

Stock Code: 200725

Stock abbreviation.: BOE B

Announcement No.: 2016-041

BOE Technology Group Co., Ltd.

The Abstract of the 2015 Annual Report

I Important information

This Abstract is based on the full text of the Annual Report. In order for a full understanding of the operating results, financial condition and future development planning of the Company, investors are kindly reminded to read the full text carefully on the media designated by the China Securities Regulatory Commission (the “CSRC”).

The Board of Directors, Supervisory Committee, directors, supervisors and senior management of BOE Technology Group Co., Ltd. (hereinafter referred to as the “Company”) hereby guarantee that the information presented in this Report is factual, accurate and complete, and shall be jointly and severally liable for any false information, misleading statements or material omissions 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 carried in this Report is factual, accurate and complete.

All directors attended the board meeting for the review of this Report.

The Board has considered and approved the following preliminary plan for profit distribution: Based on the total shares of 35,153,067,743, a cash dividend of RMB0.1 (tax inclusive) per 10 shares will be distributed to all the shareholders of the Company. No bonus shares will be granted and no capital reserves will be converted into share capital.

This Report has been prepared in compliance with the Chinese “Accounting Standards for Business Enterprises” and other relevant regulations. KPMG Huazhen LLP has issued a standard auditor’s report with unqualified opinion for the Company.

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

Corporate profile

Stock abbr.	BOE A, BOE B	Stock code	000725, 200725
Stock exchange	Shenzhen Stock Exchange		
Contact information	Company Secretary	Representative for Securities Affairs	
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II Brief introduction to the main business or products in the Reporting Period

BOE Technology Group Co., Ltd. (BOE) was established in April 1993. Its core business includes display devices, intelligent systems and health services.

1. Display devices

As a leader in the innovation and development of semi-conductor display, as well as a pursuer for light & thin, energy-saving and green display devices with accurate colors, sharp images and wide views, the Company is engaged in development, production and marketing of display products such as TFT-LCD and AMOLED. Currently, it mainly provides display screens for mobile phones, tablet PCs, laptops, displayers, TVs, vehicles, wearable devices, industrial control, medical care, splicers, educational equipment, etc.

2. Intelligent systems

Following the main line of “the Internet of Things and artificial intelligence”, the Company is building a cloud platform, as well as five business sub-divisions, namely the Internet of Things for intelligent manufacturing, the Internet of Things for energy, the vehicle and display network, intelligent display systems and mobile health products. At present, it mainly provides Internet of Things solutions for mobile health products, optoelectronics, the vehicle and display network, intelligent finance, intelligent display, etc., as well as the most competitive ODM, OEM and intelligent manufacturing services of complete machines, backlight units, etc. for its global partners.

3. Health services

With “information medicine and big data” as the basic features, the Company is building three business sub-divisions (the O2O medical system, cell engineering and big data industrial parks) to provide efficient and quality intelligent health services. Currently, it mainly provides medical care and specialized park solutions.

III Accounting and financial results

1. Accounting and financial results for the past three years

Whether the Company performed a retroactive adjustment to or restatement of accounting data due to changes of accounting policies or correction of accounting errors

☐ Yes ☒ No

Unit: RMB

Item	2015	2014	Increase/decrease in the current year from last year (%)	2013
Operating revenues	48,623,732,312.00	36,816,316,676.00	32.07%	33,774,285,620.00
Net profit attributable to shareholders of the Company	1,636,270,488.00	2,562,128,829.00	-36.14%	2,353,365,694.00
Net profit attributable to shareholders of the Company after exceptional profit and loss	613,814,833.00	1,827,866,642.00	-66.42%	1,713,985,503.00
Net operating cash flow	10,493,385,445.00	8,095,825,923.00	29.61%	8,956,439,250.00
Basic EPS (RMB/share)	0.046	0.087	-47.13%	0.174
Diluted EPS (RMB/share)	0.046	0.087	-47.13%	0.174
Weighted average ROE (%)	2.13%	4.29%	-2.16%	8.70%
Item	31 December 2015	31 December 2014	Increase/decrease at the current year-end from the last year-end (%)	31 December 2013
Total assets	152,592,894,442.00	136,240,283,477.00	12.00%	92,538,451,492.00
Net assets attributable to shareholders of the Company	77,485,275,564.00	76,155,071,579.00	1.75%	28,251,815,361.00

Note: The year 2015 saw violent fluctuations in the forex market, with the RMB down 6% against the US dollar. In particular, the RMB depreciated over 4.6% altogether against the US dollar for a row of three days after the People's Bank of China unveiled The Announcement on Improvements to Quotation of RMB Central Parity Against US Dollar on 11 August 2015. That caused an exchange loss of approximately RMB815 million to the Company for 2015. With the said exchange loss excluded, the net profit attributable to shareholders of the Company was about RMB2.443 billion for 2015.

2. Financial results by quarter

Unit: RMB

Item	1Q	2Q	3Q	4Q
Operating revenues	11,582,854,379.00	11,387,993,733.00	13,449,597,930.00	12,203,286,270.00
Net profit attributable to shareholders of the Company	978,140,971.00	973,029,881.00	41,216,719.00	-356,117,083.00
Net profit attributable to shareholders of the Company after	880,748,144.00	695,649,793.00	-168,061,110.00	-794,521,994.00

exceptional profit and loss				
Net operating cash flow	2,302,553,649.00	3,150,837,839.00	2,380,219,615.00	2,659,774,342.00

Any material differences between the financial indicators above or their summations and those which have been disclosed in quarterly or semi-annual reports?

☐ Yes ☒ No

IV Share capital and shareholders

1. Numbers of common shareholders and preference shareholders with resumed voting rights as well as the shareholdings of top ten shareholders

Unit: share

Total number of common shareholders at the period-end	1,408,570 (including 1,361,095 A-share holders and 47,475 B-share holders)		Total number of common shareholders at the prior month-end before the disclosure of this Report	1,455,885 (including 1,408,069 A-share holders and 47,816 B-share holders)		
Shareholdings of top ten shareholders						
Name of shareholder	Nature of shareholder	Shareholding percentage	Total shares held at period-end	Number of restricted shares held	Pledged or frozen shares	
					Status of shares	Number of shares
Beijing State-owned Capital Operation and Management Center	State-owned Corporation	11.56%	4,063,333,333	4,063,333,333		
Chongqing Ezcapital Opto-electronics Industry Investment Co., Ltd.	State-owned Corporation	8.53%	3,000,000,000	3,000,000,000	Pledged	955,000,000
Hefei Jianxiang Investment Co., Ltd.	State-owned Corporation	8.13%	2,857,142,857	2,857,142,857		
Hua An Fund-ICBC-Zhongrong International Trust-Zhongrong-Assembled Funds Trust Plan of Rongjing No. 1	Other	4.45%	1,564,126,904	0		
China Securities Finance Corp.	Other	2.99%	1,051,078,931	0		
Beijing BOE Investment & Development Co., Ltd.	State-owned Corporation	2.34%	822,092,180	0		
Beijing Economic-Technological Investment & Development Corp.	State-owned Corporation	1.93%	677,423,641	0		
Hefei Rongke Project Investment Co., Ltd.	State-owned Corporation	1.92%	675,026,803	675,026,803		
Beijing BDA Technological Investment Development Co., Ltd.	Other	1.60%	564,000,000	0		
Beijing Electronics Holdings Co., Ltd.	On behalf of the State	0.78%	273,735,583	0		
Related or acting-in-concert parties among shareholders above		1. Beijing State-owned Capital Operation and Management Center held 100% equities of Beijing Electronics Holdings Co., Ltd. 2. Beijing Electronics Holdings Co., Ltd. held 66.25% equities of Beijing BOE Investment & Development Co., Ltd. and was its controlling shareholder.				

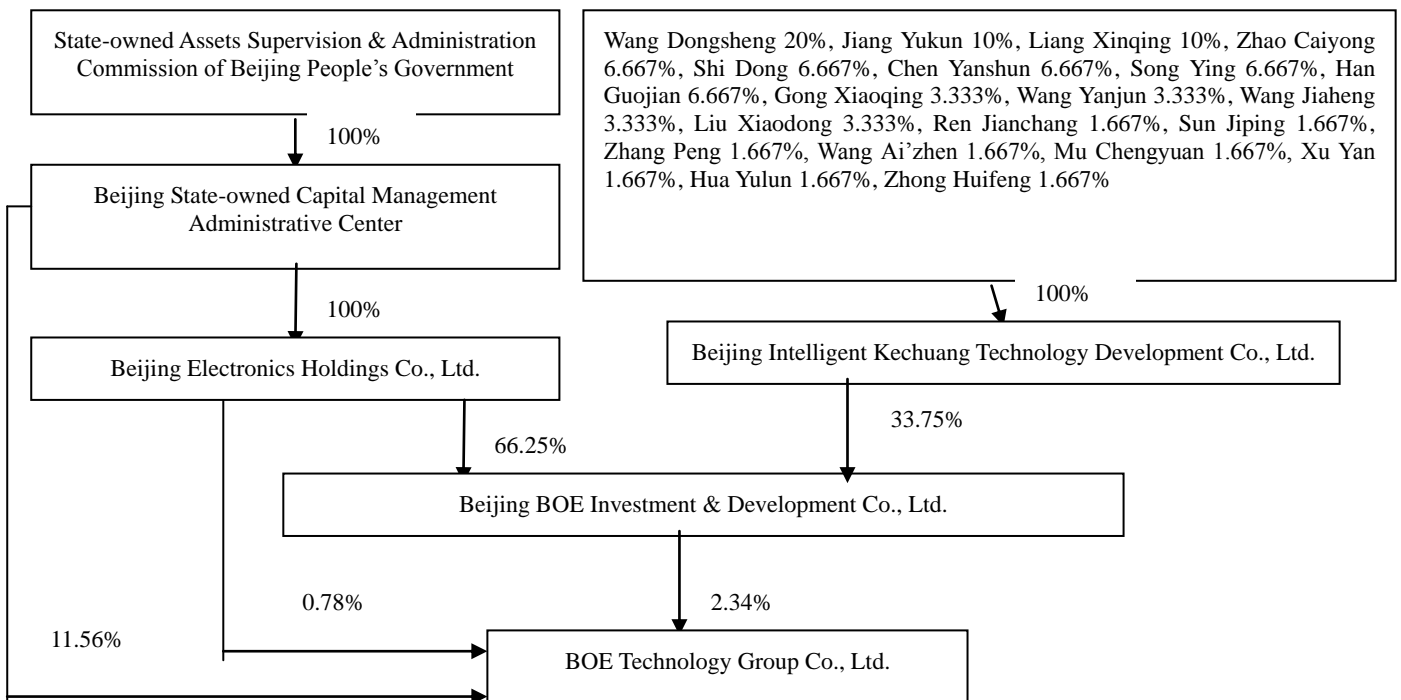
	<p>3. Beijing Economic-technological Investment & Development Corp held 49% equities of Beijing BDA Technological Investment Development Co., Ltd., and the above two companies were both controlled by Beijing Economic and Technological Development Zone Management Committee as well as were persons acting in concert.</p> <p>4. After the non-public issuing of BOE in 2014, Hefei Jianxiang Investment Co., Ltd. and Chongqing Capital Photoelectricity Investment Co., Ltd., by entering into <i>Implementation Protocol of Voting Right</i> respectively, agreed to maintain all of the shares held by them respectively unanimous with Beijing BOE Investment & Development Co., Ltd. when executing the voting rights of the shareholders.</p> <p>5. After the non-public issuing of the Company in 2014, Beijing State-owned Capital Operation and Management Center handed over 70% of the shares directly held by it to Beijing Electronics Holdings Co., Ltd. for management through <i>Stock Management Protocol</i>, and Beijing Electronics Holdings Co., Ltd. gained the incidental shareholders' rights except for disposing right and usufruct of the shares, of which the rest 30% voting right maintained unanimous with Beijing Electronics Holdings Co., Ltd. through the agreement according to <i>Implementation Protocol of Voting Right</i>.</p> <p>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.</p>
Shareholders conducting securities margin trading	No such shareholders

2. Number of preference shareholders and shareholdings of top ten of them

☐ Applicable ☒ Not applicable

No preference shareholders in the Reporting Period

3. Relationship between the Company and its actual controller in the form of diagram



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 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.

V Management discussion and analysis

1. Business review for the Reporting Period

(1) Overview

2015 marked the closing year for China's 12th Five-Year Plan for Economic and Social Development, as well as an important year for the Company because it made a strategic breakthrough in its business transformation in the year. In face of the most complicated and severe situation ever since the 2008 Financial Crisis, the global economy was in a slow and imbalanced recovery in 2015 under great downward pressure. The RMB depreciated over 4.6% altogether against the US dollar for a row of three days following the exchange reform on 11 August 2015. Despite a book exchange loss of approximately RMB815 million caused by violent fluctuations of the exchange rate, the Company still managed to achieve net profit attributable to its shareholders of RMB1.636 billion for 2015.

The new products launched by the Company in 2015 were the world's first such kinds, making the Company a leader in this respect. Meanwhile, the Company pushed forward its Main Supplier Program and marketing strategy of "Defence and Attack", which helped enlarge its shares in market segments worldwide. It also applied for 6,156 new patents throughout the year, with its total valid patents exceeding 40,000. In the meantime, the Company paid close attention to new developments of the semi-conductor display technology, as well as made significant plans for and investments in new display technology and intelligent manufacturing, intelligent systems, health services, etc.

Details about the situations of the Company's business divisions are given as follows:

A. Display device division

As for display device products, the share in market segments continued to grow up. The Company made development in market expansion and strategic client cooperation in new application areas, such as vehicle-mounted, apparel, industrial control, health care, splicing, and education. The globally first-published products were rapidly launched. Sales ratio of products with touch modules, high resolution, and new applications rose. As for the production lines, potentials were developed, and bottleneck procedures were optimized. The input on Beijing 8.5G TFT-LCD production line, Hefei 8.5G TFT-LCD production line baseplates marked record-high. The Chongqing 8.5G TFT-LCD production line was fast promoted for capacity climbing. The development and mass production of new techniques, new technologies, and new product development speeded up. Diversities of touch module products were put into mass production. The vehicle-mounted products were in steady supply. The smart manufacturing projects were promoted as planned. While focusing on product and technology routine map, in the past year, the Company accomplished 254 product development projects, 94 technology R&D projects, introduced dualized and domestic key materials/equipment, and promoted lower product cost. The Company practiced the strategy of "getting victory from quality and speed", applied quality management idea of "prevention over inspection", and promoted the progress of product and service quality. The Company put CLCA management system in full swing, made effective operation of the yield-rate index warning system, kept monitoring in real-time to ensure quality, and thoroughly promoted six sigma technology.

B. Smart system division

Own-brand: BOE Alta TV product went into the market and won 2 international awards. The 110-inch 4k product and smart pay band products realized mass production. The Company set up smart commercial platform, formed a commercial mode of "offline experience and online sales". As for commercial products, the Company focused on domestic key branches, expanded overseas market, and realized overseas supply of high-end products. Optoelectronic energy business: The Company promoted the development and practiced internal and external PV EPC project, and thus created revenue and profit growth. The ambient lighting projects for super market were stably carried forward, so that diversified sales can be realized. Complete machine OEM: the Company perfected client orientation and market incentive mechanism, and obtained remarkable results in strategic client development and the 1st supplier planning, reached a breakthrough in 1 million monthly shipment, and over fulfilled business targets. Backlight units: transformation of modular and newly applied products made progress. The Company expanded domestic market, and became the backlight supplier for plenty of brand mobile phone companies.

C. Health service division

The Company formulated development targets and strategic plans for future 5 years, cleared and defined the execution routines and action plans of its strategies, and made breakthrough in startup projects. Health medical treatment: The Company finished its acquisition for Beijing Mingde Hospital, helped the hospital clear up hospital management process standards and organization mechanism, enlarged the market, strengthened department strength, enhanced team building, implemented refine management, promoted operation improvement. The Company signed Hefei digital integrated hospital project cooperation agreement with Dignity Health, preliminarily accomplished project planning and feasibility demonstration, researched on and discussed about project construction and operation management plans. The Company signed strategic cooperation agreement with IBM, launched cognition calculation project, and set up a big-data platform for health management. Professional park: Brand promotion in the park, as well as customer service got better. Customer satisfaction has been continuously improved. The pay-back from cash flows was stable. Supporting park projects for Hefei digital integrated hospital made well progress.

(2) Assets and liabilities**A. Significant changes in the asset composition**

Unit: RMB

Item	31 December 2015		31 December 2014		Change in percentage (%)	Reason for any significant change
	Amount	As a percentage of total assets (%)	Amount	As a percentage of total assets (%)		
Monetary funds	38,866,861,836.00	25.47%	40,172,401,999.00	29.49%	-4.02%	No significant changes
Accounts receivable	8,192,514,361.00	5.37%	6,615,762,122.00	4.86%	0.51%	No significant changes
Inventories	6,609,406,228.00	4.33%	4,163,304,029.00	3.06%	1.27%	New production lines went into mass production and the Company stocked up for strategic customers.
Investment properties	1,227,099,427.00	0.80%	1,251,820,763.00	0.92%	-0.12%	No significant changes
Long-term equity investments	1,260,302,959.00	0.83%	638,819,435.00	0.47%	0.36%	New such investments made
Fixed assets	63,565,099,405.00	41.66%	49,398,396,189.00	36.26%	5.40%	No significant changes
Construction in progress	18,645,461,692.00	12.22%	21,868,641,210.00	16.05%	-3.83%	No significant changes
Short-term borrowings	5,091,974,830.00	3.34%	2,158,988,600.00	1.58%	1.76%	Borrowings secured for new projects
Long-term borrowings	36,341,198,145.00	23.82%	33,631,104,669.00	24.69%	-0.87%	New borrowings for new projects
Prepayments	226,447,504.00	0.15%	150,734,013.00	0.11%	0.04%	No significant changes
Other current assets	8,712,017,517.00	5.71%	6,085,764,454.00	4.47%	1.24%	New wealth management products and the increase in overpaid VAT
Available-for-sale financial assets	454,096,246.00	0.30%	323,530,493.00	0.24%	0.06%	New investments and fair value changes
Goodwill	197,963,688.00	0.13%	51,502,898.00	0.04%	0.09%	Changes in the scope of the consolidated financial statements
Other non-current assets	347,851,674.00	0.23%	1,420,564,369.00	1.04%	-0.81%	Prepayments for equipment and decrease in the deferred VAT on imported equipment
Notes payable	343,277,037.00	0.22%	258,737,884.00	0.19%	0.03%	Notes were adopted in the settlement of some procurement transactions.
Accounts payable	9,849,935,031.00	6.46%	6,691,237,683.00	4.91%	1.55%	The amount for material procurement increased as the business scale was expanded.
Interest payable	348,173,849.00	0.23%	219,407,964.00	0.16%	0.07%	Increase in borrowings
Non-current liabilities due within one year	2,283,535,113.00	1.50%	15,000,000.00	0.01%	1.49%	Long-term borrowings became due within one year.
Other non-current liabilities	6,170,843,660.00	4.04%	3,866,566,063.00	2.84%	1.20%	Increase in convertible bonds

B. Assets and liabilities measured at fair value

Unit: RMB

Item	Opening balance	Gain/loss on fair value changes in the Reporting Period	Cumulative fair value changes charged to equity	Impairment provided in the Reporting Period	Purchased in the Reporting Period	Sold in the Reporting Period	Closing balance
Financial assets							
1. Financial assets measured at fair value with fair value changes included in the gains and losses for the Reporting Period (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	266,425,007.00	0.00	39,095,850.00	0.00	0.00	0.00	305,520,857.00
Subtotal of financial assets	266,425,007.00	0.00	39,095,850.00	0.00	0.00	0.00	305,520,857.00
Investment properties	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Productive living assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Others	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total of the above	266,425,007.00	0.00	39,095,850.00	0.00	0.00	0.00	305,520,857.00
Financial liabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00

(3) Outlook for the future development of the Company**A. Competition in the industry and external economic environment****a. Competition in the industry**

Affected by the weak demand and price decline for the traditional bulk products in the display industry, the delivery prices of main products go down periodically. As such, the worldwide panel manufacturers are taking active measures such as adjusting product portfolio to get it through. The panel manufacturer, on one hand, continues to expand the scale, on the other hand, is actively laying out new display technologies including AMOLED in an effort to take advantage of the opportunity for periodical adjustment so as to improve the overall competitiveness and grab for vantage points to make a rapid break-through.

b. External economic environment

The global economy in 2015 was the most complicated and toughest since the financial crisis in 2008, with heavy downward pressure, slow and unbalanced recovery. In 2016, China's economy growth and market stability will be affected by the continuous severity of external economic environment, transformation and upgrading of China's economy forced by the competition of global trade and new technology, weak global demand, unstable financial market and tense geopolitical situation.

B. Future development of the company

Always keeping in mind the innovative spirit, the Company will further strengthen its competitive edge in display devices and boost the development of intelligent systems and health services, marching towards its strategic objectives of software and hardware integration, application integration and servicization. For the company, the year 2016 is highly strategic. The company is striving for opportunities in the periodical adjustment to translate the industrial slump into an opportunity for it to transcend. To reach the business objectives of the company in 2016, each business group is actively taking countermeasures, among which:

a. Display device division

Follow the "defend and attack" strategy in an effort to secure high yield and best sale; go deep into the customers to explore potential demand, optimize customer experience, jointly plan new products and convey relevant product information to the product development department to rapidly fulfill sales generation, increase its share in the segment market and actively expand the emerging markets such as India, Brazil and Russia; push forward the client identification and sales of new technical products such as touch module, high resolution, new application, LTPS and OLED, enhance product value to become a leading supplier of new technical

high-performance products for brand customers; improve market sensitivity and minimize the effect of market fluctuation on the company.

Strengthen innovation in process and technology, improve the ability to add value and flexibly responding to the capacity fluctuation for the production lines to meet the customer requirements to the greatest extent; higher the level of standardization in the production line, optimize the mechanism for assessing risks existing in new product and technology to secure the maximum efficiency in the production line; perfect the reserve for key product and technology; speed up the mass production of new technology; strengthen internal horizontal linkage to realize customer value co-creation and secure product profitability.

On the basis of stable supply in the whole year, drive the introduction of key materials in a binary and local manner, localization of new projects and reduction in unit consumption of chemical products to improve competitiveness; improve the role of supply chain in supporting and driving the innovation in product and technology, intensify the introduction of new materials and technologies, fulfill the introduction of key materials and improve added value of products; perfect the products supporting future display technologies in the supply chain, explore potential resources, construct supply chain system with technical strength and cost competitiveness.

Establish quality problem pool on the client end, specially overcome challenges in quality technology and make the quality management networked, intelligent and efficient; push forward the establishment of standardized management platform, perfect quality management system for suppliers, strengthen the efforts in external investigation and set up mechanism for quality control; comprehensively promote the application of Six Sigma and improve the quality awareness of all employees.

b. Smart system division

Original brand: Innovate business modes, intensify promotion efforts to make more consumers familiar with the brand and product and reach participative and reputation marketing effect; adhere to the principle of customer-oriented, do well in product plan and development, secure rapid commercialization of new products and create benefits for the enterprise; rapidly absorb and recreate external resources, translating them into its own abilities to drive the completion of various tasks and make great efforts to get biggest results from established investment; strengthen team building to create a team of talents meeting the transformation and development of the enterprise.

PV energy: Push forward the implementation of given products based on the plan, do well in the management and control of operation risks and ensure the planed business targets are achieved; speed up the development and mass production of new technology and product, enrich product structure and further consolidate the basic capabilities.

OEM: Deeply explore the potential demand of strategic customers, develop new brand customers, implement the plans for the first-tier suppliers, do well in lean management, strictly control cost and make efforts to bring the business performance to a new height; push forward intelligent manufacturing projects according to the plan, do well in investment and operation analysis and improve the capability for making profits.

Backlight module: Strengthen the efforts in expanding brand customers, increase segment market share and mark great efforts to realize new breakthrough in business performance; intensify the R&D capability, lose no time in launching new products and rapidly make them commercialized; follow the strategy for transforming backlight business to modular system and form long-term stable profitability mode.

c. Healthcare service division

Healthcare: Thoroughly improve the business performance of Oasis International Hospital from such aspects as product, service and market promotion, perfect systems for developing teams for operation management and medical care and gain operation results as soon as possible; push forward the construction of the project of "Hefei Digital Comprehensive Hospital", facilitate the planning and design of detailed projects, organize and train the team for project operation and management; cooperate with international consultants in completing the construction of platforms for cognitive computing, drive the landing of new projects and coordinate with the unit concerned for the design of cooperation mode. Special park: Based on the operation mode for light assets, make good use of the existing resources and make great efforts to create more profits and cash flow through providing overall solutions and other services.

2. Significant changes in the main business in the Reporting Period

☐ Yes ☒ No

3. Products contributing over 10% of the main business revenue or profit

☒ Applicable ☐ Not applicable

Unit: RMB

Product	Operating revenue	Operating profit	Gross profit margin	Operating revenue: YoY +/-%	Operating profit: YoY +/-%	Gross profit margin: YoY +/-%
Display devices	43,501,436,202.00	821,690,387.00	20.06%	33.11%	-66.60%	-2.07%
Intelligent systems	8,781,046,730.00	-85,662,243.00	8.67%	41.08%	-38.55%	-0.01%

4. Seasonal or periodic characteristics in the operating performance that need special attention

☐ Yes ☒ No

5. Significant YoY changes in the operating revenues, operating costs and net profit attributable to the common shareholders or their composition

☐ Applicable ☒ Not applicable

6. Possibility of listing suspension or termination

☐ Applicable ☒ Not applicable

VI Issues related to the financial report

1. YoY changes in accounting policies, accounting estimations and measurement methods

☐ Applicable ☒ Not applicable

No changes.

2. Retroactive restatements due to correction of significant accounting errors in the Reporting Period

☐ Applicable ☒ Not applicable

No such cases.

3. YoY changes in the scope of the consolidated financial statements

☒ Applicable ☐ Not applicable

In August 2015, the Company increased the capital of Fuzhou BOE Optoelectronics Technology Co., Ltd. that held 92.64% equities of the latter which became the controlling shareholder and included which into the scope of the consolidated financial statements;

In August 2015, the Company subscribed 100% equities of OASIS Investment Co., Ltd. and included the subordinate companies of which, Beijing Huasheng Kangcheng Hospital Management Co., Ltd. and Beijing OASIS International Hospital Co., Ltd. into the scope of the consolidated financial statements.

4. Explanation by the Board of Directors and the Supervisory Committee concerning the “auditor’s report with non-standard opinion” issued by the CPAs firm for the Company in the Reporting Period

☐ Applicable ☒ Not applicable

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

Date of the Board of Directors approving to report: 22 Apr 2016