18,688,032
Available-for-sale financial assets	57,105,486	18,688,032
Total:	0	0

(ii) The aforesaid accounting policy changes have no influence on the 2013 annual net profits and the opening and closing owners' equity for 2013 of the Group and the Company.

XII. Explain if any major correction of accounting errors occurred in the reporting period and for that retroactive restatement was needed

☐ Applicable ☒ Inapplicable

No such cases in the reporting period.

XIII. Explain any change in the consolidation scope compared to the financial report of last year

☒ Applicable ☐ Inapplicable

As stated in the <Announcement about Acquisition of Some Equity Interests in Chongqing BOE Optoelectronic Technology Co., Ltd.> (announcement No. 2014-035) disclosed by the Company on 24 May 2014, the said equity acquisition has been completed. After the acquisition and capital increase, the Company holds a stake of 93.17% in Chongqing BOE, making it the controlling

shareholder. And Chongqing BOE is thus included in the consolidation scope of the Group.

In 2014, the Group sold its 60% stake in Fuda Electronics (Wujiang) Co., Ltd.. As such, the Group's control over Fuda Electronics ceased on 30 Nov. 2014 and Fuda Electronics was thus deconsolidated.

XIV. Profit allocation and dividend payout

Formulation, execution or adjustment of the Company's profit allocation policy during the reporting period:

☐ Applicable ☒ Inapplicable

The Company's preplans or plans for profit allocation and turning capital reserve into share capital for the recent three years (including the reporting year):

The <Preplan for 2012 Annual Profit Allocation> was reviewed and approved at the 2012 Annual Shareholders' General Meeting. Because the accumulative undistributed profits up to 2012 were negative, the Company did not conduct profit distribution or transfer capital reserve into share capital for 2012.

The <Preplan for 2013 Annual Profit Allocation> was reviewed and approved at the 2013 Annual Shareholders' General Meeting. Because the accumulative undistributed profits up to 2013 were negative, the Company did not conduct profit distribution or transfer capital reserve into share capital for 2013.

According to the Company's <Scheme of Returns for Shareholders for the Coming Three Years> (2014-2016), the Company shall, expect in special circumstances, first adopt cash in dividend distribution provided that the Company makes a profit and the accumulative retained profits are positive for a year. The profits distributed in cash, stock or the combination of cash and stock for a year shall not be less than 30% of the distributable profits made in the year. And special circumstances refer to: (I) that the Company is to have a significant external investment plan or a significant cash expenditure in the coming 12 months reaching or exceeding 10% of the Company's lately audited net assets; and (II) other circumstances recognized by the general meeting. Since the undistributed profits of the Company (without subsidiaries) for 2014 are RMB 41,186,231 and the basic undistributed profits per share are RMB 0.001167, which is a small amount, the board intends not to distribute profits or capitalize capital reserves for 2014. And the retained profits will be used for distribution for subsequent years or semi-years as well as in the routine operation of the Company.

Cash dividend distribution of the Company over the recent three years:

Unit: RMB Yuan

Year	Cash dividends (tax included)	Net profit attributable to shareholders of the listed company in the consolidated statement in the year	Ratio to net profit attributable to shareholders of the listed company in the consolidated statement in the year	Cash offering to buy back shares recorded as cash dividends	Ratio of cash offering to buy back shares to cash dividends
2014	0.00	2,562,128,829.00	0.00%	0.00	0.00%
2013	0.00	2,353,365,694.00	0.00%	0.00	0.00%
2012	0.00	258,133,391.00	0.00%	0.00	0.00%

The Company (with subsidiaries) made profit in the reporting period and the retained profit of the Company (without subsidiaries) was positive, but it did not put forward a preplan for cash dividend distribution:

☒ Applicable ☐ Inapplicable

Reason	Use plan for the retained
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	profits
<p>According to the Company's <Scheme of Returns for Shareholders for the Coming Three Years> (2014-2016), the Company shall, expect in special circumstances, first adopt cash in dividend distribution provided that the Company makes a profit and the accumulative retained profits are positive for a year. The profits distributed in cash, stock or the combination of cash and stock for a year shall not be less than 30% of the distributable profits made in the year. And special circumstances refer to: (I) that the Company is to have a significant external investment plan or a significant cash expenditure in the coming 12 months reaching or exceeding 10% of the Company's lately audited net assets; and (II) other circumstances recognized by the general meeting. Since the undistributed profits of the Company (without subsidiaries) for 2014 are RMB 41,186,231 and the basic undistributed profits per share are RMB 0.001167, which is a small amount, the board intends not to distribute profits or capitalize capital reserves for 2014. And the retained profits will be used for distribution for subsequent years or semi-years as well as in the routine operation of the Company.</p>	<p>The retained profits for 2014 will be used for distribution for subsequent years or semi-years as well as in the routine operation of the Company.</p>

XV. Pre-plan for profit allocation and turning capital reserve into share capital for the reporting period

☐ Applicable ☒ Inapplicable

The Company plans not to distribute cash dividends or bonus shares or turn capital reserve into share capital for 2014.

XVI. Social responsibilities

☒ Applicable ☐ Inapplicable

For details, please see the <2014 Annual Social Responsibility Report of BOE Technology Group Co., Ltd.> disclosed on www.cninfo.com.cn dated 21 Apr. 2015.

Does the listed company or any of its subsidiaries belong to the heavily polluting industries stipulated by the environmental protection authorities of the country?

☐ Yes ☒ No ☐ Inapplicable

Does the listed company or any of its subsidiaries have any other significant social security problems?

☐ Yes ☒ No ☐ Inapplicable

Any administrative punishment during the reporting period?

☐ Yes ☒ No ☐ Inapplicable

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

√ Applicable □ Inapplicable

Reception date	Reception place	Reception way	Type of visitor	Visitor	Main content of discussion and materials provided by the Company
4 Jan. 2014	Meeting Room of the Company	Field research	Institution	New China Fund Management Co., Ltd.	<p>Main contents of discussion:</p> <p>1. Information about corporate operation and future development strategy; 2. Industry situation and development tendency; 3. Operation situation about the production lines of the Company; 4. New-type products technology.</p> <p>Materials provided: public information such as the 2012 Annual Report of the Company; the Third Quarter Report of 2013 and the Company brochure etc.</p>
6 Jan. 2014	Teleconference	Telephone communication	Institution	Allianz GL	
9 Jan. 2014	Meeting Room of the Company	Field research	Individual	Individual investor	
22 Jan. 2014	Meeting Room of the Company	Field research	Institution	Sinvo Capital Shareholding Co., Ltd., Anbang Asset Management Co., Ltd., Zhongfu Investment Group, Everbright Securities Company Limited, China Life Insurance asset Management Co., Ltd., Bohai Securities Co., Ltd., BRIEF INTRODUCTION OF THE COMPANY SINOM (Hong Kong) Limited	
11 Feb. 2014	Meeting Room of the Company	Field research	Institution	CITIC-Prudential Life Insurance Co., Ltd., Bohai Securities Co., Ltd.	
14 Feb. 2014	Meeting Room of the Company	Field research	Individual	Individual investor	
26 Feb. 2014	Teleconference	Telephone communication	Institution	Orient Asset Management Co., Ltd.	
4 Mar. 2014	Meeting Room of the Company	Field research	Institution	TF Securities Co., Ltd., Shanghai Lu'an Investment Co., Ltd., Zhonghai City Shareholding (Beijing) Co., Ltd.	
10 Mar. 2014	Meeting Room of the Company	Field research	Institution	Owl Creek	
11 Mar. 2014	Meeting Room of the Company	Field research	Individual	Individual investor	
13 Mar. 2014	Meeting Room of the Company	Field research	Institution	Huatai Securities Co., Ltd.	
17 Mar. 2014	Meeting Room of the Company	Field research	Institution	Alkeon Capital Management	

18 Mar. 2014	Meeting Room of the Company	Field research	Individual	Individual investor	<p>Main contents of discussion:</p> <p>1. Information about corporate operation and future development strategy; 2. Industry situation and development tendency; 3. Operation situation about the production lines of the Company; 4. New-type products technology.</p> <p>Materials provided: public information such as the 2013 Annual Report of the Company; the First Quarter Report of 2014 and the Company brochure etc</p>
31 Mar. 2014	Meeting Room of the Company	Field research	Institution	China International Fund Management Co., Ltd., New China Fund Management Co., Ltd., INDUSTRIAL SECURITIES CO., LTD	
23 Apr. 2014	Meeting Room of the Company	Field research	Institution	New China Fund Management Co., Ltd., INDUSTRIAL SECURITIES CO., LTD, Beijing Jiayi Asset Management Co., Ltd., China Life Insurance Asset Management Co., Ltd., Anbang Asset Management Co., Ltd., Bohai Securities Co., Ltd., First Capital Securities Co., Ltd., Yingda Taihe Life Insurance Co., Ltd., Guodu Securities Co., Ltd., Beijing Ama Ranch Food Co., Ltd., Orient Securities Company Limited	
13 May 2014	Teleconference	Telephone communication	Institution	Capital Investment Trust Corporation., Claw Capital., Franklin Huamei Securities Investment Trust Co., Ltd., Yuanta Funds Co., Ltd., Shin Kong Life Insurance Co., Ltd., JIH SUN SECURITIES INVESTMENT TRUST CO., LTD., Cathay Securities Co., Ltd.	
28 May 2014	Teleconference	Telephone communication	Institution	UOB Asset Management Ltd.	
28 May 2014	Meeting Room of the Company	Field research	Institution	Deutsche Bank, Master Link Securities	
10 Jun. 2014	Meeting Room of the Company	Field research	Institution	Principal, Lighthstreet, CLSA Asia-Pacific Markets	
12 Jun. 2014	Meeting Room of the Company	Field research	Institution	SOCIETE GENERALE	
17 Jun. 2014	Meeting Room of the Company	Field research	Institution	Coatue Management	
19 Jun. 2014	Meeting Room of the Company	Field research	Institution	Yuanta Funds Co., Ltd.	
9 Jul. 2014	Meeting Room of the Company	Field research	Institution	Macquarie Capital Securities Co., Ltd.	

14 Jul. 2014	Meeting Room of the Company	Field research	Institution	CITIC Securities Co., Ltd.	
23 Jul. 2014	Meeting Room of the Company	Field research	Institution	Huitianfu Fund Management Co., Ltd., Cinda Securities Co., Ltd., China Investment Securities Co., Ltd.	
5 Sep. 2014	Meeting Room of the Company	Field research	Institution	Oppenheimer & Co.	
15 Sep. 2014	Meeting Room of the Company	Field research	Institution	Brilliance Capital Management	Main contents of discussion: 1. Information about corporate operation and future development strategy; 2. Industry situation and development tendency; 3. Operation situation about the production lines of the Company; 4. New-type products technology. Materials provided: public information such as the 2013 Annual Report of the Company; Semiannual Report of 2014 and the Company brochure etc.
26 Sep. 2014	Meeting Room of the Company	Field research	Institution	Fangyuan Investment Management Co., Ltd.	
30 Oct. 2014	Meeting Room of the Company	Field research	Institution	China Asset Management Co., Ltd.	
4 Nov. 2014	Teleconference	Telephone communication	Institution	Altrinsic Global Consulting Company	Main contents of discussion: 1. Information about corporate operation and future development strategy; 2. Industry situation and development tendency; 3. Operation situation about the production lines of the Company; 4. New-type products technology. Materials provided: public information such as the 2014 Annual Report of the Company; Semiannual Report of 2014; the Third Quarter Report of 2013 and the Company brochure etc.
19 Nov. 2014	Meeting Room of the Company	Field research	Institution	JAT Capital Management, L.P.	
20 Nov. 2014	Meeting Room of the Company	Field research	Institution	Northeast Securities Co., Ltd., IDG Capital Partners	
28 Nov. 2014	Meeting Room of the Company	Field research	Institution	Huachuang Securities Co., Ltd., Changsheng Fund Management Co., Ltd.	
4 Dec. 2014	Meeting Room of the Company	Field research	Institution	Brilliance Capital Management, Changjiang Securities Co., Ltd.	
8 Dec. 2014	Meeting Room of the Company	Field research	Institution	Morgan Stanley	
23 Dec. 2014	Meeting Room of the Company	Field research	Institution	China Asset Management Co., Ltd.	
25 Dec. 2014	Meeting Room of the Company	Field research	Institution	Manulife Teda Fund Management Co., Ltd., Shanghai Bodao Investment Management Co., Ltd.,	

				King Tower Asset Management Company Ltd., Sealand Securities Co., Ltd., Huashang Fund Management Co., Ltd., INDUSTRIAL SECURITIES CO., LTD, Huachuang Securities Co., Ltd.	
Reception times					37
Number of reception institutions					138
Number of reception person					7
Number of receipting other targets					0
Whether disclose, reveal or let out unpublished significant information				Naught	

Section V. Significant Events

I. Significant lawsuits or arbitrations

☐ Applicable ☒ Inapplicable

The Company was not involved in any significant lawsuit or arbitration during the reporting period.

II. The media's doubts

☐ Applicable ☒ Inapplicable

There was no such a case in the reporting period where most of the media raised the same doubt about the Company.

III. Non-operating occupying funds of the listed companies held by the controlling shareholders and the related party

☐ Applicable ☒ Inapplicable

There was no any non-operating occupying fund of the listed companies held by the controlling shareholders and the related party.

IV. Bankruptcy reorganization

☐ Applicable ☒ Inapplicable

No event involving bankruptcy reorganization occurred to the Company in the reporting period.

V. Asset transactions

1. Purchase of assets

√ Applicable □ Inapplicable

Transaction party or ultimate controller	Asset acquired or bought in	Transaction price (RMB Ten thousand)	Progress	Influence on the Company's operation	Influence on the Company's gain/loss	Ratio of the net profit contributed by the asset to the Company to the total profit (%)	Related-party transaction or not	Relationship between the transaction party and the Company (applicable for related-party transactions)	Disclosure date	Disclosure index
ChongqingJiangbeizui CBD Investment Group Co., Ltd.	48.73% equity of Chongqing BOE Photoelectric Technology Co., Ltd. held by Chongqing Jiangbeizui CBD Investment Group Co., Ltd.	51,216.66	The equity purchase involved had totally transferred and Chongqing BOE had completed the industrial and commercial registration change procedures.	Changed from participating in Chongqing BOE's shares to controlling, which met with the strategy layout of the Company and improved the overall scale efficiency of the Company.	The net profits contributed to the listed companies since the purchase date to the period-end was of RMB 75,000.	-0.0029%	No	-	24 May 2014	Announcement on Purchasing the Part of the Equity of Chongqing BOE Photoelectric Technology Co., Ltd.; 2014-035
ChongqingLiangjiang New Area Development	48.73% equity of Chongqing BOE Photoelectric	2,264.85	The equity purchase involved had	Changed from participating in Chongqing	The net profits contributed to the listed	-0.0001%	No	-	24 May 2014	Announcement on Purchasing the Part of the

Investment Group Co., Ltd.	Technology Co., Ltd. held by ChongqingLiangjiang New Area Development Investment Group Co., Ltd.		totally transferred and Chongqing BOE had completed the industrial and commercial registration change procedures.	BOE's shares to controlling, which met with the strategy layout of the Company and improved the overall scale efficiency of the Company.	companies since the purchase date to the period-end was of RMB 3000.						Equity of Chongqing BOE Photoelectric Technology Co., Ltd.; 2014-035
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2. Sale of assets

√ Applicable □ Inapplicable

Transaction party	Asset sold	Date of sale	Transaction price (RMB Ten thousand)	Net profit contributed by the asset from the period-begin to the date of sale (RMB Ten thousand)	Influence of the sale on the Company	Ratio of the net profit contributed to the Company by the asset sale to the total profit (%)	Pricing principle	Related-party transaction or not	Relationship between the transaction party and the Company (applicable for related-party transactions)	Whether or not the ownership of the asset involved has been fully transferred	Whether or not the creditor's right and liabilities involved have been fully transferred	Disclosure date	Disclosure index
Suzhou Weiming Electronic Co., Ltd.	60% equity of Fidelity Electronic (Wujiang) Co., Ltd.	30 Nov. 2014	1,716.07	-120.98	Without significant influences	-0.0471%	Rule of fair trade	No	-	Yes	Yes	Inapplicable	Inapplicable

3. Business combination

☒ Applicable ☐ Inapplicable

The Company included Chongqing BOE Optoelectronic Co., Ltd. in the consolidated scope that had no influence on the business continuity and management layer stability of the Company.

VI. Implementation of equity incentive and its influence

☐ Applicable ☒ Inapplicable

The Company did not make or carry out any equity incentive plan during the reporting period.

VII. Significant related-party transactions

1. Related-party transactions concerning routine operation

☐ Applicable ☒ Inapplicable

There was no any related-party transaction concerning routine operation during the reporting period.

2. Related-party transactions arising from acquisition and sale of assets

☐ Applicable ☒ Inapplicable

No related-party transaction arising from acquisition or sale of assets occurred to the Company during the reporting period.

3. Related-party transactions arising from joint investment in external parties

☐ Applicable ☒ Inapplicable

No related-party transaction arising from joint investment in external parties occurred to the Company during the reporting period.

4. Credits and liabilities with related parties

☐ Applicable ☒ Inapplicable

No credit or liability occurred between the Company and related parties during the reporting period.

5. Other significant related-party transactions

☒ Applicable ☐ Inapplicable

Naught

The website to disclose the interim announcements on significant related-party transactions

Title of the interim announcement	Disclosure date of the interim announcement	Website where the interim announcement was disclosed
Announcement on the Prediction of 2014 Annual Routine Related Transaction of BOE Technology Group Co., Ltd.	22 Apr. 2014	www.cninfo.com.cn
Announcement of BOE Technology Group Co., Ltd. about Acquisition	2 Dec. 2014	www.cninfo.com.cn

of Some Equity Interests in Beijing BOE Display Technology Co., Ltd. & the Related-party Transaction		
Announcement of BOE Technology Group Co., Ltd. about Acquisition of Some Equity Interests in Hefei Xinsheng Optoelectronics Technology Co., Ltd. & the Related-party Transaction	29 July. 2014	www.cninfo.com.cn

VIII. Significant contracts and the fulfillment

1. Trusteeship, contracting and leasing

(1) Trusteeship

☐ Applicable ☒ Inapplicable

The Company did not make any entrustment in the reporting period.

(2) Contracting

☐ Applicable ☒ Inapplicable

The Company was not involved in any contracting in the reporting period.

(3) Leasing

☐ Applicable ☒ Inapplicable

The Company was not involved in any leasing in the reporting period.

2. Guarantees provided by the Company

☒ Applicable ☐ Inapplicable

Unit: RMB Ten Thousand Yuan

Guarantees provided by the company for its subsidiaries								
Guaranteed party	Disclosure date on relevant announcement of guaranteed amount	Amount for guarantee	Actual occurrence date (date of agreement)	Actual guarantee amount	Type of guarantee	Period of guarantee	Executed or not	Guarantee for a related party or not
Ordos Yuan Sheng Photoelectric Co., Ltd.	2 Apr. 2013	450,000	22 May 2013	443,712	Pledge	17 Jun. 2013 – 9 Jun. 2021	No	No
Beijing BOE Display	14 Aug.	1,050,000	30 Sep. 2014	749,188	Joint liability	27 Jan. 2011	No	No

Technology Co., Ltd.	2014				guarantee	– 26 Jan. 2020		
Hefei Xin Sheng Photoelectric Technology Co., Ltd.	14 Aug. 2014	300,000	8 Dec. 2014	137,000	Joint liability guarantee	25 Mar. 2014 – 28 Feb. 2019	No	No
Ordos Yuan Sheng Photoelectric Co., Ltd.	14 Aug. 2014	450,000	30 Sep. 2014	443,712	Joint liability guarantee	17 Jun. 2013 – 9 Jun. 2021	No	No
Chongqing BOE Photoelectric Technology Co., Ltd.	14 Aug. 2014	1,320,000	29 Sep. 2014	428,330	Joint liability guarantee	5 Nov. 2014 – 5 Nov. 2022	No	No
The total amount of guarantee limits for subsidiaries approved in the reporting period (B1)		5,320,000		The total amount of actual occurrence of guarantee for subsidiaries in the reporting period (B2)		1,758,230		
The total amount of guarantee for subsidiaries approved up to the end of reporting period (B3)		5,770,000		The total balance of actual guarantee for subsidiaries up to the end of reporting period (B4)		2,201,942		
The total amount of guarantee by the Company (the total amount of the first two items)								
The total amount of guarantee limits approved in the reporting period (A1+B1)		5,320,000		The total amount of actual occurrence of guarantee in the reporting period (A2+B2)		1,758,230		
The total amount of guarantee approved up to the end of reporting period (A3+B3)		5,770,000		The total balance of actual guarantee up to the end of reporting period (A4+B4)		2,201,942		
Proportion of total amount of actual guarantee (A4+B4) in the net assets of the Company				28.91%				
Among which:								
Amount of guarantees provided for shareholders, actual controller and other related parties (C)				0				
Amount of debt guarantees provided directly or indirectly for parties with asset-liability ratio exceeding 70% (D)				0				
Proportion of total guarantee amount exceeding 50% of the Company’s net assets (E)				0				
Total amount of the above three guarantees (C+D+E)				0				
Explanation on possibility of taking several and joint liability involving immature guarantees (if any)				Naught				
Explanation on external guarantees provided by violating				Naught				

regulated procedures (if any)	
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Explanation on guarantee that adopts complex method

(1) Illegal provision of guarantees for external parties

☐ Applicable ☒ Inapplicable

The Company did not illegally provide any guarantee for any external party in the reporting period.

3. Other significant contracts

☐ Applicable ☒ Inapplicable

There was no other significant contract of the Company in the reporting period.

4. Other significant transactions

☐ Applicable ☒ Inapplicable

The Company was not involved in any other significant transaction in the reporting period.

IX. Implementation of commitments

1. Commitments made in the reporting period by the Company or its shareholders with equities of over 5% or such commitments carried down into the reporting period

☒ Applicable ☐ Inapplicable

Commitment	Commitment maker	Contents of commitment	Date of commitment	Period of commitment	Execution
Commitments made in a share reform					
Commitments made in acquisition reports or report on changes in equity					
Commitments made at the time of assets reorganization					
Commitments at the time of initial public issuance or re-financing	Beijing State-owned Capital Operation and Management Center, Hefei Jianxiang Investment Co., Ltd., Chongqing Ezcapital Opto-electronics	Committed not to transfer the acquired shares from the subscription by the issuers from the first date of listing the non-public issued newly-increased	8 Apr. 2014	36 months	Being executing

	Industry Investment Co., Ltd.	shares within 36 months			
	Hua An Fund Management Co., Ltd., Minsheng Royal Fund Management Co., Ltd., Ping An Uob Fund Management Co., Ltd.	Committed not to transfer the acquired shares from the subscription by the issuers from the first date of listing the non-public issued newly-increased shares within 12 months	8 Apr. 2014	12 months	Being executing
Other commitments made for medium and small shareholders of the Company					
Executed timely or not?		Yes			
Detailed reason for failing to execute and the next plan (if any)		Inapplicable			

2. Explanation for the assets or items reach the original profits prediction and the reasons if the assets or items have profits prediction with the reporting period is still during the profits prediction period

☐ Applicable ☒ Inapplicable

X. Engagement and disengagement of the CPAs firm

Certified Public Accountants in employment

Name of domestic accounting firm	KPMG Huazhen Certificated Public Accountants (LLP)
Payment for domestic accounting firm(RMB Ten Thousand Yuan)	650
Number of successive years of audit service provided by domestic accounting firm	10 years
Name of certified public accounts in domestic accounting firm	Su Xing, Xu Junwei

Whether employing another accounting firm instead during the reporting period ☐

Yes ☒ No

Particulars about financial consultancy or sponsor when employing accounting firm of internal control audit

☒ Applicable ☐ Inapplicable

1. This year, because of the need of internal control audit, the Company employed KPMG Huazhen Certificated Public Accountants as the accounting firm of internal control audit, which was paid RMB 2 million as internal control audit expense within the period;
2. This year, the Company executed non-public shares issuing and engaged China Securities Co., Ltd as the issuing sponsor or institution, of which the paid underwriting fees and sponsor fees were of RMB 33 million.

XI. Notes of the “non-standard audit report” for the accounting firms of the reporting period by Board of Supervisors and Independent Directors (if applicable)

☐ Applicable ☒ Inapplicable

XII. Punishments and rectifications

☐ Applicable ☒ Inapplicable

No punishment or rectification in the reporting period.

XIII. List of facing with listing suspending and delisting after the disclosure of annual report

☐ Applicable ☒ Inapplicable

XIV. Other significant events

☒ Applicable ☐ Inapplicable

1. On 24 Feb. 2014, the Company disclosed the Announcement on Part of the Directors, Supervisors, Senior Executives and Other Core Managers of BOE Technology Group Co., Ltd. who Plans to Purchase the Shares of the Company (Announcement No. 2014-006), and up to 30 Jun. 2014, purchasing the shares of the Company by self-owned funds through the secondary market by part of the Directors, Supervisors, Senior Executives and Other Core Managers had completed execution, of which the details was in the Announcement on the Purchase of the Shares of the Company had Completed Execution by Part of the Directors, Supervisors, Senior Executives and Other Core Managers that disclosed on 2 Jul. 2014 (Announcement No. 2014-037).
2. On 8 Apr. 2014, the Company disclosed the Report on the List of the Non-public Shares and the Listing Announcement, which the Company issued RMB common shares (A Share) totally of 21,768,095,233 shares on 4 Apr. 2014 and had listed on 8 Apr. 2014.
3. On 22 Apr. 2014, the Company disclosed Long-acting Mechanism Share Repurchase of BOE Technology Group Co., Ltd. (2014-2016) and had disclosed Preplan of Repurchase Part of the Social Public Shares of BOE Technology Group Co., Ltd. on 29 Jul. 2014, which had been reviewed and approved by the 2nd Extraordinary General Meeting of 2014 of the Company that had accumulatively repurchased B share of 136,569,831 shares up to 31 Mar. 2015, and for the details please refer to the Announcement on the Progress of Repurchasing Part of the Social Public Shares of BOE Technology Group Co., Ltd. disclosed on 31 Mar. 2015.
4. On 24 May 2014, the Company disclosed the Announcement on Purchasing Part of the Equity of Chongqing BOE Photoelectric Technology Co., Ltd. by BOE Technology Group Co., Ltd. (Announcement No. 2014-035), and had disclosed Announcement on the Progress of the Raising Funds Investment Project of the Non-public Shares of BOE Technology Group Co., Ltd. (Announcement No. 2014-039), as well as recently the Company had completed purchasement and hold about 96.92% equity of Chongqing BOE with the specific information in the above announcements.
5. On 29 Jul. 2014, the Company disclosed the Announcement on Purchasing Part of the Equity of Hefei Xinsheng Photoelectric Technology Co., Ltd. and the Related Transactions of BOE Technology Group Co., Ltd. (Announcement No. 2014-043), and the proposal on purchasing part of the equity of Hefei Xinsheng Photoelectric Technology Co., Ltd. by the Company had been reviewed and approved by the 2nd Extraordinary General Meeting of 2014 of the Company with the industrial and commerce alteration had

been completed on 3 Dec. 2014.

6. On 27 Dec. 2014, the Company disclosed the Announcement on Investing and Constructing Chengdu 6th Generation of LTPS/AMOLED Production Line Project (Announcement No. 2014-072), which planned to invest and construct a 6th Generation of LTPS/AMOLED Production Line in Chengdu that mainly produce the products such as the high-end mobile display and newly emerging mobile display. The event had been reviewed and approved by the 1st Extraordinary General Meeting of 2015 of the Company with the specific information in the relevant announcements.

7. On 12 Mar. 2015, the Company disclosed the Announcement of Presentation of BOE Technology Group Co., Ltd. (Announcement No. 2015-008). The controlling shareholders of the Company changed from Beijing BOE Investment & Development Co., Ltd. to Beijing Electronic Shareholding Co., Ltd. and that the actual controller remained Beijing Electronics Holdings Co., Ltd. and that the actual controller remained Beijing Electronics Holdings Co., Ltd. For details, with the specific information in the relevant announcements.

XV. Significant events of the subsidiaries of the Company

☐ Applicable ☒ Inapplicable

XVI. List of the issuance of the bonds of the Company

☐ Applicable ☒ Inapplicable

Section VI. Change in Shares & Shareholders

I. Change in shares

1. Change in shares

Unit: Share

	Before the change		Increase/decrease (+, -)			After the change	
	Number	Percentage	New shares	Other	Subtotal	Number	Percentage
I. Restricted shares	201,143	0.00%	21,768,095,233	676,989,919	22,445,085,152	22,445,286,295	63.60%
1. Shares held by the state	0	0.00%	0	0	0	0	0.00%
2. Shares held by state-owned corporations	0	0.00%	9,920,476,190	675,026,803	10,595,502,993	10,595,502,993	30.02%
3. Shares held by other domestic investors	201,143	0.00%	11,847,619,043	1,963,116	11,849,582,159	11,849,783,302	33.58%
Among which: shares held by domestic corporations	0	0.00%	11,847,619,043	0	11,847,619,043	11,847,619,043	33.57%
Shares held by domestic individuals	201,143	0.00%	0	1,963,116	1,963,116	2,164,259	0.01%
4. Shares held by foreign investors	0	0.00%	0	0	0	0	0.00%
Among which: Shares held by foreign corporations	0	0.00%	0	0	0	0	0.00%
Shares held by foreign individuals	0	0.00%	0	0	0	0	0.00%
II. Non-restricted shares	13,521,341,198	100.00%	0	-676,989,919	-676,989,919	12,844,351,279	36.40%
1. RMB ordinary shares	12,182,681,198	90.10%	0	-676,989,919	-676,989,919	11,505,691,279	32.60%
2. Domestically listed foreign shares	1,338,660,000	9.90%	0	0	0	1,338,660,000	3.79%
3. Overseas listed foreign shares	0	0.00%	0	0	0	0	0.00%

4. Other	0	0.00%	0	0	0	0	0.00%
III. Total shares	13,521,542,341	100.00%	21,768,095,233	0	21,768,095,233	35,289,637,574	100.00%

Reasons for changes in shares

√ Applicable ☐ Inapplicable

(1) The Company non-public issued A Share of 21,768,095,233 shares for listing on 8 Apr. 2014 and the total shares of the Company increased from 13,521,542,341 shares to 35,289,637,574 shares.

(2) In the reporting period, senior executives increased their shareholdings in the Company, with the increased shares becoming restricted shares. In Jul. 2013, some of them left the Company upon expiration of their office terms and their shareholdings in the Company were unlocked in Jan. 2014. On 26 Dec. 2014, some other senior executives left the Company and all of their shareholdings became restricted shares. The aforesaid events increased restricted shares by 1,963,116 shares in total.

(3) Hefei Rongke Project Investment Co., Ltd. voluntarily committed to lock up the wholly hold shares for 24 months since 9 Jan. 2014 with the restcited shares increased of 675,026,803 shares.

Approval of share changes

√ Applicable ☐ Inapplicable

On 24 Dec. 2013, CSRC approved and issued Reply to the Approval of the Non-public Issued Shares of BOE Technology Group Co., Ltd. (Z-J-X-K [2013] No. 615), of which the new shares of the non-public issued shares of the Company be approved was not more than 22.4 billion. Confirmed by Shenzhen Branch of CSDCC, the non-public issued shares had been officially listed on 8 Apr. 2014 with the total issued amount of the A Share of 21,768,095,233 shares and the total amount of the shares of the Company increased from 13,521,542,341 shares to 35,289,637,574 shares.

Particulars about transferring ownership of shares

☐ Applicable √ Inapplicable

Influence of changes in shares on financial indicators of the recent year or the recent term including basic EPS, diluted EPS, net asset value per share belonging to common stock holders of the Company, etc.

√ Applicable ☐ Inapplicable

Unit: RMB Yuan

Item	Jan.- Dec. 2014
Basic EPS	0.087
Diluted EPS	0.087
Item	31 Dec. 2014

Net assets per share attributed to the common shareholders of the Company	2.16
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Other contents that the Company thinks it is necessary to disclose or that securities regulatory institutions demand to disclose

☐ Applicable ☒ Inapplicable

2. Change of the restricted shares

√ Applicable □ Inapplicable

Unit: share

Name of the shareholders	Restricted shares amount at the period-begin	Restricted shares relieved of the period	Restricted shares increased of the period	Restricted shares amount at the period-end	Restricted reasons	Restricted shares relieved date
Beijing State-owned Capital Operation and Management Center	0	0	4,063,333,333	4,063,333,333	Non-public issuance	After 7 Apr. 2017
Chongqing Ezcapital Opto-electronics Industry Investment Co., Ltd.	0	0	3,000,000,000	3,000,000,000	Non-public issuance	After 7 Apr. 2017
Hefei Jianxiang Investment Co., Ltd.	0	0	2,857,142,857	2,857,142,857	Non-public issuance	After 7 Apr. 2017
Minsheng Royal Fund-CMBC-Ping'an Trust-Ping'an Finance-Assembled Funds Trust Plan of Huitai No. 66	0	0	2,380,952,380	2,380,952,380	Non-public issuance	15 Apr. 2015
Hua An Fund-HXB-Ping'an Trust-Ping'an Finance * Assembled Funds Trust Plan of Huitai No. 72	0	0	2,380,952,380	2,380,952,380	Non-public issuance	15Apr. 2015
Hua An Fund-ICBC-Zhongrong International Trust-Zhongrong-Assembled Funds Trust Plan of Rongjing No. 1	0	0	1,904,761,904	1,904,761,904	Non-public issuance	15 Apr. 2015
Ping'an Dahua Fund-Ping'an Bank-Asset Management Plan of Ping'an Dahua Ping'an Jincheng Wealth No. 31	0	0	1,428,571,428	1,428,571,428	Non-public issuance	15 Apr. 2015

Ping'an Dahua Fund- Ping'an Bank-Asset Management Plan of Ping'an Dahua Ping'an Jincheng Wealth No. 34	0	0	1,428,571,428	1,428,571,428	Non-public issuance	15 Apr. 2015
Shenzhen Ping'an Innovation Capital Investment Co., Ltd.	0	0	1,190,476,190	1,190,476,190	Non-public issuance	15 Apr. 2015
Hefei Rongke Project Investment Co., Ltd.	0	0	675,026,803	675,026,803	Voluntarily committed to add the selling restriction	After 8 Jan. 2016
Other shareholders of non-public restricted shares	0	0	1,133,534,476	1,133,534,476	Non-public issuance	15 Apr. 2015
Senior Executives shareholdings	201,143	134,825	1,896,798	1,963,116	Shareholding increase of the Senior Executives and the selling restriction relieved as the departure of the service term	-
Total	201,143	134,825	22,445,219,977	22,445,286,295	--	--

II. Issuance and listing of securities

1. Securities issuance in recent three years as at 31 Dec. 2014

√ Applicable □ Inapplicable

Name of the shares and their derivative securities	Issuance date	Issuance price (or interest rate)	Issuance number	Listing date	Approved listing trading number approved	Expiration date of the trading
Common shares class						
Non-public issued A share	25 Mar. 2014	2.10	21,768,095,233	8 Apr. 2014	21,768,095,233	
Convertible bonds, separate bargaining convertible bonds and various bonds of the Company						
Authority card class						

Notes to securities issuance in recent three years:

On 24 Dec. 2013, CSRC approved and issued Reply to the Approval of the Non-public Issued Shares of BOE Technology Group Co., Ltd. (Z-J-X-K [2013] No. 615), of which the new shares of the non-public issued shares of the Company be approved was not more than 22.4 billion. Confirmed by Shenzhen Branch of CSDCC, the non-public issued shares had been officially listed on 8 Apr. 2014 with the total issued amount of the A Share of 21,768,095,233 shares and the total amount of the shares of the Company increased from 13,521,542,341 shares to 35,289,637,574 shares.

2. Changes of the Company's share number and structure, as well as the corresponding changes in its asset-liability structure

√ Applicable □ Inapplicable

During the reporting period, the non-public A share issued by the Company was of 21,768,095,233 shares and the total amount of the shares of the Company increased from 13,521,542,341 shares to 35,289,637,574 shares. The total amount of the assets of the Company increased from RMB 92,538,451,492 at the period-begin to RMB 136,240,283,477 with the asset-liability ratio decreased from 58.77% to 43.51%.

3. List of the existing internal workers' shares

□ Applicable √ Inapplicable

III. Shareholders and actual controller

1. Total number of shareholders and their shareholding situation

Unit: Share

Total number of shareholders at the reporting period	388,615(of which A-share holders: 353,185; B-share holders: 35,430)		Total number of shareholders on the fifth trading day before the disclosure date of the annual report		689,561 (of which A-share holders: 652,304; B-share holders: 37,257)			
Shareholding of shareholders holding more than 5% shares								
Name of shareholder	Nature of shareholder	Holding percentage (%)	Number of shareholding at the end of the reporting period	Increase and decrease of shares during reporting period	Number of shares held subject to trading moratorium	Number of shares held not subject to trading moratorium	Pledged or frozen shares	
							Status of shares	Number of shares
Beijing State-owned Capital Operation and Management Center	State-owned Corporation	11.51%	4,063,333,333	4,063,333,333	4,063,333,333	0		
Chongqing Ezcapital Opto-electronics Industry Investment Co., Ltd.	State-owned Corporation	8.50%	3,000,000,000	3,000,000,000	3,000,000,000	0	Pledge	1,414,150,000
Hefei Jianxiang Investment Co., Ltd.	State-owned Corporation	8.10%	2,857,142,857	2,857,142,857	2,857,142,857	0		
Minsheng Royal Fund-CMBC-Ping'an Trust-Ping'an Finance-Assembled Funds Trust Plan of Huitai No. 66	Other	6.75%	2,380,952,380	2,380,952,380	2,380,952,380	0		
Hua An Fund-HXB-Ping'an Trust-Ping'an Finance * Assembled Funds Trust Plan of Huitai No. 72	Other	6.75%	2,380,952,380	2,380,952,380	2,380,952,380	0		

Hua An Fund-ICBC-Zhongrong International Trust-Zhongrong-Assembled Funds Trust Plan of Rongjing No. 1	Other	5.40%	1,904,761,904	1,904,761,904	1,904,761,904	0		
Ping'an Dahua Fund-Ping'an Bank-Asset Management Plan of Ping'an Dahua Ping'an Jincheng Wealth No. 31	Other	4.05%	1,428,571,428	1,428,571,428	1,428,571,428	0		
Ping'an Dahua Fund- Ping'an Bank-Asset Management Plan of Ping'an Dahua Ping'an Jincheng Wealth No. 34	Other	4.05%	1,428,571,428	1,428,571,428	1,428,571,428	0		
Being E-TOWN International Investment & Development Co., Ltd.	State-owned Corporation	4.01%	1,414,002,356	-70,157,050	0	1,414,002,356	Pledge	500,000,000
Shenzhen Ping'an Innovation Capital Investment Co., Ltd.	Domestic non-state-owned corporation	3.37%	1,190,476,190	1,190,476,190	1,190,476,190	0		
Strategic investor or general corporation becoming a top ten shareholder due to placing of new shares (if any)	The Company non-public issued A Share of 21,768,095,233 shares for listing on 8 Apr. 2014 and the total shares of the Company increased from 13,521,542,341 shares to 35,289,637,574 shares. 9 shareholders such as Beijing State-owned Capital Operation and Management Center, Chongqing Ezcapital Opto-electronics Industry Investment Co., Ltd. and Hefei Jianxiang Investment Co., Ltd. were all participated in the non-public issuance project and became the top 10 shareholders of the Company with the specific subscription situation as follows:							
	No.	Name of the shareholders	Subscription shares (share)	Proportion	Restricted period (month)	Estimated relieving date of the selling restriction		
	1	Beijing State-owned Capital Operation and Management	4,063,333,333	11.51%	36	After 7 Apr. 2017		

		Center				
	2	Chongqing Ezcapital Opto-electronics Industry Investment Co., Ltd.	3,000,000,000	8.50%	36	After 7 Apr. 2017
	3	Hefei Jianxiang Investment Co., Ltd.	2,857,142,857	8.10%	36	After 7 Apr. 2017
	4	Minsheng Royal Fund-CMBC- Ping'an Trust-Ping'an Finance-Assembled Funds Trust Plan of Huitai No. 66	2,380,952,380	6.75%	12	15 Apr. 2015
	5	Hua An Fund-HXB-Ping'an Trust-Ping'an Finance * Assembled Funds Trust Plan of Huitai No. 72	2,380,952,380	6.75%	12	15Apr. 2015
	6	Hua An Fund-ICBC-Zhongrong International Trust-Zhongrong-Assembled Funds Trust Plan of Rongjing No. 1	1,904,761,904	5.40%	12	15 Apr. 2015
	7	Ping'an Dahua Fund-Ping'an Bank-Asset Management Plan of Ping'an Dahua Ping'an Jincheng Wealth No. 31	1,428,571,42	4.05%	12	15Apr. 2015
	8	Ping'an Dahua Fund- Ping'an Bank-Asset	1,428,571,42	4.05%	12	15 Apr. 2015

		Management Plan of Ping'an Dahua Ping'an Jincheng Wealth No. 34				
	9	Shenzhen Ping'an Innovation Capital Investment Co., Ltd.	1,190,476,190	3.37%	12	15Apr. 2015
Explanation on associated relationship or/and persons acting in concert among the above-mentioned shareholders:	1. When the Company completed private offering of shares in 2010, Beijing E-TOWN International Investment & Development Co., Ltd. transferred all shares directly held to Beijing BOE Investment & Development Co., Ltd. for management, then BOE Investment acquired the attached rights of the shares attributable to other shareholders in accordance with current effective laws and rules of the Company excluding right of disposition such as transfer, donation, mortgage etc. and usufruct (including claim for profit distribution and claim for retained assets distribution).					
	2. When the Company completed private offering of shares in 2014, Beijing State-owned Capital Operation and Management Center transferred the 70% shares directly held to Beijing Electronic Shareholding Co., Ltd. for managing through Shares Management Protocol, and Beijing Electronic Shareholding Co., Ltd. acquired the shareholders rights except for the disposition rights and equity rights attached to the equities; Beijing State-owned Capital Operation and Management Center maintained its voting rights of the rest 30% equity directly held by itself in accordance with Beijing Electronic Shareholding Co., Ltd. through the agreement of the Voting Rights Exercising Agreemen.					
	3. Except for relationship among the above shareholders, the Company is not aware of whether the other top ten shareholders exist associated relationship or not, or they are persons acting in concert or not.					
Particulars about shares held by the top ten shareholders holding shares not subject to trading moratorium						
Name of shareholder	Number of tradable shares held at the year-end		Type of shares			
			Type	Number		
Being E-TOWN International Investment & Development Co., Ltd.	1,414,002,356		RMB ordinary shares		1,414,002,356	
Beijing BOE Investment & Development Co., Ltd.	860,981,080		RMB ordinary shares		860,981,080	
Beijing Economic-Technological Investment & Development Corp.	847,650,000		RMB ordinary shares		847,650,000	

Beijing BDA Technological Investment Development Co., Ltd.	600,000,000	RMB ordinary shares	600,000,000
Beijing Electronics Holdings Co., Ltd.	275,303,883	RMB ordinary shares	275,303,883
Hefei Xincheng State-Owned Assets Management Co., Ltd.	274,848,276	RMB ordinary shares	274,848,276
Sinotrans Air Transportation Development Co., Ltd.	99,000,000	RMB ordinary shares	99,000,000
Zhang Dingqiang	98,244,026	RMB ordinary shares	98,244,026
Zhou Shengjie	73,913,337	RMB ordinary shares	73,913,337
CSOP Asset Management- CSOP FTSE China A50ETF	61,484,500	RMB ordinary shares	61,484,500
Explanation on associated relationship or/and persons acting in concert among the top ten tradable shareholders and between the top ten tradable shareholders and the top ten shareholders	<p>1. Beijing Electronics Holdings Co., Ltd. holds 66.25% shares of Beijing BOE Investment & Development Co., Ltd. and is its controlling shareholder.</p> <p>2. When the Company completed private offering of shares in 2010, Beijing E-TOWN International Investment & Development Co., Ltd. transferred all shares directly held to Beijing BOE Investment & Development Co., Ltd. for management, then BOE Investment acquired the attached rights of the shares attributable to other shareholders in accordance with current effective laws and rules of the Company excluding right of disposition such as transfer, donation, mortgage etc. and usufruct (including claim for profit distribution and claim for retained assets distribution).</p> <p>3. BEIJING ECONOMIC-TECHNOLOGICAL INVESTMENT & DEVELOPMENT CORP. holds 49% shares of BEIJING BDA TECHNOLOGICAL INVESTMENT DEVELOPMENT CO., LTD. Both of them are under the control of the Administration Committee of Beijing Economic and Technological Development Zone, which makes them parties acting in concert.</p> <p>4. When the Company completed private offering of shares in 2014, Hefei Jianxiang Investment Co., Ltd. and Chongqing Ezcapital Opto-electronics Industry Investment Co., Ltd. maintained unanimous with the declaration of intention of Beijing BOE Investment & Development Co., Ltd. when executing the voting rights of the whole shares held by the shareholders of the Company through the agreement on the Voting Rights Exercising Agreement.</p> <p>5. When the Company completed private offering of shares in 2014, Beijing State-owned Capital Operation and Management Center transferred the 70% shares directly held to Beijing Electronic Shareholding Co., Ltd. for managing through Shares Management Protocol, and Beijing Electronic Shareholding Co., Ltd. acquired the shareholders rights except for the disposition rights and equity rights attached to the equities; Beijing State-owned Capital Operation and Management Center maintained its voting rights of the rest 30% equity directly held by itself in accordance with Beijing Electronic Shareholding</p>		

	Co., Ltd. through the agreement of the Voting Rights Exercising Agreement. 6. Except for relationship among the above shareholders, the Company is not aware of whether the other top ten shareholders exist associated relationship or not, or they are persons acting in concert or not.
Explanation on the top 10 common shareholders participating in the margin trading business (if any)	1、Shareholder Zhang Dingqiang holds 98,244,026 shares in the Company through a client account of collateral securities for margin trading in Founder Securities Co., Ltd. 2、Shareholder Zhou Shengjie holds 73,913,337 shares in the Company through a client account of collateral securities for margin trading in Founder Securities Co., Ltd.

Did any top 10 common shareholder or any top 10 common shareholder with non-restricted share of the Company carry out an agreed buy-back in the reporting period?

☐ Yes ☒ No

No top 10 common shareholder or any top 10 common shareholder with non-restricted share of the Company carried out any agreed buy-back in the reporting period.

2. Particulars about the controlling shareholder

Corporation

Name of controlling shareholder	Legal representative / company principal	Date of establishment	Organization code	Registered capital	Business scope
Beijing BOE Investment & Development Co., Ltd.	Wang Dongsheng	21 Apr. 2005	10110124-9	RMB 680,982,000	R&D and production of electronic products, electronic raw materials and components; sales of self-produced products, etc.
Future development strategy	Beijing BOE Investment & Development Co., Ltd. is the controlling shareholder with the future development mainly depends on the assets management and will support the attributed listed company BOE to develop as the leading enterprise in the display field.				
Operating result, financial conditions and cash flow etc.	The total amount of the assets not audited by Beijing BOE Investment & Development Co., Ltd. at the year-end of 2014 was of RMB 1286.67 million with the owners' equity of RMB 1075.27 million; the operating revenue was of RMB 0 with the total profits amount of RMB 7.73 million; and the cash net flow caused from the operating activities of 2014 was of RMB 5.71 million.				
Situation of the equities of the other domestic listed companies for the share controlling and share participating of the controlling shareholders during the	Naught				

reporting period	
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Change of the controlling shareholder during the reporting period

☐ Applicable ☒ Inapplicable

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

3. Particulars about the actual controller

Corporation

Name of the actual controller	Legal representative / company principal	Date of establishment	Organization code	Registered capital	Business scope
Beijing Electronics Holdings Co., Ltd.	Wang Yan	8 Apr. 1997	63364799-8	RMB 1,307,370,000	Operation and management of state-owned assets within authorization; communications equipments, audio & visual products for broadcasting and television; computer and its supporting equipments and the applied products; electronic raw material and components; home electric appliances and electronic products; electronic surveying instruments and meters; mechanical and electric equipments; electronic transportation products and investment in business fields other than electronics and its management; development of real estate, lease and sales of commodity apartments; property management.
Future development strategy	Beijing Electronic Shareholding Co., Ltd is the actual controller and will form the electronic information industry as the main body to energetically develop the electro-optic display, semiconductor equipment, radio and television transmitting equipment, components and large scale integrated circuit as well as the lithium battery industry and to forge as well as to form the competitive industries for supporting the scale merit of the electronically controlled economy; makes great efforts to support the industries such as the self-service equipments, system integration and instruments as well as meters, to forge as well as to form the specialty industry with differentiation market competitive advantage; to accelerate the new technology and the development of the new application as well as to actively cultivate the new industry. Strongly promotes the construction work of the conglomeration that forge the electronic control as the strategic holding type industrial group with international competitiveness and leading state in the domestic technology field.				
Operating result, financial conditions	The accumulative realized operating revenue not audited in 2014 of Beijing Electronic Shareholding Co., Ltd. was of RMB 43.5 billion; the total				

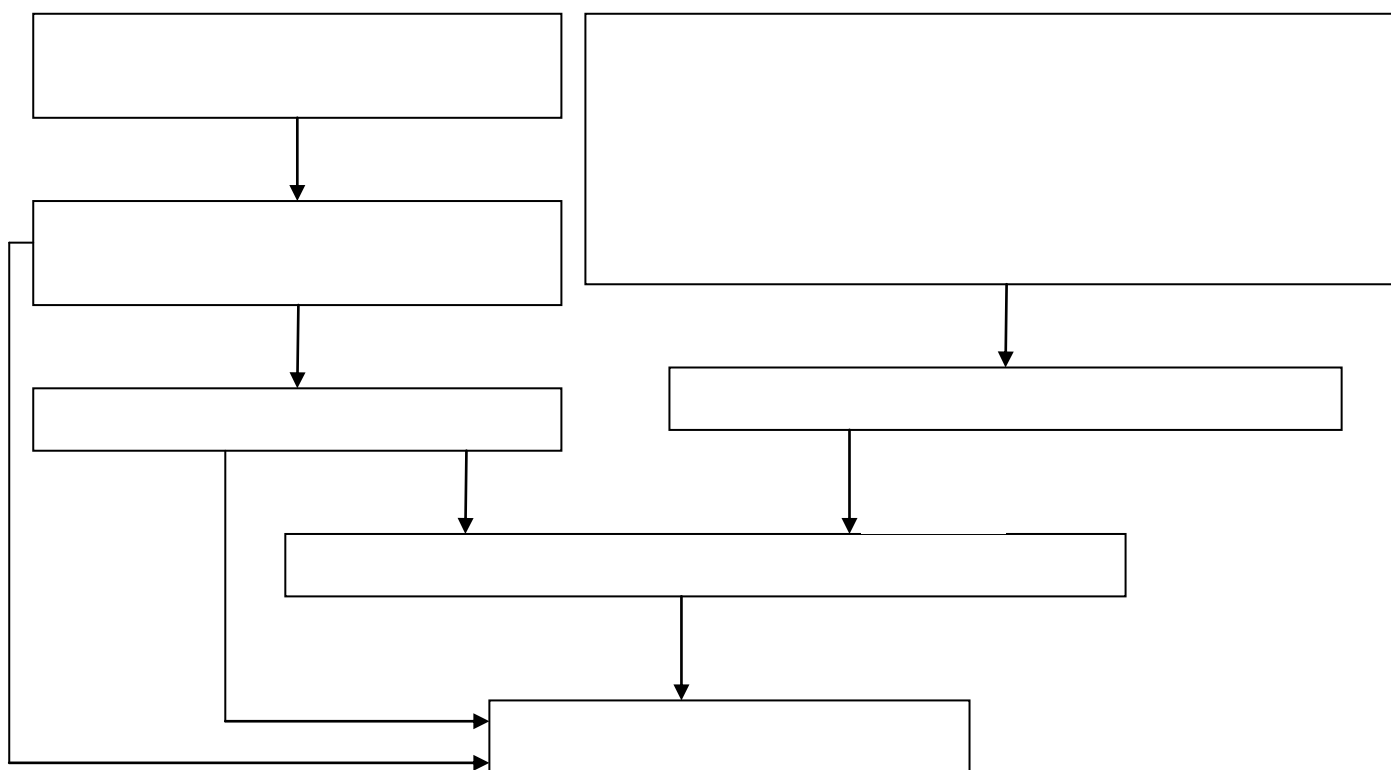
and cash flow etc.	amount of the accumulative realized profits was of RMB 3.7 billion; the total assets was of RMB 157.2 billion and the net assets of RMB 88 billion, of which the net assets attributed to the parent company was of RMB 9 billion; and the net amount of the cash flow from the operating activities of 2014 was of RMB 8.7 billion.
Situation of the equities of the other domestic listed companies for the share controlling and share participating of the controlling shareholders during the reporting period	Beijing Electronic Shareholding Co., Ltd. held 176,515,720 shares of A share of Seven Star Electronics (Stock Code: 002371) through the controlling shareholder, Seven Star Group, which covered 50.12% of the total shares amount of Seven Star; Beijing Electronic Control directly held 383,726,280 shares of A share of Electronic City ((Stock Code: 600658), which was of 66.15% of the total shares amount of Electronic City.

Change of the actual controller during the reporting period

☐ Applicable ☒ Inapplicable

There was no change of the actual controller during the reporting period.

The ownership and controlling relationship between the actual controller of the Company and the Company is detailed as follows



Notes: 1: The Company regards Beijing Intelligent Kechuang Technology Development Co., Ltd. as a platform to implement equity incentive for the whole core technology manager, the aforesaid 20 subscribers are nominal shareholders, each investment proportion is not actual equity proportion, the equities of Beijing Intelligent Kechuang Technology Development Co., Ltd. are held in common by all implemented objectives of simulate plan of equity incentive mechanism.

2: When the Company completed private offering of shares in 2010, Beijing E-TOWN International Investment & Development Co., Ltd. transferred all shares directly held to Beijing BOE Investment & Development Co., Ltd. (hereinafter refer to as “BOE Investment”) for management, then BOE Investment acquired the attached rights of the shares attributable to other shareholders in accordance with current effective laws and rules of the Company, excluding right of disposition such as transfer, donation, mortgage etc. and usufruct (including claim for profit distribution and claim for retained assets distribution). As to the end of reporting period, BOE Investment held 2,274,983,436 shares with attributable voting right, which accounted for 6.45% of total share capital. Up to 4 Mar. 2015, E-TOWN Investment decreased the shareholding of the Company which led the shares owned by BOE Investment that could actually control the voting rights of the Company decreased from 2,345,140,486 shares to 1,764,478,440 shares, with the total shares proportion decreased from 6.65% to 5.00%, and for the details, please refer to the Presentation Announcement on the Changes of Shareholders’ Equity disclosed on 7 Mar. 2014 by the Company (2015-007).

3: When the Company completed private offering of shares in 2014, Beijing State-owned Capital Operation and Management Center transferred the 70% shares directly held to Beijing Electronic Shareholding Co., Ltd. for managing through Shares Management Protocol, and Beijing Electronic Shareholding Co., Ltd. acquired the shareholders rights except for the disposition rights and equity rights attached to the equities; Beijing State-owned Capital Operation and Management Center maintained its voting rights of the rest 30% equity directly held by itself in accordance with Beijing Electronic Shareholding Co., Ltd. through the agreement of the Voting Rights Exercising Agreement.

The actual controller controls the Company via trust or other ways of asset management

☐ Applicable ☒ Inapplicable

4. Particulars about other corporate shareholders with shareholding proportion over 10%

√ Applicable □ Inapplicable

Name of the corporate shareholders	Legal representative / company principal	Date of establishment	Organization code	Registered capital	Business scope or management activities
Beijing State-owned Capital Management Administrative Center	Lin Fusheng	30 Dec. 2008	68355103-8	35,000,000,000	Investment and investment management; assets management; organize the reorganization as well as the merger and acquisition of the enterprise assets.

IV. Any shareholding increase plan proposed or implemented by any shareholder or its act-in-concert party during the reporting period

□ Applicable √ Inapplicable

To the best knowledge of the Company, no shareholder or its act-in-concert party proposed or implemented any shareholding increase plan during the reporting period.

VII. Preferred stock

□ Applicable √ Inapplicable

There was no preferred stock during reporting period.

VIII. Directors, Supervisors, Senior Management Staffs and Employees

I. Changes in shareholding of directors, supervisors and senior management staffs

Name	Office title	Tenure status	Sex	Age	Start date	Ending date	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)	Amount shares held at the period-end (share)
Wang Dongsheng	Chairman of the Board and Chief of Execution Committee	Current	Male	57	10 Jul. 2013	9 Jul. 2016	29,905	270,000	0	299,905
Wu Wenxue	Vice Chairman of the Board	Current	Male	48	10 Jul. 2013	9 Jul. 2016	0	0	0	0
Chen Yanshun	Executive Director, President	Current	Male	48	10 Jul. 2013	9 Jul. 2016	0	260,000	0	260,000
Wang Jing	Director	Current	Female	43	30 May 2014	9 Jul. 2016	0	0	0	0
Xie Xiaoming	Director	Current	Male	55	10 Jul. 2013	9 Jul. 2016	7,680	0	0	7,680
Liu Xiaodong	Director, Executive Vice President, COO	Current	Male	50	10 Jul. 2013	9 Jul. 2016	0	250,000	0	250,000
Wang Jiaheng	Director, Executive Vice President, COO	Current	Male	45	10 Jul. 2013	9 Jul. 2016	0	250,000	0	250,000
Song Jie	Director	Current	Male	47	10 Jul. 2013	9 Jul. 2016	0	0	0	0

Geng Jianxin	Independent Director	Current	Male	60	10 Jul. 2013	9 Jul. 2016	0	0	0	0
Ji Guoping	Independent Director	Current	Male	67	10 Jul. 2013	9 Jul. 2016	0	0	0	0
Yu Ning	Independent Director	Current	Male	60	10 Jul. 2013	9 Jul. 2016	0	0	0	0
Lv Tingjie	Independent Director	Current	Male	60	30 May 2014	9 Jul. 2016	0	0	0	0
Zhang Jinsong	Chief of Supervisor	Current	Male	42	10 Jul. 2013	9 Jul. 2016	0	0	0	0
Xu Tao	Supervisor	Current	Male	50	10 Jul. 2013	9 Jul. 2016	0	0	0	0
Mu Chengyuan	Supervisor	Current	Male	47	10 Jul. 2013	9 Jul. 2016	2,991	0	0	2,991
Zhao Wei	Supervisor	Current	Male	46	10 Jul. 2013	9 Jul. 2016	0	0	0	0
Zhang Chunming	Supervisor	Current	Female	43	10 Jul. 2013	9 Jul. 2016	0	0	0	0
Zhuang Haoyu	Supervisor	Current	Male	30	10 Jul. 2013	9 Jul. 2016	0	0	0	0
Zhong Huifeng	Employee Supervisor	Current	Male	44	10 Jul. 2013	9 Jul. 2016	0	150,000	0	150,000
Zhou Yanwen	Employee Supervisor	Current	Male	47	10 Jul. 2013	9 Jul. 2016	0	0	0	0
Xu Yangping	Employee Supervisor	Current	Male	40	10 Jul. 2013	9 Jul. 2016	0	0	0	0
Song Ying	Executive Vice President, CHRO	Current	Female	57	10 Jul. 2013	9 Jul. 2016	29,905	200,000	0	229,905
Dong Youmei	Executive Vice President, CTO	Current	Female	51	10 Jul. 2013	9 Jul. 2016	0	200,000	0	200,000
Sun Yun	Executive Vice President, CFO	Current	Female	45	10 Jul. 2013	9 Jul. 2016	5,981	150,000	0	155,981

Li Xuezheng	Senior Vice President	Current	Male	45	10 Jul. 2013	9 Jul. 2016	0	186,600	0	186,600
Yue Zhanqiu	Senior Vice President	Current	Male	47	10 Jul. 2013	9 Jul. 2016	0	150,000	0	150,000
Feng Liqiong	Senior Vice President, Chief Counsel	Current	Female	42	10 Jul. 2013	9 Jul. 2016	0	150,000	0	150,000
Xie Zhongdong	Vice President, Chief Risk Control Officer, Chief Auditor	Current	Male	44	10 Jul. 2013	9 Jul. 2016	0	110,000	0	110,000
Yao Xiangjun	Vice President	Current	Male	37	10 Jul. 2013	9 Jul. 2016	0	100,000	0	100,000
Liu Hongfeng	Secretary of Board of Directors	Current	Male	36	10 Jul. 2013	9 Jul. 2016	0	100,000	0	100,000
Ouyang Zhongcan	Independent Director	Former	Male	68	10 Jul. 2013	30 May 2014	0	0	0	
Wang Yanjun	Executive Vice President	Former	Male	44	10 Jul. 2013	26 Dec. 2014	11,962	200,000	0	211,962
Total	--	--	--	--	--	--	88,424	2,726,600	0	2,815,024

II. Post-holding situation

Main working experience of current directors, supervisors and senior management staff:

Directors' Particulars

Mr. Wang Dongsheng, Master of Engineering, financial experts and system engineering experts, founder of BOE, ever took the posts of Chairman of 1st and 2nd Board of Directors as well as president, and Chairman of the 3rd Board of Directors of the Company, as well as Chairman of Execution Committee, CEO, the Chairman of the 4th Board of Directors of the Company and Chairman of Execution Committee, the Chairman of the 5th Board of Directors of the Company and Chief of Execution Committee and Chairman of the 6th Board of Directors, Chief of Execution Committee of the Company

Now he takes the posts of Chairman of the 7th Board of Directors, Chief of Execution Committee of the Company, meanwhile, Vice President of China Electronic Chamber of Commerce, President of Beijing Electronic Chamber

of Commerce, Vice President of China Optics and Optoelectronics Manufactures Association and Chairman of China Optics and Optoelectronics Manufactures Association LCB, etc.

Mr. Wang Dongsheng leaded to found BOE in 1993, and made BOE became a leading enterprise in the field of global display, in 2010, he put forward life principle of display industry which was known as "Mr. Wang Principle".

Mr. Wang Dongsheng once was awarded "China Top Ten Mergers and Acquisitions Personage", "Chinese Top Ten Smartfortune Personage", "China's information industry leader", "The most influential leader of listed companies" and other honorary titles.

Mr. Wu Wenxue, Master of Economics, he served as the project manager of Issuing Development of Huaxia Securities, as Deputy Factory Manager of Beijing Foster Automobile Decorations Factory, as Deputy Chief of Comprehensive Management Dept., Deputy Chief of Policies Research Office of Beijing Gongmei Group Company, Deputy General Manager of Beijing Wangfujing Gongmei Building, as General Manager of Beijing Wolafey Decoration Co., Ltd., as Deputy General Manager and a member of CPC of Beijing Gongmei Group Co., Ltd., as Deputy General Manager of China Youfa International Project Design Consulting Co., Ltd, the Convener of the 4th, the 5th Supervisory Committee of the Company and the Convener and Chief Supervisor of the 6th Supervisory Committee of the Company

Now he holds the positions of the Deputy Chairman of the 7th Board of Directors of the Company, Vice President of Beijing Electronics Holdings Co., Ltd, Deputy Chairman of the Board of Beijing Electronic Zone Investment and Development Co., Ltd., and Chairman of the Board of Beijing Peony Electronic Group Co., Ltd.

Mr. Chen Yanshun, Master of Economics, senior accountant, has ever taken the posts of lecturer of Chongqing Industry & Commerce University. He had served in the Company from the year of 1993, has taken the posts of Secretary of the Board of the 1st Board of Directors of the Company, Secretary of the 2nd Board of Directors and Vice President, Executive Director of the 3rd Board of Directors and Senior Vice President, Executive Director of the 4th-5th and the 6th Board of Directors and President, Chairman of the Board of Beijing BOE Vision-electronic Technology Co., Ltd., and Chairman of the Board of Beijing BOE Multimedia Science and Technology Co., Ltd..

Now he takes the posts of Deputy Chairman and the President of the 7th Board of Directors of the Company, Chairman of the Board of Beijing BOE Optoelectronics Technology Co., Ltd., Chairman of the Board of Hefei BOE Optoelectronics Technology Co., Ltd., Chairman the Board of Ordos Yuansheng Optoelectronics Co., Ltd., Chairman of the Board of Chongqing BOE Optoelectronics Technology Co., Ltd., Chairman of the Board of Beijing Intelligent Kechuang Technology Development Co., Ltd., Chairman of the Board Beijing Matsushita Color CRT Co., Ltd., and Chairman of the Board of BOE Technology (Hong Kong) Co., Ltd., etc., and other company directors and chairman of the board of directors.

Mrs. Wang Jing, Bachelor of Finance, LLM, MBA and Senior Economist. She once worked as Clerk of Securities Department in Beijing Lightbus Co., Ltd., Cadre of General Office of the Economic System Reform Committee of Beijing, assistants to the Directors and Deputy Directors Financing Department of Beijing Enterprises Holdings Ltd. (HK Head office), Entrepreneurship Manager of Beijing Enterprises Holdings Investment Management Ltd., Deputy GM of Beijing BHL Investment Management Center of Beijing Holdings, Manager of Business Operating & Management Department of Beijing Holdings, General Manager Assistant of Beijing Holdings, Chairman and GM of Inland Port International Logistics Co., Ltd., GM of Investment Management Department and Investment Management Department I of Beijing State-owned Capital Operation Management Center .

Now she worked as Director of the 7th Board of Directors of the Company, Deputy GM of Beijing State-owned Capital Operation Management Center.

Mr. Xie Xiaoming, MBA, He had ever taken the posts of Director of 821 Workshop of Beijing Tube Factory, Plant Manager of First Branch Factory of Beijing Tube Factory. Deputy GM of Beijing Orient Electronics Group Co., Ltd. General Manager and Director of Beijing Yandong Microelectronics Co., Ltd. Director of Beijing Dongguang Micro Electronic Co., Ltd. Party Secretary of Beijing Semiconductor Devices Fifth Factory.

Now he takes the posts of Director of the 7th Board of Director of the Company, Vice President of Beijing Electronics Holding Co., Ltd. Director of Beijing Yandong Microelectronics Co., Ltd. Director of Beijing Dongguang Micro Electronic Co., Ltd. Party Secretary of Beijing Semiconductor Devices Fifth Factory.

Mr. Liu Xiaodong, Bachelor of engineering Engineer, he ever worked in Research Institute of Beijing Information Optics Apparatus. He successively took the posts of Director, Deputy General Manager and Secretary of CPC of Beijing Matsushita Color CRT Co., Ltd., Vice President of the Company and concurrently Director and General Manager of Beijing BOE Optoelectronics Technology Co., Ltd., Director and General Manager of Hefei BOE Optoelectronics Technology Co., Ltd. Chairman of the Board of Beijing BOE Vision-electronic Technology Co., Ltd. and GM of Hefei Xinsheng Optoelectronics Technology Co., Ltd.

Now he takes the posts of Director of the 7th Board of Director of the Company, Executive Vice President and COO of the Company, Deputy Chairman of the Board of Hefei BOE Optoelectronics Technology Co., Ltd., Deputy Chairman of Chongqing BOE Optoelectronics Technology Co., Ltd., Director of Beijing BOE Optoelectronics Technology Co., Ltd., Director of Hefei Xinsheng Optoelectronics Technology Co., Ltd. and Director of Beijing BOE Display Technology Ltd. and TPV Technology (China) Co., Ltd. Chairman of Beijing BOE Multimedia Science and Technology Co., Ltd. and Beijing BOE Technology Wisdom Commerce Co., Ltd.

Mr. Wang Jiaheng, MBA, he ever took the post of General Manager of Electronic Components Division, Chairman of the Board of BOE HYDIS (Beijing) Display Technology Co., Ltd., Chairman of the Board of BOE (Hebei) Mobile Display Technology Co., Ltd., Executive Director and Vice President of the 5th Board of Directors of the Company and Executive Director and Vice President of the 6th Board of Directors

Now he takes the posts of Director of the 7th Board of Directors and Executive Vice President and COO of the Company, Chairman of the Board of Chengdu BOE Optoelectronics Technology Co., Ltd., Director of Beijing BOE Optoelectronics Technology Co., Ltd., Director of Hefei BOE Optoelectronics Technology Co., Ltd., and Vice Chairman of the Board of Ordos Yuansheng Optoelectronics Co., Ltd.

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

Now he is the director of the 7th board of director, manager of Department of investment and financing of Beijing Economic -Technological Investment & Development Corp.

Particulars about Independent Directors

Mr. Geng Jianxin, Doctor, Professor, and Doctoral Advisor. He is now an independent director of the Company's 7th Session of Board of Directors, Shenzhen Tatfook Technology Co., Ltd. and Beijing Shouhang Resources Saving Co., Ltd.. At present he serves as a member of scholarship committee of School of Business of Renmin University of China, as Professor in charge of Principles of Accounts, as member of China Accounting Standards Committee, as Deputy Chief and Academic Member of Councils of China Accounting Association, as Director of China Audit Society, Deputy Chief of Academic Committee, as Independent Director of the 6th Board of Directors

of the Company. He has started to enjoy government special allowance since 2002.

Mr. Ji Guoping, senior engineer, is a specialist of information industry technology and management. He once successively acted as Chief of Color Picture Tube Engineering Section of Significant Engineering of Basic Products Department in Ministry of Electronics Industry, Chief of Basic Products Section of Electronic Information Products Management Department in Ministry of Information Industry and Assistant Inspector (assisting role of departments) in Electronic Information Products Management Department in Ministry of Information Industry as well as Deputy Chief (assisting role of departments) of Wuhan East Lake High-Tech Development Zone. Bureau of the Retired Personnel (assisting role of departments) of Ministry of Industry and Information, worked in display devices, components based products, was expert of aspect of Semiconductor Component.

Now he is the independent director of the 7th Board of Directors of the Company, Hengdian Group Dmegg Magnetics Co., Ltd. since Jan. 2011 to Dec. 2014

Mr. Yu Ning, Master of Economic Law of School of Law of Peking University, Lawyer. Deputy Director, Director of Central Commission for Discipline Inspection of the Communist Party of China, Practicing Lawyer of Beijing Shidai Huadi China Law Firm, Part-time Professor of Peking University, tutor of Law Postgraduate Student of School of Law of Tsinghua University, Member of the 11th of National Committee of CPPCC, Member of Social and Legal Affairs Committee of CPPCC and Chairman of China National Lawyer's Association.

Now he is the independent director of the 7th Board of Directors of the Company, BOBJ, China Shipping Industry Co., Ltd. and Zhejiang United Mechanical & Electrical Co., Ltd. and Outside Director of China Mobile Communications Corporation and COSCO Group Co., Ltd..

Lv Tingjie, Doctor, Professor and Doctorial Tutor, Assistant, Lecturer, Associate Professor, Professor, Doctorial Tutor, Vice Dean, Standing vice President and President of Beijing University of Posts and Telecommunications. Social part-time job: Executive Director of Union International Telecommunications, Vice Chairman of Information Economy Society of China, Deputy Director of the Ministry of Education Electronic Commerce Teaching Committee, Standing Director of China Institute of Communications (Director of the Communication Management Branch) Standing Director of China Association of Communication Enterprises, Standing Director of Chinese Research Council of Technical Economy (Director of Communications Technology and Economy), Member of Ministry of Industry and Information Science Committee and Telecom Economic Experts Committee.

Now he is the independent director of the 7th Board of Directors of the Company. He worked in Beijing University of Posts and Telecommunications since May 1985. Independent Director of Gohigh Data Networks Technology Co., Ltd..

Supervisors' Particulars

Mr. Zhang Jinsong, Master Degree, Senior Accountant. He ever took posts of Chief of Finance Department of Beijing Jianzhong Anchinery Factory, CFO of Beijing Boda Integrated Circuit Co., Ltd. and Deputy CFO of the Company and Supervisor of the 6th Supervisory Committee.

Now he acts as Chairman of Supervisor of the 7th Supervisory Committee, Vice President of Beijing Electronics Holdings Corp., and Director of Beijing BOE Investment & Development Co., Ltd.. Director of Beijing BBEF Science & Technology Co., Ltd. , Beijing Zhaowei Electronic (Group) Co., Ltd. .

Mr. Xu Tao, Master, Senior Accountant, Minister of Finance Department of Beijing TV Accessories Third Factory, Chief Accountant and CFO of Beijing Jile Economics Group Co., Ltd.

Now he is the Supervisors of the 7th Board of Supervisors of the Company, Minister of Financial Department of Beijing Electronics Holding Co., Ltd.

Mr. Mu Chengyuan, master, Economist. He ever took the posts of Manager of Comprehensive Department of

International Trade Branch of the Company, Deputy General Manager of Beijing Orient Lighting Fixture Engineering Co., Ltd., Division Chief of Assets Operating and Management Division of and Deputy Factory Manager of Beijing Electronic Tube Factory, Supervisor of the 3rd Supervisory Committee of the Company, Supervisor and Secretary of the 4th and the 5th Supervisory Committee of the Company, the Supervisor and Secretary of the 6th Supervisory Committee,

Now he is the Supervisor and Secretary of the 7th Supervisory Committee, Chief of Investment Securities Department of Beijing Electronics Holdings Co., Ltd., as well as Director and Vice President of Beijing BOE Investment & Development Co., Ltd..

Mr Zhao Wei, Bachelor, Joined the Communist Party of China in 2001, he successively worked as Manager of Financial Department of Hefei City Construction Investment Co., Ltd. Deputy Minister, Minister of Financial Department and Minister of Financing Department of Hefei City Construction Investment Co., Ltd..

Now he is the Supervisor and Secretary of the 7th Supervisory Committee, Director, Member of CPC Committee Deputy GM of Hefei City Construction Investment Co., Ltd..

Ms. Zhang Chunming, Bachelor, Semi-Senior Accountant, she once worked as Financial Personnel of BEIREN GROUP CORPORATION, CFO of Beijing Tian Heng Development Group Co., Ltd. Deputy GM of Beijing Kun Tai Long Energy Investment Co., Ltd. and the Finance Department Minister and Minister of Financing Department.

Now she is the Supervisor and Secretary of the 7th Supervisory Committee of Beijing E-Town International Investment Development Co., Ltd.

Mr. Zhuang Haoyu, Bachelor, he once worked as Project Assistant of Beijing Industrial Development Investment Management Co., Ltd. Now he is the Supervisor and Secretary of the 7th Supervisory Committee and Project Assistant of Beijing Industrial Development.

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

Mr Zhou Yanwen, Bachelor of Engineering, he once worked as Party Secretary and GM of Beijing Boe Vacuum Technology Co., Ltd. Now he is Employee Supervisor of the 7th Supervisory Committee, Vice Secretary of Discipline Inspection Commission of the Company, Deputy Head of Labor Unions and Deputy Director of Enterprise Culture Center.

Mr. Xu Yangping, Dual Bachelors of Engineering and Law. He was former Deputy Minister, Minister of the Company's Legal Department. Now he acts as Employee Supervisor of the 7th Supervisory Committee, Minister and Deputy Director of the Company's Legal Department and Organization and the Director of 4th Session of Board of Directors of Gaochuang (Suzhou) Electronics Co., Ltd.

Senior management staff

Ms. Song Ying, Senior Accountant, she ever took the posts of Chief of Planning & Financing Division in Beijing Electronic Tube Factory, Manager of Financial Department and CFO of the Company, Director and Standing Vice President of the 2nd Board of Directors of the Company, Executive Director and Senior Vice president of the 3rd Board of Directors of the Company, Vice Chairman of the Board of Zhejiang BOE Display Technology Ltd.. At present she serves as Secretary of CPC and Executive Vice President of the Company, CHO, Director of

Beijing Matsushita Color CRT Co., Ltd. and Director of Beijing Intelligent Kechuang Technology Development Co., Ltd.

Ms. Dong Youmei, she successively took the posts of Deputy Chief of New Product Development Division of Shuguang Electronic Group Corp., Deputy Chief of Liquid Crystal Center in Tsinghua University, and Strategic Chief Technical Officer of the Company. Now she serves as Executive Vice President and CTO, Chief of TFT-LCD Technology National Engineering Laboratory, Member of Advisory Committee for the State Information, Member of Electronic Science and Technology Committee of Ministry of Industry and Information Technology, Team Leader of Core Technology Team of China OLED Industry Union, Expert of State Science and Technology Awards Evaluation, member of The Ministry of Education of Higher School Teaching Steering Committee and Counselor of the Third Session of the Council of China Electronics Standardization Technology Association, Me

Ms. Sun Yun, Master of Business, is a senior Accountant. She successively took the posts of Deputy Chief, Chief of Finance Department of the Company, as well as Deputy CFO and Chief Auditor of the Company. Now she is Executive Vice President and CFO of the Company, Director of Beijing BOE Land Co., Ltd., Director of Beijing Yinghe Century Science & Technology Development Co., Ltd., Director of Beijing Matsushita Color CRT Co., Ltd., Director of Ordos Yuansheng Optoelectronics Co., Ltd. as well as Supervisor of Beijing BOE Vacuum Electric Co., Ltd.

Mr. Li Xuezheng, bachelor of University of Electronic Science and Technology, IMPM of Canada McGill University. He ever took posts of Executive Vice General Manager of Beijing Orient Wanshili Security Protection Technology Co., Ltd., Director of Public Relations of the Company and Marketing Chief and Sales Chief of Beijing BOE Optoelectronics Technology Co., Ltd..

Now he acts as Senior Vice President of the Company, Deputy General Manager of Beijing BOE Optoelectronics Technology Co., Ltd., Deputy General Manger of Hefei BOE Optoelectronics Technology Co., Ltd., Chairman of the Board of Beijing BOE Marketing Co., Ltd., Vice Chairman of the Board of Beijing BOE Multimedia Science and Technology Co., Ltd., and Chairman of the Board of Beijing Changhong Network Technology Co., Ltd., BOE Technology (America) Co., Ltd. and BOE (Korea) Co., Ltd., Chairman of the Board of BOE Japan Joint Stock Corporation, and Chairman of the Board of BOE Singapore Pte. Ltd..

Currently Senior Vice President of the Company, Vice Board Chairman & CEO of Beijing BOE Multimedia Science and Technology Co., Ltd. and Board Chairman of Beijing BOE Changhong Network Technologies Co., Ltd.

Mr. Yue Zhanqiu, obtained EMBA in CEIBS, Senior Accountant. He ever took post of Chief and Chief Accountant of Finance Section of Power Business Department, Financial Manger of Beijing Huamin Smart Card System Co., Ltd., CFO of Beijing Seven Star Electronics Co., Ltd., CFO and Secretary to the Board of Beijing Seven Star Science & Technology Co., Ltd., and CFO, Deputy General Manager, General Manager of Beijing BOE Optoelectronics Technology Co., Ltd..

Now he acts as Senior Vice President of the Company, Director of Beijing BOE Optoelectronics Technology Co., Ltd., Director of Hefei BOE Optoelectronics Technology Co., Ltd., Director of Chengdu BOE Optoelectronics Technology Co., Ltd., Director of BOE Hyundai (Beijing) Display Technology Co., Ltd. and Chongqing BOE Optoelectronics Technology Co., Ltd. as well as Director of BOE (Hebei) Mobile Display Technology Co., Ltd., Director of Beijing BOE Marketing Co., Ltd., BOE (Korea) Co., Ltd., BOE Singapore Pte. Ltd., BOE Technology (America) Co., Ltd., BOE (Japan) Co., Ltd. and BOE Technology (Hongkong) Co., Ltd., Director of Ordos BOE Energy Investment Co., Ltd. and Ordos Haosheng Energy Investment Co., Ltd..

Ms. Feng Liqiong, Bachelor Degree and Chief Counsel, she has served as Department Director of Legal Affairs

Department of the Company. And as Secretary of the 5th and 6th Board of Directors. Now she is Senior Vice President, Chief Counsel and Secretary to the Board of the Company as well as Director of Beijing BOE Land Co., Ltd. and Director of Beijing Yinghe Science & Century Technology Development Co., Ltd.

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

Now he acts as Vice President, Chief Risk Control Officer and Chief Auditor of the Company, Chief Supervisor of Hefei BOE Optoelectronics Technology Co., Ltd., Supervisor of Chengdu BOE Optoelectronics Technology Co., Ltd., Hefei BOE Display Light Co., Ltd., Chongqing BOE Optoelectronics Technology Co., Ltd. and Hefei Xinsheng Optoelectronics Technology Co., Ltd..

Mr. Yao Xiangjun, MBA, Chinese CPA. He once worked as Chief Inspector of Financing Department of the Company, Director of Business Planning Center, Deputy Financial Controller of Hefei BOE Optoelectronics Technology Co., Ltd. Chief Strategy Officer of the Company. Now he is the Vice President, CEO of Wisdom System Products Joint Enterprise Cluster, President of BOE Optoelectronics Technology Co., Ltd.

Mr. Liu Hongfeng, master. He once worked as Deputy Chief of the Financial Planning Department of the Company, Deputy Chief and Chief of the BOD Office and Securities Affairs Representative. Now he is Secretary of the 7th Board of Directors and Director of Beijing Nissin Electronics Precision Component Co., Ltd.

Post-holding in shareholders' units

√Applicable □Inapplicable

Name of the person holding any post in shareholder's unit	Name of shareholder's unit	Position in shareholder's unit	Beginning date of office term	Ending date of office term	Receives payment from shareholder's unit?
Wu Wenxue	Beijing Electronics Holdings Co., Ltd.	Vice President	6 Apr. 2006	-	Yes
Wang Jing	Beijing State-owned Capital Management Center	Vice President	26 Jan 2014	-	Yes
Xie Xiaoming	Beijing Electronics Holdings Co., Ltd.	Vice President	Jun. 22 2011	-	Yes
Song Jie	Beijing Economic-Technological Investment & Development Corp.	Investment and financing manager	May 26 2008	-	Yes
Zhang Jinsong	Beijing Electronics Holdings Co., Ltd.	Vice President	Aug. 29 2011	-	Yes
Zhang Jinsong	Beijing BOE Investment & Development Co., Ltd.	Director, President	Dec. 14 2012	-	No
Mu Chengyuan	Beijing Electronics Holdings Co., Ltd.	Minister of Investment Security	Jun. 1 2011	-	Yes
Mu Chengyuan	Beijing BOE Investment & Development Co., Ltd.	Vice President	Dec. 14 2012	-	No

Xu Tao	Beijing Electronics Holdings Co., Ltd.	Minister of the Finance Department	Oct. 26 2012	-	Yes
Zhang Chunming	Beijing E-TOWN International Investment & Development Co., Ltd.	Minister of the Finance Department and Financing Management Department	Jan. 1 2013	-	Yes
Zhuang Haoyu	Beijing Industry Development & Investment Management Co., Ltd.	PM	-	-	Yes
Notes to post-holding in shareholder's unit	The documents for holding the posts of shareholders entities haven't listed the expiry date.				

Post-holding in other units

√Applicable □Inapplicable

Name of the person holding any post in other unit	Name of other unit	Position in other unit	Beginning date of office term	Ending date of office term	Receives payment from other unit?
Ouyang Zhongcan	Institute of Theoretical Physical, Chinese Academy of Science	Chief of Academic Committee	-	-	Yes
Geng Jianxin	School of Business of Renmin University of China	Doctor Advisor	-	-	Yes
Lv Tingjie	Beijing University of Posts and Telecommunications	Doctor Advisor	-	-	Yes
Zhao Wei	Hefei Construction Investment Holding (Group) Co.,Ltd.	Vice president	-	-	Yes
Notes to post-holding in other unit	Due to the above personnel's units were special, their start dates and ending dates of the office terms have not been fixed.				

III. Remuneration for directors, supervisors and senior management staffs

Decision-making procedure, determining basis and actual payment for the remuneration of directors, supervisors and senior management staffs

(1) Determining basis and procedures for the remuneration of directors, supervisors and senior management staffs
Proposal on Principle of Recognition of Remunerations for Directors, Supervisors and Senior management staffs was reviewed and approved by the Shareholders' General Meeting 2005 held on 29 May 2006. Allowance for directors and supervisors of the Company was reviewed and approved at the Second Special Shareholders' General Meeting for 2013 held on 10 Jul. 2013.

(2) Up to the end of the reporting period, the current directors, supervisors and senior management staffs drew their remuneration from the Company totaling RMB 21.1262 million (before tax). Allowance for independent directors is RMB 150,000 (after tax) per year in 2014. For details please referred to the statement below:

Remuneration for directors, supervisors and senior management staffs of the Company during the reporting period

Unit: RMB Ten Thousand Yuan

Name	Office title	Sex	Age	Tenure status	Total remuneration gained from the Company	Total remuneration gained from shareholder's unit	Actual remuneration gained at the period-end
Wang Dongsheng	Chairman of the Board and director of Execution Committee	Male	57	Current	204.02	0	204.02
Wu Wenxue	Vice President	Male	48	Current	0		
Chen Yanshun	Vice President, CEO	Male	48	Current	150.88	0	150.88
Wang Jing	Director	Female	43	Current	0		
Xie Xiaoming	Director	Male	55	Current	0		
Liu Xiaodong	Director, Executive Vice CEO, COO	Male	50	Current	157.66	0	157.66
Wang Jiaheng	Director, Executive Vice CEO, Joint CO-COO	Male	45	Current	151.33	0	151.33
Song Jie	Director	Male	47	Current	8		8
Geng Jianxin	Independent Director	Male	60	Current	15	0	15
Ji GuoPing	Independent Director	Male	67	Current	15	0	15
Yu Ning	Independent Director	Male	60	Current	15	0	15
Lv Tingjie	Independent Director	Male	60	Current	8.83	0	8.83
Zhang Jinsong	Supervisor	Male	42	Current	0		
Xu Tao	Supervisor	Male	50	Current	0		

Mu Chengyuan	Supervisor	Male	47	Current	0		
Zhao Wei	Supervisor	Male	46	Current	8		8
Zhang Chunming	Supervisor	Female	43	Current	8		8
Zhuang Haoyu	Supervisor	Male	30	Current	8		8
Zhong HuiFeng	Employee Supervisor	Male	44	Current	97.28	0	97.28
Zhou Yanwen	Employee Supervisor	Male	47	Current	40.78	0	40.78
Xu Yangping	Employee Supervisor	Male	40	Current	49.87	0	49.87
Song Ying	Executive Vice CEO, CHO	Female	57	Current	136.48	0	136.48
Dong Youmei	Executive Vice CEO, CTO	Female	51	Current	146.38	0	146.38
Sun Yun	Executive Vice President, CFO	Female	45	Current	140.06	0	140.06
Li Xuezheng	Senior Vice President, CMO	Male	45	Current	106.71	0	106.71
Yue Zhanqiu	Senior Vice President,	Male	47	Current	110.06	0	110.06
Feng Liqiong	Senior Vice President, CLO	Female	42	Current	98.06	0	98.06
Xie Zhongdong	Vice President, chief risk officer, General Auditor	Male	44	Current	121.88	0	121.88
Yao Xiangjun	Vice President CSO	Male	37	Current	111.88	0	111.88
Liu Hongfeng	Secretary of the Board	Male	36	Current	72.08	0	72.08
Ouyang	Independent	Male	68	Former	15	0	15

Zhongcan	Director						
Wang Yanjun	Executive Vice CEO	Male	45	Former	116.38	0	116.38
Total	--	--	--	--	2,112.62		

Particulars about the equity incentives awarded for the directors, supervisors and senior management staffs of the Company during the reporting period

☐Applicable ☒Inapplicable

IV. Particulars about changes in core technical teams or key technicians during the reporting period (not directors, supervisors or senior management staffs)

Name	Office title	Type	Date	Reason
Ouyang Zhongcan	Independent Director	Left as the service term expired	30 Apr. 2014	Left as the service term expired
Lv Tingjie	Independent Director	Elected	5 May 2014	by-election
Wang Yanjun	Executive Vice CEO	Demission	26 Dec. 2014	Job changes

V. Particulars about changes in directors, supervisors or senior management staffs

The Company always pays special attention to the reservation and use of the core technical teams and the key technicians, and the core technical teams and the key technicians with significant influence on the operation of the Company kept stable overall without losing any personnel in 2012 by carrying out the measures on reserving talents, including flexible welfare system, project incentive, achievement incentive and provision of development opportunity & platform, etc..

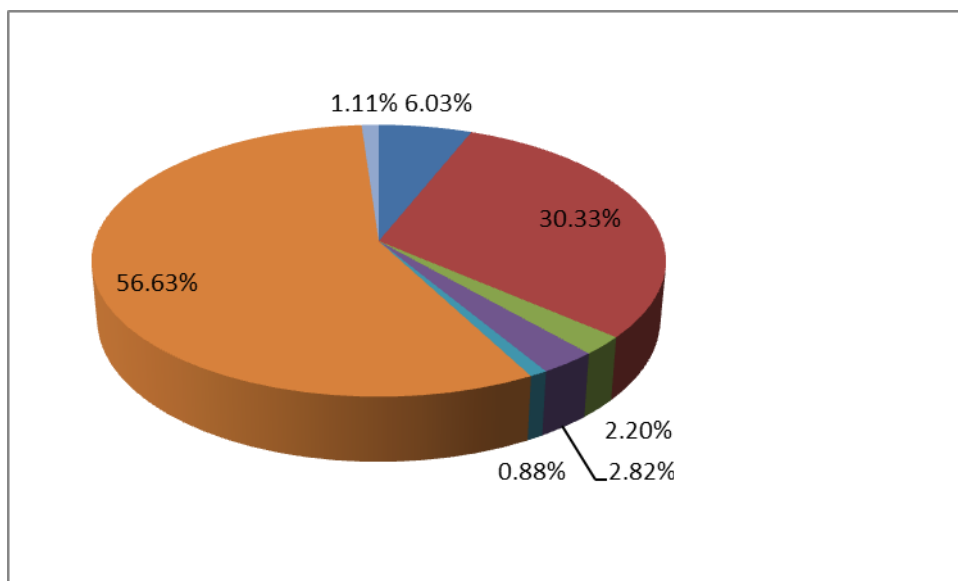
VI. About employees

1. By the end of the reporting period, there were 34,165 employees in service in the Company. Their professional division and education levels are as follows:

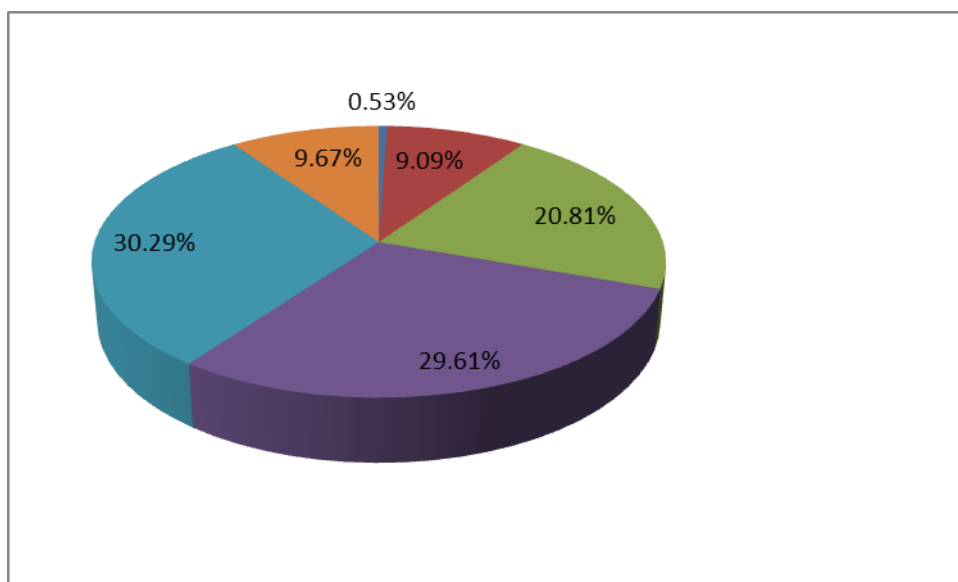
Profession	R&D technology	Professional technology	Marketing personnel	Management personnel	Financial personnel	Production personnel	Other
Number	2060	10361	753	965	302	19346	378
Proportion	6.03%	30.33%	2.20%	2.82%	0.88%	56.63%	1.11%

Education level	Doctor and post-doctorate	Master	Bachelor	College	Technical secondary school	Other
Number	182	3014	7111	10116	10349	3303
Proportion	0.53%	9.09%	20.81%	29.61%	30.29%	9.67%

Professional Division Chart:



Education Level Division Chart:



2. Employee's remuneration policy

The Company has established the remuneration system based on the position, ability and business performance, paid attention to the external competitive compensation and internal fairness, established compensation benefit, performance management, cadre administration, employee rank and related compensation and appraisal management system

3. Employee's training plan

In 2014, the Company further perfected training system, strengthened foundation training and leadership training, total participation people and the participation period, per capita hours on average have larger growth comparing to that in last year. The Company preferably completed the annual training plan.

Section IX. Corporate Governance

I. Basic information of corporate governance

1. Standardized operation and perfection of corporate governance structure of the Company in the reporting period
The Company has stringently followed laws and rules such as Company Law, Securities Laws, Code of Corporate Governance for Listed Companies, etc., and requirements of Guidelines of the Shenzhen Stock Exchange for the Standardized Operation of Companies Listed on the Main Board, to continuously improve the corporate governance of the Company, to perfect internal control system as well as to promote corporate governance level of the Company.

During reporting period, the Company's board of directors, board of supervisors and senior executives strictly in line with the requirement of related laws and Company rules and regulations perform their obligations; ensure the standardization and effectiveness of corporate governance. During the reporting period, the Company revised the Articles of Association and Rules of Procedure of the Board and newly set up Financing Business Management System, Implementing Rules for the Enterprise Annuity Plan Further promote the standardization of the corporate governance level.

During the reporting period, the Company continued to promote the Company's governance in many ways. Actively arranged the Company's new directors, supervisors to join special training organized by the Securities regulatory bureau of Beijing, regularly carry out the theme of the franco-prussian propaganda inside the Company. The Company preserved the related party fund transaction, external guarantee and regularly self-inspection of the shareholding and its changes of the directors, supervisors and senior executives, through maintaining and perfecting the Shenzhen Stock Exchange Investors Interactive Platform to strengthen the communication of the investors.

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

Main governance of the Company was as follows:

(1) About shareholders and shareholders' general meetings

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

(2) About relationship between the controlling shareholder and the Company

The Company was independent from the controlling shareholder and the actual controller in terms of personnel, assets, financing, organization and business. The controlling shareholder and actual controller of the Company was able to strictly control its behaviors, with no direct or indirect intervention in the Company's decision-making, production and operating activities by violating relevant laws, regulations and the Company's Articles of

Association, no behaviors in relation to occupying significant funds of the Company, and no behaviors in relation to asking the Company to provide guarantees for it or other parties.

(3) About directors and the Board of Directors

During the reporting period, the Company had adjusted the number of the Board of Directors, increase up to 12. The Company newly increases new directors and timely adjusted the composition of special committees, further perfect the Board of Directors and special committees. Composition of the Board of Directors of the Company was in line with requirements of regulations and the Company's actual situation. All directors possessed necessary knowledge, skills and quality for duty performance. They all performed their duties as stipulated in the Company's Articles of Association honestly, faithfully and diligently. They learned about and kept a constant focus on the Company's production and operation, its financial status and influence and risks of significant events. They also took the initiative to search for information needed in their decision-making so as to ensure efficient operation and scientific decision-making of the Board of Directors. Board sessions were organized and convened in strict compliance with the Company's Articles of Association and Rules of Procedure for the Board of Directors. There were three special committees under the Board of Directors, namely, the Execution Committee, the Nomination, Remuneration and Appraisal Committee and the Audit Committee. The Company also formulated rules of procedure for all the said special committees so that they could perform better.

(4) About supervisors and the Supervisory Committee

The Company's supervisors enhanced Supervisors' ability of supervision to the compliance and legal of executing duty of the Board and Senior Executives by way of attending shareholders' general meetings, sitting in on board sessions, checking the Company's compliance with laws and finance periodically, issuing its opinions on relevant matters, etc., the Supervisory Committee supervised the Company's finance, duty performance of directors and senior management staffs, management and use of raised funds, and capital flows between the Company and its related parties, and safeguarded the benefits and interests of the Company and its shareholders. Sessions of the Supervisory Committee were organized and convened in strict compliance with the Company's Articles of Association and the Rules of Procedure for the Supervisory Committee so as to ensure the Supervisory Committee's activities for duty performance were rightful and valid.

(5) About information disclosure and transparency

According to the Company Law, the Stock Listing Rules of the Shenzhen Stock Exchange, the Guidelines of the Shenzhen Stock Exchange for the Standardized Operation of Companies Listed on the Main Board, Companies Publicly Issuing Securities Information Disclosure Standards on the Contents and Formats No.2 - Content And Format of the Annual Report (2014 revision), the Disclosure of Information A Business Memo No. 21 - Regular Report Disclosure Related Matters (2014 revision). The Company's Articles of Association and Management Methods for Information Disclosure and other requirements, the Company disclosed information in a timely and fair manner and ensured the factuality, accuracy and completeness of the information disclosed.

The Company attached importance to communication with investors through investor visits reception, investors interaction platform, online business performance explanation session, telephone and attending the investment strategy session organized by the securities brokers, etc. Except for the aforesaid services, the Company's senior management joined in the investor conference held by large international investment institutions, actively communicated with the global institutional investors and discussed the situation and development strategy of the Company with investors and analyst, so as to promote the open, transparent, efficient and consistent communication between the Company, investors and analyst of securities, made them known more about the strategy, operation and development of the Company.

2. Corporate governance system established in the reporting period

During the reporting period, the Company revised many corporate governance systems in accordance the requirements of the regulatory authorities and the needs for self-development, relevant systems had been disclosed on <http://www.cninfo.com.cn>, with the detailed revision as follows:

Disclosure date	Name of system	Newly promulgation/Revision
20 May 2014	Articles of association	Revision
20 May 2014	Rules of procedure of the board	Revision
29 Jul. 2014	Financing business management system	Newly promulgation
30 Oct. 2014	Detailed rules of Enterprise annuity plan for the implementation	Newly promulgation

Whether it exists any difference between the corporate governance and the Company Law and relevant rules of CSRC or not?

☐ Yes ☒ No

There is no difference between the corporate governance and the Company Law and relevant rules of CSRC.

Progress of corporate governance activities, promulgation and implementation of Registration System for Information Insiders

In accordance with the Rules of CSRC on Establishing the Registration System for Information Insiders in Listed Company (ZJHGG [2011] No. 30) and Notice of CSRC Beijing Bureau on Establishment and Perfection of Registration System for Information Insiders for Listed Company (JZGSF [2011] No. 209), and in order to strengthen the work on confidentiality of inside information and protect the fairness of information disclosure for the Company, the Company revised the Management System on Inside Information and Insiders (Y2009) at the 17th Session of the 6th Board of Directors, and renamed it as Registration System for Information Insiders (the revised system was disclosed on <http://www.cninfo.com.cn> dated 30 Nov. 2011). During the reporting period, the Company strictly executed the Registration System for Information Insiders, and integrated relevant stipulations of Information Disclosure Memorandum No. 34—Events on Registration Management for Information Insiders, carefully performed the registration on information insiders for significant events, timely reported the name list of information insiders, so as to further standardize the management on inside information. During the reporting period, the Company didn't find any information insiders illegally use the inside information for trading its stocks, nor receive any investigation, punishment or rectification order from the regulatory authorities for such.

II. Particulars about annual shareholders' general meeting and special shareholders' general meeting held during the reporting period

1. Particulars about annual shareholders' general meeting held during the reporting period

Session	Convening date	Name of proposal	Resolution	Disclosure date	Disclosure index
2013 Annual Shareholders' General Meeting	19 May 2014	1. Work Report of the Board of Director in 2013 2. Work Report of the Supervisory Committee in 2013 3. Text of the 2013 Annual Report and Its Abstract 4. 2013 Annual Financial Report and 2014 Annual Business Plan 5. 2013 Annual Profits Distribution Preplan 6. Proposal on Line of Credit 7. Proposal on Engagement of the Audit Firm for 2014 8. Proposal on Preplan of Daily Related Transaction of 2014 9. Proposal on Revising Articles of Association of BOE Technology Group Co., Ltd. 10. Proposal on Establishing A Long-term Effective Mechanism of Share Repurchase (2014-2016) 11. Proposal on Shareholder Returns Planning in Next Three Years (2014-2016) 12. Proposal on Revising the Number of the Board of Directors and Articles of Association of BOE Technology Group Co., Ltd.	All the proposals are approved at the session	20 May 2014	Announcement on Resolutions Made at the 2013 Annual Shareholders' General Meeting (2014-029), published on China Securities Journal, Shanghai Securities News, Securities Times and Hong Kong Ta Kung Pao as well as http://www.cninfo.com.cn .

2. Particulars about special shareholders' general meeting held during the reporting period

Session	Convening date	Name of proposal	Resolution	Disclosure date	Disclosure index
The First Special Shareholders'	30 May 2014	1. Proposal on Electing Lv Tingjie As the	All the proposals are	31 May 2014	Announcement on Resolutions Made at

General Meeting for 2014		Supplement of the Independent Directors of 7 th Session of the Board of Directors of the Company 2. Proposal on Electing the Supplement of the Independent Directors of 7 th Session of the Board of Directors of the Company	approved at the session		the First Special Shareholders' General Meeting for 2014 (2014-036), published on China Securities Journal, Shanghai Securities News, Securities Times and Hong Kong Ta Kung Pao as well as http://www.cninfo.com.cn .
The Second Special Shareholders' General Meeting for 2014	14 Aug. 2014	1. Proposal on Repurchasing Part of the Social Public Shares 1.1 Price of repurchasing shares 1.2 Number and Type of repurchasing shares 1.3 total capital and resources for repurchasing shares 1.4 Time limited of repurchasing shares 1.5 Way of repurchasing shares 1.6 Time of losing control in repurchasing shares 1.7 Disposal of repurchasing shares 1.8 The validity of the resolution 2. Proposal on Applying the General Meeting of Shareholders Approved and Authorized Management Level on Related Matters of the repurchase of part of the Social Public Shares of the Company 3. Proposal on the Company held Break-Even & Guaranteed Income Financial Business 4. Proposal on Providing Guarantee to the Subsidiary of the Company 5. Proposal on purchasing part of equity of Hefei Xinsheng Optoelectronics Technology Co., Ltd.	All the proposals are approved at the session	15 Aug. 2014	Announcement on Resolutions Made at the Second Special Shareholders' General Meeting for 2014 (2014-047), published on China Securities Journal, Shanghai Securities News, Securities Times and Hong Kong Ta Kung Pao as well as http://www.cninfo.com.cn .

3. Special Shareholders' General Meeting required by the preferred stockholder with voting rights recovered

☐Applicable ☒Inapplicable

III. Performance of the Independent Directors during the Reporting Period

1. Particulars about the independent directors attending the board sessions and the shareholders' general meetings

Particulars about the independent directors attending the board sessions						
Name of independent directors	Due presence (times)	Presence in person (times)	Presence by telecommunication (times)	Entrusted presence (times)	Absence (times)	Failing to present in person for two consecutive sessions or not
Geng Jianxin	16	2	14	0	0	No
Ji Guoping	16	2	14	0	0	No
Yu Ning	16	2	14	0	0	No
Lv Tingjie	8	1	7	0	0	No
Ouyang Zhongcan	8	1	7	0	0	No
Presence of independent directors in shareholders' general meeting (times)	12					

Explanation on failing to present in person for two consecutive sessions

2. Particulars about independent directors propose objection on relevant events

Whether independent directors propose objection on relevant events or not?

☐ Yes ☒ No

The independent directors didn't propose objection on relevant events during the reporting period.

3. Other explanation on performance of independent directors

Whether the advices of independent directors for the Company were adopted or not?

☒ Yes ☐ No

Explanation on the advices of independent directors for the Company being adopted or not adopted

The Company has four current independent directors, who are experts and scholars in the fields of finance, law and industry. During the reporting period, in accordance with Company Law, Securities Law, Stock Listing Rules, Guidance on Establishing Independent Director System for Listed Companies, Articles of Association and Independent Director System, the independent directors paid special attention to the standardized operation of the Company, performed their duties independently and diligently, issued many precious professional advice in terms of the perfection of systems and routine operating decision-making, etc., and issued their independent and fair opinion as independent directors on the related-party transactions, engagement of audit firm, decision of annual

remuneration of senior management staffs, external guarantee and other events needing their opinion occurred in the reporting period, as well as played their due roles in perfecting the supervisory mechanism of the Company, protecting the legal right of the Company and the whole shareholders.

IV. Performance of the Special Committees under the Board during the reporting period

1. Duty fulfillment of the Strategy Committee under Board of Directors

In the reporting period, the Execution Committee under Board of Directors conscientiously controlled the strategic guidance, significant projects, and production and operation activities. During the recess of the board session, the Execution Committee was in charge of working out the operating strategies of the Company, planning its significant investment and financing projects, and monitoring its major operation activities, which played an important role in ensuring the Company's stable and smooth operation in the year.

2. Duty fulfillment of the Audit Committee under Board of Directors

In the reporting period, the Audit Committee conscientiously performed its routine duties, and actively advanced the launch of the audit work for Y2013. Before the periodic reports were submitted to the Board for review, the Audit Committee convened special sessions to discuss the reports. At the sessions, the committee members listened to relevant reports, expressed their opinions and put forward constructive advices concerning the Company's internal control, financial auditing and so on.

The 2013 annual audit work on financial report of the Audit Committee was detailed as follows:

- 1) Before the audit, the Committee discussed and decided the schedule of audit work for the 2013 annual report with KPMG Huazhen Certified Public Accountants (hereinafter referred to as "KPMG");
- 2) Before the presence of KPMG, the Committee reviewed the financial statements prepared by the Company and issued a written opinion;
- 3) Upon the presence of KPMG, the Audit Committee convened special sessions to communicate with KPMG, reviewed the Company's financial statements following the preliminary audit opinion issued by KPMG, and issued the written opinion concerned;
- 4) In the audit process, the Committee issued a written Audit Urge Letter to KPMG, asking KPMG to finish the audit in an orderly manner in strict accordance with the set schedule, so as to submit the 2013 annual audit report on time;
- 5) Before the annual report was submitted to the Board for review, the Audit Committee convened sessions to vote on the relevant matters such as the annual financial statements and the engagement of the CPA firm, and formed the relevant resolutions, which were later submitted to the Board for review.

The Audit Committee is of the opinion that the Financial Report is complete and factual with complete consolidated entities and statements, an accurate consolidation basis, a steady and consistent accounting policy, proper application of the accounting policy and reasonable accounting estimates, which is in line with the Enterprise Accounting Standards and other regulations promulgated by the Ministry of Finance.

3. Duty fulfillment of Nomination & Remuneration & Appraisal Committee under Board of Directors

In the reporting period, in accordance with relevant rules and laws, the Nomination & Remuneration & Appraisal Committee conscientiously performed its duties endowed by the Board through strictly executing the appointment procedure of senior management staffs, as well as the appraisal procedure for directors and senior management staffs. Reviewed the qualification of the director candidates nominated by the board of directors, the board of supervisors and qualify shareholders and searched by Nomination & Remuneration & Appraisal Committee and allowance of senior managerial staffs of the Company.

V. Performance of the Supervisory Committee

Whether the Supervisory Committee finds the Company existing risks or not in the supervisory activities during the reporting period?

☐ Yes ☒ No

The Supervisory Committee has no objection on the supervised events during the reporting period

VI. Particulars about the Company's "five-separation" from the controlling shareholder in respect of business, personnel, assets, organization and financing

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

1. In business, the Company was independent from the controlling shareholder and the actual controller, with its own production and business departments and management system, the Company had the capability to make its own decisions, assume sole responsibility for its profits and losses, and operate independently with independent and complete business.
2. In personnel, the Company was completely independent in labor, staff and remunerations. The Company had its own operating management team. President, Vice President, Chief Financial Officer, Secretary of the Board as well as other senior management staffs of the Company all worked on full-time basis in the Company and did not hold any post in or receive any remuneration in the controlling shareholder unit.
3. In assets, the Company had independent and complete assets. With clear ownership on its assets, the Company independently owned the production system, ancillary production system as well as supporting facilities for major businesses, as well as assets like land use rights and intellectual property rights, etc.. Neither the controlling shareholder nor the actual controller appropriated any assets of the Company.
4. In organization, the Company had established its organization completely independent from the controlling shareholder and the actual controller, with independent and sound organs and corporate governance structure. The Company had not handled any official affairs jointly with the controlling shareholder or the actual controller. There were no subordinate relationships between the controlling shareholder & its functional departments and the Company & its functional departments.
5. In financing, the Company had established independent financial departments, with full-time finance personnel. The Company had also formulated a standard and independent finance accounting system as well as financial measurement system, established the corporate financial management archives and deployed relevant administrative personnel for them, opened independent account in bank, and paid tax independently.

VII. Particulars on horizontal competition

☐ Applicable ☒ Inapplicable

VIII. Performance appraisal and incentive mechanism for senior management staffs

According to the performance appraisal method of the Company, Senior management staffs sign an Annual Target Responsibility Paper with the Company, which sets the annual operation targets, key performance indicators (KPI) as well as the evaluation, reward and punishment standards. As for the accomplishment of the targets, quarterly analyses, semi-annual reports and annual appraisal will be conducted. The examination and evaluation results will

determine the remunerations, position changes as well as the trainings to receive of senior management staffs.

Section X. Internal Control

I. Construction of the internal control system

In accordance with the stipulations of the Basic Code of Enterprise Internal Control and its supporting guidelines as well as other internal control regulations, the Company integrated its industrial characteristics and actuality to promulgate the Work Plan on Implementation of the Internal Control Standards in 2014 of BOE Technology Group Co., Ltd. (hereinafter referred to as “The Plan”), which was approved. In accordance with the requirements of the Plan, the Company promoted its internal control system from the design, operation and evaluation of internal control, so as to ensure the legal compliance of the operation management, safety of assets, authenticity & completeness of the financial report and relevant information, and enhance the operating efficiency and results, as well as further promote to realize the sustainable development strategy for the Company.

In accordance with principle of the Construction of Internal Control System Synchronizing with SOPIC, the Company adjusted the structure of the organization, designed the controlling methods and revised and perfected its internal control system manual. Strengthened the risk assessment, basically set up risk assessment system, each department of the Company regularly carried out internal control self-inspection, auditing and supervision authorities regularly carried out internal control self-evaluation for key field, meanwhile, the Company employed external certified public accountants to audit the design, operation and evaluation of internal control.

According to the plan, basing on the self-inspection and self-evaluation, the Company evaluated the 2014 annual internal control, and found no significant or important defects. For details, please refer to the Evaluation Report of the Internal Control in 2014 of BOE Technology Group Co., Ltd.

In conclusion, as of Dec. 31 2014, there was no significant internal control defect; the internal control was effective.

II. Statement of the Board of Directors on its responsibilities towards internal control

As of 31 Dec. 2014, the Company’s Board of Directors in line with the requirement of laws and rules of Internal Control Standards of Enterprise conducted effective evaluation of design and operation of internal control, the conclusions were as followed:

“In line with the recognition condition of significant and important defects of internal control of financial report and non-financial report, on internal control, on internal control evaluation report base date, there was no significant and important defects of internal control of financial report and non-financial report

The Company’s Board of Directors believed that the Company maintained effective internal control of financial report and non-financial report in all significant aspects in line with the Enterprise Internal Control Standard System and the requirements of the relevant regulation.

During the basic date of internal control evaluation report and the issuing date of internal control evaluation report, there was no factors influence to the effective evaluation results of internal control.”

The board of the Company and all the directors assured that there was no any false record, misleading statement or major omission in the Report of the Company and assumed individual and joint and several liabilities to the truthfulness, accuracy and completeness of the report.

The goal of the Company was to reasonably ensure the legal compliance of the operation management, safety of assets, authenticity & completeness of the financial report and relevant information, and enhance the operating

efficiency and results, as well as further promote to realize the sustainable development strategy for the Company. Due to the inherent limitations of internal control, the Company only can achieve the above goals to provide reasonable assurance.

III. Explanation on rules of accountability for significant mistakes in annual report information disclosure and relevant execution

In accordance with the stipulations of the Basic Code of Enterprise Internal Control and its supporting guidelines as well as other internal control regulations, embracing the Company internal control goal, established the perfect internal control of financial reporting system to strengthen internal management and prevent operating risks.

The Company made the financial management system, strengthened the comprehensive budget management in the year, clear about the responsibility and authority of all the jobs in accounting business process and ensured the financial data true and reliable. The Company formulated the detailed rules for the preparation of financial report, clarified the related departments and posts' responsibility and authority in the process of analysis in financial report preparation, standardized the financial report, external offer, analysis process, Ensure legal compliance, and truthiness of the financial report and provided correct and reasonable information support for the business operational decisions of management.

IV. Self-appraisal report on internal control

Particulars about significant defects of internal control found during the reporting period in the Self-appraisal Report on Internal Control	
No significant defects of internal control were found during the reporting period.	
Disclosure date of the Self-appraisal Report on Internal Control	21 Apr. 2015
Disclosure index of the Self-appraisal Report on Internal Control	The Company discloses the Appraisal Report on Internal Control on 21 Apr. 2015, for details, please refer to http://www.cninfo.com.cn .

V. Auditor's Report on internal control

☒Applicable ☐Inapplicable

Audit opinion paragraphs in the Auditor's Report on Internal Control	
We believe that the Company and important subsidiaries make valid internal control on financial report in all significant aspects on 31 Dec. 2014 according to the Basic Rules on Enterprise Internal Control and other relevant stipulations.	
Disclosure date of the Auditor's Report on Internal Control	21 Apr. 2015
Disclosure index of the Auditor's Report on Internal Control	The Company discloses the Appraisal Report on Internal Control on 21 Apr. 2015, for details, please refer to http://www.cninfo.com.cn

Whether the CPAs firm issues an Auditor's Report on Internal Control with non-standard opinion or not?

☐ Yes ☒ No

Whether the Auditor's Report on Internal Control from the CPAs firm is in consistent with the Self-appraisal Report from the Board or not?

☒ Yes ☐ No

VI. Establishment and execution of rules of accountability for significant mistakes in annual report information disclosure

In accordance with stipulations of ZGZJHGG [2009] No. 34, the Company has already formulated Rules of Accountability for Significant Mistakes in Annual Report Information Disclosure after being reviewed and approved at the 38th Session of the 5th Board of Directors. Up to the disclosure date of the report, the Company hasn't found any significant mistakes in annual report information disclosure.

Section XI. Financial Report

I. Audit Report

Type of audit opinion	Standard unqualified audit opinion
Signature date of audit report	19 Apr. 2015
Name of the audit agency	KPMG Huazhen Certified Public Accountants (LLP)
Reference number of audit report	KPMGHZSZ No. 1501324
Name of CPA	Su Xing, Xu Junyi

AUDITORS' REPORT

毕马威华振审字第 1501324 号

All Shareholders of BOE Technology Group Company Limited:

We have audited the accompanying financial statements of BOE Technology Group Company Limited (“the Company”), which comprise the consolidated balance sheet and balance sheet as at 31 December 2014, the consolidated income statement and income statement, the consolidated cash flow statement and cash flow statement, the consolidated statement of changes in shareholders’ equity and statement of changes in shareholders’ equity for the year then ended, and notes to the financial statements.

Management’s Responsibility for the Financial Statements

The Company’s management is responsible for the preparation and fair presentation of these financial statements. This responsibility includes: (1) preparing these financial statements in accordance with Accounting Standards for Business Enterprises issued by the Ministry of Finance of the People’s Republic of China, and fairly presenting them; (2) designing, implementing and maintaining internal control which is necessary to enable that the financial statements are free from material misstatement, whether due to fraud or error.

Auditors’ Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with China Standards on Auditing for Certified Public Accountants. Those standards require that we comply with China Code of Ethics for Certified Public Accountants, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors’ judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to

design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the consolidated financial position and financial position of the Company as at 31 December 2014, and the consolidated financial performance and financial performance and the consolidated cash flows and cash flows of the Company for the year then ended in accordance with the requirements of Accounting Standards for Business Enterprises issued by the Ministry of Finance of the People's Republic of China.

KPMG Huazhen
(Special General Partnership)

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

Su Xing

China Beijing

Xu Junyi

19 April 2015

II. Financial Statements

1. Financial Statements (see schedules)
2. Notes to financial statements (see attachments)

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

Section XII. Documents Available for Reference

(I) Financial statements with the signatures and seals of the company principal, the principal of accounting work and the principal of the accounting organ (financial manager);

(II) Originals of Auditors' Report with the seals of the CPAs firm and the signatures & seals of the certified public accountants;

(III) Texts of all the Company's documents ever disclosed on <http://www.cninfo.com.cn> in the reporting period, and the originals of the public notices.

The above documents available for reference are all placed at the Secretariat of the Board of Directors.

Chairman of the Board: Mr. Wang Dongsheng (signature)

Date of the Board of Directors approving to report: 19 Apr 2015

BOE Technology Group Company Limited

ENGLISH TRANSLATION OF FINANCIAL STATEMENTS
FOR THE YEAR 1 JANUARY 2014 TO 31 DECEMBER 2014
IF THERE IS ANY CONFLICT OF MEANING BETWEEN THE CHINESE VERSION
AND ENGLISH TRANSLATION, THE CHINESE VERSION WILL PREVAIL

AUDITORS' REPORT

毕马威华振审字第 1501324 号

All Shareholders of BOE Technology Group Company Limited:

We have audited the accompanying financial statements of BOE Technology Group Company Limited ("the Company"), which comprise the consolidated balance sheet and balance sheet as at 31 December 2014, the consolidated income statement and income statement, the consolidated cash flow statement and cash flow statement, the consolidated statement of changes in shareholders' equity and statement of changes in shareholders' equity for the year then ended, and notes to the financial statements.

Management's Responsibility for the Financial Statements

The Company's management is responsible for the preparation and fair presentation of these financial statements. This responsibility includes: (1) preparing these financial statements in accordance with Accounting Standards for Business Enterprises issued by the Ministry of Finance of the People's Republic of China, and fairly presenting them; (2) designing, implementing and maintaining internal control which is necessary to enable that the financial statements are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with China Standards on Auditing for Certified Public Accountants. Those standards require that we comply with China Code of Ethics for Certified Public Accountants, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

AUDITORS' REPORT (continued)

毕马威华振审字第 1501324 号

Opinion

In our opinion, the financial statements present fairly, in all material respects, the consolidated financial position and financial position of the Company as at 31 December 2014, and the consolidated financial performance and financial performance and the consolidated cash flows and cash flows of the Company for the year then ended in accordance with the requirements of Accounting Standards for Business Enterprises issued by the Ministry of Finance of the People's Republic of China.

KPMG Huazhen
(Special General Partnership)

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

Su Xing

China Beijing

Xu Junyi

19 April 2015

BOE Technology Group Company Limited
Consolidated balance sheet as at 31 December 2014
(Expressed in Renminbi Yuan)

	Note	2014	2013
Assets			
Current assets			
Cash at bank and on hand	V.1	40,172,401,999	20,464,553,422
Bills receivable	V.2	501,172,383	565,423,076
Accounts receivable	V.3	6,615,762,122	4,855,938,522
Prepayments	V.4	150,734,013	141,404,773
Interest receivable		275,877,747	109,045,546
Other receivables	V.5	720,716,550	618,124,736
Inventories	V.6	4,163,304,029	3,018,804,659
Other current assets	V.7	6,085,764,454	1,872,804,826
Total current assets		58,685,733,297	31,646,099,560
Non-current assets			
Available-for-sale financial assets	V.8	323,530,493	273,194,601
Long-term equity investments	V.9	638,819,435	971,160,051
Investment properties	V.10	1,251,820,763	1,284,415,937
Fixed assets	V.11	49,398,396,189	32,495,665,045
Construction in progress	V.12	21,868,641,210	22,172,949,652
Intangible assets	V.13	2,158,510,516	2,025,945,856
Goodwill	V.14	51,502,898	51,502,898
Long-term deferred expenses	V.15	303,984,682	242,814,121
Deferred tax assets	V.16	138,779,625	160,480,672
Other non-current assets	V.17	1,420,564,369	1,214,223,099
Total non-current assets		77,554,550,180	60,892,351,932
Total assets		136,240,283,477	92,538,451,492

The notes on pages 23 to 154 form part of these financial statements.

BOE Technology Group Company Limited
Consolidated balance sheet as at 31 December 2014 (continued)
(Expressed in Renminbi Yuan)

	Note	2014	2013
Liabilities and shareholders' equity			
Current liabilities			
Short-term loans	V.18	2,158,988,600	12,122,769,840
Bills payable	V.19	258,737,884	135,654,664
Accounts payable	V.20	6,691,237,683	5,667,182,852
Advances from customers	V.21	314,712,632	281,618,909
Employee benefits payable	V.22	1,151,622,921	845,898,437
Taxes payable	V.23	318,219,650	190,205,223
Interest payable		219,407,964	314,004,348
Dividends payable	V.24	8,051,170	8,051,170
Other payables	V.25	7,550,386,025	6,062,245,439
Non-current liabilities			
due within one year	V.26	15,000,000	308,628,826
Other current liabilities	V.27	290,588,570	255,465,666
Total current liabilities		18,976,953,099	26,191,725,374
Non-current liabilities			
Long-term loans	V.28	33,631,104,669	20,995,628,956
Provisions	V.29	16,457,010	16,457,010
Deferred income	V.30	2,441,846,447	2,116,634,509
Deferred tax liabilities	V.16	347,949,970	382,048,433
Other non-current liabilities	V.31	3,866,566,063	4,681,693,806
Total non-current liabilities		40,303,924,159	28,192,462,714
Total liabilities		59,280,877,258	54,384,188,088

The notes on pages 23 to 154 form part of these financial statements.

BOE Technology Group Company Limited
Consolidated balance sheet as at 31 December 2014 (continued)
(Expressed in Renminbi Yuan)

	Note	2014	2013
Liabilities and shareholders' equity (continued)			
Shareholders' equity			
Share capital	V.32	35,289,637,574	13,521,542,341
Capital reserve	V.33	39,084,393,441	15,347,919,192
Less: Treasury shares	V.34	198,004,581	-
Other comprehensive income	V.35	40,630,611	6,068,123
Surplus reserve	V.36	503,668,861	499,092,613
Retained earnings / (Accumulated losses)	V.37	1,434,745,673	(1,122,806,908)
Total equity attributable to shareholders of the Company		76,155,071,579	28,251,815,361
Minority interests		804,334,640	9,902,448,043
Total equity		76,959,406,219	38,154,263,404
Total liabilities and shareholders' equity		136,240,283,477	92,538,451,492

These financial statements were approved by the Board of Directors of the Company on 19 April 2015.

Wang Dongsheng Chairman of the Board (Signature and stamp)	Chen Yanshun President (Signature and stamp)	Sun Yun Chief Financial Officer (Signature and stamp)	(Company stamp)
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The notes on pages 23 to 154 form part of these financial statements.

BOE Technology Group Company Limited
Balance sheet as at 31 December 2014
(Expressed in Renminbi Yuan)

	Note	2014	2013
Assets			
Current assets			
Cash at bank and on hand	XIV.1	8,801,283,810	1,712,111,176
Bills receivable		5,318,912	878,816
Accounts receivable	XIV.2	59,490,497	58,956,394
Prepayments		3,995,544	11,340,225
Interest receivable		131,061,842	8,270,202
Dividends receivable	XIV.3	88,741,079	8,204,147
Other receivables	XIV.4	1,050,896,232	508,906,713
Inventories		5,055,934	3,620,138
Other current assets	XIV.5	97,212,285	66,790,488
Total current assets		10,243,056,135	2,379,078,299
Non-current assets			
Available-for-sale financial assets	XIV.6	166,058,318	164,612,051
Long-term equity investments	XIV.7	67,577,417,145	36,179,192,306
Investment properties		174,907,073	162,436,740
Fixed assets		360,386,719	374,290,680
Construction in progress		439,161,911	270,846,366
Intangible assets		498,655,457	488,384,056
Long-term deferred expenses		107,514,008	2,765,222
Other non-current assets		12,851,569	7,466,369
Total non-current assets		69,336,952,200	37,649,993,790
Total assets		79,580,008,335	40,029,072,089

The notes on pages 23 to 154 form part of these financial statements.

BOE Technology Group Company Limited
Balance sheet as at 31 December 2014 (continued)
(Expressed in Renminbi Yuan)

	Note	2014	2013
Liabilities and shareholders' equity			
Current liabilities			
Short-term loans		-	6,000,000,000
Accounts payable		23,725,287	29,441,014
Advances from customers		6,255,398	2,163,584
Employee benefits payable	XIV.9	144,350,801	132,366,527
Taxes payable		32,443,336	11,962,775
Interest payable		217,750	213,283,333
Dividends payable		6,451,170	6,451,170
Other payables	XIV.10	4,678,071,031	5,131,239,943
Non-current liabilities due within one year		-	50,000,000
Total current liabilities		4,891,514,773	11,576,908,346
Non-current liabilities			
Long-term loans	XIV.11	670,000,000	-
Deferred income	XIV.12	90,395,075	75,118,764
Total non-current liabilities		760,395,075	75,118,764
Total liabilities		5,651,909,848	11,652,027,110

The notes on pages 23 to 154 form part of these financial statements.

BOE Technology Group Company Limited
Balance sheet as at 31 December 2014 (continued)
(Expressed in Renminbi Yuan)

	Note	2014	2013
Liabilities and shareholders' equity (continued)			
Shareholders' equity			
Share capital	V.32	35,289,637,574	13,521,542,341
Capital reserve	XIV.13	38,218,959,047	15,094,593,545
Less: Treasury shares	V.34	198,004,581	-
Other comprehensive income	XIV.14	72,651,355	71,205,088
Surplus reserve	V.36	503,668,861	499,092,613
Retained earnings / (Accumulated losses)	XIV.15	41,186,231	(809,388,608)
Total shareholders' equity		<u>73,928,098,487</u>	<u>28,377,044,979</u>
Total liabilities and shareholders' equity		<u>79,580,008,335</u>	<u>40,029,072,089</u>

These financial statements were approved by the Board of Directors of the Company on 19 April 2015.

Wang Dongsheng Chairman of the Board (Signature and stamp)	Chen Yanshun President (Signature and stamp)	SunYun Chief Financial Officer (Signature and stamp)	(Company stamp)
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The notes on pages 23 to 154 form part of these financial statements.

BOE Technology Group Company Limited
Consolidated income statement for the year ended 31 December 2014
(Expressed in Renminbi Yuan)

	Note	2014	2013
I. Operation income	V.38	36,816,316,676	33,774,285,620
II. Less: Operating costs	V.38	28,504,880,729	25,703,823,432
Business taxes and surcharges	V.39	118,087,384	183,485,959
Selling and distribution expenses	V.40	998,114,416	1,044,684,152
General and administrative expenses	V.41	3,876,636,817	3,276,324,892
Financial (net income) / expenses	V.42	(187,352,947)	401,926,117
Impairment losses	V.43	1,211,771,939	913,797,501
Add: Investment income	V.44	13,447,378	7,600,526
Including: Income from investments in associates		3,569,978	87,148
III. Operating profit		2,307,625,716	2,257,844,093
Add: Non-operating income	V.45	904,242,732	886,872,685
Including: Gains from disposal of non-current assets		3,369,650	1,232,151
Less: Non-operating expenses	V.46	35,961,283	122,303,353
Including: Losses from disposal of non-current assets		18,945,517	113,954,871
IV. Profit before income tax		3,175,907,165	3,022,413,425
Less: Income tax expense	V.47	459,993,195	50,284,234
V. Net profit for the year		2,715,913,970	2,972,129,191
Attributable to:			
Shareholders of the Company		2,562,128,829	2,353,365,694
Non-controlling interests		153,785,141	618,763,497

The notes on pages 23 to 154 form part of these financial statements.

BOE Technology Group Company Limited
Consolidated income statement for the year ended 31 December 2014
(continued)
(Expressed in Renminbi Yuan)

	<i>Note</i>	<i>2014</i>	<i>2013</i>
VI. Other comprehensive income, net of tax	V.35	34,637,336	(33,512,719)
Other comprehensive income (net of tax) attributable to owners of the Company		34,562,488	(33,512,719)
Items that may be reclassified to profit or loss:			
1 Gains or losses arising from changes in fair value of available-for-sale financial assets		29,430,373	17,821,494
2 Translation differences arising on translation of foreign currency financial statements		5,132,115	(51,334,213)
Other comprehensive income (net of tax) attributable to non-controlling interests		74,848	-
		<u>2,750,551,306</u>	<u>2,938,616,472</u>
VII. Total comprehensive income for the year		<u>2,750,551,306</u>	<u>2,938,616,472</u>
Attributable to:			
Shareholders of the Company		2,596,691,317	2,319,852,975
Non-controlling interests		153,859,989	618,763,497

The notes on pages 23 to 154 form part of these financial statements

BOE Technology Group Company Limited
Consolidated income statement for the year ended 31 December 2014
(continued)
(Expressed in Renminbi Yuan)

	<i>Note</i>	<i>2014</i>	<i>2013</i>
VIII. Earnings per share			
(1) Basic earnings per share	V.48	0.087	0.174
(2) Diluted earnings per share	V.48	Not applicable	Not applicable

These financial statements were approved by the Board of Directors of the Company on 19 April 2015.

Wang Dongsheng Chairman of the Board <i>(Signature and stamp)</i>	Chen Yanshun President <i>(Signature and stamp)</i>	SunYun Chief Financial Officer <i>(Signature and stamp)</i>	(Company stamp)
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The notes on pages 23 to 154 form part of these financial statements.

BOE Technology Group Company Limited
Income statement for the year ended 31 December 2014
(Expressed in Renminbi Yuan)

	Note	2014	2013
I. Operation income	XIV.16	1,131,460,958	759,552,672
II. Less: Operating costs		123,137,722	116,096,306
Business taxes and surcharges	XIV.17	7,092,059	10,098,746
Selling and distribution expenses		3,215,980	1,310,782
General and administrative expenses		841,780,174	732,258,960
Financial (net income)/ expenses	XIV.18	(222,083,739)	161,160,840
Impairment losses		91,664	(28,593)
Add: Investment income	XIV.19	451,202,028	7,600,526
Including: Income from investments in associates		3,569,978	87,148
III. Operating profit/ (losses)		829,429,126	(253,743,843)
Add: Non-operating income	XIV.20	33,647,114	80,705,633
Including: Gains from disposal of non-current assets		74,210	185,405
Less: Non-operating expenses	XIV.21	7,925,153	145,735
Including: Losses from disposal of non-current assets		29,700	17,935
IV. Profit/ (losses) before income tax		855,151,087	(173,183,945)
Less: Income tax expense	XIV.22	-	-
V. Net profit/ (losses)		855,151,087	(173,183,945)

The notes on pages 23 to 154 form part of these financial statements.

BOE Technology Group Company Limited
Income statement for the year ended 31 December 2014 (continued)
(Expressed in Renminbi Yuan)

	Note	2014	2013
VI. Other comprehensive income, net of tax	XIV.14		
Items that may be reclassified to profit or loss:			
Gains or losses arising from changes in fair value of available-for-sale financial assets		1,446,267	29,323,319
VII. Total comprehensive income for the year		856,597,354	(143,860,626)

These financial statements were approved by the Board of Directors of the Company on 19 April 2015.

Wang Dongsheng Chairman of the Board (Signature and stamp)	Chen Yanshun President (Signature and stamp)	SunYun Chief Financial Officer (Signature and stamp)	(Company stamp)
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The notes on pages 23 to 154 form part of these financial statements.

BOE Technology Group Company Limited
Consolidated cash flow statement for the year ended 31 December 2014
(Expressed in Renminbi Yuan)

	<i>Note</i>	<i>2014</i>	<i>2013</i>
I. Cash flows from operating activities:			
Proceeds from sale of goods and rendering of services		38,084,816,098	37,313,639,815
Refund of taxes		1,319,925,344	1,487,048,285
Proceeds from other operating activities		505,991,614	473,370,363
Sub-total of cash inflows		39,910,733,056	39,274,058,463
Payment for goods and services		(26,369,190,547)	(26,608,846,827)
Payment to and for employees		(3,713,371,474)	(2,781,878,323)
Payment of various taxes		(1,016,355,588)	(391,115,361)
Payment for other operating activities		(715,989,524)	(535,778,702)
Sub-total of cash outflows		(31,814,907,133)	(30,317,619,213)
Net cash inflow from operating activities	V.49(1)	8,095,825,923	8,956,439,250

The notes on pages 23 to 154 form part of these financial statements.

BOE Technology Group Company Limited
Consolidated cash flow statement for the year ended 31 December 2014
(continued)
(Expressed in Renminbi Yuan)

	<i>Note</i>	<i>2014</i>	<i>2013</i>
II. Cash flows from investing activities:			
Proceeds from disposal of investments		444,285,709	4,370,000
Investment returns received		15,104,389	5,643,378
Net proceeds from disposal of fixed assets, intangible assets and other long-term assets		28,820,470	14,808,978
Proceeds from government grants related to assets		587,575,723	452,134,320
Proceeds from other investing activities		661,863,569	280,740,691
Sub-total of cash inflows		<u>1,737,649,860</u>	<u>757,697,367</u>
Payment for acquisition of fixed assets, intangible assets and other long-term assets		(21,290,003,058)	(18,326,663,220)
Payment for acquisition of investments		(3,390,171,995)	(209,791,275)
Net payment for acquisition of subsidiaries	V.49(2)	(809,412,435)	(377,624,956)
Net payment for disposal of subsidiaries	V.49(2)	(2,473,518)	-
Sub-total of cash outflows		<u>(25,492,061,006)</u>	<u>(18,914,079,451)</u>
Net cash outflow from investing activities		<u>(23,754,411,146)</u>	<u>(18,156,382,084)</u>

The notes on pages 23 to 154 form part of these financial statements.

BOE Technology Group Company Limited
Consolidated cash flow statement for the year ended 31 December 2014
(continued)
(Expressed in Renminbi Yuan)

	<i>Note</i>	<i>2014</i>	<i>2013</i>
III. Cash flows from financing activities:			
Proceeds from investors	30,752,700,690	14,351,281	
Proceeds from borrowings	23,952,128,073	20,385,558,597	
Proceeds from other financing activities	91,264,790	160,117,541	
Sub-total of cash inflows	54,796,093,553	20,560,027,419	
Repayments of borrowings	(16,602,350,426)	(6,482,384,302)	
Payment for dividends, profit distributions or interest	(1,566,024,478)	(1,369,703,356)	
Including: Dividends and profits paid to non-controlling shareholders of subsidiaries	(12,721,642)	-	
Net change of cash pledged for borrowing	(495,142,854)	(444,118,855)	
Payment for other financing activities	(491,184,581)	(119,474)	
Sub-total of cash outflows	(19,154,702,339)	(8,296,325,987)	
Net cash inflow from financing activities	35,641,391,214	12,263,701,432	

The notes on pages 23 to 154 form part of these financial statements.

BOE Technology Group Company Limited
Consolidated cash flow statement for the year ended 31 December 2014
(continued)
(Expressed in Renminbi Yuan)

	<i>Note</i>	<i>2014</i>	<i>2013</i>
IV. Effect of foreign exchange rate changes on cash and cash equivalents		46,925,320	(145,269,441)
V. Net increase in cash and cash equivalents	V.49(1)	20,029,731,311	2,918,489,157
Add: Cash and cash equivalents at the beginning of the year		16,474,975,849	13,556,486,692
VI. Cash and cash equivalents at the end of the year	V.49(3)	36,504,707,160	16,474,975,849

These financial statements were approved by the Board of Directors of the Company on 19 April 2015.

Wang Dongsheng Chairman of the Board <i>(Signature and stamp)</i>	Chen Yanshun President <i>(Signature and stamp)</i>	SunYun Chief Financial Officer <i>(Signature and stamp)</i>	(Company stamp)
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The notes on pages 23 to 154 form part of these financial statements.

BOE Technology Group Company Limited
Cash flow statement for the year ended 31 December 2014
(Expressed in Renminbi Yuan)

	Note	2014	2013
I. Cash flows from operating activities:			
Proceeds from sale of goods and rendering of services		1,027,783,751	666,462,147
Proceeds from other operating activities		87,983,342	568,393,174
Sub-total of cash inflows		1,115,767,093	1,234,855,321
Payment for goods and services		(320,988,247)	(346,416,182)
Payment to and for employees		(405,679,550)	(297,891,735)
Payment of various taxes		(16,132,147)	(23,053,921)
Payment for other operating activities		(597,477,240)	(248,595,865)
Sub-total of cash outflows		(1,340,277,184)	(915,957,703)
Net cash (outflow)/ inflow from operating activities	XIV.23(1)	(224,510,091)	318,897,618

The notes on pages 23 to 154 form part of these financial statements.

BOE Technology Group Company Limited
Cash flow statement for the year ended 31 December 2014 (continued)
(Expressed in Renminbi Yuan)

	<i>Note</i>	<i>2014</i>	<i>2013</i>
II. Cash flows from investing activities:			
Proceeds from disposal of investments		-	4,370,000
Investment returns received		368,295,118	7,251,539
Net proceeds from disposal of fixed assets		105,910	480,119
Proceeds from other investing activities		392,198,808	175,922,112
		<hr/>	<hr/>
Sub-total of cash inflows		760,599,836	188,023,770
		<hr/>	<hr/>
Payment for acquisition of fixed assets, intangible assets and other long-term assets		(507,132,385)	(338,049,602)
Payment for acquisition of investments		(16,020,284,080)	(3,025,076,565)
Net payment for acquisition of subsidiaries		(6,834,815,100)	(4,100,000,000)
Payment for other investing activities		(670,000,000)	(161,000,000)
		<hr/>	<hr/>
Sub-total of cash outflows		(24,032,231,565)	(7,624,126,167)
		<hr/>	<hr/>
Net cash outflow from investing activities		(23,271,631,729)	(7,436,102,397)
		<hr/>	<hr/>

The notes on pages 23 to 154 form part of these financial statements.

BOE Technology Group Company Limited
Cash flow statement for the year ended 31 December 2014 (continued)
(Expressed in Renminbi Yuan)

	Note	2014	2013
III. Cash flows from financing activities:			
Proceeds from investors		30,752,700,690	-
Proceeds from borrowings		670,000,000	6,000,000,000
Proceeds from other financing activities		-	605,384,500
Sub-total of cash inflows		31,422,700,690	6,605,384,500
Repayments of borrowings		(50,000,000)	(50,000,000)
Payment for interest		(299,386,813)	-
Payment for other financing activities		(599,226,214)	-
Sub-total of cash outflows		(948,613,027)	(50,000,000)
Net cash inflow from financing activities		30,474,087,663	6,555,384,500
IV. Effect of foreign exchange rate changes on cash and cash equivalents		(8,540,014)	(28,565)
V. Net increase/(decrease) in cash and cash equivalents	XIV.23(1)	6,969,405,829	(561,848,844)
Add: cash and cash equivalents at the beginning of the year		1,702,470,760	2,264,319,604
VI. Cash and cash equivalents at the end of the year	XIV.23(2)	8,671,876,589	1,702,470,760

These financial statements were approved by the Board of Directors of the Company on 19 April 2015.

Wang Dongsheng Chairman of the Board (Signature and stamp)	Chen Yanshun President (Signature and stamp)	SunYun Chief Financial Officer (Signature and stamp)	(Company stamp)
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The notes on pages 23 to 154 form part of these financial statements.

BOE Technology Group Company Limited
Consolidated statement of changes in equity for the year ended 31 December 2014
(Expressed in Renminbi Yuan)

	Note	Attributable to shareholders of the Company				Retained earnings / Surplus reserve	Non-controlling interests (Accumulated losses)	Total
		Share capital	Capital reserve	Less: treasury stock	Other comprehensive income			
I. Balance at the beginning of the year		13,521,542,341	15,347,919,192	-	6,068,123	499,092,613	(1,122,806,908)	9,902,448,043
II. Changes in equity for the year								38,154,263,404
1. Total comprehensive income		-	-	-	34,562,488	-	2,562,128,829	153,859,989
2. Shareholders' contributions and decrease of capital								2,750,551,306
(1) Contribution								
by ordinary shareholders		21,768,095,233	23,116,609,820	-	-	-	-	44,884,705,053
(2) Acquisitions of subsidiaries'								
minorities interests		-	612,108,747	-	-	-	(9,225,017,444)	(8,612,908,697)
(3) Others		-	-	198,004,581	-	-	(14,234,306)	(212,238,887)
3. Appropriation of profits	V.37							
(1) Appropriation for surplus reserve		-	-	-	-	4,576,248	(4,576,248)	-
(2) Distributions to								
shareholders		-	-	-	-	-	(12,721,642)	(12,721,642)
4. Others		-	7,755,682	-	-	-	-	7,755,682
III. Balance at the end of the year		35,289,637,574	39,084,393,441	198,004,581	40,630,611	503,668,861	1,434,745,673	804,334,640
								76,959,406,219

These financial statements were approved by the Board of Directors of the Company on 19 April 2015.

Wang Dongsheng
Chairman of the Board
(Signature and stamp)

Chen Yanshun
President
(Signature and stamp)

SunYun
Chief Financial Officer
(Signature and stamp)

(Company stamp)

The notes on pages 23 to 154 form part of these financial statements.

BOE Technology Group Company Limited
Consolidated statement of changes in equity for the year ended 31 December 2013
(Expressed in Renminbi Yuan)

		Attributable to shareholders of the Company					Non-controlling interests	Total	
	Note	Share capital	Capital reserve	Less: treasury stock	Other comprehensive income	Surplus reserve	Accumulated losses		
I. Balance at the beginning of the year		13,521,542,341	15,302,916,456	-	39,580,842	499,092,613	(3,476,172,602)	9,377,854,802	35,264,814,452
II. Changes in equity for the year									
1. Total comprehensive income		-	-	-	(33,512,719)	-	2,353,365,694	618,763,497	2,938,616,472
2. Shareholders' contributions and decrease of capital									
(1) Acquisitions of subsidiaries' minorities interests			-	45,002,736	-	-	-	-	(108,521,537)
(63,518,801)									
(2) Contributions by minority shareholders			-	-	-	-	-	-	14,351,281
14,351,281									
III. Balance at the end of the year		13,521,542,341	15,347,919,192	-	6,068,123	499,092,613	(1,122,806,908)	9,902,448,043	38,154,263,404

These financial statements were approved by the Board of Directors of the Company on 19 April 2015.

Wang Dongsheng
Chairman of the Board
(Signature and stamp)

Chen Yanshun
President
(Signature and stamp)

SunYun
Chief Financial Officer
(Signature and stamp)

(Company stamp)

The notes on pages 23 to 154 form part of these financial statements.

BOE Technology Group Company Limited
Statement of changes in equity for the year ended 31 December 2014
(Expressed in Renminbi Yuan)

	Share capital	Capital reserve	Less: treasury stock	Other comprehensive income	Surplus reserve	Retained earnings / (accumulated losses)	Total
I. Balance at the beginning of the year	13,521,542,341	15,094,593,545	-	71,205,088	499,092,613	(809,388,608)	28,377,044,979
II. Changes in equity for the year							
1. Total comprehensive income	-	-	-	1,446,267	-	855,151,087	856,597,354
2. Shareholders' contributions and decrease of capital	21,768,095,233	23,116,609,820	198,004,581	-	-	-	44,686,700,472
3. Appropriation of profits							
Appropriation for surplus reserve	-	-	-	-	4,576,248	(4,576,248)	-
4. Others	-	7,755,682	-	-	-	-	7,755,682
III. Balance at the end of the year	35,289,637,574	38,218,959,047	198,004,581	72,651,355	503,668,861	41,186,231	73,928,098,487

These financial statements were approved by the Board of Directors of the Company on 19 April 2015.

Wang Dongsheng
Chairman of the Board
(Signature and stamp)

Chen Yanshun
President
(Signature and stamp)

SunYun
Chief Financial Officer
(Signature and stamp)

(Company stamp)

The notes on pages 23 to 154 form part of these financial statements.

BOE Technology Group Company Limited
Statement of changes in equity for the year ended 31 December 2013
(Expressed in Renminbi Yuan)

	Share capital	Capital reserve	Other comprehensive income	Surplus reserve	Accumulated losses	Total
I. Balance at the beginning of the year	13,521,542,341	15,094,593,545	41,881,769	499,092,613	(636,204,663)	28,520,905,605
II. Changes in equity for the year						
Total comprehensive income	-	-	29,323,319	-	(173,183,945)	(143,860,626)
III. Balance at the end of the year	13,521,542,341	15,094,593,545	71,205,088	499,092,613	(809,388,608)	28,377,044,979

These financial statements were approved by the Board of Directors of the Company on 19 April 2015.

Wang Dongsheng
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SunYun
Chief Financial Officer
(Signature and stamp)

(Company stamp)

The notes on pages 23 to 154 form part of these financial statements.

BOE Technology Group Company Limited
Notes to the financial statements
(Expressed in Renminbi Yuan unless otherwise indicated)

I. Company status

BOE Technology Group Company Limited (the “Company”) is a company limited by shares established on 9 April 1993 at Beijing, with its head office located in Beijing. The parent of the Company is Beijing Electronic Tube Factory (after “debt-equity swap” restructuring converted to “Beijing Orient Investment and Development Company Limited” (“BOID”)). The Company’s ultimate holding company is Beijing Electronics Holdings Co., Ltd. (“Electronics Holdings”).

The Company and its subsidiaries (“the Group”) comprise three main business segments: Display device business, Intelligent system products business and Intelligent health service. For information about the subsidiaries of the Company, refer to Note VII. During the reporting period, the information about increases and decreases in the Group’s subsidiaries is disclosed in Note VI.

II. Basis of preparation

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

III. Significant accounting policies and accounting estimates

1. Statement of compliance

The financial statements have been prepared in accordance with the requirements of Accounting Standards for Business Enterprises or referred to as China Accounting Standards (“CAS”). These financial statements present truly and completely the consolidated financial position and financial position of the Company as at 31 December 2014, and the consolidated financial performance and financial performance and the consolidated cash flows and cash flows of the Company for the year then ended.

These financial statements also comply with the disclosure requirements of “Regulation on the Preparation of Information Disclosures of Companies Issuing Public Shares, No. 15: General Requirements for Financial Reports” as revised by the China Securities Regulatory Commission (“CSRC”) in 2014.

2. Accounting period

The accounting year of the Group is from 1 January to 31 December.

3. Operating cycle

The Company takes the period from the acquisition of assets for processing to their realisation in cash or cash equivalents as a normal operating cycle. The operating cycles of the Company's principal businesses are usually shorter than 12 months.

4. Functional currency

The Company's functional currency is Renminbi and these financial statements are presented in Renminbi. Functional currency is determined by the Company and its subsidiaries on the basis of the currency in which major income and costs are denominated and settled. Some of the Company's subsidiaries have functional currencies that are different from the Company's functional currency. Their financial statements have been translated based on the accounting policy set out in Note III(8).

5. Accounting treatments for a business combination involving enterprises under and not under common control

(1) Business combinations 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 business combination, and that control is not transitory. The assets acquired and liabilities assumed are measured based on their carrying amounts in the consolidated financial statements of the ultimate controlling party at the combination date. The difference between the carrying amount of the net assets acquired and the consideration paid for the combination (or the total par value of shares issued) is adjusted against share premium in the capital reserve, with any excess adjusted against retained earnings. Any costs directly attributable to the combination are recognised in profit or loss when incurred. The combination date is the date on which one combining enterprise obtains control of other combining enterprises.

(2) Business combinations involving enterprises not under common control

A business combination involving enterprises not under common control is a business combination in which all of the combining enterprises are not ultimately controlled by the same party or parties both before and after the business combination. Where (1) the aggregate of the fair value at the acquisition date of assets transferred (including the acquirer's previously held equity interest in the acquiree), liabilities incurred or assumed, and equity securities issued by the acquirer, in exchange for control of the acquiree, exceeds (2) the acquirer's interest in the fair value at the acquisition date of the acquiree's identifiable net assets, the difference is recognised as goodwill (see Note III.18) Where (1) is less than (2), the difference is recognised in profit or loss for the current period. The costs of issuing

equity or debt securities as a part of the consideration for the acquisition are included in the carrying amounts of these equity or debt securities upon initial recognition. Other acquisition-related costs are expensed when incurred. The acquiree's identifiable asset, liabilities and contingent liabilities, if the recognition criteria are met, are recognised by the Group at their acquisition-date fair value. The acquisition date is the date on which the acquirer obtains control of the acquiree.

For a business combination involving enterprises not under common control and achieved in stages, the Group remeasures its previously-held equity interest in the acquiree to its acquisition-date fair value and recognises any resulting difference between the fair value and the carrying amount as investment income for the current period. In addition, any amount recognised in other comprehensive income that may be reclassified to profit or loss, in prior reporting periods relating to the previously-held equity interest, and any other changes in the owners' equity under equity accounting, are transferred to investment income in the period in which the acquisition occurs (see Note III.12(2)(b)).

6. Consolidated financial statements

(1) General principles

The scope of consolidated financial statements is based on control and the consolidated financial statements comprise the Company and its subsidiaries. Control exists when the investor has all of following: power over the investee; exposure, or rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered. The financial position, financial performance and cash flows of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Non-controlling interests are presented separately in the consolidated balance sheet within shareholders' equity. Net profit or loss attributable to non-controlling shareholders is presented separately in the consolidated income statement below the net profit line item. Total comprehensive income attributable to non-controlling shareholders is presented separately in the consolidated income statement below the total comprehensive income line item.

When the amount of loss for the current period attributable to the non-controlling shareholders of a subsidiary exceeds the non-controlling shareholders' portion of the opening balance of owners' equity of the subsidiary, the excess is still allocated against the non-controlling interests.

When the accounting period or accounting policies of a subsidiary are different from those of the Company, the Company makes necessary adjustments to the financial statements of the subsidiary based on the Company's own accounting period or accounting policies. Intra-group balances and transactions, and any unrealised profit

or loss arising from intra-group transactions, are eliminated when preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains, unless they represent impairment losses that are recognised in the financial statements.

(2) Subsidiaries acquired through a business combination

Where a subsidiary was acquired during the reporting period, through a business combination involving enterprises under common control, the financial statements of the subsidiary are included in the consolidated financial statements as if the combination had occurred at the date that the ultimate controlling party first obtained control. The opening balances and the comparative figures of the consolidated financial statements are also restated. In the preparation of the consolidated financial statements, the subsidiary's assets and liabilities based on their carrying amounts in the financial statements of the ultimate controlling party are included in the consolidated balance sheet, and financial performance is included in the consolidated income statement, respectively, from the date that the ultimate parent company of the Company obtains the control of the subsidiary to be consolidated.

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

(3) Disposal of subsidiaries

When the Group loses control of a subsidiary, the Group derecognises assets, liabilities, non-controlling interests and other related items in shareholders' equity in relation to that subsidiary. The remaining equity investment is remeasured at its fair value at the date when control is lost. Any resulting gains or losses are recognised as investment income of the current period.

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

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

If each of the multiple transactions does not form part of a bundled transaction, the

transactions conducted before the loss of control of the subsidiary are accounted for in accordance with the accounting policies for partial disposal of equity investment in subsidiaries where control is retained (see Note III.6(4)).

If each of the multiple transactions forms part of a bundled transaction which eventually results in the loss of control in the subsidiary, these multiple transactions are accounted for as a single transaction. In the consolidated financial statements, the difference between the consideration received and the corresponding proportion of the subsidiary's net assets (calculated continuously from the acquisition date) in each transaction prior to the loss of control shall be recognised in other comprehensive income and transferred to profit or loss when the parent eventually loses control of the subsidiary.

(4) Changes in non-controlling interests

Where the Company acquires a non-controlling interest from a subsidiary's non-controlling shareholders or disposes of a portion of an interest in a subsidiary without a change in control, the difference between the amount by which the non-controlling interests are adjusted and the amount of the consideration paid or received is adjusted to the capital reserve (share premium) in the consolidated balance sheet, with any excess adjusted to retained earnings.

7. Cash and cash equivalents

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

8. Foreign currency transactions and translation of financial statements denominated in foreign currencies

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

Monetary items denominated in foreign currencies are translated to Renminbi at the spot exchange rate at the balance sheet date. The resulting exchange differences are generally recognised in profit or loss, unless they arise from the re-translation of the principal and interest of specific borrowings for the acquisition, construction of qualifying assets (see Note III.16). Non-monetary items that are measured at historical cost in foreign currencies are translated to Renminbi using the exchange rate at the transaction date. Non-monetary items that are measured at fair value in foreign currencies are translated using the exchange rate at the date the fair value is determined; the resulting exchange differences are recognised in profit or loss, except for the differences arising from the re-translation of available-for-sale

financial assets, which are recognised in other comprehensive income.

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

9. Financial instruments

Financial instruments include cash at bank and on hand, investments in debt and equity securities other than those classified as long-term equity investments (see Note III.12), receivables, payables, loans and borrowings, and share capital.

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

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

The Group classifies financial assets and liabilities into different categories at initial recognition based on the purpose of acquiring assets or assuming liabilities: financial assets and financial liabilities at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets and other financial liabilities.

Financial assets and financial liabilities are measured initially at fair value. For financial assets and financial liabilities at fair value through profit or loss, any related directly attributable transaction costs are charged to profit or loss; for other categories of financial assets and financial liabilities, any related directly attributable transaction costs are included in their initial costs. Subsequent to initial recognition, financial assets and liabilities are measured as follows:

- Financial assets and financial liabilities at fair value through profit or loss (including financial assets or financial liabilities held for trading)

Subsequent to initial recognition, financial assets and financial liabilities at fair value through profit or loss are measured at fair value, and changes therein are recognised in profit or loss.

- Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Subsequent to initial recognition, receivables are measured at amortised cost using the effective interest method.

- Held-to-maturity investments

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

Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method.

- Available-for-sale financial assets

Available-for-sale financial assets include non-derivative financial assets that are designated upon initial recognition as available for sale and other financial assets which do not fall into any of the above categories.

Available-for-sale investments in equity instruments whose fair value cannot be measured reliably are measured at cost subsequent to initial recognition. Other available-for-sale financial assets are measured at fair value subsequent to initial recognition and changes therein are generally recognised in other comprehensive income, except for impairment losses and foreign exchange gains and losses from monetary financial assets which are recognised directly in profit or loss. When an investment is derecognised, the gain or loss accumulated in equity is reclassified to profit or loss. Dividend income is recognised in profit or loss when the investee approves the dividends. Interest is recognised in profit or loss using the effective interest method (see Note III.23(4)).

- Other financial liabilities

Financial liabilities other than the financial liabilities at fair value through profit or loss are classified as other financial liabilities.

Other financial liabilities include liabilities arising from financial guarantee contracts. Financial guarantees are contracts that require the Group (i.e. the guarantor) to make specified payments to reimburse the beneficiary of the guarantee (the holder) for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Where the Group issues a financial guarantee, subsequent to initial recognition, the guarantee is measured at the higher of the amount initially recognised less accumulated amortisation and the amount of a provision determined in accordance with the principles for contingent liabilities (see Note III.22).

Liabilities other than those arising from financial guarantee contracts are measured at amortised cost using the effective interest method.

(2) Presentation of financial assets and financial liabilities

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

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

(3) Derecognition of financial assets and financial liabilities

A financial asset is derecognised if the Group's contractual rights to the cash flows from the financial asset expire or if the Group transfers substantially all the risks and rewards of ownership of the financial asset to another party.

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

- the carrying amount of the financial asset transferred
- the sum of the consideration received from the transfer and any cumulative gain or loss that has been recognised directly in shareholders' equity.

The Group derecognises a financial liability only when its contractual obligation is discharged or cancelled or expires.

(4) Impairment of financial assets

The carrying amounts of financial assets (other than those at fair value through profit or loss) are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. If any such evidence exists, an impairment loss is recognised.

Objective evidence that a financial asset is impaired includes but is not limited to:

- (a) significant financial difficulty of the issuer or obligor
- (b) a breach of contract by the borrower, such as a default or delinquency in interest or principal payments
- (c) it becoming probable that the borrower will enter bankruptcy or other financial reorganisation
- (d) the disappearance of an active market for that financial asset because of financial difficulties faced by the issuer
- (e) significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in which the issuer operates, indicating that the cost of an investment in an equity instrument may not be recovered by the investor
- (f) a significant (i.e. a decline of 50%) or prolonged decline in the fair value (i.e. a decline persisting for nine months) of an investment in an equity instrument below its cost.

For the calculation method of impairment of receivables, refer to Note III.10. The impairment of other financial assets is measured as follows:

- Held-to-maturity investments

Held-to-maturity investments are assessed for impairment on an individual basis as follows. Where impairment is assessed on an individual basis, an impairment loss in respect of a held-to-maturity investment is calculated as the excess of its carrying amount over the present value of the estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the original effective interest rate. Impairment losses are recognised in profit or loss.

If, after an impairment loss has been recognised on held-to-maturity investments, there is a recovery in the value of the financial asset which can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss. A reversal of an impairment loss will not result in the asset's carrying amount exceeding what the amortised cost would have been had no impairment loss been recognised in prior years.

- Available-for-sale financial assets

Available-for-sale financial assets are assessed for impairment on an individual basis and on a collective group basis. When an available-for-sale financial asset is impaired, the cumulative loss arising from decline in fair value that has been recognised directly in shareholders' equity is reclassified to profit or loss even though the financial asset has not been derecognised.

If, after an impairment loss has been recognised on an available-for-sale debt instrument, the fair value of the debt instrument increases in a subsequent period and the increase can be objectively related to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. An impairment loss recognised for an investment in an equity instrument classified as available-for-sale is not reversed through profit or loss. The impairment loss on an investment in unquoted equity instrument whose fair value cannot be reliably measured is not reversed.

(5) Equity instrument

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

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

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

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

(6) Convertible instruments

- Convertible instruments containing an equity component

Convertible instruments issued by the Group that can be converted to equity shares, where the number of shares to be issued and the value of consideration to be received at that time do not vary, are accounted for as compound financial instruments containing both liability and equity components.

The initial carrying amount of a compound financial instrument is allocated to its equity and liability components. The amount recognised in the equity is the difference between the fair value of the instrument as a whole and the separately determined fair value of the liability component (including the value of any embedded derivatives other than the equity component). Transaction costs that relate to the issue of a compound financial instrument are allocated to the liability and equity components in proportion to the allocation of proceeds.

Subsequent to initial recognition, the liability component is measured at amortised cost using the effective interest method, unless it is designated upon recognition at fair value through profit or loss. The equity component is not re-measured.

If the convertible instrument is converted, the liability component, together with the equity component, is transferred to equity. If the convertible instrument is redeemed, the consideration paid for the redemption, together with the transaction costs that relate to the redemption, are allocated to the liability and equity components. The method used to allocate the consideration and transaction costs is the same as that used for issuance. After allocating the consideration and transaction costs, the difference between the allocated and carrying amounts is charged to profit and loss if it relates to the liability component or is directly recognised in equity if it relates to the equity component.

- Other convertible instruments not containing an equity component

For other convertible instruments issued by the Group which do not contain an equity component, at initial recognition, the derivative component is measured at fair value, and any excess of proceeds over the derivative component is recognised as the liability component.

The derivative component is subsequently measured at fair value, and gains or losses from the changes in the fair value are recognised in profit or loss. The liability component is subsequently carried at amortised cost using the effective interest method.

On conversion, the carrying amounts of the derivative and liability components are transferred to equity. If the instrument is redeemed, any difference between the redemption amount paid and the carrying amounts of both components is recognised in profit or loss.

10. Impairment of receivables

Receivables are assessed for impairment both on an individual basis and on a collective group basis.

Where impairment is assessed on an individual basis, an impairment loss in respect of a receivable is calculated as the excess of its carrying amount over the present value of the estimated future cash flows (exclusive of future credit losses that have not been incurred) discounted at the original effective interest rate. All impairment losses are recognised in profit or loss. The Group recognised receivables individually greater than RMB 50,000,000 as significant and perform impairment test on an individual basis. Those receivables individually insignificant but with specific natures, i.e. legal issue or customer credit issue, are also reviewed and tested on an individual basis.

The assessment is made collectively where receivables share similar credit risk characteristics (including those having not been individually assessed as impaired), based on their historical loss experiences, and adjusted by the observable factors reflecting present economic conditions.

If, after an impairment loss has been recognised on receivables, there is objective evidence of a recovery in value of the financial asset which can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss. A reversal of an impairment loss will not result in the asset's carrying amount exceeding what the amortised cost would have been determined had no impairment loss been recognised in prior years.

11. Inventories

(1) Classification and cost

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

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

(2) Cost of inventories transferred out

Cost of inventories transferred out is calculated using the weighted average method.

Consumables including low-value consumables and packaging materials are amortised in full when received for use. The amortisations are included in the cost of the related assets or recognised in profit or loss for the current period.

- (3) Basis for determining the net realisable value of inventories and provision methods for decline in value of inventories

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

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

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

- (4) Inventory system

The Group maintains a perpetual inventory system.

12. Long-term equity investments

- (1) Investment cost

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

- The initial cost of a long-term equity investment acquired through a business combination involving enterprises under common control is the Company's share of the carrying amount of the subsidiary's equity in the consolidated financial statements of the ultimate controlling party at the combination date. The difference between the initial investment cost and the carrying amount of the consideration given is adjusted to the share premium in the capital reserve, with any excess adjusted against retained earnings. For a long-term equity investment in a subsidiary acquired through a business combination achieved in stages which do not form a bundled transaction and involving enterprises under common control, the Company determines the initial cost of the investment in accordance with the above policies. The difference between this initial cost and the sum of the carrying amount of previously-held investment and the consideration paid for the shares newly acquired is adjusted against capital premium in the capital reserve, with any

excess adjusted against retained earnings.

- For a long-term equity investment obtained through a business combination not involving enterprises under common control, the initial cost comprises the aggregate of the fair value of assets transferred, liabilities incurred or assumed, and equity securities issued by the Company, in exchange for control of the acquiree. For a long-term equity investment obtained through a business combination not involving enterprises under common control and achieved through multiple transactions in stages which do not form a bundled transaction, the initial cost comprises the carrying amount of the previously-held equity investment in the acquiree immediately before the acquisition date, and the additional investment cost at the acquisition date.

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

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

(2) Subsequent measurement of long-term equity investment

(a) Investments in subsidiaries

In the Company's separate financial statements, long-term equity investments in subsidiaries are accounted for using the cost method for subsequent measurement. Except for cash dividends or profit distributions declared but not yet distributed that have been included in the price or consideration paid in obtaining the investments, the Company recognises its share of the cash dividends or profit distributions declared by the investee as investment income in the current period.

The investments in subsidiaries are stated in the balance sheet at cost less accumulated impairment losses.

For the impairment of the investments in subsidiaries, refer to Note III.20.

In the Group's consolidated financial statements, investments in subsidiaries are accounted for in accordance with the policies described in Note III.6.

(b) Investment in joint ventures and associates

A joint venture is an arrangement whereby the Group and other parties have joint control (see Note III.12(3)) and rights to the net assets of the arrangement.

An associate is an enterprise over which the Group has significant influence (see Note III.12(3)).

An investment in a joint venture or an associate is accounted for using the equity method for subsequent measurement, unless the investment is classified as held for

sale (see Note III.28).

Under the equity method:

- Where the initial cost of a long-term equity investment exceeds the Group's interest in the fair value of the investee's identifiable net assets at the date of acquisition, the investment is initially recognised at cost. Where the initial investment cost is less than the Group's interest in the fair value of the investee's identifiable net assets at the date of acquisition, the investment is initially recognised at the investor's share of the fair value of the investee's identifiable net assets, and the difference is recognised in profit or loss.
- After the acquisition of the investment, the Group recognises its share of the investee's profit or loss and other comprehensive income as investment income or losses and other comprehensive income respectively, and adjusts the carrying amount of the investment accordingly. Once the investee declares any cash dividends or profit distributions, the carrying amount of the investment is reduced by that amount attributable to the Group. Changes in the Group's share of the investee's owners' equity, other than those arising from the investee's net profit or loss, other comprehensive income or profit distribution ("other changes in owners' equity"), is recognised directly in the Group's equity, and the carrying amount of the investment is adjusted accordingly.

In calculating its share of the investee's net profits or losses, other comprehensive income and other changes in owners' equity, the Group recognises investment income and other comprehensive income after making appropriate adjustments to align the accounting policies or accounting periods with those of the Group based on the fair value of the investee's identifiable net assets at the date of acquisition. Unrealised profits and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's interest in the associates or joint ventures. Unrealised losses resulting from transactions between the Group and its associates or joint ventures are eliminated in the same way as unrealised gains but only to the extent that there is no impairment.

- The Group discontinues recognising its share of further losses of the investee after the carrying amount of the long-term equity investment and any long-term interest that in substance forms part of the Group's net investment in the joint venture or associate is reduced to zero, except to the extent that the Group has an obligation to assume additional losses. If the joint venture or associate subsequently reports net profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

For the impairment of the investments in joint ventures and associates, refer to Note III.20.

(3) Criteria for determining the existence of joint control or significant influence over an investee

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities (activities with significant impact on the returns of the arrangement) require the unanimous consent of the parties sharing control.

The following factors are usually considered when assessing whether the Group can exercise joint control over an investee:

- Whether no single participant party is in a position to control the investee's related activities unilaterally;
- Whether strategic decisions relating to the investee's related activities require the unanimous consent of all participant parties that sharing of control.

Significant influence is the power to participate in the financial and operating policy decisions of an investee but does not have control or joint control over those policies.

13. Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or for both. Investment properties are accounted for using the cost model and stated in the balance sheet at cost less accumulated depreciation, amortisation and impairment losses. The cost of investment property, less its estimated residual value and accumulated impairment losses, is depreciated or amortised using the straight-line over its estimated useful life, unless the investment property is classified as held for sale (see Note III.28). For the impairment of the investment properties, refer to Note III.20.

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

<i>Class</i>	<i>Estimated useful life (years)</i>	<i>Residual value rate (%)</i>	<i>Depreciation rate (%)</i>
Buildings	25-40 years	3%-10%	2.6%-3.9%
Land use right	32-50 years	0%	2%-3.1%

14. Fixed assets

(1) Recognition of fixed assets

Fixed assets represent the tangible assets held by the Group for use in production of goods, supply of services, for rental to others or for administrative purposes with useful lives over one accounting year.

The cost of a purchased fixed asset comprises the purchase price, related taxes, and any directly attributable expenditure for bringing the asset to working condition for its intended use. The cost of self-constructed assets is measured in accordance with the policy set out in Note III.15.

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

Any subsequent costs including the cost of replacing part of an item of fixed assets are recognised as assets if the criteria to recognise fixed assets are satisfied, and the carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of fixed assets are recognised in profit or loss as incurred.

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

(2) Depreciation of fixed assets

The cost of fixed asset, less its estimated residual value and accumulated impairment losses, is depreciated using the straight-line method over its estimated useful life, unless the fixed asset is classified as held for sale (see Note III.28).

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

<i>Class</i>	<i>Estimated useful life (years)</i>	<i>Residual value rate (%)</i>	<i>Depreciation rate (%)</i>
Plant and buildings	10-40 years	3%-10%	2.3%-9.7%
Machinery and equipment	3-20 years	0-10%	4.5%-33.3%
Others	2-10 years	0-10%	9%-50%

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

(3) For the impairment of the fixed assets, refer to Note III.20

- (4) For the recognition, measurement and depreciation of fixed assets acquired under finance leases, refer to Note III.27.

(5) Disposal of fixed assets

The carrying amount of a fixed asset is derecognised:

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

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

15. Construction in progress

The cost of self-constructed assets includes the cost of materials, direct labour, capitalised borrowing costs (see Note III.16), and any other costs directly attributable to bringing the asset to working condition for its intended use.

A self-constructed asset is included in construction in progress before it is transferred to fixed asset when it is ready for its intended use. No depreciation is provided against construction in progress.

Construction in progress is stated in the balance sheet at cost less accumulated impairment losses (see Note III.20).

16. Borrowing costs

Borrowing costs incurred directly attributable to the acquisition, construction of a qualifying asset are capitalised as part of the cost of the asset.

Other borrowing costs are recognised as financial expenses when incurred.

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

- Where funds are borrowed specifically for the acquisition, construction of a qualifying asset, the amount of interest to be capitalised is the interest expense calculated using effective interest rates during the period less any interest income earned from depositing the borrowed funds or any investment income on the temporary investment of those funds before being used on the asset.

- To the extent that the Group borrows funds generally and uses them for the acquisition, construction of a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the weighted average of the excess amounts of cumulative expenditures on the asset over the above amounts of specific borrowings. The capitalisation rate is the weighted average of the interest rates applicable to the general-purpose borrowings.

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

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

The capitalisation period is the period from the date of commencement of capitalisation of borrowing costs to the date of cessation of capitalisation, excluding any period over which capitalisation is suspended. Capitalisation of borrowing costs commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities of acquisition, construction that are necessary to prepare the asset for its intended use are in progress, and ceases when the assets become ready for their intended use. Capitalisation of borrowing costs is suspended when the acquisition, construction activities are interrupted abnormally for a period of more than three months.

17. Intangible assets

Intangible assets are stated in the balance sheet at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses (see Note III.20). For an intangible asset with finite useful life, its cost less residual value and accumulated impairment losses is amortised on the straight-line method over its estimated useful life, unless the intangible asset is classified as held for sale (see Note III.28).

The respective amortisation periods for such intangible assets are as follows:

<i>Item</i>	<i>Amortisation periods (years)</i>
Land use rights	40-50 years
Technology rights	9-20 years
Computer software	3-10 years
Patent and others	5-10 years

An intangible asset is regarded as having an indefinite useful life and is not amortised when there is no foreseeable limit to the period over which the asset is expected to generate economic benefits for the Group. At the balance sheet date, the Group does not have any intangible assets with indefinite useful lives.

Expenditure on an internal research and development project is classified into expenditure on the research phase and expenditure on the development phase.

Expenditure on the research phase is recognised in profit or loss when incurred. Expenditure on the development phase is capitalised if development costs can be measured reliably, the product or process is technically and commercially feasible, and the Group intends to and has sufficient resources to complete the development. Capitalised development costs are stated in the balance sheet at cost less impairment losses (see Note III.20). Other development expenditure is recognised as an expense in the period in which it is incurred.

18. Goodwill

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

Goodwill is not amortised and is stated in the balance sheet at cost less accumulated impairment losses (see Note III.20). On disposal of an asset group or a set of asset groups, any attributable amount of purchased goodwill is written off and included in the calculation of the profit or loss on disposal.

19. Long-term deferred expenses

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

<i>Item</i>	<i>Amortisation period (years)</i>
Cost of operating lease assets improvement	3-10 years
Lease prepayment for communal facilities	10-15 years
Others	3-10 years

20. Impairment of assets other than inventories and financial assets

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

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

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

The recoverable amount of an asset (or asset group, set of asset groups, as below) is the higher of its fair value (see Note III.21) less costs to sell and its present value of expected future cash flows.

An asset group is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or asset groups. An asset group is composed of assets directly relating to cash-generation. Identification of an asset group is based on whether major cash inflows generated by the asset group are largely independent of the cash inflows from other assets or asset groups. In identifying an asset group, the Group also considers how management monitors the Group's operations and how management makes decisions about continuing or disposing of the Group's assets.

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

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

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

21. Fair value measurement

Unless otherwise specified, the Group determines fair value measurement as below:

Fair value is the price that would be received to sell an asset or paid to transfer a

liability in an orderly transaction between market participants at the measurement date.

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

22. Provisions

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

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

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

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

23. Revenue recognition

Revenue is the gross inflow of economic benefit arising in the course of the Group's ordinary activities when the inflows result in increase in shareholders' equity, other than increase relating to contributions from shareholders. Revenue is recognised in profit or loss when it is probable that the economic benefits will flow to the Group, the revenue and costs can be measured reliably and the following conditions are met:

(1) Sale of goods

Revenue is recognised when all of the general conditions stated above and the following conditions are satisfied:

- Significant risks and rewards of ownership of goods have been transferred to the buyer;
- The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable under the sales contract or agreement.

(2) Rendering of services

Revenue is measured at the fair value of the consideration received or receivable under the contract or agreement.

Where the outcome of a transaction involving the rendering of services can be estimated reliably, revenue is recognised by reference to the stage of completion based on the proportion of services performed to date to the total services to be performed.

Where the outcome cannot be estimated reliably, revenues are recognised to the extent of the costs incurred that are expected to be recoverable, and an equivalent amount is charged to profit or loss as service cost; otherwise, the costs incurred are recognised in profit or loss and no service revenue is recognised.

(3) Revenue from construction contracts

Where the outcome of a construction contract can be estimated reliably, contract revenue and contract expenses associated with the construction contract are recognised using the percentage of completion method.

The stage of completion of a contract is determined based on the proportion of contract costs incurred for work performed to date to the estimated total contract costs.

When the outcome of a construction contract cannot be estimated reliably:

- If the contract costs can be recovered, revenue is recognised to the extent of contract costs incurred that can be recovered, and the contract costs are recognised as contract expenses when incurred;
- Otherwise, the contract costs are recognised as contract expenses immediately when incurred, and no contract revenue is recognised.

(4) Interest income

Interest income is recognised on a time proportion basis with reference to the principal outstanding and the applicable effective interest rate.

(5) Royalties from intangible assets

Royalty income from intangible assets is determined according to the period and method of charging as stipulated in the relevant contracts or agreements.

24. Employee benefits

(1) Short-term employee benefits

Employee wages or salaries, bonuses, social security contributions such as medical insurance, work injury insurance, maternity insurance and housing fund, measured at the amount incurred or at the applicable benchmarks and rates, are recognised as a liability as the employee provides services, with a corresponding charge to profit or loss or included in the cost of assets where appropriate.

(2) Post-employment benefits – defined contribution plans

Pursuant to the relevant laws and regulations of the People's Republic of China, the Group participated in a defined contribution basic pension insurance in the social insurance system established and managed by government organisations. The Group makes contributions to basic pension insurance plans based on the applicable benchmarks and rates stipulated by the government. Basic pension insurance contributions are recognised as part of the cost of assets or charged to profit or loss as the related services are rendered by the employees.

(3) Post-employment benefits – defined benefit plans

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

(4) Termination benefits

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

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

25. Government grants

Government grants are transfers of monetary assets or non-monetary assets from the government to the Group at no consideration except for any capital contribution from the government as an investor in the Group. Special funds such as investment grants allocated by the government, if clearly defined in official documents as part of “capital reserve” are dealt with as capital contributions, and not regarded as government grants.

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

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

Government grants related to assets are grants whose primary condition is that the Group qualifying for them should purchase, construct or otherwise acquire long-term assets. Government grants related to income are grants other than those related to assets. A government grant related to an asset is recognised initially as deferred income and amortised to profit or loss on a straight-line basis over the useful life of the asset. A grant that compensates the Group for expenses to be incurred in the subsequent periods is recognised initially as deferred income and recognised in profit or loss in the same periods in which the expenses are recognised. A grant that compensates the Group for expenses incurred is recognised in profit or loss immediately.

26. Income tax

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

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

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

Deferred tax assets and deferred tax liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases, which include the deductible losses and tax credits carried forward to

subsequent periods. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilised.

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

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

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

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

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

27. Operating and finance leases

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

(1) Operating lease charges

Rental payments under operating leases are recognised as part of the cost of another related asset or as expenses on a straight-line basis over the lease term.

(2) Assets leased out under operating leases

Fixed assets leased out under operating leases, except for investment properties (see Note III.13), are depreciated in accordance with the Group's depreciation policies described in Note III.14 (2). Impairment losses are recognised in accordance with the accounting policy described in Note III.20. Income derived from operating leases is recognised in the income statement using the straight-line method over the lease term. If initial direct costs incurred in respect of the assets leased out are material, the costs are initially capitalised and subsequently amortised in profit or loss over the lease term on the same basis as the lease income. Otherwise, the costs are charged to profit or loss immediately.

(3) Assets acquired under finance leases

When the Group acquires an asset under a finance lease, the asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments, each determined at the inception of the lease. At the commencement of the lease term, the minimum lease payments are recorded as long-term payables. The difference between the carrying amount of the leased assets and the minimum lease payments is recognised as unrecognised finance charges. Initial direct costs attributable to a finance lease that are incurred by the Group are added to the carrying amount of the leased asset. Depreciation and impairment losses are accounted for in accordance with the accounting policies described in Notes III.14(2) and III.20, respectively.

If there is reasonable certainty that the Group will obtain ownership of a leased asset at the end of the lease term, the leased asset is depreciated over its estimated useful life. Otherwise, the leased asset is depreciated over the shorter of the lease term and its estimated useful life.

Unrecognised finance charge under a finance lease is amortised using an effective interest method over the lease term. The amortisation is accounted for in accordance with the principles of borrowing costs (see Note III.16).

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

28. Assets held for sale and discontinued operations

(1) Assets held for sale

A non-current asset (or disposal group, the same below) is accounted for as held for sale when all the following criteria are met. A disposal group is a group of assets to be disposed of together as a group in a single transaction, and liabilities directly associated with those assets that will be transferred in the transaction.

- The assets must be available for immediate sale in their present condition subject only to terms that are usual and customary for sales of such assets;
- The group has decided to dispose the assets;
- The group has signed an irrevocable transfer agreement with the transferee, and the transfer is to be completed within one year.

Non-current assets held for sale are stated at the lower of carrying amount and fair value (see Note III.21) less costs to sell (excluding the measurement of financial assets (see note III.9), deferred tax assets (see note III.26) and investment properties subsequently measured using the fair value model (see Note III.13)). Any excess of the carrying amount over the fair value (see Note III.21) less costs to sell is recognised as an impairment loss.

Once classified as held for sale, fixed assets, intangible assets and investment properties previously accounted for using the cost model are no longer depreciated or amortised, and long-term equity investments previously accounted for using the equity method will no longer be equity accounted.

(2) Discontinued operations

The Group classifies a component that either has been disposed of or is classified as held for sale, and is separately identifiable operationally and for financial reporting purposes, and satisfies one of the following conditions as a discontinued operation.

- It represents a separate major line of business or geographical area of operations;
- It is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations;
- It is a subsidiary acquired exclusively with a view to resale.

29. Profit distributions to shareholders

Dividends or profit distributions proposed in the profit appropriation plan, which will be approved after the balance sheet date, are not recognised as a liability at the balance sheet date but are disclosed in the notes separately.

30. Related parties

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

- (a) the Company's parent
- (b) the Company's subsidiaries
- (c) enterprises that are controlled by the Company's parent
- (d) investors that have joint control or exercise significant influence over the Group
- (e) enterprises or individuals if a party has control or joint control over both the enterprises or individuals and the Group
- (f) joint ventures of the Group, including subsidiaries of joint ventures
- (g) associates of the Group, including subsidiaries of associates
- (h) principal individual investors of the Group and close family members of such individuals
- (i) key management personnel of the Group and close family members of such individuals
- (j) key management personnel of the Company's parent
- (k) close family members of key management personnel of the Company's parent and
- (l) other enterprises that are controlled or jointly controlled by principal individual investors, key management personnel of the Group, or close family members of such individuals.

In addition to the related parties stated above, which are determined in accordance with the requirements of CAS, the following enterprises or individuals (but not limited to) are considered as related parties based on the disclosure requirements of Administrative Procedures on the Information Disclosures of Listed Companies issued by the CSRC:

- (m) enterprises, or persons that act in concert, which hold more than 5% of the Company's shares
- (n) individuals who directly or indirectly hold more than 5% of the Company's shares and their close family members, supervisors of the listed companies and

- their close family members
- (o) enterprises that satisfied any of the aforesaid conditions in (a), (c) or (m) during the past 12 months or will satisfy them within the next 12 months pursuant to relevant agreements
- (p) individuals who satisfied any of the aforesaid conditions in (i), (j) or (n) during the past 12 months or will satisfy them within the next 12 months pursuant to relevant agreements
- (q) enterprises, other than the Company and subsidiaries controlled by the Company, which are controlled directly or indirectly by an individual defined in (i), (j), (n) or (p), or in which such an individual assumes the position of a director or senior executive.

31. Segment reporting

Reportable segments are identified based on operating segments which are determined based on the structure of the Group's internal organization, management requirements and internal reporting system. An operating segment is identified if all the following conditions are met:

- the component engages in business activities from which it may earn revenues and incur expenses;
- financial performance is regularly reviewed by the Group's management to make decisions about resource to be allocated to the segment and assess its performance;
- financial information regarding financial position, financial performance and cash flows is available.

Two or more operating segments may be aggregated into a single operating segment if the segments have similar economic characteristics, and are same or similar in respect of the following conditions:

- the nature of each product and service;
- the nature of production processes;
- the type or class of customers for the products and services;
- the methods used to distribute the products or provide the services;
- the nature of the regulatory environment

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

32. Significant accounting estimates and judgments

The preparation of financial statements requires management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing

basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Notes VIII contains information about the assumptions and their risk factors relating to fair value of financial instruments. Other key sources of estimation uncertainty are as follows:

- Impairment of receivables

As described in Note III.10, receivables that are measured at amortised cost are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. If any such evidence exists, an impairment loss is recognised. Objective evidence of impairment includes observable data that comes to the attention of the Group about loss events such as a significant decline in the estimated future cash flow of an individual debtor or the portfolio of debtors, and significant changes in the financial condition that have an adverse effect on the debtor. If there is objective evidence of a recovery in the value of receivables which can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed.

- Provision for impairment of inventories

As described in Note III.11, the net realisable value of inventories is under management's regular review, and as a result, provision for impairment of inventories is recognised for the excess of inventories' carrying amounts over their net realisable value. When making estimates of net realisable value, the Group takes into consideration the use of inventories held on hand and other information available to form the underlying assumptions, including the inventories' market prices and the Group's historical operating costs. The actual selling price, the costs of completion and the costs necessary to make the sale and relevant taxes may vary based on the changes in market conditions, manufacturing technology and the actual use of the inventories, resulting in the changes in provision for impairment of inventories. The net profit or loss may then be affected in the period when the impairment of inventories is adjusted.

- Impairment of assets other than inventories and financial assets

As described in Note III.20, assets other than inventories and financial assets are reviewed at each balance sheet date to determine whether the carrying amount exceeds the recoverable amount of the assets. If any such indication exists, an impairment loss is recognised.

The recoverable amount of an asset (or an asset group) is the greater of its fair value less costs to sell and its present value of expected future cash flows. Since a market price of the asset (or the asset group) cannot be obtained reliably, the fair value of the asset cannot be estimated reliably, the recoverable amount is

calculated based on the present value of estimated future cash flows. In assessing the present value of estimated future cash flows, significant judgements are exercised over the asset's production, selling price, related operating expenses and discount rate to calculate the present value. All relevant materials which can be obtained are used for estimation of the recoverable amount, including the estimation of the production, selling price and related operating expenses based on reasonable and supportable assumptions.

- Impairment of available-for-sale financial instruments

For available-for-sale equity instruments, a significant or prolonged decline in fair value below cost is considered to be objective evidence of impairment. Judgment is required when determining whether a decline in fair value has been significant or prolonged. The Group takes into consideration historical market volatility and share price of the specific equity instrument as well as other factors, such as industry performance, and financial information.

- Depreciation and amortisation of assets such as investment properties, fixed assets and intangible assets

As described in Note III.13, 14 and 17, assets such as investment properties, fixed assets and intangible assets are depreciated and amortised over their useful lives after taking into account residual value. The estimated useful lives of the assets are regularly reviewed to determine the depreciation and amortisation costs charged in each reporting period. The useful lives of the assets are determined based on historical experience of similar assets and the estimated technical changes. If there have been significant changes in the factors used to determine the depreciation or amortisation, the rate of depreciation or amortisation is revised prospectively.

- Warranty provisions

As described in Note V.27, the Group makes provisions under the warranties it gives on sale of its products based mainly on the Group's recent claim experience. Because it is possible that the recent claim experience may not be indicative of future claims that the Group will receive in respect of past sales, a considerable level of management's judgement is required and exercised to estimate the provision. Any increase or decrease in the provision will affect profit or loss in future years.

- Deferred income tax

When assessing whether there will be sufficient future taxable profits available against which the deductible temporary differences can be utilised, the Group recognises deferred tax assets to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised, using tax rates that would apply in the period when the asset would be

utilised. In determining the amount of deferred tax assets, the Group makes reasonable judgements and estimates about the timing and amount of taxable profits to be utilised in the following periods, and of the tax rates applicable in the future according to the existing tax policies and other relevant regulations. If the actual timing and amount of future taxable profits or the actual applicable tax rates differ from the estimates made by management, the differences affect the amount of deferred tax assets.

- Pending implementation of the agreement

As described in Note V.29, in 2009, the Group ceased to produce several products and stopped fulfilling the purchase contract related to production. Due to the indemnity incurred accordingly, the Group accrued provisions according to reasonable estimation of loss. Any changes in the estimation of the provision, the profit and loss will be affected in the future.

33. Changes in significant accounting policies

(1) Description of and reasons for changes in accounting policies

The Company has adopted the following new standards and revised standards from 1 July 2014:

- (a) Accounting Standards for Business Enterprises No. 2 – Long-term Equity Investments (“CAS 2 (2014)”)
- (b) Accounting Standards for Business Enterprises No. 9 – Employee Benefits (“CAS 9 (2014)”)
- (c) Accounting Standards for Business Enterprises No. 30 – Presentation of Financial Statements (“CAS 30 (2014)”)
- (d) Accounting Standards for Business Enterprises No. 33 – Consolidated Financial Statements (“CAS 33 (2014)”)
- (e) Accounting Standards for Business Enterprises No. 39 – Fair Value Measurement (“CAS 39”)
- (f) Accounting Standards for Business Enterprises No. 40 – Joint Arrangements (“CAS 40”)
- (g) Accounting Standards for Business Enterprises No. 41 – Disclosure of Interests in Other Entities (“CAS 41”)

In addition, the Company has adopted Accounting Rules on Classification between Financial Liabilities and Equity Instruments as well as the Related Accounting Treatment (“Caikuai [2014] No. 13”) since 17 March 2014 and Accounting Standards for Business Enterprises No. 37 – Financial Instruments: Presentation and Disclosures (“CAS 37 (2014)”) in the 2014 annual financial statements.

The significant accounting policies after adopting the above Accounting Standards for Business Enterprises are summarised in Note III.

Impacts of the adoption of the accounting standards mentioned above are discussed below:

(i) Long-term equity investments

Before adopting CAS 2 (2014), investments where the Group does not have control, joint control or significant influence over the investees, and the investments are not quoted in an active market and their fair value cannot be reliably measured, are recognised as other long-term equity investments. Such investments are then accounted for using the cost method. After adopting CAS 2 (2014), such investments are now accounted for using the accounting policy related to financial instruments (see Note III.9). The relevant comparative amounts have been retrospectively adjusted (see Note III.33(2)).

In addition, the Group has revised its accounting policies in relation to the equity method (see Note III.12) as a result of the revision brought about by CAS 2 (2014). The relevant comparative items have been retrospectively adjusted. The revisions do not have any material impact on the Group’s financial statements (including current and comparative periods).

CAS 2 (2014) also revised some requirements with respect to the scope, recognition and measurement of long-term equity investments, and the disclosure requirements have been stipulated in CAS 41.

(ii) Employee benefits

According to the requirements in CAS 9 (2014) with respect to the classification, recognition and measurement of short-term employee benefits, post-employment benefits, termination benefits and other long-term employee benefits, the Group has reviewed the treatments for current employee benefits and changed its accounting policy accordingly. The adoption of CAS 9 (2014) does not have any material impact on the financial position and the financial results of the Group.

To the extent that the information disclosed prior to 1 January 2014 is inconsistent with CAS 9(2014), the Group has not restated it. It also has not provided comparative information according to the new disclosure requirements.

(iii) Presentation of financial statements

In accordance with CAS 30 (2014), the Group has modified the presentation of its financial statements, including presenting separately the items of other comprehensive income that would be reclassified to profit or loss in the future if certain conditions are met from those that will never be reclassified to profit or loss in its income statement.

The presentation of the comparative information has been adjusted.

(iv) Consolidation scope

CAS 33 (2014) introduces a single control model to determine whether an investee should be consolidated, by focusing on whether the Group has power over the investee, exposure or rights to variable returns from its involvements with the investee and ability to use its power to affect those returns. As a result of the adoption of CAS 33 (2014), the Group has changed its accounting policy with respect to determining whether it has control over and consequently whether it consolidates an investee.

The adoption of CAS 33 (2014) does not change any of the control conclusions reached by the Group as at 1 July 2014.

(v) Fair value measurement

CAS 39 redefines fair value, establishes a single framework for fair value measurement and revises the requirements for fair value disclosures. [The adoption of CAS 39 does not have any material impact on the fair value measurements of the Group's assets and liabilities. The Group's disclosures in accordance with CAS 39 are set out in Note IX.

For fair value measurements that are inconsistent with the requirements of CAS 39 prior to 1 July 2014, no retrospective application is required. For information disclosed in comparative financial statements that is inconsistent with the requirements of CAS 39, no adjustments are made.

(vi) Joint arrangements

As a result of the adoption of CAS 40, the Group has changed its accounting policy with respect to its interests in joint arrangements and reassessed its involvement in its joint arrangements. The adoption of CAS 40 does not have any material impact on the financial position and the financial results of the Group.

(vii) Disclosure of interests in other entities

CAS 41 modifies and specifies disclosure requirements relevant to an enterprise's interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. The Group has provided disclosures accordingly in related notes in accordance with this standard.

(viii) Classification between financial liabilities and equity instruments and presentation and disclosures of financial instruments

Caikuai [2014] No. 13 provided guidance on the classification of financial liabilities and equity instruments. The adoption of Caikuai [2014] No. 13 does not have any material impact on the Group's financial statements (including current and comparative periods).

CAS 37 (2014) provided further guidance on the offsetting of a financial asset and a financial liability and revised the disclosure requirements for financial instruments. The offsetting guidance does not have any material impact on the presentation of the Group's financial statements.

(2) Effect of changes in accounting policies on the financial statements

The following notes summarise the impacts of the above changes on the Group's and the Company's financial statements:

(i) Effect of changes in accounting policies on the current year financial statements

Changes in accounting policies have no effect on the consolidated income statement and income statement for the year ended 31 December 2014.

The following tables provide estimates of the extent to which each of the line items in the consolidated balance sheet and balance sheet for the year ended 31 December 2014 is higher or lower than it would have been had the previous policies still been applied in the year.

	Note	<i>Effect of new policy (decrease) / increase in the line items</i>	
		<i>The Group</i>	<i>The Company</i>
Assets			
Long-term equity investments		(57,105,486)	(18,688,032)
Available-for-sale financial assets		57,105,486	18,688,032
Owners' equity		-	-

- (ii) Above changes in accounting policies have no effect on the Group's and the Company's net profits and opening and closing balances of owners' equity for 2013.

Affected assets and liabilities items in the balance sheet as at 31 December 2013

	<i>The Group</i>			<i>The Company</i>		
	<i>Before adjustment</i>	<i>Adjustment</i>	<i>After adjustment</i>	<i>Before adjustment</i>	<i>Adjustment</i>	<i>After adjustment</i>
<i>Long-term equity investments</i>	989,848,083	(18,688,032)	971,160,051	36,197,880,338	(18,688,032)	36,179,192,306
<i>Available-for-sale financial assets</i>	254,506,569	18,688,032	273,194,601	145,924,019	18,688,032	164,612,051
 Total		 -			 -	

Changes in accounting policies have no effect on the consolidated income statement and income statement for the year ended 31 December 2013.

IV. Taxation

1. Main types of taxes and corresponding rates

<i>Tax type</i>	<i>Tax basis</i>	<i>Tax rate</i>
Value added tax (VAT)	Output VAT is calculated on product sales and taxable services revenue, based on tax laws. The remaining balance of output VAT, after subtracting the deductible input VAT of the period, is VAT payable.	6%, 13%, 17%
Business tax	Based on taxable revenue	3%, 5%
City maintenance and construction tax	Based on business tax and VAT paid	7%, 5%
Education surcharge and local education surcharge	Based on business tax and VAT paid	3%, 2%
Corporate income tax	Based on taxable profits	0-25%

2. Corporate income tax

The income tax rate applicable to the Company for the year is 15% (2013: 15%).

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

On 30 October 2014, the Company renewed the High-tech Enterprise Certificate No. GR201411003041, which was entitled jointly by Beijing Municipal Science and Technology Commission, Beijing Municipal Financial Bureau, Beijing Municipal State Administration of Taxation and Beijing Municipal Local Administration of Taxation. The Company is subject to corporate income tax rate of 15% since the date of certification with the valid period of three years.

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

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

<i>Company name</i>	<i>Preferential rate</i>	<i>Reason</i>
Beijing BOE Optoelectronics Technology Co., Ltd (BOE OT)	15%	High-tech Enterprise Certificate
Chengdu BOE Optoelectronics Technology Co., Ltd (Chengdu BOE)	15%	High-tech Enterprise Certificate
Hefei BOE Optoelectronics Technology Co., Ltd.(Hefei BOE)	15%	High-tech Enterprise Certificate
Beijing BOE Display Technology Co., Ltd. (BOE Display)	15%	High-tech Enterprise Certificate
BOE (Hebei) Mobile Technology Co., Ltd. (BOE Hebei)	15%	High-tech Enterprise Certificate
BOE Optical Science and technology Co., Ltd (Optical Science)	15%	High-tech Enterprise Certificate
BOE Hyundai LCD (Beijing) Display Technology Co., Ltd (BOE Hyundai)	15%	High-tech Enterprise Certificate
Beijing BOE Vacuum Electronics Co., Ltd. (Vacuum Electronics)	15%	High-tech Enterprise Certificate
BOE Semi-conductor Co., Ltd. (BOE Semiconductor)	15%	High-tech Enterprise Certificate
Beijing Asahi Electron Glass Co., Ltd. (BeiAsahi Glass)	15%	High-tech Enterprise Certificate
Beijing BOE Vacuum Technology Co., Ltd. (Vacuum Technology)	15%	High-tech Enterprise Certificate
Hefei Xinsheng Optoelectronics Technology Co., Ltd. (Hefei Xinsheng)	15%	High-tech Enterprise Certificate

V. Notes to the consolidated financial statements

1. Cash at bank and on hand

	2014			2013		
	Original currency	Exchange rate	RMB/RMB equivalents	Original currency	Exchange rate	RMB/RMB equivalents
Cash on hand						
RMB			148,650			178,691
USD	7,695	6.1190	47,086	12,119	6.0969	73,888
HKD	9,665	0.7889	7,625	9,665	0.7862	7,599
JPY	124,694	0.0514	6,409	83,566	0.0578	4,830
Korean Won	513,831	0.0056	2,878	615,189	0.0057	3,510
Other foreign currencies			105,738			121,594
Sub-total			318,386			390,112
Bank deposit						
RMB			30,906,381,315			13,658,469,673
USD	903,450,233	6.1190	5,528,211,975	412,313,423	6.0969	2,513,834,777
HKD	1,216,167	0.7889	959,434	1,215,642	0.7862	955,738
JPY	1,157,859,841	0.0514	59,481,531	5,146,530,617	0.0578	297,320,468
Korean Won	1,162,100,856	0.0056	6,507,765	378,474,561	0.0057	2,157,305
Other foreign currencies			2,846,754			1,847,776
Sub-total			36,504,388,774			16,474,585,737
Other monetary funds						
RMB			3,008,049,435			3,279,798,350
USD	85,081,023	6.1190	520,610,776	103,893,919	6.0969	633,430,833
HKD	156,287,492	0.7889	123,295,202			-
JPY	306,357,527	0.0514	15,739,426	1,321,587,977	0.0578	76,348,390
Sub-total			3,667,694,839			3,989,577,573
Total			40,172,401,999			20,464,553,422

Including: Total overseas deposits is RMB 1,050,839,545 (2013 : RMB 375,912,850) .

As at 31 December 2014, the other monetary funds were pledged by the Group amounting to RMB 748,564,299 and USD 49,400,000 (2013: RMB 176,325,829 , USD 56,010,175) for short-term loan. The rest of the other monetary funds amounting to RMB 2,616,851,940 (2013: RMB 3,471,763,308) are the deposits in commercial banks as security.

2. Bills receivable

(1) Classification of bills receivable:

	2014	2013
Bank acceptance bills	500,308,383	562,223,076
Commercial acceptance bills	864,000	3,200,000
Total	501,172,383	565,423,076

All of the above bills are due within one year.

As at 31 December 2014, the Group did not have pledged bill (2013: nil).

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

Item	Derecognised amount	Not-derecognised amount
Bank acceptance bills	16,607,216	93,136,271

For the year ended 31 December 2014, there was no amount transferred to accounts receivable from bills receivable due to non-performance of the issuers of the Group (2013: nil).

3. Accounts receivable

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

	2014	2013
Amounts due from related parties	105,628,224	18,679,232
Amounts due from other customers	6,568,434,196	4,851,621,076
Sub-total	6,674,062,420	4,870,300,308
Less: provision for bad and doubtful debts	58,300,298	14,361,786
Total	6,615,762,122	4,855,938,522

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

	2014			2013		
	Original currency	Exchange rate	RMB/RMB equivalents	Original currency	Exchange rate	RMB/RMB equivalents
RMB			2,155,108,524			836,821,027
USD	738,359,858	6.1190	4,518,023,969	661,483,489	6.0969	4,032,998,689
Other foreign currencies			929,927			480,592
Sub-total			6,674,062,420			4,870,300,308
Less: provision for bad and doubtful debts			58,300,298			14,361,786
Total			6,615,762,122			4,855,938,522

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

	2014	2013
Within 1 year (inclusive)	6,616,270,407	4,694,978,995
1 to 2 years (inclusive)	31,073,316	164,427,146
2 to 3 years (inclusive)	20,758,320	6,823,199
Over 3 years	5,960,377	4,070,968
Sub-total	6,674,062,420	4,870,300,308
Less: Provision for bad and doubtful loans	58,300,298	14,361,786
Total	6,615,762,122	4,855,938,522

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

(4) The Group's accounts receivable by category

Category	2014					2013				
	Book value		Provision for bad and doubtful debts		Carrying amount	Book value		Provision for bad and doubtful debts		Carrying amount
	RMB	(%)	RMB	(%)		RMB	(%)	RMB	(%)	
Collectively assessed for impairment based on credit risk characteristics	*6,607,941,006	99%	-	-	6,607,941,006	4,838,888,759	99%	-	-	4,838,888,759
Individually insignificant but assessed individually for impairment	66,121,414	1%	58,300,298	100%	7,821,116	31,411,549	1%	14,361,786	100%	17,049,763
Total	6,674,062,420	100%	58,300,298	100%	6,615,762,122	4,870,300,308	100%	14,361,786	100%	4,855,938,522

Note*: This category includes accounts receivable having been individually assessed but not impaired.

The Group has no individually significant accounts receivable and individually for impairment this year.

As at 31 December 2014, the Group collectively assessed accounts receivable having been individually assessed but not impaired for impairment and did not recognise impairment loss against this amount of accounts receivable (2013: nil).

- (5) Addition, recovery or reversal of provision for bad and doubtful debts during the year:

	2014	2013
Balance at the beginning of the year	14,361,786	13,848,807
Addition during the year	52,644,209	7,242,421
Recovery or reversal during the year	5,483,021	500,938
Write-off during the year	3,222,676	6,228,504
Balance at the end of the year	58,300,298	14,361,786

For the year ended 31 December 2014, the Group had no individually significant write-off or recovery of doubtful debts which had been fully or substantially made in prior years.

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

The sub-total of five largest accounts receivable of the Group at the end of the year is RMB 3,114,605,987, representing 47% of the total accounts receivable, and no provision is made for bad and doubtful debts after assessment.

4. Prepayments

- (1) The Group's prepayments by category:

	2014	2013
Prepayment for inventory	106,819,088	81,679,216
Others	43,914,925	59,725,557
Total	150,734,013	141,404,773

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

Ageing	2014		2013	
	Amount RMB	Percentage (%)	Amount RMB	Percentage (%)
Within 1 year (inclusive)	148,835,790	99%	140,207,693	99%
1 to 2 years (inclusive)	1,372,083	1%	752,330	1%
2 to 3 years (inclusive)	285,505	-	279,775	-
Over 3 years(inclusive)	240,635	-	164,975	-
Total	150,734,013	100%	141,404,773	100%

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

As at 31 December 2014, the total sum of prepayments due from the top five debtors of the Group amounted to RMB 82,299,236, accounting for 55% of the total.

5. Other receivables

(1) The Group's other receivables by customer type:

Customer type	2014	2013
Amounts due from related parties	280,456	1,050,837
Amounts due from other customers	729,254,284	627,909,524
Sub-total	729,534,740	628,960,361
Less: Provision for bad and doubtful debts	8,818,190	10,835,625
Total	720,716,550	618,124,736

(2) The Group's other receivables by currency type:

	2014			2013		
	Original currency	Exchange rate	RMB/RMB equivalents	Original currency	Exchange rate	RMB/RMB equivalents
RMB			707,158,692			599,858,981
USD	232,298	6.1190	1,421,434	318,423	6.0969	1,941,395
JPY	57,332,267	0.0514	2,946,878	57,162,924	0.0578	3,302,362
Korean Won	191,760,593	0.0056	1,073,859	30,036,316	0.0057	171,207
Other foreign currencies			16,933,877			23,686,416
Sub-total			729,534,740			628,960,361
			-----			-----
Less: Provision for bad and doubtful debts			8,818,190			10,835,625
Total			720,716,550			618,124,736
			=====			=====

(3) The ageing analysis of other receivables is as follows:

	2014	2013
Within 1 year (inclusive)	415,903,545	338,476,899
1 to 2 years (inclusive)	36,586,516	40,540,833
2 to 3 years (inclusive)	34,254,624	207,147,727
Over 3 years	242,790,055	42,794,902
Sub-total	729,534,740	628,960,361
	-----	-----
Less: Provision for bad and doubtful debts	8,818,190	10,835,625
Total	720,716,550	618,124,736
	=====	=====

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

(4) The Group's other receivables by category

Category	2014					2013				
	Book Value		Provision for bad and doubtful debts		Carrying Amount	Book Value		Provision for bad and doubtful debts		Carrying Amount
	RMB	%	RMB	%		RMB	%	RMB	%	
Collectively assessed for impairment based on credit risk characteristics *	720,716,550	99%	-	-	720,716,550	618,124,736	98%	-	-	618,124,736
Individually insignificant but assessed individually for impairment	8,818,190	1%	8,818,190	100%	-	10,835,625	2%	10,835,625	100%	-
Total	729,534,740	100%	8,818,190	100%	720,716,550	628,960,361	100%	10,835,625	100%	618,124,736

Note*: This category includes other receivable having been individually assessed but not impaired.

The Group has no individually significant other receivable and individually for impairment this year. As at 31 December 2014, the Group collectively assessed other receivable having been individually assessed but not impaired for impairment and did not recognise impairment loss against this amount of other receivable (2013: nil).

- (5) Addition, recovery or reversal of provision for bad and doubtful debts during the year:

	2014	2013
Balance at the beginning of the year	10,835,625	11,245,655
Addition during the year	6,368	530,619
Recovery or reversal during the year	100,000	-
Write-off during the year	1,923,803	940,649
Balance at the end of the year	<u>8,818,190</u>	<u>10,835,625</u>

- (6) The Group's other receivables by customer type:

<i>Customer type</i>	2014	2013
VAT refunds	259,218,524	165,442,360
Amount due from equity transfer	200,000,000	200,000,000
Deposits	29,873,154	36,884,488
Others	240,443,062	226,633,513
Sub-total	<u>729,534,740</u>	<u>628,960,361</u>
Less: provision for bad and doubtful debts	<u>8,818,190</u>	<u>10,835,625</u>
Total	<u><u>720,716,550</u></u>	<u><u>618,124,736</u></u>

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

As at 31 December 2014, the total sum of other receivables due from the top five debtors of the Group amounted to RMB 502,252,599, most of which are export tax rebate receivables due from the Tax Authorities and receivables due from equity transfer. No provision is made for bad and doubtful debts after assessment.

6. Inventories

(1) The Group's inventories by category:

	2014			2013		
	Book value RMB	Provision RMB	Carrying amounts RMB	Book value RMB	Provision RMB	Carrying amounts RMB
Raw materials	1,427,203,734	105,944,450	1,321,259,284	1,037,799,204	56,125,364	981,673,840
Work in progress	590,133,600	53,862,025	536,271,575	428,358,175	82,373,214	345,984,961
Finished goods	2,749,796,228	535,694,181	2,214,102,047	1,945,811,938	339,094,214	1,606,717,724
Reusable materials	91,671,123	-	91,671,123	84,428,134	-	84,428,134
Total	4,858,804,685	695,500,656	4,163,304,029	3,496,397,451	477,592,792	3,018,804,659

As at 31 December 2014, there was no amount of capitalised borrowing cost in the Group's closing balance of inventories (2013: nil).

As at 31 December 2014, the Group had no inventory used as collateral (2013: nil).

(2) Provision for impairment of inventories of the Group is analysed as follows:

	Balance at the beginning of the year RMB	Provisions made for the year RMB	Reduction during the year		Balance at the end of the year RMB
			Reversal RMB	Write-off RMB	
Raw materials	56,125,364	156,532,898	10,576,051	96,137,761	105,944,450
Work in progress	82,373,214	71,499,276	26,247,682	73,762,783	53,862,025
Finished goods	339,094,214	623,508,194	6,393,267	420,514,960	535,694,181
Total	477,592,792	851,540,368	43,217,000	590,415,504	695,500,656

7. Other current assets

	2014	2013
VAT deductible	3,533,043,636	1,868,850,052
Prepayment of income tax	17,603,629	380,634
Wealth management products	2,520,714,295	-
Others	14,402,894	3,574,140
Total	6,085,764,454	1,872,804,826

As at 31 December 2014, all of the wealth management products owned by the Group are due within one year.

8. Available-for-sale financial assets

(1) Available-for-sale financial assets

Item	2014			2013		
	Book value	Provision for impairment	Carrying amount	Book value	Provision for impairment	Carrying amount
Available-for-sale equity instruments						
- At fair value	416,524,662	150,099,655	266,425,007	404,606,224	150,099,655	254,506,569
- At cost	57,285,486	180,000	57,105,486	18,868,032	180,000	18,688,032
Total	473,810,148	150,279,655	323,530,493	423,474,256	150,279,655	273,194,601

(2) Available-for-sale financial assets at fair value at the end of the year:

	2014
Cost of equity instruments	344,902,961
Fair value	266,425,007
Accumulative fair value changes recognised in other comprehensive income	71,621,701
Provision for impairment	150,099,655

The Group assessed whether the available-for-sale equity instruments would be impaired on individual basis on 31 December 2014. The Group will confirm the relevant impairment loss and transfer the accumulated loss resulted from the decrease of fair value recognised in shareholders' equity out, and recognised in profit or loss for the period, if the slump of fair value of equity instruments in excess of their cost is serious and non-transitory with evidence shown that the Group's cost incurred may not be recoverable. As at 31 December 2014, the accumulated impairment provision of available-for-sale financial assets amounts to RMB 150,099,655 (2013: RMB 150,099,655).

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

<i>Investee</i>	<i>Book value</i>			<i>Provision for impairment</i>	<i>Percentage of Shareholding in investees (%)</i>
	<i>Balance at the beginning of the year</i>	<i>Increase During the year</i>	<i>Balance at the end of the year</i>	<i>Balance at the beginning and the end of the year</i>	
Teralane Semiconductor Inc	11,868,000	-	11,868,000	-	7.29%
Zhejiang BOE Display Technology Co., Ltd.	570,032	-	570,032	-	7.03%
National Engineering Laboratory of Digital Television(Beijing) Co., Ltd.	6,250,000	-	6,250,000	-	12.50%
Meta Company	-	30,733,954	30,733,954	-	7.24%
Danhua Capital, L. P.	-	7,683,500	7,683,500	-	5.48%
Others	180,000	-	180,000	180,000	
Total	18,868,032	38,417,454	57,285,486	180,000	

9. Long-term equity investments

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

	2014 RMB	2013 RMB
Investments in associates	976,431,612	971,160,051
Less: Provision for impairment	337,612,177	-
Total	638,819,435	971,160,051

(2) Information on Investments in associates:

Investee	Balance at the beginning of the year	Investment income recognised under equity method	Other equity movements	Declared distribution of cash dividends or profits	Acquisition as subsidiaries this year	Balance at the end of the year
Beijing Nissin Electronics Precision Component Co., Ltd.	-	(6,967,832)	7,755,682	-	-	787,850
Beijing Nittan Electronic Co., Ltd.	20,814,107	6,989,906	-	(1,200,000)	-	26,604,013
ErDOS BOE Energy Investment Co., Ltd.	907,511,000	(27,771)	-	-	-	907,483,229
Beijing Infi-Hailin Venture Investment Co., Ltd.	-	131,573	-	-	-	131,573
Beijing Infi-Hailin Venture Investment (Limited Partnership)	28,178,429	(1,447,033)	-	-	-	26,731,396
Chongqing BOE Optoelectronics Technology Co., Ltd	4,854,099	-	-	-	(4,854,099)	-
TPV Display Technology (China) Limited	9,802,416	4,891,135	-	-	-	14,693,551
Subtotal	971,160,051	3,569,978	7,755,682	(1,200,000)	(4,854,099)	976,431,612
Less: Provision for impairment	-	-	-	-	-	337,612,177
Total	971,160,051	-	-	-	-	638,819,435

On 28 May 2014, the Group increased its investment in its original associate Chongqing BOE Optoelectronics Technology Co., Ltd (Chongqing BOE) and Chongqing BOE became one of the subsidiaries thereafter. The original investment in the associate is thus accounted for as an investment in subsidiaries. (see Note VI. 1).

As at 31 December 2014, the Group estimated the recoverable amount of the long-term equity investments that showed indication of impairment and recognised impairment losses amounting to RMB 337,612,177.

10. Investment properties

	<i>Land use rights RMB</i>	<i>Buildings RMB</i>	<i>Total RMB</i>
Cost:			
Balance at the beginning of the year	659,779,217	833,402,685	1,493,181,902
Transfer from construction in progress	-	17,356,943	17,356,943
Disposal during the year	-	12,320,641	12,320,641
Balance at the end of the year	659,779,217	838,438,987	1,498,218,204
Less: Accumulated depreciation or amortisation			
Balance at the beginning of the year	57,083,984	151,681,981	208,765,965
Additions during the year	13,232,433	25,849,171	39,081,604
Disposal during the year	-	1,450,128	1,450,128
Balance at the end of the year	70,316,417	176,081,024	246,397,441
Carrying amounts			
At the end of the year	589,462,800	662,357,963	1,251,820,763
At the beginning of the year	602,695,233	681,720,704	1,284,415,937

11. Fixed assets

(1) The Group's fixed assets are as follows:

	<i>Plant & buildings RMB</i>	<i>Equipment RMB</i>	<i>Others RMB</i>	<i>Total RMB</i>
Cost:				
Balance at the beginning of the year	10,238,067,168	39,434,620,711	207,974,498	49,880,662,377
Additions during the year				
- Purchases	26,025,870	96,935,490	52,870,159	175,831,519
- Transfer from construction in progress	3,921,880,460	18,284,738,966	111,043,891	22,317,663,317
- Additions due to business combinations involving enterprises not under common control	-	1,558,696	822,357	2,381,053
Disposals during the year	3,295,245	195,049,391	13,361,749	211,706,385
Balance at the end of the year	14,182,678,253	57,622,804,472	359,349,156	72,164,831,881
Less: Accumulated depreciation				
Balance at the beginning of the year	1,104,710,024	15,537,022,601	88,042,096	16,729,774,721
Charge for the year	456,829,387	5,004,158,824	62,656,087	5,523,644,298
Additions due to business combinations involving enterprises not under common control	-	167,909	49,341	217,250
Disposals during the year	704,358	146,991,649	3,332,851	151,028,858
Balance at the end of the year	1,560,835,053	20,394,357,685	147,414,673	22,102,607,411
Less: Provision for impairment				
Balance at the beginning of the year	1,038,901	654,183,710	-	655,222,611
Charge for the year	34,480	18,665,252	69,106	18,768,838
Written off on disposals	-	10,126,956	36,212	10,163,168
Balance at the end of the year	1,073,381	662,722,006	32,894	663,828,281
Carrying amounts				
At the end of the year	12,620,769,819	36,565,724,781	211,901,589	49,398,396,189
At the beginning of the year	9,132,318,243	23,243,414,400	119,932,402	32,495,665,045

(2) Fixed assets acquired under finance leases:

	2014				2013			
	Cost	Accumulated depreciation	Provision for impairment	Net book value	Cost	Accumulated depreciation	Provision for impairment	Net book value
Plant & buildings	11,291,665	3,342,250	-	7,949,415	11,291,665	3,088,561	-	8,203,104

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

12. Construction in progress

(1) The Group's construction in progress is as follows:

Project	2014			2013		
	Book value	Provision for impairment	Carrying amount	Book value	Provision for impairment	Carrying amount
The 8.5 th generation TFT-LCD production line of BOE Display	553,302,360	-	553,302,360	1,858,377,755	-	1,858,377,755
The 8.5 th generation TFT-LCD and Touch screen production line of Hefei Xinsheng	3,906,050,826	-	3,906,050,826	11,982,854,552	-	11,982,854,552
AM-OLED project of Yuansheng Optoelectronics	9,162,623,595	-	9,162,623,595	7,295,379,869	-	7,295,379,869
The 8.5 th generation TFT-LCD production line of Chongqing BOE	7,103,041,619	-	7,103,041,619	-	-	-
Operating and researching centre	274,695,231	-	274,695,231	169,980,530	-	169,980,530
Photoelectric expansion P6 project of BOE OT	40,397,835	-	40,397,835	92,371,920	-	92,371,920
Others	829,841,200	1,311,456	828,529,744	775,414,792	1,429,766	773,985,026
Total	21,869,952,666	1,311,456	21,868,641,210	22,174,379,418	1,429,766	22,172,949,652

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

<i>Project</i>	<i>Budget</i>	<i>Balance at the beginning of the year</i>	<i>Additions during the year</i>	<i>Transfer to fixed assets</i>	<i>Transfer to intangible assets</i>	<i>Percentage investment properties and others</i>	<i>Balance at the end of the year</i>	<i>Including of actual cost to budget (%)</i>	<i>accumulated capitalised interest</i>	<i>Interest capitalised in 2014</i>	<i>Interest rate for capitalisation in 2014 (%)</i>	<i>Transfer to Interest Sources of funds</i>
The 8.5 th generation TFT-LCD production line of BOE Display	29,262,860,000	1,858,377,755	1,436,037,789	2,741,113,184	-	-	553,302,360	83.27%	-	11,508,148	3.43%	Self-financing and borrowings
The 8.5 th generation TFT-LCD and Touch screen production line of Hefei Xinsheng	33,897,000,000	11,982,854,552	10,853,652,032	18,913,894,840	16,560,918	-	3,906,050,826	67.81%	4,644,492	572,948,886	3.11%	Self-financing, borrowings and Capital-raising
AM-OLED project of Yuansheng	20,500,000,000	7,295,379,869	1,867,243,726	-	-	-	9,162,623,595	45.87%	365,718,805	234,331,459	5.27%	Self-financing
Optoelectronics												and Capital-raising
The 8.5 th generation TFT-LCD production line of Chongqing BOE	30,000,000,000	-	7,103,041,619	-	-	-	7,103,041,619	23.68%	22,519,381	22,519,381	4.48%	Self-financing borrowings and Capital-raising
Operating and researching centre	409,000,000	169,980,530	104,714,701	-	-	-	274,695,231	67.16%	-	-	-	Self-financing
Photoelectric expansion P6 project of BOE OT	108,120,000	92,371,920	1,811,736	53,785,821	-	-	40,397,835	87.11%	-	-	-	Self-financing
Others		775,414,792	689,989,723	608,869,472	5,116,074	21,577,769	829,841,200					
Total		<u>22,174,379,418</u>	<u>22,056,491,326</u>	<u>22,317,663,317</u>	<u>21,676,992</u>	<u>21,577,769</u>	<u>21,869,952,666</u>					

13. Intangible assets

	<i>Land use rights RMB</i>	<i>Technology rights RMB</i>	<i>Software RMB</i>	<i>Patent and others RMB</i>	<i>Total RMB</i>
Cost:					
Balance at the beginning of the year	804,112,148	1,001,402,087	485,961,800	450,131,160	2,741,607,195
Additions during the year					
- Purchase	-	4,731,536	26,807,625	70,064,196	101,603,357
- Transfer from construction in progress	-	-	21,676,992	-	21,676,992
- Additions due to business combinations involving enterprises not under common control	215,506,764	-	8,400	-	215,515,164
Disposal during the year	-	-	283,506	-	283,506
Balance at the end of the year	1,019,618,912	1,006,133,623	534,171,311	520,195,356	3,080,119,202
Less: Accumulated amortisation					
Balance at the beginning of the year	66,055,372	383,926,502	210,442,290	54,765,722	715,189,886
Additions during the year	18,339,114	65,782,604	53,288,339	64,435,916	201,845,973
Additions due to business combinations involving enterprises not under common control	4,117,636	-	793	-	4,118,429
Disposal during the year	-	-	17,055	-	17,055
Balance at the end of the year	88,512,122	449,709,106	263,714,367	119,201,638	921,137,233
Less: Provision for impairment					
Balance at the beginning and end of the year	-	-	471,453	-	471,453
Carrying amounts					
At the end of the year	931,106,790	556,424,517	269,985,491	400,993,718	2,158,510,516
At the beginning of the year	738,056,776	617,475,585	275,048,057	395,365,438	2,025,945,856

14. Goodwill

	<i>Balance at the beginning and the end of the year</i>
The invested entity	
Book value	
Yinghe Century	42,940,434
K-Tronics (Suzhou)	8,562,464
BOE OT	4,423,876
Sub-total	55,926,774
Provision for impairment of Goodwill	4,423,876
Carrying amount	51,502,898

As at 31 December 2014, The Group performed an impairment test of the goodwill recognised in the acquisition of Beijing Yinghe Century Co., Ltd. (Yinghe Century) and K-Tronics (Suzhou) technology Co., Ltd. (K-Tronics (Suzhou)), and determined that no provision for impairment loss needs to be recognised. In previous year, full impairment losses had been recognised for the goodwill recognised in the acquisition of BOE OT.

15. Long-term deferred expenses

	<i>Balance at the beginning of the year RMB</i>	<i>Additions of the year RMB</i>	<i>Amortisation of the year RMB</i>	<i>Balance at the end of the year RMB</i>
Lease prepayment for communal facilities	174,923,909	-	15,370,224	159,553,685
Cost of operating lease assets improvement	14,032,610	-	2,078,383	11,954,227
Others	53,857,602	152,891,675	74,272,507	132,476,770
Total	242,814,121	152,891,675	91,721,114	303,984,682

16. Deferred tax assets/deferred tax liabilities

(1) Recognised deferred tax assets and liabilities

	2014		2013	
	<i>Deductable/ (taxable) temporary differences RMB</i>	<i>Deferred tax assets/ (liabilities) RMB</i>	<i>Deductable/ (taxable) temporary differences RMB</i>	<i>Deferred tax assets/ (liabilities) RMB</i>
Deferred tax assets:				
Provision for impairment	169,685,860	42,223,368	228,611,918	55,482,013
Difference of depreciation/ amortisation	23,677	3,553	23,677	3,553
Revaluation of Yinghe Century	164,326,226	41,081,557	169,880,080	42,470,020
Accumulated losses	185,140,308	46,285,077	213,965,688	53,491,422
Employee benefits payable	1,901,035	323,177	1,455,667	236,892
Others	35,451,577	8,862,893	35,187,090	8,796,772
Sub-total	556,528,683	138,779,625	649,124,120	160,480,672
Deferred tax liabilities:				
Revaluation of Matsushita	(868,051,300)	(217,012,825)	(900,382,580)	(225,095,645)
Revaluation of assets of K-Tronics	(82,604,060)	(20,651,015)	(89,011,152)	(22,252,788)
Depreciation of fixed assets	(154,002,972)	(23,100,446)	-	-
Fair value changes of wealth management products	(20,714,295)	(3,127,511)	-	-
Long-term equity investments	(560,387,820)	(84,058,173)	(898,000,000)	(134,700,000)
Sub-total	(1,685,760,447)	(347,949,970)	(1,887,393,732)	(382,048,433)
Total	(1,129,231,764)	(209,170,345)	(1,238,269,612)	(221,567,761)

(2) Details of unrecognised deferred tax assets

	<i>2014 RMB</i>	<i>2013 RMB</i>
Deductible temporary differences	2,945,109,382	2,103,389,706
Deductible tax losses	1,137,178,435	2,120,019,584
Total	4,082,287,817	4,223,409,290

As at 31 December 2014, the deductible temporary differences are mainly the differences between the carrying amount and tax base of the subsidiaries' impairment of assets. Due to the uncertainty that there will be sufficient taxable income to cover these deductible differences in future periods, the deferred income tax assets were not recognised.

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

<i>Year</i>	<i>2014 RMB</i>	<i>2013 RMB</i>
2014	-	451,111,772
2015	276,900,139	352,439,731
2016	147,477,751	550,367,760
2017	303,999,410	367,697,695
2018	179,737,332	398,402,626
2019	229,063,803	-
Total	1,137,178,435	2,120,019,584

17. Other non-current assets

	<i>2014 RMB</i>	<i>2013 RMB</i>
Prepayment for projects	115,232,105	357,002,020
Prepayment for fixed assets	804,249,999	400,197,786
Deferred VAT for imported equipment	485,986,004	442,726,532
Others	15,096,261	14,296,761
Total	1,420,564,369	1,214,223,099

18. Short-term loans

2014					
	<i>Principal</i>	<i>Exchange rate</i>	<i>RMB/RMB equivalent</i>	<i>Annual interest rate</i>	<i>Credited/ collateralized/ guaranteed/ pledged</i>
Bank loans					
- RMB			30,000,000	7.20%-7.50%	Collateralized
- RMB			212,625,000	0.32%	Pledged
Sub-total			242,625,000		
Foreign currency bank loans					
- USD	169,602,328	6.1190	1,037,796,642	0.96%-3.83%	Credited
- USD	136,258,831	6.1190	833,767,788	0.59%-2.80%	Pledged
- JPY	872,071,200	0.0514	44,799,170	2.41%	Credited
Sub-total			1,916,363,600		
Total			2,158,988,600		
2013					
	<i>Principal</i>	<i>Exchange rate</i>	<i>RMB/RMB equivalent</i>	<i>Annual interest rate</i>	<i>Credited/ collateralized/ guaranteed/ pledged</i>
Bank loans					
- RMB			6,010,000,000	6.00%-7.50%	Credited
- RMB			10,000,000	7.20%	Collateralized
Sub-total			6,020,000,000		
Foreign currency bank loans					
- USD	105,859,576	6.0955	645,264,308	1.35%-3.50%	Credited
- USD	800,000,000	6.0969	4,877,520,000	3.78%	Guaranteed
- USD	89,639,746	6.0969	546,524,569	1.35%-2.90%	Pledged
- JPY	579,200,000	0.0578	33,460,963	1.35%	Credited
Sub-total			6,102,769,840		
Total			12,122,769,840		

As at 31 December 2014, no short-term loan was past due (2013: nil).

19. Bills payable

	2014 RMB	2013 RMB
Bank acceptance bills	258,737,884	117,095,592
Commercial acceptance bills	-	18,559,072
Total	258,737,884	135,654,664

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

20. Accounts payable

(1) Details of accounts payable are as follows:

	2014 RMB	2013 RMB
Payables to related parties	12,976,023	20,197,750
Payables to third parties	6,678,261,660	5,646,985,102
Total	6,691,237,683	5,667,182,852

(2) Accounts payable by currency are as follows:

	2014			2013		
	Original currency	Exchange rate	RMB/RMB equivalents	Original currency	Exchange rate	RMB/RMB equivalents
- RMB			4,333,687,276			3,361,502,286
- USD	321,040,921	6.1190	1,964,449,396	316,175,672	6.0969	1,927,691,462
- JPY	7,618,698,283	0.0514	391,559,923	6,514,695,385	0.0578	376,549,393
- Other foreign currency			1,541,088			1,439,711
Total			6,691,237,683			5,667,182,852

As at 31 December 2014, the Group had no individually significant accounts payable ageing more than one year.

21. Advances from customers

<i>Item</i>	<i>2014 RMB</i>	<i>2013 RMB</i>
Advance from related parties	100,928	-
Advance from third parties	314,611,704	281,618,909
Total	314,712,632	281,618,909

As at 31 December 2014, the Group had no individually significant advances from customers ageing more than one year.

22. Employee benefits payable

(1) Employee benefits payable:

	<i>Note</i>	<i>Balance at 1 January 2014</i>	<i>Accrued during the year</i>	<i>Decrease during the year</i>	<i>Balance at 31 December 2014</i>
Short-term employee benefits	(2)	815,632,432	4,345,599,450	4,059,577,646	1,101,654,236
Post-employment benefits-defined contribution plans	(3)	14,982,594	323,889,942	304,024,183	34,848,353
Termination benefits		15,283,411	122,643	285,722	15,120,332
Total		845,898,437	4,669,612,035	4,363,887,551	1,151,622,921

(2) Short-term employee benefits

	<i>Balance at 1 January 2014</i>	<i>Accrued during the year</i>	<i>Decreased during the year</i>	<i>Balance at 31 December 2014</i>
Salaries, bonuses, allowances	628,707,455	3,503,026,466	3,243,497,693	888,236,228
Staff welfare	-	437,341,901	437,341,901	-
Social insurance	28,822,111	168,210,628	162,890,277	34,142,462
Medical insurance	27,806,871	141,600,371	137,077,801	32,329,441
Work-related injury insurance	254,147	14,760,430	14,408,152	606,425
Maternity insurance	761,093	11,849,827	11,404,324	1,206,596
Housing fund	9,382,838	134,862,949	132,736,017	11,509,770
Labour union fee, staff and workers' education fee	121,919,840	87,512,755	51,208,807	158,223,788
Staff bonus and welfare fund	20,192,808	-	12,910,217	7,282,591
Other short-term employee benefits	6,607,380	14,644,751	18,992,734	2,259,397
Total	815,632,432	4,345,599,450	4,059,577,646	1,101,654,236

(3) Post-employment benefits- defined contribution plans

	<i>Balance at 1 January 2014</i>	<i>Accrued during the year</i>	<i>Decrease during the year</i>	<i>Balance at 31 December 2014</i>
Basic pension insurance	14,103,079	295,339,910	285,700,911	23,742,078
Unemployment insurance	879,515	18,756,303	18,323,272	1,312,546
Annuity	-	9,793,729	-	9,793,729
Total	14,982,594	323,889,942	304,024,183	34,848,353

23. Taxes payable

	<i>2014 RMB</i>	<i>2013 RMB</i>
Value added tax	31,074,915	3,013,089
Business tax	2,951,913	3,156,277
Corporate income tax	166,876,477	89,732,969
Individual income tax	20,207,177	32,654,736
City maintenance and construction tax	22,602,452	29,838,108
Education surcharge and local education surcharge	16,347,348	21,947,282
Others	58,159,368	9,862,762
Total	318,219,650	190,205,223

24. Dividends payable

As at 31 December 2014, dividends payable mainly represented unclaimed dividends for non-public shareholders and dividends payable to minority shareholders of Vacuum Electronics.

25. Other payables

(1) Details of other payables are as follows:

	<i>2014</i> <i>RMB</i>	<i>2013</i> <i>RMB</i>
Projects and equipment	5,419,231,049	4,300,987,629
Deferred VAT for imported equipment	914,032,323	710,244,462
Technology licence fee	152,169,522	243,174,076
Deposits	162,396,662	179,063,258
Accrued water and electricity charges	156,822,593	84,430,599
Freight agency charge	62,611,588	43,119,341
Agency fee payable	15,638,959	35,943,159
Technology royalties	45,467,483	23,744,410
Acquisition of shares	195,206,440	-
Others	426,809,406	441,538,505
Total	<u>7,550,386,025</u>	<u>6,062,245,439</u>

Significant other payables ageing more than one year are mainly payables of projects and equipment.

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

	<i>2014</i>			<i>2013</i>		
	<i>Original currency</i>	<i>Exchange rate</i>	<i>RMB/RMB equivalents</i>	<i>Original currency</i>	<i>Exchange rate</i>	<i>RMB/RMB equivalents</i>
RMB			5,921,855,897			4,881,135,349
USD	160,891,426	6.1190	984,494,633	140,419,218	6.0969	856,121,929
JPY	12,332,277,983	0.0514	633,879,088	5,532,705,682	0.0578	319,762,124
Others			10,156,407			5,226,037
Total			<u>7,550,386,025</u>			<u>6,062,245,439</u>

26. Non-current liabilities due within one year

As at 31 December, the non-current liabilities due within one year for the Group were long-term loans due within one year

2014					
	<i>Principal</i>	<i>Exchange rate</i>	<i>RMB/RMB equivalent</i>	<i>Annual interest rate</i>	<i>Credited/ collateralized/ guaranteed/ pledged</i>
Bank loans					
- RMB			15,000,000	6.55%	Collateralized
2013					
	<i>Principal</i>	<i>Exchange rate</i>	<i>RMB/RMB equivalent</i>	<i>Annual interest rate</i>	<i>Credited/ collateralized/ guaranteed/ pledged</i>
Bank loans					
- RMB			4,000,000	6.55%	Collateralized & guaranteed
- RMB			68,333,896	6.55%	Collateralized
- RMB			3,750,000	7.38%	Collateralized & guaranteed
- USD	1,000,000	6.0969	6,096,900	LIBOR+3.5%	Collateralized & guaranteed
- USD	28,940,614	6.0969	176,448,030	LIBOR+3.2%	Collateralized
Other loans					
- RMB entrust loans			50,000,000	Interest-free	Credited
Total			308,628,826		

27. Other current liabilities

As at 31 December 2013 and 2014, the other current liabilities were warranty provision. The warranty provision mainly relates to the expected after-sales repair warranty to the customers. The provision is estimated by the Management, based on historical claim experience and current actual sales outcomes.

28. Long-term loans

2014					
	<u>Principal</u>	<u>Exchange rate</u>	<u>RMB/RMB equivalent</u>	<u>Annual interest rate</u>	<u>Credited/ collateralized/ guaranteed/ pledged</u>
Bank loans					
- RMB			670,000,000	3.90%	Credited
- RMB			17,495,000	7.20%-7.68%	Pledged
- RMB			4,117,851,547	6.15%	Collateralized
- RMB			2,627,933,000	6.55%	Collateralized
- USD	137,999,408	6.1190	844,418,377	LIBOR+3%	Credited
- USD	525,390,545	6.1190	3,214,864,745	LIBOR+3.2%	Collateralized
- USD	800,000,000	6.1190	4,895,200,000	LIBOR+3.18%	Collateralized
- USD	2,118,000,000	6.1190	12,960,042,000	LIBOR+4.3%	Collateralized
- USD	700,000,000	6.1190	4,283,300,000	LIBOR+3.98%	Collateralized
Total			33,631,104,669		
2013					
	<u>Principal</u>	<u>Exchange rate</u>	<u>RMB/RMB equivalent</u>	<u>Annual interest rate</u>	<u>Credited/ collateralized/ guaranteed/ pledged</u>
Bank loans					
- RMB			232,000,000	6.55%	Collateralized & guaranteed
- RMB			7,377,255,365	6.55%	Collateralized
- RMB			1,500,000,000	6.55%	Collateralized & pledged
- USD	60,000,000	6.0969	365,814,000	LIBOR+3.5%	Collateralized & guaranteed
- USD	593,174,825	6.0969	3,616,527,591	LIBOR+3.2%	Collateralized
- USD	800,000,000	6.0969	4,877,520,000	LIBOR+3.18%	Collateralized
- USD	480,000,000	6.0969	2,926,512,000	LIBOR+4.3%	Collateralized & pledged
Other loans					
- Entrust loans			100,000,000	Interest-free	Credited
Total			20,995,628,956		

29. Provisions

	<i>Balance at the beginning and the end of the year RMB</i>
Pending implementation of the agreement	16,457,010

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

30. Deferred income

<i>Item</i>	<i>Balance at the beginning of the year</i>	<i>Additions during the year</i>	<i>Reductions during the year</i>	<i>Balance at the end of the year</i>
Government grants	2,116,634,509	718,036,508	392,824,570	2,441,846,447

	<i>Balance at the beginning of the year RMB</i>	<i>Additions during the year RMB</i>	<i>Recognitions as non- operating income RMB</i>	<i>Balance at the end of the year RMB</i>
Government grants related to assets				
The 8.5th generation of TFT-LCD production line	819,020,413	153,580,000	124,190,478	848,409,935
The 6th generation of TFT-LCD production line	283,809,524	-	68,571,428	215,238,096
Research platform for generic technology relating to flat panel displays	8,214,286	-	2,142,857	6,071,429
Plant agent construction for Hebei Industrial Zone	10,960,000	-	720,000	10,240,000
Construction of National Engineering Laboratory for TFT-LCD technology	16,428,571	-	4,285,714	12,142,857
Other subsidies for scientific research and development	937,066,853	525,260,513	178,542,063	1,283,785,303
Sub-total	2,075,499,647	678,840,513	378,452,540	2,375,887,620
Government grants related to Income				
Technological Technology development of TFT-LCD platform for large dimension HDTV	900,000	-	720,000	180,000
Technological development of array base-Plate integration	850,000	-	680,000	170,000
Other subsidies for scientific research and development	39,384,862	39,195,995	12,972,030	65,608,827
Sub-total	41,134,862	39,195,995	14,372,030	65,958,827
Total	2,116,634,509	718,036,508	392,824,570	2,441,846,447

31. Other non-current liabilities

<i>Item</i>	<i>Note</i>	<i>2014 RMB</i>	<i>2013 RMB</i>
Financial liabilities	(1)	3,380,580,059	4,238,967,274
Deferred VAT for imported equipment		485,986,004	442,726,532
Total		<u>3,866,566,063</u>	<u>4,681,693,806</u>

(1) Convertible debt

Pursant to the agreement regarding the investment in Hefei Xinsheng signed by the Company and its minority shareholders, the Company is responsible for converting the investment RMB 4,000,000,000 made by the minority shareholders on 1 April 2013 with its increased issue of shares if the increase issue was granted by the CSRC. The Company should acquire the minority shareholder's rights otherwise. The Company affirmed the equity investment by minority shareholders aforesaid to be the financial instruments mixed as the following: 1) the acquisition duty should be categorized as the financial liabilities initially recognised at its fair value and subsequently measured at its armortised costs; 2) the convertible duty should be categorized as the financial liabilities recognised at its fair value and changes therein are recognised in profit and loss. These financial liabilities were recognised in consolidated balance sheet as other non-current liabilities.

The Group evaluated the value of financial liability- the acquisition duty in accordance with the valuation model for its initial recognition. The remaining of the evaluation deducted by the actual investment made by minority shareholders was recognised as the financial liability- the convertible duty. As at 31 December 2013, the Company used effective interest rate method to evaluate the armortised costs to be RMB 4,098,821,455 for the value of financial liability- the acquisition duty. The value of the financial liability- the convertible duty was recognised at its initial investment costs for RMB 140,145,819.

In November 2014, the Company acquired the minority stockholders' investment in Hefei Xinsheng amounting to RMB 1,000,000,000 and derecognised the book value of the relevant financial liabilities. As at 31 December 2014, the Company used effective interest rate method to evaluate the amortised costs to be RMB 3,275,470,695 for the value of financial liability- the acquisition duty, the remaining equity investment attributable to minority shareholders amounting to RMB 3,000,000,000. The value of the financial liability- the convertible duty was recognised at its initial investment costs for RMB 105,109,364.

32. Share capital

	<i>Balance at the beginning of the year</i>	<i>Issue of new shares</i>	<i>Balance at the end of of the year</i>
Total shares	13,521,542,341	21,768,095,233	35,289,637,574

According to the approval from CSRC [2013] No. 1615, BOE Technology Group Company Limited issued 21.77 billion A-shares of non-public offering, with issuing price of RMB2.10/share on 7 April 2014. BOE's total share capital increased from 13,521,542,341 shares to 35,289,637,574 shares after the non-public offering.

33. Capital reserve

	<i>Note</i>	<i>Balance at the beginning of the year RMB</i>	<i>Additions during the year RMB</i>	<i>Reduction during the year RMB</i>	<i>Balance at the end of the year RMB</i>
Share premiums	(1)	15,065,055,460	23,116,609,820	-	38,181,665,280
Other capital reserves					
- Equity investment provision		259,913,487	-	-	259,913,487
- Acquisition of minority interests	(2)	22,950,245	612,108,747	-	635,058,992
- Other changes of investees	(2)	-	7,755,682	-	7,755,682
Total		15,347,919,192	23,736,474,249	-	39,084,393,441

(1) Share premium

The Company issued 21,768,095,233 A-shares of non-public offering; net amount of subscribed and raised in asset and cash is RMB 44,884,705,053. Share premium is recognised as capital reserve, amounting to RMB 23,116,609,820.

(2) Acquisition of subsidiaries' minority interests

Capital reserve from acquisition of subsidiaries' minority interests resulted from the acquisition of BOE OT, BOE Display, BOE Hebei, BOE Semi-conductor and Chongqing BOE at the disposal consideration lower than the entitlements in the carrying net assets of the investee.

(3) Other changes of investees

Under the equity method, the Company recognised its share of changes in net identifiable assets of the investee resulted from other shareholders' increase of capital.

34. Treasury stock

<i>Project</i>	<i>Balance at the beginning of the year RMB</i>	<i>Addition during the year RMB</i>	<i>Reduction during the year RMB</i>	<i>Balance at the end of the year RMB</i>
Repurchase of unrestricted B-share	-	198,004,581	-	198,004,581

On 26 September 2014, the Company repurchased issued public shares through Shenzhen Stock Exchange by its self-owned fund in concentrated bidding manner. As at 31 December 2014, the accumulated repurchased unlimited B-shares of the Company is 97,400,000 shares, after this repurchase, the repurchased shares would be transferred or written off based on Corporate Law within six months.

35. Other comprehensive income

	Balance at the beginning of the year attributable to shareholders of the Company	<u>Movements during the year</u>		Balance at the end of the year attributable to shareholders of the Company
		Before-tax amount	Less: income tax	
Items that will be reclassified to profit or loss Including: Available-for-sale financial assets profit or loss in the changes of fair value	59,703,263	32,532,934	3,102,561	89,133,636
Translation difference of foreign financial statements	(53,635,140)	5,132,115	-	(48,503,025)
Total	6,068,123	37,665,049	3,102,561	40,630,611

36. Surplus reserve

<i>Project</i>	<i>Balance at the beginning of the year RMB</i>	<i>Addition during the year RMB</i>	<i>Reduction during the year RMB</i>	<i>Balance at the end of the year RMB</i>
Statutory surplus reserve	209,421,304	4,576,248	-	213,997,552
Discretionary surplus reserve	289,671,309	-	-	289,671,309
Total	<u>499,092,613</u>	<u>4,576,248</u>	<u>-</u>	<u>503,668,861</u>

37. Retained earnings / (Accumulated losses)

<i>Item</i>	<i>2014</i>	<i>2013</i>
Accumulated losses at the beginning of the year	(1,122,806,908)	(3,476,172,602)
Add: net profits for the year attributable to shareholders of the Company	2,562,128,829	
2,353,365,694		
Less: Appropriation for statutory surplus reserve	4,576,248	-
Retained earnings/(Accumulated losses) at the end of the year	<u>1,434,745,673</u>	<u>(1,122,806,908)</u>

As at 31 December 2014, the consolidated retained earnings attributable to the Company included an appropriation of RMB1,261,229,147 to surplus reserve by the Company's subsidiaries (2013: RMB1,020,565,352).

38. Operating income and operating costs

	<i>2014</i>		<i>2013</i>	
	<i>Operating income</i>	<i>Operating cost</i>	<i>Operating income</i>	<i>Operating cost</i>
Principal activities	35,585,859,102	27,673,488,060	32,482,696,529	24,813,998,268
Other businesses	1,230,457,574	831,392,669	1,291,589,091	889,825,164
Total	36,816,316,676	28,504,880,729	33,774,285,620	25,703,823,432

Details of operating income:

	<i>2014 RMB</i>	<i>2013 RMB</i>
Operating income from principal activities		
- Sales of goods	35,585,859,102	32,482,696,529
Other operating income		
- Sales of raw materials	476,027,528	606,695,497
- Rental income of investment properties	622,896,452	541,071,600
- Others	131,533,594	143,821,994
Total	36,816,316,676	33,774,285,620

Information on income, expenses and profit of principal activities has been included in Note XIII.

39. Business taxes and surcharges

	<i>2014</i>	<i>2013</i>
	<i>RMB</i>	<i>RMB</i>
Business tax	29,219,518	28,562,459
City maintenance and construction tax	46,166,530	85,338,813
Education surcharge and local education charge	33,514,562	61,353,297
Others	9,186,774	8,231,390
Total	<u>118,087,384</u>	<u>183,485,959</u>

40. Selling and distribution expenses

	<i>2014</i>	<i>2013</i>
	<i>RMB</i>	<i>RMB</i>
Staff cost	233,536,474	175,910,063
Logistics	195,891,813	185,563,193
Warranty provisions	355,154,853	497,019,411
Other expenses	213,531,276	186,191,485
Total	<u>998,114,416</u>	<u>1,044,684,152</u>

41. General and administrative expenses

	<i>2014</i>	<i>2013</i>
	<i>RMB</i>	<i>RMB</i>
Staff cost	780,396,887	737,762,739
Depreciation and Amortisation	213,859,649	173,305,020
Research and development expense	1,677,258,186	1,217,961,102
Repair expense	621,127,899	554,341,450
Other expenses	583,994,196	592,954,581
Total	<u>3,876,636,817</u>	<u>3,276,324,892</u>

42. Financial (net income) / expenses

	2014 RMB	2013 RMB
Interest expenses from loans	1,676,726,384	1,585,229,243
Less: Borrowing costs capitalised	841,307,874	543,137,942
Interest income from deposits	(890,184,658)	(352,776,862)
Net exchange gains	(165,040,224)	(317,309,778)
Other financial expenses	32,453,425	29,921,456
Total	(187,352,947)	401,926,117

The interest rate per annum, at which the borrowing costs were capitalised for the current year by the Group, was 3.11% - 5.27% (2013: 3.43% - 5.28%).

43. Impairment losses

	2014 RMB	2013 RMB
Bad debts	47,067,556	7,310,933
Inventories	808,323,368	905,963,183
Long-term equity investments	337,612,177	-
Fixed assets	18,768,838	523,385
Total	1,211,771,939	913,797,501

44. Investment income/ (losses)

	2014 RMB	2013 RMB
Long-term equity investments		
net income under equity method	3,569,978	87,148
Losses from disposal of subsidiaries	(4,190,740)	-
Investment income from holding		
available-for-sale financial assets	7,790,970	5,643,378
Investment income		
from wealth management products	6,113,418	-
Income from disposal		
of long-term equity investments	-	1,870,000
Others	163,752	-
Total	13,447,378	7,600,526

45. Non-operating income

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

<i>Item</i>	<i>2014</i>	<i>2013</i>	<i>Amount recognised in extraordinary gain and loss in in 2014</i>
Total gains on disposal of non-current assets	3,369,650	1,232,151	3,369,650
Including: Disposal of fixed assets	3,369,650	963,190	3,369,650
Disposal of other long-term assets	-	268,961	-
Government grants	830,471,170	838,279,656	830,471,170
Others	70,401,912	47,360,878	70,401,912
Total	904,242,732	886,872,685	904,242,732

(2) Details of government grants

<i>Grant programme</i>	<i>2014</i>	<i>2013</i>	<i>Related to assets/income</i>
Interests subsidies	52,327,800	30,344,574	Related to assets
Interests subsidies	120,000,000	154,733,038	Related to income
Other subsidies of scientific research and development	326,124,740	262,918,750	Related to assets
Other subsidies of scientific research and development	332,018,630	390,283,294	Related to income
Total	830,471,170	838,279,656	

46. Non-operating expenses

<i>Item</i>	<i>2014</i>	<i>2013</i>	<i>Amount recognised in extraordinary gain and loss in in 2014</i>
Loss on disposal of non-current assets	18,945,517	113,954,871	18,945,517
Including: Loss from disposal of fixed assets	18,945,517	113,954,871	18,945,517
Donations	251,560	1,000,000	251,560
Others	16,764,206	7,348,482	16,764,206
Total	35,961,283	122,303,353	35,961,283

47. Income tax expense

	<i>Note</i>	<i>2014 RMB</i>	<i>2013 RMB</i>
Current tax expenses for the period based on tax law and corresponding regulations		475,518,122	169,948,738
Deferred taxation adjustments	(1)	(15,524,927)	(119,664,504)
Total		<u>459,993,195</u>	<u>50,284,234</u>

(1) The analysis of deferred tax adjustments is set out below:

	<i>2014 RMB</i>	<i>2013 RMB</i>
Origination and reversal of temporary differences	(15,524,927)	(5,510,922)
Deductible temporary differences for prior year-ends recognised in the current year	-	(114,153,582)
Total	<u>(15,524,927)</u>	<u>(119,664,504)</u>

(2) Reconciliation between income tax expenses and accounting profit is as follows:

	2014 RMB	2013 RMB
Profit before taxation	3,175,907,165	3,022,413,425
Expected income tax expenses at a tax rate of 15%	476,386,075	453,362,014
Add: Difference in effective tax rate of subsidiaries	(3,569,316)	8,983,997
Tax effect of non- deductible cost, expenses and losses	31,553,766	19,068,087
Tax effect of weighted deduction and tax preference	(130,857,662)	(90,134,264)
Utilisation of prior year tax losses	(118,265,113)	(360,576,230)
Deductible losses of deferred tax assets not recognised	55,842,664	71,626,522
Changes of deductible temporary differences not recognised	148,902,781	62,107,690
Deductible temporary differences for prior year-ends recognised in the current year	-	(114,153,582)
Income tax expenses for current year	459,993,195	50,284,234

48. Calculation of basic earnings per share and diluted earnings per share

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

	<i>2014</i> <i>RMB</i>	<i>2013</i> <i>RMB</i>
Consolidated net profit attributable to ordinary shareholders of the Company	2,562,128,829	2,353,365,694
Weighted average number of ordinary shares outstanding (share)	29,479,074,184	13,521,542,341
Basic/dilution earnings per share (RMB/share)	0.087	0.174

The calculation for weighted average of ordinary shares is set out as follows:

	<i>2014</i> <i>RMB</i>	<i>2013</i> <i>RMB</i>
Number of ordinary shares issued at the beginning of the year	13,521,542,341	13,521,542,341
Weighted average number of ordinary Shares issued in current period	15,983,149,377	-
Effects of repurchasing shares	(25,617,534)	-
The weighted average of ordinary shares at the end of the year	<u>29,479,074,184</u>	<u>13,521,542,341</u>

49. Notes to cash flow statement

(1) Supplement to cash flow statement

	2014 RMB	2013 RMB
1. Reconciliation of net profit to cash flows from operating activities:		
Net profit	2,715,913,970	2,972,129,191
Add: Impairment provisions for assets	1,211,771,939	913,797,501
Depreciation of fixed assets and investment property	5,523,726,587	4,392,643,733
Amortisation of intangible assets	201,846,766	180,124,620
Amortisation of long-term deferred expenses	30,155,694	36,466,006
Gains on disposal of fixed assets, intangible assets, and other long-term assets	(3,369,650)	(1,232,151)
Losses on scrapping of fixed assets	18,945,517	113,954,871
Gain from share acquisition	(10,168,409)	-
Financial (net income) / expenses	(63,223,468)	713,994,232
Income arising from investments	(13,447,378)	(7,600,526)
Gains from Government grants	(378,452,540)	(447,996,362)
Decrease/(Increase) in deferred tax assets	21,701,047	(112,779,716)
Decrease in deferred tax liabilities	(37,225,973)	(6,884,788)
Increase in gross inventories	(1,952,893,404)	(1,255,861,315)
(Increase)/Decrease in operating receivables	(1,258,008,760)	311,147,582
Increase in operating payables	2,088,553,985	1,154,536,372
Net cash inflow from operating activities	8,095,825,923	8,956,439,250
2. Change in cash and cash equivalents:		
Cash at the end of the year	36,504,707,160	16,474,975,849
Less: Cash at the beginning of the year	16,474,975,849	13,556,486,692
Net increase in cash and cash equivalents	20,029,731,311	2,918,489,157

(2) Information on acquisition and disposal of subsidiaries during the current year:

Information on acquisition of subsidiaries :

	<i>2014</i> <i>RMB</i>
Consideration of acquisition	6,834,815,100
Cash and cash equivalents paid for acquiring subsidiaries	6,834,815,100
Less: cash and cash equivalents held by subsidiaries	6,025,402,665
Net cash paid for the acquisition	809,412,435

For non-cash assets and liabilities held by the acquired subsidiaries and other business units, refer to Note VI.1(3).

Information on disposal of subsidiaries :

	<i>2014</i> <i>RMB</i>
Consideration of disposing subsidiaries	17,160,720
Cash and cash equivalents received this year for disposing subsidiaries this year	17,160,720
Less: Cash and cash equivalents held by disposed subsidiaries	19,634,238
Net cash received for disposing Subsidiaries	(2,473,518)
Non-cash assets and liabilities held by disposed subsidiaries	
- Current assets	5,395,730
- Non-current assets	12,315,340
- Current liabilities	1,759,542
- Non-current liabilities	-

(3) Details of cash and cash equivalents

	2014 RMB	2013 RMB
Cash on hand	318,386	390,112
Bank deposits available on demand	36,504,388,774	16,474,585,737
Closing balance of cash and cash equivalents	36,504,707,160	16,474,975,849

Note: Cash and cash equivalents disclosed above exclude other monetary fund with restricted usage.

50. Assets with restricted ownership or right of use

Item	Balance at the beginning of the year	Additions during the year	Decrease during the year	Balance at the end of the year	Reason for restriction
Cash at bank and on hand	3,989,577,573	3,064,109,681	3,385,992,415	3,667,694,839	Pledged as collateral and margin deposit
Bills receivable	153,090,215	93,136,271	153,090,215	93,136,271	Endorsed with resource
Accounts receivable	84,654,701	147,314,925	84,654,701	147,314,925	Pledged as collateral
Investment properties	182,780,131	-	6,227,416	176,552,715	Mortgaged as collateral
Fixed assets	26,622,899,060	21,604,659,187	5,202,730,207	43,024,828,040	Mortgaged as collateral
Construction in progress	3,952,326,133	27,686,849,418	20,959,564,903	10,679,610,648	Mortgaged as collateral
Intangible assets	330,789,589	428,107,780	32,569,362	726,328,007	Mortgaged as collateral
Total	35,316,117,402	53,024,177,262	29,824,829,219	58,515,465,445	

VI. Change of consolidation scope

1. Business combinations involving enterprises not under common control

(1) Business combinations involving enterprises not under common control during the year

Name of the subsidiary	Acquisition time of equity investment	Cost of equity investment	Proportion of equity investment (%)	Acquisition method	Acquisition date	Basis of acquisition date determination	Acquiree-from acquisition date 31 December 2014		
							Income	Net loss	Net cash inflow
Chongqing BOE	28 May 2014	6,839,832,950	93%	Business combination	28 May 2014	Owning 4/5 of the acquiree's Board seat with actual control	-	1,446,178	1,361,687,680

Chongqing BOE Optoelectronics Technology Co., Ltd, a company established in Chongqing on 18 January 2013, is mainly engaged in R&D, manufacture and sales of semi-conductor display parts, completer machine and relevant products. Prior to the combination, its parent company and ultimate holding company is Chongqing Jiangbeizui Central Business District Investment Group Co., Ltd.

(2) Acquisition cost

	<u>Carrying amount</u>	<u>Fair value</u>
Cash	6,834,815,100	6,834,815,100
Equity investments held before acquisition date	4,854,099	5,017,851
Total acquisition cost		6,839,832,951
Less: share of the fair value of the identifiable net assets acquired		6,850,001,360
Amount of acquisition cost less than share of the fair value of the identifiable net assets acquired		10,168,409

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

	<u>Fair value</u>	<u>Carrying amount</u>
Assets:		
Current assets	6,035,222,916	6,035,222,916
Non-current assets	1,426,658,973	1,400,478,158
Liabilities:		
Current Liabilities	39,008,450	39,113,528
Non-current liabilities	70,720,000	70,720,000
Net assets	7,352,153,439	7,325,867,546
Less: Non-controlling interests	502,152,079	
Net assets acquired	6,850,001,360	

Chongqing Huakang Asset & Land & Real Estate Valuation Co., Ltd. was appointed by BOE Technology Group Company Limited to perform asset evaluation on Chongqing BOE, dated on 28 February 2014. The acquisition date of Chongqing BOE is 28 May 2014. Given the fact that there had been no significant change in the market environment and technical development from the date of asset evaluation to the date of acquisition, the fair value of the acquiree's identifiable net asset at acquisition date was determined as the sum of the book value of the net identifiable asset of Chongqing BOE on 28 May 2014 and the appreciated value after evaluation by the management. The fair value of Chongqing BOE's identifiable net asset calculated according to the shareholding proportion at the acquisition date amounted to RMB 6,850,001,360.

(4) Gain or loss from remeasurement of equity investments held prior to acquisition date at fair value

Name of acquiree	Equity investments held prior to acquisition date				Investment income or loss transferred from other comprehensive income related to equity investments held prior to acquisition date
	Carrying amount at acquisition date	Fair value at acquisition date	Gain or loss from remeasurement at fair value	Determination method and key assumption of fair value at acquisition date	
Chongqing BOE Optoelectronics Technology Co., Ltd	4,854,099	5,017,851	163,752	Asset evaluation	-

2. Disposal of subsidiaries

Beijing BOE Vision-electronic Technology Co., Ltd. (BOE Vision-electronic), one of the subsidiaries controlled by the Company, has sold 60% equity of Fujiang Electronic (Wujiang) Technology Co., Ltd in 2014, with disposal consideration of RMB17,160,720, resulting in loss of control on 30 November 2014. The difference between the disposal consideration and the entitlements in the Company's net assets in consolidated financial statement on the day of losing control is RMB 4,190,740, recognised as investment loss.

VII Interests in other entities

1. Interests in subsidiaries

Name of the Subsidiary	Principal Place of Business	Registration place	Business Nature	Registered capital	Shareholding (or similar equity interest) percentage		Acquisition method
					Direct	Indirect	
Beijing BOE Optoelectronics Technology Co., Ltd.	Beijing, China	Beijing, China	Research, development, and manufacture of TFT-LCD	USD 649,110,000	82.49%	17.51%	INVESTMENT
Chengdu BOE Optoelectronics Technology Co., Ltd.	Chengdu, China	Chengdu, China	Development, manufacture, and sale of TFT-LCD	RMB 1,830,000,000	100%	-	BUSINESS COMBINATIONS INVOLVING ENTERPRISES NOT UNDER COMMON CONTROL
Hefei BOE Optoelectronics Technology Co., Ltd.	Hefei, China	Hefei, China	Development, manufacture, and sale of TFT-LCD	RMB 9,000,000,000	100%	-	BUSINESS COMBINATIONS INVOLVING ENTERPRISES NOT UNDER COMMON CONTROL
Beijing BOE Display Technology Co., Ltd.	Beijing, China	Beijing, China	Development of TFT-LCD, manufacture and sale of TFT-LCD	RMB 17,377,199,300	100%	-	INVESTMENT
Hefei Xinsheng Optoelectronics Technology Co., Ltd.	Hefei, China	Hefei, China	Investing, researching, manufacturing and promoting TFT-LCD products and accessory products	RMB 19,500,000,000	84.59%	0.03%	BUSINESS COMBINATIONS INVOLVING ENTERPRISES NOT UNDER COMMON CONTROL
Erdos Yuansheng Optoelectronics Co., Ltd. (Yuansheng Optoelectronics)	Erdos, China	Erdos, China	The production and operation of AM-OLED and relevant products	RMB 6,104,000,000	100%	-	INVESTMENT
Beijing BOE Vision-electronic Technology Co., Ltd.	Beijing, China	Beijing, China	Research, manufacture and sales of LCD and terminal products of TV	RMB 560,000,000	100%	-	INVESTMENT

Name of the Subsidiary	Principal Place of Business	Registration place	Business Nature	Registered capital	Shareholding (or similar equity interest) percentage		Acquisition method
					Direct	Indirect	
Chongqing BOE Optoelectronics Technology Co., Ltd.	Chongqing, China	Chongqing, China	Investing, researching, manufacturing and promoting TFT-LCD products and accessory products	RMB 9,826,000,000	94.91%	-	BUSINESS COMBINATIONS INVOLVING ENTERPRISES NOT UNDER COMMON CONTROL
Beijing BOE Vacuum Electronics Co., Ltd.	Beijing, China	Beijing, China	Manufacture and sales of vacuum electronic products	RMB 35,000,000	55%	-	INVESTMENT
Beijing BOE Vacuum Technology Co., Ltd.	Beijing, China	Beijing, China	Manufacture and sales of vacuum products	RMB 32,000,000	100%	-	INVESTMENT
Beijing BOE Special Display Technology Co., Ltd. (Special Display)	Beijing, China	Beijing, China	Development of display products and sales of electronic products	RMB 100,000,000	100%	-	INVESTMENT
Beijing Yinghe Century Co., Ltd.	Beijing, China	Beijing, China	Real estate development, mobile vehicle parking lot services and marketing research	RMB 233,105,200	100%	-	INVESTMENT
BOE Optical Science and technology Co., Ltd.	Suzhou, China	Suzhou, China	Development, manufacture and sales of backlight and related parts and components for LCD	RMB 337,710,424	90.51%	-	INVESTMENT
BOE Hyundai LCD (Beijing) Display Technology Co., Ltd.	Beijing, China	Beijing, China	Development, manufacture and sales of liquid display for mobile termination	USD 5,000,000	75%	-	INVESTMENT
BOE (Hebei) Mobile Technology Co., Ltd.	Langfang, China	Langfang, China	Manufacture and sales of mobile flat screen display technical products and related services	USD 84,150,000	100%	-	INVESTMENT
Beijing BOE Multimedia Technology Co., Ltd. (BOE Multimedia)	Beijing, China	Beijing, China	Sales of computer software and Hardware, the numeral regards the audio frequency technology	RMB 400,000,000	100%	-	INVESTMENT

Name of the Subsidiary	Principal Place of Business	Registration place	Business Nature	Registered capital	Shareholding (or similar equity interest) percentage		Acquisition method
					Direct	Indirect	
Beijing BOE Energy Technology Co., Ltd. (BOE Energy)	Beijing, China	Beijing, China	Integration, application of photovoltaic system, and sales of photovoltaic system and ancillary facilities	RMB 50,000,000	100%	-	INVESTMENT
Beijing Zhongpingxun Technology Co., Ltd. (Beijing Zhongpingxun)	Beijing, China	Beijing, China	Technology promotion, property management, and sales of electronic products	RMB 10,000,000	100%	-	INVESTMENT
Beijing Zhongxiangying Technology Co., Ltd. (Beijing Zhongxiangying)	Beijing, China	Beijing, China	Technology promotion, property management, and sales of electronic products	RMB 10,000,000	100%	-	INVESTMENT
Erdos Haosheng Energy Investment Co., Ltd. (Haosheng Energy)	Erdos, China	Erdos, China	Energy investment	RMB 30,000,000	20%	80%	INVESTMENT
BOE Semi-conductor Co., Ltd.	Beijing, China	Beijing, China	Processing, production, and sales of goods, primarily comprising sales of precision electronic metal parts and semiconductor devices, in addition to micromodules, microelectronic devices and electronic materials; import and export of goods	RMB 11,700,000	80.77%	-	INVESTMENT
BOE Optoelectronics Holding Co.,Ltd (“Optoelectronics Holding”)	Hongkong, China	Virgin Islands, British	Design, manufacturing and sales of electronic-information industry related products, investment and financing businesses	USD 34,260,000	100%	-	INVESTMENT
Beijing Asahi Electron Glass Co., Ltd.	Beijing, China	Beijing, China	Sales of Supports and glass bar for TV and CTV low melting sealing frit	RMB 61,576,840	100%	-	BUSINESS COMBINATIONS INVOLVING ENTERPRISES NOT UNDER COMMON CONTROL
Beijing Matsushita Color CRT Co., Ltd. (Matsushita)	Beijing, China	Beijing, China	Colored TV, cathode-ray tube of display, projection cathode ray tube of colored RPTV and materials of electronic parts, property management service, toll parking lots	RMB 1,240,754,049	88.80%	-	BUSINESS COMBINATIONS INVOLVING ENTERPRISES NOT UNDER COMMON CONTROL

The movements of major subsidiaries' paid-in capital during the year:

<i>Name</i>	<i>Balance at the beginning of the year</i>	<i>Additions during the year</i>	<i>Reduction during the year</i>	<i>Balance at the end of the year</i>
Hefei Xincheng	10,005,000,000	9,495,000,000	-	19,500,000,000
Yuansheng Optoelectronics	3,604,000,000	2,500,000,000	-	6,104,000,000
Chongqing BOE	1,026,000,000	8,800,000,000	-	9,826,000,000

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

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

	<i>Before changes of interests</i>	<i>After changes of interests</i>
BOE OT	82.49%	100.00%
BOE Display	50.09%	100.00%
BOE Hebei	94.06%	100.00%
Chongqing BOE	93.17%	94.91%
BOE Semi-conductor	63.00%	80.77%

The company increased share capital to Chongqing BOE in December 2014 amounted to RMB 2,500,000,000. The percentage of shares held by the Company increased from 93.17% to 94.91% after the capital increase.

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

	<u>BOE OT</u>	<u>BOE Display</u>	<u>BOE Hebei</u>	<u>Chongqing BOE</u>	<u>BOE Semi-conductor</u>
Acquisition cost / disposal consideration					
- Cash	356,375,200	180,713,600	35,510,880	2,500,000,000	-
- Fair value of non cash assets	-	8,532,999,999	-	-	-
Total	<u>356,375,200</u>	<u>8,713,713,599</u>	<u>35,510,880</u>	<u>2,500,000,000</u>	<u>-</u>
Less: share of net assets in subsidiaries based on the shares acquired	<u>764,132,400</u>	<u>8,911,900,840</u>	<u>37,137,940</u>	<u>2,500,652,305</u>	<u>3,884,941</u>
Difference	<u>(407,757,200)</u>	<u>(198,187,241)</u>	<u>(1,627,060)</u>	<u>(652,305)</u>	<u>(3,884,941)</u>
Including: Adjustment on capital reserve	407,757,200	198,187,241	1,627,060	652,305	3,884,941

3. Interests in associates

Summarized financial information of the associates are as follows:

	2014 RMB	2013 RMB
Associates:		
Aggregate carrying amount of investments	638,819,435	971,160,051
Aggregate amount of share of		
- Net profit	3,569,978	87,148
- Other comprehensive income	-	-
- Total comprehensive income	3,569,978	87,148

No material restrictions on transfers of funds from investees to the Group.

VIII. Risk related to financial instruments

The Group has exposure to the following risks from its use of financial instruments:

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

This note presents information about the Group's exposure to each of the above risks and their sources, the Group's objectives, policies and processes for measuring and managing risks, etc.

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

(1) Credit risk

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

The cash at bank of the Group is mainly held with well-known financial institutions.

Management does not foresee any significant credit risks from these deposits and does not expect that these financial institutions may default and cause losses to the Group.

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

In monitoring customer credit risk, customers are grouped according to some factors, such as ageing and maturity date, etc.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry, country or area in which the customers operate and therefore significant concentrations of credit risk arise primarily when the Group has significant exposure to individual customers. At the balance sheet date, the Group and the Company's accounts receivable and other receivables due from the top five customers account for 40% and 2% of the total receivables respectively (2013: 37% and 1%). In addition, the accounts receivable not overdue or impaired is mainly related to many clients who don't have payment in arrears records recently.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet. As mentioned in Notes XII, as at 31 December 2014, the Group does not provide any external guarantees which would expose the Group or the Company to credit risk.

(2) Liquidity risk

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

At the balance sheet date, rest of contractual term and the earliest payment date required of the contractual cash flows belonging to the Group's financial assets and liabilities which have not been discounted, including interests calculated on contractual interest rate (if the interest rate is floating, the actual interest rate as at 31 December is adopted) are as follows:

	<i>Contract cash flow not discounted in the year of 2014</i>					<i>Book value balance Sheet</i>
	<i>Within 1 year or payable immediately</i>	<i>1 to 2 years</i>	<i>2 to 5 years</i>	<i>Over 5 years</i>	<i>Total</i>	
Financial liabilities						
Short-term loans	2,169,066,019	-	-	-	2,169,066,019	2,158,988,600
Bills payable	258,737,884	-	-	-	258,737,884	258,737,884
Accounts payable	6,691,237,683	-	-	-	6,691,237,683	6,691,237,683
Interest payable	219,407,964	-	-	-	219,407,964	219,407,964
Dividends payable	8,051,170	-	-	-	8,051,170	8,051,170
Other payables	7,550,386,025	-	-	-	7,550,386,025	7,550,386,025
Non-current liabilities due within one year	15,982,500	-	-	-	15,982,500	15,000,000
Long-term loans	11,552,445,812	2,220,512,908	11,116,738,885	28,056,887,991	42,946,585,596	33,631,104,669
Total	18,465,315,057	2,220,512,908	11,116,738,885	28,056,887,991	59,859,454,841	50,532,913,995

	<i>Contract cash flow not discounted in the year of 2013</i>					<i>Book value balance Sheet</i>
	<i>Within 1 year or payable immediately</i>	<i>1 to 2 years</i>	<i>2 to 5 years</i>	<i>Over 5 years</i>	<i>Total</i>	
Financial liabilities						
Short-term loans	12,362,746,828	-	-	-	12,362,746,828	12,122,769,840
Bills payable	135,654,664	-	-	-	135,654,664	135,654,664
Accounts payable	5,667,182,852	-	-	-	5,667,182,852	5,667,182,852
Interest payable	314,004,348	-	-	-	314,004,348	314,004,348
Dividends payable	8,051,170	-	-	-	8,051,170	8,051,170
Other payables	6,062,245,439	-	-	-	6,062,245,439	6,062,245,439
Non-current liabilities due within one year	312,643,869	-	-	-	312,643,869	308,628,826
Long-term loans	360,591,571	3,790,451,609	16,566,552,766	4,207,353,436	24,924,949,382	20,995,628,956
Total	25,223,120,741	3,790,451,609	16,566,552,766	4,207,353,436	49,787,478,552	45,614,166,095

(3) Interest rate risk

Interest-bearing financial instruments at variable rates and at fixed rates expose the Group to cash flow interest rate risk and fair value interest risk, respectively. The Group determines the appropriate weightings of the fixed and floating rate interest-bearing instruments based on the current market conditions and performs regular reviews and monitoring to achieve an appropriate mix of fixed and floating rate exposure. The Group does not enter into financial derivatives to hedge interest rate risk.

(a) As at 31 December, the Group held the following interest-bearing financial instruments:

Fixed rate instruments:

Items	2014		2013	
	<u>Real interest rate</u>	<u>Amount</u>	<u>Real interest rate</u>	<u>Amount</u>
Financial assets				
- Cash at bank and on hand	1.13%~3.30%	23,310,353,086	1.13%~3.30%	12,341,871,804
Financial liabilities				
- Short-term loan	0.59%~7.50%	(951,890,663)	1.35%~7.50%	(7,165,458,890)
- Long-term loans	3.90%~7.68%	(7,433,279,547)	6.55%	(100,000,000)
- Non-current liabilities due within one year	6.55%	(15,000,000)	6.55%	(50,000,000)
Total		14,910,182,876		5,026,412,914

Variable rate instruments:

Items	2014		2013	
	<u>Real interest rate</u>	<u>Amount</u>	<u>Real interest rate</u>	<u>Amount</u>
Financial assets				
- Cash at bank and on hand	0.35%	16,861,730,527	0.35%	8,122,291,506
Financial liabilities				
- Short-term loan	0.59%~3.16%	(1,207,097,937)	1.70%~3.50%	(4,957,310,950)
- Long-term loans	LIBOR+3.0% ~LIBOR+4.3%	(26,197,825,122)	LIBOR+3.18% ~LIBOR+4.3%	(20,895,628,956)
- Non-current liabilities due within one year	-	-	LIBOR+3.2% ~7.38%	(258,628,826)
Total		(10,543,192,532)		(17,989,277,226)

- (b) As at 31 December, the Company held the following interest-bearing financial instruments:

Fixed rate instruments:

<i>Items</i>	<i>2014</i>		<i>2013</i>	
	<i><u>Real interest rate</u></i>	<i><u>Amount</u></i>	<i><u>Real interest rate</u></i>	<i><u>Amount</u></i>
Financial assets				
- Cash at bank and on hand	3.04%	8,674,623,684	3.09%	1,024,113,787
Financial liabilities				
- Short-term loan		-	6.00%	(6,000,000,000)
- Non-current liabilities due within one year		-	-	(50,000,000)
- Long-term loans	3.90%	(670,000,000)		-
Total		8,004,623,684		(5,025,886,213)

Financial instruments with floating rate:

<i>Items</i>	<i>2014</i>		<i>2013</i>	
	<i><u>Real interest rate</u></i>	<i><u>Amount</u></i>	<i><u>Real interest rate</u></i>	<i><u>Amount</u></i>
Financial assets				
- Cash at bank and on hand	0.35%	126,480,736	0.35%	687,827,617
Total		126,480,736		687,827,617

- (c) Sensitivity analysis

As at 31 December 2014, it is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variables held constant, would decrease/increase the Group's net profit and equity by RMB 81,680,000 (2013: RMB 168,410,000) and increase/decrease the Company's net profit and equity by RMB 1,260,000 (2013: RMB 6,880,000 respectively).

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

(4) Foreign currency risk

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

- (a) The Group's exposure as at 31 December to currency risk arising from recognised assets or liabilities denominated in foreign currencies is given in the table below. For presentation purposes, the amounts of the exposure are shown in renminbi, translated using the spot rate at the balance sheet date. Differences resulting from the translation of the financial statements denominated in foreign currency are excluded.

	<i>2014</i>		<i>2013</i>	
	Balance at foreign currency	Balance at RMB equivalent	Balance at foreign currency	Balance at RMB equivalent
Cash at bank and on hand				
- USD	988,538,951	6,048,869,837	516,219,461	3,147,339,498
- HKD	157,513,324	124,262,261	1,225,307	963,337
- JPY	1,464,342,062	75,227,366	6,468,202,160	373,673,688
Accounts receivable				
- USD	738,359,858	4,518,023,969	661,483,489	4,032,998,689
Other receivables				
- USD	232,298	1,421,434	318,423	1,941,395
- JPY	57,332,267	2,946,878	57,162,924	3,302,362
Available-for-sale financial assets				
- HKD	191,837,432	151,340,550	177,044,906	139,225,722
Short-term loans				
- USD	(305,861,159)	(1,871,564,430)	(995,499,322)	(6,069,308,877)
- JPY	(872,071,200)	(44,799,170)	(579,200,000)	(33,460,963)
Long-term loans				
- USD	(4,281,389,953)	(26,197,825,122)	(1,933,174,825)	(11,786,373,591)
Non-current liabilities due within one year				
- USD	-	-	(29,940,614)	(182,544,930)
Accounts payable				
- USD	(321,040,921)	(1,964,449,396)	(316,175,672)	(1,927,691,462)
- JPY	(7,618,698,283)	(391,559,923)	(6,514,695,385)	(376,549,393)
Other payables				
- USD	(160,891,426)	(984,494,633)	(140,419,218)	(856,121,929)
- JPY	(12,332,277,983)	(633,879,088)	(5,532,705,682)	(319,762,124)
Gross balance sheet exposure				
- USD	(3,342,052,352)	(20,450,018,339)	(2,237,188,278)	(13,639,761,207)
- HKD	349,350,756	275,602,811	178,270,213	140,189,059
- JPY	(19,301,373,137)	(992,063,937)	(6,101,235,983)	(352,796,430)

- (b) The following are the exchange rates for Renminbi against foreign currencies applied by the Group:

<i>Average rate</i>		<i>Reporting date mid-spot rate</i>	
<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>

USD	6.1080	6.1896	6.1190	6.0969
JPY	0.0546	0.0631	0.0514	0.0578
HKD	0.7876	0.7979	0.7889	0.7862
(c) Sensitivity analysis				

Assuming all other risk variables remained constant, a 5% strengthening of the Renminbi against the US dollar, JPY and HKD at 31 December would have increased/(decreased) the Group's equity and net profit by the amount shown below, whose effect is in RMB and translated using the spot rate at the year-end date:

The Group:

	<i>Equity RMB</i>	<i>Net profit RMB</i>
As at 31 December 2014		
USD	841,077,948	841,077,948
JPY	41,997,343	41,997,343
HKD	(6,488,835)	(56,862)
Total	<u>876,586,456</u>	<u>883,018,429</u>
As at 31 December 2013		
USD	654,276,192	654,276,192
JPY	15,434,920	15,434,920
HKD	(7,009,447)	(48,173)
Total	<u>662,701,665</u>	<u>669,662,939</u>

The Company:

	<i>Equity RMB</i>	<i>Net Profit RMB</i>
As at 31 December 2014		
USD	8,065,649	8,065,649
JPY	70,462	70,462
HKD	(7,579,915)	(5,965,623)
Total	<u>556,196</u>	<u>2,170,488</u>
As at 31 December 2013		
USD	12,034,457	12,034,457
JPY	16,287	16,287
HKD	(1,580,300)	(48,141)
Total	<u>10,470,444</u>	<u>12,002,603</u>

A 5% weakening of the Renminbi against the US dollar, JPY and HKD at 31 December would have had the equal but opposite effect on them to the amounts shown above, on the basis that all other variables remained constant.

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

(5) Other price risks

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

IX. Fair value

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. The levels are defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

<u>Item</u>	31 December 2014			<u>Total</u>
	<u>Level 1 Fair value measurement</u>	<u>Level 2 Fair value measurement</u>	<u>Level 3 Fair value measurement</u>	
Recurring fair value measurements				
- Wealth management products	-	-	2,520,714,295	2,520,714,295
- Available-for-sale equity instrument		266,425,007	-	-
266,425,007				
Total assets measured at fair value on a recurring basis		266,425,007	-	2,520,714,295
2,787,139,302				

The fair value of available-for-sale equity instrument is determined by its market price on reporting date. The fair value of financial products is determined using discounted cash flow method, whose amortised cost is not significantly different from the fair value at reporting date.

During the year ended 31 December 2014, there were no changes in valuation technique of fair value. As at 31 December 2014, there were no significant discrepancies between the book value and fair value of all the financial assets and financial liabilities.

X. Related party relationships and transactions

1. Parent of the Company

<i>Company name</i>	<i>Registered place</i>	<i>Business nature</i>	<i>Registered capital</i>	<i>Shareholding percentage (%)</i>	<i>Percentage of voting rights (%)</i>	<i>Ultimate controlling part of the Company</i>
Electronics Holding	No. 12, Jiuxianqiao Road Chaoyang District, Beijing	Operation and management of state-owned assets within authorization	RMB 1,307,370,000	0.78%	8.84%	Yes
BOID	No. 10, Jiuxianqiao Road Chaoyang District, Beijing	Manufacture and sale electronic product	RMB 680,982,000	2.44%	6.45%	No

2. Information on the Company's subsidiaries.

For information on the Group's subsidiaries, refer to Note VII.1.

3. Information on the Company's associates

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

<i>Name of entity</i>	<i>Relationship with the Company</i>
Beijing Nissin Electronics Precision Component Co., Ltd.	Associate of the Group and the Company
Beijing Nittan Electronic Co., Ltd.	Associate of the Group and the Company
TPV Display Technology (China) Limited	Associate of the Group and the Company

4. Other related parties other than key management personnel

<i>Name of other related parties</i>	<i>Related party relationship</i>
Beijing E-TOWN International Investment & Development Co., Ltd.	Enterprise that holds over 5% equity of the Company during the past 12 months
Beijing economic-technological investment and development Co., Ltd.,	Enterprise that holds over 5% equity of the Company during the past 12 months
Beijing Electronic City Co., Ltd.	Enterprises that are controlled by the Company's ultimate holding company
Beijing Sevenstar Huasheng Electronics & Machinery Co., Ltd.	Enterprises that are controlled by the Company's ultimate holding company
Beijing Sevenstar Front Electronics Co., Ltd.	Enterprises that are controlled by the Company's ultimate holding company
Beijing Sevenstar-hitech Electronics Co., Ltd.	Enterprises that are controlled by the Company's ultimate holding company
Beijing Sevenstar Electronics Co., Ltd.	Enterprises that are controlled by the Company's ultimate holding company
Beijing Sevenstar Integrated Circuit Co., Ltd.	Enterprises that are controlled by the Company's ultimate holding company
Beijing Sevenstar Flight Electronics Co., Ltd.	Enterprises that are controlled by the Company's ultimate holding company
Beijing Jile Electronics Group Co., Ltd.	Enterprises that are controlled by the Company's ultimate holding company
Beijing BBEF Science Technology Co., Ltd.	Enterprises that are controlled by the Company's ultimate holding company
Beijing Orient Electronics Material Corp.	Enterprises that are controlled by the Company's ultimate holding company
Beijing Zhengdong Electronic Power Group Co., Ltd.	Enterprises that are controlled by the Company's ultimate holding company
Beijing Dongdian Industrial Development Co., Ltd.	Enterprises that are controlled by the Company's ultimate holding company
Beijing PCB Square Corporation	Enterprises that are controlled by the Company's ultimate holding company
Beijing Yandong Microelectronic Co., Ltd.,	Enterprises that are controlled by the Company's ultimate holding company
Beijing Xinyinhua Technology Co. Ltd	Other related parties
Fuyang Xinyinhua Materials Technology Co.,Ltd	Other related parties
Hefei Xinyinhua Intelligent Equipment Co.,Ltd	Other related parties

5. Transaction amounts with related parties:

The following transactions are made in accordance with normal commercial terms or relevant agreements.

(1) Purchase of goods/receiving services received (excluding remuneration of key management personnel)

The Group

Content of transaction

	<i>2014 RMB</i>	<i>2013 RMB</i>
Purchase of goods	21,615,729	47,289,610
Receiving services	5,512,887	1,272,706
	<u>27,128,616</u>	<u>48,562,316</u>

The Company

Content of transaction

	<i>2014 RMB</i>	<i>2013 RMB</i>
Purchase of goods	8,517,342	11,228,435
Receiving services	3,137,765	3,254,754
	<u>11,655,107</u>	<u>14,483,189</u>

(2) Sale of goods / rendering of services

The Group

Content of transaction

	<i>2014 RMB</i>	<i>2013 RMB</i>
Sale of goods	467,949,826	158,418,974
Rendering of services	1,160,684	1,031,494
	<u>469,110,510</u>	<u>159,450,468</u>

The Company

Content of transaction

	<i>2014 RMB</i>	<i>2013 RMB</i>
Sale of goods	-	5,036,800
Rendering of services	963,326,440	549,241,612
	<u>963,326,440</u>	<u>554,278,412</u>

(3) Leases

(a) As the lessor:

The Group

<u>Type of assets leased</u>	<u>Lease income recognised in 2014</u>	<u>Lease income recognised in 2013</u>
Investment property	<u>2,241,547</u>	<u>1,421,582</u>

The Company

<u>Type of assets leased</u>	<u>Lease income recognised in 2014</u>	<u>Lease income recognised in 2013</u>
Investment property	<u>16,776,506</u>	<u>19,247,425</u>

(b) As the lessee:

The Group

<u>Type of assets leased</u>	<u>Lease fee recognised in 2014</u>	<u>Lease fee recognised in 2013</u>
Fixed asset	<u>266,206</u>	<u>339,698</u>

(4) Related party funding

The Company

<i>Name of related party</i>	<i>Amount of funding</i>	<i>Inception date</i>	<i>Maturity date</i>
Funds provided			
Subsidiary of the the parent	670,000,000	03/12/2014	03/12/2016
Subsidiary of the the parent	10,000,000	08/26/2014	25/02/2015
Subsidiary of the the parent	5,000,000	31/12/2014	21/12/2015
Subsidiary of the the parent	4,400,000	29/04/2014	24/11/2016

(5) Transfer of assets

The Group

<i>Content of transaction</i>	<i>2014 RMB</i>	<i>2013 RMB</i>
Sale of assets	-	34,316
Purchase of assets	143,564,834	104,073,484
	<u>143,564,834</u>	<u>104,107,800</u>

(6) Remuneration of key management personnel

The Group and the Company

<u>Item</u>	<i>2014 RMB</i>	<i>2013 RMB</i>
Remuneration of key management personnel	20,117,000	18,211,000

6. Receivables from and payables to related parties

Receivables from related parties

The Group

<u>Item</u>	<u>2014</u>		<u>2013</u>	
	<i>Provision for bad</i>		<i>Provision for bad</i>	
	<u>Book value</u>	<u>and doubtful loans</u>	<u>Book value</u>	<u>and doubtful loans</u>
Accounts receivable	105,628,224	121,741	18,679,232	121,741
Prepayments	-	-	1,054,304	-
Other receivables	280,456	-	1,050,837	-
Other non-current assets	-	-	185,451	-

The Company

<u>Item</u>	<u>2014</u>		<u>2013</u>	
	<i>Provision for bad</i>		<i>Provision for bad</i>	
	<u>Book value</u>	<u>and doubtful loans</u>	<u>Book value</u>	<u>and doubtful loans</u>
Accounts receivable	54,909,048	55,623	51,537,092	55,623
Prepayments	355,357	-	482,693	-
Dividends receivable	88,741,079	-	8,204,147	-
Other receivables	1,022,749,688	-	484,727,824	-

Payables to related parties

The Group

<u>Item</u>	<u>2014</u>	<u>2013</u>
	<i>RMB</i>	<i>RMB</i>
Accounts payable	12,976,023	20,197,750
Advance from customers	100,928	-
Other payables	43,741,125	9,689,243

The Company

<u>Item</u>	<u>2014</u>	<u>2013</u>
	<i>RMB</i>	<i>RMB</i>
Accounts payable	14,797,095	14,928,016
Advance from customers	457,426	12,514
payables	4,327,343,254	4,783,776,372

XI. Capital management

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

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

The Group's capital structure is monitored on the basis of an adjusted net debt-to-capital ratio. The capital management strategies exerted by the Group remained unchanged from 2013. For this purpose, the Group may adjust the amount of dividends paid to shareholders, request new loans, issue new shares, or sell assets to reduce debt

As at 31 December 2014 and 31 December 2013, the Group's debt-to-capital ratios are as follows:

	<u>2014</u>	<u>2013</u>
Debt-to-capital ratio	43.51%	58.77%

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

XII. Commitments and contingencies

1. Significant commitments

(1) Capital commitments

The Group	2014 RMB	2013 RMB
Investment contracts entered into but not performed or performed partially	12,480,876,966	12,703,040,205
Investment contracts authorized but not entered into	21,630,781,244	10,003,636,566
Total	34,111,658,210	22,706,676,771

The Group's investment contracts entered into but not performed or performed partially mainly included the fixed assets that Chongqing BOE, Hefei Xinsheng and Yuansheng Optoelectronics planned to purchase in 2015 and project equipment that the Group planned to purchase in 2015.

The Company	2014 RMB	2013 RMB
Investment contracts entered into but not performed or partially performed	389,628,781	1,138,800,299
Investment contracts authorized but not entered into	39,361,411,052	18,515,512,438
Total	39,751,039,833	19,654,312,737

The Company's investment contracts unauthorized but not entered into mainly included mainly included guaranteed investments in Chongqing BOE and Yuansheng Optoelectronics.

(2) Operating lease commitments

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

<i>Items</i>	<i>2014 RMB</i>	<i>2013 RMB</i>
Within 1 year (inclusive)	2,476,476	10,818,146
After 1 year but within 2 years (inclusive)	1,749,144	4,918,939
After 2 years but within 3 years (inclusive)	1,847,097	1,847,096
After 3 years (inclusive)	1,077,473	3,109,279
Total	7,150,190	20,693,460

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

2. Guarantees provided for other enterprises

(1) The Group as the guarantor

As at 31 December 2014, the Group did not have guarantees provided for external enterprises.

(2) The Company as the guarantor

As at 31 December 2014, the existing loans of RMB 1.5 billion and USD 480 million were collateralized by Yuansheng Optoelectronics with its plant and buildings whose book value amounted to RMB 308,411,900, machinery and equipment amounting to RMB 23,365,298, land use rights amounting to RMB 52,113,482, and construction in progress amounting to RMB 9,117,518,152. Also, these loans were jointly and severally guaranteed and pledged by the Company with its 20% shareholding of BOE Energy and 20% shareholding of Haosheng Energy, by Hefei BOE with its 65% shareholding of Haosheng Energy, and by BOE Display with its 15% shareholding of Haosheng Energy.

As at 31 December 2014, the existing loans of USD 2.13 billion of Chongqing BOE were collateralized by its land use right amounting to RMB 180,464,704. Besides, the Company provided joint and several liabilities simultaneously.

As at 31 December 2014, the existing loans of RMB 5,174,720,000 and USD 800,000,000 of BOE Display were collateralized by its plant and buildings amounting to RMB 4,744,541,964, machinery and equipment amounting to RMB 12,720,681,397, land use rights amounting to RMB 159,996,194 and construction in

progress amounting to RMB 553,302,360. Also, the Company provided joint and several liabilities simultaneously.

As at 31 December 2014, the existing loan of USD 1,850,000,000 and long-term guarantee of RMB 3,000,000,000 of Hefei Xinsheng were collateralized by its plant and buildings amounting to RMB 3,034,836,596, machinery and equipment amounting to RMB 14,809,831,834, land use right amounting to RMB 202,263,167 and construction in progress amounting to RMB 1,008,790,136. Also, Hefei Xinsheng provided additional other monetary fund amounting to RMB 3,000,000,000 to pledge for the long-term guarantee of RMB 3,000,000,000, while the Company provided joint and several liabilities simultaneously.

XIII. Segment reporting

(1) Segment reporting considerations

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

- (a) Display parts — This business mainly involves the development, manufacture and sales of panel and module for TFT-LCD and AM-OLED.
- (b) Intelligent system product — This business mainly involves the development, manufacture and sales of display terminal products and system; OEM service for terminal products and system of TV, display, special display product; offering safe, energy-saving, healthy, fashionable quality illumination service and solutions; the integration and operation for solar energy application system (eg. photovoltaic-thermal system), including key parts and overall solution for this area.
- (c) Intelligent health service — This business mainly covers HealthCloud, Health & Medical product, and Park Solution. HealthCloud is an information management system based on cloud computing and cloud server; Health & Medical product and service mainly includes wearable and testing equipments; Park Solution refers to professional solution for technology estate and health estate and so on.
- (d) Others — other service mainly includes technical development service and patent maintenance service

The main reason to separate the segments is that the Group independently manages the display parts business, the intelligent system product business, and intelligent health service businesses. Because the business segments manufacture and distribute different products, apply different manufacturing processes and specifies in gross profit, the business segments are managed independently. The management evaluates the performance and allocates resources according to the profit of each business segment and does not take financing cost and investment income into account.

(2) Accounting policy for the measurements of segment profit or loss, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's management regularly reviews the assets, liabilities, revenue, cost and results of operations, attributable to each reportable segment on the following bases:

Segment assets include all tangible, intangible, other non-current and current assets, such as accounts receivable, with the exception of deferred tax assets and other unallocated corporate assets. Segment liabilities include payables, bank borrowings and other non-current liabilities attributable to the individual segments, but exclude deferred tax liabilities and other unallocated corporate liabilities.

Financial performance is operating income (including operating income from external customers and inter-segment operating income) after deducting expenses, depreciation, amortisation, impairment losses, gains or losses from changes in fair value, investment gain, non-operating income and expenses and income tax expenses attributable to the individual segments. Inter-segment sales are determined with reference to prices charged to external parties for similar orders.

	2014						
	Display parts	Intelligent system product	Intelligent health service	others	Elimination	Remaining items	Total
Operating income	32,679,988,414	6,224,354,892	693,241,463	939,551,711	(3,720,819,804)	-	36,816,316,676
Including: external transaction	31,154,690,675	4,972,280,767	689,345,234	-	-	-	36,816,316,676
segment transaction	1,525,297,739	1,252,074,125	3,896,229	939,551,711	(3,720,819,804)	-	
Operating expenses	30,219,879,848	6,363,765,790	428,636,650	1,210,189,932	(3,444,045,418)	(269,735,842)	34,508,690,960
Operating profits / (losses)	2,460,108,566	(139,410,898)	264,604,813	(270,638,221)	(276,774,386)	269,735,842	2,307,625,716
Profits / (losses)	3,294,333,518	(137,647,034)	261,464,477	(245,373,661)	(266,605,977)	269,735,842	3,175,907,165
Income tax	466,905,676	2,669,270	39,671,612	(49,253,363)	-	-	459,993,195
Net profits / (net losses)	2,827,427,842	(140,316,304)	221,792,865	(196,120,298)	(266,605,977)	269,735,842	2,715,913,970
Total assets	124,566,223,795	4,640,746,263	2,630,231,675	79,571,734,186	(75,307,432,067)	138,779,625	136,240,283,477
Total liabilities	52,338,581,712	3,961,967,731	504,531,469	4,991,346,761	(3,533,500,385)	1,017,949,970	59,280,877,258
Other items:							
Impairment loss for current period	809,791,516	39,295,740	91,664	362,593,019	-	-	1,211,771,939
Depreciation and amortisation expense	5,691,761,212	73,107,327	53,634,669	130,937,939	(193,712,100)	-	5,755,729,047
Long-term investment of associates and joint ventures	-	-	-	638,819,435	-	-	638,819,435
Capital outlay	20,823,941,248	376,486,850	9,372,976	406,959,579	(389,535,977)	-	21,227,224,676
Interest in the profit or loss of associates and joint ventures	-	-	-	3,569,978	-	-	3,569,978
Net interest expenses	811,003,722	30,393,566	3,621,033	-	-	22,853,614	867,871,935

	2013						
	Display parts	Intelligent system product	Intelligent health service	others	Elimination	Remaining items	Total
Operating income	29,508,465,351	5,435,562,236	616,007,848	573,910,314	(2,359,660,129)	-	33,774,285,620
Including: external transaction	28,581,277,548	4,615,517,693	577,490,379	-	-	-	33,774,285,620
segment transaction	927,187,803	820,044,543	38,517,469	573,910,314	(2,359,660,129)	-	-
Operating expenses	27,036,628,554	5,710,089,811	365,129,359	728,686,580	(2,294,598,450)	(29,494,327)	31,516,441,527
Operating profits / (losses)	2,471,836,797	(274,527,575)	250,878,489	(154,776,266)	(65,061,679)	29,494,327	2,257,844,093
Profits / (losses)	3,129,259,328	(117,934,418)	253,413,061	(252,529,501)	(19,289,372)	29,494,327	3,022,413,425
Income tax	142,014,263	735,819	(93,854,310)	1,388,462	-	-	50,284,234
Net profits / (net losses)	2,987,245,065	(118,670,237)	347,335,936	(252,529,501)	(20,746,399)	29,494,327	2,972,129,191
Total assets	88,581,739,455	3,854,145,148	2,617,337,468	40,009,673,232	(42,684,924,483)	160,480,672	92,538,451,492
Total liabilities	44,053,812,278	3,018,764,176	580,631,917	5,592,143,174	(5,293,211,890)	6,432,048,433	54,384,188,088
Other items:							
Impairment loss for current period	898,991,339	16,309,059	(28,593)	-	(1,474,304)	-	913,797,501
Depreciation and amortisation expense	4,533,208,772	70,376,396	54,641,471	86,867,318	(135,859,598)	-	4,609,234,359
Long-term investment of associates and joint ventures	-	-	-	971,160,051	-	-	971,160,051
Capital outlay	17,434,313,950	185,776,125	54,613,962	553,418,448	(155,981,717)	-	18,072,140,768
Interest in the profit or loss of associates and joint ventures	-	-	-	87,148	-	-	87,148
Net interest expenses	1,045,167,922	22,562,354	4,707,665	-	-	(425,184)	1,072,012,757

(3) Secondary segment reporting (geographical segments)

- (i) Divided based on the location at which the services were provided or the goods delivered.

The information of the Group's external transactions based on the location is as follows:

	<i>Revenue from external customers</i>	
	<i>2014</i>	<i>2013</i>
	<i>RMB</i>	<i>RMB</i>
PRC	19,715,034,667	18,078,602,860
Other Asian regions	13,904,578,889	13,227,788,815
Europe	1,017,195,232	770,052,895
America	1,916,336,657	1,650,518,963
Other regions	263,171,231	47,322,087
Total	36,816,316,676	33,774,285,620

- (ii) Divided based on assets location

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

(4) Main clients

Operating income of TFT-LCD Business from which is over 10% of the Group's total operating income ended up with one customer. The operating income from this customer represented RMB 8,667,304,357 (2013: RMB 8,743,372,018), which was approximately 24% (2013: 26%) of the Group's total operating income.

XIV. Notes of financial statements of the Company

1. Cash at bank and on hand

	2014			2013		
	Original currency	Exchange rate	RMB/RMB equivalents	Original currency	Exchange rate	RMB/RMB equivalents
Cash on hand:						
- RMB			34,327			13,901
- USD	7,524	6.1190	46,039	7,525	6.0969	45,879
- HKD	9,665	0.7889	7,625	9,665	0.7862	7,599
- JPY	51,325	0.0514	2,638	51,325	0.0578	2,967
- Korean Won	420,000	0.0056	2,352	521,170	0.0057	2,971
- Other foreign currencies			86,409			96,455
Sub-total			179,390			169,772
Current deposit:						
- RMB			8,669,367,911			1,700,589,215
- USD	224,014	6.1190	1,370,741	124,087	6.0969	756,546
- HKD	1,215,043	0.7889	958,547	1,214,992	0.7862	955,227
- JPY	2	0.0514	-	2	0.0578	-
Sub-total			8,671,697,199			1,702,300,988
Other monetary funds						
- RMB			11,060,928			9,640,416
- HKD	150,014,315	0.7889	118,346,293			-
Sub-total			129,407,221			9,640,416
Total			8,801,283,810			1,712,111,176

Including: Total overseas deposits is RMB 139,902 (2013: RMB 566,716).

As at 31 December 2014, the other monetary funds of the Company amounting to RMB 11,060,928 were deposits in commercial banks as security; Other monetary funds amounting to HKD 150,014,315 were refundable deposits used for stock repurchase.

2. Accounts receivable

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

	<i>2014</i> <i>RMB</i>	<i>2013</i> <i>RMB</i>
Amounts due from subsidiaries	54,088,431	50,672,761
Amounts due from other related parties	820,617	864,331
Amounts due from other customers	7,901,508	10,647,697
Sub-total	62,810,556	62,184,789
Less: Provision for bad and doubtful debts	3,320,059	3,228,395
Total	59,490,497	58,956,394

As at 31 December 2014, the Company had no accounts receivable denominated in foreign currencies (2013: nil).

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

<u>Ageing</u>	<i>RMB</i>	<i>RMB</i>
Within 1 year (inclusive)	17,590,711	16,857,602
1 to 2 years (inclusive)	7,454,369	12,074,738
2 to 3 years (inclusive)	9,646,533	3,073,364
Over 3 years	28,118,943	30,179,085
Sub-total	62,810,556	62,184,789
Less: Provision for bad and doubtful debts	3,320,059	3,228,395
Total	59,490,497	58,956,394

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

(3) The Company's accounts receivable by category

Category	2014					2013				
	Book value		Provision for bad and doubtful debts		Carrying amount	Book value		Provision for bad and doubtful debts		Carrying amount
	RMB	(%)	RMB	(%)		RMB	(%)	RMB	(%)	
Collectively assessed for impairment based on credit risk characteristics *	29,949,896	48%	-	-	29,949,896	34,922,928	56%	-	-	34,922,928
Individually insignificant but assessed individually for impairment	32,860,660	52%	3,320,059	100%	29,540,601	27,261,861	44%	3,228,395	100%	24,033,466
Total	62,810,556	100%	3,320,059	100%	59,490,497	62,184,789	100%	3,228,395	100%	58,956,394

Note*: This category includes accounts receivable that having been individually assessed but not impaired.

The Group has no individually significant accounts receivable and individually for impairment this year.

As at 31 December 2014, the Group collectively assessed accounts receivable having been individually assessed but not impaired for impairment and did not recognise impairment loss against this amount of accounts receivable (2013: nil).

- (4) Addition, recovery or reversal of provision for bad and doubtful debts during the year:

	2014 RMB	2013 RMB
Balance at the beginning of the year	3,228,395	3,256,988
Addition during the year	91,664	106,842
Write-off during the year	-	135,435
Balance at the end of the year	<u>3,320,059</u>	<u>3,228,395</u>

For the year ended 31 December 2014, the Company had no individually significant write-off or recovery of doubtful debts which had been fully or substantially made in prior years.

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

The sub-total of five largest accounts receivable of the Company at the end of the year is RMB 53,316,755 with provision for bad and doubtful debts of RMB 787,797, representing 85% of the total accounts receivable.

3. Dividends receivable

	2014 RMB	2013 RMB
Yinghe Century	8,204,147	8,204,147
Vacuum Electronics	80,536,932	-
Total	<u>88,741,079</u>	<u>8,204,147</u>

4. Other receivables

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

	<i>2014</i> <i>RMB</i>	<i>2013</i> <i>RMB</i>
Amounts due from subsidiaries	1,022,540,669	484,727,824
Amounts due other related parties	209,019	-
Amounts due from other customers	28,146,544	24,178,889
Total	<u>1,050,896,232</u>	<u>508,906,713</u>

As at 31 December 2014, no other receivable of the Company is denominated in foreign currency (2013: nil).

(2) The ageing analysis of other receivables is as follows:

	<i>2014</i> <i>RMB</i>	<i>2013</i> <i>RMB</i>
Within 1 year (inclusive)	810,910,483	450,071,687
1 to 2 years (inclusive)	221,835,032	28,906,591
2 to 3 years (inclusive)	784,822	3,614,934
Over 3 years	17,365,895	26,313,501
Total	<u>1,050,896,232</u>	<u>508,906,713</u>

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

(3) The Company's other receivables by nature:

	<i>2014</i> <i>RMB</i>	<i>2013</i> <i>RMB</i>
Borrowing	691,910,521	207,243,308
Rent	210,031,545	209,445,394
Royalty fee	97,945,776	53,233,234
Others	51,008,390	38,984,777
Total	<u>1,050,896,232</u>	<u>508,906,713</u>

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

As at 31 December 2014, the total sum of other receivables due from the top five debtors of the Company amounted to RMB 977,977,322, most of which are borrowings and receivables of Royalty fee. No provision is made for bad and doubtful debts after assessment.

5. Other current assets

	2014 RMB	2013 RMB
Deductible VAT	91,028,582	66,790,488
Others	6,183,703	-
Total	97,212,285	66,790,488

6 Available-for-sale financial assets

(1) Available-for-sale financial assets

Item	2014			2013		
	Book value	Provision for impairment	Carrying amount	Book value	Provision for impairment	Carrying amount
Available-for-sale equity instruments						
- At fair value	297,469,941	150,099,655	147,370,286	296,023,674	150,099,655	145,924,019
- At cost	124,689,635	106,001,603	18,688,032	124,689,635	106,001,603	18,688,032
Total	422,159,576	256,101,258	166,058,318	420,713,309	256,101,258	164,612,051

(2)	Available-for-sale financial assets at fair value at the end of the year:	<u>2014</u>
	Cost of equity instruments	224,818,586
	Fair value	147,370,286
	Accumulative fair value	
	changes recognised in other	
	comprehensive income	72,651,355
	Provision for impairment	150,099,655

As at 31 December 2014, the Company assesses the available-for-sale financial assets individually for impairment. If the fair value of the equity instrument decreases below its cost and the condition is severe and not temporary, and there is also evidence which indicates that the cost of the Company that is already incurred can not be recovered, the Company will recognise relevant impairment losses and reallocate the accumulated loss arising from the decrease in fair value which was originally charged in equity into profit and loss. As at 31 December 2014, the accumulated allowance for impairment for available-for-sale financial assets is RMB 150,099,655 (2013: RMB 150,099,655).

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

<i>Investee</i>	<i>Book value</i>			<i>Provision for impairment</i>	<i>Percentage of Shareholding in investees (%)</i>
	<i>Balance at the beginning of the year</i>	<i>Increase During the year</i>	<i>Balance at the end of the year</i>	<i>Balance at the beginning and the end of the year</i>	
Teralane Semiconductor Inc	11,868,000	-	11,868,000	-	7.29%
Zhejiang BOE Display Technology Co., Ltd.	106,391,635	-	106,391,635	105,821,603	7.03%
National Engineering Laboratory of Digital Television(Beijing) Co., Ltd.	6,250,000	-	6,250,000	-	12.50%
Others	180,000	-	180,000	180,000	
Total	124,689,635	-	124,689,635	106,001,603	

7. Long-term equity investments

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

	<i>2014</i> <i>RMB</i>	<i>2013</i> <i>RMB</i>
Investments in subsidiaries	67,571,402,083	36,178,448,805
Investments in associates	78,431,612	73,160,051
Sub-total	67,649,833,695	36,251,608,856
Less: Provision for impairment	72,416,550	72,416,550
Total	67,577,417,145	36,179,192,306

In previous year, the Company provided full impairment losses for investments in Beijing BOE Special Display Technology Co., Ltd. and Beijing BOE Digital Technology Co., Ltd, which amounted to RMB 72,416,550.

(2) Investments in subsidiaries

Opening and

	closing balance			
		Balance at the beginning	Additions	Balance at the end
Entity name	provision for bad	of the year	of the year	and doubtful loans
		during the year		
BOE OT		4,172,288,084	-	4,172,288,084
Chengdu BOE		1,833,149,991	-	1,833,149,991
Hefei BOE		9,000,000,000	-	9,000,000,000
BOE Dispaly		8,705,000,000	8,713,713,599	17,418,713,599
Hefei Xinsheng		6,000,000,000	10,575,150,000	16,575,150,000
Yuansheng Optoelectronics		3,604,000,000	2,500,000,000	6,104,000,000
BOE Vision-electronic		560,000,000	-	560,000,000
Chongqing BOE		-	9,339,669,199	9,339,669,199
Vacuum Electronics		19,250,000	-	19,250,000
Vacuum Technology		32,000,000	-	32,000,000
Special Dispaly		80,000,000	20,000,000	100,000,000
Yinghe Century		333,037,433	-	333,037,433
Optical Technology		329,961,914	-	329,961,914
BOE Hyundai		31,038,525	-	31,038,525
BOE Hebei		518,140,140	35,510,880	553,651,020
BOE Multimedia		400,000,000	-	400,000,000
BOE Energy		50,000,000	-	50,000,000
Beijing Zhongpingxun		10,000,000	-	10,000,000
Beijing Zhongxiangying		10,000,000	-	10,000,000
Haosheng Energy		2,000,000	-	2,000,000
BOE Semi-conductor		9,450,000	-	9,450,000
Optoelectronics Holding		1,984,685	208,909,600	210,894,285
BeiAsahi Glass		30,888,470	-	30,888,470
Matsushita		424,823,089	-	424,823,089
Beijng BOE Land Co., Ltd		7,731,474	-	7,731,474
BOE Korea Co., Ltd		788,450	-	788,450
Beijing BOE Marketing Co., Ltd		500,000	-	500,000
Beijing BOE Digital Technology Co., Ltd		12,416,550	-	12,416,550
Total		36,178,448,805	31,392,953,278	67,571,402,083
				72,416,550

Please see Note 7.1 for details of the Company's subsidiaries.

(3) Investments in associates:

Investee	Balance at the beginning of the year	Movements during the year					Balance at the end of the year	Balance of provision for impairment at the end of the year
		Investment income recognised under equity method	Other comprehensive income	Declared distribution of cash dividends or profits	Provision for impairment	Acquisition as subsidiaries this year		
Beijing Nissin Electronics Precision Component Co., Ltd.	-	(6,967,832)	7,755,682	-	-	-	787,850	-
Beijing Nittan Electronic Co., Ltd.	20,814,107	6,989,906	-	(1,200,000)	-	-	26,604,013	-
Erdos BOE Energy Investment Co., Ltd.	9,511,000	(27,771)	-	-	-	-	9,483,229	-
Beijing Infi-Hailin Venture Investment Co., Ltd.	-	131,573	-	-	-	-	131,573	-
Beijing Infi-Hailin Venture Investment (Limited Partnership)	28,178,429	(1,447,033)	-	-	-	-	26,731,396	-
Chongqing BOE Optoelectronics Technology Co., Ltd	4,854,099	-	-	-	-	(4,854,099)	-	-
TPV Display Technology (China)	9,802,416	4,891,135	-	-	-	-	14,693,551	-
Total	73,160,051	3,569,978	7,755,682	(1,200,000)	-	(4,854,099)	78,431,612	-

8. Deferred tax assets

In accordance with the accounting policy set out in Note III.26, as at 31 December 2014, as there is much uncertainty that whether the Company can have adequate taxable profits in future to utilise the deductible temporary difference, the Company did not recognise the deferred tax assets in respect of tax credits (deductible temporary differences) of RMB 336,080,585 (2013: RMB 353,321,712) and deductible losses RMB 40,288,023 (2013: RMB 191,326,986).

9. Employee benefits payable

(1) Employee benefits payable:

	<i>Note</i>	<i>Balance at 1 January 2014</i>	<i>Accrued during the year</i>	<i>Decrease during the year</i>	<i>Balance at 31 December 2014</i>
Short-term employee benefits	(2)	128,597,392	389,211,001	380,789,166	137,019,227
Post-employment - benefits-defined contribution plans	(3)	3,769,135	28,019,861	24,457,422	7,331,574
Total		132,366,527	417,230,862	405,246,588	144,350,801

(2) Short-term employee benefits

	<i>Balance at 1 January 2014</i>	<i>Accrued during the year</i>	<i>Decrease during the year</i>	<i>Balance at 31 December 2014</i>
Salaries, bonuses, allowances	103,080,766	313,773,090	309,370,798	107,483,058
Staff welfare fees	-	37,544,784	37,544,784	-
Social insurances				
Medical insurance	14,567,096	12,247,434	12,104,143	14,710,387
Work injury insurance premium	140,214	1,225,089	1,169,586	195,717
Maternity insurance premium	257,738	1,001,889	834,444	425,183
Housing fund	3,177,436	14,150,658	13,593,313	3,734,781
Labour union fee, staff and workers' education fee	7,374,142	9,268,057	6,172,098	10,470,101
Total	128,597,392	389,211,001	380,789,166	137,019,227

(3) Post-employment benefits- defined contribution plans

	<i>Balance at 1 January 2014</i>	<i>Accrued during the year</i>	<i>Decrease during the year</i>	<i>Balance at 31 December 2014</i>
Basic pension insurance	3,620,435	24,333,688	23,290,362	4,663,761
Unemployment insurance	148,700	1,218,337	1,167,060	199,977
Annuity	-	2,467,836	-	2,467,836
Total	3,769,135	28,019,861	24,457,422	7,331,574

10. Other payables

(1) The Company's other payables are as follows:

	<i>2014 RMB</i>	<i>2013 RMB</i>
Projects and equipment	173,853,209	256,116,829
Agency fee payable	108,299,121	35,647,924
Advanced disbursement	4,336,240,793	4,784,372,509
Technology royalties	7,873,670	9,993,044
Others	51,804,238	45,109,637
Total	4,678,071,031	5,131,239,943

(2) Other payables of the Group by currency are as follows:

	<i>2014</i>			<i>2013</i>		
	<i>Original currency</i>	<i>Exchange rate</i>	<i>RMB/RMB equivalents</i>	<i>Original currency</i>	<i>Exchange rate</i>	<i>RMB/RMB equivalents</i>
RMB			4,514,309,032			4,889,802,703
USD	26,535,942	6.1190	162,373,428	39,600,000	6.0969	241,437,240
JPY	27,015,000	0.0514	1,388,571	-	-	-
Total			4,678,071,031			5,131,239,943

11. Long-term loans

As at 31 December 2014, the Company's long-term loans are as credit loan of RMB 670,000,000 with interest rate of 3.9% (2013: nil), the Company had no renewed long-term loans because of overdue loans (2013: nil).

12. Deferred income

<u>Item</u>	<u>Balance at the beginning of the year</u>	<u>Additions during the year</u>	<u>Reductions during the year</u>	<u>Balance at the end of the year</u>
Government grant	75,118,764	43,996,000	28,719,689	90,395,075
			2014 RMB	2013 RMB
Government grant related to assets				
Research platform for generic technology of flat panel display			6,071,429	8,214,286
Construction of National Engineering Laboratory for TFT-LCD technology			12,142,857	16,428,571
New type display industry Innovation and Development projects			17,389,288	21,049,906
Sub-total			35,603,574	45,692,763
Government grant related to income				
Technological development of TFT-LCD platform for large dimension HDTV			180,000	900,000
Technological development of array base plate integration			170,000	850,000
Industrialization and technological development of large dimension Display			25,000,000	-
Interests subsidies of important patent technology related to LCD Display			8,316,000	-
Other subsidies of scientific research and Development			21,125,501	27,676,001
Sub-total			54,791,501	29,426,001
Total			90,395,075	75,118,764

13. Capital reserve

	Notes	Balance at the beginning of the year RMB	Additions during the year RMB	Reductions during the year RMB	Balance at the end of the year RMB
Share premiums	V.33(1)	15,065,055,460	23,116,609,820	-	38,181,665,280
Other capital reserves					
- Provision for equity investment		29,538,085	-	-	29,538,085
Acquisition of subsidiaries' minority interest					
- shareholders' equity	V.33(3)	-	7,755,682	-	7,755,682
Total		15,094,593,545	23,124,365,502	-	38,218,959,047

14. Other comprehensive income

	Balance at the beginning of the year attributable to shareholders of the Company RMB	Movements during the year		Balance at the end of the year attributable to shareholders of the Company RMB
		Before-tax amount RMB	Less: income tax RMB	
Items that will be reclassified to profit or loss				
Including: Available-for-sale financial assets profit or loss in the changes of fair value	71,205,088	1,446,267	-	72,651,355

15. Retained earnings / (accumulated losses)

Item	2014	2013
Accumulated losses at the beginning of the year	(809,388,608)	(636,204,663)
Add: net profits for the year attributable to shareholders of the Company	855,151,087	(173,183,945)
Less: Appropriation for statutory surplus reserve	4,576,248	-
Retained earnings / (accumulated losses) at the end of the year	41,186,231	(809,388,608)

16. Operating income

	<i>2014</i> <i>RMB</i>	<i>2013</i> <i>RMB</i>
Rental income of investment properties	123,565,283	110,641,117
Technological development income	790,316,285	528,665,551
Sales of goods	-	8,064,746
Others	217,579,390	112,181,258
Total	<u>1,131,460,958</u>	<u>759,552,672</u>

17. Business taxes and surcharges

	<i>2014</i> <i>RMB</i>	<i>2013</i> <i>RMB</i>
Business tax	6,254,906	8,786,088
City maintenance and construction tax	488,340	765,717
Education surcharge and local education surcharge	348,813	546,941
Total	<u>7,092,059</u>	<u>10,098,746</u>

18. Financial (Net income) / expenses

	<i>2014</i> <i>RMB</i>	<i>2013</i> <i>RMB</i>
Interest expenses from loans	86,369,454	213,283,333
Interest income from deposits and receivables	(310,145,103)	(43,956,001)
Net exchange gains	1,523,919	(8,279,347)
Other financial expense	167,991	112,855
Total	<u>(222,083,739)</u>	<u>161,160,840</u>

19. Investment income

	2014 RMB	2013 RMB
Dividends from subsidiaries	444,905,481	-
Long-term equity investments loss under equity method	3,569,978	87,148
Losses from disposal of long-term equity investments	-	1,870,000
Investment income from available-for-sale financial assets	2,726,569	5,643,378
Total	451,202,028	7,600,526

20. Non-operating income

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

Item	2014 RMB	2013 RMB
Gains on disposal of non-current assets	74,210	185,405
Including: Disposal of fixed assets		74,210
	185,405	
Government grants	31,650,919	79,426,122
Others	1,921,985	1,094,106
Total	33,647,114	80,705,633

(2) Details of government grants

Grant programme	2014 RMB	2013 RMB
Research project subsidy	22,719,689	68,539,685
Patent subsidy	7,336,230	5,696,030
Interest subsidies of import and export products	-	3,010,038
Others	1,595,000	2,180,369
Total	31,650,919	79,426,122

21. Non-operating expenses

<i>Item</i>	<i>2014</i>	<i>2013</i>
Losses on disposal of fixed assets	29,700	17,935
Including: loss from disposal of fixed assets	29,700	17,935
Loss from debt restructuring	7,600,000	-
External contribution	246,560	-
Others	48,893	127,800
Total	<u>7,925,153</u>	<u>145,735</u>

22. Income tax

Reconciliation between income tax expenses and accounting (losses) / profit is as follows:

	<i>2014</i> <i>RMB</i>	<i>2013</i> <i>RMB</i>
Profit / (losses) before taxation	855,151,087	(173,183,945)
Expected income tax expenses at a tax rate of 15%	128,272,663	(25,977,592)
Add: Tax effect of non-deductible expenses	1,865,612	285,634
Tax effect of non-taxable income	(67,651,333)	(322,173)
Weighted deduction of research and development expenses	(21,068,588)	(16,200,000)
Utilisation of prior year tax losses	(38,832,185)	-
Deductible temporary difference not recognised	-	28,699,048
Compensation for loss of prior years	(2,586,169)	13,515,083
Income tax expenses	<u>-</u>	<u>-</u>

23. Notes to cash flow statement

(1) Supplement to cash flow statement

	2014 RMB	2013 RMB
1. Reconciliation of net profit to cash flows from operating activities:		
Net profit	855,151,087	(173,183,945)
Add: Impairment provisions for assets	91,664	(28,593)
Depreciation of fixed assets and investment property	47,083,780	44,113,364
Amortisation of intangible assets	70,639,405	48,155,203
Amortisation of long-term deferred expenses	18,101,364	1,702,949
Gains on disposal of fixed assets	(74,210)	(185,405)
Losses on scrapping of fixed assets	29,700	17,935
Financial (net income) / expenses	(222,251,731)	161,047,985
Income arising from investments	(451,202,028)	(7,600,526)
(Increase)/Decrease in gross inventories	(1,435,796)	5,024,798
Increase in operating receivables	(104,004,349)	(151,593,615)
(Decrease)/Increase in operating payables	(436,638,977)	391,427,468
Net cash (outflow)/inflow from operating activities	(224,510,091)	318,897,618
2. Change in cash and cash equivalents:		
Cash at the end of the year	8,671,876,589	1,702,470,760
Less: Cash at the beginning of the year	1,702,470,760	2,264,319,604
Net increase/(decrease) in cash and cash equivalents	6,969,405,829	(561,848,844)

(2) Details of cash and cash equivalents

	2014 RMB	2013 RMB
Cash on hand	179,390	169,772
Bank deposits available on hand	8,671,697,199	1,702,300,988
Closing balance of cash and cash equivalents	8,671,876,589	1,702,470,760

Note: Cash and cash equivalents disclosed above exclude cash with restricted usage.

24. Assets with restricted ownership or right of use

As at 31 December 2014, the other monetary funds amounting to RMB 11,060,928 were the deposits in commercial banks as security till 19 December 2015.

At 31 December 2014, the Company pledged its 20% equity of BOE Energy Investment and Haosheng Energy as security for the syndicate loan of RMB 1,500,000,000 and USD 480,000,000 for Yuansheng Optoelectronics, which will expire on 9 June 2021.

The Company has no other asset with restricted ownership or right of use.

XV. Extraordinary gain and loss in 2014

	2014 RMB	2013 RMB
Disposal of non-current assets	(15,575,867)	(112,722,720)
Government grants recognised through profit or loss	830,471,170	838,279,656
Excess of interest in the fair value of investee's identifiable net assets net assets over investment costs of subsidiaries, associates and joint ventures acquired	10,168,409	-
Investment income from wealth management products	6,113,418	-
Reversal of provisions for bad and doubtful debts assessed on an individual basis	5,583,021	500,938
Investment (losses)/income from long-term equity investments	(4,190,740)	1,870,000
Other non-operating net income	43,217,737	39,012,396
Less: Effect on taxation	119,985,837	32,010,501
Total	755,801,311	734,929,769
Attributable to: Extraordinary gains affecting net profit of equity shareholders of the Company	734,262,187	639,380,191
Extraordinary gains affecting the net profit of minority shareholders	21,539,124	95,549,578

Notes: The extraordinary gains and losses above are before-tax values.

XVI. Return on net assets and earnings per share

In accordance with “Regulation on the Preparation of Information Disclosures of Companies Issuing Public Shares No. 9 - Calculation and Disclosure of the Return on Net Assets and Earnings per Share” (2010 revised) issued by the CSRC, the Group’s return on net assets and earnings per share are calculated as follows:

<i>Profit for the reporting period</i>	<i>Weighted average return on net assets (%)</i>	<i>Basic earnings per share</i>	<i>Diluted earnings per share</i>
Net profit attributable to the Company’s ordinary equity shareholders	4.29%	0.087	Not applicable
Net profit exclusive of extraordinary gains and losses attributable to the Company’s ordinary equity shareholders	3.06%	0.062	Not applicable